

MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

NOVEMBER 22, 2022

The regular meeting of the Ames City Council was called to order by Mayor John Haila at 6:00 p.m. on the 22nd day of November, 2022, 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, Rachel Junck, and Council Member Anita Rollins was brought in telephonically. *Ex officio* Member Bryce Garman was absent.

CONSENT AGENDA: Moved by Betcher, seconded by Junck, to approve the consent agenda.

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting on November 8, 2022 and Special Meeting on November 18, 2022
3. Motion approving Change Orders for period ending November 15, 2022
4. Motion approving new 12-Month Special Class C Liquor Retail Alcohol License – Mongolian Buffet – 1620 South Kellogg Avenue
5. Motion approving the renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
 - a. Class C Liquor License with Outdoor Service, Sunday Sales, and Catering Privilege - The Café, L.C., 2616 Northridge Parkway
 - b. Class C Liquor License with Outdoor Service and Sunday Sales - Aunt Maude's, 543-547 Main Street
 - c. Class C Liquor License with Outdoor Service and Sunday Sales - Thumbs Bar, 2816 West Street
 - d. Class C Liquor License with Outdoor Service and Sunday Sales - Tip Top Lounge, 201 E Lincoln Way Pending Dram Shop Insurance
6. Body-Worn Cameras for Police Department
 - a. RESOLUTION NO. 22-592 approving single source purchase and award for the replacement of the WatchGuard Body Worn Cameras, includes equipment, system setup, configuration, testing and training, replacement of the server and service agreement for five years for the Police Department
 - b. RESOLUTION NO. 22-593 approving five-year award of contract with WatchGuard Vista/V300, Motorola Solutions, Inc., Chicago, Illinois, for the Police Department's Watchguard Body-Worn Cameras, in the amount not to exceed \$126,822.00 equipment, server, testing and training, in the amount not to exceed \$190,382
7. RESOLUTION NO. 22-594 waiving formal bidding requirements and awarding a three-year Microsoft Enterprise Agreement purchase to Insight Public Sector Inc., Tempe, Arizona in the amount not to exceed \$158,820.46
8. RESOLUTION NO. 22-595 authorizing purchase of Financial Software Hosting and Maintenance from CentralSquare Company, Lake Mary, Florida
9. RESOLUTION NO. 22-596 approving FY 2021/22 Annual Street Financial Report
10. Annual 2022 Urban Renewal Report:
 - a. RESOLUTION NO. 22-597 approving 2022 Urban Renewal Report
 - b. RESOLUTION NO. 22-598 approving certification of TIF Debt for Campustown and annual appropriation of Kingland TIF Rebate

- c. RESOLUTION NO. 22-599 approving certification of TIF Debt and appropriating payment of a rebate of incremental taxes for the Barilla TIF District
11. RESOLUTION NO. 22-600 approving preliminary plans and specifications for North Sunset Ridge Sanitary Sewer; setting December 14, 2022, as bid due date and December 20, 2022, as date of public hearing
 12. RESOLUTION NO. 22-601 approving plans and specifications for Furman Aquatic Center Pool Basin Painting Project; setting December 21, 2022, as bid due date and January 10, 2023, as date of public hearing
 13. RESOLUTION NO. 22-602 approving Contract and Bond for 2021/22 Sanitary Sewer Rehabilitation (Ames High School and Veenker Golf)
 14. RESOLUTION NO. 22-603 approving final plat completion and releasing financial security for Sunset Ridge 8th Addition
 15. RESOLUTION NO. 22-604 approving partial completion and reducing financial security for Scenic Valley 5th Addition
 16. RESOLUTION NO. 22-605 approving partial completion and reducing financial security for Hayden's Crossing 2nd Addition
 17. RESOLUTION NO. 22-606 approving partial completion and reducing financial security for Scenic Valley 6th Addition

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

PUBLIC FORUM: Mayor Haila opened the Public Forum.

David Martin, 339 Hickory Drive, Ames, thanked the City Council for their work on the Climate Action Plan, commending Staff for excellent work addressing complex questions.

Richard Deyo, 505 8th Street, #2, Ames, expressed concern about the Climate Action Plan.

Grant Olson, 3812 Ontario Street, Ames, shared support for increasing density in Ames rather than expanding outward.

The Mayor and closed the Public Forum when no one came forward to speak.

LIQUOR LICENSE OUTLAWS: City Attorney Mark Lambert stated that a Council Member asked if this matter would be considered quasi-judicial, meaning that the City Council would act more like a judge or court than a legislative body. After reviewing Iowa Supreme Court precedent, City Attorney Lambert advised the City Council that the matter would indeed be quasi-judicial, meaning that they should not engage in ex parte communication, talking to representatives of only one side of the matter. City Attorney Lambert explained he was aware ex parte communication had occurred prior to the advice being issued on Sunday, November 20th, 2022. Therefore, he entered into the record that ex parte communication occurred in order to cure it for the purposes of Iowa law.

