

TENTATIVE AGENDA  
OTTUMWA CITY COUNCIL

SPECIAL MEETING NO. 13  
Council Chambers, City Hall

April 28, 2020  
5:30 O'Clock P.M.

In order to protect the health and safety of our citizens and staff and mitigate the spread of COVID-19, we are following the Proclamation of a State Public Health Disaster Emergency issued at 12:00 P.M. on Tuesday, March 17, 2020, which has been extended through April 30, 2020. Mass Gatherings or events of more than 10 people in attendance are hereby prohibited at all locations and venues. As a result, meeting attendance will be limited to *Elected Officials and Essential Personnel as it relates to items presented on the Council Agenda in Council Chambers*. Comments and/or questions will be accepted in writing at the door on the Fourth St. entrance. Our City Admin. will continue to evaluate the impact of COVID-19 on our community and will follow the guidelines and requirements of Wapello County EMA, the IDPH, and the CDC. The City will continue to record and broadcast meetings of the City Council on the YouTube channel so they are accessible to the public.

During Public Hearings, individuals can call **641-683-4581** to address the Council. During the meeting, Staff will reserve a minimum of 4 minutes for each Public Hearing Item to allow time for individuals to call in for questions/concerns.

ROLL CALL: Council Member Stevens, Meyers, Berg, Dalbey, Roe and Mayor Lazio.

APPROVAL OF THE AGENDA

IDENTIFICATION OF CITIZENS DESIRING TO COMMENT ON AGENDA ITEMS:

(When called upon by the Mayor, step to the microphone; state their name, address and agenda item to be addressed. The Mayor will invite you to address the Council when that topic is being discussed. Remarks will be limited to **three minutes or less**. The City Clerk shall keep the time and notify the Mayor when the allotted time limit has been reached. Comments are to be directly germane to the agenda item being discussed; if not directly germane as determined by the Mayor will be ruled out of order.)

**All items on this agenda are subject to discussion and/or action.**

1. Resolution No. 83-2020, Directing the Acceptance of a Proposal to Purchase \$15,380,000\* General Obligation and Refunding Capital Loan Notes; and Approving the Form and Authorizing Execution of a Note Purchase Agreement.

RECOMMENDATION: Pass and adopt Resolution No. 83-2020.

2. Resolution No. 84-2020, Authorizing the Redemption of Outstanding General Obligation Capital Loan Notes, Series 2012, dated April 2, 2012.

RECOMMENDATION: Pass and adopt Resolution No. 84-2020.

3. Resolution No. 85-2020, Authorizing the Redemption of Outstanding General Obligation Capital Loan Notes, Series 2013D, dated December 30, 2013.

RECOMMENDATION: Pass and adopt Resolution No. 85-2020.

4. Resolution No. 87-2020, Sets a public hearing for the approval of an Option to Purchase Property located within the City's West Gate Urban Renewal Area on the corner of West Main and South

Washington, known as a portion of the Washington Street parking lot, Ottumwa, Iowa, with Cutler Development, LLC, for 12:00 Noon on May 29, 2020.

RECOMMENDATION: Pass and adopt Resolution No. 87-2020.

- 5. Resolution No. 88-2020, approving the publication of a public notice soliciting competing proposals for an option to purchase real estate located within the City’s West Gate Urban Renewal Area on the corner of West Main and South Washington, known as a portion of the Washington Street parking lot, Ottumwa, Iowa with Cutler Development, LLC.

RECOMMENDATION: Pass and adopt Resolution No. 88-2020.

- 6. Resolution No. 89-2020, authorizing renewal and administrative services agreement between Wellmark Blue Cross and Blue Shield of Iowa and the City of Ottumwa, effective July 1, 2020 through June 30, 2021.

RECOMMENDATION: Pass and adopt Resolution No. 89-2020.

**PUBLIC FORUM:**

The Mayor will request comments from the public on topics of city business or operations other than those listed on this agenda. Comments shall not be personalized and limited to **three minutes or less**. Comments not directly applicable to operations, inappropriate, or an improper utilization of meeting time, as determined by the Mayor, will be ruled out of order. When called upon by the Mayor, step to the microphone; give your name, address and topic on which to address the Council. The Council is not likely to take any action on your comments due to requirements of the Open Meetings Law. Pertinent questions, comments or suggestions may be referred to the appropriate department, city administrator or legal counsel for response, if relevant.

Recess – Council will reconvene in Room 108 for closed session proceedings.

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SPECIAL MEETING NO. 13

Room 108, City Hall

To be held immediately following recess of open meeting.

April 28, 2020

6:00 O’Clock P.M.

ROLL CALL: Council Member Stevens, Meyers, Berg, Dalbey, Roe and Mayor Lazio.

- 1. Motion to enter into closed session in accordance with Iowa Code Section 21.5 1.i. (“To evaluate the professional competency of an individual whose appointment, hiring, performance, or discharge is being considered when necessary to prevent needless and irreparable injury to that individual’s reputation and that individual requests a closed session.”) for the purpose of conducting Police Chief interviews and return to open session.
- 2. Return to open session for action to appoint the preferred candidate at the next regularly scheduled City Council meeting, or later pending acceptance of offer.

ADJOURNMENT:

**\*\*\* It is the goal of the City of Ottumwa that all City Council public meetings are accessible to people with disabilities. If you need assistance in participating in City Council meetings due to a disability as defined under the ADA, please call the City Clerk's Office at (641) 683-0621 at least one (1) business day prior to the scheduled meeting to request an accommodation. \*\*\***



[ CITY OF ]  
O T T U M W A

**FAX COVER SHEET**

City of Ottumwa

DATE: 4/24/2020 TIME: 8:40 AM NO. OF PAGES 4  
(Including Cover Sheet)

TO: News Media CO: \_\_\_\_\_

FAX NO: \_\_\_\_\_

FROM: Christina Reinhard

FAX NO: 641-683-0613 PHONE NO: 641-683-0620

MEMO: Tentative Agenda for the Special City Council Meeting #13 to be held on 4/28/2020 \*\* Please Note – All media outlets wishing to record will need to set up in Council Chambers before the meeting starts at 5:30 P.M. Media personnel may then watch the meeting from Room 108 as we will broadcast on our screen in order to stay within regulations set forth in the State Public Health Disaster Emergency.

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\*\*\* FAX MULTI TX REPORT \*\*\*  
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Ottumwa Courier  
KTVO  
Tom FM



CITY OF  
OTTUMWA

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City of Ottumwa  
Staff Summary

2020 APR 25 PM 4:22

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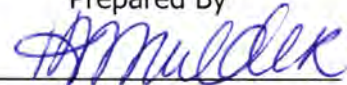
Council Meeting of: April 28, 2020

Item No 83-2020

Finance Department  
Department

Kala Mulder

Prepared By



Dept. Head



City Administrator

Agenda Title: Resolution No. 83-2020 Directing Sale of \$15,380,000 (Subject To Adjustment Per Terms of Offering) General Obligation and Refunding Capital Loan Notes, Series 2020.

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Purpose: Directing the Acceptance of a Proposal to Purchase \$15,380,000\* General Obligation and Refunding Capital Loan Notes; and Approving the Form and Authorizing Execution of a Note Purchase Agreement

Recommendation: Pass and adopt Resolution No. 83-2020.

Discussion: These bonds will be used to fund the CSO projects previously approved by the City Council.

