

# AGENDA

**City of University Heights, Iowa  
City Council Meeting**

*Tuesday, Sept. 13, 2011*

**Location: Horn School**

**600 Koser Ave.**

7:00 – 10:00 P.M.

Meeting called by Mayor Louise From

<b>Time</b>	<b>Topic</b>	<b>Owner</b>
<b>7:00</b>	Call to Order Meeting	
	Roll Call	Louise From
	- Approval of Minutes August 9, 2011, Special Meeting Minutes of August 23, 2011 and Work Session Minutes August 23, 2011.	
<b>7:01</b>	- County Assessor presentation of TIF effects on property values.	Bill Greazel
<b>7:15</b>	- Financial Evaluations of One University Place TIF request from firms: <a href="#">Terry, Lockridge &amp; Dunn</a> and <a href="#">Piper Jaffray</a> . -City budget projections from Terry, Lockridge & Dunn.	Mike Mesch, Tim Terry of Terry, Lockridge & Dunn. Tim Oswald of Piper Jaffray.
	- Presentation of draft of the TIF request for One University Place and continued discussion of TIF.	John Danos
<b>8:00</b>	<b>Public Input</b>	
	- Presentation of formal drawing of a <a href="#">five- way intersection at Sunset Street</a> .	Alice Haugen
	- Consideration of proposal to defer any further action on the PUD Application, Developer's Agreement or TIF process on One University Place by City Council.	
	- Consideration and discussion of <a href="#">Development Agreement</a> between the City of University Heights and Jeff Maxwell concerning One University Place.	
	- Consideration and discussion of Multiple- Family Commercial PUD Plan Application for One University Place.	
	Planning Staff report	John Yapp, Kent Ralston MPO-JC

Time	Topic	Owner
<u>Administration</u>		
-Mayor	<a href="#">Mayor's Report</a>	Louise From
-City Attorney	<a href="#">Legal Report</a> -Discussion of signage in city right of way.	Steve Ballard
-City Clerk	City Clerk Report	Chris Anderson
<u>Committee Reports:</u>		
<u>Finance</u>	Committee Report  - Consideration and discussion of upgrade to pedestrian signal and change to traffic light phasing at Melrose/Sunset intersection	Brennan McGrath
<u>Community Protection</u>	<a href="#">Treasurer's Report/ Payment of Bills</a> Committee Report - Discussion of adding a community service committee: ex. clean-up day, garage sale, etc to broaden the community protection committee.	Lori Kimura R. Hopson/M. Haverkamp
	Police Chief report	Ron Fort
<u>Streets and Sidewalks</u>	Committee Report - Consideration of Resolution 11-13 approving City of University Height's Street Report to be submitted by Steve Kuhl to the Iowa Department of Transportation.	Pat Yeggy
	<a href="#">Engineer Report</a> - <a href="#">Consideration of Resolution 11-14</a> adopting and accepting the slope classifications set forth in Existing Conditions Plan and Sensitive Areas Development Plan for One University Place, as shown on revised Sheet C-103 of the Multiple-Family Commercial PUD Application. Accepting this plan establishes the slope classifications shown on Revised Sheet C-103. -Consideration of Resolution 11-15: A resolution approving expenditures of up to \$35,000 for a public improvement project at the intersection of George Street and Koser Avenue for the purpose of reconstructing the existing deteriorated pavement sections.	Josiah Bilskemper
<u>Building, Zoning &amp; Sanitation</u>	Committee Report Zoning Report	Stan Laverman Pat Bauer

Time		Topic	Owner
	<u>e-Government</u>	Committee Report	Mike Haverkamp
	<u><b>MPO-JC</b> (Metropolitan Planning Organization of Johnson Co.) - formerly known as JCCOG</u>	Committee Report	Louise From
	Announcements		Anyone
<b>10:00</b>	Adjournment		Louise From

**Next Regular Council Meeting: Tuesday, October 11<sup>th</sup>, 2011. Location to be announced.**

From: Mike Mesch <[mmesch@tld-inc.com](mailto:mmesch@tld-inc.com)>  
Date: 2011/9/12  
Subject: Final Version  
To: Brennan McGrath <[brennanmcg@gmail.com](mailto:brennanmcg@gmail.com)>, Brennan McGrath <[brennan-mcgrath@university-heights.org](mailto:brennan-mcgrath@university-heights.org)>  
Cc: Timothy Terry <[tterry@tld-inc.com](mailto:tterry@tld-inc.com)>

\*\* \*\*

Brennan:\*\*\*\*

The final version is attached. The only change was the addition of Exhibit D and the discussion of that exhibit in the body of the report.\*\*\*\*

\*\* \*\*

Please pass this on to all the other council members. \*\*\*\*

\*\* \*\*

How many copies of the attached do you want us to bring tomorrow night?\*\*\*\*

\*\* \*\*

Thanks a lot!\*\*\*\*

\*\* \*\*

We appreciate your business and referrals.\*\*\*\*

\*\* \*\*

Michael Mesch, CPA/ABV, ASA, CFF\*\*\*\*

Business Valuation and Advisory Services\*\*\*\*

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\*Bring us some fresh wine! The freshest you've got - this year! No more of this old stuff.\*

<[http://www.snooth.com/articles/commentary/wine-in-movies/?utm\\_campaign=1710&utm\\_medium=email&utm\\_source=all&utm\\_content=3567#ixzz11cLA6Ufs](http://www.snooth.com/articles/commentary/wine-in-movies/?utm_campaign=1710&utm_medium=email&utm_source=all&utm_content=3567#ixzz11cLA6Ufs)>

-Steve Martin in The Jerk

Brennan McGrath CSW  
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September 12, 2011

City of University Heights City Council  
1004 Melrose Avenue  
University Heights, IA 52246

Re: Financial Viability Analysis – in consideration of Maxwell TIF Proposal

Dear Members of the City of University Heights City Council:

We were engaged to evaluate the City of University Heights' long-term financial viability. This analysis was precipitated by a TIF proposal submitted by Mr. Jeff Maxwell. He requested TIF assistance from the city for a development to be known as One University Place.

In addition, we were requested to evaluate Mr. Maxwell's proposal and provide guidance to the City regarding how best to assess the project and its potential impact on city finances. We understand the City will utilize this information in its determination of the need for Mr. Maxwell's project to maintain its financial viability. As a corollary, we have been asked to analyze the long term economic impact of the Tax Incremental Financing (TIF) and associated project as it relates to the City of University Heights.

The basis of our report is information that is the representation of the City. We have not audited, reviewed or compiled the historical numbers utilized in this report. Accordingly, do not express an opinion or any other form of assurance regarding the information provided.

### **Analysis - Research**

Our analysis consisted of a review of historical financial statements for the City in order to verify trends in revenues and expenses. In addition, we identified any possible extraordinary revenues or expenses that should be removed from our historical analysis so we could ultimately arrive at a good starting point for preparing a long-term financial projection. For this part of the process we requested the assistance of Brennan McGrath (Finance Committee Chair), Pat Yeggy (City Council Member) and Pat Bauer (University Heights resident). All three of these individuals have demonstrated a good working knowledge of City financial information. In addition, both Pat Bauer and Pat Yegge have prepared their own historical financial analysis and made presentations to the Council regarding long-term viability. For this reason we determined it was appropriate to consider their input as we developed our projections.

In addition to Council members and Pat Bauer, we contacted various other experts who could provide insight into this process and the analysis of TIF. We contacted members of the Johnson County Board of Supervisors as well as State Legislators Joe Bolkom, David Jacoby and Mary Mascher to get their perspective on legislation that may affect future City revenues or expenses. We also met with Bill Greazel, Johnson County Assessor, to obtain his outlook on property tax levies as well as his experiences with TIF in other communities. We spoke with Wendy Ford (Iowa City Economic Development Coordinator) to review how Iowa City utilizes TIF and her viewpoint on the future. Finally, we spoke with Jeff Edberg (a commercial realtor who is very experienced in the local market) to gather information regarding property values in University Heights, historic growth and TIF considerations.

Our communications with these experts has affected the assumptions we used in our financial projections for the City. Rather than incorporate detail regarding the communications in the body of our report, we have elected to add exhibits that summarize key perspectives of each communication.

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**Analysis – Historical Financials**

The governing body of most city governments will attempt to budget so that expenditures are equal to revenues less some amount the city decides to maintain in cash reserves. In other words, cities will generally spend their revenues and retain a modest amount to be added to reserves. This assumes there exists adequate reserves to meet contingencies and identified projects.

As Exhibit A-1 indicates, University Heights has historically been able to keep expenditures approximately equal to revenues. In some years expenses were greater than revenues and in other years revenues were greater than expenses but the City, on average, has been able to maintain an average cash reserve of ~25% of annual expenses.

Council Member Pat Yeggy highlighted in her analysis the City has added to its levies over the last decade and still experienced a number of years that have ended in a decrease to the City's cash reserve. This argument warrants consideration.

Exhibit A-3 shows historical growth in City revenues and expenditures by department to assist in analyzing where funds are being spent. The largest three areas of expense to the City are; Public Safety, Public Works and General Government. Review the information in Exhibit A-3 as well as below to understand how these expenses have grown (on average) from 2001 – 2010.

Tax Revenues -	3.8% average growth from 2001 - 2010
Public Safety –	5% average growth – 2010 Expenditure = \$356,249
Public Works –	1% average growth – 2010 Expenditure = \$212,712
General Government –	<u>1% average growth – 2010 Expenditure = \$ 88,214</u>
Growth in all Expenses –	2.6% average growth from 2001 - 2010

If, on average, your largest expenditure (public safety) is growing at a rate greater than your average growth in revenues, without corrective action your cash reserve will be reduced to zero. You can mitigate the affects by increasing revenues (through growth in market values of property, addition of new taxable properties, etc.) or decreasing or slowing the growth in expenses. Our projections address the future impact of this “status quo” and also show how budgeting for slower future growth in these expenses will affect the long-term viability of the City.

**Analysis – Adjustable Document**

Projected financial statements are subject to assumptions. Often times the assumptions utilized will be a matter for debate. For this reason we have prepared a document which can be adjusted to accommodate changing assumptions. Rather than serve a single use; this is a tool which can be utilized for future planning as well as the current analysis. Since so much of the decision process is tied to long-term planning, we recommend this template serve as the basis for future analysis.

As stated previously, we based the assumptions in our initial projection on our communications with various experts and interested parties. Our initial projection is our static document (status quo) from which we have created several iterations based on various “what if” scenarios. The benefit of utilizing “what if” scenarios is to test what happens in the event your assumptions are wrong. The information obtained by reviewing “what if” scenarios will help the City assess the risk associated with things such as; lower than expected property tax growth or higher than expected government expenses.

### About the Graphs

The remaining graphs presented in this report illustrate the level of cash reserves held by the City over the period of each projection. If the line on the graph is going up, the City is making money and adding to its cash reserves. If it is going down, the City is losing money and reducing its cash reserves. The purpose of the graph where the red line touches the bottom axis of the graph is the projected date when the City runs out of money.

The projections behind each of the graphs list out the specific assumptions associated with each "what if" scenario. The assumptions will also be explained in the body of this report as we review each scenario.

Assumptions that affect all scenarios are as follows:

1. The projection begins with the 2012 year end budgeted numbers
2. Local Option Sales Tax revenue is expected to disappear at the end of 2013
3. University Athletic Club will be purchased by the University of Iowa in 2016. From that point forward the University will continue to pay a fee to the City based on its current property tax valuation at that date.
4. Debt service expense will grow at the same rate as taxable valuations.
5. The 2013 projection was decreased for one-time expenditures that have been budgeted for 2012. These include reductions for:
  - a. A \$7,500 vehicle purchased for Public Safety (The expense was \$15k but we reduced by ½ since a new vehicle is purchased every 2-3 years).
  - b. A reduction in building inspection expenses (down to an average of \$10,000 annually)
  - c. A \$32,000 reduction in Public Works expenses related to the 2012 cost of the George/Koser intersection
  - d. A \$37,500 reduction in Public Works expenses related to the wide sidewalk project

All of these expenses are not expected to be continuing annual expenses in the future and removing them gives us a better starting "base" set of expenditures to project forward. These assumptions are based on conversations with Brennan McGrath and Pat Yeggy.

### Exhibit B – Status Quo (i.e. what if nothing changes?)

The first projection and assumptions are shown at Exhibit B-1. The assumptions associated with this projection are that the next 20 years will look exactly like the last 20 years. Growth in revenues and expenses will remain the same.

Exhibit B-2 graphs the level of cash reserves over a 20 year period. You will note that after year 2028 the City begins to lose money and the cash reserves begins to decrease. This is in large part to the fact that the City's largest budgeted expense (Public Safety) is projected to continue to increase at a rate of 5% while its largest revenue source (Property Taxes) are only expected to increase at a rate of 3.8% over the same period. This is also why you see the "percentage expense growth" growing incrementally higher each year over the 20 year period. The fact that Public Safety is growing at such a higher rate than the rest of the expenses drives the average expense growth upward over time causing expenses to eventually grow to be greater than revenues.

Exhibit B-2 (status quo graph) **is not a guarantee of the future for University Heights**. As with any projection, once you get out past 5 years the future is too hard to predict. What this graph does illustrate, however, is what happens if the City continues down its current spending path with no interference from outside market conditions.

Future graphs will assist the reader to evaluate how different scenarios will affect City finances.

#### Exhibit C – “What if” Scenario # 2

Exhibit C-2 shows the scenario in which revenues increase at 3% instead of 3.8% as in our first projection. In addition, all expenses grow over time at an average growth rate of 2.6%. This is the historical average of all expenses over the last 10 years.

The substantial change in this graph from the prior graph is that all expenses are growing at the same rate. This means that Public Safety reduces its growth rate from 5% to 2.6% and Public Works, Culture and Recreation, Community and Economic Development and General Government all increase their annual growth rate from 1% to 2.6%. By adjusting the projection this way the annual percentage growth does not increase on an annual basis as it did in the prior graph. As a result, revenues (over time) remain higher than expenses.

This is one solution to the City's budget issues. We recommend the City evaluate its budgeted expenses on an annual basis and monitor growth in expenses relative to growth in revenues. If revenues remain on a historical growth pattern then the main concern to the City should be to reduce its annual growth in Public Safety. While a full analysis of Public Safety expenses is warranted given the amount of budget allocated to this area, this projection suggests that a decrease of 2.4% in its annual growth (or ~\$9,000 based on 2012 budgeted numbers) can set the City on a path toward long-term stability. Graph C-2 shows the affect that a small change can have on a budget of this size over time.

#### Exhibit D – “What if” Scenario # 3

Exhibit D-2 illustrates the effect a long-term reduction in taxable property value growth might have on the City's budget. In this illustration we have assumed the City reduces its long-term revenue growth in revenue to 2.0%. In a conference call with Johnson County Assessor, Bill Greazel, he indicated he is comfortable that through adjustments to the rollback, in the short-term the City will increase its property tax revenue at a rate of 2%.

In the long-term, one can only look at historical increases in property values and the rollback factor as a guide. The 30 year average increase in property values in Johnson County has been 3.53%. In our example we will assume property values only increase at 2% for the entire 20 year period.

Graph D-2 shows that by adjusting growth in expenses from 3.1% reduced to 2% the City can continue to increase/maintain its reserve as a result of taking in more than it expends. This 1.1% decrease in budget growth when converted to dollars is ~\$9,000. This does not mean the current budget needs to be reduced by \$9,000. It indicates future budget growth must be reduce by that amount. If the adjustment is made only to Public Safety and all other expense growth remains the same then Public Safety budget growth would have to be reduced by ~2% to attain a \$9,000 reduction in overall budget.

The main point to take away from this graph is that, even in the scenario where property taxes decrease only slightly, the City can remain viable with some minor budget adjustments. In the timeframe of 20 years the City can evaluate options to decrease expenses or take on projects similar to OUP in order to reverse the effects of slow revenue growth.

### **Conclusions of Budget Analysis**

As stated earlier in this report, these projections are an adjustable document. The City can use this Excel workfile to project long-term growth and review historical growth. The following are our suggestions:

1. Update this projection with historical numbers each year so the City has a running history for review. These will also help the City determine how best to project the future.
2. Update these projections every 5 years. That will give the City enough additional historical data to review and analyze before attempting to predict the future.
3. The City should perform a full evaluation of its Public Safety expense
  - a. Review options for contracted services
  - b. Review number of "officer-hours" to determine appropriate coverage
  - c. Compare to current expenses
4. Reduce average growth in Public Safety expenses by 2.5% (should be a goal)
5. Evaluate projects that require TIF financing with a critical eye
  - a. Make sure the project fits with the City's long-term plan
  - b. Evaluate the risks and rewards to the City
  - c. Understand the financial position of the City does not require immediate action to assure your continued viability

### **Risks and Rewards of TIF as Proposed**

We understand it has been explained to the Council there is no risk associated with the City providing TIF to the OUP project. It is our informed opinion this conclusion is inconsistent with reality.

We can only conclude the developer statement is based a result of his narrow focusing on two aspects of the project:

1. There is no cash cost to the City because the TIF is financed with revenues from property taxes generated by the project
2. The City only stands to gain because, at completion of the TIF, the City will reap the benefits of the increased property tax revenues.

First we will review the rewards associated with the project. Based on the August 23, 2011 presentation by the Developer to City Council (which we understand is being updated), the City expects to gain \$26,000 per year in property tax revenues during the term of the TIF and \$256,000 per year after the TIF.

If the City is evaluating this TIF based on the developer's numbers then potential risks are as follows:

1. The actual market values of TIF properties are less than expected
  - a. A 20% decrease would create a 20% reduction in expected City revenues. Based on developer projections this equates to ~\$205,000 to the City after the TIF period instead of projected \$256,000.

#### **Mitigate this risk by:**

Adding to the agreement a "minimum assessment period" whereby the developer agrees to have the properties assessed according to his projections as opposed to the actual sales price for a period of "X" years.

2. Governor Branstad imposes the rollback to 60% of commercial property value

Mitigate this risk by:

Adding to the agreement a taxable valuation of commercial property at 100% market value as opposed to the 60% rollback.

3. The project is not completed

- a. An incomplete project is possible in the scenario in which the developer does not have the financial wherewithal to complete the project. There are a number of sequences of events that could cause this to happen. In addition to general economic conditions, changes in costs of materials, labor, environmental and unexpected construction issues. Without a review of the developer's personal financial statement and project financing and equity; it is impossible to adequately assess his ability to withstand the financial hemorrhaging as a result of an extended marketing period as well as a financial drain from unrelated projects.

Mitigate this risk by:

Reviewing the developer's detailed projections, assumptions and cost/equity structure of the project. Also review a personal financial statement for the developer and anyone else with a financial interest in this project.

The first two risks simply result in a smaller benefit to the City from the project. We believe these are important risks to the City because the only reason to enter into this agreement is the anticipated future revenues associated with the project.

Prior to proceeding with approval of the project, the City needs to be comfortable providing the TIF even in the event where the City does not receive the full benefits as projected. If the City is not comfortable proceeding under this scenario we recommend it consider adding the minimum assessment period and minimum valuation provisions to the agreement as heretofore described.

The last risk concerns us the most. If the project is started but not completed as proposed, the City would be in the unfortunate position of having to deal with a unacceptable project that does not deliver on its anticipated revenues. The undesirable options might include identifying an alternative developer to complete the project (potentially at a substantial additional cost to the City) or to have a shell building sitting on the main thoroughfare in the City of University Heights.

While we have no reason to believe Mr. Maxwell will be unable to fulfill his commitment, we have been unable to conduct an independent evaluation to form a basis of addressing this risk. We recommend it be a pre-requisite for approval. This requirement is merely consistent with that which any banker or party being asked to assume risk would require.

Sincerely,



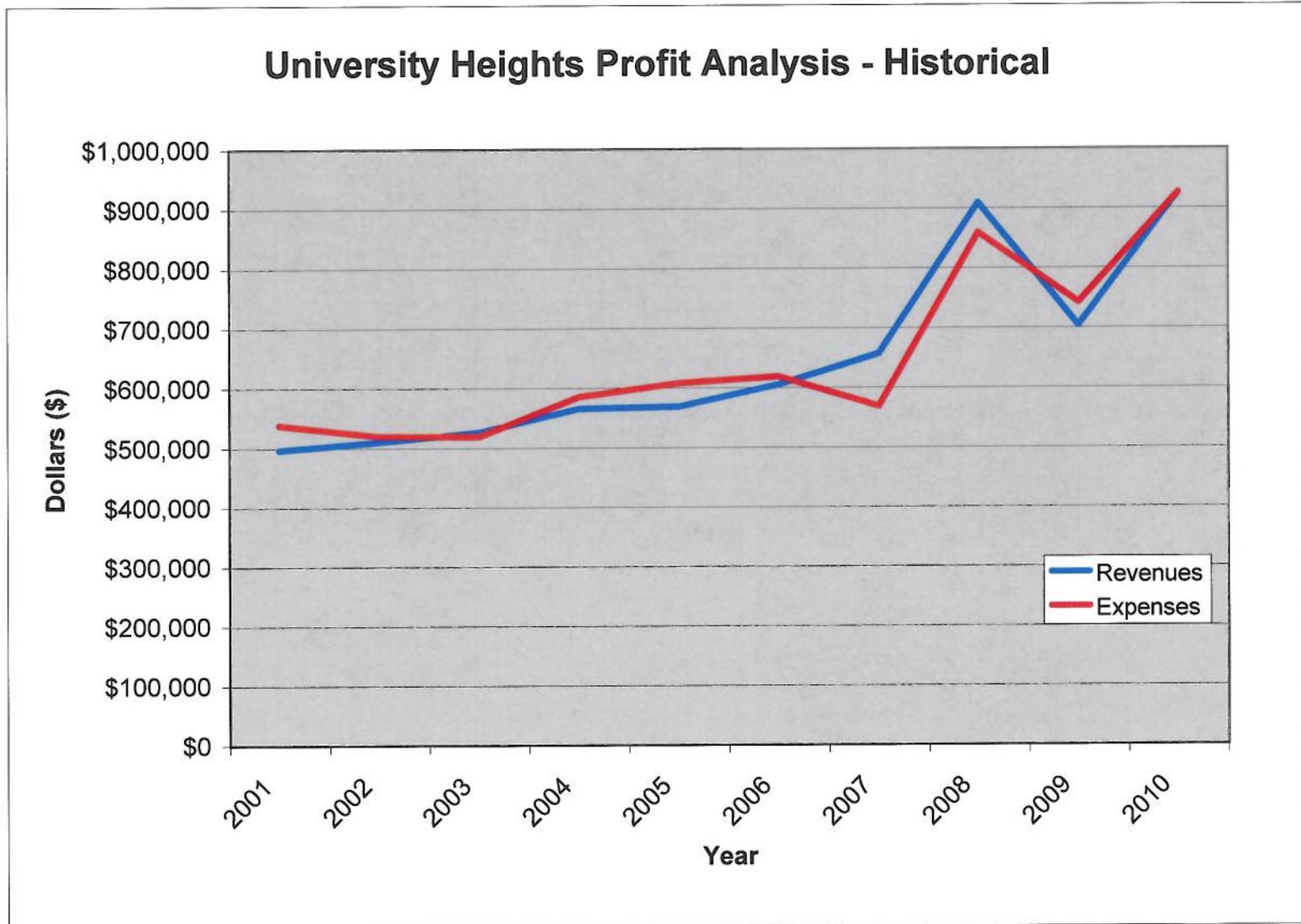
Mike Mesch, CPA/ABV, ASA, CFF  
Terry, Lockridge and Dunn



