

**MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL
COUNCIL CHAMBERS - CITY HALL - 515 CLARK AVENUE**

AMES, IOWA

OCTOBER 22, 2019

The Regular Meeting of the Ames City Council was called to order by Mayor John Haila at 6:00 p.m. on October 22, 2019, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law. Present were Council Members Gloria Betcher, Bronwyn Beatty-Hansen, Amber Corrieri, Tim Gartin, David Martin, and Chris Nelson. *Ex officio* Member Devyn Leeson was also in attendance.

PROCLAMATION FOR “150TH ANNIVERSARY OF THE MASONIC LODGE:” November 2, 2019, was proclaimed as “150th Anniversary of the Masonic Lodge” by Mayor Haila. Members of the Masonic Lodge Bill Yungclas, Justin Dodge, John Joiner, Fred Johnson, Walt Stidwell, James Musal, Justin Grodnitsky, and Jayson Ochanpaugh accepted the Proclamation.

PROCLAMATION FOR “BELLS OF IOWA STATE DAY:” October 27, 2019, was proclaimed as “Bells of Iowa State Day” by Mayor Haila. Dr. Tin-Shi Tam, University Carillonneur; Dr. Jonathan Wickert, Provost; Emily Ladewig and Holly Olson representing Stephens Auditorium; Robert Lindemeyer, Past President of the Stanton Memorial Carillonneur Foundation; and Noelle Fultz, President of Ames International Orchestra Festival Association (AIOFA) accepted the Proclamation.

Public Relations Officer Susan Gwiasda introduced Joe Sines as the new Media Productions Producer.

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

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting held October 8, 2019
3. Motion approving Report of Contract Change Orders for October 1 - 15, 2019
4. Motion approving new 5-day Class C Liquor License (November 6 - 10, 2019) - Gateway Hotel & Conference Center, 429 Alumni Lane
5. Motion approving new 12-month Class B Beer – Chicha Shack Ames, 131 Welch Avenue - Pending Inspections
6. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
 - a. Class E Liquor License with Class B Wine, Class C Beer and Sunday Sales - Target Store T-1170, 320 S Duff Ave
 - b. Class E Liquor License with Class B Wine, Class C Beer and Sunday Sales - goPuff, 615 S Dayton Avenue
7. RESOLUTION NO. 19-551 approving Quarterly Investment Report ending September 30, 2019
8. RESOLUTION NO. 19-552 establishing rate and payment schedule for assessing costs associated with demolition of garage at 1107 Grand Avenue
9. RESOLUTION NO. 19-553 accepting 2019 Department of Justice, Office of Justice Programs, and Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant Program and authorizing Police Department to participate in the Program

10. RESOLUTION NO. 19-554 setting November 12, 2019, as the date of hearing regarding vacating Sanitary Sewer Easement at 610 and 700 SE 16th Street
 11. RESOLUTION NO. 19-555 approving preliminary plans and specifications for Water Plant Maintenance and Storage Building Project (located at the Water Treatment Plant); setting November 27, 2019, as bid due date and December 10, 2019, as date of public hearing
 12. RESOLUTION NO. 19-556 authorizing procurement of new Furnace Atomic Absorption Spectrophotometer from Agilent Technologies of Wilmington, Delaware, for Water and Pollution Control Laboratory Services Division in the amount of \$42,909.48
 13. RESOLUTION NO. 19-557 awarding contract to Fair Manufacturing Inc., of Yankton, South Dakota, for the purchase of one 8'-wide self-contained snow blower for Public Works Department in the amount of \$81,421 (purchase amount \$85,421 - \$4,000 trade in value)
 14. RESOLUTION NO. 19-558 approving contract and bond for Water Pollution Control Facility Methane Engine Generator Replacement Project
 15. RESOLUTION NO. 19-559 approving contract and bond for 2018/19 Sanitary Sewer Rehabilitation (SIPHON)
 16. RESOLUTION NO. 19-560 approving contract and bond for 2019/20 Sanitary Sewer Rehabilitation (Munn Woods)
 17. RESOLUTION NO. 19-561 approving Change Order No. 2 to TEI Construction Services, Inc., of Duncan, South Carolina, in an amount not to exceed \$120,000 for Power Plant Maintenance Services contract
 18. RESOLUTION NO. 19-562 approving Change Order No. 7 to Helfrich Brothers Boiler Works, Inc., of Lawrence, Massachusetts, in the amount of \$80,250 (inclusive of sales tax) for Power Plant Unit 7 Boiler Repair project
 19. RESOLUTION NO. 19-563 approving Change Order No. 1 to Earth Services & Abatement (ESA) LLC, of Des Moines, Iowa, in an amount not to exceed \$74,000 for Asbestos Remediation and Related Services and Supply Contract for Power Plant
 20. RESOLUTION NO. 19-564 accepting partial completion of public improvements for The Irons Subdivision and reducing the security being held therefor
 21. RESOLUTION NO. 19-565 accepting partial completion of public improvements for Village Park Subdivision, 1st Addition, and reducing the security being held therefor
- Roll Call Vote: 6-0. Resolutions/Motions declared adopted/approved unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

