

Supervisors
Courthouse

Board of
Calhoun County

Rockwell City, Iowa
Tuesday, December 3, 2013

The Board of Supervisors of Calhoun County met with the following members present: Jacobs and Hoag, Sr. Absent: Nicholson

Agenda additions: none

It was moved by Jacobs and seconded by Hoag, Sr. to approve the agenda. Ayes all. Motion carried.

The minutes of the last meeting were read. It was moved by Jacobs and seconded by Hoag, Sr. to approve the minutes. Ayes all. Motion carried.

It was moved by Jacobs and seconded by Hoag, Sr. to review the claim (check #35939) and was allowed as endorsed. Ayes all. Motion carried.

Lori Erkenbrack, County Treasurer, met with the Board concerning a tax compromise. It was moved by Jacobs and seconded by Hoag, Sr. that a compromise be made for Public Bidder Certificate #120204 for the following described property: Lot 2, Block 8, Original Town of Lohrville, to Joseph R. and Sheila M. Berger, Lohrville. Ayes all. Motion carried.

It was moved by Jacobs and seconded by Hoag, Sr. to approve the following Resolution:

Resolution 2013-37

BE IT RESOLVED by the Board of Supervisors for Calhoun County, Iowa;

WHEREAS the Board desires to make the position of Calhoun County Attorney a full-time position. As full-time, the county attorney shall refrain from the private practice of law.

WHEREAS the position shall be considered full time as of January 1, 2014 and the initial annual salary of the County Attorney shall be \$79,706.00 and shall remain effective until changed as provided in Iowa Code Section 331.907. Ayes all. Motion carried.

Ron Haden, Engineer; Steve Goins, Assistant to the Engineer; and B.J. Musselman, Shop Foreman, met with the Board to update them on Secondary Road projects.

A bid for the auditing contract had been tabled from November 26. It was moved by Jacobs and seconded by Hoag, Sr. to accept the bid from Hunzelman, Putzier & Co. PLC, Storm Lake, for a three year contract costing \$32,500 for 2014, \$33,500 for 2015, and \$34,500.00 for 2016 to audit Calhoun County. Ayes all. Motion carried.

Beth Bahsen, Senior Associate Director, Elderbridge Area Agency on Aging, met with the Board concerning a budget request for FY 14/15. Also present was Roy Schoon, Pomeroy, member of the Board of Directors. The match fund request of \$7,811.10 is the same in the past years.

The hearing was held, as published, to approve Development Agreement and Tax Increment Payments. Those present were: Pam Anderson, Director, Economic Development; Rollin Tiefenthaler; Tia Tieffenthaler; and Joan Wagner, County Assessor.

A meeting of the Board of Supervisors of Calhoun County, Iowa, was held at 10:30 o'clock a.m., on December 3, 2013, at the Courthouse, Boardroom, Rockwell City, Iowa, pursuant to the rules of the Board.

The Chairperson presided and the roll was called, showing Supervisors present and absent as follows: Present: Dean G. Hoag, Sr. and Scott Jacobs. Absent: Gary Nicholson

The Board of Supervisors investigated and found that notice of the intention of the Board of Supervisors to conduct a public hearing to approve a Development Agreement between the County and Al's Corner Oil Company with respect to the development of a commercial truck stop, which agreement provides for certain financial incentives in the form of economic development incremental property tax payments in a total amount not exceeding \$300,000, had been published according to law and as directed by the Board and that this is the time and place at which the Board shall receive oral or written objections from any resident or property owner of the County. All written objections, statements, and evidence heretofore filed were reported to the Board, and all oral objections, statements, and all other exhibits presented were considered.

No written or oral statements were submitted.

There being no further objections or comments, the Chairperson announced that the hearing was closed.

Supervisor Scott Jacobs introduced the resolution next hereinafter set out and moved its adoption, seconded by Supervisor Dean G. Hoag, Sr.; and after due consideration thereof by the Board, the Chairperson put the question upon the adoption of said resolution, and the roll being called, the following named Supervisors voted: Ayes: Dean G. Hoag, Sr. and Scott Jacobs. Nays: none.

Whereupon, the Chairperson declared said resolution duly adopted, as follows:

RESOLUTION 2013-38
Approving Development Agreement with Al's Corner Oil Company,
Authorizing Tax Increment Payments and Pledging Certain Tax
Increment Revenues to the Payment of the Agreement

WHEREAS, Calhoun County, Iowa (the "County"), pursuant to and in strict compliance with all laws applicable to the County, and in particular the provisions of Chapter 403 of the Code of Iowa, has previously adopted an Urban Renewal Plan for the Calhoun County 2013 Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, this Board 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 (the "Urban Renewal Tax Revenue Fund"), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the County for the payment of the principal 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 County and Al's Corner Oil Company (the "Company") has been prepared pursuant to which the Company has agreed to the development of a commercial truck stop in the Urban Renewal Area (the "Al's Corner Oil Project") and under which the County would provide economic development incremental tax increment payments in a total amount not exceeding \$300,000; and