Timothy F. Terry  
Terry, Lockridge and Dunn

Enclosures

EXHIBIT A-1  
HISTORICAL ANALYSIS



## EXHIBIT A-2 HISTORICAL DETAIL

Ordinary Income/Expense	2001	2002	2003	2004
<b>Income</b>				
Total GENERAL PROPERTY TAXES	313,137	334,859	352,115	377,962
<b>OTHER CITY TAXES</b>				
Local Option Sales Tax				
Total OTHER CITY TAXES				
<b>INTERGOVERNMENTAL/SHARED REVENUE</b>				
Federal Grants & Reimbursements				
Stimulus Funding				
I-JOBS (ARRA) Funds				
Total Federal Grants & Reimbursements				
State Shared Revenues				
IDOT funds-sidewalk proj				
Road Use/Street Construction				
Total State Shared Revenues				
Other State Grants/Reimburse.				
Seatbelt Incent/Traffic Safety				
Total Other State Grants/Reimburse.				
Total INTERGOVERNMENTAL/SHARED REVENUE	103,046	92,916	96,006	83,407
MISCELLANEOUS REVENUES	79,840	81,838	77,247	103,691
DEBT ISSUED				
<b>Total Income</b>	<b>\$ 496,023</b>	<b>\$ 509,613</b>	<b>\$ 525,368</b>	<b>\$ 565,060</b>
<b>Average Growth in Total Income</b>	<b>4.3%</b>	<b>3%</b>	<b>3%</b>	<b>8%</b>
<b>Expense</b>				
CAPITAL PROJECTS	-	-	-	-
PUBLIC SAFETY	(236,898)	(215,474)	(230,844)	(262,212)
PUBLIC WORKS	(209,547)	(191,023)	(144,896)	(160,706)
CULTURE & RECREATION	(5,389)	(5,663)	(5,952)	(6,037)
COMMUNITY & ECONOMIC DEV.	-	-	(158)	(836)
GENERAL GOVERNMENT	(86,172)	(107,337)	(93,607)	(109,043)
DEBT SERVICE/TRANSFERS OUT	-	-	(43,078)	(46,380)
<b>Total Expense</b>	<b>(538,006)</b>	<b>(519,497)</b>	<b>(518,535)</b>	<b>(585,214)</b>
<b>ADDITION/(SUBTRACTION) TO CASH RESERVE</b>	<b>\$ (41,983)</b>	<b>\$ (9,884)</b>	<b>\$ 6,833</b>	<b>\$ (20,154)</b>

## EXHIBIT A-2 HISTORICAL DETAIL

Ordinary Income/Expense	2005	2006	2007	2008	2009	2010
<b>Income</b>						
Total GENERAL PROPERTY TAXES	384,202	380,989	430,355	433,352	503,707	530,016
OTHER CITY TAXES						
Local Option Sales Tax						
Total OTHER CITY TAXES						
INTERGOVERNMENTAL/SHARED REVENUE						
Federal Grants & Reimbursements						
Stimulus Funding						
I-JOBS (ARRA) Funds						
Total Federal Grants & Reimbursements						
State Shared Revenues						
IDOT funds-sidewalk proj						
Road Use/Street Constructio						
Total State Shared Revenues						
Other State Grants/Reimburse.						
Seatbelt Incent/Traffic Safety						
Total Other State Grants/Reimburse						
Total INTERGOVERNMENTAL/SHARED REVENUE	84,738	84,847	92,491	114,056	96,804	136,800
MISCELLANEOUS REVENUES	99,307	138,624	133,635	121,104	102,805	115,114
DEBT ISSUED				240,000		143,700
<b>Total Income</b>	<b>\$ 568,247</b>	<b>\$ 604,460</b>	<b>\$ 656,481</b>	<b>\$ 908,512</b>	<b>\$ 703,316</b>	<b>\$ 925,630</b>
<b>Average Growth in Total Income</b>	<b>1%</b>	<b>6%</b>	<b>9%</b>	<b>2%</b>	<b>4%</b>	
<b>Expense</b>						
CAPITAL PROJECTS	-	-	-	(176,062)	-	(198,500)
PUBLIC SAFETY	(297,927)	(330,741)	(315,901)	(355,290)	(376,765)	(356,249)
PUBLIC WORKS	(153,304)	(143,072)	(150,377)	(175,710)	(173,140)	(212,712)
CULTURE & RECREATION	(6,358)	(3,670)	(15,833)	(20,320)	(25,437)	(30,577)
COMMUNITY & ECONOMIC DEV.	(1,175)	-	(1,793)	(2,230)	(1,652)	(5,000)
GENERAL GOVERNMENT	(104,569)	(93,893)	(84,842)	(121,431)	(133,842)	(88,214)
DEBT SERVICE/TRANSFERS OUT	(44,380)	(47,340)	-	(7,821)	(31,612)	(34,378)
<b>Total Expense</b>	<b>(607,713)</b>	<b>(618,716)</b>	<b>(568,746)</b>	<b>(858,864)</b>	<b>(742,448)</b>	<b>(925,630)</b>
<b>ADDITION/(SUBTRACTION) TO CASH RESERVE</b>	<b>\$ (39,466)</b>	<b>\$ (14,256)</b>	<b>\$ 87,735</b>	<b>\$ 49,648</b>	<b>\$ (39,132)</b>	<b>\$ -</b>

**EXHIBIT A-3  
UNIVERSITY HEIGHTS  
HISTORIC AVERAGE GROWTH IN INCOME & EXPENSES**

Real Estate Valuation	\$ 59,518,268	\$ 59,224,218	\$ 65,038,570	\$ 65,634,199
	0.548525	0.562651	0.516676	0.513874
	3.77%	2%	1%	0%
Taxable Valuation	\$ 32,647,258	\$ 33,322,565	\$ 33,603,868	\$ 33,727,708

	Average	2001	2002	2003	2004
AVERAGE PUBLIC SAFETY GROWTH	5%		-9%	7%	14%
AVERAGE PUBLIC WORKS GROWTH	1%		-9%	-24%	11%
AVERAGE CULT AND REC GROWTH	N/A		5%	5%	1%
AVERAGE COMM & ECO DEV GROWTH	N/A		#DIV/0!	#DIV/0!	429%
AVERAGE GEN GOVT GROWTH	1%		25%	-13%	16%
Overall Average Growth in Expenses	2.6%				
<b>CAPITAL PROJECTS</b>		-	-	-	-
PUBLIC SAFETY		(236,898)	(215,474)	(230,844)	(262,212)
PUBLIC WORKS		(209,547)	(191,023)	(144,896)	(160,706)
CULTURE & RECREATION		(5,389)	(5,663)	(5,952)	(6,037)
COMMUNITY & ECONOMIC DEV.		-	-	(158)	(836)
GENERAL GOVERNMENT		(86,172)	(107,337)	(93,607)	(109,043)
DEBT SERVICE/TRANSFERS OUT		-	-	(43,078)	(46,380)

**NOTE:**

2008 AND 2009 PUBLIC WORKS AND GENERAL GOVERNMENT EXPENDITURES WERE ADJUSTED TO REMOVE THE AFFECT OF INCREASED EXPENSES FOR THESE YEARS IN THE AREAS OF ENGINEERING AND LEGAL SERVICES. ENGINEERING WAS ADJUSTED DOWNWARD TO ITS HISTORIC LEVEL OF ~ \$35,000 ANNUALLY. LEGAL EXPENSE WAS ADJUSTED DOWNWARD TO ITS HISTORIC LEVEL OF ~ \$50,000 ANNUALLY.

The above historical analysis is based on financial statements obtained from the City's website.

**EXHIBIT A-3  
UNIVERSITY HEIGHTS  
HISTORIC AVERAGE GROWTH IN INCOME & EXPENSES**

Real Estate Valuation	\$ 70,787,904	\$ 71,092,060	\$ 85,586,484	\$ 86,088,654	\$ 98,503,249
	0.484558	0.479642	0.459960	0.455596	0.440803
	2%	-1%	15%	0%	11%
Taxable Valuation	\$ 34,300,845	\$ 34,098,738	\$ 39,366,359	\$ 39,221,646	\$ 43,420,528

	2005	2006	2007	2008	2009	2010
AVERAGE PUBLIC SAFETY GROWTH	14%	11%	-4%	12%	6%	-5%
AVERAGE PUBLIC WORKS GROWTH	-5%	-7%	5%	2%	2%	36%
AVERAGE CULT AND REC GROWTH	5%	-42%	331%			
AVERAGE COMM & ECO DEV GROWTH	41%	-100%	#DIV/0!			
AVERAGE GEN GOVT GROWTH	-4%	-10%	-10%	1%	-14%	19%

CAPITAL PROJECTS	-	-	-	(176,062)	-	(198,500)
PUBLIC SAFETY	(297,927)	(330,741)	(315,901)	(355,290)	(376,765)	(356,249)
PUBLIC WORKS	(153,304)	(143,072)	(150,377)	(153,710)	(156,140)	(212,712)
CULTURE & RECREATION	(6,358)	(3,670)	(15,833)	(20,320)	(25,437)	(30,577)
COMMUNITY & ECONOMIC DEV.	(1,175)	-	(1,793)	(2,230)	(1,652)	(5,000)
GENERAL GOVERNMENT	(104,569)	(93,893)	(84,842)	(85,431)	(73,842)	(88,214)
DEBT SERVICE/TRANSFERS OUT	(44,380)	(47,340)	-	(7,821)	(31,612)	(34,378)

The above historical analysis is based on financial statements obtained from the City's website.

**EXHIBIT B-1  
PROJECTION # 1  
STATUS QUO**

	2012	2013	2014	2015	2016	2017	2018	2019
UAC Property Tax Revenue	\$ 27,000	\$ 28,026	\$ 29,091	\$ 30,196	\$ 31,344			
			Loss of LOST Revenue		Stabilization of UAC Revenue			
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
TOTAL GENERAL PROPERTY TAXES	552,229	573,214	594,996	617,606	641,075	665,436	690,722	716,970
OTHER CITY TAXES								
OUP Revenue	-	-	-	-	-	-	-	-
University Athletic Club Tax	27,000	28,026	29,091	30,196	31,344	31,344	31,344	31,344
Local Option Sales Tax	125,000	125,000						
Total OTHER CITY TAXES	152,000	153,026	29,091	30,196	31,344	31,344	31,344	31,344
INTERGOVERNMENTAL/SHARED REVENUE								
Road Use/Street Construction	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total Other State Grants/Reimburse.	12,600	12,726	12,853	12,982	13,112	13,243	13,375	13,509
Total INTERGOVERNMENTAL/SHARED REVENUE	102,600	102,726	102,853	102,982	103,112	103,243	103,375	103,509
MISCELLANEOUS REVENUES	103,428	104,462	105,507	106,562	107,628	108,704	109,791	110,889
DEBT ISSUED								
<b>Total Income</b>	\$ 910,257	\$ 933,428	\$ 832,447	\$ 857,346	\$ 883,158	\$ 908,726	\$ 935,232	\$ 962,711
<b>Average Revenue Growth</b>		2.5%	-10.8%	3.0%	3.0%	2.9%	2.9%	2.9%
<b>Expense</b>								
CAPITAL PROJECTS	-	-	-	-	-	-	-	-
PUBLIC SAFETY	(384,232)	(390,744)	(410,281)	(430,795)	(452,335)	(474,951)	(498,699)	(523,634)
PUBLIC WORKS	(265,506)	(198,661)	(200,648)	(202,654)	(204,681)	(206,727)	(208,795)	(210,883)
CULTURE & RECREATION	(38,118)	(38,499)	(38,884)	(39,273)	(39,666)	(40,062)	(40,463)	(40,868)
COMMUNITY & ECONOMIC DEV.	(5,000)	(5,050)	(5,101)	(5,152)	(5,203)	(5,255)	(5,308)	(5,361)
GENERAL GOVERNMENT	(100,328)	(101,331)	(102,345)	(103,368)	(104,402)	(105,446)	(106,500)	(107,565)
ANNUAL COST TO UH OF OUP IMPROVEMENTS								
<b>Total Expense</b>	(793,184)	(734,285)	(757,258)	(781,242)	(805,385)	(830,442)	(855,768)	(881,313)
Projected Profit/(Loss) before Debt Service	\$ 117,073	\$ 199,143	\$ 75,189	\$ 76,104	\$ 77,773	\$ 78,284	\$ 79,464	\$ 81,398
Cash Reserve	290,184	374,427	539,492	579,309	618,697	657,457	694,181	728,585
Debt Service	(32,830)	(34,078)	(35,372)	(36,717)	(38,112)	(39,560)	(41,063)	(42,624)
Profit/(Loss)	117,073	199,143	75,189	76,104	76,872	76,284	75,468	74,401
New Cash Reserve	374,427	539,492	579,309	618,697	657,457	694,181	728,585	760,362
Reserve Percentage	47.2%	73.5%	76.5%	79.2%	81.5%	83.4%	84.7%	85.6%
<b>Percentage Expense Growth</b>			3.1%	3.2%	3.2%	3.2%	3.3%	3.3%

**Assumptions:**

1	Annual Cost to City of OUP Improvements (assuming project is approved)	\$ -	
2	Annual Increase in Taxable Value of UH Property	3.8%	This is in line with historical growth in taxable values in University Heights
3	Annual Increase in City Expenses		
a)	Public Safety - Average from 2001 - 2010 was 5%	5.0%	This is historical average
b)	All other	1.0%	Historically these have remained relatively constant expenses
4	Once LOST is over, expenses will decrease in line with LOST revenue decrease		
5	Cost of Capital Projects will be offset by Future Bonding		
6	Increase in Seatbelt Incentive/Traffic Safety	1.0%	
7	IJOBS (ARRA) funds will cease on 2012 year-end budget		
8	LOST funds will cease after June 30, 2013		
9	Road Use/Street Construction	0.0%	
10	Annual Increase in Miscellaneous Revenues (included are permit income, traffic and parking fines, refunds and reimbursements)	1.0%	
11	Increase in road-use and street construction	0.0%	
12	Debt Service will increase in line with growth in taxable value of property	3.8%	
13	Revenue from OUP	\$ -	

THE ABOVE ANALYSES ARE ESTIMATED PROJECTIONS BASED ON THE ASSUMPTIONS ABOVE.  
ACTUAL FUTURE REVENUES AND EXPENSES WILL VARY AND THE DIFFERENCE MAY BE MATERIAL.

**EXHIBIT B-1  
PROJECTION # 1  
STATUS QUO**

UAC Property Tax Revenue

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
TOTAL GENERAL PROPERTY TAXES	744,214	772,494	801,849	832,320	863,948	896,778	930,855	966,228
<b>OTHER CITY TAXES</b>								
OUP Revenue	-	-	-	-	-	-	-	-
University Athletic Club Tax	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344
Local Option Sales Tax	-	-	-	-	-	-	-	-
<b>Total OTHER CITY TAXES</b>	31,344	31,344	31,344	31,344	31,344	31,344	31,344	31,344
<b>INTERGOVERNMENTAL/SHARED REVENUE</b>								
Road Use/Street Construction	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total Other State Grants/Reimburse.	13,644	13,780	13,918	14,057	14,198	14,340	14,483	14,628
<b>Total INTERGOVERNMENTAL/SHARED REVENUE</b>	103,644	103,780	103,918	104,057	104,198	104,340	104,483	104,628
<b>MISCELLANEOUS REVENUES</b>	111,998	113,118	114,249	115,391	116,545	117,711	118,888	120,077
DEBT ISSUED	-	-	-	-	-	-	-	-
<b>Total Income</b>	\$ 991,200	\$ 1,020,737	\$ 1,051,360	\$ 1,083,112	\$ 1,116,036	\$ 1,150,172	\$ 1,185,570	\$ 1,222,277
<b>Average Revenue Growth</b>	3.0%	3.0%	3.0%	3.0%	3.0%	3.1%	3.1%	3.1%
<b>Expenses</b>								
CAPITAL PROJECTS	-	-	-	-	-	-	-	-
PUBLIC SAFETY	(549,815)	(577,306)	(606,172)	(636,480)	(668,304)	(701,719)	(736,805)	(773,646)
PUBLIC WORKS	(212,992)	(215,121)	(217,273)	(219,445)	(221,640)	(223,856)	(226,095)	(228,356)
CULTURE & RECREATION	(41,278)	(41,689)	(42,106)	(42,527)	(42,952)	(43,382)	(43,816)	(44,254)
COMMUNITY & ECONOMIC DEV.	(5,414)	(5,468)	(5,523)	(5,578)	(5,634)	(5,690)	(5,747)	(5,805)
GENERAL GOVERNMENT	(108,641)	(109,727)	(110,825)	(111,933)	(113,052)	(114,183)	(115,324)	(116,478)
ANNUAL COST TO UH OF OUP IMPROVEMENTS	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	(918,138)	(949,317)	(981,898)	(1,015,984)	(1,051,585)	(1,088,831)	(1,127,789)	(1,168,538)
Projected Profit/(Loss) before Debt Service	\$ 73,061	\$ 71,424	\$ 69,462	\$ 67,149	\$ 64,452	\$ 61,342	\$ 57,783	\$ 53,739
Cash Reserve	760,362	789,180	814,680	836,472	854,139	867,230	875,258	877,702
Debt Service	(44,244)	(45,925)	(47,670)	(49,481)	(51,362)	(53,313)	(55,339)	(57,442)
Profit/(Loss)	73,061	71,424	69,462	67,149	64,452	61,342	57,783	53,739
New Cash Reserve	789,180	814,680	836,472	854,139	867,230	875,258	877,702	873,998
Reserve Percentage	86.0%	85.8%	85.2%	84.1%	82.5%	80.4%	77.8%	74.8%
<b>Percentage Expense Growth</b>	3.4%	3.4%	3.4%	3.5%	3.5%	3.5%	3.6%	3.6%

**Assumptions:**

1	Annual Cost to City of OUP Improvements (assuming project is approved)	\$ -
2	Annual Increase in Taxable Value of UH Property	3.8%
3	Annual Increase in City Expenses	
a)	Public Safety - Average from 2001 - 2010 was 5%	5.0%
b)	All other	1.0%
4	Once LOST is over, expenses will decrease in line with LOST revenue decrease	
5	Cost of Capital Projects will be offset by Future Bonding	
6	Increase in Seatbelt Incentive/Traffic Safety	1.0%
7	IJOBS (ARRA) funds will cease on 2012 year-end budget	
8	LOST funds will cease after June 30, 2013	
9	Road Use/Street Construction	0.0%
10	Annual Increase in Miscellaneous Revenues (included are permit income, traffic and parking fines, refunds and reimbursements)	1.0%
11	Increase in road-use and street construction	0.0%
12	Debt Service will increase in line with growth in taxable value of property	3.8%
13	Revenue from OUP	\$ -

THE ABOVE ANALYSES ARE ESTIMATED PROJECTIONS BASED ON THE ASSUMPTIONS ABOVE.  
ACTUAL FUTURE REVENUES AND EXPENSES WILL VARY AND THE DIFFERENCE MAY BE MATERIAL.

**EXHIBIT B-1  
PROJECTION # 1  
STATUS QUO**

UAC Property Tax Revenue

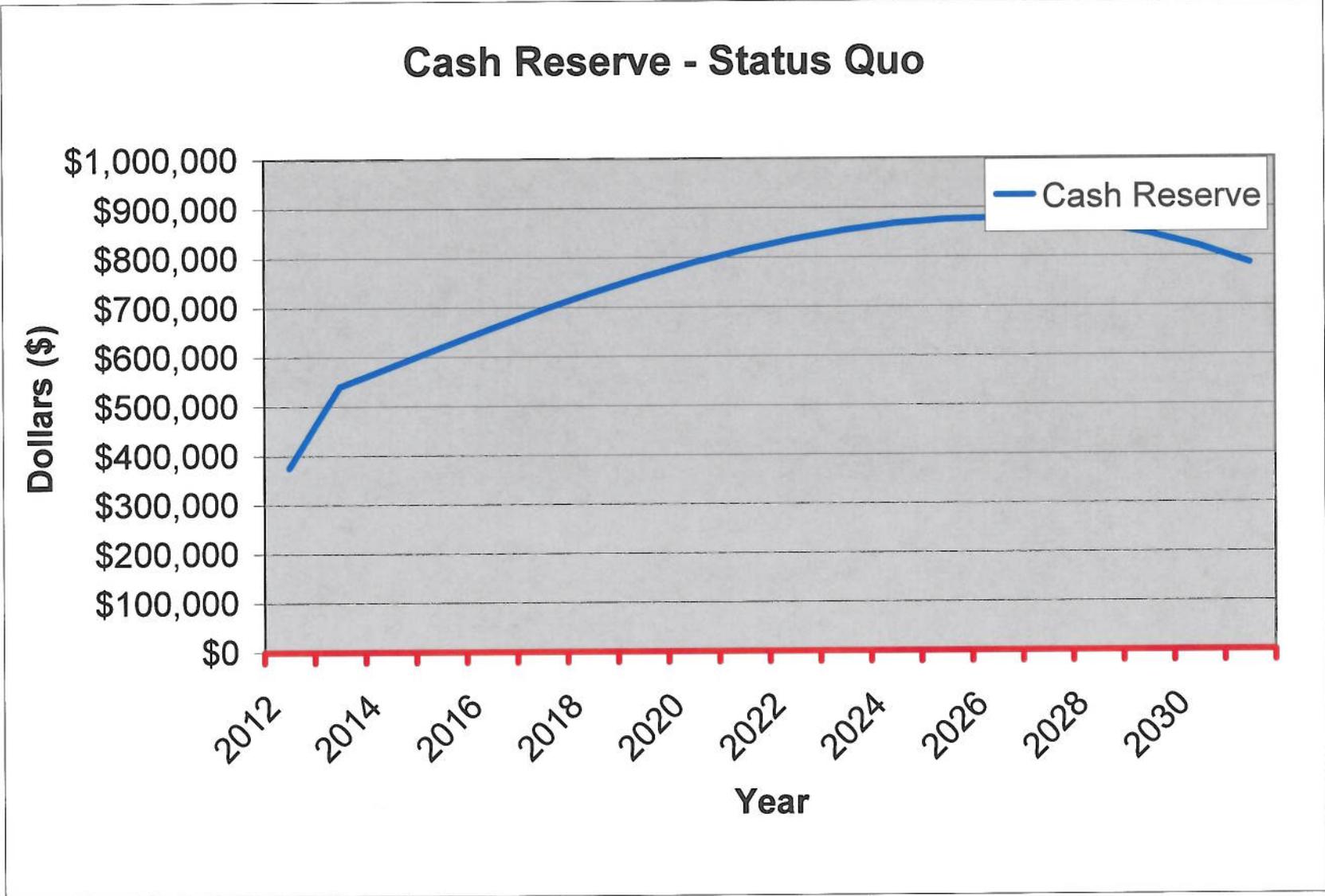
Ordinary Income/Expense	2028	2029	2030	2031
<b>Income</b>				
TOTAL GENERAL PROPERTY TAXES	1,002,944	1,041,056	1,080,616	1,121,680
<b>OTHER CITY TAXES</b>				
OUP Revenue	-	-	-	-
University Athletic Club Tax	31,344	31,344	31,344	31,344
Local Option Sales Tax	-	-	-	-
<b>Total OTHER CITY TAXES</b>	<b>31,344</b>	<b>31,344</b>	<b>31,344</b>	<b>31,344</b>
<b>INTERGOVERNMENTAL/SHARED REVENUE</b>				
Road Use/Street Construction	90,000	90,000	90,000	90,000
Total Other State Grants/Reimburse.	14,774	14,922	15,071	15,222
<b>Total INTERGOVERNMENTAL/SHARED REVENUE</b>	<b>104,774</b>	<b>104,922</b>	<b>105,071</b>	<b>105,222</b>
MISCELLANEOUS REVENUES	121,277	122,490	123,715	124,952
DEBT ISSUED	-	-	-	-
<b>Total Income</b>	<b>\$ 1,260,340</b>	<b>\$ 1,299,813</b>	<b>\$ 1,340,747</b>	<b>\$ 1,383,198</b>
<b>Average Revenue Growth</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.2%</b>
<b>Expenses</b>				
CAPITAL PROJECTS	-	-	-	-
PUBLIC SAFETY	(812,328)	(852,944)	(895,591)	(940,371)
PUBLIC WORKS	(230,639)	(232,946)	(235,275)	(237,628)
CULTURE & RECREATION	(44,696)	(45,143)	(45,595)	(46,051)
COMMUNITY & ECONOMIC DEV.	(5,863)	(5,922)	(5,981)	(6,041)
GENERAL GOVERNMENT	(117,642)	(118,819)	(120,007)	(121,207)
ANNUAL COST TO UH OF OUP IMPROVEMENTS	-	-	-	-
<b>Total Expenses</b>	<b>(1,211,168)</b>	<b>(1,256,774)</b>	<b>(1,302,448)</b>	<b>(1,351,297)</b>
Projected Profit/(Loss) before Debt Service	\$ 49,171	\$ 44,039	\$ 38,298	\$ 31,901
Cash Reserve	873,998	863,545	845,693	819,748
Debt Service	(59,625)	(61,891)	(64,243)	(66,684)
<b>Profit/(Loss)</b>	<b>49,171</b>	<b>44,039</b>	<b>38,298</b>	<b>31,901</b>
New Cash Reserve	863,545	845,693	819,748	784,955
Reserve Percentage	71.3%	67.3%	62.9%	58.1%
<b>Percentage Expense Growth</b>	<b>3.6%</b>	<b>3.7%</b>	<b>3.7%</b>	<b>3.8%</b>

