

**CITY OF STORM LAKE
REGULAR COUNCIL MEETING, CITY HALL
COUNCIL CHAMBERS
MAY 16, 2016
5:00 PM**



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

AGENDA

1. Hear the Public
2. Consent Agenda
 - A. **Approve the Consent Agenda**
 - B. **Buy Local Information**
 - C. Authorizing Requests Associated with the 2016 Taste of Storm Lake and Farmer's Market Events
3. Public Hearing on the Proposed Amendment No. 2 to the North #1-Bargloff Urban Renewal Plan
4. Resolution No. 128-R-2015-2016 Adopting the Amendment No. 2 to the North #1-Bargloff Urban Renewal Plan
5. Public Hearing on the Proposal to Enter into a Development Agreement with Storm Lake Development Group LLC.
6. Resolution No. 129-R-2015-2016 Approving and Authorizing Execution of a Development Agreement by and Between the City of Storm Lake and Storm Lake Development Group LLC.
7. Ordinance No. 05-O-2015-2016 Adopting TIF Ordinance on Amendment No. 2 to the North #1 - Bargloff Urban Renewal Plan
8. Motion to Approve Professional Services Agreement with Bolton & Menk for 2016 Water Main Improvements.
9. Resolution No. 130-R-2015-2016 Approving Change Order #2 Well 20
10. Resolution No. 131-R-2015-2016 Approving the Final Acceptance of Well #20 Project
11. Motion to Approve Submitting a 2016 Fall Alliant Energy Branching Out Grant
12. Resolution No. 132-R-2015-2016 to Approve Federal Aid Agreement with the Iowa DOT for the Richland Street Project
13. Resolution No. 133-R-2015-2016 Approving the Contract for the 2016 Erie Street CDBG Stormwater Project
14. Public Hearing on the Vacation of a Segment of N. Seneca Street Right of Way North of East 13th Street and East of, and Adjacent to, Fitzpatrick Brother's Addition to Storm Lake, Iowa
15. Ordinance No. 04-O-2015-2016 Providing For The Vacation Of A Segment Of The North Seneca Street Right-Of-Way North Of Its Intersection With East 13th Street And East Of, And Adjacent To Fitzpatrick Brothers Addition To Storm Lake, Buena Vista County, Iowa
16. Resolution No. 134-R-2015-2016 Setting A Public Hearing Proposing Disposition Of Segment Of North Seneca Street To Storm Lake Affordable Partners, LLC
17. Motion Setting Public Hearing On Fiscal Year 2015-2016 Budget Amendment

18. Motion to Approve Professional Services Agreement with Hunzelman, Putzier & Co. for Pre-audit Services
19. Motion to Approve Contract for FY 2016 Audit Services with Winther Stave & Co.
20. Adjourn

Meeting Protocol

If you wish to speak today, please:

1. To speak on an agenda item please approach the podium when that agenda item is called and upon recognition by the Mayor identify yourself by stating your name and address.
2. If your issue is not a topic on the agenda please approach the podium under the "Hear the Public" agenda item and upon recognition by the Mayor identify yourself by stating your name and address.
3. Please keep your remarks to three (3) minutes or less.
4. If you require accommodation for this meeting including but not limited to translation services, hearing assistance, or accessibility please contact the City Clerk at least four (4) hours prior to the start of the meeting.

**If you have concerns about any of the items on the consent agenda, they may be separated from the consent agenda and voted on individually.*

***Ordinances may be read at three consecutive meetings or readings may be waived and ordinances may be passed at only one or two meetings.*



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Staff Summary

5/16/2016

Agenda Item # A.



City of Storm Lake
PO Box 1086
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REPORT TO: Honorable Mayor and City Council

FROM: Sue Vossberg, City Clerk

SUBJECT: **Approve the Consent Agenda**

BACKGROUND: The Consent Agenda Includes:

- List of bills for approval
- King's Pointe disbursements for approval
- Sunrise Pointe bills for approval
- Approve May 2, 2016 City Council Minutes
- Approve the Taste of Storm Lake and Farmer's Market Requests (see attached staff summary)

FISCAL IMPACT: The City will pay the following expenditures:

- List of Bills - \$332,118.55
- King's Pointe Bills - \$142,847.87
- Sunrise Pointe Golf Course Bills - \$2,378.88

RECOMMENDATION: Approve Consent Agenda

ATTACHMENTS:

Description	Type
☐ List of Bills	List of Bills
☐ List of Bills - King's Pointe & Sunrise Pointe	List of Bills
☐ Minutes - May 2, 2016	Minutes

City of Storm Lake
620 Erie Street PO Box 1086
Storm Lake IA, 505881086

Checks for Approval Report

From: 05/03/16 To 05/16/16
User: tyler.gibbins

UNAVAILABLE

AFLAC	PR Batch 00551.05.2016 Aflac Pretax	75.32
AFLAC	PR Batch 00551.05.2016 Aflac After tax	50.21
AFLAC	PR Batch 00552.05.2016 Aflac Pretax	457.22
AFLAC	PR Batch 00552.05.2016 Aflac After tax	99.12
BRANTLEY LORIANNA	Refund Check	1.22
BRANTLEY LORIANNA	Refund Check	2.10
BRANTLEY LORIANNA	Refund Check	0.60
BRANTLEY LORIANNA	Refund Check	0.08
BRANTLEY LORIANNA	Refund Check	0.28
CG CONTRACTING LLC	Refund Check	120.31
City of Storm Lake	PR Batch 00551.05.2016 Dental insurance employee c	1.13
City of Storm Lake	PR Batch 00551.05.2016 Dental employee/spouse	11.55
City of Storm Lake	PR Batch 00551.05.2016 Dental insurance family	29.34
City of Storm Lake	PR Batch 00551.05.2016 125 Flexible Benefits	161.66
City of Storm Lake	PR Batch 00551.05.2016 Flex- Child Care	62.50
City of Storm Lake	PR Batch 00551.05.2016 Health Insurance Family	597.20
City of Storm Lake	PR Batch 00551.05.2016 Health Insurance Single	24.00
City of Storm Lake	PR Batch 00552.05.2016 Dental employee/child	6.00
City of Storm Lake	PR Batch 00552.05.2016 Dental insurance employee c	19.76
City of Storm Lake	PR Batch 00552.05.2016 Dental employee/spouse	14.91
City of Storm Lake	PR Batch 00552.05.2016 Dental insurance family	81.18
City of Storm Lake	PR Batch 00552.05.2016 125 Flexible Benefits	629.12
City of Storm Lake	PR Batch 00552.05.2016 Flex- Child Care	161.54
City of Storm Lake	PR Batch 00552.05.2016 Health Insurance Family	1,764.16
City of Storm Lake	PR Batch 00552.05.2016 Health Insurance Single	376.55
Collection Services Center	PR Batch 00552.05.2016 Child Support Payments to I	222.00
Collection Services Center	PR Batch 00551.05.2016 Child Support Payments to I	325.00
Conseco Health Insurance Co	PR Batch 00552.05.2016 Cancer Pre Tax Insurance	41.04
EFTPS	PR Batch 00552.05.2016 Federal Income Tax	10,026.78
EFTPS	PR Batch 00552.05.2016 FICA Employee Portion	3,998.45
EFTPS	PR Batch 00552.05.2016 FICA Employer Portion	3,998.45
EFTPS	PR Batch 00552.05.2016 Medicare Employee Portion	1,447.42
EFTPS	PR Batch 00552.05.2016 Medicare Employer Portion	1,447.42
EFTPS	PR Batch 00551.05.2016 Federal Income Tax	4,903.14
EFTPS	PR Batch 00551.05.2016 FICA Employee Portion	1,873.53
EFTPS	PR Batch 00551.05.2016 FICA Employer Portion	1,873.53
EFTPS	PR Batch 00551.05.2016 Medicare Employee Portion	533.54
EFTPS	PR Batch 00551.05.2016 Medicare Employer Portion	533.54
EPERIAM DARSISIO	Refund Check	6.74
EPERIAM DARSISIO	Refund Check	14.51
EPERIAM DARSISIO	Refund Check	4.94
EPERIAM DARSISIO	Refund Check	1.75
EPERIAM DARSISIO	Refund Check	3.59
GAES AUTUMN	Refund Check	21.17
GAES AUTUMN	Refund Check	41.01
GAES AUTUMN	Refund Check	15.08
GAES AUTUMN	Refund Check	1.48
GAES AUTUMN	Refund Check	7.10
GILBERT WASANA	Refund Check	88.96
GRACIA MARISA	Refund Check	27.26
GRACIA MARISA	Refund Check	54.94
GRACIA MARISA	Refund Check	17.00
GRACIA MARISA	Refund Check	1.91
GRACIA MARISA	Refund Check	7.99
GUZMAN MIRNA	Refund Check	27.88
GUZMAN MIRNA	Refund Check	53.18
GUZMAN MIRNA	Refund Check	15.43

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GUZMAN MIRNA	Refund Check	1.95
GUZMAN MIRNA	Refund Check	7.26
HER PAO	Refund Check	24.71
HER PAO	Refund Check	49.35
HER PAO	Refund Check	16.66
HER PAO	Refund Check	1.73
HER PAO	Refund Check	7.85
HTOO OR SHWE	Refund Check	79.13
ICMA Retirement Trust 457	PR Batch 00551.05.2016 ICMA	625.00
ICMA Retirement Trust 457	PR Batch 00551.05.2016 ICMA City Paid	550.01
ICMA Retirement Trust 457	PR Batch 00551.05.2016 ICMA City paid for Police	436.17
ICMA Retirement Trust 457	PR Batch 00552.05.2016 ICMA	1,585.00
Iowa Public Employees	PR Batch 00552.05.2016 IPERS	3,529.12
Iowa Public Employees	PR Batch 00552.05.2016 IPERS City Share	5,296.53
Iowa Public Employees	PR Batch 00551.05.2016 IPERS	1,272.90
Iowa Public Employees	PR Batch 00551.05.2016 IPERS City Share	1,910.42
ITT Hartford AMS RPVA	PR Batch 00551.05.2016 457 Hartford	100.00
ITT Hartford AMS RPVA	PR Batch 00552.05.2016 457 Hartford	225.00
JOHNSON LESDIHNA	Refund Check	27.81
JOHNSON LESDIHNA	Refund Check	76.07
JOHNSON LESDIHNA	Refund Check	19.80
JOHNSON LESDIHNA	Refund Check	1.93
JOHNSON LESDIHNA	Refund Check	9.31
MIDWEST MARKET SOLUTIONS	Refund Check	17.95
MIDWEST MARKET SOLUTIONS	Refund Check	34.91
MIDWEST MARKET SOLUTIONS	Refund Check	16.55
MIDWEST MARKET SOLUTIONS	Refund Check	4.96
MIDWEST MARKET SOLUTIONS	Refund Check	18.06
Muni Fire/Police Retire	PR Batch 00551.05.2016 Muni Police/Fire Pension	544.93
Muni Fire/Police Retire	PR Batch 00551.05.2016 Muni Police/Fire Pension Ci	1,609.87
Muni Fire/Police Retire	PR Batch 00552.05.2016 Muni Police/Fire Pension	2,812.84
Muni Fire/Police Retire	PR Batch 00552.05.2016 Muni Police/Fire Pension Ci	8,309.84
NAJERA MENDOZA MARITZA	Refund Check	18.93
NAJERA MENDOZA MARITZA	Refund Check	34.33
NAJERA MENDOZA MARITZA	Refund Check	13.49
NAJERA MENDOZA MARITZA	Refund Check	1.31
NAJERA MENDOZA MARITZA	Refund Check	6.35
REYES ADRIAN	Refund Check	36.46
REYES ADRIAN	Refund Check	59.93
REYES ADRIAN	Refund Check	25.96
REYES ADRIAN	Refund Check	1.62
REYES ADRIAN	Refund Check	12.21
Teamsters Local Union 554	PR Batch 00552.05.2016 Union Dues	168.50
Treasurer State Of Iowa	PR Batch 00552.05.2016 State Income Tax	3,841.76
Treasurer State Of Iowa	PR Batch 00551.05.2016 State Income Tax	1,928.20

UNAVAILABLE

Department Total = 71,755.49

Police Department

Alliant Energy	Gas Service Mar/Apr 2016	283.88
Alta Body Shop	April 2016 Towing	720.00
Custodian of Petty Cash	Postage	25.05
Digital Ally Inc	Credit from Invoice #1084103	-1,500.00
Eckstrom Allen	Investigation Travel	31.00
Erskine Todd	Investigation Travel & Expenses	253.45
Evertex Inc	Phone Service- May 2016	344.36
Genesis Development	April 2016 Janitorial Services	600.00
Jack's Uniforms & Equipment	Shirt- Lundberg	108.89

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Jack's Uniforms & Equipment	Uniform Shirts for New Hires	571.76
Julius Dennis R.	Dry Cleaning Service	14.80
Nepple Electric Inc	Ballast Replacement	92.44
Neuroth Kevin	Garbage Service April 2016	24.50
O'Reilly Auto Parts	Wiper Blades	14.99
Qualification Targets	Targets	104.62
Rasmussen's	New Relays	244.36
Rasmussen's	Oil Sender Repairs, Transmission Service, & Brake Se	1,582.06
Secretary of State	Notary Renewal- Cole	30.00
Smoking Hereford LLC	Meeting Expense- Less Tax	280.17
Star Energy, LLC	Fuel April 2016	2,153.16
Taser International	Battery Pack	393.86
Ultramax Ammunition	Ammunition	1,529.00
Vast Broadband	Phone Service May 2016	268.54
Weflen Randy	Investigation Travel	31.00
Weflen Randy	Training- Waterloo, IA- Weflen	293.80

Police Department	Department Total =	8,495.69
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Emergency Management

Blue Valley Public Safety Inc	Emergency Siren Repairs (Armory)	1,572.14
Blue Valley Public Safety Inc	Emergency Siren Repairs (Connell's Office)	5,755.00

Emergency Management	Department Total =	7,327.14
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Fire Department

Affiliated Computer Services	License and Contract Renewal	795.00
Alliant Energy	Gas Service Mar/Apr 2016	272.24
Cintas First Aid & Safety	First Aid Supplies	38.12
Evertex Inc	Phone Service- May 2016	51.25
Feld Equipment Company, Inc Ed M	Applicator fit Test & Sensitivity	58.00
Feld Equipment Company, Inc Ed M	Boots	173.00
Heiman Inc	New Pants (Hoffman)	672.10
Julius Dennis R.	Laundry Service	46.13
Neuroth Kevin	Garbage Service April 2016	54.25
Star Energy, LLC	Fuel April 2016	39.43
Vast Broadband	Phone Service May 2016	46.11

Fire Department	Department Total =	2,245.63
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Building Official

Custodian of Petty Cash	Recording Fee	1.00
Evertex Inc	Phone Service- May 2016	27.50
Havens & Havens	April 2016 Legal Services	200.42
Star Energy, LLC	Fuel April 2016	72.05
Storm Lake Times The	April 2016 Publications	11.40
Storm Lake Times The	April 2016 Publications	17.40
Tenuta Frank C	Mileage for Landlord Training Services	162.00
Vast Broadband	Phone Service May 2016	69.16

Building Official	Department Total =	560.93
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Animal Care

Johnson Dianne	Bd & Disp of Cats & Dogs	490.00
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Animal Care

Department Total = 490.00

Law Enforcement

Digital Ally Inc	POV Cameras	1,560.00
Jack's Uniforms & Equipment	Shirts & Hats for all PD	2,124.23

Law Enforcement

Department Total = 3,684.23

Roadway Maintenance

Alliant Energy	Gas Service Mar/Apr 2016	507.06
Bachman's, Inc	Plants for N Lake Ave Trail Rain Gardens	4,928.94
Blacktop Service Company Inc	Pay Estimate #6 of Highway 7 Widening Project	18,245.70
Bolton & Menk, Inc	Engineering Services through 4/26/2016	122.50
Bolton & Menk, Inc	Prelim & Final Design through 4/25/2016	680.00
Bolton & Menk, Inc	Construction Service through 4/25/2016	37.50
Cintas First Aid & Safety	First Aid Supplies	59.60
City of Storm Lake	Solenoid Repairs #67	55.45
City of Storm Lake	Rear Brakehose Repairs #135	32.15
City of Storm Lake	Hydraulic Oil	67.21
Environmental Systems Research Inst	ArcGIS Maintenance Agreement	3,900.00
Evertex Inc	Phone Service- May 2016	13.75
JNB Acquisition Corporation	Copier Maintenance Agreement	27.61
Neuroth Kevin	Garbage Service April 2016	127.00
Recycle Center Harold Rowley	Recycling	30.25
Rent-All	Auger Rental	32.00
Rent-All	Auger Rental	32.00
Star Energy, LLC	Fuel April 2016	1,591.69
Storm Lake Hydraulics Co Inc	Hose End for Power Washer	7.54
Telvent DTN, Inc	Services through 8/14/2016	681.00
Vast Broadband	Phone Service May 2016	55.90

Roadway Maintenance

Department Total = 31,234.85

Snow Removal

Island Sprinkler Supply	Rotor	58.31
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Snow Removal

Department Total = 58.31

Airport

Century Link	May 2016 Airport Phone Service	152.45
Zimco Supply Co	Herbicide	123.25

Airport

Department Total = 275.70

Library

Alliant Energy	Gas Service Mar/Apr 2016	512.12
Genesis Development	April 2016 Janitorial Services	600.00
Neuroth Kevin	Garbage Service April 2016	38.25
Vast Broadband	Phone Service May 2016	112.26

Library

Department Total = 1,262.63

Parks Department

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A & A Automotive	Tire Tube	21.55
Alliant Energy	Gas Service Mar/Apr 2016	84.26
Central Iowa Distributing, Inc	Cleaning Supplies	742.60
CNH Industrial America LLC	Weed Eater Line	36.95
Evertex Inc	Phone Service- May 2016	13.75
Graham Tire	Mower Tire Repairs	35.95
Graham Tire	Mower Tire Repairs	20.07
Neuroth Kevin	Garbage Service April 2016	205.50
Neuroth Kevin	Extra Garbage Service Apr 2016	10.00
Plastic Recycling of Iowa Falls, Inc	Trash Receptacles	2,251.00
Star Energy, LLC	Fuel April 2016	1,111.55
Vast Broadband	Phone Service May 2016	35.64

Parks Department

Department Total = 4,568.82

Golf Course

Fastenal Company	Flanges	10.60
Heartland Backflow Inc	Irrigation System Repairs	337.80
Larson Oil & Distributing Co, Inc	Service Call	60.00
Sprayer Specialties Inc	Chemicals	166.08
Star Energy, LLC	Fuel April 2016	27.18
Zimco Supply Co	Chemicals	7,090.20

Golf Course

Department Total = 7,691.86

Campgrounds

Graffix, Inc	Campground Uniforms	460.80
Graham Tire	New Tires (2)	244.30
Iowa Office Supply Inc	Toner	143.99
Neuroth Kevin	Garbage Service April 2016	104.04
Stanton Electric, Inc	Safety Disconnect Repairs	458.19
Vast Broadband	Phone Service May 2016	102.00

Campgrounds

Department Total = 1,513.32

UNAVAILABLE

King's Pointe Resort	April 2016 Housekeeping Services	465.00
King's Pointe Resort	April 2016 Maintenance Service	58.50
King's Pointe Resort	April 2016 Extermination	79.10
King's Pointe Resort	April 2016 Add On Packages	630.00
King's Pointe Resort	April 2016 Supplies	155.00
King's Pointe Resort	April 2016 Wall Plate & Propane	77.92
Kinseth Hospitality Corporation	April 2016 Management Fee	282.65

UNAVAILABLE

Department Total = 1,748.17

Shelter House

Alliant Energy	Gas Service Mar/Apr 2016	97.86
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Shelter House

Department Total = 97.86

UNAVAILABLE

Fastenal Company	Taps & Supplies	17.14
L & G Products, Inc	Herbicide	1,274.17

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Neuroth Kevin	Garbage Service April 2016	93.00
ProBuild	Dock Supplies	11.82
Storm Lake Times The	April 2016 Publications	26.00
Storm Lake Times The	April 2016 Publications	24.40
UNAVAILABLE	Department Total =	1,446.53
Economic Develop		
Havens & Havens	April 2016 Legal Services	370.00
Vast Broadband	Phone Service May 2016	23.05
Economic Develop	Department Total =	393.05
Bargloff TIF		
Simmering-Cory Inc	Prep of Amendment #2 of URP	2,465.00
Bargloff TIF	Department Total =	2,465.00
The Reserves - TIF		
Havens & Havens	April 2016 Legal Services	1,603.33
Havens & Havens	April 2016 Legal Services	30.83
Storm Lake Affordable Partners, LLC	Development Rebate for Water & Sewer Connections	8,010.09
The Reserves - TIF	Department Total =	9,644.25
Legal Services		
Ahlers & Cooney, P.C.	Labor Relations Services	418.00
Havens & Havens	April 2016 Legal Services	185.00
Havens & Havens	April 2016 Legal Services	92.50
Legal Services	Department Total =	695.50
City Hall Building		
Alliant Energy	Gas Service Mar/Apr 2016	168.92
Evertex Inc	Phone Service- May 2016	15.91
Genesis Development	April 2016 Janitorial Services	200.00
Julius Dennis R.	Entrance Mats	58.80
Neuroth Kevin	Garbage Service April 2016	28.50
Schumacher Elevator Company	Elevator Maintenance Service	189.01
Vast Broadband	Phone Service May 2016	82.45
City Hall Building	Department Total =	743.59
Other Policy & Administration		
Buena Vista Co Recorder	April 2016 Recording Fees	91.00
Central Bank	Domain Renewal	30.34
Color-ize Inc	City Tidbits	45.50
Custodian of Petty Cash	Postage	9.85
Custodian of Petty Cash	Postage	7.35
Genesis Development	April 2016 Shredding Services	10.50
JNB Acquisition Corporation	Copier Maintenance Agreement	27.62
Patrick James H	Developer Meeting- Fort Dodge, IA- Patrick	72.36
Prairie Meadows Racetrack & Casino	Room- Hill	83.63

Qualified Presort Service, LLC	City Tidbits	204.53
Secretary of State	Notary Renewal- Hill	10.00
Storm Lake Times The	April 2016 Publications	28.13
Storm Lake Times The	April 2016 Publications	61.16
Storm Lake Times The	April 2016 Publications	29.00
Storm Lake Times The	April 2016 Publications	76.45
Storm Lake Times The	April 2016 Publications	41.60
Storm Lake Times The	April 2016 Publications	35.96

Other Policy & Administration

Department Total = 864.98

Water Administration

Accela, Inc #774375	April 2016 Web Payments	140.00
Accela, Inc #774375	April 2016 IVR Payments	5.00
Bolton & Menk, Inc	Professional Service through 4/25/2016	814.00
Evertex Inc	Phone Service- May 2016	15.68
Genesis Development	April 2016 Janitorial Services	200.00
Iowa Office Supply Inc	Seal Stamp	11.33
Iowa Office Supply Inc	Ribbon	12.24
JNB Acquisition Corporation	Copier Maintenance Agreement	27.62
Prairie Meadows Racetrack & Casino	Room- Hill	83.63
Qualified Presort Service, LLC	Monthly Statements	385.67
Qualified Presort Service, LLC	Past Due Notices	58.08
Qualified Presort Service, LLC	Final Bills	4.59
Qualified Presort Service, LLC	ACH Final Bills	1.66
Qualified Presort Service, LLC	ACH Statements	89.47
Secretary of State	Notary Renewal- Hill	10.00
Vast Broadband	Phone Service May 2016	69.49

Water Administration

Department Total = 1,928.46

Water Plant

Alliant Energy	Gas Service Mar/Apr 2016	837.23
Central Iowa Distributing, Inc	Cleaning Supplies	221.64
Evertex Inc	Phone Service- May 2016	118.75
Fastenal Company	Slaker Rehab Supplies	45.61
Fastenal Company	Slaker Rehab Supplies	40.71
Foundation Analytical Laboratory Inc	Testing Services	120.00
Foundation Analytical Laboratory Inc	Testing Services	15.00
Foundation Analytical Laboratory Inc	Testing Services	15.00
Foundation Analytical Laboratory Inc	Testing Services	15.00
Foundation Analytical Laboratory Inc	Testing Services	25.00
Foundation Analytical Laboratory Inc	Testing Services	192.00
Foundation Analytical Laboratory Inc	Testing Services	96.00
I&S Group, Inc.	Survey & Drafting through 3/31/2016	4,500.00
Iowa Division of Labor	Boiler Inspection	135.00
JNB Acquisition Corporation	Copier Maintenance Agreement	40.34
Mike's Electronics Inc	Lime Slaker Repairs	1,597.08
Mike's Electronics Inc	Scada Repairs	70.00
Mike's Electronics Inc	Scada Repairs	140.00
Mike's Electronics Inc	Slaker Repairs	1,532.93
Mississippi Lime Company	Lime	4,639.80
Neuroth Kevin	Garbage Service April 2016	82.75
PraxAir inc	Carbon Dioxide	864.09
Star Energy, LLC	Fuel April 2016	97.27
Vast Broadband	Phone Service May 2016	151.25
Vessco Inc	Slaker Supplies	1,381.00

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Vessco Inc	Slaker Supplies	352.25
Water Plant		
	Department Total =	17,325.70
Water Distribution		
Alliant Energy	Gas Service Mar/Apr 2016	94.01
Brown Supply Company	Locator	925.00
Evertex Inc	Phone Service- May 2016	47.50
Rehab Systems Inc.	Vac Cleaning, Root Cutting, Televising Sewer Lines	9,000.00
Star Energy, LLC	Fuel April 2016	176.57
Vast Broadband	Phone Service May 2016	72.51
Water Distribution		
	Department Total =	10,315.59
Water Meters		
Evertex Inc	Phone Service- May 2016	23.75
Municipal Supply, Inc.	Meter Supplies	1,259.35
Star Energy, LLC	Fuel April 2016	84.02
Water Meters		
	Department Total =	1,367.12
Wastewater Administration		
Accela, Inc #774375	April 2016 Web Payments	140.00
Accela, Inc #774375	April 2016 IVR Payments	5.00
Evertex Inc	Phone Service- May 2016	15.91
Genesis Development	April 2016 Janitorial Services	200.00
Iowa Office Supply Inc	Ribbon	12.24
JNB Acquisition Corporation	Copier Maintenance Agreement	27.62
Prairie Meadows Racetrack & Casino	Room- Hill	83.62
Qualified Presort Service, LLC	Past Due Notices	58.09
Qualified Presort Service, LLC	Monthly Statements	385.67
Qualified Presort Service, LLC	Final Bills	4.58
Qualified Presort Service, LLC	ACH Statements	89.47
Secretary of State	Notary Renewal- Hill	10.00
Vast Broadband	Phone Service May 2016	81.02
Wastewater Administration		
	Department Total =	1,113.22
Wastewater Treatment Plant		
A & A Automotive	New tires (2)- Ford Truck- Less Tax	549.74
Alliant Energy	Gas Service Mar/Apr 2016	81.63
Central Iowa Distributing, Inc	Cleaning Supplies	232.90
Evertex Inc	Phone Service- May 2016	108.75
Foundation Analytical Laboratory Inc	Testing Services	1,138.00
Foundation Analytical Laboratory Inc	Testing Services	344.00
Grainger Inc W.W.	Compressor Air Filter	102.50
H-O-H Water Technology, Inc	Polymer	3,450.00
JNB Acquisition Corporation	Copier Maintenance Agreement	18.52
Mike's Electronics Inc	Soft Start #5 Pump Memorial	8,750.05
NCL of Wisconsin Inc	Testing Supplies	148.90
Neuroth Kevin	Garbage Service April 2016	67.00
Northern Balance/Scale Inc	Calibration	167.00
Northern Balance/Scale Inc	Calibration	192.00
Northern Balance/Scale Inc	Calibration	106.00
Recycle Center Harold Rowley	Recycling	39.52

City of Storm Lake
620 Erie Street PO Box 1086
Storm Lake IA, 505881086

Checks for Approval Report

From: 05/03/16 To 05/16/16
User: tyler.gibbins

Recycle Center Harold Rowley	Recycling	41.60
Recycle Center Harold Rowley	Recycling	14.56
Star Energy, LLC	Fuel April 2016	376.69
US Peroxide, LLC	Facility Maintenance Service	750.00
USA Blue Book	Adapters & Couplers	559.68
Ziegler Inc	Plug	30.90
Zimco Supply Co	Herbicide	123.25
Wastewater Treatment Plant	Department Total =	17,393.19
Wastewater Collection		
Havens & Havens	April 2016 Legal Services	37.00
Star Energy, LLC	Fuel April 2016	90.96
Wastewater Collection	Department Total =	127.96
Landfill		
Accela, Inc #774375	April 2016 Web Payments	140.00
Accela, Inc #774375	April 2016 IVR Payments	5.00
Genesis Development	April 2016 Janitorial Services	200.00
Iowa Office Supply Inc	Ribbon	12.24
JNB Acquisition Corporation	Copier Maintenance Agreement	27.61
Qualified Presort Service, LLC	ACH Statements	89.47
Qualified Presort Service, LLC	Past Due Notices	58.09
Qualified Presort Service, LLC	Monthly Statements	385.66
Qualified Presort Service, LLC	Final Bills	4.58
Landfill	Department Total =	922.65
Storm Water Administration		
Accela, Inc #774375	April 2016 IVR Payments	5.00
Accela, Inc #774375	April 2016 Web Payments	140.00
JNB Acquisition Corporation	Copier Maintenance Agreement	27.62
Qualified Presort Service, LLC	Final Bills	4.58
Qualified Presort Service, LLC	Monthly Statements	385.66
Qualified Presort Service, LLC	Past Due Notices	58.09
Qualified Presort Service, LLC	ACH Statements	89.47
Storm Water Administration	Department Total =	710.42
Storm Water Collection		
Bolton & Menk, Inc	Design & Bidding Service through 4/26/2016	25,334.00
Foundation Analytical Laboratory Inc	Testing Services	180.00
Foundation Analytical Laboratory Inc	Testing Services	1,000.00
Foundation Analytical Laboratory Inc	Testing Services	240.00
H & W Contracting LLC	Pay Estimate #8 of NCSW	76,059.31
OMG Midwest, Inc	Concrete	119.00
ProBuild	Plywood & Supplies	173.23
Reding Gravel & Excavating Co., Inc	Rock	252.96
Storm Lake Times The	April 2016 Publications	23.80
Storm Water Collection	Department Total =	103,382.30
Street Cleaning		

City of Storm Lake
620 Erie Street PO Box 1086
Storm Lake IA, 505881086

Checks for Approval Report

From: 05/03/16 To 05/16/16
User: tyler.gibbins

North Lake Truck Repair	Radiator Cleaning	742.26
Star Energy, LLC	Fuel April 2016	95.90
Street Cleaning		Department Total = 838.16
Insurance		
Auxiant - Claims Account	5/9/2016 Claims	4,763.24
Auxiant - Claims Account	5/2/2016 Claims	6,495.73
Auxiant - Flex Account	4/27/2016 Flex Claims	529.66
Auxiant - Flex Account	5/4/2016 Flex Claims	455.72
Insurance		Department Total = 12,244.35
UNAVAILABLE		
Custodian of Petty Cash	Postage	14.30
Johnson Kelly	April 2016 Punches & Discounts	170.60
UNAVAILABLE		Department Total = 184.90
Vehicle Maintenance		
Crescent Electric Supply Co	Lubricant Idel	9.47
North Lake Truck Repair	Clamps	46.58
Vehicle Maintenance		Department Total = 56.05
Technology		
Rebnord Technologies Inc	2 Factor Auth	375.00
Rebnord Technologies Inc	My AntiSpam	75.00
Rebnord Technologies Inc	IT Service Agreement	3,250.00
Rebnord Technologies Inc	IT Service Agreement- WQ Computers	150.00
Rebnord Technologies Inc	IT Service Agreement- WQ Network	200.00
Vast Broadband	Internet Service May 2016	894.95
Technology		Department Total = 4,944.95
		Grand Total = 332,118.55

King's Pointe Resort
Disbursements 4/27/2016 to 5/10/2016

Vendor Name	Description	Amount
Acco	supplies	640.20
Ace Hardware (2)	supplies	314.30
Ameripride Services (2)	supplies	1,240.06
Mediacom Communication	utilities	459.90
Booking.com	services	204.30
Buena Vista Stationary	supplies	43.39
Capital Sanitary Supply Co.	supplies	356.59
Cedar Valley Bank & Trust	services	1,056.86
City of Storm Lake	utilities	3,683.57
Citadel Communication Co-KCAU	advertising	1,450.00
Color-ize	supplies	31.10
Copper Cottage	services	1,713.34
Crescent Electric	supplies	269.79
Culligan Water	supplies	75.00
Daniels Filter System	supplies	457.07
Dippin' Dots Inc	supplies	1,123.20
Elissa Doebel	services	63.40
Ed M. Feld Equipment Co, Inc (2)	supplies	345.00
First National Bank- Omaha CC (2)	payment	1,568.53
Fridgitec	services	464.40
Garbage Hauling Service	services	523.28
Graphic Edge Inc	supplies	258.62
Hy-Vee Food Store (2)	food	265.27
Iowa Dept of Trans- Signs	supplies	920.00
J Dan Skinner.com, inc	services	13.25
Kineth Hotel Corporation	payroll, work comp	68,822.34
Mccrea Enterprises/Vista Paints	supplies	21.50
Media USA Advertising	services	700.00
Melanders Appliances & TV	supplies	430.00
Olsen Welding & Machine Shop	services	75.00
Orkin Pest Control	services	220.23
Pepsi-Cola Bottling Co. (2)	beverages	1,523.19
Rehab Systems Inc	services	1,125.00
Rent-All Inc (2)	services	319.55
Revinant Inc	services	15.00
Sceptre Hospitality Resources	services	2,731.12
Schumacher Elevator Co	services	943.29
Continuum Retail Energy Service	utilities	10,187.04
Shoes for Crews	services	239.80
Star Promotion	services	796.66
Sys-Kool LLC	services	5,149.47
Sysco Gues Supply LLC (2)	supplies	1,695.60
Treasurer - State of Iowa	sales tax	12,000.00
Ty Inc	services	376.79
United Parcel Service- Carl STM (2)	services	66.68
US Foods (2)	food	15,579.05
US Water Service Incs	supplies	458.33
Vizergy	services	220.00
Al's Liquor (3)	beverages	289.19
Doll Distributing (4)	beverages	193.70
Glazer's Distributors	supplies	187.05

Johnson Brothers/Iowa Wine & Bev (3)	beverages	504.96
King's Pointe Resort	services	356.66
Steve's Window Service	services	80.25

Total	142,847.87
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**Sunrise Pointe Golf Course
Disbursements 4/27/2016 to 5/10/2016**

Ace Hardware Inc	supplies	19.96
Bridgestone Golf Inc	equipment	402.23
Daniels Filter Service	supplies	45.86
Kineth Hotel Corporation	payroll, management fee	1,388.96
Alliant Energy	utilities	331.81
US Foods Inc	food	108.46
Doll Distributing	utilities	81.60

Totals	2,378.88
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**REGULAR COUNCIL MEETING, CITY OF STORM LAKE, IOWA, CITY HALL,
MAY 2, 2016 5:00 P.M.**

Present: Mayor Jon Kruse, Council Members Dan Anderson, Bruce Engelmann and Tyson Rice.
Absent: Bruce Carlson and Mike Porsch. Staff present: City Manager Jim Patrick, Asst. City Manager Keri Navratil, City Attorney Phil Havens, Asst. Police Chief Todd Erskine, Building Official Scott Olesen, Public Works Director Jason Etnyre, Library Director Elizabeth Huff, Interim Water Plant Superintendent Mike Davis, Wastewater Superintendent Ron Jacobsen, and Sue Vossberg City Clerk.

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

Hear the Public – None

Consent Agenda – Moved by Council Member Rice to approve the consent agenda which included checks #52136 through #52249, King's Pointe and Sunrise Pointe list of bills, minutes from the April 18, 2016 Council meeting, outdoor service area for Puff's on May 7, 2016, Civil Service Patrol Officer Eligibility List, noise variance for Ramiro Martinez on Saturday, May 14, 2016 between the hours of 3:00pm and 12:00am at 820 Vestal Street, noise variance for wedding on Saturday, August 13, 2016 between the hours of 3:30pm and 12:00am in Chautauqua Park Shelter House, and noise variance for the 2016 Beaver Block Party scheduled for Saturday, May 7, 2016 between the hours of 7:00pm and 10:00pm on the BVU Campus. Seconded by Council Member Anderson. Vote: All ayes with Council Member Carlson and Porsch absent. Motion carried.

Erie Street CDBG Stormwater Project – Moved by Council Member Engelmann to adopt Resolution No. 123-R-2015-2016 approving the bid from Hulstein Excavating of Edgerton, MN for the Erie Street CDBG Stormwater Project. Bid includes the base bid and alternate bid for a total bid of \$1,044,186.04. Seconded by Council Member Anderson. Vote: All ayes with Council Member Carlson and Porsch absent. Motion carried.

RESOLUTION NO. 123-R-2015-2016

**RESOLUTION ACCEPTING AND AWARING BID FOR THE CITY OF STORM
LAKE ERIE STREET CDBG STORMWATER IMPROVEMENTS PROJECT**

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

Section 1. That the following bid for the construction of certain public improvements described in general as the City of Storm Lake Erie Street CDBG Stormwater Improvements, described in the plans and specifications heretofore adopted by this Council on April 18, 2016 be and is hereby accepted, the same being the lowest responsible bid received for said work, as follows:

Contractor: Hulstein Excavating, Inc., Edgerton, MN
Amount of bid: \$1,044,186.04
Portion of bid: All

Section 2. That the Mayor and Clerk are hereby directed to execute contract with the contractor for the construction of said public improvements, said contract not to be binding on the City until approved by this Council.

PASSED AND APPROVED this 2nd day of May, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Iowa Lakes Corridor – Kiley Miller with the Iowa Lakes Corridor presented the quarterly report of the activities of the Iowa Lakes Corridor in Buena Vista County.

ROW Vacation – Moved by Council Member Engelmann to adopt Resolution No. 124-R-2015-2016 setting a public hearing for May 16, 2016 at 5:00pm on a proposed vacation of a segment of North Seneca Street right-of-way north of E. 13th Street and east of and adjacent to Fitzpatrick Brother's Addition. Seconded by Council Member Anderson. Vote: All ayes with Council Member Carlson and Porsch absent. Motion carried.

RESOLUTION NO. 124-R-2015-2016

RESOLUTION SCHEDULING A PUBLIC HEARING ON A PROPOSED VACATION OF A SEGMENT OF NORTH SENECA STREET RIGHT-OF-WAY NORTH OF EAST 13TH STREET AND EAST OF, AND ADJACENT TO, FITZPATRICK BROTHER'S ADDITION TO STORM LAKE, IOWA

WHEREAS, on May 16, 2016, the City of Storm Lake, Iowa will consider an Ordinance on first reading that, if enacted, would officially and permanently close and vacate a segment of the North Seneca Street right-of-way North of its intersection with East 13th Street and East of, and adjacent to, Fitzpatrick Brother's Addition to Storm Lake, Iowa (site of The Reserves apartments), which segment is legally described as follows:

A part of the North Seneca Street right-of-way as relocated and dedicated on the final platting of the re-plat of Lots Four and Seven of Geisinger's Commercial 2nd Addition to the City of Storm Lake, Buena Vista County, Iowa, and being more particularly described as follows:

Beginning at the Southeast (SE) corner of Lot One (1), Block One (1) of Fitzpatrick Brothers Addition to the City of Storm Lake; thence North 89°46'17" East, along the eastern extension of the South line of said Lot One (1), 60.00 Feet to the East line of North Seneca Street; thence North 00°19'00" East, along said East line, 115.00 Feet; thence South 89°46'17" West, 60.00 Feet to the West line of North Seneca Street; thence South 00°19'00" West, along said West line, 115.00 Feet to the Point of Beginning.

