



CITY OF CLEAR LAKE

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April 17, 2025

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

The next regular meeting of the Clear Lake City Council is scheduled for Monday, April 21, 2025, at 5:30 p.m., in the Council Chambers, at City Hall. Please refer to the attached agenda for the items discussed below:

ITEM #6A. FY25 (Amended) and FY26 (Proposed) City Budget. At the February 18, 2025 meeting, the City Council set the proposed property tax levy and established April 7th at 5:00 p.m. for the hearing required on the matter. On April 7th, the City Council conducted the hearing on the proposed property tax levy for FY26. After adjourning that meeting and at the subsequent regularly scheduled City Council meeting on April 7th, the City Council once again review the budget proposal and established April 21st at 5:30 p.m. for the public hearing on the proposal. Notice of the hearings were published in the newspaper and otherwise posted as required by law.

The proposed tax rate for the City of Clear Lake for the 2025/2026 Fiscal Year, which begins on July 1, 2025 and ends on June 30, 2026, is proposed to remain steady at \$9.85/\$1,000.

Total valuations for the 2025/2026 fiscal year (1/1/2024 values) continued the positive trend of community growth, although at a much slower pace than in recent years. Total property valuation in Clear Lake for FY26 are \$1,710,501,391, which is a slightly under a 1% increase from FY25. After factoring in the change in rollback, taxable valuations in the community increased for FY26 by 2.53%.

The amended FY25 and the FY26 budgets reflect total expenditures among the various programs of \$29.6 million and \$20.5 million, respectively. For FY26, \$12.7 million is directed toward operations and maintenance; \$6.3 million towards capital; and approximately \$1.4 million to debt service. Projected General Fund ending cash balance as June 30, 2026 is \$7,049,404, which is roughly 64% of the General Fund operating budget.

The City's constitutional debt limit for FY26 is \$85,525,070. It is projected that as of June 30, 2026 the city will only be at 8.7%, or \$7,427,500, of its General Obligation borrowing capacity. This is one of the lowest debt levels in the State of Iowa.

For FY25, Clear Lake continued to have the 4th lowest tax rate in the State of Iowa for cities with a population of greater than 4,000 residents. The recommended tax rate results in an estimated tax bill for City government services of \$900 in fiscal year 2025-2026, for a residential property with an assessed valuation of \$200,000. Factoring in the overall 1% growth in valuations seen, the resulting estimated property tax impact for a property owner with a \$200,000 1/1/2023 valuation, is an increase of \$31 for the year.

ITEM #6C. North Iowa Cultural Center and Museum Funding Agreement. As a part of Destination Iowa Grant, the City entered into a strategic partnership with the 501(c)3 non-profit North Iowa Cultural Center & Museum (NICC&M) for the operation of the Music Experience Center (MEC). Under the partnership, the NICC&M is to operate the MEC after it's completion this upcoming summer. Operation of the MEC will include such amenities to the community as the immersive experience, music lessons, and community gathering spaces.

To aid in the operation of the MEC and promotion of cultural experiences within the community, it is proposed that the City enter into a funding agreement with the NICC&M. The funding agreement will allocate 7.25% of the hotel/motel taxes received by the City to the NICC&M for the said services for a period of ten years. As a part of the agreement, the City will receive one voting member spot on the NICC&M board.

ITEM #6D. Panther Builders Workforce Housing Tax Credit Application. Panther Builders LLC out of Cedar Falls, Iowa is in the process of submitting an application for Workforce Housing Tax Credits for a potential project on the south side of Clear Lake's downtown district. Panther Builders most recently completed project in Clear Lake is the two four-plexes next to the Everybody Plays Playground.

Their currently proposed project is for the development of one four-plex and one five-plex for a total of nine residential units. The proposed project is on currently vacant lots and the estimated value of the combined units once completed is \$3,150,000. Back in 2019, the City created an "Urban Revitalization Area" where this project is located. Under that the plan, the project is eligible for a partial tax exemption of 80% of the actual value added for a period of five years. This partial tax exemption will be the city's support for the project. Receiving the Workforce Housing Tax Credits is key to seeing this project move forward.

ITEM #6E. Iowa Thriving Communities Application. In 2024, the Iowa Finance Authority (IFA) along with the Iowa Economic Development Authority (IEDA) created the Iowa Thriving Communities designation. This designation is given to communities that go above and beyond to leverage innovative methods to attract housing opportunities. The designation helps to show that a community is progressive and focused on meeting housing needs.

Receiving the designation allows a community to score additional points on several State and Federal programs including the Workforce Housing Tax Credit program. This program has been utilized in the past by projects in Clear Lake and receiving the designation will benefit future projects like the Panther Builders project under Item 6D of this agenda. Over the last several months, City staff has been working with various community organizations on preparing the application. The application deadline is May 12th. Getting the designation will continue to show Clear Lake's leadership in creating a strategic housing pipeline that is focused on market rate, workforce housing opportunities.

