

TENTATIVE AGENDA  
CLEAR LAKE CITY COUNCIL  
CITY HALL – 15 N. 6<sup>TH</sup> STREET  
MONDAY, MARCH 10, 2014  
CITY HALL – COUNCIL CHAMBERS  
**SPECIAL MEETING**  
6:30 P.M.

1. Call To Order by Mayor Pro-Tem Mike Callanan.
2. Approval of Agenda.
3. Approval of the minutes of the February 3, 2014 City Council meeting.
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. Lady-of-the-Lake Lease Agreement renewal:
    - Review by Scott Flory, City Administrator.
    - **Motion** to approve lease agreement with the Lady-of-the-Lake.
    - Discussion and consideration of **Motion** by City Council.
  - B. Clear Lake Consolidated Urban Renewal Area Economic Development Regional Warehouse & Distribution Facility Project:
    - Review by Scott Flory, City Administrator.
    - **Motion** to approve **Resolution #14-25**, "A Resolution Approving Bond Purchase Agreement."
    - Discussion and consideration of **Motion** by City Council.
    - **Motion** to approve **Resolution #14-26**, "A Resolution authorizing loan to tax increment revenue fund."
    - Discussion and consideration of **Motion** by City Council.

C. Chapter 28E Agreement – Landfill of North Iowa:

- Introduction by Scott Flory, City Administrator.
- Review of request by 2<sup>nd</sup> Ward City Council Member Tony Nelson.
- **Motion** to approve **Resolution #14-27**, “A Resolution 2<sup>nd</sup> Amendment to the Intergovernmental Agreement creating the Cerro Gordo County Area Solid Waste Agency.”
- Discussion and consideration of **Motion** by City Council.

7. Other Business:

8. Adjournment.

NEXT REGULAR MEETING – MARCH 17, 2014

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

Resolution Approving Bond Purchase Agreement

WHEREAS, the City of Clear Lake (the "City"), in Cerro Gordo County, State of Iowa, has heretofore proposed to enter into a General Obligation Loan Agreement (the "Loan Agreement") in a principal amount not to exceed \$1,620,000 pursuant to the provisions of Section 384.24A of the Code of Iowa 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, and has published notice and held a hearing thereon; and

WHEREAS, it has been proposed that the City enter into the Loan Agreement with D.A. Davidson & Co., Des Moines, Iowa (the "Underwriter") and issue Taxable General Obligation Economic Development Bonds, Series 2014 in an amount not to exceed \$1,620,000 (the "Bonds") in evidence of its obligations under the Loan Agreement; and

WHEREAS, a bond purchase agreement (the "Bond Purchase Agreement") has been prepared setting forth the terms of the Bonds and the understanding between the City and the Underwriter, and it is now necessary to make provision for the approval of the Bond Purchase Agreement;

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

Section 1. The Bond Purchase Agreement is hereby approved in substantially the form as presented to this Council. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Bond Purchase Agreement to the Underwriter.

Section 2. All resolutions and orders or parts thereof in conflict with the provisions of this resolution, to the extent of such conflict, are hereby repealed.

Section 3. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved March 10, 2014.

\_\_\_\_\_  
Mayor Pro-Tem

Attest:

\_\_\_\_\_  
City Clerk

**Bond Purchase Agreement**

**\$1,620,000**

**City of Clear Lake, Iowa**

**Taxable General Obligation Economic Development Bonds, Series 2014**

**March 10, 2014**

City of Clear Lake, Iowa  
15 North 6th Street  
Clear Lake, Iowa 50428

Ladies and Gentlemen:

The undersigned, D.A. Davidson & Co. (the "Underwriter"), hereby agrees with you, the City of Clear Lake, Iowa (the "Issuer"), as follows:

1. *Issuance and Sale of the Bonds.* Subject to the terms and conditions hereinafter set forth in this Bond Purchase Agreement (the "Bond Purchase Agreement") and on the basis of the representations and warranties herein contained, the Issuer agrees to issue and sell to the Underwriter, and the Underwriter agrees to purchase from the Issuer, all, but not less than all, of \$1,620,000 in aggregate principal amount of the City of Clear Lake, Iowa Taxable General Obligation Economic Development Bonds, Series 2014 (the "Bonds"). The purchase price for the Bonds shall be \$1,613,625.20 (representing the par amount of the Bonds, plus original issue premium of \$13,865.20, less Underwriter's Discount of \$20,250.00).

The Bonds will be dated as of the Closing Date (defined herein), will mature as set forth in Schedule I hereto in the amounts therein specified and will bear interest at the rates set forth therein and be subject to redemption as set forth in the Official Statement (herein defined). The proceeds of the Bonds will be used for the purposes set forth in the Official Statement.

The Bonds will be issued and secured under the Bond Issuance Resolution to be adopted by the Issuer on March 17, 2014 (the "Resolution"), and as described in the Official Statement. Pursuant to the Resolution, the Issuer will appoint the Finance Officer, City of Clear Lake, Iowa, as the Registrar and Paying Agent for the Bonds.

In other respects, the Bonds and the other instruments referred to above will contain the provisions summarized in the Preliminary Official Statement dated March 5, 2014 (the "Preliminary Official Statement") and the Official Statement, dated \_\_\_\_\_, to be delivered pursuant to Section 7 hereof (collectively, the "Official Statement"). The Issuer deems the Official Statement to be final as of the date hereof for the purposes of Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission, and the Issuer hereby consents to the circulation by the Underwriter of the Preliminary Official Statement and the Official Statement.