Tract contains 0.16 acres.

(referred to below as the "North Seneca Street Segment.")

WHEREAS, Iowa Code Section 306.11 requires that a hearing on such a proposed vacation and closing be held with notice of the hearing to be given as set forth in Iowa Code Section 306.12.

NOW, THEREFORE, be it resolved by the City Council of the City of Storm Lake, Iowa as follows:

1. The City of Storm Lake shall hold a hearing to consider vacating and closing the North Seneca Street Segment. The hearing on the proposed vacation and closing will be held during the meeting of the City Council in the Council Chambers at City Hall, Storm Lake, Iowa commencing at 5:00 p.m. on May 16, 2016, at which hearing the City Council will hear both those who oppose and those who favor the proposal.

2. Pursuant to Iowa Code Section 306.12, the City Clerk shall publish in the Storm Lake Times notice of the hearing as prescribed by Iowa Code Section 306.13 not less than four days nor more than twenty days prior to the date of the hearing. The City Clerk shall also give such notice by certified mail to those entities or persons who are to receive notice by certified mail pursuant to Iowa Code Section 306.12, if any.

Passed and approved this 2nd day of May, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Competitive Bidding Procedures – Moved by Council Member Anderson to adopt Resolution No. 125-R-2015-2016 (1) approving the minimum development requirements, competitive criteria, and procedures for disposition of certain property located within the urban renewal area; (2) determining that the proposal submitted by Storm Lake Affordable Partners, LLC satisfies

the offering requirements and declaring the intent of the City to enter into an offer to buy real estate and acceptance by and between the city of Storm Lake and Storm Lake Affordable Partners in the event that no competing proposals are submitted; and (3) soliciting competing proposals. Seconded by Council Member Rice. Vote: All ayes with Council Member Carlson and Porsch absent. Motion carried.

RESOLUTION NO. 125-R-2015-2016

RESOLUTION (1) APPROVING THE MINIMUM DEVELOPMENT REQUIREMENTS, COMPETITIVE CRITERIA, AND PROCEDURES FOR DISPOSITION OF CERTAIN PROPERTY LOCATED WITHIN THE URBAN RENEWAL AREA; (2) DETERMINING THAT THE PROPOSAL SUBMITTED BY STORM LAKE AFFORDABLE PARTNERS, LLC SATISFIES THE OFFERING REQUIREMENTS AND DECLARING THE INTENT OF THE CITY TO ENTER INTO AN OFFER TO BUY REAL ESTATE AND ACCEPTANCE BY AND BETWEEN THE CITY OF STORM LAKE, IOWA AND STORM LAKE AFFORDABLE PARTNERS, LLC, IN THE EVENT THAT NO COMPETING PROPOSALS ARE SUBMITTED; AND (3) SOLICITING COMPETING PROPOSALS.

WHEREAS, by Resolution No. 01-R-2013-2014, adopted July 1, 2013, 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 #3 LMI Housing Urban Renewal Plan (the "Plan" or "Urban Renewal Plan") for the #3 LMI Housing Urban Renewal 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, Storm Lake Affordable Partners, LLC (the "Developer"), wishes to purchase property located within the Urban Renewal Area (the "Development Property") from the City; and

WHEREAS, the Plan provides for, among other things, the disposition of properties acquired for development or redevelopment as a proposed renewal action and authorizes the development of the Development Property as described in this Resolution; and

WHEREAS, the City intends to transfer the Development Property to the Developer, the terms of such proposal being in the form of an Offer to Buy Real Estate and Acceptance (the "Proposal"); and

WHEREAS, in order to comply with Iowa Code Section 403.8, the City is establishing reasonably competitive bidding procedures for the disposition of the Development Property. All developers interested in submitting a proposal to compete for the transfer and redevelopment of the Development Property must submit a proposal meeting the requirements set forth herein; and

WHEREAS, to both recognize the firm Proposal from the Developer for the transfer and redevelopment of the Development Property already received by the City, and to give full and

fair opportunity for other developers interested in submitting a proposal for the transfer and redevelopment of the Development Property, this Council should by this Resolution:

1. Set the fair market value of the Development Property for uses in accordance with the Plan.
2. Approve the minimum requirements for the transfer of and redevelopment of the Development Property.
3. Approve the Developer's general terms as to form of the Proposal subject to modifications and revisions as determined appropriate by the Council.
4. Set a date for receipt of competing proposals and the opening thereof; and provide for review of such proposals with recommendations to this Council in accordance with established procedures.
5. Declare that the Proposal submitted by the Developer satisfies the requirements of the offering, and that in the event no other qualified proposal is timely submitted that the City intends to accept Developer's Proposal and enter into the Offer to Buy Real Estate and Acceptance.
6. Approve and direct publication of a notice to advise any would-be competitors of the opportunity to compete for the transfer of the Development Property on the terms and conditions set forth herein.
7. Declare that in the event another qualified proposal is timely submitted, another and future notice will be published of the intent of the City to enter into the resulting contract, as required by law.

WHEREAS, this Council believes it is in the best interest of the City and the Plan to act as expeditiously as possible to offer the Development Property for transfer and redevelopment as set out herein.

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

1. The Development Property offered for transfer and redevelopment in accordance with the terms and conditions contained in this Resolution and the Plan is described as follows:

A part of the North Seneca Street right-of-way as relocated and dedicated on the final platting of the re-plat of Lots Four and Seven of Geisinger's Commercial 2nd Addition to the City of Storm Lake, Buena Vista County, Iowa, and being more particularly described as follows:

Beginning at the Southeast (SE) corner of Lot One (1), Block One (1) of Fitzpatrick Brothers Addition to the City of Storm Lake; thence North 89°46'17" East, along the eastern extension of the South line of said Lot One (1), 60.00 Feet

to the East line of North Seneca Street; thence North 00°19'00" East, along said East line, 115.00 Feet; thence South 89°46'17" West, 60.00 Feet to the West line of North Seneca Street; thence South 00°19'00" West, along said West line, 115.00 Feet to the Point of Beginning.

2. It is hereby determined that in order to qualify for consideration for selection, each developer must submit a proposal which contains terms no less favorable to the City than those set forth in the Proposal submitted by Developer and which must include and provide for the developer's purchase of the Development Property at not less than the fair value for use in accordance with the Plan.
3. It is hereby determined, based on investigation by the City, that the transfer price (and other obligations) of the Development Property as provided in the Proposal is equal to or greater than fair value, and is hereby approved.
4. It is hereby determined that the Proposal submitted by the Developer satisfies the requirements of this offering and is approved as to form, subject to modifications as determined appropriate by the City Council, and in the event that no other qualified proposals are timely submitted, the City intends to enter into the Offer to Buy Real Estate and Acceptance and transfer the Development Property to the Developer on the terms proposed.
5. It is hereby determined that the Developer possesses the qualifications, financial resources and legal ability necessary to purchase and redevelop the Development Property in the manner proposed by this offering and in accordance with the Plan.
6. This action of the Council shall be considered to be and does hereby constitute notice to all concerned of the intention of this Council, in the event that no other qualified proposals are timely submitted, to accept the Proposal of the Developer to transfer and redevelop the Development Property, which Proposal is on file for public inspection at the office of the City Clerk, City Hall, 620 Erie Street, Storm Lake, IA 50588.
7. The City Clerk is authorized and directed to secure immediate publication of this Resolution in the "Storm Lake Times", a newspaper having general circulation in the community, by publication of the text of this Resolution.
8. Written proposals for the purchase of the Development Property must be received by the City Clerk at or before 12:00 o'clock P.M. (Noon) on June 6, 2016. Said proposals must be received in the City Clerk's Office, located at City Hall, 620 Erie Street, Storm Lake, Iowa 50588. Each proposal will then be publicly opened by the Clerk or the Clerk's designee at the hour of 1:00 P.M. in the City Clerk's Office, City Hall, 620 Erie Street, Storm Lake, Iowa, on that same date. The City Clerk is hereby authorized and directed to make a preliminary analysis of each such proposal for compliance with the minimum requirements established by this Council hereinabove and to advise the Council with respect thereto. Said proposals will then be presented to the City Council at 5:00 P.M. on June 6, 2016, at a public hearing to be held in the Council Chambers, City Hall, 620 Erie

Street, Storm Lake, Iowa. The Council shall judge the strength of the proposals meeting the foregoing minimum requirements by the criteria set forth above and shall make the final evaluation and selection of a proposal.

9. The method for transfer of the Development Property as set forth herein is in substantial conformance with the provisions of Section 403.8(1) and (2), Code of Iowa, requiring "fair value" and "reasonable competitive bidding procedures."
10. In the event another qualified proposal is timely submitted, another and further notice shall be published of the intent of the City of Storm Lake, Iowa to enter into the resulting contract, as required by law.

PASSED AND APPROVED this 2nd day of May, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Storm Lake Affordable Partners Development Agreement – Moved by Council Member Engelmann to adopt Resolution No. 126-R-2015-2016 fixing June 6, 2016 as the date for a public hearing on the proposal to enter into a first amendment to the Development Agreement with Storm Lake Affordable Partners, LLC and providing for publication of notice. Seconded by Council Member Rice. Vote: All ayes with Council Member Carlson and Porsch absent. Motion carried.

RESOLUTION NO. 126-R-2015-2016

RESOLUTION FIXING DATE FOR A PUBLIC HEARING ON THE PROPOSAL TO ENTER INTO A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH STORM LAKE AFFORDABLE PARTNERS, LLC, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

WHEREAS, by Resolution No. 01-R-2013-2014 adopted July 1, 2013, 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 #3 LMI Housing Urban Renewal Plan (the "Plan") for the Storm Lake #3 LMI Housing Urban Renewal Area (the "Urban Renewal Area" or "Area") described therein, which Plan, as amended, is on file in the office of the Recorder of Buena Vista County; and

WHEREAS, it is desirable that properties within the Area be redeveloped as part of the overall redevelopment area covered by said Plan; and

WHEREAS, Storm Lake Affordable Partners, LLC (the "Developer") has proposed a First Amendment to the Development Agreement ("Agreement") between Developer and the City which would provide that the Developer Infrastructure Improvements will not be dedicated to the City, and the City is declining to accept the Development Property; and

WHEREAS, Iowa Code Chapters 15A and 403 (the "Urban Renewal Law") authorize cities to make grants for economic development in furtherance of the objectives of an urban renewal project and to appropriate such funds and make such expenditures as may be necessary to carry out the purposes of said Chapter, and to levy taxes and assessments for such purposes; and

WHEREAS, the Council has determined that the First Amendment to the Development Agreement is in the best interests of the City and the residents thereof and that the performance by the City of its obligations thereunder is a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the First Amendment and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 403 of the Iowa Code, taking into account the factors set forth therein; and

WHEREAS, neither the Urban Renewal Law nor any other Code provision sets forth any procedural action required to be taken before said economic development activities can occur under the Agreement, and pursuant to Section 364.6 of the City Code of Iowa, it is deemed sufficient if the action hereinafter described be taken and the City Clerk publish notice of the proposal and of the time and place of the meeting at which the Council proposes to take action thereon and to receive oral and/or written objections from any resident or property owner of said City to such action.

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

Section 1. That this Council meet in the Council Chambers, City Hall, 620 Erie Street, Storm Lake, Iowa, at 5:00 P.M. on the 6th day of June, 2016, for the purpose of taking action on the matter of the proposal to enter into a First Amendment to the Development Agreement with Storm Lake Affordable Partners, LLC.

Section 2. That the City Clerk is hereby directed to cause at least one publication to be made of a notice of said meeting, in a legal newspaper, printed wholly in the English language, published at least once weekly, and having general circulation in said City, said publication to be not less than four (4) clear days nor more than twenty (20) days before the date of said public meeting.

Section 3. The notice of the proposed action shall be in substantially the following form:

(One publication required)

NOTICE OF PUBLIC HEARING OF THE CITY COUNCIL OF
THE CITY OF STORM LAKE IN THE STATE OF IOWA, ON
THE MATTER OF THE PROPOSAL TO ENTER INTO A
FIRST AMENDMENT TO THE DEVELOPMENT
AGREEMENT WITH STORM LAKE AFFORDABLE
PARTNERS, LLC, AND THE HEARING THEREON

PUBLIC NOTICE is hereby given that the Council of the City of Storm Lake in the State of Iowa, will hold a public hearing on the 6th day of June, 2016, at 5:00 P.M. in the Council Chambers, City Hall, 620 Erie Street, Storm Lake, Iowa, at which meeting the Council proposes to take action on the proposal to enter into a First Amendment to the Development Agreement (the "Agreement") with Storm Lake Affordable Partners, LLC (the "Developer").

Developer has proposed a First Amendment to the Development Agreement ("First Amendment") between Developer and the City which would provide that the Developer Infrastructure Improvements will not be dedicated to the City, and the City is declining to accept the Development Property.

A copy of the First Amendment is on file for public inspection during regular business hours in the office of the City Clerk, City Hall, City of Storm Lake, Iowa.

At the above meeting the Council shall receive oral or written objections from any resident or property owner of said City, to the proposal to enter into the First Amendment with the Developer. After all objections have been received and considered, the Council will at this meeting or at any adjournment thereof, take additional action on the proposal or will abandon the proposal to authorize said First Amendment.

This notice is given by order of the City Council of the City of Storm Lake in the State of Iowa, as provided by Section 364.6 of the City Code of Iowa.

Dated this _____ day of _____, 2016.

City Clerk, City of Storm Lake in the State of Iowa

(End of Notice)

PASSED AND APPROVED this 2nd day of May, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Storm Lake Development Group – Moved by Council Member Anderson to adopt Resolution No. 127-R-2015-2016 setting May 16, 2016 for a public hearing on the proposal to enter into a Development Agreement with Storm Lake Development Group LLC, and providing for publication of notice. Seconded by Council Member Rice. Vote: All ayes with Council Member Carlson and Porsch absent. Motion carried.

RESOLUTION NO. 127-R-2015-2016

RESOLUTION FIXING DATE FOR A PUBLIC HEARING ON
THE PROPOSAL TO ENTER INTO A DEVELOPMENT
AGREEMENT WITH STORM LAKE DEVELOPMENT GROUP
LLC, AND PROVIDING FOR PUBLICATION OF NOTICE
THEREOF

WHEREAS, by Resolution No. 08-R-2010-2011, adopted July 19, 2010, 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 North #1 - Bargloff Urban Renewal Plan (the "Plan") for the Storm Lake North #1 - Bargloff Urban Renewal Area (the "Urban Renewal Area" or "Area") described therein, which Plan as amended, is on file in the office of the Recorder of Buena Vista County; and

WHEREAS, it is desirable that properties within the Area be redeveloped as part of the overall redevelopment area covered by said Plan; and

WHEREAS, the City has received a proposal from Storm Lake Development Group LLC (the "Developer"), in the form of a proposed Development Agreement (the "Agreement") by and between the City and the Developer, pursuant to which, among other things, the Developer would agree to construct certain Minimum Improvements (as defined in the Agreement) on certain real property located within the Storm Lake North #1 - Bargloff Urban Renewal Area as defined and legally described in the Agreement and consisting of the construction of an approximately 20,375 square foot building on the Development Property, together with all related site improvements, as outlined in the proposed Development Agreement; and

WHEREAS, the Agreement further proposes that the City will make up to ten (10) consecutive annual payments of Economic Development Grants to Developer consisting of a decreasing percentage of the Tax Increments pursuant to Iowa Code Section 403.19 and generated by the construction of the Minimum Improvements, the cumulative total for all such payments not to exceed the lesser of \$225,000, or the amount accrued under the formula outlined

in the proposed Development Agreement, under the terms and following satisfaction of the conditions set forth in the Agreement; and

WHEREAS, the Agreement also proposes that Developer and the City will enter into a Minimum Assessment Agreement with the County setting the minimum actual value of the Minimum Improvements for tax purposes at not less than \$1,700,000; and

WHEREAS, one of the obligations of the Developer relates to employment retention and/or creation; and

WHEREAS, Iowa Code Chapters 15A and 403 (the "Urban Renewal Law") authorize cities to make grants for economic development in furtherance of the objectives of an urban renewal project and to appropriate such funds and make such expenditures as may be necessary to carry out the purposes of said Chapter, and to levy taxes and assessments for such purposes; and

WHEREAS, the Council has determined that the Agreement is in the best interests of the City and the residents thereof and that the performance by the City of its obligations thereunder is a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 403 of the Iowa Code, taking into account the factors set forth therein; and

WHEREAS, neither the Urban Renewal Law nor any other Code provision sets forth any procedural action required to be taken before said economic development activities can occur under the Agreement, and pursuant to Section 364.6 of the City Code of Iowa, it is deemed sufficient if the action hereinafter described be taken and the City Clerk publish notice of the proposal and of the time and place of the meeting at which the Council proposes to take action thereon and to receive oral and/or written objections from any resident or property owner of said City to such action.

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

That this Council meet in the Council Chambers, City Hall, 620 Erie Street, Storm Lake, Iowa, at 5:00 P.M. on May 16, 2016, for the purpose of taking action on the matter of the proposal to enter into a Development Agreement with Storm Lake Development Group LLC.

That the City Clerk is hereby directed to cause at least one publication to be made of a notice of said meeting, in a legal newspaper, printed wholly in the English language, published at least once weekly, and having general circulation in said City, said publication to be not less than four (4) clear days nor more than twenty (20) days before the date of said public meeting.

The notice of the proposed action shall be in substantially the following form:

(One publication required)

NOTICE OF PUBLIC HEARING OF THE CITY COUNCIL OF
THE CITY OF STORM LAKE IN THE STATE OF IOWA, ON
THE MATTER OF THE PROPOSAL TO ENTER INTO A
DEVELOPMENT AGREEMENT WITH STORM LAKE
DEVELOPMENT GROUP LLC, AND THE HEARING
THEREON

PUBLIC NOTICE is hereby given that the Council of the City of Storm Lake in the State of Iowa, will hold a public hearing on May 16, 2016, at 5:00 P.M. in the Council Chambers, City Hall, 620 Erie Street, Storm Lake, Iowa, at which meeting the Council proposes to take action on the proposal to enter into a Development Agreement (the "Agreement") with Storm Lake Development Group LLC (the "Developer").

The Agreement would obligate the Developer to construct certain Minimum Improvements (as defined in the Agreement) on certain real property located within the Storm Lake North #1 - Bargloff Urban Renewal Area as defined and legally described in the Development Agreement, consisting of the construction of an approximately 20,375 square foot building on the Development Property, together with all related site improvements, under the terms and following satisfaction of the conditions set forth in the Agreement. One of the obligations of Developer relates to employment retention and/or creation.

The Agreement would further obligate the City to make up to ten (10) consecutive annual payments of Economic Development Grants to Developer consisting of a decreasing percentage of the Tax Increments pursuant to the Iowa Code Section 403.19 and generated by the construction of the Minimum Improvements, the cumulative total for all such payments not to exceed the lesser of \$225,000, or the amount accrued under the formula outlined in the proposed Development Agreement, under the terms and following satisfaction of the conditions set forth in the Agreement.

The Agreement also proposes that Developer and the City will enter into a Minimum Assessment Agreement with the County setting the minimum actual value of the Minimum Improvements for tax purposes at not less than \$1,700,000.

A copy of the Agreement is on file for public inspection during regular business hours in the office of the City Clerk, City Hall, City of Storm Lake, Iowa.

At the above meeting the Council shall receive oral or written objections from any resident or property owner of said City, to the proposal to enter into the Agreement with the Developer. After all objections have been received and considered, the Council will at this meeting or at any adjournment thereof, take additional action on the proposal or will abandon the proposal to authorize said Agreement.

This notice is given by order of the City Council of the City of Storm Lake in the State of Iowa, as provided by Section 364.6 of the City Code of Iowa.

Dated this 2nd day of May, 2016.

City Clerk, City of Storm Lake in the State of
Iowa

(End of Notice)

PASSED AND APPROVED this 2nd day of May, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Adjournment – Moved by Council Member Engelmann to adjourn the meeting at 5:20pm. Seconded by Council Member Anderson. Vote: All ayes with Council Member Carlson and Porsch absent. Motion carried.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Staff Summary

5/16/2016
Agenda Item # B.



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Sue Vossberg, City Clerk

SUBJECT: Buy Local Information

BACKGROUND: Early in 2011 during a Study Session discussion Council asked staff to look at putting together some analysis information regarding the amount of purchases made locally. We have pulled that information together and a provided a summary of purchases identified in the current list of bills to be approved that are purchased locally (within the City of Storm Lake), within Buena Vista County, and outside of Buena Vista County are presented here for Council's review. This information is presented for for both the City and King's Pointe's bills.

As the reader reviews the information they should note the following key notes:

- Costs associated with any major capital project (those bid under the State of Iowa Bid Law) are excluded from the calculation
- Costs associated with travel is excluded from the calculation and %
- Costs associated with payroll is excluded from the calculation and %
- In some cases there is only one vendor or an item is only available from vendors outside of the City limits and/or Buena Vista County – we have not identified these
- Some departments have fairly minor budgets and a major purchase can skew the % and or amount for a given review period (For Example: the Airport may have normally \$4,000 - \$6,000 in expenses until they purchase Jet Fuel or Av Gas which can be \$10,000 + and as a vendor who is not local this can skew the information for that review period)
- Local has been determined to be has an office front in the area and based on where the office front is located for local vs. BV County (For Example: Wal-Mart is considered local since they have a store in Storm Lake even though their headquarters is not located here)

As with all analytical data it is possible to interpret the numbers in a variety of ways and as we move forward we would be happy to provide further detail and or revise the way in which we show the data. Likewise if you have any questions or concerns please don't hesitate to contact city staff.

FISCAL IMPACT:

	Total Expenses	Calculated Expenses	Local	%	BV Co	%	Non Local	%
City	\$332,118.55	\$152,919.76	\$34,791.62	23	\$12,901.06	8	\$105,227.08	69
King's Pointe	\$142,847.87	\$61,962.13	\$6,877.85	11			\$55,084.28	89

Golf Course	\$2,378.88	\$1,989.92	\$351.77	18			\$1,638.15	82
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RECOMMENDATION: Review Buy Local Information

Staff Summary

5/16/2016

Agenda Item # C.



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Mark Prosser, Public Safety Director

SUBJECT: Authorizing Requests Associated with the 2016 Taste of Storm Lake and Farmer's Market Events

BACKGROUND: Attached to this summary is a series of requests submitted by Kristi Davis of Storm Lake United concerning the planned 2016 Taste of Storm Lake and Farmer's Market Events.

The requests are as follows:

Taste of Storm Lake:

*Permission to use the Chautauqua Park Shelter House, free of charge, every Thursday from June 2, 2016 until September 15, 2016.

*Permission for food sales by non-profits in Chautauqua Park during the events.

*Noise Variance for the venue each week for the hours of 4:00pm until 8:00pm for outdoor entertainment.

Farmers Market:

*Permission for street sales of farmer raised goods within the venue location.

*Permission to close the parking spaces on the east side of Erie Street from 5th Street to 6th Street and the first four parking spaces on the north side of East 5th Street immediately east of Erie Street on Saturdays from 8:00am until 3:00pm from (6-4-2016 until 10-15-2016) and on Thursdays from 3:00pm until 6:00pm (6-2-2016 until 10-13-2016).

The cones to block the aforementioned parking slots are pre-placed and set up by participants in the Farmers Market.

These events have run smooth in previous years.

FISCAL IMPACT:

Some support is required by city staff to assist with these events which is absorbed in normal operational budgets.

These events are fund raisers for local non-profit groups and local growers.

RECOMMENDATION:

Pass Resolution # _____

ATTACHMENTS:

Description	Type
☐ Storm Lake United Request Letter	Permit



stormlake^{united}

chamber | tourism | area development

The City of Storm Lake
620 Erie St - P.O. Box 1086
Storm Lake, IA 50588

Dear City Council Members,

Storm Lake United is again planning to host Taste of Storm Lake and the Storm Lake Farmers Market. Taste of Storm Lake is a weekly summer event that enables local nonprofits to serve a meal to the public to make a profit for their organization. The Storm Lake Farmers Market provides an opportunity for local farmers to sell their produce to the Storm Lake public.

For Taste of Storm Lake, Storm Lake United would like to request permission to use the Chautauqua Park Shelter House each Thursday from June 2nd to September 15th free of charge. The nonprofit agency serving the meal each week will pay the damage deposit for the facility one to two weeks before the event. We would also like to request a noise variance for the Taste of Storm Lake events each Thursday at the Chautauqua Park Shelter House between the hours of 4 to 8 p.m.

For the Storm Lake Farmers Market, Storm Lake United would like to ask for authorization to have sales of farmer raised goods in BV County Courthouse Square (600 block on the east side of Erie Street between BV County courthouse and MetaBank, and the first 4 parking spots on the north side of East 5th street immediately east of Erie Street). The Storm Lake Farmers Market will take place on Saturday Mornings from 8 a.m. to 3 p.m. (June 4th to October 15th). There will also be a Thursday Farmers Market from 3 p.m. to 6 p.m. (June 2nd to October 13th).

Storm Lake United will provide the City with a certificate of liability insurance in the amount of \$1,000,000 naming the City as additionally insured on the policy for both Taste of Storm Lake and the Storm Lake Farmers Market.

A Storm Lake United representative will attend the City Council meeting on May 4th to answer any questions or concerns there may be about the event. If any questions arise before the meeting, please feel free to contact me. Thank you for your time and consideration.

Sincerely,

Kristi Davis
Marketing & Activities Director
kristi@stormlakeunited.com

Mark Prosser

From: Kristi Davis <kristi@stormlakeunited.com>
Sent: Wednesday, May 4, 2016 4:09 PM
To: Mark Prosser
Subject: Fwd: Message from "RNP00267395BEA9"
Attachments: 20160504161800150.pdf

Hi Chief!

I've attached the Taste of Storm Lake and Farmers Market request. Let me know your thoughts.

Thank you!

Kristi

--

Kristi Davis

Marketing and Activities Director

Storm Lake United

119 W 6th St - PO Box 584

Storm Lake, IA 50588

(712) 732.3780

kristi@stormlakeunited.com

www.VisitStormLake.com





**Public Safety
Police & Fire
PERMIT**

401 East Milwaukee Avenue
Storm Lake, Iowa
Phone: 712-732-8010
Email: publicsafety@stormlake.org

Event: 2016 Taste of Storm Lake Events

Issued To:

Name: Kristi Davis

Organization: Storm Lake United

Address: 119 West 6th Street, Storm Lake, IA 50588

Phone: 712-732-3780

Date(s) of Event: Thursdays, 6-2-2016 until 9-15-2016

Time(s) of Event: 4:00pm until 8:00pm

Expiration of Permit: 9-16-2016

Location / Area
of Use:

Chautauqua Park

Type of Permit

☒ Noise Variance (8-7-4)

☐ Ride/Run/Walk (9-13-4)

☐ Parade (9-13-4)

☐ Public Demonstration (8-7-4)

☐ Street Closing

☐ Fireworks (8-2-1(I2A))

☐ Authorized Burn (7-2-2-B)

☐ Other

Authorized by:

Mark A. Prosser

Please Print

Date:

5-17-2016

Signature:

Title:

Public Safety Director

Staff Summary

5/16/2016

Agenda Item # 3.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Keri Navratil, Assistant City Manager

SUBJECT: Public Hearing on the Proposed Amendment No. 2 to the North #1-Bargloff Urban Renewal Plan

BACKGROUND: The City is proposing to amend the Storm Lake Bargloff Urban Renewal Plan to add two additional parcels into the original area that was established in 2010. The parcels being added to the plan is 1515 Lake Avenue and the parcel directly behind that parcel.

At the April 18, 2016 City Council Meeting this public hearing date was set. Prior to this public hearing, the City scheduled and conducted a Consultation Session with the taxing entities on April 26, 2016 at 1:30 p.m. in the City Hall Council Chambers. No representatives from the taxing entities were present and no comments or concerns were received prior to this public hearing.

FISCAL IMPACT: There is no fiscal impact for the Public Hearing other than the publication cost. Costs incurred for the development of the amended plan will be recovered through TIF funds captured by the plan.

RECOMMENDATION: Open Public Hearing
Hear Comments
Close Public Hearing

Staff Summary

5/16/2016

Agenda Item # 4.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Keri Navratil, Assistant City Manager

SUBJECT: Resolution No. 128-R-2015-2016 Adopting the Amendment No. 2 to the North #1-Bargloff Urban Renewal Plan

BACKGROUND: The City is proposing to amend the Storm Lake Bargloff Urban Renewal Plan to add two additional parcels into the original area that was established in 2010. The parcels being added to the plan are 1515 Lake Avenue and the parcel directly behind that parcel.

At the April 18, 2016 City Council Meeting this public hearing date was set. Prior to the public hearing, the City scheduled and conducted a Consultation Session with the taxing entities on April 26, 2016 at 1:30 p.m. in the City Hall Council Chambers. No representatives from the taxing entities were present and no comments or concerns were received prior to this public hearing.

FISCAL IMPACT: Costs incurred for the development of the amended plan will be recovered through TIF funds captured by the plan.

RECOMMENDATION: Staff recommends adopting Resolution

ATTACHMENTS:

Description	Type
□ Resolution No. 128-R-2015-2016	Resolution

RESOLUTION NO. 128-R-2015-2016

RESOLUTION DETERMINING AN AREA OF THE CITY TO BE AN 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. 2 TO THE NORTH #1-BARGLOFF URBAN RENEWAL PLAN

WHEREAS, by Resolution No. 08-R-2010-2011, adopted July 19, 2010, 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 North #1-Bargloff Urban Renewal Plan (the "Plan" or "Urban Renewal Plan") for the North #1-Bargloff Urban Renewal 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. 42-R-2013-2014, adopted December 2, 2013, this City Council approved and adopted an Amendment No. 1 to the Plan; and

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

ORIGINAL AREA

An area including the following described parcels; including all city rights of ways contained therein:

All of the right of way of Lake Avenue from the north side of the C-49/590th Street right of way to the south right of way line of West/East Milwaukee Avenue

and

The East One-Half of the Southwest Quarter (E½SW¼) of Section Twenty-Seven (27), Township Ninety-One (91) North, Range Thirty-Seven (37) West of the 5th P.M. except a part of the Northeast Quarter of the Southwest Quarter (NE¼SW¼) of Section Twenty-Seven (27), Township Ninety-One (91) North, Range Thirty-Seven (37) West of the 5th P.M., Buena Vista County, Iowa, and being more fully described as follows: Commencing at the Northeast corner of the Northeast Quarter of the Southwest Quarter (NE¼SW¼) of said Section Twenty-Seven (27); thence South along the East line of said Southwest Quarter (SW¼), 275.0 Feet to the point of beginning; thence South 89°44' West, 400.0 Feet; thence South, 300.0 Feet; thence North 89°44' East, 400.0 Feet; thence North along the

East line of said Southwest Quarter (SW $\frac{1}{4}$), 300.0 Feet to the point of beginning. The East line of the Southwest Quarter (SW $\frac{1}{4}$) of said Section Twenty-Seven (27) is assumed to bear due North and South in the above description.

and

The Southwest Quarter of the Southwest Quarter (SW $\frac{1}{4}$ SW $\frac{1}{4}$), Section Twenty-Seven (27), Township Ninety-One (91) North, Range Thirty-Seven (37) West of the 5th P.M.

and

The Northwest Quarter (NW $\frac{1}{4}$) of Section Thirty-Four (34), Township Ninety-One (91) North, Range Thirty-Seven (37) West of the 5th P.M. except a part of the East Half of the Northwest Quarter (E $\frac{1}{2}$ NW $\frac{1}{4}$) of Section Thirty-Four (34), Township Ninety-One (91) North, Range Thirty-Seven (37) West of the 5th P.M. beginning at the point of intersection of the West right of way line of Lake Avenue and the South line of the P&C Industrial Subdivision; thence West along said South line to the West line of the P&C 2nd Industrial Subdivision; thence North along said West line continuing North along the West line of the J.C.P Subdivision and the West line of the C-M-C 2nd Subdivision and continuing along the C-M-C 2nd Subdivision West line extended North to a point that it intersects the South right of way line of 16th Street; thence East along the South right of way line of 16th Street to the point that it intersects with the West right of way line of Lake Avenue; thence South along the West right of way line of Lake Avenue to the point of beginning.

and

A parcel of land beginning at the intersection of the West right of way line of North Lake Avenue and the North right of way line of West Milwaukee within the City of Storm Lake, Iowa; thence West along the North right of way line of West Milwaukee to the point that it would intersect with the West right of way line of Michigan Street extended North across West Milwaukee; thence South along the West right of way line of Michigan Street to the point that it intersects with the South right of way line of Railroad Street; thence Southeasterly along the South right of way line of Railroad Street to the point it intersects with the East right of way line of Erie Street extended; thence North along the East right of way line of Erie Street to the point that it intersects with the South right of way line of 7th Street; thence East along the South right of way line of 7th Street to the point that it intersects with the center line of Seneca Street; thence North along the center line of Seneca Street to the point it intersects with the North right of way line of East Milwaukee; thence West along the North right of way line of East Milwaukee to a point 350.78 Feet East of the intersection of the North right of way line of East Milwaukee and the West right of way line of North Erie Street; thence north 00°07'15" West 200 Feet; thence West to a point that is at the intersection of the South right of way line of East 8th Street and the West right of

way line of Erie Street; thence West along the south right of way line of East 8th Street extended across North Lake Avenue to the point of beginning.

AMENDMENT #1

An area including the following described parcels; including all city rights of ways contained therein:

All of the right of way of Milwaukee Avenue/Highway 7 from the west side of the Michigan Street right of way to the center line of the Abner Bell Road/90th Avenue right of way.

and

(Security Bank Parcel)

A parcel of land beginning at the intersection of the center line of Highway 7 and the center line of Abner Bell Road/90th Avenue within the City of Storm Lake, Iowa; thence North along the center line of Abner Bell Road/90th Avenue to the eastern extension of the South line of Lot C, being a part of the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of said Section 32; thence West along said South line, 375.52 feet to the West line of said Lot C; thence North along said West line to the North line of said Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$); Thence West along said North line to the East line of the Buena Vista Memorial Park Cemetery; Thence South along said East line to the centerline of Highway 7; Thence southeasterly along said centerline to the East line of said Section 32 to the point of beginning.

and

(North-Milwaukee large section)

A parcel of land in the South Half of the Southwest Quarter (S $\frac{1}{2}$ SW $\frac{1}{4}$) of Section Thirty-Four (34), Township Ninety-One (91) North, Range Thirty-Seven (37) West of the 5th P.M. beginning at the point of intersection of the West right of way line of Ontario Street and North right of way line of Milwaukee Avenue/Highway 7; Thence North along said West line to the North line of Iowa Land and Buildings Third Addition; Thence West along said North line to the northern extension of the East line of Lot Two (2) in said Iowa Land and Buildings Third Addition; Thence South along said extended East line, to the North line of Milwaukee Avenue/Highway 7; Thence East along the North right of way line of Milwaukee Avenue/Highway 7 to the point of beginning.

and

(Downtown Addition)

A parcel of land located in the North Half (N $\frac{1}{2}$) of Section Three (3), Township Ninety (90) North, Range Thirty-Seven (37) West of the 5th P.M. beginning at the intersection of the center line of 6th Street and the center line of Geneseo Street; thence East along the center line of 6th Street to the point that it intersects with the West right of way line of Michigan Street; thence South along the West right of way line of Michigan Street to the point that it intersects with the South right of way line of Railroad Street; thence Southeasterly along the South right of way line of Railroad Street to the point it intersects with the East right of way line of

Erie Street extended; thence North along the East right of way line of Erie Street to the point that it intersects with the center line of 6th Street; thence East along the center line of 6th Street to the point that it intersects with the center line of Oneida Street; thence South along the center line of Oneida Street to the point that it intersects with the center line of 4th Street; thence West along the center line of 4th Street to the point that it intersects with the center line of Seneca Street; thence North along the center line of Seneca Street to the point that it intersects with the center line of 5th Street; thence West along the center line of 5th Street to the point that it intersects with the center line of Cayuga Street; thence South along the center line of Cayuga Street to the point that it 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 that it intersects with the center line of Geneseo Street; thence North along the center line of Geneseo Street to the point of beginning.

WHEREAS, a proposed Amendment No. 2 to the North #1-Bargloff Urban Renewal Plan ("Amendment No. 2" or "Amendment") for the North #1-Bargloff 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 additional land and to add and/or confirm the list of proposed projects to be undertaken within the Urban Renewal Area; and

WHEREAS, this proposed Amendment No. 2 to the Urban Renewal Area adds land, as follows:

Parcel Number: 10-34-202-004

Lot Three (3), Block One (1) Geisinger's Commercial First Addition to the City of Storm Lake, Iowa.

And,

Parcel Number: 10-34-202-005

A parcel of land located in the west half of the northeast quarter (W1/2 NE ¼) of section thirty-four (34), township ninety one north (91), Range thirty-seven (37) west of the 5th P.M., more particularly described as follows:

Commencing at the southwest corner of the northeast quarter (NE ¼) of section thirty-four (34), township ninety-one (91) North, Range thirty-seven (37) West of the 5th P.M., thence due north along the west line of said NE ¼ a distance of 180 feet, thence due east a distance of 250 feet, thence due south a distance of 180 feet, thence due west a distance of 250 feet to the point of beginning and containing an area of 1.03 acres of which 0.23 acres are existing highway right of way.

And,

Lot five (5), Block One (1), Geisinger's commercial second addition to the City of Storm Lake, Buena Vista County, Iowa.

Tract is hereby divided into four (4) lots as shown hereon and shall hereafter be known as Brashears First Addition A subdivision of lot five (5) Block One (1) Geisinger's Commercial Second Addition to the City of Storm Lake.

And,

The entire right-of way of all adjoining streets and roadways, including Erie Street and Lake Avenue.

WHEREAS, it is desirable that the Area be redeveloped as part of the activities described within the proposed Amendment No. 2 to the North #1-Bargloff Urban Renewal Plan; and

WHEREAS, by resolution adopted on April 18, 2016, this Council directed that a consultation be held with the designated representatives of all affected taxing entities to discuss the proposed Amendment No. 2 to the North #1-Bargloff Urban Renewal Plan and the division of revenue described therein, and that notice of the consultation and a copy of the proposed Amendment No. 2 to the North #1-Bargloff 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 Assistant City Manager, 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. 2 to the North #1-Bargloff 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. 2 to the North #1-Bargloff 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:

That the findings and conclusions set forth or contained in Amendment No. 2 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.

