

Agenda: Newton City Council

City Council Meeting

Council Chambers, 101 W 4th St S. or via Zoom
(<https://us02web.zoom.us/j/83564044015>), Join zoom
via phone: (call 312-626-6799 & enter ID # 83564044015),
Mediacom Channels: 12/85/121.12, Website Streaming:
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Council Meetings.

July 06, 2021 6:00 p.m.
Newton, Iowa 50208

You can participate in the meeting or you can comment on an agenda item by joining the Zoom meeting and raising your hand to be recognized (must remain on mute until recognized/via phone dial *9 (star 9), this will notify City staff that you have “raised your hand” for public comment), submitting via email to cityofnewton@newtongov.org before 5:00 PM the day of the meeting or, during the meeting, you can call 641-792-2787, extension 2007.

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|------------------------------|---|
| Pledge | Pledge of Allegiance |
| Call to Order | 1. Roll Call |
| Proclamation | 2. Park & Rec Month |
| Presentation | 3. Jasper County Conservation – Keri VanZante, Director |
| Citizen Participation | 4. This is the time of the meeting that a citizen may address the Council on matters that are included in the consent agenda or a matter that is not on the regular agenda. After being recognized by the Mayor, each person will be given three (3) minutes to speak. Comments and/or questions must be related to City polices or the provision of City services and shall not include derogatory statements or comments about any individual. Except in cases of legal emergency, the City Council cannot take formal action at the meeting, but may ask the City staff to research the matter or have the matter placed on a subsequent agenda. |
| Consent Agenda | 5. June 21, 2021 Regular City Council Meeting Minutes |
| | 6. Approve Liquor Licenses for the following: Baqara, Renewal, 1615 1 st Ave W, LC0044602, Class C Liquor License, Outdoor Service, Sunday Sales; Hy-Vee Gas, Renewal, 1421 1 st Ave E, BC0029242, Class C Beer Permit, Sunday Sales; PB Pub, Renewal, 113 1 st Ave E, LC0045655, Class C Liquor License, Sunday Sales, Outdoor Sales; New Star 66, Renewal, BC0030861, 405 1 st Ave E, Class C Beer Permit, Class B Wine Permit, Sunday Sales. |
| | 7. Certify Police Officer Candidates List |
| | 8. Resolution Fixing the Amounts to be assessed against individual private properties for the abatement of nuisance violations (Schedule No. 21-05). (Council Report 21-173) |
| | 9. Resolution accepting completion of the Demolition 2021-01 Project. (Council Report 21-174) |

10. Resolution awarding contract for the City of Newton Westwood Golf Course Clubhouse Roof Repairs Project. (Council Report 21-175)
11. Resolution awarding contract for the City of Newton Woodland Park & Union Cemetery Roof Repairs Project. (Council Report 21-176)
12. Resolution awarding contract for the City of Newton Agnes Patterson Park Roof Repairs Project. (Council Report 21-177)
13. Resolution awarding contract for the Demolition 2021-02 Project. (Council Report 21-178)
14. Resolution approving a Five (5) year agreement with the Iowa Department of Transportation for City maintenance of U.S. Highway 6. (Council Report 21-179)
15. Resolution approving a one (1) year supplemental agreement with the Iowa Department of Transportation for City maintenance of U.S. Highway 6. (Council Report 21-180)
16. Resolution accepting completion of the 2021 Highway and Symbol Painting Project. (Council Report 21-181)
17. Resolution Amending Fund Transfers in FY20/21. (Council Report 21-182)
18. Resolution setting a date of meeting at which it is proposed to approve a development agreement with Best Midwest Properties, L.L.C., including annual appropriation tax increment payments. (Council Report 21-183)
19. Resolution of support of a Workforce Housing Tax Credit Program application by Greater Des Moines Habitat for Humanity for new home construction in Newton, Iowa. (Council Report 21-184)
20. Resolution approving a payment for body cameras, in-car dash cameras, software, cloud storage and accessories for \$23,660 from Axon Enterprise Inc. (Council Report 21-185)
21. Resolution amending the purchase of a replacement tarp deployment system and tarps for the Newton Sanitary Landfill. (Council Report 21-186)
22. Approve Bills
23. Public Hearing on a Resolution to Approve Urban Renewal Plan Amendment for the North Central Urban Renewal Area. (Council Report 21-187)

Public Hearing

- The City Council of the City of Newton Iowa has created the North Central Urban Renewal Area and has approved an urban renewal plan. Chapter 403 of the Code of Iowa requires that, before a city approves any new urban renewal project within an urban renewal area, a city must amend the existing Urban Renewal Plan to describe that new project.
- An amendment to the Plan has been prepared which consists of updates (removing unfunded elements) of the 2017 DMACC improvement assistance, updates the Downtown Micro-Grant Program Description, updates description of the manufactured gas plant remediation project, and describes new urban renewal area

projects. This resolution approves updates to the current Urban Renewal Plan.

24. Resolution to Approve Urban Renewal Plan Amendment for the North Central Urban Renewal Area. (Council Report 21-187)
25. Public Hearing on a Resolution to Approve Urban Renewal Plan Amendment for the 1st Avenue East Urban Renewal Area. (Council Report 21-188)
 - The City Council of the City of Newton Iowa has created the 1st Avenue East Urban Renewal Area and has approved an urban renewal plan. Chapter 403 of the Code of Iowa requires that, before a city approves any new urban renewal project within an urban renewal area, a city must amend the existing Urban Renewal Plan to describe that new project.
 - An amendment to the Plan has been prepared which consists of updates as follows: describing business support program (grants or forgivable loans), Old Flooring Gallery redevelopment project at 1810 1st Avenue East, Nehring Auto Inc redevelopment project at 1800 1st Avenue East, and Dollar General Minimum Assessment (no incentives). It is now necessary that a date be set for a public hearing on the Amendment.
26. Resolution to Approve Urban Renewal Plan Amendment for the 1st Avenue East Urban Renewal Area. (Council Report 21-188)
27. Public Hearing on a Resolution approving development agreement with Hopkins Properties LLC, authorizing annual appropriation tax increment payments and pledging certain tax increment revenues to the payment of the agreement. (Council Report 21-189)
 - Hopkins Properties LLC plans significant investment to 1810 1st AVE E, resulting in a new building minimum assessment of \$450,000.00.
 - The agreement provides tax rebate over a 10-year period with a total not to exceed amount of \$65,000.00. It also provides for a forgivable loan of \$35,000 for curb appeal improvements.
28. Resolution approving development agreement with Hopkins Properties LLC, authorizing annual appropriation tax increment payments and pledging certain tax increment revenues to the payment of the agreement. (Council Report 21-189)
29. Public Hearing for the sale of property at 717 West 6th Street South in Newton. (Council Report 21-190)
 - The City acquired the property at 717 West 6th Street South in Newton and contracted for its demolition. A public hearing has been scheduled, but no offers received by the advertised deadline.
 - In terms of process, City Council should hold the public hearing. There is no resolution for council action since no offers were received.
30. Resolution approving Temporary Office Position in Fire. (Council Report 21-191)

Resolutions

- Administrative staff in the Fire Department are in desperate need of support. A long-term intermittent leave of absence has left staff stretched very thin and working hard to cover as much as possible.
- Staff requests consideration to allow the Fire Department to hire a temporary office employee for 40 hours per week for the foreseeable future.

31. Resolution to approve creating a firefighter position in the Fire Department. (Council Report 21-192)

- The fire department currently has two open positions and has made offers to two candidates. Staff anticipates another opening in November due to a retirement. Staff asks for consideration of hiring one additional firefighter. This would bring the staffing level of crews to eight on one crew and seven on the other two.
- The key advantages will be the ability to capitalize on the current list and hire candidates before they are hired by other agencies and the ability to get the new hire enrolled in the paramedic program this fall allowing them to complete the paramedic program within the typical two-year time period.

Staff Report

32. Police Department Update – Rob Burdess, Police Chief

33. Generator Project at the YMCA – Jarrod Wellik, Fire Chief

Mayor/Council Comments

34.

Adjourn

The City of Newton is pleased to provide reasonable accommodations, in compliance with the Americans with Disabilities Act, for those individuals or groups who require assistance to be able to participate in the public meeting. Should special accommodations be required, please contact the City Clerk's Office at least 48 hours in advance of the meeting, at 641-792-2787 to arrange for accommodations to be provided.

www.NewtonGov.org

2021 PARKS AND RECREATION MONTH PROCLAMATION

WHEREAS, parks and recreation programs and facilities are an integral part of communities throughout this country, including here in Newton, Iowa; and

WHEREAS, parks and recreation are vitally important to establishing and maintaining the quality of life in our community, ensuring the health of all citizens, and contributing to the economic and environmental well-being of the community; and

WHEREAS, parks and recreation programs build healthy, active communities that improve the mental and emotional health of citizens; and

WHEREAS, parks and recreation programs increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, and the attraction and retention of businesses; and

WHEREAS, parks and natural recreation areas can help improve air and water quality, provide vegetative buffers to development, and provide habitat for wildlife; and

WHEREAS, our parks and natural recreation areas ensure the ecological beauty of our community, and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS, the City of Newton recognizes the benefits derived from parks and recreation resources, and supports the skilled work of our parks and recreation employees in the Community Services Department.

NOW, THEREFORE, I, Michael L. Hansen, Mayor of the City of Newton, Iowa do hereby proclaim July 2021 as Parks and Recreation Month in the City of Newton, and urge all citizens to utilize and enjoy all parks and recreation programs and facilities in Newton.

DATED this 6th day of July, 2021

Michael L. Hansen, Mayor



REGULAR CITY COUNCIL MEETING MINUTES
JUNE 21, 2021, 6:00 P.M.
CITY COUNCIL CHAMBERS

The City Council of Newton, Iowa met in regular session at 6:00 P.M. on the above date in the Council Chambers at 101 West 4th Street South and via an electronic meeting (pursuant to Iowa Code section 21.8) because a meeting in person is impossible or impractical due to concerns for the health and safety of council members, staff, and the public due to COVID-19. Mayor Hansen presided. Present Council Members: Hallam, George, Ervin, Trotter, Mullan. Absent: Stonner.

Mayor Hansen asked everyone present to join in saying the Pledge of Allegiance.

Cindy Henninger, Holmes Murphy Account Executive, provided an employee benefit update.

Andy Stone, a Board Member for Project Awake provided an update on activities they have been involved in and upcoming plans.

There was no citizen participation.

Moved by George, seconded by Hallam to approve consent agenda items 5-21.

5. June 7, 2021 Regular City Council Meeting Minutes
6. Approve Liquor Licenses for the following: Newton Lodge #1270, Renewal, LA0000274, 111 E 2nd St S, Class A liquor license, Outdoor Service, Sunday Sales; Olive 'et Boutique, Renewal, WBN001153, 111 W 2nd St S, Class B Native Wine Permit, Sunday Sales
7. Approve 2021-2022 Cigarette/Tobacco/Nicotine/Vapor License for: Dollar General, 2617 1st Ave E; Shop N Save, 404 S 11th Ave W
8. Certify Firefighter Candidates List
9. Resolution reappointing Julia Prendergast to The Newton Downtown Self-Supported Municipal Improvement District Board for the term ending June 30, 2023. Resolution 2021-156 adopted.
10. Resolution reappointing Adam Leber to The Newton Downtown Self-Supported Municipal Improvement District Board for the term ending June 30, 2023. Resolution 2021-157 adopted.
11. Resolution renewing the insurance package with Iowa Communities Assurance Pool (ICAP). Resolution 2021-158 adopted.
12. Resolution approving a Telecommunications Licensing Agreement with Unite Private Networks – UPN 4205. Resolution 2021-159 adopted.
13. Resolution levying assessments for costs of nuisance abatement and providing for the payment thereof (Schedule 21-04). Resolution 2021-160 adopted.
14. Resolution awarding contract for the Newton Parks Baseball Infield Improvements Project. Resolution 2021-161 adopted.
15. Resolution approving the Community Services Dept. (Airport) purchase of the 1983 John Deere 4450 tractor from Public Works (Water Pollution Control). Resolution 2021-162 adopted.
16. Resolution setting a date of meeting at which it is proposed to approve a development agreement with Hopkins Properties LLC, including annual appropriation tax increment payments. Resolution 2021-163 adopted.
17. Resolution setting a public hearing and inviting proposals for the sale of property at 501 South 2nd Avenue West, 517 South 2nd Avenue West, and 521 South 4th Avenue West in Newton. Resolution 2021-164 adopted.
18. Resolution Approving 3 Year Service Agreement with Baker Group for the City Center Building Automation System (BAS). Resolution 2021-165 adopted.
19. Resolution Authorizing Fund Transfers in FY 21/22. Resolution 2021-166 adopted.
20. Resolution Authorizing The City Of Newton To Respond To A Request For Proposal From Pyrotechnics Guild International, Inc. (PGI) To Host The 2022 PGI Convention At The Iowa Speedway Facility And Property. Resolution 2021-167 adopted.
21. Approve Bills

AYES: Five. NAYS: None. Consent agenda items approved.

Mayor Hansen stated that this is the time and place for a Public Hearing on an ordinance vacating and disposing of a small area of the right-of-way located in the 800 block of North 19th Avenue East and assign it to Parcel 0827226003, located in the City of Newton, Jasper County, Iowa. A letter was provided by Phoenix Industrial Investors stating they do not object to the waiver of the 2nd and 3rd reading. Moved by Trotter, seconded by Mullan, to close the public hearing. AYES: Five. NAYS: None. The public hearing was closed. Moved by Hallam, seconded by George to approve the 1st consideration of the ordinance. AYES: Five. NAYS: None. Motion passed. Moved by Hallam, seconded by Ervin, to suspend the rules and waive the 2nd and 3rd readings. AYES: Five. NAYS: None. Motion passed. Moved by Mullan, seconded by George, to adopt the Ordinance. AYES: Five. NAYS: None. Ordinance 2399 adopted.

Moved by George, seconded by Trotter to approve a Resolution Approving Second Amendment to Declaration of Covenants, Conditions and Restrictions for the Cardinal Ridge Subdivision. AYES: Five. NAYS: None. Resolution 2021-168 adopted.

Moved by Trotter, seconded by Ervin to approve a Resolution selecting MSA Professional Services, Inc. as the Comprehensive Plan consultant and authorizing payment for consulting services. AYES: Five. NAYS: None. Resolution 2021-169 adopted.

Moved by Hallam, seconded by Trotter to approve a Resolution authorizing a payment of \$1,000.00 to Newton Main Street to assist with the Downtown Electric Panel Project. AYES: Five. NAYS: None. Resolution 2021-170 adopted.

Brian Laube, Community Services Director, provided information on the plans for the Westwood Golf Clubhouse. Public meetings will be held to get citizen input. Goals are to grow opportunities and eliminate deficit.

During Mayor/Council comments Hallam stated that the Alumni weekend and Newton Fest was a successful. Hansen thanked everyone that attended the car show. It was difficult to judge. Overall the winners are the community for having such a successful event.

Moved by Trotter, seconded by Mullan to adjourn the meeting at 7:04 P.M. Motion unanimously carried by voice vote.

Michael L. Hansen, Mayor

Katrina Davis, City Clerk



**City of Newton Civil Service Commission
Police Officer Candidate List**

We the undersigned members of the City of Newton Civil Service Commission hereby certify the following list of candidates for the purpose of filling vacancies within the City of Newton Police Department. The following list shall expire one year from the date of certification, or upon exhaustion.

Police Officer Candidates

Jose Garcia Jr.

Date: July 6, 2021

Signed:

Dave Zellinger

Teresa Ray

Gary Johnson

Witness by:

Katrina Davis, City Clerk

Date:

City of Newton Council Report

**Item:**

Resolution Fixing the Amounts to be assessed against individual private properties for the abatement of nuisance violations (Schedule No. 21-05).

Report Number: 21-173

Date:

July 6, 2021

Summary:

The City of Newton abated some nuisances, such as tall grass/weeds, trash, or snow. These costs remain unpaid by the property owner(s) and should be assessed to the property taxes.

Lead Department:

Community Services

Recommendation:

Approve

Financial Impact:

Cost Recovery: \$1,530.00

Background:

The City continues to work towards better curb appeal and improved aesthetics within the community. The City abated violations that remained non-compliant after the initial warning period.

The attached schedule lists owner, parcel number, address, amount to be assessed, date work was completed, property legal description, and property valuation.

Recommendation:

City Staff recommends approval of the Resolution fixing the amounts to be assessed against individual private properties for the abatement of nuisance violations.

A handwritten signature in black ink, appearing to read "Matt Muckler", is written over a light blue horizontal line.

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION FIXING THE AMOUNTS TO BE ASSESSED AGAINST INDIVIDUAL
PRIVATE PROPERTIES FOR THE ABATEMENT OF NUISANCE VIOLATIONS
(SCHEDULE NO. 21-05)**

WHEREAS, the City of Newton has abated nuisance violations at the addresses as found in Schedule No. 21-05: Assessment for the Expenses for Nuisance Abatement; and

WHEREAS, the City of Newton has maintained a report of the abatement costs for each individual property as found in Schedule 21-05: Assessment for the Expenses for Nuisance Abatement; and

WHEREAS, the expenses have been billed to the property owners and remain unpaid.

NOW THEREFORE, BE IT RESOLVED by the City Council of Newton, Iowa, that the Schedule 21-05: Assessment for the Expenses for Nuisance Abatement is approved.

NOW THEREFORE, BE IT FURTHER RESOLVED by the City Council of Newton, Iowa, that the City Clerk is hereby directed to prepare, sign, and file in the clerk's office the Schedule 21-05: Assessment for the Expenses for Nuisance Abatement.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

Schedule 21-05: Assessment for the Expenses for Nuisance Abatement

Deed/Contract Holder	Parcel Number	Property Address	City	Net Assessed Property Value	Abatement Fee	Admin. Fee	Total Amount Assessed	Legal	Date Abated
Michael Adams	826352008	608 E 12th St Pl N	Newton	\$93,200	\$60.00	\$75.00	\$135.00	EMERSON HOUGH PLACE LOT 17 BLK B	5/13/2021
Kevin Powell	826351015	709 E 12th St Pl N	Newton	\$88,960	\$60.00	\$75.00	\$135.00	EMERSON HOUGH PLACE LOT 3 BLK A	5/13/2021
RC Homes LLC	827477009	901 N 6th Ave E	Newton	\$53,570	\$60.00	\$75.00	\$135.00	LONG'S SD LOT 21	5/22/2021
Durritzgue 2003 Rev Trust	835151008	1337 1st Ave E	Newton	\$283,250	\$60.00	\$75.00	\$135.00	TRACT 100' X 200' IN NE COR OF LOT H SW NW	5/22/2021
Maria & Jesus Garcia	834163018	413 1st St S	Newton	\$70,000	\$60.00	\$75.00	\$135.00	ORIGINAL PLAT LOT C OUTLOT 17	5/24/2021
BK Properties of Iowa LLC	834136001	222 E 3rd St N	Newton	\$73,060	\$60.00	\$75.00	\$135.00	ORIGINAL PLAT N 66' LOT 4 BLK 12	5/24/2021
RC Homes LLC	834162015	323 W 2nd St S	Newton	\$126,910	\$120.00	\$75.00	\$195.00	ORIGINAL PLAT LOT 13 OUTLOT 16	5/24/2021
Misty Wooters	827453046	603 E 8th St N	Newton	\$55,230	\$150.00	\$75.00	\$225.00	GARRETT'S SD LOT 5	5/24/2021
Jennifer Cornelison	833104014	1600 1st Ave W	Newton	\$42,870	\$60.00	\$75.00	\$135.00	LEEPER'S HIGHLAND ADD W 60' LOT 14 BLK 3	5/29/2021
Robert & Julie McCarey	835104014	1320 Crescent Drive	Newton	\$33,430	\$90.00	\$75.00	\$165.00	BELMONT PARK LOT 14 BLK 2	6/3/2021
Total							\$1,530.00		

City of Newton Council Report

**Item:**

Resolution accepting completion of the Demolition 2021-01 Project.

Report Number: 21-174

Date:

July 6, 2021

Summary:

Final Acceptance of the project to complete abatement & demolition work at 421 N 3rd Ave E, 215 E 5th St N, 315 E 4th St S & 201 W 4th St S.

Lead Department:

Community Services

Recommendation:

Approve

Financial Impact:

Council previously approved a contract for \$83,850.00; and this action would accept the project and authorize payment of the retainage amount of \$4,292.50.

Background:

Curb appeal continues to be a focus of the City per the recommendations of the adopted comprehensive plan, Newton's Future. Abating dangerous buildings within the City is one way to improve the aesthetics of Newton neighborhoods.

The City acquired 421 N 3rd Ave E, 215 E 5th St N, 315 E 4th St S & 201 W 4th St S with the intent to demolish the structures on these properties through the Dangerous and Dilapidated Program. The Community Services Department prepared plans and specifications for the Demolition 2021-01 Project, and City Council passed a resolution on March 1, 2021 awarding a contract to Howe Excavating of Newton, Iowa in the amount of \$83,850.00.

