

CITY OF MUSCATINE
REGULAR CITY COUNCIL MINUTES
Council Chambers – 7:00 p.m. – December 3, 2015

Mayor Hopkins called the City Council meeting for Thursday, December 3, 2015, to order at 7:00 p.m. Councilmembers present were Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread.

The meeting began with the Pledge of Allegiance.

#23216. Councilmember Fitzgerald, seconded by Councilmember Bynum, moved the Consent Agenda be approved as follows:

- Approval of Regular City Council Minutes for November 19, 2015 and Special City Council Minutes for November 19, 2015
- Appointment of Angie Haller to the Recreation Advisory Commission
- Filing of Communications 12A-G
- Approval of Bills for Approval totaling \$2,988,134.38

Vote – All ayes; motion carried.

PUBLIC HEARING

Mayor Hopkins stated this public hearing concerns the proposed declaration of real estate (former Colorado Street right-of-ways) as surplus property and offering said real estate for sale.

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

#23217. Councilmember Natvig moved the public hearing be closed. Seconded by Councilmember Bynum. All ayes; motion carried.

#23218. Councilmember Fitzgerald moved the resolution be adopted declaring Parcel JJ (former Colorado Street right-of-way) as surplus and authorizing said real estate for sale. Seconded by Councilmember Shihadeh. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#23219. Councilmember Spread moved the resolution be adopted approving the executed deed between the City of Muscatine and Steven Phillips for Parcel JJ of the Colorado Street right-of-way. Seconded by Councilmember Fitzgerald. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#23220. Councilmember Natvig moved the resolution be adopted declaring Parcel KK (former Colorado Street right-of-way) as surplus and authorizing said real estate for sale. Seconded by Councilmember Bynum. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#23221. Councilmember Shihadeh moved the resolution be adopted approving the executed deed between the City of Muscatine and Muscatine Plaza Properties LLC for Parcel KK of the Colorado Street right-of-way. Seconded by Councilmember Fitzgerald. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#23222. Councilmember Bynum moved the resolution be adopted declaring Parcel LL (former Colorado Street right-of-way) as surplus and authorizing said real estate for sale. Seconded by Councilmember Natvig. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#23223. Councilmember Spread moved the resolution be adopted approving the executed deed between the City of Muscatine and GTM Properties LLC for Parcel LL of the Colorado Street right-of-way. Seconded by Councilmember Fitzgerald. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#23224. Councilmember Fitzgerald moved the resolution be adopted supporting the submission of an application of Miller-Valentine to the Iowa Finance Authority for tax credit funding for the proposed Harrison Street Lofts Project and committing tax increment financing equal to 7% (\$707,000). Seconded by Councilmember Spread.

Peter Schwiegeraht of the Miller-Valentine Group located in Cincinnati, Ohio, stated that at the November In-Depth meeting he had presented the concept for the proposed project to City Council. He stated the approval of the Project-Based Vouchers will be a big help in the application process; however, it has been learned that if the vouchers are used, 30 points are lost in other categories of the application. He stated he feels the local commitment is very much needed for the project. He stated Miller-Valentine anticipates a successful application needing to score between 232-238 points. He stated this would be a very good score; however, many other cities are scoring in the same area. He stated that a 6% commitment would keep the application competitive but that 7% would be much better.

Councilmember Spread asked what a 6% commitment would equal.

Mr. Schwiegeraht answered \$575,000. He stated that to achieve the 7% bar, the city would need to commit \$707,000 in local incentive which would equate to an 80% rebate for 10 years or a 55% rebate for 15 years.

Housing Administrator Jodi Royal-Goodwin stated that because the voucher program is linked to 25% of the overall project, Miller-Valentine is actually reducing its number of units so the project will be smaller.

Councilmember Shihadeh asked if this would devalue the rest of the units, and Mr. Schwiegeraht stated it would actually improve the value.

Councilmember Rehwaldt asked if the marketplace would devalue, and Mr. Schwiegeraht answered no.

Councilmember Rehwaldt then asked if there would be a psychological socio-economic impact.

Mr. Schwiegeraht answered no and then explained why.

City Administrator Gregg Mandsager stated he feels it is more of a perception issue. He stated that the Section 8 Voucher Program actually allows the city to have more control because we have the vouchers. He stated the city has the ability to pull the vouchers if tenants are not in compliance. He stated the city does not have that ability under low rent units not part of the voucher program.

Councilmember Shihadeh asked about the projected start date for construction of the project.

Mr. Schwiegeraht stated the date is October 11, 2016.

Councilmember Natvig stated he read the report done by Bowen National Research and there is no doubt there is a need for affordable housing in Muscatine, and Mr. Schwiegeraht agreed.

There was discussion concerning the Bowen report.

Mr. Schwiegeraht stated this report is prepared by a third party that is literally licensed to perform this type of study.

Councilmember Fitzgerald stated one of the goals of the City of Muscatine is to get people to live and work in our community. He said it is something that needs to be done.

Mr. Schwiegeraht stated there is a strong need in Muscatine for housing development.

