

Regular Meeting Minutes – September 21, 2020
Ivan “Ike” Ackerman Council Chambers

A Regular Meeting of the Waverly City Council was held on September 21, 2020 at 7:00 P. M. at City Hall. Mayor Hoffman presided.

The Governor of Iowa has declared a Public Emergency because of the COVID-19 outbreak. The Mayor has determined that an in-person meeting of the City Council is impossible or impractical without violating the Governor’s mandates.

When an in-person meeting is "impossible or impractical," Iowa Code Section 21.8 permits a governmental body to conduct a meeting by electronic means.

The meeting was conducted by video conference using ZOOM from the Council Chambers. The Mayor Adam Hoffman, City Attorney/Economic Development Director Bill Werger, and City Clerk Carla Guyer were in the Council Chambers. The 7 Council members were not in the chambers, but participated via ZOOM conferencing. Comments for items on the agenda could be made by submitting them prior to the meeting to the City Clerk, Mayor or any of the Council members or by calling 319-596-0179 during the meeting.

The video/audio conference of the meeting was broadcasted on the normal public access channels. Staff strived to maintain the quality of the video and audio during that broadcast. Public access was available through this broadcast.

Meeting minutes were kept and included a statement explaining why an in-person meeting was impossible or impractical.

A. Mayor Hoffman called the meeting to order

B. Roll Call

• Present: Beaufore, Birgen, Drenkow, Glaser, Kangas, Rathe, and Schneider Absent: None

C. Moved by Schneider, seconded by Beaufore to approve the agenda as presented.

Motion passed. Yes: 7 No: 0 Absent: 0

D. Consent Calendar

1. Pay Request from Snyder & Associates for the 4th Street SW and 10th Street SW Reconstruction 2020 for the amount of \$59,881.59.

2. Pay Request from McClure Engineering Co. for the 20th Street NW Improvements 2020 for the amount of \$16,077.21.

3. Class C Liquor License for East Bremer Diner.

4. Cash Disbursements for August 2020.

Moved by Drenkow, seconded by Birgen to approve the Consent Calendar as presented.

Motion passed. Yes: 7 No: 0 Absent: 0

E. Regular Business

1. Moved by Rathe, seconded by Birgen to approve Resolution 20-146, approving a plat of survey to create Parcel H and Parcel I in Parcel C located at 2415 Grand Avenue for Patrick and Renae Sikora.

Motion passed. Yes: 7 No: 0 Absent: 0

• This property is not located within the Waverly City Limits; however, it is located within two miles of the city limits. The Code of Iowa provides for the City to have the right and obligation to weigh in on this type of issue.

2. Moved by Beaufore, seconded by Birgen to approve Resolution 20-147, selecting 1859 Ventures, LLC Development Proposal for the former Red Fox Inn located at 1900 Heritage Way.

Motion passed. Yes: 4 No: 2 (Glaser, Schneider) Absent: 0 Abstain: 1 (Rathe)

• The City of Waverly acquired the property developed by the former Red Fox Inn after it was abandoned by the owners and lienholders. Since acquisition of the property, the City has struggled to maintain the property until redevelopment could occur. The condition of the property and its remote location made it the frequent target of vandals. The property has now

been fenced to protect it until redevelopment can occur. Almost immediately, the City has fielded inquiries about the possible acquisition of the property by various developers for multi-family housing/commercial purposes. Because there were multiple parties interested in this project, the City asked developers to respond to a request for proposal so that a specific timeline could be put in place to keep this project moving forward before the winter months. The Economic Development Commission elected to make no recommendation, but generally supported either proposal. Council should consider:

