AGENDA

COUNCIL MEETING
Tuesday, July 9, 2013
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. 6/25/13 Council meeting minutes.
B. Payment of monthly bills.

IV. NEW BUSINESS:

A. Public hearing on proposed development agreement with Hy-Vee, Inc.
B. Consider resolution approving development agreement with Hy-Vee, Inc.
C. Consider approval of Pay Estimate #4 in the amount of $29,369.25 to Sandstone Management for work to date on GCDC Park #1.
D. Consider resolution approving amendment to City Administrator employment agreement.
E. Approval of a three year labor contract between the City of Jefferson and the American Federation of State, County & Municipal Employees/Iowa Council 61, Local 3949.
F. Discussion of procedure for closing railroad crossing at Pinet St.

V. REPORTS:

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

VI. ADJOURN.
AGENDA SUMMARY

DATE 7/9/13

NEW BUSINESS

A. Public hearing on proposed development agreement with Hy-Vee, Inc.
B. Consider resolution approving development agreement with Hy-Vee, Inc. Attached is the proposed agreement.
C. Consider approval of Pay Estimate #4 in the amount of $29,369.25 to Sandstone Management for work to date on GCDC Park #1.
D. Consider resolution approving amendment to City Administrator employment agreement. Attached is the amendment to the contract.
E. Approval of a three year labor contract between the City of Jefferson and the American Federation of State, County & Municipal Employees/Iowa Council 61, Local 3949. The Union has presented the City with a signed contract agreeing to the terms negotiated between the City and Union.
F. Discussion of procedure for closing railroad crossing at Pinet St. – The Street Committee reviewed traffic counts associated with crossing at Pinet Street and recommended to start the process of closing the intersection. Part of the process will be to negotiate with the railroad about monetary consideration to close the intersection. The Staff is seeking Council direction to start negotiating with the railroad.
RESOLUTION NO. ______

A RESOLUTION APPROVING FIFTH AMENDMENT TO CITY ADMINISTRATOR EMPLOYMENT AGREEMENT

WHEREAS, the City of Jefferson previously entered into an employment agreement dated December 20, 2007, with Michael S. Palmer (the "Employment Agreement"); and

WHEREAS, the City Council and Michael S. Palmer entered into successive amendments to the Employment Agreement by which the amount of his salary was adjusted and the term of employment was extended to June 30, 2013; and

WHEREAS, the City Council and Michael S. Palmer desire to further amend the Employment Agreement as set forth below.

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

Section 1. The City Council determines and agrees to amend the Employment Agreement by extending the term of the Employment Agreement through June 30, 2014, and by adjusting Employee's salary from $79,250.62 to $80,440.00, all in accordance with the terms and provisions of the Fifth Amendment to Employment Agreement which is before this Council.

Section 2. The Mayor and City Clerk are authorized and directed to execute the Fifth Amendment in behalf of the City, and they and the City Administrator are authorized and directed to take such further action as may be necessary to carry out the intent and purpose of this resolution.

Section 3. All resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed, and this resolution shall be in full force and effect immediately upon its adoption and approval.

Passed by the Council and approved on ____________________________.

Craig J. Berry, Mayor

Attest:

__________________________

Diane M. Kennedy, City Clerk
DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Jefferson, Iowa (the "City") and H-Vee, Inc. (the "Company") as of the 9th day of July, 2013.

WHEREAS, 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 real property which is situated within the Urban Renewal Area and specifically described as:

(the "Property")

and;

WHEREAS, the Company intends to construct a grocery store on the Property (the "Project"); and

WHEREAS, the Company has requested tax increment financing assistance in paying 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 construct and to use the Project as a grocery store throughout the term of this Agreement.

2. 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 in evidence of each such payment.

B. City's Obligations

In recognition of the Company's obligations set out above, 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 aggregate, total amount of the Payments shall not exceed $450,000.

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, 2013 (the "Incremental Property Tax Revenues"), and continuing for a total of

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seven fiscal years or until such earlier date upon which total Payments equal to $450,000 have been made. For example, if an increase in taxable valuation of the Property is placed on the Greene County tax rolls as of January 1, 2014, the first Payment will be made on December 1, 2015. Thereafter, each Payment shall be in an amount equal to 90% of the Incremental Property Tax Revenues received by the City 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.

The City agrees to certify $450,000 to the Greene County Auditor by December 1, 2013, as debt that is eligible to be paid from Incremental Property Tax Revenues generated by the Property.

C. Administrative Provisions

1. This Agreement may not be amended or assigned by either party without the express permission of the other party. However, the City hereby gives its permission that the Company’s rights to receive the economic development tax increment payments hereunder may be assigned by the Company to a lender, as security, without further action on the part of the City.

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.