2. *Offering.* The Underwriter represents that (a) it has been duly authorized to execute this Bond Purchase Agreement and to act hereunder, with full authority to take such action as it may deem advisable with respect to all matters pertaining to this Bond Purchase Agreement; and (b) it hereby represents to the Issuer that it is registered under the Securities Exchange Act of 1934 as a municipal securities dealer. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields as set forth in the Official Statement.

In the event that the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the principal amount of the Bonds at the Closing, the amount of one percent (1%) of the principal amount of the Bonds shall be full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter, and such amount shall constitute a full release and discharge of all claims and rights of the Issuer against the Underwriter.

3. *Delivery and Payment for the Bonds.* At or before 1:00 P.M., central time, on March 31, 2014 or such other date as may be agreed to by the Issuer and the Underwriter (the "Closing Date"), the Issuer will direct the Registrar and Paying Agent to release to The Depository Trust Company ("DTC") in New York, New York, in such form as shall be acceptable to DTC, for the account of the Underwriter, the Bonds, duly executed and authenticated, together with the other documents hereinafter mentioned; and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer to such account as the Issuer shall designate.

Concurrently with such delivery the Issuer shall deliver the certificates, reports and documents described herein, together with an opinion of Dorsey & Whitney LLP, Des Moines, Iowa, as Bond Counsel ("Bond Counsel"). Such delivery is referred to herein as the "Closing." The Bonds will be delivered as definitive fully registered Bonds in denominations as provided in the Resolution, registered in the name of such DTC nominee and in such amounts as the Underwriter may request.

4. *Representations and Warranties of the Issuer.* The Issuer hereby represents and warrants to the Underwriter that the representations and warranties of the Issuer set forth in the form of the Closing Certificate of the Issuer attached hereto as Exhibit A are true and correct as of the date hereof.

Furthermore, the Issuer acknowledges and agrees that the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter, acting solely as a principal and not as a financial advisor or agent of the Issuer, and that the Underwriter does not have a fiduciary duty to the Issuer and has not assumed a financial advisory responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Agreement, it being the Issuer's understanding that a financial advisory relationship shall not be deemed to exist when, in the course of acting as an underwriter, a broker, dealer or municipal securities dealer, a person renders advice to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities.

5. *Conditions to Underwriter's Obligations.* The Underwriter shall have the right to cancel its obligations hereunder by notifying the Issuer of its election to do so between the date hereof and the Closing if at any time hereafter and prior to the Closing any of the following events shall occur:

(a) *Adverse Legislation, Etc.* Any legislation, rule or regulation shall be enacted or favorably reported out of committee to any governmental body, department or agency of the United States of America or any State thereof, or a decision shall be rendered by a court of competent jurisdiction, any of which, in the judgment of the Underwriter, has the purpose or effect of:

(i) requiring the registration of the Bonds under the Securities Act of 1933, as amended;

(ii) materially adversely affecting the market price of the Bonds or the market price generally of obligations of the general character of the Bonds.

(b) *Adverse Events.* The market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, is materially adversely affected in the judgment of the Underwriter because:

(i) additional material restrictions or actions regarding monetary affairs not in force as of the date hereof shall have been imposed by any national securities exchange or governmental authority with respect to trading in securities generally or extensions of credit by, or net capital requirements of, underwriters generally;

(ii) a general banking moratorium shall have been established by federal, New York or Iowa authorities;

(iii) a war or escalation of hostilities involving the United States of America shall have been declared or any other national or international calamity shall have occurred or escalated;

(iv) the United States of America shall have defaulted in the payment of principal or interest on any obligation of the U.S. Treasury, or any other action shall have been taken by any government with respect to its legislative or monetary affairs which, in the opinion of the Underwriter, has a material adverse effect on the United States' securities markets or on the market for the Bonds; or

(v) general political, economic or market conditions shall have occurred which, in the opinion of the Underwriter, are not satisfactory to permit the sale of the Bonds.

(c) *Material Changes.* Any event shall have occurred after the date hereof which makes untrue or incorrect in any material respect, any information or statement contained in the Official Statement or which is not reflected in the Official Statement but which should, in the opinion of the Underwriter, be reflected therein for the purpose for which the Official Statement is to be used in order to make the statements and information contained therein not misleading in any material respect.

6. *Closing Conditions.* The obligations of the Underwriter to accept delivery of the Bonds and to make payment therefor on the Closing Date shall be subject to the satisfaction of the following conditions on or prior to the Closing Date:

(a) *Basic Documents.* The Resolution and this Bond Purchase Agreement, each in the form heretofore approved by the Underwriter or with such further changes as may be mutually agreed upon, shall have been executed and delivered.

(b) *Resolutions.* There shall have been adopted and be in force and effect such Resolutions of the Issuer, substantially in the form set forth as approved by Bond Counsel, authorizing the transactions herein contemplated as may be reasonably required by Bond Counsel.

(c) *Closing Certificates.* The Issuer shall have executed and delivered its Closing Certificate, dated the Closing Date, in substantially the form attached hereto as Exhibit A.

(d) *Opinion of Bond Counsel.* Bond Counsel shall have rendered its approving opinion, substantially in the form set forth in the Official Statement.

(e) *Other Actions and Documents.* There shall have been taken such other actions and there shall have been delivered such other documents, opinions, showings and certificates not listed above, as may be reasonably requested by the Underwriter or Bond Counsel in order to effectuate the transactions herein contemplated, and the Underwriter shall have received executed counterparts of all documents, certificates and opinions referred to herein.

7. *Official Statement.* The Issuer shall deliver or cause to be delivered to the Underwriter, promptly after its acceptance hereof and not later than seven business days after the date hereof, copies of the Official Statement, in a sufficient quantity to enable the Underwriter to comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "MSRB").

