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.

August 02, 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.

Pledge		Pledge of Allegiance
Call to Order	1.	Roll Call
Presentation	2.	Progress Industries – Melissa Butler, Communications 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 polices 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 19, 2021 Regular City Council Meeting Minutes
	5.	Resolution awarding contract for the 2021 Streetscape Lighting – N 2nd Ave W & W 3rd St N Project. (Council Report 21-205)
	6.	Resolution awarding contract for the Downtown Newton Lighting Improvements Phase 2 Project. (Council Report 21-206)
	7.	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 Former Manufactured Gas Plant Site 2021 Remediation Project. (Council Report 21-207)
	8.	Resolution setting a public hearing and inviting proposals for the sale of property at 702 East 4th Street North and 416 North 7th Avenue East in Newton. (Council Report 21-208)

9. Resolution approving amending Landfill 28-E agreement with Landfill Associate members. (Council Report 21-209)

10. Resolution setting public hearing and authorizing publication of notice on City of Newton City-Wide Urban Revitalization Plan Revision. (Council Report 21-210)

11. Approve Bills

Public Hearing

12. Public Hearing on a Resolution Approving Development Agreement with CRH Properties LLC, Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement. (Council Report 21-211)

- The development agreement with CRH Properties for 117 1st Avenue West establishes a minimum assessment & tax rebate schedule while acknowledging the previously approved forgivable loan.
- The agreement establishes a minimum assessment for the property at $185,000.00 and provides tax rebates over a 10 year period in a total amount not to exceed $25,000.00.

13. Resolution Approving Development Agreement with CRH Properties LLC, Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement. (Council Report 21-211)

14. Public Hearing on a Resolution Approving Development Agreement with Cindy Rogers-Sell, Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement. (Council Report 21-212)

- The development agreement with Cindy Rogers-Sell for 107 1st Avenue West establishes a minimum assessment & tax rebate schedule while acknowledging the previously approved forgivable loan.
- The agreement establishes a minimum assessment for the property at $100,000.00 and provides tax rebates over a 10 year period in a total amount not to exceed $15,000.00.

15. Resolution Approving Development Agreement with Cindy Rogers-Sell, Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement. (Council Report 21-212)

Resolutions

16. Resolution approving extension and amendment to the Newton Housing Initiative Single Family Home Construction Incentive Programs through December 31, 2023. (Council Report 21-213)

- The Housing Initiative was approved by Council in 2014. Since then, the City has offered a cash incentive in lieu of tax abatement for the construction of single family homes. This action amends the program and extends the expiration date to December 31, 2023.
- The amendments provide clarification on eligibility in the areas of ownership, minimum valuations, and tax abatement. The changes would be effective upon adoption of the resolution.

Staff Report	17.	Administration – Katrina Davis, Administrative Services Manager & Lisa Frasier Finance Officer
Mayor/Council Comments	18.	
Closed Session	19.	To Discuss Strategy with Council in Matters that Are Presently in Litigation or Where Litigation is Imminent Where its Disclosure Would be Likely to Prejudice or Disadvantage the Position of the Governmental Body in that Litigation, Which Discussions are Exempt from the Open Meetings Law Pursuant to the Provision of Section 21.5(1)(c), Code of Iowa 2021.
Return to Open Session	20.	

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 19, 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.

Frank Liebl, Executive Director, Newton Development Corporation presented to the council an update on economic development in Newton. He spoke about the Phoenix Investors Campus, Meisner Center, and Legacy Plaza. He emphasized the importance of Community Tours for interested developers. Tanya Michener, Associate Director, Newton Development Corporation spoke about the job fair and co-working space at Legacy Plaza. She also spoke about the three aspects of economic growth. She asked if anyone would like to see anything added to the Newton Development Corporation monthly report. Mayor Hansen commented he thought the monthly report was a good summary overall.

There was no citizen participation.

Moved by Hallam, seconded by Stonner to approve consent agenda items 4-13.

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 1st Ave E, Class C Beer Permit, Sunday Sales; Hy-Vee Club Room, Renewal, LC0044764, 1501 1st Ave E, Class C Liquor License, Outdoor Sales, Sunday Sales, Catering; Raceway 80, (former Valero), New-1 year, TBD, 4300 S 22nd 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 36th 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). Resolution 2021-190 adopted.
7. Resolution accepting completion of the City of Newton 2021 Fence Repairs Project. Resolution 2021-191 adopted.
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. Resolution 2021-192 adopted.
9. Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment for the Southwest Economic Development Area. Resolution 2021-193 adopted.
10. Resolution Setting Date for Public Hearing on Urban Renewal Plan Amendment for the East-Mart Economic Development Area. Resolution 2021-194 adopted.
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. Resolution 2021-195 adopted.
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. Resolution 2021-196 adopted.
13. 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 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. There were no written comments. During Council discussion George stated it is very exciting to see homes being built in an affordable price range. Moved by Trotter, seconded by Mullan, to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed. Moved by Ervin, seconded by George to adopt the resolutions. AYES: Six. NAYS: None. Resolution 2021-197 adopted.

Mayor Hansen stated that this is the time and place for a 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. There were no written comments. Moved by Hallam, seconded by Trotter, to close the public hearing. AYES: Six. NAYS: None. The public hearing was closed. Moved by Hallam, seconded by Mullan to adopt the resolutions. AYES: Six. NAYS: None. Resolution 2021-198 adopted.

Moved by George, seconded by Mullan to approve a 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. Kim Didier, Executive Director DMACC, spoke about the project and invited Angela Harrington, Catalyst President/CEO, to speak via zoom. AYES: Six. NAYS: None. Resolution 2021-199 adopted.

Moved by Trotter, seconded by Stonner to approve a 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. Terry Townsend, member of Newton Library Foundation, Tom Hollander, former Library Board Member, and Rita Baker, Library Board Member, spoke in opposition. Moved by Ervin, seconded by Hallam to table the resolution. AYES: Six. NAYS: None. Resolution Tabled.

Moved by George, seconded by Hallam Approving a Motion for the 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. AYES: Six. NAYS: None. Motion approved.

Erin Chambers, Director, Community Development, gave an update on the Community Development department. She introduced the department members and pointed out each department member's responsibilities.

During Mayor/Council comments Mark Hallam encouraged those who have not signed up for Jasper County 911 and City of Newton updates to do so. Dean Stonner stated that it is a relief to be able to meet face-to-face again. Steve Mullan asked what is the percentage of citizens in Jasper County have had the COVID-19 vaccination. Jarrod Wellik, Fire Chief, stated the percentage of residents in Jasper County vaccinated is between 45%-46%. Randy Ervin stated that PGI has accepted the City of Newton's proposal to host the Pyrotechnics Guild International Convention in 2022.

Moved by Trotter, seconded by George to adjourn the meeting at 7:38 P.M. Motion unanimously carried by voice vote.

_____
Michael L. Hansen, Mayor

_____
Shawnda Abbas, Deputy City Clerk

City of Newton Council Report

Item: Resolution awarding contract for the 2021 Streetscape Lighting – N 2nd Ave W & W 3rd St N Project

Summary: Award of contract to install streetscape lighting around the newly constructed North West city parking lot.

Financial Impact: $34,700.00 from the 2021 Bond, North Central TIF.

