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MINUTES OF THE PROCEEDINGS
OF THE BURLINGTON, IOWA CITY COUNCIL

Meeting No. 20
October 15, 2012

The Burlington City Council met in regular session at 6:30 p.m. in the Thomas J. Smith Council Chambers, City Hall with Mayor Davidson, Council Members Anderson, Fleming, McCampbell and Reed present.

BURLINGTON CITY COUNCIL

Business Women's Week: Julie Chubb
Burlington Area United Way Time: Kathleen Hemmesch

CONSENT AGENDA: To the Public:

All matters listed under Item I., Consent Agenda, having been discussed were considered to be routine by the City Council and were enacted by one motion. There was no separate discussion of these items. If discussion was desired, that item was removed from the Consent Agenda and was considered separately.

Introduced By: Fleming Seconded By: Reed

MOTION: To approve all items listed under Item I., Consent Agenda.

DISCUSSION: Mayor Davidson reviewed the items listed on the consent agenda to the viewing audience. Council Member Reed announced those individuals appointed to various City commissions and boards. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - AYES)

CARRIED

HEARINGS:

1. Statement: Consideration of an Amendment to Urban Renewal Plan for Neighborhood Development Program Urban Renewal Area

COMMENTS: The City Manager stated that the first two public hearings are required by a new law adopted by the Iowa legislature this past legislative session. He stated that the goal of the new legislation is to provide transparency. He stated that anytime the City approves an urban renewal project

within an urban renewal area, notification must be made to the County and the School District letting them know that the City will be approving an urban renewal project within an urban renewal area. He stated that a public hearing must be held to amend the TIF plan to incorporate those specific projects within

the plan document. In this case the amendment to the urban renewal plan for neighborhood development program urban renewal area, the project would be the Franz Hobart Rebate Agreement. He explained that the Rebate Agreement was set up to provide 90% rebate for 15 years. He stated that this is different from a grant, which is what the City has done for projects in the past. He stated that

this is a rebate of taxes paid. He stated that as Franz Hobart makes payments

based off of the increased value for their project, the City would then rebate back to Franz Hobart 90% each 6-months. If the valuation comes back less the City would rebate back less, if it comes in higher than anticipated then the City gets to keep the excess. He stated that this public hearing was to amend the urban renewal plan for neighborhood development program urban renewal area to include the Franz Hobart Project in the Urban Renewal Area. He stated that the third public hearing was the approval of the Franz Hobart Development Agreement. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Anderson
Motion to Close

Seconded By: Reed

CARRIED

Introduced By: Anderson

Seconded By: Fleming

Resolution Approving an Amendment to Urban Renewal Plan for Neighborhood

Development Program Urban Renewal Area

DISCUSSION: None.

(VOTE: 5 - â AYESâ)

ADOPTED

2. Statement: Consideration of an Amendment to Urban Renewal Plan for Flint

Hills Urban Renewal Area

COMMENTS: The City Manager stated that the amendment to urban renewal plan for Flint Hills Urban Renewal Area would incorporate two separate projects into the Flint Hills Urban Renewal Area. He stated that the two projects were as follows: \$500,000.00 Greater Burlington Partnership rebate for the sale of the shell building and the Winegard rebate. He stated that both projects have gone through separate public hearings for approval, contingent to the approval plan amendment. He stated that the tax rebate for Winegard Company was \$1,380,330.00

based on a tax rebate of the new property taxes that Winegard Company will pay, 75% for the first five years then 50% rebate for the next five years. He stated

that the Greater Burlington Partnership rebate was not to exceed \$500,000.00, and was a 100% tax rebate in increased property taxes over a ten-year period to assist Greater Burlington Partnership. He stated that these projects were rebates only, the City was not forwarding cash under both scenarios. As property

taxes are paid on these properties, the City will reimburse a portion of the property tax based on the percentages in the agreements. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Reed
Motion to Close

Seconded By: McCampbell

CARRIED

Introduced By: Reed

Seconded By: Anderson

Resolution Approving an Amendment to Urban Renewal Plan for Flint Hills

Urban
Renewal Area

DISCUSSION: None.