This Council further finds:

Although relocation is not expected, a feasible method exists for the relocation of any families who will be displaced from the North #1-Bargloff Urban Renewal Area into decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families;

The Plan, as amended, and Amendment No. 2 to the North #1-Bargloff Urban Renewal Plan conform to the general plan for the development of the City as a whole; and

Acquisition by the City is not immediately expected, however, as to any areas of open land to be acquired by the City included within the North #1-Bargloff Urban Renewal Area:

Residential use is not expected, however, with reference to any 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:

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.

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.

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.

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

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.

That the North #1-Bargloff Urban Renewal Area, as amended, continues to be an 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.

That Amendment No. 2 to the North #1-Bargloff 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. 2 to the North #1-Bargloff Urban Renewal Plan for the City of Storm Lake, State of Iowa"; Amendment No. 2 to the North #1-Bargloff 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. 2 with the proceedings of this meeting.

That, notwithstanding any resolution, ordinance, plan, amendment or any other document, Amendment No. 2 to the North #1-Bargloff 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. 2 to the North #1-Bargloff 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.

That all other provisions of the Plan not affected or otherwise revised by the terms of Amendment No. 2, 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 16th day of May, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

EXHIBIT 1

AMENDMENT NO. 2

to the

**NORTH #1 – BARGLOFF
URBAN RENEWAL PLAN**

for the

**NORTH #1 – BARGLOFF
URBAN RENEWAL AREA**

CITY OF STORM LAKE, IOWA

Original Area – Adopted 2010

Amendment No. 1 – 2013

Amendment No. 2 – 2016

SIMMERING-CORY, INC.

AMENDMENT NO. 2
to the
NORTH #1 - BARGLOFF URBAN RENEWAL PLAN
for the
NORTH #1 - BARGLOFF URBAN RENEWAL AREA
CITY OF STORM LAKE, IOWA

The North #1 - Bargloff Urban Renewal Plan ("Plan" or "Urban Renewal Plan") for the North #1 - Bargloff Urban Renewal Area ("Area" or "Urban Renewal Area"), adopted in 2010 and amended in 2013, is being further amended to add additional land to the North #1 - Bargloff Urban Renewal Area and to add and/or confirm the list of proposed projects to be undertaken within the Urban Renewal Area by this Amendment No. 2 ("Amendment" or "Amendment No. 2").

This Amendment #2 repeats much of Amendment #1, adopted in 2013. The material changes made by this Amendment #2 include the following:

1. Updating the Previously Authorized Urban Renewal Projects section. See Page 5.
2. Adding new Eligible Urban Renewal Projects. See Page 6.
3. Updating Financial Information. See Page 8.
4. Adding land described as Amendment No. 2 area. See Exhibit A legal description and Exhibit B map.
5. Updating the map showing Original area, Amendment No. 1 area and Amendment No. 2 area. See Exhibit C map.

Except as modified by this Amendment, the provisions of the North #1 - Bargloff 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.

DESCRIPTION OF THE URBAN RENEWAL AREA

The legal description of the property being added to the North #1 - Bargloff Urban Renewal Area by Amendment No. 2 is attached hereto as Exhibit "A." A map of the Amendment No. 2 area is attached hereto as "Exhibit B." A map of the entire North #1 - Bargloff Urban Renewal Area, as amended, is attached hereto as Exhibit "C."

AREA DESIGNATION

The City continues to designate the Urban Renewal Area as an economic development area that is appropriate for the promotion of commercial and/or industrial development. This Amendment makes no change to the Urban Renewal Area designation.

BASE VALUES

The original Urban Renewal Area and each amendment that adds property may be referred to as “subareas” of the Urban Renewal Area in this Amendment. The subareas make up the total Urban Renewal Area. No change is being made to the boundaries of the subareas by this Amendment. The original Urban Renewal Area and the Amendment No. 1 Area have frozen base values that have already been established. Nothing in this Amendment affects already established frozen base values.

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 and objectives identified in this Amendment No. 2, and the urban renewal projects described herein, are in conformity with the City’s Comprehensive Plan.

This Urban Renewal Plan does not in any way replace the City’s current land use planning or zoning regulation process.

The need, if any, for improved traffic, public transportation, public utilities, recreational and community facilities, or other public improvements within the Urban Renewal Area, as amended, is set forth in this Plan, as amended. As the Area continues to develop, the need for public infrastructure extensions and upgrades will be evaluated and planned for by the City.

PLAN OBJECTIVES

Renewal activities are designed to provide opportunities, incentives, and sites for community economic development purposes, including new and expanded commercial and industrial development. Objectives include:

1. To stimulate through public action and commitment, private investment in new commercial and industrial development.
2. To plan for and provide sufficient land for commercial or industrial development in a manner that is efficient from the standpoint of providing municipal services.

3. To provide for the installation of public works and public facilities in the Urban Renewal Area, which ultimately contribute to the sound development of the Area.
4. To provide a more marketable and attractive investment climate.
5. To achieve a diversified, well-balanced economy providing a desirable standard of living, creating job opportunities, and strengthening the tax base.

TYPES OF RENEWAL ACTIVITIES

To meet the objectives of this Urban Renewal Plan and to encourage orderly development of the Area, the City intends to utilize the powers conferred under Chapter 403 and Chapter 15A, Code of Iowa. Activities may include:

1. To undertake and carry out urban renewal projects through the execution of contracts and other instruments.
2. To arrange for or cause to be provided the construction, repair, or improvement of public infrastructure, including, but not limited to, streets, sidewalks, street lighting, water, sanitary sewer, storm water drainage, public utilities or other related facilities in connection with urban renewal projects.
3. To provide for the construction of specific site improvements, including, but not limited to, grading and site preparation activities, access roads and parking, railroad spurs, fencing, utility connections and related activities.
4. To make loans, forgivable loans, tax rebate payments or economic development grants to private persons, businesses, or organizations for economic development purposes on such terms as may be determined by the City Council.
5. To use tax increment financing to facilitate urban renewal projects, including to achieve a more marketable and competitive land offering price and to provide for necessary physical improvements and infrastructure.
6. To borrow money and to provide security therefor.
7. To acquire property through a variety of means (purchase, lease, option, etc.) and to hold, clear or prepare the property for redevelopment, or to dispose of property.
8. To make or have made surveys and plans necessary for the implementation of the Urban Renewal Plan or specific urban renewal projects.

9. To use any or all other powers granted by the Urban Renewal Act to develop and provide for improved economic conditions for the City of Storm Lake and the State of Iowa.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the *Code of Iowa* in furtherance of the objectives of this Urban Renewal Plan.

PREVIOUSLY AUTHORIZED URBAN RENEWAL PROJECTS

Numerous urban renewal projects were authorized in the prior Amendment #1 (2013) and the Original Plan (2010) and are continuing. Such projects include improvements where construction is complete but debt is still outstanding, as well as previously authorized projects that have not yet been started but are still anticipated for completion. These previously authorized projects include:

Public Improvements:

- Bargloff Addition water and sewer mains. Extensions are completed and debt is anticipated to be paid off in 2031.
- Water main replacement on Highway 7. Water main replacement is in process. Debt has not yet been certified.
- Widening of Highway 7. Construction is in process. Debt has not yet been certified.
- Construction of Railroad Street parking lot. Anticipated to be constructed in 2016-2017.
- Street paving and extension of water and sewer mains to area north of Bargloff Addition. Anticipated to be constructed in 2016-2017.
- Streetscape improvements to the downtown commercial district, including streets, sidewalks, lighting, and landscaping. Anticipated to be constructed in 2015-2020.
- Improvements to Michigan Street parking lot. Anticipated to be constructed in 2018.

Incentives for Building Renovations/Demolition/Replacement:

- Acquisition and demolition of dilapidated commercial structures along Seneca Street. Anticipated for completion in 2015-2020.

- Acquisition and demolition of dilapidated commercial structures along Milwaukee Avenue. Anticipated for completion in 2015-2020.

Development Agreements:

- Harvest International. Construction of a new manufacturing/office facility is complete. Total incentives left to be paid are \$242,087, and expected to be paid off in 2021.
- Seneca Street/West Milwaukee Avenue Redevelopment incentives. No development agreements have been requested but up to \$200,000 in incentives have been authorized.

ELIGIBLE URBAN RENEWAL PROJECTS (Amendment No. 2)

Although certain project activities may occur over a period of years, in addition to the projects previously authorized in the North #1 - Bargloff Urban Renewal Plan, as previously amended, the eligible urban renewal projects under this Amendment No. 2 include:

1) Public Improvements:

Project	Estimated Date	Not to Exceed Cost	Rationale
The construction of 250' of municipal water mains and sanitary sewer lines to provide service to proposed new strip mall.	2016-2017	\$100,000	The construction of water and sewer service to this development is necessary for the new businesses to locate and create jobs in the community.
Storm water and street improvements to Erie Street	2016-2017	\$1,400,000	Drainage and street surface improvements to this area will enhance access to businesses and for people utilizing governmental services available in this area of the community. Existing flooding problems make it challenging for residents and visitors to utilize the downtown area.

Reconstruction of Erie Street parking lot.	2016-2020	\$250,000	Improved parking lot will provide better access to business and for persons utilizing governmental services available in this area of the community.
Lake Avenue pedestrian/bike trail extension.	2017-2022	\$2,000,000	Pedestrian/bike trail encourages walkable neighborhoods, enhances quality of life, and is a contributing factor for residents and employees choosing to live and work in Storm Lake.
North Lake Street overlay improvements, 7 block overlay.	2017-2022	\$1,000,000	Existing street surface is old, crumbling, and full of potholes. This street is strategically located in heart of commercial businesses so improved access is needed for the businesses fronting this street.
North Lake Street culvert installation.	2016-2017	\$250,000	New culvert is needed to replace an existing culvert that is failing. The new culvert will improve drainage in a commercial district that includes many businesses now impacted by flooding during wet weather periods.
Total		\$5,000,000.00	
Note: It may be that the above costs will be reduced by the application of state and/or federal grants or programs; cost-sharing agreements with other entities; or other available sources of funds.			

2) Development Agreements:

- A. *Strip Mall*: The proposed project involves the construction of a new strip mall with an estimated 20,000 sq. ft. of space to facilitate four to six retail businesses and/or professional offices. The businesses that will occupy this strip mall will retain or create jobs. Construction on the project is expected to occur in 2016-2017. The developer for this project is the Storm Lake Development Group LLC

and it is estimated that their capital investment will be approximately \$1,700,000. The City expects to provide incentives in the form of incremental tax rebates not to exceed \$200,000 - \$300,000 of the incremental property taxes generated by the increased assessed value of the new building. All incentives will be subject to the terms and conditions of a development agreement between the City and the developer. These rebates will not be general obligations of the City, but will be payable solely from the incremental taxes generated by the project.

B. *Future Development Agreements*: The City expects to consider requests for Development Agreements for projects that are consistent with this Plan, in the City's sole discretion. Such Agreements are unknown at this time, but based on past history, and dependent on development opportunities and climate, the City expects to consider a broad range of incentives as authorized by this Plan, including, but not limited to, land, loans, grants, tax rebates, public infrastructure assistance, and other incentives. The costs of such Development Agreements will not exceed \$500,000.

3) Planning, engineering fees (for urban renewal plans), attorney fees to support urban renewal projects and planning:

Project	Date	Estimated Cost
Fees and costs	Undetermined	Not to exceed \$100,000

FINANCIAL INFORMATION

1.	July 1, 2015 constitutional debt limit:	\$23,050,196
2.	Current outstanding general obligation debt:	\$18,102,000
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Eligible Urban Renewal Projects (Amendment No. 2) has not yet been determined. This document is for planning purposes only. The estimated project costs in this Amendment are estimates only and will be incurred and spent over a number of years. In no event will the City's constitutional debt limit be exceeded. The City Council will consider each project proposal on a case-by-case basis to determine if it is in the City's best interest to participate before approving an urban renewal project or expense. 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	\$5,800,000 – 5,900,000 This total does not include financing costs related to debt issuance, which may

	estimated that the cost of the Eligible Urban Renewal Projects as described above will be approximately as stated in the next column:	be incurred over the life of the Area.
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URBAN RENEWAL FINANCING

The City of Storm Lake intends to utilize various financing tools such as those described below to successfully undertake the proposed urban renewal actions. The City of Storm Lake has the statutory authority to use a variety of tools to finance physical improvements within the Area. These include:

A. Tax Increment Financing.

Under Section 403.19 of the Iowa Code, urban renewal areas may utilize the tax increment financing mechanism to finance the costs of public improvements, economic development incentives or other urban renewal projects. Upon creation of a tax increment district within the Area, by ordinance, the assessment base is frozen and the amount of tax revenue available from taxes paid on the difference between the frozen base and the increased value, if any, is segregated into a separate fund for the use by the City to pay costs of the proposed urban renewal projects. The increased taxes generated by any new development, above the base value, are distributed to the taxing entities, if not requested by the City, and in any event upon the expiration of the tax increment district.

B. General Obligation Bonds.

Under Division III of Chapter 384 and Chapter 403 of the Iowa Code, the City has the authority to issue and sell general obligation bonds for specified essential and general corporate purposes, including the acquisition and construction of certain public improvements within the Area and for other urban renewal projects or incentives for development consistent with this Plan. Such bonds are payable from the levy of unlimited ad valorem taxes on all the taxable property within the City of Storm Lake. It may be the City will elect to abate some or all of the debt service on these bonds with incremental taxes from this Area.

The City may also determine to use tax increment financing to provide incentives such as cash grants, loans, tax rebates or other incentives to developers or private entities in connection with the urban renewal projects identified in the Plan, as amended. In addition, the City may determine to issue general obligation bonds, tax increment revenue bonds or such other obligations, or loan agreements for the purpose of making loans or grants of public funds to

private businesses located in the Area. Alternatively, the City may determine to use available funds for making such loans or grants or other incentives related to urban renewal projects.

Nothing herein shall be construed as a limitation on the power of the City to exercise any lawful power granted to the City under Chapter 15, Chapter 15A, Chapter 403, Chapter 427B, or any other provision of the Code of Iowa in furtherance of the objectives of the Urban Renewal Plan.

PROPERTY ACQUISITION/DISPOSITION

The City will follow any applicable proceedings and procedures required for the acquisition and disposition of property upon terms and conditions in the discretion of the City Council.

RELOCATION

The City does not expect there to be any relocation required of residents or businesses as part of the proposed urban renewal projects; however, if any relocation is necessary, the City will follow all applicable relocation requirements.

STATE AND LOCAL REQUIREMENTS

All provisions necessary to conform to State and local laws will be complied with by the City and the developer in implementing this Urban Renewal Plan and its supporting documents.

SEVERABILITY CLAUSE

In the event one or more provisions contained in the Urban Renewal Plan, as amended, shall be held for any reason to be invalid, illegal, unauthorized or unenforceable in any respect, such invalidity, illegality, unauthorized or unenforceability shall not affect any other provision of this Urban Renewal Plan, and this Urban Renewal Plan shall be construed and implemented as if such provisions had never been contained herein.

URBAN RENEWAL PLAN AMENDMENTS

This Urban Renewal Plan may be amended from time to time for a number of reasons, including, but not limited to, adding or removing land, adding or amending urban renewal projects, or modifying objectives or types of renewal activities. The City Council may amend this Plan pursuant to appropriate procedures under Iowa Code Chapter 403.

EFFECTIVE PERIOD

This Amendment No. 2 will become effective upon its adoption by the City Council. Notwithstanding anything to the contrary in the Urban Renewal Plan, any prior amendment, resolution, or document, the Plan shall remain in effect until terminated by the City Council, and the use of incremental property tax revenues, or the "division of revenue," as those words are used in Chapter 403 of the Code of Iowa, will be consistent with Chapter 403 of the Iowa Code. The division of revenues shall continue on the Urban Renewal Area, including all amendment areas or subareas, for the maximum period allowed by law.

With respect to property added by this Amendment No. 2, the division of revenues shall continue for the maximum period allowed by law for an area designated as an economic development area that is appropriate for commercial and industrial development.

At all times, the use of tax increment financing revenues (including the amount of loans, advances, indebtedness or bonds which qualify for payment from the division of revenue provided in Section 403.19 of the Code of Iowa) by the City for activities carried out under Amendment No. 2 shall be limited as deemed appropriate by the City Council and consistent with all applicable provisions of law.

REPEALER

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

EXHIBIT A
NORTH #1 – BARGLOFF URBAN RENEWAL AREA
AMENDMENT NO. 2 LEGAL DESCRIPTION

The legal description of the North #1 - Bargloff Urban Renewal Amendment No. 2 Area is as follows:

Parcel Number: 10-34-202-004

Lot Three (3), Block One (1) Geisinger's Commercial First Addition to the City of Storm Lake, Iowa.

And,

Parcel Number: 10-34-202-005

A parcel of land located in the west half of the northeast quarter (W1/2 NE ¼) of section thirty-four (34), township ninety one north (91), Range thirty-seven (37) west of the 5th P.M., more particularly described as follows:

Commencing at the southwest corner of the northeast quarter (NE ¼) of section thirty-four (34), township ninety-one (91) North, Range thirty-seven (37) West of the 5th P.M., thence due north along the west line of said NE ¼ a distance of 180 feet, thence due east a distance of 250 feet, thence due south a distance of 180 feet, thence due west a distance of 250 feet to the point of beginning and containing an area of 1.03 acres of which 0.23 acres are existing highway right of way.

And,

Lot five (5), Block One (1), Geisinger's commercial second addition to the City of Storm Lake, Buena Vista County, Iowa.

Tract is hereby divided into four (4) lots as shown hereon and shall hereafter be known as Brashears First Addition A subdivision of lot five (5) Block One (1) Geisinger's Commercial Second Addition to the City of Storm Lake.

And,

The entire right-of way of all adjoining streets and roadways, including Erie Street and Lake Avenue.

EXHIBIT B

Map of North #1 - Bargloff Urban Renewal Area (area to be added)

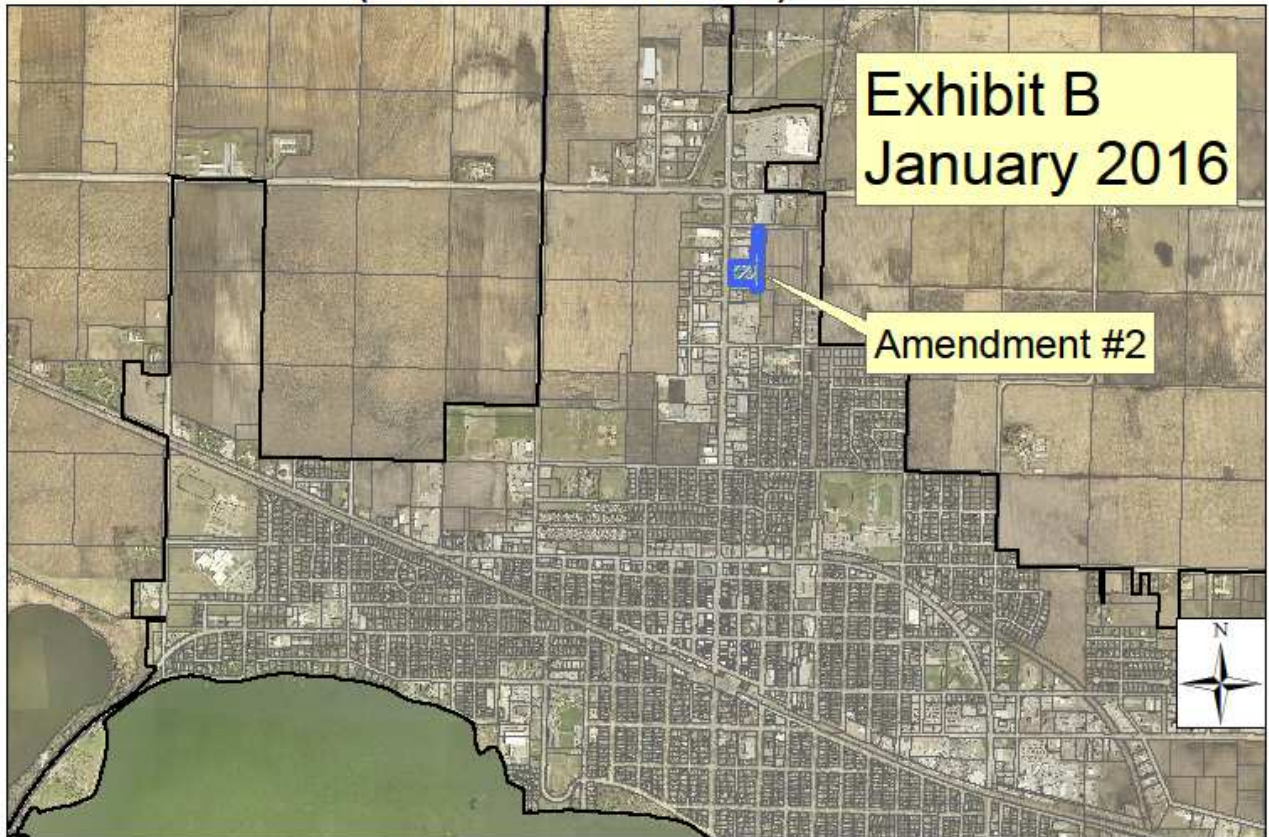
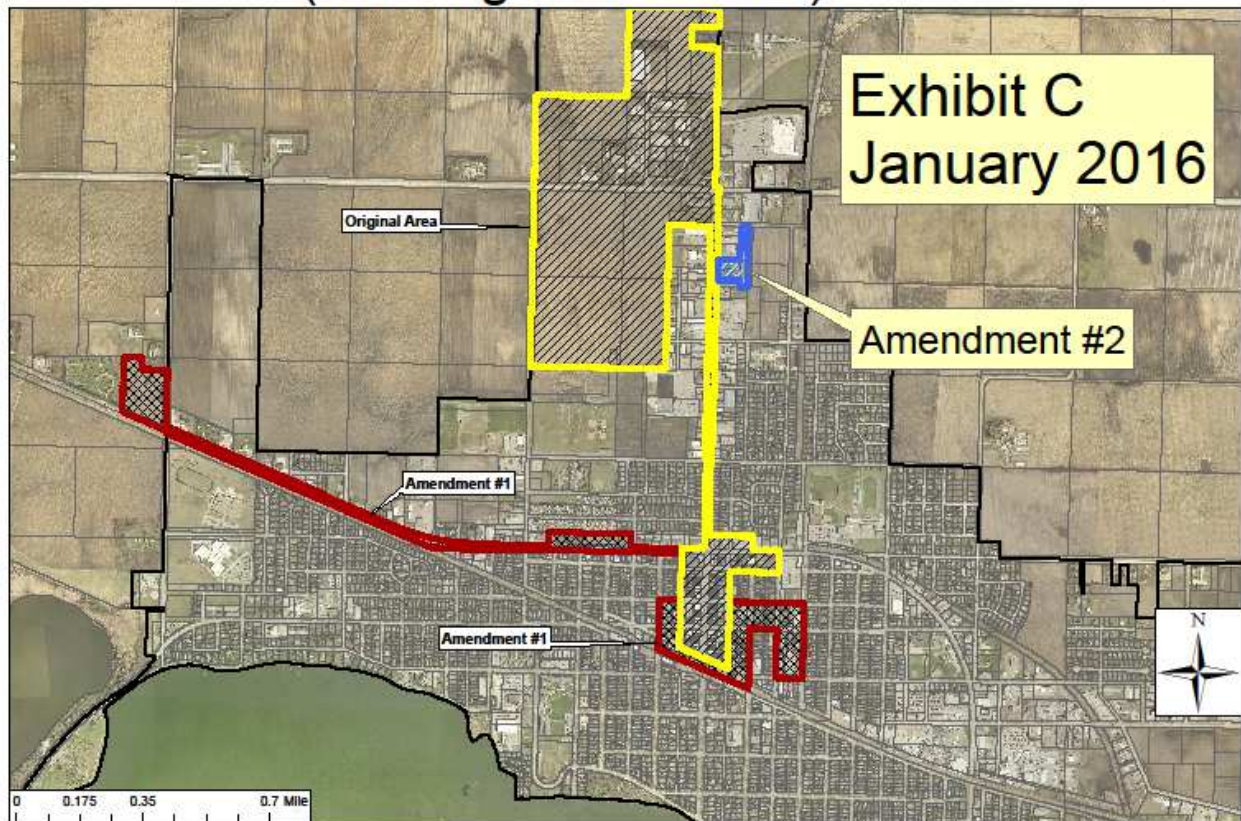


EXHIBIT C

Map of North #1 - Bargloff Urban Renewal Area
(showing all subareas)



Staff Summary

5/16/2016

Agenda Item # 5.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Keri Navratil, Assistant City Manager

SUBJECT: Public Hearing on the Proposal to Enter into a Development Agreement with Storm Lake Development Group LLC.

BACKGROUND: Since 2015, the City has been working with Storm Lake Development Group LLC for commercial development in the Bargloff Urban Renewal Area located at 1515 Lake Avenue. The Project consists of constructing a 20,375 square foot building with a total investment cost of \$1,700,000. The project will have one anchor store, Dollar Tree, in addition to 3-4 additional retail stores.

In order to encourage this development to occur and locate in this location, the City proposed the following incentives to the developers:

80% of Tax Increments for Fiscal Year 2018-2019

80% of Tax Increments for Fiscal Year 2019-2020

60% of Tax Increments for Fiscal Year 2020-2021

50% of Tax Increments for Fiscal Year 2021-2022

50% of Tax Increments for Fiscal Year 2022-2023

50% of Tax Increments for Fiscal Year 2023-2024

25% of Tax Increments for Fiscal Year 2024-2025

25% of Tax Increments for Fiscal Year 2025-2026

25% of Tax Increments for Fiscal Year 2026-2027

15% of Tax Increments for Fiscal Year 2027-2028

The total tax increments will not exceed \$225,000 over 10 years.

FISCAL IMPACT: The County Assessor has estimated a final assessed value of \$1,400,000 based upon a review of the building plans.

RECOMMENDATION: Open the Hearing
Hear the Public
Close the Hearing

Staff Summary

5/16/2016

Agenda Item # 6.



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Keri Navratil, Assistant City Manager

SUBJECT: Resolution No. 129-R-2015-2016 Approving and Authorizing Execution of a Development Agreement by and Between the City of Storm Lake and Storm Lake Development Group LLC.

BACKGROUND: Since 2015, the City has been working with Storm Lake Development Group LLC for commercial development in the Bargloff Urban Renewal Area located at 1515 Lake Avenue. The Project consists of constructing a 20,375 square foot building with a total investment cost of \$1,700,000. The project will have one anchor store, Dollar Tree, in addition to 3-4 additional retail stores.

In order to encourage this development to occur and locate in this location, the City proposed the following incentives to the developers:

- 80% of Tax Increments for Fiscal Year 2018-2019
- 80% of Tax Increments for Fiscal Year 2019-2020
- 60% of Tax Increments for Fiscal Year 2020-2021
- 50% of Tax Increments for Fiscal Year 2021-2022
- 50% of Tax Increments for Fiscal Year 2022-2023
- 50% of Tax Increments for Fiscal Year 2023-2024
- 25% of Tax Increments for Fiscal Year 2024-2025
- 25% of Tax Increments for Fiscal Year 2025-2026
- 25% of Tax Increments for Fiscal Year 2026-2027
- 15% of Tax Increments for Fiscal Year 2027-2028

The total tax increments will not exceed \$225,000 over 10 years.

FISCAL IMPACT: The County Assessor has estimated a final assessed value of \$1,400,000 based upon a review of the building plans.

RECOMMENDATION: Staff recommends approving Resolution

ATTACHMENTS:

Description	Type
📎 Resolution No. 129-R-2015-2016	Resolution
📎 Development Agreement	Backup Material

RESOLUTION NO. 129-R-2015-2016

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF STORM LAKE AND STORM LAKE DEVELOPMENT GROUP LLC

WHEREAS, by Resolution No. 08-R-2010-2011, adopted July 19, 2010, 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 North #1 - Bargloff Urban Renewal Plan (the "Plan") for the Storm Lake North #1 - Bargloff Urban Renewal Area (the "Urban Renewal Area" or "Area") described therein, which Plan as amended, is on file in the office of the Recorder of Buena Vista County; and

WHEREAS, it is desirable that properties within the Area be redeveloped as part of the overall redevelopment area covered by said Plan; and

WHEREAS, the City has received a proposal from Storm Lake Development Group LLC (the "Developer"), in the form of a proposed Development Agreement (the "Agreement") by and between the City and the Developer, pursuant to which, among other things, the Developer would agree to construct certain Minimum Improvements (as defined in the Agreement) on certain real property located within the Storm Lake North #1 - Bargloff Urban Renewal Area as defined and legally described in the Agreement and consisting of the construction of an approximately 20,375 square foot building on the Development Property, together with all related site improvements, as outlined in the proposed Development Agreement; and

WHEREAS, the Agreement further proposes that the City will make up to ten (10) consecutive annual payments of Economic Development Grants to Developer consisting of a decreasing percentage of the Tax Increments pursuant to Iowa Code Section 403.19 and generated by the construction of the Minimum Improvements, the cumulative total for all such payments not to exceed the lesser of \$225,000, or the amount accrued under the formula outlined in the proposed Development Agreement, under the terms and following satisfaction of the conditions set forth in the Agreement; and

WHEREAS, the Agreement also proposes that Developer and the City will enter into a Minimum Assessment Agreement with the County Assessor setting the minimum actual value of the Minimum Improvements for tax purposes at not less than \$1,400,000; and

WHEREAS, one of the obligations of Developer(s) relates to employment retention and/or creation; and

WHEREAS, Iowa Code Chapters 15A and 403 authorize cities to make loans and grants for economic development in furtherance of the objectives of an urban renewal project and to appropriate such funds and make such expenditures as may be necessary to carry out the purposes of said Chapters, and to levy taxes and assessments for such purposes; and

WHEREAS, the Council has determined that the Agreement is in the best interests of the City and the residents thereof and that the performance by the City of its obligations thereunder is a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 403 of the Iowa Code taking into account any or all of the factors set forth in Chapter 15A, to wit:

- a. Businesses that add diversity to or generate new opportunities for the Iowa economy should be favored over those that do not.
- b. Development policies in the dispensing of the funds should attract, retain, or expand businesses that produce exports or import substitutes or which generate tourism-related activities.
- c. Development policies in the dispensing or use of the funds should be targeted toward businesses that generate public gains and benefits, which gains and benefits are warranted in comparison to the amount of the funds dispensed.
- d. Development policies in dispensing the funds should not be used to attract a business presently located within the state to relocate to another portion of the state unless the business is considering in good faith to relocate outside the state or unless the relocation is related to an expansion which will generate significant new job creation. Jobs created as a result of other jobs in similar Iowa businesses being displaced shall not be considered direct jobs for the purpose of dispensing funds; and

WHEREAS, pursuant to notice published as required by law, this Council has held a public meeting and hearing upon the proposal to approve and authorize execution of the Agreement and has considered the extent of objections received from residents or property owners as to said proposed Agreement; and, accordingly the following action is now considered to be in the best interests of the City and residents thereof.

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

That the performance by the City of its obligations under the Agreement, including but not limited to making of loans and grants to the Developer in connection with the development of the Development Property under the terms set forth in the Agreement, be and is hereby declared to be a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 403 of the Iowa Code, taking into account the factors set forth therein.

That the form and content of the Agreement, the provisions of which are incorporated herein by reference, be and the same hereby are in all respects authorized, approved and

confirmed, and the Mayor and the City Clerk be and they hereby are authorized, empowered and directed to execute, attest, seal and deliver the Agreement for and on behalf of the City in substantially the form and content now before this meeting, but with such changes, modifications, additions or deletions therein as shall be approved by such officers, and that from and after the execution and delivery of the Agreement, the Mayor and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed.

PASSED AND APPROVED this 16th day of May, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

AGREEMENT FOR PRIVATE DEVELOPMENT

By and between

CITY OF STORM LAKE, IOWA

AND

STORM LAKE DEVELOPMENT GROUP LLC

_____, 2016

AGREEMENT
FOR
PRIVATE DEVELOPMENT

THIS AGREEMENT FOR PRIVATE DEVELOPMENT (hereinafter called "Agreement"), is made on or as of the ____ day of _____, 2016, by and between the CITY OF STORM LAKE, IOWA, a municipality (hereinafter called "City"), established pursuant to the Code of Iowa of the State of Iowa and acting under the authorization of Chapters 15A and 403 of the Code of Iowa, 2015, as amended (hereinafter called "Urban Renewal Act"), and STORM LAKE DEVELOPMENT GROUP LLC, a Wisconsin limited liability company, having offices for the transaction of business at 3027 Autumn Leaves Circle, Green Bay, Wisconsin (hereinafter called "Developer").

WITNESSETH:

WHEREAS, in furtherance of the objectives of the Urban Renewal Act, the City has undertaken a program for the development of an economic development area in the City and, in this connection, is engaged in carrying out urban renewal project activities in an area known as the Storm North #1 - Bargloff Urban Renewal Area (the "Urban Renewal Area"), which is described in the Storm Lake North #1 – Bargloff Urban Renewal Plan approved for such Urban Renewal Area by Resolution No. 08-R-2010-2011 on July 19, 2010, which has been amended two times, lastly by Amendment No. 2 as approved by Resolution on May 16, 2016 (the "Urban Renewal Plan"); and

WHEREAS, a copy of the foregoing Urban Renewal Plan, as amended, has been recorded among the land records in the office of the Recorder of Buena Vista County, Iowa; and

WHEREAS, Developer is the owner of certain real property located in the foregoing Urban Renewal Area and as more particularly described in Exhibit A attached hereto and made a part hereof (which property as so described is hereinafter referred to as the "Development Property"); and

WHEREAS, Developer is willing to cause certain improvements to be constructed on the Development Property and Developer will thereafter cause the same to be operated in accordance with this Agreement; and

WHEREAS, the City is willing to provide certain incentives in consideration for Developers obligations all pursuant to the terms and conditions of this Agreement; and

WHEREAS, the City believes that the development of the Development Property pursuant to this Agreement and the fulfillment generally of this Agreement are in the vital and best interests of the City and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the foregoing project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. In addition to other definitions set forth in this Agreement, all capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Agreement for Private Development and all exhibits and appendices hereto, as the same may be from time to time modified, amended or supplemented.

Assessor means the assessor for Buena Vista County, Iowa.

Area or Urban Renewal Area means the area known as the Storm Lake North #1 – Bargloff Urban Renewal Area (as amended).

Certificate of Completion means the certificate given by the City to Developer acknowledging completion of construction of the Minimum Improvements in the form attached hereto as Exhibit C and hereby made a part of this Agreement.

City means the City of Storm Lake, Iowa, or any successor to its functions.

Code means the Code of Iowa, 2015, as amended.

Commencement Date means the date of this Agreement.

Construction Plans means the plans, specifications, drawings and related documents reflecting the construction work to be performed by the Developer on the Development Property; the Construction Plans shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City as required by applicable City codes.

Developer means Storm Lake Development Group LLC, and its permitted successors and assigns.

Development Property means that portion of the Storm Lake North #1 - Bargloff Urban Renewal Area described in Exhibit A.

Economic Development Grants means the payments to be made by the City to Developer under Article VIII of this Agreement.

Event of Default means any of the events described in Section 10.1 of this Agreement.

First Mortgage means any Mortgage granted to secure any loan made pursuant to either a mortgage commitment obtained by Developer from a commercial lender or other financial institution to fund any portion of the construction costs and initial operating capital requirements of the Minimum Improvements or all such Mortgages as appropriate.

Full-Time Equivalent Employment Unit means the employment of the equivalent of one person for an average of 2,000 hours per year, assuming eight hours per day for a five-day, forty-hour work week for fifty weeks per year by Developer.

Minimum Actual Value means the actual value assigned to the Minimum Improvements (including taxable equipment), pursuant to the Minimum Assessment Agreement entered into between Developer, City, and the Assessor.

Minimum Assessment Agreement means the minimum assessment agreement in the form attached hereto as Exhibit G and hereby made part of this Agreement.

Minimum Improvements means the construction of an approximate 20,375 square foot building as more particularly described and depicted in Exhibit B and Exhibit B-1 to this Agreement. The increased value after construction of the Minimum Improvements for the purpose of this Agreement is expected to be approximately \$1,400,000, but the Buena Vista County Assessor will make the final determination as to the value.

Mortgage means any mortgage or security agreement in which Developer has granted a mortgage or other security interest in the Development Property, or any portion or parcel thereof, or any improvements constructed thereon.

Net Proceeds means any proceeds paid by an insurer to Developer under a policy or policies of insurance required to be provided and maintained by Developer, as the case may be, pursuant to Article V of this Agreement and remaining after deducting all expenses (including fees and disbursements of counsel) incurred in the collection of such proceeds.

Ordinance means the Ordinances of the City, under which the taxes levied on the taxable property in the Urban Renewal Area shall be divided and a portion paid into the Storm Lake Urban Renewal Tax Increment Revenue Fund.

Project means the construction and operation of the Minimum Improvements on the Development Property and the creation and maintenance of jobs, as described in this Agreement.

State means the State of Iowa.

Storm Lake Development Group LLC TIF Account means a separate account within the Storm Lake Urban Renewal Tax Increment Revenue Fund of the City, in which there shall be deposited Tax Increments received by the City with respect to the Minimum Improvements and the Development Property.

Storm Lake Urban Renewal Tax Increment Revenue Fund means the special fund of the City created under the authority of Section 403.19(2) of the Code and the Ordinance, which fund was created in order to pay the principal of and interest on loans, monies advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds or other obligations issued under the authority of Chapters 15A, 403 or 384 of the Code, incurred by the City to finance or refinance in whole or in part projects undertaken pursuant to the Urban Renewal Plan for the Urban Renewal Area.

Tax Increments means the property tax revenues on the Minimum Improvements divided and made available to the City for deposit in the Storm Lake Development Group LLC TIF Account of the Storm Lake Urban Renewal Tax Increment Revenue Fund under the provisions of Section 403.19 of the Code, as amended, and the Ordinance.

Termination Date means the date of termination of this Agreement, as established in Section 12.8 of this Agreement.

Unavoidable Delays means delays resulting from acts or occurrences outside the reasonable control of the party claiming the delay including but not limited to storms, floods, fires, explosions or other casualty losses, unusual weather conditions, strikes, boycotts, lockouts or other labor disputes, delays in transportation or delivery of material or equipment, litigation commenced by third parties, or the acts of any federal, State or local governmental unit (other than the City).

Urban Renewal Plan means the Urban Renewal Plan, as amended, approved with respect to the Storm Lake North #1 - Bargloff Urban Renewal Area, described in the preambles hereof.