Report Number: 21-205

Date: August 2, 2021

Lead Department: Public Works

Recommendation: Approve

Background:
The City parking lot on the northeast corner of the S 2nd Ave W and W 3rd St S was reconstructed in 2016 in conjunction with this project new streetscape sidewalks were also constructed. During the design phase of the project it was decided not to include the installation of streetscape lighting in the project to keep estimated project costs down. This project will complete the streetscape portion of that project with the installation of five new streetscape lights meeting City of Newton standards.

The City of Newton Public Works Department along with electrical engineer Brown IEC prepared plans and specifications for the 2021 Streetscape Lighting – N 2nd Ave W & W 3rd St N Project.

The following submitted bid was received and opened on July 23, 2021:

Van Maanen Electric, Inc. – Newton, Iowa	$ 34,700.00

The apparent low bidder is Van Maanen Electric of Newton, Iowa. The engineer's estimate of construction cost is $19,250.00 which is $15,450.00 lower than the bid received, after comparing the unit price for the five proposed streetscape lights to a recent project replacing a damaged streetscape light it was determined that the unit price as bid was in-line with current costs and that the engineer's estimate was too low. The completion date of the project is November 30, 2021.

Recommendation:
Council awards the project to the low responsive, responsible bidder, Van Maanen Electric, Inc. of Newton, Iowa.

Matt Muckler
City Administrator

RESOLUTION NO. 2021-_____

RESOLUTION AWARDING CONTRACT FOR THE 2021 STREETSCAPE LIGHTING – N 2ND AVE W & W 3RD ST N PROJECT

WHEREAS, The City parking lot on the northeast corner of the S 2nd Ave W and W 3rd St S was reconstructed in 2016 in conjunction with this project new streetscape sidewalks were also constructed. During the design phase of the project it was decided not to include the installation of streetscape lighting in the project to keep estimated project costs down. This project will complete the streetscape portion of that project with the installation of five new streetscape lights meeting City of Newton standards; and

WHEREAS, sealed bids were received and opened on July 23, 2021; and

WHEREAS, City staff recommends that the City of Newton award a contract to Van Maanen Electric, Inc. of Newton, Iowa for the 2021 Streetscape Lighting – N 2nd Ave W & W 3rd St N Project based on the low responsive, responsible bid received in the amount of $34,700.00.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Newton, Iowa, that the bid of Van Maanen Electric, Inc. of Newton, Iowa, in the amount of Thirty-Four Thousand Seven Hundred Dollars and Zero Cents ($34,700.00) for the 2021 Streetscape Lighting – N 2nd Ave W & W 3rd St N Project, all as described in the plans and specifications, is hereby accepted, the same being the lowest bid received for said project.

BE IT FURTHER RESOLVED, by the City Council of the City of Newton, Iowa, that the Contract and Bond executed by Van Maanen Electric, Inc. of Newton, Iowa, Iowa for 2021 Streetscape Lighting – N 2nd Ave W & W 3rd St N Project as described by the plans and specifications filed in the office of the City Clerk, said contract to be signed by the Mayor and City Clerk on behalf of the City, be and the same are hereby approved. Funds from the 2021 bond, North Central TIF District will be used to pay for this project.

PASSED this _____ day of August, 2021.

APPROVED this _____ day of August 2021.

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Michael L. Hansen, Mayor

ATTEST:

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Katrina Davis, City Clerk

City of Newton Council Report

Item: Resolution awarding contract for the Downtown Newton Lighting Improvements Phase 2 Project.

Summary: Award contract to improve the roadway street lighting system located on the south side of the City's downtown square area.

Financial Impact: $27,905.00 from 2021 bond, North Central TIF.

Report Number: 21-206

Date: August 2, 2020

Lead Department: Public Works

Recommendation: Approve

Background:
At the August 19, 2019 city council meeting, city council approved a new franchise agreement with Alliant Energy along with a supplemental agreement "letter of intent" to remove the old electrical H-beam structures that house the electrical components located in the alleys throughout the downtown. Alliant Energy plans begin phase 1 of this project in 2022 which includes; removing of a portion of the "H-structures", eliminating the 480V system and installing a new power distribution system (120/208 V) to service the customers in the downtown. The existing street lights will not operate at the new, lower voltage (120/208V). As a result, the City's street lighting system will need to be powered from a new power source, at 120/208V.

The existing cabling, fault protection and grounding systems do not meet current electrical codes and installation requirements. Therefore, new wiring, controllers and more energy efficient LED lighting fixtures will be part of the upgrades to this project. Engineers estimate for this project was $41,300.00.

The following submitted bids were received and opened on July 23, 2021:

Company	Bid Price
Van Maanen Electric, Inc., Newton, Iowa	$27,905.00

The apparent low bidder is Van Maanen Electric, Inc. of Newton, Iowa in the amount of $27,905.00. The completion date of the project is November 30, 2021. The project will be paid for utilizing 2021 bond, North Central TIF.

Recommendation:
Council awards the project to the low responsive, responsible bidder, Van Maanen Electric, Inc. of Newton, Iowa.

Matt Muckler
City Administrator

RESOLUTION NO. 2021-_____

RESOLUTION AWARDING CONTRACT FOR THE DOWNTOWN NEWTON LIGHTING IMPROVEMENTS PHASE 2 PROJECT

WHEREAS, Alliant Energy plans to remove the "H-structures", eliminating the 480V and installing a new power distribution system (120/208 V) to service the customers in the downtown in the summer of 2022; and

WHEREAS, the existing light fixtures will not operate at the new, lower voltage; and

WHEREAS, the City's roadway light fixtures will need to be powered from a new power source, at 120/208V; and

WHEREAS, Brown IEC provided electrical engineering services while the City of Newton Public Works Department has prepared plans and specifications for the proposed Downtown Newton Lighting Improvements Project; and

WHEREAS, sealed bids were received and opened on July 23, 2021; and

WHEREAS, City staff recommends that the City of Newton award a contract to Van Maanen Electric, Inc. of Newton, Iowa for the Downtown Newton Lighting Improvements Phase 2 Project based on the low responsive, responsible bid received in the amount of $27,905.00 paid from 2021 Bond, North Central TIF

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Newton, Iowa, that the bid of Van Maanen Electric, Inc. of Newton, Iowa, in the amount of Twenty-Seven Thousand Nine Hundred and Five Dollars and Zero Cents ($27,905.00) for the Downtown Newton Lighting Improvements Phase 2 Project, all as described in the plans and specifications, is hereby accepted, the same being the lowest bid received for said project.

BE IT FURTHER RESOLVED, by the City Council of the City of Newton, Iowa, that the Contract and Bond executed by Van Maanen Electric, Inc. of Newton, Iowa for the Downtown Newton Lighting Improvements Phase 2 Project as described by the plans and specifications filed in the office of the City Clerk, said contract to be signed by the Mayor and City Clerk on behalf of the City, be and the same are hereby approved.

PASSED this _____ day of August, 2021.

APPROVED this _____ day of August, 2021.

_____

Michael L. Hansen, Mayor

ATTEST:

_____

Katrina Davis, 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 Former Manufactured Gas Plant Site 2021 Remediation Project.

Report Number: 21-207

Date:
August 2, 2021

Lead Department:
Community Services

Summary:
Accept plans and order bids to complete the Iowa DNR directed remediation work.

Recommendation:
Approve

Financial Impact:
Estimated cost of $520,000 to be paid using existing 2019, 2020, and 2021 bond funds.

