

UNIVERSITY HEIGHTS, IOWA

1004 Melrose Ave.

July 14, 2015

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

#### PUBLIC HEARING

##### PUBLIC HEARING ON THE DESIGNATION OF THE UNIVERSITY HEIGHTS ONE UNIVERSITY PLACE URBAN RENEWAL AREA AND ON AN URBAN RENEWAL PLAN AND PROJECT.

Mayor From called the public hearing on the designation of the University Heights One University Place urban renewal area to order at 7:05 p.m. The following addressed the council with their concerns:

Sheryl Beinhart – 316 Highland Drive  
Larry Wilson – 308 Koser Avenue  
Mary Mathew Wilson – 308 Koser Avenue  
JP Hourcade – 416 Ridgeview Avenue

Pat Bauer – 338 Koser Avenue  
Justin Doyle - One University Place development team  
Karen Drake – 332 Koser Avenue  
Al Leff – 215 Sunset Street

Mayor From closed the public hearing at 8:41 p.m.

#### REGULAR MEETING

Mayor From called the July 2015 meeting of the University Heights City Council to order at 7:04 p.m.

**Present:** Mayor From. Council Members: Carla Aldrich, Mike Haverkamp, Jim Lane, 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, Sheryl Beinhart, Amy Bjork, F. Reed Carlson, Tim Conroy, Justin Doyle, Karen Drake, Andy Dudler, Ann Dudler, Kate Fitzgerald, Stepheny Gahn, JP Hourcade, Jase Humphrey, Catherine Lane, Al Leff, Dottie Maher, Jeff Maxwell, Kevin Monson, Brenda Nelson, Alan Swanson, Larry Wilson, Mary Mathew Wilson, Ken Yeggy and Pat Yeggy.

The minutes of the June 9, 2015 council meeting were tabled for approval at the August council meeting. The minutes of the June 29, 2015 special council meeting were approved by unanimous consent.

**MOTION** by Haverkamp, seconded by Miller, to give permission to post signage in University Heights for New UI Student Move-In dates of August 17-19, 2015, contingent on working with Police Chief Stanley regarding placement of the signs.  
**Carried.**

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

A special council meeting will be held August 18, 2015, 7:00 pm, at St. Andrew Presbyterian Church regarding a proposed development on Lot 115.

**Discussion of TIF Urban Renewal Plan:** Amy Bjork, with Dorsey & Whitney, the City's TIF counsel, spoke to the council regarding the TIF Urban Renewal Plan process for the One University Place (OUP) development. At the June meeting, the council set the date for the public hearing which initiated the process to determine the urban renewal plan. The University Heights Zoning Commission submitted their input regarding the renewal plan. As required by Iowa Code, a meeting was held to allow the Board of Supervisors and the Iowa City Community School District (ICCSA) to comment upon the plan; ICCSD did submit written comments to the council. And a public hearing was held tonight on the Urban Renewal Plan to allow citizens to give their input. The final step would be to set a public hearing on the Development Agreement.

Mayor From asked if she will work with the developer on the Development Agreement; Bjork stated that she and Attorney Ballard will work with the Maxwell development team on the agreement. Ballard stated there is a PUD Development Agreement as required by the city's zoning ordinance and there will be a separate TIF Development Agreement as required by the Iowa Code.

**Presentation of TIF by Council Member Haverkamp:** Council member Haverkamp presented a PowerPoint presentation to the council. The development is a mixed-use project, with a south building containing 14,600 square feet of commercial space on

the first floor, including proposed community space for the city. The north building will have 80 residential units and 2 levels of underground parking. The estimated value of the project is \$30.5 million.

The developer has requested TIF funding, therefore the city needs to determine a TIF district. The city is considering a rebate TIF to the developer, which will be paid out after the project and property valuation is on the tax rolls and generating property taxes. The rebate will be paid over an estimated 13-year period and will total approximately \$6.7 million.

The council will determine the TIF district and will include property purchased from St. Andrew Presbyterian Church as well as property currently owned by the developer adjacent to the church and a portion of adjacent city right-of-way. The TIF rebard will be funded only with property taxes generated and paid by residential and commercial properties located in the TIF.

Haverkamp commented that the church generated \$0 in property tax for 2013, while the ravine, owned by Jeff Maxwell, generated \$71.32 for the same period. Haverkamp showed computations for protected levies and property tax monies generated by the development.

**Presentation of TIF by Council Member Quezada:** Council member Quezada presented a PowerPoint presentation to the council. Quezada stated the council needed to consider if the TIF plan was a good financial deal, did it follow the law and best practices and was it transparent.

Quezada stated she feels the process has been "set up to [the] city's disadvantage" as computations were based on a pre-defined TIF amount. As such, the National Development Council (NDC) stopped evaluating the TIF amount once \$4 million had been determined. Quezada commented there will be a loss of revenue, per resident during the TIF rebate period. Additionally, lack of school funding will be partially off-set by higher property tax rates per the *Tax Increment Financing Impact* document as provided by Craig Hansel, Chief Financial Officer for the ICCSD.

