



"Where People Make the Difference"

CITY OF CLEAR LAKE

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Mayor
NELSON P.
CRABB

February 7, 2014

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

City
Administrator
SCOTT
FLORY

The Clear Lake City Council will conduct a **special** City Council meeting on Monday, **February 10, 2013**, at 6:30 p.m., in the Council Chambers, at City Hall. Please refer to the attached agenda for the items discussed below.

COUNCIL MEMBERS

DANA
BRANT
Ward 1

TONY J.
NELSON
Ward 2

JIM
BOEHNKE
Ward 3

MIKE
CALLANAN
At Large

GARY
HUGI
At Large

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.

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



ITEM #6B. **Consolidated Urban Renewal Area Plan.** The Council will review for an additional time and conduct a public hearing necessary to approve an amendment to the "Clear Lake Consolidated Urban Renewal Area Plan". The proposed amendment is necessary to comply with provisions of House File 2460 adopted by the State legislature in 2012, requiring Urban Renewal Plans to be amended or modified to reflect any new urban renewal project. The Plan is being amended to reflect a potential new economic development project on Lots 6 & 7 in the Luker Memorial Industrial Park.

In November, 2003, the Clear Lake City Council adopted the "Downtown Urban Renewal Area Plan". In March, 2004, the City Council consolidated the following urban renewal areas: Apple Valley Urban Renewal Area; Downtown Urban Renewal Area; Industrial Expansion Urban Renewal Area; and the Northwest Urban Renewal Area, into the "Clear Lake Consolidated Urban Renewal Area". In May, 2007, the Council amended the "Clear Lake Consolidated Urban Renewal Plan" to include an area known as the Larry Luker Memorial Industrial Park.

On January 23, 2014, the Council adopted a Resolution setting the date for a public hearing on the proposal to once again amend the City's Consolidated Urban Renewal Area Plan. Council then directed city staff to prepare the final draft of the proposed amendment for consideration at a special Council meeting on February 10th. Notice of the public hearing was published, on January 29th, in the newspaper, as required by law.

A consultation process was conducted with the affected taxing entities, as required by Chapter 403.5 of the Code of Iowa. Prior to the meeting, the affected taxing entities were mailed copies of the proposed amendment and notice of the public hearing. The required consultation meeting was held on January 27th.

The previously adopted Ordinances providing for division of taxation and the separation of incremental taxes authorized by Iowa Code Section 403.19 remain unaffected by this proposed amendment. The City of Clear Lake's current outstanding general obligation debt is \$4,929,500 and its applicable constitutional debt limit is \$41,000,000.

Smart Quote: **"History is the unfolding of miscalculation."** -- Barbara W. Tuchman, American historian

Please feel free to contact me if you have questions about any of the agenda items.

Scott Flory
City Administrator

TENTATIVE AGENDA
CLEAR LAKE CITY COUNCIL
CITY HALL – 15 N. 6TH STREET
MONDAY, FEBRUARY 10, 2014
CITY HALL – COUNCIL CHAMBERS
SPECIAL MEETING
6:30 P.M.

1. Call To Order by Mayor Nelson P. Crabb.
2. Approval of Agenda.
3. 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.
4. Unfinished Business:
5. New Business:
 - A. FY 2015 Municipal Budget proposal:
 - Review by Scott Flory, City Administrator.
 - Discussion and questions by City Council.
 - B. Clear Lake Consolidated Urban Renewal Area Plan:
 - Review by Scott Flory, City Administrator.
 - Public Hearing.
 - **Motion** to close public hearing by City Council.
 - Discussion and consideration of **Motion** by City Council.
 - **Motion** to approve **Resolution #14-15**, "A Resolution to approve 2014 Urban Renewal Plan Amendment for the Clear Lake Consolidated Urban Renewal Area."
 - Discussion and consideration of **Motion** by City Council.
7. Mayor's Report:
 - 13th Annual Color-the-Wind Kite Festival February 15th.
 - Appointment of interim Police Chief (subject to Council approval).

