

Mayor
 NELSON P.
 CRABB

February 14, 2014

City
 Administrator
 SCOTT
 FLORY

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

COUNCIL
 MEMBERS

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.

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 J.
 NELSON
 Ward 2

JIM
 BOEHNKE
 Ward 3

MIKE
 CALLANAN
 At Large

GARY
 HUGI
 At Large

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:

- | | |
|---------------------------|---|
| February 17 th | City Council adopts a "preliminary" budget and sets a public hearing date for March 3 rd . |
| February 19 th | Notice of public hearing is published in the newspaper. |
| March 3 rd | Conduct public hearing and adopt a final budget |
| March 15 th | 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

Council Member _____ introduced the following Resolution entitled "RESOLUTION WITH RESPECT TO THE ADOPTION OF THE RESOLUTION OF NECESSITY PROPOSED FOR THE 2014 STREET RESURFACING PROJECT" and moved that it be adopted. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the following Resolution duly adopted:

RESOLUTION WITH RESPECT TO THE ADOPTION OF THE
RESOLUTION OF NECESSITY PROPOSED FOR THE 2014
STREET RESURFACING PROJECT

WHEREAS, this Council has proposed a Resolution of Necessity for the 2014 Street Resurfacing Project, has given notice of the public hearing thereon as required by law; and

WHEREAS, the public hearing has been held, all persons offering objections have been heard and consideration given to all objections and is pending before this Council; and

WHEREAS, this is the time and place set as provided for the taking of action on the proposed Resolution of Necessity;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEAR LAKE, STATE OF IOWA:

Section 1. That the proposed Resolution of Necessity described above is hereby:

- Adopted, without amendment, and all objections filed or made having been duly considered are overruled.
- Adopted as amended by the Schedule of Amendments attached hereto as Exhibit A, and made a part hereof by reference. All objections filed or made having been duly considered are overruled.
- Deferred for later consideration to a Council meeting to be held on _____ day of _____, next, at _____ o'clock _____.M, at this meeting place, with jurisdiction retained for further consideration and action at the adjourned meeting.
- Abandoned.

Section 2. That all written requests for agricultural deferment by property owners must be filed within ten (10) days following the date of adoption of this Resolution.

PASSED AND APPROVED this 17th day of February, 2014.

Mayor

ATTEST:

City Clerk

Council Member _____ introduced the following Resolution entitled "RESOLUTION DIRECTING PREPARATION OF DETAILED PLANS AND SPECIFICATIONS, FORM OF CONTRACT AND NOTICE TO BIDDERS ON THE 2014 STREET RESURFACING PROJECT" and moved that it be adopted. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the following Resolution duly adopted:

RESOLUTION DIRECTING PREPARATION OF DETAILED
PLANS AND SPECIFICATIONS, FORM OF CONTRACT AND
NOTICE TO BIDDERS ON THE 2014 STREET
RESURFACING PROJECT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEAR LAKE,
STATE OF IOWA:

That Michael L. Danburg, Engineer, is hereby ordered and directed to prepare and file with the Clerk detailed plans and specifications for the construction of the 2014 Street Resurfacing Project.

BE IT FURTHER RESOLVED that the Engineer is hereby ordered and directed to prepare and file with the Clerk a Notice to Bidders and form of contract for the construction of the 2014 Street Resurfacing Project.

PASSED AND APPROVED this 17th day of February, 2014.

Mayor

ATTEST:

City Clerk

PART 2

Council Member _____ introduced the following Resolution and moved its adoption. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon the Mayor declared the following Resolution duly adopted:

RESOLUTION ORDERING BIDS, APPROVING PLANS,
SPECIFICATIONS AND FORM OF CONTRACT AND NOTICE TO
BIDDERS, FIXING AMOUNT OF BID SECURITY, AND ORDERING
CLERK TO PUBLISH NOTICE AND FIXING A DATE FOR
RECEIVING SAME,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEAR LAKE,
STATE OF IOWA:

That the 2014 Street Resurfacing Project is hereby ordered to be advertised for bids for construction.

BE IT FURTHER RESOLVED that the detailed plans and specifications as prepared by Michael L. Danburg, Engineer, for the project, for the construction of the 2014 Street Resurfacing Project, and the form of contract and Notice to Bidders, as approved by the Attorney, be and the same are hereby approved, subject to hearing thereon, and are hereby ordered placed on file in the office of the Clerk for public inspection.

BE IT FURTHER RESOLVED, that the amount of the security to accompany each bid shall be in an amount which shall conform to the provisions of the notice to bidders hereby approved as a part of the specifications.

BE IT FURTHER RESOLVED, that the Clerk be and is hereby directed to publish notice to bidders once in the "Clear Lake Mirror Reporter", a legal newspaper, printed wholly in the English language, published at least once weekly and having general circulation in this City. Publication shall be not less than four clear days nor more than forty-five days prior to March 12, 2014, which latter date is hereby fixed as the date for receiving bids. The bids are to be filed prior to 11 o'clock A.M., on such date.

Bids shall be received and opened at a public meeting as provided in the public notice and the results of the bids shall be considered at the meeting of this Council on March 17, 2014, at 6:30 o'clock P.M.

BE IT FURTHER RESOLVED, that the Clerk be and is hereby directed to publish notice of hearing once in such newspaper, the publication to be not less than four clear days nor more than twenty days prior to the date hereinafter fixed as the date for a public hearing on the plans, specifications, form of contract and estimate of costs for the project, the hearing to be held at 6:30 o'clock P.M. on March 17, 2014.

PASSED AND APPROVED this 17th day of February, 2014.

Mayor

ATTEST:

City Clerk



Public Hearing on Special Assessments



2014 STREET IMPROVEMENT PROJECT
CLEAR LAKE, IOWA

FEBRUARY 17, 2014

1



2014 Street Improvement Project

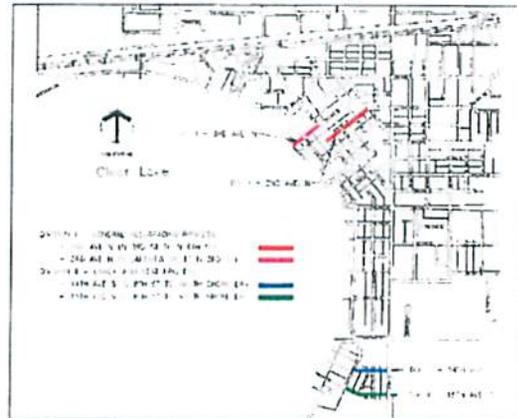
- Project Description
 - Four (4) Street Segments
 - Division I – General Resurfacing
 - 2nd Avenue North (N. 3rd Street to N. 6th Street)
 - 3rd Avenue North (Lakeview Dr. to N. 3rd Street)
 - Division II –Crack and Seat Process
 - 14th Avenue South (South Shore Dr. to N. 8th Street)
 - 15th Avenue South (South Shore Dr. to N. 8th Street)

2



2014 Street Improvement Project

- Project Location Map – Figure 1



3



2014 Street Improvement Project

- General Resurfacing
 - Curb and Gutter and Sidewalk Repairs
 - Pavement Scarification
 - HMA Resurfacing (2")
- City Policy Is Not To Assess

4



2014 Street Improvement Project

- Crack and Seat Process
 - Curb and Gutter and Sidewalk Repairs
 - Pavement Scarification
 - Full-Depth Sawcut
 - Isolate adjacent street and curb and gutter
 - Crack and Seat Pavement
 - Guillotine – Type Drop Hammer
 - Rubber Tire Roller
 - Base Cleaning and Preparation
 - Partial Depth HMA Patching
 - HMA Resurfacing (3")

- City Policy Is To Assess

5



2014 Street Improvement Project

- Preliminary Estimated Costs
 - Division I – General Resurfacing
 - Construction Cost \$165,935
 - Engineering, Legal, Administrative \$25,800
 - Total Project Cost – Division I \$191,735
 - Division II – Crack and Seat
 - Construction Cost \$136,825
 - Engineering, Legal, Administrative \$21,300
 - Total Project Cost – Division II \$158,125

- Total Project Cost \$349,860

6



2014 Street Improvement Project

- **Project Schedule**
 - **Public Hearing – February 17, 2014**
 - **Final Plans – February 24, 2014**
 - **Bid Letting – March 12, 2014**
 - **Construction – Complete by June 20, 2014**
 - **Final Assessments – August, 2014**

7



2014 Street Improvement Project

- **Assessment Process**
 - **Objective:**
 - Apportion, Divide and Share Costs
 - **Participants**
 - Community as a Whole (City Costs)
 - Benefited Property Owners (Assessments)

8



2014 Street Improvement Project

- Assessment Process
 - Basis of Special Assessments
 - Code of Iowa
 - Public Improvement Projects
 - City Policies and Practices
 - Consistent with Past Projects
 - North Shore Dr. Improvements – 2002
 - North 24th Street and 25th Street Improvements – 2003
 - 26th Avenue South Improvements – 2005

9



2014 Street Improvement Project

- Assessment Process
 - Assessment District(s) Example – Figure 2



10



2014 Street Improvement Project

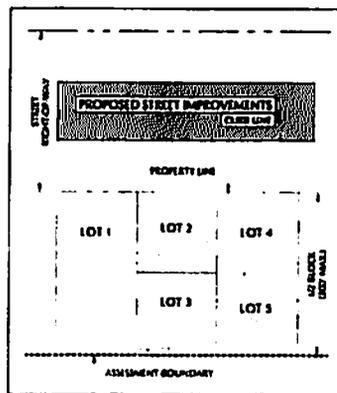
- Assessment Process
 - Assessment District(s)
 - Limits
 - Within 1/2 Typical Block Depth
 - 300 Ft. Maximum Depth

11



2014 Street Improvement Project

- Assessment Process
 - Benefit Points Example – Figure 3

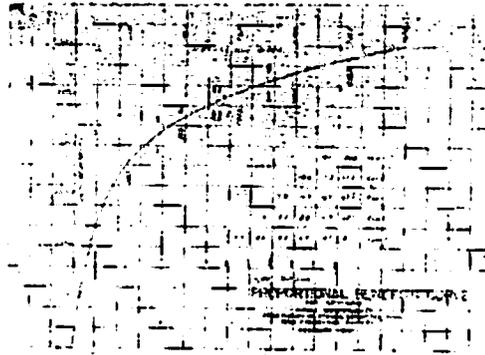


12



2014 Street Improvement Project

- Assessment Process
 - Proportional Benefits Curve – Figure 4



13



2014 Street Improvement Project

- Assessment Process
 - Determination of Benefit Points
 - Front Footage
 - Units of Benefit
 - Depth of Property
 - Proximity to the Street

14



2014 Street Improvement Project

- **Assessment Process**
 - **Assessed Valuation**
 - Code of Iowa: "Present Fair Market Value ... with the Proposed Public Improvement Completed"
 - Valuation as Fixed by Council
 - Assessed Valuation Per County Records
 - Cost of the Improvement

15



2014 Street Improvement Project

- **Assessment Process**
 - **Property Listing**
 - Public Records
 - Cerro Gordo County Courthouse
 - Name and Address
 - Property Legal Description
 - Assessed Valuation

16



2014 Street Improvement Project

- **Assessment Process**
 - **Assessment District(s)**
 - **Properties Included**
 - Residential
 - Commercial
 - Churches
 - Government properties

17



2014 Street Improvement Project

- **Determination of Assessable Costs – Division II**
 - **Construction Costs**
 - Full-Depth Sawcut
 - Crack and Seat Pavement
 - Base Cleaning and Preparation
 - Partial Depth HMA Patching
 - HMA Resurfacing
 - **Engineering Fees**
 - **Legal (Attorney) Fees**
 - **Administrative Costs**

18



2014 Street Improvement Project

- Preliminary Assessable Costs
 - 14th Avenue South
 - Full depth Sawcut \$2,580
 - Crack and Seat Pavement \$6,090
 - Base Cleaning and Preparation \$1,015
 - Partial Depth HMA Patching \$1,000
 - HMA Resurfacing (1") \$10,267
 - Engineering, Legal, Administrative \$6,300

 - Total Assessable Costs \$27,252

19



2014 Street Improvement Project

- Preliminary Assessable Costs
 - 15th Avenue South
 - Full depth Sawcut \$600
 - Crack and Seat Pavement \$6,900
 - Base Cleaning and Preparation \$1,150
 - Partial Depth HMA Patching \$1,000
 - HMA Resurfacing (1") \$11,434
 - Engineering, Legal, Administrative \$6,400

 - Total Assessable Costs \$27,484

20



2014 Street Improvement Project

- Determination of Assessment
 - 14th Avenue South
 - Total Assessable Cost:
 - \$27,252
 - Divided by Total Benefit Points:
 - 325096.19
 - Equals Cost per Benefit Point
 - \$0.083827

21



2014 Street Improvement Project

- Determination of Assessment
 - 15th Avenue South
 - Total Assessable Cost:
 - \$27,484
 - Divided by Total Benefit Points:
 - 434340.73
 - Equals Cost per Benefit Point
 - \$0.063278

22



2014 Street Improvement Project

- Assessment Plat and Schedule
 - Preliminary Assessments (Sets the maximum)
 - Final Assessments (May be lower, NEVER higher)

23



2014 Street Improvement Project

- Assessment Plat and Schedule
 - Preliminary Assessment Plat – 14th Avenue South – Figure 5

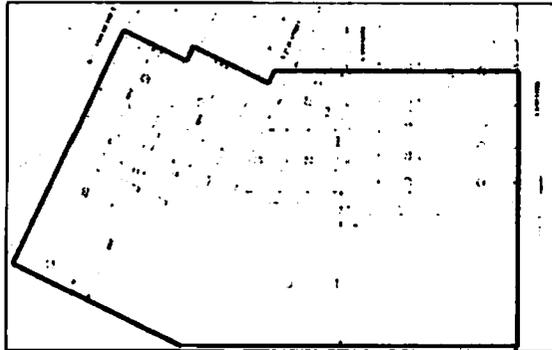


24



2014 Street Improvement Project

- Assessment Plat and Schedule
 - Preliminary Assessment Plat – 15th Avenue South – Figure 6



25



2014 Street Improvement Project

- Assessment Plat and Schedule
 - Final Assessments
 - Determination of Final Costs
 - Payment of Final Assessments
 - Lump sum, paid in full w/in 30 days (No interest)
 - Installments paid to County Treasurer, with property taxes (Interest applied)

26



2014 Street Improvement Project

- **Public Hearing**
 - **Opportunity for public input**
 - Verbal comments for or against
 - Written petitions for or against

27



2014 Street Improvement Project

- **Council Action**
 - **Resolution of Necessity**
 - Adopt as prepared
 - Passage requires 3/4 of all Council members
 - Amend and adopt
 - Defer action to a later date

28



2014 Street Improvement Project

- Council Action
 - Resolution of Necessity
 - Remonstrance (Objection against Improvements)
 - Property owners representing 75% of all assessments
 - Passage of Resolution of Necessity requires unanimous vote of Council

29



2014 Street Improvement Project

Questions???

