

SPECIAL CITY COUNCIL MEETING MINUTES  
MARCH 24, 2008, 5:30 P.M.  
CITY COUNCIL CHAMBERS

The City Council of Newton, Iowa met in special session at 5:30 P.M. on the above date in the Council Chambers at 101 West 4th Street South. Mayor Allen presided. Present: Council members Plumb, Ewing, Morris, Mullan, Foreman via telephone. Absent: None.

Mayor Allen stated this was the time and the place for the continued public hearing on the Ordinance Vacating And Disposing Of Certain Real Estate Consisting Of 1300 Feet By 66 Feet Of North/South Street Right-of-Way In The 1500 Through 1800 Blocks Of East 8<sup>th</sup> Street North, City of Newton, Jasper County, Iowa. There had been no written comments. During public participation the following citizens addressed the Council:

Pete Koppin, 1120 West 18<sup>th</sup> Street South stated he wanted to know everything about this alternate road including the cost and felt the taxpayers of Newton should not pay for the alternate route.

Cindy Dittmer, 2342 East 5<sup>th</sup> Street South stated she shared Pete's concern and asked if IRG will be required to purchase the street.

Jerry Kelly, 611 S. 5<sup>th</sup> Avenue W., stated to break it down the city will vacate the street west of plant 2 and give it to IRG and then we have to build an alternate street that will cost \$800,000 up to \$1,500,000, I do not believe this is fair at all, I am opposed to closing down this street and would like an explanation of how this is fair and equitable. IRG and the other company need to pay for the alternate road.

Joyce Moen, 404 West 16<sup>th</sup> Street North noted she had written a letter in the newspaper expressing her concern, we need more information.

Duane Arkema, Osborne Industries, stated that grants have been discussed and was wondering what was going to happen if we could not get these grants.

Gary Smith, 1010 S. 15<sup>th</sup> Avenue W. stated we need help to keep the small businesses in Newton along with an explanation of how a tax increment financing district works.

Dave McClurg, with Progress Industries, noted that it is essential that an alternative route be chosen before 8<sup>th</sup> Street is closed.

Pete Koppin stated the building and street is worth a lot of money, who is going to pay the bill, if they want the street closed they need to pay for it. The street should be assessed with their building.

Myrna VerPloeg, Maytag Dairy Farm stated in the beginning this was considered to be a safety issue if the alternate route was not in place before 8<sup>th</sup> street was closed. We ask that the street not be closed until the alternate street is open. Ms VerPloeg also discussed receiving the notices in a timely manner. It was also noted a couple from Illinois visited the Maytag Dairy Farm that day. They had gone into the city hall asking for directions to the farm and no one there could give them the directions.

Moved by Hansen, seconded by Morris to close the public hearing. AYES: Six. NAYS: None. Public hearing closed. Moved by Morris, seconded by Ewing to introduce on first consideration an Ordinance Vacating And Disposing of Certain Real Estate Consisting Of 1300 Feet By 66 Feet Of North/South Street Right-of-Way In The 1500 Through 1800 Blocks Of East 8<sup>th</sup> Street North, City of Newton, Jasper County, Iowa. Hansen stated the elected officials have concern over the finances of the city, we just with through the budget process and to say we don't care is just not true. We also have safety concerns on the matter of the alternate street. Ewing noted we do care about the existing businesses and to suggest we do not is just not true. An earlier speaker had stated IRG is demanding this new street be put in, this is not true, and we are elected to make these decisions. Foreman stated this is a touchy subject; we have to be aware

that no tax money is being used for this project. Bryan Friedman, Community Development Director stated negotiations are going on with IRG. This project will not be on the taxpayers. The property values will increase and progress is being made. We do not have a development agreement yet. Additional grant assistance will be applied for. There are other components to the project such as rail line improvements and creating a larger storage area. Mayor Allen noted some of the questions that were asked at the public hearing have been addressed; we are sympathetic to citizens needs. An explanation of tax increment financing was presented. Moved by Hansen, seconded by Ewing to amend the ordinance as follows: In section 10. Effective. This ordinance shall be effective from and after: a. the final passage, approval, and publication as provided by law; and b. an alternative route is identified by City Council; and c. City Council authorizes publication of the ordinance upon receipt of satisfactory notice of IRG's potential client committing to locating in Newton; and d. Pursuant to Resolution No. 2008 – 028, City's financing comes from sources such as state and/or federal grants and/or a redevelopment agreement with IRG. Mayor Allen called for a roll call vote on the amendment. AYES: Five. NAYS: Plumb. Amendment to the ordinance passed. Moved by Plumb to amend section 10, b. by adding in place to use. Motion fails for lack of a second to the motion. Mayor Allen asked the Clerk to call the roll for the first consideration of the ordinance as amended. AYES: Six. NAYS: None. First consideration of the ordinance as amended passed.

Ewing asked as a matter of procedure to attempt during a public hearing to have staff give a thorough presentation of the project.

Moved by Hansen, seconded by Ewing to adjourn the meeting at 7:05 p.m. Motion unanimously carried by voice vote.

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Charles Allen, Mayor

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Candice Van Zee City Clerk