F10a

City of Hiawatha

Finance Director's Office
319-393-1515

Memo:

To: Mayor and Council Members
From: Cindy Kudrna, Finance Director CK
Date: August 31, 2018
Subject: Public Hearing and Resolution for Side by Side, LLC

After many meetings with Side by Side, LLC (Keith Billick), to discuss the project in the Oakbrook area, the plan that was presented to council by Side by Side has some changes significant enough that we (the city) have been advised by our legal counsel to not approve this resolution at this time. This will stop the bidding/selling process of the city owned property. This also gives Side by Side some more time to get their plan revised and submitted so we can start the bidding/selling process again at a later time.

It is my recommendation that this resolution is to be voted "no" at this time.

If you have any questions, please feel free to contact me.

ITEMS TO INCLUDE ON AGENDA

CITY OF HIAWATHA, IOWA
September 5, 2018
5:30 P.M.

Hiawatha Urban Renewal Plan

- Public hearing on the proposal to enter into a Purchase, Sale, and Development Agreement with Side by Side Own, L.L.C. and Side by Side Develop, L.L.C., which includes the potential sale of the City's interest in real property.

- Resolution making final determination on potential sale of interest in real property and approving and authorizing execution of a Purchase, Sale, and Development Agreement by and among the City of Hiawatha, Side by Side Own, L.L.C. and Side by Side Develop, L.L.C.

IMPORTANT INFORMATION

1. The above agenda items should be included, along with any other agenda items, in the meeting agenda. The agenda should be posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the body holding the meeting. If no such office exists, the notice must be posted at the building in which the meeting is to be held.

2. If you do not now have a bulletin board designated as above mentioned, designate one and establish a uniform policy of posting your notices of meeting and tentative agenda.

3. Notice and tentative agenda must be posted at least 24 hours prior to the commencement of the meeting.

NOTICE MUST BE GIVEN PURSUANT TO IOWA CODE CHAPTER 21 AND THE LOCAL RULES OF THE CITY.

September 5, 2018

The City Council of the City of Hiawatha in the State of Iowa, met in _____ session, in the Council Chambers, City Hall, 101 Emmons Street, Hiawatha, Iowa, at 5:30 P.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

_____

_____

Absent: _____

* * * * * * *

The Mayor announced that this was the time and place for the public hearing and meeting on the matter of the proposal to approve and authorize execution of a Purchase, Sale, and Development Agreement by and among the City of Hiawatha, Side by Side Own, L.L.C., and Side by Side Develop, L.L.C., which Agreement includes the potential sale of the City's interest in real property, and that notice of the proposed action by the Council to enter into said Agreement and potentially sell real property thereunder had been published pursuant to the provisions of Section 364.6, 364.7, and 403.8 of the Code of Iowa.

The Mayor then asked the Clerk whether any written objections had been filed by any City resident or property owner to the proposed action. The Clerk advised the Mayor and the Council that _____ written objections had been filed. The Mayor then called for oral objections and _____ were made. Whereupon, the Mayor declared the time for receiving oral and written objections to be closed.

(Attach here a summary of objections received or made, if any)

The Council then considered the proposed action and the extent of objections thereto.

Whereupon, Council Member _____ introduced and delivered to the Clerk the Resolution hereinafter set out entitled "RESOLUTION MAKING FINAL DETERMINATION ON POTENTIAL SALE OF INTEREST IN REAL PROPERTY AND APPROVING AND AUTHORIZING EXECUTION OF A PURCHASE, SALE, AND DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF HIAWATHA, SIDE BY SIDE OWN, L.L.C., AND SIDE BY SIDE DEVELOP, L.L.C.", and moved:

☐ that the Resolution be adopted.

☐ to defer action on the Resolution and the proposal to the meeting to be held at _____ _____.M. on the _____ day of _____, 2018, at _____.

Council Member _____ seconded the motion. The roll was called and the vote was,

AYES: _____

_____

NAYS: _____

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION NO. _____

RESOLUTION MAKING FINAL DETERMINATION ON POTENTIAL SALE OF INTEREST IN REAL PROPERTY AND APPROVING AND AUTHORIZING EXECUTION OF A PURCHASE, SALE, AND DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF HIAWATHA, SIDE BY SIDE OWN, L.L.C., AND SIDE BY SIDE DEVELOP, L.L.C.