**Assumptions:**

1	Annual Cost to City of OUP Improvements (assuming project is approved)	\$ -
2	Annual Increase in Taxable Value of UH Property	3.8%
3	Annual Increase in City Expenses	
a)	Public Safety - Average from 2001 - 2010 was 5%	5.0%
b)	All other	1.0%
4	Once LOST is over, expenses will decrease in line with LOST revenue decrease	
5	Cost of Capital Projects will be offset by Future Bonding	
6	Increase in Seatbelt Incentive/Traffic Safety	1.0%
7	IJOBS (ARRA) funds will cease on 2012 year-end budget	
8	LOST funds will cease after June 30, 2013	
9	Road Use/Street Construction	0.0%
10	Annual Increase in Miscellaneous Revenues (included are permit income, traffic and parking fines, refunds and reimbursements)	1.0%
11	Increase in road-use and street construction	0.0%
12	Debt Service will increase in line with growth in taxable value of property	3.8%
13	Revenue from OUP	\$ -

THE ABOVE ANALYSES ARE ESTIMATED PROJECTIONS BASED ON THE ASSUMPTIONS ABOVE.  
ACTUAL FUTURE REVENUES AND EXPENSES WILL VARY AND THE DIFFERENCE MAY BE MATERIAL.

EXHIBIT B-2



**EXHIBIT C-1  
PROJECTION # 2**

	2012	2013	2014	2015	2016	2017	2018	2019
UAC PROPERTY TAX REVENUE	\$ 27,000	\$ 27,810	\$ 28,644	\$ 29,504	\$ 30,389			
			Loss of LOST Revenue		Stabilization of UAC Tax Revenue			
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
TOTAL GENERAL PROPERTY TAXES	552,220	568,796	585,860	603,436	621,539	640,185	659,390	679,172
OTHER CITY TAXES								
Revenue from OUP	-	-	-	-	-	-	-	-
University Athletic Club Tax	27,000	27,810	28,644	29,504	30,389	30,389	30,389	30,389
Local Option Sales Tax	125,000	125,000						
Total OTHER CITY TAXES	152,000	152,810	28,644	29,504	30,389	30,389	30,389	30,389
INTERGOVERNMENTAL/SHARED REVENUE								
Road Use/Street Construction	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total Other State Grants/Reimburse.	12,600	12,726	12,853	12,982	13,112	13,243	13,375	13,509
Total INTERGOVERNMENTAL/SHARED REVENUE	102,600	102,726	102,853	102,982	103,112	103,243	103,375	103,509
MISCELLANEOUS REVENUES	103,428	104,462	105,507	106,562	107,628	108,704	109,791	110,889
DEBT ISSUED								
<b>Total Income</b>	\$ 910,257	\$ 928,794	\$ 822,864	\$ 842,483	\$ 862,667	\$ 882,520	\$ 902,945	\$ 923,958
<b>Average Revenue Growth</b>		2.0%	-11.4%	2.4%	2.4%	2.3%	2.3%	2.3%
<b>Expense</b>								
CAPITAL PROJECTS	-	-	-	-	-	-	-	-
PUBLIC SAFETY	(384,232)	(381,522)	(391,442)	(401,619)	(412,061)	(422,775)	(433,767)	(445,045)
PUBLIC WORKS	(265,506)	(202,909)	(208,185)	(213,598)	(219,151)	(224,849)	(230,695)	(236,693)
CULTURE & RECREATION	(38,118)	(39,109)	(40,126)	(41,169)	(42,240)	(43,338)	(44,465)	(45,621)
COMMUNITY & ECONOMIC DEV.	(5,000)	(5,130)	(5,263)	(5,400)	(5,541)	(5,685)	(5,832)	(5,984)
GENERAL GOVERNMENT	(100,328)	(102,937)	(105,613)	(108,359)	(111,176)	(114,067)	(117,032)	(120,075)
Total Expense	(793,184)	(731,607)	(750,639)	(778,145)	(790,189)	(810,719)	(831,792)	(853,438)
ABILITY TO PAY DEBT OR ADD TO CASH RESERVE	\$ 117,073	\$ 197,187	\$ 72,236	\$ 72,338	\$ 72,498	\$ 71,807	\$ 71,154	\$ 70,540
Cash Reserve	290,184	374,427	537,799	575,206	611,670	647,217	680,965	712,918
Debt Service	(32,830)	(33,815)	(34,829)	(35,874)	(36,950)	(38,059)	(39,201)	(40,377)
Profit/(Loss)	117,073	197,187	72,236	72,338	72,498	71,807	71,154	70,540
New Cash Reserve	374,427	537,799	575,206	611,670	647,217	680,965	712,918	743,081
	47.2%	73.5%	76.6%	79.4%	81.9%	84.0%	85.7%	87.1%
<b>Percentage Expense Growth</b>			2.6%	2.6%	2.6%	2.6%	2.6%	2.6%

Assumptions:		
1	Annual Cost to City of OUP Improvements (assuming project is approved)	\$ -
2	Annual Increase in Taxable Value of UH Property	3.0%
3	Annual Increase in City Expenses	
a)	Public Safety - Average from 2001 - 2010 was 5%	2.6%
b)	All other	2.6%
4	Once LOST is over, expenses will decrease in line with LOST revenue decrease	
5	Cost of Capital Projects will be offset by Future Bonding	
6	Increase in Seabelt Incentive/Traffic Safety	1.0%
7	IJOBS (ARRA) funds will cease on 2012 year-end budget	
8	LOST funds will cease after June 30, 2013	
9	Road Use/Street Construction	0.0%
10	Annual Increase in Miscellaneous Revenues (included are permit income, traffic and parking fines, refunds and reimbursements)	1.0%
11	Increase in road-use and street construction	0.0%
12	Debt Service will increase in line with growth in taxable value of property	3.0%
13	Revenue from OUP	\$ -

THE ABOVE ANALYSES ARE ESTIMATED PROJECTIONS BASED ON THE ASSUMPTIONS ABOVE.  
ACTUAL FUTURE REVENUES AND EXPENSES WILL VARY AND THE DIFFERENCE MAY BE MATERIAL.

**EXHIBIT C-1  
PROJECTION # 2**

UAC PROPERTY TAX REVENUE

	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Ordinary Income/Expense</b>									
<b>Income</b>									
TOTAL GENERAL PROPERTY TAXES	699,547	720,534	742,150	764,414	787,347	810,967	835,296	860,355	886,165
OTHER CITY TAXES									
Revenue from OUP	-	-	-	-	-	-	-	-	-
University Athletic Club Tax	30,389	30,389	30,389	30,389	30,389	30,389	30,389	30,389	30,389
Local Option Sales Tax	-	-	-	-	-	-	-	-	-
Total OTHER CITY TAXES	30,389	30,389	30,389	30,389	30,389	30,389	30,389	30,389	30,389
INTERGOVERNMENTAL/SHARED REVENUE									
Road Use/Street Construction	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total Other State Grants/Reimburse.	13,644	13,780	13,918	14,057	14,198	14,340	14,483	14,628	14,774
Total INTERGOVERNMENTAL/SHARED REVENUE	103,644	103,780	103,918	104,057	104,198	104,340	104,483	104,628	104,774
MISCELLANEOUS REVENUES	111,998	113,118	114,249	115,391	116,545	117,711	118,888	120,077	121,277
DEBT ISSUED									
<b>Total Income</b>	\$ 945,578	\$ 967,820	\$ 990,705	\$ 1,014,262	\$ 1,038,479	\$ 1,063,406	\$ 1,089,056	\$ 1,115,448	\$ 1,142,608
<b>Average Revenue Growth</b>	2.3%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
<b>Expense</b>									
CAPITAL PROJECTS	-	-	-	-	-	-	-	-	-
PUBLIC SAFETY	(456,616)	(468,488)	(480,669)	(493,166)	(505,988)	(519,144)	(532,642)	(546,491)	(560,699)
PUBLIC WORKS	(242,847)	(249,161)	(255,639)	(262,286)	(269,106)	(276,102)	(283,281)	(290,646)	(298,203)
CULTURE & RECREATION	(46,807)	(48,024)	(49,272)	(50,553)	(51,868)	(53,216)	(54,600)	(56,020)	(57,476)
COMMUNITY & ECONOMIC DEV.	(6,140)	(6,299)	(6,463)	(6,631)	(6,804)	(6,980)	(7,162)	(7,348)	(7,536)
GENERAL GOVERNMENT	(123,197)	(126,400)	(129,687)	(133,059)	(136,518)	(140,068)	(143,709)	(147,446)	(151,279)
<b>Total Expense</b>	\$ (875,607)	\$ (898,373)	\$ (921,731)	\$ (945,699)	\$ (970,284)	\$ (995,511)	\$ (1,021,364)	\$ (1,047,861)	\$ (1,074,899)
ABILITY TO PAY DEBT OR ADD TO CASH RESERVE	\$ 69,971	\$ 69,448	\$ 68,975	\$ 68,556	\$ 68,195	\$ 67,895	\$ 67,662	\$ 67,498	\$ 67,409
Cash Reserve	743,081	771,464	798,076	822,930	846,042	867,429	887,112	905,115	921,465
Debt Service	(41,588)	(42,836)	(44,121)	(45,444)	(46,808)	(48,212)	(49,658)	(51,148)	(52,683)
Profit/(Loss)	69,971	69,448	68,975	68,556	68,195	67,895	67,662	67,498	67,409
New Cash Reserve	771,464	798,076	822,930	846,042	867,429	887,112	905,115	921,465	936,192
	88.1%	88.8%							
<b>Percentage Expense Growth</b>	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%

**Assumptions:**

1	Annual Cost to City of OUP Improvements (assuming project is approved)	\$ -
2	Annual Increase in Taxable Value of UH Property	3.0%
3	Annual Increase in City Expenses	
a)	Public Safety - Average from 2001 - 2010 was 5%	2.6%
b)	All other	2.6%
4	Once LOST is over, expenses will decrease in line with LOST revenue decrease	
5	Cost of Capital Projects will be offset by Future Bonding	
6	Increase in Seatbelt Incentive/Traffic Safety	1.0%
7	JOBS (ARRA) funds will cease on 2012 year-end budget	
8	LOST funds will cease after June 30, 2013	
9	Road Use/Street Construction	0.0%
10	Annual Increase in Miscellaneous Revenues (included are permit income, traffic and parking fines, refunds and reimbursements)	1.0%
11	Increase in road-use and street construction	0.0%
12	Debt Service will increase in line with growth in taxable value of property	3.0%
13	Revenue from OUP	\$ -

THE ABOVE ANALYSES ARE ESTIMATED PROJECTIONS BASED ON THE ASSUMPTIONS ABOVE.  
ACTUAL FUTURE REVENUES AND EXPENSES WILL VARY AND THE DIFFERENCE MAY BE MATERIAL.

**EXHIBIT C-1  
PROJECTION # 2**

UAC PROPERTY TAX REVENUE

	2029	2030	2031
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
TOTAL GENERAL PROPERTY TAXES	912,750	940,133	968,337
<b>OTHER CITY TAXES</b>			
Revenue from OUP	-	-	-
University Athletic Club Tax	30,389	30,389	30,389
Local Option Sales Tax	-	-	-
<b>Total OTHER CITY TAXES</b>	30,389	30,389	30,389
<b>INTERGOVERNMENTAL/SHARED REVENUE</b>			
Road Use/Street Construction	90,000	90,000	90,000
Total Other State Grants/Reimburse.	14,922	15,071	15,222
<b>Total INTERGOVERNMENTAL/SHARED REVENUE</b>	104,922	105,071	105,222
<b>MISCELLANEOUS REVENUES</b>	122,490	123,715	124,952
<b>DEBT ISSUED</b>			
<b>Total Income</b>	\$ 1,170,552	\$ 1,199,308	\$ 1,228,900
<b>Average Revenue Growth</b>	2.4%	2.5%	2.5%
<b>Expense</b>			
CAPITAL PROJECTS	-	-	-
PUBLIC SAFETY	(575,278)	(590,235)	(605,581)
PUBLIC WORKS	(305,956)	(313,911)	(322,073)
CULTURE & RECREATION	(58,971)	(60,504)	(62,077)
COMMUNITY & ECONOMIC DEV.	(7,735)	(7,936)	(8,143)
GENERAL GOVERNMENT	(155,213)	(159,248)	(163,389)
<b>Total Expenses</b>	(\$ 1,103,153)	(\$ 1,131,834)	(\$ 1,161,263)
<b>ABILITY TO PAY DEBT OR ADD TO CASH RESERVE</b>	\$ 67,399	\$ 67,474	\$ 67,638
Cash Reserve	936,192	949,328	960,911
Debt Service	(54,263)	(55,891)	(57,568)
<b>Profit/(Loss)</b>	67,399	67,474	67,638
<b>New Cash Reserve</b>	949,328	960,911	970,981
<b>Percentage Expense Growth</b>	2.6%	2.6%	2.6%

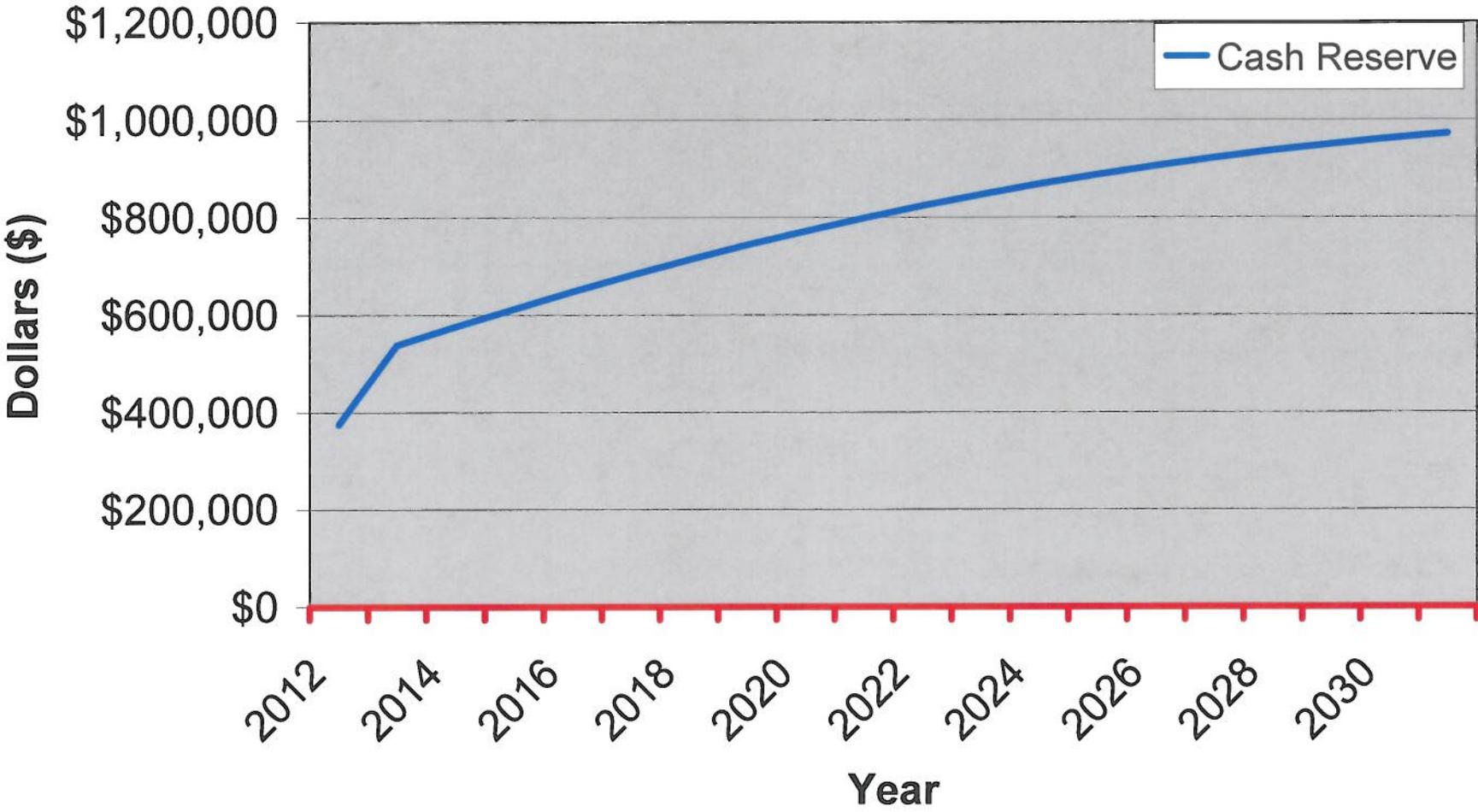
**Assumptions:**

1	Annual Cost to City of OUP Improvements (assuming project is approved)	\$ -
2	Annual Increase in Taxable Value of UH Property	3.0%
3	Annual Increase in City Expenses	
a)	Public Safety - Average from 2001 - 2010 was 5%	2.6%
b)	All other	2.6%
4	Once LOST is over, expenses will decrease in line with LOST revenue decrease	
5	Cost of Capital Projects will be offset by Future Bonding	
6	Increase in Seatbelt Incentive/Traffic Safety	1.0%
7	IJOBS (ARRA) funds will cease on 2012 year-end budget	
8	LOST funds will cease after June 30, 2013	
9	Road Use/Street Construction	0.0%
10	Annual Increase in Miscellaneous Revenues (included are permit income, traffic and parking fines, refunds and reimbursements)	1.0%
11	Increase in road-use and street construction	0.0%
12	Debt Service will increase in line with growth in taxable value of property	3.0%
13	Revenue from OUP	\$ -

THE ABOVE ANALYSES ARE ESTIMATED PROJECTIONS BASED ON THE ASSUMPTIONS ABOVE.  
ACTUAL FUTURE REVENUES AND EXPENSES WILL VARY AND THE DIFFERENCE MAY BE MATERIAL.

EXHIBIT C-2

### Cash Reserve - What If?



**EXHIBIT D-1  
PROJECTION # 3**

	2012	2013	2014	2015	2016	2017	2018	2019
University Athletic Club Tax Revenue	\$ 27,000	\$ 27,540	\$ 28,091	\$ 28,653	\$ 29,226			
			Loss of LOST Revenue		Stabilization of UAC Tax Revenue			
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
TOTAL GENERAL PROPERTY TAXES	552,229	563,274	574,539	586,030	597,750	609,705	621,900	634,338
<b>OTHER CITY TAXES</b>								
OUP Revenue	-	-	-	-	-	-	-	-
University Athletic Club Tax	27,000	27,540	28,091	28,653	29,226	29,226	29,226	29,226
Local Option Sales Tax	125,000	125,000	-	-	-	-	-	-
<b>Total OTHER CITY TAXES</b>	152,000	152,540	28,091	28,653	29,226	29,226	29,226	29,226
<b>INTERGOVERNMENTAL/SHARED REVENUE</b>								
Road Use/Street Construction	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total Other State Grants/Reimburse.	12,600	12,726	12,853	12,982	13,112	13,243	13,375	13,509
<b>Total INTERGOVERNMENTAL/SHARED REVENUE</b>	102,600	102,726	102,853	102,982	103,112	103,243	103,375	103,509
<b>Total MISCELLANEOUS REVENUES</b>	103,428	104,462	105,507	106,562	107,628	108,704	109,791	110,889
DEBT ISSUED								
<b>Total Income</b>	\$ 910,257	\$ 923,002	\$ 810,990	\$ 824,226	\$ 837,715	\$ 850,878	\$ 864,291	\$ 877,991
<b>Average Revenue Growth</b>		1.4%	-12.1%	1.6%	1.6%	1.6%	1.6%	1.6%
<b>Expenses</b>								
CAPITAL PROJECTS	0.00							
Wide Sidewalk Project	0							
Construction	-							
Engineering fees sidewalk proj	-							
Total Wide Sidewalk Project	-							
CAPITAL PROJECTS								
PUBLIC SAFETY	(384,232)	(379,217)	(386,801)	(394,537)	(402,428)	(410,476)	(418,686)	(427,060)
PUBLIC WORKS	(265,506)	(201,316)	(205,342)	(209,449)	(213,638)	(217,911)	(222,269)	(226,715)
CULTURE & RECREATION	(38,118)	(38,880)	(39,658)	(40,451)	(41,260)	(42,085)	(42,927)	(43,786)
COMMUNITY & ECONOMIC DEV.	(5,000)	(5,100)	(5,202)	(5,306)	(5,412)	(5,520)	(5,631)	(5,743)
GENERAL GOVERNMENT	(100,328)	(102,335)	(104,381)	(106,469)	(108,598)	(110,770)	(112,986)	(115,245)
ANNUAL COST TO UH OF OUP IMPROVEMENTS	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	\$ (788,184)	\$ (726,848)	\$ (741,385)	\$ (756,212)	\$ (771,327)	\$ (786,793)	\$ (802,499)	\$ (818,540)
ABILITY TO PAY DEBT OR ADD TO CASH RESERVE	\$ 117,073	\$ 196,154	\$ 69,605	\$ 68,014	\$ 66,379	\$ 64,114	\$ 61,793	\$ 59,412
Cash Reserve	290,184	374,427	537,095	572,544	605,718	636,561	664,428	689,249
Debt Service	(32,830)	(33,487)	(34,156)	(34,839)	(35,536)	(36,247)	(36,972)	(37,711)
Profit/(Loss)	117,073	196,154	69,605	68,014	66,379	64,114	61,793	59,412
New Cash Reserve	374,427	537,095	572,544	605,718	636,561	664,428	689,249	710,960
	47.2%	73.9%	77.2%	80.1%	82.5%	84.5%	85.9%	86.9%
<b>Percentage Expense Growth</b>			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Assumptions:		
1	Annual Cost to City of OUP Improvements (assuming project is approved)	\$ -
2	Annual Increase in Taxable Value of UH Property	2.0%
3	Annual Increase in City Expenses	
a)	Public Safety - Average from 2001 - 2010 was 5%	2.0%
b)	All other	2.0%
4	Once LOST is over, expenses will decrease in line with LOST revenue decrease	
5	Cost of Capital Projects will be offset by Future Bonding	
6	Increase in Seatbelt Incentive/Traffic Safety Income	1.0%
7	JOBS (ARRA) funds will cease on 2012 year-end budget	
8	LOST funds will cease after June 30, 2013	
9	Road Use/Street Construction	0.0%
10	Annual Increase in Miscellaneous Revenues (included are permit income, traffic and parking fines, refunds and reimbursements)	1.0%
11	Increase in road-use and street construction	0.0%
12	Debt Service will increase in line with growth in taxable value of property	2.0%
13	Revenue from OUP	\$ -

THE ABOVE ANALYSES ARE ESTIMATED PROJECTIONS BASED ON THE ASSUMPTIONS ABOVE.  
ACTUAL FUTURE REVENUES AND EXPENSES WILL VARY AND THE DIFFERENCE MAY BE MATERIAL.

