



City of Muscatine



AGENDA ITEM SUMMARY

DATE: 12-31-20

City Council

STAFF

Nancy A. Lueck, Finance Director
Jodi Royal-Goodman, Community Development Director
Andrew Fangman, Assistant Community Development Director

SUBJECT

Resolution to Set a Public Hearing for February 4, 2021 on Urban Renewal Plan Amendments

EXECUTIVE SUMMARY

The City periodically amends its Urban Renewal Plan to allow for future tax increment (TIF) funding to be used for new Economic Development Agreements, new projects or programs, or to continue or to amend existing projects or programs. Prior to amending the Urban Renewal Plan, a public hearing is required. The City is also required to hold a consultation meeting with other taxing entities prior to the approval of the Plan Amendment.

The Urban Renewal Plan Amendment to be considered for approval at the February 4, 2020 meeting includes: (1) the addition of recently annexed Property to the Urban Renewal Area (for the Colorado Senior Lofts project); (2) updates the description of the City's Hershey Building Redevelopment Project previously approved in the April, 2019 amendment to the Plan; (3) updates the description of the City's Small Business Forgivable Loan Program previously approved in the September, 2014; October, 2016; and February, 2018 amendments to the Plan; and (4) authorizes the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (a) providing tax increment financing assistance to Colorado Senior Lofts LLC in connection with the construction of housing affordable to seniors of low and moderate income; (b) providing tax increment financing assistance to JNB Family 1, LP and the Ales Foundation in connection with construction of housing affordable to families of low and moderate income; and (c) providing tax increment financing assistance to Grandview Senior Lofts LLC in connection with the construction of housing affordable to seniors of low and moderate income

STAFF RECOMMENDATION

Staff recommended approval of the resolution setting a public hearing for February 4, 2021, on the proposed Urban Renewal Plan Amendments

BACKGROUND/DISCUSSION

The City traditionally groups project or programs into a single Plan Amendment. The currently proposed amendment includes six items:

1. The City's current Urban Renewal Area is the City boundaries at the time the Urban Renewal Area was last amended in November of 2018. This Urban Renewal Plan Amendment will amend the Urban Renewal Area to include property recently annexed into the City for the Colorado Senior Lofts project.
2. At the June 11, 2020 In Depth meeting, City Council reviewed a request to amend the development agreement with Hershey Property LLC and Bush Development LLC to increase the maximum amount of the rebate to an amount not to exceed \$700,000. At that meeting, City Council gave consensus approval of this request with the formal approval of an amended development agreement to be considered at a later date.
3. The March 2018 Urban Renewal Plan Amendment included \$600,000 for the Small Business Forgivable Loan Program for FY 2019 through FY 2024. The original plan was that \$100,000 per year would allocated for this program. The City used a portion of this allocation for the special "Economic Assistance for Muscatine Small Businesses" program for small business impacted by the COVID-19 public health crisis. The current Urban Renewal Plan amendment will restore the \$100,000 per year in annual funding for the regular Small Business Forgivable Loan program through FY 24.
4. There are three new housing-related development agreements in this Urban Renewal Plan Amendment including (1) MVHA Partners (Miller-Valentine) - TIF assistance to construct 51 units of senior housing on Grandview Avenue; (2) MVHA Partners (Miller-Valentine) - TIF assistance to construct 51 units of senior housing on Colorado Street; and (3) JNP Family 1, LP and Ales Foundation - TIF assistance to construct 42 units of rental housing units on Steamboat Way for low and moderate income individuals and families. City Council gave consensus approval of these projects at the February 20, 2020, meeting. All three of these projects were awarded the tax credits needed to move forward with these projects.

CITY FINANCIAL IMPACT

All of the above projects will be funded from future incremental property taxes (TIF) funds, and as such, will have no impact on the current City budget. The Housing Demand Study completed in September of 2017, demonstrated a need for the conversion of a portion of the Hershey Building into downtown multi-residential units and the three additional multi-family housing projects.