The Community Services Director has signed the Statement of Completion Form stating that the project has been substantially completed in general compliance with the terms, conditions and stipulations of said contract. The final contract amount, based on actual measured quantities of work and the issuance of one change order, is \$85,850.00.

Recommendation:

City staff recommends accepting the completion of the Demolition 2021-01 Project, and authorizing the retainage amount of \$4,292.50 to be paid to the contractor no sooner than 30 days after approval of this resolution should no claims be on file.

A handwritten signature in black ink, appearing to read "Matt Muckler", is written over a light blue horizontal line.

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION ACCEPTING COMPLETION
OF THE DEMOLITION 2021-01 PROJECT**

WHEREAS, the City of Newton acquired 421 N 3rd Ave E, 215 E 5th St N, 315 E 4th St S, & 201 W 4th St S with the intent to demolish the structures on these properties through the Dangerous and Dilapidated Program; and

WHEREAS, the City of Newton Community Services Department prepared abatement and demolition plans and specifications for the Demolition 2021-01 Project, and sealed bids were received and opened for said project by the City on February 23, 2021; and

WHEREAS, the City Council of the City of Newton awarded a contract to Howe Excavating of Newton, Iowa in the amount of \$83,850 on March 1, 2021 for the Demolition 2021-01 Project; and

WHEREAS, Howe Excavating has completed their work, and the Community Services Director has signed the Statement of Completion Form stating that the project has been substantially completed in general compliance with the terms, conditions and stipulations of said contract.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Newton, Iowa that the City of Newton hereby accepts completion of the project, and authorizes the Community Services Director to execute payment of the retainer in the amount of \$4,292.50 to Howe Excavating no sooner than 30 days after approval of this resolution, should no claims be on file, with said payment being made using Dangerous and Dilapidated Building Program funds.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Council Report

**Item:**

Resolution awarding contract for the City of Newton
Westwood Golf Course Clubhouse Roof Repairs Project

Report Number: 21-175

Date:

July 6, 2021

Summary:

Award contract to replace shingles and complete repair roofs
on the Westwood Golf Course Clubhouse.

Lead Department:

Community Services

Recommendation:

Approve

Financial Impact:

\$17,999.00 to be paid using insurance payments from ICAP.

Background:

On August 10, 2020 the derecho storm caused substantial damage to the roof of the Westwood Golf Course Clubhouse. Roof damage included missing and damaged shingles, soffit, fascia, and sheeting.

The following quotes were received on June 29, 2021:

Procrafters Roofing – Allison, IA	\$17,999.00
Nailed It Construction Services – Newton, IA	\$20,650.00
Iowa Legends – Altoona, IA	\$23,700.65
5G Construction, LLC – Newton, IA	\$23,250.00
Green Fish – Swisher, IA	\$38,000.00

The apparent low bidder is Procrafters Roofing of Allison, Iowa. The project completion date is October 31, 2021. Project costs are to be paid by insurance payments. Due to the uncertainty of when a new clubhouse may be constructed, the roof repairs to the existing clubhouse are needed to prevent further and accelerated deterioration of the building.

Recommendation:

City Staff recommends that Council award the project to Procrafters Roofing of Allison, Iowa in the amount of \$17,999.00.

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION AWARDDING CONTRACT
FOR THE CITY OF NEWTON WESTWOOD GOLF COURSE CLUBHOUSE ROOF
REPAIRS PROJECT**

WHEREAS, the Derecho Storm on Monday, August 10, 2020 caused substantial damage to the roof of the Westwood Golf Course Clubhouse; and

WHEREAS, the damage included damaged and missing shingles, soffit, fascia, and sheeting; and

WHEREAS, because City staff is unable to complete these repairs in-house, the repairs were identified and quotes were sought for the work; and

WHEREAS, quotes were received and opened on June 29, 2021;

WHEREAS, City staff recommends that the City of Newton award a contract to Procrafters Roofing of Allison, Iowa for the City of Newton Westwood Golf Course Clubhouse Roof Repairs Project based on the low responsive, responsible bid received in the amount of \$17,999.00.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Newton, Iowa, that the bid in the amount of Seventeen Thousand, Nine Hundred Ninety-Nine Dollars and Zero Cents (\$17,999.00) for the City of Newton Westwood Golf Course Clubhouse Roof Repairs Project, all as described in the plans and specifications, is hereby accepted, the same being the lowest, responsive bid received for said project; and that the project will be paid for using insurance payments from ICAP.

BE IT FURTHER RESOLVED, by the City Council of the City of Newton, Iowa, that the Contract executed by Procrafters Roofing of Allison, Iowa for the City of Newton Westwood Golf Course Clubhouse Roof Repairs Project as described by the plans and specifications filed in the office of the City Clerk, said contract to be signed by the Mayor and City Clerk on behalf of the City, be and the same are hereby approved.

PASSED this _____ day of July 2021.

APPROVED this _____ day of July 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Council Report

**Item:**

Resolution awarding contract for the City of Newton
Woodland Park & Union Cemetery Roof Repairs Project

Report Number: 21-176

Date:

July 6, 2021

Summary:

Award contract to replace shingles and repair roofs on two
shelters in Woodland Park and the Union Cemetery Office &
Shed

Lead Department:

Community Services

Recommendation:

Approve

Financial Impact:

\$15,593.20 to be paid using insurance payments from ICAP.

Background:

On August 10, 2020 the derecho storm caused substantial damage to the park shelters in Woodland Park, and the office and shed in Union Cemetery. Roof damage included damaged and missing shingles, soffit, fascia, and sheeting.

The following quotes were received on June 29, 2021:

Procrafters Roofing – Allison, IA	\$15,593.20
Nailed It Construction Services – Newton, IA	\$16,188.75
Iowa Legends – Altoona, IA	\$18,524.87
5G Construction, LLC – Newton, IA	\$20,625.00
Green Fish – Swisher, IA	\$31,200.00

The apparent low bidder is Procrafters Roofing of Allison, Iowa. The project completion date is October 31, 2021. Project costs are to be paid by insurance payments.

Recommendation:

City Staff recommends that Council award the project to Procrafters Roofing of Allison, Iowa in the amount of \$15,593.20.

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION AWARDING CONTRACT
FOR THE CITY OF NEWTON WOODLAND PARK &
UNION CEMETERY ROOF REPAIRS PROJECT**

WHEREAS, the Derecho Storm on Monday, August 10, 2020 caused substantial damage to the park shelters in Woodland Park, and the office and shed in Union Cemetery; and

WHEREAS, the damage included damaged and missing shingles, soffit, fascia, and sheeting; and

WHEREAS, because City staff is unable to complete these repairs in-house, the repairs were identified and quotes were sought; and

WHEREAS, quotes were received and opened on June 29, 2021;

WHEREAS, City staff recommends that the City of Newton award a contract to Procrafters Roofing of Allison, Iowa for the City of Newton Woodland Park & Union Cemetery Roof Repairs Project based on the low responsive, responsible bid received in the amount of \$15,593.20.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Newton, Iowa, that the bid in the amount of Fifteen Thousand, Five Hundred Ninety-Three Dollars and Twenty Cents (\$15,593.20) for the City of Newton Woodland Park & Union Cemetery Roof Repairs Project, all as described in the plans and specifications, is hereby accepted, the same being the lowest, responsive bid received for said project; and that the project will be paid for using insurance payments from ICAP.

BE IT FURTHER RESOLVED, by the City Council of the City of Newton, Iowa, that the Contract executed by Procrafters Roofing of Allison, Iowa for the City of Newton Woodland Park & Union Cemetery Roof Repairs Project as described by the plans and specifications filed in the office of the City Clerk, said contract to be signed by the Mayor and City Clerk on behalf of the City, be and the same are hereby approved.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Council Report

**Item:**

Resolution awarding contract for the City of Newton Agnes Patterson Park Roof Repairs Project

Report Number: 21-177

Date:

July 6, 2021

Summary:

Award contract to replace shingles and repair roofs on four buildings in Agnes Patterson Park

Lead Department:

Community Services

Recommendation:

Approve

Financial Impact:

\$17,551.25 to be paid using insurance payments from ICAP.

Background:

On August 10, 2020 the derecho storm caused substantial damage to three concession stands and one park shelter in Agnes Patterson Park. Roof damage included damaged and missing shingles, soffit, fascia, and sheeting.

The following quotes were received on June 29, 2021:

Nailed It Construction Services – Newton, IA	\$17,551.25
Procrafters Roofing – Allison, IA	\$22,319.04
Iowa Legends – Altoona, IA	\$23,275.36
5G Construction, LLC – Newton, IA	\$20,125.00
Green Fish – Swisher, IA	\$29,750.00

The apparent low bidder is Nailed It Construction of Newton, Iowa. The project completion date is October 31, 2021. Project costs are to be paid by insurance payments.

Recommendation:

City Staff recommends that Council award the project to Nailed It Construction of Newton, Iowa in the amount of \$17,551.25.

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION AWARDDING CONTRACT
FOR THE CITY OF NEWTON AGNES PATTERSON PARK
ROOF REPAIRS PROJECT**

WHEREAS, the Derecho Storm on Monday, August 10, 2020 caused substantial damage to three concession stands and one park shelter in Agnes Patterson Park; and

WHEREAS, the damage included damaged and missing shingles, soffit, fascia, and sheeting; and

WHEREAS, because City staff is unable to complete these repairs in-house, the repairs were identified and quotes were sought; and

WHEREAS, quotes were received and opened on June 29, 2021;

WHEREAS, City staff recommends that the City of Newton award a contract to Nailed It Construction of Newton, Iowa for the City of Newton Agnes Patterson Park Roof Repairs Project based on the low responsive, responsible bid received in the amount of \$17,551.25.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Newton, Iowa, that the bid in the amount of Seventeen Thousand, Five Hundred Fifty-One Dollars and Twenty-five Cents (\$17,551.25) for the City of Newton Agnes Patterson Park Roof Repairs Project, all as described in the plans and specifications, is hereby accepted, the same being the lowest, responsive bid received for said project; and that the project will be paid for using insurance payments from ICAP.

BE IT FURTHER RESOLVED, by the City Council of the City of Newton, Iowa, that the Contract executed by Nailed It Construction of Newton, Iowa for the City of Newton Agnes Patterson Park Roof Repairs Project as described by the plans and specifications filed in the office of the City Clerk, said contract to be signed by the Mayor and City Clerk on behalf of the City, be and the same are hereby approved.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Council Report

**Item:**

Resolution awarding contract for the Demolition 2021-02 Project.

Report Number: 21-178

Date:

July 6, 2021

Summary:

Award of contract to complete abatement & demolition work at 209 N 13th Ave W, 909 E 7th St N, and 1015 E 9th St N.

Lead Department:

Community Services

Recommendation:

Approve

Financial Impact:

\$43,700.00 from the Dangerous and Dilapidated (D&D) Building Program funds.

Background:

Curb appeal continues to be a focus of the City per the recommendations of the adopted comprehensive plan, Newton's Future. Abating dangerous buildings within the City is one way to improve the aesthetics of Newton neighborhoods.

The City acquired 209 N 13th Ave W, 909 E 7th St N, & 1015 E 9th St N with the intent to demolish the structures on these properties through the Dangerous and Dilapidated Program. The Community Services Department prepared plans and specifications for the proposed Demolition 2021-02 Project that included abatement and demolition at all properties. The following bids were received and opened on June 28, 2021:

Lanphier Excavating – Reasnor, Iowa	\$43,700.00
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Howe Excavating – Newton, Iowa	\$43,750.00
--------------------------------	-------------

The apparent low bidder is Lanphier Excavating of Reasnor, Iowa. City staff's cost estimate for this project was \$33,500.00. The completion date for the project is September 30, 2021. \$43,700.00 in Dangerous and Dilapidated Building Program funds will be used to pay for the abatement and demolition work at both properties.

Recommendation:

City Staff recommends that Council award the project to Lanphier Excavating of Reasnor, Iowa in the amount of \$43,700.00.

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION AWARDDING CONTRACT
FOR THE DEMOLITION 2021-02 PROJECT**

WHEREAS, the City of Newton acquired 209 N 13th Ave W, 909 E 7th St N, and 1015 E 9th St N with the intent to demolish the structures on these properties through the Dangerous and Dilapidated Program; and

WHEREAS, the City of Newton Community Services Department prepared abatement and demolition plans and specifications for the Demolition 2021-02 Project, and put said project out to bid; and

WHEREAS, City staff recommends that the City of Newton award a contract to Lanphier Excavating of Reasnor, Iowa for the Demolition 2021-02 Project based on the low responsive, responsible bid received in the amount of \$43,700.00.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Newton, Iowa, that the bid of Lanphier Excavating of Reasnor, Iowa, in the amount of Forty-Three Thousand, Seven Hundred Dollars and Zero Cents (\$43,700.00) for the Demolition 2021-02 Project, all as described in the plans and specifications, is hereby accepted, the same being the lowest, responsive bid received for said project.

BE IT FURTHER RESOLVED, by the City Council of the City of Newton, Iowa, that the Contract and Bond executed by Lanphier Excavating of Reasnor, Iowa for the Demolition 2021-02 Project as described by the plans and specifications filed in the office of the City Clerk, said contract to be signed by the Mayor and City Clerk on behalf of the City, be and the same are hereby approved. The City shall utilize the Dangerous and Dilapidated Building Program funds to pay for the abatement and demolition work at all properties.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Council Report

Item: Resolution approving a Five (5) year agreement with the Iowa Department of Transportation for City maintenance of U.S. Highway 6.

Summary: A 5 year agreement is needed with the Iowa DOT for maintenance of Highway 6 through the City.

Financial Impact: \$21,048.93 in revenue annually



Report Number: 21-179

Date: July 6, 2021

Lead Department: Public Works Department

Recommendation: Approve

Background:

Every five (5) years, the Iowa Department of Transportation (DOT) presents cities an agreement for the maintenance and repair of primary highways through those cities. The Iowa DOT is proposing entering into a new five-year agreement for U.S. Highway 6 (1st Avenue) that is in effect from July 1, 2021 through June 30, 2026.

The Iowa DOT has provided the City of Newton a 5 year Agreement for 2021-2026 year that indicates the payment that the City will receive based on the State's standard maintenance rates. Per the 5 year agreement, the City of Newton is responsible for those maintenance activities listed in Sections I.B.1, I.B.3, I.B.4 and I.C.1 of the 5 year agreement for U.S. Highway 6 within the corporate limits of Newton. In general, the City responsibilities include pavement maintenance, storm sewer, snow/ice removal and tree maintenance.

The maintenance payment rate will be an annual payment to the City of \$21,048.93 an approximate 5% increase over last year's payment.

Each year of the 5 year agreement the Iowa DOT will provide the City of Newton a Supplemental Agreement that will indicate the payment that the City will receive based on the State's standard maintenance rates.

Recommendation:

City staff recommends approval the 5-year maintenance agreement with the Iowa DOT for U.S. Highway 6 within the corporate limits of Newton.

A handwritten signature in dark ink, appearing to read "Matt Muckler".

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

**RESOLUTION APPROVING FIVE (5) YEAR AGREEMENT WITH THE IOWA
DEPARTMENT OF TRANSPORTATION FOR CITY MAINTENANCE OF U.S.
HIGHWAY 6**

WHEREAS, the City of Newton has had an agreement with the Iowa Department of Transportation (DOT) for many years which identified responsibilities of the City and the DOT for maintenance of U.S. Highway 6 (1st Avenue) from the west corporate limits to the east corporate limits of the City of Newton; and

WHEREAS, the Iowa DOT is proposing to renew this Five (5) year agreement under the same terms and conditions as described in the previous five (5) year agreement; and

WHEREAS, the Iowa DOT will provide the City with a Supplemental Agreement each year of the 5-year agreement that will provide the rate of payment to the City of Newton based on lane miles of roadway and such payment will be \$21,048.93 for the first year of this agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newton, Iowa, that the City of Newton hereby authorizes the Mayor to execute the attached 5-year Agreement for Maintenance and Repair of Primary Roads in Municipalities with the Iowa Department of Transportation.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk



Iowa Department of Transportation

Agreement for Maintenance and Repair of Primary Roads in Municipalities

This Agreement made and entered into by and between the Municipality of Newton, Jasper County, Iowa, hereinafter referred to as the Municipality, and the Iowa Department of Transportation, Ames, Iowa, hereinafter referred to as the Department.

AGREEMENT:

In accord with Provisions of Chapter 28E, Sections 306.3, 306.4, 313.3-5, 313.21-.23, 313.27, 313.36, 314.5, 321.348 and 384.76 of the Code of Iowa and the Iowa Administrative Rules 761 – Chapter 150 (IAC) the Municipality and Department enter into the following agreement regarding maintenance, repair and minor reconstruction of the primary roads within the boundaries of the Municipality.

I. The Department shall maintain and repair:

- A. Freeways (functionally classified and constructed)
 - 1. Maintain highway features including ramps and repairs to bridges.
 - 2. Provide bridge inspection.
 - 3. Highway lighting.
- B. Primary Highways – Urban Cross-Section (curbed) (See Sec. II.A)
 - 1. Pavement: Maintain and repair pavement and subgrade from face of curb to face of curb (excluding parking lanes, drainage structures, intakes, manholes, public or private utilities, sanitary sewers and storm sewers).
 - 2. Traffic Services: Provide primary road signing for moving traffic, pavement marking for traffic lanes, guardrail, and stop signs at intersecting streets.
 - 3. Drainage: Maintain surface drainage within the limits of pavement maintenance described in I.B.1 above.
 - 4. Snow and Ice Removal: Plow traffic lanes of pavement and bridges and treat pursuant to the Department's policy.
 - 5. Vehicular Bridges: Structural maintenance and painting as necessary.
 - 6. Provide bridge inspection.
- C. Primary Highways – Rural Cross-Section (uncurbed) (See II.B)
 - 1. Maintain, to Department standards for rural roads, excluding tree removal, sidewalks, and repairs due to utility construction and maintenance.
- D. City Streets Crossing Freeway Rights of Way (See II.C)
 - 1. Roadsides within the limits of the freeway fence.
 - 2. Surface drainage of right of way.
 - 3. Traffic signs and pavement markings required for freeway operation.
 - 4. Guardrail at piers and bridge approaches.
 - 5. Bridges including deck repair, structural repair, berm slope protection and painting.
 - 6. Pavement expansion relief joints and leveling of bridge approach panels.

II. The Municipality shall maintain and repair:

- A. Primary Highways – Urban Cross-Section (curbed) (See Sec. I.B)
 - 1. Pavement: Maintain and repair pavement in parking lanes, intersections beyond the limits of state pavement maintenance; curbs used to contain drainage; and repairs to all pavement due to utility construction, maintenance and repair.
 - 2. Traffic Services: Paint parking stalls, stop lines and crosswalks. Maintain, repair and provide energy to traffic signals and street lighting.
 - 3. Drainage: Maintain storm sewers, manholes, intakes, catch basins and culverts used for collection and disposal of surface drainage.
 - 4. Snow and ice removal: Remove snow windrowed by state plowing operations, remove snow and ice from all areas outside the traffic lanes and load or haul snow which the Municipality considers necessary. Remove snow and ice from sidewalks on bridges used for pedestrian traffic.

5. Maintain sidewalks, retaining walls and all areas between curb and right-of-way line. This includes the removal of trees as necessary and the trimming of tree branches as necessary.
6. Clean, sweep and wash streets when considered necessary by the Municipality.
7. Maintain and repair pedestrian overpasses and underpasses including snow removal, painting and structural repairs.

B. Primary Highways – Rural Cross-Section (uncurbed) (See Sec. I.C)

1. Maintain and repair highway facilities due to utility construction and maintenance.
2. Removal of trees as necessary and the trimming of tree branches as necessary.
3. Maintain sidewalks.

C. City Streets Crossing Freeway Rights of Way (See I.D)

1. All pavement, subgrade and shoulder maintenance on cross streets except expansion relief joints and bridge approach panel leveling.
2. Mark traffic lanes on the cross street.
3. Remove snow on the cross street, including bridges over the freeway.
4. Clean and sweep bridge decks on streets crossing over freeway.
5. Maintain all roadside areas outside the freeway fence.
6. Maintain pedestrian overpasses and underpasses including snow removal, painting, lighting and structural repair.

III. The Municipality further agrees:

- A. That all traffic control devices placed by the Municipality on primary roads within the Municipal boundaries shall conform to the "Manual on Uniform Traffic Control Devices for Streets and Highways."
 - B. To prevent encroachment or obstruction within the right of way, the erection of any private signs on the right of way, or on private property which may overhang the right of way and which could obstruct the view of any portion of the road or the traffic signs or traffic control devices contrary to Section 318.11 of the Code of Iowa.
 - C. To comply with all current statutes and regulations pertaining to overlength and overweight vehicles using the primary roads, and to issue special permits for overlength and overweight vehicles only with approval of the Department.
 - D. To comply with the current Utility Accommodation Policy of the Department.
 - E. To comply with the access control policy of the Department by obtaining prior approval of the Department for any changes to existing entrances or for the construction of new entrances.
- IV. Drainage district assessments levied against the primary road within the Municipality shall be shared equally by the Department and the Municipality.
- V. Major construction initiated by the Department and all construction initiated by the Municipality shall be covered by separate agreements.
- VI. The Department and the Municipality may by a separate annual Supplemental Agreement, reallocate any of the responsibilities covered in Section I of this agreement.
- VII. This Agreement shall be in effect for a five year period from July 1, 2021 to June 30, 2026.

