

Agenda: Newton City Council

City Council Meeting

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

July 19, 2021 6:00 p.m.
Newton, Iowa 50208

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

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|------------------------------|---|
| Pledge | Pledge of Allegiance |
| Call to Order | 1. Roll Call |
| Presentation | 2. Newton Development Corp. Updates – Frank Liebl, Executive Director |
| Citizen Participation | 3. This is the time of the meeting that a citizen may address the Council on matters that are included in the consent agenda or a matter that is not on the regular agenda. After being recognized by the Mayor, each person will be given three (3) minutes to speak. Comments and/or questions must be related to City policies or the provision of City services and shall not include derogatory statements or comments about any individual. Except in cases of legal emergency, the City Council cannot take formal action at the meeting, but may ask the City staff to research the matter or have the matter placed on a subsequent agenda. |
| Consent Agenda | 4. July 6, 2021 Regular City Council Meeting Minutes |
| | 5. Approve Liquor Licenses for the following: Dollar General #3032, Premise Transfer, Pending Certificate of Occupancy and Fire Inspection, BC0029879, 1803 1 st Ave E, Class C Beer Permit, Sunday Sales; Hy-Vee Club Room, Renewal, LC0044764, 1501 1 st Ave E, Class C Liquor License, Outdoor Sales, Sunday Sales, Catering; Raceway 80, (former Valero), New-1 year, TBD, 4300 S 22 nd Ave E, Class E Liquor License, Class B Wine Permit, Class B Native Wine Permit, Class C Beer Permit, Sunday Sales; Walmart #748, Renewal, LE0000974, 300 Iowa Speedway Dr, Class E Liquor License, Class B Wine Permit, Class C Beer Permit, Sunday Sales; Hy-Vee Club, 5-day, TBD, Steele Wedding at Alta House-1600 E 36 th St S, Effective 9/4/21, Class C Liquor License. |
| | 6. Resolution levying assessments for costs of nuisance abatement and providing for the payment thereof (Schedule 21-05). (Council Report 21-193) |

7. Resolution accepting completion of the City of Newton 2021 Fence Repairs Project. (Council Report 21-194)
8. Resolution ordering bids, approving plans, specifications and form of contract and notice to bidders, and ordering clerk to publish notice and fixing a date for receiving same, and for a public hearing on plans, specifications, form of contract and estimate of costs for the HMA Resurfacing Project 2021. (Council Report 21-195)
9. Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment for the Southwest Economic Development Area. (Council Report 21-196)
10. Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment for the East-Mart Economic Development Area. (Council Report 21-197)
11. Resolution setting a date of meeting at which it is proposed to approve a development agreement with CRH Properties LLC, including annual appropriation tax increment payments. (Council Report 21-198)
12. Resolution setting a date of meeting at which it is proposed to approve a development agreement with Cindy Rogers-Sell, including annual appropriation tax increment payments. (Council Report 21-199)
13. Approve Bills

Public Hearing

14. Public Hearing on a Resolution accepting purchase and redevelopment proposal for property at 501 South 2nd Avenue West, 517 South 2nd Avenue West, and 521 South 4th Avenue West in Newton, Iowa. (Council Report 21-200)
 - The City acquired the three properties through the D&D program. The properties have been cleared and are ready for sale and redevelopment.
 - Habitat for Humanity has provided the highest offer for each of the three lots at \$5,000 per lot. Habitat for Humanity intends to construct three new single family homes on the properties.
15. Resolution accepting purchase and redevelopment proposal for property at 501 South 2nd Avenue West, 517 South 2nd Avenue West, and 521 South 4th Avenue West in Newton, Iowa. (Council Report 21-200)
16. Public Hearing on a Resolution approving development agreement with Best Midwest Properties, L.L.C., authorizing annual appropriation tax increment payments and pledging certain tax increment revenues to the payment of the agreement. (Council Report 21-201)
 - Best Midwest Properties, L.L.C. plans significant investment to 109 1st Avenue West resulting in a new building valuation of \$100,000.00.
 - The Development agreement provides economic incentives including a \$25,000 forgivable loan and tax increment rebates not to exceed \$15,000 over the next 10 years.
17. Resolution approving development agreement with Best Midwest Properties, L.L.C., authorizing annual appropriation tax increment

payments and pledging certain tax increment revenues to the payment of the agreement. (Council Report 21-201)

Resolutions

18. Resolution of support of a Workforce Housing Tax Credit Program application by Catalyst Development Newton, LLC for market rate housing at Legacy Plaza Complex in Newton, Iowa. (Council Report 21-202)
 - Catalyst Development Newton, LLC has asked for a resolution of support for their Workforce Housing Tax Credit application, due July 19th.
 - The Workforce Housing Tax Credit program provides incentives for market rate, non-income restricted housing in smaller cities.
19. Resolution to Include the Newton Public Library Foundation and the Newton Friends of the Library as Discretely Presented Component Units in the FY21 Audit and All Future Audits. (Council Report 21-203)
 - The auditing firm of Gronewold, Bell, and Kyhnn has recommended the City include the Newton Public Library Foundation and the Newton Friends of the Library in the FY21 and future audits.
 - According to Governmental Accounting Standards the Newton Public Library Foundation and the Newton Friends of the Library are classified as discretely presented component units and should be included in the audited financial statements of the City of Newton.

Motion

20. Motion Approving an Annual Budget Target in FY23 for the Newton Public Library of \$669,306 for General Fund Expenditures, not Including Donations, and Encouraging the Library Board of Trustees to Continue Implementing more Sustainable Budget Practices Moving Forward. (Council Report 21-204)

Staff Report

21. Community Development Update – Erin Chambers, Community Development Director

Mayor/Council Comments

- 22.

Adjourn

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

REGULAR CITY COUNCIL MEETING MINUTES
JULY 06, 2021, 6:00 P.M.
CITY COUNCIL CHAMBERS

The City Council of Newton, Iowa met in regular session at 6:00 P.M. on the above date in the Council Chambers at 101 West 4th Street South and via an electronic meeting (pursuant to Iowa Code section 21.8) because a meeting in person is impossible or impractical due to concerns for the health and safety of council members, staff, and the public due to COVID-19. Mayor Hansen presided. Present Council Members: Hallam, Stonner, George, Ervin, Trotter, Mullan. Absent: None.

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

Mayor Hansen proclaimed July as Park & Rec Month.

Keri VanZante, Director, Jasper County Conservation presented to the council on activities over the past year and initiatives to attract people to Jasper County parks. She spoke about the progress towards raising funds for the Jasper County Environmental Education Center which is a sustainable building used for education, tourism, and economic development. All donations are appreciated.

During citizen participation Stacy Grams, 603 E 12th St Place N, spoke regarding the homeless in Newton. Stacy collects hygiene, clothing, and nonperishable items to distribute to the homeless. Many businesses have also contributed. Over the past 3 months she has distributed over 220 bags. Donations can be dropped at Aurora Heights Park from 4:30 p.m. to 7:00 p.m. this Saturday.

Moved by Trotter, seconded by George to approve consent agenda items 5-22.

5. June 21, 2021 Regular City Council Meeting Minutes
6. Approve Liquor Licenses for the following: Baqara, Renewal, 1615 1st Ave W, LC0044602, Class C Liquor License, Outdoor Service, Sunday Sales; Hy-Vee Gas, Renewal, 1421 1st Ave E, BC0029242, Class C Beer Permit, Sunday Sales; PB Pub, Renewal, 113 1st Ave E, LC0045655, Class C Liquor License, Sunday Sales, Outdoor Sales; New Star 66, Renewal, BC0030861, 405 1st Ave E, Class C Beer Permit, Class B Wine Permit, Sunday Sales.
7. Certify Police Officer Candidates List
8. Resolution Fixing the Amounts to be assessed against individual private properties for the abatement of nuisance violations (Schedule No. 21-05). Resolution 2021-171 adopted.
9. Resolution accepting completion of the Demolition 2021-01 Project. Resolution 2021-172 adopted.
10. Resolution awarding contract for the City of Newton Westwood Golf Course Clubhouse Roof Repairs Project. Resolution 2021-173 adopted.
11. Resolution awarding contract for the City of Newton Woodland Park & Union Cemetery Roof Repairs Project. Resolution 2021-174 adopted.
12. Resolution awarding contract for the City of Newton Agnes Patterson Park Roof Repairs Project. Resolution 2021-175 adopted.
13. Resolution awarding contract for the Demolition 2021-02 Project. Resolution 2021-176 adopted.
14. Resolution approving a Five (5) year agreement with the Iowa Department of Transportation for City maintenance of U.S. Highway 6. Resolution 2021-177 adopted.
15. Resolution approving a one (1) year supplemental agreement with the Iowa Department of Transportation for City maintenance of U.S. Highway 6. Resolution 2021-178 adopted.
16. Resolution accepting completion of the 2021 Highway and Symbol Painting Project. Resolution 2021-179 adopted.
17. Resolution Amending Fund Transfers in FY20/21. Resolution 2021-180 adopted.
18. Resolution setting a date of meeting at which it is proposed to approve a development agreement with Best Midwest Properties, L.L.C., including annual appropriation tax increment payments. Resolution 2021-181 adopted.
19. Resolution of support of a Workforce Housing Tax Credit Program application by Greater Des Moines Habitat for Humanity for new home construction in Newton, Iowa. Resolution 2021-182 adopted.
20. Resolution approving a payment for body cameras, in-car dash cameras, software, cloud storage and accessories for \$23,660 from Axon Enterprise Inc. Resolution 2021-183 adopted.
21. Resolution amending the purchase of a replacement tarp deployment system and tarps for the Newton Sanitary Landfill. Resolution 2021-184 adopted.
22. Approve Bills

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

Mayor Hansen stated that this is the time and place for a Public Hearing on a Resolution to Approve Urban Renewal Plan Amendment for the North Central Urban Renewal Area. There were no written comments. Moved by Mullan, seconded by Ervin, to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed. Moved by Stonner, seconded by Trotter to adopt the resolutions. AYES: Six. NAYS: None. Resolution 2021-185 adopted.

Mayor Hansen stated that this is the time and place for a Public Hearing on a Resolution to Approve Urban Renewal Plan Amendment for the 1st Avenue East Urban Renewal Area. There were no written comments. Moved by Mullan, seconded by Ervin, to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed. Moved by Hallam, seconded by George to adopt the resolutions. AYES: Six. NAYS: None. Resolution 2021-186 adopted.

Mayor Hansen stated that this is the time and place for a Public Hearing on a Resolution approving development agreement with Hopkins Properties LLC, authorizing annual appropriation tax increment payments and pledging certain tax increment revenues to the payment of the agreement. There were no written comments. Moved by Trotter, seconded by Mullan, to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed. Moved by Trotter, seconded by George to adopt the resolutions. AYES: Six. NAYS: None. Resolution 2021-187 adopted.

Mayor Hansen stated that this is the time and place for a Public Hearing for the sale of property at 717 West 6th Street South in Newton. There were no written comments. There were no offers received and therefore no Resolution to be adopted at this time. Moved by George, seconded by Mullan, to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed.

Moved by George, seconded by Trotter to approve a Resolution approving Temporary Office Position in Fire. AYES: Six. NAYS: None. Resolution 2021-188 adopted.

Moved by Ervin, seconded by George to approve a Resolution to approve creating a firefighter position in the Fire Department. AYES: Six. NAYS: None. Resolution 2021-189 adopted.

Rob Burdess, Police Chief, presented Police Department Updates including information on calls for service, the School Resource Officer Program, Code Enforcement efforts, and Fireworks.

Jarrold Wellik, Fire Chief asked for direction regarding the YMCA Generator Project. After the Derecho, we didn't have an adequate community shelter with power. In 2020 a partnership was developed with the EMA to develop a plan for a facility for emergency situations where medically dependent citizens could charge their devices. A generator has been donated by Alliant Energy however a transfer switch and gas line would need to be installed totaling \$24,285. Hansen agreed that the project was very important and needed addressed but urged the group to exhaust all grant possibilities.

During Mayor/Council comments Hansen stated that the July 4th parade was great and it was good to see families out celebrating the holiday.

Moved by Trotter, seconded by Hallam to adjourn the meeting at 7:15 P.M. Motion unanimously carried by voice vote.

Michael L. Hansen, Mayor

Katrina Davis, City Clerk

City of Newton Council Report

**Item:**

Resolution levying assessments for costs of nuisance abatement and providing for the payment thereof (Schedule 21-05).

Report Number: 21-193

Date:

July 19, 2021

Summary:

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

Lead Department:

Community Services

Recommendation:

Approve

Financial Impact:

Cost Recovery: \$1,335.00

Background:

At their last meeting, City Council approved a Schedule of Assessment for the Expenses of Nuisance Abatement. The total amount for cost recovery is \$1,335.00. The attached schedule lists owner, parcel number, address, amount to be assessed, date work was completed, property legal description, and property valuation.

With the approval of this resolution, the costs expended by the City for the abatement of nuisances will be placed on the taxes as a special assessment for each property.

Recommendation:

Staff recommends approval of the resolution levying assessments for costs of nuisance abatement and providing for the payment thereof (Schedule 21-05).

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

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

**RESOLUTION LEVYING ASSESSMENTS FOR COSTS OF
NUISANCE ABATEMENT AND PROVIDING FOR THE
PAYMENT THEREOF (SCHEDULE 21-05)**

WHEREAS, pursuant to its powers and duties as set out in Chapter 364, Code of Iowa, the City of Newton, after the property owner's failure upon being given notice and opportunity to cure, has performed the required action to abate the public nuisance and now seeks, as provided in 364.12, Code of Iowa, to assess the costs of such action against each of the properties set out on the attached Schedule No. 21-05 for collection in the same manner as the property tax.

NOW, THEREFORE, BE IT RESOLVED, that the attached Schedule No. 21-05, is hereby approved and adopted with the amounts shown thereon assessed and levied against each property for the collection in the same manner as a property tax.

BE IT FURTHER RESOLVED, that said assessments shall be payable in 1 annual installment and shall bear interest at the rate of 3.88 percent per annum, from the date of the acceptance of this assessment schedule; the one installment of each assessment with interest on the whole assessment from date of acceptance of this schedule by the Council shall become due and payable on August 18, 2021, and shall be paid at the same time and in the same manner as the semiannual payment of ordinary taxes. Said assessment shall be payable at the office of the County Treasurer of Jasper County, Iowa, in full and without interest within thirty days after first date of publication of the Notice to Property Owners of filing the schedule of assessments.