PUBLIC FORUM: Mayor Haila opened Public Forum.

Merlin Pfannkuch, 1424 Kellogg Avenue, Ames, suggested that Council get aggressive with planning a new aquatic facility. He said the people of Ames are getting shorted of amenities while the industrial interests are being developed. Mr. Pfannkuch said incentives have been approved without consideration of the big picture and the overall financial situation.

Mayor Haila closed the Public Forum after no one else came forward to speak.

STAFF REPORT REGARDING INCENTIVES TO CONVERT RENTAL UNITS BACK TO OWNER-OCCUPIED HOUSING: Planning Director Kelly Diekmann reviewed the staff report response regarding the request from City Council to research options for incentives directed towards the conversion of single-family dwellings from rental properties to home ownership. He said staff

has divided the topic into four issues to focus the discussion on defining goals for an incentive program. One of the issues intended to be addressed by incentivizing the conversion of properties is the condition of the home and its desirability as an owner-occupied home as opposed to a rental home. Rental properties may have been modified to increase bedrooms or create different entrances; these modifications affect the flow and layout of a floor plan and do not work well for other household types.

Mr. Diekmann said if Council pursued a program to rehabilitate former rental properties, the program could either provide reimbursement for rehabilitation work, support the acquisition of former rental properties through down payment or closing cost assistance to the buyers, or purchase former rentals directly, then sell them to new owners. The next issue is the form of funding for the program. Whether used for acquisition or rehabilitation, the incentive can be offered as a grant or a loan. In either case, continued funding by the City is required to support a program long-term if no revenue is generated from prior investments. He reviewed the pros and cons of loans and grants.

The third issue is the source of the incentives. Mr. Diekmann said the options are a Property Tax Abatement for improvements made to a property within an Urban Revitalization Area, HOME/CDBG funding, and City funding. Household eligibility was the fourth issue that was reviewed. Mr. Diekmann advised Council that the use of federal funds will limit benefits to low- and moderate-income (LMI) households. To move forward with creating an incentive-based housing conversion program, City Council would need to identify the goals for the incentive program and provide direction regarding the four issues discussed. He said staff believes that, if this program were to move forward, it should be targeted to areas where there is an imbalance in ownership and rental properties. Targeting resources to specific areas would likely make the most appreciable difference in housing conditions compared to a distributed city-wide program.

Council Member Betcher asked what happens after an incentive is given. Mr. Diekmann said most examples required some element of length of stay by the buyer that is tied to the value of the incentive. Deed restrictions stay with the property and would be an option for the program as well.

Council Member Beatty-Hansen said the homes that will be available first will be the ones that could be targeted for LMI for use of the federal dollars. Then if that works, staff could potentially expand it in the future to market-rate homes too. Council Member Corrieri said she is more interested in the affordability piece. She said she is concerned about the number of homeowners who are able to qualify to purchase a home. She said she would like to target affordable properties, but maybe make the income guidelines different if the program was self-funded. Council Member Betcher said she would like to see the other component to convert rentals back to owner-occupied homes in near-campus neighborhoods as she thinks stability is more important than affordability. Ms. Corrieri clarified that affordability in targeted neighborhoods is what she meant, not necessarily a city-wide program.