1. The purpose of the redevelopment and how the redevelopment will meet the needs of the community. 1859 Ventures—This proposal includes 34 new market rate apartment units in the East building. It includes 48 hotel units, some of which could be used for extended stays. It also includes preserving of the pool, 2 restaurants, over 4,500 sq. ft. of event space, and an upgrade to the exterior. There is clearly sentiment in the community to bring back the hotel, conference center and restaurants to this location. Bartels— This proposal includes 30 independent living units in the East building for 55 and older residents. The front building will contain a combination of offices, lodging rooms, salon, theater and childcare. This proposal retains the event space, pool, meeting rooms and public dining option.
2. Projected schedule for completing redevelopment of the current improvements. 1859 Ventures— The proposal includes taking immediate steps to protect the entire property from further deterioration through improvements to roof and exterior doors and windows. Phase 1 is to redevelop the East building into apartment units and operationalize the pool area in 2021. The start of Phase 2 is conditional on the occupancy of the Phase 1 apartment units. Phase 2A is the redevelopment of 48 hotel units in the West building. Phase 2B is the redevelopment of the entertainment area, including event center and restaurants in the South building. Phase 3 is the further enhancement of outdoor areas. Phases 2A, 2B and 3 are projected for 2022. Bartels— This proposal includes taking immediate steps to protect the entire property from further deterioration through improvements to roof and exterior doors and windows. The East building would be renovated in 2021 into independent living units. The Pool and West building would be renovated during 2022. The South building including the restaurant and event center would be renovated during 2023.
3. The financial ability to complete the project as proposed. 1859 Ventures— The proposal includes a pre-approval of up to \$1,320,000 of funding from Denver Savings Bank for Phase 1 with owners' capital of \$330,000. The estimated total project cost is \$3.5 million. Bartels— The proposal includes a cost summary of the entire project totaling just over 8 million. The developer' s financial plan is to spend down cash on the project of \$2-3 million and then, finance the remainder as needed. Bartels is partnering with Mid West One Bank.
4. The developers experience and capability, including principals involved in the project such as major investors, architects, engineers and contractors. Both proposals indicate that the developer and other professionals on the team have experience in this type of project. 1859 Ventures— The proposal lists the involvement of the principal, private investors and the financial institution. The architects and engineers are identified and have been in the complex over the last few months. Bartels— The proposal identifies the architecture firm involved, which has been in the complex in the last few months. Contractors, engineers, and subcontractors used by Bartels have been identified in the proposal.
5. Marketability and economic viability of the property after redevelopment. 1859 Ventures— The proposal depends upon the ability of the Phase 1 project to attract tenants to the new housing units. There is some concern about the continued demand for market rate housing given the construction of over 130 new rental units in the last 5- 6 years. The housing study shows a low vacancy rate in those new units, so it is very possible that there is still enough demand. Bartels—

The proposal is focused on the needs of the growing population of seniors, the "silver tsunami" as some have called it. The housing study certainly highlights the need for affordable housing rentals for seniors. The benefit could be adding some commercial uses at the property including the event center, a public restaurant and retail businesses generating property taxes and sales taxes.

6. Long term fiscal benefit to the City. 1859 Ventures— This proposal adds rental housing as probably the best use of the East building. Once constructed, the units could be marketed to different demographics depending upon the demand. That property would be taxed at multi-residential rates. The hotel rooms/extended stay rooms would add to the number of rooms available in Waverly, that many believe is insufficient and driving folks south to Black Hawk County. The hotel, event center and restaurants would create job opportunities. The commercial portions would generate the most tax revenue. It would further bring sales tax and hotel/motel tax revenue. Bartels— This proposal adds 30 independent living units for seniors with many great amenities. The project would generate property taxes with some multifamily and some commercial valuation. The event center and restaurant, as well as some of the retail on site would generate some publicly available retail options and create job opportunities Both proposals recognize the ability to use the remainder of the property for additional development. Additional developers in town would be a benefit.

- The 1859 group's proposal seems like it would draw people into town. Both groups have great respect for each other. Bartels seems to be the more financially stable investor. Bartels seems more comfortable, yet we do need to see new developers come to town. Keeping hotel space is important in Waverly. A couple of different restaurant options in town is a benefit. The mixed-age option for Bartels and an option for daycare would help fill a couple of our needs in the City.

