

AGENDA

COUNCIL MEETING
Tuesday, February 24, 2015
5:30 P.M.

CITY HALL COUNCIL CHAMBERS

I. CALL TO ORDER:

II. OPEN FORUM: This is a time for any concerned citizen to speak to the Council on an item that is not on the agenda.

III. CONSENT ITEMS:

- A. 2/3/15 special meeting minutes.
- B. 2/10/15 council minutes.
- C. Jefferson Community Golf Course, Class C Liquor License.

IV. NEW BUSINESS:

- A. Public hearing on 2015 Amendment to the urban renewal plan for the Jefferson Urban Renewal Area.
- B. Resolution adopting 2015 amendment for urban plan renewal
- C. Public hearing on Development Agreement with Jefferson Hotel Group, LLC.
- D. Resolution approving Development Agreement with Jefferson Hotel Group, LLC.
- E. Public hearing on proposed plans, specifications, form of contract and estimate of cost for 2015 Water and Sanitary Sewer Improvements (Divisions 1 and 2).
- F. Review of bids and consider resolution awarding contract for 2015 Water and Sanitary Sewer Improvements (Divisions 1 and 2).
- G. Review of City Insurance with Jim Unger.
- H. Final Pay estimate No. 4 in the amount of \$35,806.40 for the 2014 Water and Sanitary Improvements project to J&K Contracting, LLC
- I. Set Public Hearing and public meeting for acquisition of property interest for the expansion of Runway 14/32 airport expansion project.
- J. Main Street Workshop.

V. REPORTS:

- A. Mayor
- B. Engineer
- C. City Clerk
- D. Attorney
- E. City Administrator
- F. Council & Committees

VI. ADJOURN.

AGENDA SUMMARY

DATE 2/24/15

NEW BUSINESS

- A. **Public hearing on 2015 Amendment to the urban renewal plan for the Jefferson Urban Renewal Area.** Attached is the amendment language.
- B. **Resolution adopting 2015 amendment for urban plan renewal.**
- C. **Public hearing on Development Agreement with Jefferson Hotel Group, LLC.** Attached is a copy of the development agreement.
- D. **Resolution approving Development Agreement with Jefferson Hotel Group, LLC.**
- E. **Public hearing on proposed plans, specifications, form of contract and estimate of cost for 2015 Water and Sanitary Sewer Improvements (Divisions 1 and 2).** Attached is the project description.
- F. **Review of bids and consider resolution awarding contract for 2015 Water and Sanitary Sewer Improvements (Divisions 1 and 2).** Bids were opened on Friday 2/20/15, 11:00 AM. MHF Engineers will have a recommendation.
- G. **Review of City Insurance with Jim Unger.**
- H. **Final Pay estimate No. 4 in the amount of \$35,806.40 for the 2014 Water and Sanitary Improvements project to J&K Contracting, LLC.** This would be the final 5% retainage less \$5,000. MHF Engineering is recommending to withhold \$5,000 (twice the value of the work to be done) until some minor items (see attached letter) that could not be completed due to the freezing conditions are finished.
- I. **Set public hearing and public meeting for acquisition of property interest for the expansion of Runway 14/32 airport expansion project.** This phase of the airport expansion involves the acquisition of two properties which are identified with red highlights on the attached map. The purpose of acquiring the two properties is to allow for the extension of runway 32 as well as the realignment of the county road (243rd Street). The City has been in contact with representatives of the property owners. An informational meeting has been scheduled on March 3, 2015 at 5:30 PM. The public hearing would be set for March 10, 2015.
- J. **Main Street Workshop.** Quarterly meeting Main Street and the City mutually agreed to have. Some of the items for updating and discussion are the status of the Main Street Program Director position, empty building tour and market analysis project.

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Jefferson, Iowa (the “City”) and Jefferson Hotel Group, LLC (the “Company”) as of the 24th day of February, 2015.

WHEREAS, pursuant to Chapter 403 of the Code of Iowa, the City has established the Jefferson Urban Renewal Area (the “Urban Renewal Area”), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Company owns certain property located within the Urban Renewal Area and specifically described as:

_____ (the
_____ “Property”)

and;

WHEREAS, the Company intends to construct a hotel facility on the Property (the “Project”); and

WHEREAS, the Company has requested tax increment financing assistance in paying a portion of the costs of the Project; and

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

NOW THEREFORE, the parties hereto agree as follows:

A. Company’s Covenants

1. The Company agrees to complete construction of the Project no later than December 1, 2015 and to maintain the Project throughout the term of this Agreement. The Company agrees that the Project shall include a hotel facility with at least 71 guest rooms and a swimming pool of a size that would be found in comparable facilities.