8. *Changes in Official Statement.* During the time from the date of this Bond Purchase Agreement to and including the date which is 90 days following the End of the Underwriting Period (as defined below), (i) except to the extent required by clause (ii) hereof, the Issuer will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing and (ii) if any event or fact relating to or affecting the Issuer shall occur or be discovered as a result of which it is necessary, in the opinion of Bond Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Bonds, the Issuer shall forthwith prepare and furnish to the Underwriter copies in a sufficient quantity to comply with Rule 15c2-12 and any rules of the MSRB of an amendment of or supplement to the Official Statement (in form and substance satisfactory to Bond Counsel), which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time the Official Statement is delivered to such purchaser, not misleading. The expense of preparing such amendment or supplement shall be paid by the Issuer. For the purposes of this Section 8, the Issuer shall furnish such information with respect to themselves as the Underwriter may from time to time request. As used herein, the term "End of the Underwriting Period" means the later of such time as (a) the Issuer delivers the Bonds to the Underwriter or (b) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public.

9. *Expenses.* The Underwriter shall be under no obligation to pay, and the Issuer agrees to pay, all reasonable and necessary expenses relating to their obligations hereunder, including but not limited to the following: (i) the fees and expenses of Bond Counsel and counsel for the Issuer; (ii) the cost of the preparation and printing of the Bonds and the Official Statement, including any supplement or amendment thereto; and (iii) expenses incurred by the Underwriter, as may be agreed to and accepted by the Issuer.

The Underwriter agrees to pay: (i) all advertising expenses in connection with the public offering of the Bonds; and (ii) all expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds in excess of the amounts paid by the Issuer for such expenses.

The provisions of this Section 9 shall survive any termination of this Bond Purchase Agreement.

10. *Indemnification.*

(a) *Indemnification of Underwriter.* The Issuer agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter within the

meaning of the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any applicable state securities law, against any loss, liability, claim, damage or expense (including the reasonable cost of investigating and defending against any claim therefor and counsel fees incurred in connection therewith), joint or several, which may be based upon any statute or at common law, (i) as a result of the failure of the Issuer to obtain any requisite order, approval or authorization of any public body in connection with the issue and sale of the Bonds to the Underwriter, or (ii) on the ground that the Official Statement, as the same may be amended, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading. In no case is the Issuer to be liable with respect to any claim made against the Underwriter or any such controlling person unless the Underwriter or such controlling person shall have notified the Issuer in writing promptly after the summons or other first legal process giving information of the nature of the claim shall have been served upon the Underwriter or such controlling person, but the failure to notify the Issuer of any such claim shall not relieve it from any liability which it may have to the person against whom such action is brought otherwise than on account of the indemnity agreement contained in this paragraph. The Issuer will be entitled to participate at its own expense in the defense or, if it so elects, to assume the defense of any suit brought to enforce any such liability, in which event such defense shall be conducted by counsel chosen by the Issuer and satisfactory to the Underwriter or such controlling person. In the event the Issuer elects to assume the defense for such suit and retain such counsel and to participate in the defense thereof, the Underwriter or any such controlling person shall have the right to employ separate counsel and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the Issuer unless the employment of such counsel has either been specifically authorized by the Issuer or there is a conflict of interest which would prevent counsel for the Issuer from representing both the Issuer and the Underwriter or any such controlling person. The Issuer shall not be liable to indemnify any person for any settlement of any such suit effected without the consent of the Issuer. The indemnity agreement contained in this paragraph shall be in addition to any liability the Issuer may otherwise have.

(b) *Indemnification of Issuer.* The Underwriter agrees to indemnify and hold harmless the Issuer against any loss, liability, claim, damage or expense (including the reasonable cost of investigating and defending against any claim therefor and counsel fees incurred in connection therewith), joint or several, which may be based upon any statute or at common law, on the ground that the Official Statement, as the same may be amended, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, which information or omission in question was supplied or caused by the Underwriter. In no case is the Underwriter to be liable with respect to any claim made against the Issuer unless the Issuer shall have notified the Underwriter in writing promptly after the summons or other first legal process giving information of the nature of the claim shall have been served upon the Issuer, but the failure to notify the Underwriter of any such claim shall not relieve it from any liability which it may have to the person against whom such action is brought otherwise than on account of the indemnity agreement contained in this paragraph. The Underwriter will be entitled to participate at its own expense in the defense or, if it so elects, to assume the defense of any suit brought to enforce any such liability, in which event such defense shall be conducted by counsel chosen by the Underwriter and satisfactory to the Issuer. In the event the Underwriter elects to assume the defense for such suit and retain such counsel and to participate in the defense thereof, the Issuer shall have the right to employ separate counsel and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the Underwriter unless the employment of such counsel has either been specifically authorized by the Underwriter or there is

a conflict of interest which would prevent counsel for the Underwriter from representing both the Underwriter and the Issuer. The Underwriter shall not be liable to indemnify any person for any settlement of any such suit effected without the consent of the Underwriter. The indemnity agreement contained in this paragraph shall be in addition to any liability the Underwriter may otherwise have.

11. *Notices.* All notices required or permitted to be given hereunder shall be deemed given when personally delivered or sent by telecopy or overnight courier service addressed as follows:

If to the Issuer:

City of Clear Lake, Iowa  
City Administrator/City Hall  
15 North 6th Street  
Clear Lake, Iowa 50428

Attention: Scott Flory  
Facsimile: (641) 357-8711

If to the Underwriter:

D.A. Davidson & Co.  
515 E. Locust Street  
Suite 200  
Des Moines, IA 50309

Attention: Chip Schultz  
Facsimile: (515) 471-2702

12. *Counterparts.* This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall constitute an original but all together shall constitute one and the same instrument.

