

## OTTUMWA CITY COUNCIL MINUTES

REGULAR MEETING NO. 35  
Council Chambers, City Hall

December 7, 2021  
5:30 O'Clock P.M.

The meeting convened at 5:30 P.M.

Present were Council Member Roe, Meyers, Pope, Berg, Dalbey and Mayor Lazio.

Roe moved, seconded by Meyers to appoint the number four vote receiver from the last certified election on Nov. 2, 2021, who is Russ Hull with 1,188 votes, to fill the vacancy left by Council Member Meyers on Dec. 31, 2021. The remaining balance of the term of office for the vacant position will expire in Jan. 2024. The person so appointed to fill the vacancy shall hold office until a successor is elected and qualified in accordance with law. All ayes.

Meyers moved, seconded by Berg to approve the following consent agenda items: Mins. from Regular Mtg. No. 33 on Nov. 16, 2021 as presented; Civil Service Commission Eligibility List for Nov. 24, 2021; Firefighter Entrance; Approve appointment of Frank Stanton to Operator at WPCF on or about Dec. 19, 2021; Approve appointment of James Tray to Airport Maint. Worker at Ottumwa Reg. Airport on or about Dec. 19, 2021; Approve two-yr. extension lease agt. with Brad Yeager, for 510 acres of farmland more or less, located at the Ottumwa Reg. Airport, and auth. the Mayor to sign; Approve conflict of interest waiver for Ahlers & Cooney, P.C. between City of Ottumwa and Ottumwa Community School Dist. in order to draft Agt. between the two partners; Res. No. 212-2021, auth. reimbursement of expenses in the amt. of \$30,000 incurred as qualified urban renewal expenditures eligible for reimbursement from the West Gate TIF as per IA Code Section 403.19, in support for the Main St. Program; Beer and/or liquor applications for: Noe's Bar and Grill, 101 S. Madison Ave.; Cerro Grande Meats and Market, 311 E. Main; Uncle Buck's Bar and Grill, 518 Church St.; all applications pending final inspections. All ayes.

Dalbey moved, seconded by Roe to approve the agenda as presented. All ayes.

Dennis Hunger, CEO, ORHC, address some questions/concerns brought up from the last mtg. on 11/30/2021 about ambulance service. Concerns on 911 service, but as an organization, we have to look at a series of indicators to see if we are providing a quality service or not. ORHC (ORMICS) has been providing ambulance services in Ottumwa and Wapello County since 1981, with a partnership with Ottumwa Fire since 2002. Our quality of service is regulated by IDPH, under the Bureau of Emergency & Trauma Services. During our most recent check (March 2020), zero deficiencies were found. We are mandated to operate with two crews (which has been 100% compliant) and have implemented a third crew that has been 90% compliant based on the last data set. Call volumes 2019 (4,829); 2020 (5,003); 2021 (4,268). Numerous internal transfers from ORHC to other hospitals and facilities. We are trying to develop into a critical care paramedic service; one of very few in the state that can provide these services. We have done this without any tax supplements since 1991.

Where does the liability fall when our fire dept. assists? This can be addressed in an agt. between the entities and make sure all protections are in place.

Staffing question: people that work for us often times have multiple jobs; all industries are short staffed.

Fred Zesiger provided an update on Main Street Ottumwa. Presentation of check for \$2,983 for Historic Preservation Commission from the sale of items out of First National Bank bldg. Despite the pandemic, a net increase of seven businesses to the Main Street area this year. The taxable valuation comparison from 2015 to 2020 has produced an increase of \$2,359,360 for 64 parcels on E. Main (100 block, 200 block and

300 block). 100-300 E. Main's increased valuation added \$18,292 to the General Fund this year. The Main Street Ottumwa program fosters a vibrant, dynamic, and healthy downtown through community engagement and collaborative partnerships.

City Admin. Rath briefly discussed ARPA Funds – will bring recommendations to Council on 12/21 and would like input from exiting City Council as well.

