

MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

OCTOBER 24, 2017

The Regular Meeting of the Ames City Council was called to order by Mayor Ann Campbell at 6:00 p.m. on October 24, 2017, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law. Present were Council Members Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, Chris Nelson, and Peter Orazem. *Ex officio* Member Rob Bingham was also present.

PRESENTATION: Eric Cowles of the Iowa Chapter of American Public Works Association presented the Al Olson Excellence in Public Works Operations to Dave Cole, City of Ames Public Works Street Supervisor.

Mayor Campbell announced that the Agenda had been amended to include approval of a Class C Liquor License for North Grand Cinema; however, it has since been pulled by staff.

Council Member Betcher pulled Item No.7 (regarding parking regulations on Suncrest Drive from Cedar Lane to Red Fox Road) for separate discussion.

CONSENT AGENDA: Moved by Betcher, seconded by Corrieri, to approve the following items on the Consent Agenda:

2. Motion approving payment of claims
3. Motion approving Minutes of Regular Meeting of October 10, 2017, and Special Meeting of October 19, 2017
4. Motion approving Report of Contract Change Orders for October 1-16, 2017
5. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
 - a. Class E Liquor, B Wine, & C Beer – CVS/Pharmacy #10452, 2420 Lincoln Way, #104
 - b. Class C Liquor – Arcadia Café, 116 Welch Avenue
 - c. Class C Beer & B Wine – Aldi, Inc. #48, 108 S. 5th Street
 - d. Class E Liquor, C Beer, & B Wine – Target Store T-1170, 320 S. Duff Avenue
 - e. Class B Beer Permit – Mongolian Buffet, 1620 S. Kellogg Avenue, Suite 103
6. Motion approving request for Fireworks Permits for display from Jack Trice Stadium for ISU Marching Band Award Celebration on Saturday, October 28
7. RESOLUTION NO. 17-632 approving quarterly investment report for period ending September 30, 2017
8. RESOLUTION NO. 17-633 approving carry-over funding from FY 2016/17 to FY 2017/18 for Public Art Commission
9. RESOLUTION NO. 17-634 approving reallocation of remaining 2016/17 Capital Improvements Plan funds for new Fire Station signs
10. RESOLUTION NO. 17-635 approving request from Story County Auditor for parking

- waiver(s) for Election Day, November 7, 2017
11. RESOLUTION NO. 17-636 approving request from U.S. Post Office to change parking in front of new Stanton Avenue office
 12. RESOLUTION NO. 17-637 approving Encroachment Permit for sign at 3407 Lincoln Way
 13. RESOLUTION NO. 17-638 approving Funding Agreement with Iowa Department of Transportation for 2017/18 Arterial Street Pavement Improvements (13th Street from Ridgewood Avenue to Harding Avenue)
 14. RESOLUTION NO. 17-639 approving Funding Agreement with Iowa Department of Transportation for South Grand Avenue Extension (South Grand Avenue-5th Street to South Grand Avenue to 600 Feet West of South Duff Avenue)
 15. RESOLUTION NO. 17-640 approving amendment to Professional Services Agreement for Design Services with Shive Hattery of West Des Moines, Iowa, in amount not to exceed \$102,891 for South Grand Avenue
 16. RESOLUTION NO. 17-641 awarding contract for purchase of Compact Track Excavator to Bobcat of Ames, Iowa, in the amount of \$68,010.66 for Parks & Recreation and Public Works Departments
 17. RESOLUTION NO. 17-642 awarding contract for purchase of Circulating Inlet Water Screens for Unit No. 8 to Technical Services, Inc., of Ames, Iowa, in the amount of \$61,931.60 for Electric Services
 18. RESOLUTION NO. 17-643 approving contract and bond for Valve Maintenance and Related Services and Supplies for Power Plant
 19. RESOLUTION NO. 17-644 approving contract and bond for 2015/16 and 2016/17 Bridge Rehabilitation Program - East Lincoln Way and Dayton Avenue
 20. RESOLUTION NO. 17-645 approving Plat of Survey for 502 and 512 Douglas Avenue
 21. RESOLUTION NO. 17-646 certifying completion of 2013/14 Shared-Use Path System Expansion (Skunk River Trail Extension, Phase 2)

Roll Call Vote: 6-0. Resolutions/Motions declared adopted/approved unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

DRAFT ORDINANCE REGARDING PARKING REGULATIONS ON SUNCREST DRIVE FROM CEDAR LANE TO RED FOX ROAD: Council Member Betcher questioned where else could people park in that area. Public Works John Joiner stated that the neighborhood out of safety concerns asked to have that street looked at for no parking on the south side of the road. Currently there is no parking on the north side of the road. Staff did take a look at the road, due to the curves and parking they deemed it was truly a safety concern. The neighborhood representative forwarded a survey that staff created to residents from Cedar Lane to Red Fox and Suncrest to Southern end of subdivision. There was an overwhelming 90 responses, about 80% was to have no parking on both sides of the street. A possibility is that the Southern part of an apartment complex is near Suncrest, so out of convenience residents park there. The intended parking lot for residents is on the north, which was not full.

Moved by Betcher, seconded by Gartin for approval to direct staff to draft an ordinance regarding parking regulations on Suncrest Drive from Cedar Lane to Red Fox Road.

Vote on Motion: 6-0. Motion carried unanimously.

PUBLIC FORUM: Mayor Campbell opened Public Forum.

There being no one else wishing to speak, the Mayor closed Public Forum.

