

May 27, 2015

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

Mayor From called the May 27, 2015, special meeting of the University Heights City Council to order at 7:03 p.m.

Present: Mayor From. Council Members: Carla Aldrich, Mike Haverkamp, Jim Lane, Silvia Quezada and Virginia Miller. Staff present: Attorney Ballard, Clerk Anderson and Engineer Bilskemper. Also attending: Dewi Abramoff, Michael Abramoff, Chris Accola, Ann Allaire, Doug Allaire, Pat Bauer, Bobby Beinhart, Sheryl Beinhart, Kathie Belgum, Kit Belgum, Gretchen Blair, Robert Boelman, June Braverman, Lisa Cramer, Michael Crocker, Justin Doyle, Karen Drake, Andy Dudler, Ann Dudler, Linda Fincham, Michael Flaum, Joseph Frankel, Tom Gelman, Terry Goerd, Ann Grossheim, Mark Hankins, David Hansen, Gloria Hanson, Clayton Hargrave, Alice Haugen, Wally Heitman, JP Hourcade, Jase Humphrey, Eunice Hunzelman, Russ Hunzelman Tom Jackson, Catherine Lane, Al Leff, Chris Luzzie, Jeff Maxwell, Kevin Monson, Dan Moore, Liesa Moore, Darian Nagle-Gamm, Josh O’Leary, Rob Philibert, Kent Ralston, Karl Robertson, John Roffman, Greg Prickman, Mary Schmidt, Rich Schmidt, Marlys Svare, Larry Wilson, Mary Mathew Wilson, Ken Yeggy and Pat Yeggy.

From thanked the University Club for providing the meeting space and council member Haverkamp and John McLure for setting up the meeting space and video-taping the meeting, respectively.

PUBLIC HEARING ON MULTIPLE-FAMILY COMMERCIAL PUD PLAN APPLICATION KNOWN AS ONE UNIVERSITY PLACE SUBMITTED BY MAXWELL DEVELOPMENT, LLC CONCERNING PROPERTY PRESENTLY OWNED BY ST. ANDREW PRESBYTERIAN CHURCH AND PROPERTY TO THE EAST.

Mayor From called the public hearing on the PUD plan application submitted by the Maxwell Development LLC to order at 7:04 p.m. The following addressed the council with their concerns:

Ann Dudler – 205 Koser Avenue
Chris Luzzie – 338 Koser Avenue
Larry Wilson – 308 Koser Avenue
Rich Schmidt – 207 Mahaska Drive
Karen Drake – 322 Koser Avenue
Mary Mathew Wilson – 308 Koser Avenue
Pat Yeggy – 305 Ridgeview Avenue
David Hansen – 335 Koser Avenue
John McLure – 415 Koser Avenue

Pat Bauer – 338 Koser Avenue
Joe Frankel – 323 Koser Avenue
Kathie Belgum – 104 Sunset Street
Greg Prickman – 321 Koser Avenue
Al Leff – 215 Sunset Street
JP Hourcade – 416 Ridgeview Avenue
Sheryl Beinhart – 316 Highland Drive
Tom Gelman – counsel for Maxwell Development LLC

Mayor From closed the public hearing at 8:07 p.m.

Mayor From reopened the regular council meeting at 8:08 p.m.

Update of PUD Plan Application: Kevin Monson addressed the council concerning the PUD. Monson stated there has been no change in the size of the development since the rezoning request. Recent changes have been in response to city staff and council questions and input. Monson said many of the items addressed at the meeting will be addressed in the construction agreement.

Monson shared samples of the proposed exterior materials with the council and public. The buildings will use top-of-the-line materials and finishes. Previously, a cast stone product had been planned for the exterior walls, but in response to comments from the council and public, bricks will be used instead. Monson stated they will not use “residential materials”. Aluminum windows will be installed, incorporating insulated glass. Monson stated the finishes will differentiate the development from the normal apartment market; this development is targeting the condominium market. Monson feels the finishes are “classic without being period and very timeless”. There will be a mock-up of the exterior wall, as well as a demo unit created on-site.