Background:
The City of Newton operated a manufactured gas plant near W 3rd St N and N 6th Ave W from 1911 to 1948. The manufactured gas plant used a gasometer, which is a large (30,000 cubic foot) underground vault. A byproduct from the manufactured gas process was a coal tar material. Records indicate that a small percentage of this coal tar material was disposed on site. Portions of the gas plant building were removed in the 1950's. The relief holder and gasometer remain underground on the site to this day.

Following numerous rounds of testing on site and reports to the Iowa DNR since 1991, two main remediation projects remain to be competed in our efforts to comply with the DNR. Terracon Consultants, on behalf of the City, submitted a proposal to the DNR on December 31, 2019 to remediate both structures under one contract in a manner estimated to save the City of Newton several hundred thousand dollars in costs. The DNR approved this method and requested a revised work plan which Terracon submitted to the DNR on May 27, 2020. This plan requires the project's remediation and excavation activities to be completed by December 31, 2022.

Plans and specifications for the Former Manufactured Gas Plant Site 2021 Remediation Project have been prepared by Terracon Consultants of Des Moines and Community Services staff; and are ready to be placed out for bid. This project includes the remediation, per Iowa DNR requirements, of the former gasometer and relief holder still buried at the site.

The proposed bid opening for the project will occur on August 30, 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 September 7, 2021. The estimate of construction cost is $520,000. The project will be paid for using existing 2019, 2020, and 2021 bond funds.

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

An additional resolution related to the additional engineering oversight needed by Terracon during this specialized project will be presented at an upcoming Council meeting.

Recommendation:
City staff recommends approval to accept the plans, set dates, and obtain bids for the Former Manufactured Gas Plant Site 2021 Remediation Project.

Matt Muckler
City Administrator

RESOLUTION 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 FORMER MANUFACTURED GAS PLANT SITE 2021 REMEDIATION PROJECT

WHEREAS, The City of Newton operated a manufactured gas plant near W 3rd St N and N 6th Ave W from 1911 to 1948, with a small percentage of the coal tar byproduct from the manufactured gas process having been was disposed on site; and

WHEREAS, the manufactured gas plant's relief holder and gasometer remain underground on the site to this day, with the Iowa DNR requiring these two structures to be removed or remediated; and

WHEREAS, Terracon Consultants, on behalf of the City, submitted a proposal to the Iowa DNR on December 31, 2019 to remediate both structures under one contract in a manner estimated to save the City of Newton several hundred thousand dollars in costs; and

WHEREAS, the DNR approved this method, and required the project's remediation and excavation activities to be completed by December 31, 2022; and

WHEREAS, plans and specifications for the Former Manufactured Gas Plant Site 2021 Remediation Project have been prepared by Terracon Consultants of Des Moines and Community Services staff; and are ready to be placed out for bid.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newton, Iowa, that the Former Manufactured Gas Plant Site 2021 Remediation Project in the City of Newton, Iowa is hereby ordered to be advertised for bids for construction.

BE IT FURTHER RESOLVED that the detailed plans and specifications as prepared by Terracon Consultants, Inc. for the Former Manufactured Gas Plant Site 2021 Remediation Project in the City of Newton, Iowa, and the form of contract, 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 Community Services Director at 1:00 PM on the 30th 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 September 7, 2021, at 6:00 P.M., 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 August, 2021.

APPROVED this _____ day of August, 2021.

_____
Michael L. Hansen, Mayor

ATTEST:

_____
Katrina Davis, City Clerk

City of Newton Council Report

Item: Resolution setting a public hearing and inviting proposals for the sale of property at 702 East 4th Street North and 416 North 7th Avenue East in Newton

Summary: The City acquired these two properties through the D&D program. In order to sell the property, City Council must first set a public hearing to consider proposals from the public.

Financial Impact: No cost.

Report Number: 21-208

Date: August 2, 2021

Lead Department: Community Development Department

Recommendation: Approve

Summary: The City acquired 702 East 4th Street North and 416 North 7th Avenue East through the D&D program. There has been expressed interest in this property.

Iowa Code Chapter 364.7 requires cities to set public hearings before disposing of any property. Public notice would then be published in the *Newton Daily News* and all interested parties would be able to submit proposals.

The attached Resolution sets a public hearing for the regular Council meeting on September 7, 2021. Proposals will be accepted until 10:00 am on August 30, 2021.

Recommendation:
City Staff recommends approval.

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

RESOLUTION SETTING A PUBLIC HEARING AND INVITING PROPOSALS FOR THE SALE OF PROPERTY AT 702 EAST 4TH STREET NORTH AND 416 NORTH 7TH AVENUE EAST IN NEWTON

WHEREAS, the City of Newton owns property located at:

702 East 4th Street North, legally described as: LOT 9, BLOCK 1 OF LAMB AND KENNEDY'S ADDITION TO THE CITY OF NEWTON, JASPER COUNTY, IOWA EXCEPT THE EAST 12 FEET OF SAID LOT AS APPEARS IN PLAT BOOK B AT PAGE 301 IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

416 North 7th Avenue East, legally described as: LOT TEN AND THE EAST TWELVE FEET OF LOT NINE IN BLOCK ONE IN LAMB & KENNEDY'S ADDITION TO NEWTON, JASPER COUNTY, IOWA AS SAME APPEARS IN PLAT BOOK "B", PAGE 301 IN THE OFFICE OF THE RECORDER OF SAID COUNTY.

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

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

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

Section 1: That the Public Notice in substantially the following form shall be given that a Public Hearing be held at 6:00 pm on September 7, 2021, in the City Council Chambers of City Hall, 101 West 4th Street South, and/or via Zoom to consider the sale of the above noted property:

PUBLIC NOTICE

The City Council of Newton, Iowa will hold a Public Hearing at 6:00 p.m. on September 7, 2021, at City Hall, 101 West 4th Street South, and/or via Zoom to consider proposals for purchase of the property located at 702 East 4th Street North and 416 North 7th Avenue East, Newton, IA. The properties are legally described as: LOT 9, BLOCK 1 OF LAMB AND KENNEDY'S ADDITION TO THE CITY OF NEWTON, JASPER COUNTY, IOWA EXCEPT THE EAST 12 FEET OF SAID LOT AS APPEARS IN PLAT BOOK B AT PAGE 301 IN THE OFFICE OF THE RECORDER OF SAID COUNTY AND LOT TEN AND THE EAST TWELVE FEET OF LOT NINE IN BLOCK ONE IN LAMB & KENNEDY'S ADDITION TO NEWTON, JASPER COUNTY, IOWA AS SAME APPEARS IN PLAT BOOK "B", PAGE 301 IN THE OFFICE OF THE RECORDER OF SAID COUNTY. Proposals shall be submitted by 10:00 a.m., August 30, 2021, to the Newton Community Department; 403 West 4th Street North, Suite 501; Newton, Iowa 50208. Additional information about the property and the process for submitting a proposal is available at the Community Development Department, (641)-792-6622. The City Council will consider all proposals received, but reserves the right to reject any or all proposals received or to accept any proposal it deems in the best public interest. At said Hearing, interested persons may be heard in support of or opposition to said sale or the price or terms of a proposed agreement.

