

City of Monticello, Iowa

www.ci.monticello.ia.us

Posted on January 20, 2023 at 3:00 p.m.

Monticello City Council Meeting January 23, 2023 @ 6:00 p.m.

Monticello Renaissance Center, 220 E. 1st Street, Monticello, Iowa

Mayor:	Dave Goedken	Staff:	
City Council:		City Administrator:	Russell Farnum
At Large:	Wayne Peach	City Clerk/Treas.:	Sally Hinrichsen
At Large:	Brenda Hanken	Police Chief:	Britt Smith
Ward #1:	Scott Brighton	City Engineer:	Patrick Schwickerath
Ward #2:	Candy Langerman	Public Works Dir.:	Nick Kahler
Ward #3:	Chris Lux	Water/Wastewater Sup.:	Jim Tjaden
Ward #4:	Tom Yeoman	Park & Rec Director:	Jacob Oswald
		Library Director:	Faith Brehm

- Call to Order – 6:00 P.M.

- Pledge of Allegiance
- Roll Call
- Agenda Addition/Agenda Approval

Open Forum: If you wish to address the City Council on subjects pertaining to today's meeting agenda please wait until that item on the agenda is reached. If you wish to address the City Council on an item not on the agenda, please approach the lectern and give your name and address for the public record before discussing your item. Individuals are normally limited to speaking for no more than three (3) minutes on a topic and the Open Forum is by rule limited to a total of twenty (20) minutes.

Consent Agenda (These are routine items and will be enacted by one motion without separate discussion unless someone requests an item removed to be considered separately.)

Approval of Council Mtg. Minutes January 16, 2023

Approval of Glass Tap LLC /Market at the Tap Alcohol License

Resolutions:

1. **Resolution** Approving the wages for Monticello Aquatic Center staff
2. **Resolution** Approving Jacob and Kendra Oswald Tax Abatement Application related to Residential Improvements constructed at 902 Northridge Drive, Monticello, Iowa
3. **Resolution** Setting the Maximum Tax Dollars to be collected by the City from Certain Levies for the City's Proposed Fiscal Year 2023-2024 Budget for Public Hearing Scheduled for February 20, 2023 at 6:00 p.m.

4. **Resolution** Authorizing Transfer of Property/Quit Claim Deed for the “Compadres Building” at 103 W. First Street to Matt Kumley dba Glass Tap LLC

Adjournment: Pursuant to §21.4(2) of the Code of Iowa, the City has the right to amend this agenda up until 24 hours before the posted meeting time.

Work Session – no action will be taken:

5. **Work Session** on budget

Monticello City Council meetings are recorded, by attending and choosing to participate you give your consent to be recorded. If you prefer not to be recorded, you may submit comments in writing.

Meeting Instructions for the Public

Due to the Covid-19 Virus the public will be admitted into this meeting with limited seating.

The meeting will continue to be broadcast on Mediacom (Local Access Channel) and will be accessible via Zoom via the following link.

City of Monticello is inviting you to a scheduled Zoom meeting.

Topic: January 23, 2023 Special Council Meeting
Time: Jan 23, 2023 06:00 PM Central Time (US and Canada)

Join Zoom Meeting
<https://us02web.zoom.us/j/88167716027>

Meeting ID: 881 6771 6027
One tap mobile
+13052241968,,88167716027# US
+13092053325,,88167716027# US

Dial by your location
+1 312 626 6799 US (Chicago)
+1 646 558 8656 US (New York)
+1 646 931 3860 US
+1 301 715 8592 US (Washington DC)
+1 507 473 4847 US
+1 564 217 2000 US
+1 346 248 7799 US (Houston)
+1 360 209 5623 US

Meeting ID: 881 6771 6027
Find your local number: <https://us02web.zoom.us/j/88167716027>

Regular Council Meeting
January 16, 2023 – 6:00 P.M.
Community Media Center

Mayor David Goedken called the meeting to order. Council present were: Chris Lux, Candy Langerman, Wayne Peach, Tom Yeoman, Brenda Hanken and Scott Brighton present. Also present were City Administrator Russell Farnum, City Clerk Sally Hinrichsen, Police Chief Britt Smith, Park & Rec Director Jacob Oswald, Public Works Director Nick Kahler, Water/Wastewater Superintendent Jim Tjaden and Library Director Faith Brehm. The public was invited to attend the meeting in person, with limited seating or to participate in the meeting electronically via “Zoom Meetings” and were encouraged to communicate from Zoom Meeting via chat.

Yeoman moved to approve the agenda, Hanken seconded, roll call was unanimous.

Yeoman moved to approve the consent agenda; Hanken seconded, roll call was unanimous.