13. *Contract for Benefit of Parties.* This Bond Purchase Agreement is made solely for the benefit of the parties hereto (including any successor or assignee of the Underwriter), and no other person shall acquire or have any right hereunder or by virtue hereof.

14. *Governing Law.* This Bond Purchase Agreement shall be governed by the laws of the State of Iowa without regard to conflicts of law principles thereof.

If the foregoing is acceptable to you, please note your acceptance in the space below, on the date hereof, whereupon this Bond Purchase Agreement shall become a binding contract between us.

**D.A. DAVIDSON & CO.**

By: \_\_\_\_\_  
\_\_\_\_\_

Accepted and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, at \_\_:\_\_.m.

**CITY OF CLEAR LAKE, IOWA**

By: \_\_\_\_\_

Mayor

**ATTEST:**

By: \_\_\_\_\_  
City Clerk

**SCHEDULE I**

**MATURITY, PRINCIPAL AMOUNT, AND INTEREST RATE**

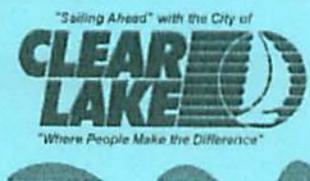
<u>Maturity Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>
6/1/2015	\$140,000	2.000%	0.460%
6/1/2016	150,000	2.000%	0.720%
6/1/2017	155,000	2.000%	1.090%
6/1/2018	155,000	2.000%	1.540%
6/1/2019	160,000	2.060%	2.060%
6/1/2020	160,000	2.490%	2.490%
6/1/2021	165,000	2.690%	2.690%
6/1/2022	170,000	2.840%	2.840%
6/1/2023	180,000	3.140%	3.140%
6/1/2024	185,000	3.240%	3.240%

**EXHIBIT A**

**ISSUER CLOSING CERTIFICATE**

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**CITY of CLEAR LAKE, IOWA**



**\$1,620,000 Taxable General Obligation  
Economic Development Bonds, Series 2014**

**Project Windmill LLC**

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**Monday, March 10<sup>TH</sup>, 2014**

Chip Schultz  
(515) 471-2720  
[chip.schultz@dadco.com](mailto:chip.schultz@dadco.com)

**DAVIDSON  
COMPANIES** | **D.A.  
Davidson  
& Co.** member  
SFC  
FIXED INCOME CAPITAL MARKETS

**CITY OF CLEAR LAKE, IOWA**

**\$1,620,000 Taxable General Obligation Economic Development Bonds, Series 2014**

Funding for:  
**Forgivable Economic Development Loan (Project Windmill L.L.C.)**  
**Timeline**

Date Prepared: March 6, 2014

January 2014						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February 2014						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

March 2014						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

**Urban Renewal Plan Action Items**

**Financing (Bond Issue) Action Items**

**Thursday, January 23<sup>rd</sup>  
 Special Council Meeting:**

- Council set February 10<sup>th</sup> as date for public hearing on Urban Renewal Plan amendment

**Monday, January 27<sup>th</sup>:**

- City Administrator held consultation meeting with other taxing entities

**Wednesday, January 29<sup>th</sup>:**

- Published notice of hearing on Urban Renewal Plan amendment (Clear Lake Mirror Reporter)

**Monday, February 10<sup>th</sup>  
 Special Council Meeting:**

- Council held hearing and approved Urban Renewal Plan amendment

**Monday, February 17<sup>th</sup>  
 Regular Council Meeting  
 (Presidents' Day):**

- Council approved Development Agreement with Windmill Realty LLC

**Wednesday, February 19<sup>th</sup>:**

- Council set March 3<sup>rd</sup> as date for public hearing on Taxable General Obligation Loan Agreement (Bonds)

- Published notice of hearing on Taxable General Obligation Loan Agreement (Clear Lake Mirror Reporter)

**Monday, March 3<sup>rd</sup>  
 Regular Council Meeting:**

- Council held public hearing on Taxable General Obligation Loan Agreement and approved Preliminary Official Statement (POS)

**Monday, March 10<sup>th</sup>  
 Special Council Meeting:**

- Council considers Bond Purchase Agreement (locks in interest rates / terms on financing)

**Monday, March 17<sup>th</sup>  
 Regular Council Meeting:**

- Council authorizes issuance / documents relating to Taxable G.O. Bonds

**Monday, March 31<sup>st</sup>:**

- Closing / delivery of funds to City



CITY OF CLEAR LAKE, IOWA  
Proposed Taxable General Obligation Economic Development Bonds, Series 2014

Interest Rate Pricing Comparison

Southeastern Community College, Iowa  
Taxable General Obligation Debt  
Moody's 'Aa3' rated  
\$2,115,000 Sold February 18, 2014

Clear Lake, Iowa  
Proposed Taxable General Obligation Economic Development Bonds, Series 2014  
Bonds are Not Rated