ARTICLE II. REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the City. The City makes the following representations and warranties:

a. The City is a municipal corporation and municipality organized under the provisions of the Constitution and the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

b. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a breach of, the terms, conditions or provisions of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the City is now a party or by which it is bound, nor do they constitute a default under any of the foregoing.

c. All covenants, stipulations, promises, agreements, and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the City only, and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

Section 2.2. Representations and Warranties of Developer. Developer makes the following representations and warranties:

a. Storm Lake Development Group LLC is a Wisconsin limited liability company, duly organized and validly existing under the laws of the State of Wisconsin, and has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as presently proposed to be conducted, and to enter into and perform its obligations under this Agreement.

b. This Agreement has been duly and validly authorized, executed and delivered by Developer and, assuming due authorization, execution and delivery by the City, is in full force and effect and is a valid and legally binding instrument of Developer enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditors' rights generally.

c. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a violation or breach of, the terms, conditions or provisions of the governing documents of Developer or of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which Developer is now a party or by which it or its property is bound, nor do they constitute a default under any of the foregoing.

d. There are no actions, suits or proceedings pending or threatened against or affecting Developer in any court or before any arbitrator or before or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business (present or prospective), financial position or results of operations of Developer or which in any manner raises any questions affecting the validity of the Agreement or Developer's ability to perform its obligations under this Agreement.

e. Developer will cause the Minimum Improvements to be constructed in accordance with the terms of this Agreement, the Urban Renewal Plan, and all local, State, and federal laws and regulations.

f. Developer will use its best efforts to obtain or cause to be obtained, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, State, and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

g. The construction of the Minimum Improvements will require a total investment of approximately \$1,700,000 for construction costs.

h. Developer has not received any notice from any local, State or federal official that the activities of Developer with respect to the Development Property may or will be in violation of any environmental law or regulation (other than those notices, if any, of which the City has previously been notified in writing). Developer is not currently aware of any State or federal claim filed or planned to be filed by any party relating to any violation of any local, State or federal environmental law, regulation or review procedure applicable to the Development Property, and Developer is not currently aware of any violation of any local, State or federal environmental law, regulation or review procedure which would give any person a valid claim under any State or federal environmental statute with respect thereto.

i. Developer has firm commitments for construction or acquisition and permanent financing for the Project in an amount sufficient, together with equity commitments, to successfully complete the Minimum Improvements in accordance with the Construction Plans contemplated in this Agreement.

j. Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Minimum Improvements.

k. Developer expects that, barring Unavoidable Delays, the Minimum Improvements will be completed by November 30, 2016.

l. Developer would not undertake its obligations under this Agreement without the payment by the City of the Economic Development Grants being made to Developer pursuant to this Agreement.

m. Developer will not seek to change the current land assessment category, or the zoning classification, of the Development Property or the Minimum Improvements until the Termination Date.

ARTICLE III. CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 3.1. Construction of Minimum Improvements. Developer agrees that it will cause the Minimum Improvements to be constructed on the Development Property in conformance with the Construction Plans submitted to the City. Developer agrees that the scope and scale of the Minimum Improvements to be constructed shall not be significantly less than the scope and scale of the Minimum Improvements as detailed and outlined in the Construction Plans, and shall require a total investment of approximately \$1,700,000 for construction costs.

Section 3.2. Construction Plans. Developer shall cause Construction Plans to be provided for the Minimum Improvements, which shall be subject to approval by the City as provided in this Section 3.2. The Construction Plans shall be in conformity with the Urban Renewal Plan, this Agreement, and all applicable State and local laws and regulations. The City shall approve the Construction Plans in writing if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to the terms and conditions of the Urban Renewal Plan; (iii) the Construction Plans conform to all applicable federal, State and local laws, ordinances, rules and regulations, and City permit requirements; (iv) the Construction Plans are adequate for purposes of this Agreement to provide for the construction of the Minimum Improvements; and (v) no Event of Default under the terms of this Agreement has occurred; provided, however, that any such approval of the Construction Plans pursuant to this Section 3.2 shall constitute approval for the purposes of this Agreement only and shall not be deemed to constitute approval or waiver by the City with respect to any building, fire, zoning or other ordinances or regulations of the City, and shall not be deemed to be sufficient plans to serve as the basis for the issuance of a building permit if the Construction Plans are not as detailed or complete as the plans otherwise required for the issuance of a building permit. The site plans submitted to the building official of the City for the Development Property and the surrounding areas where the Minimum Improvements are to be constructed shall be adequate to serve as the Construction Plans, if such site plans are approved by the building official.

Approval of the Construction Plans by the City shall not relieve Developer of any obligation to comply with the terms and provisions of this Agreement, or the provision of applicable federal, State and local laws, ordinances and regulations, nor shall approval of the Construction Plans by the City be deemed to constitute a waiver of any Event of Default.

Approval of Construction Plans hereunder is solely for purposes of this Agreement, and shall not constitute approval for any other City purpose nor subject the City to any liability for the Minimum Improvements as constructed.

Section 3.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, Developer shall cause construction of the Minimum Improvements to be undertaken and completed: (i) by no later than November 30, 2016; or (ii) by such other date as the parties shall mutually agree upon in writing. Time lost as a result of Unavoidable Delays shall be added to extend this date by a number of

days equal to the number of days lost as a result of Unavoidable Delays. All work with respect to the Minimum Improvements shall be in conformity with the Construction Plans approved by the building official or any amendments thereto as may be approved by the building official.

Developer agrees that it shall permit designated representatives of the City, upon reasonable notice (which does not have to be written), to enter upon the Development Property during the construction of the Minimum Improvements to inspect such construction and the progress thereof.

Section 3.4. Certificate of Completion. Upon written request of Developer after issuance of an occupancy permit for the Minimum Improvements, the City will furnish Developer with a Certificate of Completion in recordable form, in substantially the form set forth in Exhibit C attached hereto. Such Certificate of Completion shall be a conclusive determination of satisfactory termination of the covenants and conditions of this Agreement with respect to the obligations of Developer to cause construction of the Minimum Improvements.

The Certificate of Completion may be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property at Developer's sole expense. If the City shall refuse or fail to provide a Certificate of Completion in accordance with the provisions of this Section 3.4, the City shall, within twenty (20) days after written request by Developer provide a written statement indicating in adequate detail in what respects Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default under the terms of this Agreement, and what measures or acts it will be necessary, in the opinion of the City, for Developer to take or perform in order to obtain such Certificate of Completion.

Issuance by the City of the Certificate of Completion pursuant to this Section 3.4 is solely for the purposes of this Agreement, and shall not constitute approval for any other City purpose shall it subject the City to any liability for the Development Property or the Minimum Improvements as constructed.

ARTICLE IV. MINIMUM ASSESSMENT AGREEMENT

Section 4.1. Minimum Assessment Agreement. As further consideration for this Agreement, Developer, City and the Assessor shall execute an Minimum Assessment Agreement pursuant to the provisions of Iowa Code Section 403.6(19) specifying the Assessor's Minimum Actual Value for the Minimum Improvements on the Development Property for calculation of real property taxes in the form attached as Exhibit G ("Assessment Agreement" or "Minimum Assessment Agreement"). Specifically, Developer, City, the Assessor, the holder of any mortgage and all prior lienholders shall agree to a minimum actual value for the Minimum Improvements to be constructed on the Development Property of not less than \$1,400,000 upon completion of the Minimum Improvements until the Assessment Agreement Termination Date (as defined below). Such minimum actual value at the time applicable is herein referred to as the "Assessor's Minimum Actual Value" (taxable improvement value).

Nothing in the Minimum Assessment Agreement shall limit the discretion of the Assessor to assign an actual value to the property in excess of such Assessor's Minimum Actual Value nor prohibit Developer from seeking through the exercise of legal or administrative remedies a reduction in such actual value for property tax purposes; provided, however, that Developer shall not seek a reduction of such actual value below the Assessor's Minimum Actual Value in any year so long as the Minimum Assessment Agreement shall remain in effect. The Minimum Assessment Agreement shall remain in

effect until June 30, 2029 (the "Assessment Agreement Termination Date"). The Assessment Agreement shall be certified by the Assessor for the County as provided in Iowa Code Section 403.6(19) (2015) and shall be filed for record in the office of the Buena Vista County Recorder, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property or part thereof, whether voluntary or involuntary. Such Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, as well as all prior lienholders and the holder of first mortgage, each of which shall sign a consent to the Minimum Assessment Agreement. This Article shall survive the Closing.

ARTICLE V. INSURANCE

Section 5.1. Insurance Requirements.

- a. Developer will provide and maintain or cause to be maintained at all times during the process of constructing the Minimum Improvements (and, from time to time at the request of the City, furnish the City with proof of payment of premiums on):
 - i. Builder's risk insurance, written on the so-called "Builder's Risk– Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy.
 - ii. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) with limits against bodily injury and property damage of at least \$1,000,000 for each occurrence. The City shall be named as an additional insured for the City's liability or loss arising out of or in any way associated with the project and arising out of any act, error, or omission of Developer, its directors, officers, shareholders, contractors, and subcontractors or anyone else for whose acts the City may be held responsible (with coverage to the City at least as broad as that which is provided to Developer and not lessened or avoided by endorsement). The policy shall contain a "severability of interests" clause and provide primary insurance over any other insurance maintained by the City.
 - iii. Workers' compensation insurance with at least statutory coverage.
- b. Upon completion of construction of the Minimum Improvements and at all times prior to the Termination Date, Developer shall maintain or cause to be maintained, at its cost and expense (and from time to time at the request of the City shall furnish proof of the payment of premiums on), insurance as follows:
 - i. Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, explosion, water damage, demolition cost, debris removal, and collapse in an amount not less than the full insurable replacement value of the Minimum Improvements, but any such policy may have a deductible amount of not more than \$50,000 or self-insurance up to not more than \$1,000,000. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without

the prior consent thereto in writing by the City. The term "full insurable replacement value" shall mean the actual replacement cost of the Minimum Improvements (excluding foundation and excavation costs and costs of underground flues, pipes, drains, and other uninsurable items) and equipment, and shall be determined from time to time at the request of the City, but not more frequently than once every three years, by an insurance consultant or insurer selected and paid for by Developer and approved by the City.

ii. Comprehensive general public liability insurance, including personal injury liability for injuries to persons and/or property, including any injuries resulting from the operation of automobiles or other motorized vehicles on or about the Development Property, in the minimum amount for each occurrence and for each year of \$1,000,000.

iii. Such other insurance, including workers' compensation insurance respecting all employees of Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

c. All insurance required by this Article V to be provided prior to the Termination Date shall be taken out and maintained in responsible insurance companies selected by Developer, which are authorized under the laws of the State to assume the risks covered thereby. Developer will deposit annually with the City copies of policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V, each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to Developer and the City at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, Developer shall furnish the City evidence satisfactory to the City that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V, or that there is no necessity therefor under the terms hereof. In lieu of separate policies, Developer may maintain a single policy, or blanket or umbrella policies, or a combination thereof, which provide the total coverage required herein, in which event Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

d. Developer agrees to notify the City immediately in the case of damage exceeding \$25,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. Net Proceeds of any such insurance shall be paid directly to Developer, and Developer will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as they existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, Developer will apply the Net Proceeds of any insurance relating to such damage received by Developer to the payment or reimbursement of the costs thereof.

e. Developer shall complete the repair, reconstruction, and restoration of the Minimum Improvements, whether or not the Net Proceeds of insurance received by Developer for such purposes are sufficient.

ARTICLE VI. FURTHER COVENANTS OF DEVELOPER

Section 6.1. Maintenance of Properties. Developer will maintain, preserve, and keep its properties within the City (whether owned in fee or a leasehold interest), including but not limited to the Minimum Improvements, in good repair and working order, ordinary wear and tear excepted, and from time to time will make all necessary repairs, replacements, renewals, and additions.

Section 6.2. Maintenance of Records. Developer will keep at all times proper books of record and account in which full, true, and correct entries will be made of all dealings and transactions of or in relation to the business and affairs of Developer relating to this Project in accordance with generally accepted accounting principles, consistently applied throughout the period involved, and Developer will provide reasonable protection against loss or damage to such books of record and account.

Section 6.3. Compliance with Laws. Developer will comply with all state, federal and local laws, rules and regulations relating to the Development Property and the Minimum Improvements.

Section 6.4. Non-Discrimination. In the construction and operation of the Minimum Improvements, Developer shall not discriminate against any applicant, employee or tenant because of age, color, creed, national origin, race, religion, marital status, sex, physical disability, or familial status. Developer shall ensure that applicants, employees, and tenants are considered and are treated without regard to their age, color, creed, national origin, race, religion, marital status, sex, physical disability, or familial status.

Section 6.5. Available Information. Upon request, Developer shall promptly provide the City with copies of information requested by City that are related to this Agreement so that City can determine compliance with this Agreement.

Section 6.6. Employment. Developer shall employ at least 27 Full-Time Equivalent Employment Units at the Minimum Improvements by no later than January 1, 2017, and that thereafter Developer retain a Monthly Average of at least 27 Full-Time Equivalent Employment Units until the Termination Date of this Agreement. Developer's Annual Certifications, due beginning on October 15, 2017, shall show that a Monthly Average of at least 27 Full-Time Equivalent Employment Units has been maintained by Developer over each twelve (12) month period from November 1 through the next October 1, (or, in the first certification year, an average of at least 27 Full-Time Equivalent Employment Units from January 1, 2017 through October 1, 2017).

"Monthly Average" means the average number of Full-Time Equivalent Employment Units employed as of October 1 of each year and as of the first day of each of the preceding eleven (11) months, as shown in Developer's Annual Certification in Section 6.7. Developer shall not receive any Economic Development Grants if the Monthly Average of Full-Time Equivalent Employment Units does not meet the requirements of this Section 6.6. See chart in Exhibit F for details. Developer shall provide information as requested by the City to determine compliance with the foregoing employment obligations. If any Annual Certification reflects a Monthly Average of additional Full-Time Equivalent Employment Units less than 20 (for a total of 278), then no grant shall be paid for that year.

Section 6.7. Annual Certification. To assist the City in monitoring the Agreement and performance of Developer hereunder, a duly authorized officer of Developer shall annually provide to the City: (i) proof that all ad valorem taxes on the Development Property and Minimum Improvements

have been timely paid for the prior fiscal year and for the current fiscal year as of the date of certification (if due and payable); (ii) the date of the first full assessment of the Minimum Improvements; (iii) certification of the number of Full-Time Equivalent Employment Units as of October 1 and as of the first day of each of the preceding eleven (11) months; and (iv) certification that such officer has re-examined the terms and provisions of this Agreement and that at the date of such certification, and during the preceding twelve (12) months, Developer is not, and was not, in default in the fulfillment of any of the terms and conditions of this Agreement and that no Event of Default (or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default) is occurring or has occurred as of the date of such certification or during such period, or if the signer is aware of any such default, event or Event of Default, said officer shall disclose in such statement the nature thereof, its period of existence and what action, if any, has been taken or is proposed to be taken with respect thereto. Such statement, proof and certificate shall be provided not later than October 15 of each year, commencing October 15, 2017 and ending on October 15, 2028, both dates inclusive. Developer shall provide supporting information for its Annual Certification upon request of the City. See Exhibit D for form required for Developers Annual Certification.

Section 6.8. Term of Operation. Developer will maintain its operations at the Minimum Improvements on the Development Property, and will meet the employee obligations in Section 6.6, until the Termination Date of this Agreement.

Section 6.9. Developer Completion Guarantee. By signing this Agreement, Developer hereby guarantees to the City performance by Developer of all the terms and provisions of this Agreement pertaining to Developer's obligations with respect to the construction of the Minimum Improvements. Without limiting the generality of the foregoing, Developer guarantees that: (a) construction of the Minimum Improvements shall commence and be completed within the time limits set forth herein; (b) the Minimum Improvements shall be constructed and completed in accordance with the Construction Plans; (c) the Minimum Improvements shall be constructed and completed free and clear of any mechanic's liens, materialman's liens and equitable liens; and (d) all costs of constructing the Minimum Improvements shall be paid when due.

ARTICLE VII. PROHIBITION AGAINST ASSIGNMENT AND TRANSFER

Section 7.1. Status of Developer; Transfer of Substantially All Assets; Assignment. As security for the obligations of Developer under this Agreement, Developer represents and agrees that, prior to the Termination Date, Developer will maintain existence as a corporation and will not wind up or otherwise dispose of all or substantially all of its assets or transfer, convey or assign its interest in the Development Property or its interest in this Agreement to any other party unless (i) the transferee partnership, corporation, limited liability company or individual assumes in writing all of the obligations of Developer under this Agreement and (ii) the City consents thereto in writing in advance thereof.

In the event that Developer wishes to assign this Agreement, including its rights and duties hereunder, Developer and transferee individual or entity shall request that the City and Developer consent to an amendment of this Agreement to accommodate the transfer and to provide for the assumption of all Developer obligations under this Agreement. Such transfer shall not be effective unless and until the City and Developer consent in writing to an amendment of this Agreement authorizing the transfer.

Section 7.2. Prohibition Against Use as Non-Taxable or Centrally Assessed Property. During the term of this Agreement and subject to Section 7.1 above, the Developer, or its successors, or assigns may transfer or sell the Development Property to a non-profit entity or used for a purpose that would exempt the Development Property or Minimum Improvements from property tax liability, provided, however, that upon such transfer or sale this Agreement shall automatically terminate and no further Economic Development Grants shall be made. Nor can the Development Property or Minimum Improvements be used as centrally assessed property (including but not limited to, Iowa Code § 428.24 to 428.29 (Public Utility Plants and Related Personal Property); Chapter 433 (Telegraph and Telephone Company Property); Chapter 434 (Railway Property); Chapter 437 (Electric Transmission Lines); Chapter 437A (Property Used in the Production, Generation, Transmission or Delivery of Electricity or Natural Gas); and Chapter 438 (Pipeline Property)).

ARTICLE VIII. ECONOMIC DEVELOPMENT GRANTS

Section 8.1. Economic Development Grants. For and in consideration of the obligations being assumed by Developer hereunder, and in furtherance of the goals and objectives of the Urban Renewal Plan for the Urban Renewal Area and the Urban Renewal Act, the City agrees, subject to Developer being and remaining in compliance with the terms of this Agreement, to make up to ten (10) years of consecutive annual payments of Economic Development Grants to Developer up to a total amount not to exceed Two Hundred Twenty-Five Thousand Dollars (\$225,000) in the aggregate, under the following formula:

Assuming the completion of the Minimum Improvements by November 30, 2016 and full assessment of the Minimum Improvements on January 1, 2017, and debt certification by the City to the Auditor prior to December 1, 2017, the Economic Development Grants shall commence on June 1, 2019 and end on June 1, 2028 pursuant to Section 403.19 of the Urban Renewal Act in the following amounts:

<u>Date</u>	<u>Amount of Economic Development Grants</u>
June 1, 2019	80% of Tax Increments for Fiscal Year 2018-2019
June 1, 2020	80% of Tax Increments for Fiscal Year 2019-2020
June 1, 2021	60% of Tax Increments for Fiscal Year 2020-2021
June 1, 2022	50% of Tax Increments for Fiscal Year 2021-2022
June 1, 2023	50% of Tax Increments for Fiscal Year 2022-2023
June 1, 2024	50% of Tax Increments for Fiscal Year 2023-2024
June 1, 2025	25% of Tax Increments for Fiscal Year 2024-2025
June 1, 2026	25% of Tax Increments for Fiscal Year 2025-2026
June 1, 2027	25% of Tax Increments for Fiscal Year 2026-2027
June 1, 2028	15% of Tax Increments for Fiscal Year 2027-2028

Each annual payment shall be equal in amount to the above percentages of the Tax Increments, not to exceed \$225,000 in the aggregate, collected by the City with respect to the Minimum Improvements on the Development Property under the terms of the Ordinance and deposited into the Storm Lake Development Group LLC TIF Account (without regard to any averaging that may otherwise

be utilized under Section 403.19 and excluding any interest that may accrue thereon prior to payment to Developer) during the preceding twelve-month period in respect of the Minimum Improvements, but subject to limitation and adjustment as provided in this Article (such payments being referred to collectively as the "Economic Development Grants").

Section 8.2. Payment Schedule. After the Minimum Improvements are first fully assessed and if in compliance with this Agreement, if Developer's Annual Certification is timely filed and contains the information required under Section 6.7 and the Council approves of the same, the City shall certify to the County prior to December 1 of that year its request for the available Tax Increments resulting from the assessments imposed by the County as of January 1 of that year, to be collected by the County and paid to the City as taxes are paid during the following fiscal year and which shall thereafter be disbursed to Developer on the following June 1. (Example: assuming completion by November 2016 and first full assessment on January 1, 2017, if Developer certifies in October 2017 and the City certifies to the County by December 1, 2017, the first Economic Development Grants would be paid to Developer on June 1, 2019 (for 80% of the Tax Increment for fiscal year 2018-2019)). The schedule of the payments for Economic Development Grants set forth in Section 8.1 is based on the first full assessment of the Minimum Improvements being January 1, 2017. If the completion of the Minimum Improvements is delayed so that the Minimum Improvements are not fully assessed as of January 1, 2017, then the first Economic Development Grant will not begin as scheduled, but will be delayed one year. However, in no event shall the schedule of Economic Development Grants be delayed more than one year, meaning that the latest potential date for Developer's first Economic Development Grant, if eligible, is June 1, 2020.

Section 8.3. Maximum Amount of Grants. The aggregate amount of the Economic Development Grants that may be paid to Developer under this Agreement shall be equal to the sum of the total amount of the applicable percentage of Tax Increments collected in respect of the assessments imposed on the Minimum Improvements over the specified time period, but in no event shall exceed Two Hundred Twenty-Five Thousand Dollars (\$225,000) over ten (10) years.

Section 8.4. Limitations. The Economic Development Grants are only for the Minimum Improvements described in this Agreement (building/improvement increase value only) and not any future expansions which, to be eligible for Economic Development Grants, would be the subject of an amendment or new agreement, at the sole discretion of the City Council.

Section 8.5. Conditions Precedent. Notwithstanding the provisions of Section 8.1 above, the obligation of the City to make an Economic Development Grant in any year shall be subject to and conditioned upon the following:

- (a) compliance with the terms of this Agreement, including, but not limited to, the employment obligations in Section 6.6 of this Agreement, and payment of property taxes; and
- (b) timely filing by Developer of the Annual Certifications required under Section 6.7 hereof and the Council's approval thereof.

In the event that an Event of Default occurs or any certification filed by Developer under Section 6.7 (or other information) discloses the existence or prior occurrence of an Event of Default that was not cured or cannot reasonably be cured, the City shall have no obligation thereafter to make any payments

to Developer in respect of the Economic Development Grants and the provisions of this Article shall terminate and be of no further force or effect.

Each Annual Certification filed by Developer under Section 6.7 hereof shall be considered separately in determining whether the City shall make any of the Economic Development Grant payments available to Developer under this Section. Under no circumstances shall the failure by Developer to qualify Developer for an Economic Development Grant in any year serve to extend the term of this Agreement beyond the Termination Date or the years during which Economic Development Grants may be awarded to Developer or the total amount thereof, it being the intent of parties hereto to provide Developer with an opportunity to receive Economic Development Grants only if Developer fully complies with the provisions hereof and Developer becomes entitled thereto, up to the maximum aggregate amount set forth in Sections 8.1 and 8.3.

Section 8.6. Source of Grant Funds Limited.

a. The Economic Development Grants shall be payable from and secured solely and only by amounts deposited and held in the Storm Lake Development Group LLC TIF Account of the Storm Lake Urban Renewal Tax Increment Revenue Fund of the City. The City hereby covenants and agrees to maintain the Ordinance in force during the term hereof and to apply the appropriate percentage of Tax Increments collected in respect of the Development Property and Minimum Improvements and allocated to the Storm Lake Development Group LLC TIF Account to pay the Economic Development Grants, as and to the extent set forth in this Article. The Economic Development Grants shall not be payable in any manner by other tax increment revenues or by general taxation or from any other City funds. Any commercial and industrial property tax replacement monies that may be received under chapter 441.21A shall not be included in the calculation to determine the amount of Economic Development Grants for which Developer is eligible, and any monies received back under chapter 426C relating to the Business Property Tax Credit shall not be included in the calculation to determine the amount of Economic Development Grants for which Developer is eligible.

b. Each Economic Development Grant is subject to annual appropriation by the City Council each fiscal year. The City has no obligation to make any payments to Developer as contemplated under this Agreement until the City Council annually appropriates the funds necessary to make such payments. The right of non-appropriation reserved to the City in this Section is intended by the parties, and shall be construed at all times, so as to ensure that the City's obligation to make future Economic Development Grants shall not constitute a legal indebtedness of the City within the meaning of any applicable constitutional or statutory debt limitation prior to the adoption of a budget which appropriates funds for the payment of that installment or amount. In the event that any of the provisions of this Agreement are determined by a court of competent jurisdiction or by the City's bond counsel to create, or result in the creation of, such a legal indebtedness of the City, the enforcement of the said provision shall be suspended, and the Agreement shall at all times be construed and applied in such a manner as will preserve the foregoing intent of the parties, and no Event of Default by the City shall be deemed to have occurred as a result thereof. If any provision of this Agreement or the application thereof to any circumstance is so suspended, the suspension shall not affect other provisions of this Agreement which can be given effect without the suspended provision. To this end the provisions of this Agreement are severable.

c. Notwithstanding the provisions of Section 8.1 hereof, the City shall have no obligation to make an Economic Development Grant to Developer if at any time during the term hereof the City fails to appropriate funds for payment, or receives an opinion from its legal counsel to the effect that the use of Tax Increments resulting from the Minimum Improvements to fund an Economic Development Grant to Developer, as contemplated under said Section 8.1, is not authorized or otherwise an appropriate urban renewal activity permitted to be undertaken by the City under the Urban Renewal Act or other applicable provisions of the Code, as then constituted or under controlling decision of any Iowa Court having jurisdiction over the subject matter hereof. Upon receipt of any such legal opinion or non-appropriation, the City shall promptly forward notice of the same to Developer. If the non-appropriation or circumstances or legal constraints giving rise to the decision continue for a period during which two (2) annual Economic Development Grants would otherwise have been paid to Developer under the terms of Section 8.1, the City may terminate this Agreement, without penalty or other liability to the City, by written notice to Developer.

Section 8.7. Use of Other Tax Increments. The City shall be free to use any and all Tax Increments above and beyond the percentages to be given to Developer in this Agreement, or any available Tax Increments resulting from the suspension or termination of the Economic Development Grants, for any purpose for which the Tax Increments may lawfully be used pursuant to the provisions of the Urban Renewal Act (including an allocation of all or any portion thereof to the reduction of any eligible City costs), and the City shall have no obligations to Developer with respect to the use thereof.

Section 8.8. Real Property Taxes. Developer, or its successors shall pay or cause to be paid, when due, all real property taxes and assessments payable with respect to all and any parts of the Development Property acquired and owned or leased by them and pursuant to the provisions of this Agreement. Until Developer's obligations have been assumed by any other person or legal title to the property is vested in another person, all pursuant to the provisions of this Agreement, Developer and shall be solely responsible for all assessments and taxes.

Developer and its successors agree that prior to the Termination Date:

a. They will not seek administrative review or judicial review of the applicability or constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Development Property, Minimum Improvements, or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; and

b. They will not seek any tax exemption deferral or abatement either presently or prospectively authorized under any State, federal or local law with respect to taxation of real property contained on the Development Property between the date of execution of this Agreement and the Termination Date.

ARTICLE IX. INDEMNIFICATION

Section 9.1. Release and Indemnification Covenants.

a. Developer releases the City and the governing body members, officers, agents, servants and employees thereof (hereinafter, for purposes of this Article IX, the "Indemnified Parties") from,

covenants and agrees that the Indemnified Parties shall not be liable for, and agrees to indemnify, defend, and hold harmless the Indemnified Parties against, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements or Development Property.

b. Except for any willful misrepresentation or any willful or wanton misconduct or any unlawful act of the Indemnified Parties, Developer agrees to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the Indemnified Parties harmless, from any claim, demand, suit, action or other proceedings whatsoever by any person or entity whatsoever arising or purportedly arising from: (i) any violation of any agreement or condition of this Agreement (except with respect to any suit, action, demand or other proceeding brought by Developer against the City to enforce its rights under this Agreement); (ii) the acquisition and condition of the Development Property and the construction, installation, ownership, and operation of the Minimum Improvements; or (iii) any hazardous substance or environmental contamination located in or on the Development Property.

c. The Indemnified Parties shall not be liable for any damage or injury to the persons or property of Developer or their officers, agents, servants or employees or any other person who may be about the Minimum Improvements or Development Property due to any act of negligence of any person, other than any act of negligence on the part of any such Indemnified Party or its officers, agents, servants or employees.

d. All covenants, stipulations, promises, agreements, and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the City, and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

e. The provisions of this Article IX shall survive the termination of this Agreement.

ARTICLE X. REMEDIES

Section 10.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events during the Term of this Agreement:

a. Failure by Developer to cause the construction of the Minimum Improvements to be completed and the operations to continue pursuant to the terms and conditions of this Agreement;

b. Transfer of Developer's interest in the Development Property, Minimum Improvements, or this Agreement or the assets of Developer in violation of the provisions of this Agreement;

c. Failure by Developer to timely pay ad valorem taxes on the Development Property and Minimum Improvements;

d. Failure by Developer to substantially observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, including but not limited to Sections 6.6, 6.7, 6.8 and 6.9 of this Agreement;

e. The holder of any Mortgage on the Development Property, or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable Mortgage documents;

f. Developer:

i. files any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended, or under any similar federal or state law; or

ii. makes an assignment for the benefit of its creditors; or

iii. admits in writing its inability to pay its debts generally as they become due; or

iv. is adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of Developer as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of Developer or the Minimum Improvements, or part thereof, shall be appointed in any proceedings brought against Developer, and shall not be discharged within ninety (90) days after such appointment, or if Developer shall consent to or acquiesce in such appointment; or

g. Any representation or warranty made by Developer in this Agreement or in any written statement or certificate furnished by Developer pursuant to this Agreement, shall prove to have been incorrect, incomplete or misleading in any material respect on or as of the date of the issuance or making thereof.

Section 10.2. Remedies on Default. Whenever any Event of Default referred to in Section 10.1 of this Agreement occurs and is continuing, the City may take any one or more of the following actions after giving thirty (30) days' written notice to Developer and the holder of the First Mortgage (but only to the extent the City has been informed in writing of the existence of a First Mortgage and been provided with the address of the holder thereof) of the Event of Default, but only if the Event of Default has not been cured to the satisfaction of the City within said thirty (30) days, or if the Event of Default cannot reasonably be cured within thirty (30) days and Developer does not provide assurances reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible:

a. The City may suspend its performance under this Agreement until it receives assurances from Developer, deemed adequate by the City, that Developer will cure the default and continue its performance under this Agreement;

b. The City may terminate this Agreement;

c. The City may withhold the Certificate of Completion;

d. The City may take any action, including legal, equitable or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of Developer, as the case may be, under this Agreement;

e. The City shall have no obligation to make payment of Economic Development Grants to Developer subsequent to an Event of Default; or

f. The City shall have no obligation to make payment of Economic Development Grants to Developer subsequent to an Event of Default and shall be entitled to recover from the Developer, and the Developer shall repay to the City, an amount equal to the full amount of the Economic Development Grants previously made to Developer under Article VIII hereof, with interest thereon at the highest rate permitted by State law. The City may take any action, including any legal action it deems necessary, to recover such amount from Developer. The City may demand such payment at any time following its determination that Developer is in default under this Agreement, including if Developer fails to satisfy its employment obligations under Section 6.6 hereof.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 10.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 10.5. Agreement to Pay Attorneys' Fees and Expenses.

a. Developer and the City shall each pay for its own attorney's fees associated with this Agreement.

b. Whenever any Event of Default occurs and the City employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of Developer herein contained, Developer agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses as may be reasonably and appropriately incurred by the City in connection therewith.

ARTICLE XI. RESERVED

ARTICLE XII. MISCELLANEOUS

Section 12.1. Conflict of Interest. Developer represents and warrants that, to its best knowledge and belief after due inquiry, no officer or employee of the City, or their designees or agents, nor any consultant or member of the governing body of the City, and no other public official of the City who exercises or has exercised any functions or responsibilities with respect to the Project during his or her tenure, or who is in a position to participate in a decision-making process or gain insider information with regard to the Project, has had or shall have any interest, direct or indirect, in any contract or

subcontract, or the proceeds thereof, for work or services to be performed in connection with the Project, or in any activity, or benefit therefrom, which is part of the Project at any time during or after such person's tenure.

Section 12.2. Notices and Demands. A notice, demand or other communication under this Agreement by any party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- a. In the case of Developer, is addressed or delivered personally to Storm Lake Development Group LLC, at 3027 Autumn Leaves Circle, Green Bay, WI 54313, Attn: Richard W. Johnson;
- b. In the case of the City, is addressed to or delivered personally to the City at P.O. Box 1086, 620 Erie Street, Storm Lake, IA 50588, Attn: City Manager;

or to such other designated individual or officer or to such other address as any party shall have furnished to the other in writing in accordance herewith.

Section 12.3. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 12.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 12.5. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Iowa.

Section 12.6. Entire Agreement. This Agreement and the exhibits hereto reflect the entire agreement among the parties regarding the subject matter hereof, and supersedes and replaces all prior agreements, negotiations or discussions, whether oral or written. This Agreement may not be amended except by a subsequent writing signed by all parties hereto.

Section 12.7. Successors and Assigns. This Agreement is intended to and shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 12.8. Termination Date. This Agreement shall terminate and be of no further force or effect on and after December 31, 2029, unless terminated earlier under the provisions of this Agreement.

Section 12.9. Memorandum of Agreement. The parties agree to execute and record a Memorandum of Agreement for Private Development, in substantially the form attached as Exhibit E, to serve as notice to the public of the existence and provisions of this Agreement, and the rights and interests held by the City by virtue hereof. The City shall pay for all costs of recording.

Section 12.10. No Third-Party Beneficiaries. No rights or privileges of either party hereto shall inure to the benefit of any landowner, contractor, subcontractor, material supplier, or any other person or entity, and no such contractor, landowner, subcontractor, material supplier, or any other person or entity shall be deemed to be a third-party beneficiary of any of the provisions contained in this Agreement.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor and its seal to be hereunto duly affixed and attested by its City Clerk, Developer has caused this Agreement to be duly executed in its name and behalf by its authorized representatives, all on or as of the day first above written.

[Remainder of page intentionally left blank; signature pages follow]

(SEAL)

CITY OF STORM LAKE, IOWA

By: _____
Jon F. Kruse, Mayor

ATTEST:

By: _____
Sue Vossberg, City Clerk

STATE OF IOWA)
) SS
COUNTY OF BUENA VISTA)

On this _____ day of _____, 2016, before me a Notary Public in and for said State, personally appeared Jon F. Kruse and Sue Vossberg, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Storm Lake, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

[Signature page to Agreement for Private Development – City of Storm Lake]

EXHIBIT A
DEVELOPMENT PROPERTY

The Development Property is described as follows:

The legal description of the North #1 - Bargloff Urban Renewal Amendment No. 2 Area is as follows:

Parcel Number: 10-34-202-004

Lot Three (3), Block One (1) Geisinger's Commercial First Addition to the City of Storm Lake, Iowa.

and

Parcel Number: 10-34-202-005

A parcel of land located in the west half of the northeast quarter (W1/2 NE ¼) of section thirty-four (34), township ninety one north (91), Range thirty-seven (37) west of the 5th P.M., more particularly described as follows:

Commencing at the southwest corner of the northeast quarter (NE ¼) of section thirty-four (34), township ninety-one (91) North, Range thirty-seven (37) West of the 5th P.M., thence due north along the west line of said NE ¼ a distance of 180 feet, thence due east a distance of 250 feet, thence due south a distance of 180 feet, thence due west a distance of 250 feet to the point of beginning and containing an area of 1.03 acres of which 0.23 acres are existing highway right of way.

and

Lot five (5), Block One (1), Geisinger's commercial second addition to the City of Storm Lake, Buena Vista County, Iowa.

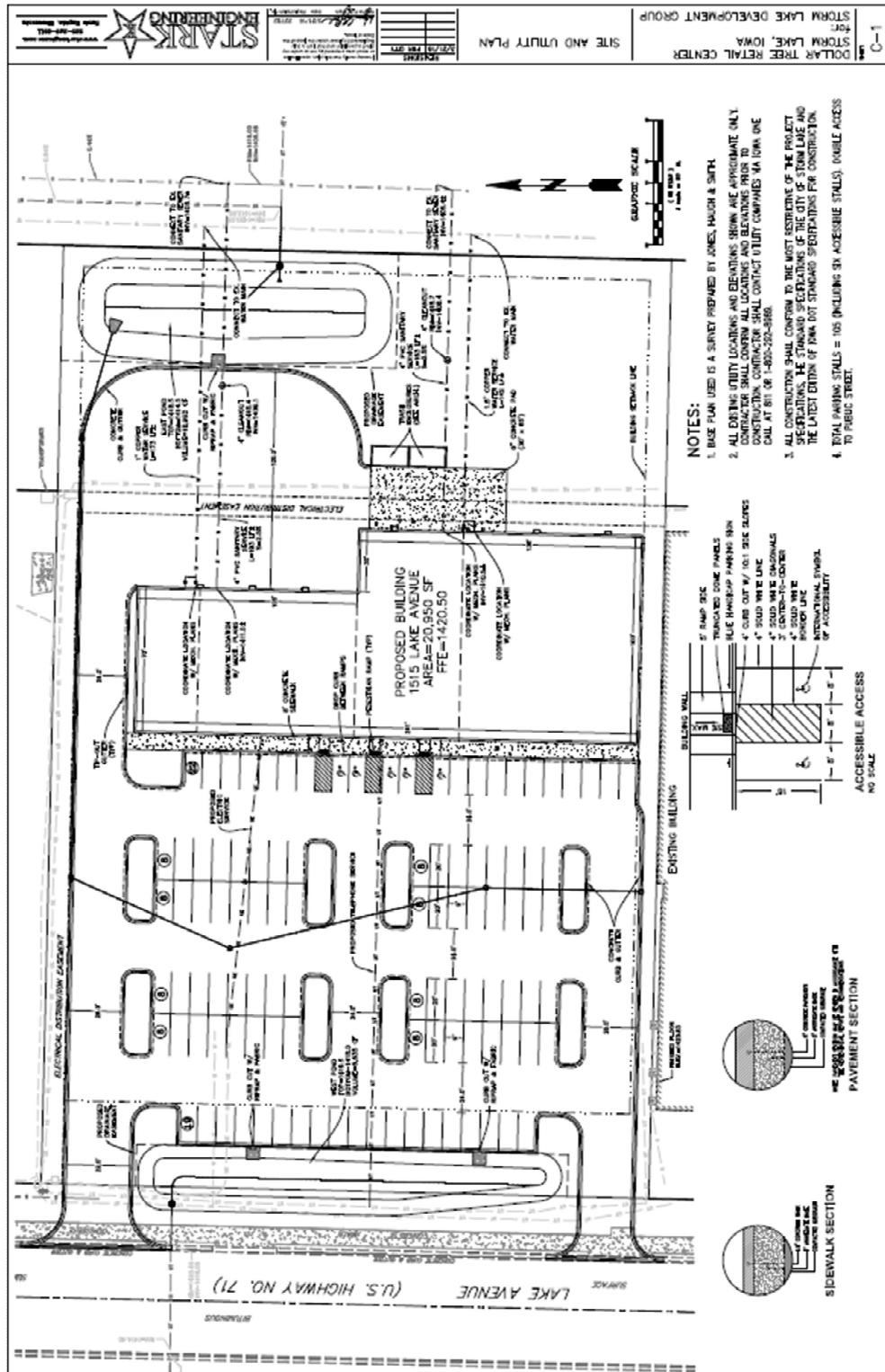
Tract is hereby divided into four (4) lots as shown hereon and shall hereafter be known as
Brashears First Addition A subdivision of lot five (5) Block One (1) Geisinger's
Commercial Second Addition to the City of Storm Lake.