Section 2: That following the Public Hearing, City Council may select the proposal to purchase the described property which is in the best interest of the City Newton and shall thereafter sell said property at the price and under such terms as it shall determine, subject to an Agreement for Purchase with the selected Purchaser.

PASSED this _____ day of August 2021.

APPROVED this _____ day of August, 2021.

_____
Michael L. Hansen, Mayor

ATTEST:

_____
Katrina Davis, City Clerk

City of Newton Council Report

Item: Resolution approving amending Landfill 28-E agreement with Landfill Associate members

Summary: A new 28-E agreement removing Jasper County's requirement from paying for rural residents landfill tipping fees.

Financial Impact: None

Report Number: 21-209

Date: August 2, 2021

Lead Department: Public Works Department

Recommendation: Approve

Background:
Jasper County had notified the landfill 28-E members at the February 2021 Landfill 28-E member budget workshop of their intent to modify the 28-E agreement to eliminate article 4.2, previous agreement states;

Jasper County, it is recognized that no single solid waste contractor has a contract to serve all of the residents of the unincorporated area of Jasper County; accordingly, Jasper County shall satisfy its obligation under this subparagraph by annually publishing notice to all such residents of the unincorporated areas of Jasper County, not later than 1 March of each year in the Jasper County Advertiser and every legal newspaper in Jasper County, of the right of all such residents of the unincorporated areas of Jasper County to bring their solid waste to the Landfill for disposal at a cost to be billed to and paid by Jasper County, and by paying solid waste disposal fees for residential solid waste certified by solid waste disposal contractors as having been produced or generated by or within the unincorporated areas of Jasper County.

The amended 28-E agreement removes the language stated above from the agreement. The other changes to the agreement were minor, such as the name of the landfill, to Newton Sanitary Landfill, changing the date range of the annual 28-E Budget Workshop, providing quarterly financials to the 28-E members, instead of monthly and updating the property interest ownership percentage with most recent years numbers, along with language stating this is adjusted annually.

Recommendation:
Approval of the amended Newton Sanitary Landfill 28-E Intergovernmental agreement.

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

RESOLUTION APPROVING AMENDING LANDFILL 28-E AGREEMENT WITH LANDFILL ASSOCIATE MEMBERS

WHEREAS, the City of Newton has had a 28-E intergovernmental agreement with the landfill associate members since 1978; and

WHEREAS, it has been amended over the years, most recently in 1994; and

WHEREAS, Associate member Jasper County expressed desire to amend the agreement article 4.2 to remove their requirement to pay for rural residents landfill tipping fees; and

WHEREAS, there were also other minor changes to the agreement; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Newton, Iowa, that the City of Newton hereby authorizes the Mayor to execute the amended Landfill 28-E Agreement with all other Associate members.

PASSED this _____ day of August, 2021.

APPROVED this _____ day of August, 2021.

_____
Michael L. Hansen, Mayor

ATTEST:

_____
Katrina Davis, City Clerk

INTERGOVERNMENTAL AGREEMENT FOR SOLID WASTE DISPOSAL AT NEWTON SANITARY LANDFILL

The City of Newton, Iowa (hereinafter "Landfill Operator"), and the City of Baxter, Iowa, the City of Colfax, Iowa, the City of Kellogg, Iowa, the City of Lambs Grove, Iowa, the City of Lynnville, Iowa, the City of Mingo, Iowa, the City of Monroe, the City of Reasnor, Iowa, the City of Sully, Iowa, the City of Valeria. Iowa, the City of Oakland Acres, Iowa, and Jasper County, Iowa (hereinafter collectively called “Landfill Associates") hereby agree as follows:

1. **AUTHORITY.** The Landfill Operator and Landfill Associates enter into this agreement pursuant to the provisions of Chapter 28E, Code of Iowa (1993).

2. **DISSOLUTION OF PREVIOUS 28E AGREEMENT AND ESTABLISHMENT OF PERMANENT ENVIRONMENTAL RESPONSIBILITY FOR LANDFILL PROPERTY.** The Landfill Operator and Landfill Associates hereby acknowledge and agree that the SOLID WASTE DISPOSAL INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF NEWTON, IOWA, AND POLITICAL SUB-DIVISIONS OF JASPER COUNTY, IOWA, dated August 7, 1978, and recorded in Book 813, Pages 508-513 of the records of the Jasper County Recorder (hereinafter called "Previous 28E Agreement"), should be and the same is hereby dissolved by mutual agreement without respect to further written notice or time before said dissolution shall become effective.

2.1 All personal property used to carry out the function of solid waste disposal shall be the property of the Landfill Operator and Landfill Associates in accordance with the formula identified in Section 2.2(b) of this agreement.

2.2 All real property comprising the Newton Sanitary Landfill (hereinafter "Landfill") shall, subject to the notice and public hearing requirements of §364. 7, Code of Iowa (1993), become the property of the Landfill Operator and Landfill Associates as tenants in common holding undivided interests as hereinafter established; additionally, the Landfill Operator and Landfill Associates acknowledge that they have, in the proportions hereinafter established, permanent shared responsibility and liability for any and all future Landfill related costs associated with said property including but not limited to all costs of Landfill testing, monitoring, containment, management, remediation, closure, post closure, leachate collection, leachate treatment and leachate disposal which exceed or cannot be timely paid out of regular revenues generated by tonnage fees and other miscellaneous revenues such as the sale of recyclables, to wit:

2.2(a) Landfill Real Property

All real property described in the Landfill Plat of Survey recorded in Plat Cabinet "A", Page 387, of the records of Jasper County.

2.2(b) Undivided Interests of the Landfill Operator and Landfill Associates in Landfill Real Property, and Proportionate Shares of the Landfill

Operator and Landfill Associates in the Costs Specified in Paragraph 2.2 Immediately Above:

NAME	UNDIVIDED PROPERTY INTEREST/ PROPORTIONATE COST SHARE
City of Newton	58.28%
City of Baxter	2.05%
City of Colfax	4.73%
City of Kellogg	1.45%
City of Lambs Grove	.33%
City of Lynnville	.80%
City of Mingo	.23%
City of Monroe	2.65%
City of Oakland Acres	.27%
City of Reasnor	.30%
City of Sully	2.05%
City of Valeria	.09%
Jasper County	26.77%

The percentages above will be subject to adjustment annually beginning in January 1995. These annual adjustments will be based on a formula whereby the years 1978 -1993 are computed using the above percentages and 1994 and future years are computed on the tonnage of all solid waste disposal from each Landfill Associate, at the Landfill as determined by the Landfill Operator based on the most recent twelve-month period for which data is available. This formula will result in a cumulative average being computed each year with 1978 always being the first year of the cumulative average.

Landfill staff will prepare and provide each landfill associate with an annual report of the property interest data at the annual Landfill 28-E budget workshop.

3. **PURPOSES OF THIS AGREEMENT.** The purposes of this agreement are as follows:

3.1 To provide for economical and environmentally responsible disposal at the Landfill of all residential solid waste produced or generated by or within the jurisdictional boundaries of the Landfill Operator and the Landfill Associates, and to provide for economical and environmentally responsible disposal at the Landfill of all commercial or other solid waste collected within the jurisdictional boundaries of any Landfill Associate pursuant to any oral or written contract or agreement between any such Landfill Associate and any solid waste disposal contractor.

3.2 To achieve compliance with the requirement of participation in and filing of a "comprehensive plan" within the meaning of §455B.306, Code of Iowa (1993).