WHEREAS, by Resolution No. 91-68, adopted June 19, 1991, which has been amended 14 times, lastly by Amendment No. 14 as approved by Resolution No. 18-123 on July 18, 2018, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Hiawatha Urban Renewal Plan (the "Urban Renewal Plan" or "Plan") for the Hiawatha Urban Renewal Area (the "Urban Renewal Area" or "Area") described therein, which Plan as amended, is on file in the office of the Recorder of Linn County; and

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

WHEREAS, such Plan provides for, among other things, the disposition of property for private development as a proposed renewal action; and

WHEREAS, the City has received a proposal from Side by Side Own, L.L.C. (the "Owner") and Side by Side Develop, L.L.C. (the "Developer"), in the form of a proposed Purchase, Sale, and Development Agreement (the "Agreement") by and among the City, the Owner and the Developer, pursuant to which, among other things, the Developer would agree to construct certain Minimum Improvements (as defined in the Agreement) together with all related site improvements on real property located within the Urban Renewal Area (the "Development Property"); and

WHEREAS, the Agreement further proposes that the City will (i) sell the Development Property to Owner; (ii) provide Phase I Economic Development Grants (as defined in the Agreement) to the Developer in an amount not to exceed $1,615,000; and (iii) provide Phase IV Economic Development Grants (as defined in the Agreement) to the Developer in an amount not to exceed $315,000 under the terms and following satisfaction of the conditions set forth in the Agreement; and

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

WHEREAS, the terms of the Agreement satisfy the "fair market value" and "competitive bidding" requirements of Iowa Code Section 403.8; and

WHEREAS, in compliance with Sections 403.8, 364.6, and 364.7 of the Code of Iowa, the Council has set forth its proposal to dispose of interests in the Development Property, by publishing notice of a thirty day competitive bidding period followed by publication of notice of a public hearing on the Agreement and has held said hearing; and

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

a. Businesses that add diversity to or generate new opportunities for the Iowa economy should be favored over those that do not.

b. Development policies in the dispensing of the funds should attract, retain, or expand businesses that produce exports or import substitutes or which generate tourism-related activities.

c. Development policies in the dispensing or use of the funds should be targeted toward businesses that generate public gains and benefits, which gains and benefits are warranted in comparison to the amount of the funds dispensed.

d. Development policies in dispensing the funds should not be used to attract a business presently located within the state to relocate to another portion of the state unless the business is considering in good faith to relocate outside the state or unless the relocation is related to an expansion which will generate significant new job creation. Jobs created as a result of other jobs in similar Iowa businesses being displaced shall not be considered direct jobs for the purpose of dispensing funds; and

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

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

Section 1. The Council finds that disposal of interests in the Development Property to the Owner as set forth in the Agreement will benefit the health, safety and welfare of, and is in the best interests of the residents of the City. The Council further finds that transfer of the

Development Property will promote economic development in the City and that these benefits, together with the other consideration provided for in the Agreement, constitute fair consideration for the disposal of interests in the Development Property under Section 403.8, Code of Iowa.

Section 2. The proposal to sell the Development Property to the Owner pursuant to the terms of the proposed Agreement is hereby approved.

Section 3. That the performance by the City of its obligations under the Agreement, including but not limited to selling the Development Property to the Owner in connection with the redevelopment of the Development Property under the terms set forth in the Agreement, be and is hereby declared to be a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 403 of the Iowa Code, taking into account the factors set forth therein.

Section 4. That the form and content of the Agreement, the provisions of which are incorporated herein by reference, be and the same hereby are in all respects authorized, approved and confirmed, and the Mayor and the City Clerk be and they hereby are authorized, empowered and directed to execute, attest, seal and deliver the Agreement for and on behalf of the City in substantially the form and content now before this meeting, but with such changes, modifications, additions or deletions therein as shall be approved by such officers, and that from and after the execution and delivery of the Agreement, the Mayor and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed.

PASSED AND APPROVED this 5th day of September, 2018.

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF LINN)

I, the undersigned City Clerk of the City of Hiawatha, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the City showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of public hearing and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective city offices as indicated therein, that no vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Council hereto affixed this _____ day of _____, 2018.

_____
City Clerk, City of Hiawatha, State of Iowa

(SEAL)

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