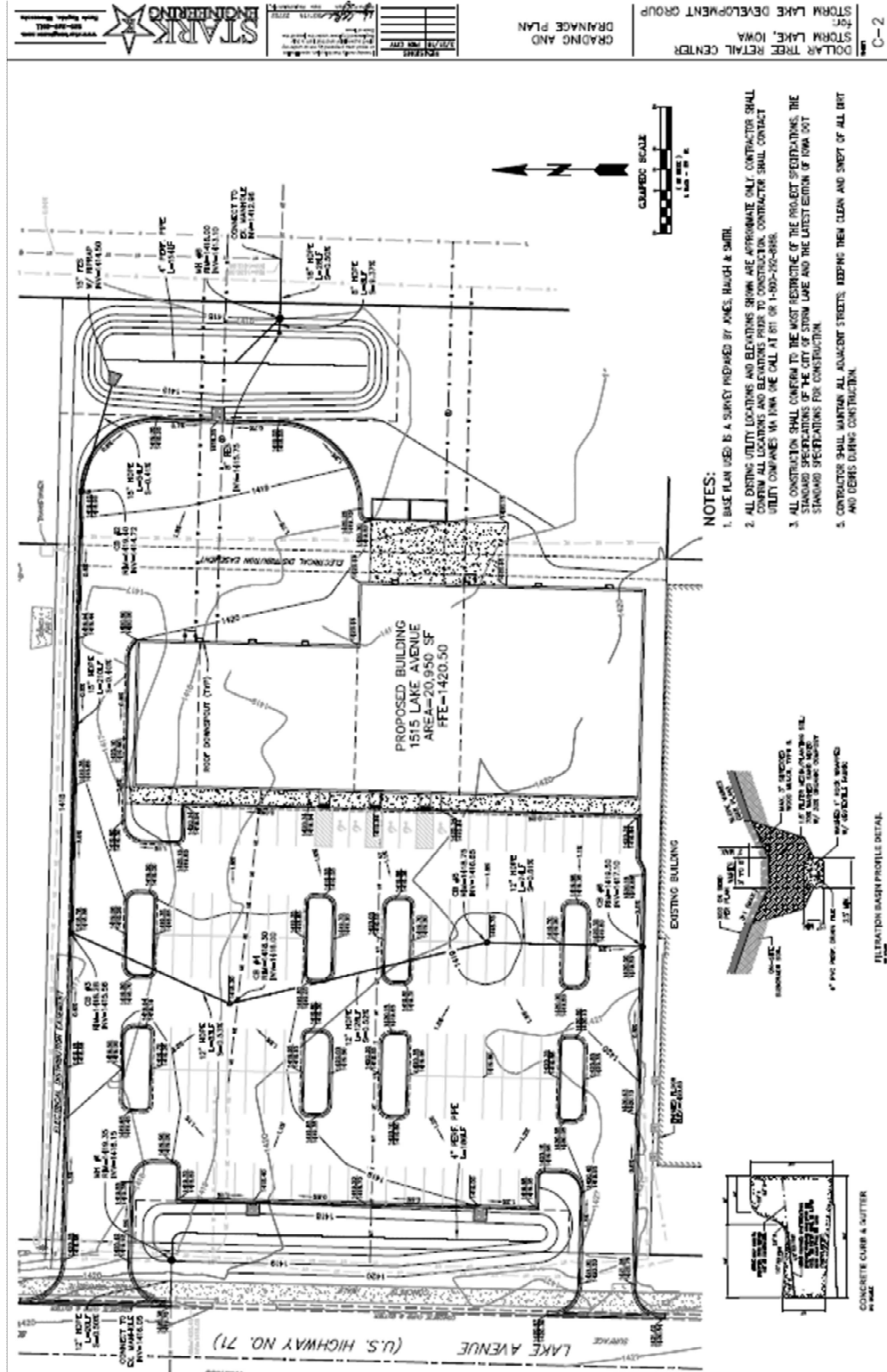
EXHIBIT B
MINIMUM IMPROVEMENTS

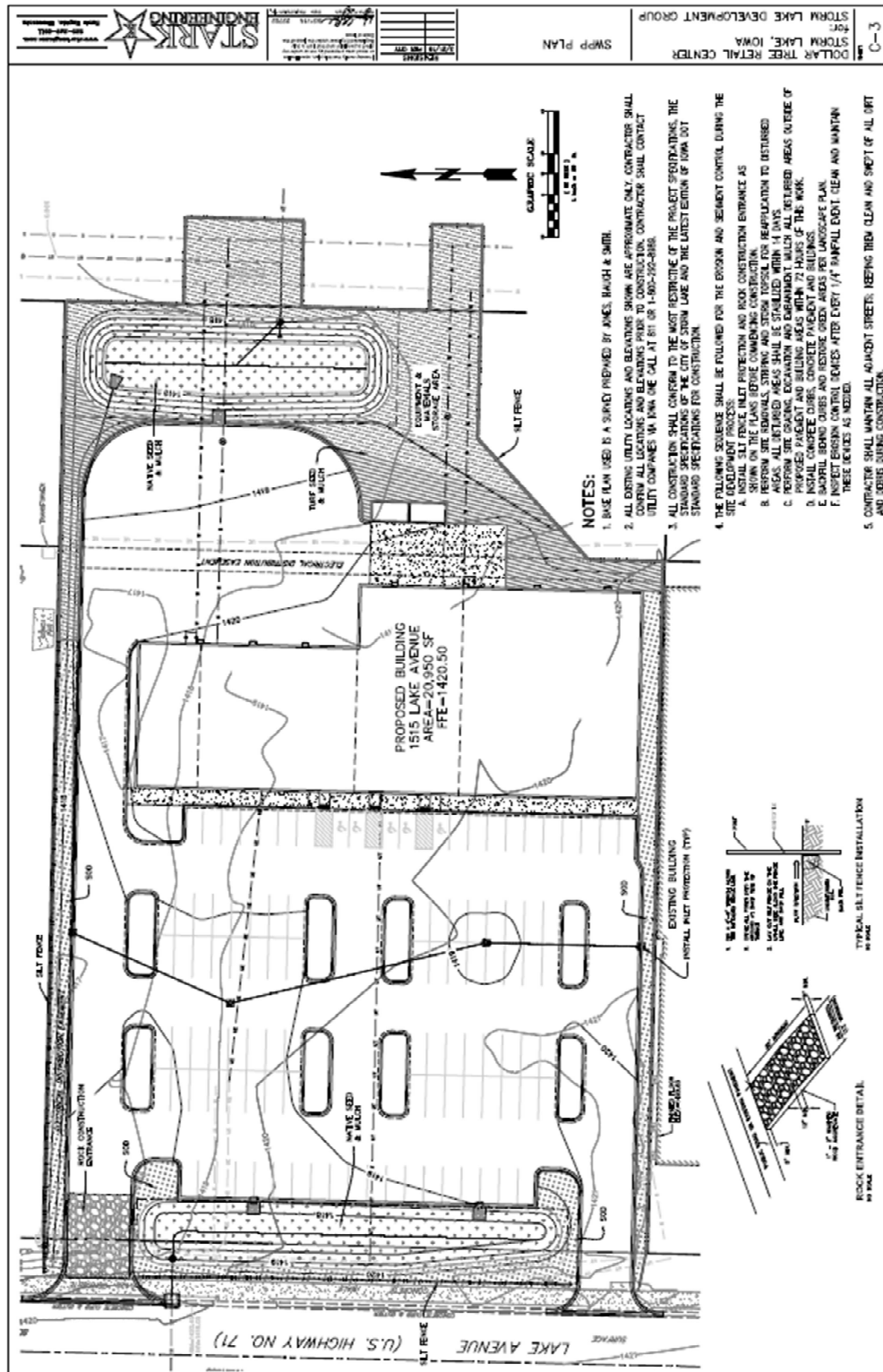
Minimum Improvements means the construction of an approximately 20,375 square foot building on the Development Property. The construction of the Minimum Improvements will be completed in 2016. Construction costs are expected to be approximately \$1,700,000.

The increased value after construction of the Minimum Improvements for the purpose of this Agreement is expected to be approximately \$1,400,000, but the Buena Vista County Assessor will make the final determination as to the value.

EXHIBIT B-1 SITE PLANS, RENDERINGS, ELEVATIONS AND FLOOR PLANS OF MINIMUM IMPROVEMENTS







[illegible]

CERTIFICATE OF COMPLETION

WHEREAS, the City of Storm Lake, Iowa, (the "City") and Storm Lake Development Group LLC, a Wisconsin limited liability company, ("Developer"), did on or about the ____ day of _____, 2016, make, execute and deliver, each to the other, an Agreement for Private Development (the "Agreement"), wherein and whereby Developer agreed, in accordance with the terms of the Agreement, to develop and maintain certain real property located within the City and as more particularly described as follows:

The legal description of the North #1 - Bargloff Urban Renewal Amendment No. 2 Area is as follows:

Parcel Number: 10-34-202-004

Lot Three (3), Block One (1) Geisinger's Commercial First Addition to the City of Storm Lake, Iowa.

and

Parcel Number: 10-34-202-005

A parcel of land located in the west half of the northeast quarter (W1/2 NE ¼) of section thirty-four (34), township ninety one north (91), Range thirty-seven (37) west of the 5th P.M., more particularly described as follows:

Commencing at the southwest corner of the northeast quarter (NE ¼) of section thirty-four (34), township ninety-one (91) North, Range thirty-seven (37) West of the 5th P.M., thence due north along the west line of said NE ¼ a distance of 180 feet, thence due east a distance of 250 feet, thence due south a distance of 180 feet, thence due west a distance of 250 feet to the point of beginning and containing an area of 1.03 acres of which 0.23 acres are existing highway right of way.

and

Lot five (5), Block One (1), Geisinger's commercial second addition to the City of Storm Lake, Buena Vista County, Iowa.

Tract is hereby divided into four (4) lots as shown hereon and shall hereafter be known as
Brashears First Addition A subdivision of lot five (5) Block One (1) Geisinger's
Commercial Second Addition to the City of Storm Lake.

(the "Development Property"); and

WHEREAS, the Agreement incorporated and contained certain covenants and restrictions with respect to the development of the Development Property, and obligated the Developer to construct certain Minimum Improvements (as defined therein) in accordance with the Agreement; and

WHEREAS, Developer has to the present date performed said covenants and conditions insofar as they relate to the construction of said Minimum Improvements in a manner deemed by the City to be in conformance with the Agreement to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that all covenants and conditions of the Agreement with respect to the obligations of Developer and its successors and assigns, to construct the Minimum Improvements on the Development Property have been completed and performed by Developer and are hereby released absolutely and forever terminated insofar as they apply to the land described herein. The County Recorder of Buena Vista County is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of said Agreement with respect to the construction of the Minimum Improvements on the Development Property.

All other provisions of the Agreement shall otherwise remain in full force and effect until termination as provided therein.

[Remainder of page intentionally left blank; signature page follows]

(SEAL)

CITY OF STORM LAKE, IOWA

By: _____
Jon F. Kruse, Mayor

ATTEST:

By: _____
Sue Vossberg, City Clerk

STATE OF IOWA)
) SS
COUNTY OF BUENA VISTA)

On this _____ day of _____, 2016, before me a Notary Public in and for said State, personally appeared Jon F. Kruse and Sue Vossberg, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Storm Lake, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

[Signature page to Certificate of Completion – City of Storm Lake]

EXHIBIT D
DEVELOPER ANNUAL CERTIFICATION
(due before October 15th as required under terms of Development Agreement)

The Developer certifies the following:

During the time period covered by this Certification, the Developer is and was in compliance with Section 6.7 of the Agreement as follows:

(i) All ad valorem taxes on the Development Property then owned by the Developer in the Urban Renewal Area have been timely paid for the prior fiscal year (and for the current year, if due) and attached to this Annual Certification are proof of payment of said taxes;

(ii) The Minimum Improvements (building only) were first fully assessed on January 1, 20__, at a full assessment value of \$_____;

(iii) The total number of Full-Time Equivalent Employment Units employed by Developer at the Minimum Improvements as of October 1, 20__ and as of the first day of each of the preceding eleven (11) months were are follows:

October 1, 20__: _____
September 1, 20__: _____
August 1, 20__: _____
July 1, 20__: _____
June 1, 20__: _____
May1, 20__: _____

April 1, 20__: _____
March 1, 20__: _____
February 1, 20__: _____
January 1, 20__: _____
December 1, 20__: _____
November 1, 20__: _____

(iv) The undersigned officer of Developer has re-examined the terms and provisions of the Agreement and certify that at the date of such certificate, and during the preceding twelve (12) months, the Developer is not, or was not, in default in the fulfillment of any of the terms and conditions of the Agreement and that no Event of Default (or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default) is occurring or has occurred as of the date of such certificate or during such period, or if the signer is aware of any such default, event or Event of Default, said officer shall disclose in such statement the nature thereof, its period of existence and what action, if any, has been taken or is proposed to be taken with respect thereto.

Signed this _____ day of _____, 20__.

STORM LAKE DEVELOPMENT GROUP LLC

By: _____
Print Name: _____
Title: _____

Attachments: Proof of payment of taxes

EXHIBIT E
MEMORANDUM OF AGREEMENT FOR PRIVATE DEVELOPMENT

WHEREAS, the City of Storm Lake, Iowa (the "City"), and Storm Lake Development Group LLC, a Wisconsin limited liability company, ("Developer"), did on or about the ____ day of _____, 2016, make, execute and deliver, each to the other, an Agreement for Private Development (the "Agreement"), wherein and whereby Developer agreed, in accordance with the terms of the Agreement and the Storm Lake North #1 - Bargloff Urban Renewal Plan (the "Plan"), to develop certain real property located within the City and within the Storm Lake North #1 - Bargloff Urban Renewal Area.

The Development Property is described as follows:

The legal description of the North #1 - Bargloff Urban Renewal Amendment No. 2 Area is as follows:

Parcel Number: 10-34-202-004

Lot Three (3), Block One (1) Geisinger's Commercial First Addition to the City of Storm Lake, Iowa.

and

Parcel Number: 10-34-202-005

A parcel of land located in the west half of the northeast quarter (W1/2 NE ¼) of section thirty-four (34), township ninety one north (91), Range thirty-seven (37) west of the 5th P.M., more particularly described as follows:

Commencing at the southwest corner of the northeast quarter (NE ¼) of section thirty-four (34), township ninety-one (91) North, Range thirty-seven (37) West of the 5th P.M., thence due north along the west line of said NE ¼ a distance of 180 feet, thence due east a distance of 250 feet, thence due south a distance of 180 feet, thence due west a distance of 250 feet to the point of beginning and containing an area of 1.03 acres of which 0.23 acres are existing highway right of way.

and

Lot five (5), Block One (1), Geisinger's commercial second addition to the City of Storm Lake, Buena Vista County, Iowa.

Tract is hereby divided into four (4) lots as shown hereon and shall hereafter be known as
Brashears First Addition A subdivision of lot five (5) Block One (1) Geisinger's
Commercial Second Addition to the City of Storm Lake.

(the "Development Property"); and

WHEREAS, the term of the Agreement commenced on the ____ day of _____, 2016 and terminates on December 31, 2029, unless otherwise terminated as set forth in the Agreement; and

WHEREAS, the City and Developer desire to record a Memorandum of the Agreement referring to the Development Property and their respective interests therein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. That the recording of this Memorandum of Agreement for Private Development shall serve as notice to the public that the Agreement contains provisions restricting development and use of the Development Property and the improvements located and operated on such Development Property.
2. That all of the provisions of the Agreement and any subsequent amendments thereto, if any, even though not set forth herein, are by the filing of this Memorandum of Agreement for Private Development made a part hereof by reference, and that anyone making any claim against any of said Development Property in any manner whatsoever shall be fully advised as to all of the terms and conditions of the Agreement, and any amendments thereto, as if the same were fully set forth herein.
3. That a copy of the Agreement and any subsequent amendments thereto, if any, shall be maintained on file for public inspection during ordinary business hours in the office of the City Clerk, Storm Lake, Iowa.

IN WITNESS WHEREOF, the City and Developer have executed this Memorandum of Agreement for Private Development on the _____ day of _____, 2016.

[Remainder of page intentionally left blank; signature pages follow]

(SEAL)

CITY OF STORM LAKE, IOWA

By: _____
Jon F. Kruse, Mayor

ATTEST:

By: _____
Sue Vossberg, City Clerk

STATE OF IOWA)
) SS
COUNTY OF BUENA VISTA)

On this _____ day of _____, 2016, before me a Notary Public in and for said State, personally appeared Jon F. Kruse and Sue Vossberg, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Storm Lake, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

[Signature page to Memorandum of Agreement for Private Development – City of Storm Lake]

EXHIBIT F
SCHEDULE OF EMPLOYEE OBLIGATIONS PURSUANT
TO SECTION 6.6 OF THE DEVELOPMENT AGREEMENT

GRANT	ANNUAL CERTIFICATION DATE ¹	NUMBER OF FULL-TIME EQUIVALENT EMPLOYMENT UNITS ON OCTOBER 1 ²	DATE OF ANNUAL ECONOMIC DEVELOPMENT GRANT
1 ⁴	10-15-2017	A Monthly Average of 27 or more ³ (as of October 1, 2017 and the first day of the month for the preceding eleven (11) months)(prorated for first year)	06-01-2019
1 ⁴	10-15-2018	A Monthly Average of 27 or more ³ (as of October 1, 2018 and the first day of the month for the preceding eleven (11) months)	06-01-2019
2	10-15-2019	A Monthly Average of 27 or more ³ (as of October 1, 2019 and the first day of the month for the preceding eleven (11) months)	06-01-2020
3	10-15-2020	A Monthly Average of 27 or more ³ (as of October 1, 2020 and the first day of the month for the preceding eleven (11) months)	06-01-2021
4	10-15-2021	A Monthly Average of 27 or more ³ (as of October 1, 2021 and the first day of the month for the preceding eleven (11) months)	06-01-2022
5	10-15-2022	A Monthly Average of 27 or more ³ (as of October 1, 2022 and the first day of the month for the preceding eleven (11) months)	06-01-2023
6	10-15-2023	A Monthly Average of 27 or more ³ (as of October 1, 2023 and the first day of the month for the preceding eleven (11) months)	06-01-2024
7	10-15-2024	A Monthly Average of 27 or more ³ (as of October 1, 2024 and the first day of the month for the preceding eleven (11) months)	06-01-2025
8	10-15-2025	A Monthly Average of 27 or more ³ (as of October 1, 2025 and the first day of the month for the preceding eleven (11) months)	06-01-2026
9	10-15-2026	A Monthly Average of 27 or more ³ (as of October 1, 2026 and the first day of the month for the preceding eleven (11) months)	06-01-2027
10 ⁴	10-15-2027	A Monthly Average of 27 or more ³ (as of October 1, 2027 and the first day of the month for the preceding eleven	06-01-2028

		(11) months)	
10 ⁴	10-15-2028	A Monthly Average of 27 or more ³ (as of October 1, 2028 and the first day of the month for the preceding eleven (11) months)	06-01-2028

¹ All Grants are subject to the terms of the Agreement.

² Employees per this Chart shall be Full-Time Equivalent Employment Units as defined by this Development Agreement.

³ If Developer employs less than 27 Full-Time Equivalent Employment Units at the Minimum Improvements, then no Grant shall be made. All Grants are subject to all the terms and conditions of this Development Agreement at all times.

⁴ Two Annual Certifications will be required for the first and last fiscal year of Economic Development Grants due to the timing of tax rebates and grant payments.

EXHIBIT G
MINIMUM ASSESSMENT AGREEMENT

THIS MINIMUM ASSESSMENT AGREEMENT ("Minimum Assessment Agreement" or "Assessment Agreement") is dated as of _____, 2016, by and between the City of Storm Lake, Iowa (the "City"), a municipal corporation established pursuant to the Code of Iowa and acting under the authorization of Chapter 403 of the Code of Iowa, 2015, as amended (the "Urban Renewal Act"), and Chapter 15A, and Storm Lake Development Group LLC having an office for the transaction of business at 3027 Autumn Leaves Circle, Green Bay, Wisconsin ("Developer").

WITNESSETH:

WHEREAS, the City and Developer have entered into an Agreement for Private Development dated as of _____, 2016 ("Agreement") regarding certain real property located in the City which is legally described as follows:

The legal description of the North #1 - Bargloff Urban Renewal Amendment No. 2 Area is as follows:

Parcel Number: 10-34-202-004

Lot Three (3), Block One (1) Geisinger's Commercial First Addition to the City of Storm Lake, Iowa.

and

Parcel Number: 10-34-202-005

A parcel of land located in the west half of the northeast quarter (W1/2 NE ¼) of section thirty-four (34), township ninety one north (91), Range thirty-seven (37) west of the 5th P.M., more particularly described as follows:

Commencing at the southwest corner of the northeast quarter (NE ¼) of section thirty-four (34), township ninety-one (91) North, Range thirty-seven (37) West of the 5th P.M., thence due north along the west line of said NE ¼ a distance of 180 feet, thence due east a distance of 250 feet, thence due south a distance of 180 feet, thence due west a distance of 250 feet to the point of beginning and containing an area of 1.03 acres of which 0.23 acres are existing highway right of way.

and

Lot five (5), Block One (1), Geisinger's commercial second addition to the City of Storm Lake, Buena Vista County, Iowa.

Tract is hereby divided into four (4) lots as shown hereon and shall hereafter be known as
Brashears First Addition A subdivision of lot five (5) Block One (1) Geisinger's
Commercial Second Addition to the City of Storm Lake.

the "Development Property"); and

WHEREAS, it is contemplated that Developer will undertake the construction of the Minimum Improvements (as defined in the Agreement) on the Development Property, as provided in the Agreement; and

WHEREAS, pursuant to Section 403.6(19) of the Code of Iowa, as amended, the City and Developer desire to establish a minimum actual value for the Minimum Improvements to be constructed on the Development Property by Developer pursuant to the Agreement; and

WHEREAS, the City and the Assessor have reviewed the preliminary plans and specifications for the Minimum Improvements that are contemplated to be constructed.

NOW, THEREFORE, the parties to this Minimum Assessment Agreement, in consideration of the promises, covenants and agreements made by each other, do hereby agree as follows:

1. Upon substantial completion of construction of the above-referenced Minimum Improvements, but no later than January 1, 2017, the minimum actual value which shall be fixed for assessment purposes for the Minimum Improvements to be constructed on the Development Property shall be not less than One Million Four Hundred Thousand Dollars (\$1,400,000) (hereafter referred to as the "Minimum Actual Value").

The Minimum Actual Value shall continue to be effective until termination of this Minimum Assessment Agreement on June 30, 2029 (the "Assessment Agreement Termination Date"). This means that the Minimum Improvements and Development Property will be required to have a Minimum Actual Value pursuant to this Minimum Assessment Agreement of at least \$1,400,000 until January 1, 2027, which shall govern the taxes collected for the entire fiscal year 2028-2029. The Minimum Actual Value shall be maintained during such period regardless of: (a) any failure to complete the Minimum Improvements; (b) destruction of all or any portion of the Minimum Improvements; (c) diminution in value of the Development Property or the Minimum Improvements; or (d) any other circumstance, whether known or unknown and whether now existing or hereafter occurring.

2. Developer shall pay or cause to be paid when due all real property taxes and assessments payable with respect to all and any parts of the Development Property and the Minimum Improvements pursuant to the provisions of this Minimum Assessment Agreement and the Agreement. Such tax payments shall be made without regard to any loss, complete or partial, to the Development Property or the Minimum Improvements, any interruption in, or discontinuance of, the use, occupancy, ownership or operation of the Development Property or the Minimum Improvements by Developer, or any other matter or thing which for any reason interferes with, prevents or renders burdensome the use or occupancy of the Development Property or the Minimum Improvements.

3. Developer agrees that its obligations to make the tax payments required hereby and to perform and observe its other agreements contained in this Minimum Assessment Agreement shall be absolute and unconditional obligations of Developer (not limited to the statutory remedies for unpaid taxes) and that Developer shall not be entitled to any abatement or diminution thereof, or set off therefrom, nor to any early termination of this Minimum Assessment Agreement for any reason whatsoever.

4. Developer agrees that, prior to the Termination Date, it will not:

a. seek administrative review or judicial review of the applicability or constitutionality of any Iowa tax statute relating to the taxation of property contained as a part of the Development Property or the Minimum Improvements determined by any tax official to be applicable to the Development Property or the Minimum Improvements, or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; or

b. seek any tax deferral or abatement, either presently or prospectively authorized under Iowa Code Chapter 403 or 404, or any other local or State law, of the taxation of real property, including improvements and fixtures thereon, contained in the Development Property or the Minimum Improvements between the date of execution of this Minimum Assessment Agreement and the Termination Date; or

c. request the Assessor to reduce the Minimum Actual Value; or

d. appeal to the board of review of the County, State, District Court or to the Director of Revenue of the State to reduce the Minimum Actual Value; or

e. cause a reduction in the actual value or the Minimum Actual Value through any other proceedings.

5. This Minimum Assessment Agreement shall be promptly recorded by the City with the Recorder of Buena Vista County, Iowa. Such filing shall constitute notice to any subsequent encumbrancer of the Development Property (or any part thereof), whether voluntary or involuntary, and this Minimum Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent encumbrancer, including the holder of any mortgage. The City shall pay all costs of recording.

6. Neither the preambles nor provisions of this Minimum Assessment Agreement are intended to, or shall be construed as, modifying the terms of the Agreement.

7. This Minimum Assessment Agreement shall not be assignable without the consent of the City and shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

8. Nothing herein shall be deemed to waive the rights of Developer under Iowa Code Section 403.6(19) to contest that portion of any actual value assignment made by the Assessor in excess of the Minimum Actual Value established herein. In no event, however, shall Developer seek to reduce the actual value to an amount below the Minimum Actual Value established herein during the term of this Minimum Assessment Agreement. This Minimum Assessment Agreement may be amended or modified and any of its terms, covenants, representations, warranties or conditions waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance.

9. If any term, condition or provision of this Minimum Assessment Agreement is for any reason held to be illegal, invalid or inoperable, such illegality, invalidity or inoperability shall not affect the remainder hereof, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained herein.

10. The Minimum Actual Value herein established shall be of no further force and effect and this Minimum Assessment Agreement shall terminate on the Termination Date set forth in Section 1 above.

11. Developer shall provide a title opinion or title search to the City listing all lienholders of record as of the date of this Assessment Agreement and all such lienholders shall have signed consents to this Assessment Agreement, which consents are attached hereto and made a part hereof.

[Remainder of this page intentionally left blank; signature pages follow]

(SEAL)

CITY OF STORM LAKE, IOWA

By: _____
Jon F. Kruse, Mayor

ATTEST:

By: _____
Sue Vossberg, City Clerk

STATE OF IOWA)
) SS
COUNTY OF BUENA VISTA)

On this _____ day of _____, 2016, before me a Notary Public in and for said State, personally appeared Jon F. Kruse and Sue Vossberg, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Storm Lake, Iowa, a Municipality created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

[Signature page to Minimum Assessment Agreement – City of Storm Lake, Iowa]

STORM LAKE DEVELOPMENT GROUP LLC,
a Wisconsin limited liability company

By: _____
Richard W. Johnson, Managing Member

ATTEST:

By: _____
Nick A. Feira, Managing Member

STATE OF _____)
) ss:
COUNTY OF _____)

On this _____ day of _____, 2016, before me the undersigned, a Notary Public in and for said State, personally appeared Richard W. Johnson and Nick A. Feira, to me personally known, who, being by me duly sworn, did say that they are the Managing Members of Storm Lake Development Group LLC, and that said instrument was signed on behalf of said limited liability company; and that the said Richard W. Johnson and Nick A. Feira as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by them voluntarily executed.

Notary Public in and for said State

[Signature page to Minimum Assessment Agreement – Storm Lake Development Group LLC]

LIENHOLDER'S CONSENT, IF ANY

In consideration of one dollar and other valuable consideration, the receipt of which is hereby acknowledged, and notwithstanding anything in any loan or security agreement to the contrary, the undersigned ratifies, approves, consents to and confirms the Minimum Assessment Agreement entered into between the parties, and agrees to be bound by its terms. This provision shall be binding on the parties and their respective successors and assigns.

Iowa Savings Bank _____
[NAME OF LIENHOLDER]

By: _____ Date: _____
Signature of Lienholder's
Authorized Representative

By: _____ Date: _____
Signature of Lienholder's
Authorized Representative

STATE OF _____)
COUNTY OF _____) SS

On this ____ day of _____, 20____, before me the undersigned, a Notary Public in and for said County, in said State, personally appeared _____ and _____, to me personally known, who, being by me duly sworn, did say that they are the _____ and _____, respectively, of Iowa Savings Bank and that said instrument was signed on behalf of said company, and that the said _____, and _____ acknowledged the execution of said instrument to be the voluntary act and deed of said domestic company, by them voluntarily executed.

Notary Public in and for said State

[Add additional pages for each Lienholder]

CERTIFICATION OF ASSESSOR

The undersigned, having reviewed the plans and specifications for the Minimum Improvements to be constructed, and being of the opinion that the minimum market value contained in the foregoing Minimum Assessment Agreement appears reasonable, hereby certifies as follows: The undersigned Assessor, being legally responsible for the assessment of the Development Property described in the foregoing Minimum Assessment Agreement, certifies that upon completion of the Minimum Improvements the actual value assigned to the Minimum Improvements shall not be less than One Million Four Hundred Thousand Dollars (\$1,400,000) (including taxable equipment value) all until the Assessment Agreement Termination Date of this Minimum Assessment Agreement.

Assessor for Buena Vista County, Iowa.

Date

STATE OF IOWA)
) ss
COUNTY OF BUENA VISTA)

Subscribed and sworn to before me by _____, Assessor for Buena Vista
County, Iowa.

Notary Public in and for the State of Iowa

Consistent with Iowa Code §403.6(19)(b), filed with this assessor certification is a copy of subsection 19 as follows:

19. a. A municipality, upon entering into a development or redevelopment agreement pursuant to section 403.8, subsection 1, or as otherwise permitted in this chapter, may enter into a written assessment agreement with the developer of taxable property in the urban renewal area which establishes a minimum actual value of the land and completed improvements to be made on the land until a specified termination date which shall not be later than the date after which the tax increment will no longer be remitted to the municipality pursuant to section 403.19, subsection 2. The assessment agreement shall be presented to the appropriate assessor. The assessor shall review the plans and specifications for the improvements to be made and if the minimum actual value contained in the assessment agreement appears to be reasonable, the assessor shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be made on it, certifies that the actual value assigned to that land and improvements upon completion shall not be less than \$

b. This assessment agreement with the certification of the assessor and a copy of this subsection shall be filed in the office of the county recorder of the county where the property is located. Upon completion of the improvements, the assessor shall value the property as required by law, except that the actual value shall not be less than the minimum actual value contained in the assessment agreement. This subsection does not prohibit the assessor from assigning a higher actual value to the property or prohibit the owner from seeking administrative or legal remedies to reduce the actual value assigned except that the actual value shall not be reduced below the minimum actual value contained in the assessment agreement. An assessor, county auditor, board of review, director of revenue, or court of this state shall not reduce or order the reduction of the actual value below the minimum actual value in the agreement during the term of the agreement regardless of the actual value which may result from the incomplete construction of improvements, destruction or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording of an assessment agreement complying with this subsection constitutes notice of the assessment agreement to a subsequent purchaser or encumbrancer of the land or any part of it, whether voluntary or involuntary, and is binding upon a subsequent purchaser or encumbrancer.

01238171-1\11149-076

Staff Summary

5/16/2016

Agenda Item # 7.



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Keri Navratil, Assistant City Manager

SUBJECT: Ordinance No. 05-O-2015-2016 Adopting TIF Ordinance on Amendment No. 2 to the North #1 - Bargloff Urban Renewal Plan

BACKGROUND: The City of Storm Lake previously amended the Bargloff Urban Renewal Area to include 1515 Lake Avenue and approved a Development Agreement with Storm Lake Development LLC in which the City agreed to provide certain economic incentives to assist in the construction of a new business and the creation of jobs.

The adoption of the TIF Ordinance is the next step in this process. This ordinance will set a base tax value on the property as of January 1, 2015 and allow the City to capture the increased value on the property for the next 20 tax years. The capture of the increased value will be used to make the payment of the tax incentives promised to the developer and to pay for public improvements made within the Urban Renewal Area now and in the future provided the City has outstanding debt recorded against the Urban Renewal Area. The City has debt recorded on the Bargloff Urban Renewal Area.

FISCAL IMPACT: The base value will be at the January 1, 2015 level. The City has a minimum assessment agreement with the developer in the amount of \$1,400,000 for the duration of the agreement. The increased value is estimated to be approximately \$1,000,000.

RECOMMENDATION: Adopt Ordinance No.
1st Reading- May 16
2nd Reading -June 6
3rd Reading-June 20

ATTACHMENTS:

Description	Type
□ Ordinance No. 05-O-2015-2016	Ordinance

ORDINANCE NO. 05-O-2015-2016

AN ORDINANCE PROVIDING THAT GENERAL PROPERTY TAXES LEVIED AND COLLECTED EACH YEAR ON A PORTION OF THE PROPERTY LOCATED WITHIN THE NORTH #1 - BARGLOFF URBAN RENEWAL AREA, IN THE CITY OF STORM LAKE, COUNTY OF BUENA VISTA, STATE OF IOWA, BY AND FOR THE BENEFIT OF THE STATE OF IOWA, CITY OF STORM LAKE, COUNTY OF BUENA VISTA, STORM LAKE COMMUNITY SCHOOL DISTRICT, AND OTHER TAXING DISTRICTS, BE PAID TO A SPECIAL FUND FOR PAYMENT OF PRINCIPAL AND INTEREST ON LOANS, MONIES ADVANCED TO AND INDEBTEDNESS, INCLUDING BONDS ISSUED OR TO BE ISSUED, INCURRED BY THE CITY IN CONNECTION WITH THE NORTH #1 - BARGLOFF URBAN RENEWAL AREA (THE NORTH #1 - BARGLOFF URBAN RENEWAL PLAN (STORM LAKE DEVELOPMENT GROUP PARCEL))

WHEREAS, the City Council of the City of Storm Lake, State of Iowa, after public notice and hearing as prescribed by law and pursuant to Resolution No. 08-R-2010-2011 passed and approved on the 19th day of July, 2010, adopted an Urban Renewal Plan (the "Urban Renewal Plan") for an urban renewal area known as the North #1 - Bargloff Urban Renewal Area (the "Urban Renewal Area"), which Urban Renewal Area has been amended two times lastly by an Amendment No. 2 adopted by Resolution No. 128-R-2015-2016 on May 16, 2016. The Urban Renewal Area includes the property owned by Storm Lake Development Group LLC ("Storm Lake Development Group Parcel"), which is legally described as:

Parcel Number: 10-34-202-004

Lot Three (3), Block One (1) Geisinger's Commercial First Addition to the City of Storm Lake, Iowa.

And,

Parcel Number: 10-34-202-005

A parcel of land located in the west half of the northeast quarter (W1/2 NE ¼) of section thirty-four (34), township ninety one north (91), Range thirty-seven (37) west of the 5th P.M., more particularly described as follows:

Commencing at the southwest corner of the northeast quarter (NE ¼) of section thirty-four (34), township ninety-one (91) North, Range thirty-seven (37) West of the 5th P.M., thence due north along the west line of said NE ¼ a distance of 180 feet, thence due east a distance of 250 feet, thence due south a distance of 180 feet, thence due west a distance of 250 feet to the point of beginning and containing an area of 1.03 acres of which 0.23 acres are existing highway right of way.

And,

Lot five (5), Block One (1), Geisinger's commercial second addition to the City of Storm Lake, Buena Vista County, Iowa.

Tract is hereby divided into four (4) lots as shown hereon and shall hereafter be known as Brashears First Addition A subdivision of lot five (5) Block One (1) Geisinger's Commercial Second Addition to the City of Storm Lake.

WHEREAS, expenditures and indebtedness are anticipated to be incurred by the City of Storm Lake, State of Iowa, in the future to finance urban renewal project activities carried out in furtherance of the objectives of the Urban Renewal Plan; and

WHEREAS, the City has determined to adopt individual TIF Ordinances on various properties within the Urban Renewal Area as parcels are developed and produce tax increment; and

WHEREAS, the City Council of the City of Storm Lake, State of Iowa, desires to provide for the division of revenue from taxation on the Storm Lake Development Group Parcel, as above described, in accordance with the provisions of Section 403.19 of the Code of Iowa, as amended.

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

Section 1. That the taxes levied on the taxable property in the Urban Renewal Area legally described in the preamble hereof (the Storm Lake Development Group Parcel), by and for the benefit of the State of Iowa, City of Storm Lake, County of Buena Vista, Storm Lake Community School District, and all other taxing districts from and after the effective date of this Ordinance shall be divided as hereinafter in this Ordinance provided.

Section 2. That portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the Urban Renewal Area (Storm Lake Development Group Parcel), as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City of Storm Lake, State of Iowa, certifies to the Auditor of Buena Vista County, Iowa the amount of loans, advances, indebtedness, or bonds payable from the division of property tax revenue described herein shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for the taxing district into which all other property taxes are paid. Thus, if "debt" is certified by December 1, 2016, the frozen base valuation for the Storm Lake Development Group Parcel shall be January 1, 2015.

Section 3. That portion of the taxes each year in excess of the base period taxes determined as provided in Section 2 of this Ordinance shall be allocated to and when collected be paid into a special tax increment fund of the City of Storm Lake, State of Iowa, hereby

established, to pay the principal of and interest on loans, monies advanced to, indebtedness, whether funded, refunded, assumed or otherwise, including bonds or obligations issued under the authority of Section 403.9 or 403.12 of the Code of Iowa, as amended, incurred by the City of Storm Lake, State of Iowa, to finance or refinance, in whole or in part, urban renewal projects undertaken within the Urban Renewal Area pursuant to the Urban Renewal Plan, except that (i) taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to Iowa Code Section 298.2 and taxes for the instructional support program of a school district imposed pursuant to Iowa Code Section 257.19 (but in each case only to the extent required under Iowa Code Section 403.19(2)); (ii) taxes for the payment of bonds and interest of each taxing district; (iii) taxes imposed under Iowa Code Section 346.27(22) related to joint county-city buildings; and (iv) any other exceptions under Iowa Code Section 403.19 shall be collected against all taxable property within the Urban Renewal Area without any limitation as hereinabove provided.

Section 4. Unless or until the total assessed valuation of the taxable property in the Urban Renewal Area (the Storm Lake Development Group Parcel) exceeds the total assessed value of the taxable property in the Urban Renewal Area (the Storm Lake Development Group Parcel) as shown by the assessment roll referred to in Section 2 of this Ordinance, all of the taxes levied and collected upon the taxable property in the Urban Renewal Area (the Storm Lake Development Group Parcel) shall be paid into the funds for the respective taxing districts as taxes by or for the taxing districts in the same manner as all other property taxes.

Section 5. At such time as the loans, advances, indebtedness, bonds and interest thereon of the City of Storm Lake, State of Iowa, referred to in Section 3 hereof have been paid, all monies thereafter received from taxes upon the taxable property in the Urban Renewal Area (Storm Lake Development Group Parcel) shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

Section 6. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed. The provisions of this Ordinance are intended and shall be construed so as to fully implement the provisions of Section 403.19 of the Code of Iowa, as amended, with respect to the division of taxes from property within the Urban Renewal Area (Storm Lake Development Group Parcel) as described above. In the event that any provision of this Ordinance shall be determined to be contrary to law, it shall not affect other provisions or application of this Ordinance which shall at all times be construed to fully invoke the provisions of Section 403.19 of the Code of Iowa with reference to the Urban Renewal Area (Storm Lake Development Group Parcel) and the territory contained therein.