Iowa State University Extension’s Youth Program Specialist Jacki Luckstead gave a brief presentation on last year’s program and attendance, and announced this year’s program will be “Science Lab”. This program would be for two full days, instead of four half days, and they will bring their own lunch. Brighton moved to approve Resolution #2023-5 Approving Jones County Extension Programming investment and agreement for FY ’24 in the amount of \$500.00. Hanken seconded. Roll call was unanimous.

Jones County Economic Development Director, Derek Lumsden reviewed projects that were completed and projects he is working on. Yeoman moved to approve Resolution #2023-6 Approving Jones County Economic Development (JECD) Investment and agreement for FY ’24 in the amount of \$15,000.00. Hanken seconded, roll call was unanimous.

Lux moved to approve Resolution #2023-7 Approving Jones County JETS Transportation System investment and agreement for FY ’24 in the amount of \$1,500.00. Langerman seconded, roll call was unanimous.

Langerman moved to approve Resolution #2023-8 Approving Jones County Safe & Healthy Youth Coalition Investment and agreement for FY ’24 in the amount of \$3,000.00. Hanken seconded, roll call was unanimous.

Lux moved to approve Resolution #2023-9 Approving Monticello Firefighter’s Organization investment and agreement for the Independence Day Fireworks festivities to be held on July 4, 2023, in the amount of \$2,600.00. Langerman seconded, roll call was unanimous.

Langerman moved to approve Resolution #2023-10 Approving Jones County Senior Dining Funding Investment and agreement for FY ’24 in the amount of \$4,329.00. Peach seconded, roll call was unanimous.

Regular Council Meeting
January 16, 2023

Jones County Tourism President Becky DirksHaugsted gave an update on their activities in the last year. Yeoman stated Monticello was not mentioned or listed on their website. DirksHaugsted stated they use the Monticello Express guide on their website and she would look into why Monticello was not on their website. Council discussed funding requested and not giving the full amount requested. Hanken moved to approve Resolution #2023-11 Approving Jones County Tourism investment and agreement for FY '24 in the amount of \$1,000.00. Lux seconded, roll call was all ayes except Yeoman who voted nay. Carried.

Farnum gave update on projects and activities the Maquoketa River Watershed Management Authority completed and continues to work on, such as water testing and conservation awareness. Langerman moved to approve Resolution #2023-12 Approving Maquoketa River Watershed Management Authority Investment and Agreement for FY '24 in the amount of \$6,060.00. Brighton seconded, roll call was unanimous.

Peach moved to approve Resolution #2023-13 Appropriating funds necessary to meet the City's Obligation to Monticello Main Street Iowa Program Agreement in the amount of \$40,000.00. Hanken seconded, roll call was unanimous.

Brighton moved to approve Resolution #2023-14 Scheduling Public Hearing for the Purpose of Considering the Maximum Tax Dollars to be collected by the City from Certain Levies for the City's Proposed Fiscal Year 2023-2024 Budget for February 20, 2023 at 6:00 p.m. Hanken seconded, roll call was unanimous. Council set a special Council meeting for January 23, 2023 at 6 PM for budget work session.

Lux moved to approve Resolution #2023-15 to approve the hiring of a Monticello Ambulance Full-Time Paramedic and setting wage. Hanken seconded, roll call was unanimous.

Lux moved to approve Resolution #2023-16 Approving Lease Agreement between the City of Monticello and Jeff Nagel with regard to the "farm" ground at the Monticello Airport. Peach seconded, roll call was unanimous.

Farnum advised Main Street Open House is Thursday January 19, 2023.

Farnum reported on the Small Town Dreams fundraiser challenge and match to create a Community Development Fund for Monticello.

Farnum reviewed the sewer credit policy and inquired if Council would like to consider adjusting the amount. Consensus of Council, with the recent rate increase, was that they should review the amount allowed. This will be on the next agenda.

Hinrichsen reported the Alcoholic Beverages Division has made classification changes to the alcohol licensing process reducing the number of license classifications. With these changes, they will allow class "E" retail alcohol licensees to automatically renew without approval by the local authority or ABD upon payment of the renewal fee. City Code states Council is to approve alcohol licenses, so that would need to be updated; however,

Regular Council Meeting
January 16, 2023

City can un-enroll from automatic renewal program. Several cities were going to un-enroll from the automatic renewal program to keep control as stated in the City Code. Consensus was for City to un-enroll in the automatic renewal program instead of changing the City Code to allow it.

Kahler reported the closure on the handicapped door of the Renaissance Center needs to be replaced and will cost \$2,800 plus installation.

Tjaden stated there was a water main break on Southhaven last week, which is a 4" feeder line for 5 to 6 houses and runs in the back yards and next to the foundation of one home. He would like to replace this line in the future and place it in the terrace.

Tjaden reported Royal Flush had pretreatment agreement violations the end of December. Consensus of the Council was to begin process of filing liens for the delinquent violation fines.