(VOTE: 5 - â AYESâ)

ADOPTED

3. Statement: Consideration of a Development Agreement with Franz Hobart

Management Services, Including Annual Appropriation Tax Increment Payments in an Amount Not to Exceed \$1,244,333

COMMENTS: Jason Hutcheson of Greater Burlington Partnership presented to the Council and the viewing audience the development agreement with Franz Hobart Management Services, including annual appropriation tax increment payments in an

amount not to exceed \$1,244,333.00. He explained the project was a \$10,000,000.00 investment for development of 58-upper story 1 and 2 bedroom units with commercial use on the first floor. He stated that Steve Frevert of Downtown Partners and Jim Hobart of Hobart Management Services were present should Council have any questions. He stated that Franz Hobart has done a similar project in downtown Dubuque, Iowa. He stated that after negotiations with Franz Hobart Management Services, the arrangement with the City was zero cash up front, a private parking solution was found with no cost to the City; and a 90% TIF rebate over 15-years, which will come from the increase in property taxes from that property. He explained that the 90% TIF rebate means that of the TIF portion of the total tax bill, 90% would be rebated to the developer.

Jim Hobart stated that he hoped to start construction on November 4, 2012 and construction should take approximately 12 to 18 months. Council Member Fleming stated that this was an exciting project for downtown Burlington. Ron Brozene representing Southeast Iowa Property Owners Association stated that he was in favor of the project, but questioned how the project could be profitable. Council Member Anderson explained that there would be 58 units plus the first floor would be commercially rented, which would also generate revenue. Council Member Reed stated that Franz Hobart Management Services would not be spending money on the project if they had not done their homework on the project. Council Member McCampbell stated that he was not against the project, but he did

not share the Council's excitement. Jim Hobart stated that he would be receiving

State and Federal historic tax credits and Enterprise Zone Tax Credits. He stated that the \$10,000,000.00 project may end up being \$5,000,000.00 after the tax incentives and tax rebates. He stated that Franz Hobart Management Services

would be acquiring additional property for an office that would house a property

manager and maintenance people. Martin Gordon asked if the construction would be provided by local construction workers. Jim Hobart stated that they would be

taking bids on October 23, 2012 for a general contractor and have instructed all

general contractors to hire local. The City Clerk speaking on behalf of Tim Scott of 2017 South 15th Street, that could not be in attendance, had urged Council to consider carefully the funding for the Franz Hobart Project as the funding is State and Federal funds. Tim Scott had stated that the City was investing in Franz Hobart's private business and just receiving temporary jobs

in return and a small increase in property taxes. Tim Scott further stated that

the downtown project was in direct competition with a development that was presently taking place on West Avenue and will be using State and Federal funds.

Tim Scott urged Council to use the tax abatement option instead. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Reed

Seconded By: Fleming

Motion to Close

CARRIED

Introduced By: Reed

Seconded By: Fleming

Resolution Approving a Development Agreement with Franz Hobart Management Services, Including Annual Appropriation Tax Increment Payments in an Amount Not to Exceed \$1,244,333

DISCUSSION: Council Member McCampbell reiterated that he was not against the development, but did not see how 58 units could be filled with professionals. He stated that he felt the rebate was too high and that a rebate should be given

to someone that is opening up a business not to someone developing a building. Council Member Anderson stated that the City funded a grant to make the downtown

a historic district with the hope to encourage development of the downtown. She

stated that the only way to get out of town money invested in downtown Burlington was to offer State and Federal Historic Tax Credits. She further stated that she hoped others would apply for tax credits for the downtown area.

Council Members Fleming and Reed stated the project was a win-win for the community. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 4 - AYES Fleming, Reed, Anderson & Davidson

1 - NAY McCampbell)

ADOPTED

4. Statement: Consideration of Sale of Property Locally Known as 1702 Oak Street, City of Burlington, Des Moines County, Iowa

COMMENTS: The Parks and Development Director reviewed with the Council and the viewing audience the sale of property locally known as 1702 Oak Street. He stated that the property was a part of the Neighborhood Stabilization Program (NSP) and the purchaser had to meet income guidelines. He stated that the City had acquired the property through the NSP Program. He stated that the property originally was 2-lots with two separate homes and the property was now a single lot with a single family home constructed on it. Mayor Davidson and Council Member Reed stated that it was a good project. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Fleming

Seconded By: Reed

Motion to Close

CARRIED

Introduced By: Fleming

Seconded By: Reed

Resolution Approving Sale of Property Locally Known as 1702 Oak Street,
City
of Burlington, Des Moines County, Iowa

DISCUSSION: None.