BE IT FURTHER RESOLVED, that the Clerk be and is hereby directed to certify said schedule to the County Treasurer of Jasper County, Iowa and to publish notice of said certification once each week for two consecutive weeks in the Newton Daily News, a newspaper printed wholly in the English language, published in Newton, Iowa, and of general circulation in Newton, Iowa, the first publication of said notice to be made within fifteen days from the date of the filing of said schedule with the County Treasurer, the City shall send by regular mail to all property owners whose property is subject to assessment a copy of said notice, said mailing to be on or before the date of the second publication of the notice all as provided and directed by Code Section 384.60, Code of Iowa.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Shawnda Nine, Deputy City Clerk

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

Deed/Contract Holder	Parcel Number	Property Address	City	Net Assessed Property Value	Abatement Fee	Admin. Fee	Total Amount Assessed	Legal	Date Abated
Michael Adams	826352008	608 E 12th St Pl N	Newton	\$93,200	\$60.00	\$75.00	\$135.00	EMERSON HOUGH PLACE LOT 17 BLK B	5/13/2021
Kevin Powell	826351015	709 E 12th St Pl N	Newton	\$88,960	\$60.00	\$75.00	\$135.00	EMERSON HOUGH PLACE LOT 3 BLK A	5/13/2021
RC Homes LLC	827477009	901 N 6th Ave E	Newton	\$53,570	\$60.00	\$75.00	\$135.00	LONG'S SD LOT 21	5/22/2021
Durritzgue 2003 Rev Trust	835151008	1337 1st Ave E	Newton	\$283,250	\$60.00	\$75.00	\$135.00	TRACT 100' X 200' IN NE COR OF LOT H SW NW	5/22/2021
Maria & Jesus Garcia	834163018	413 1st St S	Newton	\$70,000	\$60.00	\$75.00	\$135.00	ORIGINAL PLAT LOT C OUTLOT 17	5/24/2021
BK Properties of Iowa LLC	834136001	222 E 3rd St N	Newton	\$73,060	\$60.00	\$75.00	\$135.00	ORIGINAL PLAT N 66' LOT 4 BLK 12	5/24/2021
Misty Wooters	827453046	603 E 8th St N	Newton	\$55,230	\$150.00	\$75.00	\$225.00	GARRETT'S SD LOT 5	5/24/2021
Jennifer Cornelison	833104014	1600 1st Ave W	Newton	\$42,870	\$60.00	\$75.00	\$135.00	LEEPER'S HIGHLAND ADD W 60' LOT 14 BLK 3	5/29/2021
Robert & Julie McCarey	835104014	1320 Crescent Drive	Newton	\$33,430	\$90.00	\$75.00	\$165.00	BELMONT PARK LOT 14 BLK 2	6/3/2021
Total							\$1,335.00		

City of Newton Council Report

**Item:**

Resolution accepting completion of the City of Newton 2021 Fence Repairs Project

Report Number: 21-194

Summary:

Accept completion of a contract to repair fences at four City of Newton properties.

Date:

July 19, 2021

Lead Department:

Community Services

Recommendation:

Approve

Financial Impact:

Council previously approved a contract for \$8,300.00 on May 17, 2021; and this action would accept the project and authorize payment of the retainage amount of \$415.00.

Background:

On August 10, 2020 the derecho storm caused substantial damage to numerous parks and facilities owned by the City. Fence damage included broken and bent top rails, posts, and fabric. Fence repairs would require more time and equipment than City of Newton staff possess.

City Council passed a resolution on May 17, 2021 awarding a contract to Rick Lyman of Newton, Iowa in the amount of \$8,300.00. The Community Services Director has signed the Statement of Completion Form stating that the project has been substantially completed in general compliance with the terms, conditions, and stipulations of said contract. The final contract amount, based on actual measured quantities of work completed, is \$8,300.00.

Recommendation:

City staff recommends accepting the completion of the City of Newton 2021 Fence Repairs Project and authorizing the retainage amount of \$415.00 to be paid to the contractor no sooner than 30 days after approval of this resolution should no claims be on file.

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

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION ACCEPTING COMPLETION OF THE CITY OF
NEWTON 2021 FENCE REPAIRS PROJECT**

WHEREAS, the Derecho Storm on Monday, August 10, 2020 damaged chain link fences by falling trees, branches and debris in multiple City of Newton properties; and

WHEREAS, the damage included bent and broken top rails, line posts, corner posts, and fence fabric; and

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

WHEREAS, bids were received and opened on April 27, 2021; and

WHEREAS, the City Council of the City of Newton awarded a contract to Rick Lyman of Newton, Iowa in the amount of \$8,300.00 on May 17, 2021 for the City of Newton 2021 Fence Repairs Project; and

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

WHEREAS, the final contract amount, based on actual measured quantities of work completed, is \$8,300.00 which will be paid utilizing funds received from insurance claims.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Newton, Iowa that the City of Newton hereby accepts completion of the project, and authorizes the Community Services Director to execute payment of the retainer in the amount of \$415.00 to Rick Lyman no sooner than 30 days after approval of this resolution, should no claims be on file.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Shawnda Nine, Deputy City Clerk

City of Newton Council Report

Item:

Resolution ordering bids, approving plans, specifications and form of contract and notice to bidders, and ordering clerk to publish notice and fixing a date for receiving same, and for a public hearing on plans, specifications, form of contract and estimate of costs for the HMA Resurfacing Project 2021.

Summary:

Accept plans and order bids for the HMA Resurfacing Project 2021.

Financial Impact:

\$1,135,000.00 from 2021 Road Use Tax Revenue Bonds and an additional \$60,000.00 from 2021 North Central TIF Bond.



Report Number: 21-195

Date:

July 19, 2021

Lead Department/Division:
Public Works

Recommendation:

Approve

Background:

Various streets throughout the city are in need of resurfacing. The conditions of these streets (200-400 Blocks of E 3rd St S, 100-700 Blocks of E 7th St N, 800-900 Blocks of S 5th Ave E, 200-300 Blocks of W 3rd St N, 1000-1400 Blocks of N 4th Ave E, 400-1100 Blocks of S 6th Ave W, 300 Block of S 4th Ave W, 100-500 Blocks of W 12th St S, 600-700 Blocks E 14th St S, 600-700 Blocks of E 15th St S, 1400 Block of S 6th Ave E, 100-200 Blocks of E 7th St S, 500-700 Blocks of W 11th St S and a portion of the 1900 Block of E 8th St N) have deteriorated over the last 33-38 years with numerous cracks and surface imperfections present. City staff had identified these pavement sections as needing an asphalt milling and resurfacing project during the recently completed budgeting process.

Construction plans and specifications for the HMA Resurfacing Project 2021 have been prepared by City staff and are ready to be placed out for bid. This project includes milling off 2 to 4 inches of the existing street surface, and placing 2 to 4 inches of new hot-mix asphalt.

The proposed bid opening for the project will occur on August 9th, 2021 at 1:00 pm. The public hearing to accept the bids and award the work will take place at the regularly scheduled council meeting on August 16th, 2021. The estimate of construction cost is \$1,195,000. The project will be paid using 2021 Road Use Tax Revenue Bonds and 2021 North Central TIF Bonds.

A completion date of November 30th, 2021 is specified, with a liquidated damages amount of \$250/day if the work is not completed in time.

Recommendation:

City staff recommends approval to accept the plans, set dates, and obtain bids for the HMA Resurfacing Project 2021.

A handwritten signature in black ink, appearing to read "Matt Muckler". The signature is fluid and cursive, with the first name "Matt" and last name "Muckler" clearly distinguishable.

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

RESOLUTION ORDERING BIDS, APPROVING PLANS, SPECIFICATIONS AND FORM OF CONTRACT AND NOTICE TO BIDDERS, AND ORDERING CLERK TO PUBLISH NOTICE AND FIXING A DATE FOR RECEIVING SAME, AND FOR A PUBLIC HEARING ON PLANS, SPECIFICATIONS, FORM OF CONTRACT AND ESTIMATE OF COSTS FOR THE HMA RESURFACING PROJECT 2021

WHEREAS, various streets throughout the city are in need of resurfacing. The conditions of these streets (200-400 Blocks of E 3rd St S, 100-700 Blocks of E 7th St N, 800-900 Blocks of S 5th Ave E, 200-300 Blocks of W 3rd St N, 1000-1400 Blocks of N 4th Ave E, 400-1100 Blocks of S 6th Ave W, 300 Block of S 4th Ave W, 100-500 Blocks of W 12th St S, 600-700 Blocks E 14th St S, 600-700 Blocks of E 15th St S, 1400 Block of S 6th Ave E, 100-200 Blocks of E 7th St S, 500-700 Blocks of W 11th St S and a portion of the 1900 Block of E 8th St N) have deteriorated over the last 33-38 years; and

WHEREAS, City staff had identified these pavement sections as needing an asphalt milling and resurfacing project during the recently completed budgeting process; and

WHEREAS, construction plans and specifications for the HMA Resurfacing Project 2021 have been prepared by City staff and are ready to be placed out for bid; and

WHEREAS, the total cost estimate for this project is \$1,195,000.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newton, Iowa, that the HMA Resurfacing Project 2021 in the City of Newton, Iowa is hereby ordered to be advertised for bids for construction; and the project will be paid for with 2021 Road Use Tax Revenue Bonds and 2021 North Central TIF Bonds.

BE IT FURTHER RESOLVED that the detailed plans and specifications as prepared by the City of Newton for the construction of the HMA Resurfacing Project 2021 in the City of Newton, Iowa, and the form of contract and Notice to Bidders and Notice of Public Hearing, be and the same are hereby approved, subject to hearing thereon, and are hereby ordered placed on file in the office of the Clerk for public inspection; and

That the Clerk is hereby directed to advertise for bids for the construction of said improvements. Bids will be received and opened at the office of the Public Works Director at 1:00 PM on the 9th day of August, 2021. Thereupon the bids will be referred to the City Council for action upon said bids at a future meeting to be held at the Council Chambers, Newton, Iowa. Notice to Bidders is to be published not less than thirteen (13) calendar days nor more than forty five (45) days prior to the date fixed for said bid opening in the following: 1) a relevant contractor plan room service with statewide circulation, 2) a relevant construction lead generating service with statewide circulation and 3) the City of Newton website; and

That the Council hold a public hearing on the matter of the adoption of proposed plans, specifications and form of contract for the making of said improvements, which documents are now on file in the office of the Clerk, said hearing to be held at the Council Chambers in the City Hall, Newton, Iowa, on the 16th day of August 2021, at 6:00 pm, and that the City Clerk give notice of said hearing by publication once in a local legal newspaper, printed wholly in English language, not less than four (4) clear days nor more than twenty (20) days prior to the date fixed therefore.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Shawnda Nine, Deputy City Clerk

City of Newton Council Report

Item: Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment for the Southwest Economic Development Area.

Summary: Setting a public hearing for August 16, 2021 to amend the Southwest Urban Renewal Area Plan

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



Report Number: 21-196

Date: July 19, 2021

Lead Department:
Administration

Recommendation:
Approval

Background:

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

An amendment to the Plan has been prepared which consists of updates as follows: Installation of lighting for the Rocky Marciano sculpture; constructing street improvements along West 19th Street South; and pay costs for the city's urban renewal administration and support program.

Recommendation:

Staff recommends approval of the Resolution setting a Public Hearing on August 16, 2021 to amend the Southwest Urban Renewal Plan.

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

Matt Muckler
City Administrator

RESOLUTION NO.2021-_____

Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment
for the Southwest Newton Economic Development Area

WHEREAS, the City Council of the City of Newton, Iowa by resolution previously established the Southwest Newton Economic Development Area (the “Urban Renewal Area”) and adopted an urban renewal plan (the “Plan”) for the governance of initiatives and projects therein; and

WHEREAS, an amendment (the “Amendment”) to the Plan has been prepared which authorizes the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (1) using tax increment financing to pay the costs of installing lighting for the Rocky Marciano Sculpture; (2) using tax increment financing to pay the costs of constructing street improvements on and along West 19th Street South; and (3) using tax increment financing to pay the costs of the City’s Urban Renewal Administration and Professional Support Program; and

WHEREAS, it is now necessary that a date be set for a public hearing on the Amendment;

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

Section 1. This City Council will meet at the _____, Newton, Iowa, on August 16, 2021, at _____ o’clock __.m., at which time and place 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) and not 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, the City Clerk and/or the Community Development Director are hereby designated as the City’s representatives in connection with the consultation process which is required under that section of the urban renewal law.

Passed and approved this July 19, 2021.

Mayor

Attest:

Deputy City Clerk

CITY OF NEWTON, IOWA
URBAN RENEWAL PLAN AMENDMENT
SOUTHWEST NEWTON ECONOMIC DEVELOPMENT AREA

August, 2021

The Urban Renewal Plan (the “Plan”) for the Southwest Newton Economic Development Area (the “Urban Renewal Area”) is being amended for the purpose of identifying new urban renewal projects to be undertaken within the Urban Renewal Area.

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

A.

Name of Project: West 19th Street South Reconstruction Project

Name of Urban Renewal Area: Southwest Newton Economic Development Area

Date of Council Approval of Project: August 16, 2021

Description of Project and Project Site: The West 19th Street South Reconstruction Project (the “Street Reconstruction Project”) will consist of street reconstruction and the incidental utility, landscaping, site clearance and cleanup work related thereto on and along the 1200 block through the 1700 block of West 19th Street South.

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

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

Description of Use of TIF: It is anticipated that the City will pay for the Street Reconstruction Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, the City’s obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City’s use of incremental property tax revenues for the Street Reconstruction Project will not exceed \$150,000, plus any interest expense incurred by the City on any borrowing undertaken for the funding of the Street Reconstruction Project.

B.

Name of Project: Rocky Marciano Sculpture Lighting Project

Name of Urban Renewal Area: Southwest Newton Economic Development Area

Date of Council Approval of the Project: August 16, 2021

Description of Project and Project Site: The Rocky Marciano Sculpture Lighting Project will consist of the lighting of the Rocky Marciano Sculpture situated in the Urban Renewal Area along the bike trail located on the west side of Highway 14.

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

Description of Use of TIF: It is anticipated that the City will pay for the Rocky Marciano Sculpture Lighting Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, the City's obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City's use of incremental property tax revenues for the Rocky Marciano Sculpture Lighting Project will not exceed \$50,000, plus any interest expense incurred by the City on any borrowing undertaken for the funding of the Rocky Marciano Sculpture Lighting Project.

C.

Name of Project: Urban Renewal Administration and Professional Support Program

Name of Urban Renewal Area: Southwest Newton Economic Development Area

Date of Council Approval of Program: August 16, 2021

Description of Program: The City will provide administrative and professional support to its urban renewal projects and initiatives in the City's 2022 through 2025 fiscal years (the "Admin Support Program"). The Admin Support Program will include planning, staffing, grant writing and administration, document support, record management, accounting, marketing, legal services and such other services as are necessary to carry out and effectuate the urban renewal initiatives and objectives of the City.

Description of Use of TIF: The City will fund its support contributions under the Admin Support Program from the proceeds of internal advances (the "Advances") of cash on hand. The City's annual contributions will be determined from year to year. The City will repay the Advances from incremental property tax revenues to be derived from the Urban Renewal Area. The amount of the Advances will be determined from year to year. The total amount of incremental property tax revenues to be applied to the City's Admin Support Program for the City's fiscal years 2022 through 2025 shall not exceed \$30,000.