Oswald reported summer sport activities sign up has started.

Brehm reported the library is having Music & Melody and invited all to attend.

Mayor advised there would be no closed session due to waiting on a few items to be completed. Also, there would be no budget work session, as waiting on compensation committee to make their proposal.

Peach motioned to adjourn the meeting at 6:52 P.M.

David Goedken, Mayor

Sally Hinrichsen, City Clerk/Treasurer

City Council Meeting
Prep. Date: 1/19/2023
Preparer: Jacob Oswald



Agenda Item: # 1
Agenda Date: 01/23/2023

Communication Page

Agenda Items Description: Resolution Approving the wages for Monticello Aquatic Center staff

Type of Action Requested: Motion; Resolution; Ordinance; Report; Public Hearing; Closed Session

Attachments & Enclosures:
resolution

Fiscal Impact:
Budget Line Item:
Budget Summary:
Expenditure:
Revenue:

Synopsis:

Parks and Recreation Department to set additional wage increase for Aquatic Staff.

Background Information:

- Pool Manager rate of pay \$15.00/hour
- Lifeguard rate of pay \$12.00/hour
- Pool Assistant rate of pay \$10.00/hour

These rates of pay would be while the aquatic center staff member is on duty during scheduled hours of operation.

WSI (Water Safety Instructor) to also receive an additional \$1.00/hr on top of their hourly rate of pay during group swim lessons.

WSI receive 70% of the registration fee for each private lesson completed. Private lessons are equivalent to five (5) individual lessons.

Staff Recommendation:

To approve the wage increase for Aquatic Center Staff.

The City of Monticello, Iowa

IN THE NAME AND BY THE AUTHORITY OF THE CITY OF MONTICELLO, IOWA

RESOLUTION

Approving the wages for Monticello Aquatic Center staff

WHEREAS, Monticello Aquatic Center hires seasonal staff to assist in the operation of Aquatic Center covering hours of operation, swim lesson instruction, and other various special events, and

WHEREAS, The Park & Recreation Director setup a committee to hire Aquatic Center staff for various positions needed to safely operate the Aquatic Center filling the following positions: manager, assistant managers, lifeguards, WSI (Water Safety Instructors) and pool assistants. Aquatic Center staff may work in more than one position during the summer months, and

WHEREAS, The Park & Recreation Director recommends the following wages for the Aquatic Center Staff for the 2023 season:

2023 Monticello Pool Wages		
Lifeguard	\$12.00	
Pool Assistant	\$10.00	
Manager	\$15.00	

Certified WSI (Water Safety Instructors) will receive \$1.00 per hour, on top of their hourly wages listed above, during group swimming lessons, and,

WHEREAS, The City Administrator recommends the wages for the Monticello Aquatic Center staff, as noted above and

NOW, THEREFORE, The Council hereby approves the wages for the Monticello Aquatic Center staff, as noted above.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of the City of Monticello, Iowa to be affixed hereto. Done this 23rd day of January 2023.

David Goedken, Mayor

Attest:

Sally Hinrichsen, City Clerk/Treasurer

City Council Meeting
Prep. Date: 01/19/2023
Preparer: Sally Hinrichsen



Agenda Item: # 2
Agenda Date: 1/23/2023

Communication Page

Agenda Items Description: Resolution to approve standard Residential Tax Abatement related to property located at 902 Northridge Drive, Monticello

Type of Action Requested: Motion; Resolution; Ordinance; Report; Public Hearing; Closed Session

Attachments & Enclosures:

Proposed Resolution

Fiscal Impact:

Budget Line Item:	
Budget Summary:	
Expenditure:	
Revenue:	

Synopsis: Abatement Application filed by Jacob and Kendra Oswald related to residential improvements constructed at 902 Northridge Drive, Monticello, Iowa

Background Information: This Resolution provides the tax abatement as set out in the Code for residential properties. The new value added by the improvement, up to \$75,000, is exempt from taxation for five years.

Staff Recommendation: It is recommended that the Council approve the proposed resolution providing for the Standard Tax Abatement as set out above.

The City of Monticello, Iowa

IN THE NAME AND BY THE AUTHORITY OF THE CITY OF MONTICELLO,
IOWA

RESOLUTION

Approving Jacob and Kendra Oswald Tax Abatement
Application related to Residential Improvements
constructed at 902 Northridge Drive, Monticello, Iowa

WHEREAS, Monticello has enacted an Urban Revitalization Tax Abatement program and codified same at Chapter 10 of the Monticello Code of Ordinances, and

WHEREAS, Jacob and Kendra Oswald has completed and filed an Application for Tax Abatement related to residential property located at 902 Northridge Drive, and

WHEREAS, The City Council finds that the information submitted therein is consistent with that required by the Monticello Code of Ordinances, and

WHEREAS, The Council further finds that the estimated completion date of the improvements is November, 2022, and finds, based thereon, that the Jones County Assessor will need to determine how many years of tax abatement remain on this property, being tied to the date on which the property was deemed to be 100% complete for taxation purposes.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Monticello, Iowa does hereby approve the Application for Tax Abatement filed by Jacob and Kendra Oswald as set forth above, consistent with Chapter 10 of the Monticello Code of Ordinances, said Application bearing the date of January 17, 2023 and being signed by Jacob Oswald and further directs the Monticello City Clerk to file same with the Jones County Assessor as prescribed by law.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of the City of Monticello, Iowa to be affixed hereto. Done this 23rd day of January, 2023.