Chief of Police Geoff Huff discussed the staff report recommending against renewal of the liquor license for Outlaws, 2522 Chamberlain Street. The Police Department conducts compliance checks

on establishments that hold liquor licenses in the City of Ames, which are completed by taking an underage person to liquor licenses establishments who then attempts to purchase alcohol. A business successfully passes the compliance check if the employee asks for identification and correctly refuses the purchase.

The Police Department conducted one compliance check at Outlaws on March 25th, 2021. An employee of Outlaws sold alcohol to an underage person during the check and was cited. The Police Department conducted a follow-up compliance check on October 20th, 2022, when an employee again sold alcohol to a minor. Chief Huff explained that this was the second violation within two years and Iowa Code 123.50(3)(b) prescribes a 30-day suspension and \$1,500 fine. This suspension and fine will be imposed on the establishment by the Iowa Alcoholic Beverages Division (ABD) regardless of the action taken by the City Council.

Chief Huff noted that beyond the failed compliance checks, in the previous 12 months, Ames officers have cited 15 underage individuals for being on-premises. Of those 15, officers verified that six individuals used faked IDs to get into the bar. Two other individuals stated they were let in because they knew staff members of the bar. Officers were unable to determine how the remaining underage individuals entered the bar.

The Police Department also received a complaint from an ex-employee highlighting the practice of the establishment to let certain minors in. Chief Huff explained that meeting minutes were received from a staff meeting that stated, “No minors let in unless I am asked.” This instruction came from a manager of the business. The Police Department spoke with that manager, who admitted the notes were accurate. However, the manager’s explanation was that if a minor tried to get in, staff would alert him, and he would tell the minor they could not enter. The Police Department does not believe this explanation is consistent with what the written instruction says. Staff met with the license holder and his attorney on November 9th, 2022, at the request of the license holder. At that meeting, the license holder said when they found out about the correspondence in December 2021 or January 2022, the manager was reassigned to a different liquor establishment owned by the same license holder. The license holder said they hired a new manager and the problem was corrected. However, Chief Huff stated that it was clear minors were found on premise after the change in management, though some were in the possession of a fake ID.

Chief Huff further explained that the Police Department acquired text messages from a former Outlaws employee that suggest minors could be granted entry with the use of a “code word” at the door. At the November 9th, 2022, meeting between the license holder and City staff, the license holder theorized that the code words could be for VIP status. Chief Huff noted that there is no mention of VIP in any of the text messages City staff obtained, reading several examples of the texts.

Chief Huff clarified that if the City Council denies the requested license renewal, the denial can be appealed, first to the ABD, then to an Administrative Law Judge, then the Director of ABD,

and then District Court. Filing an appeal with ABD would place a stay on the denial, and the establishment would be allowed to continue to operate until the appeal process is complete. If the appeal(s) are not successful, alcohol may not be sold on the premises for one year, or until a new licensee applies for and is granted a new liquor license.

Chief Huff surveyed the three options before the City Council: denying the application for a 12-month renewal, approving the 12-month renewal, or denying the 12-month renewal and entertaining a future application for an 8-month renewal. Regardless, the establishment will still be subject to the ABD penalty for failing two compliance checks in two years. Chief Huff reiterated his recommendation to deny the renewal of the 12-month liquor license, citing the apparent collusion to allow entry to minors as the most troubling piece of evidence.

Council Member Corrieri inquired about how this case differed from AJ's, whose license renewal City Council recently approved despite a comparable 15 citations in 12 months. Chief Huff noted that the overall picture for Outlaws was quite different given two failed compliance checks and evidence of collusion to allow entry to minors. Chief Huff also clarified for Council Member Corrieri that it appeared that more than one employee was involved in the collusion, and City Staff did not know how long this practice had been occurring.

Chief Huff explained for Council Member Junck that compliance checks are usually conducted along with ABD because they are extensive operations. The Police Department follows up after failed compliance checks to see if the problem has been corrected when Department staffing allows. Chief Huff clarified for Council Member Gartin that two of the 15 individuals cited admitted that they gained entry through staff permission, six had fake IDs, and the remainder gained entry through unknown means. In response to questions from Council Member Gartin about consistency and precedent, Chief Huff stated that in his 28 years in the profession, he has never seen evidence of a bar's employees colluding to allow access to minors, and that aspect set this case apart from other cases with similar numbers of citations for minors or even failed compliance checks.

The Mayor opened Public Input.