IN WITNESS WHEREOF, The Parties hereto have set their hands, for the purposes herein expressed, on the dates indicated below.

Newton

MUNICIPALITY

IOWA DEPARTMENT OF TRANSPORTATION

By _____

BY _____
District Engineer

Date _____

Date _____

June 8, 2022

Jody Rhone
Public Works Director
1700 N 4th Avenue W
Newton, IA 50208

Subject: Maintenance Agreements with City of Newton

Dear Jody,

Enclosed are the proposed 2021-2026 5-year Agreement for Maintenance and Repair of Primary Roads in Municipalities and the Fiscal Year 2022 Supplemental Agreement for Maintenance of Primary Roads in Municipalities.

These agreements will be in effort for the periods noted thereon.

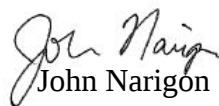
The terms of the Supplemental Agreement are like last year, with the traffic volumes updated to 2019 counts, and the compensation rates raised to reflect current costs, an approximate 5% increase over the previous rates. The compensation is based on a weighted average of volume and segment length. No new maintenance activities have been added.

If you accept the proposed agreements, please sign and return a scanned copy by *email* or an original copy by *mail*. A scanned copy will be emailed for your records, and a paper copy can be mailed upon request.

Compensation for the prior fiscal year Supplemental Maintenance Agreement will be processed at the end of June.

If you have any questions, please contact me at 515-986-5471 or john.narigon@iowadot.us.

Sincerely,



John Narigon
District 1 South Area Engineer

Enclosure

cc: Allison Smyth, IA DOT, District 1
Bob Ellis, IA DOT, District 1
Cheryl Parrish, IA DOT, District 1
File

[illegible]

City of Newton Council Report

Item: Resolution approving a one (1) year supplemental agreement with the Iowa Department of Transportation for City maintenance of U.S. Highway 6.

Summary: A supplemental agreement is needed with the Iowa DOT for maintenance of Highway 6 through the City.

Financial Impact: None



Report Number: 21-180

Date: July 6, 2021

Lead Department: Public Works Department

Recommendation: Approve

Background:

Every five (5) years, the Iowa Department of Transportation (DOT) presents cities an agreement for the maintenance and repair of primary highways through those cities. The Iowa DOT and the City of Newton entered into a five-year agreement for U.S. Highway 6 (1st Avenue) in 2021 that is in effect from July 1, 2021 through June 30, 2026.

The Iowa DOT has provided the City of Newton a Supplemental Agreement for 2021-2022 year that indicates the payment that the City will receive based on the State's standard maintenance rates. Per the supplemental agreement, the City of Newton is responsible for those maintenance activities listed in Sections I.B.1, I.B.3, I.B.4 and I.C.1 of the 5-year agreement for U.S. Highway 6 within the corporate limits of Newton. In general, the City responsibilities include pavement maintenance, storm sewer, snow/ice removal and tree maintenance.

The maintenance payment rate for 2021-2022 will be annual payment to the City of \$21,048.93 an approximate 5% increase over last year's payment.

Each year of the 5 year agreement the Iowa DOT will provide the City of Newton a Supplemental Agreement that will indicate the payment that the City will receive based on the State's standard maintenance rates.

Recommendation:

City staff recommends approval the 1-year maintenance supplemental agreement with the Iowa DOT for U.S. Highway 6 within the corporate limits of Newton.

A handwritten signature in black ink, appearing to read "Matt Muckler".

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

**RESOLUTION APPROVING ONE (1) YEAR SUPPLEMENTAL AGREEMENT WITH
THE IOWA DEPARTMENT OF TRANSPORTATION FOR CITY MAINTENANCE OF
U.S. HIGHWAY 6**

WHEREAS, the City of Newton has had an agreement with the Iowa Department of Transportation (DOT) for many years which identified responsibilities of the City and the DOT for maintenance of U.S. Highway 6 (1st Avenue) from the west corporate limits to the east corporate limits of the City of Newton; and

WHEREAS, the Iowa DOT is proposing to renew this one (1) year supplemental agreement under the same terms and conditions as described in the five (5) year agreement; and

WHEREAS, the Iowa DOT will provide the City with a Supplemental Agreement each year of the 5-year agreement that will provide the rate of payment to the City of Newton based on lane miles of roadway and such payment will be \$21,048.93 for this year's agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newton, Iowa, that the City of Newton hereby authorizes the Mayor to execute the attached Supplemental Agreement for Maintenance and Repair of Primary Roads in Municipalities with the Iowa Department of Transportation.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk



Iowa Department of Transportation

SUPPLEMENTAL AGREEMENT

For Maintenance of Primary Roads in Municipalities

This Supplemental Agreement made and entered into by and between the Municipality of Newton, Jasper County, Iowa, hereinafter referred to as the Municipality, and the Iowa Department of Transportation, Ames, Iowa, hereinafter referred to as the Department.

AGREEMENT:

- I. This Agreement supplements the Agreement for Maintenance and Repair of Primary Roads in Municipalities entered into by the parties on July 1, 2021, and in effect from July 1, 2021, to June 30, 2026.
- II. The Municipality agrees to perform and accept all responsibility for those maintenance activities listed in Sections I.B.1, I.B.3, I.B.4 and I.C.1 of the basic Agreement, with respect to the primary roads within the corporate limits of the Municipality specifically described in this section.

In consideration thereof, the Department agrees to pay the Municipality at the rate of see attached / lane mile for acceptable work at the end of the fiscal year ending on June 30th:

Route	From	To	Lane Miles	Total Cost
see attached	see attached	see attached	see attached	\$21,048.93

Pavement maintenance does not include full depth patching and bituminous resurfacing. I.C.1 does not include traffic services and painting and structural repair to bridges.

- III. The Municipality further agrees to perform additional maintenance for the Department on primary roads as specifically described below:

In consideration thereof, the Department agrees to pay the Municipality the following amounts after the work has been completed:

- IV. This Supplemental Agreement may be terminated at any time by either party upon 30 days written notice.
- V. This Supplemental Agreement shall be in effect from July 1, 2021 to June 30, 2022 unless re-negotiated or terminated.

IN WITNESS WHEREOF, the parties hereto have set their hands, for the purposes herein expressed on the dates indicated below.

City of Newton

MUNICIPALITY

By _____

Print Name:

Date _____

IOWA DEPARTMENT OF TRANSPORTATION

BY _____

Tony Gustafson, District 1 Engineer

Date _____

June 8, 2022

Jody Rhone
Public Works Director
1700 N 4th Avenue W
Newton, IA 50208

Subject: Maintenance Agreements with City of Newton

Dear Jody,

Enclosed are the proposed 2021-2026 5-year Agreement for Maintenance and Repair of Primary Roads in Municipalities and the Fiscal Year 2022 Supplemental Agreement for Maintenance of Primary Roads in Municipalities.

These agreements will be in effort for the periods noted thereon.

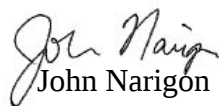
The terms of the Supplemental Agreement are like last year, with the traffic volumes updated to 2019 counts, and the compensation rates raised to reflect current costs, an approximate 5% increase over the previous rates. The compensation is based on a weighted average of volume and segment length. No new maintenance activities have been added.

If you accept the proposed agreements, please sign and return a scanned copy by *email* or an original copy by *mail*. A scanned copy will be emailed for your records, and a paper copy can be mailed upon request.

Compensation for the prior fiscal year Supplemental Maintenance Agreement will be processed at the end of June.

If you have any questions, please contact me at 515-986-5471 or john.narigon@iowadot.us.

Sincerely,



John Narigon
District 1 South Area Engineer

Enclosure

cc: Allison Smyth, IA DOT, District 1
Bob Ellis, IA DOT, District 1
Cheryl Parrish, IA DOT, District 1
File

[illegible]

City of Newton Council Report

**Item:**

Resolution accepting completion of the 2021 Highway and Symbol Painting Project.

Report Number: 21-181

Date:

July 6, 2021

Summary:

Final Acceptance of the project to complete painting of highway center lines, edge lines and symbols.

Lead Department:

Public Works Department

Recommendation:

Approve

Financial Impact:

Council previously approved a contract for \$23,084.28; and this action would accept the project and authorize payment of the retainage amount of \$1,144.04.

Background:

The City has a need for painting highway center lines, edge lines and symbols every two years. This is the year to repaint the highway center lines, edge lines and symbols to promote safe navigation of the motoring public. Federal regulations mandate minimum standards for traffic control such as painted divider lines, edge lines and symbols.

The Public Works Department prepared plans and specifications for the 2021 Highway and Symbol Painting Project, and City Council passed a resolution on January 18, 2021 awarding a contract to Vogel Traffic Services of Orange City, Iowa in the amount of \$23,084.28.

The Public Works Director has signed the Statement of Completion Form stating that the project has been substantially completed in general compliance with the terms, conditions and stipulations of said contract. The final contract amount, based on actual measured quantities of work, is \$22,880.82.

Recommendation:

City staff recommends accepting the completion of the 2021 Highway and Symbol Painting Project, and authorizing the retainage amount of \$1,144.04 to be paid to the contractor no sooner than 30 days after approval of this resolution should no claims be on file.

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION ACCEPTING COMPLETION
OF THE 2021 HIGHWAY AND SYMBOL PAINTING PROJECT**

WHEREAS, the City has a need for painting highway center lines, edge lines and symbols every two years. This is the year to repaint the highway center lines, edge lines and symbols to promote safe navigation of the motoring public. Federal regulations mandate minimum standards for traffic control such as painted divider lines, edge lines and symbols; and

WHEREAS, the City of Newton Public Works Department prepared plans and specifications for the 2021 Highway and Symbol Painting Project, and sealed bids were received and opened for said project by the City on February 23, 2021; and

WHEREAS, the City Council of the City of Newton awarded a contract to Vogel Traffic Services of Orange City, Iowa in the amount of \$23,084.28 on May 8, 2021 for the 2021 Highway & symbol painting Project; and

WHEREAS, Vogel Traffic Services has completed their work, and the Public Works Director has signed the Statement of Completion Form stating that the project has been substantially completed in general compliance with the terms, conditions and stipulations of said contract.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Newton, Iowa that the City of Newton hereby accepts completion of the project, and authorizes the Public Works Director to execute payment of the retainer in the amount of \$1,144.04 to Vogel Traffic Services no sooner than 30 days after approval of this resolution, should no claims be on file, with said payment being made using Road Use Tax funds.

.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Council Report

Item: Resolution Amending Fund Transfers in FY20/21

Summary: This Action Approves Amendment to Fund Transfers in FY20/21

Financial Impact:

This Resolution Authorizes Amending Fund Transfers between City of Newton Funds in FY 20/21



Report Number: 21-182

Date: July 6, 2021

Lead Department:
Administration

Recommendation:
Approval

Background:

Iowa Code section 384.15 was amended in April of 2019 and requires all transfers between City funds to be approved by a Council resolution. In order to meet the requirements of this amendment, the Council must approve a clear statement including the reason or purpose for the transfer, the name of the fund from which the transfer is originating, the name of the fund into which the transfer is received, and the not to exceed dollar amount to be transferred. The budgeted FY20/21 not to exceed transfers were approved by City Council on September 22, 2020 with resolution 2020-211. Since September, it is necessary to amend 3 approved transfers and add 2 additional transfers for fiscal year 2021 as outlined in the table below:

Fund Transferred From:	Fund Transferred To:	Reason for Transfer:	Amount:
AMENDED TRANSFERS:			
Landfill	Landfill PC	Approved Set aside amount for Landfill Post Closure	200,000
Landfill	Landfill PC	Increase set aside amount for PC to reduce reporting	3,450,000
		Total Transfer from Landfill to Landfill PC:	3,650,000
LOST Fund	Emp Benefits	Approved 35% of Local Option Tax Receipts Property Tax Relief	560,000
LOST Fund	Empl Benefits	35% of Additional LOST received above Approved:	130,000
		Total Transfer of LOST Funds to Employee Benefits:	690,000
N Central TIF	General Fund	Approved N Central TIF Reimburse General Fund for Services	44,500
N Central TIF	General Fund	Additional Legal & Admin Expenses to be reimbursed	3,299
		Total Transfer N Central TIF to General Fund for Services:	47,799
NEW TRANSFERS			
Fairmeadows N TIF	General Fund	Reimburse General Fund for Legal Services incurred	19,000
Cardinal Ridge TIF	General Fund	Reimburse General Fund for Property Taxes	724

Recommendation:

Staff recommends approving amended transfers between funds for fiscal year 2020/21.

Matt Muckler
City Administrator

RESOLUTION NO. 2021– _____

RESOLUTION AMENDING FUND TRANSFERS IN FY20/21

WHEREAS, Iowa Code section 384.15 was amended in April of 2019; and

WHEREAS, this amendment requires all cities in Iowa to approve by resolution approving all transfers between funds; and

WHEREAS, this resolution must include a clear statement including the reason or purpose for the transfer, the name of the fund from which the transfer is originating, the name of the fund into which the transfer is received, and the not to exceed dollar amount to be transferred; and

WHEREAS, the budgeted FY20/21 not to exceed transfers were approved by City Council on September 22, 2020 with resolution 2020-211; and

WHEREAS, it is necessary to amend 3 transfers and add 2 transfers to the FY20/21 approved transfer list to reflect actual activity which occurred during the fiscal year, as presented below:

Fund Transferred From:	Fund Transferred To:	Reason for Transfer:	Amount:
AMENDED TRANSFERS:			
Landfill	Landfill PC	Approved Set aside amount for Landfill Post Closure	200,000
Landfill	Landfill PC	Increase set aside amount for PC to reduce reporting	3,450,000
		Total Transfer from Landfill to Landfill PC:	3,650,000
LOST Fund	Emp Benefits	Approved 35% of Local Option Tax Receipts Property Tax Relief	560,000
LOST Fund	Empl Benefits	35% of Additional LOST received above Approved:	130,000
		Total Transfer of LOST Funds to Employee Benefits:	690,000
N Central TIF	General Fund	Approved N Central TIF Reimburse General Fund for Services	44,500
N Central TIF	General Fund	Additional Legal & Admin Expenses to be reimbursed	3,299
		Total Transfer N Central TIF to General Fund for Services:	47,799
NEW TRANSFERS			
Fairmeadows N TIF	General Fund	Reimburse General Fund for Legal Services incurred	19,000
Cardinal Ridge TIF	General Fund	Reimburse General Fund for Property Taxes	724

NOW THEREFORE, BE IT RESOLVED that the amended fund transfers for FY20/21 be approved.

PASSED this 6th day of July, 2021

APPROVED this _____ day of July, 2021

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Council Report



Item: Resolution setting a date of meeting at which it is proposed to approve a development agreement with Best Midwest Properties, L.L.C., including annual appropriation tax increment payments.

Summary: Setting a public hearing on July 19, 2021 to act upon a development agreement for 109 1st Avenue West.

Financial Impact:
No Financial Impact, only sets a Public Hearing

Report Number: 21-183

Date: July 6, 2021

Lead Department:
Community Development

Recommendation:
Approval

Background:

The City Council of the City of Newton Iowa has created the North Central Urban Renewal Area, which creates a mechanism to assist economic development projects in targeted areas.

Earlier this year, City Council approved a resolution of intent with Best Midwest Properties, LLC, stipulating potential economic development incentives for the property. The necessary steps to amend the North Central Urban Renewal Area to include business development grant funding and this property as a project are underway. This resolution sets the date and time for City Council to hold a public hearing and take action on the development agreement for Best Midwest Properties LLC.

Recommendation:

Staff recommends approval of the Resolution setting a public hearing for a development agreement.

Matt Muckler
City Administrator

RESOLUTION NO. 2021- _____

Resolution Setting a Date of Meeting at which it is Proposed to Approve a Development Agreement with Best Midwest Properties, L.L.C., Including Annual Appropriation Tax Increment Payments

WHEREAS, the City of Newton, Iowa (the “City”), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the North Central Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, this City Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa, which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal of and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, the City proposes to enter into a certain development agreement (the “Development Agreement”) with Best Midwest Properties, L.L.C. (the “Company”) in connection with the renovation of an existing building in the Urban Renewal Area into a multiuse building including a commercial retail unit and multiresidential units; and

WHEREAS, the Development Agreement would provide financial incentives to the Company in the form of an economic development forgivable loan in the amount of \$25,000 and annual appropriation incremental property tax payments in an amount not to exceed \$15,000 under the authority of Section 403.9(1) of the Code of Iowa; and

WHEREAS, it is necessary to set a date for a public hearing on the Development Agreement, pursuant to Section 403.9 of the Code of Iowa;

NOW THEREFORE, IT IS RESOLVED by the City Council of the City of Newton, Iowa, as follows:

Section 1. This City Council shall meet on July 19, 2021, at six o’clock p.m., electronically and/or at the Newton City Hall, 101 W 4th ST S, in the City, at which time and place proceedings will be instituted and action taken to approve the Development Agreement and to authorize the annual appropriation incremental property tax payments.

Section 2. The City Clerk is hereby directed to give notice of the proposed action, the time when and place where said meeting will be held, by publication at least once not less than four days and not more than twenty days before the date of said meeting in a legal newspaper of general circulation in the City. Said notice shall be in substantially the following form:

NOTICE OF MEETING FOR APPROVAL OF DEVELOPMENT
AGREEMENT WITH BEST MIDWEST PROPERTIES, L.L.C. AND
AUTHORIZATION OF ANNUAL APPROPRIATION TAX INCREMENT
PAYMENTS

The City Council of the City of Newton, Iowa (the “City”), will meet on July 19, 2021, at six o’clock p.m., at the Newton City Hall, 101 West 4th Street South, Newton, Iowa, at which time and place proceedings will be instituted and action taken to approve a Development Agreement (the “Development Agreement”) between the City and Best Midwest Properties, L.L.C. (the “Company”), in connection with the renovation of an existing building in the North Central Urban Renewal Area into a multiuse building including a commercial retail unit and multiresidential units. The Development Agreement provides for certain financial incentives to the Company in the form of an economic development forgivable loan in the amount of \$25,000 and incremental property tax payments in a total amount not exceeding \$15,000 as authorized by Section 403.9 of the Code of Iowa.

The commitment to make incremental property tax payments to the Company under the Development Agreement will not be a general obligation of the City, but such payments will be payable solely and only from incremental property tax revenues generated within the North Central Urban Renewal Area. Some or all of the payments under the Development Agreement may be made subject to annual appropriation by the City Council.

Due to federal and state government recommendations in response to COVID-19 pandemic conditions, the meeting will also be held electronically via Zoom, which will be accessible at the following: <https://us02web.zoom.us/j/83564044015> Or call 312-626-6799 Meeting ID: 83564044015

In addition to electronic access, written comments may be filed or made prior to the meeting and will be recorded in the minutes.

At the meeting, the City Council will receive oral or written objections from any resident or property owner of the City. Thereafter, the City Council may, at the meeting or at an adjournment thereof, take additional action to approve the Development Agreement or may abandon the proposal.

This notice is given by order of the City Council of Newton, Iowa, in accordance with Section 403.9 of the Code of Iowa.

Katrina Davis
City Clerk

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Section 4. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved July 6, 2021.

Mayor

Attest:

City Clerk

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Newton, Iowa (the “City”) and Best Midwest Properties, L.L.C. (the “Company”) as of the ____ day of _____, 2021 (the “Commencement Date”).

WHEREAS, the City has established the North Central Urban Renewal Area (the “Urban Renewal Area”), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Company owns certain real property which is situated in the Urban Renewal Area and is more specifically described on Exhibit A hereto (the “Property”); and

WHEREAS, the Company has undertaken the renovation of an existing building on the Property (“the Project”) into a multiuse building including a commercial retail unit (the “Commercial Unit”) and multiresidential units (the “Multiresidential Units”); and

WHEREAS, the Company has requested that the City provide financial assistance in the form of a forgivable loan (the “Forgivable Loan”) and incremental property tax payments to be used by the Company in paying the costs of undertaking the Project; and

WHEREAS, for purposes of calculating Incremental Property Tax Revenues (as herein defined) under this Agreement and Section 403.19 of the Code of Iowa, the base valuation (the “Base Valuation”) of the Property shall be the assessed taxable valuation of the Property as of January 1, 2021; and

WHEREAS, Chapter 403 of the Code of Iowa authorizes cities to establish urban renewal areas and to undertake economic development projects; and

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

NOW THEREFORE, the parties hereto agree as follows:

A. Company’s Covenants

1. Project. The Company agrees to undertake the Project on the Property. The Company agrees that the Project will minimally include the improvements (the “Required Improvements”) as set forth on Exhibit B hereto. The Company agrees to construct the Project, including the Required Improvements, in substantial conformance with the City’s zoning, land use, building and safety codes and regulations. The Company further agrees to substantially complete such construction by no later than December 31, 2021.

The Company agrees to use the completed Commercial Unit in commercial retail business operations throughout the Term (as hereinafter defined) of this Agreement (the “Business Operations Requirement”).