3.3 To cooperate with local, State and Federal public health agencies in preventing the contamination and pollution of land, water and air resources of the area, through the disposal of solid waste.

3.4 To forge a stronger and more permanent relationship between the Landfill Operator and the Landfill Associates, thereby enhancing the Landfill Operator's ability to confidently engage in long-range operational and fiscal planning, and securing to the Landfill Associates greater input into such planning as well as long-range availability of cost-effective solid waste disposal services.

3.5 To authorize the Landfill Operator to engage such employees and provide such offices, equipment, machinery, buildings and grounds as are necessary to adequately perform solid waste disposal functions.

3.6 To authorize the Landfill Operator to establish fees for disposal of solid waste, collect said fees, receive and expend State, Federal and private grants and other moneys which may be made available, to the extent permissible under applicable State and Federal laws, and under the rules hereinafter set forth.

4. **ORGANIZATION.** No separate legal or administrative entity is created by this agreement; for and in consideration of the valuable mutual benefits occurring as a consequence of the exchange of rights and obligations hereinafter specified, the Landfill Operator and the Landfill Associates shall be entitled to exercise the following rights and shall undertake the following obligations:

4.1 **The Landfill Operator** shall convene and conduct a Landfill Budget Workshop for the Landfill Associates annually, for the purposes of reviewing current Landfill operations, policies, income and expenses, the Landfill Associates' tonnage figures as referenced in Section 2.2(b) and receiving the comments of the Landfill Associates. After such consultation, the Landfill Operator shall establish the solid waste disposal fees for the next fiscal year.

4.2 In order to assure a stable and predictable stream of solid waste disposal income, the Landfill Associates, except for Landfill Associate Jasper County, shall execute contracts with solid waste disposal contractors that specify that such contractors shall collect and dispose of all residential solid waste produced or generated by or within their jurisdictional boundaries at the Newton Sanitary Landfill. All contracts executed by any Landfill Associates with solid waste disposal contractors for the collection of commercial solid waste shall specify that such contractors shall dispose of such commercial solid waste at the Newton Sanitary Landfill.

4.3 **The Landfill Operator** shall have the right to contract with all levels of government, or other public agencies, private agencies and private individuals for the disposal of solid waste; to hire employees, fix their compensation, benefits, personnel rules and regulations, and terminate their employment; to purchase, lease, receive as gifts or donations, or otherwise acquire all land, buildings, equipment and supplies necessary to carry out the function of solid waste disposal and to dispose of the same; to make, or cause to be made, studies and surveys necessary to carry out solid waste disposal functions; to contract with and compensate consultants for professional services, including but not limited to architects, engineers, planners, lawyers, accountants, and all others found necessary to the stated purpose; to borrow money. make and issue bonds, or enter into other long term obligations for the purchase, lease or acquisition of land and equipment and erection of buildings and other improvements, and to provide for their retirement: to establish

Landfill operations as an enterprise fund: to provide for a system of budgeting, accounting, auditing, and reporting of all funds and transactions, and for bonding of employees; to consult with representatives of Federal, State and local agencies, departments and their officers and employees and to contract with such agencies and departments; to exercise all other powers consistent with the stated purposes available under then-existing law.

5. **DURATION.** It is the intention of the Landfill Operator and Landfill Associates that this agreement remain in full force and effect for the full useful life to the Landfill as determined by Landfill Operator's sound discretion; at such time as said full useful life has been reached and the Landfill is closed, the environmental responsibility of the Landfill Operator and Landfill Associates and title to real and personal property shall be as established in Paragraph 2 above and shall survive and remain in full force and effect until and unless the Landfill Operator and all of the Landfill Associates agree to different terms.

6. **MANNER OF FINANCING CURRENT OPERATIONS.** The purposes of this agreement and the operations of the Landfill shall be financed to the maximum extent reasonably possible by solid waste disposal fees determined and collected by Landfill Operator as described above; in the event that such fees are insufficient lo finance the operational costs and all other costs specified in Paragraph 2.2 above such costs shall be assessed against the Landfill Operator and the Landfill Associates in the proportions specified in Paragraph 2.2(b) above.

7. **COLLECTION OF CONTAMINATION COSTS FROM RESPONSIBLE PARTIES.** In the event of Landfill costs including but not limited to all costs of Landfill testing, monitoring, containment, management, remediation, closure, post closure, leachate collection, leachate treatment and leachate disposal which exceed or cannot be timely paid out of regular revenues generated by tonnage fees and other miscellaneous revenues such as the sale of recyclables, then the Landfill Operator will pursue all legal remedies available to the Landfill against all potentially responsible parties, in addition to the Landfill Operator and Landfill Associates, who are known to have contributed to the aforementioned costs.

8. **TERMINATION AND DISSOLUTION.** This agreement may only be terminated or dissolved a) by the mutual consent of the Landfill Operator and all of the Landfill Associates, or (b) upon determination by the Landfill Operator that the Landfill has reached its full useful life; at such time as said full useful life has been reached and the Landfill is closed, the environmental responsibility of the Landfill Operator and Landfill Associates and title to real and personal property shall be as established in Paragraph 2 above and shall survive and remain in full force and effect until and unless the Landfill Operator and all of the Landfill Associates agree to different terms.

9. **ADDITIONAL PARTIES.** Other governmental subdivisions of the State of Iowa may become Landfill Associates with the mutual consent of the Landfill Operator and all extant Landfill Associates, upon such terms and conditions as proposed by the Landfill Operator and approved by all extant and prospective Landfill Associates.

10. **EXECUTION OF THIS AGREEMENT**. This agreement may be executed by one or more of the parties hereto separately in any number of counterparts, each of which when so executed and delivered, shall be part of the original, and such counterparts together shall constitute one and the same instrument.

IN WITNESS AND TESTIMONY WHEREOF, the Landfill Operator and Landfill Associates have caused this agreement to be executed on their behalf by their duly authorized officers, and the same to be attested to by their Clerks or Auditor and the corporate seals affixed hereto.

Dated this _____ day of _____, 2021.

ATTEST:

_____

FIRST AND LAST NAME, City Clerk

CITY OF NEWTON, IOWA

By: _____

FIRST AND LAST NAME, Mayor

ATTEST:

_____

FIRST AND LAST NAME, City Clerk

CITY OF BAXTER, IOWA

By: _____

FIRST AND LAST NAME, Mayor

ATTEST:

_____

FIRST AND LAST NAME, City Clerk

CITY OF COLFAX, IOWA

By: _____

FIRST AND LAST NAME, Mayor

ATTEST:

_____

FIRST AND LAST NAME, City Clerk

CITY OF KELLOGG, IOWA

By: _____

FIRST AND LAST NAME, Mayor

ATTEST:

_____

CITY OF LAMBS GROVE, IOWA

By: _____

FIRST AND LAST NAME, City Clerk

FIRST AND LAST NAME, Mayor

ATTEST:

CITY OF LYNNVILLE, IOWA

_____

By: _____

FIRST AND LAST NAME, City Clerk

FIRST AND LAST NAME, Mayor

ATTEST:

CITY OF MINGO, IOWA

_____

By: _____

FIRST AND LAST NAME, City Clerk

FIRST AND LAST NAME, Mayor

ATTEST:

