

**SPECIAL COUNCIL MEETING, CITY OF STORM LAKE, IOWA, CITY HALL,
AUGUST 24, 2015 5:00 P.M.**

Present: Mayor Jon Kruse, Council Members Mike Porsch, Bruce Engelmann, David Walker, Sara Huddleston, and Dan Anderson. Absent: None. Staff present: City Manager Jim Patrick, City Attorney Phil Havens, Building Official Scott Olesen, Public Works Director Jason Etnyre, Library Director Elizabeth Huff, Project Manager/Community Development Director Mike Wilson, Finance Director Jane Smith, and City Clerk Sue Vossberg.

Mayor Kruse called the meeting to order at 5:00pm.

Hear the Public – Craig Smith from Reynolds, Iowa talked to the Council in general terms about the previous deal on the condo site with Regency Homes.

Erie Street CDBG – Moved by Council Member Walker to accept an Iowa Economic Development Authority Community Development Block Grant Contract for the Erie Street Project. Amount of grant \$600,000. Seconded by Council Member Porsch. Vote: All ayes. Motion carried.

Amendment #4 Industrial Park Urban Renewal Plan – Mayor Kruse opened the public hearing on the proposed Amendment #4 to the Storm Lake Industrial Park Urban Renewal Plan stating that this was the time and place for any comments. Hearing no comments the Mayor then closed the public hearing.

Moved by Council Member Engelmann to adopt Resolution No. 29-R-2015-2016 adopting Amendment #4 to the Storm Lake Industrial Park Urban Renewal Plan. Seconded by Council Member Anderson. Vote: All ayes. Motion carried.

RESOLUTION NO. 29-R-2015-2016

RESOLUTION DETERMINING AN AREA OF THE CITY TO BE A BLIGHTED AND ECONOMIC DEVELOPMENT AREA, AND THAT THE REHABILITATION, CONSERVATION, REDEVELOPMENT, DEVELOPMENT, OR A COMBINATION THEREOF, OF SUCH AREA IS NECESSARY IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY OR WELFARE OF THE RESIDENTS OF THE CITY; DESIGNATING SUCH AREA AS APPROPRIATE FOR URBAN RENEWAL PROJECTS; AND ADOPTING AMENDMENT NO. 4 TO THE STORM LAKE INDUSTRIAL PARK URBAN RENEWAL PLAN

WHEREAS, by Resolution No. 33-R-91-92, adopted September 16, 1991, this Council found and determined that certain areas located within the City are eligible and should be

designated as an urban renewal area under Iowa law, and approved and adopted the Storm Lake Industrial Park Urban Renewal Plan (the "Plan") for the Storm Lake Industrial Park Urban Renewal Plan Area (the "Area" or "Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Buena Vista County; and

WHEREAS, by Resolution No. 25-R-2004-2005, adopted October 18, 2004, this City Council approved and adopted an Amendment No. 1 to the Plan; and

WHEREAS, by Resolution No. 07-R-2010-2011, adopted July 19, 2010, this City Council approved and adopted an Amendment No. 2 to the Plan; and

WHEREAS, by Resolution No. 36-R-2013-2014, adopted November 18, 2013, this City Council approved and adopted an Amendment No. 3 to the Plan; and

WHEREAS, this Urban Renewal Area currently includes and consists of:

ORIGINAL AREA

A part of the South Half (S1/2) of Section One (1), Township Ninety North (T 90 N), Range Thirty Seven West (R 37 W) of the Fifth Principal Meridian (5th P.M.) lying North of the Illinois Central Railroad, and a part of the Northeast Quarter (NE¼) of Section (12), Township Ninety North (T 90 N), Range Thirty Seven West (R 37 W) of the Fifth Principal Meridian (5th P.M.) lying North of the Illinois Central Railroad, more particularly described as follows:

Commencing at the Northwest Corner of the Southwest Quarter (SW¼) Section One (1), Township Ninety North (T 90 N), Range Thirty Seven West (R 37 W) of the Fifth Principal Meridian (5th P.M.), thence 00°32' East along the West Line of said Southwest Quarter (SW¼) a distance of One Thousand Two Hundred Seven and Seven Tenths Feet (1,207.70') to the Point of Beginning; thence North 90°00' East a distance of Two Thousand Six Hundred Forty Two and Six Hundredths Feet (2,642.06') to the North-South Centerline of said Section One (1); thence South 00°34' East along the North-South Centerline of said Section One (1), a distance of Four Hundred Seven and Eighteen Hundredths Feet (407.18'); thence North 90°00' East a distance of Two Thousand Six Hundred Thirty Eight and Seventy Two Hundredths Feet (2,638.72') to the East Line of said Section One (1); thence South 00°31' East along the East Line of said Section (1) a distance of One Thousand Eighty Seven and Seven Tenths Feet (1,087.7') to the Southeast Corner of said Section One (1), said Point also being the Northeast Corner of Section Twelve (12), Township Ninety North (T 90 N), Range Thirty Seven West (R 37 W) of the Fifth Principal Meridian (5th P.M.); thence South 00°20'20" East along the East Line of said Northeast Quarter (NE¼) Section Twelve (12) a distance of Two Hundred Sixty Six and Five Hundredths Feet (266.05') to the North Right of Way Line of the Illinois Central Railroad; thence North 77°07" West along the North Right of Way Line of said Railroad a distance of Five Thousand Four Hundred Twenty Seven and Seven