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

Constitutional debt limit of the City:	<u>\$45,967,721</u>
Outstanding general obligation debt of the City:	<u>\$28,591,485</u>
Proposed maximum indebtedness to be incurred in connection with this August, 2021 Amendment:	<u>\$ 230,000*</u>

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

City of Newton Council Report

Item: Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment for the East-Mart Economic Development Area

Summary: Setting a public hearing for August 16, 2021 to amend the East-Mart Urban Renewal Area Plan

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



Report Number: 21-197

Date: July 19, 2021

Lead Department:
Finance

Recommendation:
Approval

Background:

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

An amendment to the Plan has been prepared which consists of updates as follows: Iowa Speedway Drive Reconstruction Project; Property Tax Rebate for the Van Maanen Electric Inc Headquarters development; and administrative and professional support for urban renewal projects.

Recommendation:

Staff recommends approval of the Resolution setting a Public Hearing on August 16, 2021 to amend the East-Mart Urban Renewal Plan.

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

Matt Muckler
City Administrator

RESOLUTION NO.2021-_____

Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment
for the East-Mart Economic Development Area

WHEREAS, the City Council of the City of Newton, Iowa by resolution previously established the East-Mart Economic Development Area (the “Urban Renewal Area”) and adopted an urban renewal plan (the “Plan”) for the governance of initiatives and projects therein; and

WHEREAS, an amendment (the “Amendment”) to the Plan has been prepared which authorizes the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (1) using tax increment financing to pay the costs of reconstructing Iowa Speedway Drive; (2) using tax increment financing to pay the costs of the City’s Urban Renewal Administration and Professional Support Program; and (3) providing tax increment financing support to Van Maanen Electric, Inc. (the “Company”) in connection with the construction by the Company of new corporate headquarters for use in its electrical contracting business operations; and

WHEREAS, it is now necessary that a date be set for a public hearing on the Amendment;

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

Section 1. This City Council will meet at the Council Chambers, Newton, Iowa on August 16, 2021, at 6 o’clock p.m., at which time and place 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) and not 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, the City Clerk and/or the Community Development Director are hereby designated as the City’s representatives in connection with the consultation process which is required under that section of the urban renewal law.

Passed and approved this July 19, 2021.

Mayor

Attest:

Deputy City Clerk

CITY OF NEWTON, IOWA

URBAN RENEWAL PLAN AMENDMENT
EAST-MART ECONOMIC DEVELOPMENT AREA

August, 2021

The Urban Renewal Plan (the “Plan”) for the East-Mart Economic Development Area (the “Urban Renewal Area”) is being amended for the purpose of identifying new urban renewal projects to be undertaken within the Urban Renewal Area.

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

A.

Name of Project: Iowa Speedway Drive Reconstruction Project

Name of Urban Renewal Area: East-Mart Economic Development Area

Date of Council Approval of Project: August 16, 2021

Description of Project and Project Site: The Iowa Speedway Drive Reconstruction Project (the “Street Reconstruction Project”) will consist of street reconstruction and the incidental utility, landscaping, site clearance and cleanup work related thereto on and along the 100 block through the 600 block of Iowa Speedway Drive.

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

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

Description of Use of TIF: It is anticipated that the City will pay for the Street Reconstruction Project with either borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, the City’s obligation will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City’s use of incremental property tax revenues for the Street Reconstruction Project will not exceed \$80,000, plus any interest expense incurred by the City on any borrowing undertaken for the funding of the Street Reconstruction Project.

B.

Name of Project: Van Maanen Electric, Inc. Headquarters Development Project

Name of Urban Renewal Area: East-Mart Economic Development Area

Date of Council Approval of Project: August 16, 2021

Description of the Project: Van Maanen Electric, Inc. (the “Company”) has undertaken the construction of a new building to serve as the corporate headquarters for its electrical contracting business operations (the “Project”) on certain real property situated at 500 Iowa Speedway Drive in the Urban Renewal Area (the “Development Property”).

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

The costs incurred by the City in providing tax increment financing assistance to the Company will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$8,000.

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

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

Description of Use of TIF for the Project: The City intends to enter into a Development Agreement with the Company with respect to the construction and use of the completed Project and to provide annual appropriation economic development payments (the “Payments”) to the Company thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Development Property. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Project will not exceed \$600,000, plus the Admin Fees.

C.

Name of Project: Urban Renewal Administration and Professional Support Program

Name of Urban Renewal Area: East-Mart Economic Development Area

Date of Council Approval of Program: August 16, 2021

Description of Program: The City will provide administrative and professional support to its urban renewal projects and initiatives in the City’s 2022 through 2026 fiscal years (the “Admin Support Program”). The Admin Support Program will include planning, staffing, grant writing and administration, document support, record management,

accounting, marketing, legal services and such other services as are necessary to carry out and effectuate the urban renewal initiatives and objectives of the City.

Description of Use of TIF: The City will fund its support contributions under the Admin Support Program from the proceeds of internal advances (the “Advances”) of cash on hand. The City’s annual contributions will be determined from year to year. The City will repay the Advances from incremental property tax revenues to be derived from the Urban Renewal Area. The total amount of incremental property tax revenues to be applied to the City’s Admin Support Program for the City’s fiscal years 2022 through 2026 shall not exceed \$400,000.

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

Constitutional debt limit of the City:	<u>\$45,967,721</u>
Outstanding general obligation debt of the City:	<u>\$28,591,485</u>
Proposed maximum indebtedness to be incurred in connection with this August, 2021 Amendment:	<u>\$ 1,088,000*</u>

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

City of Newton Council Report

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

Summary: Setting a public hearing on August 2, 2021 to act upon a development agreement for 117 1st Avenue West.

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



Report Number: 21-198

Date: July 19, 2021

Lead Department:
Community Development

Recommendation:
Approval

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

Earlier this year, City Council approved a forgivable loan to CRH Properties LLC for improvements to be made to 117 1st Avenue West including replacing missing sub-floor, carpeting, vinyl flooring, baseboard, LED lighting, ceiling tile and electrical work. The agreement at that time also recognized the desire to enter into a minimum assessment and rebate agreement at a later date to provide a more efficient approach to amending the urban renewal area plan. It is now time to move forward with the minimum assessment and rebate agreement.

The development agreement acknowledges the forgivable loan action from earlier this year. It establishes a minimum assessment of \$185,000.00 for the building and provides a 10 year tax rebate at 100% with a total not to exceed amount over the 10 year period of \$25,000.00.

This action simply sets the public hearing on this development agreement for August 2, 2021.

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

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

Matt Muckler
City Administrator

RESOLUTION NO. _____

Resolution Setting a Date of Meeting at which it is Proposed to Approve a Development Agreement with CRH Properties LLC, Including Annual Appropriation Tax Increment Payments

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

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

WHEREAS, the City proposes to enter into a certain development agreement (the “Development Agreement”) with CRH Properties LLC (the “Developer”) in connection with the renovation of an existing building on certain real property in the Urban Renewal Area for use in the business operations of a retail store; and

WHEREAS, the Development Agreement would provide financial incentives to the Developer in the form of a forgivable loan in the amount of \$30,000 and annual appropriation incremental property tax payments in an amount not to exceed \$25,000 under the authority of Section 403.9(1) of the Code of Iowa; and

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

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

Section 1. This City Council shall meet on August 2, 2021, at six o’clock p.m., at the City Council Chamber, 101 West 4th Street South, in the City, at which time and place proceedings will be instituted and action taken to approve the Development Agreement and to authorize the annual appropriation incremental property tax payments.

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

NOTICE OF MEETING FOR APPROVAL OF DEVELOPMENT
AGREEMENT WITH CRH PROPERTIES LLC AND AUTHORIZATION OF
ANNUAL APPROPRIATION TAX INCREMENT PAYMENTS

The City Council of the City of Newton, Iowa (the “City”), will meet on August 2, 2021, at six o’clock p.m., at the City Council Chamber, 101 West 4th Street South, Newton, Iowa, at which time and place proceedings will be instituted and action taken to approve a Development Agreement (the “Development Agreement”) between the City and CRH Properties LLC (the “Developer”), in connection with the renovation of an existing building on certain real property in the North Central Urban Renewal Area for use in the business operations of a retail store. The Development Agreement provides for certain financial incentives to the Developer in the form of a forgivable loan in the amount of \$30,000 and incremental property tax payments in a total amount not exceeding \$25,000 as authorized by Section 403.9 of the Code of Iowa..

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

The public can also attend the meeting electronically via Zoom, which will be accessible at the following:

[Insert electronic access information]

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

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

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

Katrina Davis
City Clerk

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

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

Passed and approved July 19, 2021.

Mayor

Attest:

Deputy City Clerk

DEVELOPMENT AGREEMENT

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

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

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

WHEREAS, the Developer has proposed to undertake the renovation of an existing building on the Property (“the Project”) for use in the business operations of a retail store; and

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

WHEREAS, the City and the Developer entered into an Economic Development Forgivable Loan Agreement (the “Original Agreement”) dated _____, 2021, pursuant to which the City agreed to provide the Forgivable Loan; and

WHEREAS, it is now necessary to amend the Original Agreement to provide for the incremental property tax payments to be made to the Developer and to make other related changes; and

WHEREAS, this Development Agreement (the “Agreement”) has been prepared to set forth the updated, mutual understanding between the City and the Developer and to replace the Original Agreement; and

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

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

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

NOW THEREFORE, the parties hereto agree as follows:

A. Developer’s Covenants

1. Project. The Developer agrees to undertake the Project on the Property. The Developer agrees that the Project will minimally include the improvements (the “Required

Improvements”) as set forth on Exhibit B hereto. The Developer agrees to construct the Project, including the Required Improvements, in substantial conformance with the City’s zoning, land use, building and safety codes and regulations. The Developer further agrees to substantially complete such construction by no later than September 30, 2021.

The Developer agrees to use the completed Project in the business operations of a retail store throughout the Term (as hereinafter defined) of this Agreement (the “Business Operations Requirement”).

Further, the Developer agrees to maintain, preserve, and keep the Property, including but not limited to the Project, useful and in good repair and working order, ordinary wear and tear excepted, and from time to time will make all necessary repairs, replacements, renewals, and additions.

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

3. Minimum Assessment Agreement. The Developer agrees to enter into an assessment agreement (the “Assessment Agreement”), pursuant to Section 403.6 of the Code of Iowa fixing the minimum assessed valuation of the Property, in contemplation of the improvements to be constructed thereon, at not less than One Hundred Eighty-Five Thousand Dollars (\$185,000) (the “Minimum Assessed Valuation”) as of January 1, 2022 (the “First Valuation Date”). It is intended by the Developer that the Minimum Assessed Valuation shall be established on the Jasper County property tax rolls as of the First Valuation Date regardless of the then-current degree of completion or incompleteness of the Project. The Assessment Agreement shall be in substantially the form attached hereto as Exhibit C and shall remain in effect throughout the Term (as hereinafter defined) of this Agreement.

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

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

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

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

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

7. Forgivable Loan. The Developer hereby acknowledges that the City has advanced the proceeds (the “Forgivable Loan Proceeds”) of the Forgivable Loan to the Developer in accordance with Section B.1 of this Agreement. The Developer’s obligation to repay the Forgivable Loan is evidenced by a promissory note (the “Promissory Note”) that has been executed by the Developer and delivered to the City. A copy of the Promissory Note shall be attached as Exhibit E hereto.

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

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

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

8. Insurance.

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

- (i) Builder's risk insurance, written on the so-called "Builder's Risk—Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Project at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy.
- (ii) Comprehensive general liability insurance (including operations, contingent liability, completed operations when substantially completed and contractual liability insurance) together with an Owner's/Contractor's Policy naming the City, as an additional insured, with limits against bodily injury and property damage of not less than \$2,500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.
- (iii) Workers compensation insurance, with statutory coverage limited to employees of the Developer.

(b) All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies selected by the Developer or its successors that are authorized under the laws of the State of Iowa to assume the risks covered by such policies. Unless otherwise provided in this Section, each policy must contain a provision that the insurer will not cancel nor modify the policy without giving written notice to the insured at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer, or its successors or assigns, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section. In lieu of separate policies, the Developer or its successors or assigns, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

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

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

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

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

10. Default Provisions.

A. Events of Default. The following shall be “Events of Default” under this Agreement, and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless otherwise provided), any one or more of the following events:

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

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

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

11. Legal and Administrative Costs. The Developer hereby acknowledges that the City will cover the initial payment of legal fees and administrative costs (the “Actual Admin Costs”) incurred by the City in connection with the drafting, negotiation and authorization of this Agreement, including the necessary amendment to the Urban Renewal Area. Furthermore, the Developer agrees that the City shall withhold an amount (the “Admin Withholding Amount”)

equal to the lesser of (1) \$3,500 or (2) the Actual Admin Costs from the initial Payments, as hereinafter set forth in order to recover some or all of the Actual Admin Costs.

B. City's Obligations

1. Forgivable Loan; Loan Forgiveness. The City has advanced the Forgivable Loan Proceeds to the Developer in an amount equal to \$30,000.

Upon receipt of a satisfactory Annual Report from the Developer demonstrating that the Developer is in compliance with required elements set forth in Section A.2 of this Agreement, the City shall forgive \$6,000 of the principal amount of the Forgivable Loan. If the Developer fails to submit an Annual Report as required in Section A.2 above in any given fiscal year, then no principal of the Forgivable Loan will be forgiven in such fiscal year.

2. Payments. In recognition of the Developer's obligations set out above, the City agrees to make ten (10) annual economic development tax increment payments (the "Payments" and, individually each, a "Payment") to the Developer during the Term (as hereinafter defined) pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments to be made under this Agreement during the Term (as hereinafter defined) shall not exceed \$25,000 (the "Maximum Payment Total"). All Payments under this Agreement shall be subject to annual appropriation by the City Council, as provided hereunder.

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

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

Each Payment shall not exceed an amount which represents the amount of Incremental Property Tax Revenues available to the City with respect to the Property during the twelve (12) months immediately preceding each Payment date.

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

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

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

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

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

C. Administrative Provisions

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

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

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

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

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

Deputy City Clerk

CRH PROPERTIES LLC

By: _____

EXHIBIT A: Legal Description of Property

THE WEST 44 FEET IN WIDTH OF LOT 3 IN BLOCK 20 IN THE CITY OF NEWTON, JASPER COUNTY, IOWA

EXHIBIT B
REQUIRED IMPROVEMENTS

- (1) the replacement of missing sub-floor;
- (2) the installation of new carpet and vinyl flooring;
- (3) the replacement of missing baseboard; (
- 4) the installation of LED lighting;
- (5) the installation of ceiling tile; and
- (6) electrical work.

EXHIBIT C
MINIMUM ASSESSMENT AGREEMENT

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

Preparer Information: (name, address and phone number)

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

Return Document To:

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

City:

City of Newton, Iowa

Property Owner:

CRH Properties LLC

Legal Description:

Book & Page Reference if applicable:

MINIMUM ASSESSMENT AGREEMENT

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

WITNESSETH

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

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

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

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

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

1. Effective January 1, 2022, the minimum actual value which shall be assessed for the Property, taking into account the improvements to be constructed thereon, shall be One Hundred Eighty-five Thousand Dollars (\$185,000) until termination of this Agreement.