WHEREAS, this Board of Supervisors, pursuant to Section 403.9 of the Code of Iowa, has published notice, has held a public hearing on the Agreement on December 3, 2013, 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 County 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 Board of Supervisors 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 Board of Supervisors must consider any or all of a series of factors;

NOW, THEREFORE, It Is Resolved by the Board of Supervisors of Calhoun County, Iowa, as follows:

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

A. The Al's Corner Oil Project will add diversity and generate new opportunities for the Calhoun County and Iowa economies;

B. The Al's Corner Oil 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 property tax incentives.

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

Section 3. The Agreement is hereby approved and the Chairperson and County Auditor are hereby authorized and directed to execute and deliver the Agreement on behalf of the County, in substantially the form and content in which the Agreement has been presented to this Board of Supervisors, 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. As provided and required by Chapter 403 of the Code of Iowa, the County's obligations under the Agreement shall be payable solely from a subfund (the "Al's Corner Oil 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 described as follows:

Certain real property situated in Calhoun County, State of Iowa more particularly described as follows:

A TRACT OF LAND LOCATED IN THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE ¼ NE ¼) OF SECTION 10, TOWNSHIP 88 NORTH, RANGE 33

WEST OF THE 5TH P.M., CALHOUN COUNTY, IOWA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commencing at the Southeast (SE) Corner of the Northeast Quarter (NE ¼) of said Section 10; Thence on a previously recorded bearing of North 00° 49' 37" East, along the East line of said Northeast Quarter (NE ¼), 1130.15 feet to the Point of Beginning. Thence North 88° 57' 52" West, 47.30 feet to the West right-of-way line of Iowa Highway No. 4; Thence South 01° 02' 07" West, along said West right-of-way line, 334.65 feet; Thence continuing along said West right-of-way line, South 21° 58' 11" West, 98.36 feet; Thence continuing along said West right-of-way line, South 00° 52' 25" East, 98.48 feet; Thence continuing along said West right-of-way line, South 37° 35' 25" West, 108.61 feet to the North right-of-way line of U.S. Highway No. 20; Thence South 85° 00' 39" West, along said North right-of-way line, 428.63 feet; Thence continuing along said North right-of-way line, South 78° 34' 56" West, 227.54 feet; Thence North 01° 02' 07" East, 826.24 feet; Thence South 88° 57' 53" East, 791.86 feet to the East line of aforesaid Northeast Quarter (NE ¼); Thence South 00° 49' 37" West, along said East line, 120.00 feet to the Point of Beginning.

Hereafter known as Parcel A of the Southeast Quarter of the Northeast Quarter (SE ¼ NE ¼) of Section 10, Township 88 North, Range 33 West of the 5th P.M., Calhoun County, Iowa. Parcel contains 12.99 Acres and is subject to all easements of record.

Section 5. The County hereby pledges to the payment of the Agreement the Al's Corner Oil Subfund and the taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Subfund.

Section 6. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor of Calhoun County to evidence the continuing pledging of the Al's Corner Oil 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 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 this 3rd day of December, 2013. Ayes all. Motion carried.

I, the undersigned, County Auditor of Calhoun County, in the State of Iowa, do hereby certify that on the 3rd day of December, 2013, there was filed in my office a certified copy of a resolution of such County shown to have been adopted by the Board of Supervisors and approved by the Chairperson thereof on December 3, 2013, entitled: "Resolution Approving Development Agreement with Al's Corner Oil Company, Authorizing Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement," and that I have duly placed the copy of the resolution on file in my records.

DEVELOPMENT AGREEMENT

This Agreement is entered into between Calhoun County, Iowa (the "County") and Al's Corner Oil Company (the "Developer") as of the 3rd day of December, 2013 (the "Commencement Date").

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

WHEREAS, the County has established the Calhoun County 2013 Urban Renewal Area (the "Urban Renewal Area") and has adopted an urban renewal plan for the governance of projects and initiatives to be undertaken therein; and

WHEREAS, the Developer has undertaken the development of a commercial truck stop in the Urban Renewal Area (the "Project"); and

WHEREAS, the Project is to be situated on certain real property (the "Property") located within the Urban Renewal Area, such Property being legally described on Exhibit A hereto; and

WHEREAS, the costs of undertaking the Project will include the extension of electrical service to the Property, the digging of water supply wells on the Property and the installation of a sanitary septic system on the Property; and

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

WHEREAS, the Developer has requested that the County provide certain financial incentives to the Developer in the form of economic development incremental property tax payments in an amount not to exceed \$300,000;

NOW, THEREFORE, in consideration of the mutual obligations contained in this Agreement, the parties hereto agree as follows:

A. Developer's Covenants

1. The Developer agrees to construct the Project on the Property. Commencement began on September 1, 2013, and substantial completion will be accomplished by no later than June 1, 2014. Furthermore the Developer agrees

to maintain the completed Project on the Property as an active commercial facility and as part of its business operations throughout the Term, as hereinafter defined.

2. The Developer agrees to ensure timely and full payment of all property taxes owed with respect to the Property and the Project throughout the Term and to submit to the County a receipt or cancelled check as evidence of each tax payment.

