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MINUTES OF THE PROCEEDINGS
OF THE BURLINGTON, IOWA CITY COUNCIL

Meeting No. 36
June 17, 2013

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. Council Member Reed left the meeting early due to a recent illness.

BURLINGTON CITY COUNCIL

PROCLAMATIONS OF RETIREMENT:
Richard Murphy, Communications Officer
Cliff Moyers, Refuse Driver II

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: Anderson Seconded By: McCampbell
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

RESOLUTIONS:

Introduced By: Anderson Seconded By: Fleming
1. Resolution Approving Contract for Transportation Services Between the City of Burlington, Iowa and Southeast Iowa Regional Planning Commission Postponed from the June 3, 2013 City Council Meeting

DISCUSSION: The City Manager reviewed the two options with Council of working with SEIBUS for accepting the wage structure proposal by the BUS employees along with changes in Public Works. He stated that the SEIBUS proposal is approximately \$15,000.00 more in savings. He stated that the recommendation by staff is to work in-house and work with the existing BUS employees. The Transit Manager stated that the savings after wage concessions and route changes is approximately \$190,000.00. The City Manager stated that from the staff prospective, the City has a great working relationship with SEIBUS employees. The Mayor stated that Southeast Iowa Regional Planning Commission provides services to local government. He stated that the City went to them for help in evaluating the situation. He thanked SEIRPC for their hard work. Council

Member Fleming stated that SEIRPC provided a prompt and efficient proposal by SEIBUS, but he will be voting no. Council Member Reed stated that it speaks volume that the riders support the BUS employees and that he will be voting no.

Council Member McCampbell stated that the sacrifice should be rewarded. Council Member Anderson stated that she is proud that the City has employees that would sacrifice their wages. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - â NAYSâ)

FAILED

Introduced By: Anderson Seconded By: Reed

2. Resolution Approving Amendment Number 4 to the Collective Bargaining Agreement Between the City of Burlington, Iowa and Local Association 828 of the American Federation of State, County and Municipal Employees, AFL-CIO July 1, 2009 - June 30, 2016, Per Amendment No. 3

DISCUSSION: The Director of Administrative Services stated that the changes included moving ranges down for BUS employees, per their recommendations, which would be a savings of approximately \$65,000.00 in FY2014. She stated that part time drivers have given up accruing any additional vacation. She stated that in addition, the positions won't receive pay increases until FY2016 except for the

step. Council Member Reed stated that he commended the workers for their sacrifices. He stated that the employees came to the City with the concessions. Council Member Anderson thanked the drivers for putting this proposal together.

Council Member McCampbell thanked the drivers. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - â AYESâ)

ADOPTED

HEARING:

1. Statement: Consideration of Sale and Development of City Property and to Make Tax Increment Rebate Payments

COMMENTS: Jesse Caston with Terrus Real Estate Group stated that he has been working on the Highway 61 project for about 1 1/2 years to find a developer for the property. Bob Welstead with Dial Realty of Omaha, Nebraska stated that Dial

Realty has a lot of experience in the midwest with development of properties. He presented to Council and the viewing audience a conceptual site plan that includes retail, restaurants, hotel and senior living. Chris Nielson with Dial Properties (a sister company of Dial Realty) stated that he has been working on marketing the project with incentives. Bob Welstead stated that they are already working on marketing the project. He stated that presently the property

is not generating any revenue. He stated that the taxes he creates for improvements will be used for \$2,000,000.00 for the land, old infrastructure that needs to be removed, old streets will need to be torn out. He stated that a new storm sewer system, a new water system and a new sewer system would need to be installed and new streets would need to be constructed. He stated that approximately \$4,000,000.00 to \$5,000,000.00 would be spent on the property before the project begins. He stated that after the project is complete, the retail portion would average three jobs per 1,000 square feet. He stated that approximately 400 jobs will be created plus the construction jobs. He stated that the work on construction will be between \$30,000,000.00 to \$40,000,000.00.

He stated that it will take three to five years for the project to be finalized. Council Member Anderson thanked Bob Welstead for explaining what TIF

monies will be used for. David Toyer, Director of Economic Development for the Greater Burlington Partnership, stated that with this being a redevelopment, it will need some type of incentive such as TIF, or the City extends cash to remove

the infrastructure. He stated that this is a multi-year project. He stated this has been a challenging site for a number of years. He further stated that the Greater Burlington Partnership is supportive of the project. The Development and Parks Director presented a handout to the Council and reviewed the Urban Renewal Plan Update; Urban Renewal Plan Provisions (2006); Comprehensive Plan and Rezoning PUD - Planned Unit Development with Council and the viewing audience. He stated that in 2006 there was a surplus of quality housing. He stated that the current Comprehensive Plan addresses the need for quality housing in Burlington and a committee has been set up to further explore

the housing needs of the community. He stated that the Urban Renewal Plan Provisions in 2006 included the redevelopment of the property in an effort to assure that the slum and blight conditions did not continue or return to this area. Leon Shahan of 1821 Mt. Pleasant Street asked the capitalized cost of Flint Hills Manor. The City Manager stated that the bond was for \$6,500,000.00.

