



# CITY OF PELLA

## CITY COUNCIL OFFICIAL MINUTES

November 15, 2022

### **A. CALL TO ORDER BY MAYOR AND ROLL CALL**

The City Council of the City of Pella, Iowa, met in regular session at the Public Safety Complex (614 Main Street) at 6:00 p.m., Mayor Don DeWaard presiding. Council members present were: Mark De Jong, Liz Sporrer, Lynn Branderhorst, Dr. Spencer Carlstone. Dave Hopkins joined via phone at 6:02 p.m. Absent: Calvin Bandstra. City Administrator Mike Nardini and City Clerk Mandy Smith were present. Seven staff members and twenty-three members of the general public attended in person. Nine members of the general public attended via conference call.

### **B. MAYOR'S COMMENTS**

1. Approval of Tentative Agenda.  
Branderhorst moved to approve, seconded by Sporrer.  
On roll call the vote was: AYES: 4, NAYS: None. Motion carried.

Hopkins joined via phone at 6:02 p.m.

### **C. PUBLIC FORUM (for anyone wishing to address Council regarding agenda items)**

Comments were received and addressed.

### **D. APPROVAL OF CONSENT AGENDA**

De Jong moved to approve the consent agenda, seconded by Branderhorst.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

The following items were approved:

1. Approval of Minutes
  - a. Official Council Minutes for November 1, 2022
2. Report of Committees
  - a. Policy and Planning Minutes for November 1, 2022

PRESENT: Mayor Don DeWaard, Mark De Jong, Liz Sporrer, Lynn Branderhorst, Calvin Bandstra, Dr. Spencer Carlstone, Dave Hopkins  
ABSENT: None

OTHERS: City staff and visitors

The Policy and Planning meeting began at 6:41 p.m. The purpose of the meeting was to discuss the status of the sidewalk inspection program. In 2018 and 2019, defective sidewalk panels in the northeast and northwest quadrants of the city were identified and repaired. Inspections were not held during 2020 and 2021 due to the pandemic. The sidewalk inspection process resumed in early 2022.

Initial sidewalk inspections in the southwest quadrant of Pella (south of Washington Street and west of Main Street) resulted in 718 privately-owned panels and 53 city-owned panels identified as defective. Property owners were given a deadline of December 27, 2022, to conduct the repairs. After this date, staff will begin an abatement project to repair the remaining defective panels.

Staff believes the estimated repair cost will be between \$200 to \$250 per panel. Under City Code, the property owners are responsible for the cost to maintain the public sidewalks abutting their property. Council will approve the financial parameters of the assessment program including payment schedules. Property owners will be provided an appeal process should they disagree with their assessment.

Council member De Jong inquired whose responsibility it is to repair the panels that intersect with the street. City Administrator Mike Nardini responded that panels intersecting public streets are the city's responsibility and panels intersecting private streets are the property owner's responsibility. De Jong mentioned a specific panel on Bos Landen Drive. Planning and Zoning Director Gerald Buydos informed Council that this specific panel was the responsibility of the Homeowner's Association.

Council member Carlstone asked if citizens can complete the sidewalk replacement work on their own. Buydos responded that hiring a contractor is recommended due to the necessary specifications.

At the end of the discussion, Council expressed agreement to proceed with the project as presented. Listed below is the timeline:

- December 27, 2022: panels included in the initial letters due to be fixed, inspection begins
- January 2023: bid process begins
- February 2023: bid process concludes
- April 1, 2023: abatement/repairs begin
- July 1, 2023: abatement/repairs conclude
- July-August 2023: assessment process including sending invoices to property owners before assessing costs through the county

The meeting adjourned at 6:48 p.m.

Respectfully submitted:

Mandy Smith  
City Clerk

**b. Civil Service Commission Minutes for August 31, 2022**

Present: Marty Racheter, Commission Chair; Curtiss Baugh, Commission Member via Microsoft Teams; Nathan Wolff, Commission Member; Stacey Bone, City of Pella Personnel Officer; Marcia Slycord, Secretary to the Commission and Police Administrative Services Manager; Shane McSheehy, Chief, Pella Police Department; Paul Haase, Captain, Pella Police Department

The meeting was called to order at 6:34 p.m. by Commission Chair Racheter.

Wolff moved to accept the August 31, 2022, agenda as presented, seconded by Baugh. All members in attendance voted aye; motion approved.

Baugh moved to accept the August 17, 2022, minutes as presented, seconded by Wolff. All members in attendance voted aye; motion approved.

Wolff moved to accept the August 18, 2022, minutes as presented, seconded by Baugh. All members in attendance voted aye; motion approved.

The purpose of the meeting was to discuss and evaluate the most recent, and ongoing patrol officer hiring process and the adopted Rules and Regulations adopted by the Commission on June 2, 2022.

There was discussion about qualifications needing to be re-tested and verbiage removed from the Rules and Regulations. It was determined that the attorney would weigh in on the final determination.

A question was raised about the Civil Service Commission needing to approve the process every time there is a recruitment process started? It was determined the Civil Service Commission does not need to meet if the process detailed in the rules and regulations is followed.

On page four of the Rules and Regulations, #11, states "Additional screening, background check, pre-employment physical, Minnesota Multiphase Personality Inventory – 2, polygraph." Wolff moved to change the verbiage of #11 to: "Additional screening, background check, pre-employment physical, Minnesota Multiphase Personality Inventory – 2 and an optional polygraph at the discretion of the police department," seconded by Baugh. All members in attendance voted aye; motion approved. There was additional discussion about removing the "background check" from #11 to better align with the City of Pella process. Number 9 should read "Extensive background may commence," and background check will be removed from #11. The following is a corrected version:

"Examinations

As the needs of a service may require, the service will request approval from the City Administrator and the Department of Human Resources to begin the recruitment process, the latter of whom will then notify the Civil Service Commission. The process will be as follows:

1. City approval to hire
2. Civil Service Commission approval of process
3. Advertise the position
4. Police Officer Selection Test (POST) and physical fitness assessment testing
5. Staff interview and ranking of candidates
6. Civil Service interviews
7. Civil Service review of ranking
8. Civil Service certification of hiring list
9. Extensive background may commence
10. Council approval of hiring list
11. Chief makes final selection and condition offer of employment
12. Additional screening, pre-employment physical, Minnesota Multiphase Personality Inventory-2, and an optional polygraph at the discretion of the police department.
13. Unconditional offer of employment; assign start date
14. Attend Iowa Law Enforcement Academy, if required"

Discussion about if only two Commission members is present during the interview process, then what is majority? The Commission said that if dates are set well in advance for interviews, all three members will be in attendance. If a member cannot attend, the meeting will be postponed.

Pella PD staff requested to continue with two test dates for police officer candidates. Commission agreed to allow candidates to test two times within a two-week period determined by Pella PD staff. Commission asked that Human Resources is involved in the staff interviews for police officers.

There being no further business to come before the commission, the meeting adjourned at 8:11 p.m.