Southeastern Community College, Iowa				Clear Lake, Iowa							
Taxable General Obligation Debt				Proposed Taxable General Obligation Economic Development Bonds, Series 2014							
Moody's 'Aa3' rated				Bonds are Not Rated							
\$2,115,000 Sold February 18, 2014											
Maturity	US Treasury Rates	Yield on Bonds	Spread to Treasuries	Maturity	Applicable US Treasuries (on 3.3.2014)	US Treasury Rates	Spread to Applicable Treasuries	Spread from 'Aa3' to Non-Rated	Proposed Yields		
1	6.1.2015	0.250%	0.350%	0.100%	1	6.1.2015	1 Year	0.260%	0.100%	0.100%	0.460%
2	6.1.2016	0.290%	0.600%	0.310%	2	6.1.2016	2 Year	0.310%	0.310%	0.100%	0.720%
3	6.1.2017	0.660%	1.000%	0.340%	3	6.1.2017	3 Year	0.630%	0.340%	0.120%	1.090%
4	6.1.2018	1.450%	1.400%	-0.050%	4	6.1.2018	5 Year	1.460%	-0.050%	0.130%	1.540%
5	6.1.2019	1.440%	1.900%	0.460%	5	6.1.2019	5 Year	1.460%	0.460%	0.140%	2.060%
6	6.1.2020	2.110%	2.350%	0.240%	6	6.1.2020	7 Year	2.100%	0.240%	0.150%	2.490%
7	6.1.2021	2.110%	2.550%	0.440%	7	6.1.2021	7 Year	2.100%	0.440%	0.150%	2.690%
8	6.1.2022	2.690%	2.750%	0.060%	8	6.1.2022	10 Year	2.630%	0.060%	0.150%	2.840%
9	6.1.2023	2.690%	3.050%	0.360%	9	6.1.2023	10 Year	2.630%	0.360%	0.150%	3.140%
10	6.1.2024				10	6.1.2024	10 Year	2.630%	0.460%	0.150%	3.240%
11	6.1.2025				11	6.1.2025					
12	6.1.2026				12	6.1.2026					
13	6.1.2027				13	6.1.2027					
14	6.1.2028				14	6.1.2028					
15	6.1.2029				15	6.1.2029					

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**SOURCES AND USES OF FUNDS**



**CITY OF CLEAR LAKE, IOWA**  
**TAXABLE GENERAL OBLIGATION ECONOMIC DEVELOPMENT BONDS, SERIES 2014**  
**Funding of Economic Development Forgivable Loan**  
**Relating to Project Windmill LLC**  
**Bond Issue is Non-Rated**  
**Optional Redemption Date: June 1, 2019 @ Par**  
**Proposed for March 10, 2014 City Council Consideration**

Dated Date                    03/31/2014  
Delivery Date                03/31/2014

**Sources:**

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Bond Proceeds:	
Par Amount	1,620,000.00
Premium	13,865.20
	<hr/>
	1,633,865.20
Other Sources of Funds:	
Cash on Hand - Toward Issuance Costs	30,000.00
	<hr/>
	1,663,865.20

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**Uses:**

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Project Fund Deposits:	
Economic Development Forgivable Loan	1,620,000.00
Delivery Date Expenses:	
Cost of Issuance	20,000.00
Underwriter's Discount	20,250.00
	<hr/>
	40,250.00
Other Uses of Funds:	
Rounding / Contingency	3,615.20
	<hr/>
	1,663,865.20

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## BOND SUMMARY STATISTICS



**CITY OF CLEAR LAKE, IOWA**  
**TAXABLE GENERAL OBLIGATION ECONOMIC DEVELOPMENT BONDS, SERIES 2014**  
**Funding of Economic Development Forgivable Loan**  
**Relating to Project Windmill LLC**  
**Bond Issue is Non-Rated**  
**Optional Redemption Date: June 1, 2019 @ Par**  
**Proposed for March 10, 2014 City Council Consideration**

Dated Date	03/31/2014
Delivery Date	03/31/2014
First Coupon	12/01/2014
Last Maturity	06/01/2024
Arbitrage Yield	2.531060%
True Interest Cost (TIC)	2.763962%
Net Interest Cost (NIC)	2.772075%
All-In TIC	2.997977%
Average Coupon	2.705180%
Average Life (years)	5.892
Duration of Issue (years)	5.416
Par Amount	1,620,000.00
Bond Proceeds	1,633,865.20
Total Interest	258,195.90
Net Interest	264,580.70
Bond Years from Dated Date	9,544,500.00
Bond Years from Delivery Date	9,544,500.00
Total Debt Service	1,878,195.90
Maximum Annual Debt Service	191,646.00
Average Annual Debt Service	184,690.12
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	12.500000
Total Underwriter's Discount	12.500000
Bid Price	99.605877

Bond Component	Par Value	Price	Average Coupon	Average Life
Serials	1,620,000.00	100.856	2.705%	5.892
	1,620,000.00			5.892

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,620,000.00	1,620,000.00	1,620,000.00
+ Accrued Interest			
+ Premium (Discount)	13,865.20	13,865.20	13,865.20
- Underwriter's Discount	(20,250.00)	(20,250.00)	
- Cost of Issuance Expense		(20,000.00)	
- Other Amounts			
Target Value	1,613,615.20	1,593,615.20	1,633,865.20
Target Date	03/31/2014	03/31/2014	03/31/2014
Yield	2.763962%	2.997977%	2.531060%

**BOND PRICING**



**CITY OF CLEAR LAKE, IOWA**  
**TAXABLE GENERAL OBLIGATION ECONOMIC DEVELOPMENT BONDS, SERIES 2014**  
 Funding of Economic Development Forgivable Loan  
 Relating to Project Windmill LLC  
 Bond Issue is Non-Rated  
 Optional Redemption Date: June 1, 2019 @ Par  
 Proposed for March 10, 2014 City Council Consideration