OPTIONS FOR LIMITING OCCUPANCY FOR RENTAL UNITS: Sara Van Meeteren, Building Official and Codes Liaison, reminded the Council about the recent change in the state law prohibiting cities from limiting occupancy in rental units based on non-familial status. The City Council directed staff in a list of actions to complete. The Council did authorize the addition of one Rental Housing Inspector position to be hired in FY 2017-18 to engage in proactive enforcement and perform annual inspections for the single-family dwelling units in the four neighborhoods around campus. The motion requesting a memo regarding options to incentivize the transition of rentals to single-family dwellings is on the back burner since it is not necessary to have completed during the moratorium.

Mark Lambert, Interim City Attorney, presented the idea of limiting occupancy to no more than three students. First there needs to be a definition for a student. A possible suggestion is “an individual enrolled or accepted for enrollment on a full time or part time basis for post-secondary education with a school, college, or university in the current, prior, or upcoming semester.” Under this alternative the City could restrict the number of students, but not the total number of adults in a one and two family dwelling. This restriction would need to be combined with other occupancy information and disclosure requirements to assist in compliance at the time a lease is signed. The Rental Code would need to require landlords to maintain records of all occupants of a dwelling and their enrollment status, and require that to be available for review by City staff upon request.

Council Member Orazem asked about enforcement. Mr. Lambert responded enforcement is a real issue; there would need to be a requirement of landlords to maintain records.

Ms. Van Meeteren presented the option of limiting occupancy by building size. The number of adult tenants, (any individual 18 years of age or older) living or sleeping in a building, or having possession of space within a building, by a specified amount of square feet of finished area in one-two family dwellings. There would be a maximum of three adults in a dwelling up to 1,000 square feet. Four adults up to 1,500 square feet, five up to 2,000 square feet, six up to 2,500 square feet, seven up to 3,000 square feet, eight up to 3,500 square feet, nine up to 4,000 square feet and ten over 4,000 square feet.

According to staff there is an option of limiting occupancy by bedroom size. This would mean the occupancy would be limited to the number of adult tenants by a specified amount of square feet in each bedroom. An example of this would be the requirement by the International Property Maintenance Code for seventy square feet for the first occupant of a bedroom, with an extra fifty square feet for each additional occupant in the room. Another option is to limit occupancy by number of bedrooms. There are four different possibilities within this option:

1. Limit occupancy of adult tenants in one and two family dwellings to 1 per bedroom.
2. Limit occupancy of adult tenants in one and two family dwellings to 1 per bedroom, up to a specified maximum number of tenants.
3. Limit occupancy of adult tenants in one and two family dwellings to 1 more than the number of bedrooms.
4. Limit occupancy of adult tenants of one and two family dwellings to one more than the number of bedrooms, to a specified maximum number of tenants, with a cap.

Director of Planning and Housing Kelly Diekmann advised the Council on the option of limiting occupancy by the number of off-street parking spaces. This option could require one off-street parking space per tenant, one off-street parking space per tenant with a minimum of two parking spaces, or requiring a minimum of two off-street parking spaces and one additional parking space for every tenant over three. Mr. Diekmann added that staff is not proposing to change parking requirements for apartments or dwelling houses that are typically one parking space per bedroom. Using this option, the City Council would have to decide how to apply requirements for parking spaces. If either option, is chosen the Council will have to address flexibility on stacked parking for rentals and allow for additional stacked spaces. The Council will also need to clarify if all parking on site must conform to zoning standards for location, paving, access, and dimensions. Another main issue that the Council will have to decide on is how to account for parking to meet the standard and how to count for stacked parking. Direction will also need to be given on where parking is, driveway parking, and the kind of surface for that parking area.

Council Member Betcher wanted clarification on where the City has a cap of one person per bedroom up to five. Ms. VanMeeteren responded that is in dwelling houses and apartments in any zone that it is allowed. Director Diekmann added that it is in RM and RH. Single-family homes are a family, no matter the number of bedrooms. Council Member Betcher inquired that RL doesn't currently allow dwelling homes or apartments. Director Diekmann stated that was correct, a dwelling house is a single-family detached home with special allowance to go up to five unrelated people. They are only allowed in RM or RH and a mixed commercial medium density district. Council Member Betcher then asked if it was fair to distinguish between zones by making the cap below five. Mr. Diekmann stated the staff suggestion would be to leave the way it is now. It is workable and the change that would be made would be the wording from unrelated people to adults.

According to Director Diekmann a rental concentration restriction could be established on a specified geographic area. The City Council would need to provide direction on what are acceptable boundaries and what percentage of rental concentration would be acceptable in these areas. Boundaries can have a significant effect on either reducing or increasing the percentage of rental properties in a given area. Through review of other communities, and calculated off the zoning district, staff believes a 20% rental threshold would be appropriate. If rental concentration exceeds twenty percent the City would no longer issue rental registrations for new rental properties in the chosen area. The boundaries and percentage should be identified at the time the City adopts an overlay.

Mr. Diekmann stated that direction will be needed from Council on allowing previously registered rentals to renew their registration when an area exceeds the limitation. A rental property would not be able to renew if the property owner failed to maintain their licensing and a transitional licensee would not be eligible, because they would need a new license. When a registered rental dwelling is torn down, the newly built structure would be required to register as a new rental and would come under the occupancy concentration limits. Locking in properties that have buildings on it right now that is rented. An owner can maintain, but can't take it down and rebuild something else. Council Member Gartin clarified that you could sell the property and it could stay, but if there were a fire it would be under occupancy concentration limits. Mr. Diekmann confirmed that was the direction that is being reviewed.

