



CITY OF CLEAR LAKE

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Mayor
NELSON P.
CRABB

February 14, 2014

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

City
Administrator
SCOTT
FLORY

The next meeting of the Clear Lake City Council is scheduled for Monday, **February 17, 2014**, at 6:30 p.m., in the Council Chambers, at City Hall. Please refer to the enclosed agenda for the items discussed below.

COUNCIL
MEMBERS

DANA
BRANT
Ward 1

ITEM #6A. **FY 15 Municipal Budget proposal**. The proposed tax rate for the City of Clear Lake for the 2015 fiscal year, which begins July 1, 2014, and end June 30, 2015, is \$10.54/\$1,000 of taxable valuation. This marks the 4th consecutive year that the City’s tax rate has remained unchanged, since the \$0.50/\$1,000 of taxable valuation rate increase in FY 12 made necessary as the result of the voter-approved \$2.3 million general obligation bond referendum for the fire station building project. Prior to FY 12, the tax rate had remained unchanged at \$10.04/\$1,000 of taxable valuation for five (5) consecutive fiscal years. Once again, Clear Lake will feature one of the lowest tax rates in Iowa for cities with a population of greater than 5,000 in population.

TONY
NELSON
Ward 2

The taxable valuation for FY 15 (1/1/13) continues the positive trend of growth in the Community. The taxable valuation for FY 15 is \$501,810,176, which is a 2.8% increase from FY 14. The proposed FY 15 budget reflects total expenditures among the various programs of \$14,827,906; of which \$7.2 million is directed towards operations & maintenance; \$6.4 million towards capital; and \$1.25 million towards debt service. The remaining schedule for budget consideration is as follows:

JIM
BOEHNKE
Ward 3

February 17th City Council adopts a “preliminary” budget and sets a public hearing date for March 3rd.

MIKE
CALLANAN
At Large

February 19th Notice of public hearing is published in the newspaper.

GARY
HUGI
At Large

March 3rd Conduct public hearing and adopt a final budget

March 15th Certify budget to County Auditor.

ITEM #6B. **2014 Street Resurfacing Project**. At its regular meeting on September 16, 2013, the Council approved an engineering services agreement with Yaggy Colby Associates for the “2014 Street Resurfacing Project”. The Project budget has been set by the Council at \$350,000. The engineer’s estimate of the probable cost of construction is \$302,760.



There are two distinct divisions and components of work to the proposed project. Division 1 is a simple “maintenance” level resurfacing project, which consists mostly of street milling and nominal hot-mix asphalt (HMA) overlay. Division 2 is a much more substantial improvement project and involves a thicker HMA overlay, crack & seat process, as well as full-depth patching. Construction and other associated costs related to Division 2 which are in excess of the type of work to be constructed as part of Division 1 are proposed for special assessment against the benefited properties.

The street segments associated with the Project include: Division 1: 2nd Ave N., N. 3rd St to N. 6th St and 3rd Ave N., N. Lakeview Dr to N.3rd St and Division 2: 14th Ave S, S. Shore Dr to S. 8th St and 15th Ave S., S. Shore Dr to S. 8th St.

The Council previously set February 17th as the date for a public hearing on the proposed “Resolution of Necessity” for the Project. Following the hearing, the Council must then act on the proposed Resolution of Necessity. The Council may: a) vote to defer action to a later date, time, & place; b) adopt the Resolution of Necessity with amendments; or c) adopt the Resolution of Necessity without amendments.

The adoption of the “Resolution of Necessity” must receive an affirmative vote of not less than $\frac{3}{4}$'s of the membership of the full Council; in other words, 4 affirmative votes. If objections are filed, signed by 75% of the assessments, a unanimous vote of the Council would then be required.

The engineer’s estimated cost of construction (Division 2) is \$136,825, with an additional \$21,300 in “indirect” (engineering, legal, & administrative) costs; bring the total estimated cost of the Project (Division 2) to \$158,125. The total estimated “not-to-exceed” cost to be assessed to the benefited property owners is \$54,736, which is roughly 34.6% of the total cost of the Project.