Andrew White, 3315 146th Circle, Urbandale, identified himself as the license holder of Outlaws. Mr. White expressed that he was blindsided by the facts that came to his attention for the first time in July 2022, and he would not make excuses for the unacceptable behavior. Mr. White stated that the employee who sent certain texts in the record, Kasey Walters, had been trustworthy and reliable for ten years. Upon confronting Mr. Walters in July 2022, Mr. White indicated that Mr. Walters admitted to sending the messages in question. Mr. White considered firing Mr. Walters, but chose to give him a second chance by transferring him to a different bar. Mr. White expressed confidence in Mr. Walter's remorse and change of heart. Mr. White stated that he takes responsibility because Outlaws is his liquor license; he did not know what was happening, but took steps to address it as soon as it came to his attention. He expressed his belief that it is a correctable problem, and identified several steps taken to address it, including requiring employees to report any illegal

activity they see or are asked to participate in directly to him. Mr. White asked the City Council to give Outlaws a second chance to prove that the issue has been corrected.

Brian Torresi, 120 South 16th Street, Ames, spoke in favor of allowing Outlaws an 8-month liquor license, arguing that it was common sense to give a second chance to a business that has operated for 18 years with no issues. Mr. Torresi stated that the license holder expressed contrition and concern. Mr. Torresi believed that Ames believes in letting people fix their mistakes. Mr. Torresi clarified that he was not making a legal argument; rather, as a citizen, he asked City Council to consider an 8-month liquor license to let Outlaws prove it had resolved the problem.

Michael Schwab, 129 Main Street, Ames, identified himself as the ex-employee who provided the texts to the Police Department. Mr. Schwab stated that the collusion to allow entry to minors had been occurring throughout the two years that he worked for Outlaws. He stated that Mr. White was informed of the situation in February 2022 and in response Mr. Schwab was banned from the premises unless he agreed to drop the matter. Mr. Schwab noted that the incentive was to let minors into the bar in order to get tips. He stated that Mr. Walters directed the doormen to let everyone in before 11 p.m., and when Mr. Schwab refused to allow entry to minors, he was scheduled work only after 11 p.m. Mr. Schwab also stated his belief that moving Mr. Walters to a different bar spreads the problem further rather than solving it. Mr. Schwab clarified for Council Member Gartin that he called Mr. White several times to inform him of the situation prior to July 2022, when Mr. White stated he first learned about it, but did not get a response until he indicated he would bring the matter to the attention of the City Council.

Mr. White came forward and stated that he received a phone call from Mr. Schwab on February 16th, 2022, but he believed the subject to be an isolated incident that was fully resolved. Mr. White stated he had no further communication with Mr. Schwab until June 2022, when Mr. Schwab's lawyer notified him of intent to sue for wrongful termination, and July 2022 was the first time Mr. White was made aware of all of the texts. Mr. White expressed his belief that Mr. Schwab extorted him by requesting to be unbanned from his bars when he shared the texts and stated his intention to take the matter to the City Council. Council Member Junck inquired about the changes Mr. White made since either the first or second failed compliance check. Mr. White stated that he had implemented a robust front door policy. This involved allowing only two people to work the door, requiring those individuals to attend a weekly meeting with management, offering these positions a pay raise, and instituting bonuses for no minors cited on the premises in a month and penalties for more than one minor cited. He also added a provision to the employee handbook that requires all employees to report if they witness or are asked to perform any illegal activity, and a stronger code of conduct for managers is being drafted. Additionally, the district manager would be doing random stings, a new policy of 100% carding at any age has been implemented, and managers would spend 70% of their time at the door. Mr. White clarified for Council Member Betcher that the most recent failed compliance check did occur after all of the changes described had been implemented, and the doorman was fired immediately.

Kasey Walters, 1517 Grand Avenue, Ames, identified himself as the manager who sent the texts, admitted it was wrong and apologized for the behavior. He clarified for Council Member Gartin that it was his own idea to attend the meeting and take responsibility, and that Mr. White even advised against it.

Mr. Schwab replied, stating that there were hundreds of instances of minors being allowed entry to Outlaws. He clarified that he confiscated two fake IDs from the underage individual on the December 17th, 2021, and was still overruled.

Mr. Torresi commented in response that individuals should be allowed the opportunity to fix errors. He noted that two people have admitted that something went wrong and taken responsibility. Mr. Torresi asked the City Council to give an 18-year liquor license holding establishment a second chance to prove that the situation is resolved.

The Mayor closed Public Input.

Chief Huff clarified for Council Member Rollins the notification process for different kinds of citations. When a minor is cited for being on the premises, it is a very public and obvious action. Chief Huff stated that it would be surprising if staff was unaware of the citations, and it should be the responsibility of the establishment to track them. He explained that when an establishment fails a compliance check, the license holder is notified directly by ABD. Council Member Gartin stated that management should know what is happening at their establishments, and expressed concern that renewing this liquor license may incentivize other license holders to hide behind ignorance. Chief Huff clarified for Council Member Corrieri that the ABD discontinued the 6-month license option, so the available options are either 8-month or 12-month.