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

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

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

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

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

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

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

[Remainder of page intentionally left blank.]

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

Deputy City Clerk

CRH PROPERTIES LLC

By: _____

STATE OF IOWA)
)
COUNTY OF JASPER) SS:

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

Notary Public

STATE OF IOWA)
) SS:
COUNTY OF _____)

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

Notary Public

EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT

LEGAL DESCRIPTION OF PROPERTY:

THE WEST 44 FEET IN WIDTH OF LOT 3 IN BLOCK 20 IN THE CITY OF NEWTON, JASPER COUNTY, IOWA

CERTIFICATION BY ASSESSOR

The undersigned Assessor, being legally responsible for the assessment of the above described property upon completion of improvements to be made on it, hereby certifies that the actual value assigned to such land and improvements upon completion, shall be not less than One Hundred Eighty-five Thousand Dollars (\$185,000) until termination of the Agreement.

County Assessor for Jasper County,
State of Iowa

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

Notary Public

LIENHOLDER'S CONSENT, IF ANY

In consideration of one dollar and other valuable consideration, the receipt of which is hereby acknowledged, and notwithstanding anything in any loan or security agreement to the contrary, the undersigned ratifies, approves, consents to and confirms the Assessment Agreement entered into between the parties, and agrees to be bound by its terms. This provision shall be binding on the parties and their respective successors and assigns.

[NAME OF LIENHOLDER]

By: _____
Signature

Date: _____

STATE OF IOWA)
) SS:
COUNTY OF JASPER)

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

Notary Public

[Add additional pages for each Lienholder]

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

EXHIBIT D

DEVELOPER'S ESTIMATE WORKSHEET

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

EXHIBIT E
EXECUTED PROMISSORY NOTE

City of Newton Council Report

Item: Resolution setting a date of meeting at which it is proposed to approve a development agreement with Cindy Rogers-Sell, including annual appropriation tax increment payments.

Summary: Setting a public hearing on August 2, 2021 to act upon a development agreement for 107 1st Avenue West.

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



Report Number: 21-199

Date: July 19, 2021

Lead Department:
Community Development

Recommendation:
Approval

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

Earlier this year, City Council approved a forgivable loan to Cindy Rogers-Sell for improvements to be made to 107 1st Avenue West including new heating and air conditioning system, bathroom improvements, flooring, wall restorations, electrical work, painting, and interior first level tin ceiling restoration. The agreement at that time also recognized the desire to enter into a minimum assessment and rebate agreement at a later date to provide a more efficient approach to amending the urban renewal area plan. It is now time to move forward with the minimum assessment and rebate agreement.

The development agreement acknowledges the forgivable loan action from earlier this year. It establishes a minimum assessment of \$100,000.00 for the building and provides a 10 year tax rebate at 100% with a total not to exceed amount over the 10 year period of \$15,000.00.

This action simply sets the public hearing on this development agreement for August 2, 2021.

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

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

Matt Muckler
City Administrator

RESOLUTION NO. _____

Resolution Setting a Date of Meeting at which it is Proposed to Approve a Development Agreement with Cindy Rogers-Sell, Including Annual Appropriation Tax Increment Payments

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

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

WHEREAS, the City proposes to enter into a certain development agreement (the “Development Agreement”) with Cindy Rogers-Sell (the “Developer”) in connection with the renovation of an existing building on certain real property in the Urban Renewal Area for use in the business operations of a retail store; and

WHEREAS, the Development Agreement would provide financial incentives to the Developer in the form of a forgivable loan in the amount of \$20,000 and annual appropriation incremental property tax payments in an amount not to exceed \$15,000 under the authority of Section 403.9(1) of the Code of Iowa; and

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

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

Section 1. This City Council shall meet on August 2, 2021, at six o’clock p.m., at the City Council Chamber, 101 West 4th Street South, in the City, at which time and place proceedings will be instituted and action taken to approve the Development Agreement and to authorize the annual appropriation incremental property tax payments.

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

NOTICE OF MEETING FOR APPROVAL OF DEVELOPMENT
AGREEMENT WITH CINDY ROGERS-SELL AND AUTHORIZATION OF
ANNUAL APPROPRIATION TAX INCREMENT PAYMENTS

The City Council of the City of Newton, Iowa (the “City”), will meet on August 2, 2021, at six o’clock p.m., at the City Council Chamber, 101 West 4th Street South, Newton, Iowa, at which time and place proceedings will be instituted and action taken to approve a Development Agreement (the “Development Agreement”) between the City and Cindy Rogers-Sell (the “Developer”), in connection with the renovation of an existing building on certain real property in the North Central Urban Renewal Area for use in the business operations of a retail store. The Development Agreement provides for certain financial incentives to the Developer in the form of a forgivable loan in the amount of \$15,000 and incremental property tax payments in a total amount not exceeding \$20,000 as authorized by Section 403.9 of the Code of Iowa..

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

The public can also attend the meeting electronically via Zoom, which will be accessible at the following:

[Insert electronic access information]

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

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

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

Katrina Davis
City Clerk

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

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

Passed and approved July 19, 2021.

Mayor

Attest:

Deputy City Clerk

DEVELOPMENT AGREEMENT

This Development Agreement is entered into between the City of Newton, Iowa (the “City”) and Cindy Rogers-Sell (the “Developer”) as of the ____ day of _____, 2021 (the “Commencement Date”).

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

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

WHEREAS, the Developer has proposed to undertake the renovation of an existing building on the Property (“the Project”) for use in the business operations of a retail store; and

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

WHEREAS, the City and the Developer entered into an Economic Development Forgivable Loan Agreement (the “Original Agreement”) dated _____, 2021, pursuant to which the City agreed to provide the Forgivable Loan; and

WHEREAS, it is now necessary to amend the Original Agreement to provide for the incremental property tax payments to be made to the Developer and to make other related changes; and

WHEREAS, this Development Agreement (the “Agreement”) has been prepared to set forth the updated, mutual understanding between the City and the Developer and to replace the Original Agreement; and

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

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

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

NOW THEREFORE, the parties hereto agree as follows:

A. Developer’s Covenants

1. Project. The Developer agrees to undertake the Project on the Property. The Developer agrees that the Project will minimally include the improvements (the “Required

Improvements”) as set forth on Exhibit B hereto. The Developer agrees to construct the Project, including the Required Improvements, in substantial conformance with the City’s zoning, land use, building and safety codes and regulations. The Developer further agrees to substantially complete such construction by no later than September 30, 2021.

The Developer agrees to use the completed Project in the business operations of a retail store throughout the Term (as hereinafter defined) of this Agreement (the “Business Operations Requirement”).

Further, the Developer agrees to maintain, preserve, and keep the Property, including but not limited to the Project, useful and in good repair and working order, ordinary wear and tear excepted, and from time to time will make all necessary repairs, replacements, renewals, and additions.

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

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

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

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

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

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

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

7. Forgivable Loan. The Developer hereby acknowledges that the City has advanced the proceeds (the “Forgivable Loan Proceeds”) of the Forgivable Loan to the Developer in accordance with Section B.1 of this Agreement. The Developer’s obligation to repay the Forgivable Loan is evidenced by a promissory note (the “Promissory Note”) that has been executed by the Developer and delivered to the City. A copy of the Promissory Note shall be attached as Exhibit E hereto.

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

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

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

8. Insurance.

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

- (i) Builder's risk insurance, written on the so-called "Builder's Risk—Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Project at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy.
- (ii) Comprehensive general liability insurance (including operations, contingent liability, completed operations when substantially completed and contractual liability insurance) together with an Owner's/Contractor's Policy naming the City, as an additional insured, with limits against bodily injury and property damage of not less than \$2,500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.
- (iii) Workers compensation insurance, with statutory coverage limited to employees of the Developer.

(b) All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies selected by the Developer or its successors that are authorized under the laws of the State of Iowa to assume the risks covered by such policies. Unless otherwise provided in this Section, each policy must contain a provision that the insurer will not cancel nor modify the policy without giving written notice to the insured at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Developer, or its successors or assigns, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section. In lieu of separate policies, the Developer or its successors or assigns, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

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

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

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

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

10. Default Provisions.

A. Events of Default. The following shall be “Events of Default” under this Agreement, and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless otherwise provided), any one or more of the following events:

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

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

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

11. Legal and Administrative Costs. The Developer hereby acknowledges that the City will cover the initial payment of legal fees and administrative costs (the “Actual Admin Costs”) incurred by the City in connection with the drafting, negotiation and authorization of this Agreement, including the necessary amendment to the Urban Renewal Area. Furthermore, the Developer agrees that the City shall withhold an amount (the “Admin Withholding Amount”)

equal to the lesser of (1) \$3,500 or (2) the Actual Admin Costs from the initial Payments, as hereinafter set forth in order to recover some or all of the Actual Admin Costs.

B. City's Obligations

1. Forgivable Loan; Loan Forgiveness. The City has advanced the Forgivable Loan Proceeds to the Developer in an amount equal to \$20,000.

Upon receipt of a satisfactory Annual Report from the Developer demonstrating that the Developer is in compliance with required elements set forth in Section A.2 of this Agreement, the City shall forgive \$4,000 of the principal amount of the Forgivable Loan. If the Developer fails to submit an Annual Report as required in Section A.2 above in any given fiscal year, then no principal of the Forgivable Loan will be forgiven in such fiscal year.

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

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

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

Each Payment shall not exceed an amount which represents the amount of Incremental Property Tax Revenues available to the City with respect to the Property during the twelve (12) months immediately preceding each Payment date.

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

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

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

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

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

C. Administrative Provisions

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

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

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

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

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

Deputy City Clerk

CINDY ROGERS-SELL

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

THE EAST ONE-THIRD OF LOT 2 IN BLOCK 20, ORIGINAL TOWN, NOW IN THE CITY OF NEWTON, JASPER
COUNTY, IOWA

EXHIBIT B
REQUIRED IMPROVEMENTS

- (1) the installation of a new heating, ventilation and air conditioning system;
- (2) the construction of bathroom improvements;
- (3) the installation of new flooring;
- (4) wall restorations;
- (5) electrical work;
- (6) painting; and
- (7) interior first level tin ceiling restoration.

EXHIBIT C
MINIMUM ASSESSMENT AGREEMENT

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

Preparer Information: (name, address and phone number)

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

Return Document To:

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

City:

City of Newton, Iowa

Property Owner:

Cindy Rogers-Sell

Legal Description:

Book & Page Reference if applicable:

MINIMUM ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of the ____ day of _____, 2021, by and among the City of Newton, Iowa (the "City"), Cindy Rogers-Sell (the "Property Owner"), and the County Assessor of Jasper County (the "Assessor").

WITNESSETH

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

WHEREAS, the Property Owner has undertaken the renovation of an existing building on the Property ("the Project") for use in the business operations of a retail store; and

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

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

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

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

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

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

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

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

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

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

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

[Remainder of page intentionally left blank.]

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

Deputy City Clerk

CINDY ROGERS-SELL

STATE OF IOWA)
)
COUNTY OF JASPER) SS:

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

Notary Public

STATE OF IOWA)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2021 by Cindy Rogers-Sell.

Notary Public

EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT

THE EAST ONE-THIRD OF LOT 2 IN BLOCK 20, ORIGINAL TOWN, NOW IN THE CITY OF NEWTON, JASPER COUNTY, IOWA

CERTIFICATION BY ASSESSOR

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

County Assessor for Jasper County,
State of Iowa

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

Notary Public

LIENHOLDER'S CONSENT, IF ANY

In consideration of one dollar and other valuable consideration, the receipt of which is hereby acknowledged, and notwithstanding anything in any loan or security agreement to the contrary, the undersigned ratifies, approves, consents to and confirms the Assessment Agreement entered into between the parties, and agrees to be bound by its terms. This provision shall be binding on the parties and their respective successors and assigns.

[NAME OF LIENHOLDER]

By: _____
Signature

Date: _____

STATE OF IOWA)
) SS:
COUNTY OF JASPER)

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

Notary Public

[Add additional pages for each Lienholder]

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

EXHIBIT D

DEVELOPER'S ESTIMATE WORKSHEET

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

EXHIBIT E
EXECUTED PROMISSORY NOTE

City of Newton Disbursements 7-20-21

Vendor	Department	Description	Amount
Acco Unlimited Corp	Maytag Pool	Supplies	\$ 2,530.85
Acushnet Company	Golf	Merchandise	\$ 273.88
Adams, Casse	Maytag Pool	Reimbursement	\$ 90.00
AETNA	Fire	Refund	\$ 254.13
Airgas USA LLC	Fire	Supplies	\$ 71.31
Alliant Energy/IPL	Water Pollution Control	Utilities	\$ 17,175.99
Amazon Capital Services	All	Supplies	\$ 484.72
American Awards Inc	Parks	Supplies	\$ 200.75
American Legal Publishing Corporation	Administration	Service	\$ 119.70
Andrews, Jennifer	Landfill	Reimbursement	\$ 30.00
Arrowhead Forensics	Fire/Police	Supplies	\$ 344.26
Blain, Cody	Maytag Pool	Reimbursement	\$ 90.00
Bolton & Menk Inc	Cemetery/Street/Storm Water	Service	\$ 31,372.00
Bound Tree Medical LLC	Fire	Supplies	\$ 1,236.51
Canoyer Garden Center	Golf	Supplies	\$ 634.57
Cappy's Tire & Auto Service	Parks	Service	\$ 484.84
Card Services	All	Service/Training	\$ 3,103.15
Cardinal Tracking Inc	Police	Service	\$ 169.95
Carolina Software	Landfill	Service	\$ 500.00
Central Iowa Distributing Inc	Water Pollution Control	Supplies	\$ 82.84
Central Iowa Farm Store	Parks	Supplies	\$ 74.66
Central Iowa Regional Transportation	Engineering	Service	\$ 1,983.00
Central Iowa Tourism	Community Marketing	Dues	\$ 150.00
Chamber of Commerce	Community Marketing/Parks	Dues	\$ 290.00
Chemsearch	Parks	Supplies	\$ 275.22
CHI Health Company Care	Fire	Service	\$ 1,193.63
Cintas	All	Service	\$ 461.20
Civic Systems LLC	Finance	Service	\$ 6,355.00
Clapsaddle-Garber Assoc	Airport	Service	\$ 841.98
Color Store	Water Pollution Control	Supplies	\$ 1,076.36
Computer Resource Specialists	Administration	Service	\$ 67.50
Cottrell, Dorothy	Fire	Reimbursement	\$ 51.50
Cummins, Nick	Parks	Reimbursement	\$ 99.99
Dafflito, Jerica	Maytag Pool	Reimbursement	\$ 90.00
Dannen, Shannon	D&D Program	Service	\$ 605.00
Des Moines Stamp Mfg	Police	Supplies	\$ 28.30
Diamond Products Co	Water Pollution Control	Supplies	\$ 49.30
DMACC - Ankeny Campus	Street	Rent	\$ 1,895.75
Dunkelberger, Brian	Planning & Zoning	Reimbursement	\$ 283.00
Eckert, Bernard	Police	Training	\$ 8.76
EZ Lease	Fire	Service	\$ 245.01
Forbes Office Solutions	All	Service	\$ 906.13
Fox Engineering	Water Pollution Control	Service	\$ 23,220.00