ATTACHMENTS

1. Proposed Urban Renewal Plan Amendment
2. Resolution to Set the Date for a Public Hearing on the Expanded Urban Renewal Area and Urban Renewal Plan Amendment

SET DATE FOR HEARING ON EXPANDED
URBAN RENEWAL AREA DESIGNATION
AND URBAN RENEWAL PLAN
AMENDMENT

421464-61

Muscatine, Iowa

January 7, 2021

The City Council of the City of Muscatine, Iowa, met on January 7, 2021, at seven o'clock, p.m., for the purpose of setting a date for a public hearing on the designation of an expanded urban renewal area and on a proposed urban renewal plan amendment.

The City Council met electronically via gotomeeting, which was accessible at the following:

[<https://global.gotomeeting.com/join/909906773>]

The City Council conducted this meeting electronically due to federal and state government recommendations in response to COVID-19 pandemic conditions. Electronic access information was included in the posted agenda of this public meeting.

The Mayor presided and the roll being called, the following members of the Council were present and absent:

Present:

Absent: _____.

The Mayor announced that an amendment to the boundaries of the Consolidated Muscatine Urban Renewal Area had been prepared, along with an amendment to the urban renewal plan for the area, and that it was now necessary to set a date for a public hearing on the proposed amended area and proposed amendment to the urban renewal plan. Accordingly, Council Member _____ moved the adoption of the following resolution entitled "Resolution Setting Date for a Public Hearing on Designation of the Expanded Consolidated Muscatine Urban Renewal Area and on Urban Renewal Plan Amendment," and the motion was seconded by Council Member _____. Following due consideration, the Mayor put the question on the motion and the roll being called, the following named Council Members voted:

Ayes: _____

Nays: _____.

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

RESOLUTION NO.2021-0012

Resolution Setting Date for a Public Hearing on Designation of the Expanded Consolidated Muscatine Urban Renewal Area and on Urban Renewal Plan Amendment

WHEREAS, this City Council of the City of Muscatine, Iowa (the "City") by resolution previously established the Consolidated Muscatine Urban Renewal Area (the "Urban Renewal Area") and adopted an urban renewal plan (the "Plan") for the governance of projects and initiatives therein; and

WHEREAS, a proposal has been made which shows the desirability of expanding the Urban Renewal Area to add and include all the property (the "Property") lying within the description set out in Exhibit A; and

WHEREAS, this City Council is desirous of obtaining as much information as possible from the residents of the City before making this decision; and

WHEREAS, an amendment (the "Amendment") to the Plan has been prepared which (1) covers the addition of the Property to the Urban Renewal Area; (2) updates the description of the City's Hershey Building Redevelopment Project previously approved in the April, 2019 amendment to the Plan; and (3) updates the description of the City's Small Business Forgivable Loan Program previously approved in the September, 2014; October, 2016; and February, 2018 amendments to the Plan; and (4) authorizes the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (a) providing tax increment financing assistance to Colorado Senior Lofts LLC in connection with the construction of housing affordable to seniors of low and moderate income; (b) providing tax increment financing assistance to JNB Family 1, LP and the Ales Foundation in connection with construction of housing affordable to families of low and moderate income; and (c) providing tax increment financing assistance to Grandview Senior Lofts LLC in connection with the construction of housing affordable to seniors of low and moderate income, and it is necessary to take action to set a date for a public hearing on the Amendment; and

NOW, THEREFORE, Be It Resolved by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. This City Council will meet electronically on February 4, 2021, at seven o'clock p.m., at which time it will hold a public hearing on the proposed Amendment

Section 2. The City Clerk shall publish notice of said hearing, the same being in the form attached hereto, which publication shall be made in a legal newspaper of general circulation in the City, which publication shall be not less than four (4) nor more than twenty (20) days before the date set for hearing.