2. The Company agrees that the Project will have a taxable valuation of at least \$3,600,000 as of January 1, 2016, and the Company agrees to enter into a minimum assessment agreement with the City acknowledging that minimum taxable valuation, which agreement shall remain in effect until June 1, 2032.

3. The Company agrees to create and retain at least 10 new full-time equivalent jobs at the Project within three years after December 1, 2015, and to retain those jobs throughout the term of this Agreement.

4. The Company agrees to make timely payment of all property taxes as they come due throughout the term of this Agreement and to submit a receipt or cancelled check to the City Clerk in evidence of each such payment.

B. City's Obligations

In recognition of the Company's obligations set out above, and subject to the City determining that the Company has complied with each of the obligations, the City agrees to make economic development tax increment payments (the "Payments") to the Company in each fiscal year during the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa, provided, however, that the total amount of the Payments shall not exceed \$1,015,000, and all Payments shall be subject to annual appropriation by the City Council.

The Payments will be made on December 1 and June 1 of each fiscal year, beginning in the first fiscal year for which the City receives incremental property tax revenues with respect to an increase in the taxable valuation of the Property over the valuation shown on the tax rolls as of January 1, 2015 (the "Incremental Property Tax Revenues"), and continuing for a total of ten fiscal years or until such earlier date upon which total Payments equal to \$1,015,000 have been made. For example, if the increase in the taxable valuation of the Property is shown on the tax rolls as of January 1, 2016, the first Payment will be made on December 1, 2017. Each Payment shall be in an amount equal to \$50,600, provided the City has received at least that amount of Incremental Property Tax Revenues that are attributable to the Property during the six months immediately preceding each Payment Date.

Incremental Property Tax Revenues are produced by multiplying the consolidated property tax levy (city, county, school, etc.) times the incremental valuation of the Property, then subtracting debt service levies of all taxing jurisdictions, subtracting the school district physical plant and equipment and instructional support levies and subtracting any other levies which may be exempted from such calculation by action of the Iowa General Assembly.

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

Each Payment shall be subject to annual appropriation by the City Council. Prior to November 15 of each year during the term of this Agreement, the City Council shall consider the question of obligating an amount of Incremental Property Tax Revenues for appropriation to the funding of the Payments due in the next succeeding fiscal year. The City Administrator shall estimate the amount of Incremental Property Tax Revenues attributable to the Property that could be collected in such year and the City Council shall then consider appropriating that estimated amount to the funding of Payments due in such year (the "Appropriated Amount"). Each such estimate shall be based on then current consolidated property tax levy and most recent incremental valuation of the Property.

To the extent the City Council decides to obligate funds for appropriation to the Payments, the City agrees to certify to the Greene County Auditor by December 1 of each year

during the term of this Agreement, an amount equal to the most recently determined Appropriated Amount.

C. Administrative Provisions

1. This Agreement may not be amended or assigned by either party without the express permission of the other party. Notwithstanding the foregoing, however, or any other provisions of this Agreement, the Company may pledge and/or assign any and/or all of its assets (including but not limited to its rights to receive the economic development payments hereunder) to a lender as security (or otherwise) related to any financing from such lender to the Company, and the City agrees that the Company may freely assign its interest under this Agreement for such purposes without any further action on the part of the City. Upon request from the Company or any lender of the Company, the City shall execute such certificates or estoppels as are requested confirming that there are no defaults by the Company, as applicable, hereunder, stating which obligations are outstanding as of the date of such certificate or estoppel, and such other matters as may be reasonably requested by the Company or any lender, as applicable. If the Property is sold by the Company, the City reserves the right to determine whether the City will continue to make Payments to the Company, will agree to an assignment of the Payments, or will cancel this Agreement.

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

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

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

CITY OF JEFFERSON, IOWA

By: _____
Mayor

Attest:

City Clerk

JEFFERSON HOTEL GROUP, LLC

By: _____

CITY OF JEFFERSON, IOWA
JEFFERSON URBAN RENEWAL AREA

2015 AMENDMENT
URBAN RENEWAL PLAN

February, 2015

The Urban Renewal Plan for the Jefferson Urban Renewal Area (the “Urban Renewal Area”) is hereby amended in accordance with Section 403.5 of the Code of Iowa, to give information about new urban renewal projects that are proposed to be undertaken in the Urban Renewal Area.