Respectfully submitted,

Marcia Slycord

Secretary to the Commission

**c. Board of Adjustment Minutes for September 19, 2022**

Chairperson Westra called the Board of Adjustment to order at 6:00 p.m. in the Public Safety Complex. Members present were: Kristi Kious, Vince Nossaman, Susan Reiter, Lyle Vander Meiden, and Corey Westra; absent: Larry Lautenbach, Jaci Nunnikhoven, and Mike Vander Wert.

Staff present: Planning and Zoning Director Gerald Buydos, Zoning Analyst Jared Parker, and the Deputy City Clerk. Eight members of the public attended the meeting.

CHAIRPERSON'S COMMENTS

Approval of the Tentative Agenda: Motion by Nossaman, second by Reiter to approve the tentative agenda. Motion carried 5-0.

APPROVAL OF MINUTES: Motion by Reiter, second by Vander Meiden to approve the minutes from August 15, 2022. Motion carried 5-0.

PUBLIC HEARINGS

Consider a Special Use Permit Request from Revolution Solar to Allow a Roof-Mounted Solar Panel at 1554 Pleasant Drive  
Revolution Solar submitted a Special Use Permit (SUP) application to construct a solar array on the roof of 1554 Pleasant Drive. Under Chapter 165.26.5 of the Zoning Code, all solar arrays over 100 square feet on residential lots require an SUP.

Staff believes the proposed use agrees with the Zoning Code and recommended approval as submitted.

Convened Public Hearing on the variance request. No written comments were received. Two neighboring property owners, Kory and Anita Fischer, asked questions about the proposed solar panel SUP. The property owner, John De Ronde, was present to answer questions and to speak in favor of the SUP. He explained to the Fischers that the solar panels have a 20-year warranty. Planning and Zoning Director Gerald Buydos explained that removing the solar panel for longer than 180 days would void the SUP.

Motion by Kious, second by Nossaman to close the Public Hearing as no further comments were received. Motion carried 5-0.

Motion by Reiter, second by Nossaman to approve the SUP request as submitted. Motion carried 5-0.

Consider a Variance Request from Allan and Jo Ann Ready to Reduce the Front Setbacks for the Property at 1802 Neil Drive  
Allan and Jo Ann Ready submitted a variance application for their property located at 1802 Neil Dr. The applicant requested a variance to reduce the front setbacks by approximately one foot to 24 feet when City Code Table 165.12-2 requires that all Multi-Family Residential (R3) zoned properties have a 25-foot setback. The purpose of this request is to split the property via subdivision, with a pre-existing legal-nonconforming structure in the setback.

While the request is unique due to the nature of splitting a parcel with a non-conforming use to remedy that issue, staff does not believe the variance request meets all seven of the required criteria. While staff recognizes that this situation has some factors that complicate this

particular case, it is staff's opinion that this request fails to justify a hardship and does not meet all seven criteria required in the City's Zoning Code. However, the applicant does have the option to bring the property into conformance by tearing down the structure that is constructed within the setback. Technically, under the current code requirements, the variance does not meet the threshold required and staff recommended denial.

Convened Public Hearing on the variance request. No written comments were received.

Allan Ready, the applicant, spoke in favor of the variance and answered questions from the Board. He explained that the structures were constructed prior to the City of Pella annexing the property. These structures would have been built under Marion County's zoning regulations at the time. He indicated that he and his wife would like to subdivide the property in order to make the property more affordable for potential buyers.

Motion by Reiter, second by Kious to close the Public Hearing as no further comments were received. Motion carried 5-0.

Motion by Reiter, second by Kious to approve the variance request as submitted. Motion carried 5-0.

Consider a Variance Request from Jeff Dingeman to the Requirements of City Code Table 165.12-2 for Defining the Location of the Rear Yard Setbacks for the Property at the Northern Terminus of West 12th Street

Jeff Dingeman submitted a variance application for his subdivision located at terminus of 12th Street, north of Recker Dental and east of De Vries Electric. The applicant requested a variance to change the required setback orientations of the proposed subdivision. The Limited/Light Industrial (M1) zoning regulations include the following setback requirements:

Front yard: 25 feet.; Street side yard: 25 feet; Interior side yard: Zero feet, except where adjacent to residential uses or districts, then 25 feet; Rear yard: 25 feet

The rear yard setback on the proposed final plat should be 25 feet as required by the M1 zoning district instead of zero feet as currently indicated on the plat. The Zoning Code defines the rear yard as "a yard extending across the full width of the lot and measured between the rear lot line and the building or any projections other than steps, unenclosed balconies, or unenclosed porches. On both corner lots and interior lots, the rear yard is the opposite end of the lot from the front yard", per City Code Section 165.10(126).

Rear yard setbacks should be directly opposite of the lot frontage on the extension of any public street. The final plat incorrectly depicts the rear setback at the northern boundary of Lot 1 and the northerly boundary of Lot 2. The side yard setbacks of Lots 1 and 2 will also need to be corrected.

The property does not present any unique features that are not normally present in the nearby lots and staff does not believe the variance request meets any of the seven required criteria. In addition, miscommunications and misunderstanding of city codes by the applicant and/or consultants are not a reason to grant a variance.

The process of going from a preliminary plat to final plat allows all interested parties to catch and make corrections on technical errors before the final plat is approved and recorded. Any errors identified on the preliminary map are expected to be corrected before the final plat is approved. An approval by the Planning and Zoning Commission and City Council on a preliminary plat does not waive the requirement to fix technical errors identified, such as rear and side yard setback errors, as currently depicted on the final plat.

Staff believes the request fails to meet the requirements all criteria to grant a variance. Staff recommended denial of the variance.

Convened Public Hearing on the variance request. One written comment was received from Larry De Vries and included in the meeting packet. Westra read aloud the comment from De Vries which expressed concern with potential water runoff on his property from Dingeman's property.

Motion by Reiter, second by Kious to enter the written comment into the public record. Motion carried 5-0.

Jeff Dingeman, the applicant, spoke in favor of the variance and answered questions from the Board. Dingeman distributed some handouts to the Board, including a copy of his preliminary plat. He said that a site plan was included with each preliminary plat submittal to staff, which showed a five-foot setback. Buydos explained that the preliminary plat was approved by the Planning and Zoning Commission and City Council, but the site plan has yet to be considered by the Planning and Zoning Commission. Lot 1 can be created and sold now, but Lot 2 may not be sold or developed until West 12th Street is extended.

Motion by Reiter, second by Kious to close the Public Hearing as no further comments were received. Motion carried 5-0.

In response to a question from Nossaman, Buydos explained that approval of the variance could set a precedent that the Zoning Code section that outlines the orientation and setback of lots based on public streets could be waived by the Board.

Motion by Kious, second by Reiter to reopen the Public Hearing as further comments were received. Motion carried 5-0.

Dingeman mentioned that the South Main development was built into the right-of-way off of Main Street. He said he is asking to encroach on another M1 property and not a road right-of-way. Dingeman distributed additional handouts to the Board. Buydos further explained the setback requirements for Dingeman's project.

Vander Meiden asked staff whether Dingeman could file another variance request, should this one be denied. Buydos said staff will research that question.