The Project schedule calls for the Council to initiate the special assessment proceedings and conduct the necessary public hearing on the “proposed” Resolution of Necessity at the February 17th meeting. The proposed bid letting date is March 12th (11:00 a.m.), with consideration of an award of contract and public hearing on the plans & specifications to occur at the Council meeting on March 17th. It is anticipated that a Notice to Proceed with construction will be issued on or about April 25th. The Project substantial completion date is set as June 20th. Combined notice of hearing and letting will be published in the newspaper on March 5th.

ITEM #6C. **N. Shore Drive STP Street Reconstruction Project**. At its November 25, 2013 meeting, the City Council set the date for the public hearing on the proposed plans & specifications, form of contract, and estimate of cost for Monday, February 17, 2014, at 6:30 p.m., and fixed February 18, 2014, at 10:00 a.m., as the date and time for the Project's bid letting. A combined notice of hearing & letting was published in the newspaper on February 12, 2014, as required by law.

The City has been awarded a Federal-aid Surface Transportation Project (STP) grant from the Iowa Department of Transportation (DOT) in the amount of \$638,000 for the Project. A grant agreement between the City and the Iowa DOT was approved by the Council on November 18, 2013. Under the terms of the Agreement, it is the DOT who will receive bids for the Project. The Council will consider the bids and make an award of contract at its' regular meeting on March 3rd.

The engineer's estimate of the probable cost of construction is \$2,195,192. Construction on the underground infrastructure improvements will begin on approximately July 8, 2014, and is anticipated to be completed by late-November. Construction activities related to the "above-grade" and paving improvements will begin on or around April 6, 2015, and are to be completed by June 12, 2015.

ITEM #6D. **Clear Lake Consolidated Urban Renewal Area Economic Development (regional warehouse & distribution center) Project**. At its regular meeting on February 3rd, the City Council set the date for a public hearing on a proposed Development Agreement with Windmill Realty, LLC for an economic development project (regional warehouse & distribution facility) in the Larry Luker Memorial Industrial Park (Lots 6 & 7), including "annual appropriation" property tax rebate payments of not to exceed \$7,300,000 over a 15-year period. The Development Agreement also provides for a 10-year Forgivable Loan in the amount of \$1,675,000. Notice of hearing was published in the newspaper on February 5th, as required by law.

Windmill Realty, LLC serves primarily as an interim "placeholder" for the ultimate occupant and owner of the facility, which is a current "Fortune 100" Company. Upon completion of Project construction, which is estimated at approximately 18 months, the parent company's identity will be publicly released and Windmill Realty, LLC shall be dissolved and its rights under the Development Agreement shall be assignable to the parent company, subject to Council approval, in accordance with the terms of the Agreement.

The Project shall be comprised of an approximately 340,000 square foot warehouse and distribution facility. The Development Agreement proscribes a conservative new

minimum property tax base to be created as the result of this project of not less than \$12,000,000. The current tax base on the property is roughly \$30,000. The estimated total capital investment is \$65 million.

The Development Agreement imposes certain employment requirements upon the Project, including establishing and maintaining a workforce of not less than 164 full-time employees, with minimum average annual salaries of \$39,000, by no later than October 1, 2018. Total annual payroll shall not be less than \$6,500,000.

The Council will also consider a Resolution setting March 3rd as the date for a public hearing on the proposal to enter into a \$1,620,000 general obligation economic development loan agreement for the general corporate purpose of undertaking the Project, in the Clear Lake Consolidated Urban Renewal Area.

Scott Flory
City Administrator

Smart Quote: **“Too often reason deceives us ... but conscience never deceives.”** -- Jean-Jacques Rousseau, Genevan philosopher and writer

TENTATIVE AGENDA
CLEAR LAKE CITY COUNCIL
CITY HALL – 15 N. 6TH STREET
MONDAY, FEBRUARY 17, 2014
CITY HALL – COUNCIL CHAMBERS
6:30 P.M.