Council Member Orazem asked about the area that is 90% rental. Mr. Diekmann stated that is a unique situation that is close to campus that may be RL zoning but nearly every property is a rental. The Council does not have to include every area. The overlay does not need to be in effect by January 1, but should be in effect before the moratorium is over. There are only five neighborhoods included in the moratorium. If you want this done in other neighborhoods you will have to make a decision. Ms. VanMeeteren added the overlays do affect where the annual inspections are and affect the staff work load and dependent on where the overlays are.

Council Member Orazem added that the Council needs to make sure it is viable for the percentage of rental. Council needs to make good judgement of where to put these in place. Closer to the 20% rental is less of a problem, it is the higher rental percentages that will be affected, because of how long it will take to get down to that twenty percent that it will freeze the ability for people to sell the properties. Mr. Diekmann commented that the percentages in the areas are accurate for registered rentals that are required to be registered with the City. Mayor Campbell added that the numbers are accurate for what the City requires, but it may not be accurate as the reflection on the neighborhood.

Director Diekmann pointed out that the Council Action Form stated ways to deal with penalties for multiple code violations. Staff proposed a plan that divides violations into two types: 1) Simple Misdemeanors; and 2) Municipal Infractions.

Staff is proposing the following point system:

- Simple Misdemeanors will be given two points per instance, not per citation.
- Municipal Infractions will be given one point per instance.
- An accumulation of five points between 8/1 and 7/31 of each year will result in a one year suspension of the Letter of Compliance (LOC)

Suspension of an LOC allows the property to remain registered, but not be rented for the specified amount of time. Staff's goal is for the incentive to be enough to maintain a property so annual inspections in the Council established neighborhoods would not be warranted.

Staff proposed a similar plan to enforce the suspension of LOCs on properties with multiple violations to the Property Maintenance Appeals Board. The feedback that came from the Property

Maintenance Appeals Board was not supportive of the plan. They felt the consequences were too severe and did not match the severity of the violation. The Board also expressed concern for annual inspections of rental properties. They felt this was penalizing all property owners. Instead, they would like to see more of a reward system in place. This is consistent with the philosophy reflected in the current Rental Code which rewards routinely compliant property owners with less frequent inspections.

Sandra McJimsey, 2236 Storm Street, Ames, represented the South Campus Area Neighborhood (SCAN) board. Her neighborhood endorses and encourages the two-step process set by staff of using Council meetings to set policy for determining occupancy limits and using the moratorium. SCAN is zoned a low density area where there are to be fewer residents. In Ames older residential areas are a crucial element in the City's spectrum of low-density residential offerings. These areas contain the housing stock that is most affordable for first-time buyers. These areas contain aspects of historic significance, they have a diversity of housing styles, they already have some combination of owner-occupied and rental housing uses, they offer a pleasant and hospitable quality of life combined with housing affordability. The purpose of SCAN is to maintain and sustain this low density neighborhood.

Ms. McJimsey added that the SCAN neighborhood proposed a layered standard with number of bedrooms and parking both linked to an occupancy limit. The number of adult tenants can be no more than the number of legal bedrooms in the house. The number must be frozen to match the number on record with the City as of January 1, 2018. The number of bedrooms being frozen will prevent the addition of bedrooms that would increase the neighborhood density.

Ms. McJimsey continued presenting the SCAN proposal. In Step 2, it is crucial for low-density neighborhoods like SCAN to have an overlay designation that specifies a reasonable percentage cap on rentals, 20%. Areas that the City needs to be considered in an overlay are enforcement, automatic LOC renewals, extended LOC terms, demolition of a dwelling, and others that are in the Staff report. The City should consider redefining what constitutes an owner-occupied dwelling.

John Wolseth, 241 Village Drive, Ames, and Co-Chair of College Creek-Old Middle School Neighborhood Association stated they're in support for the SCAN proposal. The need for the overlay is to ensure people can afford to live and work in Ames. Mr. Wolseth would like to see incentive money go to neighborhoods, such as his own, to convert rental-occupied units into single-family-occupied units to reduce the percentage of rental units to the 20%. He also stated that if a rental license were to lapse it would not be automatically renewed upon the sale. This would ensure that it goes back to owner occupied until the twenty percent requirement is met. Mr. Wolseth added that it is necessary to maintain a yearly rental inspection. Only with constant vigilance will you know what is going on inside and outside of a unit. A renter may not say anything about an issue for fear of a rent increase then the issue is left for the next renter. Health and safety of renters can depend on it.

Alex Galyon, 2928 Ross Road, Ames, is a local developer that disclosed that he owns two properties

on Oakland that may be impacted by this occupancy issue. Mr. Galyon stated that the Council needs to be careful of unintended consequences. He stated examples of possible issues that come with smaller units, such as one bedroom house being limited to one person when many times there are a couple in a one bedroom or an older couple that wants to have their adult children to live with them to take care of them. It will be difficult to have a blanket requirement will have some real issues for smaller units.

Kody Olson, 2132 Sunset, Ames, said that he is a Senior at ISU and a member of Student Government. Mr. Olson gave his personal comments that the Council needs to look at the impacts this will have on students and their ability to come to college. He stated that limitation of students for occupancy makes students not feel valued. He also added that he is in support of limiting occupancy by square footage or number of bedrooms.