Motion by Reiter, second by Kious to close the Public Hearing as no further comments were received. Motion carried 5-0.

Motion by Nossaman second by Vander Meiden to table the variance request to a future meeting. A request was made by Nossaman to attempt to have additional Board members present to discuss this item at that meeting. Motion carried 5-0.

Buydos reminded the Board that any discussion with applicants outside of a public Board meeting would need to be disclosed during the meeting. He asked the Board that, if they had questions for Dingeman, to submit them to staff, who would reach out to Dingeman for answers on their behalf.

The next meeting is scheduled for October 17, 2022. Nossaman asked for flexibility on the next meeting, as he may be out of town on October 17, 2022. Staff will reach out to the Board with alternative meeting dates.

Adjourned at 7:09 p.m.

#### d. Planning and Zoning Commission Minutes for September 26, 2022

Chairperson Vos called the Planning and Zoning Commission to order at 7:00 p.m. in the Public Safety Complex. Members present were: Sarah Buchheit, Cathy Haustein, Tom Johnson, Robin Pfalzgraf, Marc Vande Noord, and Teri Vos; absent: Joe Canfield, Julio Chiarella, and Ann Visser. Staff present: Planning and Zoning Director Gerald Buydos, Zoning Analyst Jared Parker, and the Deputy City Clerk. Three members of the public were present.

APPROVAL OF TENTATIVE AGENDA: Motion by Pfalzgraf, second by Vande Noord to approve the tentative agenda. Motion carried 6-0.

APPROVAL OF MINUTES: Motion by Pfalzgraf, second by Vande Noord to approve the minutes of the August 22, 2022 meeting. On roll call the vote was: ayes: Pfalzgraf, Vande Noord, Buchheit, Johnson, Vos; nays: none; abstain: Haustein. Motion carried 5-0-1.

##### NEW BUSINESS PROPOSED

Consider a Revised Preliminary Plat Submitted by Dave Hopkins to Subdivide Parcel 1740300705, Located on Bos Landen Drive (Tabled at the March 28, 2022 Commission Meeting)

Dave Hopkins (RAVE Property Management) submitted a revised preliminary plat for nine parcels along Bos Landen Drive. The 2.47-acre site is currently undeveloped and is conditionally zoned Multiple-Family Residential (R3). The Planning and Zoning Commission heard this item at the March 28, 2022, meeting. The preliminary plat was tabled due to technical issues regarding lot layout and the type of product that could be built on the lots. The applicant has now corrected those issues and the preliminary plat is able to move forward through the approval process.

The property is conditionally zoned R3. The district intends to provide locations primarily for multiple-family housing, with supporting and appropriate community facilities. It also permits some non-residential uses to permit the development of mixed-use neighborhoods. The site would consist of nine residential lots. The lots can be either single family units, duplex units or single family attached, which must use two lots to comply with code. The proposed lot meets all R3 zoning district minimum requirements.

Chapter 170.06.2 tasks the Planning and Zoning Commission to review the proposed preliminary plat for conformance with the City's Comprehensive Plan. The Comprehensive Plan's Future Land Use Map identifies this site as Low-Density Residential. The proposed use complies with this designation. The Comprehensive Plan also calls for increased housing in the community, which this project helps satisfy. As the proposed preliminary plat satisfies pertinent City Code and is consistent with the Comprehensive Plan, staff recommended approval of the preliminary plat as submitted.

Pfalzgraf asked whether a mix of single-family and duplexes could be built. Buydos said yes. Currently, in the Bos Landen development, there are a mix of single-family, condominiums, and duplexes. Hausteine asked whether the homeowners can remove the trees that the developer must plant. Buydos said that homeowners would be advised that the trees are part of the development, but if they are removed in the future, the City would not say anything. Buydos also explained that there are existing street trees in the Bos Landen development. Motion by Hausteine, second by Johnson to approve the preliminary plat as submitted. Motion carried 6-0.

Consider a Preliminary Plat Submitted by Allan and Jo Ann Ready for 1802 Neil Drive

Buchheit explained that she would be abstaining from this item as she is the realtor with the listing for this property. Allan and Jo Ann Ready submitted a preliminary plat to create three parcels along Neil Drive at Idaho Drive. The 1.62-acre site is currently developed and is zoned Multiple-Family Residential (R3). The applicant wishes to subdivide and create three separate parcels. Two of these parcels have existing homes on them and one parcel will be vacant.

The 1.62-acre site is currently developed with two homes and two outbuildings on one lot. The site also includes a potential vacant parcel. The garage outbuilding next to 1802 Neil Drive was constructed within the front set back. City of Pella Codes require that any proposed subdivision must be conforming to all applicable city codes before the Planning and Zoning Commission and City Council can approve. With the garage being constructed in the setback, the applicant is required to remedy the code issue before the map can move forward. To remedy the code issue, two options are available to the applicant: one would be for the garage to be torn down or the second would be to apply for a variance. The applicant applied for a variance and on September 19, 2022, the Board of Adjustment unanimously approved the variance for the one-foot encroachment into the front setback. The preliminary plat can now move forward through the approval process.

The property is zoned R3. The district intends to provide locations primarily for multiple-family housing, with supporting and appropriate community facilities. It also permits some non-residential uses to permit the development of mixed-use neighborhoods. The site would consist of three residential lots. Two of these parcels have existing homes on them and one parcel will be vacant.

Chapter 170.06.2 tasks the Planning and Zoning Commission to review the proposed preliminary plat for conformance with the City's Comprehensive Plan. The Comprehensive Plan's Future Land Use Map identifies this site as Low-Density Residential. The proposed use complies with this designation. The Comprehensive Plan also calls for increased housing in the community, which this project helps satisfy. As the proposed preliminary plat satisfies pertinent City Code and is consistent with the Comprehensive Plan, staff recommended approval of the preliminary plat as submitted.

Motion by Johnson, second by Vande Noord to approve the preliminary plat as submitted. On roll call the vote was: ayes: Johnson, Vande Noord, Hausteine, Pfalzgraf, Vos; nays: none, abstain: Buchheit. Motion carried 5-0-1.

Consider a Site Plan Submitted by Brian Stelpflug to Construct a Warehouse Addition at 432 SE 16th Street

Brian Stelpflug submitted a site plan application to construct an addition to his existing building at 432 SE 16th St. The proposed addition will be approximately 3,028 square feet to the existing building, which is approximately 3,024 square feet, for a total of 6,052 square feet. Approximately 3,117 square feet of paved parking will be added to the existing 5,220 square feet for a total of 8,337 square feet. The property is currently zoned Limited/Light Industrial (M1). The M1 district is intended to accommodate a wide variety of industrial uses, some of which may have significant external effects. These uses may have operating characteristics that create conflicts with lower intensity surrounding land uses. The district provides the reservation of land for these activities and includes buffering requirements to reduce incompatibility.