Tenths Feet (5,427.7') to the West Line of the Southwest Quarter (SW¹/₄) said Section One (1); thence North 00° 32' West along the West Line of said Section (1) a distance of Five Hundred Fifty and Seventy One Hundredths Feet (550.71') to the Point of Beginning.

The above parcel contains 115.46 acres in total

MCS Industrial Addition to Storm Lake, Iowa

AND

A PART OF THE SOUTH EAST QUARTER (SE¹/₄) OF SECTION 2, TOWNSHIP 90 NORTH, RANGE 37 WEST OF THE 5TH P.M., BUENA VISTA COUNTY, IOWA AND BEING MORE FULLY DESCRIBED AS FOLLOWS:

Beginning at the Northeast (NE) corner of the Southeast Quarter (SE¹/₄) of said Section 2; thence South 89°45'20" West along the North line of said Southeast Quarter (SE¹/₄), a distance of 2,131.17 feet to a point on the Easterly right of way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence Southerly along the Easterly right of way line of said railroad on a curve whose short chord bearings are as follows: South 29°31'40" East, a distance of 57.05 feet; thence South 23°07'17" East, a distance of 601.83 feet; thence South 16°32'54" East, a distance of 56.08 feet; thence continuing along the Easterly line of said railroad right of way South 15°59'20" East, a distance of 675.12 feet to a point on the Northerly line of the Illinois Central Railroad right of way; thence South 89°44'44" East, along the Northerly line of said railroad, a distance of 824.23 feet; thence South 1°56'40" West, a distance of 238.22 feet; thence South 76°34'40" East, a distance of 872.88 feet to a point on the East line of said Southeast Quarter (SE¹/₄); thence North along the East line of said Southeast Quarter (SE¹/₄) a distance of 1,759.60 feet to the point of beginning containing 62.91 acres and subject to all easements of record.

The East line of the Southeast Quarter (SE¹/₄) of said Section 2 is assumed to bear due North and South in the above description.

AMENDMENT NO. 1 AREA

All of the property within the corporate limits that is located South of Richland Avenue and East of Flint Drove. The area also includes the full right-of-way of all streets forming the boundary.

AMENDMENT NO. 2 AREA

A parcel in Buena Vista County, Iowa beginning at a point which is at the center of the intersection of the Canadian National Railroad right of way and Radio Road in Storm Lake, Iowa; thence South along the center line of Radio Road to the south

right of way line of Highway 7; thence continuing South along the centerline of the County Road just West of the Northwest Quarter (NW¹/₄) of Section Twelve (12), Township Ninety (90) North, Range Thirty-Seven (37) West of the 5th P.M. to a point that the center line intersects with the South line of the Northwest Quarter (NW¹/₄) of Section Twelve (12), Township Ninety (90) North, Range Thirty-Seven (37) West of the 5th P.M.; thence East along a South line of the Northwest Quarter (NW¹/₄), Section Twelve (12), Township Ninety (90) North, Range Thirty-Seven (37) West of the 5th P.M. to the Southeast corner of the Northwest Quarter (NW¹/₄) of Section Twelve (12), Township Ninety (90) North, Range Thirty-Seven (37) West of the 5th P.M.; thence North along the East line of the Northwest Quarter (NW¹/₄) of Section Twelve (12), Township Ninety (90) North, Range Thirty-Seven (37) West of the 5th P.M. to the point where that East line intersects with the South line of Highway 7; thence East along the South line of Highway 7 to the point where it intersects with the center line of Gilbert Street extended South across Highway 7; thence North along the center line of Gilbert Street to the point where that line intersects with the center line of the Canadian National Railroad right of way; thence Northwesterly along the center line of the Canadian National Railroad right of way to the point of beginning.