Further, the Company agrees to maintain, preserve, and keep the Property, including but not limited to the Project, useful and 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.

2. **Ownership of Property; Use of Project; Company's Annual Report.** The Company agrees to submit an annual report (the "Annual Report") to the satisfaction of the City by no later than each June 1 during the Term (as hereinafter defined) commencing June 1, 2022, demonstrating that (i) the Business Operations Requirement is being met; (ii) the Multiresidential Units are being rented or are available for rent; and (iii) the Company owns the Property, including the Project. The Company agrees to provide such supporting documentation as may be requested by the City as an accompaniment to the Annual Report. The first Annual Report submitted by the Company shall also include documentation demonstrating, to the satisfaction of the City, that the Company has completed the Required Improvements.

3. **Minimum Assessment Agreement.** The Company agrees to enter into an assessment agreement (the "Assessment Agreement"), pursuant to Section 403.6 of the Code of Iowa fixing the minimum assessed valuation of the Property, in contemplation of the improvements to be constructed thereon, at not less than One Hundred Thousand (\$100,000) (the "Minimum Assessed Valuation") as of January 1, 2022 (the "First Valuation Date"). It is intended by the Company that the Minimum Assessed Valuation shall be established on the Jasper County property tax rolls as of the First Valuation Date regardless of the then-current degree of completion or incompleteness of the Project. The Assessment Agreement shall be in substantially the form attached hereto as Exhibit C and shall remain in effect throughout the Term (as hereinafter defined) of this Agreement.

4. **Property Taxes.** The Company agrees to make timely payment of all property taxes as they come due with respect to the Property with the completed Project thereon throughout the Term (as hereinafter defined) and to submit a receipt or cancelled check in evidence of each such payment.

5. **No Abatement; No Property Tax Exemption.** The Company agrees that it will not seek any tax exemption or abatement either presently or prospectively authorized under any State, federal or local law with respect to taxation of the Property throughout the Term (as hereinafter defined) including causing or allowing the property to be leased, sold, transferred to or otherwise used by an entity that is exempt from property taxes under the laws of the State of Iowa.

6. **Property Tax Payment Certification.** The Company agrees to certify to the City by no later than October 15 of each year, commencing October 15, 2022, an amount (the "Company's Estimate") equal to the estimated Incremental Property Tax Revenues anticipated to be paid in the fiscal year immediately following such certification with respect to the taxable valuation of the Property. In submitting each such Company's Estimate, the Company will complete and submit the worksheet attached hereto as Exhibit D.

The City reserves the right to review and request revisions to each such Company's Estimate to ensure the accuracy of the figures submitted. For purposes of this Agreement, Incremental Property Tax Revenues are calculated by: (1) determining the consolidated property tax levy (city, county, school, etc.) then in effect with respect to taxation of the Property; (2) subtracting (a) the debt service levies of all taxing jurisdictions, (b) the school district instructional

support and physical plant and equipment levies and (c) any other levies which may be exempted from such calculation by action of the Iowa General Assembly; (3) multiplying the resulting modified consolidated levy rate times any incremental growth in the taxable valuation of the Property, as shown on the property tax rolls of Jasper County, above and beyond the Base Valuation; and (4) deducting any property tax credits which shall be available with respect to the incremental valuation of the Property.

Upon request, the City staff shall provide reasonable assistance to the Company in completing the worksheet required under this Section A.6.

7. Forgivable Loan. The Company agrees that the City will advance the proceeds (the “Forgivable Loan Proceeds”) of the Forgivable Loan to the Company in accordance with Section B.1 of this Agreement. The Company further agrees that the City will not advance any Forgivable Loan Proceeds until this Agreement has been executed in-full and the Company has submitted the Promissory Note (as hereinafter defined) to the City.

The Company agrees to apply the Forgivable Loan Proceeds to the payment and/or reimbursement of the costs of the Required Improvements.

The Company’s obligation to repay the Forgivable Loan shall be evidenced by a promissory note (the “Promissory Note”) to be executed by the Company and delivered to the City. The Promissory Note shall be in substantially the form as set forth on Exhibit E hereto.

All principal advanced under the Forgivable Loan shall be due and owing to the City at City Hall by Noon on June 30, 2026, unless sooner forgiven in accordance with the terms of this Agreement or made subject to acceleration in accordance with Section A.10 of this Agreement.

Nothing herein shall prohibit the Company from forfeiting the right to loan forgiveness, as set forth in Section B.1 of this Agreement by prepaying on the Forgivable Loan at any time.

8. Insurance.

(a) The Company, and any successor in interest to the Company, shall obtain and continuously maintain insurance on the Property and the completed Project and, from time to time at the request of the City, furnish proof to the City that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Company must obtain and continuously maintain, provided that the Company shall obtain the insurance described in clause (i) below prior to the commencement of construction of the Project (excluding excavation and footings):

- (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 Project 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, completed operations when substantially completed and contractual liability insurance) together with an Owner’s/Contractor’s Policy naming the City, as an additional insured, with limits against bodily injury and property damage of

not less than \$2,500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.

- (iii) Workers compensation insurance, with statutory coverage limited to employees of the Company.

(b) All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies selected by the Company or its successors that are authorized under the laws of the State of Iowa to assume the risks covered by such policies. Unless otherwise provided in this Section, each policy must contain a provision that the insurer will not cancel nor modify the policy without giving written notice to the insured 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, the Company, or its successors or assigns, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section. In lieu of separate policies, the Company or its successors or assigns, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

(c) The Company, its successors or assigns, agrees to notify the City promptly in the case of damage exceeding \$250,000 in amount to, or destruction of the Project resulting from fire or other casualty. Furthermore, the Company agrees to apply the proceeds from any and all casualty claims against the insurance detailed in this Section to the restoration and improvement of the Property and/or the Project.

9. Indemnification. The Company agrees to indemnify, defend and hold harmless the City, its officers, employees and departments, from and against any and all losses, liabilities, penalties, fines, damages, and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) arising from or in connection with any of the following, except to the extent caused by the negligent acts or omissions of the City, its officers, employees and departments:

- a) Any claim, demand, action, citation or legal proceeding arising out of or resulting from the construction of the Project.

- b) Any claim, demand, action, citation or legal proceeding arising out of or related to occurrences that the Company is required to insure against under this Agreement in connection with the Project and/or the Property; and

- c) Any claim, demand, action, citation or legal proceeding arising out of or resulting from an act or omission of the Company or any of its agents in its or their capacity as an employer of a person.

10. Default Provisions.

A. Events of Default. 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 (unless otherwise provided), any one or more of the following events:

- I. Failure by the Company to complete construction of the Project pursuant to the terms and conditions of this Agreement.
- II. Failure by the Company to maintain compliance with the Business Operations Requirement pursuant to the terms and conditions of this Agreement.
- III. Failure by the Company to fully and timely remit payment of property taxes when due and owing.
- IV. Failure by the Company to enter into the Assessment Agreement.
- V. Failure by the Company to maintain compliance with Sections A.2, A.5, A.6, A.7, A.8 and A.9 of this Agreement.
- VI. Failure by the Company to observe or perform any other material covenant on its part, to be observed or performed hereunder.

B. Notice and Remedies. Whenever any Event of Default described in this Agreement occurs, the City shall provide written notice to the Company describing the cause of the default and the steps that must be taken by the Company in order to cure the default. The Company shall have thirty (30) days after receipt of the notice to cure the default or to provide assurances satisfactory to City that the default will be cured as soon as reasonably possible. If the Company fails to cure the default or provide assurances, the City shall then have the right to:

- I. Pursue any action available to it, at law or in equity, in order to enforce the terms of this Agreement.
- II. Accelerate the due date of the then unforgiven principal amount of the Forgivable Loan, which amount shall become due and owing within 30-days of the provision of a written notice of such acceleration from the City to the Company. In the event of acceleration of the Forgivable Loan, the provisions with respect to loan forgiveness as set forth in section B.1 of this Agreement shall not apply.
- III. Withhold the Payments provided for under Section B.2 below.

11. Legal and Administrative Costs. The Company hereby acknowledges that the City will cover the initial payment of legal fees and administrative costs (the “Actual Admin Costs”) incurred by the City in connection with the drafting, negotiation and authorization of this Agreement, including the necessary amendment to the Urban Renewal Area. Furthermore, the Company agrees that the City shall withhold an amount (the “Admin Withholding Amount”) equal to the lesser of (1) \$3,500 or (2) the Actual Admin Costs from the initial Payments, as hereinafter set forth in order to recover some or all of the Actual Admin Costs.

B. City's Obligations

1. Forgivable Loan; Loan Forgiveness. The City hereby agrees to advance the Forgivable Loan Proceeds to the Company in an amount equal to \$25,000 within thirty (30) days of the Commencement Date of this Agreement.

Upon receipt of a satisfactory Annual Report from the Company demonstrating that the Company is in compliance with required elements set forth in Section A.2 of this Agreement, the City shall forgive \$5,000 of the principal amount of the Forgivable Loan. If the Company fails to submit an Annual Report as required in Section A.2 above in any given fiscal year, then no principal of the Forgivable Loan will be forgiven in such fiscal year.

2. Payments. In recognition of the Company's obligations set out above, the City agrees to make ten (10) annual economic development tax increment payments (the "Payments" and, individually each, a "Payment") to the Company during the Term (as hereinafter defined) pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments to be made under this Agreement during the Term (as hereinafter defined) shall not exceed \$15,000 (the "Maximum Payment Total"). All Payments under this Agreement shall be subject to annual appropriation by the City Council, as provided hereunder.

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

Prior to funding any Payments hereunder, the City shall retain an amount equal to the Admin Withholding Amount from the Incremental Property Tax Revenues received with respect to the Property. Once such amount has been withheld, the Payments shall be funded as described herein.

It is assumed that the new valuation from the Project will go on the property tax rolls as of January 1, 2022. Accordingly, the Payments will be made on June 1 of each fiscal year, beginning on June 1, 2024 and continuing to, and including, June 1, 2033, or until such earlier date upon which total Payments equal to the Maximum Payment Total have been made.

3. Annual Appropriation. Each Payment shall be subject to annual appropriation by the City Council. Prior to December 1 of each year during the Term (as hereinafter defined) of this Agreement, beginning in calendar year 2022, the City Council of the City shall consider the question of obligating for appropriation to the funding of the Payment due in the following fiscal year, an amount (the "Appropriated Amount") of Incremental Property Tax Revenues to be collected in the following fiscal year equal to or less than the most recently submitted Company's Estimate.

In any given fiscal year, if the City Council determines to not obligate the then-considered Appropriated Amount, then the City will be under no obligation to fund the Payment scheduled to become due in the following fiscal year, and the Company will have no rights whatsoever to compel the City to make such Payment or to seek damages relative thereto or to compel the funding of such Payments in future fiscal years. A determination by the City Council to not obligate funds for any particular fiscal year's Payment shall not render this Agreement null and void, and the

Company shall make the next succeeding submission of the Company's Estimate as called for in Section A.6 above, provided however that no Payment shall be made after June 1, 2033.

4. **Payment Amounts.** Each Payment shall be in an amount equal to the corresponding Appropriated Amount (for example, for the Payment due on June 1, 2024, the amount of such Payment would be determined by the Appropriated Amount determined for certification by December 1, 2022) provided, however, that no Payment shall exceed an amount which represents the Incremental Property Tax Revenues available to the City with respect to the Property during the twelve (12) months immediately preceding each Payment date.

5. **Certification of Payment Obligation.** In any given fiscal year, if the City Council determines to obligate the then-considered Appropriated Amount, as set forth in Section B.3 above, then the City Clerk will certify by December 1 of each such year to the Jasper County Auditor an amount equal to the most recently obligated Appropriated Amount.

C. **Administrative Provisions**

1. **Amendment and Assignment.** Neither party may cause this Agreement to be amended, assigned, assumed, sold or otherwise transferred without the prior written consent of the other party. However, the City hereby gives its permission that the Company's rights to receive the Payments hereunder may be assigned by the Company to a private lender, as security on a credit facility taken with respect to the Project, without further action on the part of the City.

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

3. **Term.** The term (the "Term") of this Agreement shall commence on the Commencement Date and end on June 1, 2033 or on such earlier date upon which the aggregate sum of Payments made to the Company equals the Maximum Payment Total.

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

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

City Clerk

BEST MIDWEST PROPERTIES, L.L.C.

By: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

[Insert description of the Property]

EXHIBIT B
REQUIRED IMPROVEMENTS

EXHIBIT C
MINIMUM ASSESSMENT AGREEMENT

(see attached)

**MINIMUM ASSESSMENT AGREEMENT
Recorder's Cover Sheet**

Preparer Information: (name, address and phone number)

Amy M. Bjork, Esq., Dorsey & Whitney LLP, 801 Grand Avenue, Suite 4100, Des Moines, IA 50309; Phone: 515-699-3285

Return Document To:

Erin Chambers, Community Development Director, City of Newton, Iowa, 403 W 4th St N, Suite 501, Newton, IA, 50208; Phone: 641-792-6622 Ext: 2301

City:

City of Newton, Iowa

Property Owner:

Best Midwest Properties, L.L.C.

Legal Description:

Book & Page Reference if applicable:

MINIMUM ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of the ____ day of _____, 2021, by and among the City of Newton, Iowa (the “City”), Best Midwest Properties, L.L.C. (the “Property Owner”), and the County Assessor of Jasper County (the “Assessor”).

WITNESSETH

WHEREAS, the Property Owner owns the real property, the legal description of which is contained in Exhibit A attached hereto (the “Property”), which is located in the North Central Urban Renewal Area in the City; and

WHEREAS, the Property Owner has undertaken the renovation of an existing building on the Property (“the Project”) into a multiuse building including a commercial retail unit and multiresidential units; and

WHEREAS, a development agreement (the “Development Agreement”), dated _____, 2021, has been executed between the City and the Property Owner in connection with the Property Owner’s investment in and business operations on the Property; and

WHEREAS, pursuant to Section 403.6(19) of the Code of Iowa, the City and the Property Owner desire to establish a minimum taxable value for the Property and the improvements to be constructed thereon, which shall be effective as of January 1, 2022, and from then until this Agreement is terminated pursuant to the terms herein and which is intended to reflect the minimum market value of the land and improvements;

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

1. Effective January 1, 2022, the minimum actual value which shall be assessed for the Property, taking into account the improvements to be constructed thereon, shall be One Hundred Thousand Dollars (\$100,000) until termination of this Agreement.

2. The Property Owner hereby agrees that the assessed valuation (hereinafter referred to as the “Minimum Actual Value”) set forth in Section 1 above shall become and remain effective as of January 1, 2022, and throughout the term of this Agreement, regardless of the actual degree of completion or incompleteness of the Project, even if construction of the Project is not commenced by such date. Furthermore, the Property Owner acknowledges that the City has changed its position in reliance on the timeliness of such increase in valuation as set forth in the Development Agreement.

3. The Property Owner agrees to pay when due, all taxes and assessments, general or special, and all other charges whatsoever levied upon or assessed or placed against the Property, subject to any limitations set forth in the Development Agreement. The Property Owner further agrees that until this Agreement is terminated they will not seek administrative or judicial review

of the applicability, enforceability, or constitutionality of this Agreement or the obligation to be taxed based upon the Minimum Actual Value or to raise any such argument by way of defense in any proceedings, including delinquent tax proceedings.

4. This Agreement, and the minimum assessed valuation established herein, shall be effective until such time as the City's obligations to make Payments (as defined in the Development Agreement) have been satisfied in-full.

5. Nothing herein shall be deemed to waive the Property Owner's rights under Section 403.6(19) Code of Iowa, (2021) or otherwise, to contest that portion of any actual value assignment made by the Assessor in excess of the Minimum Actual Value.

6. This Agreement shall be promptly recorded with the Jasper County Recorder, along with a copy of Iowa Code Section 403.6.

7. Neither the preamble nor provisions of this Agreement are intended to, nor shall they be construed as, modifying the terms of any other contract between the City and the Property Owner, including the Development Agreement.

[Remainder of page intentionally left blank.]

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

City Clerk

BEST MIDWEST PROPERTIES, L.L.C.

By: _____

STATE OF IOWA)
)
COUNTY OF JASPER) SS:

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by Michael Hansen and Katrina Davis, the Mayor and City Clerk, respectively, of Newton, Iowa, a municipal corporation of the State of Iowa, on behalf of the City.

Notary Public

STATE OF IOWA)
)
COUNTY OF _____)
) SS:

 The foregoing instrument was acknowledged before me this ____ day of _____,
2021 by _____ the _____ of Best Midwest
Properties, L.L.C., an Iowa limited liability company.

Notary Public

EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT

CERTIFICATION BY ASSESSOR

The undersigned Assessor, being legally responsible for the assessment of the above described property upon completion of improvements to be made on it, hereby certifies that the actual value assigned to such land and improvements upon completion, shall be not less than One Hundred Thousand Dollars (\$100,000) until termination of the Agreement.

County Assessor for Jasper County,
State of Iowa

Subscribed and sworn to before me this ____ day of _____, 2021.

Notary Public

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 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.

[NAME OF LIENHOLDER]

By: _____
Signature

Date: _____

STATE OF IOWA)
) SS:
COUNTY OF JASPER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021 by _____ the _____ of _____.

Notary Public

[Add additional pages for each Lienholder]

[If no Lienholders exist, this consent will not be completed]

EXHIBIT D

COMPANY'S ESTIMATE WORKSHEET

- (1) Date of Preparation: October ____, 20__.
- (2) Assessed Taxable Valuation of Property as of January 1, 20__:
\$_____.
- (3) Base Taxable Valuation of Property:
\$_____.
- (4) Incremental Taxable Valuation of Property (2 minus 3):
\$_____ (the "TIF Value").
- (5) Current City fiscal year consolidated property tax levy rate for purposes of calculating Incremental Property Tax Revenues (the "Adjusted Levy Rate"):
\$_____ per thousand of value.
- (6) The TIF Value (4) factored by the Adjusted Levy Rate (5).
\$_____ x \$_____/1000 = \$_____ (the "Company's Estimate")

EXHIBIT E
PROMISSORY NOTE

MAXIMUM PRINCIPAL AMOUNT: \$25,000

Dated: _____, 2021

Maturity Date: June 30, 2026

Best Midwest Properties, L.L.C. (the “Borrower”) for value received, promises to pay, to the City of Newton Iowa (the “City”), its successors or assigns, the principal sum of Twenty-Five Thousand Dollars (\$25,000), in lawful money of the United States of America, on June 30, 2026.

The City has made a forgivable loan to the Borrower in the principal amount of Twenty-Five Thousand Dollars (\$25,000) (the “Forgivable Loan”) under this Promissory Note (the “Note”) and under a certain Development Agreement (the “Agreement”) between the City and the Borrower dated _____, 2021, and reference is hereby made to the Agreement for a more complete description of the rights and obligations of the parties hereof.

The Forgivable Loan shall be forgiven by the City in accordance with the terms set forth in the Agreement, and all amounts forgiven shall be recorded on the Schedule of Forgiveness hereon.

Payment of principal of the Forgivable Loan shall be made to the City of Newton at the Office of the City Clerk, City Hall, 101 W. 4th Street South, Newton, Iowa 50208 by Noon on June 30, 2026, unless sooner forgiven in accordance with the Agreement.

The Borrower reserves the right to prepay principal of this Note, in whole or in part, without penalty, at any time prior to maturity.

In the event of a default under the Agreement which has not been cured in accordance with the terms of the Agreement, including the failure to make repay principal of the Forgivable Loan under the terms of the Agreement, the Borrower agrees to pay all costs and expenses of collection, including reasonable attorney’s fees. The Borrower waives demand, presentment, notice of non-payment, protest, notice of protest and notice of dishonor.

This Note is secured, and its maturity is subject to acceleration in each case upon the terms provided in the Agreement.

The validity, construction and enforceability of this Note shall be governed by the internal laws of the State of Iowa without giving effect to the conflict of laws principles thereof.

BEST MIDWEST PROPERTIES, L.L.C.

SCHEDULE OF FORGIVENESS

<u>Date of Forgiveness</u>	<u>Amount Forgiven</u>	<u>Signature of City Clerk</u>
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

City of Newton Council Report



Item: Resolution of support of a Workforce Housing Tax Credit Program application by Greater Des Moines Habitat for Humanity for new home construction in Newton, Iowa.

Report Number: 21-184

Date:
July 6, 2021

Summary: A resolution of support of Habitat for Humanity's Workforce Housing Tax Credit application, due July 19th.

Lead Department:
Community Development

Recommendation:
Approve

Financial Impact: None.

Background:

Greater Des Moines Habitat for Humanity is making an application to the Iowa Finance Authority for Workforce Housing Tax Credits. The application is due July 19, 2021.

Greater Des Moines Habitat for Humanity intends to construct four single-family style homes in Newton in the immediate future. The Workforce Housing Tax Credit program requires this to be completed within a three-year period.

Newton's Future identifies housing as an important community element. Specifically, improving the quality and quantity of housing (at various price points) is of the utmost importance. The application by Greater Des Moines Habitat for Humanity aligns with the goals and recommendations of the adopted comprehensive plan.