Discussing the situation overall, Council Member Gartin stated his belief that an 18-year track record cuts the other way, arguing that after 18 years the establishment should know better. He stated that the primary role of city government is to keep citizens safe, and addressing underage drinking in Ames is an important part of that mission. Council Member Corrieri expressed difficulty in seeing the consistency between denying this license renewal and the license that was renewed two weeks before that also had 15 citations. Council Member Junck stated her belief that Outlaws' failure of two compliance checks was a key difference. Council Member Beatty-Hansen agreed, stating that compliance checks are a lower bar than citations of minors, and Outlaws failed the lower bar twice. She further commented that the City Council denied a liquor license last week that defended its errors on the basis of ignorance much like Mr. White did, and consistency with that precedent would indicate denying this license as well. Council Member Rollins appreciated the steps that were being taken but stated that Mr. White was still accountable for the wrongs. Council Member Betcher also expressed appreciation for the changes being implemented. Council Member Gartin acknowledged that Chief Huff consistently goes out of his way to help keep businesses in operation, so the recommendation does not come lightly.

Moved by Gartin, seconded by Beatty-Hansen, to deny renewal of Class C Liquor License with Outdoor Service and Sunday Sales for Outlaws, 2522 Chamberlain Street.

Vote on Motion: 5-1. Voting Aye: Beatty-Hansen, Betcher, Gartin, Junck, Rollins. Voting Nay: Corrieri. Motion declared carried.

AMES URBAN FRINGE PLAN UPDATE: Planning and Housing Director Kelly Diekmann presented the response to the set of changes the Story County Board of Supervisors (BoS) proposed to the Ames Urban Fringe Plan Update. Some of the BoS proposed changes did not meet priorities identified by the City for a cooperative fringe plan, so the City Council directed staff to prepare a draft that incorporated the BoS proposed changes that could be balanced with City priorities. City staff relied on the Ames Plan 2040 for this task. Director Diekmann stated that the most significant policy issues for the City of Ames were the planned efficient growth for the community and compatibility of rural land use activities with future urban development. He also noted that both Gilbert and Story County joined Ames in extending the current 28E agreement until January 1st, 2023.

With respect to the Urban Reserve Overlay, Story County requested changes related to no specific limitations on conditional uses in either the Urban Reserve or the Growth Areas and to limit annexation within the Urban Reserve Overlay or to have additional language regarding annexation ability within the Overlay. Gilbert also shared in June 2022 desire for sole annexation authority in the Urban Reserve areas north of 190th Street in Ames. Director Diekmann explained that staff did not recommend supporting these requested changes that limited annexation ability of the City as designed within Ames Plan 2040. The primary benefit of entering into a cooperative agreement is the willingness of the County to limit certain uses that would detract from future urbanization. However, staff recommended the following changes:

- Establish 180th Street as an agreed upon annexation boundary between Gilbert and Ames, this would be part of a 28E agreement. Moving this boundary up from 190th can be justified since the Plan 2040 does not envision the City growing north of 180th
- Propose limitations on conditional uses related primarily to outdoor uses (e.g. surface mineral extraction, wind energy, salvage, camping, power plant), but remove limitations on primarily indoor uses that that could otherwise be integrated into urban development. This assumes policies for reviewing future compatibility would apply
- Include language stating clearly that involuntary annexation would not apply to Rural Residential designation or to properties with the Urban Reserve Overlay. This language makes it clear the City would not pursue annexation without a voluntary annexation request, but it would permit annexation with a voluntary annexation request and use of the 80/20 nonconsenting allowance to avoid islands and create uniform boundaries
- Agree to add language framing the appropriateness of Urban Reserve Overlay annexations based upon need for land for development and its ability to be served consistent with Plan 2040. This language is intended to follow the current policies of Plan 2040 and provide assurance within the Fringe Plan that annexation would not be used to avoid County regulations or for unsupportable development without ability to utilize urban infrastructure

- Allow for land divisions consistent with the underlying land use base designation rather than be more restrictive in the Overlay. As requested by the County, this ensures equal treatment of agriculture and farm service properties to split off existing homes from farmland that do not create new development parcels. However, it does not allow for creating additional development lots, such as through residential parcel subdivisions

Regarding map changes, Director Diekmann noted that these issues were of less concern regarding City priorities. Staff proposed the following changes:

