

Study Session Meeting Minutes – February 25, 2019
Ivan “Ike” Ackerman Council Chambers

A Study Session Meeting of the Waverly City Council was held on February 25, 2019 at 7:00 P. M. at City Hall. Mayor Soash presided.

- A. Mayor Soash called the meeting to order.
- B. Roll Call
 - Present: Birgen, Drenkow, Kangas, McKenzie, Rathe, Sherer, and Waldstein
 - Absent: None
- C. Moved by Kangas, seconded by Rathe to approve the agenda as presented.
Motion passed. Yes: 7 No: 0 Absent: 0
- D. Moved by Waldstein, seconded by Birgen to approve the February 9, 2019 budget work study session meeting minutes.
Motion passed. Yes: 7 No: 0 Absent: 0
- E. Public Comments on Items Not on the Agenda
 - There were none.
- F. Study Session Calendar.
 1. Economic Development Commission update to Council
 - Economic Development Commission Chair Steve Egli reviewed the past twelve months of what the commission has worked on. A few tasks the commission participated in were: development agreement with MMC Properties at 4th Street SW and Technology Place, Amperage study to help determine a branding/marketing strategy for the City, development agreement with Cohen-Esry for the Waverly Historic Lofts (the old downtown CUNA building), recommendation to Council to change Bremer Avenue from 4-lanes to a 3-lane configuration in an effort to promote safety, livability, and walkability in the downtown, Tax Increment Financing (T.I.F.) changes, recommendation to amend the T.I.F. development agreement with Cobblestone Hotel, and strategic planning. The commission also looked at ways to promote jobs within the community in an effort to fill positions within the community. The attraction of people, particularly to the industries, manufacturing, and larger businesses were defined as a need for Waverly. A proposal to aid in the solution included: having tours of the community available for those wanting to live and work in Waverly and partnering with education (high school, community colleges, and colleges) in an effort to find skilled labor. The lack of available daycare was also recognized as a hurdle when families are deciding whether to live and work in Waverly.
 - There is a group of citizen volunteers who are working on the issue of the lack of daycare providers in Waverly.
 2. Urban Renewal/TIF presentation
 - City Attorney and Community Development Director Bill Werger reviewed Tax Increment Finance (T.I.F.) and Urban Renewal with the help of information put together by Ahlers & Cooney Law Firm. Mr. Werger explained that the City Council Strategic Plan is used as a basis for its economic activities which include: efforts to attract new property development including commercial, industrial, residential, and retail to grow the City’s property tax base; efforts to recruit new commercial, industrial and retail businesses that provide good wages and benefits; efforts to retain and support the City’s existing businesses and to encourage business expansion; efforts to support groups and organizations which help to incubate, foster and encourage growth in new businesses; and efforts to encourage the development of a variety of housing opportunities for residents of

the community. The expected results of these activities include increased economic activity, more jobs, lower unemployment, higher wages, greater opportunity values, more tax revenues, more ownership and entrepreneurial opportunities, and revitalization of underutilized or blighted areas. The City uses T.I.F. to attract, recruit, foster and develop businesses. In return for public financial assistance, developers will be expected to meet some or all of the following standards: creation and retention of high quality jobs; property development both new and expansions including commercial, industrial, residential, and retail to grow the City's property tax base; projects achieving public purposes as detailed in the comprehensive plan, Urban Renewal Area planning documents, and /or the City Council Strategic Plan; redevelopment of underutilized and/or blighted properties; residential projects that address housing needs as identified by current housing studies; developer equity (not including debt) to be equal to or greater than the public financing requested (including local, state and federal); achieve high quality architectural and site design consistent with a community vision for such development; and offer energy efficiency and sustainability features beyond what is required through relevant building codes. Developers who receive incentives will be expected to enter into development agreements. Once the City Council has decided what portions of the City they want placed in the Urban Renewal Plan, then, the City Council must adopt an Urban Renewal Plan or Amendment that states the area to be included. The adopted plan includes the following: a description of the Urban Renewal Area; designation of the type of plan – economic development, low to moderate income (L.M.I.) housing or mixed types; identifies the frozen base value of property in the area; conformity with City's comprehensive plan; objectives; activities; Urban Renewal projects; financial information – debt limit and outstanding debt; Ag Land identification and consent if necessary; effective period – voluntary or statutory sunsets. The urban renewal area identifies where the City can conduct projects such as infrastructure or economic development agreements. Urban Renewal projects can be financed a number of ways: General Obligation Bonds, General Fund, and Tax Increment Financing to retire debt. The City of Waverly has two types of Area designations within its Unified Urban Renewal Plan. These are Economic Development (Commercial & Industrial) and Economic Development (LMI Housing). Other types available include: Slum, Blight, Economic Development (Non-LMI Housing) and Mixed. Tax Increment Financing is a reimbursement mechanism for Urban Renewal projects. The City must create a TIF District by ordinance that includes eligible property. The TIF District property must be legally described in the TIF ordinance, and it must also be included in the Urban Renewal Plan Area. Not all property in the Urban Renewal Plan Area will be included in the TIF ordinance. Tax Increment Financing is used to capture the incremental (increased) taxes generated from the additional assessed value created by the construction of new buildings, expansions and redevelopment of existing structures over the frozen base. The frozen base is the assessed value of the subject property as of January 1 of the calendar year preceding the calendar year in which the TIF ordinance certification was filed. For amendments, the frozen base is set as of January 1 of the calendar preceding the effective date of the amended TIF ordinance. All taxing authorities, including Bremer County and W-SR School District, continue to receive all taxes generated from the frozen base value. The County Auditor captures the tax increment from property in the TIF ordinance and pays it into the Special TIF Fund where it is available for Urban Renewal Projects. Identified Urban Renewal Areas that were established before 1995 do not have a sunset date.

- The amount of property taxes paid by property owners will not change due to utilization of T.I.F. It does not affect the tax levy. There is no limit of time that a property can be recognized within an Urban Renewal Area, however, after 1995 any properties

identified within a T.I.F. District can only collect the tax increment financing for 20 years at which time the financing sunsets. Councilmember Drenkow presented a couple different T.I.F. policies from Batavia, Illinois and Hugo, Minnesota.

G. Reports from Boards and Commissions

1. Airport Commission Minutes; January 10, 2019; Received into record.
2. Golf Commission Minutes; February 12, 2019; Received into record.

H. Staff Comments

- There were none.

I. City Council Comments

- Councilmember Drenkow gave kudos to all City staff and anyone else that has had to endure working outside in the cold.
- Councilmember Birgen congratulated the Wartburg College girls' basketball team for making it to NCAA Tournament. Mr. Birgen also said that he would be at the Beach House after the Council meeting if anyone would want to meet with him and talk City business.
- Guest Councilmember Jessica Kettleson thanked Council for the opportunity to participate in the Council meetings and voiced appreciation to the Mayor and Council for all they do.

J. Mayor's Comments

- Mayor Soash mentioned that he has heard positive comments regarding snow removal in the City for both the Public Works Department and the Leisure Services Department.

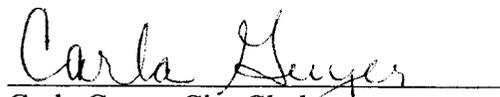
K. Moved by Waldstein, seconded by Sherer, to adjourn the meeting. Motion passed and the Council meeting adjourned at 8:48 P.M.

Yes: 7 No: 0 Absent: 0



Dean Soash, Mayor

ATTEST:



Carla Guyer, City Clerk