8. Other Business:

9. Adjournment.

NEXT REGULAR MEETING – FEBRUARY 17, 2014

RESOLUTION NO. _____

A resolution to approve 2014 Urban Renewal Plan Amendment for the Clear Lake Consolidated Urban Renewal Area

WHEREAS, the City Council of the City of Clear Lake, Iowa (the "City") has created the Clear Lake Consolidated Urban Renewal Area (the "Urban Renewal Area") and has approved an urban renewal plan for the Urban Renewal Area; and

WHEREAS, Chapter 403 of the Code of Iowa requires that, before a city approves any new urban renewal project, a city must amend the existing urban renewal plan to include that new project; and

WHEREAS, an amendment to the urban renewal plan for the Urban Renewal Area (the "2014 Urban Renewal Plan Amendment") has been prepared which includes a new urban renewal project consisting of the use of incremental property tax revenues in connection with the construction of a 340,000 square foot regional warehouse and distribution facility; and

WHEREAS, the 2014 Urban Renewal Plan Amendment sets out the City's commitment to make an economic development forgivable loan in an amount estimated to be \$1,600,000, payable in part from incremental property taxes generated by the project, and subject to the creation and retention of an estimated 164 jobs, along with an incremental property tax rebate agreement which provides for payments from incremental property tax revenues generated by the project for a period of 15 years, in the estimated total amount of \$7,300,000, with payments subject to annual appropriation by the City Council; and

WHEREAS, notice of a public hearing by the City Council of the City on the proposed 2014 Urban Renewal Plan Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing; and

WHEREAS, copies of the 2014 Urban Renewal Plan Amendment, notice of public hearing and notice of a consultation meeting with respect to the urban renewal plan amendment were sent to Cerro Gordo County and the Clear Lake Community School District; the consultation meeting was held on January 27, 2014; and no comments or recommendations were received following the consultation meeting;

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

Section 1. It is hereby determined by this City Council as follows:

A. The 2014 Amendment to the Urban Renewal Plan for the Clear Lake Consolidated Urban Renewal Area conforms to the general plan of the City.

B. The proposed project described in the 2014 Amendment to the Urban Renewal Plan for the Clear Lake Consolidated Urban Renewal Area is necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 2. The 2014 Amendment to the Urban Renewal Plan for the Clear Lake Consolidated Urban Renewal Area, attached hereto and made a part hereof, is hereby in all respects approved.

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

Passed and approved February 10, 2014.

Mayor

Attest:

City Clerk

**2014 AMENDMENT
URBAN RENEWAL PLAN
CLEAR LAKE CONSOLIDATED URBAN RENEWAL AREA
February, 2014**

The Urban Renewal Plan for the Clear Lake Consolidated Urban Renewal Area is hereby amended, in accordance with Section 403.5 of the Code of Iowa, in order to describe a new project that would be undertaken on Lots 6 and 7 in the Larry Luker Memorial Industrial Park 1st Addition portion of the Urban Renewal Area and financed in part with incremental property tax revenues.

As proposed, the project involves the construction of a 340,000 square foot regional warehouse and distribution center facility, with an estimated capital investment by the company of \$64,000,000. An estimated 164 jobs would be created, with a projected annual payroll of \$6,500,000.

The City's commitment to the company would include an economic development forgivable loan in an amount estimated to be \$1,600,000, payable in part from incremental property taxes generated by the project, and subject to the creation and retention of the estimated 164 jobs, along with an incremental property tax rebate agreement with the company which provides for payments to the company from incremental property tax revenues generated by the project for a period of 15 years, in the estimated total amount of \$7,300,000, with payments subject to annual appropriation by the City Council.