Councilmember Natvig asked if the original motion could be amended to \$675,000.

Councilmembers Fitzgerald and Bynum agreed to a friendly amendment to change the original \$707,000 to \$675,000.

Vote on original motion as amended – All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#23225. Councilmember Fitzgerald moved to approve the request to approve the allocation of Project-Based Vouchers for two applications received in November. Seconded by Councilmember Rehwaldt.

Housing Administrator Jodi Royal-Goodwin stated the Department of Housing and Urban Development allows housing authorities administering a tenant-based voucher program to use up to 20% of the agency's program budget authority (approximately 75 units) to assist specific projects if consistent with the agency's Annual and Administrative Plans. She stated the Muscatine Municipal Housing Agency (MMHA), at the direction of City Council, issued a Request for Proposals for Project-Based Vouchers. She stated both developers are at tonight's meeting. She stated that Miller-Valentine's proposal is for a 52 unit project and that Chris Ales is proposing the development of 48 units for the elderly. She stated the MMHA is proposing the award of 13 Project-Based Vouchers to Miller-Valentine and 12 to Chris Ales.

Councilmember Fitzgerald asked where the proposed site for the elderly units is located.

Ms. Royal-Goodwin stated the proposed location is at the end of Fulliam Avenue on the west side of Houser Street.

Chris Ales stated he was representing DN Development LLC. He stated the proposed site would be located behind Crossroads off of Fulliam Avenue. He stated the RFPs motivated DN Developers to put an application together for 48 senior apartments. He stated the proposed project will be following the same rules as Miller-Valentine. He stated construction would begin in 2016 and would take approximately one year to complete. He stated the proposed project would consist of 24 duplexes with attached garages and would be managed by a third party company out of Des Moines, Iowa, called National Management.

Mr. Ales then addressed the scoring of the project through the Iowa Finance Authority. He stated the application will be put together without any request for tax increment financing. He stated the IFA sets aside separate funds for senior housing.

Mr. Ales stated the City of Muscatine currently has two Section 42 housing complexes and they are the Welch Apartments and Cottage Grove. He stated the IFA will provide the study.

Councilmember Natvig asked if the funds come from a different funding pool, and Mr. Ales answered yes.

Vote – All ayes; motion carried.

#23226. Councilmember Fitzgerald moved the resolution be adopted supporting the Housing Tax Credit Project and allocation of Project-Based Vouchers to project developers. Seconded by Councilmember Spread. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#23227. Councilmember Natvig moved to approve the Comprehensive Annual Financial Report and Audit for the year ended June 30, 2015. Seconded by Councilmember Spread. All ayes; motion carried.

#23228. Councilmember Phillips moved to approve the curbside recycling contract with Republic Services (formerly Allied Waste) for an additional five years. Seconded by Councilmember Bynum.

Councilmember Rehwaldt asked about the negotiated rate.

City Administrator Mandsager stated there will be no increase for the first year of the five-year contract and then increases will average about 2.4% over the remaining four years of the contract.

Vote – All ayes; motion carried.

#23229. Councilmember Spread moved to approve the preliminary assessment of Master Plan Development for the Muscatine County Landfill. Seconded by Councilmember Bynum.

Councilmember Rehwaldt asked what financial assurance payment meant.

City Administrator Mandsager stated that as City Council may recall, there are two funds associated with the landfill and they are the closure and post closure reserve funds. He stated that currently the city pays approximately \$150,000 into those funds. He stated this report will allow the city to continue to pay that amount; however, the amount could increase if this report is not provided to the Iowa Department of Natural Resources now. He stated the compliance schedule is due January 15, 2016 and the financial assurance annual report on April 1st.

Councilmember Shihadeh stated he had questions concerning our compliance with the IDNR and the room needed for construction of the new cells. He asked if this matter could be discussed at a future In-Depth meeting.

City Administrator Mandsager stated he would place the landfill issue on a future In-Depth meeting for further discussion.

#23230. Councilmember Bynum moved to approve the goals for Fiscal Year 2016/2017. Seconded by Councilmember Rehwaldt.

#23231. Councilmember Fitzgerald moved the reference to targeted population be removed from the fifth bullet under the long-term goals. Seconded by Councilmember Rehwaldt. All ayes; motion carried.

Vote on original motion as amended – All ayes; motion carried.

Under comments, Councilmember Rehwaldt stated he is glad the landfill issue will be discussed at an upcoming In-Depth meeting.

City Administrator Mandsager thanked everyone who responded to the fire at the Huttig home. He stated the firefighters did an excellent job of keeping the fire under control and not spreading to adjacent property owners.

Mayor Hopkins stated that Joni Axel sent him a note thanking City Council and staff for helping make the second healthy living activity a great success.

#23232. Councilmember Shihadeh moved the meeting be adjourned at 7:45 p.m. Seconded by Councilmember Fitzgerald. All ayes; motion carried.

DeWayne Hopkins, Mayor

ATTEST:

Gregg Mandsager, City Administrator