

SPECIAL CITY COUNCIL MEETING MINUTES
APRIL 15, 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, Hansen, Ewing, Foreman, Morris, Mullan. Absent: None.

With no objections from city council members Mayor Allen removed agenda item number twelve a resolution hiring search firm to assist the City of Newton in hiring a City Administrator to a later date.

Mayor Allen stated before we get started on the continued public hearing Bryan Friedman, Community Development would summarize the redevelopment agreement with IRG.

Bryan Friedman, Community Development Director stated it was a great day in Newton to talk about wind power. Trinity Structural Towers a Dallas based company is looking to locate in the Midwest. The state of Iowa is putting together a two million dollar package, they are a great partner. On the agenda this evening is an ordinance setting up a TIF district.

What IRG Will Do:

- Have renovations made to the western part of the former Maytag Plant 2 to accommodate its tenant Trinity Structural Towers
- Donate land to the City for a relocated segment of East 8th Street, a trail connection to Woodland Park, and a storage yard for the tenant
- Agree to an increased value for the property (detailed below)

What the City Will Do:

- Relocate East 8th Street North by building a new road segment to the west while vacating the existing portion along Plant 2 (cost estimate = \$1.1 million)
- Contribute up to \$600,000 toward a storage yard project for the tenant
- Contribute up \$800,000 toward a rail spur project for the tenant
- Endorse grant applications to attempt to get more funds for this project
- Lease the storage yard to IRG or Trinity per grant requirements

City Financial Commitment:

- Up to \$2.0 million in bond proceeds for this project to be repaid by 2022
- City's legal debt capacity in Fiscal Year 2008 – 2009: \$35.6 million (5% of \$711M)
- Existing debt projected for 2008 – 2009 without this project \$23.3 million
- Total debt with the \$2.0 for this project: \$25.3 million
- Percentage of legal debt capacity with a new \$2.0 million bond: 71.1%

IRG Assessed Value Commitment:

- The additional taxes from the gain in value of the Plant 2 property would fully cover the costs of the City bonding.
- IRG has agreed to the following minimum property values:
- January 1, 2007: \$1.5 million
- January 1, 2008: \$4.5 million
- January 1, 2009 through December 31, 2021: \$8.5 million

Plumb asked what the structural improvements to the facility were going to be. Friedman introduced Stuart Lichter, President of IRG. Lichter stated they would be replacing all electrical, access to rail, crane crossings, refilling pits, extending docks, roof penetration, lighting work and partitioning walls, new restrooms to name a few. IRG wants to be totally transparent. We appreciate the community stepping up to be a partner and we are off to a great start. This is a diversified economy. Foreman wanted to know if the new jobs would be brought in or hired from within the community. Lichter stated at this time he couldn't say for sure. Mayor Allen thanked Friedman and Lichter for their presentations.

Mayor Allen stated this was the time and the place for the continued public hearing on the Resolution Approving The Plant Two Economic Development Area

Urban Renewal Plan. There had been no written comments and there was no public participation. Moved by Ewing, seconded by Forman to close the public hearing. AYES: Six. NAYS: None. Public Hearing closed. Moved by Mullan, seconded by Ewing to Introduce the Resolution Approving the Plant Two Economic Development Area Urban Renewal Plan. AYES: Six. NAYS: None. Resolution No. 2008 – 039 adopted.

On first consideration it was moved by Ewing, seconded by Mullan to introduce an Ordinance Providing That General Property Taxes Levied And Collected Each Year On all Property Located Within The Plant Two Economic Development Urban Renewal Area In The City Of Newton, Iowa, By And For The Benefit Of Jasper County, The City Of Newton, Newton Community School District, And Other Taxing Districts, Be Paid To A Special Fund For Payment Of Principal And Interest On Loans, Monies Advanced To An Indebtedness, Including Bonds Issued Or To Be Issued, Incurred By Said City In Connection With Said Economic Development Urban Renewal Project. AYES: Six. NAYS: None. First consideration passed. Moved by Foreman, seconded by Hansen to suspend the rules and waive the second and third readings of the above ordinance. AYES: Six. NAYS: None. Ordinance passed second and third considerations. Moved by Mullan, seconded by Morris to adopt the above Ordinance. AYES: Six. NAYS: None. Ordinance No. 2121 adopted.