Dalbey moved, seconded by Berg to approve the purchase of stainless steel sleeves and epoxy from Hilti in the amount of \$14,202.70 for the River Wall Flood Panel installation. All ayes.

Roe moved, seconded by Berg to increase the staffing level of the Fire Dept. by three positions and proceed with the hire of these newly est. positions. Fire Chief Miller stated it would be more cost effective to hire 3 addtl personnel instead of the amt. we are paying in OT. We cannot sustain this amt. of OT much longer and we need to take it seriously. The Safer Grant will open up in Jan/Feb 2022, \$345 Million up for grabs, that we will submit a grant for to try and secure some of these funds, but will not have a response until late fall 2022. We just certified a list of 12 applicants that we can hire from. Dalbey asked if these three positions will be sustainable (from a tax payer perspective). Fin. Dir. Mulder responded that we need to look for revenues to bring into the General Fund (franchise fees) and have to start pursuing these quickly. It does make sense financially to hire addtl 3 firefighters now with OT costs trending towards \$350,000. All ayes.

This was the time, place and date set for a public hearing on the proposal to enter into a Development Agt. with HCI52501 Investment, LLC. Rath began, TIF is an economic development tool; provides revenue for investment and growth; as a city, we can utilize this tool to help assist when there's gaps in financing. When we talk about TIF, some things in the levies are exempt from this (debt service). Community Development Dir. Simonson reported council rejected the first proposal for this project on Nov. 2, 2021 that provided a 100% TIF rebate, not to exceed \$175 thousand annual or \$3.5 Million cumulatively. Following, staff renegotiated with Huegerich Construction/HCI52501 Investment, LLC, to reach a compromise. The proposal before you includes a 50% TIF rebate for 20 years, not to exceed \$87,500 per year or \$1.75 Million cumulatively. This is a 50% reduction from the first proposal. The development is for workforce housing; affordable housing not to exceed 60% LMI (in this area, this correlates to \$979 for a two-bedroom and \$1,131 for a three-bedroom unit). The financing structure alleviates many of the concerns expressed about the rebate under the previous proposal. This development agt. will ensure new revenue for all taxing entities beginning in year one. This is on top of debt service, school ISL and PPEL levies which will be exempt from capture. The Bonita URP and *Our Ottumwa* 2021 Comp. Plan both identified housing as a barrier to retaining industry and promoting job growth. JBS took the initiative to recruit the developer for this project because housing is a barrier to their business in Ottumwa. The developer is committed to completing at least one of the 36 unit bldgs. on the site. Rental housing is not the end goal of our efforts in housing, but it is a critical piece. Rental housing provides a place for new families to land and build credit as they prepare for home ownership. It helps to address the urgent needs while we improve our existing owner occupied stock and build new. In Nov., Ottumwa had 900 vacant positions listed on *Indeed*. JBS alone has 200 positions to fill and we have projected over 200 new jobs from Superior Machine, MAAX Spas, Atlantic Bottling and Harbor Freight. This is with a 3.4% local unemployment rate, which is lower than the state and national ave. and in line with our pre-COVID unemployment. We need to grow the labor pool and housing is a key part of that.

Dennis Willhoit, 334 E. 5<sup>th</sup> Street, urges you to vote in favor of the revised development agt. Our people are the most important factor and people need housing; we need people to grow.

Julia Blunt, 319 Bonita, I do agree that this agt. is better than the first, but not the best choice for the City. Inflation is a problem; real value will steadily decrease over time; what if there isn't increased value of the property at the end of the TIF, traffic continues to be an issue; continue to be concerned over the sewer situation in this area.

Kathy Courtney, 2621 Kenwood, there's already issues with sewer in houses along the frontage road, this development could cause water levels to raise with flooding in other areas; why would someone develop an apartment complex over the top of a coal mine; the developer is the only one benefiting in this agt.; we don't owe the developer to come here.