**ITEMS TO INCLUDE ON AGENDA**

**CITY OF OTTUMWA, IOWA**

\$15,380,000\* General Obligation and Refunding Capital Loan Notes, Series 2020

- Resolution Directing the Acceptance of a Proposal to Purchase \$15,380,000\* General Obligation and Refunding Capital Loan Notes; and Approving the Form and Authorizing Execution of a Note Purchase Agreement

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

April 28, 2020

The City Council of the City of Ottumwa, State of Iowa, met in special session, in the Council Chambers, City Hall, 105 East 3rd Street, Ottumwa, Iowa, at 5:30 P.M., on the above date. There were present Mayor Lazio, in the chair, and the following named Council Members:

Stevens, Meyers, Berg, Dalbey, Roe

Absent: None

Vacant: None

\* \* \* \* \*



Council Member Meyers introduced the following Resolution entitled "RESOLUTION DIRECTING THE ACCEPTANCE OF A PROPOSAL TO PURCHASE \$15,380,000\* GENERAL OBLIGATION AND REFUNDING CAPITAL LOAN NOTES, SERIES 2020; AND APPROVING THE FORM AND AUTHORIZING EXECUTION OF A NOTE PURCHASE AGREEMENT" and moved that it be adopted. Council Member Roe seconded the motion to adopt, and the roll being called thereon, the vote was as follows:

AYES: Stevens, Meyers, Berg, Dalbey, Roe

NAYS: None

Whereupon, the Mayor declared the Resolution duly adopted as follows:

RESOLUTION NO. 83-2020

RESOLUTION DIRECTING THE ACCEPTANCE OF A PROPOSAL TO PURCHASE \$15,380,000\* GENERAL OBLIGATION AND REFUNDING CAPITAL LOAN NOTES, SERIES 2020; AND APPROVING THE FORM AND AUTHORIZING EXECUTION OF A NOTE PURCHASE AGREEMENT

WHEREAS, the City of Ottumwa, sometimes hereinafter referred to as the City, is a municipal corporation duly incorporated, organized and existing under and by virtue of the Constitution and laws of the State of Iowa; and

WHEREAS, it is deemed necessary that the City should enter into a Loan Agreement and borrow the amount of \$15,380,000\* (as adjusted) as authorized by Sections 384.24A and 384.25, Code of Iowa as amended; and

WHEREAS, a proposal has been received from Piper Sandler & Co. of Des Moines, Iowa; and

WHEREAS, it is the intention of this City Council to enter into a Loan Agreement in accordance with said proposal dated April 28, 2020.

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

Section 1. That this City Council does hereby accept the attached proposal of Piper Sandler & Co. of Des Moines, Iowa, including the form and content of the Note Purchase Agreement, the provisions of which are hereby approved, authorized, and confirmed, and the Mayor and City Clerk are hereby authorized, empowered, and directed to execute and deliver the Note Purchase Agreement, in substantially the form and content now before this meeting, but with such changes, modifications, additions or deletions approved by the City Clerk, upon the advice of bond counsel; and the City Council and takes additional action to permit the entering into of a Loan Agreement.

Section 2. The Mayor and City Clerk are authorized and directed to proceed on behalf of the City to enter into such Loan Agreement, to negotiate the final terms of a Loan Agreement to take all action necessary to permit the entering into of a Loan Agreement on a basis favorable to the City and acceptable to the Purchaser, and to proceed to meet the conditions of this accepted proposal.

PASSED AND APPROVED this 28<sup>th</sup> day of April, 2020.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

(Attach Copy of Terms of Proposal)

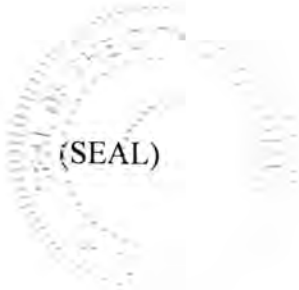
CERTIFICATE

STATE OF IOWA )  
 ) SS  
COUNTY OF WAPELLO )

I, the undersigned City Clerk of the City of Ottumwa, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the 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 meeting 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 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 Council 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 28th day of April, 2020.

Christine Ruellard  
City Clerk, City of Ottumwa, State of Iowa



City of Ottumwa

Staff Summary

2020 APR 23 PM 4:22

Ottumwa

Council Meeting of: April 28, 2020

Item No 84-2020

Kala Mulder

Prepared By

*KM Mulder*

Dept. Head

Finance Department

Department

*Ally Pitt*

City Administrator

Agenda Title: Resolution No. 84-2020 Authorizing the Redemption of Outstanding General Obligation Capital Loan Notes, Series 2012, dated April 2, 2012.

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Purpose: Authorizing the Redemption of Outstanding General Obligation Capital Loan Notes, Series 2012, dated April 2, 2012.

Recommendation: Pass and adopt Resolution No. 84-2020.

Discussion: Refinancing prior GO Debt to lower rating.

**ITEMS TO INCLUDE ON AGENDA**

**CITY OF OTTUMWA, IOWA**

General Obligation Capital Loan Notes, Series 2012

- Resolution Authorizing the Redemption of Outstanding General Obligation Capital Loan Notes, Series 2012, dated April 2, 2012.

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

April 28, 2020

The City Council of the City of Ottumwa, State of Iowa, met in special session, in the Council Chambers, City Hall, 105 East 3<sup>rd</sup> Street, Ottumwa, Iowa, at 5:30 P.M., on the above date. There were present Mayor Lazio, in the chair, and the following named Council Members:

Stevens, Meyers, Berg, Dalbey, Roe

Absent: None

Vacant: None

\* \* \* \* \*



Council Member Roe introduced the following Resolution entitled "A RESOLUTION AUTHORIZING THE REDEMPTION OF OUTSTANDING GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2012, OF THE CITY OF OTTUMWA, STATE OF IOWA, DATED APRIL 2, 2012, AND DIRECTING NOTICE BE GIVEN" and moved its adoption. Council Member Stevens seconded the motion to adopt. The roll was called and the vote was,

AYES: Stevens, Meyers, Berg, Dalbey, Roe

NAYS: None

Whereupon, the Mayor declared the resolution duly adopted as follows:

Resolution No. 84-2020  
RESOLUTION AUTHORIZING THE REDEMPTION OF  
OUTSTANDING GENERAL OBLIGATION CAPITAL LOAN  
NOTES, SERIES 2012, OF THE CITY OF OTTUMWA, STATE  
OF IOWA, DATED APRIL 2, 2012, AND DIRECTING NOTICE  
BE GIVEN

WHEREAS, the City did by resolution dated March 20, 2012, authorize the issuance of \$4,035,000 General Obligation Capital Loan Notes, Series 2012, (the "Notes") dated April 2, 2012; and

WHEREAS, the Notes are redeemable in any order of their numbering on June 1, 2017 or any date thereafter upon giving notice in the manner provided in the resolution authorizing the issuance of the Notes; and

WHEREAS, it is deemed necessary and advisable that \$1,250,000 be so redeemed on June 1, 2020 and notice of redemption be given according to the terms of the resolution authorizing issuance of the Notes.

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

Section 1. That outstanding General Obligation Capital Loan Notes, dated April 2, 2012, in the principal amount of \$1,250,000, be and the same are hereby redeemed as of June 1, 2020.

Section 2. UMB Bank, n.a., as Substitute Paying Agent, Bond Registrar and Transfer Agent, to Bankers Trust Company, is hereby authorized and directed to cause notice of such redemption be given not less than thirty (30) days prior to the redemption date and to cause

notice of redemption to be mailed to the registered owners of the Notes by ordinary mail, and to notify DTC

Section 3. The Finance Director is hereby authorized and directed to cause to be deposited in a separate fund such sum as is sufficient to pay all principal and interest on the redeemed Notes to the date of redemption and to notify the City's dissemination agent to post the Notice of Redemption to the MSRB's website (EMMA) in searchable PDF format for the refunded Notes in accordance with the Continuing Disclosure Certificate for the Notes.

Section 4. That the form of such notice be substantially as follows:



NOTICE OF THE CALL OF NOTES FOR REDEMPTION TO THE HOLDERS OF THE  
FOLLOWING DESCRIBED NOTES:

Please take notice that the Notes described below have been called for redemption. Owners of the Notes should present their Notes for payment on the redemption date.