3. The Developer agrees to work with Calhoun County Rural Electric Cooperative to cause the extension of electric service to the Property. Furthermore, the Developer agrees to cause the digging of water supply wells and the installation of a sanitary septic system adequate to meet the sanitary and water needs of the completed Project.

4. The Developer hereby acknowledges that failure to comply with the provisions of this Section A will give the County the right to withhold some or all of the Payments, as hereinafter set forth in Section B.

B. County's Covenants

In recognition of the Developer's obligations set out above, the County agrees to make up to twenty-two semiannual economic development tax increment payments (the "Payments") to the Developer due on each December 1 and June 1 in each fiscal year as hereinafter provided, pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments shall not exceed Three Hundred Thousand (\$300,000).

A portion of the new taxable valuation resulting from the completed Project is expected to go on the property tax rolls as of January 1, 2014, accordingly, the Payments would be due on each December 1 and June 1 commencing December 1, 2015 and continuing to, and including, June 1, 2026, or until such earlier date on which aggregate Payments in the amount of Three Hundred Thousand (\$300,000), have been made.

Each Payment shall be in an amount which represents 100% percent of the Incremental Property Tax Revenues available to the County with respect to the Property during the six months immediately preceding each Payment date. Incremental Property Tax Revenues are produced by multiplying the consolidated property tax levy (county, school, etc.) times the incremental valuation of the Property, then subtracting debt service levies of all taxing jurisdictions, subtracting the school district's instructional support and physical plant and equipment levies and subtracting any other levies which may be exempted from such calculation by action of the Iowa General Assembly.

The Payments shall not constitute general obligations of the County, but shall be made solely and only from the Incremental Property Tax Revenues to be received by the County from the Calhoun County Treasurer which are attributable to the Property, such incremental property taxes to be collected in a subfund of the Urban Renewal Area Urban Renewal Tax Increment Revenue Fund to be designated the "Al's Corner Oil Company Subfund". The Al's Corner Oil Company Subfund, and the Incremental Property Tax Revenues to be collected therein have been pledged by the County to the funding of the Payments hereunder.

The County agrees to certify tax increment debt relative to this Agreement by December 1, 2014 in an amount equal to Three Hundred Thousand (\$300,000).

C. Administrative Provisions

1. This Agreement may not be amended or assigned by either party without the express permission of the other party. However, the County hereby gives its permission that the Developer's rights to receive the Payments hereunder may be assigned by the Developer to a private lender, as security on borrowings made with respect to the Project, without further action on the part of the County.

2. The term (the "Term") of this Agreement shall commence on the Commencement Date and shall continue until the date on which the final Payment is remitted by the County to the Developer as set forth in Section B above.

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

4. 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 County and the Developer have caused this Agreement to be signed, and the County's seal to be affixed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

Calhoun County, Iowa, Dean G. Hoag, Sr., Vice Chairman
Rollin Tiefenthaler, Al's Corner Oil Company
Attest: Judy Howrey, County Auditor

LEGAL DESCRIPTION OF THE PROPERTY

Certain real property situated in Calhoun County, State of Iowa more particularly described as follows:

A TRACT OF LAND LOCATED IN THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (SE ¼ NE ¼) OF SECTION 10, TOWNSHIP 88 NORTH, RANGE 33 WEST OF THE 5TH P.M., CALHOUN COUNTY, IOWA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commencing at the Southeast (SE) Corner of the Northeast Quarter (NE ¼) of said Section 10; Thence on a previously recorded bearing of North 00° 49' 37" East, along the East line of said Northeast Quarter (NE ¼), 1130.15 feet to the Point of Beginning. Thence North 88° 57' 52" West, 47.30 feet to the West right-of-way line of Iowa Highway No. 4; Thence South 01° 02' 07" West, along said West right-of-way line, 334.65 feet; Thence continuing along said West right-of-way line, South 21° 58' 11" West, 98.36 feet; Thence continuing along said West right-of-way line, South 00° 52' 25" East, 98.48 feet; Thence continuing along said West right-of-way line, South 37° 35' 25" West, 108.61 feet to the North right-of-way line of U.S. Highway No. 20; Thence South 85° 00' 39" West, along said North right-of-way line, 428.63 feet; Thence continuing along said North right-of-way line, South 78° 34' 56" West, 227.54 feet; Thence North 01° 02' 07" East, 826.24 feet; Thence South 88° 57' 53" East, 791.86 feet to the East line of aforesaid Northeast Quarter (NE ¼); Thence South 00° 49' 37" West, along said East line, 120.00 feet to the Point of Beginning.

Hereafter known as Parcel A of the Southeast Quarter of the Northeast Quarter (SE ¼ NE ¼) of Section 10, Township 88 North, Range 33 West of the 5th P.M., Calhoun County, Iowa. Parcel contains 12.99 Acres and is subject to all easements of record. Ayes all. Motion carried.

It was moved by Jacobs and seconded by Hoag, Sr. to adjourn until Tuesday, December 10, 2013 at 9:00 am for their regular Board meeting. Ayes all. Motion carried.

Dean G. Hoag, Sr., Vice Chairman

Judy Howrey, Auditor

Scott Jacobs