30

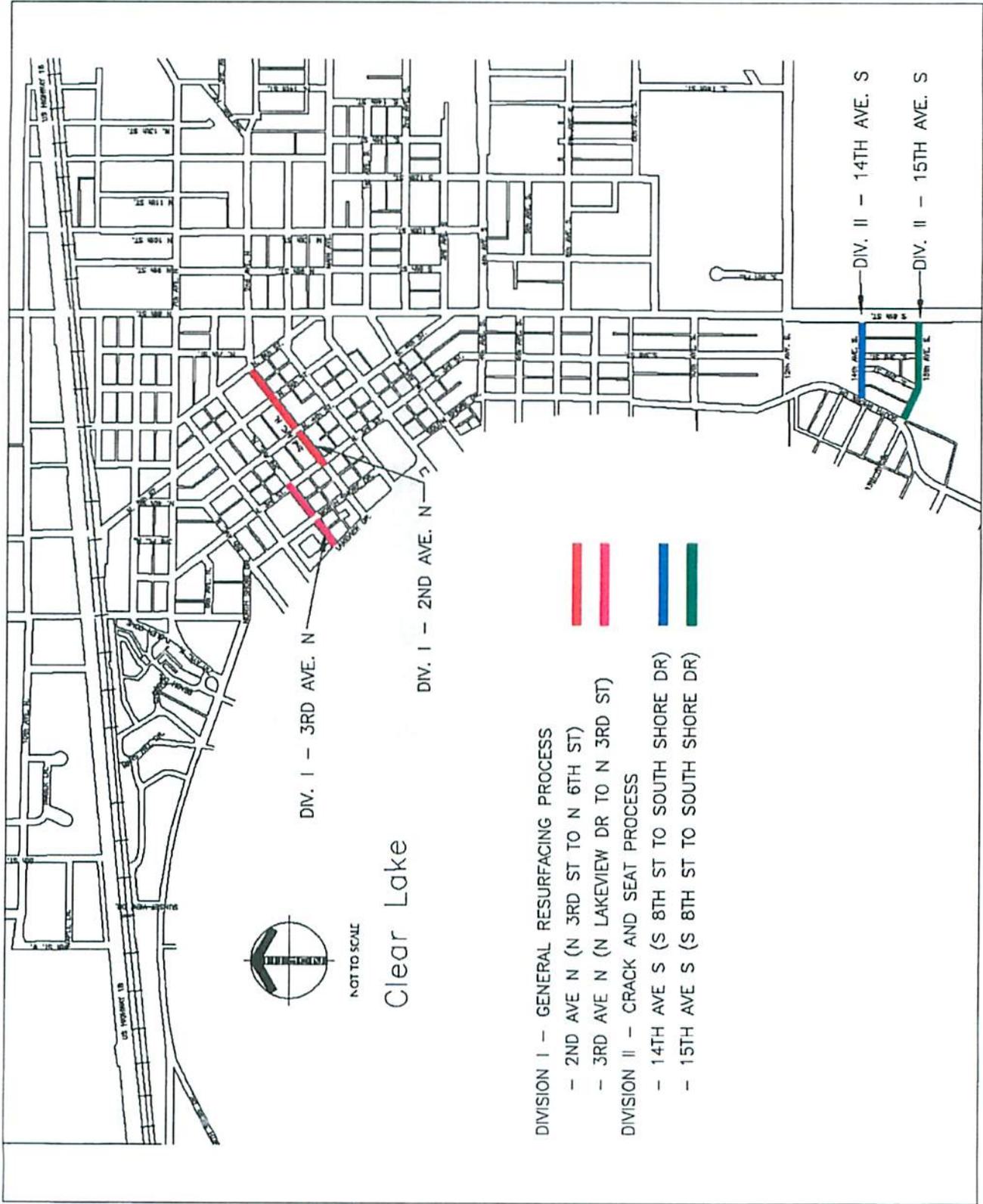


FIGURE 1 - PROJECT LOCATION MAP

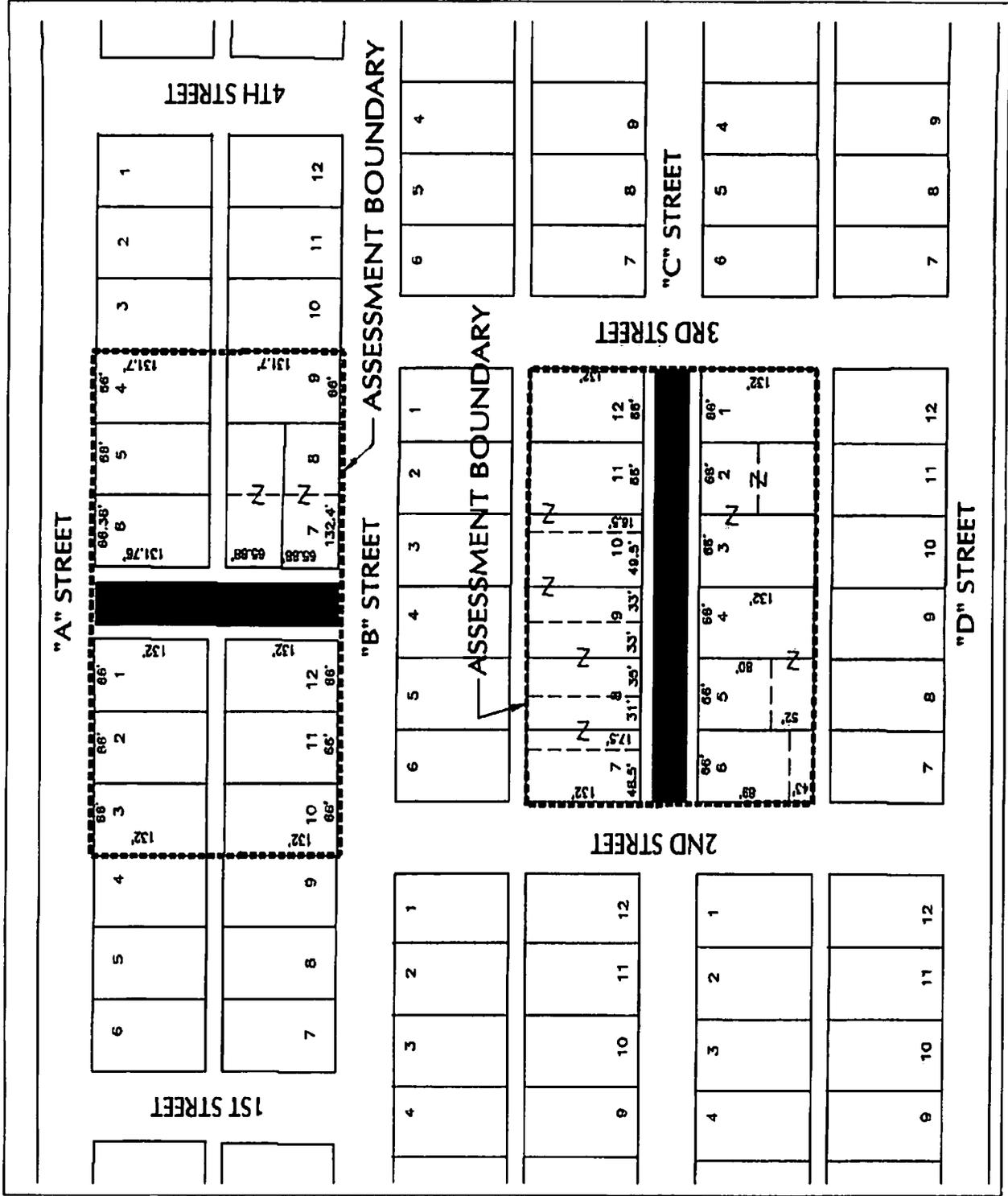


FIGURE 2 – ASSESSMENT DISTRICT(S) EXAMPLE

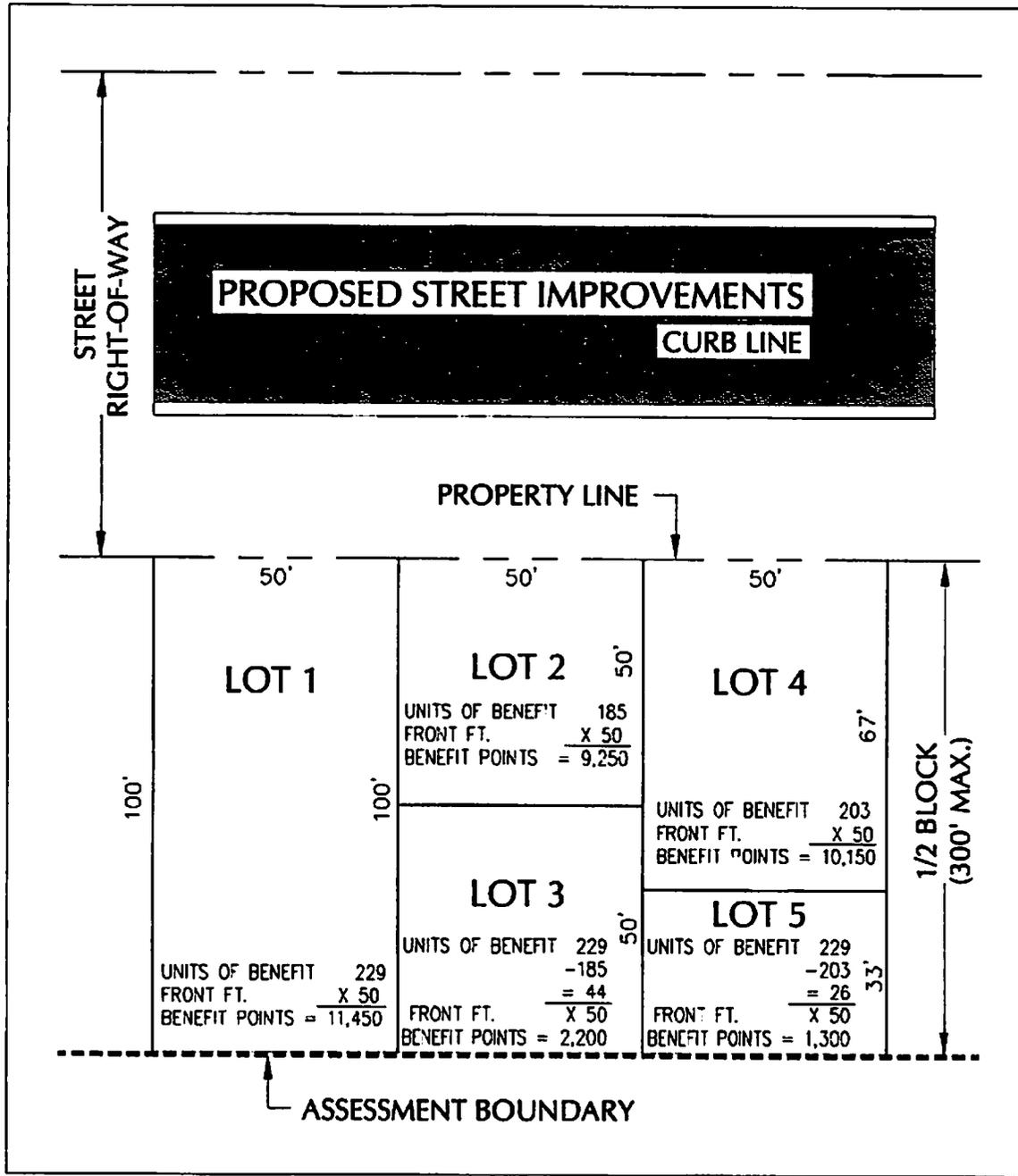
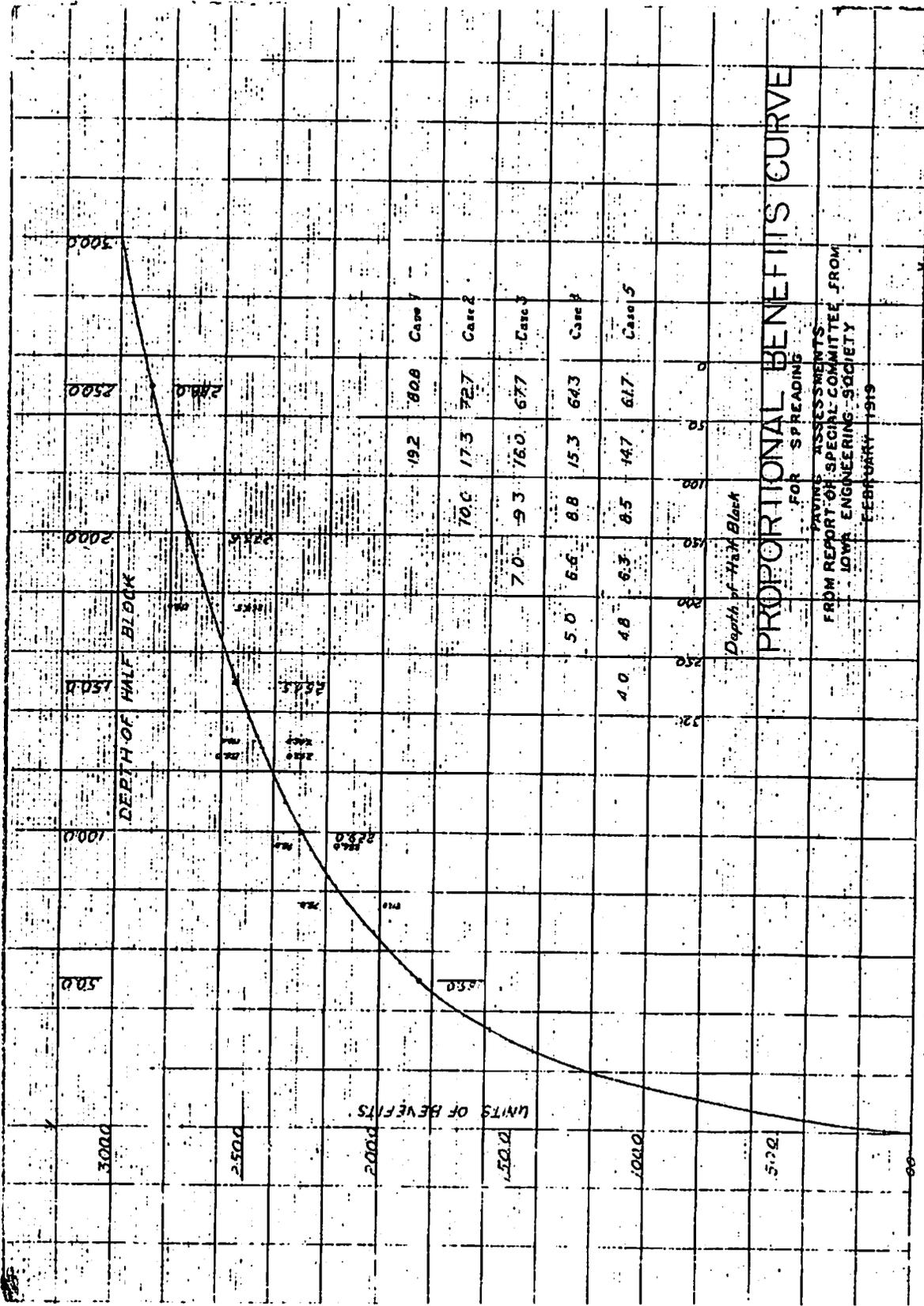