AMENDMENT NO. 3 AREA

A tract of land located in the Southwest Quarter of the Southeast Quarter (SW¹/₄SE¹/₄) of Section 1, Township 90 North, Range 37 West of the 5th P.M., Buena Vista County, Iowa, and being more particularly described as follows:

Beginning at the Northwest (NW) Corner of Lot Seven (7), Block One (1), of Industrial Park Addition to Storm Lake; thence on a previously recorded bearing of North 90°00'00" East along the North line of said Lot Seven (7), 581.78 Feet to the West line of the East One Hundred Seventy-Five Feet (175') of said Lot Seven (7); thence North 00°10'50" West along the Northern extension of said West line of the East One Hundred Seventy-Five Feet (175'), 186.90 feet; thence South 90°00'00" West, 583.58 Feet to the East line of Lot Six (6), of said Block One (1); thence South 00°43'45" East, along said East line, 186.90 Feet to the point of beginning.

Tract contains 2.50 acres and is subject to all easements of record.

and

A tract of land located in the Southeast Quarter (SE¹/₄) of Section 1, Township 90 North, Range 37 West of the 5th P.M., Buena Vista County, Iowa, and being more particularly described as follows: Commencing at the Northwest (NW) Corner of the Southeast Quarter (SE¹/₄) of said Section 1; thence on a true bearing of South 00°21'07" East along the West line of said Southeast Quarter (SE¹/₄), 930.76 Feet to the point of beginning; thence South 89°10'02" East 838.14 Feet; thence South 00°21'07" East, 645.29 Feet to the North line of the Industrial Park Addition to the

City of Storm Lake; thence North 89°50'14" West, along said North line, 255.00 Feet; thence North 00°02'17" East, 186.90 Feet; thence North 89°47'21" West, 583.58 Feet to the East line of Lot Six (6), Block One (1) of said Industrial Park Addition; thence North 00°32'05" West, along said East line, 220.28 Feet to the Northeast (NE) Corner of said Lot Six (6); thence North 00°21'07" West, along the West line of the Southeast Quarter (SE¼), 247.44 Feet to the point of beginning. Hereafter referred to as Lot C of Lot B in Section 1, Township 90 North, Range 37 West of the 5th P.M., Buena Vista County, Iowa.

Tract contains 10.00 acres and is subject to all easements of record; and

WHEREAS, a proposed Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan ("Amendment No. 4" or "Amendment") for the Storm Lake Industrial Park Urban Renewal Area described above has been prepared, which proposed Amendment has been on file in the office of the City Clerk and which is incorporated herein by reference, the purpose of which is to add and/or confirm a proposed project to be undertaken within the Urban Renewal Area; and

WHEREAS, this proposed Amendment No. 4 to the Urban Renewal Area adds no new land; and

WHEREAS, it is desirable that the Area be redeveloped as part of the activities described within the proposed Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan; and

WHEREAS, by resolution adopted on July 20, 2015, this Council directed that a consultation be held with the designated representatives of all affected taxing entities to discuss the proposed Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan and the division of revenue described therein, and that notice of the consultation and a copy of the proposed Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan be sent to all affected taxing entities; and

WHEREAS, pursuant to such notice, the consultation was duly held as ordered by the City Council and all required responses to the recommendations made by the affected taxing entities, if any, have been timely made as set forth in the report of the City Clerk, or her delegate, filed herewith and incorporated herein by this reference, which report is in all respects approved; and

WHEREAS, by resolution this Council also set a public hearing on the adoption of the proposed Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan for this meeting of the Council, and due and proper notice of the public hearing was given, as provided by law, by timely publication in the Storm Lake Times, which notice set forth the time and place for this hearing and the nature and purpose thereof; and

WHEREAS, in accordance with the notice, all persons or organizations desiring to be

heard on the proposed Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan, both for and against, have been given an opportunity to be heard with respect thereto and due consideration has been given to all comments and views expressed to this Council in connection therewith and the public hearing has been closed.

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

Section 1. That the findings and conclusions set forth or contained in Amendment No. 4 concerning the area of the City of Storm Lake, State of Iowa, described in the preamble hereof, be and the same are hereby ratified and confirmed in all respects as the findings of this Council for this area.

