



"Where People Make the Difference"

# CITY OF CLEAR LAKE

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Mayor  
NELSON P.  
CRABB

Date: December 23, 2014

City  
Administrator  
SCOTT  
FLORY

To: Mayor & Clear Lake City Council Members  
From: Scott Flory, City Administrator  
Re: Project Windmill Realty LLC - HQJP Application -12/29/14  
City Council Agenda

## COUNCIL MEMBERS

DANA  
BRANT  
*Ward 1*

TONY J.  
NELSON  
*Ward 2*

JIM  
BOEHNKE  
*Ward 3*

MIKE  
CALLANAN  
*At Large*

GARY  
HUGI  
*At Large*

As part of the recruitment effort developed to aid in locating Project Windmill Realty LLC in the City Clear Lake, the City gave its preliminary consent to sponsor, as part of its commitment to a local economic development incentives package, a future application to the Iowa Economic Development Authority's High Quality Jobs program. It has been anticipated for some time now, that authorization from the Council to submit an application would be formally considered prior to the year's end (2014). Subsequent to Council authorization, the Project application will be finalized and forwarded to the State for its consideration at an upcoming regular meeting, likely in February, 2015.

The City first became aware and engaged with the Project in October of 2013. Several site visits to Clear Lake took place during November of 2013 by the Project site selector consultant, CBRE, and a delegation of representatives of the Project itself. Other locations in the Midwest remained under consideration for the Project at this time. In December, 2013, the City submitted its "final" economic development incentives proposal for consideration by the consultant and the Project decision-makers.

In January, 2014, the City was notified that the final selection had been narrowed down to between Clear Lake and only one other community – Austin, MN. At that time, the City modified its financial incentive package one last time to increase its competitiveness.



Later that month, the City was notified that it had been selected as the location for the Project.

The Project, of course, entails the construction of a 340,000 sq. ft. regional distribution center (expandable to 440,000), on Lots 6 & 7 in the Larry Luker Memorial Industrial Park, to be occupied ultimately by a Fortune 100 company who would create 164 full-time positions at the facility. The total Project capital investment is \$65 million. The area to be served by the facility would encompass Iowa, Minnesota, North Dakota, South Dakota, Wisconsin, Missouri, & Illinois. Total estimated annual payroll for the Project by 2019 is nearly \$7 million.

Beginning in late-January, 2014, the City earnestly initiated a complex series of actions necessary to amend its Consolidated Urban Renewal Plan and to formalize the legal aspects of its incentive package, including legal notices, resolutions, and Development Agreement preparation. In February and early-March, the City successfully completed all the necessary legal obligations to be able to provide the incentives package proposed in November, 2013. Likewise, the Cerro Gordo County followed in lock-step with the City and approved the joint Development Agreement between the entities and Windmill Realty LLC.

Site plan and building permit applications were reviewed and approved by the City in March and April, 2014. Construction on the Project commenced in April of that year. The building is substantially constructed now, with final completion anticipated by April of 2015. At that time, set up of facility's interior components, and machinery & equipment, will commence and be completed by October of 2015. The initial wave of hiring is anticipated for November of 2015 and a subsequent wave in May of 2016.

Local investment in the project includes: a \$1.675 million 10-year forgivable loan, which was primarily used for land acquisition and site development costs incurred by the Company, and a prospective property tax rebate (subject to annual appropriation)

worth an estimated cumulative value of, not to exceed, \$7.3 million over 20 years. Additionally, Cerro Gordo County has committed \$656,000 to the Project as a forgivable loan. There are, obviously, performance standards related to the number of jobs, payroll, employee benefits, property tax base, and capital investment that are required under the terms of the joint development agreement that the Project must meet in order to maintain eligibility for the incentives.

It is, therefore, proposed and requested that the City Council authorize and approve sponsorship, by the City of Clear Lake, of an application submittal to the Iowa High Quality Jobs Program and, additionally, authorize the Mayor to execute documents related to that prospective application. The Program's local match requirement is more than satisfied by the financial commitments of the City and the County.

TENTATIVE AGENDA  
CLEAR LAKE CITY COUNCIL  
CITY HALL – 15 N. 6<sup>TH</sup> STREET  
MONDAY, DECEMBER 29, 2014  
CITY HALL – COUNCIL CHAMBERS  
**SPECIAL MEETING**  
8:30 A.M.

1. Call To Order by Mayor Nelson P. Crabb.

2. Approval of Agenda.

3. Consent agenda:

Licenses & Permits:

- Tree Trimmer's License: Cutting Edge Tree Services, Mason City; Jim's Tree Service, Ventura, (renewals).
- Tax Abatement Application: Jessica Kalvig, 609 Pine Brooke Drive.

4. Citizen's opportunity to address the Council on items not on the agenda:

- In conformance with the City Council's Rules of Procedure, no action can occur on items presented during the Citizens Forum.
- Please walk to the lectern, state your name (spell last name), address, and subject of your discussion.
- Speakers are limited to a maximum of five (5) minutes per person.