- Designate Meadow Glen as Existing Rural Residential with the Urban Reserve Overlay
- Remove Urban Reserve Overlay for three properties: 1) West of George Washington Carver Avenue and land north of 190th Street west of the Railroad tracks, 2) Properties south of Worle Creek, and 3) Properties south of 265th Street southeast of Ames (outside of two miles). These changes respond to the BoS request to reduce the total area in the Urban Reserve Overlay
- Amend Rural Residential Expansion Area language for the proposed amendment process and remove the area limitation. The key clarification is that no Rural Residential Expansion amendment (a new rural subdivision) is allowed within the Growth Area or Urban Reserve Overlay area. This policy was already included in the draft, but the Supervisors urged clarification of this intent. The language maintains that no area is mapped for Rural Residential Expansion at this time, and that an amendment is needed to create new rural subdivision areas
- Remove the limitation on number of amendments in a year. This change is in response to a suggestion by the BoS
- Add planned future I-35 interchanges as identified in Plan 2040 to the land use map
- Clarify language for Growth Areas that rezoning of properties will not occur in the County, only within the City for development purposes

For the “Other” category, Director Diekmann noted that the requested changes were of low consequence to the City. Staff proposed the following changes:

- Draft 28E agreement for approval after plan approval for any cooperators (Story County and or Gilbert). The Agreement would be for five years with one automatic five year renewal unless notified by one cooperator not to extend it. This would mean the agreement would have a maximum life of 10 years. This clarified next steps to implement the final Fringe Plan. Implementation and definitions for this step are part of the draft Plan. A formal agreement would utilize the policies of the Plan and layout specific procedures as needed
- Include language in the 28E agreement regarding the independent authority of each cooperator related to support for individual annexation recommendations. Additionally, include that Story County will provide to a city available natural resource inventories at the time of notification of a pending annexation to allow for a city. All cooperating parties would agree to act in accordance with the Plan, but the statement would recognize independent authority of each cooperator regarding their statutory authorities. All of this language was requested to be included by the Supervisors
- Allows for property line adjustments for non-dwelling properties with no new developable areas. It is intended to allow for parcel boundary changes similar to the residential dwelling allowance to separate a use or structure from other agricultural land. Staff did not support this

proposed change by the Supervisors as a standalone change, but it could be supported with the consideration of the County to limit conditional uses and control expansion of non-conforming uses. The intent is not to encourage these uses, but to accommodate reasonable changes to property boundaries, especially for existing facilities

In response to questions from Mayor Haila, Director Diekmann clarified that Meadow Glen is an existing Rural Residential neighborhood. In response to concerns from the BoS, staff proposed a text change so that properties in the Urban Reserve Overlay would be treated the same as agriculture/farm service properties with respect to allowing an existing dwelling to be split away from a larger parcel and remit that remainder as non-buildable lots. The City would reserve the right to do an 80/20 annexation if territory beyond Meadow Glen requested to be annexed. The Flummerfelt property is an example of such an area beyond Meadow Glen, but it would not have enough land on its own to meet the 80/20 criteria.

Council Member Gartin expressed continued concern that the interests of the BoS were still too divergent from City interests. He noted that cooperation would be ideal, but ultimately a 28E agreement may not work out, and many cities function well without such agreements. Council Member Beatty-Hansen expressed willingness to move on without a 28E plan if the current round of negotiations does not work out.

Director Diekmann clarified for Mayor Haila that the City operates in Boone County without a fringe plan, so annexation is only limited by state law. The primary benefit to the City of a 28E agreement would be Story County regulating conditional uses near the City. For the County, a 28E agreement helps establish predictability and addresses natural resource protections. Director Diekmann noted that if the City Council approved the draft changes, the recommendation would be sent on to the BoS and Gilbert for review; if both parties agree to the changes, a document could be finalized as early as January 2023 for Public Hearing, Planning and Zoning Commission review, and ultimately a return to the City Council as early as March 2023.

Mayor Haila opened the Public Input.

Lauris Olson, 1705 Buchanan Drive, Ames, expressed support for having a 28E agreement and urged the City Council to remember their constituents.

Phil Iasevoli, 3108 South Dakota Avenue, Ames, stated opposition to a 28E agreement, observing that the City has only conceded three out of 14 conditional uses the BoS requested dropped; the reduction of acres from the Urban Reserve overlay is miniscule; the BoS represents rural residents; and other fringe plans in Iowa are much less restrictive.

Liesel Danielson, 2981 South Dakota Avenue, Ames, noted opposition to a 28E agreement that includes conditional use limits, stating that the changes staff proposed would put existing businesses in the Urban Fringe into the category of legal nonconforming, meaning they cannot expand or rebuild if destroyed past 60%. She defended local businesses and asked the City Council

to consider their interests, observing that southwest growth is unlikely because most of the adjacent land is owned by Iowa State University, and the remaining land is environmentally sensitive.

