

June 14, 2011

Proceedings of the City Council of University Heights, Iowa, held at the University Club, 1360 Melrose Ave., subject to approval by the Council at a subsequent meeting. ALL VOTES ARE UNANIMOUS UNLESS OTHERWISE STATED.

REGULAR MEETING

Mayor From called the June 14, 2011 meeting of the University Heights City Council to order at 7:05 p.m.

Present: Mayor From. Council Members Mike Haverkamp, Rosanne Hopson, Stan Laverman, Brennan McGrath and Pat Yeggy. Staff present: Engineer Bilskemper, Attorney Ballard, Police Chief Fort, Treasurer Kimura, and Clerk Anderson. Also present were Ron Amelon, Pat Bauer, Kathy Belgum, June Braverman, Peter Correll, John Danos, Andy Dudler, Ann Dudler, Joseph Frankel, Lawrence Fritts, Alice Haugen, Tom Haugen, Sue Hettmansperger, Catherine Lane, Jim Lane, Al Leff, Chris Luzzie, Jeff Maxwell, Jennifer Maxwell, Kevin Monson, Scott Pantel, David Pedersen, Karl Robertson, Kent Ralston, Della Ruppert, Jim Stehbens, Jane Swails, Brian Willham, Larry Wilson, Mary Mathew Wilson, Bill Wittig, John Yapp and Ken Yeggy.

The minutes of the May 10, 2011 meeting of the Council were presented and approved by unanimous consent.

Preliminary TIF Proposal: Kevin Monson, of Neumann Monson Architects, stated that without TIF funding, the project does not happen; with the funding, the project can proceed. The developer requests a maximum reimbursement cap of \$8 million or, if the council desires such a commitment, an additional \$500,000 to subsidize a neighborhood market/deli in the commercial space. Monson stated because they are asking for a tax rebate and not that the City sell bonds, there is no financial risk to the city. The income stream would begin once the development is built, with the city receiving \$58,000, the schools receiving \$75,000 and the county receiving \$40,000 per year.

Monson stated that no citizen tax dollars will be used for the project. Currently, St. Andrew church does not pay property taxes. Monson said the projected taxable value is \$25 million, which would generate over \$900,000 per year in property tax.

Monson also said that by funding this project, it will increase the financial viability of University Heights, will provide high quality condominiums and high quality commercial enterprises, improve the Melrose/Sunset intersection and traffic flow on these streets, and will provide a community space. An additional \$800,000 could be generated to use for a program to assist qualified buyers with low and moderate incomes. Monson suggested the city could use the money to buy down the price for properties in University Heights and make them owner-occupied instead of rentals.

Preliminary TIF response from City TIF Attorney: John Danos, partner in the Des Moines office of Dorsey & Whitney, LLP, said the city needs to determine if this project was right for the community and if the project was right for TIF funding. He said the proposal has a fair number “of moving parts” that are open to negotiation. There is little risk to the city, because borrowing is not being requested to fund the project. Danos commented that the proposal is a type of rebate agreement; he supports this type of agreement because of the low risk to the City.

The TIF proposal suggests the city inquire if Johnson County would enter into a joint TIF agreement whereby the city could utilize a portion of the county’s allowable debt ceiling to fully fund the project. Currently, the amount requested is higher than University Height’s allowable debt ceiling. Danos commented that it is not unusual to have city/county partnering and that it is a “legal, tried and true option”. As the project and the improvements are built, this will increase the city’s allowable debt ceiling.

If the county is unwilling to enter into the agreement, the city could make annual appropriations towards the developer’s payments. Danos stated that the city could have “split payment streams”, where a certain percentage is from appropriations. Danos advised that the city should not commit 100% of the allowable debt allowance to the project; the city may need funding for other necessary repairs. Danos said that Chapter 403 of the Code of Iowa does not specifically detail what a city should do. There are broad limits and it is a negotiable point; the agreement could have different levels and for various time frames. Danos said it is within the city’s purview to ask the questions, to determine what is needed for the project. Asked who wrote the TIF proposal, Jeff Maxwell stated that he and Dennis Craven met with Mr. Danos to discuss the legal definitions of the TIF. Craven, Maxwell and Tom

Gelman prepared the agreement. Craven is the financial advisor for the developer and Tom Gelman is the developer's attorney.

Maxwell stated he has spoken with four of the county supervisors about the possibility of participating in the TIF proposal. Attorney Ballard asked if the county did agree to the partnership, would the county determine the urban renewal area and the TIF area. Danos said the county cannot act without the city's approval.

PUD Updates and 3-D model presentation: Monson commented on the report from Terracon Consultants, Inc. regarding the ravine. It is Terracon's opinion that the slopes have been altered by human activity and no longer meet the city's requirement for a protected slope. Terracon recommends that the stability of the slopes be improved for the proposed development. Monson also stated that stormwater retention will be located under the parking areas.