He stated that \$6,100,000.00 was borrowed at 6.5% interest for 15 years with \$800,000.00 annual payments. Leon Shahan asked how much the City was selling the

property for. The City Manager stated that the cost is between \$2,200,000.00 and \$2,400,000.00. He stated that it was never envisioned to cover the cost of what was put into it. Leon Shahan asked what incentives would be offered. The City Manager stated that the one incentive would be the rebate which is structured similar to a TIF except the risk will not be on the City. He stated that the rebate is for 100% for 6 years and 80% for an additional 6 years. He stated that for the first \$3,000,000.00 there is no rebate. Reverend Al Sparks stated that the jobs that will be created will only be service jobs not high quality jobs. He stated that he felt the City Council was giving up so much for

so little. He stated that the property was valuable and should be used for industrial not commercial. John Sandell of 917 Willow Street asked what area of

the property is mandatory for the developer to develop first. Mayor Davidson stated that there is no set schedule of development. John Sandell asked what safeguards the city is putting into the contract. Mayor Davidson stated that this is a change in philosophy. Council Member Reed stated that right now the property is costing the City money. Mayor Davidson stated that he feels confident with the project and he has had a variety of business people that feel

this is a good project also. Larry Williams of 1607 Navajo Street stated that he also hoped for more industry. Jerry Fenton of 1716 Wiemer Street stated that

he has been running a business in Burlington for the past 80 years. He stated that he is tired of the City Council voting on knee jerk reactions. He stated that he has spent \$1,000,000.00 over the past ten years on his property without any rebates. He stated that this is not a sellers market. Council Member Anderson stated that she feels bad for the people that were relocated. She stated that this is prime real estate but developers are risk takers. She stated that the burden is on the developer to develop the property, not the citizen. She stated that the City has property that could be used for industrial use. She further stated that she liked the mix-use of the proposed plan. She felt that the earnest money was too low. She stated that she has faith in the developer. Council Member Fleming stated that he is ready to make a decision and move ahead. He stated that this probably isn't the greatest deal

but it is better than what the City has received so far. He stated that he will

support the deal and wish the developer well. Council Member Reed stated that in the past the City used eminent domain and the original developer pulled out of the deal. He stated that the land is a good mixed-use. He stated that the City has done a lot for Case & General Electric. He stated that this is going to make Burlington a better shopping hub for southeast Iowa and will improve our

overall economy and he will be voting in favor of the project. Council Member McCampbell stated that his biggest issue is the \$20,000.00 earnest money. He stated that he was looking for a bigger commitment from the developer. He stated that with the amount of the earnest money, he will be voting no. He stated that the City owes the citizens and local developers development of the property. He stated that he would like to see more earnest money provided. Mayor Davidson stated that he doesn't like incentives. He stated that the amount of earnest money does not concern him. He stated that he is in favor of the project. 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: Fleming

Seconded By: Reed

Resolution Approving Proposal to Dispose of Real Estate to Burlington Crossing

LLC, Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of a Development Agreement

DISCUSSION: None.

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

1 - NAY McCampbell)

ADOPTED

Council Member Reed left the meeting early due to a recent illness.

ORDINANCES:

Introduced By: McCampbell

Seconded By: Fleming

1. Motion for Second Consideration and Adoption of an Ordinance Providing for

the Division of Taxes Levied on Taxable Property in the 2013 Amendment to the Burlington Consolidated Urban Renewal Area, Pursuant to Section 403.19 of the Code of Iowa

DISCUSSION: The City Manager stated that this is the second reading on the ordinance and will accomplish three things. He stated that there were two tracks of land behind Sunnybrook Assisted Living, including Rosebush Gardens Assisted Living. He stated that it will combine two districts. He stated that it incorporates the rebate agreement that was just approved as part of the plan.

Leon Shahan of 1821 Mt. Pleasant Street stated that his objection is that it allows for bigger projects like what happened with the Flint Hills Manor. He urged the City to keep the two districts separate. Mayor Davidson stated that the advantage of merging the two districts is that some of the valuation of one district can help out the other district. The City Manager stated that the downtown district is struggling to have enough valuation in it to support the existing debt. He stated that the question of a possible police department building in the downtown area. He stated that there is no realistic value for another six or seven years for that project or any other project. He stated that this is needed for any flexibility in the downtown area. All present had

opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 4 - â AYESâ)

CARRIED

Introduced By: McCampbell

Seconded By: Fleming

2. Motion to Amend the Motion for Preliminary Adoption of the Second Reading of

an Ordinance Rezoning the Property Located at 2830 Mt. Pleasant Street from M-2,

Heavy Industrial to M-1, Light Industrial Zoning District

DISCUSSION: The Development and Parks Director stated that there were no changes

from the first reading of an Ordinance Rezoning the Property Located at 2830 Mt.

Pleasant Street from M-2, Heavy Industrial to M-1, Light Industrial Zoning

District. All present had opportunity to speak and nothing additional was filed

in the office of the City Clerk.

(VOTE: 4 - â AYESâ)

CARRIED

Introduced By: McCampbell

Seconded By: Fleming

3. Motion for Waiver of Preliminary Consideration and Adoption of the Second

Reading and for Final Adoption of an Ordinance Rezoning the Property Located at

2830 Mt. Pleasant Street from M-2, Heavy Industrial to M-1, Light Industrial

Zoning District

DISCUSSION: None.

(VOTE: 4 - â AYESâ)

CARRIED

COMMENTS FROM AUDIENCE: None.

Adjournment: 8:10 p.m.

Approved: July 1

, 2013

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 the Filing of an Application for Southeast Iowa Regional Planning Commission, Region 16 (SEIRPC) Transportation Alternatives Program (TAP) Funds for FFY2017 for Pedestrian Improvements Along Mason Road
3. Resolution Approving Purchase of a 2013 Elgin Model Pelican NP Street Sweeper for Public Works, Street Division
4. Resolution Approving 28E Agreement Between the City of Burlington and City-Township Ambulance Association (CTAA) for Ambulance Service to Portions of Des Moines County, Iowa

APPOINTMENTS:

Library Board of Trustees: Chris Johnson and Tara Brooks