Moved by Ewing, seconded by Hansen to Introduce a Resolution Approving Redevelopment Agreement With AG / IRG WPM Newton, LLC, For Property Located Within The Plant Two Economic Development Area. Some specific questions were asked on the redevelopment agreement. AYES: Six. NAYS: None. Resolution No. 2008 – 040 adopted. Mayor Allen thanked Bryan Friedman and Darrin Hamilton for all their hard work on this project.

Moved by Hansen, second by Ewing to Introduce on second 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 8th Street North, City of Newton, Jasper County, Iowa. AYES: Six. NAYS: None. Second consideration of the ordinance was passed. Moved by Hansen, seconded by Ewing to suspend the third consideration of the above ordinance. AYES: Five. NAYS: Plumb. Ordinance passed third consideration. Moved by Morris, seconded by Mullan to adopt the above ordinance. AYES: Six. NAYS: None. Ordinance No. 2122 adopted.

Moved by Mullan, seconded by Ewing to Introduce a Resolution Approving Submission Of An Application For A Physical Infrastructure Assistance Program (PIAP) From The Iowa Department Of Economic Development. AYES: Six. NAYS: None. Resolution No. 2008 – 041 adopted.

Moved by Foreman, seconded by Hansen to Introduce a Resolution Approving Submission Of An Application For The High Quality Job Creation Program. AYES: Six. NAYS: None. Resolution No. 2008 – 042 adopted.

Moved by Foreman, seconded by Mullan to Introduce A Resolution Of support For Revitalizing Iowa's Sound Economy (RISE) Application. AYES: Six. NAYS: None. Resolution No. 2008 – 043 adopted.

Moved by Ewing, seconded by Mullan to Introduce A Resolution Approving Submission Of An Application For An Iowa Department Of Transportation Rail Assistance Program Grant. AYES: Six. NAYS: None. Resolution No. 2008 – 044 adopted.

Moved by Morris, seconded by Mullan to Introduce A Resolution Approving Submission Of An Application For Economic Development Administration Investment Assistance. AYES: Six. NAYS: None. Resolution No. 2008 – 045

Mayor Allen recused himself from agenda items number ten and eleven and handed the gavel over to Mayor Pro-Tem Hansen. Mayor Pro-Tem Hansen thanked staff for all their work on this project. Moved by Ewing, seconded by Plumb to Introduce a Resolution Awarding Contract For The Maytag Campus One Demolition Project Phase 2 – Utility Modifications. It was noted the resolution is awarding phase 2, with

Alternatives #2 and awarding Alternatives #1 and #3 contingent upon an additional authorization to proceed. AYES: Six. NAYS: None. Resolution No. 2008 – 046 adopted.

Moved by Morris, seconded by Mullan to Introduce a Resolution Ordering Bids, Approving Plans, Specifications And Form Of Contract And Notice To Bidder, And Ordering Clerk To Publish Notice And Fixing A Date For Receiving Same, And For A Public Hearing On Plans, Specification, Form of Contract And Estimate Of Costs For The Former Maytag Dem Project Phase 3 – Demo And Rebuild Project. AYES: Six. NAYS: None. Resolution No. 2008 – 047 adopted.

Under new business Darrin Hamilton, City Attorney stated he would like to personally thank some staff members. Thomas Wardlow, Candice Van Zee and all her staff, Lisa Frasier, Sarah Blackett and Jayme Ewing, David Stewart and Bryan Friedman and Council member Hansen. There was a lot of work to go in to developing this council packet along with all the other city business. Mayor Pro-Tem Hansen echoed his remarks on behalf of all the council members

Moved by Foreman, seconded by Ewing to adjourn the meeting at 6:46 p.m. Motion unanimously carried by voice vote.

Charles Allen, Mayor

Candice Van Zee City Clerk