

Committee of the Whole
September 8, 2015

Present: Mayor Mark S. Vulich, Council Members McGraw, Rowland, Gassman, Determann, Wilke, O'Neill and Allesee, City Administrator, City Attorney, City Clerk, Press and interested citizens.

1. Clinton Urban Revitalization Plan Update – Jessica Kinser

City Administrator Kinser advised the Council that Beaver Builders has proposed 200 units and has requested a tax abatement. Once the Council sets a standard it will apply for all builders. She stated that she is looking for Council direction on how to handle this. She inquired regarding whether the Council wants to consider requests on a case by case basis or add an abatement schedule into the ordinance.

Councilmember O'Neill stated that he thought oversight by the Council for each project would be the best. Councilmember McGraw stated that if property is in a TIF, taxes cannot be abated. She inquired regarding whether this is a way of getting around this. City Administrator Kinser stated that the property would be removed from the TIF Ordinance and tax abatement action could take place. Councilmember Rowland stated that a 10-year scale for abatement would be a good way to go. Councilmember Allesee stated that she would like to see the process simplified so builders are not discouraged. Councilmember Determann stated that builders and developers need start-up funds. He suggested a tax abatement of 100% for five years and then the property is on the tax role. Councilmember Wilke stated that 50% assures that some funds come back to the taxing entities. Councilmember O'Neill stated that he had no problem if it is a case by case basis or an abatement schedule; however, he did not like the idea of a 100% tax abatement for five or ten years.

Mr. Greg Jaeger, representative for Bob Buker of Beaver Builders, advised the Council that his client would prefer a 100% tax abatement for five years. He stated that if the tax abatement is City-wide it would allow developers to bring projects forward and it is easier to plan out five years. The apartment complex will generate tax revenue for a long time. This would benefit the entire City and promote growth. He continued in stating that Mr. Buker is aware of Council's concern regarding the use of outside labor. He further stated that Mr. Buker will look at local labor to get this project done.

Mr. Dan Dolan advised the Council that he was proposing a 100 unit apartment complex which would be a \$10 to \$13 million dollar project. He state that once the prison is fully opened it will bring a lot of people into the City.

Councilmember Rowland inquired regarding the financial impact of a 100% 5 year tax abatement. City Administrator Kinser stated that it would have a \$2.7 million impact. He further inquired regarding whether this would be a problem for the City. Administrator Kinser stated that it would not be a problem; however, as it gets into 10 years at 100% it gets scary

M/S, Gassman-Rowland moved to forward #2 amending the CURP to provide abatement to any current and future multi-family residential project to the next City Council agenda. On roll call, carried unanimously.

M/S, Determann-Allesee moved to forward a 100% tax abatement for five years to the next City Council agenda. On roll call, carried unanimously.

2. Request for Incentives for Multi-Family Housing Project – Dan Dolan

This item was addressed in the above discussion.

3. Discussion of SOQ for Railpark Studies – CRDC

Mr. John Eisenman, 1st Vice-chair of the CRDC, advised the Council that the purpose of this SOQ was to determine a qualified and cost-effective engineering firm to complete the five required studies for Step 3 of the Site Certification Process for the Railpark. He stated that The CRDC received five proposals from engineering firms from around the state of Iowa. The CRDC staff has reviewed the proposals and suggests Olsson Associates at \$30,800. He continued in stating that the CRDC is requesting a 50/50 cost share from the City.

M/S, Gassman-Rowland moved to forward the 50/50 cost share with the CRDC to the next City Council agenda. On roll call, carried unanimously.

4. Jordan Hills Development Agreement – Jessica Kinser

City Administrator Kinser stated that the Council must decide the acceptable number of housing units to be completed by the completion date? The draft agreement states that 24 housing units, which is the maximum lots to be platted in the first phase. She continued in stating that the Council must also decide whether or not to retain item “e” as a remedy in section 11.2 which allows City to pursue the developer and all increments paid plus interest in the event of default. She further stated that the Council must determine whether to be consistent with other similar development agreements and any changes.

Councilmember Determann inquired regarding what the City is protecting. City Administrator Kinser stated that the infrastructure needs to be protected. It is not in the City’s best interest to have neighborhoods which are not fully populated. The City must provide services to the entire area. Mayor Vulich stated that he met with Mr. Sullivan who had informed him that he would not receive enough of an incentive to build a road. Councilmember Determann stated that the City cannot ask any more of the builders because the cost and risk is so high. Councilmember O’Neill stated that he did not have a problem with Mr. Lawrence building 20 units; however, Mr. Lawrence should come before the Council to let us know what he needs. Ahlers & Cooney, PC learned from other cities and strongly say that the City should have this in the agreement. Councilmember Allesee stated that Mr. Lawrence is a builder in Camanche and DeWitt and there are no provisions such as these from those cities.

Mr. Lee Bianchi stated that he had constructed the roads in his subdivision. He continued in stating that he requested a TIF; however, nine units was not enough. It took ten years to sell the lots. He further stated that if a certain number of houses must be built, he would just invest. Mr. Bob Betsinger stated that the City constructed 32nd Avenue North and paid for the street.

Councilmember McGraw stated that a builder has the incentive to build as many units as possible and there should be no number. City Administrator Kinser stated that according to Ahlers & Cooney the builder must indicate a number of units. Mayor Vulich inquired regarding “e”. City Administrator Kinser stated that the City would go after the increment and infrastructure. Mayor Vulich suggested striking out “e” and requiring the builder to declare the number of units to be built. City Administrator Kinser stated that it is not advisable to remove the default remedies.

M/S, Determann-McGraw moved that the development agreement require one unit to be built. Motion and second withdrawn.

In discussion before roll call, City Attorney O’Connell advised that the number of units is not as important as the default remedy. Councilmember Rowland stated that Mr. Lawrence and his attorney should meet with the City Attorney and City Administrator to discuss what they want.

Councilmembers Determann and McGraw withdrew their motion and second and directed staff to meet with Mr. Lawrence and his attorney.

5. Mayor & Council Member Updates

Mayor Vulich advised that the Iowa DOT awarded \$500,000 for railroad crossing improvements in Clinton and \$150,000 for the Central Steel crossing. He stated that the American Queen will be docking in the City next Wednesday.

Councilmember Determann stated that he would be going to Washington DC with ABI out of Des Moines. He continued in stating that they would be meeting with Senators and Congress and would be happy to take along any questions or comments the Mayor and Council may have.

City Administrator Kinser advised that the Augustana Kickoff would start at 9:00 AM tomorrow at Eagle Point Park Lodge with upwards of 110 students & Faculty attending. Mayor Vulich added that lunch would be at 12:30 and there would also be the ground breaking at 2:00 PM for 25th Avenue North Weigh and Stay.

Councilmember O'Neill stated that he would hold his forum on Saturday at the Ericksen Community Center from 9:30 AM to 11:30 AM. He further stated his Council Chatterbox radio program on KCLN would air Thursday from 1100 AM to 12:00 PM.

M/S, Determann-Willke moved to adjourn. All in favor.

Respectfully Submitted,

Pat Van Loo
City Clerk