MINUTES OF MEETING FOR HEARING ON PROPOSED URBAN REVITALIZATION PLAN

421464-37

Muscatine, Iowa

April 11, 2013

A meeting of the Council of the City of Muscatine, Iowa, was held at the Council Chambers, in the City, at 7:00 o'clock p.m., on April 11, 2013. The Mayor presided and the roll was called, showing members present and absent as follows:

Present: LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread

Absent: None

The Mayor announced that this was the time and place set for hearing upon the designation of the 2013 Muscatine Housing Urban Revitalization Area and the Proposed Plan for the 2013 Muscatine Housing Urban Revitalization Area. All written objections, statements, and evidence heretofore filed were reported to the City Council, and all oral objections, statements, and all other exhibits presented were considered.

The following named persons presented oral objections, statements, or evidence; filed written objections or statements; or presented other exhibits:

(SEE ATTACHED MINUTES)

There being no further objections, comments, or evidence offered, the Mayor announced the hearing closed. After further considering all objections, comments, and evidence regarding the designation of the 2013 Muscatine Housing Urban Revitalization Area and the Proposed Plan therefor, it was moved by Council Member LeRette and seconded by Council Member Phillips that Resolution No. 92378-0413, the same being a resolution of intention regarding said Plan and Area, be adopted.

Whereupon, the Mayor put the question upon the motion and the roll being called, the following named Council Members voted:

Ayes: LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread

Nays: None

Whereupon, the Mayor declared the said resolution adopted, as follows:

RESOLUTION NO. 92378-0413

Stating the intentions of the City Council with regard to the designation of the 2013 Muscatine Housing Urban Revitalization Area and the Proposed Plan therefor

WHEREAS, pursuant to the provisions of Chapter 404 of the Code of Iowa (the "Act") the City of Muscatine, Iowa, may designate an area of the City as an urban revitalization area, if that area meets the criteria of Section 1 of said Chapter 404; and

WHEREAS, the City Council of the City did find and determine that an area within the City identified by previous resolution as the 2013 Muscatine Housing Urban Revitalization Area (the "Area") meets the criteria of Section 1 of said Chapter 404; and

WHEREAS, the City Council has identified that a portion of the property legally described on Exhibit A hereto (the "Blighted Property") and proposed for inclusion in the Area is an area which, by reason of the presence of a substantial number of deteriorated or deteriorating structures, deterioration of site or other improvements, and a combination of these and other factors (the "Blighted Conditions"), substantially impairs or arrests the sound growth of the City, constitutes an economic and social liability and is a menace to the public welfare in its present conditions and use; and

WHEREAS, it is now necessary for the Council to make a formal finding of the existing Blighted Conditions with respect to the Blighted Property; and

WHEREAS, pursuant to the provisions of the Act, before designating any area to be an urban revitalization area, the City must prepare a Proposed Plan for such revitalization area and hold certain public hearings thereon; and

WHEREAS, after mailed and published notice thereof was given, as required by the Act, the City Council of the City did, on April 11, 2013, hold a public hearing on the designation of the Area and the Proposed Plan (the "Plan") therefor and considered all objections, comments, and evidence there presented; and

WHEREAS, the Act gives owners or tenants of property within the proposed Area thirty days in which to petition for a second public hearing;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. The City Council hereby reaffirms the presence of Blighted Conditions on the Blighted Property and hereby renews its determination that the rehabilitation and redevelopment of the Blighted Property are necessary in the interest of the public health, safety, or welfare of the residents of the City.

Section 2. The Plan for the Area is hereby tentatively approved, and it is the intention of the City Council to finally adopt the Plan for the Area at the City Council meeting on May 16,

2013, subject to the expiration of the thirty-day period within which a petition may be filed requesting a second public hearing.

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved April 11, 2013.

Mayor

Attest:

City Clerk

* * *

There being no further business to come before the meeting, it was upon motion adjourned.