Kim Christensen, 2985 South Dakota Avenue, Ames, shared support for a 28E agreement only if it could be a win for everyone, observing that many people affected by the Urban Fringe plan and conditional uses have resided there for a long time. He encouraged the City Council to go beyond merely considering what it is good for Ames and consider benefits across the board.

Mayor Haila closed the Public Input.

Director Diekmann clarified for Mayor Haila that nonconforming categorization would not typically allow for expansion, but the indoor use categories were struck from the list, so those businesses would not be classified as nonconforming. He further explained that the City has no standing in the conditional use permit process, which is why its inclusion in the 28E agreement is important for City interests. Council Member Gartin observed that a speaker in the Public Input discussed the BoS as the representatives of rural residents, and Council Member Gartin added on that the BoS also represents Ames.

Moved by Gartin, seconded by Corrieri, to proceed as recommended by staff.

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

The meeting recessed at 8:06 p.m. and resumed at 8:14 p.m.

LOW-INCOME HOUSING TAX CREDIT (LIHTC) PROPOSAL FOR BAKER SUBDIVISION: Housing Coordinator Vanessa Baker-Latimer provided an update on the Baker Subdivision. At its July 26th, 2022, meeting, the City Council directed staff to prepare a new Request for Proposals (RFP) for a 4% LIHTC housing project located at 321 State Avenue due to the expiration of the developer's agreement with Prairie Fire Corporation, which involved a 9% LIHTC option. The noncompetitive 4% LIHTC option was chosen in hopes of facilitating quicker site development.

Coordinator Baker-Latimer surveyed the significant components of the RFP:

- Applying for the Iowa Finance Authority's 4% LIHTC program rather than the 9%
- Development intensity between 30-50 dwelling units
- Supporting lower income affordable housing units developed to include a minimum of 10% to be set aside for Section 8 Housing Choice Voucher participants
- Entering into a developer's agreement with the City of Ames, to prepare a 4% LIHTC application which includes the terms for the developer's construction and on-site management of the project, the City's participation in the project, transfer of land for the development of the project, and anticipated start date of the construction. In no case shall the start date be greater than 120 days after the award of the tax credits
- Completing an agreement with the City of Ames within 45 days from the date of acceptance of the proposal by the City Council. The application shall be submitted to the Iowa Finance

Authority (IFA) on or about 30-45 days after a developer's agreement has been signed with the City of Ames

- Use of geothermal
- Sale of the city owned site to the developer (Lot 27) at a reduced or no cost
- Additional scoring points for an increased percentage of Affordable Housing Units for either Section 8 Housing Choice Voucher participants or households with income at 50% or less of the Ames Metropolitan Statistical Area Income Limits (10pts)
- Use of City HOME funds in an amount up to \$1.8 million

The proposals submittal deadline was September 13th, 2022. The City received one proposal in response to the RFP from The Commonwealth Companies (Commonwealth).

Coordinator Baker-Latimer stated that Commonwealth proposed 36 units, including 14 four-bedroom townhome units; 10 three-bedroom townhome units; 8 two-bedroom units; and 4 one-bedroom units. The units are planned to be affordable for 30 years for 60% AMI. The assumption in the pro forma is for the maximum rental amounts allowed under the LIHTC program. The proposed timeline of the developer targeted completion of the project and lease up by the winter 2024/25. The proposal includes the site granted by the City at zero cost, as well as a contribution of \$1.8 million from the HOME funds allocated to the City.

According to Coordinator Baker-Latimer, an evaluation committee comprised of staff members from Planning and Housing, Legal, Public Works, Electric Services, and the Purchasing Division assessed the responsiveness of the proposal in relationship to the RFP objectives and other submittal requirements. After an on-site interview on October 14th, 2022, the committee felt that the proposal from Commonwealth met the minimum requirements of the RFP, but had reservations about the overall timeline length, details on the assumed rent levels, financing, market support for 14 four-bedroom units, architectural detailing, and integration of geothermal. Staff believed the project could be improved with adjustments to the mix of units and overall design. As a result, staff approached Commonwealth about making changes to the proposal to address the following:

- Decrease the number of 4-bedroom units to 3-bedroom units
- Establish 50% of the units at a maximum of 50% of AMI
- Accept additional units for Section 8 vouchers outside of the required set side
- Improve the façade treatments to incorporate additional architectural details to the roof lines and stone materials to the facades similar to a prior project in Greeley, CO
- Better address the pricing or cost savings in regard to the Geothermal component
- Accelerate LIHTC Application process and plan approval by 6 months (Target lease up for July 1, 2024)
- Approve a development agreement in December 2022 and proceed with LIHTC application milestones in January 2023

Coordinator Baker-Latimer shared that Commonwealth responded to this request by updating the pro forma in regard to additional construction costs for improved design, reduced rents, and impacts of higher interest rates. Commonwealth has also indicated a strong interest in partnering

to apply for a 9% LIHTC project as it would assist in meeting the goals for the project and improve the financial conditions of the project proposal.