Section 3. Pursuant to Section 403.5 of the Code of Iowa, the City Administrator is hereby designated as the City's representative in connection with the consultation process which is required under that section of the urban renewal law.

Section 4. The proposed Amendment is hereby submitted to the City's Planning and Zoning Commission for review and recommendations, as required by Section 403.5, Code of Iowa.

Passed and approved January 7, 2021.

Mayor

Attest:

City Clerk

NOTICE OF PUBLIC HEARING ON DESIGNATION OF EXPANDED
CONSOLIDATED MUSCATINE URBAN RENEWAL AREA AND ON
PROPOSED URBAN RENEWAL PLAN AMENDMENT

Notice Is Hereby Given: That at seven o'clock p.m., on February 4, 2021, the City Council of the City of Muscatine will hold a public hearing on the question of amending the urban renewal plan (the "Plan") for the Consolidated Muscatine Urban Renewal Area and designating an expanded Consolidated Muscatine Urban Renewal Area, pursuant to Chapter 403, Code of Iowa, by adding and including all the property generally described as follows:

Certain real property situated in the City of Muscatine, Muscatine County, State of Iowa more particularly described as:

Commencing at the northeast corner of Lot 2 of Kleindolph Subdivision, as recorded in Plat Book 7, Page 62, Muscatine County Recorders' Office; thence north to the northerly right of way line of Colorado Street; thence westerly along said right of way line to intersection with an extension of the westerly line of said Lot 2; thence southerly along the extension of the westerly line of said Lot to the northwest corner of said Lot 2; thence southerly along the westerly line of said Lot to an intersection with the southerly line of said Lot 2; thence easterly along the southerly line of said Lot 2 to an intersection with the easterly line of said Lot ; thence northerly along the easterly line of said Lot 2 to the point of beginning. All located in the Southwest ¼ of Section 30, Township 77 North, Range 1 West of the 5th principal meridian.

The proposed amendment to the Plan brings the property described above under the Plan and makes it subject to the provisions of the Plan. The proposed amendment also (1) updates the description of the City's Hershey Building Redevelopment Project previously approved in the April, 2019 amendment to the Plan; and (2) updates the description of the City's Small Business Forgivable Loan Program previously approved in the September, 2014; October, 2016; and February, 2018 amendments to the Plan; and (3) authorizes the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (a) providing tax increment financing assistance to Colorado Senior Lofts LLC in connection with the construction of housing affordable to seniors of low and moderate income; (b) providing tax increment financing assistance to JNB Family 1, LP and the Ales Foundation in connection with construction of housing affordable to families of low and moderate income; and (c) providing tax increment financing assistance to Grandview Senior Lofts LLC in connection with the construction of housing affordable to seniors of low and moderate income.

Due to federal and state government recommendations in response to COVID-19 pandemic conditions, the meeting will be held electronically via gotomeeting, which will be accessible at the following:

[<https://global.gotomeeting.com/join/517956477>]

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

At said hearing any interested person may file written objections or comments and may be heard orally with respect to the subject matters of the hearing.

Carol Webb
City Administrator/Clerk

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On motion and vote the meeting adjourned.

Mayor

Attest:

City Clerk

EXHIBIT A
Legal Description
Expanded Consolidated Muscatine Urban Renewal Area
(February, 2021 Addition)

Certain real property situated in the City of Muscatine, Muscatine County, State of Iowa more particularly described as:

Commencing at the northeast corner of Lot 2 of Kleindolph Subdivision, as recorded in Plat Book 7, Page 62, Muscatine County Recorders' Office; thence north to the northerly right of way line of Colorado Street; thence westerly along said right of way line to intersection with an extension of the westerly line of said Lot 2; thence southerly along the extension of the westerly line of said Lot to the northwest corner of said Lot 2; thence southerly along the westerly line of said Lot to an intersection with the southerly line of said Lot 2; thence easterly along the southerly line of said Lot 2 to an intersection with the easterly line of said Lot ; thence northerly along the easterly line of said Lot 2 to the point of beginning. All located in the Southwest ¼ of Section 30, Township 77 North, Range 1 West of the 5th principal meridian.