3. Moved by Birgen, seconded by Glaser to approve Resolution 20-128, approving the acquisition of a Sewer Main Easement from Waverly Area Veterans Post (WAVP) for the sewer main extension to serve Whitetail Bluff Subdivision for \$15,000.00.

Motion passed. Yes: 7 No: 0 Absent: 0

- Council was asked to approve the agreement even though there might be a couple more changes regarding what the developer will provide to the WAVP. The \$15,000 payment for the easement will not change. Terms of the agreement as for the City will not change. If an agreement is not met and the City is forced to use eminent domain, it would only be for the easement and no other property would be included. The easement will be used to bore underneath the property for the installation of the sewer main extension.

4. Moved by Birgen, seconded by Rathe to approve the Third and Final Reading of Ordinance 1079, an Ordinance amending Section 104.4.01 Fireworks of the Waverly Municipal Code.

Motion passed. Yes: 5 No: 2 (Kangas, Beaufore) Absent: 0

5. Discussion regarding the Council Planning Session scheduled for October 26, 2020 Study Session.

- Staff will look into changing the start time of the meeting to possibly 6:00 or 6:30 p.m. on October 26, 2020, and staff will also check into whether a meeting at one of the Wartburg College Science rooms would work. This may allow for the meeting to be televised. A second option would be to hold the meeting in the Civic Center at City Hall; however, the meeting would not be able to be televised. Council also agreed to email City Administrator James Bronner with their topics of discussion (looking forward one to two years) no later than September 30. As a side note, the Historic Preservation Commission is scheduled to meet at 5:30 p.m. on that same day of October 26.

6. Moved by Kangas, seconded by Birgen to approve of the following Mayoral Appointments:
Dennis Hansen is reappointed on the Airport Commission for a term expiring May 1, 2025.
Tom Baker is replacing Mary Ventullo on the Historic Preservation Commission for a term
expiring June 30, 2023.

Motion passed. Yes: 7 No: 0 Absent: 0

F. Reports from Boards and Commissions

1. Planning and Zoning Commission Minutes; August 6, 2020; Received into record.
2. Library Board of Trustees Minutes; August 11, 2020; Received into record.
3. Monthly Financials; August, 2020; Received into record.

G. Staff Updates

- Leisure Services Director Garret Riordan commented that it was anticipated to have the last day of the Community Gardens be Saturday, September 26, to clean up the gardens. Clean up has actually been completed and the gardens are now closed for the season. The staining of the Rail Trail was completed and City staff is thankful for the volunteers who contributed their time and talents.
- City Administrator James W. Bronner brought up the fact that Monday, July 5th of 2021 is the nationally recognized day for the 4th of July holiday and is also scheduled as the first Council meeting day of the month. After discussion, it was the consensus of the Council to move the July 5th Council meeting to July 12th.

H. City Council Comments

- Councilmember Schneider shared section 100.1 of his business's operations manual regarding the requirement to smile, look the customer in the eye, and then, greet them.
- Councilmember Birgen reflected on **Renaë Brene** Brown's article regarding the importance of vulnerability in a leader. Birgen acknowledged those in the community who make themselves vulnerable as leaders.
- Councilmember Beaufore liked Schneider's comments regarding smiling. Beaufore feels like the Rail Trail is a "Green Bridge waiting to happen again". She feels that Council needs to be proactive and not reactive when it comes to the condition of the bridges in our community. Beaufore commented on speed limits and heavy traffic along 10th Avenue South and Cedar River Parkway.

I. Mayor's Comments

- Mayor Hoffman recognized the volunteers that stained the Rail Trail Bridge and thanked them. He noted that this is homecoming week for Waverly-Shell Rock School District and there would be activities going on all week. Mayor announced that Citywide Trick or Treating will be held, for those who would like to participate, on October 31st from 5:00 p.m. to 7:30 p.m.

- J. Moved by Kangas, seconded by Schneider to adjourn. Motion passed and the Council meeting adjourned at 9:04 P.M.

Yes: 7 No: 0 Absent: 0



Adam P. Hoffman, Mayor

ATTEST:



Carla Guyer, City Clerk