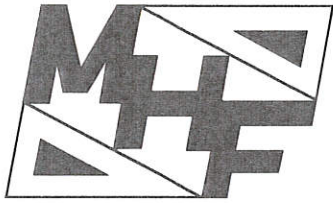
The following projects would be added to the urban renewal plan:

1. Construct water and sanitary improvements in the GCDC Business Park No. 2 (East) on Gallup Road at its intersection with Mycal Drive, using tax increment revenues in an amount not to exceed \$200,000
2. TIF rebate agreement with Jefferson Hotel Group, LLC to fund part of cost of constructing hotel that will be part of new entertainment center located northwest of the intersection of U.S. Hwy 30 and Iowa Highway No. 4, using tax increment revenues in an amount not to exceed \$1,015,000, with payments to be made for ten fiscal years, 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	\$3,385,000
Constitutional debt limit of the City:	\$9,976,750

Proposed debt payable from tax increment revenues for projects in Urban Renewal Area, including \$200,000 for infrastructure improvements and \$1,015,000 to be made in payments under a rebate agreement subject to annual appropriation:	\$1,315,000
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MHF ENGINEERING, P.C.
ENGINEERS - LAND SURVEYORS

P.O. Box 68
300 W. McKinley
Jefferson, Iowa 50129

Ph. (515) 386-4101 • FAX (515) 386-4815 • Web Site: www.mhfeng.com • E-mail: mhf@netins.net

February 3, 2015

J&K Contracting, LLC
1307 East Lincoln Way
Ames, Iowa 50010

Re: 2014 Water and Sanitary Improvements
Wild Rose Casino, Mulberry Street and Wall Street
Jefferson, Iowa
Project No. 13052-2

Matt:

The following items need to be completed before we can recommend final completion and payment:

1. The mandrel test performed on the sanitary sewer main on Mulberry Street.
2. The valve box at the north end of the water main on Mulberry Street needs re-aligned to allow the wrench to open and close the valve.
3. Mulberry Street: Finish grading over the sanitary sewer main trench and water main at the north end of Mulberry Street.

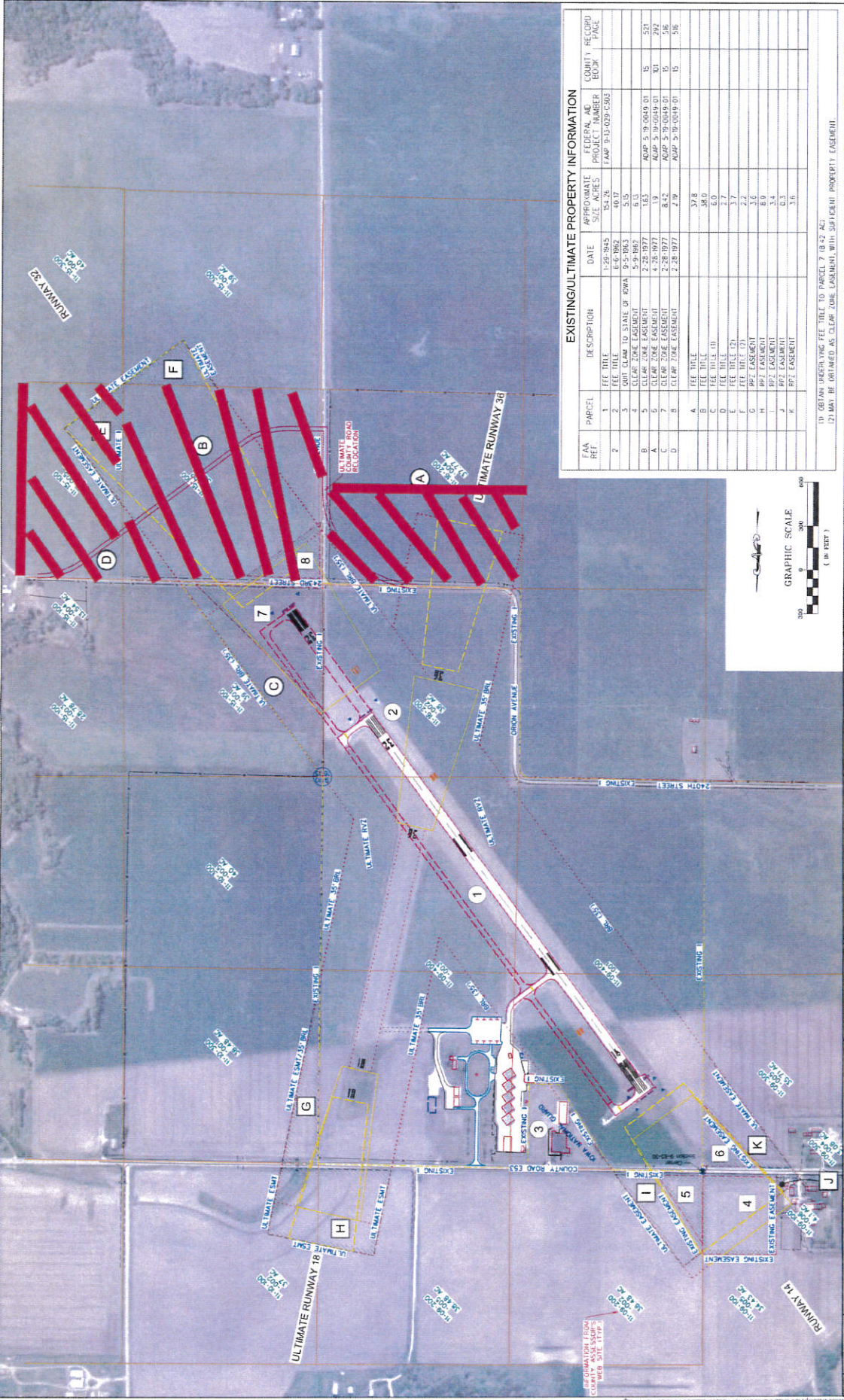
I know some of these items cannot be completed until the weather improves, so I would recommend to the City to pay a portion of the retainage (\$30,806.40) and withhold the remainder (\$5,000) until this work can be completed this spring.