Council Member Martin said he loves the idea that there might be a number of smaller homes that may not be affordable under certain guidelines, but are still an important end of the market. If staff could institute a market to convert the smaller rental homes back to owner-occupied, they could see

how much interest and how effective the program is. Ms. Beatty-Hansen said if they start with the affordable LMI target, they could use federal and City funds. Mr. Martin said that some of the smaller homes are easier to switch between renter occupants and owner-occupied simply because a smaller house wouldn't be split up. Council Member Gartin asked if it should matter that the context right now is that rent affordability is decreasing dramatically. He said the reason for all of these conversions to rentals was because the University added 10,000 students in a short amount of time and the market responded with more multi-family units. He suggested that if a landlord can't find renters for a house, economic incentives would be available to convert it back to owner-occupied. Mr. Gartin asked how staff would decide who gets the opportunities. Ms. Corrieri said there would be an application process like any other program that the City offers.

City Council Member Nelson said some units haven't been maintained as well and this will provide that incentive for people to be able to make those changes as the houses turn over. Ms. Beatty-Hansen said it's the best time to offer incentives to convert; if they don't, the rent would be lowered with no incentive to sell it back to be owner-occupied. Mr. Nelson said he is interested in having the two different programs that address the two issues related to rental housing. Ms. Baker-Latimer, Housing Coordinator, said as part of the Consolidated Plan, an online survey and a paper survey will be launched on October 28, 2019, which hasn't been done since 2015-16. Mayor Haila asked Mr. Diekmann if the discussions from Council are independent programs. Mr. Diekmann said operating a program that is not geared toward affordable housing should not be blended with federal funds because then the federal rules apply to all of the funds in the program. Ms. Beatty-Hansen said they won't be able to do a lot of homes in a year, but if they focus on the near-Campus neighborhoods, they could also include the affordable ones too. Ms. Betcher said as the guidelines are developed, priority could be given to homes in the specific neighborhoods, but the affordable part can be city-wide.

Moved by Beatty-Hansen, seconded by Corrieri, to explore two programs: one targeting affordable housing and one to be able to convert rental housing back into owner-occupied in targeted areas with the targeted areas to be suggested by staff.

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

Mayor Haila advised Council to discuss the issues as they were laid out. Mr. Diekmann said staff's involvement in the rehabilitation process is time-intensive and there will be an element of cost that will need to be brought back to Council. Ms. Baker-Latimer said they have tried similar programs on a smaller scale. Ms. Corrieri asked if the program is as labor-intensive if the City is providing grant money for the property owner to rehab and then sell it as an owner-occupied property rather than the City doing the rehabilitation and resale. Ms. Beatty-Hansen said that providing reimbursement to the landlord would likely only work for the market-rate houses, but the affordable purchases would be a simpler process for staff to be involved in. Mr. Nelson asked if down payment assistance is the most helpful in the situation that the City is handling the rehab and sale. Ms. Baker-Latimer said the down payment assistance is the biggest gap. Ms. Corrieri said she is not advocating for the City to purchase properties. She said the City either would provide funding to the current owner to rehab and then sell it as an owner-occupied property, or the City would provide funding to the buyer to purchase it and then rehab it. Ms. Betcher asked if staff could provide an incentive

in the form of money to the current owners of a rental house that doesn't need rehab work to place the deed restriction that it must be sold as owner-occupied and to sell in a certain amount of time. Mayor Haila confirmed that the Council does not want the City to buy the house and be involved in the rehab and resale.

Ms. Corrieri said affordable housing has been an issue for many years and not much has been done with it. She said she is not in favor of providing direct incentive for a seller if there is no rehab involved. Ms. Betcher said they need to restore the balance in neighborhoods. Ms. Beatty-Hansen said the ideal rentals that they would like to target are not the ones in great condition.

Moved by Betcher to provide reimbursement for rehabilitation work or down payment assistance to the buyer for rehabilitation work or direct incentive to the seller.
Motion failed for lack of second.