STATE OF IOWA
COUNTY OF MUSCATINE SS:
CITY OF MUSCATINE

I, the undersigned, City Clerk of the City of Muscatine do hereby certify that pursuant to the resolution of its City Council fixing a date of public hearing on the question of designating the expanded Consolidated Muscatine Urban Renewal Area for the City and on a proposed urban renewal plan amendment, the notice, of which the printed slip attached to the publisher's affidavit hereto attached is a true and complete copy, was published on the date and in the newspaper specified in such affidavit, which newspaper has a general circulation in the City, and copies were sent to the county and school district.

WITNESS my hand this ____ day of _____, 2021.

City Clerk

(Attach here publisher's affidavit of publication of notice.)

(PLEASE NOTE: This certificate must not be dated until the publication has been made and you have reviewed it to be sure that the notice was published on the date indicated in the attached affidavit.)

STATE OF IOWA
COUNTY OF MUSCATINE
CITY OF MUSCATINE

SS:

I, the undersigned, City Clerk of the City of Muscatine, do hereby certify that as such I have in my possession or have access to the complete corporate records of the City and of its officers; and that I have carefully compared the transcript hereto attached with those records and that the attached is a true, correct and complete copy of the corporate records relating to the action taken by the City Council preliminary to and in connection with setting a date for public hearing on the question of designating the expanded Consolidated Muscatine Urban Renewal Area for the City and on an urban renewal plan amendment.

WITNESS my hand this ____ day of _____, 2021.

City Clerk

CITY OF MUSCATINE, IOWA

URBAN RENEWAL PLAN AMENDMENT
CONSOLIDATED MUSCATINE URBAN RENEWAL AREA

February, 2021

The Urban Renewal Plan (the "Plan") for the Consolidated Muscatine Urban Renewal Area (the "Urban Renewal Area") is being amended for the purpose of (1) adding property to the Urban Renewal Area; (2) updating the description of certain projects previously approved by the City Council in prior amendments to the Plan; and (3) identifying new urban renewal projects to be undertaken in the Urban Renewal Area.

1) Addition of Property. The real property (the "Property") legally described on Exhibit A hereto is, by virtue of this Amendment, being added as the February, 2021 Addition to the Urban Renewal Area. With the adoption of this Amendment, the City will designate the Property as an economic development area. The Property will become subject to the provisions of the Plan for the Urban Renewal Area. It is anticipated that the City will adopt an ordinance providing for the division of property tax revenues, as set forth in Section 403.19 of the Code of Iowa, with respect to the Property.

2) Update Description of the City's Small Business Forgivable Loan Program. The City approved the Small Business Forgivable Loan Program in the September, 2014 Amendment to the Plan. It is now necessary to update the description of the Small Business Forgivable Loan Program, as follows:

Name of Project: Small Business Forgivable Loan Program

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: September 4, 2014, and updated October 20, 2016; February 15, 2018; and February 4, 2021.

Description of Small Business Forgivable Loan Program: The City acknowledges the importance of the success of local businesses to the promotion of economic development in the City. The Small Business Forgivable Loan Program is designed to provide public support to the development and improvement of local businesses in the Urban Renewal Area. The City will provide fiscal support to the Program through the provision of economic development forgivable loans (the "Forgivable Loans") to small businesses situated in certain districts highlighted on the map attached as Exhibit A to the September, 2014 Amendment.

The Forgivable Loans will be targeted to assist with the promotion of in-fill, redevelopment and facilities enhancement of qualifying small businesses. It is anticipated that the Forgivable Loans will continue to be made in each of the City's 2019 through 2024 fiscal years. Over the course of these fiscal years, the City will consider making Forgivable Loans to eligible applicants in an aggregate amount not to exceed \$850,000 (increased from

\$600,000 in the February, 2018 Amendment to the Plan). The City Staff will develop appropriate materials, including agreements and applications, for the administration of the Forgivable Loans.