Al Warren, 3121 Maplewood Road, Ames, represented the small/medium landlords. Mr. Warren stated that he has torn down and rebuilt a house to conform to the neighborhood. When this was done it added value to the houses around. Mr. Warren added that the current inspectors are doing a great job of assessing situations of houses that are falling apart or have structural issues and taking care of that situation in a timely manner. There should not be yearly inspections. Under the Rental Housing Code Chapter 13 there are renewals for 1,2,3, and 4 year inspections based on a criteria. A good landlord and a bad landlord can not be treated or rewarded the same. There would be no incentive to improve a house. The main reason behind the codes is to enter these houses for safety, not for targeting. The City should follow Chapter 13. This includes what is written concerning the parking space issues. One of the big loop holes the City has is allowing owner occupied houses to not be inspected. Parents are purchasing homes for their children to live in and others move in. They fly under the radar as far as inspections.

Steve Bock, 661 Xandu Place, Ames, owner of rental properties, part of the Ames Rental Association, and Real estate agent. Mr. Bock has properties in the affected areas. Mr. Bock stated that property values would be impacted to anyone that would want to sell. When talking about having peace in our neighborhoods is related more to an enforcement issue. Some of the issues are not students, but could be anyone in the community. Enforcement of rental properties should be across the board.

Kelly Excell, 5603 Hickory Hills Drive, Ames inquired that she did not know the deadline. Mayor Campbell clarified that January 1 is the deadline. Ms. Excell stated that people in rentals are panicking. None of the landlords that she represents or clients that she helps purchase investment property want an over occupied property. Over occupied property is detrimental and defeats the purpose of a rental investment. Ms. Excell stated that it is difficult for students to afford rent and go to school here. The City is trying to avoid some issues, but that is not necessarily caused by the number of students living in a house.

Council Member Orazem stated that he was impressed with the proposal from SCAN. He believes that the Council will need to tie bedrooms to occupancy and tie parking to occupancy. Ms.

VanMeeteren added the definition of a bedroom that is anything at least 70 square feet and meets the definition of bedroom in the Building Code and has to have egress. Mayor Campbell agrees with tying the bedroom to parking spaces.

Moved by Orazem, seconded by Corrieri, to direct staff to tie number of bedrooms to the number of adult occupants plus one.

Council Member Betcher commented that she thought the cap should be set at four, because RL is to be fewer people in rental houses than in RM or RH. The number in RM or RH is five and should be a smaller number in RL rental houses.

Motion to Vote: 6-0. Motion carried unanimously

Moved by Orazem, seconded by Beatty-Hansen, to direct that the number of off-street parking space is equal to the number of bedrooms.

City Manager Steve Schainker inquired if the motion was to tie occupancy to the number of parking spaces. Council Member Orazem responded that the number of bedrooms is visible, but the number of occupants at the time of inspection is not. In order to define the cap, there is a need to have as many parking spaces as bedrooms. Mr. Schainker also asked about the plus one. Council Member Orazem stated that the City would not know there is a plus one at the time of inspection and it has to be enforceable.

Council Member Betcher asked to clarify what is determined as parking. Parking would be the garage and driveway, but not the alley. Ms. VanMeeteren added there could be a parking pad off the alley that is legal. Director Diekmann stated that a parking space off an alley, not in an alley, is a tenant's rear yard. Anyone that has access from an alley to parking behind their house is in their rear yard. Council Member Betcher is concerned about the language of parking in the rear yard because of taking away some grass space that a homeowner would want. Mr. Diekmann added that a requirement of a certain distance of an alley and a limitation to the number of spaces from an alley could be set.

Vote on Motion: 6-0. Motion Carried unanimously.

Council Member Nelson inquired about the City having an accurate way of measuring the number of bedrooms for existing property versus new conversions via permitting process, assessor site, or annual inspection that is verified. Ms. VanMeeteren responded that it has not been something that has had to be done before. A new process will have to be started during inspection and that will be to count the number of bedrooms to keep a good record. The assessor site is also a good resource, but their inspections are not as frequent. The records will need to match the building permits.

Moved by Orazem, seconded by Beatty-Hansen, that the smaller number of the off-street parking places and number of bedrooms will be the cap on the occupancy.

Council Member Betcher gave a scenario of a six bedroom house with six parking spaces in a residential low density neighborhood. Council Member Orazem stated that would be fine because they are not adding to congestion on the street and meeting safety requirements of occupancy. Council Member Betcher added that would be double what is allowed now in a RL. It would become difficult to tell the difference between the low density neighborhood and a RM or RH neighborhood.

Moved by Beatty-Hansen, seconded by Orazem to amend the motion.

Moved by Beatty-Hansen, seconded by Corrieri, amend the motion to state the cap would be the lesser of the bedrooms plus one or the parking spaces available.

Ex-Officio Bingham gave a scenario of three people living in a two bedroom house. There are two parking spaces so the plus one becomes irrelevant. Only two people could live there because there are only two parking spaces.

Council Member Orazem withdrew the motion.

Council Member Gartin stated that the discussion was about having a finite cap. It would make it easier to have a cap of five. Council Member Betcher clarified that is tied to the bedrooms. Council Member Orazem confirmed that the bedrooms are still active so there has to be at least four bedrooms to have five people and no fewer than 4 parking places to have five people.

Moved by Beatty-Hansen, seconded by Orazem, to establish a cap at five adults in a low density residence.

Council Member Gartin asked Interim City Attorney Lambert, based on what the legislature has done if he sees how five would run foul with the legislature. Mr. Lambert stated that he did not believe so because the concern of the legislature is familial status. Council Member Gartin asked, as far as being enforceable does having a number help. Ms. VanMeeteren stated that it will make it manageable.

Vote on Motion: 4-2. Voting Aye: Beatty-Hansen, Gartin, Orazem, Nelson. Voting Nay: Betcher, Corrieri. Motion carried.