Coordinator Baker-Latimer stated that staff also met and presented the proposal with the Neighborhood Association to gain their input. There were concerns expressed regarding the reduction in the number of parking spaces needed to allow for the amenities, and the rent prices. The total number of units and the overall design were supported.

Council Member Gartin inquired about market rent rates and how affordable the proposed rents would be. Coordinator Baker-Latimer explained that the Department of Housing and Urban Development (HUD) describes 60% AMI as the level where individuals cannot afford to buy a home, but can afford rent without subsidy. For lower-income residents, 60% AMI would be too expensive to rent without subsidy. Coordinator Baker-Latimer further clarified that the 60% ceiling is set by the LIHTC program. Director Diekmann clarified for Council Member Gartin that the City's investment per unit for the City would be \$60,000 at the original \$1.8 million project price, and over \$110,000 with the cost increases from the updated pro forma.

Mayor Haila opened the Public Input.

Lauris Olson, 1705 Buchanan Drive, Ames, speaking as President of Home Allies, expressed support for the 9% LIHTC option.

Mayor Haila closed the Public Input.

Moved by Gartin, seconded by Betcher, to decline to accept the proposal and direct staff to prepare an outline for an RFP in December to once again solicit development proposals for this project in January 2023 for either 4% or 9% tax credit (for an application to IFA due in the Spring of 2023).
Vote on Motion: 6-0. Motion declared carried unanimously.

WEST TOWNE RESIDENTIAL USES: Planner Justin Moore stated that the staff report addressed the request from West Towne Apartments for residential uses. Property owner Brent Haverkamp asked the City Council to allow for the conversion of ground level units at his West Towne Apartments at 4720 Mortensen Road Suite 105 from commercial to fully residential. The current zoning is CCR, which only allows residential above ground-level commercial. The requested change would retain 32,000 square feet of finished commercial space, and would add 129 ground-level residential units, bringing the total number of units to 325 residential units. The City Council previously directed staff to explore incorporating affordable housing into this site with any allowance for ground-level residential units.

West Towne Apartments offered two options for affordable housing. The first option would be to open up all 325 units to accept Section 8 vouchers. The second option would be to fix four to five of the new ground-level residential units at the 60% AMI threshold.

Staff identified two options to address the zoning requirements. The first option would be a zoning text amendment to the CCR zone standards. The second option would be to rezone the property from CCR to RH with a contract rezoning agreement. Planner Moore stated that staff preferred the text amendment and Section 8 vouchers options.

Director Diekmann commented that this staff report was a high-level report, so many details on the logistics would still have to be worked out. Conceptually, the proposal would allow a lower-income household to be housed at this location.

Council Member Junck noted that existing rents for this property are close to the 60% AMI numbers shared by Housing Coordinator Baker-Latimer. Director Diekmann clarified for Council Member Gartin that Staff expects this agreement to be binding permanently, given that the land use right would be permanent. Housing Coordinator Baker-Latimer clarified for Mayor Haila that Ames currently has a significant unmet need of landlords willing to accept Section 8 vouchers. Her office recently received 76 emergency vouchers, and of those only 20 were able to be used in Ames. Coordinator Baker-Latimer further explained that vouchers are for 30% AMI or less, which means that the voucher-holder pays no more than 30% AMI and the voucher covers the remainder of the cost.

Mayor Haila opened Public Input.

Brent Haverkamp, 3913 Timber Creek Lane, Ames, spoke in favor of the rezoning and the acceptance of Section 8 vouchers.

Mayor Haila closed Public Input when no one came forward to speak.

Council Member Gartin shared strongly-held concerns regarding the proposal, arguing for the need for a consistent policy to address when quid pro quo is appropriate in response to requests of a similar nature.

Moved by Beatty-Hansen, seconded by Betcher, to allow for applicant to apply for a text amendment to the CCR zone standards to allow for ground level residential units with approval of a Major Site Development Plan and affordable housing plan, and to draft in a Developers Agreement that West Towne Apartments LC would open up all 325 residential units to accept Section 8 vouchers.

Vote on Motion: 5-1. Voting Aye: Beatty-Hansen, Betcher, Corrieri, Junck, Rollins. Voting Nay: Gartin. Motion declared carried.

RESIDENTIAL SOLAR ZONING REGULATIONS: Planning and Housing Director Diekmann stated that the staff report was written at the direction of the City Council in response to a letter from a citizen, who hoped to remove regulatory complications so more residents would adopt solar power.