Section 2. This Council further finds:

a) Although relocation is not expected, a feasible method exists for the relocation of any families who will be displaced from the Storm Lake Industrial Park Urban Renewal Area into decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families;

b) The Plan, as amended, and Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan conform to the general plan for the development of the City as a whole; and

c) Acquisition by the City is expected and as to those areas of open land to be acquired by the City included within the Storm Lake Industrial Park Urban Renewal Area:

i. Residential use is expected and with reference to those portions thereof which are to be developed for residential uses, this City Council hereby determines that a shortage of housing of sound standards and design with decency, safety and sanitation exists within the City; that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality; and that one or more of the following conditions exist:

a. That the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas, including other portions of the urban renewal area.

b. That conditions of blight in the municipality and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime, so as to constitute a menace to the public health, safety, morals, or welfare.

c. That the provision of public improvements related to housing and residential development will encourage housing and residential

development which is necessary to encourage the retention or relocation of industrial and commercial enterprises in this state and its municipalities.

d. The acquisition of the area is necessary to provide for the construction of housing for low and moderate income families.

ii. Non-residential use is expected and with reference to those portions thereof which are to be developed for non-residential uses, such non-residential uses are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 3. That the Storm Lake Industrial Park Urban Renewal Area, as amended, continues to be a blighted and economic development area within the meaning of Iowa Code Chapter 403; that such area is eligible for designation as an urban renewal area and otherwise meets all requisites under the provisions of Chapter 403 of the Code of Iowa; and that the rehabilitation, conservation, redevelopment, development, or a combination thereof, of such area is necessary in the interest of the public health, safety or welfare of the residents of this City.

Section 4. That Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan of the City of Storm Lake, State of Iowa, attached hereto as Exhibit 1 and incorporated herein by reference, be and the same is hereby approved and adopted as "Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan for the City of Storm Lake, State of Iowa"; Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan of the City of Storm Lake, State of Iowa, is hereby in all respects approved; and the City Clerk is hereby directed to file a certified copy of Amendment No. 4 with the proceedings of this meeting.

Section 5. That, notwithstanding any resolution, ordinance, plan, amendment or any other document, Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan shall be in full force and effect from the date of this Resolution until the Council amends or repeals the Plan. The proposed Amendment No. 4 to the Storm Lake Industrial Park Urban Renewal Plan shall be forthwith certified by the City Clerk, along with a copy of this Resolution, to the Recorder for Buena Vista County, Iowa, to be filed and recorded in the manner provided by law.

Section 6. That all other provisions of the Plan not affected or otherwise revised by the terms of Amendment No. 4, as well as all resolutions previously adopted by this City Council related to the Plan be and the same are hereby ratified, confirmed and approved in all respects.

PASSED AND APPROVED this 24th day of August, 2015.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Exhibit 1

STORM LAKE INDUSTRIAL PARK URBAN RENEWAL PLAN

AMENDMENT #4

CITY OF STORM LAKE, IOWA

Original Area Adopted –1991

Amendment #1 – 2004

Amendment #2 – 2010

Amendment #3 – 2013

Amendment #4 – 2015

AMENDMENT #4

To

STORM LAKE INDUSTRIAL PARK URBAN RENEWAL PLAN CITY OF STORM LAKE, IOWA

The Storm Lake Industrial Park Urban Renewal Plan ("Plan") for the Storm Lake Industrial Park Urban Renewal Area ("Area" or "Urban Renewal Area"), adopted in 1991, and amended in 2004, 2010 and 2013 is being further amended to add and/or confirm a proposed project to be undertaken within the Urban Renewal Area ("Amendment #4" or "Amendment"). No land is being added to the Area by this Amendment.

Except as modified by this Amendment, the provisions of the original Storm Lake Industrial Park Urban Renewal Plan, as previously amended, are hereby ratified, confirmed, and approved and shall remain in full force and effect as provided herein. In case of any conflict or uncertainty, the terms of this Amendment shall control.

AREA DESIGNATION

The Area has been designated as a mixed area for the remediation of blight and promotion of economic development (commercial and industrial). The Area continues to be appropriate for a mixed area for the remediation of blight and promotion of economic development (commercial and industrial).

PROJECT OBJECTIVES

No changes are made by this Amendment.

TYPES OF RENEWAL ACTIVITIES

No changes are made by this Amendment.

PROPOSED URBAN RENEWAL PROJECTS (Amendment No. 4)

Certain land within the Area is the site of the failed Regency Condominium site. This site contains partially constructed infrastructure and has been vacant for about 7 years. A tax dispute has been resolved. This Area has been designated as blighted. This Project was described in Amendment No. 3 as the "Condominium Redevelopment" Project. The City is considering entering into a Development Agreement with Developer Orton Development Company, L.L.C. (or a related entity) by which the City would convey the subject property to the Developer subject