Moved by Betcher, seconded Gartin, to direct that the parking spaces will be in the garage, driveway, or existing legal parking spaces as of January 2018.

Ms. VanMeeteren clarified that meant no new parking spaces off of the alley. Council Member Betcher confirmed that it is for already existing parking pads in a backyard or existing parking spaces off an alley.

Vote on Motion: 4-2. Voting Aye: Betcher, Gartin, Orazem, Nelson. Voting Nay: Beatty-Hansen,

Corrieri. Motion carried.

Council Member Beatty-Hansen inquired about a house becoming a rental if elderly parents come to live with their children. Ms. VanMeeteren stated that if there was not an exchange of money, it would not be a rental, but if the parents paid the children money, it would be considered a rental.

Council Member Beatty-Hansen asked about restrictions on the addition of bedrooms. Council Member Orazem stated that, right now, it is set based on what the house looks like as of January 1, 2018.

Moved by Beatty-Hansen, seconded by Gartin, to direct for staff to bring back to Council over the period of the moratorium options for limiting the addition of bedrooms.

Council Member Corrieri commented that the Council needs to be careful about discouraging people from reinvesting in their property.

Vote on Motion: 5-1. Voting Aye: Beatty-Hansen, Betcher, Gartin, Orazem, Nelson. Voting Nay: Corrieri. Motion carried.

Moved by Betcher, seconded by Gartin, directing staff to prepare a report on options regarding penalties for code violations, the situation of airbnb in relation to rentals and unregistered rental properties and how the City will know about them.

Vote on Motion 6-0. Motion carried unanimously.

Mayor Campbell called a recess at 8:01 p.m.

Mayor Campbell reconvened at 8:11 p.m.

AQUATIC FACILITIES: Mayor Campbell stated that she received a phone call from the President of the School Board stating that the high school would not be able to legally participate in the Healthy Life Center because it would be off of school property. There is a possibility of having to look at a bond issue. The school did say if the City's bond issue did not pass the school would preserve land for a recreational pool on school property.

Keith Abraham, Director of Parks and Recreation, informed the Council of what would be included in the Healthy Life Center as far as aquatics in Option A as listed in the Council Action Form. These will be preliminary numbers but will come back to Council when the planning study is done and final report from RDG is in.

Option A - Recreation and wellness pools, with 6 lap lanes, wellness pool and no competitive pool: This option provides a warm water recreation pool that can be used as both a program pool and recreation pool. Some of the uses would be for low level therapy, swim lessons, play structure, and exercise. This pool will not support competitive swimming or diving or true lab swimmers.

This pool does support most community aquatic needs. This option has the best cost recovery potential as it will attract the highest overall use. It would include a total of 31,000 square feet of aquatic structure.

Mr. Abraham stated that the capital estimate is \$13.5 million dollars and approximately \$1.1 million for operating costs. The forecasted revenues are just under \$700,000; this would leave about \$400,000 in subsidy with a cost recovery of 63%. The entire facility with shared space with Heartland Senior Services, and Mary Greeley, and possibility of Boys and Girls Club will be 132,000 square feet. 40,000 of that will be on the second floor for walking track. The possible total cost is just under \$51 million. That includes the contingency and site cost. Council Member Betcher asked if the construction cost is what was expected. Mr. Abraham stated it is a bit higher, but the cost is also inflated to two years out. There has been a conversation with the Boys and Girls Club CEO and Board. They have asked to still be involved. Within the \$51 million is dedicated space to the Boys and Girls Club. The construction alone for that space would be about \$1 million, that does not include contingency or anything else. Something that needs to be decided is if we continue with the dedicated space to the Boys and Girls Club or treat them as a user only stand point.

Mayor Campbell inquired that when looking at the potential of dedicated space to the Boys and Girls Club, is the City looking at what the players can bring in capital and operating rent and if there was any indication of capital capacity. Mr. Abraham responded that the Boys and Girls Club just wanted to be involved to see the numbers, but have not indicated capital capacity at this time.

City Manager, Steve Schainker added that the tax payers of Ames should not think they are paying 100 percent of the bill. Heartland Senior Services, Mary Greeley, City of Ames, possibly Boys and Girls Club, and perhaps Story County Government. Each party has agreed to pay for their own square footage for space used directly by them. There will be a discussion on how to split up the cost for capital and operating cost of the shared use space. An example of shared use is the gymnasium. A major part in this will also be a private fund raising campaign. There will be a lot of work in our discussions to be finding a financial plan, but it won't be through a \$50 million dollar bond. Strong numbers will have to come to begin that process.

Council Member Corrieri stated that the Council will need to have a discussion concerning private versus public partners. Ms. Corrieri is looking for formal board resolutions from boards of directors, some verification of capacity to contribute to operation and capital expenses, whether that is financial statements or money in reserve, and what capacity would that entity have to pay in some unforeseen circumstance.

Mr. Schainker added that he believed there should probably be a continued partnership with the high school because of the need for continued programming of cold water activities and scuba diving, which the City usually provides. The City would pay \$25,000 annually for that plus access to gymnasiums. In addition to that, there will be a demolition of the municipal pool. To continue the partnership in good faith, Mr. Schainker said he will recommend to the Council that the City share half of that cost. If the Healthy Life Center should not come to be, the City would at least have a site

reserved on the high school property for a warm-water recreational pool.