Please contact me if you have any questions.

Sincerely;

Rick McCollom
13052-2:rmc

Enclosure



EXISTING/ULTIMATE PROPERTY INFORMATION

FAA REF	PARCEL	DESCRIPTION	DATE	APPROXIMATE SIZE ACRES	FEDERAL AID PROJECT NUMBER	COUNTY RECORD BOOK	PAGE
2	1	FFC TITLE	1-28-945	84.24	FAMP 9-13-027-C-562		
	2	FFC TITLE	6-6-1982	40.17			
	3	FFC TITLE TO STATE OF TEXAS	5-2-1982	6.13			
	4	CLEAR ZONE EASEMENT	5-2-1982	6.13			
B	5	CLEAR ZONE EASEMENT	2-28-1977	1.63	ADAP 5-9-0049 01	15	531
A	6	CLEAR ZONE EASEMENT	4-28-1977	1.9	ADAP 5-9-0049 01	101	292
C	7	CLEAR ZONE EASEMENT	2-28-1977	8.12	ADAP 5-9-0049 01	15	516
D	8	CLEAR ZONE EASEMENT	2-28-1977	7.19	ADAP 5-9-0049 01	15	516
	A	FFC TITLE		37.8			
	B	FFC TITLE		38.0			
	C	FFC TITLE		6.0			
	D	FFC TITLE		3.7			
	E	FFC TITLE		2.2			
	F	FFC TITLE		2.2			
	G	PPZ EASEMENT		3.6			
	H	PPZ EASEMENT		6.9			
	I	PPZ EASEMENT		3.4			
	J	PPZ EASEMENT		3.6			
	K	PPZ EASEMENT		3.6			