Jerry Parker, 919 E. Fourth, individuals can only get 5 year tax abatements, why not offer a 5 year agt. with the developer; we represent the people as elected officials; those that show up and vote; don't start off where you can end up. This is the best opportunity for the citizens to tell you what they want.

Marty Anderson, 2644 North Court, why would be consider a partial TIF; put thought into your decision; why are we in such a hurry; look at resolving sewer issues before adding more; what's best for Ottumwa. We need to generate tax dollars, not give them away.

Joey Courtney, 117 W. Alta Vista, can we look at some of the issues this may create before we build anything new (traffic, sewer); what if JBS leaves, we need more guarantees that everything is going to stay in place.

David Bossou, 1620 Greenwood Dr., my family moved to Ottumwa in 2009 from Africa, to work at JBS; we are those people; Ottumwa has helped us; at the last mtg. the sewer issues were discussed and we were informed that this development would not have an effect on the sewer system; is it really about the sewer, or the taxes; what is it really about.

Lester DenHartog, question on the tax abatement, if I only complete one bldg. and not the full project, would I still be able to abate the taxes?

Simonson – the development agt. begins at the completion of the minimum improvements; if the full project is not completed, the developer could not abate those taxes.

Meyers moved, seconded by Dalbey to close the public hearing. All ayes.

Simonson further addressed some of the questions brought up during the PH; there are issues with private sewers in this area; however, the issues are not because of the capacity of the sewer main, but of their sewer laterals and the depth of the sewer when installed. This development does not impact their sewers. The developer will be responsible for his sewer lateral from the bldg. to the main. Traffic is identified in the comp plan with IDOT having jurisdiction in this area. There are over 200 families that are hoping to move into this community that did not have the option to sign a petition in favor of this project because they don't live here yet. This development is north of the area that the coal mine sat so it is not relevant to this project. We are seeing that JBS has taken the initiative to help add housing to support their need; they are thinking more long term; we need people to live here because we want to grow.

Roe stated the last resolution was voted down because the City didn't have a voice in the conversation; this agt. tonight shows compromise and it looks as though both parties will benefit.

Dalbey agrees, we need housing in Ottumwa but there's no reason a \$16 Billion company cannot pay for this; it isn't an issue with TIF; I want something better for the people living here and to invest in our employees.

Meyers moved, seconded by Pope that Res. No. 211-2021, approving and authorizing execution of a Development Agt. by and between the City of Ottumwa and HCI52501 Investment, LLC, be passed and adopted. Vote taken: Ayes: Roe, Meyers, Pope. Nays: Dalbey. Abstain: Berg working on several projects that are affected by funding from other sources. Motion passed.

Roe moved, seconded by Berg that Res. No. 207-2021, approving employee Leave of Absence Policy for the City of Ottumwa, be passed and adopted. HR Dir. Codjoe reported this revision of our current light duty policy will provide consistent and trackable process to integrate with our new UKG system. All ayes.

Meyers moved, seconded by Roe that Res. No. 208-2021, approving updates to the City of Ottumwa Personnel Policy, be passed and adopted. Codjoe explained the list of seven changes to the policy. All ayes.

Roe moved, seconded by Berg that Res. No. 210-2021, fixing an amount for abating a nuisance against certain lots in the City of Ottumwa, IA, totaling \$14,409.17, be passed and adopted. Simonson reported 24 properties make up this listing. All ayes.

Meyers moved, seconded by Dalbey that Res. No. 213-2021, support and financial commitment for the Main Street Ottumwa Program for 2022-2023 and auth. the Mayor to sign the Agt, be passed and adopted. Rath reported the City originally entered into a program agt. with IEDA in 2006, which has continued. This agt. provides ongoing public and financial support from the City to Main Street Ottumwa. All ayes.

Dalbey moved, seconded by Berg that Res. No. 214-2021, approving the annual budget of the Ottumwa Water Works Board of Trustees for calendar year 2022, be passed and adopted. Mulder introduced Mike Heffernan to discuss the budget. He reported water sales revenue projected with a 3% rate increase; offset by the loss of revenue from the Wapello Rural Water contract expiring June 1, 2021. Expenses are projected to increase 1.3% with one of the largest increases from insurance costs. Discussed capital projects included within their budget. All ayes.