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to terms and conditions in a Development Agreement. The transfer price is expected to be approximately \$225,000. It is expected that either residential condominium units or apartment units will be constructed, possibly in phases. The City is expected to consider supporting the redevelopment of this property by transferring the property and providing rebates of the incremental taxes generated by the Project of up to \$1,000,000 to \$1,700,000, depending on the terms of a Development Agreement and the amount of incremental taxes generated. Project expenses, including engineering fees, abstracting costs, attorney’s fees and other costs associated with Project are not expected to exceed \$20,000 to \$40,000. Depending on the City's needs and Developer's proposals, the total costs expected to be reimbursed from Tax Increment financing may total up to \$1,000,000 to \$1,700,000, depending on the circumstances. If an acceptable agreement cannot be reached with Orton Development Company, L.L.C. (or a related entity), the City will continue to seek redevelopment of this property with other entities through incentives to be reimbursed or funded from tax increment such as land, incremental tax rebates or other incentives up to \$1,000,000 to \$1,700,000.

DEBT

1.	July 1, 2015 constitutional debt limit:	\$23,070,287
2.	Outstanding general obligation debt as of July 20, 2015:	\$19,561,406
3.	Proposed amount of loans, advances, indebtedness or bonds to be incurred. A specific amount of debt to be incurred for the Proposed Urban Renewal Project (Amendment No. 4) has not yet been determined. The Projects authorized in this Amendment are only proposed projects at this time. The City Council will consider each Project proposal on a case-by-case basis to determine if it is consistent with the Plan and in the public’s best interest to participate in the Project. These Projects, if approved, will commence and be concluded over a number of years. In no event will debt be incurred that would exceed the City’s debt capacity. It is further expected that such indebtedness, including interest on the same, may be financed in whole or in part with tax increment revenues from the Urban Renewal Area. Subject to the foregoing, it is estimated that the cost of the Proposed Urban Renewal Projects as described above will be approximately as follows:	Up to \$1,020,000 to \$1,740,000

DEVELOPMENT PLAN

Storm Lake has a general plan for the physical development of the City, as a whole, outlined in the Storm Lake Comprehensive Plan that was adopted by the City Council in February, 2013. The goals, objectives, and projects proposed in this Amendment #4 are consistent with the City's Comprehensive Plan.

This Amendment #4 does not in any way replace the City's current land use planning or zoning regulation process.

PROPERTY ACQUISITION/DISPOSITION

The City will follow any applicable requirements for the acquisition and disposition of property.

URBAN RENEWAL PLAN AMENDMENTS

The Plan may be amended from time to time for a variety of reasons, including but not limited to, adding or deleting land, adding urban renewal projects, or to modify goals or types of renewal activities. The City Council may amend this Plan in accordance with applicable state law.

EFFECTIVE DATE

This Amendment #4 will become effective upon its adoption by the City Council. No changes are expected in the effective period of this Urban Renewal Area.

REPEALER

Any parts of the previous Plan, as previously amended, in conflict with this Amendment are hereby repealed.

SEVERABILITY CLAUSE

If any part of the Amendment is determined to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the previously adopted Plan as a whole or the previous amendments to the Plan, or any part of the Plan not determined to be invalid or unconstitutional.

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Disposal of Interest in Real Property – Mayor Kruse opened the public hearing on the disposal
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of interest in real property to Orton Development Co. LLC stating that this was the time and place for any comments. Hearing no comments the Mayor then closed the public hearing.

Moved by Council Member Walker to table Resolution No. 30-R-2015-2016 making final determination on disposal of interest in real property to Orton Development Co. LLC. Seconded by Council Member Huddleston. Vote: All ayes. Resolution tabled.

Orton Development Agreement – Mayor Kruse opened the public hearing on the proposed Development Agreement with Orton Development Co. LLC stating that this was the time and place for any comments.

Craig Smith asked how much the performance bond amount is. Mike Wilson stated that the amount was \$6,000,000.

Hearing no further comments the Mayor then closed the public hearing.

Moved by Council Member Anderson to table Resolution No. 31-R-2015-2016 approving the purchase, sale and development agreement with Orton Development Co., LLC. Seconded by Council Member Walker. Vote: All ayes. Resolution tabled.

Sale of Property to Orton Development – Mayor Kruse opened the public hearing on the sale and conveyance of real estate to Orton Development Co., LLC stating that this is the time and place for any comments. Hearing no comments the Mayor then closed the public hearing.

Moved by Council Member Engelmann to table Resolution No. 32-R-2015-2016 approving the sale and conveyance of property to Orton Development Co., LLC. Seconded by Council Member Huddleston. Vote: All ayes. Resolution tabled.

Adjourn – Moved by Council Member Walker to adjourn the meeting at 5:16pm. Seconded by Council Member Huddleston. Vote: All ayes. Motion carried.

Jon F. Kruse, Mayor

Attest: Sue Vossberg, City Clerk

Final