CITY OF OAKLAND ACRES, IOWA

_____

By: _____

FIRST AND LAST NAME, City Clerk

FIRST AND LAST NAME, Mayor

ATTEST:

CITY OF REASNOR, IOWA

_____

By: _____

FIRST AND LAST NAME, City Clerk

FIRST AND LAST NAME, Mayor

ATTEST:

CITY OF SULLY, IOWA

_____

By: _____

FIRST AND LAST NAME, City Clerk

FIRST AND LAST NAME, Mayor

ATTEST:

CITY OF VALERIA, IOWA

_____

By: _____

FIRST AND LAST NAME, City Clerk

FIRST AND LAST NAME, Mayor

ATTEST:

JASPER COUNTY, IOWA

_____

By: _____

FIRST AND LAST NAME, City Clerk

FIRST AND LAST NAME, Mayor

ATTEST:

CITY OF MONROE, IOWA

_____

By: _____

FIRST AND LAST NAME, City Clerk

FIRST AND LAST NAME, Mayor

City of Newton Council Report

Item: Resolution setting public hearing and authorizing publication of notice on City of Newton City-Wide Urban Revitalization Plan Revision

Summary: In order for City Council to consider an amendment to the City-Wide Urban Revitalization Plan, a public hearing must first be scheduled.

Financial Impact: None.

Report Number: 21-210

Date: August 2, 2021

Lead Department: Community Development

Recommendation: Approve

In order to consider amendments to the City-Wide Urban Revitalization Plan, it is necessary for the City Council to set the time and place for a public hearing.

This resolution sets the public hearing to be held on August 16, 2021 and directs for the publication of notice.

Recommendation: City Staff recommends approval of the resolution.

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

RESOLUTION SETTING PUBLIC HEARING AND AUTHORIZING PUBLICATION OF NOTICE ON CITY OF NEWTON CITY-WIDE URBAN REVITALIZATION PLAN REVISION

WHEREAS, the City of Newton's City-Wide Urban Revitalization Plan was re-authorized in October 2002 (Resolution 2002-146), revised in May 2007 (Resolution 2007-047), revised in March 2013 (Resolution 2013-030), revised in December 2016 (Resolution 2016-274), revised in December 2018 (Resolution 2018-284), revised in December 2019 (Resolution 2019-261), and revised in November 2020 (Resolution 2020-269); and

WHEREAS, the City proposes to revise the Urban Revitalization Plan; and

WHEREAS, the revisions to the Plan must be adopted by Resolution following a Public Hearing;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Newton, Iowa, That the Public Notice in substantially the following form shall be given that a Public Hearing be held at 6:00 pm on August 16, 2021, in the City Council Chambers of City Hall, 101 West 4th Street South to consider the City-Wide Urban Revitalization Plan revisions:

PUBLIC NOTICE

The City Council of Newton, Iowa will hold a Public Hearing at 6:00 p.m. on August 16, 2021 at City Hall, 101 West 4th Street South, to consider amending the text of the City of Newton City-Wide Urban Revitalization Plan. At said Hearing, interested persons may be heard in support of or opposition to said revisions. Any individual may also file written comments prior to said Hearing or obtain additional information from the Community Development Department, 403 West 4th Street North, Suite 501, Newton, Iowa 641-792-6622. Katrina Davis, City Clerk.

PASSED this _____ day of August, 2021

APPROVED this _____ day of August, 2021

_____
Michael L. Hansen, Mayor

ATTEST:

_____
Katrina Davis, City Clerk

City of Newton Disbursements 8-3-21

Vendor	Department	Description	Amount
Acco Unlimited Corp	Maytag Pool	Supplies	$ 1,345.80
Acushnet Company	Golf	Merchandise	$ 1,062.59
Alliant Energy/IPL	All	Utilities	$ 491.16
Allied Oil & Supply Company	Landfill/Street	Supplies	$ 577.00
Amazon Capital Services	All	Supplies	$ 852.94
ATC Group Services LLC	D&D Program	Service	$ 2,800.00
AWE Acquisitions Inc	Library	Equipment	$ 2,997.00
Baker & Taylor	Library	Supplies	$ 2,773.97
Blackstone Publishing	Library	Supplies	$ 91.97
BMI	Parks	License	$ 368.00
Bolton & Menk Inc	All	Service	$ 10,477.00
Bound Tree Medical LLC	Fire	Supplies	$ 534.67
Brick Gentry P.C.	All	Service	$ 11,035.00
Brown Investigations & Engineering Cons	N Central TIF	Service	$ 11,017.00
Capital City Equipment	Cemetery	Supplies	$ 65.94
Cappy's Tire & Auto Service	Cemetery/Parks	Service	$ 54.48
Carrot-top Industries	Cemetery/Parks	Supplies	$ 1,168.08
CCP Industries	Water Pollution Control	Supplies	$ 124.29
CDW Government Inc	Library	Equipment	$ 299.92
Cengage Learning	Library	Supplies	$ 103.17
Central Iowa Distributing Inc	Water Pollution Control	Supplies	$ 570.78
Chamber of Commerce	Executive	Sponsorship	$ 450.00
Cintas	All	Supplies	$ 576.87
Classic Car Wash	Police	Service	$ 462.75
Color Store	Water Pollution Control	Supplies	$ 1,623.36
Cummins Central Power	Library	Maintenance	$ 379.56
Dannen, Shannon	D&D Program	Service	$ 1,660.00
Darrell's Electric	City Center	Service	$ 113.00
Demco Inc	Library	Supplies	$ 96.15
Diamond Products Co	Water Pollution Control	Supplies	$ 110.47
Digium Cloud Services LLC	Fire	Utilities	$ 401.00
DMACC - Ankeny Campus	All	Rent	$ 1,895.75
Dodd Trash Hauling & Recycling	Solid Waste	Service	$ 63,236.77
FBG Service Corporation	Library	Service	$ 1,644.00
Forbes Office Solutions	Library	Supplies	$ 392.47
Galls LLC	Fire	Merchandise	$ 859.00
Golf Cars of Iowa	Golf	Service	$ 640.00
Gregg Young Auto Center	Fire/Parks	Service	$ 1,096.75
Grey House Publishing	Library	Service	$ 175.50
Hamilton Glass	Maytag Pool	Service	$ 75.00
Heisdorffer, Landon	Maytag Pool	Reimbursement	$ 50.00
Heisdorffer, Rex	Fire	Reimbursement	$ 85.00
Hewitt Service Center	Street	Supplies	$ 1,306.00
Home Depot Pro	Parks	Supplies	$ 621.90
Hornung's	Golf	Merchandise	$ 962.01
Houser, Emma	Maytag Pool	Reimbursement	$ 39.99
Hy-Vee Inc	Executive/Fire	Supplies	$ 113.95
Image Trend Inc	Fire	Service	$ 336.00