Mr. Abraham added that, now that a decision has been made on the competitive pool, RDG will be able to move forward with numbers. The City will be looking at the agreements with the other entities, how the expenses will be shared, and who brings what to the table. Consultants will be in Ames November 13 and 14 for another workshop to show the City some preliminary designs, and decisions will be made on the layout. The consultants will go back and put a final report together. RDG is hoping to get with the City by mid-December.

Council Member Correiri cited her concern about the timing in which the Council should make decisions on partnerships. Mr. Schainker reminded the Council to be cognizant of completing this project as soon as possible. The consultant is also on a tight schedule. If the Council would decide to wait for negotiations, that could put the project back many months. The City will make the decision on the design and will own the building. Council Member Correiri explained that it isn't the concern of the entity having the capital, but who knows what will happen down the road. The City should not be at risk. Mr. Abraham stated that the City could go right to the Boys and Girls Club and speak to them about being able to come up with the operational expenses. Council Member Correiri added that this conversation needs to be done with all private entities. Gartin agreed that those conversations are vital.

STATUS OF THE DEPOT DEVELOPMENT AGREEMENT AMENDMENT: Planning and Housing Director Kelly Diekmann reminded the City Council about the direction of an amendment to the Depot development at 500 Main Street. The City staff is working on negotiating with the purchaser of the property regarding parking. The main part to the amendment is so the purchaser could secure private management of a portion of the parking on the side and the rest would be retained by the City for public parking. Staff was originally directed to work with the property owner and prepare an amendment to the Development Agreement to retain 127 parking spaces for the general public and to allow the owner to designate the use of 71 parking spaces for private use. The AGR would be extended to 2067. Along with that there was language pertaining to the view of the Depot from Main Street and maintaining the historic facade of the Depot building. The proposed amendment by Mr. Torresi would restate the Agreement and only include relevant provisions going forward. The original exhibits for the site layout and building architecture would be deleted because the site has been developed. The amended AGR would retain language concerning changes to the Depot building and a view corridor from Main Street.

Mr. Diekmann stated that staff recommended that any amendment to the Agreement must retain the expectation for building entrances along public streets. The original Agreement for the development was intended to support Downtown with new street-facing commercial space and retain the Depot building. Therefore, staff believes there is a need to add one section to the proposed amendment requiring the property owner to maintain active entrances to tenant spaces along public streets. Mr. Diekmann stated that staff needed direction on the continuation to negotiate with the Agreement and the position of the Council to insist on entrances maintained as they are today. Entrances are important because of the expectation in a walkable environment. People are more interested in

visiting a site when multiple destinations or things of interest are along the way. Typically there are downtown design guidelines and zoning requirements to maintain streetscapes with entrances and storefronts and to open up facades.

According to Director Diekmann, The Board of the Main Street Cultural District was asked for its recommendation. The Board expressed support for the City to convert up to 50% of the parking for private use. The State Coordinator of Main Street Iowa advocated that pedestrian entrances along the street should remain in order to promote an active streetscape.

Alternatives presented to the staff included:

1. Direct staff to include language in the draft agreement to require tenant spaces that abut public streets to maintain an active pedestrian entrance. The other language about the number of spaces, their locations, the historic facade, and the protected view would remain.
2. Direct staff to address only the number of spaces, their locations, the historic facade, and the protected view of the Depot from Main Street with an amendment to the development agreement.

Mayor Campbell stated that when negotiations were being done for this, the whole notion was that Main Street would be extended to make it walkable; the buyer got a bargain to maintain those guidelines.

Council Member Nelson wanted clarification on recommendation whether to maintain all entrances or if each tenant space needed an entrance. Director Diekmann responded that each tenant space needed to have an active entrance where the public would enter even if it doesn't have a lot of public visitors.

Attorney Brian Torresi, Davis Brown Law Firm, advised that he represented the current title holder to the property, Merry Bee, LLC. Mr. Torresi claimed that the City quickly claimed all interests including contractual interests to Hubbell, except reserved for parking provisions. The parking provisions were in exchange for the extension of another 50 years the new owner would like the number of spaces owned by the City to be reduced. It is the position of the new owner that the future tenants will dictate where their front is and where their back is and where to park. Mr. Torresi added that this is intended to be a Tech Park, not a retail business.

Planning Director Diekmann added that the City is trying to dictate that entrances are important for commercial businesses on Main Street. If the agreement would change there is no guarantee the Hy-Vee Drug store corner entrance, as a retail space stays open. If the provision is not in the next agreement to mandate the entrances exist the Hy-Vee retail corner can close tomorrow. It is about what the operations are today. It has been important to the City and to this project since 1993. In the next Agreement, it should clarify that the entrance is an obligation of the property owner and tenants.

According to Attorney Torresi, the property owner would prefer the amendment not include the stipulation for entrances facing the street. Mr. Torresi indicated that the owner believes that this condition would limit options for potential tenants by mandating access requirements. The owner would like to amend the agreement with no language about buildings other than the Depot.

Council Member Gartin asked for Interim City Attorney Lambert's legal opinion on whether the City has any rights to the building after the Quick Claim Deed. Mr. Lambert stated that he does not believe the City retained any rights besides the parking. Mayor Campbell added there were strict guidelines architecturally because of the historic preservation aspect. The RFP included a provision that the developer would abide by those guidelines.

Council Member Beatty-Hansen commented that perhaps there would be a possibility of giving up more parking for the door requirement. Council Member Betcher stated that the active entrances really are not promoting a pedestrian walk. People that are walking that way are choosing a destination. The new tenants are probably not going to do brick work to fill in the doors and windows because of the expense.

Mr. Torresi stated that the doors will probably still be there. The issue pertains to the doors being "active". Director Diekmann stated that an "active" door would be operational.