According to the Zoning Ordinance, the proposed land use is classified as Warehousing (Enclosed), which is defined as "uses including storage, distribution and handling of goods and materials within enclosed structures. Typical uses include wholesale distributors, storage warehouses and van and storage companies." The existing building's current use is Vehicle Storage (Long Term), which is defined as "long-term storage of operating or non-operating vehicles for a period exceeding 21 days. Typical uses include storage of private parking tow-away or impound yards but exclude dismantling or salvage. Storage for 21 days or less constitutes a commercial use type." Both land uses are permitted by right in the City's M1 zoning district.

Chapter 165.36(F)(3) requires the proposed site plan to conform to the City's Comprehensive Plan. The Future Land Use Map of the Comprehensive Plan identifies this site for "General Industrial" land uses. Staff believes the proposal meets this description in the Comprehensive Plan, along with providing more industrial acres, which is noted as a need in the Comprehensive Plan. Staff believes the proposed site plan meets the requirements of the City's Zoning Code and is consistent with the City's Comprehensive Plan. Therefore, staff recommended the site plan be approved as submitted.

Motion by Pfalzgraf, second by Vande Noord to approve the site plan as submitted. Motion carried 6-0.

OTHER BUSINESS / WORK SESSION

Next Meeting Date: The next Planning and Zoning Commission meeting is scheduled for October 24, 2022.

Buydos mentioned a joint work session with the City Council is scheduled for October 11, 2022. The intent is to get the Commission and the City Council on the same page going forward. He suggested that the Commission come to the meeting with questions.

Pfalzgraf said she and Chiarella were appointed to the Oskaloosa Street Corridor Committee a couple of years ago and said they have not yet met as a group. She asked whether they would have any meetings. Buydos said that could be a question asked of the City Council at the joint work session.

Adjourned at 7:31 p.m.

### 3. Petitions and Communications

#### a. Special Event Permit Request for Sinterklaas Parade

##### i. Resolution No. 6516 entitled, "RESOLUTION TEMPORARILY CLOSING PUBLIC WAYS OR GROUNDS IN CONNECTION WITH A SPECIAL EVENT KNOWN AS SINTERKLAAS PARADE"

BACKGROUND: The Pella Historical Society has requested a special event permit for the Sinterklaas Parade scheduled on Saturday, December 3, 2022 from 10:00 to 11:15 a.m. Set up is requested to begin at 9:45 a.m. As background, this annual event celebrates the community's Dutch heritage and consists of a strolling Volks parade and brief program on the Tulip Toren. Included with this request is a resolution closing Franklin Street from Broadway Street to E 1st Street from 9:45 to 11:00 a.m. the day of the event.

All pertinent city departments have reviewed this application and comments are attached. At the time of Council packet publication, the special event permit fee and insurance certificate were still pending; therefore, staff recommends conditional approval of this event and resolution pending receipt of the associated fee and certificate of insurance.

ATTACHMENTS: Resolution, Application, Map, Department Comments  
REPORT PREPARED BY: City Clerk  
REVIEWED BY: City Administrator  
RECOMMENDATION: Conditional approval pending receipt of special event permit fee and certificate of insurance

**b. Special Event Permit Request for Christmas Sing Along**

**BACKGROUND:** The Pella Historic Downtown Retail Group is requesting a special event permit to host a Christmas Sing Along on the back side of the Tulip Toren. The event is requested to occur on Saturday, December 17, 2022 from 1:00 to 3:00 p.m. If approved, set-up would begin at 11:00 a.m. with take down completed by 3:00 p.m. No street or parking space closures have been requested.

All pertinent city departments have reviewed this application and comments are attached. The fee and insurance certificate have been received. Staff is recommending approval of this special event.

ATTACHMENTS: Application/Map, Department Comments  
REPORT PREPARED BY: City Clerk  
REVIEWED BY: City Administrator  
RECOMMENDATION: Approve special event permit

**E. PUBLIC HEARINGS**

**1a. Public Hearing on the proposed Timberview Urban Renewal Plan.**

No written or oral comments were received.

Branderhorst moved to close the public hearing, seconded by Sporrer.

On roll call the vote was: **AYES: 5, NAYS: None. Motion carried.**

**BACKGROUND:** The proposed Timberview Urban Renewal Plan (URP) is intended to help facilitate additional housing in our community. The proposed development is located just north of the Hazel Street and East Park Lane intersection. Phase 1 will provide approximately 36 residential lots split between a mix of product type from zero threshold patio type attached homes to standard market rate detached dwelling units and lots. The developer estimates a seven-year build out with estimated valuations of nearly \$16.1 million, ultimately resulting in approximately \$296,000 in annual property tax revenues.

As background, the Marion County Housing Assessment identified an additional 966 housing units are needed by the year 2025 to meet the demand for housing in Pella. Furthermore, the Comprehensive Plan established goals and suggested strategies for new housing developments. Included with these strategies was the use of Tax Increment Financing (TIF) to provide economic development incentives to developers for new housing. To offer economic development incentives for new housing, the city must first approve an URP which is in conformance with the Comprehensive Plan.

Industry standards recommend communities have three to five years of buildable lots in their inventory, which equates to 180 to 300 lots for the City of Pella. The reason for this recommendation is it takes approximately two years for a new residential subdivision to complete engineering design, receive legislative approval, and construct public improvements; therefore, the key with residential housing is to always have an ample inventory of buildable lots. As of this date, the City of Pella has approximately 123 buildable lots within our community. Depending on the economy, we typically issue between 20 to 60 single family building permits on an annual basis; therefore, staff believes the proposed Timberview residential development is needed within our community.

Comprehensive Plan

The Comprehensive Plan identified a shortage of housing and housing types in the community. Furthermore, the Comprehensive Plan identified the following as residential growth areas: Far NW, NW, Airport area, NE, SE, E, and Far E; Timberview is in the NE area. The Comprehensive Plan also identifies the need to provide a mix of housing types, which are identified as single-family detached, single-family attached, and multi-family. The proposed Timberview development provides single-family attached and single-family detached products. Staff believes the proposed development aligns strongly with the Comprehensive Plan and will help address the shortage of residential housing.

Eligible Urban Renewal Projects

The following items are identified as eligible projects under the Timberview URP:

1. Public Improvements. Upgrade 1,349 linear feet of existing gravel road to an urban cross section with public utilities at an estimated cost of \$1.3 million.
2. Development Agreement with Pella Timberview. The developer is requesting partial reimbursement for the cost of its public infrastructure which would be built to the city's development standards and dedicated to the city upon completion. The estimated cost to install the necessary streets, sanitary sewer, water, and storm sewer infrastructure to serve Phase 1 of the development totals \$2.5 million. The total amount of the grant payments to the developer are not to exceed the lesser of \$1,750,000 or 70% of the actual costs incurred by the developer. Additional details regarding the terms of this proposed Development Agreement are included as agenda item E-2.
3. Other Development Agreements. The city may consider requests for future development agreements including, but not limited to, land, loans, grants, tax rebates, public infrastructure assistance, and other incentives in an amount estimated not to exceed \$500,000.
4. Planning, engineering fees (for URPs), attorney fees, and other related costs to support URPs. The estimated fees are not to exceed \$20,000.