Quezada commented that NDC reported \$1 million of the TIF will be used for the residential units while the draft of the Urban Renewal Plan states \$ 4 million is to be used for the commercial space.

The city needs to consider loan guarantees for the TIF-based loan; will the developer guarantee payment of TIF loan if revenues fall short. According to a "but-for" analysis the question is whether "the development would not happen solely through private investment in the reasonably foreseeable future", and "the induced development will yield a net increase in market value for the site compared to the likely development that would occur without TIF. If market value of no-TIF development were less than \$26.5M, then the project would fail the "but-for" test".

Quezada said there needs to be conflict of interest statements from the council members and mayor and she would like a copy of the purchase agreement and the property appraisals.

**Updates of One University Place:** Justin Doyle, part of the Maxwell development team, read a letter to the council and submitted it to the clerk. Doyle commented on financing needed if the development did not have commercial components as part of the plan. The financing gap would decrease from approximately \$4 million to approximately \$61,554. Doyle said that the analysis "does not address the impact on the resident of One University Place" if there were no commercial entities. Based on conversations with market study analyst, Realtors and potential condominium buyers, "there is a strong desire for community amenities commonly found in retail developments".

Doyle stated that if commercial space was eliminated from the project, it is anticipated this would decrease the demand for the residential units and would increase the time that these units are rental apartments.

#### **Council Discussion:**

Attorney Bjork commented that the state law regarding TIF requires specific descriptions of urban renewal projects. Dorsey & Whitney describes outside parameters for urban renewal projects that cities work within. The draft states \$4 million plus an interest component, as outside parameters, but the final numbers have not been finalized. Bjork commented that the firm is to guide the city through the legal process and explain the document and not to state an opinion on the numbers under consideration; that is a policy decision the council must make. After continued discussion between Quezada and Bjork, Bjork stated she would take the request for further legal advice under consideration.

Council member Lane distributed information regarding potential tax consequences from One University Place project. His conclusions, based on the 2015-16 budget, are: 1) revenue increases of \$18,000 for the next five years due to the Road Use Tax. . Debt levy may increase slightly but as this is a protected levy and the estimated 28% increase in taxable valuation will be spread over a larger base, 2) we can project an increase of about 200 persons in population, which could increase library and Hazmat charges, but other expenses based on population should not increase substantially, 3) the Community Center will eliminate \$16,000 annually in rent expenses when city offices are moved into the new space, 4) estimate that tax impact on residents in the

next five year will be little to no change on taxes for current residents, excluding increase due to inflation of expenses and assessed values.

**MOTION** by Haverkamp, seconded by Miller, to approve Resolution 15-39 to declare necessity and establish an urban renewal area, pursuant to Section 403.4 of the Code of Iowa and approve urban renewal plan and project for the University Heights One University Place Urban Renewal Area. **Carried.**

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

Quezada asked Attorney Bjork to supply a legal opinion outlining the legal risks of \$1 million being used for residential support for OUP without an amount being supplied toward low income housing.

**Discussion of Responses from Board of Supervisors and ICCSD:** Quezada stated she met with each supervisor and they stated they have a public policy where they will not issue an opinion regarding TIF projects in municipalities.

**Conflicts of Interest Statements:** Quezada circulated the Conflict of Interest (COI) statement to the council members and mayor for review. Quezada would like the elected officials to publicly disclose if anyone has any financial gains, or relationships with the Maxwell development team or professional connections with the team.

Mayor From commented that the COI states those with a vote should fill out the form; she does not have a vote. From also stated publicly she has no conflict of interest regarding the proposal, nor financial gain or "advantage" from the project. Council member Miller asked for clarification from Attorney Ballard due to the vagueness of the COI form; Miller commented that all at the council table have a "direct professional relationship" with the developers.

Ballard replied that in the PUD Development Agreement, the COI states "that no public official has any part of a contract or subcontract, direct or indirect, with regards to the property".

After council discussion, Quezada will revise her document.

**MOTION** by Haverkamp, seconded by Miller, to approve the first consideration of Ordinance No. 189 providing for the division of taxes levied on taxable property in the University Heights One University Place Urban Renewal Area, pursuant to section 403.19 of the Code of Iowa. **Carried.**

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

**MOTION** by Miller, seconded by Aldrich, to approve Resolution No. 15-40 setting July 28, 2015 as the date for a public hearing and meeting at which it is proposed to consider a Development Agreement with Jeffrey L. Maxwell, including the proposal to make tax increment payments no to exceed \$6.75 million pursuant to Chapter 403 of the Code of Iowa. **Carried.**

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

**Public Comments:** Pat Bauer, 338 Koser Avenue, addressed the council with his concerns.

**Mayor's Report:** A written report was presented. From thanked the St. Andrew Presbyterian Church and staff for providing the meeting space and John McLure for video-taping the meeting.