Director Diekmann stated that there is public parking and no-on street parking; that was the main justification for the corner entrance to Clark and Main. The parking lot was out of consideration for the Depot being there; it was a compromise to not build in front of it. The most important entrance is the Clark and Main entrance; every business whether retail or not would want that as an entrance because it would show relationship to the rest of your neighbors. If there is only one entrance, that would be the one.

Mr. Torresi commented that the Council would need to decide on the requirements that are to be put on the building and that would determine whether his client retains the Depot as a historic site and increases parking spaces for 25 more years or live with the parking as is.

Council Member Gartin is concerned that the City has relinquished the ability to require that. Council Member Corrieri inquired about this being a new agreement. Director Diekmann concurred, but also stated that he was not sure that staff had dug into how the Agreement had survived so a statement was added at the end to clarify and restate provisions going forward. Council and staff were not prepared to say how it would all work in May. Council Member Gartin inquired about the legal right to require anything of the new owner. Interim City Attorney Mark Lambert stated that the City is not requiring anything, the City is negotiating a new agreement.

Moved by Beatty-Hansen, seconded by Orazem, to approve Alternative 1, except giving the applicant its original request with the public parking spaces staying in the middle of the parking lot.

Director Diekmann clarified that if that motion passes, there would be 99 public spaces, which would

continue to be located in the middle of the lot, and 99 private spaces.

Council Member Gartin questioned the legality of any new requirements being placed on the proposed developer. Interim City Attorney Lambert pointed out that there is no agreement still in place; this is negotiating a new agreement.

Moved by Beatty-Hansen, seconded by Orazem, to amend the motion to require a functional entrance at Clark and Main.

At the inquiry of Council Member Betcher, Ms. Beatty-Hansen clarified that that would mean one active entrance per tenant plus the Clark and Main entrance. Director Diekmann stated that if there was only one tenant, the Clark and Main entrance would suffice as the one entrance.

Vote on Amendment: 6-0. Motion declared carried unanimously.

Vote on Motion, as Amended: 6-0. Motion declared carried unanimously.

Council Member Betcher needed clarification on the motion being one active entrance per tenant or one active entrance per tenant plus the Clark and Main entrance. Council Member Beatty-Hansen read back her motion to include 1 active entrance per tenant as stated in Alternative 1 plus the Clark and Main entrance.

Vote on Motion: 6-0. Motion Carried unanimously.

CDBG HOMEBUYER ASSISTANCE PROGRAM RESALE AND RECAPTURE PROVISIONS IN CONNECTION WITH DEVELOPMENT OF 321 STATE AVENUE:

Vanessa Baker-Latimer, Housing Coordinator, reminded of the partnership with J-Corp Inc. to proceed with development of a 37-lot subdivision at 321 State Avenue in partnership J-Corp Inc., as the developer of the site. This is a combination of 20 affordable homes to low- and moderate-income homes and 17 market-rate homes.

The City's previous Homebuyer Assistance Programs have included program guidelines for resale/recapture provisions regarding down-payment and closing-cost assistance. This year \$200,000 has been set aside for the Down Payment Assistance Program Annual Action Plan. Some things that would trigger this would be the sale, transfer, or lease of other disposition of the property by the buyer within various time frames.

Ms. Baker-Latimer proceeded with explaining this development would occur in two phases. The first phase would be to get public infrastructure bids out to get to some negotiating spots before finalizing the development agreement and bringing it to Council to approve. The second phase is the recapture provisions for the first-time homeowners.

Ms. Baker-Latimer shared that there is a fine line for affordable housing. The housing needs to be

affordable, but not to where someone would come in and flip the house to make a huge profit. At this time, it is difficult to say the prices, but on November 7, the bids for the infrastructure are due and then there will be an idea of where the budget is for the cost of the homes.

Council Member Orazem asked about the possibility of a family needing to get out of the house loan and what the provisions might be. Ms. Baker-Latimer responded that would be negotiated with Council as a case-by-case basis.

Planning and Housing Director Diekmann reminded the Council that it was directed to invest almost \$1,000,000 of CDBG finds in creation of 20 lots for affordable housing plus first-time home-buyer assistance. The subsidy would be \$70,000 for each one.

Duane Jensen, JCorp, PO Box 159, Huxley, encouraged the staff and Council to move from the use of penalty but more toward the positive. He prefers to incentivize them to be homeowners, active citizens of the community, and build equity to promote the program. Option 2 is causing a lot of grief to the first time home owner to carry a 25% penalty over 20 years; a grant would look better.

Mr. Jensen continued with Option 1. The percentages are much lower, but the banks would rather see a grant versus a loan. Council Member Gartin stated that was a good point; lenders don't normally like it when a borrower comes to borrow the down payment. Mr. Gartin asked Ms. Baker-Latimer if a relationship had been established with lenders that are comfortable in doing that. Ms. Baker-Latimer stated that in the past the down payments have been loans. Some of the loans have been in-house and others have been sold to secondary market as a partner.

Mr. Jensen shared an idea he had for an Option 3. If the property is resold prior to the end of 20 years, there will be a ten year payback at ten percent a year for assistance given by the City and a land value of \$40,000 assigned to the ground that will be paid back straight line over a twenty year period. This will show the home buyer every year they live in the house they are paying down principal, and also receiving back \$2,500 for assistance and \$2,000 for the land. So they are paying down on the \$65,000 assistance from the City at a rate of \$4,500 per year. Director Diekmann added that Option 3 at Year Ten is by far the best option.