The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Outstanding general obligation debt of the City	\$4,929,500
Constitutional debt limit of the City:	\$41,000,000
Proposed amount of incremental tax revenues to be expended for new project in Urban Renewal Area, including rebate payments subject to annual appropriation:	\$8,900,000

URBAN RENEWAL PLAN

**CLEAR LAKE CONSOLIDATED
URBAN RENEWAL AREA**

CITY OF CLEAR LAKE, IOWA

**October, 2003 – Clear Lake Downtown Urban Renewal Area
Amended – March, 2004
Amended – April, 2007**

AMENDMENT #2
URBAN RENEWAL PLAN
CLEAR LAKE CONSOLIDATED URBAN RENEWAL AREA
CITY OF CLEAR LAKE, IOWA

The Clear Lake Consolidated Urban Renewal Plan dated October, 2003, and amended in March, 2004, is being amended a second time to accomplish three objectives:

- 1) To add two existing Urban Renewal Areas to the Consolidated Urban Renewal Area.
- 2) To add the "Larry Luker Memorial Industrial Park" to the Consolidated Urban Renewal Area.
- 3) To identify project activities not currently identified in the existing plan.

Except as modified by this Amendment, the provisions of the original Urban Renewal Plan are hereby ratified, confirmed and approved, and shall remain in full force and effect as provided therein.

ADDING TWO EXISTING URBAN RENEWAL AREAS

Effective as of the date this Amendment is approved by resolution of the Clear Lake City Council, all real estate previously designated as being part of the Northeast Urban Renewal Area and the Willow Creek Urban Renewal Area will become part of the Clear Lake Consolidated Urban Renewal Area.

The adoption of this Amendment will have no effect on any of the tax increment ordinances which have been adopted for any of the urban renewal areas, or on any of the base valuations which have been previously established for any of the urban renewal areas.

ADDING THE LARRY LUKER MEMORIAL INDUSTRIAL PARK

An area known as the Larry Luker Memorial Industrial Park is being added to the Clear Lake Consolidated Urban Renewal Area. The real estate being added as a result of this Amendment is described in Exhibit A.

PROJECT ACTIVITIES

In addition to projects already identified in the Consolidated Urban Renewal Plan, proposed activities and cost estimates for projects in the area being added as a result of this Amendment include:

- 1) Construction of a 1,000,000 gallon water tower – \$1,700,000.
- 2) Water main extensions – \$209,000.
- 3) Sanitary sewer main extensions – \$195,000.
- 4) Storm sewer system improvements – \$330,000.
- 5) Street paving – \$887,000.

The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa.

Outstanding general obligation debt of the City:	\$6,712,500
Constitutional debt limit of the City:	\$31,590,982
Estimated cost of projects identified in this Amendment:	\$3,321,000

DESCRIPTION

The area being added to the Clear Lake Consolidated Urban Renewal Area as a result of this Amendment includes:

All of the real estate previously designated as being part of the Northeast Urban Renewal Area

AND

All of the real estate previously designated as the Willow Creek Urban Renewal Area

AND

Lots 1, 2, 3, 4, 5, 6, 7 and Outlot A of the Larry Luker Memorial Industrial Park First Addition, Clear Lake, Iowa.

ORDINANCE NO. 742

AN ORDINANCE PROVIDING FOR THE DIVISION OF TAXES LEVIED ON TAXABLE PROPERTY IN THE 2007 ADDITION TO THE CLEAR LAKE CONSOLIDATED URBAN RENEWAL AREA, PURSUANT TO SECTION 403.19 OF THE CODE OF IOWA

WHEREAS, the City Council previously enacted an ordinance entitled "An Ordinance Providing For The Division Of Taxes Levied On Taxable Property In The Clear Lake Consolidated Urban Renewal Area of the City of Clear Lake, Iowa, Pursuant To Section 403.19 of the Code of Iowa"; and

WHEREAS, pursuant to that ordinance, the Clear Lake Consolidated Urban Renewal Area in the City of Clear Lake was designated a "tax increment district"; and

WHEREAS, the City Council now desires to increase the size of the "tax increment district" by adding additional property;

BE IT ENACTED by the Council of the City of Clear Lake, Iowa:

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the 2007 Addition to the Clear Lake Consolidated Urban Renewal Area of the City of Clear Lake, Iowa, each year by and for the benefit of the state, city, county, school districts or other taxing districts after the effective date of this ordinance in order to create a special fund to pay the principal of and interest on loans, moneys advanced to or indebtedness, including bonds proposed to be issued by the City of Clear Lake to finance projects in the such area.

Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

"City" shall mean the City of Clear Lake, Iowa.

"County" shall mean Cerro Gordo County, Iowa.

"Urban Renewal Area Amendment" shall mean the 2007 Addition to the Clear Lake Consolidated Urban Renewal Area of the City of Clear Lake, Iowa, approved by the City Council by resolution adopted on the 7th day of May, 2007.

"Tax Increment District" shall mean that portion of the Urban Renewal Area Amendment legally described as follows:

Lots 1, 2, 3, 4, 5, 6, 7 and Outlot A of the Larry Luker Memorial Industrial Park First Addition, City of Clear Lake, Cerro Gordo County, Iowa.

"Urban Renewal Area" shall mean the entirety of the Clear Lake Consolidated Urban Renewal Area as amended from time to time.

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the Urban Renewal Area Amendment. After the effective date of this ordinance, the taxes levied on the taxable property in the Tax Increment District each year by and for the benefit of the State of Iowa, the City, the County and any school district or other taxing district in which the Tax Increment District is located, shall be divided as follows:

(a) that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the Tax Increment District, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the special fund referred to in paragraph (b) below, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for said taxing district into which all other property taxes are paid. For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in the Tax Increment District on the effective date of this ordinance, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance which amends the plan for the Tax Increment District to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

(b) that portion of the taxes each year in excess of such amounts shall be allocated to and when collected be paid into a special fund of the City to pay the principal of and interest on loans, moneys advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Section 403.9(1), of the Code of Iowa, incurred by the City to finance or refinance, in whole or in part, projects in the Urban Renewal Area, and to provide assistance for low and moderate-income family housing as provided in Section 403.22, except that taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to Section 298.2 of the Code of Iowa, and taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the taxing district without limitation by the provisions of this ordinance. Unless and until the total assessed valuation of the taxable property in the Tax Increment District exceeds the total assessed value of the taxable property in such area as shown by the assessment roll referred to in subsection (a) of this section, all of the taxes levied and collected upon the taxable property in the Tax Increment District shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the Tax Increment District shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(c) the portion of taxes mentioned in subsection (b) of this section and the special fund into which that portion shall be paid may be irrevocably pledged by the City for the payment of the principal and interest on loans, advances, bonds issued under the authority of Section 403.9(1) of the Code of Iowa, or indebtedness incurred by the City to finance or refinance in whole or in part projects in the Urban Renewal Area.

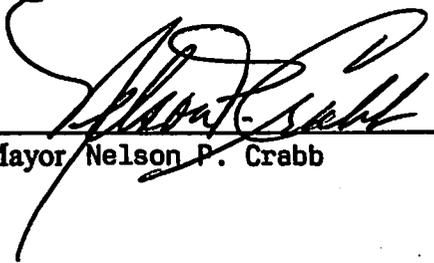
(d) as used in this section, the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

Section 4. Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Saving Clause. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

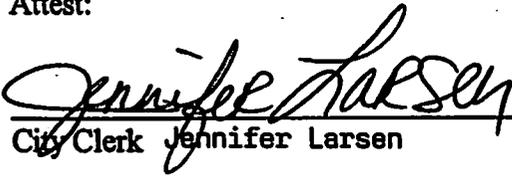
Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed and approved by the Council of the City of Clear Lake, Iowa, on the 7th day of May, 2007.



Mayor Nelson P. Crabb

Attest:



City Clerk Jennifer Larsen

1st Reading: May 7, 2007
2nd Reading: May 7, 2007
3rd Reading: May 7, 2007