Recommendation:

City Staff recommends approval of the resolution of support.

A handwritten signature in black ink, appearing to read "Matt Muckler".

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION OF SUPPORT OF A WORKFORCE HOUSING TAX CREDIT
PROGRAM APPLICATION BY GREATER DES MOINES HABITAT FOR HUMANITY
FOR NEW HOME CONSTRUCTION IN NEWTON, IOWA**

WHEREAS, Iowa Finance Authority/Iowa Economic Development Authority has established Workforce Housing Tax Credit Program; and

WHEREAS, Greater Des Moines Habitat for Humanity, which serves Newton, is making an application to the Workforce Housing Tax Credit Program; and

WHEREAS, Greater Des Moines Habitat for Humanity seeks to build four new single-family homes in Newton over a three-year period upon award of the state tax incentives; and

WHEREAS, *Newton's Future*, the adopted comprehensive plan, identifies increasing quantity and improving the quality of housing as a key priority for the community; and

WHEREAS, Greater Des Moines Habitat for Humanity's plans to construct four new single-family homes in Newton aligns with the goals and recommendations of the adopted comprehensive plan;

NOW THEREFORE, BE IT RESOLVED by the City Council of Newton, Iowa, that the City of Newton supports the July 2021 application for Workforce Housing Tax Credits by Greater Des Moines Habitat for Humanity for a project consisting of the construction of four new single-family style homes in Newton.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Council Report

Item: Resolution approving a payment for body cameras, in-car dash cameras, software, cloud storage and accessories for \$23,660 from Axon Enterprise Inc.

Summary: Payment 4 of a 5-year purchase agreement for police video equipment.

Financial Impact: \$23,660 from bond funding.



Report Number: 21-185

Date: July 6, 2021

Lead Department: Police Department

Recommendation:
Approve

Background:

In 2018 the City entered into a purchase agreement with Axon Enterprises Inc. for the purchase of body cameras, in-car dash cameras, software, cloud storage and accessories for the Police Department. The 4th payment of the 5-year purchase agreement in the amount of \$23,660 is due in July of 2021.

Recommendation

City Staff recommends approving a payment of \$23,660 to Axon Enterprises Inc.

A handwritten signature in black ink, appearing to read "Matt Muckler", is written in a cursive style.

Matt Muckler
City Administrator

Attachment

RESOLUTION NO. 2021 – _____

RESOLUTION APPROVING A PAYMENT FOR BODY CAMERAS, IN-CAR DASH CAMERAS, SOFTWARE, CLOUD STORAGE AND ACCESSORIES FOR \$23,660 FROM AXON ENTERPRISE INC.

WHEREAS, the City Council approved a 5-year purchase agreement in 2018 for a new video system for the Police Department that includes body cameras, cloud storage and upgraded software;

WHEREAS, the 4th payment of the agreement is due in July of 2021 in the amount of \$23,660.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newton, Iowa agrees to approve the \$23,660 payment for the contracted purchase of body cameras, in-car dash cameras, software, cloud storage and accessories from Axon Enterprises Inc. utilizing bond funds previously approved for police equipment.

PASSED this _____ day of _____, 2021.

APPROVED this _____ day of _____, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Council Report

Item: Resolution amending the purchase of a replacement tarp deployment system and tarps for the Newton Sanitary Landfill.

Summary: To purchase a replacement tarp deployment system and tarps lost in a fire at the landfill.

Financial Impact: \$41,835.12 from the Landfill fund balance.



Report Number: 21-186

Date: July 6, 2021

Lead Department: Public Works Department

Recommendation: Approve

Background:

On May 3, 2021 City Council approved a purchase of the landfill tarp deployment machine to replace the unit that was burnt up in a landfill fire in the amount of \$29,071.00, RESO 2021-121. ICAP insurance agreed to pay for the tarps that were destroyed. Since that time ICAP insurance has agreed to pay for the replacement of the tarp machine, in addition to the tarps.

ICAP insurance reimbursed the City for full replacement of the tarp deployment system and replacement tarps in the amount of \$41,835.12.

Staff prepared specifications for a tarp deployment system which included the replacement tarps and required equipment to roll the tarp. The following bids were received:

Dealer	Brand and Model	Bid
Southwestern Sales, Rogers AR	Tarp Armor TDS HC-30HS	\$41,835.12
Tarpomatic, Canton OH	Tarpomatic 30	\$85,000.00

Recommendation:

City Staff recommends approval of the TarpArmor TDS HC-30 alternative daily cover tarp system from Southwestern Sales of Rogers, Arkansas for the bid amount of \$41,835.12. The tarp deployment system will be paid utilizing available funds from the Newton Sanitary Landfill enterprise fund. The replacement cost is reimbursed through ICAP in the amount of \$40,835.12, less \$1,000 deductible.

A handwritten signature in black ink, appearing to read "Matt Muckler".

Matt Muckler
City Administrator

RESOLUTION NO. 2021-_____

**RESOLUTION AMENDING PURCHASE OF A REPLACEMENT TARP
DEPLOYMENT MACHINE AND TARPS FOR THE NEWTON SANITARY
LANDFILL**

WHEREAS, On May 3, 2021 City Council approved the purchase of a machine in the amount of \$29,071.00, RESO 2021-121; and

WHEREAS, ICAP insurance reimbursed the City for full replacement of the tarp deployment system and replacement tarps in the amount of \$41,835.12.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Newton, Iowa, that the Public Works Director is authorized to purchase a TarpArmor TDS HC-30 tarp deployment system from Southwestern Sales of Rogers, Arkansas in the amount of \$41,835.12. The tarp deployment system will be paid utilizing available funds in the Newton Sanitary Landfill fund. ICAP insurance reimbursed the City for the full price of the tarp machine and tarps, minus \$1,000 deductible.

PASSED this ____ day of July 2021.

APPROVED this ____ day of July 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk

City of Newton Disbursements 7-7-21

Vendor	Department	Description	Amount
Acco Unlimited Corp	Maytag Pool	Supplies	\$ 2,148.65
Acushnet Company	Golf	Merchandise	\$ 3,676.51
Airgas USA LLC	Fire	Supplies	\$ 142.62
All Star Pro Golf	Golf	Merchandise	\$ 226.58
Alliant Energy/IPL	Parks/WPC	Utilities	\$ 655.97
Amazon Capital Services	All	Supplies	\$ 1,593.19
American Test Center	Fire	Service	\$ 1,677.00
Andax	Fire	Supplies	\$ 7.30
Arrowhead Forensics	Police	Supplies	\$ 100.05
Axon Enterprise Inc	Police	Service	\$ 23,660.00
Black Clover Enterprises LLC	Golf	Merchandise	\$ 164.23
Bound Tree Medical LLC	Fire	Supplies	\$ 826.37
Browning, Mike	Fire	Reimbursement	\$ 14.99
Caldwell Brierly & Chalupa PLLC	D&D Program/Economic Dev	Service	\$ 5,016.10
Capital City Equipment	Cemetery	Supplies	\$ 13.57
Capital One	All	Supplies	\$ 1,131.63
Capital One Trade Credit	Fire	Merchandise	\$ 1,799.99
Carolina Software	Landfill	Service	\$ 1,044.60
Cengage Learning	Library	Supplies	\$ 28.79
Center Point Large Print	Library	Supplies	\$ 104.88
Central Iowa Distributing Inc	City Garage	Supplies	\$ 188.01
Chemsearch	Parks	Supplies	\$ 723.72
Cintas	All	Supplies	\$ 1,026.86
Coxes Greenhouse	City Center	Service	\$ 10.74
D & K Products	Golf/Parks	Supplies	\$ 2,701.50
Dannen, Shannon	D&D Program	Service	\$ 550.00
Digium Cloud Services LLC	Police	Utilities	\$ 401.00
Dodd Trash Hauling & Recycling	Solid Waste	Service	\$ 61,033.05
Eastern Iowa Tire - Des Moines	Street	Supplies	\$ 1,517.26
Eckert, Bernard	Police	Reimbursement	\$ 11.22
Electronic Engineering	Police	Service	\$ 551.86
Equipment Management Co	Fire	Service	\$ 715.00
Fastenal	Water Pollution Control	Supplies	\$ 1,055.57
Forbes Office Solutions	Landfill	Service	\$ 4.88
Galls LLC	Police	Supplies	\$ 1,114.69
GCSAA Membership	Golf	Membership	\$ 400.00
Gregg Young Auto Center	Police	Service	\$ 979.48
Grimes Asphalt and Paving	Street	Supplies	\$ 725.62
Grinnell Safe & Lock	Cemetery/Parks/Streets	Service	\$ 96.00
Hawkeye Polygraph	Police	Service	\$ 300.00
Hawkins Water Treatment	Water Pollution Control	Supplies	\$ 1,652.18
Hillyard / Des Moines	Fire	Supplies	\$ 504.32
HIRTA	Public Works Administration	Funding	\$ 17,116.00
Homeguard Security Alarm	Airport/PW Building/WPC	Service	\$ 360.00
Hornung's	Golf	Merchandise	\$ 144.95

Howe Excavating	Commercial D&D	Service	\$ 14,297.50
Image Trend Inc	Fire	Service	\$ 944.00
IMWCA	All	Insurance	\$ 61,280.00
Iowa Department of Transportation	Water Pollution Control	Supplies	\$ 57.62
Iowa Dept of Natural Resources	Water Pollution Control	Dues	\$ 85.00
Iowa Law Enforcement Academy	Police	Service	\$ 150.00
Iowa League of Cities	Admin/Executive/Finance	Membership	\$ 6,462.00
Iowa One Call	Engineering/WPC	Service	\$ 311.40
ISU Extension & Outreach Jasper County	Water Pollution Control	Supplies	\$ 50.00
JETCO Inc	Water Pollution Control	Service	\$ 1,753.30
Johnson Aviation	Airport	Service	\$ 3,955.10
Karl Chevrolet Inc	Fire	Service	\$ 2,944.09
Karsten, Matthew	Maytag Pool	Reimbursement	\$ 27.00
Key Cooperative	Airport	Supplies	\$ 307.04
Keystone Labs	Maytag Pool	Service	\$ 25.00
Kiesler's Police Supply	Police	Service	\$ 75.95
Lexipol LLC	Police	Service	\$ 6,591.00
Liberty Tire Services LLC	Landfill	Supplies	\$ 1,236.46
Lyman, Rick	Parks	Service	\$ 2,711.65
M2C Inc	Water Pollution Control	Supplies	\$ 527.66
Mahaska Bottling Co	Golf/Maytag Pool	Concessions	\$ 3,350.90
Manatts - D.M.	Storm Water/Street	Supplies	\$ 1,906.50
Marsden Bldg Maintenance	City Center	Service	\$ 72.84
McCall Monument	Cemetery	Supplies	\$ 50.00
McDonald, Roger	Community Beautification	Service	\$ 500.00
MG Laundry Corporation	City Center/Fire	Service	\$ 129.10
Mid Country Machinery	Landfill	Supplies	\$ 537.72
Midwest Lawn Services	Library	Service	\$ 900.00
Municipal Pipe Tool Co	Water Pollution Control	Supplies	\$ 238.65
NAPA Auto Parts	All	Supplies	\$ 1,020.91
News Printing Company	Community Marketing/Police	Service	\$ 580.98
Newton Development Corp	East Mart TIF/N Central TIF	Funding	\$ 19,000.00
Newton Housing Development Corporation	Fairmeadows N TIF	Funding	\$ 10,000.00
Newton Main Street	North Central TIF	Funding	\$ 27,500.00
O'Reilly Auto Parts	Parks	Supplies	\$ 218.87
Pitney Bowes	Finance	Service	\$ 526.80
Portner, Brad	Housing Demo/Parks	Service	\$ 1,800.00
Priority Sanitation	North Central TIF	Supplies	\$ 550.00
Quill Corporation	All	Supplies	\$ 226.89
Ragna Soft Inc	Police	Service	\$ 1,555.00
Ray, Randy	Parks	Service	\$ 240.00
Riggs Printing Inc	Fire/Police	Service	\$ 560.00
SchoolLife	Library	Supplies	\$ 99.82
Shield Technology	Police	Service	\$ 4,950.00
Sign Pro	Police	Service	\$ 650.00
Southwestern Sales Company	Landfill	Supplies	\$ 41,835.12
Spahn & Rose Lumber Co	Storm Water	Supplies	\$ 809.94
Springer Professional Home Services	Library/Maytag Pool	Service	\$ 119.00
Store for Homes Furniture	Fire	Merchandise	\$ 1,632.00

Strauss Security Solutions	Police	Service	\$ 144.22
Subway	Fire	Supplies	\$ 82.90
Sullivan Auto Body	Tort Liability	Service	\$ 2,668.93
Tatman, Anthony	Fire	Service	\$ 100.00
The Toro Company - NSN	Golf	Service	\$ 99.00
Theisen's	All	Supplies	\$ 612.26
Thomas Bus Sales Inc	Parks	Supplies	\$ 230.00
TK Elevator	City Center	Service	\$ 198.65
Toro NSN	Golf	Service	\$ 1,944.00
Town & Country Wholesale Co	Golf/Maytag Pool	Concessions	\$ 6,611.33
True Pitch Inc	Parks	Supplies	\$ 219.80
True Value Hardware	All	Supplies	\$ 860.46
United Parcel Service	Fire	Service	\$ 14.28
United Public Safety	Animal Control/Police	Service	\$ 6,885.73
United Way of Jasper County	RSVP	Funding	\$ 16,250.00
USABlueBook	Water Pollution Control	Supplies	\$ 146.95
Utility Equipment Co	Water Pollution Control	Supplies	\$ 1,800.00
Van Meter & Associates	Police	Service	\$ 320.00
Van Wall Equipment	Parks/Streets	Supplies	\$ 1,968.25
Warnick & Reeves Mechanical	Library/Maytag Pool	Service	\$ 2,724.29
Water Department	All	Utilities	\$ 3,679.30
Windstream	Airport/City Center	Utilities	\$ 105.96
YMCA Community Center	Community Center	Funding	\$ 10,000.00
Total			\$ 420,936.05

Pre-Authorized Payments

AT & T Mobility	Landfill	Utilities	\$ 176.32
Black Hills Energy	All	Utilities	\$ 862.05
CRH Properties LLC - Reso 2021-090	North Central TIF	Grant	\$ 1,510.00
Doll Distributing	Golf	Concessions	\$ 1,334.63
Howe Excavating - Reso 2020-03	Commercial D & D	Service	\$ 2,069.80
Hy-Vee	Golf	Concessions	\$ 204.18
Iowa Beverage Systems	Golf	Concessions	\$ 510.60
JDSO Inc	Golf	Concessions	\$ 210.00
Johnson Brothers of Iowa	Golf	Concessions	\$ 513.90
Mediacom	Administration/Golf	Concessions	\$ 406.85
Newton City Band - Reso 2020-302	Parks	Service	\$ 650.00
Rupe, Russell - Reso 2020-302	Parks	Service	\$ 375.00
United States Cellular	All	Utilities	\$ 691.58
Verizon Wireless	Disaster Services	Utilities	\$ 35.01
Water Department	All	Utilities	\$ 152.02
Total			\$ 9,701.94

City of Newton Council Report

Item: Resolution To Approve Urban Renewal Plan Amendment for the North Central Urban Renewal Area

Summary: Approval of a Plan Amendment for the North Central Urban Renewal Area

Financial Impact: No Financial Impact, Amends to Urban Renewal Plan for future projects and expenditures



Report Number: 21-187

Date: July 6, 2021

Lead Department:
Administration

Recommendation:
Approval

Background:

The City Council of the City of Newton Iowa has created the North Central Urban Renewal Area and has approved an urban renewal plan for the Urban Renewal Area. Chapter 403 of the Code of Iowa requires that, before a city approves any new urban renewal project within an urban renewal area, a city must amend the existing Urban Renewal Plan to describe that new project.

An amendment to the Plan has been prepared which consists of updates (removing unfunded elements) of the 2017 DMACC improvement assistance, updates the Downtown Micro-Grant Program Description, updates description of the manufactured gas plant remediation project, and describes new urban renewal area projects. This resolution approves updates to the current Urban Renewal Plan.

Recommendation:

Staff recommends approval of the Resolution to amend the North Central Urban Renewal Plan.

A handwritten signature in black ink, appearing to read "Matt Muckler", is written over a light gray horizontal line.

Matt Muckler
City Administrator

RESOLUTION NO. 2021-_____

Resolution to Approve Urban Renewal Plan Amendment for the North Central Urban Renewal Area

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa cities by Chapter 403 of the Code of Iowa (the “Urban Renewal Law”), a municipality must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the municipality and that the rehabilitation, conservation, redevelopment, development or a combination thereof, of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the municipality; and

WHEREAS, this City Council of the City of Newton, Iowa (the “City”), by prior resolution established the North Central Urban Renewal Area (the “Urban Renewal Area”) and adopted an urban renewal plan (the “Plan”) for the governance of projects and initiatives therein; and

WHEREAS, an amendment (the “Amendment”) to the Plan has been prepared which (1) updates the DMACC Campus Improvements, Growth and Educational Opportunities Project previously approved by the City Council in the January 23, 2017 Amendment to the Plan; (2) updates the description of the City’s Downtown Micro-Grant Program previously approved by the City Council in the March 18, 2019 Amendment to the Plan; (3) updates the description of the City’s Manufactured Gas Plant Remediation Project previously approved by the City Council in the March 18, 2019 Amendment to the Plan; and (4) authorizes the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (a) using tax increment financing to pay the costs of the City’s Urban Renewal Administration and Professional Support Program; (b) using tax increment financing to pay the costs of the City’s Economic Development Local Business Support Program; (c) providing tax increment financing support to Cindy Rogers-Sell in connection with the renovation of an existing building for use in the business operations of a retail store; (d) providing tax increment financing support to CRH Properties, LLC in connection with the renovation of an existing building for use in the business operations of a retail store; (e) providing tax increment financing support to Best Midwest Properties, L.L.C. in connection with the renovation of an existing building into a multiuse facility including a commercial retail unit and multiresidential units; (f) providing tax increment financing support to Catalyst Development Newton, LLC in connection with the redevelopment of certain existing buildings situated on the site of the former Maytag corporate headquarters into a multiuse development including a hotel facility, event center and an apartment building; (g) using tax increment financing to pay the costs of installing street lighting improvements in the Downtown Business District; (h) using tax increment financing to pay the costs of installing street lighting improvements at a City parking lot in the Downtown Business District; (i) using tax increment financing to pay the costs of constructing street improvements in the Downtown Business District; (j) using tax increment financing to pay the costs of constructing a dog park at Sunset Park; and

WHEREAS, notice of a public hearing by the City Council on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing on July 6, 2021; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Jasper County and the Newton Community School District; the consultation meeting was held on the 18th day of June, 2021; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

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

Section 1. The Amendment, attached hereto and made a part hereof, is hereby in all respects approved.

Section 2. It is hereby determined by this City Council as follows:

A. The activities proposed under the Amendment conform to the general plan for the development of the City;

B. The economic development initiatives and projects proposed under the Amendment are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives;

C. Proposed blight alleviation and prevention projects described in the Amendment are necessary to restore the property situated in the Urban Renewal Area to its highest and best use and to prevent the spread of blighted conditions in the Urban Renewal Area; and

D. It is not anticipated that families will be displaced as a result of the City's undertakings under the Amendment. Should such issues arise with future projects, then the City will ensure that a feasible method exists to carry out any relocations without undue hardship to the displaced and into safe, decent, affordable and sanitary housing.

Section 3. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved July 6, 2021.

Mayor

Attest:

City Clerk

CITY OF NEWTON, IOWA

URBAN RENEWAL PLAN AMENDMENT
NORTH CENTRAL URBAN RENEWAL AREA

July, 2021

The Urban Renewal Plan (the “Plan”) for the North Central Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purposes of (1) updating the descriptions of certain urban renewal projects referenced herein; and (2) identifying new urban renewal projects to be undertaken within the Urban Renewal Area.

1) Update Description of the DMACC Campus Improvements, Growth and Educational Opportunities Project. The City approved the DMACC Campus Improvements, Growth and Educational Opportunities Project in the January 23, 2017 Amendment to the Plan. The amount of tax increment financing assistance to be provided by the City in connection with the DMACC Campus Improvements, Growth and Educational Opportunities Project is hereby reduced from \$6,000,000 to \$1,500,000.

2) Update Description of the Downtown Micro-Grant Project. The City approved the Downtown Micro-Grant Project in the March 18, 2019 Amendment to the Plan. It is now necessary to update the description of the Downtown Micro-Grant Project as follows:

Name of Project: The name of the Downtown Micro-Grant Project is hereby changed to the “Downtown Micro-Grant and Downtown Housing Grant Programs.”

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Programs: March 18, 2019 and updated on July 6, 2021

Description of Downtown Micro-Grant Program: The City acknowledges the importance of the success of local businesses and the alleviation of blighted conditions to the promotion of economic development in the City and in the Urban Renewal Area. The Downtown Micro-Grant Program is designed to provide public support to the development and improvement of local businesses in the Urban Renewal Area. The City will provide fiscal support to the Downtown Micro-Grant Program through the provision of economic development grants (the “Grants”) to qualifying local businesses in the Urban Renewal Area.

