

August 24, 2010
WORK SESSION MEETING

Mayor From called the August 2010 work session meeting of the University Heights City Council to order at 7:00 p.m.

Present: Mayor From. Council Members Mike Haverkamp, Jim Lane, Stan Laverman, Brennan McGrath, Pat Yeggy. Staff present: Attorney Ballard and Clerk Anderson. Also present were Pat Bauer, Carolyn Brown, Carol Ann Christiansen, Bridgette Fanning, Linda Fincham, Lawrence Fritts, Alice Haugen, Bruce Hauptert, Melanie Hauptert, Sue Hettmansperger, Roseanne Hopson, Eunice Hunzelman, Catherine Lane, Al Leff, Jan Leff, Chris Luzzie, Jeff Maxwell, Liesa Moore, Kevin Monson, Mike Noel, Ann Perino, Della Ruppert, Robert Ruppert, Rich Schmidt, Barbara Stehbens, James Stehbens, Mary Mathew Wilson, Larry Wilson, Bill Wittig, Gigi Wood, Deb Wretman, Rich Wretman.

Discussion of City Finances: Pat Yeggy stated that loan papers had been signed for the city to borrow money. The loan amount is \$150,000 with interest to be paid quarterly and can be held for three years; interest rate is 4.75%. Yeggy said there is no pre-payment penalty so the city can make principal payments at any time. If the city uses the money for three years, approximately \$21,000 in interest will accrue.

Yeggy also stated that the council will need to determine how much Local Option Sales Tax (LOST) money to allocate towards the payoff of the loan. Yeggy and Brennan McGrath are compiling financial information to help the council decide how to allocate the LOST funds. Originally, the council discussed that 25% of the funds would be held in reserve and the balance reserved for "value-added" projects.

Discussion of Bauer rezoning proposal: Pat Bauer joined the council to discuss his proposal for development of the St. Andrew property. Bauer reiterated that his proposal was created to try and find a "sensible middle ground" for development. His proposal removes the commercial area and reduces the back building by two floors and the front building by one floor, thus decreasing the density. Bauer stated that adjoining property owners submitted a petition against the Maxwell proposal but did not submit one against his proposal.

Council member Yeggy asked Bauer if he had shown his proposal to bankers or developers; Bauer stated that he had not but commented that neither has Jeff Maxwell regarding his application. Yeggy stated that she needs to know if the Bauer proposal is financially viable.

Council member Lane inquired if the condos would be "high-end" condos; Bauer responded that his proposal is a modification of the Maxwell application and felt they would be. Lane stated that he did not think the condos would be able to meet the specifications for "high-end" by his computations; that it would cost approximately \$15,000 more per unit to build under the Bauer proposal. Lane also felt that a commercial component was very important.

Council member Laverman asked the councilors how they are making their decision regarding both proposals. Council member Haverkamp stated that he is using the city's Comprehensive Plan as a guideline for his decision. Haverkamp stated the plan specifically states that the city needs to increase its tax base. Council member McGrath stated he is looking at the space around the development to see if it fits with the surrounding area; he felt that normally you built out from the city center with higher building towards the center. McGrath also stated he is having a hard time understanding how the residential and commercial parts will work. Council member Yeggy stated that this area offers the only opportunity for the city to have higher density without removing houses. Yeggy stated that there are three distinctive communities in University Heights, based on when the subdivisions were built. These three communities converge at Melrose and Sunset, the St. Andrew property, which could be considered the fourth community. Council member Laverman stated that he feels it is important to have a community space or a public space in front of the buildings. Laverman cited the agreement worked out between Jim Mondonaro and the developers of Plaza Towers to have a "destination store" on the premises. Laverman is also considering how the proposals would increase the tax base, create jobs in the community, and appeal to a diverse group of people.

Council member McGrath addressed the struggles that commercial enterprises have had in Paul Moore's building. McGrath hopes the new restaurant will work but he is not sure if additional commercial businesses would work in the city. McGrath is also concerned about the additional traffic a development would create for Melrose Avenue. Council member Yeggy stated that one business does not make a business district and that Melrose Avenue already

has a great deal of traffic. She added that, for example, the dental office in Paul Moore's building did not rely only on University Heights residents for their business. Pat Bauer added that the report from JCCOG estimated 1000 additional people/trips if a development was approved.

Bauer stressed that his 4-2 development proposal is amenable to the city's Comprehensive Plan and that it would increase the city's tax base and increase density in the city. Bauer stated that Maxwell's proposed development would cause decreased property values for adjacent owners and the city should consider indemnification for those properties. Council member Lane stated that there is not sufficient data to support the idea that property values would decrease because of potential development.