Section 7. This Ordinance shall be in effect after its final passage, approval and publication as provided by law.

PASSED AND APPROVED this _____ day of _____, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Staff Summary

5/16/2016

Agenda Item # 8.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Mike Davis, Interim Water Plant Superintendent

SUBJECT: Motion to Approve Professional Services Agreement with Bolton & Menk for 2016 Water Main Improvements.

BACKGROUND: The scope of the project is for Flindt Drive Improvements:

- New 8" water from a connection with the 12" water on Richland north along the east side of Flindt Drive to intersections with 4th Street and Geisinger Road
- Extend water west across 4th Street for future extension north to Milwaukee Avenue along 4th Street
- Abandon 6" main along east side of Flindt from Richland south under Railroad overpass with any services connected to existing 12" main
- Transfer all services to new 8" for existing 12"

Sunrise Park Addition Watermain Improvements

- Construct new 8" main from Milwaukee Avenue south along east side of Sunrise Park 1st Addition to 7th Street existing main
- Also connect existing 4" main along back lot lines of this addition

FISCAL IMPACT: Professional Services Agreement with Bolton & Menk will not exceed \$28,000.

RECOMMENDATION: Staff recommends approving Professional Services Agreement with Bolton & Menk.

ATTACHMENTS:

Description	Type
□ Agreement	Contract

PROFESSIONAL SERVICES AGREEMENT

by and between
BOLTON & MENK, INC.
1900 N Grand Ave., Suite E12
Spencer, IA 51301
Ph. (712) 580-5075

and

Date of Agreement: May 5, 2014

Agreement Number: P11. _____

2016 Water Main Improvements

Project Location: Storm Lake, Iowa

Client

Name: City of Storm Lake, Iowa

Address: 620 Erie Street

Address: _____

City: Storm Lake State Iowa Zip 50588

(hereinafter referred to as Client)

Phone No.: 712-732-8000

Fax No.: 712-732-4114

Agent or Person Ordering Services and/or Billing Address (if different)

Agent or Person Ordering Services: Mike Davis, Water Superintendent

Address: _____

City: _____ State _____ Zip _____

Phone No.: _____

Fax No.: _____

Fee Arrangement

Tasks 1, Task 2 - Not to exceed \$ 22,000 (Billed at standard hourly rates)

Task 3 - Not to Exceed \$6,000 (Billed at standard hourly rates)

Scope/Intent and Extent of Services

Scope of Work is to be completed as outlined in the attached Exhibit I. Agreement is subject to the attached Terms & Conditions

Special Conditions

BMI and Client agree to the Terms and Conditions as stated above and attached to this Agreement. The below signed represents that he or she has been authorized to accept this agreement on behalf of the Client.

Offered by: Bolton & Menk, Inc.

Accepted by:

Neil Guess, PE Principal Engineer

print name/title

Jon F. Kruse, Mayor

print name/title



5/5/2016
signature and date

signature and date

Terms & Conditions

Bolton & Menk, Inc.

The accompanying Proposal (hereinafter referred to as "Proposal") is subject to the following terms and conditions. These Terms of Proposal (hereinafter referred to as "Terms") are an integral part of the Proposal as if stated directly therein. No change or deviation from these Terms will be binding without the written approval of Bolton & Menk, Inc. (BMI). Such changes may require an adjustment in the proposed fee, schedule or scope of the Proposal.

A. Services: BMI proposes to perform the services outlined in the Proposal for the stated fee arrangement. Changes required by the Client or other controlling entities (regulatory agencies, contractors, courts, etc.) from the scope or schedule of services described in the Proposal shall be considered "Additional Services" and will be invoiced on an hourly basis in addition to the stated fee arrangement.

B. Information from Client: Unless otherwise stated, Client agrees to provide BMI with all site information necessary to complete the proposed services. This information should include current site property descriptions (from abstract, title opinion or title commitment); other legal documents affecting the site; copies of previous surveys, maps, engineering studies and plans; existing or required soils and geotechnical reports; governmental, regulatory and utility reviews and determinations; and all other pertinent information. Client shall promptly inform BMI of any alleged defects in services provided or the project.

C. Access to Site: Unless otherwise stated, Client agrees to provide BMI with access to the site, including adjoining properties, for activities necessary for the performance of services. It is understood that in the normal course of work, property damage may occur due to excavations, tree and brush trimming, marking lines, etc. The cost to correct resulting damages has not been included in the fee. BMI will take precautions to minimize damage due to these activities and the Client agrees to reimburse BMI for any costs associated with required restoration work.

D. Standard of Care: Professional services provided under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of BMI's profession currently practicing under similar conditions. **BMI makes no expressed or implied warranty with respect to its undertakings described herein.**

E. Certifications: Any certification provided by BMI is a professional opinion based upon knowledge, information and beliefs available to BMI at the time of certification. Such certifications are not intended as and shall not be construed as a guarantee or warranty. BMI shall not be required to certify the existence of conditions whose existence BMI cannot reasonably ascertain.

F. Project Approvals: Due to site limitations, code interpretations, regulatory reviews, political considerations and Client directed design and improvements, BMI makes no representations as to acceptability or approvability of the project; or, zoning requests, permit applications, site and development plans, plats and similar documents. Payment of fees to BMI is not contingent upon project approval.

G. Opinions or Estimates of Project Costs: Where included as part of project scope or otherwise, opinions or estimates of project cost will generally be based upon public construction cost information. Since BMI has no control over the cost of labor, materials, competitive bidding process, weather conditions and other factors affecting the cost of construction, all cost estimates are opinions for general information of the Client and BMI does not warrant or guarantee the accuracy of construction cost opinions or estimates. Project financing should be based upon actual, contracted construction costs with appropriate contingencies.

Terms & Conditions

Bolton & Menk, Inc.

(Continued)

H. Construction Phase Services: If construction phase engineering or staking services are included in this Proposal or subsequently authorized, Client is notified that BMI is not be responsible for means, methods, techniques or procedures of construction selected by any contractor employed on the project nor for the safety precautions or programs incident to the work of any contractor.

I. Ownership and Alteration of Documents: All documents, including reports, specifications, drawings, field data, notes and documents or electronic media prepared or furnished by BMI under this agreement shall remain the property of BMI. The Client may make and retain copies for its use in connection with this project. However, such documents are not intended for reuse by the Client on any other project or alteration of the project by others without the written consent of BMI. Electronic media may be furnished for convenience of Client; however, only signed and certified hard copies of submittals may be relied upon as documentation of professional services provided.

J. Billings and Payments: Invoices for BMI's services shall be submitted, at BMI's option, either monthly or upon completion of services. Invoices are due and payable within 30 days after the invoice date. If the invoice is not paid within 30 days, BMI may, without waiving any claim or right against the Client, and without liability whatsoever to the Client, terminate the performance of its services.

K. Late Payments: Accounts unpaid 30 days after the invoice date will be subject to a monthly service charge of 1 % on the unpaid balance. If any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees.

L. Termination of Services: This agreement may be terminated, upon written notice, by the Client or BMI should the other fail to perform its obligations hereunder. In the event of termination, the Client shall pay BMI for services rendered to the date of termination, all reimbursable expenses, and reimbursable termination expenses.

M. Limitation of Liability: In recognition of the relative risks, rewards and benefits of the project to both the Client and BMI, the risks have been allocated such that the Client agrees that, to the fullest extent permitted by law, BMI's total liability to the Client for any and all injuries, claims, losses, expenses, damages or claimed expenses arising out of the performance of this agreement from any cause or causes, shall not exceed \$ 50,000. Such claims include, but are not limited to, BMI's negligence, errors, omissions, strict liability, breach of contract, or breach of warranty, if any.

N. Dispute Resolution: Any claims or disputes made during or after the performance of services between BMI and the Client, with the exception of claims by BMI for non-payment of services rendered, shall be submitted to mediation before any other lawful dispute resolution is commenced by either party.

O. Withdrawal of Proposal: This Proposal constitutes a non-binding offer to perform services and BMI reserves the right to withdraw or modify this Proposal, without liability to the Client, at any time prior to receipt of written acceptance from the Client and execution of a signed agreement in accordance with Paragraph P.

P. Agreement: If the Proposal is accepted, the Client and BMI may enter into and execute an Agreement incorporating the Proposal, these Terms and such additional terms and conditions as may be mutually acceptable to BMI and Client. Upon request by the Client, BMI may, at its sole discretion and for the benefit of the Client, proceed with any proposed services prior to execution of a written agreement. In the absence of an executed written agreement, the accompanying Proposal and these Terms of Proposal shall constitute the whole and complete agreement between BMI and the Client.

EXHIBIT I
CONSULTANT'S SERVICES

2016 WATERMAIN IMPROVEMENTS

STORM LAKE, IOWA

MAY 2016

DESCRIPTION OF PROJECT AND SCOPE OF IMPROVEMENTS

CONSULTANT proposes the following scope of services and agreement to complete the below described improvements.

Bolton & Menk will communicate with the City staff throughout the project design and construction. Communication will include meeting minutes, phone calls, e-mails, and on-site meetings. Our team members will be involved from design through construction. Our project manager will stay actively involved in the project through completion and will serve as a single point of contact for the City for all phases of the project.

Scope for 2016 Water Main

1) Flindt Drive Improvements

- New 8" water from a connection with the 12" water on Richland north along the east side of Flindt Drive to intersection with 4th Street and Geiseyer
- Extend water west across 4th Street and tie to existing 4" on West side of Flindt
- Set 8" water at 4th Street for future extension north to Milwaukee Avenue along 4th Street alignment
- Abandon 6" main along east side of Flindt from Richland south under RR overpass with any services connected to existing 12" main
- Transfer all services to new 8" or existing 12"

2) Sunrise Park Addition Watermain Improvements

- Construct new 8" main from Milwaukee Ave south along east side of Sunrise Park 1st addition to 7th Street existing main
- Also connect existing 4" main along back lot lines of this addition

For purposes of this Project, Basic Services to be provided by the CONSULTANT are as follows:

TASK 1: Design & Bidding Documents

Task 1.A Administration & Coordination

This will include day-to-day communication with the City.

Task 1.B Design Survey

Bolton & Menk will complete the design survey along the selected corridor and will incorporate utility information provided from the One-Call request.

Task 1.C Water Main Design

Bolton & Menk will prepare a preliminary plan set showing proposed improvements in accordance with City and SUDAS requirements. After receiving comments from City Staff, we will incorporate those comments into our final design.

Major design components will include the following:

- Review existing information and data on the project, and prepare a project base layout.
- Complete a detailed design of the watermain and services, provide complete plans and specifications, and Engineer's estimate.
- Prepare 2 Permit Applications for IDNR's approval.

Task 1.D Bidding Documents (Project Manual)

The project manual will include the following items:

- General Information for Bidders: Advertisement for Bids, Instructions to Bidders, Special Bidding requirements/provisions
- General Supplementary Conditions
- Information to be submitted with bid: Proposal and Bid Bond
- Agreement, Performance, Payment and Maintenance Bond Forms
- Technical Specifications, SUDAS

Task 1.E Meetings

A kick-off meeting has already been held with City staff to collect existing information, to assess your needs, and finalize the scope of work. One additional coordination meeting will be included for plan review.

TASK 2: Bidding Phase

Bolton & Menk will provide the following items during bidding phase services:

- Prepare advertisement for bids and submit to the City for publications
- Provide copies of the contract/bidding documents
- Address questions from prospective bidders, subcontractors and suppliers, and prepare and issue addenda as required
- Attend bid opening and prepare recommendation for Award

TASK 3: Construction Phase Services (Assumed 4 week Construction Schedule- Flindt Drive Improvements)

Task 3.A Preconstruction Conference

Bolton & Menk will attend and preside over a preconstruction conference. Attendees will include City staff, Contractor representatives, and Bolton & Menk staff. We will also be available to answer Contractor questions during the project.

Task 3.B Construction Administration

During the term of the construction phase, Bolton & Menk will provide the following services: Review all shop drawing submittals, prepare pay estimates and other contractor or City correspondence, conduct onsite visits estimated at one half day 2 times per week, final inspection, and preparation of punch list and other close out documents.

Task 3.C Construction Staking

We will provide one set of stakes for location of water main, fittings, and hydrants.

Task 3.D Record Drawings

Provide Record Drawings based on City staff and Contractor construction records.

Items provided by the Client

- Application/permit fees
- Electronic copies of existing documents (reports, deeds, plats, plans, etc.)
- Coordination for franchise utility locates
- Daily construction observation
- Coordination of water service line transfers to new main

BASIS OF FEE ASSUMPTIONS

For this proposal, assumptions were made as to the nature of how or why certain situations will be handled. These assumptions are as follows:

- Off-site improvement design will not be required
- Deliverables provided by owner are sufficient to be used for the basis for design
- Any changes to the scope of work that are not specifically included in this proposal will be considered additional work and a negotiated amendment to the agreement will be completed.
- Full time Resident Project Representative will not be required for the project, if requested billing will be at standard rates.
- The city will construct the Sunrise Park improvements using city crews. No bidding documents will be required.

Staff Summary

5/16/2016

Agenda Item # 9.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Mike Davis, Interim Water Plant Superintendent

SUBJECT: Resolution No. 130-R-2015-2016 Approving Change Order #2 Well 20

BACKGROUND: Change order 2 is to adjust the original proposal quantities to the final contract quantities.. During construction of the project it was determined the work with items 18// A 16in PVC water main and 19// a 12 in. PVC water main was less than the original proposed quantity by 5 feet and 25 feet respectively.

This change order was to match the actual as constructed quantity.

FISCAL IMPACT: Original contract was \$ 923,959.95. There have been 2 change orders. Change order #1 an increase of \$20,377.45 and change order #2 a decrease of \$2,005.00.

The amended total is \$ 932,332.40.

RECOMMENDATION: Staff recommends adopting resolution

ATTACHMENTS:

Description	Type
☐ Resolution No. 130-R-2015-2016	Resolution
☐ Change Order #2	Change Order

RESOLUTION NO. 130-R-2015-2016

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

To approve Change Order No. 2 to the contract with Sargent Drilling Company for Water Supply Well No. 20 Project, a decrease of \$2,005.00 to the contract. Change order is to adjust the original proposal quantities to the final contract quantities.

Total cost of Change Order #2 is a decrease of \$2,005.00 to the contract. Total contract cost after change order #2 is \$932,332.40.

PASSED AND APPROVED this 16th day of May 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk



VEENSTRA & KIMM, INC.

3000 Westown Parkway • West Des Moines, Iowa 50266-1320
515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

May 3, 2014

CHANGE ORDER NO. 2

CITY OF STORM LAKE, IOWA
WATER SUPPLY WELL #20

Description

Change Order No. 2 is to adjust the original proposal quantities to the final contract quantities. During construction of the project it was determined the work with items 18, and 19 was less than the original proposed quantity by 5 feet and 25 feet respectively. This change order is to adjust the contract quantity for these two items to match the actual as constructed quantity.

This change order decreases the original contract amount by \$2,005.00 to reconcile with the actual quantity of work completed. The change order does not affect the compensation paid to the contractor.

Change Order Cost

18.	16" PVC Water Main 5 LF at \$76/LF	-\$380
19.	12" PVC Water Main 25 LF at \$65/LF	-\$1,625
TOTAL		-\$2,005

SARGENT DRILLING COMPANY

By [Signature]

Title Municipal Manager

Date 5-9-16

VEENSTRA & KIMM, INC.

By [Signature]

Title Project Engineer

Date 5-9-16

CITY OF STORM LAKE, IOWA

By _____

Title _____

Date _____

ATTEST:

By _____

Title _____

Date _____

Staff Summary

5/16/2016

Agenda Item # 10.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

[p \(712\) 732-8000](tel:(712)732-8000)

[f \(712\) 732-4114](tel:(712)732-4114)

REPORT TO: Honorable Mayor and City Council

FROM: Mike Davis, Interim Water Plant Superintendent

SUBJECT: Resolution No. 131-R-2015-2016 Approving the Final Acceptance of Well #20 Project

BACKGROUND: V & K completed an on-site review of Well 20 project, as performed by Sargent Drilling Company. They have found the work performed is in substantial accordance with plans and specifications and that the retainage amount of \$ 22,557.62 will be released in 31 days.

FISCAL IMPACT: The final amount of contract price is \$932,332.40.

RECOMMENDATION: Staff recommendation is to approve the resolution accepting of contract at this time.

ATTACHMENTS:

Description	Type
☐ Resolution No. 131-R-2015-2016	Resolution
☐ Certificate of Completion	Backup Material

RESOLUTION NO. 131-R-2015-2016

RESOLUTION ACCEPTING PUBLIC IMPROVEMENT

WHEREAS, the City Council of the City of Storm Lake, Iowa entered into a contract, and the Mayor and Clerk of Storm Lake, Iowa executed the contract with Sargent Drilling Company Geneva, Nebraska with regard to the Water Supply Well No. 20 Project.

WHEREAS, said contractor has fully completed the said project in accordance with the terms and conditions of said contract and plans and specifications.

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

Section 1. That said public improvement is hereby approved and accepted as having been fully completed in accordance with the plans, specifications and form of contract, and the total final contract price is \$932,332.40.

PASSED AND APPROVED this 16th day of May 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

CERTIFICATE OF COMPLETION

**WATER SUPPLY WELL #20
STORM LAKE, IOWA**

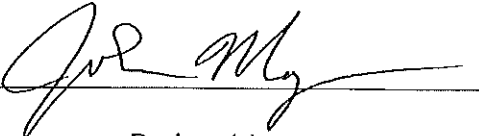
May 3, 2016

We hereby certify that we have made an on-site review of the completed construction of the Water Supply Well #20 project as performed by Sargent Drilling Company.

As Engineers for the project, it is our opinion the work performed is in substantial accordance with the plans and specifications, and that the final amount of the Contract is Nine Hundred Thirty Two Thousand Three Hundred Thirty Two and 40/100 Dollars (\$932,332.40).

VEENSTRA & KIMM, INC.

Accepted: CITY OF STORM LAKE, IOWA

By 

Title Project Manager

Date 5-9-16

By _____

Title _____

Date _____

Staff Summary

5/16/2016

Agenda Item # 11.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Jason Etnyre, Public Works Director

SUBJECT: Motion to Approve Submitting a 2016 Fall Alliant Energy Branching Out Grant

BACKGROUND: Alliant Energy sponsors the opportunity for cities it offers services to, to seek funding twice a year for grants eligible from \$1,000 to \$10,000 for the planting of trees within public spaces. Celebrating more than two decades of plantings, *Branching Out* encourages energy efficiency, environmental awareness, and community stewardship in Iowa.

The City of Storm Lake was awarded Spring 2016 grant in the amount of \$7,394 for the planting of trees in the campground, the golf course, and Sunrise Park. These trees were planted in conjunction with Buenification Day and BVU was represented by members of its SKATE club, men's basketball, and women's soccer teams.

City staff is again looking to partner with BVU, Storm Lake High's Biology class, Trees Forever, and Alliant Energy to plant trees this fall within the golf course, campground, and from Sunrise Park west to Circle Park. These tree placements would be to replace trees that have been lost in recent years as well as placing trees in close proximity to ash trees in preparation of the Emerald Ash Bore's arrival in this part of the state.

FISCAL IMPACT: 52 trees @ \$180/tree= \$9,360 to be reimbursed by Alliant Energy

RECOMMENDATION: Staff is recommending that Council approve this grant application

ATTACHMENTS:

Description	Type
□ Branching Out Grant Application	Application



BRANCHING OUT GRANT APPLICATION

Instructions:

Materials must be postmarked by June 1 to be considered for the fall grant-making cycle, and by November 1 to be considered for the spring grant-making cycle. Grant recipients will be announced two to three months after the application deadline.

RECIPIENT INFORMATION					
Date May 11, 2016	Grant Amount Requested \$9360	Community / County Name City of Storm Lake/Buena Vista		Population 10,600	
Organization/Committee Name (if applicable) City of Storm Lake					
Contact Name Jim Patrick		Occupation City Manager			
Address ☐ Home ☒ Business 620 Erie Street		City Storm Lake	State IA	Zip 50588	
Home Phone No. ()	Work Phone No. (712) 732-8000	Mobile Phone No. ()	Email patrick@stormlake.org		
Community Electric Provider MidAmerican		Community Natural Gas Provider Alliant			
Does Alliant Energy serve electricity or natural gas to the project site? ☒ Yes ☐ No					
List a minimum of four committee members or community members who will assist with planning, planting and caring for your trees.					
Name Jon Kruse		Address ☒ Home ☐ Business Retired			
City Storm Lake	State IA	ZIP 50588	Phone No. ()	Email kruser@iw.net	
Name John Grunman		Address ☐ Home ☒ Business City Forester			
City Storm Lake	State IA	ZIP 50588	Phone No. (712) 732-8029	Email grunman@stormlake.org	
Name Jason Hoffman		Address ☐ Home ☒ Business Assistant Parks Superintendent			
City Storm Lake	State IA	ZIP 50588	Phone No. (712) 732-8029	Email hoffman@stormlake.org	
Name Ben Maas		Address ☐ Home ☒ Business College Professor			
City Storm Lake	State IA	ZIP 50588	Phone No. ()	Email maas2@bvu.edu	
LOCAL MEDIA CONTACT					
Name, Business (Name of publication, radio station call letters, etc.) Storm Lake Times, Pilot-Tribune, and KAYL radio					
Phone No. (712) 732-4991, 732-3130, & 732-3520		Email times@stormlake.com, dlarson@stormlakepilottribune.com			
I give permission to Alliant Energy and Trees Forever to reproduce and use any photographs taken at my community tree-planting event and/or that are submitted as part of our program summary report.					
Signature			Date May 16, 2016		
Organization grant checks made payable to: City of Storm Lake		Federal Tax ID No. 42-6005255		Anticipated tree planting event date: October 3rd, 2016	

FM-0898 ECRM8959878 REV. 4 09/15

Questions? Please call the Marion Trees Forever office at 1-800-369-1269, ext. 110 or 319-373-0650; fax 319-373-0528; or send email to droman@treesforever.org.

Instructions:

Please address each of the following in your proposal letter. Each grant request is reviewed and scored with regard to:

1. Project Description - Please describe your tree planting, including how many volunteers will be engaged in planting and how it will benefit the community. Please remember people who may not be familiar with your community will review your application.
The City of Storm Lake received a State Urban Forestry grant that was used to develop a current working inventory of all public trees. These include all trees within the parks system, the campground, the golf course, and within the road right-of-ways. This inventory determined species and condition, canopy cover, and is helping to develop an Urban Forestry Plan. Due to an aging tree population, City crews are removing around 70 trees per year. When the City of Storm Lake is awarded this grant, City staff will organize a tree planting event that will pair student organizations from BVU with students from the SLHS Biology program to conduct this planting. The most recent event brought together the men's basketball team, the women's soccer team, and the SKATE club members to plant trees with the guidance for this project coming from our Trees Forever Field Rep. and the Public Works Department staff.

2. Energy-Efficiency Benefits - Trees planted in urban areas help moderate summer and winter climates. In the summer, trees cool their immediate surroundings through evaporative cooling and by shading built surfaces such as streets, sidewalks, parking lots, trails and buildings. In the winter, trees help break up and redirect cold winter winds from striking buildings. Please discuss how your tree planting relates to energy efficiency.
The locations of planting for the trees selected will provide shade and cooling in the parks, golf course, and along city streets that abut our trails system. These trees, due to proximity to the lake itself, will absorb runoff water and nutrients prior to reaching the lake. Also being planted in close proximity to the lake will serve as a windbreak throughout the various storms of the seasons. Additional tree plantings throughout the community will also assist the City of Storm Lake towards its goal of increasing its total tree canopy.

3. Care and Maintenance - Newly planted trees require a significant amount of care to get established. Describe your tree care plan for the first two years which should include watering, mulching, pruning, and possibly staking. Who is responsible for maintenance?
Trees that are to be planted as a part of this process will be staked and mulched at the time of planting. Watering will be handled by means of our watering truck that was designed and built for watering rain gardens and tree planting areas. City staff will be responsible in making sure that the young trees will be pruned and protected in a manner that will ensure longevity and survivability.

4. Education and Advocacy - How will you provide education about the planting and care and benefits of trees to members of your community (including energy-efficiency benefits)? Trees Forever field coordinators will work with you to organize a presentation to a group in your community such as a council, service club or school group.
The City of Storm Lake has taken a very proactive approach to bringing the community on board with its education of trees. From classroom presentations to elementary school students to working with the high school biology program to using IDNR Forestry staff to provide pruning and identification training, Storm Lake does whatever it can to engage its citizens. When it comes time to plant the trees we are awarded by this grant, there will be announcements in all media outlets plus social media that the City maintains calling for volunteers. As with prior City planting events it is expected that Trees Forever would have staff present to do a "Tree Planting 101" designed to offer tips and answer any questions volunteers may have.

5. Volunteer Involvement and Community Awareness - Explain how volunteers will be involved in this project. Tell us how the volunteers you've identified in the committee list provide a broad representation of your community. How will you promote your tree planting within your area? Will local media be invited to attend? Will you engage local elected officials? How will you recognize program partners (Alliant Energy and Trees Forever)? Trees Forever field coordinators will assist and/or attend your planting; please provide planting date well in advance.
As with any organization, volunteers are the backbone of a successful event. City staff will set up all the details from equipment to tree delivery to notifying the media. The students and community volunteers will work hard to ensure that the physical planting occurs with assistance from our Trees Forever field coordinator. By having a strong print and radio following in the local area we will be more than able to get the word out to the local area about the important roles that Alliant Energy and Trees Forever played in this event.

6. Diversity - Many Iowa communities have an overabundance of maples, crab apples and ash trees, leaving them susceptible to devastation by future insect and/or pest threats. Due to the threat of Emerald Ash Borer, no ash trees will be funded. What species and how many of each species will you plant? Please describe how you are addressing diversity either within your project, or how your project diversifies your community's overall tree makeup. Does your community have an inventory of trees and if so, how does it factor into your species selection? Fruit trees are allowed, but should not make up more than 50% of the total number of trees requested.
Due to the completion of the of our complete tree survey the City of Storm Lake is working towards the goal of increasing its diversity. The City of Storm Lake has a goal of no more than 10% of the urban forest being of the same species and no more than 20% within the same genus. The species selected definitely fit within species which are scarce in our total populace.

7. Aerial Map and Site Plan - Please upload or include an aerial map of your community and highlight area(s) of town where you plan to plant. In addition, please provide a site plan sketch. This may be a simple hand drawing, and should include major roads, spacing, location of trees and overhead power lines, and a north directional arrow.
Maximum size of site plan sketch is 8.5" x 11".
See attached sheets.

8. Budget Worksheet - Please complete the worksheet on page four. Matching funds are not required. However, showing some match (cash or in-kind) is strongly encouraged and will strengthen your application. You are strongly encouraged to get two estimates from nurseries in your area as you plan your project. Keep in mind many nurseries are willing to discuss discounts for volunteer-led community projects. This can be considered an in-kind donation and can be recorded as part of the matching funds shown on the budget page. Other in-kind contributions can also be used toward the match requirement. Branching Out funds can only be used for trees. Shrubs, mulch and planting costs are not allowable.

Trees	\$9360 (52 trees@\$180/tree)
Mulch	\$750 (City)
Tree Stakes/guards	\$700 (City)
Labor for Tree Planting	\$2,500 (City and Volunteers (including water and snacks donated for the planting event))

9. Other Support Materials - Letters of support from community members, verification of other funding, photos, etc.
see attached

We encourage you to email your completed application and supporting documents to droman@treesforever.org or you can mail your documents to:

Trees Forever, c/o *Branching Out*, 770 7th Ave., Marion, IA 52302

BUDGET WORKSHEET FOR COMMUNITY TREE PLANTING APPLICATION

Community: _____

Trees

Qty.	Species	Size*	Cost/Tree	Total Cost
13	Hophornbeam (Ironwood)	1.5"	\$165	\$2145
13	Colorado Blue/Black Hills Spruce depending on availability	1.5"	\$195	\$2535
13	River Clump Birch	1.5"	\$180	\$2340
13	Discovery Elm	1.5"	\$180	\$2340
	Total Number of Trees		Total Cost of Trees	\$9360

Budget

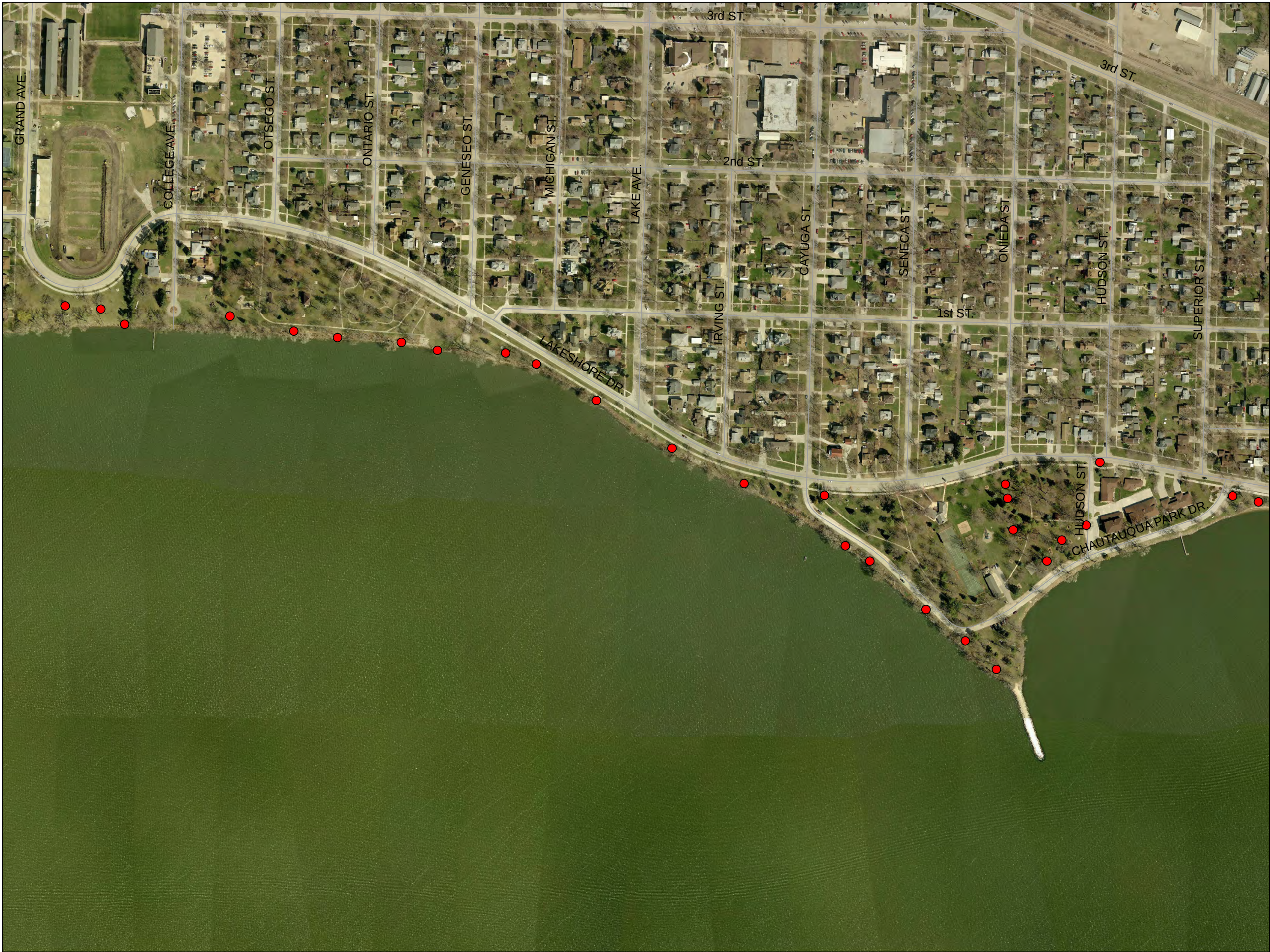
*Trees should be no larger than 1.5 inch caliper or 10 gallon container (shade trees) or 4 feet or 10 gallon container (evergreens).

Requested Funds for Trees **\$9360**

Matching Funds**

Item	Value/Cost
Mulch	\$750
Staking materials/ guards	\$700
Planting labor	\$2500
Total Matching Funds	\$3950

**Showing some match (cash or in-kind) is strongly encouraged and will strengthen your application; however, matching funds are not required.





Staff Summary

5/16/2016

Agenda Item # 12.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Jason Etnyre, Public Works Director

SUBJECT: Resolution No. 132-R-2015-2016 to Approve Federal Aid Agreement with the Iowa DOT for the Richland Street Project

BACKGROUND: This is a federal aid agreement between the Iowa DOT and the City of Storm Lake for the purpose of performing a PCC Bonded Overlay from Flindt Drive to Radio Road.

The agreement provides the funding details by DOT to the City and the requirements of the City to receive the funding. The contract is standard for DOT grants such as this program and has been reviewed by City attorney and staff.

FISCAL IMPACT: This project is budgeted for FY 2016-2017.

Expenses:

Engineering Contract	\$39,180
Construction Contract (est.)	\$451,500
Legal Admin Expenses	\$5,000

Revenues:

STP Funding	\$202,000
LOST	\$194,000
Franchise Fees	\$130,000

RECOMMENDATION: Staff recommends that Council would approve this Resolution.

ATTACHMENTS:

Description	Type
☐ Resolution No. 132-R-2015-2016	Resolution
☐ IDOT Agreement	Contract

RESOLUTION NO. 132-R-2015-2016

**RESOLUTION AUTHORIZING THE EXECUTION OF IOWA DEPARTMENT OF
TRANSPORTATION AGREEMENT FOR FEDERAL AID SURFACE
TRANSPORTATION PROGRAM PROJECT 03-16-STPU-012**

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

Authorize the execution of an agreement with the Iowa Department of Transportation for the PCC Overlay of E. Richland Street from Flindt Drive to Radio Road. Iowa DOT Agreement No. 03-16-STPU-012.

PASSED AND APPROVED this 16th day of May 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

**IOWA DEPARTMENT OF TRANSPORTATION
Federal-aid Agreement
for a Surface Transportation Program Project**

Recipient: Storm Lake

Project No.: STP-U-7422(615)--70-11

Iowa DOT Agreement No.: 03-16-STPU-012

CFDA No. and Title: 20.205 Highway Planning and Construction

This is an agreement between the City of Storm Lake, Iowa (hereinafter referred to as the Recipient) and the Iowa Department of Transportation (hereinafter referred to as the Department). Iowa Code Sections 306A.7 and 307.44 provide for the Recipient and the Department to enter into agreements with each other for the purpose of financing transportation improvement projects on streets and highways in Iowa with Federal funds. Federal regulations require Federal funds to be administered by the Department.

The Recipient has received Federal funding through the Surface Transportation Program (STP), which was continued by the Moving Ahead for Progress in the 21st Century (MAP-21), Public Law 112-141, now codified at Section 133(b) of Title 23, United States Code (U.S.C.). STP funds are available for construction, reconstruction, rehabilitation, resurfacing, restoration and operational or safety improvement projects on Federal-aid highways, bridges on any public road, and several other types of projects, as specified in 23 U.S.C. 133(b). Federal-aid highways include all Federal Functional Classifications, except for rural minor collectors or local roads.

Pursuant to the terms of this agreement, applicable statutes, and administrative rules, the Department agrees to provide STP funding to the Recipient for the authorized and approved costs for eligible items associated with the project.

Under this agreement, the parties further agree as follows:

1. The Recipient shall be the lead local governmental agency for carrying out the provisions of this agreement.
2. All notices required under this agreement shall be made in writing to the appropriate contact person. The Department's contact person will be the District 3 Local Systems Engineer. The Recipient's contact person shall be the City's Public Works Director.
3. The Recipient shall be responsible for the development and completion of the following described STP project:

PCC Overlay - Bonded of E. Richland St. from Flindt Dr. to Radio Road
4. Eligible project activities will be limited to the following: construction, engineering, inspection, and right-of-way acquisition. Under certain circumstances, eligible activities may also include utility relocation or railroad work that is required for construction of the project.
5. The Recipient shall receive reimbursement for costs of authorized and approved eligible project activities from STP funds. The portion of the project costs reimbursed by STP funds shall be limited to a maximum of either 80 percent of eligible costs or the amount stipulated in the Northwest Iowa Planning and Development Commission current Transportation Improvement Program (TIP) and approved in the current Statewide Transportation Improvement Program (STIP), whichever is less.
6. If the project described in Section 3. drops out of the Northwest Iowa Planning and Development Commission current TIP or the approved current STIP prior to obligation of Federal funds, and the Recipient fails to reprogram the project in the appropriate TIP and STIP within 3 years, this agreement shall become null and void.
7. The Recipient shall let the project for bids through the Department.
8. If any part of this agreement is found to be void and unenforceable, the remaining provisions of this agreement shall remain in effect.

9. It is the intent of both parties that no third party beneficiaries be created by this agreement.
10. This agreement shall be executed and delivered in two or more copies, each of which so executed and delivered shall be deemed to be an original and shall constitute but one and the same agreement.
11. This agreement and the attached Exhibit 1 constitute the entire agreement between the Department and the Recipient concerning this project. Representations made before the signing of this agreement are not binding, and neither party has relied upon conflicting representations in entering into this agreement. Any change or alteration to the terms of this agreement shall be made in the form of an addendum to this agreement. The addendum shall become effective only upon written approval of the Department and the Recipient.

IN WITNESS WHEREOF, each of the parties hereto has executed this agreement as of the date shown opposite its signature below.

City Signature Block (City Projects Only)

By _____ Date _____, 20____

Title of city official

I, _____, certify that I am the City Clerk of Storm Lake, and
that _____, who signed said Agreement for and on behalf of the city was duly
authorized to execute the same by virtue of a formal resolution duly passed and adopted by the city on the _____
day of _____, 20_____.

Signed _____ Date _____, 20____

City Clerk of Storm Lake, Iowa

County Signature Block (County Projects Only)

This agreement was approved by official action of the (County Name) County Board of Supervisors in official session
on the _____ day of _____, 20_____.