Issuer: City of Ottumwa, State of Iowa

Original Issue Amount: \$4,035,000

Note Issue: General Obligation Capital Loan Notes, Series 2012

Dated Date: April 2, 2012

Redemption Date: June 1, 2020

Redemption Price: Par, plus accrued interest

Notes Called for Redemption

<u>CUSIP Numbers</u>	<u>Note Numbers</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date June 1<sup>st</sup></u>
689716 D70	10	\$225,000	2.000%	2021
689716 D88	11	\$225,000	2.000%	2022
689716 D96	12	\$200,000	2.000%	2023
689716 E20	13	\$200,000	2.125%	2024
689716 E38	14	\$200,000	2.250%	2025
689716 E46	15	\$200,000	2.300%	2026

No representation is made as to the accuracy of the CUSIP numbers printed herein or on the Notes.

The above Notes should be presented to UMB Bank, n.a., as Substitute Paying Agent, Bond Registrar and Transfer Agent, to Bankers Trust Company, Des Moines, Iowa. This represents a full call of the outstanding obligations. All interest will cease to accrue on the Redemption Date.

UMB BANK, N.A., of West Des Moines, Iowa

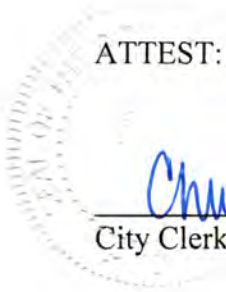

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(End of Notice)

PASSED AND APPROVED this 28<sup>th</sup> day of April, 2020.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
  
\_\_\_\_\_  
City Clerk



# Item No. 3.

City of Ottumwa

Staff Summary

APR 23 PM 4:22

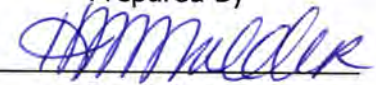
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Council Meeting of: April 28, 2020

Item No 85-2020

Kala Mulder

Prepared By



Dept. Head

Finance Department

Department



City Administrator

Agenda Title: Resolution No. 85-2020 Authorizing the Redemption of Outstanding General Obligation Capital Loan Notes, Series 2013D, dated December 30, 2013.

.....  
Purpose: Authorizing the Redemption of Outstanding General Obligation Capital Loan Notes, Series 2013D, dated December 30, 2013.

Recommendation: Pass and adopt Resolution No. 85-2020.

Discussion: Refinancing prior GO Debt to lower rating.

**ITEMS TO INCLUDE ON AGENDA**

**CITY OF OTTUMWA, IOWA**

General Obligation Capital Loan Notes, Series 2013D

- Resolution Authorizing the Redemption of Outstanding General Obligation Capital Loan Notes, Series 2013D, dated December 30, 2013.

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

April 28, 2020

The City Council of the City of Ottumwa, State of Iowa, met in special session, in the Council Chambers, City Hall, 105 East 3rd Street, Ottumwa, Iowa, at 5:30 P.M., on the above date. There were present Mayor Lazio, in the chair, and the following named Council Members:

Stevens, Meyers, Berg, Dalbey, Roe

Absent: None

Vacant: None

\* \* \* \* \*

Council Member Dalbey introduced the following Resolution entitled "A RESOLUTION AUTHORIZING THE REDEMPTION OF OUTSTANDING GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2013D, OF THE CITY OF OTTUMWA, STATE OF IOWA, DATED DECEMBER 30, 2013, AND DIRECTING NOTICE BE GIVEN" and moved its adoption. Council Member Roe seconded the motion to adopt. The roll was called and the vote was,

AYES: Stevens, Meyers, Berg, Dalbey, Roe

NAYS: None

Whereupon, the Mayor declared the resolution duly adopted as follows:

Resolution No. 85-2020  
RESOLUTION AUTHORIZING THE REDEMPTION OF  
OUTSTANDING GENERAL OBLIGATION CAPITAL LOAN  
NOTES, SERIES 2013D, OF THE CITY OF OTTUMWA,  
STATE OF IOWA, DATED DECEMBER 30, 2013, AND  
DIRECTING NOTICE BE GIVEN

WHEREAS, the City did by resolution dated December 17, 2013, authorize the issuance of \$4,185,000 General Obligation Capital Loan Notes, Series 2013D, (the "Notes") dated December 30, 2013; and

WHEREAS, the Notes are redeemable in any order of their numbering on June 1, 2019 or any date thereafter upon giving notice in the manner provided in the resolution authorizing the issuance of the Notes; and

WHEREAS, it is deemed necessary and advisable that \$2,450,000 be so redeemed on June 1, 2020 and notice of redemption be given according to the terms of the resolution authorizing issuance of the Notes.

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

Section 1. That outstanding General Obligation Capital Loan Notes, dated December 30, 2013, in the principal amount of \$2,450,000, be and the same are hereby redeemed as of June 1, 2020.

Section 2. UMB Bank, n.a., as Substitute Paying Agent, Bond Registrar and Transfer Agent, to Bankers Trust Company, is hereby authorized and directed to cause notice of such

redemption be given not less than thirty (30) days prior to the redemption date and to cause notice of redemption to be mailed to the registered owners of the Notes by ordinary mail, and to notify DTC.

Section 3. The Finance Director is hereby authorized and directed to cause to be deposited in a separate fund such sum as is sufficient to pay all principal and interest on the redeemed Notes to the date of redemption and to notify the City's dissemination agent to post the Notice of Redemption to the MSRB's website (EMMA) in searchable PDF format for the refunded Notes in accordance with the Continuing Disclosure Certificate for the Notes.

Section 4. That the form of such notice be substantially as follows:



NOTICE OF THE CALL OF NOTES FOR REDEMPTION TO THE HOLDERS OF THE  
FOLLOWING DESCRIBED NOTES:

Please take notice that the Notes described below have been called for redemption. Owners of the Notes should present their Notes for payment on the redemption date.

Issuer: City of Ottumwa, State of Iowa

Original Issue Amount: \$4,185,000

Note Issue: General Obligation Capital Loan Notes, Series 2013D

Dated Date: December 30, 2013

Redemption Date: June 1, 2020

Redemption Price: Par, plus accrued interest

Notes Called for Redemption

<u>CUSIP Numbers</u>	<u>Note Numbers</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date June 1<sup>st</sup></u>
689716 J41	7	\$320,000	2.125%	2021
689716 J58	8	\$325,000	2.500%	2022
689716 J66	9	\$330,000	2.600%	2023
689716 J74	10	\$340,000	2.800%	2024
689716 K23	11	\$335,000	3.500%	2027*
689716 K80	12	\$800,000	4.000%	2033*

No representation is made as to the accuracy of the CUSIP numbers printed herein or on the Notes.

The above Notes should be presented to UMB Bank, n.a. as Substitute Paying Agent, Bond Registrar and Transfer Agent, to Bankers Trust Company, West Des Moines, Iowa. This represents a full call of the outstanding obligations. All interest will cease to accrue on the Redemption Date.

UMB BANK, N.A., West Des Moines, Iowa

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(End of Notice)

PASSED AND APPROVED this 28<sup>th</sup> day of April, 2020.

  
\_\_\_\_\_  
Mayor

ATTEST:  
  
  
\_\_\_\_\_  
City Clerk

CERTIFICATE

STATE OF IOWA )  
 ) SS  
COUNTY OF WAPELLO )

I, the undersigned City Clerk of the City of Ottumwa, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the 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 meeting 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 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 Council 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 28<sup>th</sup> day of April, 2020.

Christ Reinhard  
City Clerk, City of Ottumwa, State of Iowa





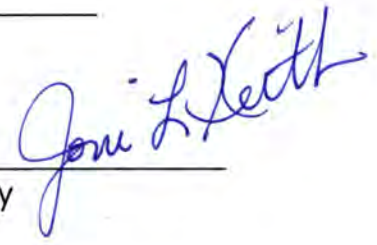


CITY OF OTTUMWA  
STAFF SUMMARY

Council Meeting of: April 28, 2020

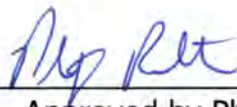
ITEM NO. \_\_\_\_\_

Joni Keith  
Prepared By



\_\_\_\_\_  
Planning  
Department

\_\_\_\_\_  
Kevin Flanagan  
Department Head



\_\_\_\_\_  
Approved by Philip Rath

AGENDA TITLE: Resolution No. 87-2020 sets a public hearing for the approval of an Option to Purchase Property located within the City's West Gate Urban Renewal Area on the corner of West Main and South Washington, known as a portion of the Washington Street parking lot, Ottumwa, Iowa with Cutler Development, LLC, for 12:00 noon on May 29, 2020.