Moved by Gartin, seconded by Beatty-Hansen, to table this discussion until after the bids are received.

Vote 6-0. Motion declared unanimously.

HEARING ON ZONING TEXT AMENDMENTS PERTAINING TO TABLES 29.701(2) AND 29.703(2): Mayor Campbell opened the public hearing. She closed the hearing after there was no one wishing to speak.

Moved by Corrieri, seconded by Nelson, to pass on first reading an ordinance making zoning text amendments pertaining to Tables 29.701(2) and 29.703(2) adding "if pre-existing" to the section under Group Living dealing with residences for the physically disabled, mentally retarded, or

emotionally disturbed.

Roll Call Vote: 6-0. Motion carried unanimously.

Moved by Corrieri, seconded by Nelson, to suspend the rules necessary for the adoption of an ordinance.

Roll Call Vote: 6-0. Motion carried unanimously.

Moved by Nelson, seconded by Betcher, to pass on second and third readings and adopt ORDINANCE NO. 4326 making zoning text amendments pertaining to Tables 29.701(2) and 29.703(2) adding “if pre-existing” to the section under Group Living dealing with residences for the physically disabled, mentally retarded, or emotionally disturbed.

Roll Call Vote: 6-0. Motion carried unanimously. Ordinance declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON MAJOR SITE DEVELOPMENT PLAN (MSDP) FOR TWO EIGHT-UNIT APARTMENT BUILDINGS TO BE LOCATED AT 3305 AURORA AVENUE AND 3315

AURORA AVENUE: Mayor Campbell opened the public hearing. She closed the hearing after there was no one wishing to speak.

Moved by Gartin, seconded by Corrieri, to adopt RESOLUTION NO. 17-647, to approve Alternative 1 approving the Major Site Development Plan for two eight-unit apartment buildings to be located at 3305 Aurora Avenue and 3315 Aurora Avenue.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON VACATION OF ELECTRIC UTILITY EASEMENT LOCATED AT 4506

LINCOLN WAY: Mayor Campbell opened the public hearing. She closed the hearing after there was no one wishing to speak.

Moved by Corrieri, seconded by Betcher, to adopt RESOLUTION NO. 17-648 approving the vacation of an electric utility easement located at 4506 Lincoln Way.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

ORDINANCE MAKING REVISIONS TO CHAPTER 28, UTILITIES, DIVISIONS I AND

II: John Dunn, Director of Water Pollution Control, stated a couple of changes were made from last week on the Council Action Form: Section 28.205 has been reworded and the table that was proposed to be included in the adoption of the ordinance for local limits in the pretreatment program has been pulled. Mr. Dunn received confirmation earlier from the Department of Natural Resources that the table will require public notice and a formal public comment period.

Mr. Dunn was able to meet with the USDA and feels that they have a path forward to address the confidentiality issue. The concern that was mentioned from Ms. Tebben last week had to do with

the section about the sewer service line ownership. The USDA doesn't have a normal service line, they have a pump station and metering infrastructure. There is an agreement on how to define, in writing, the ownership, operation and maintenance. The City believes it can be done so it doesn't conflict with the language being adopted. If there were to be an issue, the City can modify the Ordinance; and with that understanding, the USDA is comfortable with the adoption of Chapter 28.

Moved by Betcher, seconded by Gartin, to pass on first reading an ordinance making revisions to Chapter 28, Utilities, Divisions I and II.

Roll Call Vote: 6-0. Motion declared carried unanimously.

ORDINANCE APPROVING CHANGES TO APPENDIX N RELATING TO UTILITY RATES: Moved by Corrieri, seconded by Gartin, to approve changes to appendix N relating to utility rates.

Roll Call Vote: 6-0. Motion declared carried unanimously.

ORDINANCE ESTABLISHING A MORATORIUM ON NEW RENTAL OCCUPANCY PERMITS FOR SINGLE- AND TWO- FAMILY HOMES WITHIN BOUNDARIES: Moved by Betcher, seconded by Gartin, to pass on third reading and adopt ORDINANCE NO. 4325 establishing a moratorium with an expiration date of April 30, 2018, on new Rental Occupancy Permits for single- and two- family homes within the boundaries of the SCAN, Westside, Oak-Wood-Forest, College Creek/Old Ames Middle School, Old Edwards, Oak Riverside, and Colonial Village neighborhoods and prohibiting the issuance of Building Permits in the moratorium are that would enlarge the building by adding additional bedrooms.

Roll Call vote: 5-1. Voting aye: Betcher, Beatty-Hansen, Gartin, Orazem, Nelson. Voting nay: Corrieri. Ordinance declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

COUNCIL COMMENTS: Moved by Orazem, seconded by Betcher, directing staff to prepare a memo regarding visibility on the west end of Campus Parking Lot 3.

Vote on Motion: 6-0. Motion carried unanimously.

Moved by Orazem, seconded by Betcher, to refer to staff for a memo the request from Main Street Cultural District for no-parking hours on the public land on south side of Main Street.

Vote on Motion: 6-0. Motion carried unanimously.

Moved by Corrieri, seconded by Nelson, to refer to staff for a memo the request for a Fringe Plan Amendment for Timber Creek Acres.

Vote on Motion: 6-0. Motion carried unanimously.

Moved by Betcher, seconded by Beatty-Hansen, to request the City Manager to give a recommendation on when to and in what form to come back with a report on the various boards the Council Members sit on.

Vote on Motion: 6-0. Motion carried unanimously.

Moved by Gartin to adjourn the meeting at 10:00 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor

Stacy Craven, Recording Secretary