

REGULAR CITY COUNCIL MEETING MINUTES
MAY 5, 2008, 5:30 P.M.
CITY COUNCIL CHAMBERS

The City Council of Newton, Iowa met in regular session at 5:30 P.M. on the above date in the Council Chambers at 101 West 4th Street South. Mayor Allen presided. Present: Council members Plumb, Hansen, Ewing, Foreman, Morris, Mullan. Absent: None.

Mayor Allen proclaimed May 11 – 17, 2008 National Police Week and proclaimed May 5 – 11, 2008 Building Safety Week.

At citizen participation James Edward Keith, 510 East 9th Street North voiced his concern over a notice of violation on a nuisance.

Moved by Foreman, seconded by Mullan to approve consent agenda items 4 - 6. Council Member Hansen noted on the April 21st minutes the resolution on the hotel / motel allocation he voted NAY instead of AYE. The Clerk noted the correction for the record.

4. Approve April 21, 2008 Regular City Council Meeting Minutes, and April 15, 2008 Special City Council Meeting Minutes
5. Designate May 19, 2008 as Public Hearing Date For Budget Amendments
6. Approve Class C Liquor License, Sunday Sales, Scoreboard, 122 North 2nd Avenue West

AYES: Six. NAYS: None. Consent agenda items approved.

Moved by Hansen, seconded by Plumb to Introduce on first consideration of an Ordinance Amending The Code of Ordinances, City of Newton, Iowa 1993, Title 2, Chapter 11, Article 10, Parking Offenses, By Adding and Deleting Section 11.1008.14(A)(4), No Parking, East Fourteenth Street North, Westside, From North Fourth Avenue East North, Fifty Seven Feet. AYES: Six. NAYS: None. Ordinance passed first consideration. Moved by Foreman, seconded by Hansen to suspend the rules and waive the second and third considerations of the above Ordinance. AYES: Six. NAYS: None. Ordinance passed second and third considerations. Moved by Mullan, seconded by Ewing to adopt the above Ordinance. AYES: Six. NAYS: None. Ordinance No. 2123 adopted.

Moved by Morris, seconded by Mullan to Introduce a Resolution Authorizing Copier Purchase For Public Works / Community Development Office. A discussion ensued between council members and staff on purchasing or leasing the copier, it was noted by the City Attorney that something Council should consider is leases count against our debt capacity. It was also noted that lease agreements would be looked at on a case-by-case basis. Moved by Hansen, second by Plumb to amend the Resolution to lease the copier over purchase. AYES: Six. NAYS: None. Amended resolution passed. The Mayor asked the Clerk to call the roll for the original motion as amended. AYES: Five. NAYS: Ewing. Resolution No. 2008 - 051 as amended.

Moved by Mullan, seconded by Plumb to Introduce a Resolution Authorizing The Newton Fire Department TO Utilize Excess FEMA Funding To Purchase Equipment To Enhance The Fire Education And Prevention Program And TO Complete The Self Contained Breathing Apparatus (SCBA) Transition. AYES: Six. NAYS: None. Resolution No. 2008 – 052 adopted.

Moved by Foreman, seconded by Morris to Introduce a Resolution Acknowledging Central Iowa Water Association's Application To The Economic Development Administration For Investment Assistance For The Northeast Booster Station/Water Tower Project. Bryan Friedman, Community Development Director stated TPI is locating a new wind blade factory in Newton, slated to employ over 500 people. To provide water with adequate fire flow pressure and volume to the large TPI building, currently under construction on North 33rd Avenue East, upgrades to the water system are needed. The area is exclusively served by the Central Iowa Water Association (CIWA), the local rural water system that partners with the Newton Water Works to provide water to outlying areas.

One option for TPI would be to provide its own on-site pumps and tanks to meet its own needs. This would be costly to TPI. As an alternative, the Central Iowa Water Association could construct a 2,000-gallon per minute booster station on their 12-inch main that serves the TPI site. The booster station would be located on the northeast

corner of East 19th Street North and North 19th Avenue East within the City Limits. In addition, to provide adequate fire flow protection for TPI, CIWA would also propose to construct a 500,000 gallon elevated storage tank on the southwest corner of East 28th Street North and North 39th Avenue East in unincorporated Jasper County. This would benefit Central Iowa Energy's bio-diesel plant, increasing the chances for an expansion, and could better position the general area for additional development. The project would also be capable of providing an increase in water pressure and fire flows within the north and northeastern part of Newton.

The total project cost for the CIWA booster pump and water tower is estimated to be \$1,340,000, and CIWA is applying to the Economic Development Administration (EDA) for a grant of 50% of that cost. The balance of the project will be funded by CIWA and current and future users through facilities surcharges. There would be no cost to the City of Newton.