Director Diekmann reviewed the three options for addressing the issue in the staff report. Option 1 would delete the standards for roof mounted solar energy systems for residential, commercial, and industrial properties. Option 2 would modify the standards for solar energy systems for only residential properties. Option 3 would modify all standards for solar energy systems for residential, commercial, and industrial properties. He noted that Staff recommended Option 1, as rooftop solar is by far the most common type of solar installation, and this option would address the concern of the letter-writer.

Mayor Haila opened the Public Input.

Jeri Neal, 916 Ridgewood Avenue, Ames, spoke on behalf of the Ames Climate Action Team, expressing support for Option 1.

Mayor Haila closed the Public Input when no one came forward to speak.

Moved by Beatty-Hansen, seconded by Corrieri, to delete the standards for roof mounted solar energy systems for residential, commercial, and industrial properties.

Vote on Motion: 5-0. Absent from voting: Rollins. Motion declared carried unanimously.

RESOURCE ENHANCEMENT AND PROTECTION (REAP) GRANT AGREEMENT:

Parks and Recreation Director Keith Abraham stated that the application by the City of Ames for the REAP grant scored the best out of 30+ applications. He expressed thanks to the team that prepared the application, including Public Relations Officer Susan Gwiasda, Parks and Facilities Superintendent Joshua Thompson, and Lisa Hein of the Iowa National Heritage Foundation.

Mayor Haila opened and closed the Public Input when no one came forward to speak.

Moved by Junck, seconded by Betcher, to adopt RESOLUTION NO. 22-607 approving entering into the Resource Enhancement and Protection (REAP) grant agreement with the Iowa Department of Natural Resources in the amount of \$200,000.

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

HEARING ON PROPOSAL TO ENTER INTO A WATER REVENUE LOAN AND DISBURSEMENT AGREEMENT:

Mayor Haila opened and closed the Public Hearing when no one came forward to speak.

Moved by Betcher, seconded by Junck, to adopt RESOLUTION NO. 22-608 taking additional action on proposal to enter into a Water Revenue Loan and Disbursement Agreement for new water wells.

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

HEARING ON PROPOSAL TO ENTER INTO A SEWER LOAN AND DISBURSEMENT AGREEMENT: Mayor Haila opened and closed the Public Hearing when no one came forward to speak.

Moved by Betcher, seconded by Gartin, to adopt RESOLUTION NO. 22-609 taking additional action on proposal to enter into a Sewer Revenue Loan and Disbursement Agreement for the Annual Sanitary Sewer System Improvements Program (FY 2018/19, 2019/20, 2020/21, and 2021/22).

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

FIRST PASSAGE OF ORDINANCE TO AMEND CHAPTER 12, SECTION 12.2 AND 12.3 FOR THE PURPOSE OF ESTABLISHING ELECTION OF HOSPITAL TRUSTEES, TERM OF OFFICE, AND QUALIFICATIONS: Mayor Haila opened and closed the Public Hearing when no one came forward to speak.

Moved by Gartin, seconded by Junck, to pass on first reading an ordinance to amend Municipal Code of the City of Ames, Iowa, by amending Chapter 12, Section 12.2 and 12.3 for the purpose of establishing election of hospital trustees, term of office and qualifications.

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

THIRD PASSAGE AND ADOPTION OF ORDINANCE NO. 4482 REZONING 3700-5898 E. LINCOLN, 799 TELLER AVENUE, AND 220 & 420 SOUTH AVENUE AGRICULTURAL (A) TO INTENSIVE INDUSTRIAL (II): Moved by Betcher, seconded by Corrieri, to pass on third reading and adopt ORDINANCE NO. 4482 Rezoning 3700-5898 E. Lincoln, 799 Teller Avenue, and 220 & 420 South Avenue Agricultural (A) to Intensive Industrial (II).

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

DISPOSITION OF COMMUNICATIONS TO COUNCIL: Mayor Haila noted there was one item to consider. The item was an email from Kurt Friedrich on zoning limitation at 320 Jewell Drive.

Moved by Gartin, seconded by Junck, to refer the matter to Planning and Housing Director Kelly Diekmann for a memo.

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

COUNCIL COMMENTS: Council Member Betcher wished everyone a Happy Thanksgiving with family and friends.

Council Member Junck echoed the Happy Thanksgiving wishes, and stated that she was sitting with many ideas from the National League of Cities conference that she hoped to share soon.

ADJOURNMENT: Moved by Gartin, seconded by Junck, to adjourn the meeting at 9:04 p.m.
Vote on Motion: 6-0. Motion declared carried unanimously.

Jeremy Neefus, Recording Secretary

John A. Haila, Mayor

Renee Hall, City Clerk