

June 9, 2015

Proceedings of the City Council of University Heights, Iowa, held at Horn School, 600 Koser Avenue, subject to approval by the Council at a subsequent meeting. ALL VOTES ARE UNANIMOUS UNLESS OTHERWISE STATED.

REGULAR MEETING

Mayor From called the June 2015 meeting of the University Heights City Council to order at 7:16 p.m.

Present: Mayor From. Council Members: Carla Aldrich, Mike Haverkamp, Virginia Miller and Silvia Quezada. Staff present: Attorney Ballard, City Clerk Anderson, Engineer Bilskemper, Police Chief Stanley and Treasurer Kimura. Also present were: Pat Bauer, Kathie Belgum, Jim Bradley, Tom Brase, Carolyn Brown, Tim Conroy, Michael Crocker, Andy Davis, Justin Doyle, Andy Dudler, Ann Dudler, Joe Frankel, Larry Fritts, Josh Gahn, Stepheny Gahn, Clayton Hargrave, Alice Haugen, Laurel Haverkamp, Lisa Haverkamp, Nick Herbold, Wally Heitman, Sue Hettmansperger, JP Hourcade, Jase Humphrey, Tom Jackson, Al Leff, Chris Luzzie, Dottie Maher, Jeff Maxwell, Kevin Monson, Liesa Moore, Dan Moore, Greg Prickman, Kent Ralston, Joe Reinhardt, John Roffman, Mary Schmidt, Rich Schmidt, Kermit Sheker, Matthew Smith, Jane Swails, Alan Swanson, Larry Wilson, Mary Mathew Wilson, Ken Yeggy, Pat Yeggy and Jerry Zimmerman.

Absent: Jim Lane

Council member Quezada made a clarifying statement concerning her opinion letter in the Iowa City Press Citizen. It was not her intent to question the integrity or work of Tom Jackson and the National Development Council (NDC). Her intent was to address that the NDC was instructed to analyze the project assuming \$4 million in TIF plus interest (totaling \$6.7 million).

The minutes of the May 12, 2015 council meeting were approved by unanimous consent. The minutes of the May 27, 2015 special council meeting were amended to include that Quezada questioned the \$4 million amount in the TIF and the process of how the amount was determined. Council member Lane made comments acknowledging he had provided the amount to the National Development Council.

MOTION by Miller, seconded by Quezada, to approve Resolution No. 15-33, granting a permit to Fourth Room Theatre to produce sound audible across property lines pursuant to Ordinance 59(2)(c). Carried.

Aldrich - Aye Miller - Aye
Haverkamp - Aye Quezada - Aye
Lane - Absent

MOTION by Haverkamp, seconded by Miller, to approve Resolution No. 15-34, authorizing the mayor to sign and the clerk to attest the FY2016 28E agreement between the City of University Heights and Johnson County for the Provision of Paratransit (SEATS) Services in University Heights for FY2015 at a rate of \$8,443.92. Carried.

Aldrich - Aye Miller - Aye
Haverkamp - Aye Quezada - Aye
Lane - Absent

MOTION by Haverkamp, seconded by Quezada, to approve Resolution No. 15-3,5 authorizing the mayor to sign and the clerk to attest the FY2016 agreement between the City of University Heights and the City of Iowa City for the provision of transit services in University Heights at a rate of \$36,161.00. Carried.

Aldrich - Aye Miller - Aye
Haverkamp - Aye Quezada - Aye
Lane - Absent

Public Comments: The following addressed the council with their concerns:

Mary Mathew Wilson - 308 Koser Avenue
Pat Bauer - 338 Koser Avenue
Chris Luzzie - 338 Koser Avenue
Joe Frankel - 323 Koser Avenue
Alice Haugen - 1483 Grand Avenue
Wally Heitman - 262 Highland Drive

Jim Bradley - 1417 Grand Avenue
Ann Dudler - 205 Koser Avenue
Andy Dudler - 205 Koser Avenue
Jane Swails - 333 Koser Avenue
Greg Prickman - 321 Koser Avenue
Al Leff - 215 Sunset Street

Jase Humphrey – 27 Prospect Place  
Kermit Sheker – 239 Highland Drive  
Clayton Hargrave – 11 Glencrest Drive  
Larry Wilson – 308 Koser Avenue  
Tom Jackson – National Development Council

June Braverman – 349 Koser Avenue  
Jerry Zimmerman – 1434 Grand Avenue  
Michael Crocker – 1490 Grand Avenue  
Jeff Maxwell – One University Place developer  
Justin Doyle – One University Place development team

**Updates of One University Place:** Tom Gelman responded to public and council questions. Gelman stated it was challenging to balance the interest of the church and the interests of developing the site. If the project is approved, the development team will purchase all of the St. Andrew Church real estate but not the buildings, and will be leased back to the church at no cost. This allows the church to function on the site for a year, at which time they must vacate the property. There is no extension to the one-year term. This agreement allows delays any property tax payments on the buildings until the church vacates the property, as it will still be owned by a tax-exempt entity. Gelman stated this has been discussed in the development meetings between Maxwell's team and the city's representatives.