Description of Use of TIF for the Program: It is anticipated that the City will fund the Forgivable Loans with borrowed funds and/or with the proceeds of an internal advance of City funds on-hand. In any case, the City's obligation will be repaid with incremental property tax revenues. It is anticipated that the City's use of incremental property tax revenues for the Forgivable Loans will not exceed \$850,000 (increased from \$600,000 in the February, 2018 Amendment to the Plan).

The City's use of incremental property tax revenues for the Forgivable Loans in the City's 2018 fiscal year was governed by the September, 2014 Amendment.

3) Update Description of the Hershey Building Redevelopment Project. The City approved the Hershey Building Redevelopment Project in the April 18, 2019 Amendment to the Plan. It is now necessary to update the description of the Hershey Building Redevelopment Project, as follows:

Name of Project: Hershey Building Redevelopment Project (the "Admin Program")

Name of Urban Renewal Area: Muscatine Consolidated Urban Renewal Area

Date of Council Approval of Admin Program: April 18, 2019 and updated February 4, 2021.

Description of Project and Project Site: Bush Construction (the "Developer") has proposed to undertake the redevelopment of the former Hershey Building situated at 216 Sycamore Street in the Urban Renewal Area (the "Hershey Redevelopment Property") into a mixed-use building, including multiresidential units and commercial units (the "Hershey Redevelopment Project").

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete the Hershey Redevelopment Project. The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the "Admin Fees") in an amount not to exceed \$8,500.

The Hershey Redevelopment Project will facilitate economic development in the Urban Renewal Area and help alleviate the blighted conditions in the Urban Renewal Area.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the Hershey Redevelopment Project.

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

Description of Use of TIF for Project: The City intends to enter into a development agreement (the “Development Agreement”) with the Developer with respect to the Hershey Redevelopment Project and to provide economic development payments (the “Payments”) thereunder in a principal amount not to exceed \$700,000 (increased from \$500,000 in the April, 2019 Amendment to the Plan). The Payments will be funded with the incremental property tax revenues to be derived from the Hershey Redevelopment Property. It is anticipated that the Payments will be made subject to annual appropriation by the City Council.

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

A.

Name of Project: Colorado Senior Lofts Low and Moderate Income Housing Development Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: February 4, 2021

Description of the Project and Project Site: Colorado Senior Lofts LLC (the “Developer”) has proposed to undertake the development of a senior living complex (the “Colorado LMI Housing Project”) on certain real property situated in the Urban Renewal Area and bearing Muscatine County Property Tax Parcel Identification Number 0930301002 (the “Colorado Housing Property”). It is intended that the units constructed in connection with the Colorado LMI Housing Project will be affordable for seniors of low and moderate income.

The addition of new affordable housing in the City will enhance the quality of life in the City thereby resulting in commercial and residential growth in the City.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete the Colorado LMI Housing Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$7,500.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the Colorado LMI Housing Project.

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

Description of Use of TIF for the Project: The City intends to enter into a development agreement (the “Development Agreement”) with the Developer with respect to the Colorado LMI Housing Project and to provide economic development payments (the “Payments”) to the Developer thereunder. The Payments will be funded with the incremental property tax revenues to be derived from the Colorado Housing Property. It is anticipated that the Payments will be made subject to annual appropriation by the City Council. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Colorado LMI Housing Project will not exceed \$460,000, plus the Admin Fees.

B.

