

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Dyersville, Iowa (the “City”) and Dyersville Industries, Inc. d/b/a Dyersville Economic Development Corporation (“DEDC”) as of _____, 2024 (the “Commencement Date”).

WHEREAS, the City has established the Consolidated Dyersville Economic Development District (the “Urban Renewal Area”) and has adopted a tax increment ordinance for the Urban Renewal Area; and

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

WHEREAS, DEDC will undertake the construction of certain public infrastructure improvements (the “Public Infrastructure Project”) on the Property in order to promote future commercial and industrial development thereon; and

WHEREAS, DEDC has requested that the City provide financial assistance in the form of incremental property tax payments to be used by DEDC in paying the costs of constructing the Public Infrastructure Project; 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. Commercial and Industrial Development Project. DEDC agrees to use its best efforts to promote commercial and industrial development on the Property, such that the Property is capable of being put to its highest and best commercial and/or industrial uses.

2. Public Infrastructure Project Construction. DEDC agrees to cause the construction of the Public Infrastructure Project in accordance with the timeline and specifications set forth on Exhibit B hereto. Prior to constructing the Public Infrastructure Project, DEDC will submit copies of all engineering documents related to the proposed Public Infrastructure Project to the City for review. The City may request reasonable changes in such documents, to ensure compliance with any applicable ordinances or regulations.

The City shall retain all rights to inspect the completed Public Infrastructure Project for quality of work and full compliance with the City Code. Nothing in this subsection shall be interpreted as limiting the City’s rights to not accept the work if the Public Infrastructure Project is not completed to the satisfaction of the City.

Upon completion of the Public Infrastructure Project, provided that (i) such improvements are of the type ordinarily dedicated to the City; (ii) the City confirms to DEDC in writing that such

completed improvements meet City requirements; and (iii) the City accepts such Public Infrastructure Project in accordance with State law, DEDC will provide the City with either a deed or permanent easement to the improvements and related right-of-way comprising the Public Infrastructure Project, which shall thereafter be maintained by the City.

3. Public Infrastructure Costs Documentation. Upon completion of the Public Infrastructure Project, DEDC agrees to provide documentation (the “Costs Documentation”) detailing the costs (the “Public Infrastructure Costs”) incurred in the completion thereof, including invoices and such other documentation as is reasonably requested by the City, confirming that such Public Infrastructure Costs detailed in such Costs Documentation were in fact incurred in the construction of the Public Infrastructure Project and that such Public Infrastructure Costs are of an amount reasonably to have been expected with respect to such construction. DEDC will include a cover page in the form attached hereto as Exhibit C with its submittal of the Costs Documentation.

The Public Infrastructure Costs may include costs relating to land acquisition costs for the Public Infrastructure Project, designing and constructing the Public Infrastructure Project, landscaping and grading the Public Infrastructure Project, costs related to financing the Public Infrastructure Project (interest expense) and other reasonably related costs of carrying out the Public Infrastructure Project, including the Legal and Administrative Costs defined in Section A.9 of this Agreement.

4. Property Taxes. While DEDC maintains ownership of the Property, DEDC agrees to make or ensure timely payment of all property taxes as they come due with respect to the Property throughout the Term (as hereinafter defined) of this Agreement and to submit a receipt or cancelled check in evidence of each such payment.

5. 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 DEDC to complete construction of the Public Infrastructure Project pursuant to the terms and conditions of this Agreement.
- (ii) Failure by DEDC to fully and timely remit payment of property taxes when due and owing as required by this Agreement.
- (iii) Failure by DEDC to comply with Section A.3 of this Agreement.
- (iv) Failure by DEDC 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 DEDC describing the cause of the default and the steps that must be taken by DEDC in order to cure the default. DEDC shall have thirty (30) days after receipt of the notice to cure the default or to provide assurances satisfactory to the City that the default will be cured as soon as reasonably possible. If DEDC 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) Withhold the Payments provided for under Section B.2 below.
- (iii) Terminate this Agreement.

B. City's Obligations

1. Review of Costs Documentation. The City staff will review the Costs Documentation upon receipt from DEDC. If the City determines the Public Infrastructure Costs set forth in the Costs Documentation are costs reasonably incurred in the construction of the Public Infrastructure Project, the City shall record a summary of the date, amount and nature of the costs (the "Accepted Public Infrastructure Costs") on the Summary of Accepted Public Infrastructure Costs attached hereto as Exhibit D, and such summary shall be the official record of the Accepted Public Infrastructure Costs for purposes of tallying the Maximum Payment Total, as defined in Section B.2 of this Agreement.

If the City determines that the Public Infrastructure Costs set forth in the Costs Documentation are not costs reasonably incurred in the construction of the Public Infrastructure Project, the City shall notify DEDC of such determination within fifteen (15) days of such determination in order to allow an opportunity for DEDC to cure the noted deficiencies.

2. Payments. In recognition of DEDC'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 DEDC during the Term, pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that each Payment shall not exceed one-tenth (1/10) of the Maximum Payment Total (as hereinafter defined), and the aggregate, total amount (the "Maximum Payment Total") of the Payments made under this Agreement during the Term shall not exceed the lesser of (i) the Accepted Public Infrastructure Costs; or (ii) \$1,170,000. 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 unencumbered Incremental Property Tax Revenues (as hereinafter defined) received by the City from the Delaware County and Dubuque County Treasurers which are attributable to the Urban Renewal Area. Incremental Property Tax Revenues are determined by: (1) determining the consolidated property tax levy (city, county, school, etc.) then in effect with respect to taxation of the property in the Urban Renewal Area; (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 situated in the Urban Renewal Area, as shown on the property tax rolls of Delaware County and Dubuque County; and (4) deducting any property tax credits which shall be available with respect to the Property.

The Payments will be made on June 1 in each of the City's 2026 through 2035 fiscal years.

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 December 1, 2024, 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 one-tenth (1/10) of the Maximum Payment Total.

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 DEDC will have no rights whatsoever to compel the City to make such Payment, to seek damages relative thereto, or to compel the funding of such Payment in future fiscal years. A determination by the City Council to not obligate funds for any particular fiscal year’s Payments shall not render this Agreement null and void, provided however that no Payment shall be made after June 1, 2035.

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, 2026, the amount of such Payment would be determined by the Appropriated Amount determined for certification by December 1, 2024), provided, however, that no Payment shall exceed the amount of Incremental Property Tax Revenues received by the City from the Delaware and Dubuque County Treasurers attributable to the taxable valuation of the Urban Renewal Area.

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 Delaware and Dubuque County Auditors 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 DEDC’s rights to receive the Grant hereunder may be assigned by DEDC to a private lender, as security on a credit facility taken with respect to the Public Infrastructure 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. This Agreement shall become effective upon the date of the last signature below and shall terminate upon the date all obligations of the parties hereto with respect to this Agreement have been satisfied (the “Term”).

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 the laws of the State of Iowa.

The City and DEDC 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 DYERSVILLE, IOWA

By: _____
Mayor

Attest:

City Clerk

DYERSVILLE INDUSTRIES. INC.

By: _____
[Name, Title]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Certain real property bearing Delaware County Property Tax Parcel Identification Numbers 540000100160 and 210020000620, more particularly described as:

20 West Industrial Center Fourth Addition, Part of Lot C, City of Dyersville, Delaware County, Iowa;

EXHIBIT B

**TIMELINE AND SPECIFICATIONS FOR PUBLIC INFRASTRUCTURE
PROJECT**