**EXHIBIT D-1  
PROJECTION # 3**

University Athletic Club Tax Revenue

	2020	2021	2022	2023	2024	2025	2026	2027
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
TOTAL GENERAL PROPERTY TAXES	647,024	659,965	673,164	686,627	700,360	714,367	728,654	743,228
<b>OTHER CITY TAXES</b>								
OUP Revenue	-	-	-	-	-	-	-	-
University Athletic Club Tax	29,226	29,226	29,226	29,226	29,226	29,226	29,226	29,226
Local Option Sales Tax	-	-	-	-	-	-	-	-
<b>Total OTHER CITY TAXES</b>	29,226	29,226	29,226	29,226	29,226	29,226	29,226	29,226
<b>INTERGOVERNMENTAL/SHARED REVENUE</b>								
Road Use/Street Construction	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total Other State Grants/Reimburse.	13,644	13,780	13,918	14,057	14,198	14,340	14,483	14,628
<b>Total INTERGOVERNMENTAL/SHARED REVENUE</b>	103,644	103,780	103,918	104,057	104,198	104,340	104,483	104,628
<b>Total MISCELLANEOUS REVENUES</b>	111,998	113,118	114,249	115,391	116,545	117,711	118,888	120,077
<b>DEBT ISSUED</b>								
<b>Total Income</b>	\$ 891,892	\$ 906,089	\$ 920,557	\$ 935,302	\$ 950,329	\$ 965,643	\$ 981,251	\$ 997,158
<b>Average Revenue Growth</b>	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
<b>Expense</b>								
<b>CAPITAL PROJECTS</b>								
Wide Sidewalk Project								
Construction								
Engineering fees sidewalk proj								
Total Wide Sidewalk Project								
<b>CAPITAL PROJECTS</b>	-	-	-	-	-	-	-	-
<b>PUBLIC SAFETY</b>	(435,601)	(444,313)	(453,199)	(462,263)	(471,508)	(480,938)	(490,557)	(500,368)
<b>PUBLIC WORKS</b>	(231,249)	(235,674)	(240,591)	(245,403)	(250,311)	(255,318)	(260,424)	(265,632)
<b>CULTURE &amp; RECREATION</b>	(44,661)	(45,555)	(46,466)	(47,395)	(48,343)	(49,310)	(50,296)	(51,302)
<b>COMMUNITY &amp; ECONOMIC DEV.</b>	(5,858)	(5,975)	(6,095)	(6,217)	(6,341)	(6,468)	(6,597)	(6,729)
<b>GENERAL GOVERNMENT</b>	(117,550)	(119,901)	(122,299)	(124,745)	(127,240)	(129,785)	(132,381)	(135,028)
<b>ANNUAL COST TO UH OF OUP IMPROVEMENTS</b>	-	-	-	-	-	-	-	-
<b>Total Expense</b>	\$ (834,920)	\$ (851,816)	\$ (868,650)	\$ (885,623)	\$ (902,764)	\$ (920,139)	\$ (937,855)	\$ (955,960)
<b>ABILITY TO PAY DEBT OR ADD TO CASH RESERVE</b>	\$ 56,972	\$ 54,471	\$ 51,907	\$ 49,279	\$ 46,565	\$ 43,825	\$ 40,996	\$ 38,098
<b>Cash Reserve</b>	710,950	729,456	744,692	756,579	765,038	769,986	771,342	769,020
<b>Debt Service</b>	(38,466)	(39,235)	(40,020)	(40,820)	(41,636)	(42,469)	(43,318)	(44,185)
<b>Profit/(Loss)</b>	56,972	54,471	51,907	49,279	46,565	43,825	40,996	38,098
<b>New Cash Reserve</b>	729,456	744,692	756,579	765,038	769,986	771,342	769,020	762,933
	87.4%	87.4%						
<b>Percentage Expense Growth</b>	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

**Assumptions:**

1	Annual Cost to City of OUP Improvements (assuming project is approved)	\$ -
2	Annual Increase in Taxable Value of UH Property	2.0%
3	Annual Increase in City Expenses	
a)	Public Safety - Average from 2001 - 2010 was 5%	2.0%
b)	All other	2.0%
4	Once LOST is over, expenses will decrease in line with LOST revenue decrease	
5	Cost of Capital Projects will be offset by Future Bonding	
6	Increase in Seatbelt Incentive/Traffic Safety Income	1.0%
7	IJOBS (ARRA) funds will cease on 2012 year-end budget	
8	LOST funds will cease after June 30, 2013	
9	Road Use/Street Construction	0.0%
10	Annual Increase in Miscellaneous Revenues (included are permit income, traffic and parking fines, refunds and reimbursements)	1.0%
11	Increase in road-use and street construction	0.0%
12	Debt Service will increase in line with growth in taxable value of property	2.0%
13	Revenue from OUP	\$ -

THE ABOVE ANALYSES ARE ESTIMATED PROJECTIONS BASED ON THE ASSUMPTIONS ABOVE.  
ACTUAL FUTURE REVENUES AND EXPENSES WILL VARY AND THE DIFFERENCE MAY BE MATERIAL.

**EXHIBIT D-1  
PROJECTION # 3**

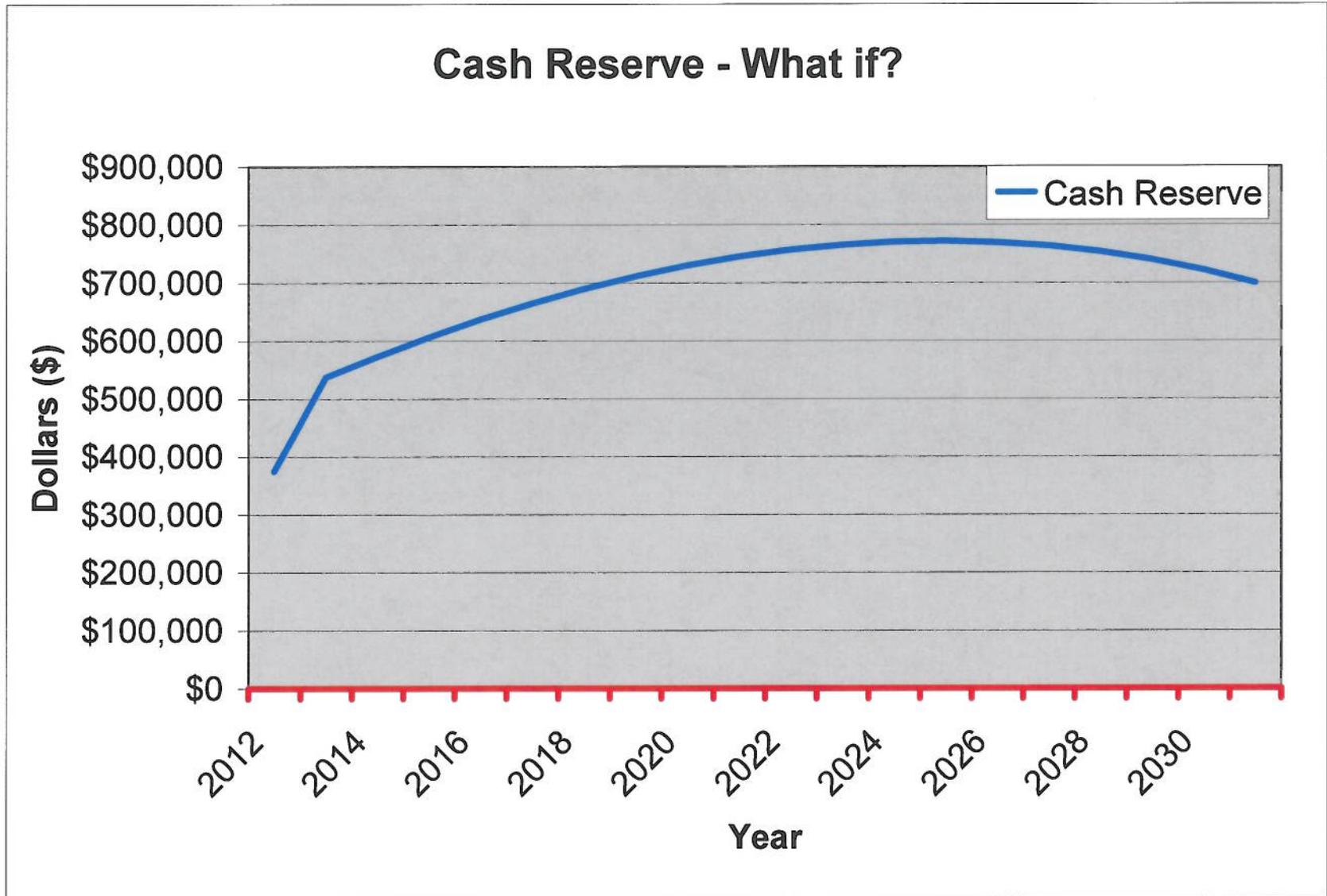
University Athletic Club Tax Revenue

Ordinary Income/Expense	2028	2029	2030	2031
<b>Income</b>				
TOTAL GENERAL PROPERTY TAXES	758,092	773,254	788,719	804,493
OTHER CITY TAXES				
OUP Revenue	-	-	-	-
University Athletic Club Tax	29,226	29,226	29,226	29,226
Local Option Sales Tax				
Total OTHER CITY TAXES	29,226	29,226	29,226	29,226
INTERGOVERNMENTAL/SHARED REVENUE				
Road Use/Street Construction	90,000	90,000	90,000	90,000
Total Other State Grants/Reimburse.	14,774	14,922	15,071	15,222
Total INTERGOVERNMENTAL/SHARED REVENUE	104,774	104,922	105,071	105,222
Total MISCELLANEOUS REVENUES	121,277	122,490	123,715	124,952
DEBT ISSUED				
<b>Total Income</b>	<b>\$ 1,013,370</b>	<b>\$ 1,029,892</b>	<b>\$ 1,046,731</b>	<b>\$ 1,063,894</b>
<b>Average Revenue Growth</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.6%</b>
<b>Expense</b>				
CAPITAL PROJECTS				
Wide Sidewalk Project				
Construction				
Engineering fees sidewalk proj				
Total Wide Sidewalk Project				
CAPITAL PROJECTS	-	-	-	-
PUBLIC SAFETY	(510,376)	(520,583)	(530,995)	(541,615)
PUBLIC WORKS	(270,945)	(276,364)	(281,891)	(287,529)
CULTURE & RECREATION	(52,328)	(53,374)	(54,442)	(55,531)
COMMUNITY & ECONOMIC DEV.	(6,864)	(7,001)	(7,141)	(7,284)
GENERAL GOVERNMENT	(137,729)	(140,483)	(143,293)	(146,159)
ANNUAL COST TO UH OF OUP IMPROVEMENTS	-	-	-	-
<b>Total Expense</b>	<b>(978,241)</b>	<b>(997,806)</b>	<b>(1,017,762)</b>	<b>(1,038,117)</b>
ABILITY TO PAY DEBT OR ADD TO CASH RESERVE	\$ 35,128	\$ 32,086	\$ 28,969	\$ 25,776
Cash Reserve	762,933	752,993	739,109	721,189
Debt Service	(45,069)	(45,970)	(46,889)	(47,827)
Profit/(Loss)	35,128	32,086	28,969	25,776
New Cash Reserve	752,993	739,109	721,189	699,138
<b>Percentage Expense Growth</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>

Assumptions:		
1	Annual Cost to City of OUP Improvements (assuming project is approved)	\$ -
2	Annual increase in Taxable Value of UH Property	2.0%
3	Annual increase in City Expenses	
a)	Public Safety - Average from 2001 - 2010 was 5%	2.0%
b)	All other	2.0%
4	Once LOST is over, expenses will decrease in line with LOST revenue decrease	
5	Cost of Capital Projects will be offset by Future Bonding	
6	Increase in Seatbelt Incentive/Traffic Safety Income	1.0%
7	JOBS (ARRA) funds will cease on 2012 year-end budget	
8	LOST funds will cease after June 30, 2013	
9	Road Use/Street Construction	0.0%
10	Annual Increase in Miscellaneous Revenues (included are permit income, traffic and parking fines, refunds and reimbursements)	1.0%
11	Increase in road-use and street construction	0.0%
12	Debt Service will increase in line with growth in taxable value of property	2.0%
13	Revenue from OUP	\$ -

THE ABOVE ANALYSES ARE ESTIMATED PROJECTIONS BASED ON THE ASSUMPTIONS ABOVE.  
ACTUAL FUTURE REVENUES AND EXPENSES WILL VARY AND THE DIFFERENCE MAY BE MATERIAL.

EXHIBIT D-2



## EXHIBIT E

On August 3, 2011 I met with Skogman Realtor, Jeff Edberg. Mr. Edberg has over 30 years of real estate experience and is a resident of University Heights.

I originally contacted Mr. Edberg because I wanted additional information regarding historical market values of properties in and around University Heights. Jeff provided me with average increases in Johnson County home sales prices since 1981. These increases averaged 3.53% per year. I used this information, along with a historical analysis of University Heights' taxable valuations, to support my assumption regarding increases in property tax revenues in projection # 1 of the attached report.

While speaking with Jeff he offered that he was concerned regarding the estimated valuations of the condominiums and commercial space projected in the OUP project. He noted a project next to the Marriott in Coralville that has yet to sell all of the units as projected. In addition he indicated the Birkdale properties contiguous to the OUP site do not support the valuation predictions in Mr. Maxwell's reports.

While our analysis includes an estimate of the effect of a decrease in expected revenues to the City from OUP, we have not relied on Mr. Edberg's opinions for this report. While it would be interesting to perform an analysis of estimated valuations of the completed OUP project, the market can fluctuate significantly between the time of this analysis and the completion of OUP. For this reason we determined it would be most beneficial for the City to review a "what if" analysis regarding potential deviations from Mr. Maxwell's proposed valuations. This will allow the Council to consider how that may reduce the projected revenues to the City.

# EXHIBIT F

On August 4, 2011 I met with Wendy Ford, Iowa City Economic Development Coordinator.

I met with Wendy to obtain a broad understanding of future economic factors which will affect local municipalities. I also wanted to understand how Iowa City approaches TIF, what types of information they require in a proposal and to identify specific items to carefully review in respect to a TIF proposal.

## Major Points of our Conversations

- Iowa City requires a review of the developer's detailed financial projections and personal financial statements.
  - This is done in an effort to determine the developer's need for TIF and so the City can prepare its own feasibility analysis on the project.
- Wendy expects Governor Branstad to rollback commercial property tax valuations from 100% to 60% within the next 5 years.
  - This will not have a significant impact on University Heights property tax collections because only two commercial properties exist in the City currently as of 2011. If the OUP project is approved the City should consider adjusting its projections of property tax revenues from the commercial portion of project.
- If the County is not interested in supporting the TIF there is a work-around whereby the Council can approve a portion of the TIF on an annual basis in an effort to avoid going over their debt ceiling.
  - Wendy discussed that this is risky to the developer because he/she is relying on future Councils to approve the TIF on an annual basis.
  - She noted that Coralville has provided TIF in this manner in the past.
- The ultimate agreement between the City and the developer can include any number of caveats, restrictions, goals, etc., all of which can be added to mitigate risk (associated with the developer's projections) for the City.
- Iowa City uses TIF very infrequently while many surrounding smaller communities use TIF more often. She noted that Tiffin, Schueyville, Oxford and Coralville all have used TIF to finance projects on a more frequent basis.

# EXHIBIT G

On August 4, 2011 I met with Bill Grezel, ICA, CGRPA. As the Johnson County Assessor, Bill's primary duty is to assess all residential, commercial, industrial and agricultural properties in the County.

I met with Bill to gain his perspective on TIF. Specifically, I was interested in his insight regarding where he has seen TIF work and not work. In addition, I was curious how the recent Iowa Court decision allowing multi-unit residential apartment building owners to COOP their property might affect the City of University Heights' revenue.

## Major Points of our Conversations

- Do not separate this project from the potential impact on the rest of the community. Especially a community the size of University Heights.
  - Bill explained an instance in a small community where the City provided TIF to a new development on the edge of the town. In this particular town, the long-time residents noted that the new properties actually caused a decline in their home values. This is because new residents to the community, when faced with the option of purchasing a new home for \$200,000 versus an older home for a similar price, chose the new residences.
  - While difficult to predict if OUP would have this type of impact on the City of University Heights, this is an interesting example of the potential unanticipated side-effects of a large-scale project of this type.
- The court decision allowing multi-unit apartments to be COOPed will not have a significant impact on the City of University Heights because of the nature of the properties in the city.
- Items to consider adding to the developer agreement in an effort to mitigate risk:
  - Minimum Assessment Agreement
    - This means the developer agrees that for a period of X number of years, the assessor will value the property at the valuation projected in the developer's proposal to the City.
    - Agree that commercial property will be assessed at 100% valuation even in the event the Governor rolls back the commercial taxable valuation rate.

# EXHIBIT H

I contacted State Senator Joe Bolkcom to see if he had insight into the potential effects of any current or pending state legislation on the City of University Heights.

Mr. Bolkcom has been a State Senator since 1998. Prior to that he served on the Johnson County Board of Supervisors. For the 2009 and 2010 legislative sessions, Joe was elected Senate Assistant Majority Leader.

## Major Points of our Conversations

- Governor Branstad would like to rollback commercial property tax valuations. The most recent compromise presented was a rollback to 60%. The democrats are agreeable to the extent the State will pay for this property tax decrease but the republicans (at the time of our conversation) were not interested in this option. Instead the individual communities in Iowa would see large reductions in their commercial property tax revenues.
  - As noted previously, this will not impact University Heights significantly given its current amount of commercial property but this could impact Mr. Maxwell's projections of revenue from the commercial portion of the OUP development.
  - Mr. Bolkcom indicated if cities are stuck paying for this commercial rollback then they will need to look elsewhere for revenues. This could mean increases in residential property taxes would be necessary.

# EXHIBIT I

I emailed various state legislators, members of the Johnson County Board of Supervisors and local economic development leaders to get their opinion regarding items that may affect University Heights in the near future.

The list I communicated with includes:

- David Jacoby – State Representative
- Janelle Rettig – Johnson County Board of Supervisors
- Mary Mascher – State Representative
- Rod Sullivan – Johnson County Board of Supervisors
- Joe Raso – President and Chief Executive Officer of Iowa City Area Development Group

## Major Points of our Conversations

- Discussion regarding Governor Branstad's projected commercial property rollback
- Iowa court decision to allow COOPing of multi-unit apartment buildings

From: "Louise From" <louisebob@mchsi.com> Subject: FW: University Heights Date: Tue, September 13, 2011 10:02 am To: mike-haverkamp@university-heights.org,rosanne-hopson@university-heights.org,stan-laverman@university-heights.org,brennan-mcgrath@university-heights.org,pat-yeggy@university-heights.org,ballard@lefflaw.com,"City Clerk" <uhclerk@yahoo.com>,jmaxwell@maxwellconstructioninc.com Cc: patrick-bauer@uiowa.edu

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Hi All, Here is a revised version from Tim Oswald, Piper Jaffray and want to get it out asap. See you tonight at Horn School. -Louise

From: Oswald, Tim [<mailto:Timothy.J.Oswald@pjc.com>]  
Sent: Tuesday, September 13, 2011 9:14 AM  
To: From Louise; McGrath Brennan  
Cc: Danos, John  
Subject: University Heights

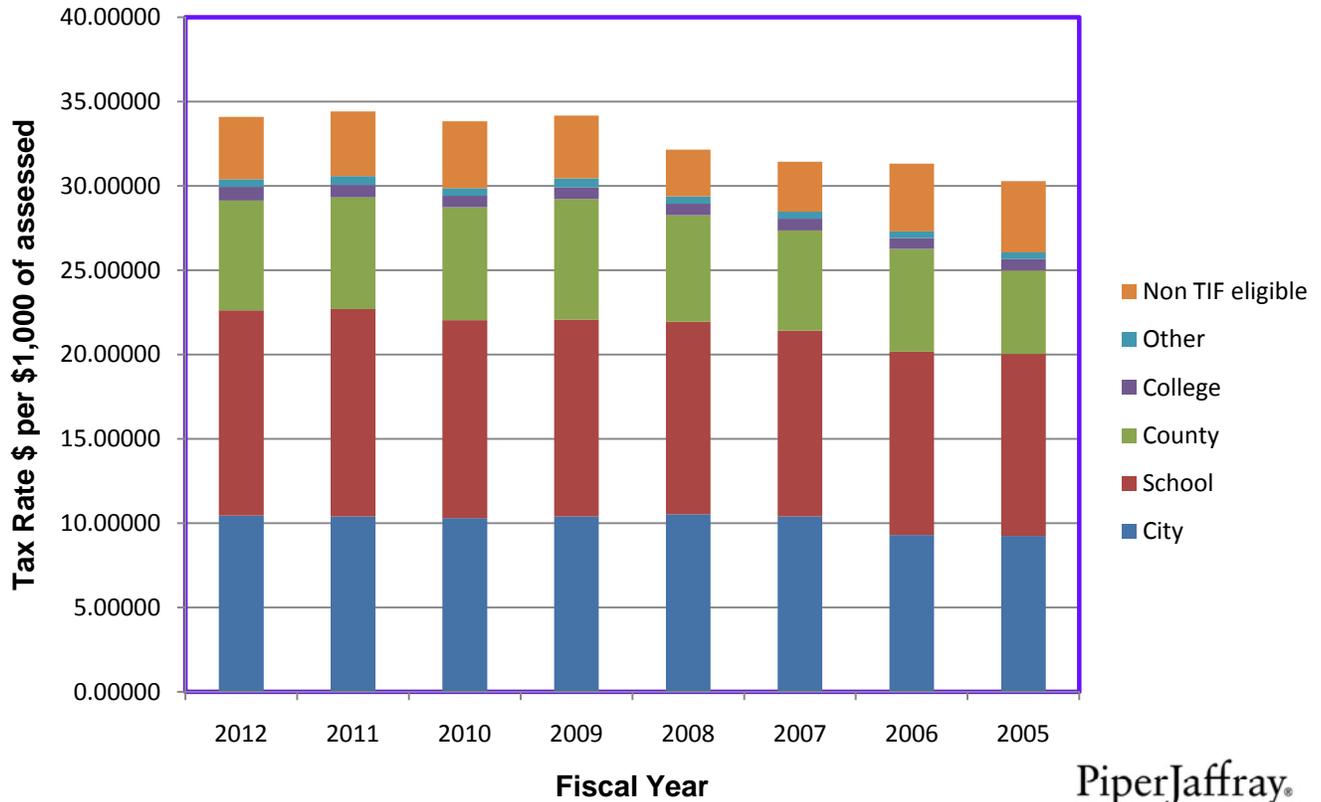
Revised numbers reflect (a) changes in timeline that Dennis told me about late yesterday; and (b) changes in assumption surrounding residential portion of TIF, since this is not a residential TIF, the assumption that the division of taxes surrounding the residential portion of the TIF ends at 10 years is probably not an accurate assumption. The TIF would run for a maximum of 20 years, so these numbers reflect that assumption.