FIGURE 3 – BENEFIT POINTS EXAMPLE



PROPORTIONAL BENEFITS CURVE
FOR SPREADING

PAVING ASSESSMENTS
FROM REPORT OF SPECIAL COMMITTEE FROM
LOWA ENGINEERING SOCIETY
FEBRUARY 1919

U.S. GOVERNMENT PRINTING OFFICE
1919

FIGURE 4 - PROPORTIONAL BENEFITS CURVE

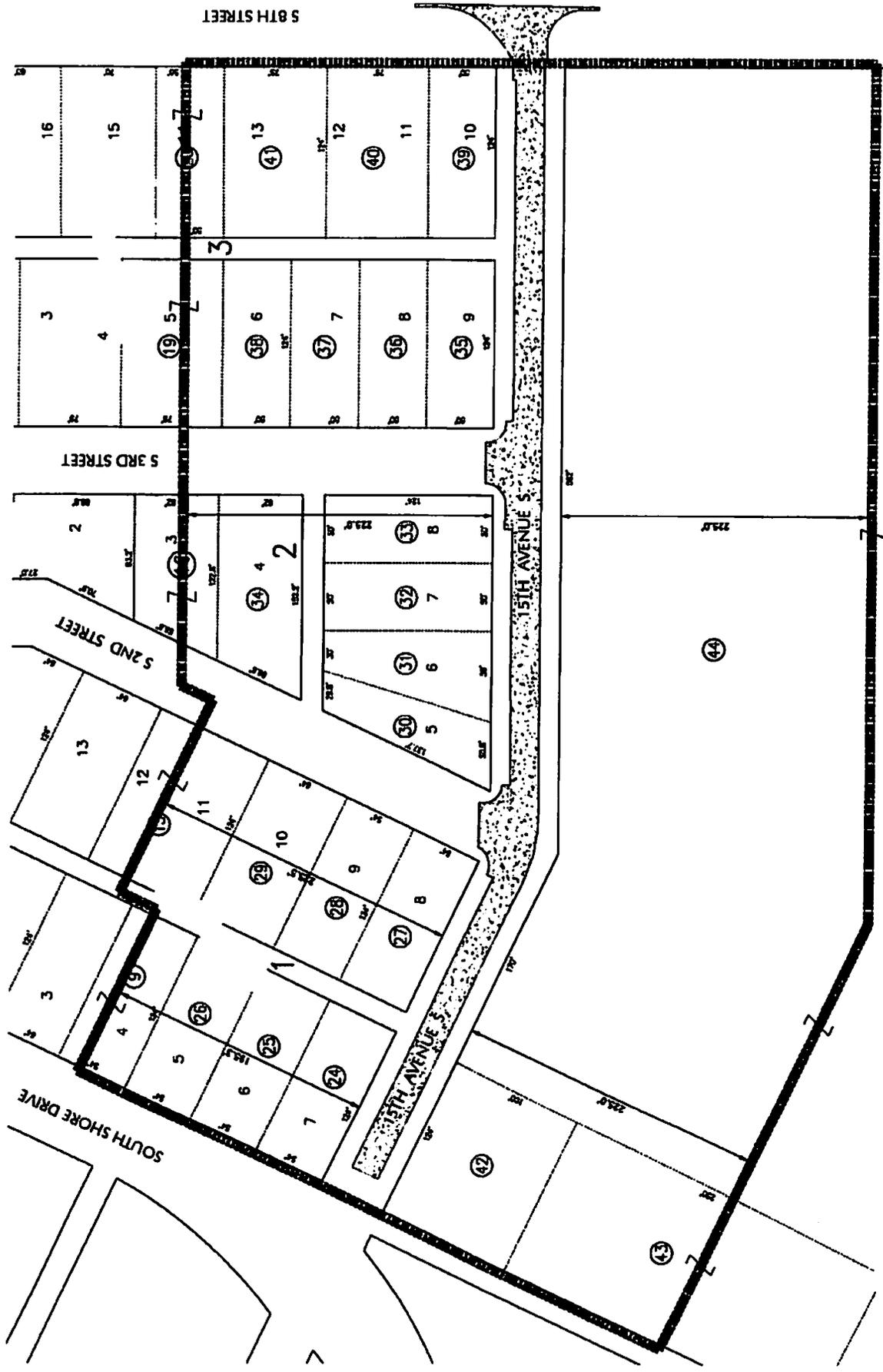
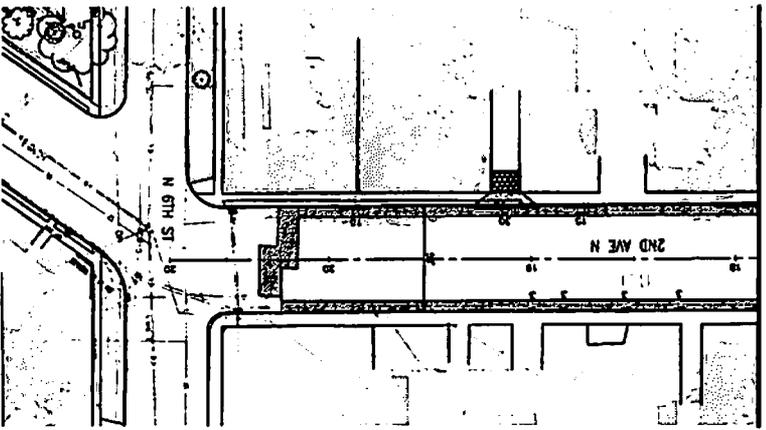


FIGURE 6 – PRELIMINARY ASSESSMENT PLAT – 15TH AVE S

2014 Street Resurfacing Project - Clear Lake, Iowa

DIVISION I - GENERAL RESURFACING 2ND AVENUE N



STA. 17+00 - 25' LT. C/L
 18" DIA. & 12.5' TO
 CONCR. TYP. 30" DIA. 12" C/L
 48' LT. 15" ST. 5 TO 12" - 2 @ 12"

STA. 17+00 - 25' RT. C/L
 18" DIA. & 12.5' TO
 CONCR. TYP. 30" DIA. 12" C/L
 48' LT. 15" ST. 5 TO 12" - 2 @ 12"

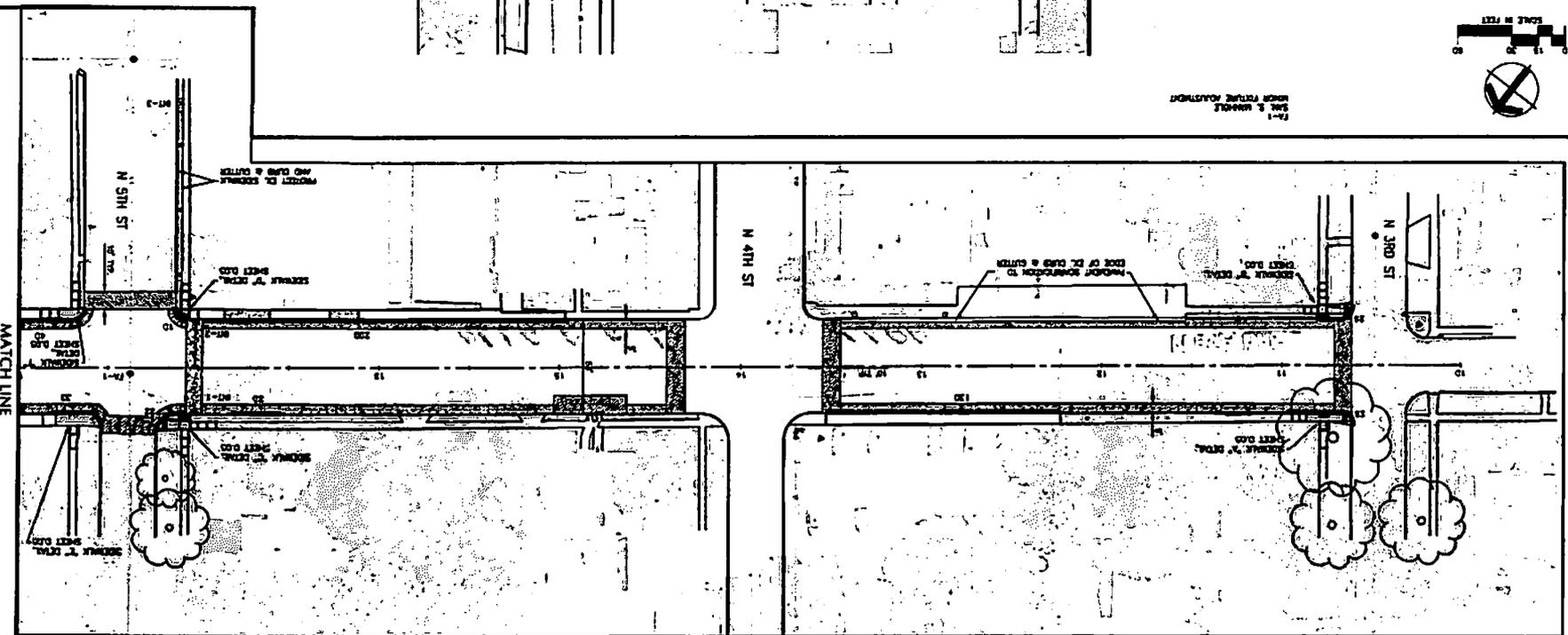
STA. 17+00 - 25' RT. C/L
 18" DIA. & 12.5' TO
 CONCR. TYP. 30" DIA. 12" C/L
 48' LT. 15" ST. 5 TO 12" - 2 @ 12"

STA. 17+00 - 25' RT. C/L
 18" DIA. & 12.5' TO
 CONCR. TYP. 30" DIA. 12" C/L
 48' LT. 15" ST. 5 TO 12" - 2 @ 12"

- REMOVE AND REPLACE POC CURB & GUTTER
- REMOVE AND REPLACE POC SIDEWALK
- MAINTAIN EXCAVATION / TRENCH FILL
- REMOVE AND REPLACE POC SIDEWALK ON DRIVEWAY



Part 1
 SEE SCHEDULE
 FOR FUTURE ADJUSTMENT



11
 D.01

PROJECT	2014 STREET RESURFACING PROJECT
DATE	12/14/14
SCALE	AS SHOWN
DRAWN BY	...
CHECKED BY	...
DATE	...
PROJECT NO.	...
SHEET NO.	...

2014 STREET RESURFACING PROJECT
 CLEAR LAKE, IOWA
 2ND AVENUE N

YAGGY COLBY ASSOCIATES
 ARCHITECTS & ENGINEERS
 1000 ...
 CLEAR LAKE, IOWA ...