Mr. Martin said another issue is to prevent current owner-occupied homes from becoming rentals. Ms. Beatty-Hansen said the deed restriction covers that concern.

Moved by Nelson, seconded by Beatty-Hansen, to provide reimbursement for rehabilitation work or down-payment assistance to the buyer or reimbursement for rehabilitation work to the seller.

Mr. Gartin said he came to this discussion in support of a conversion, but now is not in support of this because of an email that was received with data that says rentals are more affordable now than they have been in the last 40 years. There have been broader market incentives to make these transactions happen, so he is not supportive at this time. People who are currently renting are going to be incentivized to convert anyway.

Vote on Motion: 5-1. Voting aye: Betcher, Martin, Nelson, Beatty-Hansen, Corrieri. Voting nay: Gartin. Motion declared carried.

Mr. Diekmann said staff needs to know if Council wants there to be a match requirement. Mr. Nelson asked if CDBG funds would be used for grants. Ms. Corrieri said no match requirement would be needed.

Ms. Betcher said there is a partnership program in Maryland for City employees and University faculty to live near campus. The University provides \$15,000 and the City provides an additional \$5,000 for the program. She suggested seeing if Iowa State University would be interested in a similar program if there is a near-campus neighborhood focus.

Mr. Diekmann confirmed that Council is interested in both affordable and market-rate housing and that they want near-campus neighborhoods to be the focus, not to re-evaluate the whole city. Mr. Schinker asked if it would be reasonable to have a report before February so staff can plan for the budget needs. Ms. Beatty-Hansen asked if Mayor Haila could write a letter to the Board of Realtors to suggest a database of potential sales. Mayor Haila said he will come up with a way of

communicating that and bring it back to Council on November 12 for a motion to do something with it.

BROOKSIDE PARK RESTROOM RENOVATION PROJECT: Parks and Recreation Director Keith Abraham reviewed the project and the questions that came up at the last meeting. The current balance of the Park Development Fund is \$715,000, which does not account for the cost of the restroom project for \$81,000. Council Member Gartin wanted to know if that would affect anything on the horizon. Mr. Abraham said that balance has already taken out the cost of the projects that have recently been completed or are already planned. Rose Prairie park development is the only project not accounted for yet in the five year CIP, which is for \$200,000. City Manager Schainker said the Park Development funds are usually used for new park land acquisition or new structures on playgrounds. He said \$100,000 of funds gets replenished every year with Council's support. Ms. Betcher said it won't get any cheaper if they wait.

Mayor Haila opened public comment. Seeing none, he closed public comment.

Mr. Abraham clarified the term value engineering was used by the architect, but it was more for clarification on things like tuck-pointing. The scope of the project is not changing and they are not reducing things and staff needs to obtain clarification from the contractor to see if there is potential for savings. Mr. Schainker said Item C on the Agenda for this item can be removed altogether as it is something staff would normally do anyway.

Moved by Nelson, seconded by Gartin, to adopt RESOLUTION NO. 19-566 approving a contract with Henkel Construction Company from Mason City, Iowa, in the amount of \$295,000.

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

Moved by Betcher, seconded by Gartin, to adopt RESOLUTION NO. 19-567 approving authorizing use of \$6,525 savings from completed Brookside Park Path Lighting Project, \$6,882 in savings from completed Maintenance Building Electrical Update, and up to \$81,805 from Park Development Fund.

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

ISU RESEARCH PARK URBAN RENEWAL AREA: Moved by Gartin, seconded by Betcher, to pass on second reading an ordinance correcting boundaries of Tax-Increment Financing District No. 1.

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

Moved by Gartin, seconded by Betcher, to pass on second reading an ordinance creating Tax-Increment Financing District No. 2.

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

Moved by Martin, seconded by Beatty-Hansen, to pass on second reading an ordinance amending Chapter 29 to establish definitions, standards, and enforcement procedures for licensing of guest lodging in specified zoning districts.

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

Moved by Beatty-Hansen, seconded by Corrieri, to pass on second reading an ordinance amending Chapter 13 (Rental Code) to establish definitions, standards, and enforcement procedures for licensing of guest lodging in specified zoning districts.