**MOTION** by Miller, seconded by Quezada, to approve Resolution No 15-41, authorizing the Mayor to sign a proclamation thanking Stella for their participation for UHs Community Foundation Day. **Carried.**

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

**MOTION** by Miller, seconded by Aldrich, to approve Resolution No. 15-42, granting a permit to pursuant to Ordinance 159(2)(c) allowing Grand Avenue residents to produce sound audible across property lines at 1470 Grand Avenue August 30, 2015, from 2:00–5:00 pm. **Carried.**

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

**MOTION** by Haverkamp, seconded by Quezada, to approve Resolution No. 15-43, concerning city parking and other regulations for RAGBRAI July 24-25, 2015. **Carried.**

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

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

**Clerk’s Report:** A written report was presented.

**Finance Report:** Verbal report.

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

**Warrants  
June 10, 2015 through July 14, 2015**

Name	Amount	Name	Amount
City of Iowa City	17.45	Prelude Behavioral Services	60.00
Matthew Fort	1,440.51	Westport Touchless Autowash	84.00
Ryan Miller	728.10	Breese Plumbing & Heating	658.26
Alexander Patch	1,258.32	Iowa League of Cities	726.00
Harold Plate	124.60	Ultramax	400.00
Nicholas Sherman	1,341.13	Rotary Club of Iowa City Downtown	165.00
Kenneth Stanley	1,612.59	Noah Hughes	50.00
Michelle Miller	1,278.46	St Andrew Presbyterian Church	30.00
MidwestOne Bank	2,800.96	City of Iowa City	932.00
MidAmerican Energy	90.40	Iowa Law Enforcement Academy	325.00
Christine Anderson	452.63	Stanard & Associates, Inc.	36.00
Lori Kimura	337.64	Matthew Fort	34.65
Kristofer Lyon	1,327.83	Johnson County Refuse, Inc.	1,738.50
Michelle Miller	1,278.47	CenturyLink	166.51
Alexander Patch	1,519.78	City of Iowa City	3,824.32
Kenneth Stanley	1,572.58	St Andrew Presbyterian Church	30.00
Matthew Fort	1,373.75	Mediacom	109.95
Nicholas Sherman	1,286.12	Galls Incorporated	90.90
Matthew Fort	1,372.14	Deery Brothers Ford Lincoln Inc.	261.00
Alexander Patch	669.86	Iowa Law Enforcement Academy	300.00
Nicholas Sherman	853.50	Pyramid Services Inc.	41.34
Carla Aldrich	184.70	VISA	393.45
Louise From	454.13	VISA	8.48
Michael Haverkamp	172.80	St Andrew Presbyterian Church	90.00
James Lane	184.70	Wellmark BC/BS	1,118.07
Virginia Miller	184.70	Internal Revenue Service	4,409.00
Silvia Quezada	184.70	Iowa Workforce Development	849.02
Paul Moore	1,374.23	Treasurer State Of Iowa	3,167.00
Verizon Wireless	80.10	IPERS	201.45
City of Iowa City	13.88	IPERS	3,833.50
Internet Navigator	24.95	Welt-Ambrisco Insurance	958.00
SEATS	703.66	MidAmerican Energy	33.34

Stan Laverman	500.00	MidAmerican Energy	39.20
Terry Goerd	1,400.00	MidAmerican Energy	34.49
Shive Hattery	7,771.82	MidAmerican Energy	646.43
University Lake Partners	600.00	Iowa Prison Industries	26.50

**General Fund - \$ 47,126.55                      Road Use Tax - \$ 779.96                      Employee Benefits Fund - \$ 14,536.04**

**Total Receipts                      \$ 62,065.42                      Total Warrants                      \$62,442.55**

**Building, Zoning, and Sanitation:** A written report was presented by council member Quezada and Zoning Commission chair Pat Yeggy. A verbal report was given by Board of Adjustment chair Dottie Maher.

**MOTION** by Quezada, seconded by Haverkamp, to approve Resolution No. 15-4, authorizing the expenditure of up to \$500.00 for the Solid Waste Alternatives Program previously approved and funded 75% by a forgivable loan from the Iowa Department of Natural Resources, for recycling bins and promotional activities at Grandview Court condominiums. **Carried.**

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

Discussion of composting services and consideration of Resolution No. 15-48 amending the Memorandum of Understanding with Johnson County Refuse, Inc. concerning those services was tabled.

**Community Protection:** A written report was presented by Police Chief Stanley. A written report was presented by council members Aldrich and Haverkamp. Chief Stanley stated he has passed the state exam test.

Consideration of Resolution No. 15-44, authorizing an increase in the size of the University Heights Police Department by one position was tabled.

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

**MOTION** by Aldrich, seconded by Haverkamp, to approve Resolution No. 15-45 accepting a quotation for the 2015 Sidewalk Repair Project, awarding the contract, and authorizing the mayor to sign the contract. **Carried.**

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

**MOTION** by Aldrich, seconded by Miller, to approve Resolution No. 15-46 accepting the quotation for the 2015 Leamer Court Pavement Repair Project, awarding the contract, and authorizing the mayor to sign the contract. **Carried.**

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

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

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

**Announcements:** Haverkamp announced the passing of Jeri Irvine of 6 Leamer Court. A funeral service was held July 13, 2015.

The meeting was adjourned **by unanimous consent at 10:14 p.m.**

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**Attest: Christine Anderson, City Clerk**

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