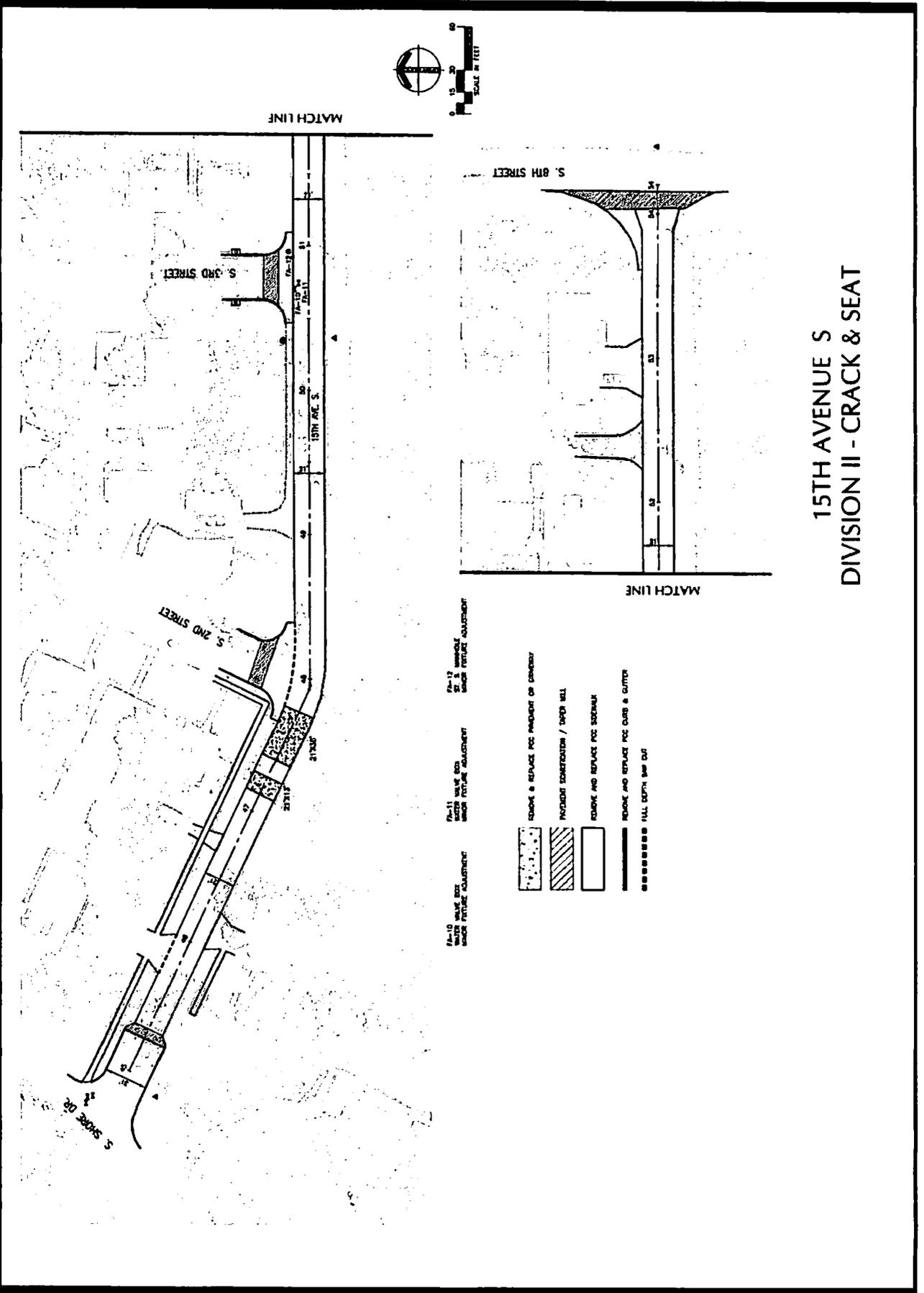


YAGGY COLBY ASSOCIATES
 1515 WEST AVE. S.
 CLEAR LAKE, IOWA 52542
 PHONE: 319.266.1234
 FAX: 319.266.1235
 WWW.YAGGYCOLBY.COM

2014 STREET RESURFACING PROJECT
 CLEAR LAKE, IOWA
 15TH AVENUE S

PROJECT	17148
DATE	11/14/11
DESIGNER	31148_2014.DWG
DATE	11/11
DRAWN BY	06
CHECKED BY	MD
REVISIONS	

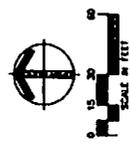
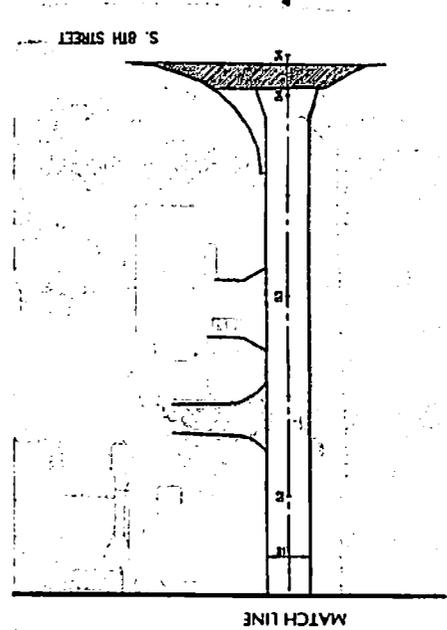
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- PA-10 WATER MAIN EXIST UNDER FUTURE ADJUSTMENT
- PA-11 WATER MAIN EXIST UNDER FUTURE ADJUSTMENT
- PA-12 SEWER MAIN EXIST UNDER FUTURE ADJUSTMENT

- REMOVE & REPLACE PCC PAVEMENT OR CONCRETE
- PRECAST CONCRETION / TAPER WALL
- REMOVE AND REPLACE PCC SIDEWALK
- REMOVE AND REPLACE PCC CURB & GUTTER
- FULL DEPTH NEW GUT

15TH AVENUE S
 DIVISION II - CRACK & SEAT



**NOTICE OF HEARING AND LETTING
NOTICE TO BIDDERS**

Public notice is hereby given that sealed bids will be received by the City of Clear Lake, at City Hall, 15 North 6th Street, Clear Lake, Iowa, 50428 until 11:00 a.m. on the 12th day of March, 2014, for the construction of the 2014 Street Resurfacing Project, Clear Lake, Iowa as described in plans and specifications thereof now on file with the City Clerk in City Hall. Bids will be opened at 11:00 a.m. at the Clear Lake City Hall.

Bids will be considered by the Clear Lake City Council at a meeting to be held in City Hall, Clear Lake, Iowa, at 6:30 p.m., on the 17th day of March, 2014, and will be acted upon at such time and place or at such later time and place as may then be fixed. At said time and place, a public hearing will also be held on the proposed plans, specifications, and proposed form of contract for construction, and at said hearing any interested person may appear and file objections thereto or to cost of said improvements.

The construction proposed consists of, but is not limited to the following work items:

Division I – General Resurfacing

Curb and Gutter, PCC	671 LF
HMA Resurfacing (2’’)	7,180 SY
Pavement Scarification	1,875 SY
Sidewalk, PCC	3950 SF
PCC Pavement or Driveway	105 SY
Fixture Adjustments	4 EA
Storm Sewer Pipe	180 LF
Intake, Storm Sewer	2 EA

Division II – Crack and Seat

Sawcut, Full Depth	1,060 LF
Curb and Gutter, PCC	65 LF
Cracking and Seating of PCC Pavement	4,330 SY
Base Cleaning & Preparation	4,330 SY
HMA Resurfacing (3’’)	4,650 TON
Pavement Scarification	625 SY
Sidewalk, PCC	70 SF
PCC Pavement or Driveway	185 SY
Fixture Adjustments	10 EA
Storm Sewer Pipe	165 LF
Intake, Storm Sewer	2 EA

Method of construction shall be by contract, and all work is to be done in strict compliance with Plans and Specifications prepared by Yaggy Colby Associates, 215 North Adams, Mason City, Iowa, which have heretofore been approved by the City Council, City of Clear Lake and are now on file for public examination in City Hall. Bid Form, Plans, and Specifications may be obtained from Yaggy Colby Associates, 215 North Adams, Mason City, Iowa 50401. *A cost of \$25.00 is associated with the plans and specification, refundable if returned unused within 14 days after bid opening.*

Work under the proposed contract shall commence within 10 days after the Notice to Proceed and shall be substantially completed by June 20, 2014

Substantial completion is defined as follows: All work is complete except for finish grading and turf restoration areas, sodding and minor clean-up. Streets, driveways and sidewalk must be open and accessible to the public.

The kinds of materials proposed to be used and approximate amounts are as set out in the "Bid Form" which by this reference is made a part of this notice.

Each bid must be made out on a Bid Form furnished in the Bidding Documents Manual obtained from Yaggy Colby Associates or on a computerized Bid Form furnished by the bidder. Bid Forms furnished by the bidder shall replicate the Bid Form furnished in the Bidding Documents Manual.

Each bid shall be sealed in an envelope marked "Bid for 2014 Street Resurfacing Project, Clear Lake, Iowa." Each bid must be accompanied in a separate envelope by a bidding check or bid bond in an amount equal to five percent (5%) of the bid price, said check being either a certified or cashier's check, drawn on a bank in Iowa, or a bank chartered under the laws of the United States, or a Certified share draft drawn on a credit union in Iowa or chartered under the laws of the United States, and made payable to the City of Clear Lake, Iowa, as security that the bidder will furnish the required bonds and enter into a contract within ten (10) working days, excluding Saturday, Sunday, and holidays, after the award of the contract to him.

Bidders shall not be permitted to withdraw their bids for a period of thirty (30) days after the same are opened.

By virtue of statutory authority, preference will be given to products of and provisions grown within the State of Iowa and to Iowa domestic labor.

Pursuant to Chapter 73 of the Code of Iowa, out-of-state bidders are hereby advised of the Iowa Bidding Preference Law extending to Iowa firms any preference which may be (a) strict preference, (b) reciprocal preference, or (c) combination preference and reciprocal. Application of such preference will be extended from any "public improvement" as defined in Chapter 73A of the Code of Iowa.

Bidders shall be expected to comply with Chapters 91C and 103A of the Code of Iowa concerning the registration and bonding of construction contractors and the successful bidder shall be required to supply the City of Clear Lake with proof of said compliance.

Payment for said "2014 Street Resurfacing Project, Clear Lake, Iowa," will be made from the General Fund of the City of Clear Lake or from such other funds as may be legally used for such purposes. Monthly estimates will be made by the ENGINEER and payment will be made to the CONTRACTOR in the amount of ninety-five percent (95%) of said estimate on or about the tenth of the following month. Final payment will be made not sooner than thirty (30) days following final acceptance of the work by the City of Clear Lake in accordance with Iowa Code chapters 26 and 573, as applicable.

The bidders attention is called to the prompt payment to the subcontractors under Chapter 573.12 of the Code of Iowa.

Plans and specifications governing the construction of the proposed improvements have been prepared by Yaggy Colby Associates, 215 North Adams, Mason City, Iowa, which plans and specifications, and also prior proceedings of the City of Clear Lake referring to and defining said proposed improvements, are hereby made a part of this notice and the proposed contract by reference, and the proposed contract shall be executed in compliance therewith.

Copies of said plans and specifications are now on file in the office of the Clear Lake City Clerk (City Hall), for examination by bidders.

All bids shall NOT include Iowa Sales Tax for materials used in the project. Upon award, the successful bidder shall immediately provide a listing of subcontractors and associated Federal ID or Social Security Numbers for both the contractor and subcontractors. The City will register the contractor and subcontractors with the Iowa Department of Revenue and will provide appropriate certificates to the contractor for distribution and use.

The City of Clear Lake reserves the right to reject any and all bids and to waive technicalities and irregularities.

Published upon order of the City of Clear Lake, Iowa.

Jennifer Larson, City Clerk
Clear Lake, Iowa

ENGINEER'S OPINION OF PROBABLE COST
 2014 STREET RESURFACING PROJECT
 CLEAR LAKE, IOWA
 12148

DIVISION I - GENERAL RESURFACING

2/12/2014

<u>ITEM NO.</u>	<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>AMOUNT</u>
1	Mobilization	1	LS	\$9,000.00	\$9,000.00
2	Traffic Control	1	LS	\$4,500.00	\$4,500.00
3	Removal of PCC Pavement or Driveway	105	SY	\$10.00	\$1,050.00
4	Removal of Curb & Gutter	671	LF	\$10.00	\$6,710.00
5	Removal of Sidewalk	440	SY	\$10.00	\$4,400.00
6	PCC Pavement or Drive, Class C, 6"	105	SY	\$40.00	\$4,200.00
7	BT Joint Bars	470	EA	\$7.00	\$3,290.00
8	Curb & Gutter, PCC, Class C	671	LF	\$20.00	\$13,420.00
9	Sidewalk, PCC, Class C, 4"	3030	SF	\$5.00	\$15,150.00
10	Sidewalk, PCC, Class C, 6"	920	SF	\$6.00	\$5,520.00
11	Detectable Warning Panels	168	SF	\$30.00	\$5,040.00
12	Pavement Scarification	1875	SY	\$6.00	\$11,250.00
13	HMA Surface Mixture, 2"	7180	SY	\$8.00	\$57,440.00
14	HMA Leveling Mixture	690	SY	\$7.00	\$4,830.00
15	Storm Sewer, 15", RCP, Cl. 5	168	LF	\$60.00	\$10,080.00
16	C-1 Reducing Connection	1	EA	\$250.00	\$250.00
17	Intake, SW-501	2	EA	\$2,500.00	\$5,000.00
18	Special Backfill Material, Trench	25	TON	\$20.00	\$500.00
19	Fixture Adjustment, Manhole	1	EA	\$750.00	\$750.00
20	Fixture Adjustment, Valve Box	1	EA	\$550.00	\$550.00
21	Fixture Adjustment, Clean Out	2	EA	\$250.00	\$500.00
22	Turf Restoration	27	SQ	\$75.00	\$2,025.00
23	Aggregate Surfacing	24	TON	\$20.00	\$480.00
TOTAL PROJECT - DIVISION I					\$165,935.00

ENGINEER'S OPINION OF PROBABLE COST
 2014 STREET RESURFACING PROJECT
 CLEAR LAKE, IOWA
 12148

DIVISION II - CRACK & SEAT

2/12/2014

ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Mobilization	1	LS	\$7,500.00	\$7,500.00
2	Traffic Control	1	LS	\$3,500.00	\$3,500.00
3	Sawcut, Full Depth	1060	LF	\$2.50	\$2,650.00
4	Removal of PCC Pavement or Driveway	185	SY	\$10.00	\$1,850.00
5	Removal of Curb & Gutter	65	LF	\$10.00	\$650.00
6	Removal of Sidewalk	8	SY	\$10.00	\$80.00
7	PCC Pavement or Drive, Class C, 6"	185	SY	\$40.00	\$7,400.00
8	BT Joint Bars	45	EA	\$6.00	\$270.00
9	Curb & Gutter, PCC, Class C	65	LF	\$20.00	\$1,300.00
10	Sidewalk, PCC, Class C, 4"	50	SF	\$5.00	\$250.00
11	Sidewalk, PCC, Class C, 6"	20	SF	\$6.00	\$120.00
12	Detectable Warning Panels	10	SF	\$30.00	\$300.00
13	Pavement Scarification, ACC	270	SY	\$3.00	\$810.00
14	Pavement Scarification, PCC	355	SY	\$6.00	\$2,130.00
15	Cracking & Seating of PCC Pavement	4330	SY	\$3.00	\$12,990.00
16	HMA Partial Depth Patch	20	TON	\$100.00	\$2,000.00
17	Base, Cleaning & Preparation	4330	SY	\$0.50	\$2,165.00
18	HMA Base Mixture, 1-1/2"	4650	SY	\$7.00	\$32,550.00
19	HMA Surface Mixture, 1-1/2"	4650	SY	\$7.50	\$34,875.00
20	HMA Leveling Mixture	470	SY	\$6.00	\$2,820.00
21	Fixture Adjustment, Valve Box	2	EA	\$550.00	\$1,100.00
22	Fixture Adjustment, Manhole	7	EA	\$750.00	\$5,250.00
23	Fixture Adjustment, Intake	1	EA	\$350.00	\$350.00
24	Storm Sewer Intake SW-501	1	EA	\$2,500.00	\$2,500.00
25	Storm Sewer Intake, SW-512	1	EA	\$1,000.00	\$1,000.00
26	Storm Sewer Cleanout	1	EA	\$750.00	\$750.00
27	Storm Sewer, 12", HDPE	139	LF	\$30.00	\$4,170.00
28	Subdrain, 6"	26	LF	\$20.00	\$520.00
29	Connect to Ex. Intake	2	EA	\$300.00	\$600.00
30	Turf Resoration	25	SQ	\$75.00	\$1,875.00
31	Aggregate Surfacing	125	TON	\$20.00	\$2,500.00
TOTAL PROJECT -DIVISION II					\$136,825.00

This being the time and place fixed for a public hearing on the matter of the adoption of plans, specifications, form of contract, and estimated cost for the construction of the North Shore Drive STP Street Reconstruction Project, the Mayor called for any oral objections to the making of such improvements, or to the adoption of the plans, specifications, form of contract or estimate of cost. No oral objections were offered and the Clerk reported that no written objections thereto had been filed.