Update of MPO Traffic Study: Darian Nagle-Gamm addressed the council regarding additional analysis the council had requested at the May 12th meeting. Analysis was done using the assumption that the Melrose Avenue and Sunset Street intersection was not realigned but the development was built. There will be minimal effect during the AM peak times but “there would be a more pronounced effect” during the PM rush hours; primarily due to commercial traffic and PM traffic from the university. Another scenario was analyzed where the split phase remained (no alignment) and the traffic signals were optimized to reallocated light time to the lane movements that have the most traffic. Melrose Avenue currently has the most traffic

movements, therefore Sunset Street would be “penalized”. If the signals were optimized in this manner, on a scale of A-F, Melrose would receive a level of service “C” grade, whereas Sunset Street would receive a level of service “F” grade. Nagle-Gamm stated that MPO encourages the city to fix the intersection, regardless if the development is built or not.

Council member Quezada asked if installing a round-about would help the traffic flow. Nagle-Gamm replied that the size of the round-about and space considerations to build it would be potential issues.

Updated National Development Council (NDC) Financial Report: Tom Jackson addressed the council regarding an updated financial report regarding the development. In response to public comments, Jackson stated that NDC is funded by technical assistance fees, (the city is paying this type of fee for services), by training fees and fees off of small business loans. Jackson stated there is no “invitation” to banks or developers for contributions to the council.

Jackson stated that when there is “new increment” generated on the property, “there is new increment for local governments”, be it the county, city, the school system, etc. Jackson spoke to Pat Bauer’s projections and Jackson stated he assumed a two percent internal rate of return in his computations. Jackson stated the city “is not putting bond money out” as it is a TIF rebate; there is no risk to the city. This is a very safe investment. The city will break even, over the amount of the protected levy, by 2037.

It is anticipated the property will be assessed at approximately \$31 million. The TIF rebate is projected to last 13.5 years. During that time, a portion of the new increment will flow to the developer as a rebate but the protected levies, in each year, will be paid and the “escalation” will increase the amount of the protected levy receipts and will create “additional property taxes on the unprotected levy” over and above the protected levy.

Jackson commented that based on the financial statements he has reviewed, the development team is “capable of buying the church”.

Jackson stated he had modeled an eight percent return on the project. Banks are modeling their loan rates at four to five percent. There is a strong market in the area and the city possess a stable community. Jackson has evaluated the project costs as reasonable. Regarding the land acquisition price and given land values in the market place, on a square foot basis, Jackson stated the purchase price “is not unreasonable”.

Jackson stated that given the assumptions and data he has reviewed, the \$4 million net present value, “is reasonable” and the stream of rebates over 13.5 years, “is reasonable”. The council will need to determine if that investment is reasonable for the city. Of the projected \$4 million TIF for the project, \$3.005 million is attributed to the commercial space and civic space and approximately \$1 million towards the residential units.

Jackson responded to the comments and questions of the various council members.

City Engineer Report: City engineer Bilskemper gave a brief update on his updated report regarding the PUD. Bilskemper verified that all components have been included in the PUD as needed. Bilskemper commented that a pump for the sanitary sewer system will be maintained by the developer as it is a private line and will not be the city’s responsibility.

Other Staff and Service Provider Reports: Attorney Ballard commented on the reports he had circulated to the council. Reports were received from Coralville Fire Department, Johnson County Refuse, Police Chief Stanley, Building Inspector Terry Goerd, Iowa City transit and Mediacom.

MOTION by Haverkamp, second by Lane to approve Resolution 15-30, approving on conditions the Multiple-Family Commercial PUD plan application submitted by Maxwell Development, LLC. After discussion by council, Haverkamp 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.

Consideration of Resolution no. 15-31 approving and authorizing the mayor to sign a Development Agreement with Maxwell Development, LLC was tabled until the next council meeting.

MOTION by Lane, seconded by Aldrich, to approve Resolution No. 15-32 authorizing the City’s bond counsel, John Danos, to initiate work on city financing for One University Place in the form of a rebate TIF in an amount not to exceed \$4 Million.
Carried.

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

The meeting was adjourned **by unanimous consent at 10:08 p.m.**

Attest: Christine M. Anderson, City Clerk

Approved: Louise From, Mayor