Dalbey moved, seconded by Berg that Res. No. 215-2021, determining the necessity and fixing date for a public hearing on the matter of the adoption of a proposed Amended and Restated Ottumwa Urban Revitalization Plan for the Ottumwa Revitalization Area, be passed and adopted. Simonson reported due to state legislature, the taxation category for multi-family residential property was removed and lumped into residential property classification for taxation. As a result, Iowa communities with an URP had to revisit and amend their plans to adjust for this change. The plan will be discussed during the public hearing on Dec. 21, 2021. All ayes.

Meyers moved, seconded by Roe that Res. No. 216-2021, fixing date for a public hearing on an application to the IA Economic Development Auth. for a Community Development Block Grant (CDBG) from the COVID-19 Program and auth. the mayor to sign the contract for grant application assistance with Area 15 Regional Planning Commission, be passed and adopted. Simonson reported 105-107 and 114-118 N. Market have been identified as suitable property for this grant that will be discussed further during the public hearing on Dec. 21, 2021. Area 15 RPC will provide application assistance services for \$2,500 plus admin. costs if the grant is awarded to us. Vote taken: Ayes: Roe, Meyers, Pope, Dalbey. Abstain: Berg, currently employed by Area 15 RPC. Motion passed.

Roe moved, seconded by Berg that Res. No. 217-2021, approving the purchase, signing of contracts, signing of an Agt. and cost of annual maint./subscription fees for the Public Safety Suite Pro from Central Square for the Ottumwa Police Dept., be passed and adopted. Chief Farrington reported this computer aided dispatch and records mgmt. program will allow the sharing of information and a unified program for police, fire, medical and emergency mgmt. in Wapello County. Quote for the software is \$600,035.93, with the city's portion of this initial cost being \$170,857.46. Annual maint. and subscription fees will be part of the on-going cost that the city will be responsible for one third of the overall cost each year. All ayes.

Meyers moved, seconded by Pope to pass the third consideration and adopt Ordinance No. 3187-2021, an ordinance providing that general property taxes levied and collected each yr. on all property located within the Bonita Urban Renewal Area, in the City of Ottumwa, County of Wapello, State of IA, by and for the benefit of the State of IA, City of Ottumwa, County of Wapello, Ottumwa 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 Bonita Urban Renewal Area (The Bonita URP). Vote taken: Ayes: Roe, Meyers, Pope, Berg. Nays: Dalbey. Motion passed 4-1.

Petition No. 5087-2021 was rec'd by the City Clerk and discussed during Item G-1, PH on the proposal to enter into Development Agt. with HCI52501 Investment, LLC: 572 total signatures (489 signatures in Ottumwa) petition for the City Council to vote "No" on the proposed 50% 20 yr. or 100% 10 yr Tax Increment Financing (TIF) rebate agt. to the developer, Huegerich Construction for the 108 unit apartment complex on Bonita Ave until the residents sewer and flooding concerns are addressed as well as concerns with traffic flow in the neighborhood and onto the highway.

Mayor Lazio inquired if anyone from the audience wished to address an item not on the agenda. Roe requested to have a special mtg. to discuss housing (comp. plan, housing study and the amount of infill that the city controls) to try and spark some new housing or business development.

There being no further business, Dalbey moved, seconded by Pope that the meeting adjourn. All ayes.

Adjournment was at 7:38 P.M.

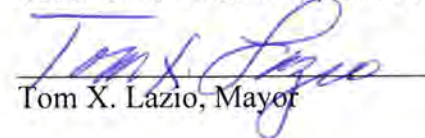
ATTEST:



*Christina Reinhard*

Christina Reinhard, CMC City Clerk

CITY OF OTTUMWA, IOWA



*Tom X. Lazio*

Tom X. Lazio, Mayor