Council member Miller asked if this agreement was at the request of the church, given their new facility has not been built. Gelman replied it was at the direction of the church. Gelman commented this will allow the development team to begin immediately on the south building, if the proposal is approved. Gelman also stated the church will receive 50% of the purchase price when the land is acquired and 50% when they vacate the property and in the interim, they will be given an irrevocable letter of credit.

Council member Haverkamp asked Tom Jackson to explain the process he and the NDC uses to evaluate projects and specifically how he evaluated the OUP project. Jackson stated that the opinions that no alternative funding mechanisms were not considered are absolutely incorrect. The alternative funding proposals have been based on financials from the developer, appraisers and third-party contractors and have been thoroughly vetted. Jackson stated "it is very common in the approval process to speculate on alternative developments". Jackson commented on the financial information Pat Bauer compiled and stated he respected his "initial numbers" and Jackson conversed with Bauer on understanding and evaluating risk for the proposal, given that the city is not "putting up" property or money at the beginning of the project.

Jackson stated that the two separate examples of possible development, circulated by Bauer and Quezada, "are possible but the problem is they take numbers related to another proposal and slice and dice them based on assumed percentages" to validate their proposed developments. The issue is the alternative proposals do not taken into consideration design, developing pro formas, working with bankers, working out construction finishes, etc. that is necessary to begin analyzing the funding gap.

Jackson stated that in the earlier financial evaluations of the project, the funding gap was \$9 million. Subsequent alternatives, which were in response to feedback from the community and council, reduced the gap to \$5.6 million. Jackson stated that council member Lane felt the community would not favor spending more than the city's bonding capacity or even up to the bonding limit. Lane suggested that \$4 million would be the most the city would consider for the project. The community was looking to "get the best project it could on this property with resources" it could afford. To be responsible to the various requests for high-quality condominiums, civic space, amenities, preservation of the ravine, the developers needed to include TIF in their proposal.

Quezada stated she would like to continue "bargaining" the amount needed for TIF funding. Council member Aldrich commented she remembered the discussion centering that the city could not borrow over \$4 million; it was the maximum the city could propose towards the project. Jackson commented that "to jump to a \$0 TIF" would reduce the quality of the building products, remove commercial entities and would increase the number of rental apartments on the property. Jackson stated the TIF "is reasonable, based on the plan brought forward".

Quezada asked the development team where costs could be cut to reduce the TIF amount but still maintain the sale price point. Kevin Monson stated that LEED is still a part of the development and that the agreement with the church to begin on the south building will save the project money by being able to begin construction up to 2 years earlier than anticipated initially.

**Discussion by Council:** Miller asked Quezada if she was asking the developer to go back to the church to renegotiate that the construction begins in one phase. Quezada responded no and stated that in 2014, she was very eager to have the project move forward and that she thought the developer could build the front building, sell the units, and use that to fund the second building.

Haverkamp stated he is not in favor of cutting costs because a non-commercial project would be "what is being referred to as student-housing project and is not in the best interests of this city". The city has a variety of housing stock and Haverkamp feels the OUP project "fills in" where there is not a large market of properties available for sale. Miller stated, like Haverkamp, she is not in favor of reducing the quality of the development project.

**MOTION** by Quezada, second by Miller that passage of Resolution 15-30, be conditioned upon a good-faith effort between city representatives and the development team to reach an agreement with respect to rentals on the property. Failure to arrive at an agreement, the proposal stands. After discussion by council, Quezada asked to withdraw his motion. The mayor asked if anyone objected to withdrawal and no one did. The motion was therefore withdrawn by unanimous consent.

**MOTION** by Aldrich, seconded by Haverkamp, to approve Resolution No. 15-30, approving on conditions the Multiple-Family Commercial PUD Plan application submitted by Maxwell Development, LLC. **Carried.**

Aldrich - Aye	Miller - Aye
Haverkamp - Aye	Quezada - No
Lane – Absent	

**MOTION** by Haverkamp, seconded by Miller, to approve Resolution No. 15-31, approving and authorizing the mayor to sign a Development Agreement with Maxwell Development, LLC. **Carried.**

Aldrich - Aye	Miller - Aye
Haverkamp - Aye	Quezada - No
Lane – Absent	

**MOTION** by Haverkamp, seconded by Aldrich, to approve Resolution No. 15-36, setting a public hearing for July 14, 2015 on proposal to adopt Urban Renewal Plan and establish Urban Renewal Area related to City Financing for One University Place. **Carried.**

Aldrich - Aye	Miller - Aye
Haverkamp - Aye	Quezada - Aye
Lane – Absent	

**Mayor’s Report:** A written report was presented. From thanked the Iowa City Community School District and Horn staff for providing the meeting space and John McLure for video-taping the meeting.