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PURPOSE: Setting a public hearing for 12:00 noon on May 29, 2020 in the Ottumwa City Council Chambers at 105 East Third Street, Ottumwa, Iowa, on the City Council's intent to approve an Option to Purchase with Cutler Development, LLC.

RECOMMENDATION: Pass and adopt Resolution No. ~~87~~-2020.

DISCUSSION: The City has been in negotiations with Cutler Development to execute an Option to Purchase for the sum of \$5,000 for a period of 12 months to allow Cutler to apply for a grant to develop a housing project on the south half of the Washington Street Parking lot located at the corner of West Main Street and South Washington Street. Cutler proposes to build a 3-story building with approximately 24 apartments on levels 2 and 3, 9,300 square feet of retail space on level 1, with 10,000 square feet of private parking and related site improvements. The approximate investment would be \$4 million. This would leave the north half of this lot for parking for businesses in this area. Cutler's proposal promotes economic development in the West Gate Urban Renewal Area. If Cutler is awarded the grant, the city would proceed to prepare a



Development Agreement with him, along with the public notice and public hearing requirements. To satisfy competitive bidding requirements as well as Iowa Code Section 403.8, a Resolution should be passed setting a public hearing for the approval of the Option to Purchase. A separate Resolution will be submitted to council to approve the minimum development requirements, competitive criteria, and procedures for disposition of certain property located within the West Gate Urban Renewal Area; determining that the proposal submitted by Cutler satisfies the offering requirement and declaring the intent of the City to enter into a an Option to Purchase Agreement with Cutler in the event that no competing proposals are submitted; and soliciting competing proposals. The proposed Option to Purchase, along with a plat of survey are attached hereto and will be placed with the City Clerk's office for review by the public. Competitive bidders will have until 11:00 a.m. on May 29, 2020 to submit competing bids. Public hearing will on May 29, 2020 at 12:00 noon to review competing proposals and determine if the Option to Purchase will be authorized.

INDEX LEGEND	
LOCATION:	BLOCK 24 IN THE ORIGINAL PLAT OF OTTUMWA
PROPRIETOR:	CITY OF OTTUMWA
REQUESTED BY:	CITY OF OTTUMWA
PREPARED BY:	BOBBY J. MADDALENO
COMPANY:	GARDEN & ASSOCIATES, LTD.
RETURN TO:	P.O. BOX 451, OSKALOOSA, IOWA 52577



GARDEN & ASSOC.

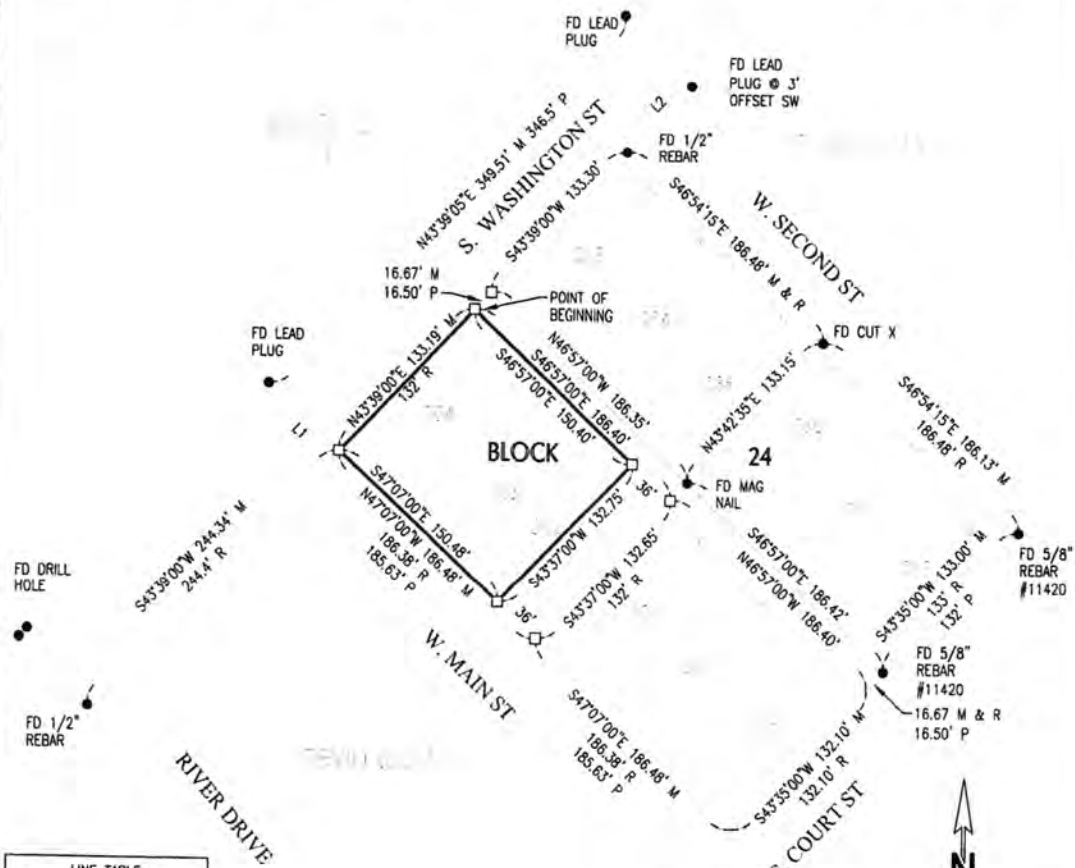
P.O. Box 451, Oskaloosa, Iowa 52577-0451 Phone: (641)672-2526

RESERVED FOR RECORDER'S USE

### PLAT OF SURVEY

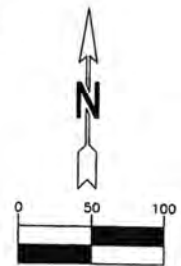
Lot Three Hundred Four (304), Lot Three Hundred Three (303) and Lot Three Hundred Two (302) except the Southeastery 36 feet thereof, all in Block Twenty-four (24) in the Original Plat of the City of Ottumwa, Wapello County, Iowa being more particularly described as follows:

Beginning at the most Northerly corner of said Lot 304; thence South 46°57'00" East 150.40 feet along the Northeastery line of said Lots 304, 303 and 302 to the Northwestery corner of the Southeastery 36 feet of said Lot 302; thence South 43°37'00" West 132.75 feet along a line parallel and 36 feet normally distant from the Southeastery line of said Lot 302 to a point on the Southwestery line of said Lot 302 distant thereon 36 feet Northwestery from the most Southerly corner thereof; thence North 47°07'00" West 150.48 feet along the Southwestery line of said Lots 304, 303 and 302 and the Northeastery line of West Main Street to the Northwestery corner of said Lot 304; thence North 43°39'00" East 133.19 feet along the Northwestery line of said Lot 304 and Southeastery line of South Washington Street to the Point of Beginning, containing 20,003 square feet.