Mayor

Attest:

City Clerk

CITY OF MUSCATINE, IOWA
CHARTERED 1851

EXHIBIT A

Legal Description of Blighted Property in the 2013 Muscatine Housing Urban Revitalization Area

(1) Blighted Area:

That territory bounded by a line extended as follows: Beginning at a point at the center of the intersection of the main channel of the Mississippi River and an extension of the centerline of Kemper Avenue, thence westerly along the extension of the centerline of Kemper Avenue, thence westerly along the centerline of Kemper Avenue to the center of the intersection of Kemper Avenue and Stewart Road, thence southwesterly along the centerline Stewart Road to the center of the intersection of Stewart Road and Wallace Street, thence westerly along the centerline of Wallace Street to the center of the intersection of Wallace Street and Aaron Avenue, thence northerly along the centerline of Aaron Avenue to the center of the intersection of Aaron Avenue and Sampson Street, thence westerly along the centerline of Sampson Street to the center of the intersection of Sampson Street and 25th Street South, thence northwesterly along the centerline of 25th Street South until it becomes the centerline of South Houser Street, thence northwesterly and northerly along the centerline of South Houser Street to the center of the intersection of South Houser Street and the north bank of the Muscatine Slough, thence easterly along north bank of the Muscatine Slough to the center of the intersection of the north bank of the Muscatine Slough and an extension of the centerline of Charles Street, thence northerly along an extension of the centerline Charles Street to the center line of Charles Street, thence northerly along the centerline of Charles Street to the center of the intersection of Charles Street and Hershey Avenue, thence easterly along the centerline of Hershey Avenue to the center of the intersection of Hershey Avenue and Fletcher Avenue, thence northerly along the centerline of Fletcher Avenue to the center of the intersection of Fletcher Avenue and Lucas Road, thence northwesterly along the centerline of Lucas Road to the center of the intersection of Lucas Road and Newell Avenue, thence easterly along the centerline of Newell Avenue to the center of the intersection of Newell Avenue and Logan Street, thence northerly along the centerline of Logan Street to the center of the intersection of Logan Street and Dillaway Street, thence easterly along the centerline of Dillaway Street to the center of the intersection of Dillaway Street and Roscoe Avenue, thence northwesterly along the centerline of Roscoe Avenue to the center of the intersection of Roscoe Avenue and Fulliam Avenue, thence easterly along the centerline of Fulliam Avenue to the center of the intersection of Fulliam Avenue and Cedar Street, thence southeasterly along the centerline of Cedar Street to the center of the intersection of Cedar Street and Bartlett Street, thence northeasterly along the centerline of Bartlett Street to the center of the intersection of Bartlett Street and Mulberry Avenue, thence northwesterly along the centerline of Mulberry Avenue to the center of the intersection of Mulberry Avenue and Maple Avenue, thence northeasterly along the centerline of Maple Avenue to the center of the intersection of Maple Avenue and Oak Street, thence northwesterly along the centerline of Oak Street to the center of the intersection of Oak Street and Woodlawn Avenue, thence easterly along the centerline of Woodlawn Avenue to the center of the intersection of Woodlawn Avenue and Isett Avenue, thence northerly along the centerline of Isett Avenue to the center of the intersection of Isett Avenue and Clay Street, thence easterly along the centerline of Clay Street to the center of the intersection of Clay Street and Park Avenue, thence southerly along the centerline of Park Avenue to the center of the intersection of Park Avenue and Washington Street, thence easterly along the centerline of Washington Street and then along an extension of the centerline of Washington Street to the intersection of an extension of Washington Street and the main channel of the Mississippi River, thence southwesterly along the main channel of the Mississippi River to the point of beginning.

STATE OF IOWA
COUNTY OF MUSCATINE SS:
CITY OF MUSCATINE

I, the undersigned, City Clerk of the City of Muscatine, Iowa, do hereby certify that the above and foregoing is a true, correct and complete copy of the minutes of the public hearing on the designation of the 2013 Muscatine Housing Urban Revitalization Area and the Proposed Plan for Muscatine Urban Revitalization Area held on April 11, 2013.

WITNESS MY HAND this 11th day of April, 2013.

City Clerk

CITY OF MUSCATINE
IN-DEPTH CITY COUNCIL MINUTES
Council Chambers – 7:00 p.m. – April 11, 2013

Mayor DeWayne Hopkins called the In-Depth City Council meeting for Thursday, April 11, 2013, to order at 7 p.m. Councilmembers present were LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Also present were City Administrator Gregg Mandsager and Community Development Director Steve Boka.