The Grants will be targeted to assist local business owners with building (i) façade improvement projects; (ii) interior building improvements; and (iii) other projects approved by the City staff. The City staff will develop appropriate materials, including agreements and applications, for the administration of the Downtown Micro-Grant Program.

Description of Downtown Housing Grant Program: The City acknowledges the importance of the rehabilitation of residential units and the alleviation of blighted conditions to the promotion of economic development in the City and in the Urban Renewal Area. The Downtown Housing Grant Program is designed to provide public support to the rehabilitation of residential units in the Main Street District situated in Urban Renewal Area. The City will provide fiscal support to the Downtown Housing Grant Program through the provision of economic development grants (the “Housing Grants”) to qualifying local property owners within the Main Street District situated in the Urban Renewal Area.

The Housing Grants will be targeted to assist local property owners with undertaking certain improvements to residential units located in existing buildings including (i) window rehabilitation or replacement; (ii) plumbing, electrical and mechanical work, fixtures and units; (iii) the installation of basic household appliances; (iv) flooring or rehabilitation of historic flooring; (v) the installation of interior drywall, plaster and wood improvements; and (vi) other projects approved by the City staff. The City staff will develop appropriate materials, including agreements and applications, for the administration of the Downtown Housing Grant Program.

Description of Use of TIF: The economic development grants for the Downtown Micro-Grant Program and the Downtown Housing Grant Program will be funded with borrowed funds and/or with the proceeds of internal advances of City funds on-hand. In any case, the City’s obligations, plus any interest expense incurred by the City on such obligations, will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Downtown Micro-Grant and Downtown Housing Grant Programs will not exceed \$650,000 (increased from \$350,000 in the March 18, 2019 Amendment to the Plan), over the course of the City’s 2020 through 2025 fiscal years.

3) Update Description of the Manufactured Gas Plant Remediation Project. The City approved the Manufactured Gas Plant Remediation Project in the March 18, 2019 Amendment to the Plan. It is now necessary to update the description of the Manufactured Gas Plant Remediation Project as follows:

Name of Project: Manufactured Gas Plant Remediation Project

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Project: March 18, 2019 and updated on July 6, 2021

Description of the Project and Project Location: The City owns certain real property (the “Gas Plant Property”) situated near W. 3rd Street North and 6th Avenue West that previously served as the site of a manufactured gas plant. The Manufactured Gas Plant Remediation Project will include (1) the hiring of professional consultants to undertake certain monitoring, testing and assessment activities to determine the level of contamination of the Gas Plant Property; and (2) the remediation of contamination of the

Gas Plant Property.

The Manufactured Gas Plant Remediation Project will contribute to the alleviation of conditions of blight in the Urban Renewal Area and the promotion of economic development on the real property situated adjacent to the Gas Plant Property.

Description of Use of TIF: It is anticipated that the City will pay for the Manufactured Gas Plant Remediation Project with borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, the City's obligations, plus any interest expense incurred by the City on such obligations, will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City's use of incremental property tax revenues for the Manufactured Gas Plant Remediation Project will not exceed \$600,000 (increased from \$150,000 in the March 18, 2019 Amendment to the Plan).

4) Identification of Projects. By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following project descriptions:

A.

Name of Project: Urban Renewal Administration and Professional Support Program

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Program: July 6, 2021

Description of Program: The City will provide administrative and professional support to its urban renewal projects and initiatives in the City's 2022 through 2024 fiscal years (the "Admin Support Program"). The Admin Support Program will include planning, staffing, grant writing and administration, document support, record management, accounting, marketing, legal services and such other services as are necessary to carry out and effectuate the urban renewal initiatives and objectives of the City.

Description of Use of TIF: The City will fund its support contributions under the Admin Support Program from the proceeds of internal advances (the "Advances") of cash on hand. The City's annual contributions will be determined from year to year. The City will repay the Advances from incremental property tax revenues to be derived from the Urban Renewal Area. The amount of the Advances will be determined from year to year. The total amount of incremental property tax revenues to be applied to the City's Admin Support Program for the City's fiscal years 2022 through 2024 shall not exceed \$600,000.

B.

Name of Project: Economic Development Local Business Support Program

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of Loan Program: The City acknowledges the importance of the success of local businesses to the promotion of economic development in the City and the Urban Renewal Area. The Economic Development Local Business Support Program is designed to provide public support to the development and improvement of local businesses in the Urban Renewal Area. The City will provide fiscal support to the Program through the provision of economic development forgivable loans and/or grants (the “Financial Incentives”) to local businesses.

The Financial Incentives will be targeted to assist local business owners with (i) façade improvement projects; (ii) building or land acquisition costs; (iii) capital improvements; (iv) job creation or training; (v) accessibility improvements; (vi) utility upgrades; (vii) site development; (viii) other projects approved by the City staff. The City staff will develop appropriate materials, including agreements and applications, for the administration of the Economic Development Local Business Support Program.

Description of Use of TIF: It is anticipated that the City will fund the Financial Incentives with borrowed funds and/or with the proceeds of internal advances of City funds on-hand. In any case, the City’s obligations, plus any interest expense incurred by the City on such obligations, will be repaid with incremental property tax revenues derived from the Urban Renewal Area. The amount of incremental property tax revenues to be expended by the City in connection with the Economic Development Local Business Support Program will not exceed \$300,000 over the course of the City’s 2022 through 2026 fiscal years.

C.

Name of Project: 107 1st Avenue W Redevelopment Project

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of the Project: Cindy Rogers-Sell (the “Developer”) has undertaken the renovation of an existing building (the “Project”) on certain real property situated at 107 1st Avenue W in the Urban Renewal Area (the “Redevelopment Property”) for use in the business operations of a retail store.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete, operate and maintain the Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$3,500.

Description of Public Infrastructure to be Constructed in Connection with the Project: It is not anticipated that the City will undertake any public infrastructure improvements in connection with the Project.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the City will acquire real property in connection with the Project.

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Developer with respect to the construction and use of the completed Project and to provide annual appropriation economic development payments (the “Payments”) to the Developer thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Redevelopment Property. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Project will not exceed \$15,000, plus the Admin Fees.

D.

Name of Project: 117 1st Avenue W Redevelopment Project

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of the Project: CRH Properties, LLC (the “Developer”) has undertaken the renovation of an existing building (the “Project”) on certain real property situated at 117 1st Avenue W in the Urban Renewal Area (the “Redevelopment Property”) for use in the business operations of a retail store.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete, operate and maintain the Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$3,500.

Description of Public Infrastructure to be Constructed in Connection with the Project: It is not anticipated that the City will undertake any public infrastructure improvements in connection with the Project.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the City will acquire real property in connection with the Project.

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Developer with respect to the construction and use of the completed Project and to provide annual appropriation economic development payments (the “Payments”) to the Developer thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Redevelopment Property.

It is anticipated that the City's total commitment of incremental property tax revenues with respect to the Project will not exceed \$25,000, plus the Admin Fees.

E.

Name of Project: 109 1st Avenue W Redevelopment Project

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of the Project: Best Midwest Properties, L.L.C. (the "Developer") has undertaken the renovation of an existing building (the "Project") on certain real property situated at 109 1st Avenue W in the Urban Renewal Area (the "Redevelopment Property") into a multiuse building with a commercial retail unit and multiresidential units.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete, operate and maintain the Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the "Admin Fees") in an amount not to exceed \$3,500.

Description of Public Infrastructure to be Constructed in Connection with the Project: It is not anticipated that the City will undertake any public infrastructure improvements in connection with the Project.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the City will acquire real property in connection with the Project.

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Developer with respect to the construction and use of the completed Project and to provide annual appropriation economic development payments (the "Payments") to the Developer thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Redevelopment Property. It is anticipated that the City's total commitment of incremental property tax revenues with respect to the Project will not exceed \$15,000, plus the Admin Fees.

F.

Name of Project: Catalyst Development Newton, LLC Development Project

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of the Project: Catalyst Development Newton, LLC (the “Developer”) has proposed to undertake the redevelopment (the “Redevelopment Project”) of certain existing buildings situated on certain real property (the “Redevelopment Property”) formerly serving as the site of the Maytag corporate headquarters into a multiuse development including (i) a hotel facility; (ii) an apartment building and (iii) event center space.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete, operate and maintain the Redevelopment Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$15,000.

Description of Public Infrastructure to be Constructed in Connection with the Project: It is not anticipated that the City will undertake any public infrastructure improvements in connection with the Redevelopment Project.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the City will acquire real property in connection with the Redevelopment Project.

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Developer with respect to the Redevelopment Project and to provide (i) annual appropriation economic development payments (the “Payments”) and (ii) an economic development grant (the “Grant”) to the Developer thereunder. The Payments, in an amount not to exceed \$1,700,000, will be funded with incremental property tax revenues to be derived from the Redevelopment Property. The Grant, in an amount not to exceed \$60,000, will be funded with either borrowed funds and/or an internal advance of funds on-hand. In any case, the City’s obligation issued to fund the Grant may be repaid with incremental property tax revenues to be derived from the Urban Renewal Area. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Redevelopment Project including the Payments, the Grant, and the Admin Fees will not exceed \$1,775,000 plus any interest expense incurred by the City on any borrowing undertaken for the funding of the Grant.

G.

Name of Project: Downtown Business District Street Lighting Improvement Project

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of Project and Project Site: The Downtown Business District Street Lighting Improvement Project (the “Street Lighting Project”) will consist of

improvements to the street lighting in the City's Downtown Business District including (i) the installation of LED upgrades; (ii) the repainting of decorative street lighting poles; and (iii) the replacement of certain wiring and the power feed for south downtown. The City acknowledges that the Street Lighting Project will enhance the quality of life in the City thereby resulting in residential and commercial growth.

Description of Properties to be Acquired in Connection with Project: The City will acquire such easement territory and rights-of-way as are necessary to successfully undertake the Street Lighting Project.

Description of Use of TIF: It is anticipated that the City will pay for the Street Lighting Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, the City's obligations will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City's use of incremental property tax revenues for the Street Lighting Project will not exceed \$200,000, plus any interest expense incurred by the City on any borrowing undertaken for the funding of the Street Lighting Project.

H.

Name of Project: Northwest Parking Lot Street Lighting Improvement Project

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of Project and Project Site: The Northwest Parking Lot Street Lighting Improvement Project (the "Parking Lot Lighting Project") will consist of improvements to the street lighting in the reconstructed parking lot situated along N 2nd Ave W, W 3rd St. N and N 3rd Avenue W.

The City acknowledges that the Parking Lot Lighting Project will enhance the quality of life in the City thereby resulting in residential and commercial growth.

Description of Properties to be Acquired in Connection with Project: The City will acquire such easement territory and rights-of-way as are necessary to successfully undertake the Parking Lot Lighting Project.

Description of Use of TIF: It is anticipated that the City will pay for the Parking Lot Lighting Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, the City's obligations will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City's use of incremental property tax revenues for the Parking Lot Lighting Project will not exceed \$45,000, plus any interest expense incurred by the City on any borrowing undertaken for the funding of the Parking Lot Lighting Project.

I.

Name of Project: W 3rd St. N Street Resurfacing Project

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of Project and Project Site: The W 3rd St. N Street Resurfacing Project (the “Street Resurfacing Project”) will consist of street resurfacing and the incidental utility, landscaping, site clearance and cleanup work related thereto on and along the 200 to 300 block of W 3rd St. N.

It is expected that the completed Street Resurfacing Project will cause increased and improved ability of the City to provide adequate transportation infrastructure in the Urban Renewal Area.

Description of Properties to be Acquired in Connection with Project: The City will acquire such easement territory and rights-of-way as are necessary to successfully undertake the Street Resurfacing Project.

Description of Use of TIF: It is anticipated that the City will pay for the Street Resurfacing Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, the City’s obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City’s use of incremental property tax revenues for the Street Resurfacing Project will not exceed \$100,000, plus any interest expense incurred by the City on any borrowing undertaken for the funding of the Street Resurfacing Project.

J.

Name of Project: Sunset Park Improvements Project

Name of Urban Renewal Area: North Central Urban Renewal Area

Date of Council Approval of the Project: July 6, 2021

Description of Project and Project Site: The Sunset Park Improvements Project will consist of the construction of a dog park at Sunset Park in the City’s downtown.

It is anticipated that the completed Sunset Park Improvements Project will have a positive impact on commerce and economic development in the Urban Renewal Area through the provision of enhanced recreational amenities.

Description of Use of TIF: It is anticipated that the City will pay for the Sunset Park Improvements Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, the City’s obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is

anticipated that the City's use of incremental property tax revenues for the Sunset Park Improvements Project will not exceed \$35,000, plus any interest expense incurred by the City on any borrowing undertaken for the funding of the Sunset Park Improvements Project.

5) Required Financial Information. The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$ 45,967,721</u>
Outstanding general obligation debt of the City:	<u>\$ 28,591,485</u>
Proposed maximum indebtedness to be incurred in connection with this July, 2021 Amendment:	<u>\$ 3,870,500*</u>

*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.

City of Newton Council Report

Item: Resolution to Approve Urban Renewal Plan Amendment for the 1st Avenue East Urban Renewal Area.

Summary: Resolution to Approve an Amendment to the 1st Avenue East Urban Renewal Area Plan

Financial Impact: No Financial Impact, Action Approves an Amendment to the 1st Avenue East Urban Renewal Plan



Report Number: 21-188

Date: July 6, 2021

Lead Department:
Administration

Recommendation:
Approval

Background:

The City Council of the City of Newton Iowa has created the 1st Avenue East Urban Renewal Area and has approved an urban renewal plan for the Urban Renewal Area. Chapter 403 of the Code of Iowa requires that, before a city approves any new urban renewal project within an urban renewal area, a city must amend the existing Urban Renewal Plan to describe that new project.

An amendment to the Plan has been prepared which consists of updates as follows: describing business support program (grants or forgivable loans), Old Flooring Gallery redevelopment project at 1810 1st Avenue East, Nehring Auto Inc redevelopment project at 1800 1st Avenue East, and Dollar General Minimum Assessment (no incentives). It is now necessary that a date be set for a public hearing on the Amendment.

Recommendation:

Staff recommends approval of the Resolution to amend the 1st Avenue East Urban Renewal Plan.

Matt Muckler
City Administrator

RESOLUTION NO.2021-_____

Resolution to Approve Urban Renewal Plan Amendment for the 1st Avenue East Urban Renewal Area

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa cities by Chapter 403 of the Code of Iowa (the “Urban Renewal Law”), a municipality must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the municipality and that the rehabilitation, conservation, redevelopment, development or a combination thereof, of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the municipality; and

WHEREAS, this City Council of the City of Newton, Iowa (the “City”), by prior resolution established the 1st Avenue East Urban Renewal Area (the “Urban Renewal Area”) and adopted an urban renewal plan (the “Plan”) for the governance of projects and initiatives therein; and

WHEREAS, an amendment (the “Amendment”) to the Plan has been prepared which authorizes the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (a) using tax increment financing to pay the costs of the City’s Economic Development Local Business Support Program; (b) providing tax increment financing support to Hopkins Properties LLC in connection with the redevelopment of the former Flooring Gallery building for use in retail business operations and climate controlled storage; (c) providing tax increment financing support to Nehring Auto Inc. in connection with the renovation of an existing building for use in its business operations; and (d) the disposition of certain City-owned property by the City to DGOGNewtonia02052020, LLC (the “Company”) in connection with the redevelopment by the Company of an existing building for use in the business operations of a Dollar General; and

WHEREAS, notice of a public hearing by the City Council on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing on July 6, 2021; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Jasper County and the Newton Community School District; the consultation meeting was held on the 18th day of June, 2021; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

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

Section 1. The Amendment, attached hereto and made a part hereof, is hereby in all respects approved.

Section 2. It is hereby determined by this City Council as follows:

A. The activities proposed under the Amendment conform to the general plan for the development of the City;

B. The economic development initiatives and projects proposed under the Amendment are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives;

C. Proposed blight alleviation and prevention projects described in the Amendment are necessary to restore the property situated in the Urban Renewal Area to its highest and best use and to prevent the spread of blighted conditions in the Urban Renewal Area; and

D. It is not anticipated that families will be displaced as a result of the City's undertakings under the Amendment. Should such issues arise with future projects, then the City will ensure that a feasible method exists to carry out any relocations without undue hardship to the displaced and into safe, decent, affordable and sanitary housing.

Section 3. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved July 6, 2021.

Mayor

Attest:

City Clerk

CITY OF NEWTON, IOWA

URBAN RENEWAL PLAN AMENDMENT
1ST AVENUE EAST URBAN RENEWAL AREA

July, 2021

The Urban Renewal Plan (the “Plan”) for the 1st Avenue East Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purpose of identifying new urban renewal projects to be undertaken within the Urban Renewal Area.

1) Identification of Projects. By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following project descriptions:

A.

Name of Project: Economic Development Local Business Support Program

Name of Urban Renewal Area: 1st Avenue East Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of Loan Program: The City acknowledges the importance of the success of local businesses to the promotion of economic development in the City and the Urban Renewal Area. The Economic Development Local Business Support Program is designed to provide public support to the development and improvement of local businesses in the Urban Renewal Area. The City will provide fiscal support to the Program through the provision of economic development forgivable loans and/or grants (the “Financial Incentives”) to local businesses.

The Financial Incentives will be targeted to assist local business owners with (i) façade improvement projects; (ii) building or land acquisition costs; (iii) capital improvements; (iv) job creation or training; (v) accessibility improvements; (vi) utility upgrades; (vii) site development; and (viii) other projects approved by the City staff. The City staff will develop appropriate materials, including agreements and applications, for the administration of the Economic Development Local Business Support Program.

Description of Use of TIF for the Project: It is anticipated that the City will fund the Financial Incentives with borrowed funds and/or with the proceeds of internal advances of City funds on-hand. In any case, the City’s obligations, plus any interest expense incurred by the City on such obligations, will be repaid with incremental property tax revenues derived from the Urban Renewal Area. The amount of incremental property tax revenues to be expended by the City in connection with the Economic Development Local Business Support Program will not exceed \$200,000 over the course of the City’s 2022 through 2026 fiscal years.

B.

Name of Project: Hopkins Properties LLC Redevelopment Project

Name of Urban Renewal Area: 1st Avenue East Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of the Project: Hopkins Properties LLC (the “Developer”) has undertaken the redevelopment of the former Flooring Gallery building (the “Project”) on certain real property situated at 1801 1st Avenue East in the Urban Renewal Area (the “Redevelopment Property”) for use in retail business operations and climate controlled storage.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete, operate and maintain the Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$5,000.

Description of Public Infrastructure to be Constructed in Connection with the Project: It is not anticipated that the City will undertake any public infrastructure improvements in connection with the Project.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the City will acquire real property in connection with the Project.

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Developer with respect to the construction and use of the completed Project and to provide annual appropriation economic development payments (the “Payments”) to the Developer thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Redevelopment Property. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Project will not exceed \$65,000, plus the Admin Fees.

C.

Name of Project: Nehring Auto Inc. Redevelopment Project

Name of Urban Renewal Area: 1st Avenue East Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of the Project: Nehring Auto Inc. (the “Company”) has undertaken the redevelopment of an existing building (the “Project”) on certain real property situated at 1800 First Avenue East in the Urban Renewal Area (the “Redevelopment Property”) for use in its business operations.

It has been requested that the City provide tax increment financing assistance to the Company in support of the efforts to complete, operate and maintain the Project.

The costs incurred by the City in providing tax increment financing assistance to the Company will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$3,500.

Description of Public Infrastructure to be Constructed in Connection with the Project: It is not anticipated that the City will undertake any public infrastructure improvements in connection with the Project.

Description of Properties to be Acquired in Connection with the Project: It is not anticipated that the City will acquire real property in connection with the Project.

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Company with respect to the construction and use of the completed Project and to provide annual appropriation economic development payments (the “Payments”) to the Company thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Redevelopment Property. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Project will not exceed \$20,000, plus the Admin Fees.

D.

Name of Project: Dollar General Development Project

Name of Urban Renewal Area: 1st Avenue East Urban Renewal Area

Date of Council Approval of Project: July 6, 2021

Description of the Project: DGOGNewtonia02052020, LLC (the “Company”) has acquired certain City-owned property (the “Property”) in the Urban Renewal Area and has undertaken the construction of a new building thereon (the “Project”) for use in the business operations of Dollar General.

Minimum Assessment Agreement; Development Agreement: The Company and the City will enter into a Minimum Assessment Agreement pursuant to the provisions of Iowa Code Section 403.6(19) establishing a minimum taxable value of the Property to meet the requirements of Iowa Code Section 403.8(3).

The City and the Company have entered into a Purchase and Re-Development Agreement with respect to the Project.

Description of Use of TIF for the Project: The City does not anticipate using tax increment financing to pay for costs incurred by the City in connection with the Dollar General Development Project.

3) Required Financial Information. The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$45,967,721</u>
Outstanding general obligation debt of the City:	<u>\$28,591,485</u>
Proposed maximum indebtedness to be incurred in connection with this July, 2021 Amendment:	<u>\$ 263,500*</u>

*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.