The City Clerk declared the hearing to be closed.

Council Member _____ introduced the following Resolution entitled "RESOLUTION ADOPTING PLANS, SPECIFICATIONS, FORM OF CONTRACT AND ESTIMATED COST" and moved that the same be adopted. Council Member _____ seconded the motion to adopt. The roll was called and the vote was,

AYES: _____

NAYS: _____

Whereupon, the Mayor declared the following Resolution duly adopted:

RESOLUTION ADOPTING PLANS, SPECIFICATIONS, FORM OF CONTRACT AND ESTIMATED COST

WHEREAS, on the _____ day of _____, 2014, plans, specifications, form of contract and estimated cost were filed with the Clerk of the City of Clear Lake, Iowa, for the construction of the North Shore Drive STP Street Reconstruction Project, within the corporate limits; and

WHEREAS, the plans and specifications are consistent and in compliance with the final grades heretofore established by ordinance for all streets to be improved; and

WHEREAS, notice of hearing on plans, specifications, form of contract, and estimated cost was published as required by law:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEAR LAKE, STATE OF IOWA:

Section 1. That the plans, specifications, form of contract and estimated cost are hereby approved as the plans, specifications, form of contract and estimated cost for the improvements for the project.

PASSED AND APPROVED this 17th day of February, 2014.

Mayor

ATTEST:

City Clerk

ENGINEER'S OPINION OF PROBABLE COST

North Shore Drive STP Street Reconstruction Project
 STP-U-1372(6)19-70-17

Project Number: 38305

Date: 11/26/13

Quantities By: DHS

Estimated By: JAP

Reviewed By: JAP

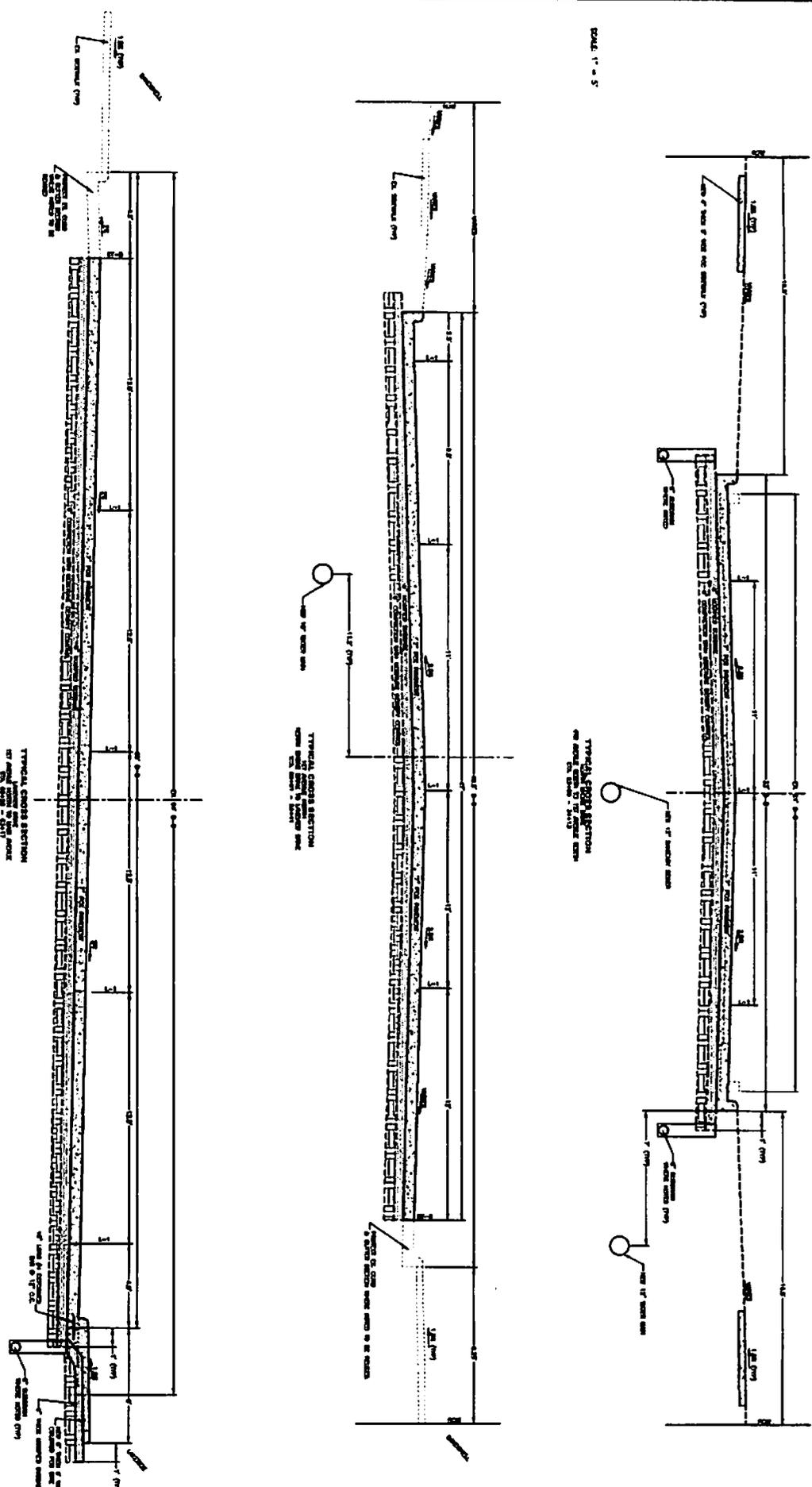
Item Number	Item Code	Item	Unit	Division 1		Division 2		Total	Unit Price	Division 1		Division 2		Total
				Participating	Non-Participating	Participating	Non-Participating			Participating	Non-Participating	Participating	Non-Participating	
1	2101-0830002	CLEARING AND GRUBBING	CY	383				383	\$ 20.00	\$ 7,660.00				\$ 7,660.00
2	2102-2710070	EXCAVATION, CLASS 10, ROADWAY AND BORROW	CY	2,641.0				2,641	\$ 10.00	\$ 26,410.00				\$ 26,410.00
3	2103-8425005	TOPSOIL, FURNISH AND SPREAD	CY	303.1		48.9		352	\$ 20.00	\$ 6,062.00	\$ 978.00			\$ 7,040.00
4	2103-8425015	TOPSOIL, STRIP, SALVAGE AND SPREAD	CY	469				469	\$ 12.00	\$ 5,628.00				\$ 5,628.00
5	2107-0875000	COMPACTION WITH MOISTURE AND DENSITY CONTROL	CY	2,664				2,664	\$ 5.00	\$ 12,320.00				\$ 12,320.00
6	2113-00001100	SUBGRADE STABILIZATION MATERIAL, POLYMER GRID	SY	3,666				3,666	\$ 6.00	\$ 21,996.00				\$ 21,996.00
7	2115-0100000	MODIFIED SUBBASE	SY	2,596.1		107.9		2,704	\$ 30.00	\$ 77,883.00	\$ 3,237.00			\$ 81,120.00
8	2123-7450020	SHOULDER FINISHING, EARTH	STA	38.78				38.78	\$ 250.00	\$ 9,695.00				\$ 9,695.00
9	2126-8325058	RECLAIMING PRESENT SURFACING MATERIAL	CY	1,000		1,000		2,000	\$ 5.00	\$ 5,000.00	\$ 5,000.00			\$ 10,000.00
10	2214-5145150	PAVEMENT SCARIFICATION	SY	121		121		242	\$ 10.00	\$ 1,210.00	\$ 1,210.00			\$ 2,420.00
11	2201-1030070	STANDARD OR SLIP FORM PORTLAND CEMENT CONCRETE PAVEMENT, CLASS C, CLASS 3 DURABILITY, 7 IN.	SY	14,206.0		96		14,302	\$ 38.00	\$ 539,828.00	\$ 3,648.00			\$ 543,476.00
12	2201-6911722	PORTLAND CEMENT CONCRETE PAVEMENT SAMPLES	TS	1		1		2	\$ 2,000.00	\$ 2,000.00				\$ 2,000.00
13	2303-40101000	HOT MIX ASPHALT MIXTURE, WEDGE, LEVELING OR STRENGTHENING COURSE	SY			121		121	\$ 20.00	\$ 2,420.00	\$ 2,420.00			\$ 4,840.00
14	2304-0101000	TEMPORARY PAVEMENT	SY			565.3		565.3	\$ 16.00	\$ 9,044.80				\$ 9,044.80
15	2312-8320051	GRANULAR SURFACING ON ROAD, CLASS A CRUSHED STONE	TON			1,900		1,900	\$ 32.00	\$ 60,800.00	\$ 32,000.00			\$ 92,800.00
16	2402-0425031	GRANULAR BACKFILL	TON			600		600	\$ 14.00	\$ 8,400.00	\$ 8,400.00			\$ 16,800.00
17	2433-0130148	MANHOLE, SANITARY SEWER, SW-303, 48 IN.	EACH			5		5	\$ 3,100.00	\$ 15,500.00				\$ 15,500.00
18	2433-0140148	MANHOLE, STORM SEWER, SW-401, 48 IN.	EACH			1		1	\$ 3,200.00	\$ 3,200.00				\$ 3,200.00
19	2433-0140172	MANHOLE, STORM SEWER, SW-401, 72 IN.	EACH			2		2	\$ 2,800.00	\$ 5,600.00				\$ 5,600.00
20	2433-0250100	IN-TAKE, SW-501	EACH			22		22	\$ 2,100.00	\$ 46,200.00				\$ 46,200.00
21	2433-0250300	IN-TAKE, SW-503	EACH			2		2	\$ 3,200.00	\$ 6,400.00				\$ 6,400.00
22	2433-0250800	IN-TAKE, SW-508	EACH			1		1	\$ 2,800.00	\$ 2,800.00				\$ 2,800.00
23	2433-0600010	MANHOLE ADJUSTMENT, MINOR	EACH			8		8	\$ 750.00	\$ 6,000.00				\$ 6,000.00
24	2433-0600020	MANHOLE ADJUSTMENT, MAJOR	EACH			3		3	\$ 1,500.00	\$ 4,500.00				\$ 4,500.00
25	2433-0600110	IN-TAKE ADJUSTMENT, MINOR	EACH			7		7	\$ 750.00	\$ 5,250.00				\$ 5,250.00
26	2433-0700010	CONNECTION TO EXISTING MANHOLE	EACH			2		2	\$ 10.50	\$ 21.00	\$ 34,682.55			\$ 34,703.55
27	2502-8212306	SUBDRAIN, STANDARD, PERFORATED, 6 IN., AS PER PLAN	LF	3,803.1		412.8		4,215.9	\$ 13.00	\$ 54,810.70	\$ 4,334.40			\$ 59,145.10
28	2502-8212308	SUBDRAIN, STANDARD, PERFORATED, 8 IN., AS PER PLAN	LF	401				401	\$ 150.00	\$ 60,150.00				\$ 60,150.00
29	2502-8220193	SUBDRAIN OUTLET (RF-193)	EACH			26		26	\$ 400.00	\$ 10,400.00				\$ 10,400.00
30	2502-8221006	SUBDRAIN RISER, 6 IN., AS PER PLAN	EACH			1		1	\$ 400.00	\$ 400.00	\$ 400.00			\$ 800.00
31	2502-8221008	SUBDRAIN RISER, 8 IN., AS PER PLAN	EACH			2		2	\$ 750.00	\$ 1,500.00				\$ 1,500.00
32	2503-0111018	STORM SEWER GRAVITY MAIN, TRENCHED, HIGH DENSITY POLYETHYLENE PIPE (HDPE), 18 IN.	LF	62.5				62.5	\$ 40.00	\$ 2,500.00				\$ 2,500.00
33	2503-0114212	STORM SEWER GRAVITY MAIN, TRENCHED, REINFORCED CONCRETE PIPE (RCP), 20 IN.	LF	20				20	\$ 37.00	\$ 740.00				\$ 740.00
34	2503-0114215	STORM SEWER GRAVITY MAIN, TRENCHED, REINFORCED CONCRETE PIPE (RCP), 12 IN.	LF	1,140				1,140	\$ 37.00	\$ 42,180.00				\$ 42,180.00
35	2503-0114218	STORM SEWER GRAVITY MAIN, TRENCHED, REINFORCED CONCRETE PIPE (RCP), 15 IN.	LF	99				99	\$ 40.00	\$ 3,960.00				\$ 3,960.00
36	2503-0116229	STORM SEWER GRAVITY MAIN, TRENCHED, REINFORCED CONCRETE PIPE (RCP), 18 IN.	LF	356				356	\$ 60.00	\$ 21,360.00				\$ 21,360.00
37	2503-0116237	STORM SEWER GRAVITY MAIN, TRENCHED, REINFORCED CONCRETE ARCH PIPE (RCAP), 2000 (CLASS A.III), 29 IN. X 18 IN.	LF	43.5				43.5	\$ 70.00	\$ 3,045.00				\$ 3,045.00
38	2503-0200036	REMOVE STORM SEWER PIPE LESS THAN OR EQUAL TO 36 IN.	LF	323				323	\$ 10.00	\$ 3,230.00				\$ 3,230.00
39	2504-0114008	SANITARY SEWER GRAVITY MAIN, TRENCHED, POLYVINYL CHLORIDE PIPE (PVC), 8 IN.	LF	566				566	\$ 45.00	\$ 25,470.00				\$ 25,470.00