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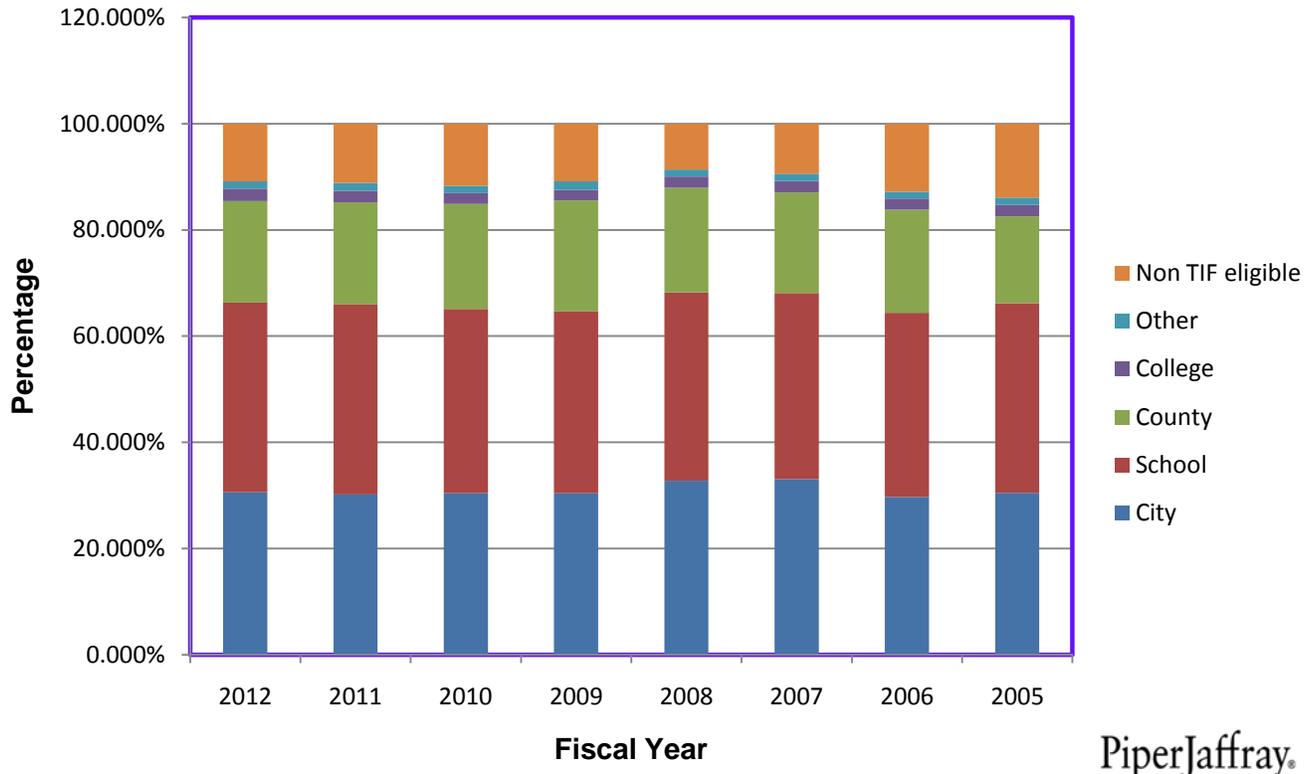
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<<http://www.piperjaffray.com/disclosures>>  
<http://www.piperjaffray.com/disclosures>

## Historical Tax Rates in University Heights



## Percentages of Tax Rates in University Heights



## Tax Levy Rate Summary

### Total Area Levies

Fiscal Year	City	School	College	State	Assessor	Ag Extens	County	Total Levy Rate	Debt Service Portion					
									City Debt	County Debt	College Debt	School PPEL	School Debt	TIF Levy Rate
2012	11.06390	14.59055	0.99870	0.00320	0.37289	0.08358	6.98984	34.10266	0.61550	0.47402	0.20000	1.67000	0.74900	30.39414
2011	11.04972	14.68972	0.92566	0.00300	0.43792	0.08307	7.22207	34.41116	0.65175	0.59533	0.18561	1.67000	0.72701	30.58146
2010	10.94654	14.19136	0.84042	0.00300	0.37928	0.08413	7.38568	33.83041	0.64221	0.69680	0.15908	1.67000	0.78674	29.87558
2009	11.08593	14.19219	0.85161	0.00350	0.47873	0.06700	7.48663	34.16559	0.69004	0.34495	0.16588	1.67000	0.83685	30.45787
2008	10.52988	13.85189	0.85526	0.00350	0.35333	0.06787	6.49453	32.15626	0.00000	0.15876	0.17873	1.67000	0.77521	29.37356
2007	10.39247	13.63155	0.87249	0.00400	0.35393	0.07039	6.11344	31.43827	0.00000	0.16929	0.18831	1.67000	0.93099	28.47968
2006	10.61560	13.58191	0.64894	0.00400	0.32458	0.06224	6.09139	31.32866	1.31331	0.00000	0.00000	1.67000	1.04313	27.30222
2005	10.46292	12.87465	0.66847	0.00400	0.33885	0.06400	5.86466	30.27755	1.22612	0.91327	0.00000	1.00000	1.07596	26.06220

### City of University Heights Tax Rates

Fiscal Year	General Fund	Emergency Outside Levy	Debt Service	Employee Benefits	Capital Improve	Total Levy	
2012	8.10000	1.13531	0.00000	0.61550	1.21309	0.00000	11.06390
2011	8.10000	1.44973	0.00000	0.65175	0.84824	0.00000	11.04972
2010	8.10000	1.41176	0.00000	0.64221	0.79257	0.00000	10.94654
2009	8.10000	1.48349	0.00000	0.69004	0.81240	0.00000	11.08593
2008	8.10000	1.61745	0.00000	0.00000	0.81243	0.00000	10.52988
2007	8.10000	1.54236	0.00000	0.00000	0.75011	0.00000	10.39247
2006	8.10000	0.35316	0.00000	1.31331	0.84913	0.00000	10.61560
2005	8.10000	0.34065	0.00000	1.22612	0.79615	0.00000	10.46292

### Iowa City School Tax Rates

Fiscal Year	Operating Fund	Management Fund	Board PPEL	Voter PPEL	Play Ground	Debt Service	School House	Total Levy
2012	12.17155	0.00000	0.33000	1.34000	0.00000	0.74900	0.00000	14.59055
2011	11.69727	0.59544	0.33000	1.34000	0.00000	0.72701	0.00000	14.68972
2010	11.42390	0.31072	0.33000	1.34000	0.00000	0.78674	0.00000	14.19136
2009	11.38299	0.30235	0.33000	1.34000	0.00000	0.83685	0.00000	14.19219
2008	10.81931	0.58737	0.33000	1.34000	0.00000	0.77521	0.00000	13.85189
2007	10.66199	0.36857	0.33000	1.34000	0.00000	0.93099	0.00000	13.63155
2006	10.26151	0.60727	0.33000	1.34000	0.00000	1.04313	0.00000	13.58191

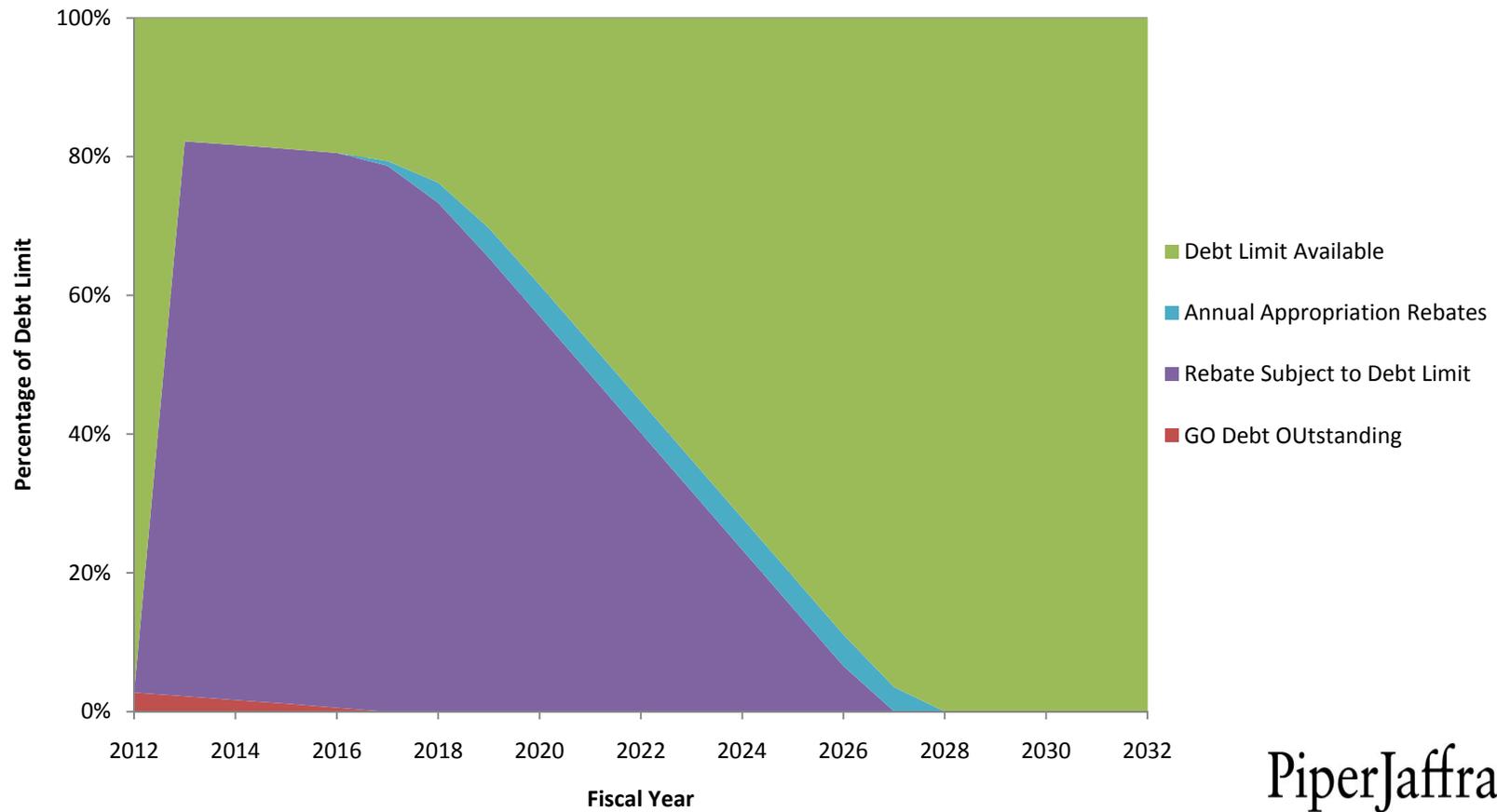
### Johnson County Tax Rates

Fiscal Year	General Basic	Pioneer Cemetery	General Supp	Mental Health	Debt Service	County -wide	Rural Basic	Rural Supp	Unified Law	Rural Only
2012	3.50000	0.00000	2.46627	0.54955	0.47402	6.98984	3.08925	0.00000	0.00000	10.07909
2011	3.50000	0.00000	2.55706	0.56968	0.59533	7.22207	3.16899	0.00000	0.00000	10.39106
2010	3.50000	0.00000	2.58982	0.59906	0.69680	7.38568	2.57634	0.00000	0.00000	9.96202
2009	3.50000	0.00000	2.99953	0.64215	0.34495	7.48663	2.79269	0.00000	0.00000	10.27932
2008	3.50000	0.00000	2.14864	0.68713	0.15876	6.49453	3.25532	0.00000	0.00000	9.74985
2007	3.50000	0.00000	1.73147	0.71268	0.16929	6.11344	2.84036	0.00000	0.00000	8.95380
2006	3.50000	0.00000	1.81687	0.77452	0.00000	6.09139	2.94631	0.00000	0.00000	9.03770

### Kirkwood Community College Tax Rates

Fiscal Year	General	Unemp loyment	Tort Liability	Early Insurance	Retirement	Equipment	Standby	Plant Fund	Debt Service	Cash Reserve	Total Levy Rate
2012	0.20250	0.00851	0.00736	0.09783	0.19000	0.09000	0.00000	0.20250	0.20000	0.00000	0.99870
2011	0.20250	0.00653	0.02020	0.08736	0.13096	0.09000	0.00000	0.20250	0.18561	0.00000	0.92566
2010	0.20250	0.00000	0.01438	0.08909	0.08287	0.09000	0.00000	0.20250	0.15908	0.00000	0.84042
2009	0.20250	0.00366	0.02285	0.05471	0.10967	0.08995	0.00000	0.20239	0.16588	0.00000	0.85161
2008	0.20250	0.00445	0.01335	0.07473	0.08900	0.09000	0.00000	0.20250	0.17873	0.00000	0.85526
2007	0.20250	0.00437	0.01562	0.06442	0.10477	0.09000	0.00000	0.20250	0.18831	0.00000	0.87249
2006	0.20250	0.00401	0.01536	0.07691	0.05766	0.09000	0.00000	0.20250	0.00000	0.00000	0.64894

## Summary of Debt Limit



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## Debt Limit Calculation

City of University Heights, Iowa

Fiscal Year	GO Outstanding	Retired GO	-----Rebate Agreement-----			Cumulative Outstanding	Estimated Valuation	Debt Limit	Remaining Debt Limit	Percentage Used	Remaining Percentage	
			-----Debt Limit-----	Not Debt Limit								
2012	170,000	-26,000				144,000	105,484,925	5,274,246	5,130,246	2.730%	97.270%	
2013		-27,000	4,219,397			4,336,397	105,484,925	5,274,246	937,849	82.218%	17.782%	
2014		-28,000		0		4,308,397	105,484,925	5,274,246	965,849	81.687%	18.313%	
2015		-29,000		0		4,279,397	105,484,925	5,274,246	994,849	81.138%	18.862%	
2016		-30,000		0	0	4,249,397	105,484,925	5,274,246	1,024,849	80.569%	19.431%	
2017		-30,000		-67,087	36,261	4,188,571	105,484,925	5,274,246	1,085,675	79.416%	20.584%	
2018		0		-281,710	152,265	-36,261	4,022,866	105,484,925	5,274,246	1,251,380	76.274%	23.726%
2019		0		-418,831	226,380	-152,265	3,678,149	105,484,925	5,274,246	1,596,097	69.738%	30.262%
2020		0		-443,954	239,959	-226,380	3,247,774	105,484,925	5,274,246	2,026,472	61.578%	38.422%
2021		0		-443,954	239,959	-239,959	2,803,820	105,484,925	5,274,246	2,470,426	53.161%	46.839%
2022		0		-443,954	239,959	-239,959	2,359,866	105,484,925	5,274,246	2,914,380	44.743%	55.257%
2023		0		-443,954	239,959	-239,959	1,915,912	105,484,925	5,274,246	3,358,334	36.326%	63.674%
2024		0		-443,954	239,959	-239,959	1,471,958	105,484,925	5,274,246	3,802,289	27.908%	72.092%
2025		0		-443,954	239,959	-239,959	1,028,004	105,484,925	5,274,246	4,246,243	19.491%	80.509%
2026		0		-443,954	239,959	-239,959	584,049	105,484,925	5,274,246	4,690,197	11.074%	88.926%
2027		0		-344,090	185,982	-239,959	185,982	105,484,925	5,274,246	5,088,264	3.526%	96.474%
2028		0		0	0	-185,982	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2029		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2030		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2031		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2032		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2033		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2034		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2035		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2036		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2037		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2038		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2039		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2040		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2041		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2042		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2043		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2044		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2045		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2046		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2047		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2048		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2049		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2050		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
2051		0		0	0	0	0	105,484,925	5,274,246	5,274,246	0.000%	100.000%
<b>Totals:</b>	170,000	-170,000	4,219,397	-4,219,397	2,280,603	-2,280,603						

Project Assumptions			Note
Construction start date building 1	after 1/1/2015		from dennis
Construction end date building 1	9/1/16		from dennis
First date for land assessment building 1	1/1/16		Estimate
First date for building assessment building 1	1/1/16		from dennis
construction start date building 2	after 1/1/2016		from dennis
Construction end date building 2	9/1/18		from dennis
First date for building assessment building 2	1/1/18		from dennis
Initial TIF certification date (fiscal year)	12/01/15	2017-18	Estimate
Final Year of 20 year TIF Cycle	FY2037		Statute
End of 10-year Housing period	2027		calculation
End of Commercial TIF	2037		calculation
Percentage of TIF asking that comes from residential	92.37%		calculation from dennis data
LMI percentage required to be set aside			NA
Assumed assessed value as a % of cost (residential)	100.00%		from dennis
Building 1 Commercial square footage (non restaurant)	8,787		from dennis
Building 1 Commercial square footage (restaurant)	4,228		from dennis
Building 1 Residential square footage	23,003		from dennis
Building 2 residential square footage	79,834		from dennis
Building 1 Number of commercial units	4		from dennis
Building 1 Number of restaurant units	1		from dennis
Building 1 Number of residential units	17		from dennis
Building 1 Number of governmental units	1		from dennis
Building 1 Commercial sales value (non restaurant)	2,003,436		formula
Building 1 Commercial sales value (restaurant)	963,984		formula
Building 1 Governmental sales value	675,000		from dennis
Building 1 residential sales value	8,698,017		formula includes garages
Building 2 residential sales value	35,370,446		formula includes garages
Building 2 Number of residential units	50		from dennis
Average price per commercial	500,859		formula
Average price per residential - Building 1	511,648		formula
Average price per residential - Building 2	707,409		formula
Commercial cost per square foot	228		from dennis
Residential cost per square foot Building 1	339		from dennis
Residential cost per square foot Building 2	419		from dennis
Maximum LMI contribution	0		NA
% of TIF allocated to TIF uses aggregate	90.00%		from dennis

**Estimated TIF Valuation**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Incremental Year for TIF Segregation as of 1-Jan	Fiscal Year for TIF collection	-----New-----				-----Reduced (Rollback)-----			-----Cumulative-----			Gross TIF Income	
		Bldg 1 Residential	Bldg 2 Residential	Commercial Valuation	Total Valuation	Residential Valuation	Commercial Valuation	Total Valuation	Residential Valuation	Commercial Valuation	Total Valuation	Residential	Commercial
		-----Added to TIF Area-----				-----Removed from TIF-----			-----Available for TIF-----				
2013	2015				0			0	0	0	0	0	0
2014	2016				0			0	0	0	0	0	0
2015	2017				0			0	0	0	0	0	0
2016	2018	5,628,129		963,984	6,592,113	-2,814,064	0	-2,814,064	2,814,064	963,984	3,778,048	85,531	29,299
2017	2019	3,069,888	19,100,041	1,001,718	23,171,647	-11,084,965	0	-11,084,965	13,899,029	1,965,702	15,864,731	422,449	59,746
2018	2020		13,440,769	1,001,718	14,442,487	-6,720,385	0	-6,720,385	20,619,414	2,967,420	23,586,834	626,709	90,192
2019	2021		2,829,636		2,829,636	-1,414,818	0	-1,414,818	22,034,232	2,967,420	25,001,652	669,712	90,192
2020	2022				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2021	2023				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2022	2024				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2023	2025				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2024	2026				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2025	2027				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2026	2028				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2027	2029				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2028	2030				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2029	2031				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2030	2032				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2031	2033				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2032	2034				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2033	2035				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2034	2036				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2035	2037				0	0	0	0	22,034,232	2,967,420	25,001,652	669,712	90,192
2036	2038	-8,698,017	-35,370,446	-2,967,420	-47,035,883	22,034,232	0	22,034,232	0	0	0	0	0
		0	0	0	0	0	0	0				12,519,785	1,712,505

**Est New Taxes before TIF as result of OUP**

**Estimated Uses of TIF Funds with OUP as requested**

Debt Limit Rebate Formula: 64.914%  
 Maximum Rebate Subject to Debt Limit: 4,219,397

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
FY12 levy rate:	1.6700	0.0000	0.0000	0.0000							
Fiscal Year	-----New Income-----				Gross TIF Income	% of TIF Allocated to TIF Uses	TIF Transfer to LMI Fund	Rebate to Developer Subject to Debt Limit	Rebate to Developer Not Subject To Debt Limit	Total TIF Rebate to Developer	New Taxes For governmental Bodies
Ending June 30	Ia City CSD PPEL (1)	Johnson	Univ Hts	Kirkwood							
2015	0	0	0	0	0						
2016	0	0	0	0	0						
2017	0	0	0	0	0	0		0	0	0	0
2018	6,309	0	0	0	114,831	103,347	67,087	36,261	103,347	11,483	
2019	26,494	0	0	0	482,195	433,975	281,710	152,265	433,975	48,219	
2020	39,390	0	0	0	716,902	645,211	418,831	226,380	645,211	71,690	
2021	41,753	0	0	0	759,904	683,913	443,954	239,959	683,913	75,990	
2022	41,753	0	0	0	759,904	683,913	443,954	239,959	683,913	75,990	
2023	41,753	0	0	0	759,904	683,913	443,954	239,959	683,913	75,990	
2024	41,753	0	0	0	759,904	683,913	443,954	239,959	683,913	75,990	
2025	41,753	0	0	0	759,904	683,913	443,954	239,959	683,913	75,990	
2026	41,753	0	0	0	759,904	683,913	443,954	239,959	683,913	75,990	
2027	41,753	0	0	0	759,904	683,913	443,954	239,959	683,913	75,990	
2028	41,753	0	0	0	759,904	683,913	344,090	185,982	530,072	229,831	
2029	41,753	0	0	0	759,904	683,913	0	0	0	759,904	
2030	41,753	0	0	0	759,904	683,913	0	0	0	759,904	
2031	41,753	0	0	0	759,904	683,913	0	0	0	759,904	
2032	41,753	0	0	0	759,904	683,913	0	0	0	759,904	
2033	41,753	0	0	0	759,904	683,913	0	0	0	759,904	
2034	41,753	0	0	0	759,904	683,913	0	0	0	759,904	
2035	41,753	0	0	0	759,904	683,913	0	0	0	759,904	
2036	41,753	0	0	0	759,904	683,913	0	0	0	759,904	
2037	41,753	0	0	0	759,904	683,913	0	0	0	759,904	
<b>Totals</b>	<b>781,990</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,232,290</b>	<b>12,809,061</b>	<b>0</b>	<b>4,219,397</b>	<b>2,280,603</b>	<b>6,500,000</b>	<b>7,732,290</b>