LINE TABLE		
LINE	BEARING	LENGTH
L1	N47°07'00\"W	66.02'
L2	N43°40'15\"E	63.11'

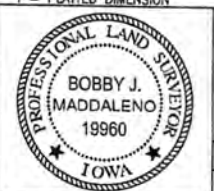
- = PROPERTY CORNER FOUND
- = PROPERTY CORNER SET (MAG NAIL)
- = PROPERTY CORNER SET (5/8\" X 30\" REBAR #19960)
- M = MEASURED DIMENSION
- R = RECORDED DIMENSION
- P = PLATTED DIMENSION



DATE OF FIELDWORK: 3-16-20  
BASIS OF BEARINGS: IOWA RCS, ZONE 12-RED OAK-OTTUMWA

I hereby certify that this land surveying document was prepared and the related survey work was performed by me or under my direct personal supervision and that I am a duly licensed Professional Land Surveyor under the laws of the State of Iowa.

Bobby J. Maddaleno, P.L.S. \_\_\_\_\_ Date \_\_\_\_\_  
License number: 19960  
My license renewal date is December 31, 2021  
Pages or sheets covered by this seal: \_\_\_\_\_



CITY OF OTTUMWA LOTS 304, 303 AND PART OF LOT 302 IN BLOCK 24, O.P. OTTUMWA, IOWA		
DATE: 4/21/20	DRN. BJM	APP.
FLD.BK.	PROJ.NO. 6020080	

## OPTION TO PURCHASE REAL PROPERTY

**THIS OPTION TO PURCHASE REAL PROPERTY** (this “Option” or “Option Agreement”), is made and entered into this 28th day of April, 2020 (the “Effective Date”) by and between the City of Ottumwa, Iowa (the “City”), and Cutler Development, LLC, an Iowa limited liability company (the “Developer”). The City and the Developer are the parties to this Option Agreement.

The parties agree as follows:

1. The City, for and in consideration of the non-refundable sum of \$5,000 (the “Option Price”) paid by the Developer, hereby gives and grants to the Developer the exclusive right, at any time during the twelve (12) month period immediately following the Effective Date (the “Option Period”), to purchase the real property legally described as set forth in Exhibit A Ottumwa, Iowa (the “Property”), provided that, if Developer exercises the Option, the conveyance of the Property from the City to Developer shall not occur unless the following conditions precedent are satisfied: (i) the City and Developer have also entered into a development agreement regarding the development of the Property (the “Development Agreement”) containing at least those terms set forth in Exhibit B and other terms as deemed appropriate by the City Council, (ii) any other action required to authorize the Development Agreement as an urban renewal project in the City’s Gateway Urban Renewal Area has been completed; and (iii) the Developer is in compliance with the terms of the Development Agreement including the payment of any Purchase Price.
2. City shall not sell, encumber, or otherwise dispose of the Property, except to Developer, or with Developer’s consent, during the Option Period.
3. This Option may be exercised by the Developer at any time during the Option Period by giving the City written notice delivered by personal service or by certified mail and addressed to the City.
4. Within 30 days following receipt of the Developer’s notice to exercise the Option, the City shall deliver to the Developer any abstract of title concerning the Property in the possession of the City. The Developer, at Developer’s expense, shall have the abstract continued to date and reviewed by an attorney of Developer’s choosing. The abstract shall show marketable title in the City in conformity with Iowa law, and the title standards of the Iowa State Bar Association. The City shall make every reasonable effort to promptly perfect title. If the City is unable to perfect title with reasonable diligence, the Developer may either waive the title defects and proceed to Closing or elect to terminate this Option in which case the City shall retain the Option Price. The abstract shall become the property of the Developer when the Purchase Price is paid in full.
5. The parties shall close the sale of the Property no later than 90 days following the Date the City receives Developer’s notice to exercise the Option consistent with the terms of this Option. This transaction shall be considered closed upon the delivery of all title transfer



documents, and the City's receipt of all funds due from the Developer under this Option and the Developer's execution and compliance with Development Agreement referenced herein ("Closing"). If Closing has not occurred within said 90-day period, this Option shall automatically terminate, and the City shall be entitled to retain the Option Price.

6. The Property is exempt from real estate taxes while owned by the City. There shall be no pro-ration of real estate taxes at Closing. Developer shall take the Property subject to any special assessments, whether such assessment is a lien against the Property or a preliminary or deficiency assessment.
7. In the event of substantial damage or destruction after the Developer has exercised the Option but prior to Closing, this Agreement shall be null and void; provided, however, the Developer shall have the option to complete the closing and receive any insurance proceeds related to the Property regardless of the extent of damages. The Property shall be deemed substantially damaged or destroyed if it cannot be restored to its present condition on or before the Closing.
8. Included with the Property shall be all fixtures that integrally belong to, are specifically adapted to, or are a part of the Property, whether attached or detached.
9. The City agrees to allow the Developer, or Developer's representative, to conduct non-invasive testing and survey work upon the Property during Option Period, so long as said work does not damage the Property or interfere with the City's use of the Property. Any and all damages to real or personal property that may arise as a result of the inspections will be restored by Developer to original conditions. Developer shall indemnify, defend, and hold the City harmless against any loss, claim, damage, or expense that may arise out of Developer's access to the Property to conduct inspections.
10. The City shall convey the Property to the Developer by Special Warranty Deed.
11. Notwithstanding any other provision contained herein, it is understood and agreed that the City is not making and has not at any time made any warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, any warranties or representations as to habitability, merchantability, fitness for a particular purpose, title, leasing, zoning, tax consequences, latent or patent physical condition, utilities, operating history or projections, valuation, governmental approvals, or the compliance of the Property with laws. The Developer acknowledges and agrees that at the Closing the City shall sell and convey to Developer and Developer shall accept the Property "as is, where is, with all faults". The Developer has not relied and will not rely on, and the City is not liable for or bound by, any express or implied warranties, guaranties, statements, representations or information pertaining to the Property or relating thereto (including specifically, without limitation, information packages distributed with respect to the Property) made or furnished by City or any real estate broker or agent representing or purporting to represent City, to whomever made or given, directly or indirectly, orally or in writing. The Developer represents to the City that the Developer has conducted, or will conduct prior to Closing, such investigations of the Property, including but not limited

to the physical and environmental condition thereof, as the Developer deems necessary to satisfy itself as to the condition of the Property. At the Closing the Developer shall be deemed to have waived, relinquished, and released the City (and City's directors, administrators, employees, and agents) from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which the Developer might have asserted or alleged against the City (and City's directors, administrators, employees, and agents) at any time by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any applicable laws and any and all other acts, omissions, events, circumstances or matters regarding the Property.

12. Neither party used the services of a real estate agent or broker in connection with this transaction. Each party agrees to indemnify, defend, and hold harmless the other party from and against all claims, costs, liabilities and expense (including court costs and reasonable attorney's fees) incurred by the other party as a result of a breach of this representation.
13. The parties each certify that they are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and are not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party hereby agrees to defend, indemnify and hold harmless the other party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to my breach of the foregoing certification.
14. A notice, demand or other communication under this Agreement by any party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally as follows:
  - a. In the case of Developer, is addressed or delivered personally to Cutler Development, LLC at 1307 50TH Street, West Des Moines, IA, 50266, Attn: Scott Cutler, Manager;
  - b. In the case of the City, is addressed to or delivered personally to the City at 105 E 3rd Street, Ottumwa, IA 52501 Attn: Chris Reinhard, City Clerk.
15. In the performance of each part of this Option Agreement, time shall be of the essence. Failure to promptly assert rights herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default. This Option Agreement shall apply to and bind the successors in interest of the parties. This Option Agreement shall survive the Closing.

16. This Option Agreement contains the entire agreement of the parties and shall not be amended except by a written instrument duly signed by both parties. Paragraph headings are for convenience of reference and shall not limit or affect the meaning of this Option Agreement. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.
17. This Option Agreement shall be governed by and construed under the laws of the State of Iowa.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor and its seal to be hereunto duly affixed and attested by its City Clerk, Developer has caused this Agreement to be duly executed in its name and behalf by its authorized representatives, all on or as of the day first above written.