Fuller, Haley	Maytag Pool	Reimbursement	\$ 100.00
Galls LLC	Police	Supplies	\$ 438.72
Golf Cars of Iowa	Golf	Service	\$ 550.00
Gregg Young Auto Center	Police	Service	\$ 127.40
Hawkins Water Treatment	Water Pollution Control	Supplies	\$ 1,488.50
Hewitt Service Center	Airport	Service	\$ 673.00
HLW Engineering Group	Landfill	Service	\$ 647.50
Home Depot Pro	Parks	Supplies	\$ 234.32
Hy-Vee Inc	Maytag Pool	Concessions	\$ 64.92
Image Trend Inc	Fire	Service	\$ 13,936.75
IMWCA	All	Service	\$ 34,199.75
Iowa Inspections	Fire	Service	\$ 7,850.00
Iowa Law Enforcement Academy	Police	Training	\$ 300.00
Iowa Sports Turf Managers Association	Parks	Training	\$ 80.00
Iowa State University	Police	Training	\$ 100.00
Jump Start Wellness & Fitness Inc	Maytag Pool	Training	\$ 100.00
Karsten, Matthew	Maytag Pool	Reimbursement	\$ 39.96
Key Cooperative	All	Supplies	\$ 13,487.97
Kinetic Edge Physical Therapy	Street	Service	\$ 194.00
Klingspor Abrasives Inc	Storm Water/Street	Supplies	\$ 859.83
Laube, Brian	Parks	Service	\$ 400.00
Lauterbach Buick GMC	Fire	Service	\$ 126.84
Liberty Tire Services LLC	Landfill	Service	\$ 125.00
Liebl Marketing Group	North Central TIF	Service	\$ 1,000.00
Lundin Roofing	Tort Liability	Service	\$ 1,870.00
Lyman, Rick	Parks/Tort Liability	Service	\$ 2,340.15
Machin, Ed	Water Pollution Control	Service	\$ 5,784.00
Magnum Automotive	Police	Service	\$ 166.26
Mahaska Bottling Co	Golf	Supplies	\$ 1,170.00
Manatts - D.M.	Storm Water/Street	Supplies	\$ 3,674.03
Marsden Bldg Maintenance	City Center	Service	\$ 2,425.25
Martin Marietta Materials	Parks	Supplies	\$ 1,039.70
MercyOne DSM Medical Ctr-Financial Ops	Fire	Supplies	\$ 516.24
MercyOne Occupational Health Clinic	Police	Service	\$ 900.00
Metro Waste Authority	Landfill	Service	\$ 8,192.10
MG Laundry Corporation	City Center	Service	\$ 81.40
Mid Country Machinery	Landfill	Supplies	\$ 624.79
Mid-American Research Chemical	Water Pollution Control	Supplies	\$ 1,106.00
NAPA Auto Parts	All	Supplies	\$ 1,455.84
News Printing Company	All	Service	\$ 762.79
O'Halloran International	Water Pollution Control	Supplies	\$ 202.64
O'Reilly Auto Parts	Police	Supplies	\$ 17.47
Parkview Animal Hospital	Animal Control	Service	\$ 1,216.66
Pitney Bowes	Finance	Supplies	\$ 395.64
Portner, Brad	Parks/Housing Demolitions	Service	\$ 650.00
Premier Office Equipment	Admin/Exec/Police	Service	\$ 463.66
Priority Sanitation	Golf/Parks	Service	\$ 500.00

Quill Corporation	All	Supplies	\$ 41.93
RACOM Corporation	Police	Service	\$ 178.00
Ray, Randy	D&D Program	Service	\$ 600.00
Rhino Industries Inc	Water Pollution Control	Supplies	\$ 1,784.75
Riggs Printing Inc	Police	Service	\$ 140.00
Secretary of State	Administration	Service	\$ 30.00
Smith Quality Rental	D&D Program	Service	\$ 279.41
Spahn & Rose Lumber Co	Golf/Storm Water	Supplies	\$ 314.43
Superior Welding Supply	City Garage	Supplies	\$ 73.18
The CTK Group	Police	Training	\$ 900.00
Theisen's	All	Supplies	\$ 617.87
Theisen's Marshalltown	Street	Supplies	\$ 312.76
Town & Country Wholesale Co	Golf	Concessions	\$ 951.38
True Value Hardware	All	Supplies	\$ 531.27
Two Rivers Cooperative	All	Supplies	\$ 7,317.91
ULINE	Fire	Supplies	\$ 182.65
United States Cellular	Library	Utilities	\$ 1,347.46
UnityPoint Clinic-Occupational	Street	Service	\$ 42.00
Urias, Gavin	Maytag Pool	Reimbursement	\$ 90.00
Van Maanen Electric Inc	Parks/Street	Service	\$ 1,537.06
Warnick & Reeves Mechanical	City Center	Service	\$ 184.00
Water Department	All	Utilities	\$ 11,102.69
Williams, Maggie	Maytag Pool	Reimbursement	\$ 100.00

Total **\$ 240,838.57**

Pre-Authorized Payments

Alliant Energy	All	Utilities	\$ 358.80
AT & T Mobility	Police	Utilities	\$ 855.40
Black Hills Energy	Cemetery	Utilities	\$ 38.70
Caliber Concrete LLC (Reso 2021-139)	Parks	Service	\$ 2,484.60
Con-Struct Inc (Reso 2021-140)	Airport	Service	\$ 27,656.08
Dish Network	Airport	Utilities	\$ 137.05
Doll Distributing LLC	Golf	Concessions	\$ 1,328.88
Hy-Vee Inc	Golf	Concessions	\$ 471.36
In-Roads LLC (Reso 2021-143)	Street	Service	\$ 26,576.29
Iowa Beverage Systems	Golf	Concessions	\$ 887.20
Johnson Brothers of Iowa	Golf	Concessions	\$ 899.40
ICAP (Reso 2021-158)	Golf/Landfill/Tort/WPC	Insurance	\$ 247,773.00
MSA Professional Services Inc (Reso 2021-169)	Planning & Zoning	Service	\$ 10,000.00
Mediacom	Golf	Utilities	\$ 189.40
Newton City Band (Reso 2020-302)	Parks	Service	\$ 650.00
Van Maanen Electric Inc (Reso 2021-141)	PW Building	Service	\$ 4,773.86
Verizon Wireless	Police	Utilities	\$ 15.02
Water Department	All	Utilities	\$ 91.84

Total **\$ 325,186.88**

ACH Payments from Great Southern Bank

Advantage Credit Union	All	Insurance	\$ 15,840.00
Bank Iowa	All	Insurance	\$ 6,600.00
Great Southern Bank	All	Insurance	\$ 330.00
Mutual of Omaha	All	Insurance	\$ 8,271.78
Kabel	All	Insurance	\$ 50.00
Payroll 6-30-21	All	Payroll	\$ 422,331.64
Wellmark BC/BS	All	Insurance	\$ 174,872.53
Total			\$ 628,295.95

City of Newton Council Report

Item: A resolution accepting purchase and redevelopment proposal for property at 501 South 2nd Avenue West, 517 South 2nd Avenue West, and 521 South 4th Avenue West in Newton, Iowa

Summary: The City acquired the three properties through the D&D program. The properties have been cleared and are ready for sale and redevelopment. Habitat for Humanity has provided the highest offer for each of the three lots.

Financial Impact: Cost Recovery, \$15,000.00



Report Number: 21-200

Date: July 19, 2021

Lead Department: Community Development Department

Recommendation: Approve

The City of Newton acquired the subject properties through the Newton D&D program. The cleared lots are now available to sell for redevelopment

The City has given the requisite Public Hearing notice for selling land, per Council action. Public notice has been published in the *Newton Daily News*, inviting interested parties to submit proposals for the lot. Nearby property owners also received a mailed notice.

The City of Newton has received one offer for 501 South 2nd Avenue West as follows:

- Greater Des Moines Habitat for Humanity:
 - o Purchase Price: \$5,000.
 - o Commitment to build new single family home with estimated valuation between \$145,000 and \$168,000.

The City of Newton has received one offer for 517 South 2nd Avenue West as follows:

- Greater Des Moines Habitat for Humanity:
 - o Purchase Price: \$5,000.
 - o Commitment to build new single family home with estimated valuation between \$145,000 and \$168,000.

The City of Newton has received two offers for 521 South 4th Avenue West as follows:

- Greater Des Moines Habitat for Humanity:
 - o Purchase Price: \$5,000.
 - o Commitment to build new single family home with estimated valuation between \$145,000 and \$168,000.

- Fred Rhodes of Newton, Iowa
 - o Purchase Price: \$3,500.00
 - o Plans to connect the lot to his adjoining property and construct a garage.

The purchase and redevelopment agreement stipulates that the properties would be transferred by Special Warranty Deed (with a right of reversion clause), requiring construction of a new single family home.

Funds received from the sale of D&D land return to the D&D program for use on other acquisitions and/or demolitions. A sale of the land would return the property to the tax base and would eliminate the City's maintenance responsibility and costs associated with that.

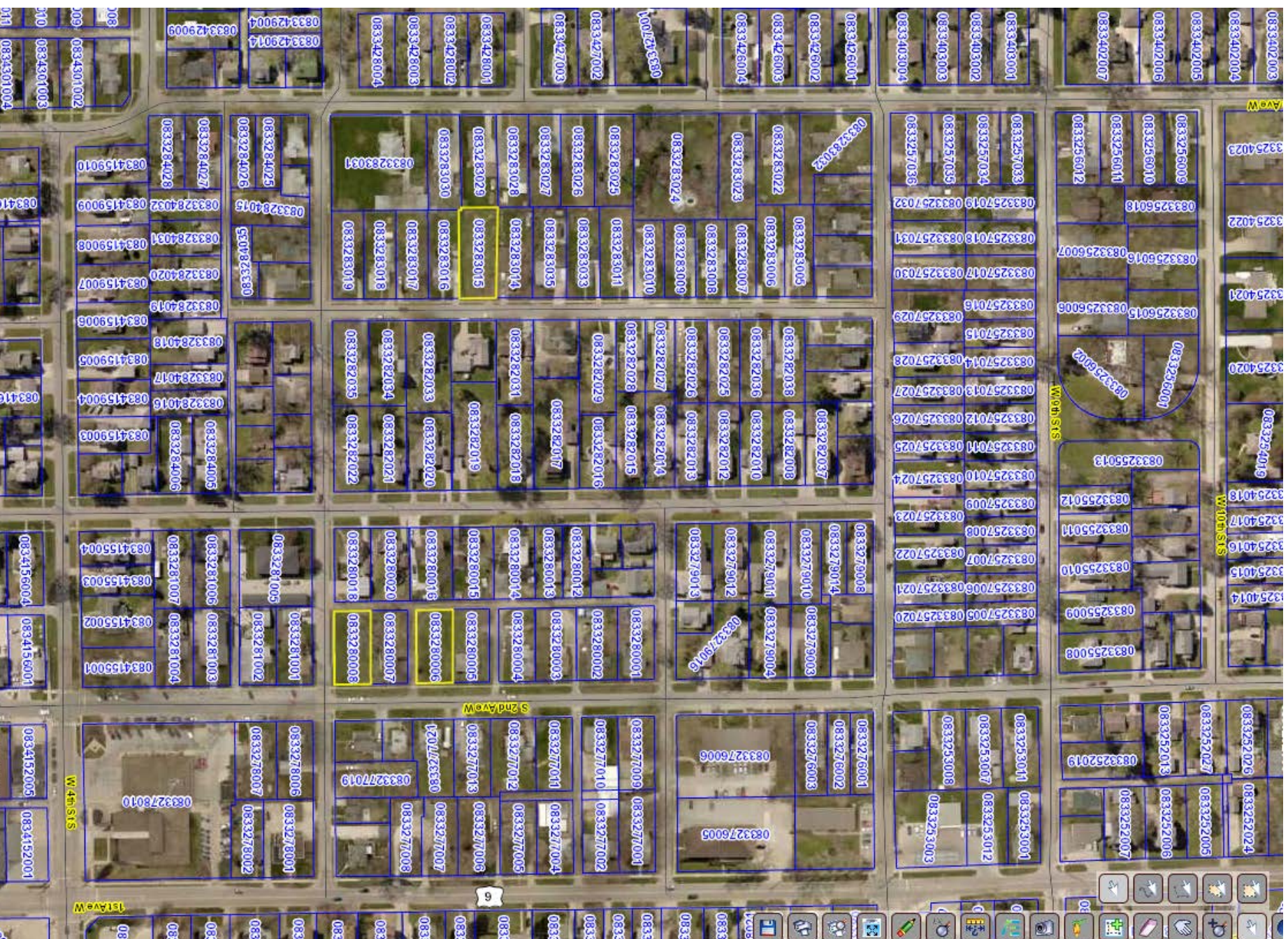
Recommendation: Staff recommends approval the sale of 501 South 2nd Avenue West, 517 South 2nd Avenue West, and 521 South 4th Avenue West to Greater Des Moines Habitat for Humanity for a total of \$15,000.00 and commitment to construct three new single family homes.

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

Matt Muckler
City Administrator



N



RESOLUTION NO. 2021 – _____

**A RESOLUTION ACCEPTING PURCHASE AND REDEVELOPMENT
PROPOSAL FOR PROPERTY AT 501 SOUTH 2ND AVENUE WEST, 517
SOUTH 2ND AVENUE WEST, AND 521 SOUTH 4TH AVENUE WEST IN
NEWTON, IOWA**

WHEREAS, Greater Des Moines Habitat for Humanity, Inc., has submitted a proposal to purchase, for \$15,000.00, certain property owned by the City of Newton, Iowa located at 501 South 2nd Avenue West, 517 South 2nd Avenue West, and 521 South 4th Avenue West all located in Newton, Iowa and legally described as: LOT 1, BLOCK 3 IN BAILEY AND WILKINSONS ADDITION TO THE CITY OF NEWTON, JASPER COUNTY, IOWA AS RECORDED IN BOOK 32, PAGE 241 IN THE OFFICE OF THE JASPER COUNTY RECORDER; LOT THREE IN BLOCK THREE OF BAILEY AND WILKINSON'S ADDITION TO THE CITY OF NEWTON, JASPER COUNTY, IOWA, AS APPEARS IN THE PLAT OF RECORD IN BOOK 32, AT PAGE 241 IN THE OFFICE OF THE RECORDER OF SAID COUNTY; AND THE FOLLOWING DESCRIBED PREMISES SITUATED IN THE COUNTY OF JASPER AND STATE OF IOWA: COMMENCE AT THE NORTHWEST CORNER OF LOT EIGHTY-ONE (81) IN WEST NEWTON, AN ADDITION TO THE CITY OF NEWTON, RUN EAST SIXTY-SIX (66) FEET, SOUTH ONE HUNDRED FIFTY-NINE (159) FEET, WEST SIXTY SIX (66) FEET, NORTH TO PLACE OF BEGINNING, NOW BEING NORTH 159 FEET OF LOT (5) OF THE SUBDIVISION OF LOT EIGHTY-ONE (81), WEST NEWTON.