Council member McGrath asked City Engineer Bilskemper to clarify the city's sensitive slope ordinance in light of Terracon's report. Bilskemper stated that Section 3.C of the current ordinance states there are four conditions that must be met for development activities to be allowed on a protected slope; 1) previously altered by human activity, 2) determined by a geologist or professional engineer that activity will not undermine the stability of the slope, 3) city determines activities are consistent with the intent of the ordinance, and 3) the city council approved a submitted PUD, Grading Plan and Sensitive Areas Site Plan.

Ron Amelon, of MMS Consultants, said his interpretation of the sensitive slope ordinance was that a "protected slope" would need to have a 40 percent slope across a continuous rise of ten feet of elevation; Ron stated there is eight vertical feet of continuous slope at the south edge of the east ravine. Bilskemper replied that his interpretation of the word "run" in the ordinance language refers to the horizontal width of the location being measured, where the "slope" is defined by the rise (vertical) over the run (horizontal). This interpretation would mean the area does fall within the ordinance's definition of a "protected slope."

Asked if the four points are met regarding the sensitive slopes, Maxwell stated he does not want to move the road and would ask for permission to excavate the rubble and unsuitable items and reinforce the grade. Attorney Ballard will review his files on the sensitive slope ordinance to see what the intent had been when it was passed.

Monson showed drawings and samples of building products. A sample of Iowa limestone was shown as well as a sample of architectural cast stone. The roof will be tiled with a simulated slate material made of recycled materials. Samples of argon-filled glass and anatomized aluminum trim were also shown. He showed a sample of the seasonal pre-planted boxes of plant material that will be used for the balconies and roof garden. Monson commented that these boxes are an Iowa product.

Monson stated that the plexi-glass lid covering the 3-D model was painted blue to force viewers to see the development from a street level perspective if you were walking or driving past the development. Three houses that are adjacent to the site are also shown. The 3-D model will be available for viewing at the city office.

City Planning Staff Report: John Yapp, Executive Director of MPO-JC, commented on the report that was sent to the council on June 7, 2011. Yapp stated that a planned development is different from the usual single family development in that it allows for flexibility in design. Areas for discussion would include 1) impact to sensitive environmental areas, 2) house/storm water retention and how it is managed on the site, 3) negative externalities, 4) truck deliveries, 5) necessary utility upgrades, 6) pedestrian circulation routes, 7) traffic flows, 8) building materials and height, etc. Based on their analysis, Yapp stated that the PUD meets the requirements of Ordinance 180.

Items the council should consider are lighting impact, hours of operation for the commercial entities, potential noise issues from outdoor speaker systems or outdoor restaurant seating. The report also suggested that eventually a traffic signal be installed at the entrance to the site. The signal would be triggered by a car wanting to make a left turn.

Kent Ralston stated that as of June 6th, fifteen emails commenting on the development were received by the staff planning group and the city clerk. Seven opposed or asked that the process be slowed down while eight generally agreed that the project was a good idea for the city. Any correspondence received after June 6 will be incorporated into the next report to the council.

Yapp inquired whether the council would like MPO-JC to send out a flyer regarding the TIF financing proposal; council agreed. Yapp also stated that it would be hard to predict if fifty-three parking spaces would be adequate

without knowing what type of businesses will be on the property. Yapp stated they would develop some scenarios for the next meeting.

Larry Wilson asked Brian Willham, traffic engineer for Shive-Hattery, if it would be possible to have a 4-6 foot median placed near the exit onto North Sunset, which would eliminate the ability to make a left-hand turn. Willham said that he would look into that option.

Public Input: A resident commented that the council needed to ask critical questions of the developers and that it was imperative “to get it right” and drive a hard bargain when negotiating what commercial entities will be on the property. Another suggested there should be indemnification for adjacent property owners. Concerns were raised about light emission from the top floor on the north building and about who would maintain the sanitary, sewer and water lines. Suggestions were made for a 5-way intersection which would see Sunset Avenue extend onto the developer’s property, thus leaving the ravine intact. Opinions were expressed that tax money should not be used to “fund profit” because the site is not a blighted area.

Council Input: Council member Hopson asked about doing a community survey on TIF funding to gauge the citizen opinion. After discussion, it was decided to make a decision about this after the TIF work session. Council member Laverman stated he is not comfortable with the \$8.5 million request for funding. Council member Yeggy does not support an indemnification process for properties near the development.

Council member Haverkamp stated he has been looking at mass and scale of various buildings in the area. He said that the new section plus the old part of Oaknoll has a length of 437.5 feet, a width of 225 feet and height of 43 feet. The closest home is 100 feet away on Benton Street and 75 feet away on George Street. The apartments at 1851 Melrose Avenue are 275 feet in length, 75 feet in width with a 35 foot setback. The Levitt Center is 274 feet long, 62 feet wide on the west end and 84 feet high to the parapets. In comparison, the front building at One University Place will be 38 feet high, 62 feet wide and 270 feet long. The distance to the nearest house is 170 feet.

Mayor’s Report: A written report was presented. Mayor From thanked the University Club for allowing the meeting to be held there and John McLure for recording the meeting. From commented that citizens were welcome to take trails maps from the table in the foyer and are also available at the city office.

Legal Report: A written report was presented.