(1) Assumes Ia City CSD PPEL rates continue at 2012 levels for duration of TIF

### Estimated New Taxes to governmental bodies after 90% TIF rebates

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
FY12 levy rate:	12.1716	6.5158	10.4484	0.7987	0.0836	0.3729	0.0032
Fiscal Year	New Tax Ia City Ending June 30	New Tax Johnson County (2)	New Tax University Heights (3)	New Tax Kirkwood (4)	New Tax Ag Ext (5)	New Tax Assessor (5)	New Tax State
2015	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0
2018	4,598	2,462	3,947	302	32	141	1
2019	19,310	10,337	16,576	1,267	133	592	5
2020	28,709	15,369	24,644	1,884	197	880	8
2021	30,431	16,291	26,123	1,997	209	932	8
2022	30,431	16,291	26,123	1,997	209	932	8
2023	30,431	16,291	26,123	1,997	209	932	8
2024	30,431	16,291	26,123	1,997	209	932	8
2025	30,431	16,291	26,123	1,997	209	932	8
2026	30,431	16,291	26,123	1,997	209	932	8
2027	30,431	16,291	26,123	1,997	209	932	8
2028	92,038	49,271	79,008	6,040	632	2,820	24
2029	304,309	162,906	261,227	19,969	2,090	9,323	80
2030	304,309	162,906	261,227	19,969	2,090	9,323	80
2031	304,309	162,906	261,227	19,969	2,090	9,323	80
2032	304,309	162,906	261,227	19,969	2,090	9,323	80
2033	304,309	162,906	261,227	19,969	2,090	9,323	80
2034	304,309	162,906	261,227	19,969	2,090	9,323	80
2035	304,309	162,906	261,227	19,969	2,090	9,323	80
2036	304,309	162,906	261,227	19,969	2,090	9,323	80
2037	304,309	162,906	261,227	19,969	2,090	9,323	80
2038							
Totals	3,096,451	1,657,629	2,658,080	203,190	21,263	94,863	814

- (1) School tax rates adjust downward when property values grow under statute, thus the amount shown does not show increased revenue to school, rather, decreased state aid to school
- (2) A portion of Johnson County levy (supplemental) may or may not see increased revenue; MHDD portion of Johnson County levy will not produce new \$, rather, lower tax rate
- (3) A portion of City levy (outside & employee benefits) does not produce new revenue to City  
Thus, amount shown overstates impact to City's general fund
- (4) A portion of Kirkwood's levies will adjust downward as property values grow, thus the amount shown does not accurately portray the amount of new money to Kirkwood
- (5) We believe that the same is true for Assessor and Ag Extension as is true for others that increased value lowers tax rate but does not necessarily bring increased revenue

Estimated Taxable Valuations with OUP					Est Debt Levy with OUP				Change in Debt levy with OUP			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Fiscal Year	-----Estimated Tax Levy Rate-----				-----Reduction in Tax Levy Rate-----							
Ending June 30	University Heights	Iowa City Schools	Johnson County	Kirkwood College	University Heights	Iowa City Schools	Johnson County	Kirkwood College	University Heights	Iowa City Schools	Johnson County	Kirkwood College
2015	53,151,923	4,806,027,801	6,388,607,678	20,142,837,458	0.61175	0.74205	0.33647	0.11451	0.00000	0.00000	0.00000	0.00000
2016	53,151,923	4,806,027,801	6,388,607,678	20,142,837,458	0.60901	0.74431	0.33956	0.12204	0.00000	0.00000	0.00000	0.00000
2017	53,151,923	4,806,027,801	6,388,607,678	20,142,837,458	0.58671	0.74542	0.25632	0.00000	0.00000	0.00000	0.00000	0.00000
2018	56,929,971	4,809,805,849	6,392,385,726	20,146,615,506	0.00000	0.74576	0.25821	0.00000	0.00000	-0.00059	-0.00015	0.00000
2019	69,016,654	4,821,892,532	6,404,472,409	20,158,702,189	0.00000	0.00000	0.25963	0.00000	0.00000	0.00000	-0.00064	0.00000
2020	76,738,757	4,829,614,635	6,412,194,512	20,166,424,292	0.00000	0.00000	0.26264	0.00000	0.00000	0.00000	-0.00097	0.00000
2021	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.18972	0.00000	0.00000	0.00000	-0.00074	0.00000
2022	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2023	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2024	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2025	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2026	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2027	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2028	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2029	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2030	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2031	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2032	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2033	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2034	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2035	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2036	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2037	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2038	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2039	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

Assumes no change in underlying values for any of the governmental bodies herein; Assumes no new bonded indebtedness during period indicated

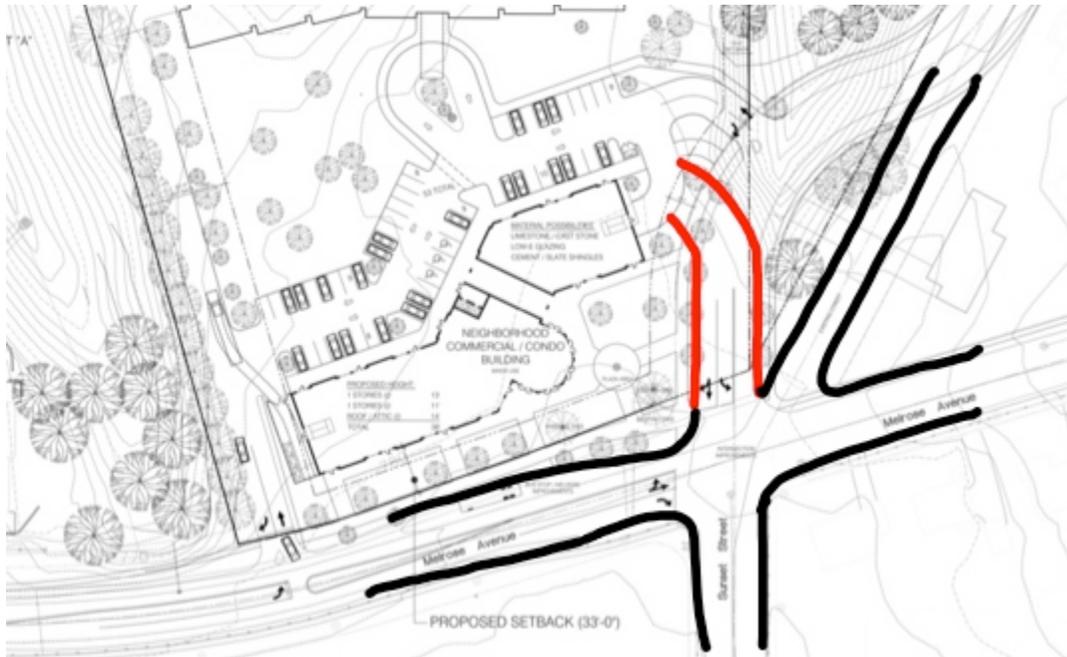
Estimated Taxable Valuations with OUP					Est Debt Levy with OUP				Change in Debt levy with OUP			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Fiscal Year	University	Iowa City	Johnson	Kirkwood	-----Estimated Tax Levy Rate-----				-----Reduction in Tax Levy Rate-----			
Ending June 30	Heights	Schools	County	College	University Heights	Iowa City Schools	Johnson County	Kirkwood College	University Heights	Iowa City Schools	Johnson County	Kirkwood College
2014	53,151,923	4,806,027,801	6,388,607,678	20,142,837,458	0.61374	0.73859	0.33321	0.14266	0.00000	0.00000	0.00000	0.00000
2015	53,151,923	4,806,027,801	6,388,607,678	20,142,837,458	0.61175	0.74205	0.33647	0.11451	0.00000	0.00000	0.00000	0.00000
2016	54,115,907	4,806,991,785	6,389,571,662	20,143,801,442	0.59816	0.74416	0.33951	0.12203	-0.01085	-0.00015	-0.00005	-0.00001
2017	57,931,689	4,810,807,567	6,393,387,444	20,147,617,224	0.53831	0.74468	0.25613	0.00000	-0.04841	-0.00074	-0.00019	0.00000
2018	60,468,352	4,813,344,230	6,395,924,107	20,150,153,887	0.00000	0.74521	0.25807	0.00000	0.00000	-0.00113	-0.00030	0.00000
2019	70,018,372	4,822,894,250	6,405,474,127	20,159,703,907	0.00000	0.00000	0.25959	0.00000	0.00000	0.00000	-0.00069	0.00000
2020	76,738,757	4,829,614,635	6,412,194,512	20,166,424,292	0.00000	0.00000	0.26264	0.00000	0.00000	0.00000	-0.00097	0.00000
2021	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.18972	0.00000	0.00000	0.00000	-0.00074	0.00000
2022	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2023	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2024	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2025	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2026	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2027	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2028	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2029	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2030	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2031	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2032	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2033	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2034	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2035	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2036	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2037	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2038	78,153,575	4,831,029,453	6,413,609,330	20,167,839,110	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

Assumes no change in underlying values for any of the governmental bodies herein; Assumes no new bonded indebtedness during period indicated

## Proposal for a Five-Way Intersection with Limited Access on the Fifth Leg

I request the council to direct Mr. Maxwell to develop plans for a five-way intersection at Sunset and Melrose. *This five-way intersection would consist of the current north leg of Sunset as a one-way northbound-only block for use by buses and service vehicles, and a four way junction into the project made by extending Sunset in a straight line.*

In the picture below, the red lane is the new extension of Sunset (which could be called University Place) and the black northern existing leg of Sunset would be one-way limited access for buses and service vehicles.



This would serve multiple purposes:

- Allow entry into the project at an intersection with a stop light (the present version of the PUD directs all entering traffic at the middle of the block, through the existing southwest driveway).
- Preserve the residential character of the northern leg of Sunset and Grand Avenue
- Avoid the need for a second traffic light at the southwest entrance
- Preserve more of the trees, including the oldest oak which is probably providing structural support to the ravine
- Avoid the eight foot retaining wall currently proposed and allow a more stable configuration

The northern leg of Sunset would admit two buses a day on weekdays and once a week access for refuse removal and recycling. This minimal amount of traffic could be safely accommodated by a five-way intersection; it would enter on the same cycle that controls the entrance to OUP.

Prepared by and return to:	Steven Ballard, Leff Law Firm, P.O. Box 2447, Iowa City, Iowa 52244-2447, (319) 338-7551
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### **PUD DEVELOPMENT AGREEMENT**

This Agreement is entered into by and between **Jeff Maxwell**, hereinafter referred to as "Developer" and the **City of University Heights, Iowa**, hereinafter referred to as "City", pursuant to University Heights Ordinance, No. 79.

#### **RECITALS:**

A. Developer is the owner of the real estate described and referred to as the Maxwell Parcel on the attached Exhibit A.

B. Under a written purchase agreement, St. Andrew Presbyterian Church is the Seller, and Developer is the purchaser, subject to certain seller contingencies, of the real estate described and referred to as the St. Andrew Parcels on the attached Exhibit A.

C. The Maxwell Parcel and St. Andrew Parcels are located within the City's limits and together comprise land zoned Multiple-Family Commercial. When used for multi-family and commercial purposes, Ordinance No. 79 requires the submittal of a Planned Urban Development (PUD) application and compliance with Ordinance 79(13), which section requires the Developer and the City to enter into a Development Agreement establishing development requirements and addressing certain other items enumerated in the ordinance.

D. The Developer has submitted a PUD Application for development of the Maxwell and St. Andrew parcels under a single project known presently as "One University Place" and referred to herein as the "Project".

E. St. Andrew Presbyterian Church (“Church”), as owner of the St. Andrew Parcels, has previously delivered to the City its continuing express written consent for Developer to submit to the City a Multi-Family Commercial PUD Plan Application together with such other materials, applications and requests as may be related to such PUD Plan Application and the project described therein. The Church is not a developer of the Project.

F. Developer and City wish to comply with the requirements of Ordinance 79(13), by entering into this Development Agreement setting out their agreements.

**IT IS HEREBY AGREED BY THE PARTIES AS FOLLOWS:**

1. **Purpose.** This Development Agreement is prepared for the purpose of complying with the Ordinance 79(13(E)).
2. **Building Plans and Construction Drawings.** Before any building permit is issued for all or any part of the Project, Developer shall submit to the City for approval detailed building plans, construction drawings, and related plans and applications for the Project in accordance with City requirements and procedures. Such plans shall reflect the design features and details of the PUD Plan approved by the City (“approved PUD Plan”) and provide explanation of any variances. To the extent that the submitted plans contain new or modified details not already shown in the approved PUD Plan, the Council may establish reasonable conditions for approval of such newly provided details in accordance with its ordinances and state law. The City shall not issue building permits until such time as the City Council has in the exercise of its reasonable discretion approved by resolution all of the plans, drawings, and applications set forth below in this paragraph. Once approved by the City, the Project shall be constructed in accordance with the approved plans, drawings, and applications, which shall not be amended, changed, or otherwise altered in any material way without further resolution adopted by the City Council. Minor adjustments may be approved administratively by the City Engineer or other authorized party in accordance with the City’s standard policies, practices, and procedures. The required plans and drawings shall include the following:
  - a. Building plans consistent in all material respects with the approved PUD Plan showing final design features applicable to the proposed Project, including but not limited to these:
    - i. Design of exterior lighting so that all site and building-mounted luminaires produce a maximum initial illuminance value no greater than 0.10 horizontal and vertical footcandles at the site boundary and no greater than 0.01 horizontal footcandles 10 feet beyond the site boundary. Document that no more than 2% of the total initial designed fixture lumens (sum total of all fixtures on site) are emitted at an angle of 90 degrees or higher from nadir (straight down).

- ii. Site plan showing the location of all buildings and improvements for the Project, including but not limited to these: the placement of all refuse receptacles (including trash cans, dumpsters, and grease traps) and proposed screening for such receptacles; driveways and parking plans showing appropriate dimensions for vehicle turning movements on site for garbage trucks, delivery vehicles, buses, and fire trucks.
  - iii. Grading plan, including Sensitive Areas Development Plan to the extent required pursuant to Ordinance 128.
  - iv. Landscaping Plan showing species and size of plantings as well as amenities ~~including but not limited to~~ such as walkways, benches, bicycle racks, exterior light fixtures, library book drop, entrance amenities, ~~and~~ trash receptacles and other public amenities.
  - v. Storm Water Management Plan sufficient for the City to issue a Construction Site Runoff Permit pursuant to Ordinance 169.
  - vi. Storm Water Pollution Prevention Plan and application sufficient for the City to issue a Construction Site Runoff Permit pursuant to Ordinance 155.
  - vii. The granting and recording of utility plats and easements as may be reasonably sufficient for all public and private utilities and services supplying the Project as shown on the ~~A~~ approved PUD Plan, with such easements being subject to review by the City's engineering consultants for sufficiency.
  - viii. Developer shall produce to the City a water main easement agreement and corresponding plat and a sanitary sewer easement and corresponding plat approved by the City of Iowa City and in recordable form.
- b. Final Construction drawings consistent in all material respects with the approved PUD Plan showing:
- i. All final dimensions of the buildings and improvements to be included in the Project.
  - ii. All exterior building materials.
  - iii. All exterior colors.
  - iv. Other matters generally required to be shown for building permit approval.
  - v. The Developer need not include construction drawings of interior improvements intended to be built-out or finished by the owners or tenants of commercial or residential units. Such improvements will be subject to separate building permits, to the extent applicable, in accordance with standard City practices.

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- vi. Containing the utility boring specifications for storm sewer, sanitary sewer, and water main as were called out for boring on the Approved PUD Plan.
- c. The Developer will comply with City ordinances and good practices regarding fill materials and will employ a qualified geotechnical consultant to perform appropriate analysis and testing and to provide recommendations. Developer's consultant will make periodic reports on such matters to the City Engineer and/or the City's engineering consultants, as directed by the City. The City retains the right to conduct geotechnical testing, materials testing, and/or inspections and the right to enforce applicable standards, including the right to halt further construction if -the City Engineer -and/or the -City's engineering consultants conclude applicable standards are not met.
- d. The Project will be designed and built using current sustainable principles and with the intent to obtain LEED Certification. At the Construction Document phase of the Project, Developer shall submit to the City the Project's LEED Score Card demonstrating the Developer's intent to obtain LEED Certification for the Project (or the applicable portion thereof) based upon the LEED criteria existing at the time the Project's LEED Score Card is submitted to the City.
- e. The Developer and/or the Project's owners' association shall maintain any exterior public space that is shown on the PUD plan or otherwise incorporated into the Project.
- f. Upon 100% occupancy of the Project, the Metropolitan Planning Organization for Johnson County (MPO-JC) or its successor organization (~~MPO JC~~) shall conduct a traffic study of the intersection of the Project's principal entrance drive and Melrose Avenue. If the study reasonably establishes the need for traffic signage and/or signals in addition to those then in place, then the Developer (or the Aowners' association as Developer's successor) shall at its expense install such recommended signage/signals to City specifications. After such installation and the City's acceptance thereof, ~~the~~ maintenance shall become the responsibility of the City.
- g. Excluding any space in the Project occupied by the City, Developer shall not sell or lease more than 2,000 square feet of the commercial portion of the project and none of the residential portion of the project to an owner or tenant whose use will exempt the applicable unit from real estate taxes.
- h. Developer shall be responsible for payment of all costs associated with the replacement of existing traffic signals and **standard (not epoxy) street striping** at the intersection of Melrose Avenue and Sunset Street, to the extent the City Engineer concludes such replacement and striping is necessary due to the realignment of that intersection and associated construction activities.

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3. **Restrictions on Use.** Developer and the City understand that the property constituting this Project will be submitted to a horizontal property regime pursuant to Iowa Code Chapter 499B; that is, the project will be a multi-use condominium comprising commercial and residential units configured in compliance with the zoning classification. At such time as Developer prepares a condominium declaration, Developer will record such declaration in accordance with applicable laws, and it shall contain restrictions as to use; rules and regulations; owners' association ("Association") matters (including, but not limited to, articles of incorporation and bylaws); and other governing provisions required by law and typical of condominium projects of this type; all to be appurtenant to the land. As a condition for the approval of the first occupancy permit for the Project it shall be established by the Developer that the condominium declaration and accompanying documents shall have been recorded and shall include the following restrictions on the Project, which specific restrictions shall be enforceable by the City (in addition to the Association and/or unit owners) and shall not be permitted to be amended, deleted or otherwise modified without approval of the City by appropriate resolution of the City Council:

- a. Commercial uses may use outdoor sales areas within the Project only in compliance with local ordinances. This restriction applies at all times, including, but not limited to any day on which The University of Iowa plays football games in Kinnick Stadium ("Game Day"). All Game Day activities on both the commercial and residential portions of the Project shall be in compliance with City ordinances and any additional rules that may be imposed by the Association.
- b. Unless with the prior approval by Resolution of the City Council, no commercial use shall employ or have as an amenity or feature any sort of drive-through service area or hand-through service window to **pedestrians or to** motor vehicles. **DEVELOPER'S COMMENT: To our recollection, not having a pedestrian walk-through was not previously discussed. The negatives of a pedestrian pass-through are not readily apparent, and this needs to be further discussed.**
- c. Any proposed sign (whether lighted or not) associated with the advertising of any commercial use must either 1) be approved by the City Council, or 2) be in full compliance with sign covenants and restrictions applicable to the Project as may be incorporated into the Condominium Declaration and expressly approved by Resolution of the City Council.
- d. No temporary signs on or visible from the exterior of a commercial establishment will be permitted except when located in a window of the establishment filling not more than 25% of the window space and for no more than 20 business days during any calendar year. Signs indicating that a business is open or closed or hours of operation, or containing governmentally required disclosures, shall not be deemed temporary signs.

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- e. To the extent that a unit remains for rent, one unlighted "For Rent" sign no larger than three feet by three feet (excluding stand) may be placed in or on the leased unit. In connection with the initial leasing of units, the Developer may either abide by the foregoing requirement or in lieu thereof place one leasing sign no larger than ten feet by ten feet (excluding stand) within the Project.
- f. To the extent that a unit remains for sale, one unlighted "For Sale" sign no larger than three feet by three feet (excluding stand) may be placed in or on the unit for sale. In connection with the initial sale of units, the Developer may either abide by the foregoing requirement or in lieu thereof place one for sale sign no larger than ten feet by ten feet (excluding stand) within the Project.
- g. All unit owners, occupants and guests shall comply with the noise ordinances of the City and otherwise not create any noise nuisances. Additionally, no music shall be permitted to be played through exterior speakers within any outdoor commercial service areas after 9:00 P.M.p.m. on Sundays through Thursdays, or after 10:00 P.M.p.m. on Fridays and Saturdays. Any music played through exterior speakers within outdoor commercial service areas shall otherwise be in compliance with City Ordinances and any additional rules that may be imposed by the Association.
- h. Commercial uses may operate and remain open to the public between the hours of 6:00 a.m. and 10:00 p.m. on Sundays through Thursdays, and between the hours of 6:00 a.m. and 12:00 a.m. (midnight) on Fridays and Saturdays. Owners, tenants and Employees may enter upon and remain in the commercial space at other times for business purposes that do not involve the coming and going of customers or clients.
- i. Commercial uses shall be limited to those uses specifically permitted by City ordinance, now or in the future, in ~~a the multi~~Multiple-family-Family ~~commercial-Commercial~~ zone. ~~In the event such uses are modified by zoning amendment, previously existing permitted uses shall be grandfathered until such time as such use ceases to be operated for one year.~~ In the event such uses are modified by zoning amendment, previously existing permitted uses will be subject to the then applicable non-conforming use regulations of the zoning ordinance.
- j. Residential units may be occupied by a single "family" and no more than one person not a member of the family occupying the premises as part of an individual housekeeping unit. "Family" is defined for purposes of this Agreement in the same manner as it is defined by the City Ordinance 79 3(12), as now existing or hereafter amended, modified, renumbered, or substituted: "Family" is defined as one person or two or more persons related by blood, marriage, or adoption occupying a dwelling as an individual housekeeping unit.

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Comment [SEB1]: This property will be subject to the pre-existing non-conforming use provisions of the zoning ordinance, as any other.