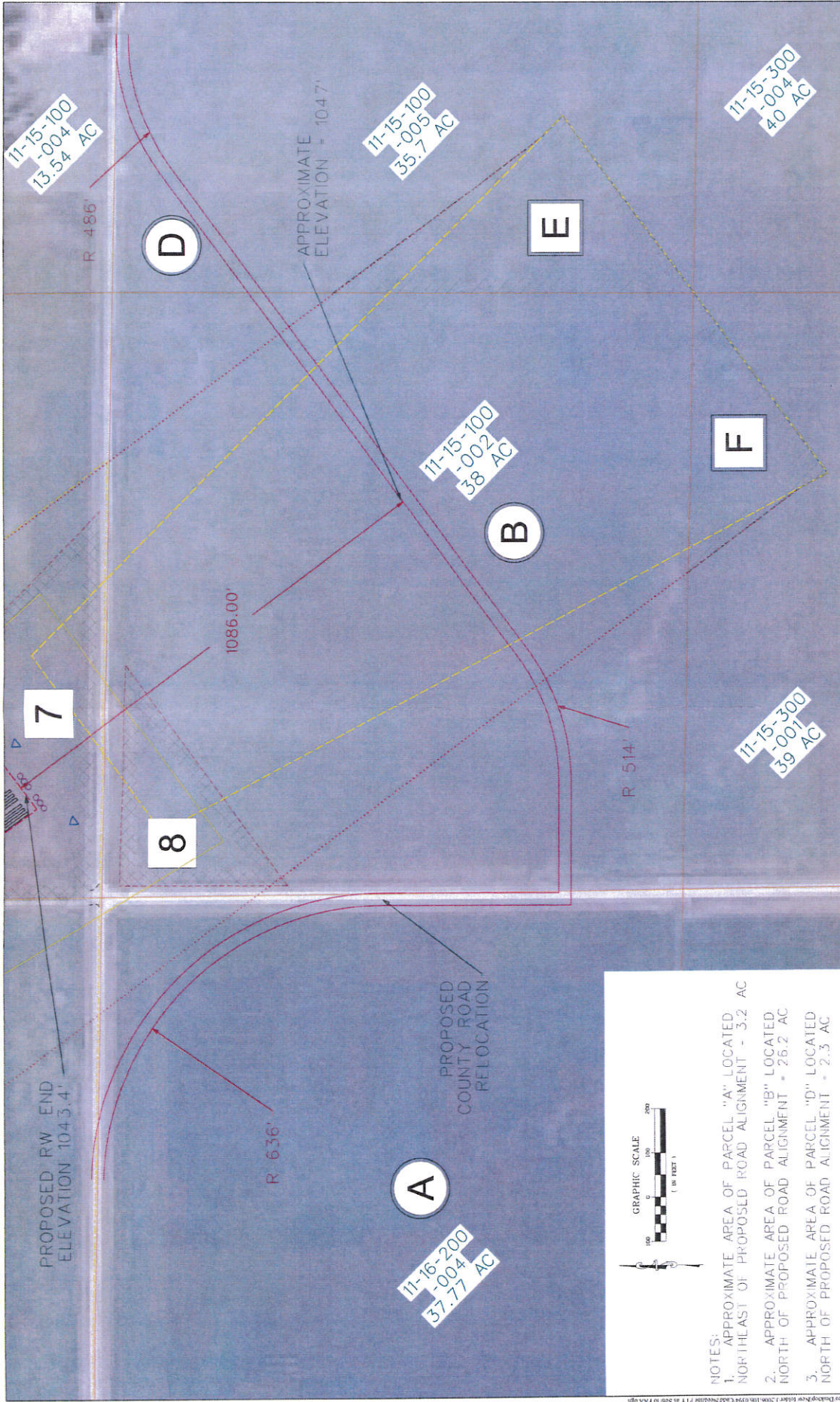
1) OBTAIN UNDERLYING FEE TITLE TO PARCEL 7 (B-42 AC)
 2) MAY BE OBTAINED AS CLEAR ZONE EASEMENT WITH SUPERIOR PROPERTY EASEMENT.



JEFFERSON MUNICIPAL AIRPORT LAND ACQUISITION	PROPOSED ROADWAY ALIGNMENT ESTABLISH PROPERTY NEED LINE	1 OF 2
Project Manager: DJL Designer: _____ Project Number: 720201 Phone: (512) 963-5488		
RVC: _____ DATE: _____	DESCRIPTION: _____	

FROM AUSTIN 12/2/14

File: C:\projects\Airport\Drawings\Airport\200101\01\Aerial\Aerial.dwg Plot Date: 12/2/14 10:00 AM



NOTES:

1. APPROXIMATE AREA OF PARCEL "A" LOCATED NORTHEAST OF PROPOSED ROAD ALIGNMENT - 3.2 AC
2. APPROXIMATE AREA OF PARCEL "B" LOCATED NORTH OF PROPOSED ROAD ALIGNMENT - 26.2 AC
3. APPROXIMATE AREA OF PARCEL "D" LOCATED NORTH OF PROPOSED ROAD ALIGNMENT - 2.5 AC



REV	DATE	DESCRIPTION

Project Manager: DJL
 Designer:
 Project Number: 720201
 Phone: (515) 965-7488



JEFFERSON MUNICIPAL AIRPORT
 LAND ACQUISITION

PROPOSED ROADWAY ALIGNMENT
 ESTABLISH PROPERTY NEED LINE