MOTION by Haverkamp, seconded by Hopson, to adopt Resolution 11-05, authorizing the Mayor to sign and the clerk to attest a 28E agreement with Johnson Counts SEATS for service for FY12. **Carried.**

Haverkamp - Aye	McGrath - Aye
Hopson - Aye	Yeggy - Aye
Laverman – Aye	

MOTION by Yeggy, seconded by Laverman, to adopt Resolution 11-06, authorizing the Mayor to execute and the clerk to attest the FY12 agreement between the City of Iowa City and the City of University Heights for the provision of transit services within the corporate limits of University Heights. **Carried.**

Haverkamp - Aye	McGrath - Aye
Hopson - Aye	Yeggy - Aye
Laverman – Aye	

MOTION by McGrath, seconded by Laverman, to adopt Resolution 11-07, adopting policy relating to authority to establish Committed and Assigned Fund Balances under GASB Statement 54. **Carried.**

Haverkamp - Aye	McGrath - Aye
Hopson - Aye	Yeggy - Aye
Laverman – Aye	

MOTION by Haverkamp, seconded by McGrath, to incorporated into the city council’s record for consideration of the Maxwell PUD application the prior public comments and submissions made to the Zoning Commission and to the city council regarding the rezoning of the PUD property. **Carried.**

Haverkamp - Aye McGrath - Aye
 Hopson - Aye Yeggy - Aye
 Laverman – Aye

Council member Laverman asked MPO-JC staff to not “weigh” the numbers from public comments. Laverman felt that each comment should be considered equally. Laverman stated he appreciates the work they are doing compiling all of the information for the council.

Attorney Ballard stated the city may wish to approach the U of I to discuss and address trash, litter and public urination problems on home football game days. The Iowa City Planning and Zoning Commission has recommended that the Iowa City Council to speak with the U of I as the commission feels the UI “has the primary responsibility to address these issues”. Laverman will follow up on this.

Clerk’s Report: A written report was presented. No rental permits or building permits were received since the last meeting. Clerk Anderson distributed copies of financial audit information to the council, including a sample request for the proposal letter, list of potential auditors and the specifications for the city audit. Returned proposal letters will be considered at the July council meeting.

MOTION by Laverman, seconded by Yeggy, to approve the renewal of the Stella Restaurant liquor license. **Carried.**

Haverkamp - Aye McGrath - Aye
 Hopson - Aye Yeggy - Aye
 Laverman – Aye

Council member McGrath commented that Stella is not a sales client of his and therefore has no conflict of interest.

Finance Report: A written report was presented. Council member McGrath met with Mike Mesch from Terry, Lockridge & Dunn and asked him to start looking at the overall finances of the city. Mesch has been given the Treasurer’s reports can access information on the website. Mesch hopes to have a preliminary report for the July council meeting.

McGrath commented on the Local Option Sales Tax (LOST) funds and its usage to date. The total received for FY10 was \$101,475.67 and for FY11, \$111,936.72 so far. These funds were used to help pay for a squad car and the wide-sidewalk project. McGrath would like to see the LOST funds maintained in a separate account and plans to meet with Steve Kuhl, city accountant, to see if this is possible.

Treasurer’s Report: A written report was presented. All bills presented were approved, as amended, by **unanimous consent.**

**Warrants
 May 11, 2011 through June 14, 2011**

Name	Amount	Name	Amount
City of Iowa City	22.99	Greenwood and Crim, P.C.	1,280.00
Matthew Fort	1,265.48	Iowa Department of Transportation	177.84
Ronald Fort	1,091.41	ABC Solutions	24.95
Benjamin Lord	1,313.57	Paul Moore	35.00
Brad Reinhard	1,351.01	SEATS	703.66
Donald Strong	1,139.10	City of Iowa City	4,668.35
McLeod USA/PAETEC	138.12	Mediacom	69.95
MidAmerican Energy	29.14	Johnson County Refuse, Inc.	1,829.36
MidAmerican Energy	28.33	Municipal Street Improvements Inc.	2,087.00

Engineer Bilskemper stated that the storm intake drain near 136 Golfview Avenue will be fixed within the next two weeks.

MOTION by Laverman, seconded by Yeggy, to approve services with Total Tree Care for on-call emergency trimming and removal of trees. **Carried.**

Haverkamp - Aye	McGrath - Aye
Hopson - Aye	Yeggy - Aye
Laverman - Aye	

Building, Zoning & Sanitation: Council member Laverman distributed a handout on keeping chickens within city limits. He asked the council to review and submit any comments or concerns they may have.

E-Government: Council member Haverkamp stated that city website was not working for approximately two days. Haverkamp will add a link to the city website for the US census site.

Metropolitan Planning Organization (MPOJC): A written report was submitted.

Announcements: Council member Hopson asked about the procedure for RAGBRAI participants staying in University Heights. Residents should contact the Police Chief regarding support vehicles parking overnight. Council member Haverkamp will put this information on the website.

The meeting was adjourned by **unanimous consent at 11:20 p.m.**

Attest: Christine M. Anderson, City Clerk

Approved: Louise From, Mayor