Consultation Meeting and Planning & Zoning Commission Recommendation

Iowa Code requires the city to hold a consultation with all affected taxing entities prior to adoption of an URP. As directed by the City Council, the consultation was held on October 20, 2022. No oral or written comments were received. Minutes from the Consultation are included as a memo attachment.

Additionally, Iowa Code requires the city to submit the proposed URP to the Planning and Zoning Commission for review. At their meeting held on October 24, 2022, the Commission recommended that the proposed Timberview URP is in conformance with the Comprehensive Plan. Minutes from the Planning and Zoning Commission on October 24, 2022 are included as a memo attachment.

In summary, staff believes the proposed Timberview URP aligns and is in conformance with the Comprehensive Plan. As a result, staff recommends approval of the following items on the Council agenda for consideration:

1. Resolution No. 6517 adopting the Timberview URP.
2. Ordinance No. 1022 implementing collection of tax increment revenues within the Timberview Urban Renewal Area.
3. Resolution No. 6518 approving a TIF extension agreement with Marion County and the Pella Community School District for the Timberview Urban Renewal Area. According to Iowa law, unless an extension is approved by the city, county, and school district, the ability to collect tax increment for non-Low and Moderate Income (LMI) housing developments is limited to 10 years. If approved by all parties, the ability to collect tax increment from the project could be extended to 15 years. Staff believes a 15-year TIF district is necessary to fully reimburse the developer.

Staff believes the City of Pella can serve this development until the proposed TIF district is retired. Furthermore, both Marion County and the Pella Community School District have already approved this TIF extension agreement.

ATTACHMENTS: Resolution No. 6517, Timberview Urban Renewal Plan, Consultation Minutes, Planning and Zoning Commission Minutes, Ordinance No. 1022, Resolution No. 6518, TIF Extension Agreement

REPORT PREPARED BY: City Administration

REVIEWED BY: City Administrator, City Clerk

RECOMMENDATION: Approve resolutions and ordinance

- 1b. Resolution No. 6517 entitled, “RESOLUTION DETERMINING AN AREA OF THE CITY TO BE AN ECONOMIC DEVELOPMENT AREA, AND THAT THE REHABILITATION, CONSERVATION, REDEVELOPMENT, DEVELOPMENT, OR A COMBINATION THEREOF, OF SUCH AREA IS NECESSARY IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY OR WELFARE OF THE RESIDENTS OF THE CITY; DESIGNATING SUCH AREA AS APPROPRIATE FOR URBAN RENEWAL PROJECTS; AND ADOPTING THE TIMBERVIEW URBAN RENEWAL PLAN.”

De Jong moved to approve, seconded by Sporrer.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

- 1c. Ordinance No. 1022 entitled, “AN ORDINANCE PROVIDING THAT GENERAL PROPERTY TAXES LEVIED AND COLLECTED EACH YEAR ON ALL PROPERTY LOCATED WITHIN THE TIMBERVIEW URBAN RENEWAL AREA, IN CITY OF PELLA, COUNTY OF MARION STATE OF IOWA, BY AND FOR THE BENEFIT OF THE STATE OF IOWA, CITY OF PELLA, COUNTY OF MARION, PELLA COMMUNITY SCHOOL DISTRICT, AND OTHER TAXING DISTRICTS, BE PAID TO A SPECIAL FUND FOR PAYMENT OF PRINCIPAL AND INTEREST ON LOANS, MONIES ADVANCED TO AND INDEBTEDNESS, INCLUDING BONDS ISSUED OR TO BE ISSUED, INCURRED BY THE CITY IN CONNECTION WITH THE TIMBERVIEW URBAN RENEWAL AREA (THE TIMBERVIEW URBAN RENEWAL PLAN).”

De Jong moved to place ordinance no. 1022 on its first reading, seconded by Sporrer.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

- 1d. Resolution No. 6518 entitled, “RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF AN EXTENSION AGREEMENT BY AND AMONG THE CITY OF PELLA, THE COUNTY OF MARION, AND THE PELLA COMMUNITY SCHOOL DISTRICT APPROVING THE EXTENSION OF THE DIVISION OF TAX REVENUE IN THE TIMBERVIEW URBAN RENEWAL AREA, IN THE CITY OF PELLA, IOWA.”

De Jong moved to approve, seconded by Sporrer.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

- 2a. Public Hearing on the proposal to enter into a Development Agreement with Pella Timberview, LLC. No written comments were received. Two members of the public asked questions which were addressed. Branderhorst moved to close the public hearing, seconded by De Jong.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: This resolution approves and authorizes execution of a development agreement between the City of Pella and Pella Timberview, LLC. This proposed residential development is located just north of the Hazel Street and East Park Lane intersection. Phase 1 of the development would provide 36 lots consisting of 24 detached units and 12 attached units. The proposed development will include a mix of product type from zero threshold patio type attached homes to standard market rate detached dwelling units.

The developer will be required to construct all on-site public infrastructure including streets, water, sewers, storm drains, curbs, gutters, sidewalks, retention ponds, and electric infrastructure for the new residential lots. The estimated cost of this public infrastructure is \$2,500,000 for Phase 1. The developer estimates a seven-year build out with estimated valuations of nearly \$16.1 million, ultimately resulting in approximately \$296,000 in annual property tax revenues.

Housing Needs in the City of Pella

As background, the Marion County Housing Assessment identified an additional 966 new housing units are needed by the year 2025 to meet the demand for housing in Pella. Furthermore, the Comprehensive Plan established goals and suggested strategies for new housing developments. Included with these strategies was the use of Tax Increment Financing (TIF) to provide economic development incentives to developers for new housing. To offer economic development incentives for new housing, the city must first approve an URP which is in conformance with the Comprehensive Plan.

Industry standards recommend communities have three to five years of buildable lots in their inventory, which equates to 180 to 300 lots for the City of Pella. The reason for this recommendation is it takes approximately two years for a new residential subdivision to complete engineering design, receive legislative approval, and construct public improvements; therefore, the key with residential housing is to always have an ample inventory of buildable lots. As of this date, the City of Pella has approximately 123 buildable lots within our community. Depending on the economy, we typically issue between 20 to 60 single family building permits on an annual basis; therefore, staff believes the proposed Timberview residential development is needed within our community.

Comprehensive Plan

The Comprehensive Plan identified a shortage of housing and housing types in the community. Furthermore, the Comprehensive Plan identified the following as residential growth areas: Far NW, NW, Airport area, NE, SE, E, and Far E; Timberview is in the NE area. The Comprehensive Plan also identifies the need to provide a mix of housing types, which are identified as single-family detached, single-family attached, and multi-family. The proposed Timberview development provides single-family attached and single-family detached products. Staff believes the proposed development aligns strongly with the Comprehensive Plan and will help address the shortage of residential housing.