Discussion of Maxwell rezoning proposal: Jeff Maxwell and Kevin Monson joined the council to discuss their application for development of the St. Andrew property.

Council member McGrath asked Maxwell and Monson if they had further thoughts on the Part 3 reversionary clause that was added to both proposals as rewritten by City Attorney Ballard. Monson stated that the only opportunity they had to address the clause was at the August council meeting. They would prefer the revisionary clause that Pat Bauer created. Council member McGrath asked what protects the city if the rezoning is approved and a different developer wants to build on the property; Monson replied that the PUD would protect the city.

Council member Yeggy asked the developer if he intends to "flip" the property. Maxwell stated that that is not his intention and that he plans to be part of any project that would build on the St. Andrew property.

Council member Laverman asked why changes were made to the application numbers. Monson replied that the developer's attorney changed the numbers to allow for "wiggle room" once construction began; they have no issue with going back to the original numbers. Laverman stated that he has never had an issue concerning the height of the proposed development. Laverman also stated that he wants to see the number of units reduced to eighty in order to decrease density and to reduce surface parking. Laverman would like to limit parking in the front and the back of the property in order to increase green space. Monson stated parking that is meant to be hidden between the two buildings with resident parking under the buildings. Monson also stated they were following current rules regarding the number of parking spaces required. Monson stated that he will address these concerns.

Regarding reducing the number of units to eighty, Monson was unsure if that would be viable. He asked if the council would then consider increasing the TIF financing; Laverman stated that the council is just considering the rezoning of the property and TIF financing would be discussed later if the proposal was approved. Monson stated that the current number of units was a worst-case scenario and they expect that some units will be combined into a single, larger unit. Maxwell stated there is diversity in the housing, square footage and price point. Laverman replied that the development does not need to include every price point. Council member Lane stated he has concerns with the smaller units and Laverman stated he could see people buying those units for tailgating purposes, especially as there would be two guaranteed parking spots.

Council member McGrath stated that he is not a representative for the church and is expressing his personal opinion, but he has concerns with the price of the property. McGrath asked Maxwell if there had been any discussions with the church to reduce the purchase price; Maxwell stated there has not been any additional discussion regarding the price. Laverman stated that is a church issue and not one the council needs to consider.

Attorney Ballard said that he would revise the proposed ordinance to change the square footage and height numbers as requested by Council member Laverman. He said the council needs to consider reasonable figures for how many parking spots to allow. Ballard also stated he needs direction from the council on what the Part 3 clause should or should not contain. Council member Lane suggested that Attorney Ballard, Pat Bauer, and Maxwell's attorney meet to discuss the reversionary clause, and bring back a suggestion for council consideration.

Attorney Ballard also cautioned the council that they need to consider how any zoning changes might result in litigation even if those present at a particular meeting might all agree on the changes.

Discussion of request by Paul Moore regarding landscaping in city right-of-way: Attorney Ballard reviewed with council Paul Moore's letter requesting permission to install a stone border six inches over the city right-of-way north of the sidewalk. In previous discussions, Moore agreed to maintain the six inches along the front of the

property. City Engineer Bilskemper was consulted regarding this request and had no concerns. Council will decide this at the September meeting.

The meeting was adjourned by **unanimous consent at 8:55 p.m.**

Attest: Christine M. Anderson, City Clerk

Approved: Louise A. From, Mayor

UNIVERSITY HEIGHTS CITY COUNCIL
August 24, 2010

MEETING

ATTENDEES

Please sign or print legibly

Name

Address (or) Representing

Melanie and Bruce Haupt	3692 Forest Gate Dr. (Formerly in flight)
Catherine Love	303 Highland Dr.
Brigette Fanning	The Gazette
Gigi Wood	Corridor Business Center
Pat Brown + Chris Luzzier	338 Koser Ave
Carolyn Brown	1434 Grand Ave.
Mary Mathew Olson	308 Koser Ave.
Al Luff	215 Sunbelt SW
Ann Kim	235 Koser Ave.

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ATTENDEES

Please sign or print legibly

<u>Name</u>	<u>Address (or) Representing</u>
Stella Ruppert	314 Koser Ave
Robert Ruppert	314 Koser Ave
Eunice Humphman	1456 Grand Av.
Alice Manger	1483 Grand Ave.
Liesz Moore	220 Koser
Jan Leff	215 Sunset
Rosanna Topson	205 Golfview

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Please sign or print legibly

<u>Name</u>	<u>Address (or) Representing</u>
Linda Finchan LARRY T. WILSON	1475 Grand Ave. 308 KOSER AVE.
Sue Hettmansperger Lawrence Fritts	} 114 Highland Dr.
Rich Schmidt	207 Mahaska Dr.
Barbara Stebbins	305 Sunset
James Stebbins	305 Sunset