

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 14<sup>th</sup> 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 be the May 16<sup>th</sup> 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. 8<sup>th</sup> 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 1<sup>st</sup> 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. 11<sup>th</sup> 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 1<sup>st</sup> 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 1<sup>st</sup>. 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.

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Gregg Mandsager, City Administrator