Financial Request by the Developer

In order to build the proposed subdivision, the developer is requesting partial reimbursement for the cost of public infrastructure which would be built according to the city’s development standards and dedicated to the city when complete. The estimated cost to install the development’s

streets, water mains, sanitary sewer mains, storm sewers, and electric infrastructure is approximately \$2.5 million, including engineering costs. As a result, the developer is requesting a total reimbursement of up to the lesser of 70% of the cost of the public infrastructure, or \$1,750,000. Below is an overview of key terms of the development agreement:

1. Length of Tax Increment Financing (TIF) district: 15 years subject to consent of other taxing entities.
2. Estimated cost of public infrastructure dedicated to the City of Pella: \$2,500,000.
3. Park: proposed lot for the city park to be dedicated to the city with the Phase I final plat.
4. Minimum assessment: \$400,000 per single family home and \$350,000 per townhome.
5. Aggregate maximum reimbursement for public infrastructure: the lesser of 70% of the actual cost of public infrastructure dedicated to the City of Pella, or \$1,750,000.
6. Method of developer reimbursement:
  - Benchmark grant of \$500,000 payable after the Phase I final plat has been approved by the City Council and all Phase I public infrastructure as well as the city park property have been dedicated to the city.
  - The remainder of the financial incentives will be TIF rebates subject to:
    - i. All tax increment that is not set aside for low- and moderate-income (LMI) housing assistance will first be used by the city to pay off any internal or external loans or bonds/notes incurred to make the benchmark grant.
    - ii. After the city has repaid its internal or external loans or bonds/notes, the city will annually provide the developer with payments equal to any tax increment created by the development that is not set aside for LMI housing assistance until the earlier of:
      1. The expiration of the period that tax increment may be collected.
      2. The aggregate maximum reimbursement amount is paid.
      3. The development agreement is terminated.
    - iii. The TIF rebates will be subject to claw-back provisions in the event minimum housing units are not constructed within the terms of the development agreement.

In analyzing this proposed development, staff believes most of the risk has been transferred to the developer. In addition, we believe a 15-year TIF district is necessary to fully reimburse the developer and fund the city's LMI requirements. Furthermore, staff believes the city can serve this development until the proposed TIF district is retired.

#### Requirements for Tax Increment Financing for Non-LMI Housing

According to Iowa law, TIF can be used to assist with public improvements related to housing and residential development; however, for developments which are not LMI housing, there are specific requirements that need to be adhered to, as listed below:

- Unless an extension is approved by both the Pella Community School District and Marion County, the ability to collect tax increment is limited to 10 years. If approved by both the school district and county, the ability to collect tax increment could be extended to 15 years.
- Any TIF revenues generated can only be used to offset the cost of public infrastructure.
- While Iowa law allows cities to use TIF to support housing developments without limitation on either the price of the homes or the income levels of the prospective owners, the tradeoff is a percentage of the TIF revenues must be used to support housing assistance to families whose incomes are no greater than 80% of the median income in the county in which the project is located. For the proposed Timberview development, the city will be required to dedicate an amount equal to 36.77% (the current percentage of families in Marion County considered LMI) of the tax increment expended in support of the housing development (in this case, an amount equal to 36.77% of the aggregate amount of the cost of the incentives provided to the developer) to support LMI housing within our community. Based on the developer's TIF rebate request of up to \$1,750,000, this equates to approximately \$643,475. These funds can be used for additional LMI housing projects or programs such as down payment assistance for LMI households within the city.

In summary, staff is recommending approval of this resolution which approves and authorizes execution of a development agreement between the City of Pella and Pella Timberview, LLC.

ATTACHMENTS: Resolution, Development Agreement  
REPORT PREPARED BY: City Administration  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve resolution

- 2b. Resolution No. 6519 entitled, "RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF PELLA AND PELLA TIMBERVIEW, LLC."  
De Jong moved to approve, seconded by Sporrer.  
On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

## **F. PETITIONS & COMMUNICATIONS**

1. Approve Filing of Citation with District Court for 813.5 Washington Street. This resolution was tabled at the October 18, 2022, Council meeting. Due to a lack of motion, it remained tabled.

BACKGROUND: On January 15, 2022, the building located at 813.5 Washington Street caught fire and was damaged beyond repair. After inspecting the property, staff determined that it was to be deemed a dangerous building per City Code criteria. On April 5th and July 19th, letters were served requiring the property owner (A.G. Residential LLC) to bring the structure into compliance. Leighton State Bank is the mortgage holder. During the City Council meeting on October 18, 2022, Council tabled this item to allow the property owner additional time to secure a contractor to complete the necessary demolition work. Subsequently, a local contractor has begun the necessary demolition work which, at the time of Council packet publication, was currently still underway.

City Code: Dangerous Buildings

Chapter 145 of the City Code includes criteria regarding the designation of a dangerous building. In general, should a building become a hazard to those who could be inside of it or if it could present a hazard to other properties, the city can declare the property a dangerous building. The owners are to be notified and given an opportunity to abate the dangerous building; however, should the owners not remedy the problems, the city can order the dangerous building abated or demolished by seeking a court order to that effect. The city can then seek the costs for the abatement/demolition of the dangerous building from the property owner and, if need be, assess the affected costs to the property.

Citation

As previously mentioned, city staff was contacted by the property owner's contractor who informed staff they anticipate starting work to demolish the property in late November. Should this not occur, the next step is to file a citation with the District Court to order the property owner to abate the nuisance on the property. Filing of the citation requires approval of the City Council. The attached drafted citation includes a provision requesting the authority for the city to abate the nuisance if the property owner does not take action. Furthermore, the city requests the authority to bill the property owner for the cost of demolishing the property; staff estimates the cost to complete this action is approximately \$24,000. The demolition costs can be assessed against the property and property owner if permitted by court order. This citation will be subsequently indexed with a further action to notify lienholders and future buyers of the pending action and potential for assessment of costs. Once the costs are assessed, they will be collected via property taxes.

In summary, staff recommends this item remains tabled until the property is brought into compliance.

ATTACHMENTS: Citation  
REPORT PREPARED BY: Zoning Analyst  
REPORT REVIEWED BY: City Administrator, City Clerk, Planning and Zoning Director  
RECOMMENDATION: Leave this item tabled until the property is brought into compliance

## **G. RESOLUTIONS**

### **1. Resolution No. 6520 entitled, "RESOLUTION OF PELLA CITY COUNCIL APPROVING FINAL PLAT OF READY ADDITION."**

Branderhorst moved to approve, seconded by Sporrer.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

**BACKGROUND:** This resolution approves the Ready Addition final plat to create three parcels along Neil Drive at Idaho Drive. The 1.62-acre site is currently developed and is zoned Multiple-Family Residential (R3). The applicants wish to subdivide and create three separate parcels; two parcels contain existing homes, and one parcel will be vacant. The City Council approved a preliminary plat for this project on October 18, 2022.

**City Code Requirements for Final Plats**

City Code states that the City Council shall review the final plat for conformance with the Comprehensive Plan as well as zoning and subdivision ordinances and consider recommendations of reviewing parties.

**Final Plat**

The final plat is a legal document that is recorded with the county. The sale of subdivided lots can only proceed after this recording. The primary purpose of the final plat is to delineate property boundaries and to describe and dedicate rights-of-way and easements.

**Preliminary Plat**

The final plat must conform with the approved preliminary plat. Any modifications or conditions approved during consideration of the preliminary plat should be continued to consideration of the final plat. Staff believes the final plat meets the requirements as shown in the approved preliminary plat. In this case, there are no noted differences between the preliminary plat and the final plat.

