

## COUNCIL PROCEEDINGS

March 25, 2019

Charles City city council met in a planning session on March 25, 2019 at 6:00 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Jerry Joerger, DeLaine Freeseaman, Michael Hammond, and Dan Mallaro. Also present were city administrator Steve Diers and city engineer John Falls.

Shawn Foutch, Foutch Properties, was on hand to discuss with the council a development agreement for the property at 500 N. Grand Ave. Mr. Foutch is interested in purchasing the 500 N. Grand Ave. property and converting it into market rate apartments. If he enters into this project it will be the 6<sup>th</sup> one he has completed in the state. He stated that old schools are not easy projects to do but really cool things can be done with them. All of the heating, cooling, electrical, and plumbing is removed and new systems are put in. The development agreement is written as a three-way agreement between the school, city, and the developer. It could be split apart to have an agreement that just involves the City and the developer and then the school could have their own agreement with the developer. Section 2 of the agreement deals with what the developer needs from the city. There is also a section of what the developer is agreeing to provide. Developer is agreeing to provide market rate housing. It is not low-income housing. Section 8 housing vouchers could be accepted but typically they are not. Mr. Foutch is open to discussion if something needs to be changed in the document. He has estimated the cost of his project to be 4 million dollars. The valuation when the project is completed will be less than the 4-million-dollar investment. Zoning for the apartment complex needs to be zoned R3 which it already is. It is also surrounded by property zoned R2. The City will have to agree to the subdivision of the 1932 portion from the 1970's portion of the building. He would like the City to take a look at the existing public utilities for potable water, fire protection, sewer and storm drainage to make sure they are in good repair and of adequate capacity for the project. He is also asking for a 10-year, 100% tax abatement. He will also ask the city to support an application for Workforce Housing Tax Credits from the State of Iowa if that program or a comparable replacement program is funded within the development of the project. This could be either a written statement of support, as well as designation of an urban blight district or other designation. Also, may ask for support of an application for Gray field monies. Per current city code 2.2 parking space is required per apartment. That would mean the project would have to have 88 parking spaces. It will be very difficult to get this on site. Institute of Traffic Engineers used a 1.5 number of parking spaces per apartment. This would reduce the parking spaces to 60. Foutch is hoping to create 46 spaces of parking in the parking lot on the northwest side of the building. He would also like to have head on parking on the south side of the building. Parking on the south side of the building would provide access to the elevator. Council needs to discuss if they want to allow fewer parking spaces than the current code allows. Council asked Mr. Foutch what his long-term plan was for the building. He stated that he would build the apartments and then own them for as long as it makes sense. Eventually it might be sold. Concern was expressed as to what type of entity it would be sold to. Mr. Foutch stated that this issue could be handled in the development agreement.

Would need to have an agreement in place within the next two months. Mr. Foutch will continue to work on his agreement with the Schools and foresees having a separate agreement with the City.

Consensus of council was that another planning session would be necessary to discuss the tax rebate and the parking matters.

Heidi Nielsen, housing director, is asking to purchase and install new exterior door knobs and deadbolts at the North and South Cedar Terrace Apartments. The existing door hardware is wearing out and has required several calls to a locksmith to install and rekey new locks. Also, the old hardware is designed so that it makes it easier for residents to lock themselves out of their apartments. When residents are locked out on nights or weekends the police department is called to let the residents back into their apartments. Heidi has received three quotes. All quotes were reviewed by the housing board and their recommendation was to accept the low bid from Strauss Security Solutions in Urbandale. The amount of the quote is \$16,847.58. The cost of the project will come out of the operating budget. This item will be placed on Monday nights agenda for council vote.

City Administrator Diers had provided the council with the 2019 list of nuisance properties. Diers gave a brief description of the issues with each property. Some of the properties have been in the 2008 flood and have had no one living in them since the flood. There were some rental properties listed. Concern was expressed that we may need to look at our rental inspection process if we have rental properties that are being recognized as a nuisance property. Diers would like to work with the property owners to come to a co-operative solution on these properties.

Some discussion was held on the differences in TIF rebates versus tax abatements. Question was asked on if a hybrid of the two could be offered for the 500 N. Grand project. Diers stated that all though he had never done one it was certainly possible. Diers will be working on some recommendations for the 500 N. Grand project and will place another discussion on the next planning session agenda.

The upcoming Wednesday workshops will be used to take tours of the city departments with the exception of the first one which will be held on a Monday, April 8th. Diers will pass out the schedule on Monday. Tours will start at 5 p.m., meeting will start at 6 p.m.

Being there was no further business the meeting was adjourned.

Dean Andrews, Mayor

Attest:

Virginia Titus, Deputy Clerk