Item Number	Item Code	Item	Unit	Division 1 Participating	Division 2 Non-Participating	Total	Unit Price	Division 1 Participating	Division 2 Non-Participating	Total
40	2504-0114010	SANITARY SEWER GRAVITY MAIN, TRENCHED, POLYVINYL CHLORIDE PIPE (PVC), 10 IN.	LF		20	20	\$ 50.00		\$ 1,000.00	\$ 1,000.00
41	2504-0114012	SANITARY SEWER GRAVITY MAIN, TRENCHED, POLYVINYL CHLORIDE PIPE (PVC), 12 IN.	LF		1,508	1,508	\$ 58.00		\$ 87,464.00	\$ 87,464.00
42	2504-0200406	SANITARY SEWER SERVICE STUB, POLYVINYL CHLORIDE PIPE (PVC), 6 IN.	LF		1887	1887	\$ 30.00		\$ 56,610.00	\$ 56,610.00
43	2504-0200408	SANITARY SEWER SERVICE STUB, POLYVINYL CHLORIDE PIPE (PVC), 8 IN.	LF		33	33	\$ 40.00		\$ 1,320.00	\$ 1,320.00
44	2504-0320300	SANITARY SEWER CLEANOUT, SW-203	EACH		6	6	\$ 350.00		\$ 2,100.00	\$ 2,100.00
45	2510-6745850	REMOVAL OF PAVEMENT	SY	14645.6	96	14741.6	\$ 7.00	\$ 102,519.20	\$ 672.00	\$ 103,191.20
46	2510-6750600	REMOVAL OF INTAKES AND UTILITY ACCESSES	EACH	10	9	19	\$ 350.00	\$ 3,500.00	\$ 3,150.00	\$ 6,650.00
47	2511-6745900	REMOVAL OF SIDEWALK	SY	1605.0	38.3	1643.3	\$ 5.50	\$ 8,827.50	\$ 210.65	\$ 9,038.15
48	2511-7526004	SIDEWALK, P.C. CONCRETE, 4 IN.	SY	1644.7	2.4	1647.1	\$ 35.00	\$ 57,564.50	\$ 84.00	\$ 57,648.50
49	2511-7526006	SIDEWALK, P.C. CONCRETE, 6 IN.	SY	408.6		408.6	\$ 46.00	\$ 18,795.60		\$ 18,795.60
50	2511-7528101	DETECTABLE WARNINGS	SF	564		564	\$ 45.00	\$ 25,380.00		\$ 25,380.00
51	2512-1725256	CURB AND GUTTER, P.C. CONCRETE, 2.5 FT.	LF	104		104	\$ 50.00	\$ 5,200.00		\$ 5,200.00
52	2515-2475006	DRIVEWAY, P.C. CONCRETE, 6 IN.	SY	675.9	38.2	714.1	\$ 42.00	\$ 28,387.80	\$ 1,604.40	\$ 29,992.20
53	2515-2475007	DRIVEWAY, P.C. CONCRETE, 7 IN.	SY	116.9		116.9	\$ 47.00	\$ 5,494.30		\$ 5,494.30
54	2515-6745600	REMOVAL OF PAVED DRIVEWAY	SY	1171	38.2	1209.2	\$ 8.00	\$ 9,368.00	\$ 305.60	\$ 9,673.60
55	2518-6910000	SAFETY CLOSURE	EACH	30		30	\$ 200.00	\$ 6,000.00		\$ 6,000.00
56	2523-0000310	HANDHOLES AND JUNCTION BOXES	EACH		2	2	\$ 750.00		\$ 1,500.00	\$ 1,500.00
57	2523-0000400	CONTROL CABINET	EACH		1	1	\$ 8,500.00		\$ 8,500.00	\$ 8,500.00
58	2527-9263137	PAINTED SYMBOLS AND LEGENDS, WATERBORNE OR SOLVENT-BASED	EACH		10	10	\$ 250.00		\$ 2,500.00	\$ 2,500.00
59	2528-8445110	TRAFFIC CONTROL	LS	0.5	0.5	1	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00	\$ 20,000.00
60	2533-4980005	MOBILIZATION	LS	0.5	0.5	1	\$ 85,000.00	\$ 42,500.00	\$ 42,500.00	\$ 85,000.00
61	2552-0000210	TRENCH FOUNDATION	TON		300	300	\$ 18.00		\$ 5,400.00	\$ 5,400.00
62	2552-0000300	TRENCH COMPACTION TESTING	LS		1	1	\$ 8,000.00		\$ 8,000.00	\$ 8,000.00
63	2554-0114004	WATER MAIN, TRENCHED, POLYVINYL CHLORIDE PIPE (PVC), 4 IN.	LF		40	40	\$ 50.00		\$ 2,000.00	\$ 2,000.00
64	2554-0114006	WATER MAIN, TRENCHED, POLYVINYL CHLORIDE PIPE (PVC), 6 IN.	LF		20	20	\$ 50.00		\$ 1,000.00	\$ 1,000.00
65	2554-0114008	WATER MAIN, TRENCHED, POLYVINYL CHLORIDE PIPE (PVC), 8 IN.	LF		460	460	\$ 40.00		\$ 18,400.00	\$ 18,400.00
66	2554-0114010	WATER MAIN, TRENCHED, POLYVINYL CHLORIDE PIPE (PVC), 10 IN.	LF		268	268	\$ 42.00		\$ 11,256.00	\$ 11,256.00
67	2554-0114012	WATER MAIN, TRENCHED, POLYVINYL CHLORIDE PIPE (PVC), 12 IN.	LF		1880	1,880	\$ 45.00		\$ 84,600.00	\$ 84,600.00
68	2554-0124012	WATER MAIN, TRENCHLESS, POLYVINYL CHLORIDE PIPE (PVC), 12 IN.	LF		485	485	\$ 65.00		\$ 31,525.00	\$ 31,525.00
69	2554-0203000	FITTINGS BY WEIGHT, DUCTILE IRON	LB		3,288	3,288	\$ 6.00		\$ 19,728.00	\$ 19,728.00
70	2554-0207006	VALVE, GATE, DIP, 6 IN.	EACH		1	1	\$ 1,200.00		\$ 1,200.00	\$ 1,200.00
71	2554-0207008	VALVE, GATE, DIP, 8 IN.	EACH		5	5	\$ 1,800.00		\$ 9,000.00	\$ 9,000.00
72	2554-0207010	VALVE, GATE, DIP, 10 IN.	EACH		2	2	\$ 2,000.00		\$ 4,000.00	\$ 4,000.00
73	2554-0207012	VALVE, GATE, DIP, 12 IN.	EACH		8	8	\$ 2,200.00		\$ 17,600.00	\$ 17,600.00
74	2554-0210201	FIRE HYDRANT ASSEMBLY, WM-201	EACH		8	8	\$ 3,000.00		\$ 24,000.00	\$ 24,000.00
75	2555-0000010	DELIVER AND STOCKPILE SALVAGED MATERIALS	LS		1	1	\$ 7,000.00		\$ 7,000.00	\$ 7,000.00
76	2599-9999005	C-Type Connection	EACH		1	1	\$ 650.00		\$ 650.00	\$ 650.00
77	2599-9999005	Corporation Stop, 1"	EACH		1	1	\$ 350.00		\$ 350.00	\$ 350.00
78	2599-9999005	Corporation Stop, 1-1/2"	EACH		1	1	\$ 425.00		\$ 425.00	\$ 425.00
79	2599-9999005	Corporation Stop, 2"	EACH		1	1	\$ 500.00		\$ 500.00	\$ 500.00
80	2599-9999005	Corporation Stop, 3/4"	EACH		44	44	\$ 300.00		\$ 13,200.00	\$ 13,200.00
81	2599-9999005	Curb Stop & Box, 1"	EACH		1	1	\$ 250.00		\$ 250.00	\$ 250.00
82	2599-9999005	Curb Stop & Box, 1-1/2"	EACH		1	1	\$ 325.00		\$ 325.00	\$ 325.00
83	2599-9999005	Curb Stop & Box, 2"	EACH		1	1	\$ 400.00		\$ 400.00	\$ 400.00
84	2599-9999005	Curb Stop & Box, 3/4"	EACH		42	42	\$ 200.00		\$ 8,400.00	\$ 8,400.00
85	2599-9999005	Inlet Protection	EACH		50	50	\$ 250.00		\$ 12,500.00	\$ 12,500.00
86	2599-9999005	Lighting Pole Foundation	EACH		22	22	\$ 1,000.00		\$ 22,000.00	\$ 22,000.00
87	2599-9999005	Relocate Site Seeing Binoculars	EACH		2	2	\$ 1,000.00		\$ 2,000.00	\$ 2,000.00
88	2599-9999005	Sanitary Sewer Wye, 10" x 6"	EACH		2	2	\$ 250.00		\$ 500.00	\$ 500.00

Item Number	Item Code	Item	Unit	Division 1 Participating	Division 2 Non-Participating	Total	Unit Price	Division 1 Participating	Division 2 Non-Participating	Total
89	2599-9999005	Sanitary Sewer Wye, 12" x 6"	EACH		51	51	\$ 350.00		\$ 17,850.00	\$ 17,850.00
90	2599-9999005	Sanitary Sewer Wye, 12" x 8"	EACH		1	1	\$ 350.00		\$ 350.00	\$ 350.00
91	2599-9999005	Sanitary Sewer Wye, 8" x 6"	EACH		2	2	\$ 225.00		\$ 450.00	\$ 450.00
92	2599-9999005	Yard Hydrant Relocation	EACH		1	1	\$ 500.00		\$ 500.00	\$ 500.00
93	2599-9999009	Electrical Circuit, (1-A1&1-B1, 1-A2&1-B2, 1-A3&1-B3, 1-A4&1-B4)	LF		6,000	6,000	\$ 13.50		\$ 81,000.00	\$ 81,000.00
94	2599-9999009	Electrical Circuit, (1-A5&1-B5, 1-A6&1-B6)	LF		1,200	1,200	\$ 15.00		\$ 18,000.00	\$ 18,000.00
95	2599-9999009	Paver Edge Restraint	LF		790	790	\$ 25.00		\$ 19,750.00	\$ 19,750.00
96	2599-9999009	Railbed Removal	LF		750	750	\$ 10.00		\$ 7,500.00	\$ 7,500.00
97	2599-9999009	Water Service, Copper, 1"	LF		57	57	\$ 28.00		\$ 1,596.00	\$ 1,596.00
98	2599-9999009	Water Service, Copper, 1-1/2"	LF		25.9	25.9	\$ 32.00		\$ 828.80	\$ 828.80
99	2599-9999009	Water Service, Copper, 2"	LF		9.5	9.5	\$ 50.00		\$ 475.00	\$ 475.00
100	2599-9999009	Water Service, Copper, 3/4"	LF		1,542.8	1,542.8	\$ 25.00		\$ 38,570.00	\$ 38,570.00
101	2599-9999014	Brick Paver Sidewalk	SF		3180	3,180	\$ 6.50		\$ 20,670.00	\$ 20,670.00
102	2599-9999014	PCC Crosswalk, Colored & Stamped, 7"	SF		1,769	1,769	\$ 12.00		\$ 21,228.00	\$ 21,228.00
103	2599-9999014	PCC Paver Base, 5"	SF		3180	3,180	\$ 7.00		\$ 22,260.00	\$ 22,260.00
104	2599-9999014	Removal of Brick Pavers	SF		135	135	\$ 3.00		\$ 405.00	\$ 405.00
105	2599-9999018	Bike Lane, PCC, 5" Colored	SY		198.0	198	\$ 90.00		\$ 17,820.00	\$ 17,820.00
106	2601-2634105	MULCHING, BONDED FIBER MATRIX	ACRE	0.8	0	0.8	\$ 3,500.00	\$ 2,800.00		\$ 2,800.00
107	2601-2636044	SEEDING AND FERTILIZING (URBAN)	ACRE	0.8	0	0.8	\$ 1,400.00	\$ 1,120.00		\$ 1,120.00
108	2601-2639010	SODDING	SQ	340.2	39.6	379.8	\$ 48.00	\$ 16,329.60	\$ 1,900.80	\$ 18,230.40
109	2602-0000309	PERIMETER AND SLOPE SEDIMENT CONTROL DEVICE, 9 IN. DIA.	LF	750	0	750	\$ 4.00	\$ 3,000.00		\$ 3,000.00
110	2602-0000350	REMOVAL OF PERIMETER AND SLOPE SEDIMENT CONTROL DEVICE	LF	750	0	750	\$ 0.25	\$ 187.50		\$ 187.50
111	2602-0010020	MOBILIZATIONS, EMERGENCY EROSION CONTROL	EACH	10	0	10	\$ 1,000.00	\$ 10,000.00		\$ 10,000.00
112	2610-0000212	MULCH, SHREDDED BARK	CY		4	4	\$ 100.00		\$ 400.00	\$ 400.00
113	2611-0000200	TREES, FURNISHED AND INSTALLED (WITH WARRANTY)	EACH		14	14	\$ 550.00		\$ 7,700.00	\$ 7,700.00