David Goedken, Mayor

Attest:

Sally Hinrichsen, City Clerk/Treasurer

City Council Meeting
Prep. Date: 01/20/2023
Preparer: Russell Farnum



Agenda Item: # 3
Agenda Date: 01/23/2023

Communication Page

Agenda Items Description: Setting the Max Levy amount for FY24

<u>Type of Action Requested:</u> Motion	
<u>Attachments & Enclosures:</u>	<u>Fiscal Impact:</u>
	Budget Line Item:
	Budget Summary:
	Expenditure:
	Revenue:

Synopsis: Every year the City Council has to set the “Max Levy” amount for the coming budget year. This is in accordance with State law which requires a public hearing prior to approval of that amount, and the budget.

Background: The “Max Levy” is the maximum amount of money the City plans to collect in its FY24 property tax levy (not including debt payments). The “Levy” is the total amount of taxes collected, which is computed by multiplying property value times the “Levy Rate”.

For over 10 years the City has generally kept the Levy Rate steady, relying upon steady growth in property values to fund a slowly increasing overall Levy. Due to State-mandated reductions in commercial and industrial property valuations, recalculation of Multi-residential valuations, and overall increases in costs across every aspect of City business, both the Levy and the Levy Rate will need to increase to meet budget demands in FY24.

This year, the Max Levy is proposed to be \$1,923,561, resulting in a Max Levy Rate of \$13.46439 per \$1,000 of value. For FY23, the City’s levy was \$1,680,366 with a rate of \$11.76209. The FY24 Max Levy is an increase of 14.47 percent from FY23.

These amounts are for publication and the public hearing on February 20, and may be reduced prior to adoption of the budget. Please note, again, this does not include the City’s debt levy, which will make the Levy Rate published for the public hearing different from the Overall Levy and Overall Levy Rate which will be finalized upon adoption of the FY24 Budget.

Recommendation: A motion to approve the Max Levy in the amount of \$1,923,561 with a Max Levy Rate of \$13.46439 is recommended.

The City of Monticello, Iowa

IN THE NAME AND BY THE AUTHORITY OF THE CITY OF MONTICELLO, IOWA

RESOLUTION #

**Setting the Maximum Tax Dollars to be collected by the City from
Certain Levies for the City's Proposed Fiscal Year 2023-2024 Budget
for Public Hearing Scheduled on February 20, 2023 at 6:00 p.m.**

WHEREAS, Senate File 634 (a/k/a Iowa Code 384.15A) requires that a Public Hearing be held prior to considering the proposed FY 2022 maximum property tax dollars to be collected by the City, at which any resident or taxpayer of the City may present objections against or arguments in favor of the proposed maximum property tax dollars to be collected, and

WHEREAS, The FY 2024 city maximum property tax dollars for the affected levy total must be approved prior to setting the proposed budget public hearing for FY 2024, and

WHEREAS, Notice of the Public Hearing must be published at least ten but no more than twenty days prior to the Public Hearing, and

WHEREAS, Notice shall be published in the Monticello Express for the scheduled Public Hearing for the 20th day of February, 2023 at 6:00 P.M. at the Community Media Center, City Council Chambers, Monticello, Iowa, at which any interested resident or taxpayer may be heard on the proposed maximum property tax dollars to be collected from certain levies, and

WHEREAS, The City Clerk is instructed to see to the publication of the appropriate Notice in the Monticello Express, consistent with the above dictates, so that the Public Hearing may be held as scheduled.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Monticello, Iowa does hereby set the Maximum Tax Dollars to be collected by the City from Certain Levies for the City's proposed FY 2024 budget for the Public Hearing Scheduled for 20th day of February, 2023 at 6:00 p.m. to be held in the City Council Chambers at the Mary Lovell LeVan Renaissance Center in Monticello, Iowa.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of the City of Monticello, Iowa to be affixed hereto. Done this 23rd day of January, 2023.