**Comprehensive Plan**

City Code requires the City Council to review the final plat for conformance with the Comprehensive Plan, including the Future Land Use Map. The Comprehensive Plan's text and Future Land Use Map are to be construed as a cohesive whole when determining a proposed project's conformity. Economic development is noted as a priority goal in the Comprehensive Plan. The design and intent for this plat is for residential development, which conforms with the Comprehensive Plan's goals.

**Summary and Staff Recommendation**

The proposed final plat has been submitted to reflect staff and consultant comments. Staff finds the final plat meets the minimum requirements of the zoning and subdivision ordinances and conforms to the previously approved preliminary plat as well as to the Comprehensive Plan. All required legal documents for the final plat have been received, reviewed by the Planning and Zoning Department, and approved by the City Attorney. Based upon these facts and findings, staff recommends approval of the final plat as presented. Finally, it is important to note that the Planning and Zoning Commission unanimously approved this final plat during their meeting on November 7, 2022.

ATTACHMENTS: Resolution, Final Plat, Aerial Map, Legal Documents

REPORT PREPARED BY: Planning and Zoning Director

REPORT REVIEWED BY: City Administrator, City Clerk

RECOMMENDATION: Approve resolution

### **2. Resolution No. 6521 entitled, "RESOLUTION OF PELLA CITY COUNCIL APPROVING FINAL PLAT OF DINGEMAN INDUSTRIAL PARK."**

Branderhorst moved to approve, seconded by De Jong.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

**BACKGROUND:** This resolution approves the Dingeman Industrial Park final plat to subdivide two parcels (approximately 16.13 acres) into two developable lots. The final plat also includes two outlots and a lot for dedication/ reservation of street right-of-way. The subject property is located at the northern terminus of West 12th Street as shown on the attached map. Council approved a preliminary plat for this project on May 17, 2022.

**City Code Requirements for Final Plats**

City Code states that the City Council shall review the final plat for conformance with the Comprehensive Plan as well as zoning and subdivision ordinances and consider recommendations of reviewing parties.

**Final Plat**

The final plat is a legal document that is recorded with the county. The sale of subdivided lots can only proceed after this recording. The primary purpose of the final plat is to delineate property boundaries and to describe and dedicate rights-of-way and easements.

**Preliminary Plat**

The final plat must conform with the approved preliminary plat. Any modifications or conditions approved during consideration of the preliminary plat should be continued to consideration of the final plat. Staff believes the final plat meets the requirements as shown in the approved preliminary plat. In this case, the only difference between the preliminary plat and the final plat are the setbacks and street improvements. The setbacks now conform to City Code and the applicant has decided to eliminate the cul-de-sac and provide partial paved road improvements beyond the original cul-de-sac.

**Comprehensive Plan**

City Code requires the City Council to review the final plat for conformance with the Comprehensive Plan, including the Future Land Use Map. Economic development is noted as a priority goal in the Comprehensive Plan. The Comprehensive Plan's text and Future Land Use Map are to be construed as a cohesive whole when determining a proposed project's conformity. Council determined the development was in conformance with the Comprehensive Plan when the property was rezoned on July 21, 2020.

**Public Infrastructure**

The developer has provided a performance bond in the amount of the public infrastructure which will be completed as part of this final plat; the performance bond totals \$105,870. Once the infrastructure is completed, it will be dedicated to the City of Pella.

Listed below is a summary of the public infrastructure for this plat:

- Sanitary sewer: ~552 linear feet
- Storm sewer: ~183 linear feet
- Pavement and sidewalk: ~ 753 square yards of concrete



Summary and Staff Recommendation

The proposed final plat has been submitted to reflect City of Pella staff and consultant comments. Staff finds the final plat meets the minimum requirements of the zoning and subdivision ordinances and conforms to the previously approved preliminary plat. Council determined the development was in conformance with the Comprehensive Plan when the property was rezoned in 2020. All required legal documents for the final plat have been received, reviewed by the Planning and Zoning Department, and approved by the City Attorney. Based upon these facts and findings, staff recommends approval of the final plat as presented. Finally, it is important to note that the Planning and Zoning Commission unanimously approved this final plat during their meeting on October 24, 2022.

ATTACHMENTS: Resolution, Final Plat, Aerial Map, Construction Plans, Legal Documents  
REPORT PREPARED BY: Planning and Zoning Director  
REPORT REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve resolution

3. Resolution No. 6522 entitled, “RESOLUTION ACCEPTING WATER MAIN PUBLIC IMPROVEMENTS FOR EAGLE ELECTRIC’S FACILITIES SITE PLAN.”

Branderhorst moved to approve, seconded by De Jong.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: This resolution accepts the water main public improvements for Eagle Electric’s Facilities Site Plan. The water main was installed by Bruce Schiebout and is located along 218th Place north of Washington Street. This location will be readdressed to the City of Pella’s street grid as 1240 W. 9th Street at a later date.

As background, Garden & Associates has certified that the water main public improvements have been completed and comply with the approved plans and the city’s standards for public infrastructure, as shown on the attached letter.

If approved, the following water main improvements will be added to the city’s infrastructure assets:

- 920 LF of 8” water main
- Two fire hydrants

The required maintenance bond is on file at the Public Works Department for the above referenced water main public improvements.

Staff is recommending approval of this resolution accepting the water main public improvements.

ATTACHMENTS: Resolution, Engineer’s Letter of Certification  
REPORT PREPARED BY: Public Works Department  
REPORT REVIEWED BY: City Administration, City Clerk  
RECOMMENDATION: Approve resolution

4. Resolution No. 6523 entitled, “RESOLUTION APPROVING ORDERING THE PREPARATION OF PLANS AND SPECIFICATIONS, FORM OF CONTRACT, NOTICE OF HEARING AND NOTICE OF LETTING, SETTING DATE FOR PUBLIC HEARING, AUTHORIZING THE TAKING OF BIDS, AND AUTHORIZING BID OPENING FOR THE ANNUAL SEWER CLEANING AND INSPECTION PROGRAM.”

Branderhorst moved to approve, seconded by Carlstone.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: This resolution establishes December 20, 2022, as the public hearing date and authorizes staff to seek bids for the Annual Sewer Cleaning and Inspection Program for a total of five years, from 2023 through 2027. As background, in 2004 the City of Pella initiated a ten-year plan to clean and televise its sanitary sewer collection system. The goal is to inspect 10% of the sanitary sewer system every year. To-date, approximately 178,000 linear feet of the system has been cleaned and inspected. Through this program, numerous deficiencies were identified resulting in repairing approximately 3,600 linear feet of the system.

The project engineer, Garden & Associates, will handle the bid process. The engineer’s opinion of probable costs averages \$208,757.60 per year.

City staff will provide the local inspection of the contractors.