(VOTE: 5 - â AYESâ)

ADOPTED

5. Statement: Consideration of an Ordinance Amending Various Sections of Chapter
apter
161, Housing Code of the City of Burlington Municipal Code

COMMENTS: The Parks and Development Director reviewed in detail with Council and
the viewing audience the proposed Ordinance Amending Various Sections of Chapter

161, Housing Code of the City of Burlington Municipal Code. Those who spoke
against the proposed Ordinance were as follows: Ron Brozene representing the
Southeast Iowa Property Owners Association; Don Loots of West Avenue; Mike
Hoffman of 5512 Flint Crest Drive; Shelly Morton of 901 North 5th Street; Brad
Cranston of 501 South Garfield Avenue; Dennis Wilson of 1700 River Street and
Becky Shockley of North 5th Street. Those who spoke were against the quarterly
extermination program (four times a year) to be maintained by the owner and
would need to be performed by a licensed pest management professional of a
licensed pest management company. Many of those who spoke felt a quarterly
extermination program was too excessive and would place a financial burden on
the landlord, would not be healthy for their tenants to breathe fumes from the
extermination process, and that they did not have problems with bugs and roaches

in their apartments. After considerable discussion by the Council, they also
felt that a quarterly extermination program was excessive and urged the Parks
and Development Director to rewrite the Ordinance and bring it back to them at a

later date. All present had opportunity to speak and nothing additional was
filed in the office of the City Clerk.

Introduced By: Fleming
Motion to Close

Seconded By: McCampbell

CARRIED

Introduced By: Fleming

Seconded By: McCampbell

Motion for Preliminary Adoption of the First Reading of an Ordinance Amending
Various Sections of Chapter 161, Housing Code of the City of Burlington
Municipal Code

DISCUSSION: None.

(VOTE: 1 - â AYEâ McCampbell

4 - â NAYSâ Fleming, Reed, Anderson and Davidson)

FAILED

RESOLUTIONS:

Introduced By: McCampbell

Seconded By: Fleming

1. Resolution Authorizing the City Council to Execute Applications and Agreements Related to State and Local Programs to Assist Alfagomma America, Inc.

in the Expansion of its Burlington, Iowa Plant

DISCUSSION: Rob Harrington with Greater Burlington Partnership asked the Council

to approve an application for enterprise zone for Alfagomma America, Inc. He stated that Alfagomma America, Inc. was expanding a line here from their Italy plant to supply a customer in the United States. He stated that it was a \$1,300,000.00 investment and would create 14 jobs. Both Council Member Reed and

Anderson asked about the kinds of jobs that would be created. Council Member McCampbell asked if there would be more jobs created in the future. John Dockendorf and Dino Sacchetti with Alfagomma America, Inc. explained that the jobs created would be all skilled labor and that they would be working with Southeastern Community College for training. They stated that they presently have a 3-year budget, and hope to create additional jobs in the future. They further thanked the Council for their assistance. Council Member Fleming applauded Alfagomma America, Inc. for their expansion project. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - â AYESâ)

ADOPTED

Introduced By: McCampbell

Seconded By: Fleming

2. Resolution Approving Purchase of a John Deere 4320 Tractor for Burlington Regional RecPlex

DISCUSSION: The City Manager stated that the proposed Resolution provided for the purchase of a tractor for the Burlington Regional RecPlex. He stated that the purchase of a tractor was not included in the current budget. He stated that the Parks Department was going to forgo the purchase of a truck and tommy gate, and there was additional money left over from items that were under budget

to make up the difference. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - â AYESâ)

ADOPTED

COMMENTS FROM AUDIENCE: None.

Adjournment: 7:55 p.m.
er 5, 2012

Approved: Novemb

Kathleen P. Salisbury, MMC
dson
City Clerk

Jim Davi
Mayor

(See recording on file in the office of the City Clerk for complete discussion and documentation.)

ITEM I.

Consent Agenda

FINANCES AND MISCELLANEOUS

Minutes of Previous Meetings

Payroll and City Claims

BEER, LIQUOR, WINE AND CIGARETTES

REPORTS AND BONDS

RESOLUTIONS:

1. Resolution Approving Nuisance Abatements for Various Properties
2. Resolution Authorizing a Contract Agreement with the State Historical Society of Iowa for a Certified Local Government Grant Project

APPOINTMENTS:

City Planning Commission: Deborah Fowler

Construction Board of Appeals: Tim Brown