*[Remainder of page intentionally left blank; signature pages follow]*





EXHIBIT A  
LEGAL DESCRIPTION OF PROPERTY

Lot Three Hundred Four (304), Lot Three Hundred Three (303) and Lot Three Hundred Two (302) except the Southeasterly 36 feet thereof, all in Block Twenty-four (24) in the Original Plat of the City of Ottumwa, Wapello County, Iowa being more particularly described as follows:

Beginning at the most Northerly corner of said Lot 304; thence South  $46^{\circ}57'00''$  East 150.40 feet along the Northeasterly line of said Lots 304, 303 and 302 to the Northwesterly corner of the Southeasterly 36 feet of said Lot 302; thence South  $43^{\circ}37'00''$  West 132.75 feet along a line parallel and 36 feet normally distant from the Southeasterly line of said Lot 302 to a point on the Southwesterly line of said Lot 302 distant thereon 36 feet Northwesterly from the most Southerly corner thereof; thence North  $47^{\circ}07'00''$  West 150.48 feet along the Southwesterly line of said Lots 304, 303 and 302 and the Northeasterly line of West Main Street to the Northwesterly corner of said Lot 304; thence North  $43^{\circ}39'00''$  East 133.19 feet along the Northwesterly line of said Lot 304 and Southeasterly line of South Washington Street to the Point of Beginning, containing 20,003 square feet



EXHIBIT B  
MINIMUM TERMS OF DEVELOPMENT AGREEMENT

The Development Agreement that the Parties must execute as a condition precedent to the sale of the Property to Developer shall include, at a minimum, Developer's obligation to complete Minimum Improvement on the Property within a specified period after closing that is mutually agreed to by the Parties, which Minimum Improvements shall include:

- A three-story building with approximately 24 apartments on levels 2 and 3, 9,300 square feet of retail space on level 1, 10,000 square feet of private parking, and related site improvements.
- The required investment will be approximately \$4,000,000.

The transfer of the Property may be subject to a right of reversion should the Developer not meet certain benchmarks toward the completion of the Minimum Improvements.

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## RESOLUTION #87-2020

### RESOLUTION FIXING DATE FOR A PUBLIC HEARING ON THE PROPOSAL TO ENTER INTO AN OPTION TO PURCHASE REAL PROEPRTY WITH CUTLER DEVELOPMENT, LLC, AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

WHEREAS, by Resolution No. 39-1989, adopted May 2, 1989, 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 West Gate Economic Development Urban Renewal Plan (the "Plan" or "Urban Renewal Plan") for the West Gate Economic Development Urban Renewal Area (the "Area" or "Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Wapello County; and

WHEREAS, the Plan has subsequently been amended eight times, lastly by the adoption of Amendment No. 8 to the Plan, adopted by Resolution No. 217-2019, on October 1, 2019; 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, the City has received a proposal from Cutler Development, LLC (the "Developer"), in the form of a proposed Option to Purchase Real Property (the "Option Agreement") by and between the City and the Developer, pursuant to which, among other things, in exchange for \$5,000 paid by the Developer and other consideration, the City would provide the Developer a 12-month option to purchase certain real property owned by the City and located within the Urban Renewal Area (the "Property"); and

WHEREAS, the Option Agreement further provides that a condition precedent to the Developer's purchase of the Property from the City under the Option Agreement is the Developer entering into a development agreement with the City regarding the development of the Property, including certain minimum development terms as specified in the Option Agreement; and

WHEREAS, Iowa Code Chapters 15A and 403 (the "Urban Renewal Law") authorize cities to dispose of property in furtherance of the objectives of an urban renewal project and to take other actions as may be necessary to carry out the purposes of said Chapter; and

WHEREAS, the Council has determined that the Option 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 Option Agreement and the City's performance thereunder is in furtherance of appropriate economic development and blight remediation 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; and



WHEREAS, neither the Urban Renewal Law nor any other Code provision sets forth any procedural action required to be taken before said economic development activities can occur under the Option Agreement, and pursuant to Section 364.6 of the City Code of Iowa, it is deemed sufficient if the action hereinafter described be taken and the City Clerk publish notice of the proposal and of the time and place of the meeting at which the Council proposes to take action thereon and to receive oral and/or written objections from any resident or property owner of said City to such action.

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

Section 1. That this Council meet in the Council Chambers, City Hall, 105 E. 3rd Street, Ottumwa, Iowa, at 12:00 P.M. on May 29, 2020, for the purpose of taking action on the matter of the proposal to enter into an Option to Purchase Real Property with Cutler Development, LLC.

Section 2. That the City Clerk is hereby directed to cause at least one publication to be made of a notice of said meeting, in a legal newspaper, printed wholly in the English language, published at least once weekly, and having general circulation in said City, said publication to be not less than four (4) clear days nor more than twenty (20) days before the date of said public meeting.

Section 3. The notice of the proposed action shall be in substantially the following form:

**NOTICE OF PUBLIC HEARING OF THE CITY COUNCIL OF  
THE CITY OF OTTUMWA IN THE STATE OF IOWA, ON THE  
MATTER OF THE PROPOSAL TO ENTER INTO AN OPTION TO  
PURCHASE REAL PROPERTY WITH CUTLER  
DEVELOPMENT, LLC, AND THE HEARING THEREON**

PUBLIC NOTICE is hereby given that the Council of the City of Ottumwa in the State of Iowa, will hold a public hearing on May 29, 2020, at 12:00 P.M. in the Council Chambers, City Hall, 105 E. 3rd Street, Ottumwa, Iowa, at which meeting the Council proposes to take action on the proposal to enter into an Offer to Purchase Real Property Agreement (the "Option Agreement") with Cutler Development, LLC ("Developer").

Due to public health concerns related to COVID-19, as authorized by emergency proclamation of the Governor of the State of Iowa, the Council Chambers will NOT be open to the public to attend the public hearing and meeting in person; instead, the public may access the meeting electronically, pursuant to Iowa Code Section 21.8, in the manner specified below:

The public may access the meeting by telephone as follows:

(641) 683-4581

Please check the posted agenda in advance of the May 29, 2020 meeting for any updates to the manner in which the public may access the hearing.

The Option Agreement proposes that the City would grant a 12-month option to the Developer to purchase certain real property from the City located within the West Gate Economic Development Urban Renewal Area as defined and legally described in the Option Agreement (the "Property"). One of the conditions precedent to the Developer's purchase of the Property under the Option Agreement is the Developer entering into a development agreement with the City regarding the development of the Property, including certain minimum development terms as set forth in the Option Agreement.

At the above meeting the Council shall receive oral or written objections from any resident or property owner of said City, to the proposal to enter into the Option Agreement with the Developer. After all objections have been received and considered, the Council will at this meeting or at any adjournment thereof, take additional action on the proposal or will abandon the proposal to authorize said Option Agreement.

All persons wishing to observe or participate in the meeting and/or public hearing may do so by accessing the meeting as directed above, and may also submit comments to the City prior to the meeting. At the above meeting, the Council shall receive oral or written objections, from any resident or property owner of said City, to the Option Agreement.

Please contact the City Clerk's office at (641) 683-0620 or [reinhardc@ci.ottumwa.ia.us](mailto:reinhardc@ci.ottumwa.ia.us) if you have questions about the electronic format of the meeting or electronic accessibility issues. To receive a copy of the Option Agreement for inspection, please email the Director of Health, Inspections, Solid Waste, and Planning & Development at [flanagank@ci.ottumwa.ia.us](mailto:flanagank@ci.ottumwa.ia.us) or call (641) 451-4990.

This notice is given by order of the City Council of the City of Ottumwa in the State of Iowa, as provided by Section 364.6 of the City Code of Iowa.

Dated this 28th day of April, 2020.

*Christine Ruhlard*

City Clerk, City of Ottumwa in the State of Iowa

PASSED AND APPROVED this 28<sup>th</sup> day of April, 2020.

*Tom X. Lopez*

Mayor

ATTEST:

*Christine Ruhlard*

City Clerk





CERTIFICATE

STATE OF IOWA )  
 ) SS  
COUNTY OF WAPELLO )

I, the undersigned City Clerk of the City of Ottumwa, 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 28<sup>th</sup> day of April, 2020.

