



May 1, 2017 Economic Development Commission - Minutes

The City of Adel's Economic Development Commission met in the 2nd Floor Conference Room at the Adel Public Library, 303 South 10th Street, Adel, Iowa, on Monday, May 1, 2017 at 5:00 p.m.

The Economic Development Commission meeting was called to order at 5:03 p.m. by City Administrator Anthony Brown

Members present: Book, Burdick, Merryman, McAdon, McAvoy, Sutton, and West. Members absent: Spencer and Standley. Others in attendance: City Administrator Brown and MidAmerican rep. Calvert.

McAvoy motioned, seconded by Merryman, to approve minutes of the April 3, 2017 meeting. Motion carried unanimously.

The commission held a wide-ranging discussion on PFM's residential tax abatement program analysis as well as McClure Engineer's utility capacity and annexation studies.

Brown noted that PFM selected the City of Carlisle as a comparison for building permits because of its size, its relative proximity to the metro, and because the data was readily available. McAvoy noted that using the City of Polk City, which was suggested at a recent Adel City Council meeting, was not a fair comparison because Polk City is only a few miles away from the City of Ankeny. McAdon noted that Polk City has much lower taxes, uses the WRA for sanitary sewer, and has a number of willing sellers of land and builders developing there.

West stated that he would have preferred that the analysis include expenses and other items. Burdick agreed. McAdon noted that the analysis was strictly on revenues. A common question from residents is the notion that abated homes are not paying their fair share toward City services, and this analysis shows that abated homes are paying in other ways. West asked how the City's public safety departments are handling the growth. McAdon stated that they have seen more mental health calls and traffic issues. McAvoy provided some general statistics on several public safety departments in similar-sized cities. Some cities have larger populations and less police officers compared to Adel.

Discussion moved to the utility capacity study. McAdon noted that, out of the City's \$37 million in upcoming water, sewer, and storm water projects, approximately 17-19% of this work will address growth. The rest of the projects will address age and regulation issues. The majority of the abated homes will pay for these projects with their water, sewer, and storm water fees.

McAdon noted that the City's Parks & Trails Master Plan will be very useful once the abated properties begin paying taxes. The new revenues can be used to implement parts of the plan.

West stated that the ADM School District's ability to handle the new growth is the main concern as it relates to the future of the residential tax abatement program. McAdon noted that the school has begun paying off its bonds faster to help prepare itself for future bonds. The school has also ended open enrollment and recently conducted another demographic study. McAdon stated that the school's sources of revenue are property taxes, sales tax, physical plant and equipment funds, and bonds. McAdon suggested that it would take the school a few years to plan its new building and then two years to build. The school's main concerns at this point appear to be classroom sizes and facilities.

Sutton noted that developers have appropriately priced their lots in Adel to help pay for the developers' infrastructure costs. That is, while other cities may participate in the infrastructure costs, Adel requires developers to fully fund these costs.

Book stated that, if the abatement program were changed, the City would need to develop a narrative to explain the reason for the changes. If reasons are not provided, some may conclude that Adel could not handle the growth or that it does not want the growth. The commission agreed that any changes should be accompanied by an explanation and reasoning for those changes. In addition, Book stated that the developers should be engaged now that the City has more information.

With no other business, the meeting was adjourned at approximately 6:31 p.m.

Respectfully submitted,

Anthony Brown
City Administrator