5. Unfinished Business:

6. New Business:

A. Project Windmill Realty LLC – High Quality Jobs Application:

- Review by Scott Flory, City Administrator.
- **Motion** to approve **Resolution #14-83**, "A Resolution of the City of Clear Lake, Iowa, approving the application of Windmill Realty LLC, to the Iowa Economic Development Authority High Quality Jobs Program."
- Discussion and consideration of **Motion** by City Council.

B. **Motion** to approve **Resolution #14-84**, "A Resolution of the City of Clear Lake, Iowa, honoring the memory of Rex McChesney as Chief of Police of the City of Clear Lake, Iowa, and as a dedicated public servant."

- Discussion and consideration of **Motion** by City Council.

7. Other Business:

8. Adjournment.

NEXT REGULAR MEETING – JANUARY 5, 2015

APPLICATION FOR TAX ABATEMENT UNDER THE PINE BROOKE  
URBAN REVITALIZATION PLAN FOR

CLEAR LAKE, IOWA

Date 12/19/14

Prior Approval for  
Intended Improvements

Approval of Improvements  
Completed

Address of Property: 609 Pine Brooke Drive

Legal Description: \_\_\_\_\_

Title Holder or Contract Buyer: Jessica (Foster) Kalvig

Address of Owner (if different than above): PO Box 1077 Barrow, AK 99723

Phone Number (to be reached during the day): 907-903-8265

Proposed Property Use: home

Nature of Improvements:  New Construction

Specify: \_\_\_\_\_

Estimated or Actual Date of Completion: January 2014

Estimated or Actual Cost of Improvements: \$205,000

Tax Exemption Schedule is attached.

Signed: Jessica Kalvig

RESOLUTION No. 14-83

A RESOLUTION OF THE CITY OF CLEAR LAKE, IOWA, APPROVING THE APPLICATION OF WINDMILL REALTY LLC, TO THE IOWA ECONOMIC DEVELOPMENT AUTHORITY HIGH QUALITY JOBS PROGRAM

WHEREAS, the City of Clear Lake has received a request from Windmill Realty LLC to approve and submit an application to the State of Iowa for the Economic Development High Quality Jobs Program, and

WHEREAS, the program was established to promote Economic Development and Job Creation in the State of Iowa, and

WHEREAS, the City of Clear Lake supports activities which promote and facilitate Economic Development within the City of Clear Lake, and

WHEREAS, in the application Windmill Realty LLC agrees to:

1. Create 164 new full-time positions.
2. Provide comprehensive health benefits to its employees.
3. Make a capital investment of approximately \$65 million.

NOW, THEREFORE, BE IT RESOLVED by the City of Clear Lake, Iowa:

- a. The application of Windmill Realty LLC for the purpose of receiving benefits from the High Quality Jobs Program (HQJP) is hereby approved.
- b. The City Council has heretofore approved, following appropriate legal notices and public hearings, a \$1.675 million forgivable loan to the Company and a property tax rebate worth an estimated cumulative value of, not to exceed, \$7.3 million over 20 years.
- c. The City Council hereby authorizes the Mayor to sign the HQJP application on behalf of the City and to take such further actions as deemed necessary in order to carry into effect the provisions of this Resolution.

PASSED, APPROVED, AND ADOPTED this 29<sup>th</sup> day of December, 2014.

\_\_\_\_\_  
Nelson P. Crabb, Mayor

ATTEST:

\_\_\_\_\_  
Jennifer Larsen, City Clerk

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY OF CLEAR LAKE, IOWA, HONORING THE MEMORY OF REX MCCHESENEY AS CHIEF OF POLICE OF THE CITY OF CLEAR LAKE, IOWA, AND AS A DEDICATED PUBLIC SERVANT**

**WHEREAS**, the Mayor and City Council of the City of Clear Lake, Iowa, note with great sorrow the death of Rex McChesney, on December 26, 2014, at the age of 52; and

**WHEREAS**, Rex McChesney began his career with the City of Clear Lake, Iowa, on November 17, 1986, thereby commencing a successful career in law enforcement that would span more than 28 years; and

**WHEREAS**, Rex McChesney rose through a succession of positions with the Clear Lake, Iowa, Police Department earning the public's trust as a dedicated and loyal public servant to the citizens of the City of Clear Lake, Iowa; and

**WHEREAS**, Rex McChesney was instrumental in overseeing the construction of a newly renovated City Police Department facility; and

**WHEREAS**, Rex McChesney's service to the City of Clear Lake, Iowa, and its people regardless of stature in life, economic status, religion, or race has inspired other law enforcement officers to follow his example; and

**WHEREAS**, Rex McChesney will be deeply missed, but leaves an enduring legacy of public service and perseverance that inspire all.

**NOW, THEREFORE**, Be It Resolved that the Mayor and City Council of the City of Clear Lake, Iowa:

1. Honors the life of Rex McChesney, former Chief of Police of the City of Clear Lake, Iowa.
2. Are thankful that Rex McChesney touched the lives of men and women in a positive way during his years of public service.
3. Extends support and condolences to the family and friends of Rex McChesney upon the sad occasion of his death.

**PASSED and APPROVED** this 29<sup>th</sup> day of December, 2014.

\_\_\_\_\_  
Nelson P. Crabb, Mayor

Attest:

\_\_\_\_\_  
Jennifer Larsen, City Clerk