David Goedken, Mayor

Attest:

Sally Hinrichsen, City Clerk/Treasurer

City Council Meeting
Prep. Date: 01/20/2023
Preparer: Russell Farnum



Agenda Item: # 4
Agenda Date: 01/23/2023

Communication Page

Agenda Items Description: Authorizing Transfer of Property/Quit Claim Deed for the “Compadres Building” at 103 W. First Street to Matt Kumley dba Glass Tap LLC

<u>Type of Action Requested:</u> Resolution					
<u>Attachments & Enclosures:</u> Resolution Signed Development Agreement	<u>Fiscal Impact:</u> Budget Line Item: <table border="1"><tr><td> </td></tr></table> Budget Summary: <table border="1"><tr><td> </td></tr></table> Expenditure: <table border="1"><tr><td> </td></tr></table> Revenue: <table border="1"><tr><td> </td></tr></table>				

Synopsis: The City Council previously agreed to sell the Compadres Building to Matt Kumley. The work that was required on the building is nearly complete, and it is time to deed the property to him.

Background: The City Council issued two Requests for Proposals and held three public hearings on the sale and redevelopment of this property, ending in the approval of the sale of the property to Matt Kumley, subject to the attached Development Agreement.

The renovation work on the restaurant has been completed, and it is time to transfer ownership of the property to Kumley, so that he can receive a liquor license and begin operations as anticipated.

Recommendation: A motion to approve is recommended.

THE CITY OF MONTICELLO, IOWA

IN THE NAME AND BY THE AUTHORITY OF THE CITY OF MONTICELLO, IOWA

RESOLUTION

Resolution to provide direction with regard to sale/transfer of
City Owned Property located at 103 West First Street

WHEREAS, The City Council previously agreed to accept RFPs on City owned property located at 103 West First Street and thereafter received RFPs/proposals related to the property and scheduled Public Hearings on the proposed sale/transfer of the property held on April 5, 2021, and November 1, 2021; and

WHEREAS, The Council found the property located at 103 West First Street, which had been in disrepair for several years prior to the City acquiring the property, and the Council wanted to ensure the cleanup of the lot would proceed as quickly as possible and to return the property to the tax rolls, and

WHEREAS, The City entered into an agreement (the “Development Agreement”) with Matt Kumley dba Glass Tap, LLC (the “Developer”) with respect to the restoration and interior construction of a restaurant/bar within the Compadres Building, and future residential units on the second story located at 103 West First Street, in Monticello, Iowa, and

WHEREAS, The Council finds that the City Administrator and City Attorney should work with Matt Kumley to finalize details and transfer ownership of the property to Matt Kumley, or appropriate legal entity.

NOW THEREFORE BE IT RESOLVED by the City of Monticello, through its’ City Council, in session this 23rd day of January 2023 that the sale/transfer of the City property considered is hereby approved and the City Administrator is directed to work with Matt Kumley and to proceed with the preparation of, and authorized to sign any documents necessary to execute the property transfer and closing.

IN TESTIMONY WHEREOF, I have hereunto
subscribed my name and caused the Great Seal for the
City of Monticello, Iowa to be affixed. Done this 23rd
day of January, 2023.

David Goedken, Mayor

Attest:

Sally Hinrichsen, City Clerk/Treasurer

RESOLUTION NO. #2021-145

To Approve Development Agreement between City of Monticello
and Matt Kumley dba Glass Tap, LLC

WHEREAS, the City has previously received, through the Iowa Department of Natural Resources (“IDNR”), a State of Iowa Derelict Building Grant and expended in excess of \$50,000 on roof replacement and asbestos abatement; and

WHEREAS, the City has received, through the Iowa Economic Development Agency (IEDA”), a State of Iowa Community Catalyst Building Remediation Grant to support the improvement of the Compadres Building as anticipated and outlined herein, in the amount of \$100,000, to which the City has committed a matching grant of \$50,000; and


WHEREAS, the Purchaser intends to acquire the Compadres Building from the City, for the payment of \$1,000 and consideration of the terms and obligations herein, and the Purchaser will undertake the restoration and interior construction of a restaurant/bar within the Compadres Building, and future residential units on the second story, with an investment on Purchaser’s part of not less than \$200,000; and

WHEREAS, the City proposes to enter into an agreement (the “Development Agreement”) with Matt Kumley dba Glass Tap, LLC (the “Developer”) with respect to the restoration and interior construction of a restaurant/bar within the Compadres Building, and future residential units on the second story located at 103 West First Street, in Monticello, Iowa, and

WHEREAS, the City agrees to make payments or reimbursements from the Catalyst Grant in an amount not to exceed \$100,000, with an additional \$50,000 match provided by the City (\$150,000 in total) pursuant to the terms and requirements of the State of Iowa Community Catalyst Building Remediation Grant. Any additional amounts necessary to complete the project shall be the responsibility of the Purchaser.