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Serials:						
	06/01/2015	140,000	2.000%	0.460%	101.789	2,504.60
	06/01/2016	150,000	2.000%	0.720%	102.746	4,119.00
	06/01/2017	155,000	2.000%	1.090%	102.824	4,377.20
	06/01/2018	155,000	2.000%	1.540%	101.848	2,864.40
	06/01/2019	160,000	2.060%	2.060%	100.000	
	06/01/2020	160,000	2.490%	2.490%	100.000	
	06/01/2021	165,000	2.690%	2.690%	100.000	
	06/01/2022	170,000	2.840%	2.840%	100.000	
	06/01/2023	180,000	3.140%	3.140%	100.000	
	06/01/2024	185,000	3.240%	3.240%	100.000	
		1,620,000				13,865.20

Dated Date	03/31/2014	
Delivery Date	03/31/2014	
First Coupon	12/01/2014	
Par Amount	1,620,000.00	
Premium	13,865.20	
Production	1,633,865.20	100.855877%
Underwriter's Discount	(20,250.00)	(1.250000%)
Purchase Price	1,613,615.20	99.605877%
Accrued Interest		
Net Proceeds	1,613,615.20	

**BOND DEBT SERVICE**



**CITY OF CLEAR LAKE, IOWA**  
**TAXABLE GENERAL OBLIGATION ECONOMIC DEVELOPMENT BONDS, SERIES 2014**  
**Funding of Economic Development Forgivable Loan**  
**Relating to Project Windmill LLC**  
**Bond Issue is Non-Rated**  
**Optional Redemption Date: June 1, 2019 @ Par**  
**Proposed for March 10, 2014 City Council Consideration**

Dated Date                    03/31/2014  
 Delivery Date                03/31/2014

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2014			26,906.65	26,906.65	
06/01/2015	140,000	2.000%	20,096.25	160,096.25	187,002.90
12/01/2015			18,696.25	18,696.25	
06/01/2016	150,000	2.000%	18,696.25	168,696.25	187,392.50
12/01/2016			17,196.25	17,196.25	
06/01/2017	155,000	2.000%	17,196.25	172,196.25	189,392.50
12/01/2017			15,646.25	15,646.25	
06/01/2018	155,000	2.000%	15,646.25	170,646.25	186,292.50
12/01/2018			14,096.25	14,096.25	
06/01/2019	160,000	2.060%	14,096.25	174,096.25	188,192.50
12/01/2019			12,448.25	12,448.25	
06/01/2020	160,000	2.490%	12,448.25	172,448.25	184,896.50
12/01/2020			10,456.25	10,456.25	
06/01/2021	165,000	2.690%	10,456.25	175,456.25	185,912.50
12/01/2021			8,237.00	8,237.00	
06/01/2022	170,000	2.840%	8,237.00	178,237.00	186,474.00
12/01/2022			5,823.00	5,823.00	
06/01/2023	180,000	3.140%	5,823.00	185,823.00	191,646.00
12/01/2023			2,997.00	2,997.00	
06/01/2024	185,000	3.240%	2,997.00	187,997.00	190,994.00
	1,620,000		258,195.90	1,878,195.90	1,878,195.90

---

**COST OF ISSUANCE**



**CITY OF CLEAR LAKE, IOWA**  
**TAXABLE GENERAL OBLIGATION ECONOMIC DEVELOPMENT BONDS, SERIES 2014**  
Funding of Economic Development Forgivable Loan  
Relating to Project Windmill LLC  
Bond Issue is Non-Rated  
Optional Redemption Date: June 1, 2019 @ Par  
Proposed for March 10, 2014 City Council Consideration

<b>Cost of Issuance</b>	<b>\$/1000</b>	<b>Amount</b>
Bond Counsel (estimate)	12.34568	20,000.00
	12.34568	20,000.00

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

Authorizing Loan to Tax Increment Revenue Fund

WHEREAS, the City of Clear Lake, Iowa, has established an urban renewal area in the City known as the Clear Lake Consolidated Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, the City Council has created the Clear Lake Consolidated Urban Renewal Area Tax Increment Revenue Fund (the "Tax Increment Revenue Fund"), into which all incremental property tax revenues received from the Urban Renewal Area shall be deposited; and

WHEREAS, the City Council has authorized a project in the Urban Renewal Area, consisting of the construction of a 340,000 square foot regional warehouse and distribution center facility (the "Project"); and

WHEREAS, the City will need to incur certain costs related to the Project; and

WHEREAS, in order to make those costs eligible to be reimbursed from future incremental property tax revenues, it is necessary to create an internal debt;

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

Section 1. It is hereby directed that \$ \_\_\_\_\_ be advanced to the Tax Increment Revenue Fund from the General Fund, in order to pay certain costs incurred by the City related to the Project. This advance shall be treated as a loan (the "Loan") to the Tax Increment Revenue Fund and shall be repaid to the General Fund out of incremental tax revenues received with respect to the Urban Renewal Area.

Payments on the Loan are subject to annual appropriation by the City Council and subject to the Council's determination that there are incremental tax revenues available for such purpose which have been allocated to or accrued in the Tax Increment Revenue Fund.

Once appropriated, payments shall be made on the Loan on June 1 of each year to the extent there are incremental tax revenues available for such purpose which have been allocated to or accrued in the Tax Increment Revenue Fund. The right is hereby reserved to issue additional obligations, or to enter into additional loans, payable from the Tax Increment Revenue Fund, which may either rank on a parity with the Loan or may have a priority over the Loan with respect to the revenues in the Tax Increment Revenue Fund.