WHEREAS, said real estate is not needed for public purposes, and

WHEREAS, Iowa Code Chapter 364.7 requires cities to set a public hearing before selling or disposing of real estate, and,

WHEREAS, the City has set such a hearing, given the required public notice, and held the public hearing; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Newton, Iowa:

Section 1: That the attached Purchase and Redevelopment Agreement for Property Located at 501 South 2nd Avenue West, 517 South 2nd Avenue West, and 521 South 4th Avenue West between the City and the purchasing party, Greater Des Moines Habitat for Humanity, Inc., be approved and accepted, subject to the restrictions in the Agreement and that the agreement be executed.

Section 2: That the City shall prepare a Special Warranty Deed, obtain the signatures of the Mayor and City Clerk who are each hereby authorized and directed to execute said deed on behalf of the City of Newton, Iowa, and to take all steps necessary to complete the transfer of title to the purchasing party per the terms of the Agreement to Purchase Real Estate.

PASSED this _____ day of July, 2021.

APPROVED this _____ day of July, 2021

(Seal)

Michael L. Hansen, Mayor

ATTEST:

Shawnda Nine, Deputy City Clerk

PURCHASE AND REDEVELOPMENT AGREEMENT

This Purchase Agreement (hereinafter "Agreement") for sale of property owned by the City of Newton at **501 South 2nd Avenue West, 517 South 2nd Avenue West, and 521 South 4th Avenue West**, is made on or as of the _____ day of _____, 2021, by and between the City of Newton, Iowa (hereinafter "City"), and **Greater Des Moines Habitat for Humanity, Inc.** (hereinafter "Buyer"), of Newton, Iowa and in consideration of the premises and the mutual obligations of the parties hereto, each of them does and hereby covenant and agree with the other as follows:

SECTION 1. PURCHASE PRICE. Subject to all the terms, covenants and conditions of this Agreement, the City will sell the Property to the Purchaser for, and the Purchaser will purchase the Property from the City and pay therefore, the amount of **Fifteen Thousand** Dollars (\$15,000.00) (hereinafter "Purchase Price"). The cash payment representing the full Purchase Price shall be delivered to the City simultaneously with the delivery of the deed conveying the Property to the Purchaser.

SECTION 2. TAXES. The City will prorate to the Buyer the taxes incurred under City ownership until the time of closing. All regular taxes due and payable after closing shall be the responsibility of the Developer.

SECTION 3. SPECIAL ASSESSMENTS. The City shall pay all special assessments which are a lien on the date of acceptance of this offer. None are known at this time.

SECTION 4. DESCRIPTION OF PROPERTY. All that certain parcel of land (hereinafter "Property") described as follows:

501 South 2nd Avenue West, legally described as:

LOT 1, BLOCK 3 IN BAILEY AND WILKINSONS ADDITION TO THE CITY OF NEWTON, JASPER COUNTY, IOWA AS RECORDED IN BOOK 32, PAGE 241 IN THE OFFICE OF THE JASPER COUNTY RECORDER.

517 South 2nd Avenue West, legally described as:

LOT THREE IN BLOCK THREE OF BAILEY AND WILKINSON'S ADDITION TO THE CITY OF NEWTON, JASPER COUNTY, IOWA, AS APPEARS IN THE PLAT OF RECORD IN BOOK 32, AT PAGE 241 IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

521 South 4th Avenue West, legally described as:

THE FOLLOWING DESCRIBED PREMISES SITUATED IN THE COUNTY OF JASPER AND STATE OF IOWA: COMMENCE AT THE NORTHWEST CORNER OF LOT EIGHTY-ONE (81) IN WEST NEWTON, AN ADDITION TO THE CITY OF NEWTON, RUN EAST SIXTY-SIX (66) FEET, SOUTH ONE HUNDRED FIFTY-NINE (159) FEET, WEST SIXTY SIX (66) FEET, NORTH TO PLACE OF BEGINNING, NOW BEING NORTH 159 FEET OF LOT (5) OF THE SUBDIVISION OF LOT EIGHTY-ONE (81), WEST NEWTON.

SECTION 5. CONVEYANCE OF PROPERTY.

a) Form of Deed. The City shall convey title to the Property to the Purchaser by Special Warranty Deed and shall contain a right of reversion, which may be exercised by the City if the Purchaser fails to complete in accordance with the timeframes herein (hereinafter "Deed"). Such conveyance and title shall be subject to all conditions, covenants and restrictions contained in this Agreement.

b) Time and Place for Closing and Delivery of Deed. The City shall deliver the Deed and possession of the Property to the Buyer no later than 60 days from the date of approval by the Newton City Council or on such other date as the parties hereto may mutually agree in writing (hereinafter "Closing Date"). Conveyance shall be made at the office of the City of Newton's legal counsel, Caldwell, Bierly, Chalupa PLLC, 211 1st Avenue West, Newton, Iowa 50208, at which time and place Buyer shall accept such conveyance and pay to the City the Purchase Price.

c.) Abstract of Title. The Seller shall provide an abstract of Title to the Purchaser for property subject to this agreement. It will be the Seller's responsibility to have abstract(s) updated. The abstract(s) shall become the property of the Purchaser at the time of the delivery of the deed.

SECTION 6. IMPROVEMENTS. The Buyer shall be responsible for making improvements to the property as follows:

- a) Construction of three single family homes, one upon each lot, which meet all adopted applicable codes for the City of Newton and State of Iowa with a completion date of December 2024.

SECTION 7. PROHIBITION AGAINST ASSIGNMENT AND TRANSFER. The Buyer shall not sell or otherwise transfer ownership of the Property without the specific written approval of the City, prior to when the construction of the improvements has been completed and the City has issued a Certificate of Completion.

SECTION 8. CERTIFICATE OF COMPLETION.

- a) Promptly after completion of the improvements in accordance with this Agreement, as relating solely to the obligations of the Buyer to timely construct certain improvements, the City will furnish the Buyer with a Certificate of Completion so certifying. Such certificate shall be a conclusive determination of satisfaction and termination of this Agreement.
- b) If the City shall refuse or fail to provide certification in accordance with this Section, the City shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement indicating with detail in what respects the Developer has failed to complete the improvements in accordance with this Agreement, or its otherwise in default, and what measures or acts will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such certification.

SECTION 9. REMEDIES. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement or any of its terms or conditions by either party, the party alleged to be in default or breach shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach within sixty (60) days after receipt of such notice. In such case, if action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach.

In the event that the City does not tender conveyance or possession of the Property in the manner and condition, and by the date, provided in this Agreement, and any such failure shall not be cured within thirty (30) days after the date of written demand by the Purchaser, then this Agreement shall, at the option of the Purchaser, be terminated by written notice thereof to the City, and neither the City nor the Purchaser shall have any further rights against or liability to the other under this Agreement. All deposits, if any, shall be returned to the Purchaser.

SECTION 10. NOTICES AND DEMANDS. A notice, demand or other communication under this Agreement by either 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, and:

- a) In the case of the Buyer, is addressed or delivered personally to the Buyer at the address stated in preamble to this Agreement; and,

- (b) In the case of the City, is addressed or delivered personally to the City Administrator, 101 West 4th Street South, Newton, IA 50208, or at such other address with respect to either party as that party may from time to time designate in writing and forward to the other as provided in this Section.

SECTION 11. LIMITATION ON WARRANTIES. The City makes no warranties with regard to the condition of the Property or the structure located thereon, including, without limitation, (i) environmental matters; (ii) geological conditions; (iii) drainage issues, conditions or problems; (iv) soil conditions; (v) the zoning or other land use restrictions; (vi) the availability of utilities to the property; (vii) usage of adjoining property; (viii) access to the property; (ix) the value of the property; (x) the presence of hazardous materials in or on the property; (xi) the existence or non-existence of underground storage tanks on the property; (xii) the potential for further development of the property; or (xiii) the merchantability of the property of fitness of the property for any particular purpose,

unless otherwise provided herein. The Purchaser expressly acknowledges and agrees that the City, and their officials, officers, employees, or agents have not made any representations or warranties concerning the Property or Project of any kind, including but not limited to, the rental or resale value of the Property, the economic or market conditions affecting the Project, or that the Property is suitable for the Project. The Purchaser takes title the Property "AS IS."

SECTION 12. CITY COUNCIL APPROVAL. This Agreement is subject to the approval of the Newton City Council after notice to the public and a hearing on the terms of this Agreement as required by the laws of the State of Iowa.

SECTION 13. ANTI-MERGER PROVISION. The parties specifically agree that all representations, warranties, agreement, responsibilities, obligations and comments specified herein shall survive the execution, delivery and recording of the deed required by Section 5(a) hereof, shall remain in full force and effective thereafter, and shall not be merged in or extinguished by such execution, delivery and recording of the deed.

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, and the Purchaser has caused this Agreement to be duly executed in its name, on or as of the day first above written.

(SEAL)

CITY OF NEWTON, IOWA

By: _____
Michael L. Hansen, Mayor

ATTEST:

Shawnda Nine, Deputy City Clerk

PURCHASER:

By: _____

(Name Printed)

For Greater Des Moines Habitat for Humanity, Inc.



we build homes, communities, & hope.

July 12, 2021

Erin Chambers
City of Newton

Subject: D & D property

Erin,

Jasper County Habitat for Humanity is interested in purchasing the following properties when the City of Newton can secure title. Habitat would make an offer of \$15,000 for the three properties.

- 501 S 2nd Ave W - \$5,000
- 517 S 2nd Ave W - \$5,000
- 521 S 4th Ave W - \$5,000

Habitat's plan is to build a single-family ranch home on each site (various Habitat house plans are attached). Habitat has built these house plans several times in the Des Moines area and the appraised values have ranged from \$145,000-\$168,000.

Thank you for your time and consideration. Please let me know if you have any questions.

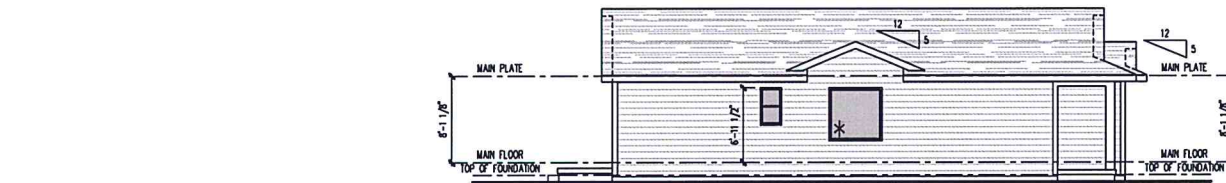
In partnership,

A handwritten signature in blue ink, appearing to read "JE", written over a light blue circular stamp.

Jason Ekstrom
Land Development Manager
(515) 471-8686

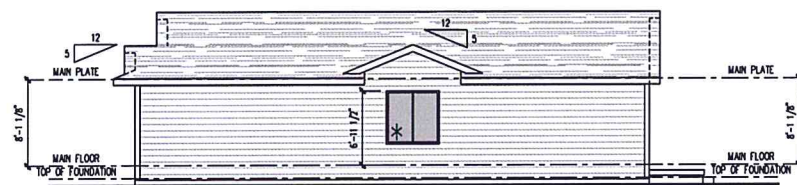
THIS CERTIFICATE ISSUED UNDER THE SEAL OF THE
COPYRIGHT OFFICE OF THE
UNITED STATES CODE, ATTESTS THAT REGISTRATION
HAS BEEN MADE FOR THE WORK IDENTIFIED BELOW.
THE INFORMATION ON THIS CERTIFICATE HAS BEEN
MADE A PART OF THE COPYRIGHT OFFICE RECORDS.

REGISTRATION NUMBER: 1



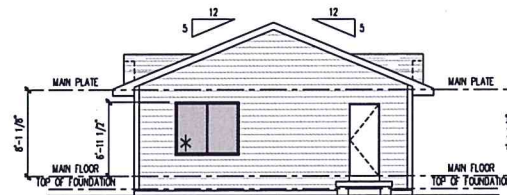
LEFT ELEVATION

SCALE: 1/8"=1'-0"



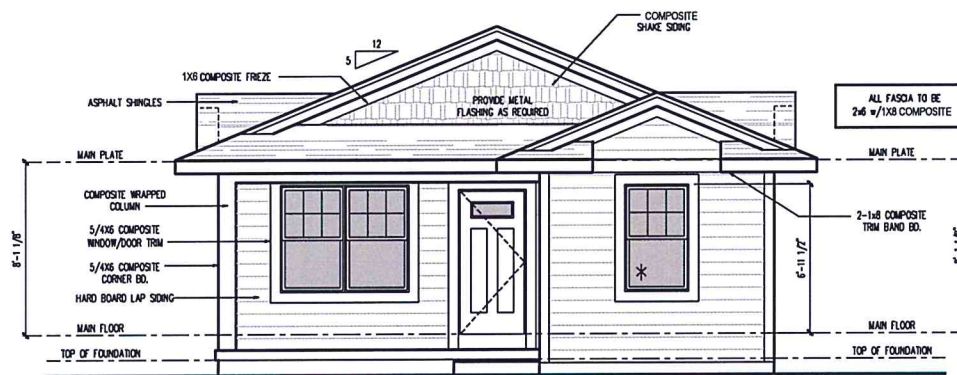
RIGHT ELEVATION

SCALE: 1/8"=1'-0"



REAR ELEVATION

SCALE: 1/8"=1'-0"



WALL SHEATHING ON ALL ELEVATIONS
SHALL BE 1/2" O.S.B., U.L.O.