NOW THEREFORE, IT IS RESOLVED by the City Council of the City of Monticello, Iowa, on this 15th day of November, 2021, by the approval of this Resolution, does hereby approve the proposed Development Agreement and incentives offered therein.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of the City of Monticello, Iowa to be affixed hereto. Done this 15th day of November, 2021.



Brian Wolken, Mayor

Attest:

Sally Hinrichsen, City Clerk

DEVELOPMENT AGREEMENT

This Agreement is entered into this 15th day of November, 2021, by and between the City of Monticello, Iowa (the "City"), Matt Kumley dba Glass Tap, LLC (the "Purchaser"), pertaining to property commonly known as 103 W. First Street, more specifically described on Exhibit "A" attached hereto (the "Property" and/or the "Compadres Building").

WHEREAS, the City has previously received, through the Iowa Department of Natural Resources ("IDNR"), a State of Iowa Derelict Building Grant and expended in excess of \$50,000 on roof replacement and asbestos abatement; and

WHEREAS, the City has received, through the Iowa Economic Development Agency (IEDA), a State of Iowa Community Catalyst Building Remediation Grant to support the improvement of the Compadres Building as anticipated and outlined herein, in the amount of \$100,000, to which the City has committed a matching grant of \$50,000; and

WHEREAS, the Purchaser intends to acquire the Compadres Building from the City, for the payment of \$1,000 and consideration of the terms and obligations herein, and the Purchaser will undertake the restoration and interior construction of a restaurant/bar within the Compadres Building, and future residential units on the second story, with an investment on Purchaser's part of not less than \$200,000; and

WHEREAS, the Purchaser will undertake the operation of a restaurant/bar, which along with initial stocking and preparation in consideration of the terms and obligations herein;

NOW THEREFORE, the parties hereto agree as follows:

A. Essential Terms

1. **PROJECT.** "Project" means the activities and other obligations to be performed or accomplished by the City and the Purchaser as described in this Agreement, in the Scope of Work and Description of Project attached herein as Exhibit "B", and in the application submitted through iowaGrants.gov.
2. **PROJECT COMPLETION PERIOD.** The "Project Completion Period" commences with the Date of Award Letter from IEDA 21-CTBF-017, June 14, 2021, and ends with the Project Completion Date set out in the grant, June 14, 2023.
3. **COSTS TO BE REIMBURSED.** The costs to be reimbursed for the Catalyst Grant and City match under this agreement are those costs that are directly related to the Project, as set out in Section 261-45.2 of Iowa Administrative Code. Those costs specifically do not include expenditures for accounting services, legal services, loan origination and other financing costs, syndication fees and related costs, developer fees, or the costs associated

with selling or renting dwelling units whether incurred before or after completion of the Project.

4. **PRIOR EXPENSES.** No expenditures made prior to the Date of Award Letter nor the date of this Agreement may be included as Project Costs.
5. **MAINTENANCE OF INSURANCE.** During the term of this Agreement, the Purchaser shall maintain the project property in good repair and condition, ordinary wear and tear excepted, and shall not suffer or commit waste or damage upon the project property. The Purchaser shall pay for and maintain insurance in an amount not less than One Million Dollars in general liability coverage, as well as the cash value of the project property. The Purchaser shall name the City and the IEDA as additional insureds, mortgagees, or loss payee(s). The Purchaser shall provide the City with a copy of each and every insurance policy in effect, and current copies of any updates thereto.
6. **SCOPE OF WORK.** The Project includes structural repairs, roof repairs, insulation updates, windows and awnings, updated electrical system, interior and exterior paint, bathroom installation, storm water management, sidewalk, plaster repair, fixtures and furnishings as more specifically described in Exhibit "B".
7. **FINANCIAL OBLIGATION.** In addition to the Grant funding the parties agree to, and are hereby obligated to provide, the funding for the completion of the Project as outlined herein. Under no circumstances shall the IEDA nor the City be obligated to pay more than the grant amounts listed herein, and all cost overruns shall be the liability of the Purchaser.
8. **TERM.** This agreement shall endure any sale or transfer of the Property until such time as the Purchaser has fulfilled the Covenants and terms of this Agreement, and the grant requirements have been fulfilled by the Parties as determined by the City and IEDA.

B. Purchaser's Covenants

1. **Construction.** Purchaser agrees to construct the project on the property to the point of final fixtures and finishes, preferably within one year of the date of this Agreement, and in any case, within the Project Completion Period.
2. **Completion of Construction and Operation.** Purchaser agrees to acquire the Property and build out and operate a bar/restaurant, and allow for live music and a unique outdoor space for customers, which may, but is not required to, include an expansion of the existing neighboring bar owned by the Purchaser. For purposes of this Agreement, "operate" or "operation" shall mean that the construction is complete, all fixtures have been installed, the Purchaser has obtained a liquor license for the Property, the facility is stocked with beverages and/or food as appropriate, and regular days and hours of operation are posted, at which time the Property is open to the public for liquor service and dining as anticipated in this Agreement.