Christ Reulard  
City Clerk, City of Ottumwa, State of Iowa



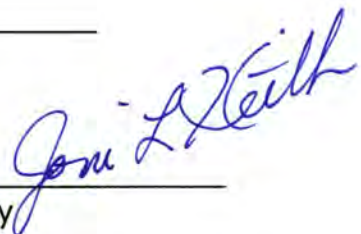
CITY OF OTTUMWA  
STAFF SUMMARY

Council Meeting of: April 28, 2020

ITEM NO. \_\_\_\_\_

Joni Keith

Prepared By



Planning

Department

Kevin Flanagan

Department Head



Approved by Philip Rath

AGENDA TITLE: Resolution No. 88-2020 approving the publication of a public notice soliciting competing proposals for an option to purchase real estate located within the City's West Gate Urban Renewal Area on the corner of West Main and South Washington, known as a portion of the Washington Street parking lot, Ottumwa, Iowa with Cutler Development, LLC.

\*\*\*\*\*

PURPOSE: Publishing Notice seeking competitive proposals for an Option to Purchase real estate located in the City's West Gate Urban Renewal Area on the corner of West Main and South Washington, Ottumwa with Cutler Development, LLC.

RECOMMENDATION: Pass and adopt Resolution No. 88-2020.

DISCUSSION: The City has been in negotiations with Cutler Development to execute an Option to Purchase for the sum of \$5,000 for a period of 12 months to allow Cutler to apply for a grant to develop a housing project on the south half of the Washington Street Parking lot located at the corner of West Main Street and South Washington Street. Cutler proposes to build a 3-story building with approximately 24 apartments on levels 2 and 3, 9,300 square feet of retail space on level 1, with 10,000 square feet of private parking and related site improvements. The approximate investment would be \$4 million. This would leave the north half of this lot for parking for businesses in this area. Cutler's proposal promotes economic development in the West Gate Urban Renewal Area. If Cutler is awarded the grant, the city would proceed to prepare a

Development Agreement with him, along with the public notice and public hearing requirements. To satisfy competitive bidding requirements as well as Iowa Code Section 403.8, a Resolution should be passed to approve the minimum development requirements, competitive criteria, and procedures for disposition of certain property located within the West Gate Urban Renewal Area; determining that the proposal submitted by Cutler satisfies the offering requirement and declaring the intent of the City to enter into a an Option to Purchase Agreement with Cutler in the event that no competing proposals are submitted; and soliciting competing proposals. The proposed Option to Purchase, along with a plat of survey are attached hereto and will be placed with the City Clerk's office for review by the public. Competitive bidders will have until 11:00 a.m. on May 29, 2020 to submit competing bids. Public hearing will then be held on May 29, 2020 at 12:00 noon to review competing proposals and determine if the Option to Purchase will be authorized.



**RESOLUTION NO. 88-2020**

**RESOLUTION (1) APPROVING THE MINIMUM DEVELOPMENT REQUIREMENTS, COMPETITIVE CRITERIA, AND PROCEDURES FOR DISPOSITION OF AN INTEREST IN CERTAIN PROPERTY LOCATED WITHIN THE URBAN RENEWAL AREA; (2) DETERMINING THAT THE PROPOSED OPTION AGREEMENT SATISFIES THE OFFERING REQUIREMENTS AND DECLARING THE INTENT OF THE CITY TO ENTER INTO A PROPOSED OPTION AGREEMENT IN THE EVENT THAT NO COMPETING PROPOSALS ARE SUBMITTED; AND (3) SOLICITING COMPETING PROPOSALS.**

WHEREAS, by Resolution No. 39-1989, adopted May 2, 1989, 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 West Gate Economic Development Urban Renewal Plan (the "Plan" or "Urban Renewal Plan") for the West Gate Economic Development Urban Renewal Area (the "Area" or "Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Wapello County; and

WHEREAS, the Plan has subsequently been amended eight times, lastly by the adoption of Amendment No. 8 to the Plan, adopted by Resolution No. 217-2019, on October 1, 2019; and

WHEREAS, Cutler Development, LLC (the "Developer"), wishes to obtain an option to purchase property located within the Urban Renewal Area from the City (the "Property"), as defined in a proposed Option to Purchase Real Property between the City and the Developer (the "Option Agreement"); and

WHEREAS, the Plan, as amended, provides for, among other things, the disposition of properties for development or redevelopment as a proposed renewal action; and

WHEREAS, the City intends to grant Developer a 12-month option to purchase the Property in exchange for \$5,000 and other consideration, pursuant to the terms of the Option Agreement; and

WHEREAS, pursuant to the Option Agreement, one of the conditions precedent to the Developer's purchase of the Property from the City is the Developer entering into a development agreement with the City regarding the development of the Property, including certain minimum development terms as specified in the Option Agreement; and

WHEREAS, in order to comply with Iowa Code Section 403.8, the City is establishing reasonably competitive bidding procedures for the disposition of the Property pursuant to the Option Agreement, and all developers interested in submitting a proposal to compete for the sale and redevelopment of the Property must submit a proposal meeting the requirements set forth herein; and

WHEREAS, to both recognize the firm proposal (in the form of the Option Agreement) from the Developer for the disposition and redevelopment of the Property already received by the City, and to give full and fair opportunity for other developers interested in submitting a proposal for the sale and redevelopment of the Property, this Council should by this Resolution:

1. Set the fair market value of the interest in the Property for uses in accordance with the Plan.
2. Approve the minimum requirements for the potential sale and redevelopment of the Property.
3. Approve the Developer's general terms as to form of the Option Agreement, subject to modifications and revisions as determined appropriate by the Council.
4. Set a date for receipt of competing proposals and the opening thereof; and provide for review of such proposals with recommendations to this Council in accordance with established procedures.
5. Declare that the Option Agreement submitted by the Developer satisfies the requirements of the offering, and that in the event no other qualified proposal is timely submitted that the City intends to accept Developer's proposal and enter into the Option Agreement.
6. Declare that any competing proposals must include the redevelopment of the Property pursuant to a development agreement with the City including development terms similar to or exceeding the minimum development terms proposed in the Option Agreement.
7. Approve and direct publication of a notice to advise any would-be competitors of the opportunity to compete for the sale of the Property on the terms and conditions set forth herein.
8. Declare that in the event another qualified proposal is timely submitted, another and future notice will be published of the intent of the City to enter into the resulting contract, as required by law.

WHEREAS, this Council believes it is in the best interest of the City and the Plan to act as expeditiously as possible to offer the Property for redevelopment as set out herein.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF OTTUMWA, IOWA:

1. The Property offered for sale and redevelopment in accordance with the terms and conditions contained in this Resolution and the Plan is legally described as follows:

Lot Three Hundred Four (304), Lot Three Hundred Three (303) and Lot Three Hundred Two (302) except the Southeasterly 36 feet thereof, all in Block Twenty-four (24) in the Original Plat of the City of Ottumwa, Wapello County, Iowa being more particularly described as follows:


Beginning at the most Northerly corner of said Lot 304; thence South  $46^{\circ}57'00''$  East 150.40 feet along the Northeasterly line of said Lots 304, 303 and 302 to the Northwesterly corner of the Southeasterly 36 feet of said Lot 302; thence South  $43^{\circ}37'00''$  West 132.75 feet along a line parallel and 36 feet normally distant from the Southeasterly line of said Lot 302 to a point on the Southwesterly line of said Lot 302 distant thereon 36 feet Northwesterly from the most Southerly corner thereof; thence North  $47^{\circ}07'00''$  West 150.48 feet along the Southwesterly line of said Lots 304, 303 and 302 and the Northeasterly line of West Main Street to the Northwesterly corner of said Lot 304; thence North  $43^{\circ}39'00''$  East 133.19 feet along the Northwesterly line of said Lot 304 and Southeasterly line of South Washington Street to the Point of Beginning, containing 20,003 square feet.