CITY OF CLEAR LAKE

Jacob Widman
Acting City Administrator

PUBLIC NOTICE IS HEREBY GIVEN that the following governmental body will meet at the date, time, and place herein set out. The tentative agenda for said meeting is as follows:

TENTATIVE AGENDA
CLEAR LAKE CITY COUNCIL
CITY HALL – 15 N. 6TH STREET
MONDAY, APRIL 21, 2025
5:30 P.M.

1. Call to Order and Pledge of Allegiance led by Mayor Nelson P. Crabb
2. Approval of Agenda.
3. Approval of Consent Agenda, including the following:
 - A. Approval of City Council meeting minutes of April 7, 2025 (special & regular) & April 11, 2025 (special).
 - B. Approval of the bills & claims.
 - C. Approval of application to the City's Downtown Retail Business Incubator Program for Lillie Mae Chocolates, 423 Main Avenue.
 - D. Approval of Pay Estimate #12 in the amount of \$197,052.45 to Dean Snyder Construction for the Music Enrichment Center Project.
 - E. Licenses & Permits:
 - Liquor License:** Class C Retail Alcohol License, Lakeside Landing; Class C Retail Alcohol License, The Surfside; Special Class C Retail Alcohol License, Oak Hills Par 30; (renewals).
 - Street Closing Request:** Shake, Rattle, & Stroll 5k, Saturday, May 3rd.
4. Citizens opportunity to address the Council on items **not** on the agenda:
 - In conformance with the *City Council's Rules of Procedure and Iowa Open Meetings law*, no action or discussion can occur on items presented during the Citizens forum.
 - Please walk to the lectern, state your name (spell last name), address, and subject of your discussion.
 - Speakers are limited to a maximum of five (5) minutes per person.
5. Unfinished Business:
 - A. Ordinance Amending Zoning Dimensional Requirements:
 - Motion to approve **Ordinance #890**, "An Ordinance Amending Two Official Zoning Dimensional Requirements Within High Density, Single Family Residential Zone (RS-12) of the City of Clear Lake, Iowa by Repealing Ordinance 165.12(4)(A) and (C)", (Final reading).
 - Discussion and consideration of Motion by City Council.

6. New Business:

A. FY25 (amended) and FY 26 (proposed) Municipal Budget:

- Introduction and review of budget proposal by Jacob Widman, Acting City Administrator.
- Open Public Hearing by Mayor Nelson P. Crabb.
- **Motion** to close Public Hearing by City Council.
- Discussion and consideration of Motion by City Council.
- **Motion** to approve **Resolution #25-13** “A Resolution adopting the FY 25 (amended) and FY 26 (proposed) Budget” by City Council.
- Discussion and consideration of **Motion** by City Council.

B. Purchase of 2025 Chevy Traverse for City Administration Department:

- Review of competitive quotes by Jacob Widman, Acting City Administrator.
- **Motion** to approve purchase of 2025 Chevy Traverse from Pritchard Auto, Clear Lake in the amount of \$38,712 by City Council.
- Discussion and consideration of **Motion** by City Council.

C. North Iowa Cultural Center & Museum Funding Agreement:

- Review of request, Jacob Widman, Acting City Administrator.
- **Motion** to approve Funding Agreement with the North Iowa Cultural Center & Museum by City Council.
- Discussion & consideration of Motion by City Council.

D. Panther Builders Workforce Housing Tax Credit Application:

- Introduction and review of request, Jacob Widman, Acting City Administrator.
- **Motion** to approve **Resolution #25-14** “A Resolution Supporting the Submission of an Iowa Economic Development Authority (IEDA) Application to the Workforce Housing Tax Credit Program by Panther Builders” by City Council.
- Discussion and consideration of **Motion** by City Council.

E. Iowa Thriving Communities Application:

- Introduction and review of request, Jacob Widman, Acting City Administrator.
- **Motion** to approve **Resolution #25-15** “A Resolution Authorizing Submission of an Application for the Iowa Thriving Communities Designation to the Iowa Economic Development Authority and the Iowa Finance Authority and Authorizing Execution of Related Documents if Approved” by City Council.

- Discussion and consideration of **Motion** by City Council.

7. Chief of Police's Report:

8. Public Works Director's Report:

- Large Item Drop-Off, Review of Schedule & Reminders
- New Stop Sign Installed at South Shore Dr. & 1st Ave S

9. City Engineer's Report:

- Highland Dr Project Update
- Emerald Cove Townhomes Project Update

10. Mayor's Report:

11. City Administrator's Report:

- Destination Iowa & CAT Grants, Reimbursements Update

12. Motion to Adjourn.

NEXT REGULAR MEETING –MONDAY, MAY 5, 2025 at 5:30 p.m.

This notice is given pursuant to Chapter 21.4(1) of the Code of Iowa and the local rules of said governmental body