3. **Continued Operation.** Purchaser agrees to continue to, or cause to be continued, operation of the restaurant/bar or successor business at this location during the term of the Agreement.
4. **Payment of Taxes.** Purchaser agrees to make timely payment of all property taxes as they come due throughout the term of this Agreement with respect to the Property and to submit proof of payment to the City Clerk if requested.
5. **Concurrence of Proposal.** Purchaser agrees and accepts to purchase the Property under the terms and conditions of a proposal originally presented by Creative Development Concepts, and selected by the City Council on March 15, 2021, which was ultimately approved by Resolution passed on April 5, 2021, despite the alternate proposal submitted by Purchaser.

C. City's Covenants

1. **Grant Match Payments.** In recognition of the Purchaser's obligations set out above, the City agrees to make payments or reimbursements from the Catalyst Grant in an amount not to exceed \$100,000, with an additional \$50,000 match provided by the City (\$150,000 in total) pursuant to the terms and requirements of the State of Iowa Community Catalyst Building Remediation Grant. Any additional amounts necessary to complete the project shall be the responsibility of the Purchaser.
2. **Deed.** The City further agrees to provide a Quit Claim Deed and satisfactory clear title to the Purchaser as may be mutually agreeable by the Purchaser and the City.

D. Administrative Provisions


1. This Agreement may not be amended or assigned by any party with the written consent of the other parties.
2. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.
3. This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with laws of the State of Iowa.
4. If at any time during the term of this Agreement, the Purchaser fails to fulfill the obligations outlined herein, which remains unfulfilled after adequate notice and opportunity to correct, the ownership of the Property shall automatically revert to the City.

The City and the Purchaser have caused this Agreement to be signed, and the City's seal to be affixed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

City of Monticello, Iowa

By 
Brian Wolken, Mayor

Attest:


Sally Hinrichsen, City Clerk

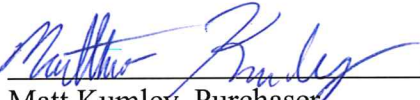

Matt Kumley, Purchaser
dba Glass Tap, LLC

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Certain real property in the City of Monticello, County of Jones, State of Iowa more particularly described as follows:

The west ½ of Lot 511 and the northern 16 feet of Lots 512 and 513, all in the Railroad Addition to the City of Monticello

SUBJECT TO the rights of the public in all highways and to all easements, agreements and restrictive covenants of record.

EXHIBIT B

SCOPE OF WORK AND DESCRIPTION OF PROJECT

The Compadres building has gone through some massive changes in the last few years. Abandoned by the previous owner, the City came into possession of a dilapidated building falling in. The City received a Derelict Building Grant to remove asbestos and put a new roof on the main portion of the building.

The City put out an RFP for building proposals and received two. The City is selling the building to a local developer, Matt Kumley, who owns an adjacent building. The developer is planning to demolish the interior of the building that has rotted and sunk into the first floor.

The plans are to completely fill in the basement with concrete, redo the first floor, and turn it into a restaurant space for seating with a kitchen and an exterior/outdoor space. Additionally, the plans are to completely rebuild the second floor and turn those spaces into future housing. The plan would keep the 1st Street facing exterior, including the brick front and the west rear exterior facing the off-street parking. Due to the asbestos removal, the east facing portion of Cedar Street will be demolished due to internal collapse and a new wall/gate will be established to help secure the area from anyone being in the outdoor area without owner knowledge.

The developer was interested in the Compadres building initially to expand his bar into a bar/restaurant, allow for live music, and create a unique outdoor space for clients. By working with the City, this can happen now. Additionally, Matt is planning to hire 20-25 staffers to help with the restaurant and bar, including wait staff, bar staff, kitchen staff, etc. Not only will this put a needed restaurant space in the downtown, but it will allow for the workforce to grow locally as well. Finally, the apartments in the upper story will allow for upper story living and help drive more commerce downtown.

The building is currently vacant, but used to be a restaurant. The building to the west is a bar and has been for a number of years. The building is of the same era and similar material construction as its neighboring buildings, so a vast change, such as by demolition, would leave a gaping hole in the block as well as potentially damage the three neighboring buildings that it touches.

The building materials on the exterior will be high quality, especially the brick since it will be retained and repaired. The roof will be insulated, but not foamed, so as to allow water to run more easily off of it and be repaired instead of constantly replaced when there are issues. There will be a new aluminum storefront and upper story windows to match the historic look of the building and keep the integrity of the downtown.

On the east side of the building, there will be a demarcation of the property, either through a doorway that is secure and looks like it fits, through some form of ornate fence/structure that allows the building to be secure from the back, or another approach. The goal of the owner is to make sure the space complements the neighboring buildings, but is also a usable and secure space.