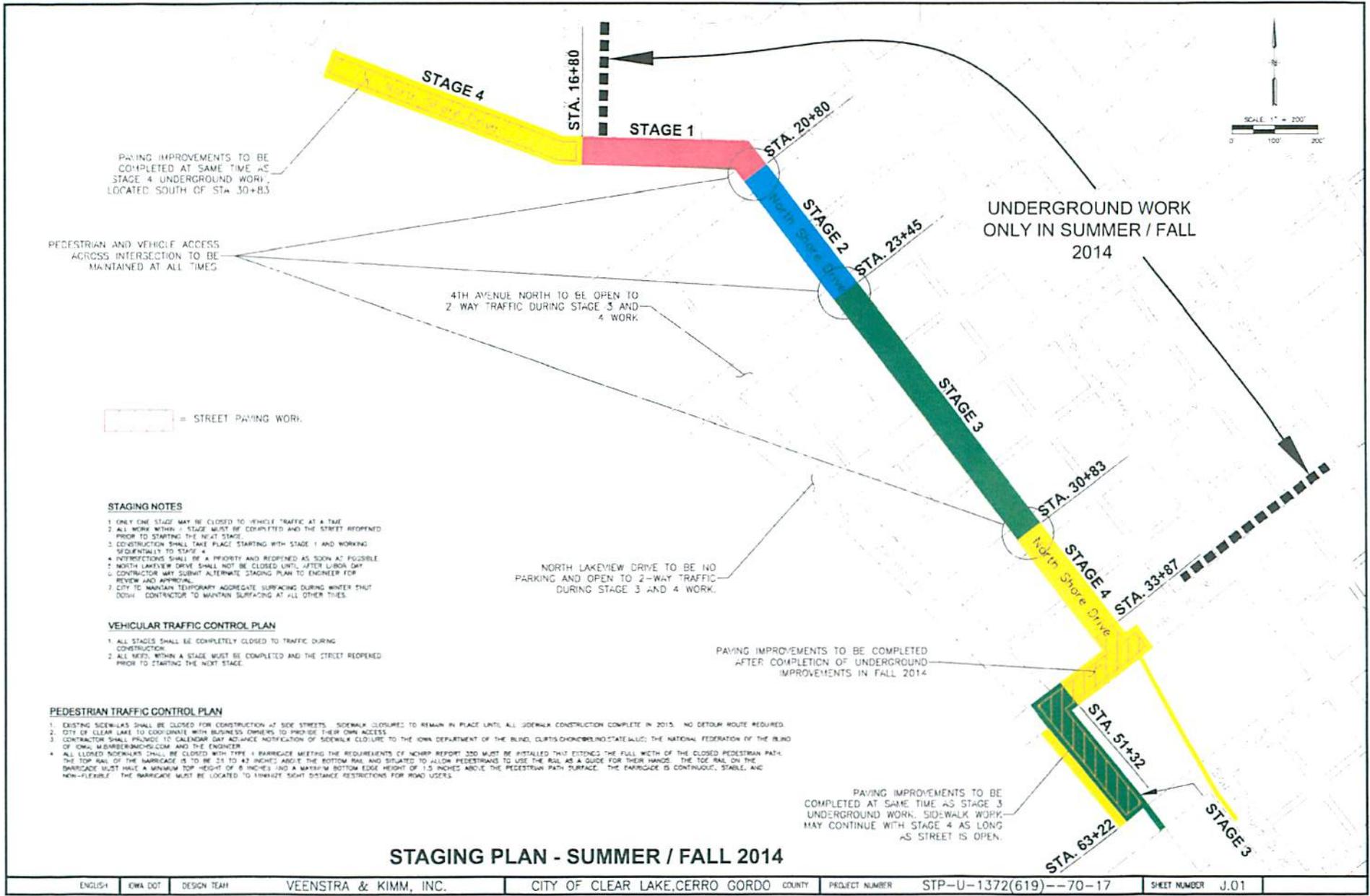
TOTAL	\$ 1,278,266.55	\$ 916,923.45	\$ 2,195,192.00
	Participating	Non-Participating	Total
	Division 1	Division 2	Division 1 & 2

SCALE: 1" = 5'



- NOTES**
1. CURB, GUTTERING AND GUTTER SHALL BE CONCRETE UNLESS OTHERWISE SPECIFIED.
 2. TYPICAL CROSS SECTION OF CURB AND GUTTER SHALL BE AS SHOWN ON SHEET B.02.
 3. TYPICAL CROSS SECTION OF CURB AND GUTTER SHALL BE AS SHOWN ON SHEET B.02.
 4. ALL NEW CURB SHALL BE 2" STANDARD CURB FOR 14'-11 1/2".

DESIGN	DATE	DESIGN TITLE	CITY OF CLEAR LAKE CERRO GORDO	COUNTY	PROJECT NUMBER	SHEET NUMBER
					STP-U-1372(619)	70-17
						B.02



STAGING PLAN - SUMMER / FALL 2014

RESOLUTION _____

Approving 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

WHEREAS, the City of Clear Lake, Iowa (the "City"), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Clear Lake Consolidated Urban Renewal Area (the "Urban Renewal Area") and has approved a 2014 Amendment to the urban renewal plan for the Urban Renewal Area; and

WHEREAS, this Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa (the "Urban Renewal Tax Revenue Fund"), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, an agreement between the City and Windmill Realty, LLC (the "Company") has been prepared (the "Agreement"), in connection with the construction in the Urban Renewal Area of a 340,000 square foot regional warehouse and distribution center facility (the "Project") and the City would provide a forgivable loan in the amount of \$1,675,000 (the "Loan") along with annual appropriation tax increment payments for ten years in a total amount not exceeding \$7,300,000 (the "Property Tax Rebate Payments"); and

WHEREAS, this City Council, pursuant to Section 403.9 of the Code of Iowa, has published notice, has held a public hearing on the Agreement and has otherwise complied with statutory requirements for the approval of the Agreement; and

WHEREAS, Chapter 15A of the Code of Iowa ("Chapter 15A") declares that economic development is a public purpose for which a City may provide grants, loans, tax incentives, guarantees and other financial assistance to or for the benefit of private persons; and

WHEREAS, Chapter 15A requires that before public funds are used for grants, loans, tax incentives or other financial assistance, a City Council must determine that a public purpose will reasonably be accomplished by the spending or use of those funds; and

WHEREAS, Chapter 15A requires that in determining whether funds should be spent, a City Council must consider any or all of a series of factors;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Clear Lake, Iowa, as follows:

Section 1. Pursuant to the factors listed in Chapter 15A, the Council hereby finds that:

- (a) The Project will add diversity and generate new opportunities for the Clear Lake and Iowa economies;
- (b) The Project will generate public gains and benefits, particularly in the creation of new jobs, which are warranted in comparison to the amount of the proposed Loan and Property Tax Rebate Payments.

Section 2. The Council further finds that a public purpose will reasonably be accomplished by entering into the Agreement and providing the Loan and Property Tax Rebate Payments to the Company.

Section 3. The Agreement is hereby approved and the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Agreement on behalf of the City, in substantially the form and content in which the Agreement has been presented to this City Council, and such officers are also authorized to make such changes, modifications, additions or deletions as they, with the advice of bond counsel, may believe to be necessary, and to take such actions as may be necessary to carry out the provisions of the Agreement.

Section 4. All Property Tax Rebate Payments by the City under the Agreement shall be subject to annual appropriation by the City Council, in the manner set out in the Agreement. As provided and required by Chapter 403 of the Code of Iowa, the City's obligations to make the Property Tax Rebate Payments under the Agreement shall be payable solely from a subfund which is hereby established, into which shall be paid that portion of the income and proceeds of the Urban Renewal Tax Revenue Fund attributable to property taxes derived from the property described as follows:

Lots 6 and 7, Larry Luker Memorial Industrial Park 1st Addition, City of Clear Lake, Cerro Gordo County, Iowa

(the "Development Subfund").

Section 5. The City hereby pledges to the payment of the Property Tax Rebate Payments the Development Subfund and the taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Subfund, provided, however, that no Property Tax Rebate Payment will be made under the Agreement unless and until monies from the Development Subfund are appropriated for such purpose by the City Council.

Section 6. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor of Cerro Gordo County to evidence the continuing pledging of the Development Subfund and the portion of taxes to be paid into such Subfund and, pursuant to the direction of Section 403.19 of the Code of Iowa, the Auditor shall allocate the taxes in

accordance therewith and in accordance with the tax allocation ordinance referred to in the preamble hereof.

Section 7. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved this 17th day of February, 2014.

Mayor

Attest:

City Clerk

* * * * *

Upon motion and vote, the meeting adjourned.

Mayor

Attest:

City Clerk

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into between the City of Clear Lake, Iowa (the "City"), Cerro Gordo County, Iowa (the "County") and Windmill Realty LLC, a Delaware limited liability company (the "Company") as of the ___ day of _____, 2014 (the "Commencement Date").

WHEREAS, the City has established the Clear Lake Consolidated Urban Renewal Area (the "Urban Renewal Area"), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Company proposes to purchase certain real property situated in the Urban Renewal Area, such property being legally described on Exhibit A hereto (the "Property"), and proposes to undertake the development of a new warehousing and distribution facility on the Property (the "Project"); and

WHEREAS, the Company has requested that the City and the County provide financial assistance in the form of forgivable loans to the Company, and that, in addition, the City provide assistance in the form of incremental property tax payments, all to be used by the Company in defraying the costs of acquiring land, site work, constructing, equipping, and maintaining the Project; and

WHEREAS, as of January 1, 2013, the assessed valuation of the Property shown on the records of the Cerro Gordo County Assessor was Thirty Thousand Two Hundred Eighty Dollars (\$30,280) (the "Base Valuation"); and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities and counties to provide grants, loans, guarantees, tax incentives and other financial assistance to or for the benefit of private persons;

NOW THEREFORE, the parties hereto agree as follows:

A. Company's Covenants

1. **Project.** The Company agrees to cause the completion of the Project on the Property and to use the completed Project as part of its ongoing business operations throughout the Term, as hereinafter defined, of this Agreement. The Company will complete the Project in accordance with an approved Site Plan (the "Site Plan") for the Property which will be subject to review and approval by the City Planning and Zoning Commission. The Project shall be comprised of an approximately 340,000 square foot warehouse and distribution facility. In the construction of the Project and affiliated development of the Property, the Company shall meet all municipal regulations, including, but not limited to: building code, fire code, zoning, and Site Plan requirements. The Project shall include on-site landscaping as detailed on the future Site Plan.

The Company and the City agree to execute a certificate of completion when the Project is in fact completed to evidence compliance with this provision. The Company hereby acknowledges that its rights to receive the Payments, as set forth in Section B, hereof, are contingent upon its ongoing use of the Project as part of the Company's ongoing business operations.

2. **Operational Certification.** The Company agrees to submit documentation to the satisfaction of the City by no later than October 15 of each year during the Term, as hereinafter defined, demonstrating that the Project is being used as part of the Company's ongoing business operations. Satisfactory documentation may include a letter from the Company attesting to the ongoing business operations.

3. **Minimum Assessment Agreement.** The Company agrees to enter into an assessment agreement (the "Assessment Agreement"), pursuant to Section 403.6(19) of the Code of Iowa, in the form attached hereto as Exhibit B, fixing the minimum actual value of the Property and the completed improvements to be made on the Property pursuant to the terms of this Agreement, at not less than Twelve Million Dollars (\$12,000,000.00) (the "Minimum Actual Value"). Subject to an Event of Force Majeure, the Minimum Actual Value shall be established on the Cerro Gordo County property tax rolls as of January 1, 2016 (the "First Valuation Date"), and shall remain in effect throughout the Term.

4. **Property Taxes.** The Company agrees to ensure timely payment of all property taxes as they come due with respect to the Property throughout the Term, as hereinafter defined.

5. **Property Tax Payment Certification.** Commencing October 15, 2016 (subject to an Event of Force Majeure), and no later than October 15 of each year thereafter, the City agrees to certify to the Company an amount equal to the estimated Incremental Property Tax Revenues anticipated to be paid in the fiscal year immediately following such certification with respect to the Property relative to new value added as a result of the property tax assessment of the Project (which amount shall not be less than the Minimum Actual Value) (the "Tax Payment Certification"). The Company shall be afforded the right to review and request revisions to each Tax Payment Certification to ensure the accuracy of the figures submitted. For purposes of this Agreement, Incremental Property Tax Revenues are produced by multiplying the consolidated property tax levy (city, county, school, etc.) times the incremental valuation of the Property, then subtracting debt service levies of all taxing jurisdictions, subtracting the school district instructional support and physical plant and equipment levies and subtracting any other levies which may be exempted from such calculation by action of the Iowa General Assembly.

6. **Employment Requirements.** The Company agrees to establish and maintain a workforce (the "Workforce Requirement") of not less than seventy-five (75) total full-time equivalent employees by October 1, 2016, increasing to one hundred twenty-five (125) total full-time equivalent employees by October 1, 2017, increasing to not less than one hundred sixty-four (164) employees by October 1, 2018, and thereafter to maintain an employment level of not less than one hundred sixty-four (164) full-time equivalent employees during the

remaining Term of this Agreement. The Company agrees to establish and maintain a minimum annual salary for employees in the amount of Thirty Nine Thousand Dollars (\$39,000.00) in connection with the Company's business operations on the Property by no later than October 1, 2017 ("Minimum Annual Salary"). The Minimum Annual Salary shall include all taxable compensation, including base salary and bonuses. Exclusive of the foregoing, Minimum Annual Salary shall not include "taxable fringe benefits" as defined by the Internal Revenue Service (IRS) via IRS Publication 5-B. The Company agrees to demonstrate to the satisfaction of the City, by no later than October 15 of each year, commencing October 15, 2016, the number of employees hired and the annual payroll anticipated with respect to the compensation of such employees. Failure to comply with this Section will give the City the right to withhold Payments, as defined in Section B.2(a), below, until the Workforce Requirement is met; provided however, the Developer's failure to timely to comply with any of the Workforce Requirement dates set forth in this Section shall not be considered a default of this Agreement if the failure is due to an Event of Force Majeure.