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

Moved by Beatty-Hansen, seconded by Nelson, to pass on second reading an ordinance creating Chapter 35 to establish definitions, standards, and enforcement procedures for licensing of guest lodging in specified zoning districts.

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

Moved by Betcher, seconded by Corrieri, to pass on second reading an ordinance revising the age-limit restriction in the Contract Rezoning Agreement for 415 Stanton.

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

Moved by Corrieri, seconded by Betcher, to postpone third reading and adoption of the ordinance rezoning with Master Plan property located at 507 Lincoln Way from Downtown Gateway Commercial (DGC) to Highway-Oriented Commercial (HOC).

Vote on Motion: 5-1. Voting aye: Betcher, Martin, Gartin, Beatty-Hansen, Corrieri. Abstaining: Nelson. Motion declared carried.

DISPOSITION OF COMMUNICATIONS TO COUNCIL:

Memo from Deb Schildroth, Assistant City Manager dated October 22, 2019, regarding ASSET Data for Budget Guidelines Session: Mr. Schainker advised Council that if they are satisfied with the memo, no action is needed. If they want anything changed, they would need to make a motion and bring it back to the next meeting. Council made no motion.

Memo from Kelly Diekmann, Planning & Housing Director, dated September 17, 2019, regarding Metronet's Request to Acquire Surplus City Property at 1420 Lincoln Way: Moved by Beatty-Hansen, seconded by Nelson, to initiate the process of rezoning from SGA to UCRM and to direct staff to negotiate with Metronet on the acquisition of the property.

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

Email from Kyle Poorman dated October 10, 2019, regarding: (1) request to replace the flashing pedestrian light at Ames Middle School with an on-demand flashing pedestrian light; (2) request to 1) develop plans to make Mortensen Rd (west of South Dakota) safe for pedestrians including putting in crosswalks, pedestrian signage, and reducing the speed limit; 2) develop city-wide traffic plan with Ames School District; 3) provide update on staff's progress on studying sidewalk or bike path infill in area; 4) visit area to understand pedestrian safety issues; and (3) request to study the use of four-way red traffic lights with the idea of using the technique on intersections near ISU's

campus with intersections on Lincoln way through Iowa State's campus being the priority: Moved by Beatty-Hansen, seconded by Gartin, for a memo from staff on all three traffic related requests. Mr. Gartin added a friendly amendment to seek input from Ames Community School District for its perspective. Ms. Beatty-Hansen agreed to add the friendly amendment to the motion, seconded by Gartin.

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

Letter from Metronet dated October 07, 2019, regarding a request to allow Metronet facilities on a pole line across City property: Moved by Betcher, seconded by Gartin, for a memo from staff.

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

Letter from Anfu Wang dated October 11, 2019, regarding a request to reconsider the three ineligible items on façade grant application as eligible in order to receive as much funding as possible up to 15,000: Mr. Gartin said Council needs to make sure they are acting consistently. Ms. Betcher said they already discussed proration based on the construction already starting.

Moved by Betcher, seconded by Gartin, to direct staff to communicate with the applicant that Council is not interested in reconsidering the request.

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

COUNCIL COMMENTS:

Moved by Martin, seconded by Betcher, to direct staff to investigate current agreements with internet providers and indicate if use conditions can be imposed to require internet performance data reports.

Mr. Gartin said he agrees with the value of having this data and the goal is reasonable, but he is having trouble with the legal justification to obtain the data. Ms. Betcher said the purpose of the motion is to determine if it is legal.

Vote on Motion: 3-3. Voting aye: Betcher, Martin, and Beatty-Hansen. Voting nay: Gartin, Nelson, and Corrieri. Mayor Haila voted aye to break the tie. Motion declared carried.

Moved by Gartin, seconded by Martin, to schedule a workshop on the arts and to work with Mr. Sulzberger on that project.

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

Mr. Schainker said the workshop on October 28th might have to be cancelled as staff does not have the data needed to take the next step.

ADJOURNMENT: Moved by Betcher to adjourn the meeting at 8:01 p.m.

Rachel E. Knutsen, Deputy City Clerk

John A. Haila, Mayor