On the interior, high quality materials will be used for the flooring, walls, ceilings, etc. to make sure that the building is sound and sustainable.

The City of Monticello has been looking for partnerships on this project for years. Currently, only the DNR has been a partner with the Derelict Building program to help remove asbestos and stabilize a part of the building in the roof.

When an opportunity for the Catalyst application came up, the City put out the call for proposals. Two were received by local prominent businessmen and one was selected. The great thing about that meeting was that the local business owner is working with the City to get the project done, hopefully with the state Catalyst funding.

The proposed funding would be as follows:
City of Monticello: \$50,000
Catalyst Grant: \$100,000
Matt Kumley (Restaurant Owner): \$200,000

The local match to the Catalyst Grant money for this project is 2.5 to 1, which marks a great partnership as well as a lot of local investment for this to be a successful project. Additionally, the group has had support from Jones County Economic Development in helping to find contractors (when possible) and to assist in the grant applications for other funding to help complete the project.

PROJECT ASSURANCES:

Name of Property Owner: Matthew Kumley

Address of Project Property: 103 W 2nd Street, Monticello, Iowa 52310

As rightful owner(s), developer(s), and/or responsible entity(s), we: *(check boxes to confirm)*

- Agree to the submission of the Iowa Economic Development Authority (IEDA) Grant application for the benefit of the above-named property/project.
- Agree to all terms and conditions defined in the IEDA Grant application.
- Agree to provide the specified cash match documented in the application.
- Understand that grant funds are made as a reimbursement and understand that we must complete the proposed scope of work for the project before receiving final reimbursement of grant funds. We understand a representative of IEDA will conduct an on-site final inspection of the project before approval of final reimbursement payment. We agree to work through the local government program for reimbursement requests.
- Agree to notify local grant recipient AND IEDA regarding changes in scope of work that may occur during construction that vary from the proposed plans submitted in the grant application.
- Understand that any significant deviation/changes from the submitted proposed designs without approval from IEDA may jeopardize the grant award.
- Agree to abide by state and federal civil rights requirements which bars discrimination against any employee, applicant for employment, or any person participating in any sponsored program on the basis of race, creed, color, national origin, religion, sex, age, physical or mental disability.
- Agree to maintain safe and sanitary working conditions and compensation for employment no less than minimum wage.
- Understand that IEDA reserves the right to use information relevant to the project in case studies, program marketing, etc.
- I am aware of the Secretary of the Interior's [Standards for the Treatment of Historic Properties](#) and it is our desire to follow best practices for preservation and rehabilitation throughout the project.
- I agree to conform with the [Americans with Disability Act](#).
- I agree to conform with all local building codes and regulations.
- I agree to conform with all local design guidelines and design review processes (if applicable).

By signing this Project Assurances document, we certify the information presented above, and in the application and attachments, to be true and correct to the best of the entity's knowledge.

Property Owner:

Matthew Kumley
Type/Print Name and Title

Matthew Kumley
Signature:

Date: 11/16/21

City Representative (grant recipient):

Brian Walker Mayor
Type/Print Name and Title

Brian Walker
Signature:

Date: 11-17-21

SUB-RECIPIENT LETTER OF INTENT TO PARTICIPATE

Name of property owner/developer

Current Address:

City, State, Zip:

Address of Project Property:

City, State, Zip:

As an owner/investor of the above named property, I/We agree to all terms and conditions defined in the city's application for a Community Catalyst Building Remediation Program Grant.

I/We further agree to the specified cash match requirement, to comply with the Secretary of Interior's Standards for Historic Property Rehabilitation should the property be eligible, listed or contributing to a National Register District and to provide any additional information required for compliance with state and federal guidelines, if asked.

I/We understand that Iowa Downtown Resource Center reserves the right to use all information relevant to the project as case studies.

I/We agree to abide by the requirements of Titles VI and VII of the Civil Rights Act of 1964, as amended, and the Rehabilitation Act of 1973, as amended, which bar discrimination against any employee, applicant for employment, or any person participating in any sponsored program on the basis of race, creed, color, national origin, religion, sex, age, physical or mental disability;

I/We agree to abide by the requirements of the American with Disabilities Act;

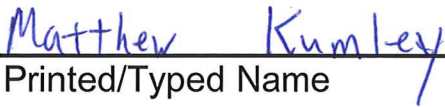
I/We agree to provide safe and sanitary working conditions and compensation for employment at not less than minimum wage.

I/We agree to comply with all federal regulations as defined by HUD and previously outlined

Should the application be funded, I/we will make every effort to participate in the formal presentation ceremony as scheduled by IEDA.

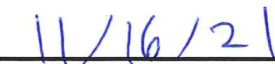


Signature



Printed/Typed Name

Title



Date