WINDOWS SO NOTED MEET OR EXCEED
APPLICABLE EGRESS REQUIREMENTS *

FRONT ELEVATION

SCALE: 1/4"=1'-0"

TYPICAL NOTES:

WHS-10A

1. TYPICAL CONSTRUCTION ASSEMBLIES:

- A. **ROOF CONSTRUCTION:**
COMPOSITION ROOF SHINGLES ON
30# FELT ON
1/2" OSB ROOF SHEATHING ON
ROOF FRAMING MEMBERS
AS NOTED ON FLOOR PLANS.
- B. **CEILING:**
FRAMED 16" O.C. = 1/2" GYPSUM BOARD.
FRAMED 24" O.C. = 5/8" GYPSUM BOARD.
- C. **EXTERIOR SIDING WALL CONSTRUCTION:**
SIDING (AS NOTED ON ELEVATIONS) ON
HOUSE WRAP ON
EXTERIOR WALL SHEATHING AS NOTED BELOW:
1/2" OSB SHEATHING ON ALL ELEVATIONS, U.L.O.
INTERIOR: 1/2" GYPSUM WALL BOARD.
- D. **EXTERIOR MASONRY WALL CONSTRUCTION:**
BROCK VENER /
MASONRY TIES 16" O.C. HORIZONTAL & VERTICAL OVER
HOUSE WRAP ON
1/2" OSB WALL SHEATHING.
INTERIOR: 1/2" GYPSUM BOARD.
- E. **BASEMENT AND GARAGE FLOOR CONSTRUCTION:**
4" CONCRETE SLAB (MINIMUM) ON
COMPACTED STRUCTURAL FILL.
- F. **FRAME FLOOR CONSTRUCTION:**
FLOORING (AS NOTED ON FLOOR PLANS) ON
3/4" FLOOR SHEATHING ON
1-JOISTS ENGINEERED FLOOR SYSTEM, U.L.O.
(SIZE AND SPACING AS NOTED ON FLOOR PLANS)
MAIN FLOOR CEILING: 5/8" GYPSUM BOARD.
FRAMED 24" O.C.; 5/8" GYPSUM BOARD.
FRAMED 16" O.C.; 1/2" GYPSUM BOARD.
- G. **WINDOWS:**
ROUGH OPENING OF WINDOW TO BE NOTED IN FT./IN.
ON FLOOR PLANS, U.L.O.
TYPICAL HEAD HEIGHT FOR WINDOWS TO BE 6'-11 1/2"
UNLESS NOTED OTHERWISE ON DRAWINGS.
- H. **CASEMENT WINDOWS:**
WINDOW FRAME NOTED ON EXTERIOR ELEVATIONS.
NOTED ON PLANS AS CMU.
- I. **SHOULDER WINDOWS:**
NOTED ON PLANS AS SH.
- J. **DOUBLE HUNG WINDOWS:**
NOTED ON PLANS AS DH.
- K. **DOORS:**
DOOR SIZES NOTED ON FLOOR PLANS IN FT./IN.
TYPICAL HEAD HEIGHT FOR DOORS TO BE 6'-11"
UNLESS NOTED OTHERWISE ON DRAWINGS.
- L. **WOOD JAMBS AND CASING:**
ROUGH OPENING FOR HINGED DOORS TO BE 2"
WIDER THAN DOOR SIZE NOTED ON PLAN.
BI-FOLDS DOORS TO BE 2 1/4" WIDER THAN
DOOR SIZE NOTED ON PLANS.
ROUGH OPENING FOR BI-PASS DOORS TO BE 1"
WIDER THAN DOOR SIZE NOTED ON PLANS.
- M. **GYPSUM BOARD OPENING:**
ROUGH OPENING FOR BI-PASS DOORS
TO BE SAME AS DOOR SIZE NOTED ON PLANS.
ROUGH OPENING FOR BI-FOLD DOORS TO BE
1 1/4" WIDER THAN DOOR SIZE NOTED ON PLANS.

ADJUST PLACEMENT OF FRAMING
MEMBERS AS REQUIRED TO PROVIDE
REQUIRED CLEARANCE FOR PLUMBING
AND MECHANICAL SYSTEMS

HOLD ALL DOOR AND WINDOW ROUGH
OPENINGS 5" (MIN.) FROM INTERSECTING
WALLS TO ALLOW FOR TRIM

**ALL STRUCTURE AND BEAMS TO BE
SIZED BY TRUSS MANUFACTURER OR OTHERS**

THE OWNER AND/OR CONTRACTOR OF THIS PLAN RELEASES ALLER DESIGN GROUP LLC, ITS OFFICES, OWNERS
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STRUCTURE OR ANY THEREAFTER. ADDITIONALLY, ALLER DESIGN GROUP LLC, ITS OFFICES, OWNERS AND
EMPLOYEES DO NOT ACCEPT ANY LIABILITY FOR THE ACCURACY OR COMPLETENESS OF THESE DOCUMENTS
HEREBY. THE OWNER AND/OR CONTRACTOR MUST CAREFULLY INSPECT ALL DIMENSIONS, STRUCTURE AND
DETAILS IN THESE DOCUMENTS PRIOR TO CONSTRUCTION AND ASSUME RESPONSIBILITY FOR THE SAME.

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ALLER DESIGN GROUP
1840 NW 118 St. Suite 220
Clermont, FL 34711
352.251.1181
ALLERDESIGN.COM

1158 Plan A

Builder:
Greater Des Moines
Habitat for Humanity
[915] 471.8686 EXT 125

Project No.: 36100121

Date: 05.11.21

Drawn By: JA/SH/TK

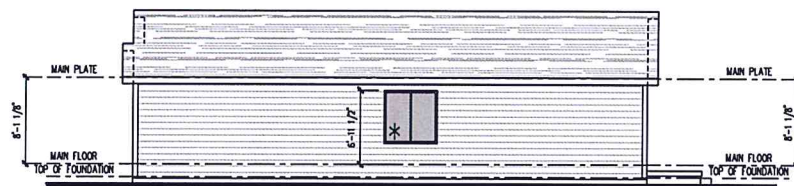
Revisions:
10.30.19
03.02.20
05.05.20

Sheet Title:
EXTERIOR ELEVATIONS

Sheet No.: 3.1

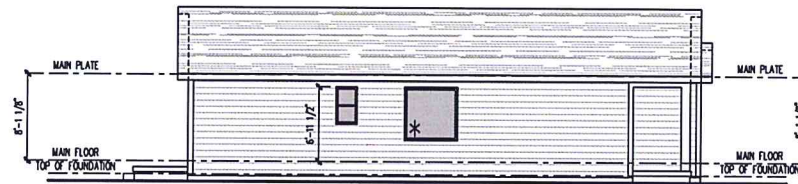
THIS CERTIFICATE ISSUED UNDER THE SEAL OF THE
COPYRIGHT OFFICE IN ACCORDANCE WITH TITLE 17,
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MADE A PART OF THE COPYRIGHT OFFICE RECORDS.

REGISTRATION NUMBER: 1



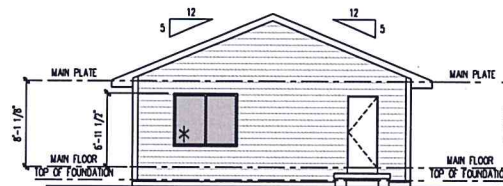
RIGHT ELEVATION

SCALE: 1/8"=1'-0"



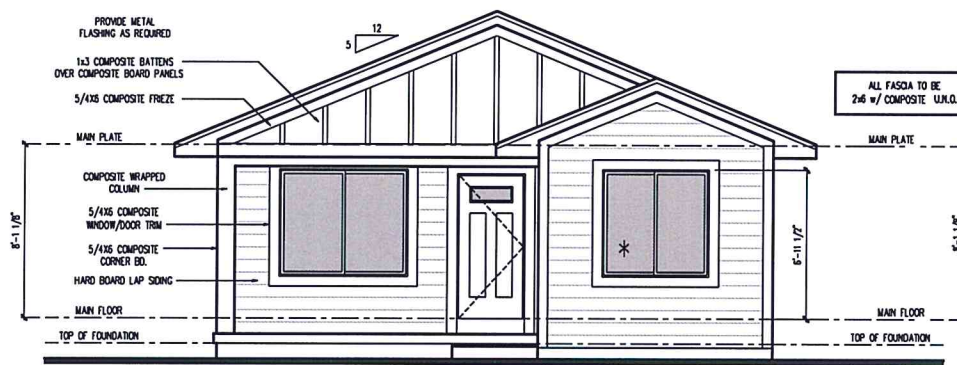
LEFT ELEVATION

SCALE: 1/8"=1'-0"



REAR ELEVATION

SCALE: 1/8"=1'-0"



FRONT ELEVATION

SCALE: 1/4"=1'-0"

WALL SHEATHING ON ALL ELEVATIONS
SHALL BE 1/2" O.S.B., U.L.O.

WINDOWS SO NOTED MEET OR EXCEED
APPLICABLE EGRESS REQUIREMENTS *

TYPICAL NOTES:

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30# FELT ON
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INTERIOR: 1/2" GYPSUM WALL BOARD.
C. EXTERIOR MASONRY WALL CONSTRUCTION:
BROCK MOORE #1
MASONRY TIES 16" O.C. HORIZONTAL & VERTICAL OVER
HOUSE WRAP ON
1/2" OSB WALL SHEATHING.
INTERIOR: 1/2" GYPSUM BOARD.
D. BASEMENT AND GARAGE FLOOR CONSTRUCTION:
4" CONCRETE SLAB (MINIMUM) ON
COMPACTED STRUCTURAL FILL.
E. FINISH FLOOR CONSTRUCTION:
FINISH FLOORING (AS NOTED ON FLOOR PLANS) ON
3/4" FLOOR SHEATHING ON
I-JOISTS ENGINEERED FLOOR SYSTEM, U.L.O.
(SIZE AND SPACING AS NOTED ON FLOOR PLANS)
MAIN FLOOR CEILING: 5/8" GYPSUM BOARD.
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UNLESS NOTED OTHERWISE ON DRAWINGS.
A. CASSEMENT WINDOWS:
NOTED ON PLANS AS CSMT.
B. SLIDING WINDOWS:
NOTED ON PLANS AS SL.
C. SINGLE HUNG WINDOWS:
NOTED ON PLANS AS SH.
D. DOUBLE HUNG WINDOWS:
NOTED ON PLANS AS DH.
3. DOORS:
DOOR SIZES NOTED ON FLOOR PLANS IN FT./IN.
TYPICAL HEAD HEIGHT FOR DOORS TO BE 6'-11"
A. DOOR JAMBES AND CASING:
ROUGH OPENING FOR HINGED DOORS TO BE 2"
WIDER THAN DOOR SIZE NOTED ON PLAN.
BI-FOLDS DOORS TO BE 2 1/4" WIDER THAN
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ROUGH OPENING FOR BI-PASS DOORS TO BE 1"
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B. GYPSUM BOARD OPENING:
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ADJUST PLACEMENT OF FRAMING
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ALLER DESIGN GROUP

1840 NW 318 h St. Su te 220
Clive, IA 50325
515.25 1181



ALLERDESIGN.COM

1158 Plan B

Builder:
Greater Des Moines
Habitat for Humanity
(515) 471.8686 EXT 125

Project No.: 36100121

Date: 05.11.21

Drawn By: JA/SH/TK

Revisions:

Sheet Title:
COVER SHEET

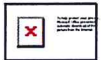
Sheet No.:

3.1

Erin Chambers

From: Fred Rhodes <fredrhodes8@gmail.com>
Sent: Monday, July 12, 2021 1:58 PM
To: Erin Chambers
Subject: 521 S 4 Av. W

I offer \$3,500 and it is contingent on being able to join this property to my property next door to make a larger lot and being able to build a garage on the property.
Fred Rhodes



Virus-free. www.avast.com

City of Newton Council Report



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

Summary: Best Midwest Properties, L.L.C. plans significant investment to 109 1st Avenue West resulting in a new building valuation of \$100,000.00

Financial Impact: \$25,000 Forgivable Loan, Tax rebates not to exceed \$15,000 over 10 years.

Report Number: 21-201

Date: July 19, 2021

Lead Department:
Community Development

Recommendation:
Approval

Background:

The City of Newton has created the North Central Urban Renewal Area, which creates a mechanism to assist economic development projects in targeted areas. This plan has been amended and includes this property as a project within this plan.

Earlier this year, City Council approved a resolution of intent with Best Midwest Properties, L.L.C., stipulating potential economic development incentives for the property. Now that the urban renewal area plan has been amended, it is now time to be able to proceed with the development agreement.

The development agreement includes a minimum assessment required of \$100,000.00 for the property (currently assessed at \$63,410.00). The agreement provides tax rebate over a 10 year period with a total not to exceed amount of \$15,000.00. It also provides for a forgivable loan of \$25,000 for property improvements.

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

Recommendation: Staff recommends approval.

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

Matt Muckler
City Administrator

HOLD HEARING ON AND APPROVE
DEVELOPMENT AGREEMENT AND
TAX INCREMENT PAYMENTS

(Best Midwest Properties, L.L.C.)

504612-41

Newton, Iowa

July 19, 2021

A meeting of the City Council of the City of Newton, Iowa, was held at _____ o'clock ____m., on July 19, 2021, at the _____, in the City, pursuant to the rules of the Council.

The meeting was also available electronically via Zoom, which was accessible at the following:

<https://us02web.zoom.us/j/83564044015>

Or call 312-626-6799

Meeting ID: 83564044015

The City Council offered electronic attendance at this meeting 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 was called, showing members present and absent as follows:

Present: _____

Absent: _____.

The City Council investigated and found that notice of the intention of the City Council to conduct a public hearing on a Development Agreement between the City and Best Midwest Properties, L.L.C. had been published according to law and as directed by the City Council and that this is the time and place at which the City Council shall receive oral or written objections from any resident or property owner of the City. All written objections, statements, and evidence heretofore filed were reported to the Council, and all oral objections, statements, and all other exhibits presented were considered.

The following named persons presented oral objections, statements, or evidence as summarized below; filed written objections or statements, copies of which are attached hereto; or presented other exhibits, copies of which are attached hereto:

(Here list all persons presenting written or oral statements or evidence and summarize each presentation.)

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

Council Member _____ introduced the resolution next hereinafter set out and moved its adoption, seconded by Council Member _____; and after due consideration thereof by the City Council, the Mayor put the question upon the adoption of said resolution, and the roll being called, the following named Council Members voted:

Ayes: _____

Nays: _____.

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

RESOLUTION _____

Resolution Approving Development Agreement with Best Midwest Properties, L.L.C., Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement

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

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

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

WHEREAS, under the Agreement, the City would provide an economic development forgivable loan in the amount of \$25,000 to the Company and annual appropriation incremental property tax payments to the Company in a total amount not exceeding \$15,000; and

WHEREAS, this City Council, pursuant to Section 403.9 of the Code of Iowa, has published notice, has held a public hearing on the Agreement on July 19, 2021, and has otherwise complied with statutory requirements for the approval of the Agreement; and

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

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

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

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

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

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

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

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

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

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

109 1st Avenue West (Parcel ID 0834154007):

PART OF LOT TWO BLOCK TWENTY IN THE CITY OF NEWTON, JASPER COUNTY, IOWA, DESCRIBED AS FOLLOWS, TO-WIT: COMMENCE TWENTY-TWO FEET EAST OF THE NORTHWEST CORNER OF LOT TWO BLOCK TWENTY IN SAID CITY OF NEWTON, IOWA, AND RUN THENCE SOUTH ONE HUNDRED THIRTY-TWO FEET, EAST TWENTY-TWO FEET, NORTH ONE HUNDRED THIRTY-TWO FEET, WEST TWENTY-TWO FEET TO THE PLACE OF BEGINNING.

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

Section 6. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor of Jasper County to evidence the continuing pledging of the Best Midwest Properties, L.L.C. Subfund and the portion of taxes to be paid into such Subfund and, pursuant to the direction of Section 403.19 of the Code of Iowa, the County Auditor shall allocate the taxes

in accordance therewith and in accordance with the tax allocation ordinance referred to in the preamble hereof.

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

Passed and approved July 19, 2021.

