

Subject: OUP - TIF question

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Date: Tue, September 8, 2015 3:59 pm

To: "Carla Aldrich" <carla@university-heights.org>, "Chief Ken Stanley" <ken.stanley@uhsopolice.org>, "Chris Anderson - City Clerk" <uhclerk@yahoo.com>, ([more](#))

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Priority: Normal

Hello Everyone,

At the August City Council meeting, a question was asked about whether the City's possible acquisition of "community space" in the One University Place development triggered certain analysis and reporting requirements of Iowa law, particularly Iowa Code § 403.5(2)(b)(1). I have spoken with John Danos, the City's municipal finance counsel, about this question. Please consider this email a joint response from John and me.

In summary, the referenced section of the Iowa Code applies if the City is using TIF dollars are being used to pay for a public building. If that is the case, the City would be required to conduct a particular analysis about why other development and funding options are less feasible than using TIF dollars, and that analysis would be included in the City's urban renewal report filed with the State.

The OUP proposal does not contemplate use of any TIF dollars to pay for the proposed community space. Jeff Maxwell has not proposed or negotiated a particular amount of TIF payment to cover the cost of the development that might become community space. The OUP proposal includes build out of that space at Mr. Maxwell's expense, whether or not it ever becomes community space. The Code requires the City to conduct (and include a report about) a feasibility analysis when TIF dollars will be used for a public building. Here, the developer, Mr. Maxwell, is obligated to pay the costs of constructing the OUP development, including the component that may be become community space; TIF revenues are not being used for that purpose.

For these reasons, our opinion is that no feasibility study (or reporting of such a study) is required for the OUP development and TIF.

I will be happy to answer further questions about this issue at tonight's meeting.

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