**MOTION** by Aldrich, seconded by Quezada, to approve Resolution No. 15-37, authorizing the Mayor to sign a proclamation designating June 21-27, 2015 as “Childhood Cancer Awareness Week” in the City of University Heights. **Carried.**

Aldrich - Aye	Miller - Aye
Haverkamp - Aye	Quezada - Aye
Lane – Absent	

**Legal Report:** A written report was presented.

**Clerk’s Report:** A written report was presented. Clerk Anderson invited all to attend the University Heights Community Fund fundraising event at Stella on June 14<sup>th</sup>, from 5:00-9:00pm. In the event of rain, the event will be held on June 28<sup>th</sup>.

**Finance Report:** No report.

**Treasurer’s Report:** A written report was presented. All bills presented were approved for payment by **unanimous consent.**

**Warrants  
May 13, 2015 through June 9, 2015**

Name	Amount	Name	Amount
Kenneth Stanley	2,331.65	IPERS	4,075.74
Matthew Fort	1,373.76	IPERS	208.82
Christian Jones	46.17	Paul Moore	1,374.23
Kristofer Lyon	1,562.30	Verizon Wireless	80.04
Ryan Miller	161.63	City of Iowa City	6,172.10
Michelle Miller	1,278.47	Breese Plumbing & Heating	79.50
Alexander Patch	1,226.67	Internet Navigator	24.95
Nicholas Sherman	1,341.13	SEATS	703.66
Harold Plate	246.88	Iowa City Landscaping	2,329.00
Internal Revenue Service	2,388.34	Iowa Law Enforcement Academy	6,272.00
Intuit Payroll	408.05	Russ Boyer Construction	1,175.00
MidAmerican Energy	60.95	Johnson County Refuse, Inc.	3,618.20
MidAmerican Energy	27.72	Leff Law Firm, L.L.P.	46,684.52
MidAmerican Energy	30.15	L.L. Pelling Co., Inc.	4,285.07
MidAmerican Energy	27.10	Louise From	90.00

MidAmerican Energy	646.20	Mediacom	109.95
Anderson, Christine M.	434.66	Shive Hattery	8,736.30
Lori Kimura	294.83	Ken Stanley	579.15
Kristofer Lyon	1,094.45	Virginia Miller	206.94
Ryan Miller	688.31	Terry Goerd	1,015.00
Alexander Patch	1,245.26	CenturyLink	343.19
Nathan Petersen	48.03	Iowa City Press-Citizen	19.49
Harold Plate	171.12	Kronlage & Olson PC	800.00
Matthew Fort	1,373.75	Stan Laverman	500.00
Michelle Miller	1,278.47	Pyramid Services Inc.	60.43
Nicholas Sherman	1,341.13	Racom Corporation	47.50
Kenneth Stanley	1,424.53	Kieck's Career Apparel	30.00
Wellmark BC/BS	1,118.07	VISA	603.77
Internal Revenue Service	3,684.82	VISA	195.09
Hills Bank and Trust	30,777.29		

**General Fund - \$100,107.21 Road Use Tax - \$6,191.24 Employee Benefits Fund - \$ 11,475.79 Debt Service - \$30,777.29**

**Total Receipts \$ 36,485.58 Total Warrants \$ 148,551.53**

**Building, Zoning, and Sanitation:** A written report was presented.

**MOTION** by Aldrich, seconded by Quezada, to approve Resolution No. 15-38, authorizing council member Silvia Quezada to sign a Solid Waste Alternatives Program agreement and forgivable promissory notes in the amount of \$1,488.00 between the City and the Iowa Department of Natural Resources, related to recycling bins and promotional activities at Grandview Court Condominiums.  
**Carried.**

Aldrich - Aye  
Haverkamp - Aye  
Lane - Absent

Miller - Aye  
Quezada - Aye

**Community Protection:** A written report was presented by Police Chief Stanley. A written report was presented by council members Aldrich and Haverkamp.

**Streets and Sidewalks:** Council member Miller and the City Engineer presented written reports.

**Community Relations:** A written report was presented.

**eGovernment:** A written report was presented.

**Announcements:** University Heights Community Fund fundraising event at Stella on June 14<sup>th</sup>, 5:00 – 9:00pm.

The meeting was adjourned **by unanimous consent at 10:49 p.m.**

\_\_\_\_\_  
**Attest: Christine Anderson, City Clerk**

\_\_\_\_\_  
**Approved: Louise A. From, Mayor**