Mayor

Attest:

City Clerk

• • • • •

On motion and vote the meeting adjourned.

Mayor

Attest:

City Clerk

STATE OF IOWA
COUNTY OF JASPER SS:
CITY OF NEWTON

I, the undersigned, Clerk of the City of Newton, hereby certify that the foregoing is a true and correct copy of the minutes of the Council of the City relating to holding a public hearing and adopting a resolution to approve a Development Agreement.

WITNESS MY HAND this _____ day of _____, 2021.

City Clerk



July 13, 2021

VIA EMAIL

Matt Muckler
City Administrator/City Hall
Newton, IA

Re: Best Midwest Properties, L.L.C. Development Agreement
File No. 504612-41

Dear Matt:

Attached please find the proceedings covering the City Council's public hearing on the proposed Development Agreement with Best Midwest Properties, L.L.C., followed by a resolution approving the Agreement and pledging certain incremental property tax revenues to the payment of the Agreement.

We would appreciate receiving one fully executed copy of these proceedings and of the executed Development Agreement as soon as they are available.

Please call John Danos, Severie Orngard, or me with questions.

Kind regards,

Amy Bjork

Attachments

cc: Katrina Davis
Lisa Frasier
Erin Chambers

DEVELOPMENT AGREEMENT

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

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

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

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

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

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

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

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

NOW THEREFORE, the parties hereto agree as follows:

A. Company’s Covenants

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

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

Further, the Company agrees to maintain, preserve, and keep the Property, including but not limited to the Project, useful and in good repair and working order, ordinary wear and

tear excepted, and from time to time will make all necessary repairs, replacements, renewals, and additions.

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

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

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

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

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

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

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

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

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

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

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

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

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

8. **Insurance.**

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

- (i) Builder’s risk insurance, written on the so-called “Builder’s Risk—Completed Value Basis,” in an amount equal to one hundred percent (100%) of the insurable value of the Project at the date of completion, and with coverage available in non-reporting form on the so-called “all risk” form of policy.
- (ii) Comprehensive general liability insurance (including operations, contingent liability, completed operations when substantially completed and contractual liability insurance) together with an Owner’s/Contractor’s Policy naming the City,

as an additional insured, with limits against bodily injury and property damage of not less than \$2,500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.

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

(b) All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies selected by the Company or its successors that are authorized under the laws of the State of Iowa to assume the risks covered by such policies. Unless otherwise provided in this Section, each policy must contain a provision that the insurer will not cancel nor modify the policy without giving written notice to the insured at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Company, or its successors or assigns, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section. In lieu of separate policies, the Company or its successors or assigns, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

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

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

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

10. Default Provisions.

A. Events of Default. The following shall be “Events of Default” under this Agreement, and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless otherwise provided), any one or more of the following events:

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

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

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

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

B. City's Obligations

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

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

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

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

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

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

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

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

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

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

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

C. **Administrative Provisions**

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

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

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

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

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

Deputy City Clerk

BEST MIDWEST PROPERTIES, L.L.C.

By: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

109 1st Avenue West (Parcel ID 0834154007):

PART OF LOT TWO BLOCK TWENTY IN THE CITY OF NEWTON, JASPER COUNTY, IOWA, DESCRIBED AS FOLLOWS, TO-WIT: COMMENCE TWENTY-TWO FEET EAST OF THE NORTHWEST CORNER OF LOT TWO BLOCK TWENTY IN SAID CITY OF NEWTON, IOWA, AND RUN THENCE SOUTH ONE HUNDRED THIRTY-TWO FEET, EAST TWENTY-TWO FEET, NORTH ONE HUNDRED THIRTY-TWO FEET, WEST TWENTY-TWO FEET TO THE PLACE OF BEGINNING.

EXHIBIT B
REQUIRED IMPROVEMENTS

Improvements to this building will include:

- Replacement of front windows and door
- Restore the exterior on the 2nd level on the front of this building
- Replace window on the 2nd level on the front
- Resurface all inside walls on the main level and paint
- Paint ceiling
- New LED high-end lighting for the retail space
- New flooring entire main level
- Replace all doors and window on the back side of the building
- Paint back of building (maybe with a mural)

EXHIBIT C
MINIMUM ASSESSMENT AGREEMENT

(see attached)

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

Preparer Information: (name, address and phone number)

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

Return Document To:

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

City:

City of Newton, Iowa

Property Owner:

Best Midwest Properties, L.L.C.

Legal Description:

Book & Page Reference if applicable:

MINIMUM ASSESSMENT AGREEMENT

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

WITNESSETH

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

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

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

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

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

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

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

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

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

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

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

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

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

[Remainder of page intentionally left blank.]

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

CITY OF NEWTON, IOWA

By: _____
Mayor

Attest:

Deputy City Clerk

BEST MIDWEST PROPERTIES, L.L.C.

By: _____

STATE OF IOWA)
)
COUNTY OF JASPER) SS:

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

Notary Public

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

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

Notary Public

EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT

CERTIFICATION BY ASSESSOR

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

County Assessor for Jasper County,
State of Iowa

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

Notary Public

LIENHOLDER'S CONSENT, IF ANY

In consideration of one dollar and other valuable consideration, the receipt of which is hereby acknowledged, and notwithstanding anything in any loan or security agreement to the contrary, the undersigned ratifies, approves, consents to and confirms the Assessment Agreement entered into between the parties, and agrees to be bound by its terms. This provision shall be binding on the parties and their respective successors and assigns.

[NAME OF LIENHOLDER]

By: _____
Signature

Date: _____

STATE OF IOWA)
) SS:
COUNTY OF JASPER)

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

Notary Public

[Add additional pages for each Lienholder]

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

EXHIBIT D

COMPANY'S ESTIMATE WORKSHEET

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

EXHIBIT E
PROMISSORY NOTE

MAXIMUM PRINCIPAL AMOUNT: \$25,000

Dated: _____, 2021

Maturity Date: June 30, 2026

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

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

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

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

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

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

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

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

BEST MIDWEST PROPERTIES, L.L.C.

SCHEDULE OF FORGIVENESS

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

City of Newton Council Report



Item: Resolution of support of a Workforce Housing Tax Credit Program application by Catalyst Development Newton, LLC for market rate housing at Legacy Plaza Complex in Newton, Iowa.

Report Number: 21-202

Date:
July 19, 2021

Summary: A resolution of support of Catalyst Development's Workforce Housing Tax Credit application, due July 19th. The Workforce Housing Tax Credit program provides incentives for market rate, non-income restricted housing in smaller cities.

Lead Department:
Community Development

Recommendation:
Approve

Financial Impact: No Additional cost.

Background:

Catalyst Development Newton, LLC intends to make an application to the Iowa Finance Authority for Workforce Housing Tax Credits. The application is due July 19, 2021 at midnight. Catalyst Development Newton, LLC and DMAACC are asking for a resolution of support by the Newton City Council.

The proposed housing project is the market-rate residential portion of the adaptive reuse and rehabilitation of the Buildings 1, 2, 16 and 50 at Legacy Plaza as proposed in the Newton Legacy Reinvestment District. The City's Iowa Reinvestment District application recently received a provisional approval of \$14 million from Iowa Economic Development Authority, which includes the Catalyst's private development.

Workforce Housing Tax Credits are an important element of the developer's capital (financial) stack. Please note that while Workforce Housing Tax Credits are being applied for, the project will be market rate and not income restricted. The market rate housing project is eligible for the housing tax credit program for smaller cities provided the cost of the rehabilitation does not exceed \$215,000 per unit.

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

Recommendation:

City Staff recommends approval of the resolution of support.

A handwritten signature in black ink, appearing to read "Matt Muckler". The signature is fluid and cursive, with the first name "Matt" and last name "Muckler" clearly distinguishable.

Matt Muckler
City Administrator

RESOLUTION 2021- _____

**RESOLUTION OF SUPPORT OF A WORKFORCE HOUSING TAX CREDIT
PROGRAM APPLICATION BY CATALYST DEVELOPMENT NEWTON, LLC FOR
MARKET RATE HOUSING AT LEGACY PLAZA COMPLEX IN NEWTON, IOWA**

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

WHEREAS, Des Moines Area Community College (DMACC) owns the Legacy Plaza Complex at 403 West 4th Street North in Newton; and

WHEREAS, the City of Newton, in partnership with DMACC and Catalyst Development Newton, LLC, made an application to the Iowa Reinvestment District program and received a provisional award for the district, which includes the mixed-use redevelopment of Buildings 1, 2, 16, and 50 as a project; and

WHEREAS, Catalyst Development Newton, LLC is making an application to the Workforce Housing Tax Credit Program for the new market rate housing to be constructed in Building 16 at Legacy Plaza Complex; and

WHEREAS, by City Council Resolution 2020-137, the Newton City Council has committed an economic development grant of \$1,000 per residential unit created in the project, up to a maximum of \$50,000; and

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

WHEREAS, Catalyst Development Newton, LLC's adaptive reuse of Building 16 into market rate housing aligns with the recommendations of the City's comprehensive plan, *Newton's Future*; and

NOW THEREFORE, BE IT RESOLVED by the City Council of Newton, Iowa, that the City of Newton supports the July 2021 application for Workforce Housing Tax Credits by Catalyst Development Newton, LLC for market rate multi-family housing in Building 16 at the Legacy Plaza Complex, 403 West 4th Street North, Newton.

PASSED this 19th day of July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Shawnda Nine, Deputy City Clerk

July 8, 2021

The Honorable Michael L. Hansen
Mayor, City of Newton
101 W. 4th St. S.
Newton, Iowa 50208

Dear Mayor Hansen;

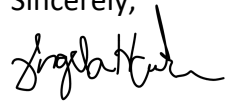
I am writing this letter to request support from the City of Newton for a submittal to the State of Iowa for the Workforce Housing Tax Credit program. As you know, Catalyst Development Newton LLC is excited to be a partner with the City of Newton and DMACC in the repurposing of the Legacy Plaza campus and the historic buildings.

The boutique hotel, event center, and the market rate apartments in the three historic buildings on the campus fulfills a vision for Newton. Most importantly, it meets several community needs especially for market rate housing which we know is a key strategy for the City of Newton and important for rural sustainability.

Unfortunately the application for Workforce Housing Tax Credits to support the market rate housing proposal in building 16 was not successful last year. However, with the recent award of the IRD program and our work on the Historic Tax Credit application for the buildings, we are more confident about a submittal this year. Having these multiple stakes of financing approved is key to moving the project forward in a judicious manner. A resolution stating your support for this submittal is greatly appreciated and a requirement of the submittal.

We look forward to working together with the City and all the stakeholders in the repurposing of these historic buildings and making the vision for a vibrant and cool Newton a reality.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angela Harrington', with a stylized flourish at the end.

Angela Harrington
President
Catalyst Development Newton LLC

City of Newton Council Report



Item: Resolution to Include the Newton Public Library Foundation and the Newton Friends of the Library as Discretely Presented Component Units in the FY21 Audit and All Future Audits

Summary: Inclusion of the Library Foundation and Friends of the Library in the FY21 Audit as Discretely Presented Component Units

Financial Impact:

No Financial Impact, included in Audit Service Bids approved June 7, 2021

Report Number: 21-203

Date: July 19, 2021

Lead Department:
Administration

Recommendation:
Approval

Background:

The City of Newton is subject to an annual audit and receives recommendations from the auditing firm to implement in future years. During the FY20 Audit, discussions were held regarding the exclusion of the Newton Library Foundation and the Friends of the Library from the City of Newton's annual audit as discretely presented component units.

While these 2 organizations are legally separate entities, their sole purpose is to support the City of Newton's Library and potentially provide benefits to the City of Newton. Therefore, according to Governmental Accounting Standards, these 2 entities would be required to be reported as discretely presented component units of the City and be included in the audited financial statements.

It was recommended by the auditing firm of Gronewold, Bell, and Kyhnn to include the Newton Public Library Foundation and the Friends of the Newton Public Library as component units of the City in the FY21 and future audits.

Recommendation:

Staff recommends approval of the Resolution to include the Newton Public Library Foundation and Friends of the Library as discretely presented component units in the FY21 and future audits.

A handwritten signature in black ink, appearing to read "Matt Muckler", is written over a light gray, stylized outline of the same signature.

Matt Muckler
City Administrator

RESOLUTION NO. 2021-_____

**RESOLUTION TO INCLUDE THE NEWTON PUBLIC
LIBRARY FOUNDATION AND THE NEWTON FRIENDS OF
THE LIBRARY AS DISCRETELY PRESENTED COMPONENT
UNITS IN THE FY21 AUDIT AND ALL FUTURE AUDITS**

WHEREAS, the auditing firm of Gronewold, Bell, and Kyhnn has recommended the City include the Newton Public Library Foundation and the Newton Friends of the Library in the FY21 and future audits; and,

WHEREAS, According to Governmental Accounting Standards the Newton Public Library Foundation and the Newton Friends of the Library are classified as discretely presented component units and should be included in the audited financial statements of the City of Newton;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Newton, that the Resolution to include the Newton Public Library Foundation and the Newton Friends of the Library in the FY21 Audit and all future audits is approved.

PASSED this 19th day July, 2021.

APPROVED this _____ day of July, 2021.

Michael L. Hansen, Mayor

ATTEST:

Shawnda Nine,
Deputy City Clerk

City of Newton Council Report



Item: Motion Approving an Annual Budget Target in FY23 for the Newton Public Library of \$669,306 for General Fund Expenditures, not Including Donations, and Encouraging the Library Board of Trustees to Continue Implementing more Sustainable Budget Practices Moving Forward

Summary: Motion Approves a Budget Target in FY23 for the Newton Public Library

Financial Impact: Provides the Newton Public Library with \$669,306 of General Funds in the FY23 Budget

Report Number: 21-204

Date: July 19, 2021

Lead Department:
Administration

Recommendation:
Approval

Background:

Newton City Administrator has provided the Mayor, City Council, and the Newton Library Board of Trustees a detailed memo regarding information related to the beginning stages of the FY23 budget process as well as historical information of previous budgets.

This memo includes data regarding the City of Newton's Library spending of general funds compared to 9 other cities located in Iowa. According to actual expenses in the Annual Financial reports in FY18, the City of Newton's Library used the highest percentage of general fund property taxes of any comparable city. Since that time there have been recommendations to bring Newton's Library spending more in line with similar communities. This was accomplished with the current budget in FY22.

Based on the completed analyses, below are four options for the City Council to consider when providing general fund expenditures (not including donations) to the Library Board of Trustees in FY23.

1. \$686,039, which is \$16,733 or 2.5% more than FY22.
2. \$669,306, which is the same as FY22.
3. \$652,573, which is \$16,733 or 2.5% less than FY22
4. \$635,840, which is \$33,466 or 5% less than FY22

Recommendation:

Staff recommends option 2 which includes a motion approving an annual budget target in FY23 for the Newton Public Library of \$669,306 for general fund expenditures, not including donations, and encouraging the Library Board of Trustees to continue implementing more sustainable budget practices moving forward.

Matt Muckler
City Administrator