City of Newton Council Report



Item: Resolution approving development agreement with Hopkins Properties LLC, authorizing annual appropriation tax increment payments and pledging certain tax increment revenues to the payment of the agreement.

Summary: Hopkins Properties LLC plans significant investment to 1810 1st AVE E, resulting in a new building valuation of \$450,000.00

Financial Impact: \$35,000 forgivable loan and tax rebates not to exceed \$65,000.

Report Number: 21-189

Date: July 6, 2021

Lead Department:
Community Development

Recommendation:
Approval

Background:

The City Council of the City of Newton Iowa has created the First Avenue East Urban Renewal Area, which creates a mechanism to assist economic development projects in targeted areas.

Earlier this year, City Council approved a resolution of intent with Hopkins Properties LLC stipulating potential economic development incentives for the property. The developer has closed on the property and is ready to move forward with his project.

The development agreement includes a minimum assessment required of \$450,000.00 for the property (currently assessed at \$221,620). The agreement provides tax rebate over a 10 year period with a total not to exceed amount of \$65,000.00. It also provides for a forgivable loan of \$35,000 for curb appeal improvements.

The development agreement aligns with the resolution of intent passed by City Council earlier this year.

Recommendation: Staff recommends approval.

A handwritten signature in black ink, appearing to read "Matt Muckler", is written over a light blue horizontal line.

Matt Muckler
City Administrator

RESOLUTION_____

Resolution Approving Development Agreement with Hopkins Properties LLC,
Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain
Tax Increment Revenues to the Payment of the Agreement

WHEREAS, the City of Newton, Iowa (the “City”), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the 1st Avenue East Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, this City Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa, which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal of and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, a certain development agreement (the “Agreement”) between the City and Hopkins Properties LLC (the “Company”) has been prepared in connection with the redevelopment of the former Flooring Gallery building on certain real property in the Urban Renewal Area for use in retail and climate controlled storage business operations (the “Project”); and

WHEREAS, under the Agreement, the City would provide a forgivable loan in the amount of \$35,000 to the Company and annual appropriation incremental property tax payments to the Company in a total amount not exceeding \$65,000; and

WHEREAS, this City Council, pursuant to Section 403.9 of the Code of Iowa, has published notice, has held a public hearing on the Agreement on July 6, 2021, and has otherwise complied with statutory requirements for the approval of the Agreement; and

WHEREAS, Chapter 15A of the Code of Iowa (“Chapter 15A”) declares that economic development is a public purpose for which a City may provide grants, loans, tax incentives, guarantees and other financial assistance to or for the benefit of private persons; and

WHEREAS, Chapter 15A requires that before public funds are used for grants, loans, tax incentives or other financial assistance, a City Council must determine that a public purpose will reasonably be accomplished by the spending or use of those funds; and

WHEREAS, Chapter 15A requires that in determining whether funds should be spent, a City Council must consider any or all of a series of factors;

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

Section 1. Pursuant to the factors listed in Chapter 15A, the City Council hereby finds that:

(a) The Project will add diversity and generate new opportunities for the Newton and Iowa economies;

(b) The Project will generate public gains and benefits, particularly in the creation of new jobs, which are warranted in comparison to the amount of the proposed financial incentives.

Section 2. The City Council further finds that a public purpose will reasonably be accomplished by entering into the Agreement and providing the incremental property tax payments to the Company.

Section 3. The Agreement is hereby approved and the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Agreement on behalf of the City, in substantially the form and content in which the Agreement has been presented to this City Council, and such officers are also authorized to make such changes, modifications, additions or deletions as they, with the advice of bond counsel, may believe to be necessary, and to take such actions as may be necessary to carry out the provisions of the Agreement.

Section 4. All payments by the City under the Agreement shall be subject to annual appropriation by the City Council, in the manner set out in the Agreement. As provided and required by Chapter 403 of the Code of Iowa, the City's obligations under the Agreement shall be payable solely from a subfund (the "Hopkins Properties LLC Subfund") which is hereby established, into which shall be paid that portion of the income and proceeds of the Urban Renewal Tax Revenue Fund attributable to property taxes derived from the property as described as follows:

THE EAST 72 FEET OF LOT 6 AND ALL OF LOT 7 EXCEPT THE EAST 10 FEET OF THE SOUTH 281 FEET OF THE NORTH 297 FEET ALL IN THE SUBDIVISION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 80 NORTH, RANGE 19 WEST OF THE 5TH P.M., JASPER COUNTY, IOWA AS SHOWN BY PLAT RECORDED IN PLAT BOOK D PAGE 77 IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

Section 5. The City hereby pledges to the payment of the Agreement the Hopkins Properties LLC Subfund and the taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Subfund, provided, however, that no payment will be made under the Agreement unless and until monies from the Hopkins Properties LLC Subfund are appropriated for such purpose by the City Council.

Section 6. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor of Jasper County to evidence the continuing pledging of the Hopkins Properties LLC Subfund and the portion of taxes to be paid into such Subfund and, pursuant to



the direction of Section 403.19 of the Code of Iowa, the County Auditor shall allocate the taxes in accordance therewith and in accordance with the tax allocation ordinance referred to in the preamble hereof.

Section 7. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved July 6, 2021.

Mayor

Attest:

City Clerk

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Newton, Iowa (the “City”) and Hopkins Properties LLC (the “Company”) as of the ____ day of _____, 2021 (the “Commencement Date”).

WHEREAS, the City has established the 1st Avenue East Urban Renewal Area (the “Urban Renewal Area”), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Company owns certain real property which is situated in the Urban Renewal Area and is more specifically described on Exhibit A hereto (the “Property”); and

WHEREAS, the Company has proposed to undertake the renovation of an existing building on the Property (“the Project”) for use in retail and climate controlled storage business operations; and

WHEREAS, the Company has requested that the City provide financial assistance in the form of a forgivable loan (the “Forgivable Loan”) and incremental property tax payments to be used by the Company in paying the costs of undertaking the Project; and

WHEREAS, for purposes of calculating Incremental Property Tax Revenues (as herein defined) under this Agreement and Section 403.19 of the Code of Iowa, the base valuation (the “Base Valuation”) of the Property shall be the assessed taxable valuation of the Property as of January 1, 2021; and

WHEREAS, Chapter 403 of the Code of Iowa authorizes cities to establish urban renewal areas and to undertake economic development projects; and

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

NOW THEREFORE, the parties hereto agree as follows:

A. Company’s Covenants

1. Project. The Company agrees to undertake the Project on the Property. The Company agrees that the Project will minimally include the improvements (the “Required Improvements”) as set forth on Exhibit B hereto. The Company agrees to construct the Project, including the Required Improvements, in substantial conformance with the City’s zoning, land use, building and safety codes and regulations. The Company further agrees to substantially complete such construction by no later than December 31, 2021.

The Company agrees to use the completed Project in retail and climate controlled storage business operations throughout the Term (as hereinafter defined) of this Agreement (the “Business Operations Requirement”).

Further, the Company agrees to maintain, preserve, and keep the Property, including but not limited to the Project, useful and 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.

2. **Ownership of Property; Use of Project; Developer's Annual Report.** The Developer agrees to submit an annual report (the "Annual Report") to the satisfaction of the City by no later than each June 1 during the Term (as hereinafter defined) commencing June 1, 2022, demonstrating that (i) the Business Operations Requirement is being met; and (ii) the Developer owns the Property, including the Project. The Developer agrees to provide such supporting documentation as may be requested by the City as an accompaniment to the Annual Report. The first Annual Report submitted by the Developer shall also include documentation demonstrating, to the satisfaction of the City, that the Developer has completed the Required Improvements.

3. **Minimum Assessment Agreement.** The Company agrees to enter into an assessment agreement (the "Assessment Agreement"), pursuant to Section 403.6 of the Code of Iowa fixing the minimum assessed valuation of the Property, in contemplation of the improvements to be constructed thereon, at not less than Four Hundred Fifty Thousand (\$450,000) (the "Minimum Assessed Valuation") as of January 1, 2022 (the "First Valuation Date"). It is intended by the Company that the Minimum Assessed Valuation shall be established on the Jasper County property tax rolls as of the First Valuation Date regardless of the then-current degree of completion or incompleteness of the Project. The Assessment Agreement shall be in substantially the form attached hereto as Exhibit C and shall remain in effect throughout the Term (as hereinafter defined) of this Agreement.

4. **Property Taxes.** The Company agrees to make timely payment of all property taxes as they come due with respect to the Property with the completed Project thereon throughout the Term (as hereinafter defined) and to submit a receipt or cancelled check in evidence of each such payment.

5. **No Abatement; No Property Tax Exemption.** The Company agrees that it will not seek any tax exemption or abatement either presently or prospectively authorized under any State, federal or local law with respect to taxation of the Property throughout the Term (as hereinafter defined) including causing or allowing the property to be leased, sold, transferred to or otherwise used by an entity that is exempt from property taxes under the laws of the State of Iowa.

6. Property Tax Payment Certification. For purposes of this Agreement, “Annual Percentage” shall mean the annual percentage in effect from time to time as set forth in the following table:

Payment Year	Annual Percentage
First through Third Payment Years	100%
Fourth through Sixth Payment Years	80%
Seventh through Tenth Payment Years	50%

The Company agrees to certify to the City by no later than October 15 of each year, commencing October 15, 2022, an amount (the “Company’s Estimate”) equal to the estimated Incremental Property Tax Revenues anticipated to be paid in the fiscal year immediately following such certification with respect to the taxable valuation of the Property factored by the Annual Percentage. In submitting each such Company’s Estimate, the Company will complete and submit the worksheet attached hereto as Exhibit D.

The City reserves the right to review and request revisions to each such Company’s Estimate to ensure the accuracy of the figures submitted. For purposes of this Agreement, Incremental Property Tax Revenues are calculated by: (1) determining the consolidated property tax levy (city, county, school, etc.) then in effect with respect to taxation of the Property; (2) subtracting (a) the debt service levies of all taxing jurisdictions, (b) the school district instructional support and physical plant and equipment levies and (c) any other levies which may be exempted from such calculation by action of the Iowa General Assembly; (3) multiplying the resulting modified consolidated levy rate times any incremental growth in the taxable valuation of the Property, as shown on the property tax rolls of Jasper County, above and beyond the Base Valuation; and (4) deducting any property tax credits which shall be available with respect to the incremental valuation of the Property.

Upon request, the City staff shall provide reasonable assistance to the Company in completing the worksheet required under this Section A.6.

7. Forgivable Loan. The Developer agrees that the City will advance the proceeds (the “Forgivable Loan Proceeds”) of the Forgivable Loan to the Developer in accordance with Section B.1 of this Agreement. The Developer further agrees that the City will not advance any Forgivable Loan Proceeds until this Agreement has been executed in-full and the Developer has submitted the Promissory Note (as hereinafter defined) to the City.

The Developer agrees to apply the Forgivable Loan Proceeds to the payment and/or reimbursement of the costs of the Required Improvements.

The Developer’s obligation to repay the Forgivable Loan shall be evidenced by a promissory note (the “Promissory Note”) to be executed by the Developer and delivered to the City. The Promissory Note shall be in substantially the form as set forth on Exhibit E hereto.

All principal advanced under the Forgivable Loan shall be due and owing to the City at City Hall by Noon on June 30, 2026, unless sooner forgiven in accordance with the terms of this Agreement or made subject to acceleration in accordance with Section A.10 of this Agreement.

Nothing herein shall prohibit the Developer from forfeiting the right to loan forgiveness, as set forth in Section B.1 of this Agreement by prepaying on the Forgivable Loan at any time.

8. Insurance.

(a) The Company, and any successor in interest to the Company, shall obtain and continuously maintain insurance on the Property and the completed Project and, from time to time at the request of the City, furnish proof to the City that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Company must obtain and continuously maintain, provided that the Company shall obtain the insurance described in clause (i) below prior to the commencement of construction of the Project (excluding excavation and footings):

- (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 Project 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, completed operations when substantially completed and contractual liability insurance) together with an Owner's/Contractor's Policy naming the City, as an additional insured, with limits against bodily injury and property damage of not less than \$2,500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.
- (iii) Workers compensation insurance, with statutory coverage limited to employees of the Company.

(b) All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies selected by the Company or its successors that are authorized under the laws of the State of Iowa to assume the risks covered by such policies. Unless otherwise provided in this Section, each policy must contain a provision that the insurer will not cancel nor modify the policy without giving written notice to the insured 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, the Company, or its successors or assigns, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section. In lieu of separate policies, the Company or its successors or assigns, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

(c) The Company, its successors or assigns, agrees to notify the City promptly in the case of damage exceeding \$250,000 in amount to, or destruction of the Project resulting from fire or other casualty. Furthermore, the Company agrees to apply the proceeds from any and all

casualty claims against the insurance detailed in this Section to the restoration and improvement of the Property and/or the Project.

9. Indemnification. The Company agrees to indemnify, defend and hold harmless the City, its officers, employees and departments, from and against any and all losses, liabilities, penalties, fines, damages, and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) arising from or in connection with any of the following, except to the extent caused by the negligent acts or omissions of the City, its officers, employees and departments:

- a) Any claim, demand, action, citation or legal proceeding arising out of or resulting from the construction of the Project.
- b) Any claim, demand, action, citation or legal proceeding arising out of or related to occurrences that the Company is required to insure against under this Agreement in connection with the Project and/or the Property; and
- c) Any claim, demand, action, citation or legal proceeding arising out of or resulting from an act or omission of the Company or any of its agents in its or their capacity as an employer of a person.

10. Default Provisions.

A. Events of Default. 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 (unless otherwise provided), any one or more of the following events:

- I. Failure by the Company to complete construction of the Project pursuant to the terms and conditions of this Agreement.
- II. Failure by the Company to maintain compliance with the Business Operations Requirement pursuant to the terms and conditions of this Agreement.
- III. Failure by the Company to fully and timely remit payment of property taxes when due and owing.
- IV. Failure by the Company to enter into the Assessment Agreement.
- V. Failure by the Company to maintain compliance with Sections A.2, A.5, A.6, A.7, A.8 and A.9 of this Agreement.
- VI. Failure by the Company to observe or perform any other material covenant on its part, to be observed or performed hereunder.

B. Notice and Remedies. Whenever any Event of Default described in this Agreement occurs, the City shall provide written notice to the Company describing the cause of the default and the steps that must be taken by the Company in order to cure the default. The Company shall have thirty (30) days after receipt of the notice to cure the default or to provide

assurances satisfactory to City that the default will be cured as soon as reasonably possible. If the Company fails to cure the default or provide assurances, the City shall then have the right to:

- I. Pursue any action available to it, at law or in equity, in order to enforce the terms of this Agreement.
- II. Accelerate the due date of the then unforgiven principal amount of the Forgivable Loan, which amount shall become due and owing within 30-days of the provision of a written notice of such acceleration from the City to the Developer. In the event of acceleration of the Forgivable Loan, the provisions with respect to loan forgiveness as set forth in section B.1 of this Agreement shall not apply.
- III. Withhold the Payments provided for under Section B.2 below.

11. Legal and Administrative Costs. The Company hereby acknowledges that the City will cover the initial payment of legal fees and administrative costs (the “Actual Admin Costs”) incurred by the City in connection with the drafting, negotiation and authorization of this Agreement, including the necessary amendment to the Urban Renewal Area. Furthermore, the Company agrees that the City shall withhold an amount (the “Admin Withholding Amount”) equal to the lesser of (1) \$5,000 or (2) the Actual Admin Costs from the initial Payments, as hereinafter set forth in order to recover some or all of the Actual Admin Costs.

B. City’s Obligations

1. Forgivable Loan; Loan Forgiveness. The City hereby agrees to advance the Forgivable Loan Proceeds to the Developer in an amount equal to \$35,000 within thirty (30) days of the Commencement Date of this Agreement.

Upon receipt of a satisfactory Annual Report from the Developer demonstrating that the Developer is in compliance with required elements set forth in Section A.2 of this Agreement, the City shall forgive \$7,000 of the principal amount of the Forgivable Loan. If the Developer fails to submit an Annual Report as required in Section A.2 above in any given fiscal year, then no principal of the Forgivable Loan will be forgiven in such fiscal year.

2. Payments. In recognition of the Company’s obligations set out above, the City agrees to make ten (10) annual economic development tax increment payments (the “Payments” and, individually each, a “Payment”) to the Company during the Term (as hereinafter defined) pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments to be made under this Agreement during the Term (as hereinafter defined) shall not exceed \$65,000 (the “Maximum Payment Total”). All Payments under this Agreement shall be subject to annual appropriation by the City Council, as provided hereunder.

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

Prior to funding any Payments hereunder, the City shall retain an amount equal to the Admin Withholding Amount from the Incremental Property Tax Revenues received with respect

to the Property. Once such amount has been withheld, the Payments shall be funded as described herein.

Each Payment shall not exceed an amount which represents the then-current Annual Percentage factored against the Incremental Property Tax Revenues available to the City with respect to the Property during the twelve (12) months immediately preceding each Payment date.

It is assumed that the new valuation from the Project will go on the property tax rolls as of January 1, 2022. Accordingly, the Payments will be made on June 1 of each fiscal year, beginning on June 1, 2024 and continuing to, and including, June 1, 2033, or until such earlier date upon which total Payments equal to the Maximum Payment Total have been made.

3. Annual Appropriation. Each Payment shall be subject to annual appropriation by the City Council. Prior to December 1 of each year during the Term (as hereinafter defined) of this Agreement, beginning in calendar year 2022, the City Council of the City shall consider the question of obligating for appropriation to the funding of the Payment due in the following fiscal year, an amount (the “Appropriated Amount”) of Incremental Property Tax Revenues to be collected in the following fiscal year equal to or less than the most recently submitted Company’s Estimate.

In any given fiscal year, if the City Council determines to not obligate the then-considered Appropriated Amount, then the City will be under no obligation to fund the Payment scheduled to become due in the following fiscal year, and the Company will have no rights whatsoever to compel the City to make such Payment or to seek damages relative thereto or to compel the funding of such Payments in future fiscal years. A determination by the City Council to not obligate funds for any particular fiscal year’s Payment shall not render this Agreement null and void, and the Company shall make the next succeeding submission of the Company’s Estimate as called for in Section A.6 above, provided however that no Payment shall be made after June 1, 2033.

4. Payment Amounts. Each Payment shall be in an amount equal to the corresponding Appropriated Amount (for example, for the Payment due on June 1, 2024, the amount of such Payment would be determined by the Appropriated Amount determined for certification by December 1, 2022) provided, however, that no Payment shall exceed an amount which represents the Incremental Property Tax Revenues available to the City with respect to the Property during the twelve (12) months immediately preceding each Payment date.

5. Certification of Payment Obligation. In any given fiscal year, if the City Council determines to obligate the then-considered Appropriated Amount, as set forth in Section B.3 above, then the City Clerk will certify by December 1 of each such year to the Jasper County Auditor an amount equal to the most recently obligated Appropriated Amount.

C. Administrative Provisions

1. Amendment and Assignment. Neither party may cause this Agreement to be amended, assigned, assumed, sold or otherwise transferred without the prior written consent of the other party. However, the City hereby gives its permission that the Company’s rights to

receive the Payments hereunder may be assigned by the Company to a private lender, as security on a credit facility taken with respect to the Project, without further action on the part of the City.

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

3. **Term.** The term (the “Term”) of this Agreement shall commence on the Commencement Date and end on June 1, 2033 or on such earlier date upon which the aggregate sum of Payments made to the Company equals the Maximum Payment Total.

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

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

City Clerk

HOPKINS PROPERTIES LLC

By: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

THE EAST 72 FEET OF LOT 6 AND ALL OF LOT 7 EXCEPT THE EAST 10 FEET OF THE SOUTH 281 FEET OF THE NORTH 297 FEET ALL IN THE SUBDIVISION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 80 NORTH, RANGE 19 WEST OF THE 5TH P.M., JASPER COUNTY, IOWA AS SHOWN BY PLAT RECORDED IN PLAT BOOK D PAGE 77 IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

EXHIBIT B
REQUIRED IMPROVEMENTS

Scope/exterior: We will plan to demise the front overhang that dates the building. We will install new overhangs that are more modern for each tenant entrance. We will replace windows and install new glass entries for each tenants space. We will install a colored EFIS exterior wall covering with decorative bands of color that will update the exterior of the building and modernize the look. New wall pack lighting will be installed. A new roof and HVAC system will be installed. Parking lot overlay will be done if cost allows. At a minimum the parking lot will be repaired and stripped. New landscaping will be installed. A new roof with 2 inches of insulation will be installed as the roof is far past it's life.

Scope/interior: We will demo old flooring and ceiling. Repairs will be made to leaking plumbing. Old existing equipment and fixtures will be removed. Demising walls will be installed with new flooring or possibly the the concrete will be ground to a smooth surface and sealed. Walls will be finished drywall and will be vanilla box ready for prospective tenants. New lighting will be installed. Utilities will be separated for each tenants use/needs.