1. Call To Order by Mayor Nelson P. Crabb.
2. Approval of Agenda.
3. Consent Agenda:
 - A. Minutes – February 3 & 10, 2014.
 - B. Approval of the bills & claims.
 - C. Licenses & Permits:
 - Class C Liquor License (CL) Commercial, Sunday Sales-2 Rookies Inc. (renewal);
 - Class Wine Permit, Class C Beer Permit (Carryout Beer), Class E Liquor License (LE),

Sunday Sales- Clear Lake Food Bank Inc (renewal).

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. FY 2015 Municipal Budget proposal:

- Review by Scott Flory, City Administrator.
- **Motion** to adopt a "preliminary" budget and set March 3, 2014, at 6:30 p.m., as the date and time for a public hearing thereon."
- Discussion and consideration of **Motion** by City Council.

B. 2014 Street Resurfacing Project:

- Introduction by Scott Flory, City Administrator.
- Review of proposed project plans & specifications and preliminary plat & schedule of assessments, Mike Danburg, P.E., Yaggy Colby.
- Public hearing
- **Motion** to close the Public Hearing.
- Discussion and consideration of motion by City Council.
- **Motion** to approve **Resolution #14-16**, "A Resolution with respect to the adoption of the 'Resolution of Necessity' proposed for the 2014 Street Resurfacing Project."
- Discussion and consideration of motion by City Council.
- **Motion** to approve **Resolution #14-17**, "A Resolution directing the preparation of detailed plans, specifications, form of contract, and notice to bidders on the 2014 Street Resurfacing Project."
- Discussion and consideration of motion by City Council.
- **Motion** to approve **Resolution #14-18**, "A Resolution ordering bids; approving plans, specifications, form of contract, notice to bidders; fixing bid security; and

ordering Clerk to publish notice and fixing a date for receiving the same; and for a public hearing on plans, specifications, form of contract; and estimate of cost.”

- Discussion and consideration of motion by City Council.

C. North Shore Drive STP Street Reconstruction Project:

- Introduction by Scott Flory, City Administrator.
- Review of proposed plans & specifications, staging plan, and estimate of cost, Jason Petersburg, P.E. Veenstra & Kimm.
- Public hearing.
- **Motion** to close the Public Hearing.
- Discussion and consideration of **Motion** by City Council.
- **Motion** to approve **Resolution #14-19**, “A Resolution adopting plans, specifications, form of contract and estimate of cost.”
- Discussion and consideration of **Motion** by City Council.

D. Clear Lake Consolidated Urban Renewal Area Economic Development (Regional Warehouse & Distribution Center) Project:

- Introduction and review of request by Scott Flory, City Administrator and Brent Willett, President - NICEDC.
- Public Hearing.
- **Motion** to close the Public Hearing.
- Discussion and consideration of **Motion** by City Council.
- **Motion** to approve **Resolution #14-20**, “A Resolution approving a Development Agreement with Windmill Realty, LLC; authorizing a Forgivable Loan; and Annual Appropriation Tax Increment Payments; and pledging certain tax increment revenues to the payment of the Agreement.”
- Discussion and consideration of **Motion** by City Council.
- **Motion** to approve **Resolution #14-21**, “A Resolution to fix a date for a public hearing on a General Obligation Economic Development Loan Agreement in a principal amount not to exceed \$1,620,000.”
- Discussion and consideration of **Motion** by City Council.

7. Chief of Police’s Report:

8. Mayor’s Report:

- Request to set date for a special City Council meeting for Monday, March 10, 2014, at 6:30 p.m. (subject to Council approval)

9. Public Works Director's Report:

10. City Administrator's Report:

11. City Attorney's Report:

12. Other Business:

13. Adjournment.

NEXT REGULAR MEETING – MARCH 3, 2014