Institute for Transportation	Street	Service	$ 150.00
Interstate All Battery Center	Fire	Supplies	$ 21.75
Iowa Department of Transportation	Street	Refund	$ 1,119.72
Iowa Law Enforcement Academy	Police	Training	$ 25.00
Iowa One Call	Engineering/WPC	Service	$ 336.80
Iowa Workforce Development	Comm Beautification/Parks	Service	$ 971.00
Isolved Benefit Services	Finance	Service	$ 98.03
Jasper Construction Services	Water Pollution Control	Supplies	$ 133.20
Jasper County Health Department	Maytag Pool	Service	$ 493.00
Johnson Aviation	Airport	Service	$ 3,075.60
Karsten, Matthew	Maytag Pool	Reimbursement	$ 37.84
Keystone Labs	Maytag Pool/WPC	Service	$ 3,680.20
Lanphier Excavating LLC	D&D Program	Service	$ 20,555.63
Lyman, Rick	All	Service	$ 10,267.80
Magnum Automotive	Parks/Police	Service	$ 407.88
Mahaska Bottling Co	Golf/Maytag Pool	Concessions	$ 2,074.80
Manatts - D.M.	All	Supplies	$ 9,308.18
Marlow White -Military	Fire	Merchandise	$ 636.85
Marsden Bldg Maintenance	City Center	Supplies	$ 184.36
Martin Marietta Materials	Parks/Street	Supplies	$ 1,537.47
Maxim Advertising	Administration/Maytag Pool	Service	$ 409.35
MG Laundry Corporation	City Center/Fire	Service	$ 113.20
Mid Country Machinery	Landfill	Supplies	$ 329.67
Midwest Lawn Services	Library	Service	$ 900.00
Midwest Turf Support	Golf/Parks	Supplies	$ 1,600.37
MTI Distributing Inc	Parks	Supplies	$ 233.67
NAPA Auto Parts	All	Supplies	$ 312.30
News Printing Company	All	Service	$ 270.65
O'Halloran International	City Garage/WPC	Supplies	$ 263.62
O'Reilly Auto Parts	Parks	Supplies	$ 218.75
Partsmaster	Water Pollution Control	Supplies	$ 72.93
Petroleum Marketers Management Ins Co	Tort Liability	Service	$ 1,218.00
Pitney Bowes	Finance	Service	$ 654.00
Pittman, Keith	Police	Reimbursement	$ 301.02
PJ's Deli	Executive	Service	$ 135.80
Portner, Brad	Housing Demolitions/Parks	Service	$ 1,740.00
POS Paper	Police	Supplies	$ 43.38
Prairie Ag Supply	City Garage	Supplies	$ 47.80
Preferred Pest Control Inc	Library	Service	$ 350.00
Proquest	Library	Service	$ 1,362.77
Quill Corporation	All	Supplies	$ 236.70
R&R Products Inc	Golf	Supplies	$ 292.74
RACOM Corporation	Police	Service	$ 1,778.75
Ray, Randy	All	Service	$ 2,380.00
Reserve Account-Pitney Bowes	All	Supplies	$ 1,000.00
Sandry Fire Supply LLC	Fire	Supplies	$ 815.00
SchoolLife	Library	Supplies	$ 195.40
Schuster, Tes	Maytag Pool	Reimbursement	$ 41.89
Smith, Abigail	Maytag Pool	Reimbursement	$ 50.00
Spahn & Rose Lumber Co	Water Pollution Control	Supplies	$ 784.09
Springer Professional Home Services	Golf/Maytag Pool	Service	$ 108.00
Terracon Consultants Inc	North Central TIF	Service	$ 4,372.50

Theisen's	All	Supplies	$ 721.19
Tifosi Optics Inc	Golf	Merchandise	$ 235.71
TK Elevator	City Center	Service	$ 198.65
Todd Heaberlin Enterprises	Library	Service	$ 184.80
Tour edge	Golf	Merchandise	$ 117.97
Town & Country Wholesale Co	Golf/Maytag Pool	Concessions	$ 4,384.22
True Value Hardware	Golf/Parks/WPC	Supplies	$ 494.96
Two Rivers Cooperative	Golf	Supplies	$ 2,456.62
Unique Management Services	Library	Service	$ 50.00
USABlueBook	Water Pollution Control	Supplies	$ 74.31
Van Maanen Electric Inc	Parks	Service	$ 393.05
Van Wall Equipment	Golf/Parks	Supplies	$ 1,406.64
Volk, Ryan	Fire	Reimbursement	$ 48.98
Warnick & Reeves Mechanical	Library/Parks	Service	$ 428.90
Washer Systems of Iowa Inc	City Garage	Supplies	$ 950.00
Water Department	All	Utilities	$ 1,822.45
Waters Edge Aquatic Design	Maytag Pool	Service	$ 4,760.00
WesTech	Water Pollution Control	Supplies	$ 12,726.09
Williams, Maggie	Maytag Pool	Reimbursement	$ 50.00
Ziegler Inc	Water Pollution Control	Supplies	$ 385.50
Zoll	Fire	Supplies	$ 788.02
Total			**$ 238,639.53**

Pre-Authorized Payments

Adams, Josh (Reso 2020-302)	Parks	Service	$ 2,000.00
Alliant Energy	All	Utilities	$ 40,646.46
AT & T Mobility	Landfill	Utilities	$ 178.83
Best Midwest LLC (Reso 2021-124 & 2021-198)	North Central TIF	Grant	$ 31,666.50
Black Hills Energy	All	Utilities	$ 1,927.55
Bruns, Gregory (Reso 2021-089)	North Central TIF	Grant	$ 2,800.00
Doll Distributing	Golf	Concessions	$ 966.10
Faculty Lounge (Reso 2020-302)	Parks	Service	$ 1,650.00
Iowa Beverage Systems	Golf	Concessions	$ 403.80
Mediacom	Admin & Golf	Utilities	$ 406.85
United States Cellular	All	Utilities	$ 1,257.05
Verizon Wireless	Fire/Police	Utilities	$ 50.05
Windstream	All	Utilities	$ 1,505.91
Woody, Nancy (Reso 2021-153)	North Central TIF	Grant	$ 750.00
Total			**$ 86,209.10**

City of Newton Council Report

Item: Resolution Approving Development Agreement with CRH Properties LLC, Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement

Summary: Approval of the development agreement with CRH Properties which establishes a minimum assessment & tax rebate and acknowledges previously approved forgivable loan.

Financial Impact: $25,000 not to exceed tax rebates

Report Number: 21-211

Date: August 2, 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-flor, 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.

Recommendation: Staff recommends approval.

Matt Muckler
City Administrator

RESOLUTION 2021-_____

Resolution Approving Development Agreement with CRH Properties LLC, 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 CRH Properties LLC (the "Developer") has been prepared 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 (the "Project"); and

WHEREAS, under the Agreement, the City would provide an economic development forgivable loan in the amount of $30,000 to the Developer and annual appropriation incremental property tax payments to the Developer in a total amount not exceeding $25,000; 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 August 2, 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, 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 and the forgivable loan to the Developer.

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 incremental property tax payments made to the Developer 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 "CRH Properties LLC 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:

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

Section 5. The City hereby pledges to the payment of the Agreement the CRH Properties LLC 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 CRH Properties LLC 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 CRH Properties LLC 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 August 2, 2021.

_____

Mayor

Attest:

_____

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 incompletion 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. <u>Indemnification.</u> 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 Lon 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:

_____
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 incompletion 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:

_____
City Clerk

CRH PROPERTIES LLC

By: _____

STATE OF IOWA)
) SS:
COUNTY OF JASPER)

The foregoing instrument was acknowledged before me this ___ day of _____, 2021, by Michael Hansen and _____, the Mayor and 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 PROPETY:

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 Approving Development Agreement with Cindy Rogers-Sell, Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement

Summary: Approval of the development agreement with Cindy Rogers-Sell which establishes a minimum assessment & tax rebate and acknowledges previously approved forgivable loan.