If approved, the project’s critical dates are listed below:

December 13, 2022	Bid letting
December 20, 2022	Public hearing to receive bids and award of contract
January 2, 2023	Notice to proceed (approximate)

The final completion will be determined on an annual basis

ATTACHMENTS: Resolution, Engineer’s Opinion of Probable Costs, Notice of Hearing, Notice to Bidders, Map  
REPORT PREPARED BY: Public Works Department  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve resolution

5. Resolution No. 6524 entitled, “APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE IOWA DEPARTMENT OF ADMINISTRATIVE SERVICES, STATE ACCOUNTING ENTERPRISE, AND THE CITY OF PELLA, IOWA, FOR PARTICIPATION IN THE INCOME OFFSET PROGRAM.”

Branderhorst moved to approve, seconded by De Jong.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: This resolution approves a Memorandum of Understanding (MOU) with the Iowa Department of Administrative Services, State Accounting Enterprise (DAS/SAE) for participation in the income offset program. As the city begins the process of billing for ambulance services, it will become increasingly important and necessary to minimize the subsidy by property tax collections. While staff will make every effort to bill and collect the appropriate charges for ambulance services rendered, the State of Iowa offers the income offset program by which the state will withhold state-issued payments and remit them to the city for credit on outstanding debt.

Iowa Code section 8A.504 provides for the offset of payments made by State of Iowa agencies to satisfy liabilities owed to Iowa government agencies. House File 2705 allowed DAS/SAE to expand the Offset Programs to include political subdivisions. Nearly all payments made by the State are subject to offset. As a subdivision of the state, the City of Pella has the opportunity to participate in this program.

In order to participate in the program, the City Council must approve the attached MOU. Once approved, the State of Iowa will work to recover the delinquent payment owed to the city by withholding money from various state-issued payments as allowed by state code. Once debt occurs, the city must, in good faith, attempt to collect the debt from the person or entity. Generally, one or two letters with the intent upon recovery of debt must occur. Due diligence will be documented and retained by the city. If a debt of at least \$50 remains unpaid, the city is then able to include the liability in the city’s offset list.

Once the city is made aware that there is a match between the state payment database and the city's outstanding liability list, the city is required to send a notification to the debtor within ten calendar days from the date the city was notified of a potential offset. This notification must include:

- The right to the payment in question.
- The right to recover the payment through this offset procedure.
- The basis of the city's case in regard to this debt.
- The right of the debtor to request a split of the payment between parties when the payment in question is jointly owned or otherwise owned by two or more persons (i.e., tax refund).
- The debtor's right to appeal the offset and the procedure to follow in that appeal.
- The city's phone number for the debtor to contact in case of questions.
- Once the offset has been completed, the city must notify the debtor of the action taken along with the balance, if any, still due.

An offset fee in the amount of \$7.00 is charged each time money is held. The city then has 45 days from the date of the match to complete the offset process.

#### Summary

As the city begins the process of collecting for ambulance services rendered, staff recommends the city enters into an agreement with the state which would allow for participation in the income offset program. This program withholds payments made by the state if the city has an outstanding debt included by the individual or vendor. The city must comply with a number of different notification requirements and procedures prior to reporting the debt to the state.

ATTACHMENTS: Resolution, Memorandum of Understanding  
REPORT PREPARED BY: City Administration  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve resolution

### 6. Resolution No. 6525 entitled, "RESOLUTION APPROVING CONSTRUCTION CONTRACT AND BOND FOR THE CONSTRUCTION OF THE PELLA FIBER TRANSPORT NETWORK TO IMU."

De Jong moved to approve, seconded by Branderhorst.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: This resolution approves the construction contract and performance bond with Kramer Service Group for the Pella Fiber Transport Network West to IMU construction project. As background, on November 1, 2022, Council awarded a contract for this project to Kramer Service Group in the amount of \$1,838,860.28. This project includes construction of a fiber optic network to connect Pella to a Point of Presence (POP) site located at Indianola Municipal Utilities (IMU) Central Office. The total length of the new construction is 42.6 miles.

As further background, in March of this year, the Pella City Council approved a 28E Agreement with IMU to construct this shared fiber transport line. The Agreement states that each party is responsible for 50% of the total project costs; therefore, the City of Pella's share of this project will total \$919,430.14.

In summary, the resolution under consideration approves the construction contract and performance bond with Kramer Service Group. It is important to note that the City Attorney has reviewed these documents. Finally, IMU is scheduled to consider a resolution approving the same construction contract and performance bond on November 14th.

ATTACHMENTS: Resolution, Contract, Performance Bond  
REPORT PREPARED BY: Telecommunications Director  
REPORT REVIEWED BY: City Administrator, City Clerk  
RECOMMENDED ACTION: Approve resolution

## H. ORDINANCES

### 1. Ordinance No. 1023 entitled, "AN ORDINANCE PROVIDING THAT GENERAL PROPERTY TAXES LEVIED AND COLLECTED EACH YEAR ON CERTAIN PROPERTY LOCATED WITHIN THE WEBSTER PARK URBAN RENEWAL AREA, IN THE CITY OF PELLA, COUNTY OF MARION, STATE OF IOWA, BY AND FOR THE BENEFIT OF THE STATE OF IOWA, CITY OF PELLA, COUNTY OF MARION, PELLA COMMUNITY SCHOOL DISTRICT, AND OTHER TAXING DISTRICTS, BE PAID TO A SPECIAL FUND FOR PAYMENT OF PRINCIPAL AND INTEREST ON LOANS, MONIES ADVANCED TO AND INDEBTEDNESS, INCLUDING BONDS ISSUED OR TO BE ISSUED, INCURRED BY THE CITY IN CONNECTION WITH THE WEBSTER PARK URBAN RENEWAL AREA (REMAINING PARCELS)."

De Jong moved to place ordinance no. 1023 on its first reading, seconded by Sporrer.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: On October 16, 2018, Council approved the creation of the Webster Park Urban Renewal Plan (URP). The purpose of this URP is to provide redevelopment opportunities for blight remediation and to facilitate additional housing in our community. On November 1, 2022, Council approved an amendment to the URP for the purpose of entering into a development agreement with Pella Main Street Market.

As construction of the second phase of residential development is underway and the building which will house the Pella Market nears completion, legal counsel has indicated that while the developer does not plan to initiate the 15-year grant payments in fiscal year 2024, because the development is utilizing a phased approach, the city should initiate the establishment of the second Tax Increment Financing (TIF) district so the Marion County Assessor can establish the appropriate valuation amounts based on each phase.

In summary, the ordinance under consideration includes the legal description of the remaining parcels of the Webster Park Urban Renewal Area and is a necessary step to enable the city to utilize TIF to make future economic development payments.

ATTACHMENTS: Ordinance, Webster Park Urban Renewal Area Map  
REPORT PREPARED BY: City Administration  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve ordinance

## I. CLAIMS

### 1. Abstract of Bills No. 2115.

Branderhorst moved to approve, seconded by De Jong.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

**I. OTHER BUSINESS/PUBLIC FORUM (any additional comments from the public)**

Comments were received and addressed.

**K. ADJOURNMENT**

There being no further business claiming their attention, Sporrer moved to adjourn, seconded by Branderhorst. On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

Meeting adjourned at 7:13 p.m.