2. It is hereby determined that in order to qualify for consideration for selection, each developer must submit a proposal which contains terms no less favorable to the City than those set forth in the Option Agreement submitted by Developer and which must include and provide for the developer's purchase of the Property at not less than the fair value for use in accordance with the Plan.
3. It is hereby determined, based on investigation by the City, that the proposed price of \$5,000 for a 12-month option to purchase the Property in combination with the condition that Developer enter into a development agreement with the City for the development of the Property including at least the minimum development terms set forth in the Option Agreement, is equal to or greater than fair value for the Property, and is hereby approved. The proposed option price and the minimum terms for development of the Property as described in the Option Agreement are hereby approved.
4. It is hereby determined that the Option Agreement submitted by the Developer satisfies the requirements of this offering and is approved as to form, subject to modifications as determined appropriate by the City Council, and in the event that no other qualified proposals are timely submitted, the City intends to enter into the Option Agreement and grant Developer the option to purchase the Property on the terms proposed.
5. It is hereby determined that the Developer possesses the qualifications, financial resources and legal ability necessary to purchase and redevelop the Property in the manner proposed by this offering and in accordance with the Plan.



6. This action of the Council shall be considered to be and does hereby constitute notice to all concerned of the intention of this Council, in the event that no other qualified proposals are timely submitted, to accept the Option Agreement with the Developer for the sale and redevelopment of the Development Property, which Option Agreement is on file for public inspection at the office of the City Clerk, City Hall, 105 E. 3rd Street, Ottumwa, Iowa.
7. The City Clerk is authorized and directed to secure immediate publication of this Resolution in the Ottumwa Courier, a newspaper having general circulation in the community, by publication of the text of this Resolution.
8. Written proposals for the purchase and redevelopment of the Property must be received by the City Clerk at or before 10:00 A.M. on May 29, 2020. Said proposals must be received in the City Clerk's Office, located at City Hall, 105 E. 3rd Street, Ottumwa, Iowa. Each proposal will then be publicly opened by the Clerk or the Clerk's designee at the hour of 11:00 A.M. in the City Hall, 105 E. 3rd Street, Ottumwa, Iowa, on that same date. The City Clerk, or the Clerk's designee, is hereby authorized and directed to make a preliminary analysis of each such proposal for compliance with the minimum requirements established by this Council hereinabove and to advise the Council with respect thereto. Said proposals will then be presented to the City Council at 12:00 P.M. on May 29, 2020, at a public hearing to be held in the Council Chambers, City Hall, 105 E. 3rd Street, Ottumwa, Iowa. The Council shall judge the strength of the proposals meeting the foregoing minimum requirements by the criteria set forth above and shall make the final evaluation and selection of a proposal.
9. The method for seeking proposals regarding the Property as set forth herein is in substantial conformance with the provisions of Section 403.8(1) and (2), Code of Iowa, requiring "fair value" and "reasonable competitive bidding procedures."
10. In the event another qualified proposal is timely submitted, another and further notice shall be published of the intent of the City of Ottumwa, Iowa to enter into the resulting contract, as required by law.

PASSED AND APPROVED this 28<sup>th</sup> day of April, 2020.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk







CITY OF OTTUMWA

2020 APR 23 PM 4:22  
STAFF SUMMARY

Council Meeting of: April 28, 2020

ITEM NO. \_\_\_\_\_

\_\_\_\_\_  
Kala Mulder  
Department

\_\_\_\_\_  
Joni Keith  
Prepared By  
\_\_\_\_\_  
Philip Rath  
City Administrator

AGENDA TITLE: Approve Resolution No. 89-2020 authorizing renewal and Administrative Services Agreement between Wellmark Blue Cross and Blue Shield of Iowa and the City of Ottumwa,, Iowa, effective July 1, 2020 through June 30, 2021.

\*\*\*\*\*

PURPOSE: To renew the Health Insurance and Administrative Service Agreement.

RECOMMENDATION: Pass and Adopt Resolution No. 89-2020.

DISCUSSION: Wellmark Blue Cross and Blue Shield has provided health insurance and administrative services for the City for many years. A comparison of their monthly fees (per contract) is summarized below. We will be increasing our stop loss coverage from \$100,000 to \$110,000 due to several large claims. Otherwise, the City's plan design, the deductibles and the out of pocket maximums will remain the same. There will be an increase in the premiums due to the rate increases set out below. The City pays 90% of the premiums, while employees contribute 10%.

	Active Group	
	2020/2021	2019/2020
<u>Administrative Fees:</u>		
Alliance Select/Blue RX	\$ 45.63	\$ 44.41
Dental	\$ 3.44	\$ 3.44
Pharmacy Benefit Manager	\$ 1.10	\$ 1.10
Subtotal – Admin. Fees	<u>\$ 50.17</u>	<u>\$ 48.95</u>
<u>Stop Loss Premiums:</u>		
Individual Stop Loss	\$ 268.25	\$ 224.52
Aggregate Stop Loss	\$ 7.18	\$ 7.18
Subtotal – Stop Los Premiums	<u>\$ 275.43</u>	<u>\$ 231.70</u>
Network Access Fee	\$ 8.08	\$ 8.08
Total Fees	<u>\$ 333.68</u>	<u>\$ 288.73</u>

The total monthly fee for the Medicare retirees will be \$5.53.  
Source of Funds: Trust & Agency Budgeted Item: Yes Budget Amendment Needed: No



**RESOLUTION #-89-2020**

**RESOLUTION AUTHORIZING RENEWAL AND ADMINISTRATIVE SERVICES  
AGREEMENT BETWEEN WELLMARK BLUE CROSS AND BLUE SHIELD OF  
IOWA AND THE CITY OF OTTUMWA, IOWA,  
EFFECTIVE JULY 1, 2020 THROUGH JUNE 30, 2021**

WHEREAS, the City Council of the City of Ottumwa, Iowa wishes to provide health insurance to its employees and,

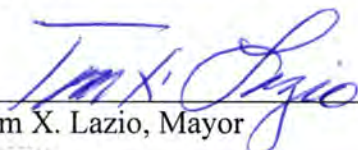
WHEREAS, Wellmark Blue Cross and Blue Shield of Iowa has previously contracted with the City of Ottumwa for health insurance and administrative services and has provided a current renewal for the period of July 1, 2020 through June 30, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OTTUMWA, IOWA:

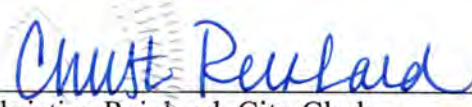
That the City of Ottumwa enter into a renewal agreement with Wellmark Blue Cross and Blue Shield of Iowa for health insurance and administrative services as set out in the price schedule on the Staff Summary.


PASSED AND ADOPTED this 28th day of April, 2020.

City of Ottumwa, Iowa

  
\_\_\_\_\_  
Tom X. Lazio, Mayor

ATTEST:

  
\_\_\_\_\_  
Christina Reinhard, City Clerk



The undersigned hereby requests a Closed Session of the Ottumwa City Council on April 28, 2020, pursuant to Code of Iowa §21.5(1)(i) "to evaluate the professional competency of an individual whose appointment, hiring, performance or discharge is being considered when necessary to prevent needless and irreparable injuring to that individual's reputation and that individual requests a closed session."

Signature: 

Name (printed): Chad Farrington

Date: 04/23/2020

2020 APR 23 PM 12:48  
CITY OF OTTUMWA

The undersigned hereby requests a Closed Session of the Ottumwa City Council on April 28, 2020, pursuant to Code of Iowa §21.5(1)(i) "to evaluate the professional competency of an individual whose appointment, hiring, performance or discharge is being considered when necessary to prevent needless and irreparable injuring to that individual's reputation and that individual requests a closed session."

Signature: Mickey Huckes

Name (printed): Mickey Huckes

Date: 4-22-20

APR 22 2011:54