PUBLIC HEARING

Mayor Hopkins stated this public hearing concerns a proposed tax abatement program. Staff was authorized to begin development of a program to address and stimulate new and expanding residential development in designated areas, promote infill opportunities, and encourage historic preservation.

Community Development Director Steve Boka stated that at the March 14, 2013 In-Depth meeting he gave a presentation outlining the parameters of the proposed abatement program. He stated that since then notices have been sent to affected property owners within the "blighted" area which also includes the West Hill Historic Neighborhood and the Downtown Historic District. He stated there are also a number of subdivisions in the community that are underutilized and under developed, and, through this program, the city will offer incentives to interested parties building within the subdivisions.

Mr. Boka stated that per state law, the notice to property owners had to be sent out 30 days prior to tonight's public hearing. He stated the proposed Revitalization Plan was prepared in conformance with Section 404.2 of the Code of Iowa for the purpose of providing incentives and outlining procedures to enhance the potential for residential development in the revitalized area. He then listed the tax abatement incentives that had been provided at the March 14th meeting. They are as follows:

Blighted District:

- Any property owners improving their property (assessed) value by at least 15% if it is located within the blighted district and not otherwise utilizing the historic district abatement program would be eligible for tax abatement on those improvements provided they obtain zoning approval and construction permits prior to undertaking the improvements. Staff's recommendation is three years at 100%.

Historic District:

- Open to any property owner improving their assessed property value by at least 10% provided it has been designated as a contributing building to the historic district. City Council has several options for extending this benefit to eligible properties that range from a sliding scale tax abatement up to and including a maximum benefit of 100% abatement on the eligible improvements for a period not to exceed 10 years. Staff's recommendation is five years at 100%.

Infill:

- Promoted within each district except for the West Hill Historic District unless supported by the Historic Preservation Commission.

New Construction:

- Any property owner that constructs a new residential home in an underutilized existing subdivision or as infill in the blighted area designated by the City Council would be eligible for tax abatement under this program. However, the benefit may only be extended on the first $75,000 of assessed value. City Council has several options for extending this benefit to eligible properties with the staff's recommendation being five years at 100% for residential buildings having a minimum assessed value of $200,000.

Mr. Boka stated the plan is still being reviewed by the city's bond counsel. He stated that staff believes this is an opportunity to reduce the tax abatement threshold from 15% to 10% or perhaps 5%. He stated there is a 30 day waiting period before the program can be officially adopted which would me the May 16th City Council meeting.

Councilmember Fitzgerald stated that for uniformity, he feels all the programs should be at 5%.

Janeen Lee, 974 Newell Avenue, agreed with Councilmember Fitzgerald's statement about the abatement being the same for all programs. She stated that she and her husband have made improvements to their home and asked if the program could be retroactive. She stated it is not fair for those who have already done work to their homes to be penalized for having done so.

Troy Seivert, 503 E. 8th Street, asked for clarification on how the city is designating historic homes. He then asked if homeowners would be required to maintain the home at its true historic standard which could be very costly.

Mr. Boka stated staff is hoping that improvements being made do not detract from the original integrity of the home. He then stated he was sympathetic to the folks for the work they have already done but at some point the line has to be drawn. He stated it is possible the city could go back to January 1st of the taxable year; however, the city does not have authorization to go back two to three years.

Mike Theobald, 108 Magnolia Street, stated he feels the city should correct the sewer problems in front of his property.

Lynn Pruitt, who owns four properties in the blighted area (1216 Grand Avenue, 2003 Lucas Street, 718½ Woodland Avenue, and 805 Oak Street), asked if there was another term that could be used other than blighted. He stated that he is concerned that when selling his properties, buyers may not want to be in a blighted area. He stated he does not understand the need for the blighted designation.

There was discussion concerning the term "blighted".

Karen Miller, 1108 Orange Street, stated she also agrees the blanket amount for the tax abatement should be 5%. She stated her home is not in an historic district but is 112 years old. She asked about retroactivity stating that her home was just resided last fall. She also stated she has a problem with the term blighted.