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- k. The Developer's obligations to remove snow and ice from City sidewalks as set forth in this Agreement shall be made part of the obligations of the Association in the condominium declaration.
- l. No residential unit may be subdivided.
- m. No left turns shall be permitted from the Project directly onto Sunset Street.
- n. The Developer or Developer's successors (the Association and/or unit owners) shall be responsible in perpetuity for the removal of snow and ice on City sidewalks on the north side of Melrose Avenue from the intersection of Melrose Avenue and Sunset Street west to the Project boundary. Snow removed shall not be deposited upon City streets by may be deposited adjacent to the sidewalk upon the area within the City right-of-way All snow removed from these sidewalks, and that from any other areas of the Project shall be deposited on the Project's property or elsewhere but not upon City streets, City right-of-way, or any other property owned or controlled by the City or upon private property (other than the Project) except with the permission of the property owner.

During any period that the Developer is receiving TIF tax abatement on the Project, the Developer or the Developer's successor (or the Association) shall also be responsible, at its expense, for the removal of snow and ice on public sidewalks on the south side of Melrose Avenue from the intersection of Melrose Avenue and Sunset Street west to a point that is due south of the point of intersection of the easterly line of Birkdale Ct and the northerly line of Melrose Avenue. Snow removed shall not be deposited upon City streets by may be deposited adjacent to the sidewalk upon the area within the City right-of-way.

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~~o. The Developer and/or the owners' association shall have the right to convert green space within the Project into additional surface parking if approved by the City Council and consistent with the applicable zoning ordinances.~~

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o. No more than 25% of the residential units in the Project may at any given time be rented (as such term is defined by City Ordinance 110.02(23) as now existing or hereafter amended, modified, renumbered, or substituted) to tenants. The Association shall develop rules for enforcement of such rental restriction.

- 4. **Easements.** Before the issuance of any building permit for the Project, the Developer shall have granted to the City the following easements to be in a form approved by the City Attorney:
  - a. An easement for the City's erection, maintenance, replacement and use of a bus shelter along Melrose Avenue as shown on the PUD Plan. The bus shelter shall be installed, maintained, repaired and replaced by the City.

b. An easement for any portion of the sidewalk along Melrose Avenue not within City right-of-way, which sidewalk shall be installed and maintained by the Developer or Developer's successors (Association and/or unit owners).

c. An easement for the use of the public space shown on the approved PUD Site Plan as "public plaza area", which will permit the non-exclusive use of the area by the general public according to such rules and regulations as the City may from time to time impose, provided such rules do not materially interfere with the rights of general use and access by the owners of units in the Project. The initial installation of the improvements in the easement area as shown on the approved PUD plan shall be at Developer's cost, and such improvements shall thereafter be maintained, repaired and replaced by the Developer or Developer's successors (the Association and/or unit owners), with the right to recover the cost of repair or replacement from any party damaging such improvements.

5. Taxation of Rented Residential Portions of Project. All rented residential portions of the project shall be taxed on their full assessed values and will not be subject to residential rollback. [DEVELOPER'S COMMENT: To our recollection this was not discussed previously and is not acceptable. The Developer's projections for increased tax have been based on the residential units being subject to the rollback. This will need to be discussed with Council. We do not believe such a provision would be consistent with Iowa law.]

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6. Cessation of TIF for Noncompliance. Any tax increment financing (TIF) rebate that would otherwise accrue or be paid to the benefit of Developer shall cease upon Developer's failure to comply with any term of the PUD Plan as approved; the any TIF Agreement applicable to the Project; any building permit(s) issued regarding the Project; any occupancy permit(s) issued regarding the Project; or this Agreement. [DEVELOPER'S COMMENT: We were anticipating the substance of this language to be in the TIF Agreement, but it is OK to be in this agreement also.]

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7. Dedication of Right-of-way. Before the issuance of any building permit for the Project, the Developer shall have dedicated to the City the portions of Melrose Avenue shown on approved PUD Plan for dedication, with such dedication documentation to be in a form approved by the City Attorney.

8. Public Infrastructure. Before issuance of any occupancy permit for the Project, the Developer shall have completed constructed all City street, Traffic signal and sidewalk infrastructure improvements as shown on the approved PUD Plan according to plans and specifications approved by the City's engineer, and such improvements shall have been accepted by the City.

9. Timing of Construction. The Project is likely to be built in phases: Phase One being the south commercial /residential building, and Phase Two being the north residential building. Once construction commences on each Phase, Developer shall use all reasonable efforts to complete construction of such phase as efficiently and in as timely a

manner as the parameters of the project permit and to be substantially completed within two years after the commencement date for such phase. In any event, construction on the Project shall commence within ten years of after the date the City approves Developer's PUD Plan Application, and if construction does not commence within that period, then the City's approval of that PUD Plan Application and this Agreement are revoked automatically without requirement of further action by City; provided, however, the City shall give the Developer (or Developer's successor, as may be then applicable) not less than twenty-four months nor more than thirty-six months advance written notice of the automatic expiration of such ten year development period.

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- 10. **Neighborhood Grocery Market.** Developer will use Developer's best commercially reasonable efforts to secure a tenant or owner agreeing to operate a neighborhood grocery market/deli within one of the commercial units within the Project.
- 11. **Payment by the Developer of Costs and Fees.** The Developer has in writing already agreed to reimburse, and has already commenced reimbursing, the City for certain costs and fees associated with Developer's PUD Application. The Developer affirms its obligations to reimburse the City as specified in the previously executed agreement.
- 12. **Binding.** This Agreement is binding on the parties hereto and their respective successors and assigns.
- 13. **Complete Agreement.** The Agreement and the Approved PUD Plan represents the complete agreement of the parties on the matters contained herein.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

CITY OF UNIVERSITY HEIGHTS, IOWA

DEVELOPER

By: \_\_\_\_\_

\_\_\_\_\_

Louise From, Mayor

Jeffrey L. Maxwell

ATTEST: \_\_\_\_\_

Christine Anderson, City Clerk

[\[Add Acknowledgement Forms\]](#)

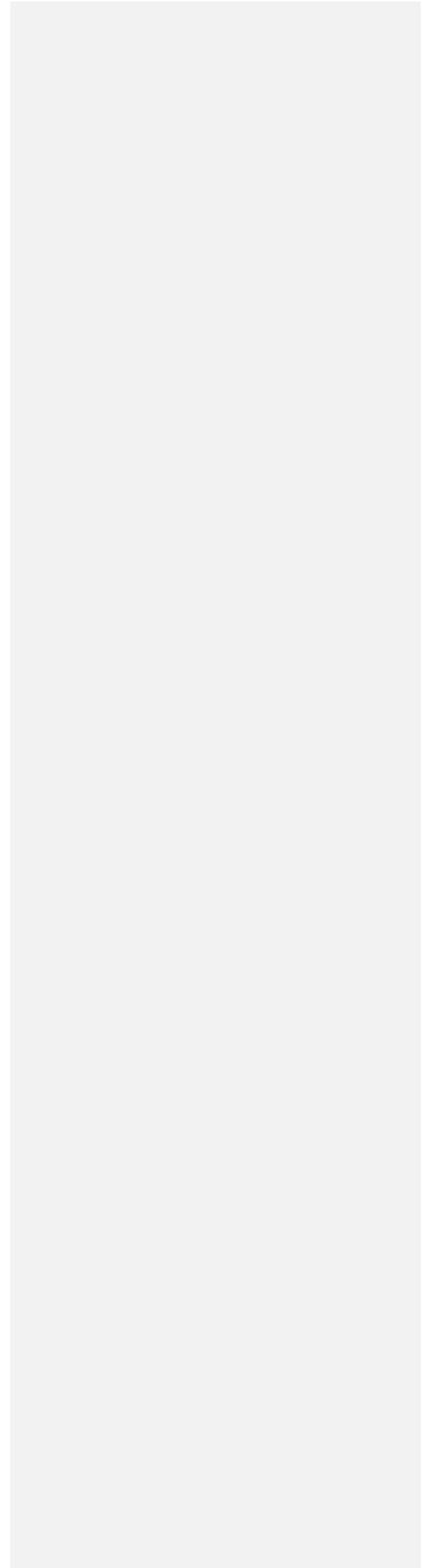


Exhibit A – Legal Description of Site for

**One University Place Project**

**St. Andrew Parcels**

Beginning at the Northeast Corner of Section 17, Township 79 North, Range 6 West of the 5<sup>th</sup> P.M.; thence North 89 degrees West along the North line of said Section 17, 402.6 feet, thence South 16 degrees East 490 feet to the Northerly line of Snook's Grove Road as now established; thence North 73 degrees East along the Northerly line of said road 291.3 feet; thence North 1 degree 40' West to the point of beginning, as shown by Plat recorded in Plat Book 4, Page 383.

and

That part of the northeast quarter of the northeast quarter of Section 17, Township 79 North, Range 6 West of the 5<sup>th</sup> P.M., described as Auditor's Parcel 96091 on plat of survey recorded in Book 38, Page 125, Plat Records of Johnson County, Iowa.

**Maxwell Parcel**

Auditor's Parcel 2005091 according to the Plat of Survey recorded in Book 49, Page 284, Plat Records of Johnson County, Iowa, being a portion of Outlot 1 and of Lot 238, University Heights, Second Subdivision, according to the plat thereof recorded in Book 2, Page 76, Plat Records of Johnson County, Iowa; EXCEPT beginning at the Southwest corner of Auditor's Parcel 2005091, thence North 0°00'00" East 19.48 feet along the West Line of said Auditor's Parcel (assumed bearing for this description only), thence North 74°40'39" East 8.58 feet to a point of intersection of the Westerly right-of-way line of Sunset Street, thence South 20°48'18" West 23.29 feet along said right-of-way to said point of beginning and containing 81 square feet more or less.

## September 2011 - Mayor Report

The 6<sup>th</sup> Annual Chautauqua was held Sunday, August 28<sup>th</sup> from 3:00-5:00 on Paul Moore's lot. I want to thank co-chairs **Pat Yeggy & Mike Haverkamp** who assisted me to make this event a success!!!

Special Thanks to **Shive Hattery** for sponsoring the event for the Sixth year!!

A BIG thank you to these volunteers who helped in many different ways: **Paul Moore, David Duncan, Harold Plate, Jim Lane, John McLure, Kevin & Lisa Perez, Eleanor Marshall, Laurel Haverkamp, Sean Besera and the Boy Scouts of Troop 212, Lori Enloe, Stuart Rosebrook, UHPD Ron Fort, Matt Fort, & the Coralville Fire Dept.**

League of Women Voters of Johnson County had their annual reception for local elected officials on August 22. Rosanne Hopson and I attended. I gave the highlights of what is happening in our city over the past year. I thanked the League for once again including University Heights.

The League of Women Voters of Johnson County Education Fund is sponsoring a 7 part series of Community Conversations. The first is Sept. 16<sup>th</sup> "The Mythology of the American Constitution" Speaker: Professor Todd Pettys, Associate Dean, University of Iowa College of Law. Location: Iowa City Public Library 7 to 9 pm. The second is Oct. 11<sup>th</sup> "What's the Bill if We Don't Get it Right? "Individual Freedom and the Constitution" Speaker, Ben Stone, Executive Director, ACLU Iowa. Location: Iowa City Public Library 7 to 9 pm. The third is Nov. 2<sup>nd</sup> "Citizens United v The Federal Elections Commission" Speaker: Randy Bezanson, David H. Vernon, Professor of Law, University of Iowa College of Law. Location: Coralville Public Library 7 to 9 pm.

Mike Haverkamp was appointed to the Transit committee of MPO-JC.

Ed Fischer was appointed as an At Large member by the Urbanized Area Policy Board.

Thank you Mike and Ed for volunteering and representing University Heights!!

Kris Ackerson of MPO-JC is asking Johnson County cities interested in putting their road work/closures on a special facebook page. Mike Haverkamp, city webmaster, is designated as the University Heights "poster".

## September '11 – City Attorney's Report

### 1. One University Place – Remaining Steps.

- Jeff Maxwell's lawyer, Tom Gelman, inquired about what items and procedures remained to be completed for the project to be approved.
- Here is what I outlined for Mr. Gelman:
  1. Council must vote on the PUD Plan Application. No further public hearing is required. Only one affirmative majority vote is required for passage.
  2. Council must vote on the PUD Development Agreement. No public hearing is required. Only one affirmative majority vote is required for passage.
  3. Council must complete the TIF process. I defer to John Danos on those particulars. My notes reflect that John has said before that, at a minimum, the process requires 3 Council meetings, 2 public hearings, and 1 consultation meeting with other taxing authorities (community college, etc.). John said the council meetings may be 'special' meetings, but the process requires one month 'start to finish' between the first and second meetings.

### 2. One University Place - PUD Plan Application.

- Revised plans were emailed by Neumann Monson to you last week. I received hard copies on Friday and will bring them to the meeting.
- Council will need to consider various reports from the City Engineer and MPO-JC, as well as public input and any other relevant information, to determine whether the Plan Application is acceptable or whether additional or different information is required.

### 3. One University Place - PUD Development Agreement.

- I am attaching the latest redline version of the development agreement that I received from Tom Gelman.
- I am also attaching Mr. Gelman's email, which sets forth an explanation of the various changes and items remaining to be addressed. For ease of reference, the substance of Mr. Gelman's email is copied here:
  - The attached working document shows changes to the draft circulated before the work session.
  - The changes that I made are shown in red; those that Mr. Gelman made are shown in blue.
  - Additional items are highlighted in yellow. These are items that require additional discussion/clarification by Council. Mr. Gelman inserted comments regarding these items. I will do so, as well, but not until tomorrow.

- Mr. Gelman has also made some suggested clarifications/additions highlighted in blue.
  - The minutes from the August 23, 2011, work session include my notes of what the Council discussed and reached consensus on. The Council certainly should review that to make sure that the Council's intentions are accurately represented.
  - Similarly, if you desire to change things from what was discussed at the work session, you should point that out.
  - I particularly draw your attention to paragraph 3 of the agreement, which lists a variety of items to be included in the condominium documents. These items cannot be changed by the condominium owners (or the association) without the Council's approval. If there are additional items the Council desires to include in this list, those items should be noted.
4. **One University Place –TIF Request.** The City's financial consultants will be presenting reports related to the TIF request. I anticipate receiving information from John Danos about the proposed TIF in advance of the meeting.
5. **One University Place – Slope Classifications.** I am attaching Resolution No. 11-14, which adopts the slope classifications set forth in Sheet C-103 (Revised 8/4/11), which is part of Jeff Maxwell's Multiple-Family Commercial PUD Application. The classifications comport with Ordinance No. 128. This resolution does not approve construction or development on these slopes; it just accepts the classifications, which Josiah has approved. After appropriate consideration, the Council still would need to approve a Sensitive Areas Site Plan and a Development and Grading Plan before development could occur on the Steep and Critical Slopes shown on Sheet C-103. The Council also would still need to make the particular findings required by Ordinance No. 128(3)(C) before development could occur on the Protected Slopes shown on Sheet C-103.

From: "Tom Gelman" <gelman@ptmlaw.com> Subject: RE: OUP Development Agreement  
Date: Sun, September 11, 2011 12:55 pm To: "Steve Ballard" <ballard@lefflaw.com> Cc:  
"Jeff Maxwell" <jmaxwell@maxwellconstructioninc.com>

---

Steve, I have attached an updated redlined version of the Development Agreement. I have incorporated all minor corrections and adjustments you suggested. All were helpful, thanks. I have left showing the substantive adjustments that you (red) and I (blue) have made to the pre-work session draft. There is highlighted in yellow those few remaining items from your proposed modifications that require a bit more discussion and resolution. For each of the three yellow highlighted sections there is brief comment in brackets. In response to your adjustments, there are a few clarifications/additions being suggested as highlighted in blue.

While Jeff Maxwell reserves the right to request further modifications, we believe the Development Agreement in this form should be provided to Council for review, discussion and action at the upcoming Council meeting. Thanks. Tom

Thomas H. Gelman  
Phelan Tucker Mullen Walker Tucker & Gelman, L.L.P.  
321 E. Market Street  
P.O. Box 2150  
Iowa City, Iowa 52244  
Phone: (319)-354-1104  
Fax: (319)-354-6962  
E-mail: [gelman@ptmlaw.com](mailto:gelman@ptmlaw.com)

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From: Steve Ballard [<mailto:ballard@lefflaw.com>]  
Sent: Friday, September 09, 2011 4:08 PM  
To: Tom Gelman  
Subject: OUP Development Agreement

Tom,

Here's my redline version. The City, too, reserves the opportunity to review this document and make additional changes. I will send this

redline version to the Council so they have something to chew on over the weekend. If you and I discuss and make further changes, etc., before Tuesday, I will supplement.

I believe the following additional steps remain in the PUD Application process:

\* Council must vote on the PUD Plan Application. No public hearing is required. Only one affirmative vote is required for passage.

\* Council must vote on the PUD Development Agreement. No public hearing is required. Only one affirmative vote is required for passage.

\* Council must complete the TIF process. I defer to John Danos on those particulars. John has said before that, at a 'bare minimum', the process requires 3 council meetings, 2 public hearings, and 1 consultation meeting with other taxing authorities (community college, etc.). John said the council meetings may be 'special' meetings, but the process requires (or he needs?) one month 'start to finish' between the first and second meetings.

Steven E. Ballard

Leff Law Firm, L.L.P.

P.O. Box 2447

222 South Linn Street

Iowa City, Iowa 52244-2447

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August 23, 2011

Proceedings of the City Council of University Heights, Iowa, held at the St. Andrew Presbyterian Church, 1300 Melrose Ave., subject to approval by the Council at a subsequent meeting. ALL VOTES ARE UNANIMOUS UNLESS OTHERWISE STATED.

### WORK SESSION MEETING

Mayor From called the August 23, 2011 work session meeting of the University Heights City Council to order at 7:09 p.m. Mayor From thanked the St. Andrew Presbyterian Church for allowing the meeting to be held at the church.

Present: Mayor From. Council Members Mike Haverkamp, Rosanne Hopson, Stan Laverman, Brennan McGrath, and Pat Yeggy. Staff present: Attorney Ballard and Clerk Anderson. Also present were Ron Amelon, Pat Bauer, Carolyn Brown, Dennis Craven, John Danos (via phone), Ann Dudler, Andy Dudler, Linda Fincham, Tom Gelman, Ann Grossheim, Alice Haugen, Eunice Hunzelman, Russ Hunzelman, Catherine Lane, Jim Lane, Chris Luzzie, Jeff Maxwell, Kevin Monson, Scott Pantel, Kent Ralston, Dell Richard, Mary Schmidt, Rich Schmidt, Jane Swails, Jinx Tracy, Larry Wilson, Amanda Whitmer, John Yapp, Adam Zimmerman, and Jerry Zimmerman.

**Maxwell Revised TIF Proposal:** Dennis Craven, financial advisor for the Maxwell development, distributed revised TIF project reports to the council. Since the Johnson County Board of Supervisors declined to participate in TIF, scope modifications have been made to the project. Both building's footprints have been reduced by 30 feet; the east side of the north building and west side of the south building. The number of units is reduced from 79 to 69. The developers still anticipate that owners will buy several units to combine into one unit. They propose not realigning the Melrose/Sunset intersection.

The previous TIF proposal was for \$8 million but now the proposal is for \$6.5 million. A 10% allocation of incremental taxes will flow to the city. The size of the community center square footage is reduced from 4,000 square feet to 2,500 square feet, and the community center will be built out at no cost to the city. The incentive for a market space or grocery store has been removed but the developer will still actively seek some type of grocery store for the site.

Annual property tax collection for the city is reduced as a result of the decrease in condo units and smaller commercial space. Projected annual tax revenue, after the TIF period, has decrease from \$288,000 to \$256,000 for the city. Council member Haverkamp inquired what the TIF period would be under the revised proposal; Craven stated he estimates it would be slightly over 10 "collection" years.

Council member McGrath asked what the changes were to the finish, quality or design in the revised proposal. Kevin Monson, of Neumann Monson Architects, stated that take a slice out of the buildings "is a major structural change"; he also anticipates that the same finishes will be used on the outside of both buildings. With no alignment change to Melrose/Sunset, they propose installing a wider sidewalk used only for fire and emergency vehicles.

McGrath asked if it was ever considered reducing the heights of the two buildings; Monson stated the development has been reduced from the original proposal and by taking "slices" out of the building; this makes the units and parking proportional. It is anticipated that the number of units will be reduced by 12 due to combining smaller units into a larger condo. McGrath commented that the developer heard the message about the need to reduce the density but he had hoped for a further reduced in the heights of the buildings. Monson stated that based on the model, the development "nestles very well" between the trees and the ravine.

John Danos (on speakerphone), the city's TIF advisor, asked for clarification on the 80% reaffirmation annually from the city. Craven replied that the concept was inspired by Danos, and that the city would reaffirm a rolling commitment of 80% towards the project as incremental taxes increased over the course of the TIF. Craven stated he was unsure how this would be handled procedurally.

Council member Yeggy asked Hopson what she would value the church property at since she disagrees with the developer's purchase price. Hopson replied that she agrees with the appraised value of \$2.2 million. Yeggy disagreed and felt that Maxwell was paying appropriately for the land. Yeggy cited the \$5.7 million paid by the University of Iowa for the Athletic Club on Melrose Avenue.

Council member Laverman inquired of the council if “they were comfortable” with the new proposal. Hopson stated that if the height was further lowered that would be good.

Laverman commented that not having the Sunset intersection realigned was an issue and he is concerned about the traffic flow on Melrose Avenue. Council member Haverkamp commented that both Hopson and McGrath had previously stated that the intersection was not an important factor for them; he also asked where the compromise on their part was for the developer. Haverkamp stated “a true compromise is where both sides give something”.

Haverkamp asked John Yapp, Executive Director of MPOJC, given the proposal change, how would that affect the number of cars entering and exiting the development. Yapp commented that there are two peak hours of traffic each day, accounting for 25% of the total traffic. 75% of the traffic is spread out over the course of the day. Yapp did comment that with the removal of the second exit, there will be higher density at one exit and there will be congestion for vehicles wanting to turn left onto Melrose Avenue. One possibility is to restrict left turns onto Melrose Avenue.

Council member Laverman stated that the project has lost value for the community without the realignment of Melrose/Sunset. Laverman also has concerns of traffic using Grand Avenue as a cut-through and that a median would have helped address that concern. Haverkamp stated he too liked the redesigned Sunset Street intersection and felt it was designed very well. Council member Yeggy also was very reluctant to “give up” the redesigned intersection in the new proposal.

Laverman said that his support is contingent on the realignment of Sunset Street. Hopson stated that she does not like two sets of traffic lights so close together on Melrose Avenue but does not want traffic cutting through on Grand Avenue either. McGrath would like to see additional traffic information from MPOJC before making any type of decision. He stated he favors the realignment but not the development.

Council member Haverkamp said, for the sake of compromise, would the council agree to the terms of a \$6.5 million TIF but include the realignment of Sunset Street. Council members Yeggy and Laverman agreed that would be acceptable to them. Attorney Gelman, in consultation with the developer and his team, agreed to the council’s proposal to include the realignment of the intersection. He asked the council ask John Danos to prepare the TIF documents. The council directed Mr. Danos to begin drafting a TIF proposal for their September meeting.