Section 2. The Tax Increment Revenue Fund is hereby pledged to the repayment of the Loan, and a copy of this Resolution shall be filed in the office of the Cerro Gordo County Auditor to evidence this pledge. Pursuant to Section 403.19 of the Code of Iowa, the City Clerk is hereby directed to certify to the Cerro Gordo County Auditor, no later than December 1, 2014, the original amount of the Loan as an obligation that is eligible to be repaid from future

incremental property tax revenues, and to certify no later than December 1 of each succeeding year, any remaining outstanding balance of the Loan.

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

Passed and approved March 10, 2014.

\_\_\_\_\_  
Mayor Pro Tem

Attest:

\_\_\_\_\_  
City Clerk

••••

At the conclusion of the meeting and upon motion and vote, the City Council adjourned.

\_\_\_\_\_  
Mayor Pro Tem

Attest:

\_\_\_\_\_  
City Clerk

## **LEASE**

THIS LEASE made and entered into this 10<sup>th</sup> day of March, 2014, by and between the CITY OF CLEAR LAKE, IOWA, a municipal corporation, hereinafter referred to as "CITY", and LADY OF THE LAKE INC., hereinafter referred to as "TENANT".

WITNESSETH: That the CITY has this day, in consideration of the covenants of TENANT hereinafter contained, leased to TENANT the following described premises, to-wit:

One Hundred Thirty-nine (139) feet of shoreline starting Nine (9) feet West of the West end of the City seawall and running West a distance of One Hundred Thirty-nine (139) feet.

**TERM.** The term of this Lease shall be from March 16, 2014, through March 15, 2017, at a total rent of FIVE HUNDRED DOLLARS (\$500.00) per year, payable upon execution of this Lease.

**PURPOSE.** The TENANT shall be allowed to construct a commercial dock for his use in docking the excursion boat, Lady Of The Lake. If off loading from the front of the boat is desired, the TENANT must build a platform according to the direction of the CITY's Building Official.

**LIABILITY.** TENANT shall obtain \$1,000,000 liability insurance naming the CITY as an additional insured.

**SEWAGE DISPOSAL.** If TENANT operates a boat from this location with restroom facilities, the TENANT shall remove all sewage materials from said boat and not discharge said sewage into the waters of Clear Lake.

### **ADDITIONAL PROVISIONS.**

1. TENANT must comply with all Coast Guard and Department of Natural Resources safety regulations with regard to the operation of a commercial excursion boat.
2. TENANT agrees to comply with all state and city ordinances with regard to noise in his operation of the excursion boat, either docked or upon the waters of Clear Lake.
3. Upon any default by TENANT in accordance with the terms and provisions of this Lease, this Lease may, at the option of the CITY, be cancelled and forfeited, provided, however, before any such cancellation and forfeiture, CITY shall give TENANT written notice specifying the default or defaults, and stating that this Lease will be cancelled and forfeited thirty (30) days after the giving of such notice, unless such default or defaults are remedied within such grace period.
4. After the termination of this Lease for any reason, the TENANT shall have forty-five (45) days to remove the dock and other appurtenances installed by him, and if TENANT

shall fail to remove same, the CITY may remove same and the expense for such removal shall be immediately due and payable to the CITY from the TENANT.

5. TENANT shall not sublet or permit parties, other than boat customers, to make use of the leased premises or permit the use of same for any other business or commercial purpose except by the written permission of the CITY.

6. TENANT shall not assign or transfer this Lease and shall not sublease the premises or any part thereof or allow any other person to be in possession thereof without the prior written consent of CITY.

Words and phrases herein, including acknowledgement hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names on the above date.

CITY OF CLEAR LAKE, IOWA

LADY OF THE LAKE INC.

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

By: \_\_\_\_\_  
Rodger Nordman

By: \_\_\_\_\_  
Jennifer Larsen, City Clerk

By: \_\_\_\_\_  
Dotty Nordman

H:\Jennifer\Lady of the Lake\Lease.doc

**LOCHER LAW FIRM**

103 EAST STATE STREET, SUITE 721  
MASON CITY, IA 50401  
TELEPHONE (641) 423-2432  
TELECOPIER (641) 423-2433  
E-MAIL locherlaw@netconx.net

HUGH H. SHEPARD  
(1876-1970)

ROBERT H. SHEPARD  
(1919-1989)

JAMES J. LOCHER

November 20, 2013

Members of the Board  
Landfill of North Iowa

Re: Chapter 28E Agreement Amendment

Dear Board Members:

This follows up on the action taken at your meeting last week concerning the Chapter 28E Agreement Amendment.

Enclosed are the following documents:

1. Overlay handed out last week. This supplements the information I sent to you with my letter of October 10, 2013.

2. Copy of the Resolution unanimously adopted, with Second Amendment attached. Dating of the Second Amendment is somewhat problematical, in that not all the Municipalities will be taking it up at the same time or, in many cases, before the end of the year. The Second Amendment, by its terms, is to be effective on the date of filing in electronic format with the Iowa Secretary of State, which comports with a provision of Chapter 28E. Consistently, the first paragraph of the Second Amendment now reflects that it is entered into as of the effective date.

3. Freestanding Second Amendment, with signature page for the city or county you represent on the Board. The signature page contains a caption for identification purposes, but should otherwise be completed by your governmental body in the format it typically uses for Agreements.

I would suggest you get the enclosures into the hands of your Mayor, City Administrator if you have one and Council members or Supervisors as applicable.

After your governing body acts on the proposed Amendment, please ask your City Clerk to send Bill Rowland a copy of the Resolution adopted by the body and, if approved, its fully executed signature page for the Second Amendment.

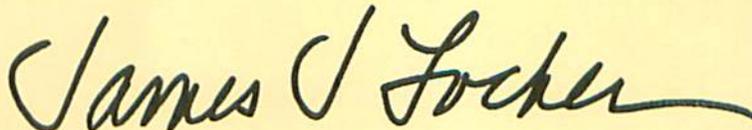
Bill or I should be able to answer any questions regarding the Amendment and related matters.