Name of Project: Grandview Senior Lofts Low and Moderate Income Housing Development Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: February 4, 2021

Description of the Project and Project Site: Grandview Senior Lofts LLC (the “Developer”) has proposed to undertake the development of a senior living complex (the “Grandview LMI Housing Project”) on certain real property situated in the Urban Renewal Area and bearing Muscatine County Property Tax Parcel Identification Numbers 1309400024, 1310301018, 1310301025, 1310301026, 1310301027, 1309400026, 1310301015, 1310301028, 1310301014, and 1309400025 (the “Grandview Housing Property”). It is intended that the units constructed in connection with the Grandview LMI Housing Project will be affordable for seniors of low and moderate income.

The addition of new affordable housing in the City will enhance the quality of life in the City thereby resulting in commercial and residential growth in the City.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete the Grandview LMI Housing Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$7,500.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the Grandview LMI Housing Project.

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

Description of Use of TIF for the Project: The City intends to enter into a development agreement (the “Development Agreement”) with the Developer with respect to the

Grandview LMI Housing Project and to provide economic development payments (the “Payments”) to the Developer thereunder. The Payments will be funded with the incremental property tax revenues to be derived from the Grandview Housing Property. It is anticipated that the Payments will be made subject to annual appropriation by the City Council. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Grandview LMI Housing Project will not exceed \$460,000, plus the Admin Fees.

C.

Name of Project: Steamboat Apartments Low and Moderate Income Housing Development Project

Name of Urban Renewal Area: Consolidated Muscatine Urban Renewal Area

Date of Council Approval of Project: February 4, 2021

Description of the Project and Project Site: JNB Family 1, LP (the “Owner”) and the Ales Foundation (the “Developer”) have proposed to undertake the development of a forty-two (42) unit apartment complex (the “Steamboat LMI Housing Project”) on certain real property situated in the Urban Renewal Area and bearing Muscatine County Property Tax Parcel Identification Number 0822351012 (the “Steamboat Housing Property”). It is intended that at least thirty-seven (37) units constructed in connection with the Steamboat LMI Housing Project will be affordable for families of low and moderate income.

The addition of new affordable housing in the City will enhance the quality of life in the City thereby resulting in commercial and residential growth in the City.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts of the Developer and Owner to complete the Steamboat LMI Housing Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$10,000.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the Steamboat LMI Housing Project.

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

Description of Use of TIF for the Project: The City intends to enter into a development agreement (the “Development Agreement”) with the Developer and the Owner with respect to the Steamboat LMI Housing Project and to provide economic development payments (the “Payments”) to the Developer thereunder. The Payments will be funded with the

incremental property tax revenues to be derived from the Steamboat Housing Property. It is anticipated that the Payments will be made subject to annual appropriation by the City Council. It is anticipated that the City's total commitment of incremental property tax revenues with respect to the Steamboat LMI Housing Project will not exceed \$460,000, plus the Admin Fees.

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

Constitutional debt limit of the City:	<u>\$73,548,370</u>
Outstanding general obligation debt of the City:	<u>\$15,600,000</u>
Proposed debt to be incurred under the February, 2021 Amendment*:	<u>\$1,830,000</u>

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

EXHIBIT A
Legal Description
Expanded Consolidated Muscatine Urban Renewal Area
(February, 2021 Addition)

Certain real property situated in the City of Muscatine, Muscatine County, State of Iowa more particularly described as:

Commencing at the northeast corner of Lot 2 of Kleindolph Subdivision, as recorded in Plat Book 7, Page 62, Muscatine County Recorders' Office; thence north to the northerly right of way line of Colorado Street; thence westerly along said right of way line to intersection with an extension of the westerly line of said Lot 2; thence southerly along the extension of the westerly line of said Lot to the northwest corner of said Lot 2; thence southerly along the westerly line of said Lot to an intersection with the southerly line of said Lot 2; thence easterly along the southerly line of said Lot 2 to an intersection with the easterly line of said Lot ; thence northerly along the easterly line of said Lot 2 to the point of beginning. All located in the Southwest ¼ of Section 30, Township 77 North, Range 1 West of the 5th principal meri