EXHIBIT C
MINIMUM ASSESSMENT AGREEMENT

**MINIMUM ASSESSMENT AGREEMENT
Recorder's Cover Sheet**

Preparer Information: (name, address and phone number)

Amy M. Bjork, Esq., Dorsey & Whitney LLP, 801 Grand Avenue, Suite 4100, Des Moines, IA 50309; Phone: 515-699-3285

Return Document To:

Erin Chambers, Community Development Director, City of Newton, Iowa, 403 W 4th St N, Suite 501, Newton, IA, 50208; Phone: 641-792-6622 Ext: 2301

City:

City of Newton, Iowa

Property Owner:

Hopkins Properties LLC

Legal Description:

Book & Page Reference if applicable:

MINIMUM ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of the ____ day of _____, 2021, by and among the City of Newton, Iowa (the “City”), Hopkins Properties LLC (the “Property Owner”), and the County Assessor of Jasper County (the “Assessor”).

WITNESSETH

WHEREAS, the Property Owner owns the real property, the legal description of which is contained in Exhibit A attached hereto (the “Property”), which is located in the 1st Avenue East Urban Renewal Area in the City; and

WHEREAS, the Property Owner has undertaken the renovation of an existing building on the Property (“the Project”) for use in retail and climate controlled storage business operations; and

WHEREAS, a development agreement (the “Development Agreement”), dated _____, 2021, has been executed between the City and the Property Owner in connection with the Property Owner’s investment in and business operations on the Property; and

WHEREAS, pursuant to Section 403.6(19) of the Code of Iowa, the City and the Property Owner desire to establish a minimum taxable value for the Property and the improvements to be constructed thereon, which shall be effective as of January 1, 2022, and from then until this Agreement is terminated pursuant to the terms herein and which is intended to reflect the minimum market value of the land and improvements;

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

1. Effective January 1, 2022, the minimum actual value which shall be assessed for the Property, taking into account the improvements to be constructed thereon, shall be Four Hundred Fifty Thousand Dollars (\$450,000) until termination of this Agreement.

2. The Property Owner hereby agrees that the assessed valuation (hereinafter referred to as the “Minimum Actual Value”) set forth in Section 1 above shall become and remain effective as of January 1, 2022, and throughout the term of this Agreement, regardless of the actual degree of completion or incompleteness of the Project, even if construction of the Project is not commenced by such date. Furthermore, the Property Owner acknowledges that the City has changed its position in reliance on the timeliness of such increase in valuation as set forth in the Development Agreement.

3. The Property Owner agrees to pay when due, all taxes and assessments, general or special, and all other charges whatsoever levied upon or assessed or placed against the Property, subject to any limitations set forth in the Development Agreement. The Property Owner further

agrees that until this Agreement is terminated they will not seek administrative or judicial review of the applicability, enforceability, or constitutionality of this Agreement or the obligation to be taxed based upon the Minimum Actual Value or to raise any such argument by way of defense in any proceedings, including delinquent tax proceedings.

4. This Agreement, and the minimum assessed valuation established herein, shall be effective until such time as the City's obligations to make Payments (as defined in the Development Agreement) have been satisfied in-full.

5. Nothing herein shall be deemed to waive the Property Owner's rights under Section 403.6(19) Code of Iowa, (2021) or otherwise, to contest that portion of any actual value assignment made by the Assessor in excess of the Minimum Actual Value.

6. This Agreement shall be promptly recorded with the Jasper County Recorder, along with a copy of Iowa Code Section 403.6.

7. Neither the preamble nor provisions of this Agreement are intended to, nor shall they be construed as, modifying the terms of any other contract between the City and the Property Owner, including the Development Agreement.

[Remainder of page intentionally left blank.]

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

City Clerk

HOPKINS PROPERTIES LLC

By: _____

STATE OF IOWA)
)
COUNTY OF JASPER) SS:

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by Michael Hansen and Katrina Davis, the Mayor and City Clerk, respectively, of Newton, Iowa, a municipal corporation of the State of Iowa, on behalf of the City.

Notary Public

STATE OF IOWA)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2021 by _____ the _____ of Hopkins
Properties LLC, an Iowa limited liability company.

Notary Public

EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT

CERTIFICATION BY ASSESSOR

The undersigned Assessor, being legally responsible for the assessment of the above described property upon completion of improvements to be made on it, hereby certifies that the actual value assigned to such land and improvements upon completion, shall be not less than Four Hundred Fifty Thousand Dollars (\$450,000) until termination of the Agreement.

County Assessor for Jasper County,
State of Iowa

Subscribed and sworn to before me this ____ day of _____, 2021.

Notary Public

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 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.

[NAME OF LIENHOLDER]

By: _____
Signature

Date: _____

STATE OF IOWA)
) SS:
COUNTY OF JASPER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021 by _____ the _____ of _____.

Notary Public

[Add additional pages for each Lienholder]

[If no Lienholders exist, this consent will not be completed]

EXHIBIT D

COMPANY'S ESTIMATE WORKSHEET

- (1) Date of Preparation: October ____, 20__.
- (2) Assessed Taxable Valuation of Property as of January 1, 20__:
\$_____.
- (3) Base Taxable Valuation of Property:
\$_____.
- (4) Incremental Taxable Valuation of Property (2 minus 3):
\$_____ (the "TIF Value").
- (5) Current City fiscal year consolidated property tax levy rate for purposes of calculating Incremental Property Tax Revenues (the "Adjusted Levy Rate"):
\$_____ per thousand of value.
- (6) The TIF Value (4) factored by the Adjusted Levy Rate (5).
\$_____ x \$_____/1000 = \$_____ (the "TIF Estimate")
- (7) TIF Estimate (\$_____ x Annual Percentage = Company's Estimate (\$_____).

Payment Year	Annual Percentage
First through Third Payment Years	100%
Fourth through Sixth Payment Years	80%
Seventh through Tenth Payment Years	50%

EXHIBIT E
PROMISSORY NOTE

MAXIMUM PRINCIPAL AMOUNT: \$35,000

Dated: _____, 2021

Maturity Date: June 30, 2026

Hopkins Properties LLC (the “Borrower”) for value received, promises to pay, to the City of Newton Iowa (the “City”), its successors or assigns, the principal sum of Thirty Thousand Dollars (\$35,000), in lawful money of the United States of America, on June 30, 2026.

The City has made a forgivable loan to the Borrower in the principal amount of Thirty-five Thousand Dollars (\$35,000) (the “Forgivable Loan”) under this Promissory Note (the “Note”) and under a certain Development Agreement (the “Agreement”) between the City and the Borrower dated _____, 2021, and reference is hereby made to the Agreement for a more complete description of the rights and obligations of the parties hereof.

The Forgivable Loan shall be forgiven by the City in accordance with the terms set forth in the Agreement, and all amounts forgiven shall be recorded on the Schedule of Forgiveness hereon.

Payment of principal of the Forgivable Loan shall be made to the City of Newton at the Office of the City Clerk, City Hall, 101 W. 4th Street, Newton, Iowa 50208 by Noon on June 30, 2026, unless sooner forgiven in accordance with the Agreement.

The Borrower reserves the right to prepay principal of this Note, in whole or in part, without penalty, at any time prior to maturity.

In the event of a default under the Agreement which has not been cured in accordance with the terms of the Agreement, including the failure to make repay principal of the Forgivable Loan under the terms of the Agreement, the Borrower agrees to pay all costs and expenses of collection, including reasonable attorney’s fees. The Borrower waives demand, presentment, notice of non-payment, protest, notice of protest and notice of dishonor.

This Note is secured, and its maturity is subject to acceleration in each case upon the terms provided in the Agreement.

The validity, construction and enforceability of this Note shall be governed by the internal laws of the State of Iowa without giving effect to the conflict of laws principles thereof.

HOPKINS PROPERTIES LLC

SCHEDULE OF FORGIVENESS

<u>Date of Forgiveness</u>	<u>Amount Forgiven</u>	<u>Signature of City Clerk</u>
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

City of Newton Council Report

Item: A public hearing for the sale of property at 717 West 6th Street South in Newton.

Summary: The City acquired the property at 717 West 6th Street South in Newton and contracted for its demolition. A public hearing has been scheduled, but no offers received.

Financial Impact: None.



Report Number: 21-190

Date: July 6, 2021

Lead Department: Community Development Department

Recommendation: Approve

The City acquired and demolished the structure at 717 West 6th Street South. There had been expressed interest in the property, triggering council action to set a public hearing on the sale of the property for July 6th.

Since Council's action to set the public hearing, the interested party has decided to withdraw from the process. No offers were received by the June 24th deadline.

In terms of process, the City Council should open and close the public hearing on the matter. There is no associated resolution to approve the sale of property and thus no further action is necessitated.

A handwritten signature in black ink, appearing to read "Matt Muckler", written in a cursive style.

Matt Muckler
City Administrator

City of Newton Council Report

Item: Resolution to approve creating a temporary administrative assistant position in the Fire Department

Summary: This resolution proposes to add one temporary administrative assistant to the Fire Department.

Financial Impact: \$8,640 from the General Fund.



Report Number: 21-191

Date: July 6, 2021

Lead Department:
Fire Department

Recommendation:
Approve

Background:

Attached to this Council Report is a memorandum with background information regarding the proposed change in staffing at the Fire Department. The change in staffing level is summarized in the following table.

Department	Position	Current Authorization	Proposed Authorization
Fire	Fire Chief	1 FTE	1 FTE
Fire	Assistant Fire Chief	1 FTE	1 FTE
Fire	Fire Captain	3 FTE	3 FTE
Fire	Firefighter	18 FTE	18 FTE
Fire	Volunteer Firefighter	BY BUDGET	BY BUDGET
Fire	Administrative Specialist	1 FTE	1 FTE
Fire	Administrative Assistant	1 FTE	1 FTE
Fire	Administrative Assistant	1 FTE	1 FTE
Fire	Temporary Administrative Assistant	0 FTE	1 FTE

RECOMMENDATION

City Staff recommends Council approve the addition of one temporary administrative assistant to staffing at the Fire Department.

A handwritten signature in black ink, appearing to read "Matt Muckler".

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

RESOLUTION APPROVING CREATING A TEMPORARY ADMINISTRATIVE ASSISTANT POSITION IN THE FIRE DEPARTMENT

WHEREAS, the Fire Department is currently authorized with 26 full-time-employees.; and

WHEREAS, a long term intermittent illness have led to a decreased ability to perform existing levels of output.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Newton, Iowa that a temporary administrative position be created.

BE IT FURTHER RESOLVED the temporary Administrative Assistant position will be eliminated once staffing returns to normal.

Department	Position	Current Authorization	Proposed Authorization
Fire	Fire Chief	1 FTE	1 FTE
Fire	Assistant Fire Chief	1 FTE	1 FTE
Fire	Fire Captain	3 FTE	3 FTE
Fire	Firefighter	18 FTE	18 FTE
Fire	Volunteer Firefighter	BY BUDGET	BY BUDGET
Fire	Administrative Specialist	1 FTE	1 FTE
Fire	Administrative Assistant	1 FTE	1 FTE
Fire	Administrative Assistant	1 FTE	1 FTE
Fire	Temporary Administrative Assistant	0 FTE	1 FTE

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk



Memorandum

To: Matt Muckler
From: Chief Jarrod Wellik
Priority: High
Date: June 23, 2021
Re: Request for Temporary Office Staff

The purpose of this memo is to provide background information regarding the request for temporary office staff. The fire department currently has a shortage of staffing in the administrative office. We have one staff member currently on FMLA for a serious health condition. Normally staffed at three, the administrative office has many functions that are being picked up by remaining office administrative staff and sworn administrative staff.

The Fire Department is a big business. With 26 full time employees and a budget of approximately \$3.5M, there are large numbers of administrative functions that are completed on a daily basis. The office is staffed by an Administrative Specialist who manages the office and manages many of the long term affiliations needed to conduct ambulance business. They are responsible for training and cross training of Administrative Assistants and to ensure continued operation of administrative functions in case of prolonged absence of office staff. This is a key person who has over 20 years of experience and institutional knowledge. In addition, there are two Administrative Assistants. One is responsible for ambulance billing. Annually, the Fire Department brings in about \$1.2M in ambulance revenue. The daily processing of ambulance bills and statements along with inquiries and challenges from insurance companies is very demanding. The second Administrative Assistant is primarily responsible for the daily operations of the Commercial Business/Property Inspection program. Many other office duties have been assigned to this position in coverage of absent administrative staff. Currently, the Fire Chief and Assistant Fire Chief are filling in to keep all proper authorizations to not only be an ambulance service, but to be able to bill for costs incurred in running an ambulance service. Errors or omissions could result in the inability to function as an ambulance service. The stakes are high.

With all administrative staff filling in to cover other duties, administrative staff is falling behind in the designated duties. I can attest to this personally as I have been handling all of the administrative functions of the candidate testing process and the ensuing hiring of employees. It has only been through good notes left by the Administrative Specialist that I have been able to keep this process moving. What she seemed to do without effort has taken me days to stumble through. We are all falling more behind each day.

I am requesting a temporary Administrative Assistant position for 40 hours per week until such time that our Administrative Specialist finds resolution to the current issue. While I cannot provide a definitive time frame for the coverage of this position, I expect to have more answers by early fall. I would offer scheduled monthly updates to review the status of the continued absence and the performance of the office with the addition of the temporary position. My goal is to provide general office support including lobby reception, phone answering, filing, scanning, and other office duties dependent upon the person's ability to allow existing Administrative Assistants time to complete their normally assigned tasks. While a temporary person will not be able to replace an office manager with years of experience, they will certainly provide enough support to keep the office running.

Financially, we project this position to be in place for a minimum of three months. According to Katrina Davis, Administrative Services Manager, the City has similar positions that have been hired in the past year.

Position:	Wage
Administrative Assistant – Fire Department	\$19.88
Intern – Police Department	\$11.50
Library Page	\$11.59
Library Assistant	\$12.25

Comparables from other cities include:

Position	City	Wage
Office Assistant	Indianola	\$13.49
Utility Billing Clerk	Boone	\$15.18
Receptionist	Knoxville	\$13.52
Library Clerk	Altoona	\$12.44

Other industry comparables:

Position	Company	Wage
Front Desk Clerk	Newton Americinn	\$12-13 DOQ

The estimated hourly wage for office support staff is between \$13 - \$18/hour. We propose to advertise at that rate depending upon qualifications. At 40 hours per week, the net pay would range from \$520 – 740 per week or \$2,080 – 2,880 per month. We are proposing this position to last a minimum of three months with a proposed direct cost of \$6,240 -\$8,640. The absence of a key employee affects the revenue side of the equation as well. Normally, our billing department has a two to three week backlog of calls to bill. At last check, we are about six weeks behind. The amount of ambulance revenue collected was \$954,000 for FY20/21 which equates to about \$80,000 per month. With the backlog at six week, or 1 ½ months, we are missing about \$120,000 in revenue that could have been collected in FY20/21. This shortage is primarily due to office staff filling in other areas.

Summary:

Administrative staff in the Fire Department are in desperate need of support. A long term intermittent absence caused by an illness has left staff stretched very thin and working hard to cover as much as possible. The stakes are high with an operation that conducts emergency operations, manages 26 full time employees, and has many statutory requirements to stay in business. Please give just consideration to allowing the Fire Department to hire a temporary employee for 40 hours per week for the foreseeable future.

Jarrold Wellik
Fire Chief

City of Newton Council Report

Item: Resolution to approve creating a firefighter position in the Fire Department

Summary: This resolution proposes to add one full time firefighter to the Fire Department.

Financial Impact: \$45,917 from the General Fund and an est. \$12,000-\$35,000 from the Employee Benefit Fund contingent on number of dependents.



Report Number: 21-192

Date: July 6, 2021

Lead Department:
Fire Department

Recommendation:
Approve

Background:

Attached to this Council Report is a memorandum with background information regarding the proposed change in staffing at the Fire Department. The change in staffing level is summarized in the following table.

Department	Position	Current Authorization	Proposed Authorization
Fire	Fire Chief	1 FTE	1 FTE
Fire	Assistant Fire Chief	1 FTE	1 FTE
Fire	Fire Captain	3 FTE	3 FTE
Fire	Firefighter	18 FTE	19 FTE
Fire	Volunteer Firefighter	BY BUDGET	BY BUDGET
Fire	Administrative Specialist	1 FTE	1 FTE
Fire	Administrative Assistant	1 FTE	1 FTE
Fire	Administrative Assistant	1 FTE	1 FTE

RECOMMENDATION

City Staff recommends Council approve the addition of one full time firefighter to staffing at the Fire Department.

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

RESOLUTION APPROVING CREATING A FIREFIGHTER POSTION IN THE FIRE DEPARTMENT

WHEREAS, the Fire Department is currently authorized with 26 full-time-employees.; and

WHEREAS, increased turn over, injuries, and a long term illness have led to increased overtime and decreased ability to perform existing levels of output.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Newton, Iowa that an additional firefighter position be created.

Department	Position	Current Authorization	Proposed Authorization
Fire	Fire Chief	1 FTE	1 FTE
Fire	Assistant Fire Chief	1 FTE	1 FTE
Fire	Fire Captain	3 FTE	3 FTE
Fire	Firefighter	18 FTE	19 FTE
Fire	Volunteer Firefighter	BY BUDGET	BY BUDGET
Fire	Administrative Specialist	1 FTE	1 FTE
Fire	Administrative Assistant	1 FTE	1 FTE
Fire	Administrative Assistant	1 FTE	1 FTE

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Katrina Davis, City Clerk



Memorandum

To: Matt Muckler
From: Chief Jarrod Wellik
Priority: High
Date: June 23, 2021
Re: Firefighter Replacement and Addition

The purpose of this memo is to provide background information regarding the replacement of firefighters. The fire department currently has two firefighter positions to be filled and will have another position to fill in November due to a retirement. The two current positions are open as we have had one firefighter leave for a position in Ankeny and one firefighter has been unable to achieve paramedic certification. All hires are required to complete the paramedic program and pass the National Registry test within two years of hire as a condition of employment.

We recently completed a hiring process to keep a current list of candidates. Our lists are valid for one year from the date of certification and the current list was set to expire on 7/6/2021. Our process takes approximately 90 days to complete. This hiring process yielded 10 applications. Historically, we have received 20 – 30 applications. We have talked with other organizations and they are all experiencing lower numbers of applicants. We theorize the candidate pool is shrinking primarily due to so many open jobs and hiring processes around that state of Iowa that people are being very selective of where they are applying based on geography and economics. Nationwide, fire departments are reporting this to be an emerging trend.

Out of the 10 applications, three withdrew prior to the actual testing and two were no shows to testing. One candidate failed the physical ability test. Four of the candidates completed all required portions of the testing process and were certified to the current list. While these numbers of candidates making it through the process may seem shocking, the percentages are typical for past testing processes and the biggest difference is the number of initial applicants. The four candidates that have made it to the final list have also tested in other cities. One has been offered a position in a

nearby department, one is scheduled for a Chief's interview in Omaha in early July, and the final two are waiting to hear from other departments. All have stated their ultimate goal is to land a job in the fire service and are willing to commit to the first department that will give them the chance to prove themselves.

Candidates on our current list are all certified at the EMT level. They all will be required to complete the paramedic program and National Registry certification. This process takes approximately 18 months to complete. The next available class starts at the end of August. Historically, these programs start each year around the same time. This would mean waiting to hire another candidate in November would likely delay their entrance into the paramedic program until early fall of 2022. Additionally, we reimburse the tuition for the class only after successful completion and certification. The terms of the reimbursement are to prorate the reimbursement based on them staying for three years. If they leave during the first year after reimbursement they must pay back 100% of the cost. If they stay three full years after reimbursement they owe \$0 back for the reimbursement. By the time they complete the program and reach the end of the reimbursement payback they will have been on the department for nearly five years.

Financially, new firefighter/EMT's first year salary is \$50,091. This proposal would encompass 11 months for an increase to the first year's budget of \$45,917. In addition, the first year uniform issue cost approximately \$850. These are costs that would specifically affect the General Fund. Employees are required to begin Paramedic certification during the first year, however, this cost is paid by the employee and reimbursed upon successful completion. Other considerations for financial analysis would be the effect on overtime. Based on our current staffing, overtime usage would have decreased. All crews are staffed at seven firefighter and with the ability of only one firefighter off per day, the station would be staffed at a minimum of six. Overtime in the past few years has been very erratic. (See below)



In 2017, the Fire Department was full staffed and utilized a part time program to offset the cost of overtime. During the next two years, the part time program ended up being cut and we began to see some turn over, losing people to departments in the Des Moines Metro area. In addition, new employees are coming in with only their EMT completed and when they are enrolled in Paramedic classes we sometimes end up short staffed at the crew level while they are attending class.

Summary:

We have four viable candidates for our entry level firefighter/EMT position. The fire department currently has two open positions and we have made offers to two candidates. We are going to have another opening in November due to a retirement. We are asking for consideration of hiring one additional firefighter. By the time we reach November, our list will likely be exhausted with applicants accepting positions in other departments. This would bring the staffing level of our crews to a level of eight on one crew and seven on the other two crews. This will provide some key advantages. First, we will be able to capitalize on our current list and hire the candidates before they are hired by other agencies. Second, we will be able to get the new hire enrolled in the paramedic program this fall allowing them to complete the paramedic program within the typical two year time period.

Jarrold Wellik
Fire Chief