B. City Obligations

1. **Forgivable Loan** In recognition of the Company's obligations set forth in Section A above, the City shall pay the Company One Million Six Hundred Seventy Five Thousand Dollars (\$1,675,000.00) in the form of a forgivable loan ("City Loan"). The City Loan amount shall be paid to the Company by the City within 60 to 90 days after the Commencement Date of this Agreement.

Principal of the City Loan shall be forgiven by the City in ten (10) equal installments of One Hundred Sixty Seven Thousand Five Hundred Dollars (\$167,500.00) each ("City Loan Forgiveness Installments"), provided the Company is in compliance with each of its obligations under Section A of this Agreement. The City Loan Forgiveness Installments shall be effective on July 1 of each year, beginning July 1, 2018.

No later than August 1 of each year, the City will send written confirmation to the Company that an installment of the City Loan has been forgiven, or written notice of the default specifying the reasons that the City has determined that the Company is not in compliance with this Agreement, and the Company shall have the right to cure such non-compliance as set forth in Section D.5 below.

2. Increment Property Tax Rebate Payments.

(a) **Total Payments.** The City shall make fifteen (15) annual economic development tax increment payments (the "Payments") to the Company in each fiscal year during the Term of this Agreement, pursuant to Section 15.332 and Chapter 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments shall not exceed Seven Million Three Hundred Thousand Dollars (\$7,300,000.00) ("Total Tax Rebate"), and all Payments under this Agreement shall be subject to annual appropriation by the City Council, as provided hereunder.

The Payments shall not constitute general obligations of the City, but shall be made solely and only from Incremental Property Tax Revenues received by the City from the Cerro Gordo County Treasurer attributable to the Property.

The Payments will be made on June 1 of each fiscal year, beginning on June 1, 2018, and continuing through and including June 1, 2032, or until such earlier date upon which the Total Tax Rebate has been made.

(b) **Annual Appropriation.** Each Payment shall be subject to annual appropriation by the City Council. Prior to December 1 of each year during the term of this Agreement, the City Council of the City shall consider the question of obligating for appropriation to the funding of the Payment due in the following fiscal year, an amount of Incremental Property Tax Revenues to be collected in the following fiscal year equal to or less than the most recent Tax Payment Certification prepared by the City in accordance with Section A.5 hereof (the "Appropriated Amount").

In any given fiscal year, if the City Council determines to not obligate the then-considered Appropriated Amount, then the City will be under no obligation to fund the Payments scheduled to become due in the following fiscal year, and the Company will have no rights to compel the City to make such Payments or to seek damages relative thereto or to compel the funding of such Payments in future fiscal years. A determination by the City Council to not obligate funds for any particular fiscal year's Payments shall not render this Agreement null and void, provided, however that no Payment shall be made after June 1, 2032 ("Final Payment Date"). Notwithstanding anything to the contrary contained in this Agreement, the Final Payment Date shall be extended to the extent the Total Tax Rebate has not been paid on the Final Payment Date due to an Event of Force Majeure and/or a City caused delay.

(c). **Payment Amounts.** Each Payment shall be in an amount equal to the corresponding Appropriated Amount, but shall not exceed 90% of the Incremental Property Tax Revenues received by the City during the twelve months immediately preceding each Payment date.

(d) **Certification of Payment Obligation.** In any given fiscal year, if the City Council determines to obligate the then-considered Appropriated Amount as set forth in Section B.2 above, then the City Clerk or Finance Officer will certify by December 1 of each such year to the Cerro Gordo County Auditor an amount equal to the most recently obligated Appropriated Amount.

C. County Obligation

In recognition of the Company's obligations set forth in Section A above, the County shall pay the Company Six Hundred Fifty Six Thousand Dollars (\$656,000.00), in the form of a forgivable loan ("County Loan"). The County Loan amount shall be paid to the Company within 60 to 90 days after the Commencement Date of this Agreement.

Principal of the County Loan shall be forgiven by the County in ten (10) equal installments of Sixty Five Thousand Six Hundred Dollars (\$65,600.00) each ("County Loan

Forgiveness Installments”), provided the Company is in compliance with each of its obligations under Section A of this Agreement. The County Loan Forgiveness Installments shall be effective on July 1 of each year, beginning July 1, 2018.

No later than August 1 of each year, the County will send written confirmation to the Company that an installment of the County Loan has been forgiven, or written notice specifying the reasons that the County has determined that the Company is not in compliance with this Agreement, and the Company shall have the right to cure such non-compliance as set forth in Section D.5 below.

D. **Administrative Provisions**

1. **Assignment.** This Agreement may not be amended or assigned by any party without the prior written consent of the other parties; provided, however, neither the City's nor the County's consent to an assignment of this Agreement shall be required if the assignee is an "Affiliate" of the Company (as defined in this section). For purposes hereof, the term "Affiliate" means any person or entity which now owns at least fifty one percent (51%) voting control of the Company and any entity in which the Company or Company's current owners own at least fifty one percent (51%) voting control. Neither the City nor the County shall unreasonably withhold its consent for the Company's assignment of this Agreement (i) to any other corporation or other entity that controls, is controlled by or is under common control with the Company; (ii) to any corporation or other entity resulting from a merger, acquisition, consolidation or reorganization of or with the Company; or (iii) in connection with the sale of all or substantially all of the assets or capital stock of the Company. The City and the County hereby give permission that the Company's rights to receive the Payments hereunder may be assigned by the Company to any ~~"affiliate"~~ **Affiliate** or a private lender, as security on a credit facility taken in connection with the acquisition of the Property and/or the construction of the Project, without further action on the part of the City or the County.

2. **Successors.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

3. **Term.** The term (the "Term") of this Agreement shall commence on the Commencement Date and end on the date on which the last Payment is made by the City to the Company under Section B.1 above.

4. **Choice of Law.** This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with laws of the State of Iowa.

5. **Notice of Default; Right To Cure.** If the Company defaults under any term of this Agreement, the City or County, as applicable, shall provide the Company with a written notice of the default and an opportunity to cure the default within thirty (30) days after receipt of the default notice; provided, however, that if the nature of the Company's default is such that more than thirty (30) days are reasonably required for its cure, then the Company shall not be

deemed to be in default if the Company commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

6. **Inability to Perform; Force Majeure.** In the event the Company shall be delayed or hindered in or prevented from the performance of any covenant, agreement, or other act required under this Agreement to be performed by the Company (other than monetary obligations hereunder), and such delay or hindrance is due to causes reasonably beyond the Company's control including, without limitation, labor shortages, work stoppages, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the Company), riots, insurrections, martial law, lawsuits, court orders or injunctions, civil commotion, war, fire, flood, earthquake, or other casualty or acts of God or the public enemy ("Event of Force Majeure"), the performance of such covenant, agreement, or other act shall be excused for the period of delay, and the time period for performance shall be extended by the same number of days in the period of delay.

7. **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:

City of Clear Lake, Iowa
Attention: _____

If intended for the County:

Cerro Gordo County, Iowa
Attention: _____

If intended for the Company:

Windmill Realty LLC
Attention: _____

With a copy to:

Attention: _____

8. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document. Facsimile signatures, and signatures transmitted via email shall be as binding as originals.

The City, the County and the Company have caused this Agreement to be signed in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

CITY OF CLEAR LAKE, IOWA

By: _____
Mayor

Attest:

City Clerk

CERRO GORDO COUNTY, IOWA

By: _____
Chairperson, Board of Supervisors

Attest:

County Auditor

**WINDMILL REALTY LLC,
a Delaware limited liability company**

By: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lots Six (6) and Seven (7) in Larry Luker Memorial Industrial Park First Addition, Clear Lake, Iowa, in Cerro Gordo County, Iowa.

EXHIBIT B

ASSESSMENT AGREEMENT

4839-3004-72562

Preparer Information: Scott Flory, City Administrator, City of Clear Lake, 15 N. 6th Street, Clear Lake, Iowa 50428 Telephone (641) 357-5267

MINIMUM ASSESSMENT AGREEMENT

THIS AGREEMENT is dated as of the 3rd day of March, 2014, by and between the CITY OF CLEAR LAKE, IOWA (the "City") and WINDMILL REALTY, LLC, a Delaware limited liability corporation (the "Developer").

WITNESSETH

WHEREAS, on or about February 17, 2014, the City, Cerro Gordo County, Iowa (the "County"), and the Developer entered into a Development Agreement (the "Development Agreement") for an economic development project (the "Project") on certain property located within the Clear Lake Consolidated Urban Renewal Area with the following legal description: Larry Luker Memorial Industrial Park 1st Addition, Lots 6 and 7 (the "Property"); and

WHEREAS, the City has agreed to provide certain financial incentives to the Developer in connection with acquisition of the Property and the development, site preparation and construction of the Project thereon, including the issuance of bonds that will be repaid from incremental property taxes to be generated by the Property (the "Bonds"); and

WHEREAS, the City and the Cerro Gordo County Assessor have reviewed the proposed site plans and other specifications applicable to the improvements that are contemplated to be part of the Project, and the County Assessor's records show the valuation for the Property as of January 1, 2013 to be \$30,280.00 ("Base Valuation"); and

WHEREAS, pursuant to Section 403.6(19) of the Code of Iowa, the City and the Developer desire to establish a minimum actual value of the Property and the completed improvements to be made on the Property, subject to the terms of this Agreement;

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each other, do hereby agree as follows:

1. The minimum actual value of the Property and the completed improvements to be made on the Property pursuant to the Development Agreement shall be Twelve Million Dollars (\$12,000,000.00) ("Minimum Actual Value").
2. Subject to an Event of Force Majeure in the Development Agreement, the Minimum Actual Value shall be established on the Cerro Gordo County property tax rolls as of January 1, 2016 (the "First Valuation Date"), and shall remain in

effect throughout the Term of the Development Agreement. The Developer acknowledges that the City has changed its position in reliance on the timeliness of such increase in valuation for the repayment of the Bonds and the provision of the financial incentives set forth in the preamble hereof.

3. The Developer agrees to pay when due, all taxes and assessments, general or special, and all other charges whatsoever levied upon or assessed or placed against the Property, subject to any limitations set forth in the Development Agreement. The Developer further agrees that until this Agreement is terminated, it will not seek administrative or judicial review of the applicability, enforceability, or constitutionality of this Agreement or the obligation to be taxed based upon the Minimum Actual Value or to raise any such argument by way of defense in any proceedings, including delinquent tax proceedings; provided, however, nothing herein shall be deemed to waive the Developer's rights under Section 403.6(19) Code of Iowa, (2013) to seek administrative or legal remedies, or otherwise to contest that portion of any actual value assignment made by the County Assessor in excess of the Minimum Actual Value.
4. This Agreement, and the Minimum Actual Value established herein, shall be effective until the end of the Term of the Development Agreement, as defined therein.
5. This Agreement shall be promptly recorded by the City with the Cerro Gordo County Recorder, along with a copy of Iowa Code Section 403.6, and the City shall pay all costs associated with such recording.
6. Neither the preambles nor provisions of this Agreement are intended to, nor shall they be construed as, modifying the terms of any other contract between the City and the Developer, including the Development Agreement. If there is any conflict between the terms of this Agreement and the Development Agreement, the terms of the Development Agreement shall control.

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document. Facsimile signatures, and signatures transmitted via email shall be as binding as originals.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

The City and the Developer have caused this Agreement to be signed in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

CITY OF CLEAR LAKE, IOWA

By: _____
Nelson P. Crabb, Mayor

Attest:

Jennifer Larsen, City Clerk

WINDMILL REALTY, LLC,
a Delaware limited liability company

By: _____

Its: _____

RESOLUTION NO. _____

Resolution to fix a date for public hearing on general obligation economic development loan agreement in a principal amount not to exceed \$1,620,000

WHEREAS, the City of Clear Lake (the "City"), in Cerro Gordo County, State of Iowa, proposes to enter into a general obligation urban renewal economic development loan agreement (the "Loan Agreement") in a principal amount not to exceed \$1,620,000, for the general corporate purpose of undertaking a project in the Clear Lake Consolidated Urban Renewal Area, consisting of a forgivable loan related to the construction of a 340,000 square foot regional warehouse and distribution center facility, and, in lieu of calling an election thereon, the City desires to institute proceedings to enter into the Loan Agreement by causing a notice of such proposal to be published, including notice of the right to petition for an election, under the provisions of Section 384.26 of the Code of Iowa;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Clear Lake, Iowa, as follows:

Section 1. The City Council shall meet on the 3d day of March, 2014, at the City Hall, Clear Lake, Iowa, at 6:30 o'clock p.m., at which time and place a hearing will be held on the proposal to enter into the Loan Agreement.

Section 2. The City Clerk is hereby directed to give notice of the proposed action on the Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once and not less than 10 nor more than 20 days before the meeting, in a legal newspaper which has a general circulation in the City. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO HOLD HEARING ON
A LOAN AGREEMENT IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,620,000
(GENERAL OBLIGATION URBAN RENEWAL ECONOMIC DEVELOPMENT)

The City Council of the City of Clear Lake, Iowa, will meet on March 3, 2014, at the City Hall, Clear Lake, Iowa, at 6:30 o'clock p.m., for the purpose of holding a hearing on a loan agreement (the "Loan Agreement") in a principal amount not to exceed \$1,620,000 for the purpose of undertaking a project in the Clear Lake Consolidated Urban Renewal Area, consisting of a forgivable loan related to the construction of a 340,000 square foot regional warehouse and distribution center facility

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa and will constitute a general obligation of the City.

The maximum rate of interest which may be payable under the Loan Agreement is 6% per annum.

At any time before the date fixed for taking action to enter into the Loan Agreement, a petition may be filed with the City Clerk of the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City, pursuant to the provisions of Section 384.26 of the Code of Iowa.

By order of the City Council of the City of Clear Lake, Iowa.

Jennifer Larsen
City Clerk

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

Passed and approved February 17, 2014.

Mayor

Attest:

City Clerk