As a part of the EDA application, CIWA must include notice from the City and the County that indicates that the local governments are aware of the project and that the applicant is working in cooperation with those governments. Newton Water Works officials are aware of the CIWA project and the specifications and locations of proposed improvements. AYES: Six. NAYS: None. Resolution No. 2008 – 053 adopted.

The next item on the agenda was a discussion on the D & D Program Strategy. Bryan Friedman, Community Development Director highlighted the following: **History:** The City of Newton's Dangerous and Dilapidated (D & D) Building Program has operated for nearly two decades in an effort to remove run-down properties from neighborhoods and replace them with new development. Under the D & D Program, the City has utilized its funds to acquire dozens of properties and clear them of the deteriorated structures. The properties are then offered for sale at a reduced rate in order to foster redevelopment, building Newton's tax base. Through the years, the program has been very successful in its dual missions of removing unwanted structures and in sparking new investment.

Against the Wind: Last fall the City made an aggressive purchase of ten D&D properties from Against the Wind, Inc. for \$207,000. These properties include eight lots at the south end of 1st Street South, one property on South 5th Avenue West, and the former hatchery building at the corner of East 12 Street North and North 3rd Avenue East. These have been under City ownership since September, but have yet to be demolished.

Demolition: The City took quotes on the demolition of the South 5th Avenue West and 1st Street South properties last fall, with completion required by the end of 2007. The bids received were too high to deem satisfactory. The costs would have exceeded \$70,000 for the demolition of the nine properties. The City has strong indication that new bids would be significantly lower. The scope would be reduced to eliminate some tree removal, additional bidders would be solicited, and the contractors would not be up against a winter deadline.

Funding: Two sources are proposed to be used for this project. The first is the D&D fund itself. A component of the Capital Fund, the D&D currently has \$27,342.09 of bond proceeds remaining in its balance. The second source of revenue would be residual CDBG funds. The City had received several CDBG grants in the 1990s for a series of housing rehabilitation programs. In the ensuing years, some funds have been collected back from property owners who did not meet the requirement to live in their homes for five years after receiving the rehab grants. These funds, according to Melanie Mitchell of Simmering-Cory, the City's CDBG administrator, can be utilized for "housing activities within the City". No expenditures have been made from the CDBG fund for several years, and the balance is now \$25,479. By utilizing the funds to support the D&D activities, the CDBG fund could be closed out.

Hatchery: The hatchery has from the beginning been viewed as a second phase to the Against the Wind redevelopment process. This is due to the expense of the demolition, which could exceed \$50,000, and the large size of the property. The demolition of the structure could be funded from proceeds of other D&D property sales or it could utilize some accumulated funds in the Walgreen's TIF District. The property is not currently in the Walgreen's TIF, but that District could be expanded in size and scope, through a Council process, to include the hatchery redevelopment project. A first step that the City will proceed with prior to making overall funding decisions will be to undertake an asbestos investigation and cost estimate for removal.

D&D Property Inventory: The City owns a lot through its D&D program at 815 West 6th Street South. The City received two offers in the \$8,000 range for this property last

fall, but did not fully reach terms of sale with the bidders. When the City sells a D&D property, it requires a commitment to build a new home of a specified value on the property within a certain time frame. The City will continue to pursue these two prospects as well as other contractors with the intention to get the property sold and have construction of a new home begin as soon as possible. Additionally, the City has had promising preliminary contacts with developers on the South 5th Avenue and 1st Street properties. It is anticipated that this interest will be heightened once the properties are demolished.

Long Term Funding: The D&D fund would be replenished by the sales of the properties, but in the long term would need a third influx of bonding if the program were to continue. The City sells the properties for less than its total costs in order to spur development. Although this approach provides gains in tax base and long-term tax collections, it makes the D&D fund sink with each transaction.

It was noted by council members that we have a responsibility to demo and clean up these properties, Ewing noted he concurred with Staff's opinion to use CDBG Funds for part of this demo project, a very appropriate use of funds.

There was no new business come before the Council.

Moved by Foreman, seconded by Mullan to go into closed session To Discuss Strategy with Counsel in Matters that Are Presently in Litigation or Where Litigation is Imminent Where its Disclosure Would be Likely to Prejudice or Disadvantage the Position of the Governmental Body in that Litigation, Which Discussions are Exempt from the Open Meetings Law Pursuant to the Provision of Section 21.5(1)(c), Code of Iowa 2007. AYES: Six. NAYS: None. Motion carried. Mayor Allen declared a five-minute recess to clear the council chambers. Mayor Allen recused himself from the closed session and handed the gavel to Mayor Pro-Tem Hansen.

Upon return to open session at 6:59 p.m. a motion was made by Morris seconded by Foreman to adjourn the meeting at 7:00 p.m. Motion unanimously carried by voice vote.

Charles Allen, Mayor

Candice Van Zee, CMC
City Clerk