County Auditor

Chair, County Board of Supervisors

IOWA DEPARTMENT OF TRANSPORTATION
Highway Division

By _____ Date _____, 20____

Brian J. Catus, P.E.
Local Systems Engineer
District 3

EXHIBIT 1

General Agreement Provisions for use of Federal Highway Funds on Non-primary Projects

Unless otherwise specified in this agreement, the Recipient shall be responsible for the following:

1. General Requirements.

- a. The Recipient shall take the necessary actions to comply with applicable State and Federal laws and regulations. To assist the Recipient, the Department has provided guidance in the Federal-aid Project Development Guide (Guide) and the Instructional Memorandums to Local Public Agencies (I.M.s) that are referenced by the Guide. Both are available on-line at: http://www.iowadot.gov/local_systems/publications/im/lpa_ims.htm. The Recipient shall follow the applicable procedures and guidelines contained in the Guide and I.M.s in effect at the time project activities are conducted.
- b. In accordance with Title VI of the Civil Rights Act of 1964 and associated subsequent nondiscrimination laws, regulations, and executive orders, the Recipient shall not discriminate against any person on the basis of race, color, national origin, sex, age, or disability. In accordance with Iowa Code Chapter 216, the Recipient shall not discriminate against any person on the basis of race, color, creed, age, sex, sexual orientation, gender identity, national origin, religion, pregnancy, or disability. The Recipient agrees to comply with the requirements outlined in I.M. 1.070, Title VI and Nondiscrimination Requirements.
- c. The Recipient shall comply with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), Section 504 of the Rehabilitation Act of 1973 (Section 504), the associated Code of Federal Regulations (CFR) that implement these laws, and the guidance provided in I.M. 1.080, ADA Requirements. When pedestrian facilities are constructed, reconstructed, or altered, the Recipient shall make such facilities compliant with the ADA and Section 504.
- d. To the extent allowable by law, the Recipient agrees to indemnify, defend, and hold the Department harmless from any action or liability arising out of the design, construction, maintenance, placement of traffic control devices, inspection, or use of this project. This agreement to indemnify, defend, and hold harmless applies to all aspects of the Department's application review and approval process, plan and construction reviews, and funding participation.
- e. As required by the 49 CFR 18.26, the Recipient is responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S. c. 7501-7507) and Subpart F of 2 CFR 200. Subpart F of 2 CFR 200 stipulates that non-Federal entities expending \$750,000 or more in Federal awards in a year shall have a single or program-specific audit conducted for that year in accordance with the provision of that part. Auditee responsibilities are addressed in Subpart F of 2 CFR 200. The Federal funds provided by this agreement shall be reported on the appropriate Schedule of Expenditures of Federal Awards (SEFA) using the Catalog of Federal Domestic Assistance (CFDA) number and title as shown on the first page of this agreement. If the Recipient will pay initial project costs and request reimbursement from the Department, the Recipient shall report this project on its SEFA. If the Department will pay initial project costs and then credit those accounts from which initial costs were paid, the Department will report this project on its SEFA. In this case, the Recipient shall not report this project on its SEFA.
- f. The Recipient shall supply the Department with all information required by the Federal Funding Accountability and Transparency Act of 2006 and 2 CFR Part 170,
- g. The Recipient shall comply with the following Disadvantaged Business Enterprise (DBE) requirements:
 - i. The Recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts.
 - ii. The Recipient shall comply with the requirements of I.M. 3.710, DBE Guidelines.
 - iii. The Department's DBE program, as required by 49 CFR Part 26 and as approved by the Federal Highway Administration (FHWA), is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this

agreement. Upon notification to the Recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- h. Termination of funds. Notwithstanding anything in this agreement to the contrary, and subject to the limitations set forth below, the Department shall have the right to terminate this agreement without penalty and without any advance notice as a result of any of the following: 1) The Federal government, legislature or governor fail in the sole opinion of the Department to appropriate funds sufficient to allow the Department to either meet its obligations under this agreement or to operate as required and to fulfill its obligations under this agreement; or 2) If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the Department to make any payment hereunder are insufficient or unavailable for any other reason as determined by the Department in its sole discretion; or 3) If the Department's authorization to conduct its business or engage in activities or operations related to the subject matter of this agreement is withdrawn or materially altered or modified. The Department shall provide the Recipient with written notice of termination pursuant to this section.

2. Programming and Federal Authorization.

- a. The Recipient shall be responsible for including the project in the appropriate Regional Planning Affiliation (RPA) or Metropolitan Planning Organization (MPO) Transportation Improvement Program (TIP). The Recipient shall also ensure that the appropriate RPA or MPO, through their TIP submittal to the Department, includes the project in the Statewide Transportation Improvement Program (STIP). If the project is not included in the appropriate fiscal year of the STIP, Federal funds cannot be authorized.
- b. Before beginning any work for which Federal funding reimbursement will be requested, the Recipient shall contact the Department to obtain the procedures necessary to secure FHWA authorization. The Recipient shall submit a written request for FHWA authorization to the Department. After reviewing the Recipient's request, the Department will forward the request to the FHWA for authorization and obligation of Federal funds. The Department will notify the Recipient when FHWA authorization is obtained. The cost of work performed prior to FHWA authorization will not be reimbursed with Federal funds.

3. Federal Participation in Work Performed by Recipient Employees.

- a. If Federal reimbursement will be requested for engineering, construction inspection, right-of-way acquisition or other services provided by employees of the Recipient, the Recipient shall follow the procedures in I.M. 3.310, Federal-aid Participation in In-House Services.
- b. If Federal reimbursement will be requested for construction performed by employees of the Recipient, the Recipient shall follow the procedures in I.M. 3.810, Federal-aid Construction by Local Agency Forces.
- c. If the Recipient desires to claim indirect costs associated with work performed by its employees, the Recipient shall prepare and submit to the Department an indirect cost rate proposal and related documentation in accordance with the requirements of 2 CFR 225. Before incurring any indirect costs, such indirect cost rate proposal shall be certified by the FHWA or the Federal agency providing the largest amount of Federal funds to the Recipient.

4. Design and Consultant Services

- a. The Recipient shall be responsible for the design of the project, including all necessary plans, specifications, and estimates (PS&E). The project shall be designed in accordance with the design guidelines provided or referenced by the Department in the Guide and applicable I.M.s.
- b. If the Recipient requests Federal funds for consultant services, the Recipient and the Consultant shall prepare a contract for consultant services in accordance with 23 CFR Part 172. These regulations require a qualifications-based selection process. The Recipient shall follow the procedures for selecting and using consultants outlined in I.M. 3.305, Federal-aid Participation in Consultant Costs.

- c. If Preliminary Engineering (PE) work is Federally funded, and if right-of-way acquisition or actual construction of the road is not started by the close of the tenth fiscal year following the fiscal year in which the Federal funds were authorized, the Recipient shall repay to the Department the amount of Federal funds reimbursed to the Recipient for such PE work. PE includes work that is part of the development of the PS&E for a construction project. This includes environmental studies and documents, preliminary design, and final design up through and including the preparation of bidding documents. PE does not include planning or other activities that are not intended to lead to a construction project. Examples include planning, conceptual, or feasibility studies.

5. Environmental Requirements and other Agreements or Permits.

- a. The Recipient shall take the appropriate actions and prepare the necessary documents to fulfill the FHWA requirements for project environmental studies including historical/cultural reviews and location approval. The Recipient shall complete any mitigation agreed upon in the FHWA approval document. These procedures are set forth in I.M. 3.105, Concept Statement Instructions, 3.110, Environmental Data Sheet Instructions, 3.112, FHWA Environmental Concurrence Process, and 3.114, Cultural Resource Guidelines.
- b. If farmland is to be acquired, whether for use as project right-of-way or permanent easement, the Recipient shall follow the procedures in I.M. 3.120, Farmland Protection Policy Act Guidelines.
- c. The Recipient shall obtain project permits and approvals, when necessary, from the Iowa Department of Cultural Affairs (State Historical Society of Iowa; State Historic Preservation Officer), Iowa Department of Natural Resources, U.S. Coast Guard, U.S. Army Corps of Engineers, the Department, or other agencies as required. The Recipient shall follow the procedures in I.M. 3.130, 404 Permit Process, 3.140, Storm Water Permits, 3.150, Highway Improvements in the Vicinity of Airports or Heliports, and 3.160, Asbestos Inspection, Removal and Notification Requirements.
- d. In all contracts entered into by the Recipient, and all subcontracts, in connection with this project that exceed \$100,000, the Recipient shall comply with the requirements of Section 114 of the Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all their regulations and guidelines. In such contracts, the Recipient shall stipulate that any facility to be utilized in performance of or to benefit from this agreement is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities or is under consideration to be listed.

6. Right-of-Way, Railroads and Utilities.

- a. The Recipient shall acquire the project right-of-way, whether by lease, easement, or fee title, and shall provide relocation assistance benefits and payments in accordance with the procedures set forth in I.M. 3.605, Right-of-Way Acquisition, and the Department's Office of Right of Way Local Public Agency Manual. The Recipient shall contact the Department for assistance, as necessary, to ensure compliance with the required procedures, even if no Federal funds are used for right-of-way activities. The Recipient shall obtain environmental concurrence before acquiring any needed right-of-way. With prior approval, hardship and protective buying is possible. If the Recipient requests Federal funding for right-of-way acquisition, the Recipient shall also obtain FHWA authorization before purchasing any needed right-of-way.
- b. If the project right-of-way is Federally funded and if the actual construction is not undertaken by the close of the twentieth fiscal year following the fiscal year in which the Federal funds were authorized, the Recipient shall repay the amount of Federal funds reimbursed for right-of-way costs to the Department.
- c. If a railroad crossing or railroad tracks are within or adjacent to the project limits, the Recipient shall obtain agreements, easements, or permits as needed from the railroad. The Recipient shall follow the procedures in I.M. 3.670, Work on Railroad Right-of-Way, and I.M. 3.680, Federal-aid Projects Involving Railroads.
- d. The Recipient shall comply with the Policy for Accommodating Utilities on City and County Federal-aid Highway Right of Way for projects on non-primary Federal-aid highways. For projects connecting to or involving some work inside the right-of-way for a primary highway, the Recipient shall follow the Iowa DOT Policy for Accommodating Utilities on Primary Road System. Certain utility relocation, alteration,

adjustment, or removal costs to the Recipient for the project may be eligible for Federal funding reimbursement. The Recipient should also use the procedures outlined in I.M. 3.640, Utility Accommodation and Coordination, as a guide to coordinating with utilities.

- e. If the Recipient desires Federal reimbursement for utility costs, it shall submit a request for FHWA Authorization prior to beginning any utility relocation work, in accordance with the procedures outlined in I.M. 3.650, Federal-aid Participation in Utility Relocations.

7. Contract Procurement.

The following provisions apply only to projects involving physical construction or improvements to transportation facilities:

- a. The project plans, specifications, and cost estimate (PS&E) shall be prepared and certified by a professional engineer or architect, as applicable, licensed in the State of Iowa.
- b. For projects let through the Department, the Recipient shall be responsible for the following:
 - i. Prepare and submit the PS&E and other contract documents to the Department for review and approval in accordance with I.M. 3.505, Check and Final Plans and I.M. 3.510, Check and Final Bridge or Culvert Plans, as applicable.
 - ii. The contract documents shall use the Department's Standard Specifications for Highway and Bridge Construction. Prior to their use in the PS&E, specifications developed by the Recipient for individual construction items shall be approved by the Department
 - iii. Follow the procedures in I.M. 3.730, Iowa DOT Letting Process, to analyze the bids received, make a decision to either award a contract to the lowest responsive bidder or reject all bids, and if a contract is awarded, execute the contract documents and return to Department.
- c. For projects that are let locally by the Recipient, the Recipient shall follow the procedures in I.M. 3.720, Local Letting Process, Federal-aid.
- d. The Recipient shall forward a completed Project Development Certification (Form 730002) to the Department in accordance with I.M. 3.750, Project Development Certifications Instructions. The project shall not receive FHWA Authorization for construction or be advertised for bids until after the Department has reviewed and approved the Project Development Certification.
- e. If the Recipient is a city, the Recipient shall comply with the public hearing requirements of the Iowa Code section 26.12.
- f. The Recipient shall not provide the contractor with notice to proceed until after receiving written notice the Iowa DOT has concurred in the contract award.

8. Construction.

- a. A full-time employee of the Recipient shall serve as the person in responsible charge of the construction project. For cities that do not have any full time employees, the mayor or city clerk will serve as the person in responsible charge, with assistance from the Department.
- b. Traffic control devices, signing, or pavement markings installed within the limits of this project shall conform to the "Manual on Uniform Traffic Control Devices for Streets and Highways" per 761 IAC Chapter 130. The safety of the general public shall be assured through the use of proper protective measures and devices such as fences, barricades, signs, flood lighting, and warning lights as necessary.
- c. For projects let through the Department, the project shall be constructed under the Department's Standard Specifications for Highway and Bridge Construction and the Recipient shall comply with the procedures and responsibilities for materials testing according to the Department's Materials I.M.s. Available on-line at: <http://www.iowadot.gov/erl/current/IM/navigation/nav.htm>.

- d. For projects let locally, the Recipient shall provide materials testing and certifications as required by the approved specifications.
- e. If the Department provides any materials testing services to the Recipient, the Department will bill the Recipient for such testing services according to its normal policy as per Materials I.M. 103.
- f. The Recipient shall follow the procedures in I.M. 3.805, Construction Inspection, and the Department's Construction Manual, as applicable, for conducting construction inspection activities.

9. Reimbursements.

- a. After costs have been incurred, the Recipient shall submit to the Department periodic itemized claims for reimbursement for eligible project costs. Requests for reimbursement shall be made at least annually but not more than bi-weekly.
- b. To ensure proper accounting of costs, reimbursement requests for costs incurred prior to June 30 shall be submitted to the Department by August 1 if possible, but no later than August 15.
- c. Reimbursement claims shall include a certification that all eligible project costs, for which reimbursement is requested, have been reviewed by an official or governing board of the Recipient, are reasonable and proper, have been paid in full, and were completed in substantial compliance with the terms of this agreement.
- d. The Department will reimburse the Recipient for properly documented and certified claims for eligible project costs. The Department may withhold up to 5% of the Federal share of construction costs or 5% of the total Federal funds available for the project, whichever is less. Reimbursement will be made either by State warrant or by crediting other accounts from which payment was initially made. If, upon final audit or review, the Department determines the Recipient has been overpaid, the Recipient shall reimburse the overpaid amount to the Department. After the final audit or review is complete and after the Recipient has provided all required paperwork, the Department will release the Federal funds withheld.
- e. The total funds collected by the Recipient for this project shall not exceed the total project costs. The total funds collected shall include any Federal or State funds received, any special assessments made by the Recipient (exclusive of any associated interest or penalties) pursuant to Iowa Code Chapter 384 (cities) or Chapter 311 (counties), proceeds from the sale of excess right-of-way, and any other revenues generated by the project. The total project costs shall include all costs that can be directly attributed to the project. In the event that the total funds collected by the Recipient does exceed the total project costs, the Recipient shall either:
 - 1) in the case of special assessments, refund to the assessed property owners the excess special assessments collected (including interest and penalties associated with the amount of the excess), or
 - 2) refund to the Department all funds collected in excess of the total project costs (including interest and penalties associated with the amount of the excess) within 60 days of the receipt of any excess funds. In return, the Department will either credit reimbursement billings to the FHWA or credit the appropriate State fund account in the amount of refunds received from the Recipient.

10. Project Close-out.

- a. Within 30 days of completion of construction and / or other activities authorized by this agreement, the Recipient shall provide written notification completed pre-audit checklist to the Department. The Recipient shall follow and request a final audit, in accordance with the procedures in I.M. 3.910, Final Review, Audit, and Close-out Procedures for Federal-aid Projects.
- b. For construction projects, the Recipient shall provide a certification by a professional engineer or architect, as applicable, licensed in the State of Iowa, indicating the construction was completed in substantial compliance with the project plans and specifications.
- c. Final reimbursement of Federal funds shall be made only after the Department accepts the project as complete.

- d. The Recipient shall maintain all books, documents, papers, accounting records, reports, and other evidence pertaining to costs incurred for the project. The Recipient shall also make these materials available at all reasonable times for inspection by the Department, FHWA, or any authorized representatives of the Federal Government. Copies of these materials shall be furnished by the Recipient if requested. Such documents shall be retained for at least 3 years from the date of FHWA approval of the final closure document. Upon receipt of FHWA approval of the final closure document, the Department will notify the Recipient of the record retention date.
- e. The Recipient shall maintain, or cause to be maintained, the completed improvement in a manner acceptable to the Department and the FHWA.

Staff Summary

5/16/2016

Agenda Item # 13.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Jason Etnyre, Public Works Director

SUBJECT: Resolution No. 133-R-2015-2016 Approving the Contract for the 2016 Erie Street CDBG Stormwater Project

BACKGROUND: On January 5, 2015 the City Council entered into contract with Bolton & Menk for the engineering services associated with the 2016 Erie Street project.

The project will consist of the reconstruction of Erie Street from Highway 71 (Milwaukee Avenue) to 6th Street in the City of Storm Lake.

There were 2 separate public input/informational meetings held on this project, discussions with Council, and a Public Hearing on this project. The plans have been appropriately modified as discussed by City staff, the citizens of Storm Lake, and Bolton & Menk Engineering. At the May 2nd, 2016 City Council meeting Council took action to approve the bid and alternate bid of Dave Holstein Excavating of Edgerton, MN in the amount of \$1,044,186.04.

The contract was then given to Hulstein Excavating for review and processing. Signed contracts and necessary insurance documents have been submitted to the City and have been reviewed by City staff, Bolton & Menk, and also the City attorney.

FISCAL IMPACT: The estimated cost of the project was \$1,485,910. This project will be paid for with a CDBG grant, General Obligation Bond, and Road Use Tax funds.

Dave Hulstein Excavating's contract is in the amount of \$1,044,186.04. Engineering contract is \$162,000 with contingency fees of \$125,000, and all other fees associated with this project being \$69,800. The new total cost of this project

would be \$1,400,986.40. Of this amount \$600,000 is being paid with a CDBG Grant and the balance of \$789,093.30 being funded with G.O. Bonds and Road Use Tax.

RECOMMENDATION: Recommend that Council Adopt Resolution No. 133-R-2015-2016 approving the contract with Dave Hulstein Excavating for the 2016 Erie Street CDBG Stormwater Project.

ATTACHMENTS:

Description		Type
▣	Resolution No. 133-R-2015-2016	Resolution
▣	Contract	Contract

RESOLUTION NO. 133-R-2015-2016

RESOLUTION APPROVING CONSTRUCTION CONTRACT AND BOND

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STORM LAKE, IOWA;

That the construction contract and bond executed and insurance coverage for the construction of certain public improvements described in general as Erie Street CDBG Stormwater Improvements Project and as described in detail in the plans and specifications heretofore approved, and which have been signed by the Mayor and Clerk on behalf of the City be and the same are hereby approved as follows:

Contractor:	Hulstein Excavating, Inc. – Edgerton, Minnesota
Date of Contract:	May 2, 2016
Bond Surety:	United Fire & Casualty Company
Date of Bond:	May 5, 2016
Portion of Project:	All

PASSED AND APPROVED this 16th day of May 16, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

CONTRACT

Erie Street CDBG Stormwater Improvements
City of Storm Lake
Storm Lake, IA

THIS CONTRACT, made and entered into at Storm Lake, Iowa this 2nd day of May, 2016, by and between the City of Storm Lake hereinafter called the "Jurisdiction", and Hulstein Excavating, Inc., hereinafter called the "Contractor".

WITNESSETH:

The Contractor hereby agrees to complete the work comprising the Erie Street CDBG Stormwater Improvements as specified in the contract documents, which are officially on file with the Jurisdiction, in the office of the City Clerk, City of Storm Lake, 620 Erie Street, Storm Lake, IA. This contract includes all such contract documents. All work under this contract shall be constructed in accordance with the SUDAS Standard Specifications, 2016 Edition, and as further modified by the supplemental specifications and special provisions included in said contract documents, and the Contract Attachment which is attached hereto. The Contractor further agrees to complete the work in strict accordance with said contract documents, and to guarantee the work as required by law, for the time required in said contract documents, after its acceptance by the Jurisdiction.

This contract is awarded and executed for completion of the work specified in the contract documents for the bid prices shown on the Contract Attachment: Bid Items and Quantities which were proposed by the Contractor in its proposal submitted in accordance with the Notice to Bidders and Notice of Public Hearing for the following described improvements:

PROJECT DESCRIPTION: The project consists of the reconstruction of Erie Street for Highway 71 (Milwaukee Avenue) to 6th Street in the City of Storm Lake. The scope of work includes the following approximate quantities 2,700 CY of Class 13 Excavation, 2,900 SY of 7" PCC pavement, 1,800 feet of 2.0' curb and gutter, 675 feet of 8 inch water main, 2,300 feet of 6" to 12" storm sewer and subdrain, 1,300 SY of permeable interlock pavers, 7 rain gardens, PCC sidewalks and driveways and other miscellaneous items of work. Also to be bid as an add additional alternate will be construction of a 46 stall PCC concrete/ permeable paver parking lot.

The Contractor agrees to perform said work for and in consideration of the Jurisdiction's payment of the bid amount of One Million Forty-Four Thousand One Hundred Eighty-Six Dollars and Four Cents (\$1,044,186.04), which amount shall constitute the required amount of the performance, maintenance, and payment bond. The Contractor hereby agrees to commence work as stated in the written Notice to Proceed; and substantially complete the work on or before November 11, 2016; and to pay liquidated damages for noncompliance with said completion provisions at a rate of Five hundred dollars (\$500.00) for each calendar day that the work remains incomplete.

IN WITNESS WHEREOF, the Parties hereto have executed this instrument, in triplicate on the date first shown written.

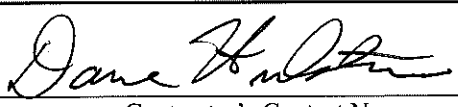
JURISDICTION: City of Storm Lake

CONTRACTOR: Hulstein Excavating, Inc.

By _____
Jon Kruse, Mayor

ATTEST:

Sue Vossburg, City Clerk

By 
Contractor's Contact Name
Contractor's Title

Dave Hulstein, President

147 175th Ave
Street Address

Edgerton, MN 56128
City, State, Zip Code

507-442-4000
Telephone

CONTRACTOR PUBLIC REGISTRATION INFORMATION To Be Provided By:

1. All Contractors: The Contractor shall enter its Public Registration No. C1265-88 issued by the Iowa Commissioner of Labor pursuant to Section 91C.5 of the Iowa Code.
2. Out-of-State Contractors:
 - A. Pursuant to Section 91C.7 of the Iowa Code, an out-of-state contractor, before commencing a contract in excess of five thousand dollars in value in Iowa, shall file a bond with the division of labor services of the department of workforce development. The contractor should contact 515-242-5871 for further information. Prior to contract execution, the City Engineer may forward a copy of this contract to the Iowa Department of Workforce Development as notification of pending construction work. It is the contractor's responsibility to comply with said Section 91C.7 before commencing this work.
 - B. Prior to entering into contract, the designated low bidder, if it be a corporation organized under the laws of a state other than Iowa, shall file with the Jurisdictional Engineer a certificate from the Secretary of the State of Iowa showing that it has complied with all the provisions of Chapter 490 of the Code of Iowa, or as amended, governing foreign corporations. For further information contact the Iowa Secretary of State Office at 515-281-5204.

Bond No. _____

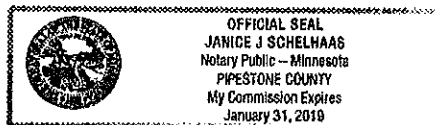
Name of Surety _____

NOTE: All signatures on this contract must be original signatures in ink; copies or facsimile of any signature will not be accepted.

CORPORATE ACKNOWLEDGMENT

State of Minnesota)
) SS
Pipestone County)

On this 6 day of May, 2016, before me, the undersigned, a Notary Public in and for the State of Minnesota, personally appeared Dave Hulstey and _____, to me known, who, being by me duly sworn, did say that they are the President, and _____, respectively, of the corporation executing the foregoing instrument; that (no seal has been procured by) (the seal affixed thereto is the seal of) the corporation; that said instrument was signed (and sealed) on behalf of the corporation by authority of this Board of Directors; that _____ and _____ acknowledged the execution of the instrument to be the voluntary act and deed of the corporation, by it and by them voluntarily executed.



Janice Schelhaas
Notary Public in and for the State of Minnesota
My Commission Expires 01-31, 2019

CONTRACT ATTACHMENT: ITEM 1: GENERAL - None

CONTRACT ATTACHMENT: ITEM 2: BID ITEMS AND QUANTITIES

THIS CONTRACT IS AWARDED AND EXECUTED FOR COMPLETION OF THE WORK SPECIFIED IN THE CONTRACT DOCUMENTS FOR THE BID PRICES TABULATED BELOW AS PROPOSED BY THE CONTRACTOR IN ITS PROPOSAL SUBMITTED IN ACCORDANCE WITH NOTICE TO BIDDERS AND NOTICE OF PUBLIC HEARING. ALL QUANTITIES ARE SUBJECT TO REVISION BY THE JURISDICTION. THE CITY RESERVES THE RIGHT TO ADJUST QUANTITIES AS NECESSARY TO MAXIMIZE FUNDS BUDGETED FOR THIS PROJECT.

BID ITEMS AND QUANTITIES DIVISION I					
ITEM NO.	DESCRIPTION	UNIT	APPROX. QUANTITY	UNIT PRICE	AMOUNT
1	TRAFFIC CONTROL	LS	1	\$4,268.00	\$4,268.00
2	MOBILIZATION	LS	1	\$65,000.00	\$65,000.00
3	CLEARING AND GRUBBING	LS	1	\$750.00	\$750.00
4	EXCAVATION, CLASS 13	CY	3000	\$4.40	\$13,200.00
5	SUBGRADE PREPARATION	SY	5050	\$1.00	\$5,050.00
6	EXPLORATORY EXCAVATION, UTILITY POTHOLE	EA	5	\$143.75	\$718.75
7	SUBGRADE TREATMENT, GEOGRID	SY	5050	\$2.10	\$10,605.00
8	REPLACEMENT OF UNSUITABLE BACKFILL MATERIAL	CY	50	\$70.75	\$3,537.50
9	SANITARY SEWER, TRENCHED, C900, 8"	LF	20	\$55.00	\$1,100.00
10	STORM SEWER, TRENCHED, RCP CLASS III, 10"	LF	8	\$55.45	\$443.60
11	STORM SEWER, TRENCHED, RCP CLASS III, 15"	LF	8	\$51.40	\$411.20
12	SUBDRAIN, PVC SDR-26, 6"	LF	60	\$8.20	\$492.00
13	SUBDRAIN, PVC SDR-26, 10"	LF	40	\$12.50	\$500.00
14	SUBDRAIN, HDPE PERFORATED, 6"	LF	1520	\$15.00	\$22,800.00
15	SUBDRAIN, HDPE PERFORATED, 10"	LF	465	\$18.90	\$8,788.50
16	SUBDRAIN, HDPE PERFORATED, 12"	LF	270	\$24.75	\$6,682.50
17	SUBDRAIN CLEANOUT, PVC RISER, 6"	EA	10	\$451.40	\$4,514.00
18	SUBDRAIN DOWNSPOUT CONNECTION	EA	4	\$496.00	\$1,984.00
19	WATER MAIN, TRENCHED, PVC, 8"	LF	715	\$29.25	\$20,913.75
20	WATER MAIN, TRENCHED, PVC, 6"	LF	75	\$25.35	\$1,901.25
21	FITTING, DUCTILE IRON, 8"	LB	1250	\$14.20	\$17,750.00
22	WATER SERVICE STUB, POLYETHYLENE, 3/4"	EA	6	\$822.00	\$4,932.00
23	GATE VALVE & BOX, 8"	EA	1	\$1,695.50	\$1,695.50
24	GATE VALVE & BOX, 6"	EA	6	\$1,155.80	\$6,934.80
25	FIRE HYDRANT ASSEMBLY	EA	2	\$2,874.70	\$5,749.40
26	SALVAGE HYDRANT ASSEMBLY	EA	2	\$196.50	\$393.00
27	INTAKE, SW-501	EA	2	\$2,092.00	\$4,184.00
28	INTAKE, NYLOPLAST, 8"	EA	7	\$420.00	\$2,940.00
29	INTAKE, NYLOPLAST, 12"	EA	1	\$766.00	\$766.00
30	MANHOLE ADJUSTMENT, MINOR	EA	3	\$740.75	\$2,222.25
31	REMOVE INTAKE	EA	2	\$290.00	\$580.00
32	RAIN GUARDIAN STRUCTURE	EA	7	\$2,521.90	\$17,653.30
33	PAVEMENT, PCC, 7"	SY	2880	\$43.00	\$123,840.00
34	CURB AND GUTTER, 2.0 FT, 6"	LF	1260	\$20.50	\$25,830.00
35	ROADWAY CONCRETE PAVERS WITH 3/4" BITUMINOUS SETTING BED	SY	22	\$290.00	\$6,380.00

ITEM NO.	DESCRIPTION	UNIT	APPROX. QUANTITY	UNIT PRICE	AMOUNT
36	REMOVAL OF SIDEWALK	SY	740	\$17.00	\$12,580.00
37	REMOVAL OF DRIVEWAY	SY	490	\$18.50	\$9,065.00
38	SIDEWALK, PCC, 5"	SY	1520	\$55.00	\$83,600.00
39	DETECTABLE WARNING	SF	168	\$34.00	\$5,712.00
40	DRIVEWAY, PAVED, PCC, 6"	SY	270	\$50.00	\$13,500.00
41	PAVEMENT REMOVAL	SY	6000	\$3.75	\$22,500.00
42	STORAGE AGGREGATE	TON	3120	\$39.25	\$122,460.00
43	FILTER AGGREGATE	TON	260	\$75.65	\$19,669.00
44	PERMEABLE INTERLOCKING PAVERS	SY	1340	\$114.25	\$153,095.00
45	TRAFFIC SIGNS	EA	7	\$375.00	\$2,625.00
46	PARKING SIGNS	EA	4	\$260.00	\$1,040.00
47	SEEDING, FERTILIZING, AND HYDROMULCHING	AC	0.5	\$2,077.00	\$1,038.50
48	DECIDUOUS SHRUBS	EA	9	\$58.00	\$522.00
49	ORNAMENTAL TREE	EA	7	\$290.00	\$2,030.00
50	PERENNIAL GROUND COVER (1 GAL)	EA	727	\$12.00	\$8,724.00
51	PERENNIAL GROUND COVER (4" POT)	EA	585	\$9.25	\$5,411.25
52	PERENNIAL GROUND COVER (BULBS)	EA	90	\$7.00	\$630.00
53	DECIDUOUS TREE	EA	16	\$432.75	\$6,924.00
54	SWPPP PREPARATION	LS	1	\$10,390.00	\$10,390.00
55	SWPPP MANAGEMENT	LS	1	\$1,022.50	\$1,022.50
56	SWPPP QUALIFYING RAINFALL EVENT INSPECTION	EA	10	\$225.00	\$2,250.00
57	TEMPORARY ROLLED EROSION CONTROL	SY	50	\$8.25	\$412.50
58	INLET PROTECTION DEVICE, FILTER SOCK, 8"	EA	3	\$300.00	\$900.00
59	INLET PROTECTION DEVICE, MAINTENANCE	EA	3	\$150.00	\$450.00
60	ENGINEERED SOIL MIX	CY	45	\$75.00	\$3,375.00
61	STRUCTURAL SOIL MIX	CY	90	\$150.00	\$13,500.00
62	CONDUIT, 3"	LF	0		
63	PAINTED SYMBOLS	EA	1	\$230.00	\$230.00
64	PAINTED PAVEMENT MARKINGS, DURABLE	LS	1	\$3,460.00	\$3,460.00
SUBTOTAL DIVISION I					\$902,626.05

BID ITEMS AND QUANTITIES DIVISION II					
ITEM NO.	DESCRIPTION	UNIT	APPROX. QUANTITY	UNIT PRICE	AMOUNT
4	EXCAVATION, CLASS 13	CY	400	\$4.40	\$1,760.00
5	SUBGRADE PREPARATION	SY	1913.78	\$1.00	\$1,913.78
14	SUBDRAIN, HDPE PERFORATED, 6"	LF	165	\$16.00	\$2,640.00
65	PAVEMENT, PCC, 6"	SY	1605	\$42.00	\$67,410.00
34	CURB AND GUTTER, 2.0 FT, 6"	LF	96.2	\$24.50	\$2,356.90
40	DRIVEWAY, PAVED, PCC, 6"	SY	20.8	\$53.20	\$1,106.56
41	PAVEMENT REMOVAL	SY	1684	\$3.75	\$6,315.00
42	STORAGE AGGREGATE	TON	350	\$39.25	\$13,737.50
43	FILTER AGGREGATE	TON	40	\$75.65	\$3,026.00
44	PERMEABLE INTERLOCKING PAVERS	SY	311	\$114.25	\$35,531.75
47	SEEDING, FERTILIZING, AND HYDROMULCHING	AC	0.1	\$6,925.00	\$692.50
45	PARKING SIGNS	EA	5	\$230.00	\$1,150.00
63	PAINTED SYMBOLS	EA	2	\$230.00	\$460.00
64	PAINTED PAVEMENT MARKINGS, DURABLE	LS	1	\$3,460.00	\$3,460.00
SUBTOTAL DIVISION II					\$141,559.99
TOTAL BASE BID					\$1,044,186.04

CDBG REQUIRED CONTRACT PROVISIONS

Stormwater Improvements

City of Storm Lake

Storm Lake, IA

THE FOLLOWING SHOULD BE INCLUDED IN ALL CDBG PROJECT SPECIFICATIONS:

A. Executive Orders 11246 and 11375.

The Contractor will comply with all provisions of Executive Orders 11246 and 11375. During the performance of this Contract, the Contractor agrees as follows:

- 1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- 2) The Contractor will, in all solicitations or advertisement for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The Contractor will send to each labor union or representative of workers with which they have a collective bargaining agreement or other Contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant order of the Secretary of Labor.
- 5) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to their books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further government Contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- 7) The Contractor will include the provision of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

B. Title VI of the Civil Rights Act of 1964.

This act provides that no person shall be excluded from participation, denied benefits, or subjected to discrimination on the basis of race, color, or national origin under any program or activity receiving federal financial assistance.

C. Section 109 of Title I of the Housing and Community Development Act.

This act provides that no person shall be excluded from participation, including employment, denied program benefits, or subjected to discrimination on the basis of race, color, physical or mental disabilities, national origin, sex, handicap, religion or religious affiliation, or age under any program or activity funded in whole or in part under Title I of this act.

D. Section 3 of the Housing and Urban Development Act of 1965 (as amended).

This act provides that, to the greatest extent feasible, opportunities for training and employment that arise through HUD-financed projects shall be given to lower-income residents of the project area. Section 3 also provides that Contracts awarded in connection with such project be awarded to businesses located in, or owned in substantial part by persons residing within, the project area.

The parties of this Contract will comply with the provisions of said Section 3 and certify and agree that they are under no contractual obligation or other disability which would prevent them from complying with these requirements.

E. The Americans with Disabilities Act (P.L. 101-336, 42 U.S.C. 12101-12213)

This act guarantees equal opportunity for individuals with disabilities in public accommodations, employment, transportation, state and local government services and telecommunications.

F. Access to and Maintenance of Records. The Contractor must maintain all required records for five years after final payments are made and all other pending matters are closed. At any time during normal business hours and as frequently as is deemed necessary, the Contractor shall make available and furnish all information and reports required, and will permit access to books, records, and accounts by the Owner, Department of Housing and Urban Development, the Secretary of Labor, the Iowa Economic Development Authority or their authorized representatives, for purposes of investigation to ascertain compliance.

G. Termination. The Owner and/or the Contractor shall have the right to terminate this Contract at any time by giving at least ten (10) days notice in writing. The notice shall specify the effective date of such termination. Upon cancellation, the Owner will be responsible only for those costs incurred by the Contractor to the date of termination. In the event of termination, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor under this Contract shall, at the option of the City, become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

H. All Contracts in Excess of \$100,000

In addition to the preceding provisions, Contracts in excess of \$100,000 shall require compliance with the following laws and regulations:

- Section 306 of the Clean Air Acts [42 U.S.C. 1857 (h)].
- Section 508 of the Clean Water Act [33 U.S.C. 1368].
- Executive Order 11738.
- EPA Regulations - 40 CFR, Part 15.

In accordance with the Clean Air and Water Act, the Contractor agrees as follows:

- 1) The Contractor will certify that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the List of Violating Facilities issued by the Environmental Protection Agency pursuant to 40 CFR 15.20.
- 2) The Contractor agrees to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- 3) The Contractor agrees that as a condition for the award of a Contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, Environmental Protection Agency, indicating that a facility utilized or to be utilized for the Contract is under consideration to be listed on the Environmental Protection Agency List of Violating Facilities.
- 4) The Contractor agrees that it will include or cause to be included the criteria and requirements in Paragraphs (1) through (4) of this section in every nonexempt subcontract and require every subcontractor to take such action as the Government may direct as a means of enforcing such provisions.

FEDERAL LABOR STANDARDS PROVISIONS

Stormwater Improvements

City of Storm Lake

Storm Lake, IA

Federal Labor Standards Provisions

U.S. Department of Housing
and Urban Development
Office of Labor Relations

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

- (1)** The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2)** The classification is utilized in the area by the construction industry; and
- (3)** The proposed wage rate, including any bona fide fringe

benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215- 0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215- 0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any

other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section I(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section I(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the

Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR 5.5

(a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where

appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage

determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 of this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract.

Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part:

"Whoever, for the purpose of ... influencing in any way the action of such Administration ... makes, utters or publishes any statement knowing the same to be false... shall be fined

not more than \$5,000 or imprisoned not more than two years, or both.”

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms “laborers” and “mechanics” include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in sub paragraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subpaagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable only where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.

(3) The Contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

General Decision Number: IA160001 01/08/2016 IA1

Superseded General Decision Number: IA20150001

State: Iowa

Construction Types: Heavy and Highway

Counties: Adair, Adams, Allamakee, Appanoose, Audubon, Benton, Black Hawk, Boone, Bremer, Buchanan, Buena Vista, Butler, Calhoun, Carroll, Cass, Cedar, Cerro Gordo, Cherokee, Chickasaw, Clarke, Clay, Clayton, Clinton, Crawford, Dallas, Davis, Decatur, Delaware, Des Moines, Dickinson, Dubuque, Emmet, Fayette, Floyd, Franklin, Fremont, Greene, Grundy, Guthrie, Hamilton, Hancock, Hardin, Harrison, Henry, Howard, Humboldt, Ida, Iowa, Jackson, Jasper, Jefferson, Johnson, Jones, Keokuk, Kossuth, Lee, Linn, Louisa, Lucas, Lyon, Madison, Mahaska, Marion, Marshall, Mills, Mitchell, Monona, Monroe, Montgomery, Muscatine, O'Brien, Osceola, Page, Palo Alto, Plymouth, Pocahontas, Polk, Pottawattamie, Poweshiek, Ringgold, Sac, Shelby, Sioux, Story, Tama, Taylor, Union, Van Buren, Wapello, Warren, Washington, Wayne, Webster, Winnebago, Winneshiek, Woodbury, Worth and Wright Counties in Iowa.