Financial Impact: $15,000 not to exceed tax rebates

Report Number: 21-212

Date: August 2, 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.

Recommendation: Staff recommends approval.

Matt Muckler
City Administrator

RESOLUTION 2021-_____

Resolution Approving Development Agreement with Cindy Rogers-Sell, 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 Cindy Rogers-Sell (the "Developer") has been prepared 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 (the "Project"); and

WHEREAS, under the Agreement, the City would provide an economic development forgivable loan in the amount of $20,000 to the Developer and annual appropriation incremental property tax payments to the Developer 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 August 2, 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, 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 and the forgivable loan to the Developer.

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 incremental property tax payments made by the City to the Developer 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 "Cindy Rogers-Sell 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:

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

Section 5. The City hereby pledges to the payment of the Agreement the Cindy Rogers-Sell 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 Cindy Rogers-Sell 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 Cindy Rogers-Sell 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 August 2, 2021.

_____

Mayor

Attest:

_____

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 incompletion 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 Lon 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:

_____
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 incompletion 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:

_____
City Clerk

CINDY ROGERS-SELL

_____

STATE OF IOWA)
) SS:
COUNTY OF JASPER)

The foregoing instrument was acknowledged before me this ___ day of _____, 2021, by Michael Hansen and Katrina Davis, the Mayor and 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 Council Report

Item: Resolution approving extension and amendment to the Newton Housing Initiative Single Family Home Construction Incentive Programs through December 31, 2023.

Summary: The Housing Initiative was approved by Council in 2014. Since then, the City has offered a cash incentive in lieu of tax abatement for the construction of single family homes. This action amends the program and extends the expiration date to December 31, 2023

Financial Impact: No change, existing funds set aside for this purpose

Report Number: 21-213

Date: August 2, 2021

Lead Department: Community Development

Recommendation: Approve

In 2014, City Council approved the Newton Housing Initiative, an attempt to aggressively jump start home construction in the community. Since that time, the City Council has adopted incentives for new-single family construction in Newton which include $10,000 payment to buyers of newly built single family homes ($160,000+ valuation), in lieu of tax abatement. In addition, incentives for builders were provided including construction loan interest reimbursement and waiver/reduced permit fees.

The existing program that has been in place expires on December 31, 2021. Funding still remains for the program. After careful consideration and study, a number of amendments are suggested as part of this action:

Owner-occupied. Language in the program description clarifies that **only** owner-occupied homes are eligible for the home buyer housing initiative incentive.

Home Buyer Incentive- Minimum Valuation. For the $10,000 incentive, the minimum valuation for eligible homes has been adjusted upward from $180,000 to $190,000. The $5,000 incentive that was introduced during the previous revision for more modestly valued new homes has not been utilized. Homes with a valuation under $190,000 and are owner-occupied will be eligible for tax abatement per the City-wide Urban Revitalization Plan and the $5,000 incentive language is proposed to be eliminated.

New home projects that have a valuation under $190,000 and have already obtained their building permits or new home projects that have the $5,000 incentive identified in an agreement with the City will be able to receive the $5,000 incentive as was available at the time of their decision making.

Effective Date. The amendments for the program are effective immediately, upon approval of the resolution.

Staff has communicated the amendments to our housing partner organization, NHDC.

If the existing funding is exhausted before December 31, 2023, then a decision by the City Council will be needed regarding whether additional funding is provided to the program, whether tax abatement is provided to new home construction instead, or whether no incentives are provided at all. At this time, however, staff anticipates current funding to last until the end of 2023.

Recommendation: City Staff recommends approval of the resolution.

Matt Muckler
City Administrator

RESOLUTION NO. 2021 – _____

RESOLUTION APPROVING EXTENSION AND AMENDMENT TO THE NEWTON HOUSING INITIATIVE SINGLE FAMILY HOME CONSTRUCTION INCENTIVE PROGRAMS THROUGH DECEMBER 31, 2023

WHEREAS, the City Council approved the Housing Initiative in 2014 and subsequently extended the incentive programs for construction of single-family homes in Newton through December 31, 2021, and

WHEREAS, the second goal of the 2014 Housing Initiative is to "create momentum for housing development within the community", utilizing cash incentives to foster construction of new single-family homes; and

WHEREAS, the utilization of property tax abatement as an incentive for construction of single-family homes prior to 2014 was not successful in generating new home starts; and

WHEREAS, an extension of an amended Single Family Home Construction Incentive is necessary to continue momentum created through the Housing Initiative since 2014; and

WHEREAS, funding already allocated for this purpose through the Housing Initiative Bond and the 2017A Bond provide for the funding of the extension of an amended program;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Newton, Iowa: That the Newton Housing Initiative Single-Family Residential Incentive Program as described in Attachment A., is hereby approved with an effective date upon approval of this resolution.

PASSED this _____ day of August, 2021

APPROVED this _____ day of August, 2021

_____
Michael L. Hansen, Mayor

ATTEST:

_____
Katrina Davis, City Clerk

Attachment A.

Newton Housing Initiative

Single Family Residential Incentive Program

Effective ~~January 1, 2022~~ Through December 31, 2023

A major goal of the "Newton Housing Initiative" is ***to create momentum for housing development within the community****. The purpose of this Goal is to develop and ensure a stable and growing population by having housing readily available for all income groups specifically working to attract younger families and young professionals.*

In order to implement this goal, a program to incentivize the construction of single-family, owner-occupied, residences has been developed. It consists of the following:

Home Buyer Incentive:

1. For a single-family, owner-occupied as primary residence, home beginning construction in the City of Newton on or after August 3, 2021, not including properties in Fountain Hills Estates, First Addition or constructed upon a City D&D Program lot (permit obtained after August 1, 2021), a $10,000 cash incentive will be provided to the buyer/s of the home valued at least at $190,000, ~~or a $5,000 cash incentive provided to the buyer/s of the home/s valued between $100,000 to 189,999.99~~, subject to the following rules:
    a. The incentive is provided at the time and place of closing on the permanent financing of the home.
    b. The value of the improvements (exclusive of land value) must be evidenced by an appraisal or assessment.
    c. The construction of the home must be fully complete, as evidenced by the issuance of a Certificate of Occupancy by the City of Newton. A radon remediation system shall be installed in the new home.
    d. Rental properties are not eligible for the Home Buyer Incentive.

    e. New single-family, owner occupied as primary residence, home construction with value (as determined in "b" of this section) under $190,000.00 may be eligible for tax abatement in accordance with the current City-Wide Urban Revitalization Plan. Please refer to the most recently adopted City-wide Urban Revitalization Plan to determine tax abatement availability.

2. The residential property tax abatement for single-family new home construction, as authorized by City-Wide Urban Revitalization Plan, is not available to new homes that qualify for the home buyer incentive. Residential property tax abatement for future projects or additions is not available for properties which received the home buyer incentive for a period of 5 years after the incentive is provided. ~~Tax abatement may available for projects which do not qualify for the home buyer incentive.~~

Note: New home projects that have a valuation under $190,000 and have already obtained their building permits as of August 2, 2021 or new home projects that have the $5,000 incentive identified in a previously approved agreement with the City will receive the $5,000 incentive as was available under prior program rules.