Councilmember Fitzgerald asked if people living outside of an historic district can have their home designated as an historic home.

Devin Pettitt, 618 Walnut Street, a member of the Historic Preservation Commission, stated that anyone can nominate their home for an historic designation, and the Commission would probably consider it. He stated there are other historic districts being looked at. He stated there are currently two districts and there are essentially 33 more to go.

Pat Grimm, 207 W. 11th Street, stated he was part of the core group for Iowa Field. He stated that many of the goals of the revitalization plan are also the goals of the core group. He commended staff for developing this program. He encouraged people to take advantage of the program as individuals or as neighborhoods. He also asked individuals to consider the long-term plans for their property rather than the short-term.

Mayor Hopkins thanked everyone for their comments.

Sharon Wood, 2203 Demorest Avenue, asked if the tax abatement would transfer to the new owner if the home is sold.

Councilmember Bynum stated he would be saying no to the program at this time and gave his reasons why.

Councilmember Shihadeh, speaking in reference to Mr. Boka's comment that the city could go back to January 1st of the taxable year, stated there are people who have already invested in their property. He asked him to see if there is any help available to those who have already done work to their homes.

Mr. Boka stated he has received several phone calls from residents who have already made improvements to their home. He stated the city has never done this before and the city cannot retroactively apply for a program it does not have. He stated if the plan is adopted, staff is reasonably confident homeowners can go back to this taxable year which is January 1st. He stated that legislation does not have any ability to retroactively apply anything. He stated the city applauds those who have invested in their homes and is hoping others will step forward to improve their properties.

There was discussion concerning other options that might assist those who have already made improvements to their homes.

Mr. Boka stated this program will not be available until the end of May which means homeowners could go back to January 1, 2013.

Councilmember Fitzgerald asked residents to keep in mind there is a threshold to the program which is the increased assessed value of the home.

Mr. Boka stated the assessed value must increase by 10%. He stated anything above the assessed value would be eligible under this program.

Councilmember Fitzgerald stated the tax abatement would be for the additional assessed value.

There was further discussion on the blight designation, and Mr. Boka stated the term has opened doors for many residents.

#22456. Councilmember Natvig moved the public hearing be closed. Seconded by Councilmember Spread.

There were no oral or written petitions for or against the proposed plan.

Vote – All ayes; motion carried.

#22457. Councilmember LeRette moved the resolution be adopted stating the intentions of City Council with regard to the designation of the 2013 Muscatine Housing Urban Revitalization Area and the proposed plan. Seconded by Councilmember Phillips.

Councilmember Bynum retracted his earlier comment about not supporting the program.

Vote – All ayes: Councilmembers LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#22458. Councilmember Spread moved to approve the Convention & Visitors Bureau Agreement. Seconded by Councilmember Natvig. All ayes; motion carried.

The final item on the agenda was a presentation by Mayor Hopkins concerning a proposed band shell on the riverfront. He introduced Matthew Gordy who is a Professor of Landscape Architecture at Iowa State University. Mayor Hopkins gave a brief introduction concerning the proposed band shell which was followed by a power point presentation by Mr. Gordy.

Councilmember Bynum asked about the cost of the band shell. He was told the structure would be approximately $250,000 and with added landscaping approximately $400,000.

Councilmember Natvig stated he felt this band shell would add to what we already have on the riverfront.

Alan Harvey, 2206 Oak Valley Drive, asked about the band shell's orientation. He asked if there would be an oven effect due to the glass. He was told the glass would be tinted and somewhat opaque which would reduce the effect of the sun's rays and would be open an open concept to allow for breezes.

Mayor Hopkins stated the proposal is to have the band shell face toward the river/GPC to reduce noise problems for neighbors.

Councilmember Natvig asked if this could be a venue for for-profit concerts, and Mayor Hopkins stated there is a possibility of jazz and blues concerts this summer.

There was further discussion concerning the proposed band shell.

#22459. Councilmember Shihadeh moved the meeting be adjourned at 8:20 p.m. Seconded by Councilmember Fitzgerald. All ayes; motion carried.

Gregg Mandsager, City Administrator