STATEWIDE EXCEPT SCOTT COUNTY HEAVY CONSTRUCTION PROJECTS
(Does not include work on or pertaining to the Mississippi or Missouri Rivers or on Water and Sewage Treatment Plants), AND
HIGHWAY PROJECTS (does not include building structures in rest areas)

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.15 for calendar year 2016 applies to all contracts subject to the Davis-Bacon Act for which the solicitation was issued on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.15 (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2016. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/08/2016

* SUIA2002-003 02/28/2012

	Rates	Fringes
Carpenter & Piledrivermen		
ZONE 1.....	\$ 25.92	10.28
ZONE 2.....	\$ 23.83	10.28
ZONE 3.....	\$ 23.83	10.28
ZONE 4.....	\$ 23.15	8.35
ZONE 5 **.....	\$ 22.25	6.95

Concrete Finisher

ZONE 1.....	\$ 23.50	7.10
ZONE 2.....	\$ 23.50	7.10
ZONE 3.....	\$ 23.50	7.10
ZONE 4.....	\$ 21.30	5.55
ZONE 5.....	\$ 19.70	6.10

Electricians: (STREET AND
HIGHWAY LIGHTING AND TRAFFIC
SIGNALS)

ZONE 1, ZONE 2 AND ZONE 3...	\$ 22.05	5.70
ZONE 4.....	\$ 20.75	5.70
ZONE 5.....	\$ 18.50	5.70

Ironworkers: (SETTING OF
STRUCTURAL STEEL)

ZONE 1.....	\$ 27.80	7.45
ZONE 2.....	\$ 26.31	7.45
ZONE 3.....	\$ 26.01	7.75
ZONE 4.....	\$ 23.25	6.60
ZONE 5 **.....	\$ 22.50	6.10

Laborers:

ZONE 1, ZONE 2, AND ZONE 3		
GROUP A.....	\$ 21.06	8.20
GROUP AA.....	\$ 22.71	8.20
GROUP B.....	\$ 19.18	8.20
GROUP C.....	\$ 15.95	8.20
ZONE 4		
GROUP A.....	\$ 18.55	7.65
GROUP B.....	\$ 17.23	7.65
GROUP C.....	\$ 14.35	7.65
ZONE 5		
GROUP A.....	\$ 19.00	6.00
GROUP B.....	\$ 16.50	6.00
GROUP C.....	\$ 15.65	6.00

Power equipment operators:

ZONE 1		
GROUP A.....	\$ 28.70	13.00
GROUP B.....	\$ 27.15	13.00
GROUP C.....	\$ 24.65	13.00
GROUP D.....	\$ 24.65	13.00
ZONE 2		
GROUP A.....	\$ 28.00	13.00
GROUP B.....	\$ 26.40	13.00
GROUP C.....	\$ 23.85	13.00
GROUP D.....	\$ 23.85	13.00
ZONE 3		
GROUP A.....	\$ 26.70	18.55
GROUP B.....	\$ 24.90	18.55
GROUP C.....	\$ 23.90	18.55
GROUP D.....	\$ 23.90	18.55
ZONE 4		
GROUP A.....	\$ 27.65	8.65
GROUP B.....	\$ 26.51	8.65
GROUP C.....	\$ 24.43	8.65
GROUP D.....	\$ 24.43	8.65
ZONE 5		
GROUP A.....	\$ 23.97	6.90
GROUP B.....	\$ 22.93	6.90
GROUP C.....	\$ 21.20	6.90

GROUP D.....	\$ 20.20	6.90
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TRUCK DRIVER (AND PAVEMENT
MARKING DRIVER/SWITCHPERSON)

ZONE 1.....	\$ 20.75	10.15
ZONE 2.....	\$ 20.75	10.15
ZONE 3.....	\$ 20.75	10.15
ZONE 4.....	\$ 20.95	5.75
ZONE 5.....	\$ 19.00	5.75

ZONE DEFINITIONS

ZONE 1 - The Counties of Polk, Warren and Dallas for all Crafts, and Linn County Carpenters Only.

ZONE 2 - The Counties of Dubuque for all crafts and Linn County for all Crafts except Carpenters.

ZONE 3 - The Cities of Burlington, Clinton, Fort Madison Keokuk, and Muscatine (and abutting municipalities of any such cities).

ZONE 4 - Story, Black Hawk, Cedar, Jasper, Jones, Jackson, Louisa, Madison and Marion Counties; Clinton County (except the City of Clinton), Johnson County, Muscatine County (except the City of Muscatine), the City of Council Bluffs, Lee County and Des Moines County.

ZONE 5 - All areas of the state not listed above.

LABORER CLASSIFICATIONS - ALL ZONES

GROUP AA: Asbestos abatement worker (Zones 1, 2, and 3)
Skilled pipelayer (sewer, water and conduits) and tunnel laborers (zones 1, 2 and 3)

GROUP A - Asbestos abatement worker (Zones 4 and 5):
Carpenter tender on bridges and box culverts; curb machine (without a seat); deck hand; diamond and core drills; drill operator on air tracs, wagon drills and similar drills; form setter/stringman on paving work; gunnite nozzle man; joint sealer kettleman; laser operator; pipelayer (sewer water and conduits) Zone 4 & 5; powderman tender; powerman/blaster; saw operator; tunnel laborer (zones 4 and 5).

GROUP B - Air, gas, electric tool operator; barco hammer; carpenter tender; caulker; chain sawman; compressor (under 400cfm); concrete finisher tender; concrete processing materials and monitors; cutting torch on demolition; drill tender; dumpmen; electric drills; fence erectors; form line expansion joint assembler; form tamper; general laborer; grade checker; handling and placing metal mesh, dowel bars, reinforcing bars and chairs; hot asphalt laborer; installing temporary traffic control devices; jackhammerman; mechanical grouter; painter (all except strippers); paving breaker; planting trees, shrubs and flowers; power broom (not self/propelled); power buggyman; rakers; rodman (tying reinforcing steel); sandblaster; seeding and mulching; sewer utility topman/bottom man; spaders; stressor or stretcherman on pre or post tensioned

concrete; stringman on re/surfacing/no grade control; swinging stage, tagline or block and tackle; tampers; timberman; tool room men and checkers; tree climber; tree groundman; underpinning and shoring caissons over twelve feet deep; vibrators; walk behind trencher; walk behind paint stripers; walk behind vibrating compactor; water pumps (under three inch); work from bosun chair.

GROUP C - Scale weigh person; traffic control/flagger, surveillance or monitor, water carrier.

POWER EQUIPMENT OPERATOR CLASSIFICATIONS - ALL ZONES

GROUP A - All terrain (off road) forklift; Asphalt Breakdown Roller (vibratory), Asphalt laydown machine; asphalt plant; Asphalt Screed, bulldozer finish); central mix plant; concrete pump; crane; crawler tractor pulling scraper; directional drill (60,000(lbs) pullback and above); dragline and power shovel; dredge engineer; excavator (over 1/2 cu. yd.) front end loader (4 cy and over); horizontal boring machine; master mechanic; milling machine (over 350 hp); motor grader (finish); push cat; rubber tired backhoe (over 1/2 cu. yd.) scraper (12 cu. yd. and over or finish); Self-propelled rotary mixer/road reclaimer; sidebroom tractor; slipform portland concrete paver; tow or push boat; trenching machine (Cleveland 80 or similar).

GROUP B - Articulated off road hauler, asphalt heater/planer; asphalt material transfer vehicle; Asphalt Roller; belt loader or similar loader; bulldozer (rough); churn or rotarydrill; concrete curb machine, crawler tractor pulling ripper, disk or roller; deck hand/oiler directional drill (less than 60,000(lbs) pullback); distributor; excavator 1/2 cu. yd. and under); form riding concrete paver; front end loader (2 to less than 4 cu. yd.); group equipment greaser; mechanic; milling machine (350hp. and less); paving breaker; portland concrete dry batch plant; rubber tired backhoe 1/2 cu. yd. and under); scraper (under 12 cy), screening, washing and crushing plant (mobile, portable or stationary); shoulder machine; skid loader (1 cu. yd and over); subgrader or trimmer; trenching machine; water wagon on compaction.

GROUP C - Boom & winch truck, concrete spreader/belt placer, deep wells for dewatering; farm type tractor (over 75 hp.) pulling disc or roller; forklift; front end loader (under 2 cu. yd.); motor grader (rough); pile hammer power unit; pump (greater than three inch diameter); pumps on well points; safty boat; self-propelled roller (other than asphalt); self-propelled sand blaster or shot blaster, water blaster or striping grinder/remover; skid loader (under 1 cu. yd.); truck mounted post driver.

GROUP D - Boiler, compressor, cure and texture machine; dow box; farm type or utility tractor (under 75 hp.) pulling disk, roller or other attachments; group greaser tender; light plants; mechanic tender; mechanical broom; mechanical heaters; oiler; pumps (under three inch diameter); tree chipping machine; truck cranedriver/oiler.

CARPENTERS AND PILEDRIVERMEN, OR IRONWORKERS (ZONE
5)

Setting of structural steel; any welding incidental to bridge
or culvert construction; setting concrete beams.

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

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Unlisted classifications needed for work not included within
the scope of the classifications listed may be added after
award only as provided in the labor standards contract clauses
(29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification
and wage rates that have been found to be prevailing for the
cited type(s) of construction in the area covered by the wage
determination. The classifications are listed in alphabetical
order of "identifiers" that indicate whether the particular
rate is a union rate (current union negotiated rate for local),
a survey rate (weighted average rate) or a union average rate
(weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed
in dotted lines beginning with characters other than "SU" or
"UAVG" denotes that the union classification and rate were
prevailing for that classification in the survey. Example:
PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of
the union which prevailed in the survey for this
classification, which in this example would be Plumbers. 0198
indicates the local union number or district council number
where applicable, i.e., Plumbers Local 0198. The next number,
005 in the example, is an internal number used in processing
the wage determination. 07/01/2014 is the effective date of the
most current negotiated rate, which in this example is July 1,
2014.

Union prevailing wage rates are updated to reflect all rate
changes in the collective bargaining agreement (CBA) governing
this classification and rate.

Survey Rate Identifiers

Classifications listed under the "SU" identifier indicate that
no one rate prevailed for this classification in the survey and
the published rate is derived by computing a weighted average
rate based on all the rates reported in the survey for that
classification. As this weighted average rate includes all
rates reported in the survey, it may include both union and
non-union rates. Example: SULA2012-007 5/13/2014. SU indicates

the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION



Staff Summary

5/16/2016

Agenda Item # 14.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: James H. Patrick, City Manager

SUBJECT: Public Hearing on the Vacation of a Segment of N. Seneca Street Right of Way North of East 13th Street and East of, and Adjacent to, Fitzpatrick Brother's Addition to Storm Lake, Iowa

BACKGROUND: The City entered into a Developers Agreement with Storm Lake Affordable Partners for the construction of the Reserves, a tax credit housing development, located along N. Seneca. During the final IFA review of the project, it was noted that the section of N. Seneca that was constructed by Storm Lake Affordable Partners was intended to be part of the Reserves Development since the developer paid for the extension of services and the street.

Just as Council did with the 10th Street Townhomes and the continuation of Witter Street by vacating the right of way to the development, IFA is requiring the extension of N. Seneca to be vacated and given to the Reserves development. The developer extended N. Seneca at their expense to be able to access the development. There are no current plans for the extension of Seneca.

FISCAL IMPACT: There is no fiscal impact other than the City savings on maintenance and repair of this portion of Seneca.

RECOMMENDATION: Council open the hearing, hear the public and close the hearing.

Staff Summary

5/16/2016

Agenda Item # 15.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: James H. Patrick, City Manager

SUBJECT: Ordinance No. 04-O-2015-2016 Providing For The Vacation Of A Segment Of The North Seneca Street Right-Of-Way North Of Its Intersection With East 13th Street And East Of, And Adjacent To Fitzpatrick Brothers Addition To Storm Lake, Buena Vista County, Iowa

BACKGROUND: The purpose of this Ordinance is to vacate a segment of North Seneca Street Right-Of-Way and relieve the City of Storm Lake from the responsibility for maintenance and supervision of the Right-Of-Way (ROW). This section of ROW is north of 13th Street and was improved and extended by Overland Property Group to access the Reserve Housing Development. Since this is a tax credit financed project, the improvements must be owned by the developer. This vacation will not deny owners of property abutting on North Seneca Street reasonable access to their property because the City is conveying ownership to the owner of the only property served by such segment.

All notifications required have been made.

FISCAL IMPACT: This will reduce the City's maintenance and supervision cost of the Right-Of-Way.

RECOMMENDATION: Council Adopt Ordinance No. 04-O-2015-2016 on first reading. Providing for the Vacation of a Segment of the North Seneca Street Right-Of-Way North of its Intersection with East 13th Street and East of, and adjacent to Fitzpatrick Brothers Addition to Storm Lake, Buena Vista County, Iowa

ATTACHMENTS:

Description	Type
□ Ordinance No. 04-O-2015-2016	Ordinance

ORDINANCE NO. 04-O-2015-2016

AN ORDINANCE PROVIDING FOR THE VACATION OF A SEGMENT OF THE NORTH SENECA STREET RIGHT-OF-WAY NORTH OF ITS INTERSECTION WITH EAST 13TH STREET AND EAST OF, AND ADJACENT TO, FITZPATRICK BROTHER'S ADDITION TO STORM LAKE, BUENA VISTA COUNTY, IOWA

BE IT ORDAINED BY THE CITY COUNCIL OF STORM LAKE, IOWA:

Section I. Purpose: The purpose of this Ordinance is to vacate a segment of the North Seneca Street right-of-way North of its intersection with East 13th Street and East of, and adjacent to, Fitzpatrick Brother's Addition to Storm Lake, Iowa, Buena Vista County, Iowa, and thereby relieve the City of Storm Lake of responsibility for the maintenance and supervision of such right-of-way.

Section II. Facts Found: The City Council of the City of Storm Lake, Iowa hereby makes the following findings:

1. A segment of the North Seneca Street right-of-way North of its intersection with East 13th Street and East of, and adjacent to, Fitzpatrick Brother's Addition to Storm Lake, Iowa, Buena Vista County, Iowa, legally described as follows:

A part of the North Seneca Street right-of-way as relocated and dedicated on the final platting of the re-plat of Lots Four and Seven of Geisinger's Commercial 2nd Addition to the City of Storm Lake, Buena Vista County, Iowa, and being more particularly described as follows:

Beginning at the Southeast (SE) corner of Lot One (1), Block One (1) of Fitzpatrick Brothers Addition to the City of Storm Lake; thence North 89°46'17" East, along the eastern extension of the South line of said Lot One (1), 60.00 Feet to the East line of North Seneca Street; thence North 00°19'00" East, along said East line, 115.00 Feet; thence South 89°46'17" West, 60.00 Feet to the West line of North Seneca Street; thence South 00°19'00" West, along said West line, 115.00 Feet to the Point of Beginning.

Tract contains 0.16 acres.

(together sometimes referred to below as the "North Seneca Street Segment") is not needed for use of the public as a street, because it essentially only serves as a private drive for the residents of apartments situated on property to the west of such segment and the City intends to convey the segment, once vacated, to the owner of such apartments who will maintain the segment for the apartment residents. Therefore, maintenance thereof at public expense is no longer justified.

2. The vacation of such segment will not deny owners of property abutting on the North Seneca Street Segment reasonable access to their property because the City intends to convey ownership to the owner of the only property served by such segment.

3. Notice of the intended vacation including the date on which the Council would first consider the vacating ordinance was published in the Storm Lake Times on May 4, 2016, which date was not less than four (4) nor more than twenty (20) days from May 16, 2016, the date of the first hearing on the proposed vacation. Notice of such hearing was also given on May 4, 2016, by certified mail to the persons and entities specified in Iowa Code Section 306.12.

Section III. Vacation: The North Seneca Street Segment, legally described as:

A part of the North Seneca Street right-of-way as relocated and dedicated on the final platting of the re-plat of Lots Four and Seven of Geisinger's Commercial 2nd Addition to the City of Storm Lake, Buena Vista County, Iowa, and being more particularly described as follows:

Beginning at the Southeast (SE) corner of Lot One (1), Block One (1) of Fitzpatrick Brothers Addition to the City of Storm Lake; thence North 89°46'17" East, along the eastern extension of the South line of said Lot One (1), 60.00 Feet to the East line of North Seneca Street; thence North 00°19'00" East, along said East line, 115.00 Feet; thence South 89°46'17" West, 60.00 Feet to the West line of North Seneca Street; thence South 00°19'00" West, along said West line, 115.00 Feet to the Point of Beginning.

Tract contains 0.16 acres.

is hereby declared vacated.

Section IV. Repealer: All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

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

Section VI. When Effective: This ordinance shall be in effect after its final passage, approval and publication as provided by law.

Passed and approved this _____ day of _____, 2016.

Jon Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Staff Summary

5/16/2016

Agenda Item # 16.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: James H. Patrick, City Manager

SUBJECT: Resolution No. 134-R-2015-2016 Setting A Public Hearing Proposing Disposition Of Segment Of North Seneca Street To Storm Lake Affordable Partners, LLC

BACKGROUND: Following the Public Hearing for the Vacation of this section of North Seneca, and Council's affirmative action to vacate a 0.16 acre portion of the Seneca Street Right-Of-Way, north of the intersection with East 13th Street and East of, and adjacent to Fitzpatrick Brother's Addition to Storm Lake, Iowa (site of the Reserve Apartments), Council now must set a public hearing to dispose of the Right-Of-Way.
Since Affordable Partners, LLC owns the Reserves and paid for the extension of infrastructure to the Development, Iowa Finance Authority requires this section of Right-Of-Way to be included in the project.

The Public Works Department estimates that the City will save approximately \$19,870.00 over the next 30 years if this disposition to the Right-Of-Way is approved.

Public Hearing should be set for 5:00 PM, June 6, 2016 at the Storm Lake Council Chambers.

FISCAL IMPACT: No cost to set the Public Hearing.

RECOMMENDATION: Council Adopt Resolution No. 134-R-2015-2016 Setting a Public Hearing Proposing the Disposition of a Segment of North Seneca Street to Storm Lake Affordable Partners, LLC.

ATTACHMENTS:

Description	Type
□ Resolution No. 134-R-2015-2016	Resolution

RESOLUTION NO. 134-R-2015-2016

RESOLUTION PROPOSING DISPOSITION OF SEGMENT OF NORTH SENECA STREET TO STORM LAKE AFFORDABLE PARTNERS, LLC, SETTING HEARING, AND PROVIDING FOR NOTICE TO THE PUBLIC

WHEREAS, on May 16, 2016, following notice to the public and hearing as prescribed by law, the City Council of the City of Storm Lake, Iowa passed on first reading an ordinance that would vacate a segment the North Seneca Street right-of-way North of its intersection with East 13th Street and East of, and adjacent to, Fitzpatrick Brother's Addition to Storm Lake, Iowa (site of The Reserves apartments), which segment is legally described as follows:

A part of the North Seneca Street right-of-way as relocated and dedicated on the final platting of the re-plat of Lots Four and Seven of Geisinger's Commercial 2nd Addition to the City of Storm Lake, Buena Vista County, Iowa, and being more particularly described as follows:

Beginning at the Southeast (SE) corner of Lot One (1), Block One (1) of Fitzpatrick Brothers Addition to the City of Storm Lake; thence North 89°46'17" East, along the eastern extension of the South line of said Lot One (1), 60.00 Feet to the East line of North Seneca Street; thence North 00°19'00" East, along said East line, 115.00 Feet; thence South 89°46'17" West, 60.00 Feet to the West line of North Seneca Street; thence South 00°19'00" West, along said West line, 115.00 Feet to the Point of Beginning.

Tract contains 0.16 acres.

(the "Real Estate" below).

WHEREAS, the Council anticipates that, at its June 6, 2016 meeting, it will, by ordinance then passed, vacate the Real Estate;

WHEREAS, the Real Estate has been developed to include a paved street segment, a storm sewer and a water line all of which serve only The Reserves apartments, and the Real Estate is without apparent value or use to the City;

WHEREAS, Storm Lake Affordable Partners, LLC (the "Developer") is the owner of The Reserves apartments and the real property upon which the apartments are situated;

WHEREAS, the Developer caused and paid for all improvements to the Real Estate as part of its development of The Reserves project, and desires to own the Real Estate and all improvements to the Real Estate;

WHEREAS, in its written Development Agreement with the City, the Developer agreed to dedicate all such improvements to the City, which, if such dedication were accepted by the City, would require the City to maintain the street and other improvements, but the Developer is now willing to assume all responsibility for, and the cost of, maintaining the improvements, including the street, the storm sewer, and water lines constructed and installed on the Real Estate, in exchange for its acquisition of the Real Estate;

WHEREAS, the City public works department estimates that the City will save approximately \$19,870.00 over the next 30 years if the improvements are not dedicated to or accepted by the City, and the Developer instead privately owns, maintains, and repairs the improvements;

WHEREAS, the City desires to be relieved of the cost of maintaining and repairing those improvements;

WHEREAS, the Developer proposes to acquire the Real Estate pursuant to an offer under which the City would convey the Real Estate to the Developer in exchange for the execution of a written amendment to the Development Agreement which, among other things, deletes a provision that would require the Developer to convey to the City the improvements to the Real Estate made pursuant to the Development Agreement, thereby relieving the City of the cost of repairing and maintaining the improvements; and

WHEREAS, the City believes that an amendment to the Development Agreement resulting in such cost savings is adequate consideration for the conveyance of the Real

Estate to the Developer.

NOW, THEREFORE, be it hereby resolved that, if the Real Estate is first vacated by Ordinance passed as by law provided at the June 6, 2016 meeting of the Council, the City of Storm Lake, Iowa proposes to convey by special warranty deed its interest in the Real Estate to the Developer for the consideration set forth above. It is further resolved that this proposal shall be scheduled for public hearing at the Council Chambers at City Hall at the regular council meeting scheduled June 6, 2016, at 5:00 p.m. The City Clerk is further directed to have a copy of this Resolution published in the Storm Lake Times on a date not less than four (4) days nor more than twenty (20) days prior to said meeting.

Passed and approved this 16th day of May, 2016.

Jon F. Kruse, Mayor

ATTEST:

Sue Vossberg, City Clerk

Staff Summary

5/16/2016

Agenda Item # 17.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

p (712) 732-8000

f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Keri Navratil, Assistant City Manager

SUBJECT: Motion Setting Public Hearing On Fiscal Year 2015-2016 Budget Amendment

BACKGROUND: The City is required to amend the budget anytime expenses exceed the prior authorized budget authority as set by City Council.

City Staff has re-estimated all potential know expenses that are anticipated for the remainder of the current fiscal year which ends on June 30, 2015.

Prior to adoption of the budget amendment the City must hold a public hearing and publish notice. Passage of this motion will set the official public hearing date for Monday, June 6, 2016 at 5:00 p.m. and directs the City Clerk to publish notice of the hearing as required by State of Iowa law.

FISCAL IMPACT: The fiscal impact of this motion will be the cost of publishing the hearing and budget amendment.

RECOMMENDATION: Set Public Hearing for June 6, 2016.

Staff Summary

5/16/2016

Agenda Item # 18.



City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

REPORT TO: Honorable Mayor and City Council

FROM: Keri Navratil, Assistant City Manager

SUBJECT: Motion to Approve Professional Services Agreement with Hunzelman, Putzier & Co. for Pre-audit Services

BACKGROUND: The City needs to begin preparing for the Fiscal Year 2016 audit. Traditionally, the Finance Director is responsible for preparing for the audit. However, with the position vacant for several months, it is necessary to work with a firm to complete these year end tasks such as preparing financial papers, complete reports, reconcile bank accounts and statements, and prepare any other information needed in accordance with the cash basis of accounting.

Hunzelman, Putzier, & Co. was the City's auditing firm for Fiscal Year 2015. They are familiar with the City's accounting system and processes and is prepared to perform these services.

FISCAL IMPACT: The services provided by Hunzelman, Putzier, & Co. will not exceed \$18,000.

RECOMMENDATION: Staff recommends approving the Professional Services Agreement with Hunzelman, Putzier, & Co.

ATTACHMENTS:

Description	Type
Pre-Audt Service Agreement	Contract

HUNZELMAN, PUTZIER & Co., PLC
CERTIFIED PUBLIC ACCOUNTANTS

JEFFORY B. STARK, C.P.A.
JASON K. RAVELING
TAMMY M. CARLSON, C.P.A.
STEVE CAMPBELL, C.P.A.
RICHARD R. MOORE, C.P.A. (RETIRED)
WESLEY E. STILLE, C.P.A. (RETIRED)
KENNETH A. PUTZIER, C.P.A. (RETIRED)
W. J. HUNZELMAN, C.P.A. 1921-1997

P.O. BOX 398
1100 WEST MILWAUKEE
STORM LAKE, IOWA 50588
712-732-3653
FAX 712-732-3662
www.hpcocpa.com

May 11, 2016

To the Mayor, City Council, and City Clerk
City of Storm Lake
Storm Lake, IA 50588

We are pleased to confirm our understanding of the bookkeeping and financial statement preparation services we are to provide the City for the year ended June 30, 2016.

We will prepare the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the related notes to the financial statements of the City of Storm Lake as of and for the year ended June 30, 2016.

We will also prepare the supplementary and other information to accompany the City's financial statements which includes the Schedule of expenditures of Federal Awards, Schedule of Cash Receipts, Disbursements, and Changes in Cash Balances – Nonmajor Governmental Funds, Schedule of Indebtedness, Bond and Note Maturities, Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds, Management's Discussion and Analysis, and Budgetary Comparison Information.

We will also provide the following bookkeeping services as necessary:

- (1) We will reconcile bank accounts with City financial records and identify errors in the reconciliation process. We will propose correcting entries and identify the source of each adjustment. We will inform you of these adjustments and make you aware of any corrections to the reconciliation process. We will then provide monthly assistance, as necessary, to ensure the bank balances continue to reconcile with the City's financial records.
- (2) We will, as necessary, convert Kinseth monthly financials from accrual to cash basis for the Hotel, Waterpark, and Golf Course. We will assist in the preparation of the cash basis journal entries to record receipts and disbursements broken down between operating and non-operating on the City's general ledger.
- (3) We will, as necessary, prepare the following work papers to provide assistance with the annual audit:
 - Property Tax Reconciliation
 - Utility Billing Reconciliation
 - Schedule of Investments
 - Schedule of Contracts
 - Schedule of Long Term Debt
 - Analyses of Internal Service Funds
 - Analysis of Local Option Sales Tax Fund
 - Payroll Work papers:
 - (a) Reconciliation of 941's to gross wages
 - (b) Reconciliation of FICA, IPERS, MFPRSI & ICMA expense to general ledger
 - TIF Analysis
 - Transfers Analysis including entry for elimination of interfund transfers
- (4) We will prepare the City's Annual Financial Report for the fiscal year ending June 30, 2016.

Our Responsibilities

The objective of our engagement is to—

- 1) prepare financial statements in accordance with the cash basis of accounting based on information provided by you, and
- 2) to provide other accounting services, as necessary and indicated above.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our procedures regarding any wrongdoing within the entity or noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with the cash basis of accounting you have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of the cash basis of accounting as the financial reporting framework to be applied in the preparation of the financial
- 2) The prevention and detection of fraud.
- 3) To ensure that the entity complies with the laws and regulations applicable to its activities.
- 4) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 5) To provide us with—
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that we may request as part of the engagement.
 - unrestricted access to persons within the City of whom we determine it necessary to make inquiries.

As part of our engagement, we will issue a disclaimer that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

Other Relevant Information

We estimate that our fees for these services will be approximately \$8,000 for the financial statement preparation services and \$8,000 to \$10,000 for the bookkeeping services indicated above. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Hunzelman, Putzier & Co., PLLC

City of Storm Lake

Signature: _____

Title: _____

Date: _____

Staff Summary

5/16/2016

Agenda Item # 19.



City of Storm Lake

PO Box 1086

Storm Lake, IA 50588

[p \(712\) 732-8000](tel:(712)732-8000)

[f \(712\) 732-4114](tel:(712)732-4114)

REPORT TO: Honorable Mayor and City Council

FROM: Keri Navratil, Assistant City Manager

SUBJECT: Motion to Approve Contract for FY 2016 Audit Services with Winther Stave & Co.

BACKGROUND: Our current contract with Hunzelman, Putzier & Co. ended with the FY 2015 audit. As has been the normal process City staff went out to the market place for proposals to obtain an auditor for fiscal year ending 2016. One proposal was submitted by Winther, Stave & Co. LLP in Spencer. The City has used this firm in the past for auditing services and has been pleased with their work.

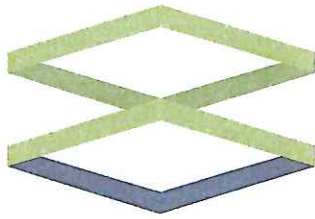
FISCAL IMPACT: The audit cost for the City and Lake Improvement Commission is \$31,900 and the cost for the Single audit is \$4,000. The contract will not exceed \$35,900.

RECOMMENDATION: Approve contract with Winther Stave & Co.

ATTACHMENTS:

Description	Type
 Contract	Contract

**PROPOSAL TO BE THE
INDEPENDENT AUDITORS FOR THE
CITY OF STORM LAKE AND
LAKE IMPROVEMENTS COMMISSION**



WINTHER STAVE & CO | LLP™
Certified Public Accountants

1316 W 18th Street
PO Box 175
Spencer, Iowa 51301-0175
Phone 712-262-3117
Fax 712-262-3159

www.winther-stave.com

1004 21st Street #4
PO Box 187
Milford, Iowa 51351-0187
Phone 712-338-2488
Fax 712-338-2510

May 2, 2016

City of Storm Lake
Attn: Keri Navratil
Assistant City Manager
PO Box 1086
Storm Lake, IA 50588

LETTER OF TRANSMITTAL

We herewith submit our proposal to be the independent auditors for the City of Storm Lake and Lake Improvements Commission for the fiscal year ending June 30, 2017. Our proposal includes information requested by you in your Request for Proposal for Audit Services.

We have previous experience on various local government audits, including the City of Storm Lake; therefore we understand the specific audit requirements of your audit. During these opportunities to serve local governments as independent auditor, we have made written and verbal recommendations that were implemented by the entity.

We appreciate the opportunity to submit our proposal to you. We desire to serve as your independent auditors and would be willing to provide you with any other information you feel necessary or would be willing to discuss any items in our proposal with you in person if that would be your desire.

Respectfully submitted,

Winther, Stave & Co., LLP

Winther, Stave & Co., LLP

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David A. Schmidt	15

SECTION 1 - INTRODUCTION

Winther, Stave & Co., LLP is a local accounting firm with two offices supporting the City of Spencer, City of Milford, and the surrounding communities. Your audit would be administered through our Spencer office located at 1316 West 18th Street. Our telephone number is 712-262-3117, and Arvin D. Druvenga is the contact person. Staff members to be involved include David A. Schmidt, manager, and other staff accountants to be determined. Resumes of these individuals are included in Exhibit 1. We have a staff of twenty-eight including nineteen CPAs and a support staff.

Winther, Stave & Co., LLP was founded in 1966 and has shown a steady growth pattern to its present size due to the efforts of our personnel and their professionalism. We strive for the highest standards of honesty, integrity, and responsibility. We want the City to be successful and will use our business insights and observations to attempt to improve the internal operations of the City.

Winther, Stave & Co., LLP is proud of its record of quality professional service to local as well as national clients. As a firm, we are properly licensed to engage in the practice of public accounting in the State of Iowa and are in compliance with all registration and permit requirements. The firm has not had any disciplinary action taken against it with any state regulatory bodies or professional organizations.

Individually, all firm CPAs are properly licensed, holding current permits to practice in the State of Iowa. In addition, all firm professional staff who participate in the audit will meet the requirements for continuing education in governmental accounting and auditing over the past two years. The staff assigned to the City audit will collectively possesses adequate professional proficiency for the tasks required. In all matters relating to the audit, Winther, Stave & Co., LLP and the individual auditors are free from personal and external impairments to independence and they will maintain an independent attitude and appearance.

SECTION 2 - EXPERIENCE AND QUALIFICATIONS

Commitment to Governmental Accounting

Winther, Stave & Co., LLP serves numerous other clients requiring engagements similar to the City's audit. We encourage you to visit with any or all of the clients we serve and verify the satisfaction that they have had with our quality service.

Winther, Stave & Co., LLP currently serves the following clients having requirements similar to the City:

Cities:	Arnolds Park, Cherokee, Lake Park, Milford, Okoboji, Sheldon, Spirit Lake, Spencer, Wahpeton, West Okoboji
28E:	Arnolds Park-Okoboji Fire and Rescue, Central Water System, Iowa Great Lakes Sanitary District
Hospital/Utilities:	Iowa Lakes Regional Water, Lake Park Municipal Utilities, Milford Municipal Utilities, Spencer Municipal Hospital
Counties:	Clay, Emmet
Other:	Compass Pointe, Regional Transit Authority (RIDES), Northwest Iowa Youth Emergency Services (YES) Center

Organization of the Audit Team

Arvin D. Druvenga is the partner in charge and will be the primary firm contact. Arvin currently serves as partner in charge for the majority of the audits listed above. He will be responsible for overall staffing and primary review of the audit report.

David A. Schmidt will be the manager for the audit. Dave currently manages several of the above audits. He will be responsible for field work supervision, workpaper review, and report review.

Resumes of these individuals included in Exhibit 1. Additional staff accountants will be assigned to the audit based on the required experience level.

Quality Control System

Our firm undergoes a peer review to qualify us as a member of the Private Companies Practice Section of the American Institute of Certified Public Accountants. Every three years, an outside accounting firm evaluates our firm's quality control procedures to ensure that the quality of our work substantiates the type of service we perform. Our last peer review in 2012 resulted in a pass rating for our firm, with no comments issued.

A copy of our most recent external quality review report is available on our website (www.winther-stave.com). The quality control review included governmental engagements.

SECTION 3 - FEE PROPOSAL

We anticipate the total standard charges related to the audits of City of Storm Lake (City) and Lake Improvement Commission (Commission) cash basis financial statements to range between \$30,000 and \$40,000 for the year ended June 30, 2017.

For audits of the City and Commission cash basis financial statements, Winther, Stave & Co., LLP will commit to total fees, including out-of-pocket expenses, which will not be exceeded, as shown below.

	City and Commission <u>Audits</u>	Single Audit <u>(if applicable)</u>	<u>Total</u>
Fiscal year ending June 30, 2017	\$31,900	\$4,000	\$35,900

Should we encounter reportable conditions that require us to expand the scope of the audit, we will discuss any necessary fee adjustments with the City Clerk prior to continuing on the engagement. Should the hours actually expended at our standard rates plus the out-of-pocket costs be less than the amounts stated above, you will be billed the lower amount.

Minor consultations are included in the above comprehensive fee. Major consultations requiring research or other special projects will be discussed with the City Clerk and an estimated fee agreed upon prior to commencement of the engagement. Typically, our fees for these services would approximate 75% of our standard hourly rates which range from \$120 to \$190 per hour.

We will render progress billings for services as they are performed. We anticipate submitting one billing following completion of audit field work (prior to September 30, 2017) for approximately one-half of the total fee, one billing in December 2017 upon substantial completion of audit procedures, and a final billing upon issuance of the audit report (no later than January 31, 2018). These invoices are due and payable within thirty days of receipt, unless otherwise agreed to.

There are many factors affecting the completion of an audit which are outside the control of the auditing firm. With this in mind, based on the conclusion of audit fieldwork prior to September 30, 2017, we would provide a first draft of the audit by December 31, 2017. While completion of the audit by January 31, 2018 is anticipated, we will guarantee the audit will be completed and submitted to the State of Iowa by March 31, 2018 unless there are pending items over which we have no control. We will inform the City of any such matters.

SECTION 4 - DRAFT CONTRACT FOR AUDIT SERVICES

City of Storm Lake
120 Erie St.
PO Box 1086
Storm Lake, IA 50588

City Council:

We are pleased to confirm our understanding of the services we are to provide for the City of Storm Lake (City) for the year ended June 30, 2017. We will audit the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the primary government of the City of Storm Lake as of and for the year ended June 30, 2017.

We have also been engaged to report on supplementary information that accompanies the City's primary government financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the primary government financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

1. Combining nonmajor fund financial statements, if applicable.
2. Schedule of indebtedness and bond and note maturities.
3. Schedule of receipts by source and disbursements by function - all governmental funds.
4. Schedule of expenditures of federal awards, if applicable.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditors' report will not provide an opinion or any assurance on that other information.

1. Management's Discussion and Analysis, if you choose to prepare one.
2. Budgetary comparison schedule.
3. Schedule of City's proportionate share of the net pension liability.
4. Schedule of City contributions.

It is our understanding that these financial statements will be prepared on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, on the basis of cash receipts and disbursements and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole.

The objective also includes reporting on --

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Our audit will also be conducted in accordance with the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include a determination of major program(s) in accordance with OMB Circular A-133. We will issue written reports upon completion of our Single Audit. If our Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

We will also inform the appropriate level of management of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. We will require certain written representations from you about your responsibilities for the schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of certain assets, liabilities, receipts, and disbursements by correspondence with selected individuals, government agencies, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133. We will communicate to management and those charged with governance internal control related matters that are required to be communicated under OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report compliance issued pursuant to OMB Circular A-133.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City in conformity with the basis of cash receipts and disbursements and OMB Circular A-133 based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. As required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review at the conclusion of our fieldwork.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy and fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written

representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasonable for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the basis of cash receipts and disbursements; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with the basis of cash receipts and disbursements; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Winther, Stave & Co., LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to regulatory agencies or their designee, a federal agency providing direct or indirect funding, or the U.S. General Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentations will be provided under the supervision of Winther, Stave & Co., LLP personnel. Furthermore, upon request, we may provide photocopies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute photocopies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by regulatory agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in August or September and intend to issue our report no later than March 31, 2018. We will contact you to arrange for the exact date of audit fieldwork at your office. Arvin D. Druvenga is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report.

Our fee for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs (such as report production, typing, postage, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. **We agree that our fees will not exceed the following, including out-of-pocket expenses:**

See Section 3 - Fee Proposal

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with the City Administrator and arrive at a new fee estimate before we incur the additional costs.

Minor consultations are included in the above comprehensive fee. Major consultations requiring research or other special projects will be discussed with the City Administrator and an estimated fee agreed upon prior to commencement of the engagement.

Government Auditing Standards require that we provide you with a copy of our most recent quality control review report upon request. Our most recent peer review report is available on our website (www.winther-stave.com) or by contacting our office.

We appreciate the opportunity to be of service to the City of Storm Lake and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

WINTHER, STAVE & CO., LLP

Arvin D. Druvenga, CPA

ADD:rms
Enc.

RESPONSE:

This letter correctly sets forth the understanding of the City of Storm Lake.

Title

Signature

Date

EXHIBIT 1
PERSONNEL RESUMES

Arvin D. Druvenga, CPA

Significant Career Experience

Winther, Stave & Co., LLP - Principal
Gold Star Manufacturing - Controller
Northwestern State Bank - Internal Control Officer

Education Background

B.A. in Accounting - Dordt College
CPA in Iowa

Relevant Experience and Qualifications

Mr. Druvenga has over twenty-five years auditing experience in public accounting with Winther, Stave & Co., LLP. Arvin has supervised a wide variety of local government and not-for-profit audits.

He has completed well in excess of the required hours of continuing education, including hours in subjects directly related to the government environment and government auditing.

Professional Memberships

Member of the American Institute of CPAs
Member of Iowa Society of CPAs

David A. Schmidt, CPA

Significant Career Experience

Winther, Stave & Co., LLP - Manager
Hickman & Eckard, CPAs - Senior Accountant

Education Background

B.A. in Accounting - Iowa State University
CPA in Iowa

Relevant Experience and Qualifications

Mr. Schmidt has over twenty years auditing experience in public accounting. Dave has performed as the in-charge accountant on a variety of local government and not-for-profit audits.

Dave has completed the required hours of continuing education, including hours in subjects directly related to the governmental environment and governmental auditing.

Professional Memberships

Member of the American Institute of CPAs
Member of Iowa Society of CPAs