Council member Hopson asked what the ramifications would be if future city councils did not approve TIF appropriations to the developer. Craven replied that he hoped future councils would act on good faith. Danos stated that the city would not be in breach of the contract; contracts usually have language included that it is the intention that payments will occur but not paying would not constitute a legal default for the city.

**Discussion of the Development Agreement:** Tom Gelman lead the discussion with council of the 34 points of the development agreement. (see attached)

The meeting was adjourned by **unanimous consent at 12:36 p.m.**

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**Attest: Christine M. Anderson, City Clerk**

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**Approved: Louise From, Mayor**

At its work session August 23, 2011, the University Heights City Council considered each of 34 separately numbered points from the City Attorney's prior memorandum. A draft development agreement had been circulated previously. Council's discussion of and consensus about the following points is shown in **bold**.

1. Parties to Agreement. The Council should consider whether St. Andrew Presbyterian Church should be a party to the Development Agreement. Mr. Maxwell, as owner of a portion of the property proposed for development and as the proposed developer presently is a party in the draft version. The Council may desire that the church also undertake the commitments set forth in the Agreement.

**Consensus: Leave draft as is; do not require church to be a party.**

2. Light Restrictions. The Council should consider the particulars of the light restrictions and provisions to avoid light "spillage" from the development and whether these provisions are sufficient.

**Consensus: Leave draft as is; item is adequately addressed.**

3. Exterior Amenities. The Council may desire that certain exterior amenities, perhaps including benches, book drop, and bicycle racks be shown and specified in site or building plans.

**Consensus: Require approval of landscaping plan as part of development agreement and address particular amenities when that plan is presented and approved.**

4. Boring Plans. The Council should consider whether to require boring plans showing that all utilities or other implements to be constructed on the property shall be bored-in and not placed by way of open excavation or otherwise.

**Consensus: Confirm that boring specifications and regulations are adequately addressed in PUD Plan Application documents; Development Agreement does not need to address separately.**

**Also, though not part of the City Attorney's memo, confirm that PUD Plan Application provides that additional manhole(s) will be craned in.**

5. Fill Material. The Council should consider whether to require that all fill on the project be observed by an independent monitor who shall have authority to order stoppage of work without notice if work is not proceeding in accordance with the monitor's direction. The Council

could request that all costs associated with such monitoring be the sole and exclusive responsibility of developer.

**Consensus: Follow Mike Haverkamp's suggestion. Require developer to retain geotechnical consultant and require consultant to file regular reports with City Engineer. Provide that City also may retain a geotechnical consultant to oversee project and that work may be halted if standards are not met.**

6. Changes to Condominium Documents. The Council should consider whether to require that any substantive changes to the condominium documents that will be drafted must be approved by the Council to be effective. The Council particularly may wish to have such a requirement concerning changes to the rules and regulations governing the development.

**Consensus: Draft Agreement provides that many provisions of condominium documents may not be changed without Council approval. Council should consult para. 3(a) – 3(o). Address such things as noise limits and LED lights in signs by ordinance, which could control entire City, not just development.**

7. Rental/Leasing of Residential Units. The Council should decide whether it is agreeable to permitting some or all of the residential units in the development to be rented or leased. The Council may propose that no units be leased; or that only units in one building may be leased; or that no more than a specified number of units may be leased; or some other description of limits on leasing.

**Consensus: Add provision that no more than 25% of residential units may be rented.**

8. Traffic Considerations. The Council should consider whether to prohibit left turns from the property onto Sunset Street.

**Consensus: Leave draft as is; confirm that PUD Plan Application adequately addresses this item.**

9. Law Enforcement on Property. The Council should consider requesting that the developer and those coming after the developer (owners of condominium units) agree that the University Heights Police Department may come upon the property in perpetuity to enforce all traffic signage and regulations on the property.

**Consensus: City Attorney to confirm signage on private property regulating traffic entry onto city streets may be enforced by police department.**

10. LEED Certification. The Council should consider whether to require that the development's plans, specifications, and construction meet or exceed the design and build elements necessary for the entirety of the project to be qualified as Certified/Silver/Gold/Platinum according to the Leadership in Energy & Environmental Design 2009 scale. The Development Agreement could provide that no building or occupancy permit shall be issued until such certification is documented to the satisfaction of the Council.

**Consensus: Require submission of LEED Score Card at Construction Document Phase of project showing developer's intent to pursue particular LEED certification.**

11. Maintenance of Public Space. The Council should consider whether to require the developer to maintain any public space (fountain, atrium, etc.) even if the space is open and available for public use and even if the Council sets restrictions concerning hours and uses of such space.

**Consensus: Leave draft as is; item is adequately addressed.**

12. Snow Removal. The Council should consider whether to require the developer to be responsible in perpetuity for the removal of snow and ice on certain City sidewalks, including those on the north and south sides of Melrose Avenue beginning at Sunset Street and proceeding west to a specified distance. The sidewalk on the south of Melrose Avenue will be closer to the street, from what I understand of the plans, which may lead to additional deposits of snow and ice from plows clearing the street.

**Consensus: Follow Mike Haverkamp's suggestion. Developer will remove snow from sidewalks on north side of Melrose from intersection of Melrose and Sunset west to property line. Developer will remove snow from sidewalks on south side of Melrose from intersection of Melrose and Sunset west to a point south of Birkdale Court, where the Melrose pavement tapers.**

13. Restrictions on Commercial Uses/Hours of Operation. The Council should consider the types of businesses that are or are not permitted in the commercial portion of the development. Ordinance 79(6)(f)(2)(b) provides a broad list of permitted uses. The Council may wish to further refine or define those uses and further address hours of operation.

**Consensus: Leave draft as is regarding hours of operation. Follow Mike Haverkamp's suggestion to prohibit music through exterior speakers after 9:00 p.m. Sundays-Thursdays and after 10:00 p.m. Fridays-Saturdays. Address other, broader noise issues by ordinance, which could control entire City, not just development.**

14. Outdoor Game Day Sales. The Council may wish to prohibit any outdoor sales on Hawkeye home game days.

**Consensus: Leave draft as is; item is adequately addressed by existing ordinances.**

15. Timing of Construction. The Council may wish to provide that construction on the proposed development must commence by a certain date and be completed by a certain date.

**Consensus: Leave draft as is; consider penalty if construction deadlines are not met.**

16. Grocery Store/Market. The Council should consider whether it desires to require that a portion of the commercial space be used for a grocery store/market.

**Consensus: Leave draft as is.**

17. Parking. The Council should consider whether the proposed parking is sufficient for the development and the types of commercial uses contemplated.

**Consensus: Leave draft as is.**

18. Limit Liquor Licenses. The Council may wish to consider limiting the number of liquor licenses or beer permits that may be issued for businesses located at the development. Doing so may be another measure useful to restricting permitted uses. The point may be that one restaurant would be great but 3 is too many.

**Consensus: Leave draft as is; regulate by ordinance, which could control entire City, not just development**

19. "Land Banking" Green Space. MPO-JC has raised the possibility of the Council requiring that certain green space be kept available for conversion into surface parking if some specified triggering event occurs in the future. The triggering event might be something like (i) a future finding and Resolution by the Council that parking is inadequate

or (ii) the establishment of a certain number of a certain types of businesses at the proposed development (e.g., if there's 3 restaurants, the green space becomes or may become parking).

**Consensus: Remove draft para. 3(o), giving Association the right to convert green space to parking if approved by Council and consistent with zoning ordinance.**

20. TIF. Does the Council desire to condition approval of the PUD Plan Application on establishing the requested TIF? Are there other TIF points the Council would like to address in the Development Agreement?

**Consensus: Leave draft as is; address TIF issues in TIF agreement.**

21. Conditioning PUD Approval on Land Sale Timely Construction. The Council may wish to consider provisions that the PUD Plan Application approval terminates if St. Andrew Presbyterian Church votes not to sell the property or if the project is not completed in a given time. This issue also may be addressed separately in a provision that requires commencement and completion by certain dates.

**Consensus: Add provision that construction will begin within 10 years of PUD approval or such approval is automatically revoked.**

22. Additional Traffic Signal on Melrose Avenue. The Council may wish to consider requiring that an additional traffic signal be installed on Melrose Avenue at the developer's expense. The Council may wish to say that such a light would be required only if and when some future event occurs (like traffic times are decreased or car counts increase to specified levels or once the second building is built). MPO-JC has provided information concerning traffic patterns and the effects of an additional signal.

**Consensus: Add provision that need for traffic signal will be evaluated by MPO-JC once project is fully occupied. If additional signal is needed, developer or association will pay the initial cost.**

**Not part of City Attorney's memo, but City Engineer recommends addressing whether developer will be required to pay construction and street striping costs associated with realignment of Melrose-Sunset intersection.**

23. Limited Traffic Signal Operation. The Council may wish to consider whether to only operate an additional traffic signal on Melrose Avenue at specific times (e.g., 6:00 a.m. – 9:00 a.m. and 4:00 p.m. – 7:00

p.m.). If there is interest in pursuing that notion, I suggest that MPO-JC be asked to evaluate this item from a traffic flow and safety standpoint.

**Consensus: Leave draft as is; do not need to address.**

24. Design of Sunset Street Exit to Protect Ravine. The Council may wish to request a design of the Sunset Street exit that impacts the ravine to the least extent possible.

**Consensus: Leave draft as is; address concerns through PUD Plan Application approval.**

25. Number of Residential Rentals. If residential units will be permitted to be leased, does the Council desire to limit the number?

**Consensus: No more than 25% of residential units may be rented; see #7 above.**

26. OUP Entrance Design Elements. The Council may wish to require approval of specific plans for the entrance to the proposed development. Different ideas have been suggested – a fountain, a community common area, a sculpture. The Council may wish to have a say in how this area is presented.

**Consensus: Leave draft as is; require approval of landscaping plan as part of development agreement and address particular amenities when that plan is presented and approved; see #3 above.**

27. Left Turns onto Melrose Avenue. A provision regarding traffic patterns and allowable turns may be included, consistent with the recommendations of MPO-JC and the infrastructure design that is discussed and approved as part of the overall PUD Plan Application.

**Consensus: Leave draft as is; confirm that PUD Plan Application adequately addresses this item.**

28. Commitment to Resolve Future Infrastructure Issues. The Council may wish to require that the developer (and the condominium owners association) be responsible for resolving any future sanitary sewer issues that arise in the future. I believe this comment emanated from a concern that the proposed sewer plan might prove to be inadequate. Perhaps the Council desires to investigate that issue further.

**Consensus: Leave draft as is; require plats and easements for utilities; confirm that PUD Plan Application adequately addresses this item.**

29. Restrictions on Signs. The Council may wish to consider specific limitations and restrictions on signage permitted at the development. For example, size restrictions, prohibiting flashing signs or those whose messages change, etc.

**Consensus: Add provision that no signs may project out from buildings.**

30. Ravine Stability During Construction. The Council may wish to require specific testing or oversight during construction to confirm that construction activity itself is not harmful to the ravine.

**Consensus: Leave draft as is.**

31. No Preference in Awarding Infrastructure Contracts. The Council may wish to indicate in the Development Agreement that any contracts for the construction of public infrastructure will not necessarily be awarded to Jeff Maxwell of his company just because he is the developer. It may be that the Council simply requires installation of the improvements (to city standards and specifications) and leaves it to the developer to retain appropriate contractors. In that event, the Council would not be awarding a contract and may have little input into contractor selection.

**Consensus: Leave draft as is; developer will select subcontractors.**

32. Restriction on Transfer to Tax-Exempt Entity. The Council may wish to prohibit any sale or transfer of all or part of the proposed development to tax-exempt entities. Some such entities (like the church, for example) do not pay property taxes. To the extent portions of the proposed development are transferred to such an entity, the TIF component, if there is one, of the development may be affected.

**Consensus: Add provision that no more than 2,000 square feet of commercial feet (approximately 10% of total) may be owned or used by entity such that property taxes would not be payable.**

33. Restriction on Transfer to Entities Not Owned or Controlled by Jeff Maxwell. The Council may wish to restrict the transfer or assignment of the Development Agreement to persons other than Jeff Maxwell or to entities not owned or controlled by him. Similarly, the Council may wish to condition its approval of the PUD Application on continued

ownership by Mr. Maxwell or an entity owned or controlled by him. The thought behind such restrictions and conditions is that the qualifications and identity of the person/group proposing redevelopment (here Mr. Maxwell) are important to the Council and were significant reasons for entering into the Development Agreement (if it is entered into) and for approving the PUD Application (if it is approved).

**Consensus: Leave as is; no restriction on transfer.**

34. Statement of Qualifications of Developer. The Council may wish to require that Jeff Maxwell provide a statement as to his qualifications and background for undertaking and completing a project such as the one proposed. This information may be important to the Council in determining whether to enter into a Development Agreement or to approve the PUD Application. The information sought could include such things as the identity of all owners and directors of any corporate or other legal entity involved in ownership or the development; financial references and background; other projects that have been developed; D/B/As or other names or entities by or through which the developer has conducted business in the past and present; and financial resources available for developer to complete financing of the proposed development. I would be happy to prepare a list of such requirements at the Council's direction.

**Consensus: No consensus reached.**

RESOLUTION NO. 11-14

**RESOLUTION ADOPTING AND ACCEPTING THE SLOPE CLASSIFICATIONS FOR ONE UNIVERSITY PLACE AS SHOWN IN SHEET C-103 (REVISED 8/4/11), A PART OF THE PUD APPLICATION FOR ONE UNIVERSITY PLACE.**

**WHEREAS**, University Heights Ordinance No. 128 restricts development on certain sensitive areas depending upon the slope of that property; and

**WHEREAS**, the Multiple-Family Commercial PUD Application submitted by Jeff Maxwell for One University Place includes an "Existing Conditions Plan and Sensitive Areas Development Plan", Sheet C-103 (Revised 8/4/11) of the application; and

**WHEREAS**, the slope classifications and designations set forth on Sheet C-103 (Revised 8/4/11) have been determined by the City Engineer to be accurate and in accordance with Ordinance No. 128,

**NOW, THEREFORE, BE IT RESOLVED** by the City of University Heights, Iowa, that the slope classifications and designations set forth on Sheet C-103 (Revised 8/4/11) of the Multiple-Family Commercial PUD Application submitted by Jeff Maxwell for One University Place are hereby adopted and approved. This resolution does not constitute approval of the Sensitive Areas Site Plan or approval of the Development and Grading Plan or adoption of the findings required for development on Steep, Critical, and Protected Slopes, all as specified and required by Ordinance No. 128(3) before development may occur.

Upon motion by \_\_\_\_\_, and seconded by \_\_\_\_\_, the vote was as follows:

	AYES:	NAYS	ABSENT
Haverkamp	_____	_____	_____
Hopson	_____	_____	_____
Laverman	_____	_____	_____
McGrath	_____	_____	_____
Yeggy	_____	_____	_____

Upon Roll Call thus recorded, the Resolution is declared adopted this 13th day of September, 2011.

\_\_\_\_\_  
Louise From, Mayor  
City of University Heights

ATTEST:

\_\_\_\_\_  
Christine M. Anderson, City Clerk

Steve/UH Resolutions/Resolution 11-14 – 091311 Approving OUP slope classifications

## Treasurer's Report

August 2011

Our total revenue for the month of August was \$55,834.20 comprised of the following amounts:

Local Option Sales Tax	\$21,436.75
Parking fines	\$ 170.00
Traffic Fines from Clerk of Court	\$ 7,975.13
Interest on bank accounts	\$ 112.16
Road Use Funds	\$10,513.36
Rental permits	\$ 9,500.00
Police reports	\$ 77.00
City's share of liquor license	\$ 390.00
Building/excavation/demolition permits	\$ 3,869.60
Parking permits	\$ 400.00
Restitution	\$ 30.00
Rental inspection	\$ 80.00
Governors Traffic Safety Grant	\$ 1,280.20

Balances in the bank accounts as of 8/31/11:

MidwestOne Bank Checking Account	\$205,499.28
Hills Bank Money Market Account	\$ 23,499.85
CD at UICCU (due 2/28/2011)	\$ 40,593.46
Forfeiture Fund	\$ 2,290.83

There was not any property tax deposits made during the month of August, but there were 2 Local Option Sales Tax deposits made, the 2<sup>nd</sup> one being on 8/31/11, presumably intended to be the September deposit.

I met with Steve Kuhl to go over the corrections for last fiscal year and talk about finances. There are a few journal entries that I need to make and I will print new reports for the financial book and anyone else who wants them after I get them made.

Chris graciously delivered a copy of Quick Books to Doug Kronlage when he was at the UIHC for an appointment. Doug is planning on doing the field work for the audit the 3<sup>rd</sup> week of October.



**Warrants for Council Approval**

August 10 through September 13, 2011

09/12/2011

<b>Date</b>	<b>Name</b>	<b>Memo</b>	<b>Amount</b>
<b>Aug 10 - Sep 13, 11</b>			
08/12/2011	City of Iowa City	City Hall water/sewer automatic payment	-25.42
08/15/2011	Fort, Matthew A		-1,359.95
08/15/2011	Fort, Ronald R		-1,044.10
08/15/2011	Lord, Benjamin M		-880.58
08/15/2011	Reinhard, Brad		-1,397.46
08/15/2011	Strong, Donald K.		-1,177.95
08/17/2011	McLeod USA/PAETEC	automatic phone service payment	-138.81
08/24/2011	MidAmerican Energy	pedestrian lights at 113 Golfview	-27.33
08/24/2011	MidAmerican Energy	1301 Melrose stop light	-34.61
08/24/2011	MidAmerican Energy	1011 Melrose stop light	-33.94
08/24/2011	MidAmerican Energy	City Hall electricity	-130.50
08/25/2011	MidAmerican Energy	street lights	-611.64
08/30/2011	Fort, Matthew A		-1,359.96
08/30/2011	Fort, Ronald R		-1,295.35
08/30/2011	Lord, Benjamin M		-997.15
08/30/2011	Reinhard, Brad		-1,397.47
08/30/2011	Strong, Donald K.		-1,561.16
08/30/2011	Wellmark BC/BS	monthly insurance payment	-1,614.92
08/30/2011	Anderson, Christine M.		-383.72
08/30/2011	Kimura, Lori D.		-347.03
08/31/2011	IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM		-2,895.39
08/31/2011	IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM		-122.86
08/31/2011	Internal Revenue Service	federal payroll taxes 42-1109342	-4,086.43
09/01/2011	Paul J. Moore, Melrose Avenue Building	City Hall Rent	-867.00
09/09/2011	City of Iowa City	City Hall water/sewer automatic payment	-55,397.00
09/13/2011	Iowa City Area Chamber of Commerce	membership dues	-367.00
09/13/2011	ABC Solutions	Monthly fee for city website/email service	-24.95
09/13/2011	Paul J. Moore, Melrose Avenue Building	Garage rent	-35.00
09/13/2011	SEATS	Seats Payment	-703.66

<u>Date</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
09/13/2011	City of Iowa City	bus, fuel for police vehicles	-4,368.63
09/13/2011	CMI, Inc.	replacement pbt & 100 pbt tubes	-329.00
09/13/2011	Johnson County Refuse, Inc.	August recycling	-1,738.50
09/13/2011	Mediacom	online service 9/3/11-10/2/11	-69.95
09/13/2011	Racom Corporation	Police computer access fee	-79.60
09/13/2011	Terry Goerd	inspection services for August	-77.00
09/13/2011	Terry, Lockridge & Dunn Inc	consulting services 7/8/11-8/4/11	-1,681.50
09/13/2011	Terry, Lockridge & Dunn Inc	consulting services re: TIF analysis/proposal	-10,562.00
09/13/2011	Verizon Wireless	VOID: on automatic payment ck written in erro	0.00
09/13/2011	VISA	water for water cooler	-36.36
09/13/2011	Leff Law Firm, L.L.P.	Legal fees 6/8/11-9/2011	-19,108.42

Aug 10 - Sep 13, 11

MEMORANDUM

TO: University Heights, Mayor, Council, and Staff  
FROM: Josiah Bilskemper, P.E.  
DATE: September 12, 2011  
RE: City Engineer's Report

(1) Melrose Avenue Wide Sidewalk

- a. One final reimbursement request will be made, as the DOT has been withholding a 5% retainage on all payments made back to the city. This retainage amount is \$14,498.89. This request can be submitted once Iowa DOT has contacted us and indicated final review of all paperwork submitted for the project is complete.

(2) Sunset Street Wide Sidewalk

- a. Iowa DOT Funding Request has been submitted. Awaiting confirmation from Iowa DOT on authorization to proceed with consultant negotiations. Several messages have been left requesting status of this review. We hope to get an answer prior to the meeting.

(3) Intersection Reconstruction – George Street and Koser Avenue

- a. Survey work of the intersection area has been completed. Construction plans have been drafted laying out the area to be reconstructed.
- b. The approved FY11-12 budget included an estimate of \$32,000 for this project. Based on the survey drawings, our latest opinion of construction cost is approximately \$26,000. This current cost opinion is below the threshold that requires the city to go through the public bidding process (less than \$40,000 for cities with population of 50,000 or less); therefore an informal procedure may be used to obtain a contractor to complete the work. The advantage of the informal bidding procedure would be accelerated time schedule to get the contractor selected and the work underway, as well as less administrative effort with regard to the full public bidding process.
- c. However, under the “informal procedure”, there is still a requirement for a city council to pass a resolution approving any expenditure of \$25,000 or more for a public improvement project. We have talked with Steve Ballard and he has recommended any resolution specify a limit on the funding authorized, and to pick a safe amount over the estimate. This makes sense in that it provides a cushion based on contractor quotes, and allows the city to respond to any issues during construction that may warrant additional work needing to be completed (i.e. replacing an extra street panel, replace a section of storm sewer pipe that turns out to be deteriorate once uncovered, etc.)
- d. If the informal procedure is something the council wishes to pursue, a resolution has been placed on the agenda for tomorrow that would approve expenditures of up to \$35,000 for this project. If the full public bidding process is preferred, the resolution would not be needed, as a notice of public hearing would be issued, and bids would be received by the council.



(4) City Tree Inventory

- a. District Forester Mark Vitosh began the city tree survey today (9/12), and expects to be completed with his data collection by the end of the day tomorrow. It will take some time to put together the full report, which he is targeting for December of this year. Mark notes he has observed some trees that he thinks should be looked at prior to that time, and anticipates sending out a letter later this month identifying these locations.

(5) MUTCD Sign Management Plan

- a. GIS data has been received from MPOJC. This data is being built into the GIS database. Drafting of the sign management plan document is underway, and a draft of this should be complete for the November council meeting.
- b. FHWA has recently issued a list of proposed changes to the sign management plan requirements, which push back the mandatory dates for preparing the management plan and completing the city-wide sign updates. These proposed changes would not be adopted until November of this year at the earliest. The current requirement is to have the sign inventory and management plan completed by January 2012.

(6) One University Place

- a. Meetings were held with Iowa City Engineering and the developer prior to the August work session to review the proposed public utility work (to be owned by City of Iowa City). City Engineer reports were updated prior to the work session reflecting the requirements and decisions reached by Iowa City staff.
- b. Brian Willham, transportation engineer with Shive-Hattery, has been working directly with John Yapp and Kent Ralston on an as-needed basis during the month. He has provided traffic model updates and evaluations based on revised site layouts, building usage and vehicle trip estimates.

Please feel free to contact me if you have any questions about these or any other items.

JDB