Thanks again for your patience and help in moving this along.

Yours very truly,

LOCHER LAW FIRM

BY



JJL:lrs

Enclosures

cc: Mr. William L. Rowland

**SECOND AMENDMENT TO  
INTERGOVERNMENTAL AGREEMENT CREATING  
THE CERRO GORDO COUNTY AREA  
SOLID WASTE AGENCY**

This Second Amendment (“the Second Amendment”) to the Intergovernmental Agreement Creating the Cerro Gordo County Area Solid Waste Agency dated as of November 10, 1970, and amended subsequent thereto (“the Agreement”), is entered into as of the effective date hereof.

WHEREAS the signatories (“the Municipalities” or, in the singular, “Municipality”) believe it would be in their best interests and that of the Landfill of North Iowa (“the Agency”) for the Agreement to be amended,

NOW, THEREFORE, it is agreed that the Agreement is amended as follows:

A.

The name of the Agency is Landfill of North Iowa.

B.

Municipalities comprising the membership of the Agency as of November 14, 2013, are as follows: the Iowa cities or towns of Clear Lake, Coulter, Dougherty, Forest City, Garner, Geneva, Grafton, Hampton, Hanlontown, Hansell, Joice, Kensett, Klemme, Latimer, Manly, Mason City, Meservey, Nora Springs, Northwood, Plymouth, Popejoy, Rock Falls, Rockwell, Sheffield, Swaledale, Thornton and Ventura, and the Iowa counties of Cerro Gordo and Franklin.

C.

Article III(a) is deleted in its entirety and the following substituted therefor:

(a) The governing body of the Agency, designated the Agency Board (the “Board”), shall be comprised of one member appointed by the governing body of the Municipality the member represents for each 15,000 in population or fraction thereof residing in the Municipality, which for Counties shall be exclusive of incorporated areas, provided, however, no Municipality shall be represented by more than two members. Each member of the Board shall have one vote for each

1,500 or fraction thereof in population of the Municipality the member represents, except the votes of a Municipality represented by two members shall be divided equally between the members in whole votes, with any vote not equally divisible without fractionalization being allocated to the member of the Municipality's delegation first appointed to the Board. Such population shall be ascertained from the most recent federal census or special federal census for a Municipality.

D.

Article X.1. is deleted in its entirety and the following substituted therefor:

1. A Municipality may withdraw from the Agency, but only upon the following terms and conditions:

(a) The withdrawing Municipality shall serve notice of the withdrawal on the Agency by restricted certified mail, return receipt requested, addressed to the Chairman of the Board of the Agency, at the Agency's then current mailing address, not less than three hundred sixty-five days prior to the effective date of the withdrawal ("the Notice"). The Notice shall state the effective date of the Municipality's withdrawal.

(b) The withdrawing Municipality shall be entitled to a share of the value of the real and personal property of the Agency exclusive of all funds, accounts and the proceeds thereof constituting or evidenced by financial assurance instruments maintained by the Agency as provided for in Chapter 455B., Division IV, Code of Iowa (2013), any amendments thereto and related provisions of the Iowa Administrative Code, respecting Agency closure, postclosure, corrective action and monitoring responsibilities ("the Property") equal in amount to the value of the Property multiplied by a fraction the numerator of which is the amount contributed to the Agency by the withdrawing Municipality and the denominator of which is the amount contributed to the Agency by all the Municipalities over the period of their membership in the Agency and determined as of the effective date of the Municipality's withdrawal.

(c) The amount calculated pursuant to Article X.1.(b) shall be paid to the withdrawing Municipality without interest over a period not to exceed ten years following the effective date of the withdrawal as determined by the Board without participation by the member(s) representing the withdrawing Municipality.

(d) A withdrawing Municipality may waive all or any part of its share of the Property calculated pursuant to Article X.1.(b).

(e) Any Municipality that has withdrawn from the Agency may rejoin the Agency only after first repaying in full all funds received by the Municipality in connection with the Municipality's withdrawal.

E.

Article X.3. is amended by addition of the following immediately after the last sentence:

Notwithstanding the foregoing provisions of Article X.3., there shall be excluded from distribution to Municipalities upon dissolution of the Agency all funds, accounts and the proceeds thereof constituting or evidenced by financial assurance instruments maintained by the Agency as provided for in Chapter 455B., Division IV, Code of Iowa (2013), any amendments thereto and related provisions of the Iowa Administrative Code, respecting Agency closure, postclosure, corrective action and monitoring responsibilities.

F.

The following Article XIV is added immediately following Article XIII:

XIV.

MISCELLANEOUS

1. Words and phrases herein shall be construed as masculine or feminine gender according to context and application.
2. All provisions of the Agreement not in conflict herewith shall remain in full force and effect.
3. Each Municipality, by execution of this Second Amendment, warrants and represents that approval of the Second Amendment and the Agreement, so amended, has been authorized by resolution duly adopted of its City Council or Board of Supervisors as applicable.
4. This Second Amendment may be executed in one or more counterparts, all of which shall constitute a single integrated document. Originals or copies of executed signature pages from counterparts may be combined for attachment to any original or copy of the Second Amendment.
5. The effective date hereof shall be the date of filing in electronic format with the Iowa Secretary of State.

PASSED and APPROVED this 20<sup>th</sup> day of March, 2014.

---

Mike Callanan, Mayor Pro-Tem

Attest:

---

Jennifer Larsen, City Clerk