

**DEVELOPMENT AGREEMENT
IEDA Downtown Housing Grant
22-ARPDH-019**

This Development Agreement ("Agreement") made this day _____ of June, 2024, by and between the CITY OF DYERSVILLE, IOWA ("City") and PENN HOUSE LLC ("Developer").

WHEREAS, the City submitted a grant application to the Iowa Economic Development Authority ("IEDA") for a Downtown Housing Grant for a proposed Project located at 224 2nd Avenue NE to be completed at property owned by Developer; and

WHEREAS, the Grant application was approved for this project by IEDA and accepted by the City upon the terms and conditions set out by IEDA; and

WHEREAS, the Developer, as owner of the property, accepts the grant upon the terms and conditions set out in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the Parties agree as follows:

1. PROJECT. "Project" means the activities and other obligations to be performed or accomplished by the City and the Developer as described in this Agreement, in the Scope of Work set out herein and, in the application, submitted through IowaGrants.gov.

2. PROJECT COMPLETION PERIOD. The "Project Completion Period" commences with the Date of Award Letter from IEDA, June 14, 2022 and ends with the Project Completion Date set out in the grant, June 14, 2024.

3. COSTS TO BE REIMBURSED. The costs to be reimbursed under this agreement are those costs that are directly related to the Project, as set out in Section 261-45.2 of Iowa Administrative Code. Those costs specifically do not include expenditures for furnishings, appliances, accounting services, legal services, loan origination and other financing costs, syndication fees and related costs, developer fees, or the costs associated with selling or renting dwelling units whether incurred before or after completion of the Project.

4. PRIOR EXPENSES. No expenditures made prior to the Date of Award Letter may be included as Project Costs.

5. MAINTENANCE OF INSURANCE. The Developer shall maintain the project property in good repair and condition, ordinary wear and tear excepted, and shall not suffer or commit waste or damage upon the project property. The Developer shall pay for and maintain insurance in an amount not less than the full insurable value of the project property. The Developer shall name the City and the IEDA as mortgagees and/or an additional loss payee(s). The Developer shall provide the City with a copy of each and every insurance policy in effect.

6. SCOPE OF WORK. The Project includes upper story rehabilitation construction with more economical/smaller apartments, as more specifically described in the Grant application.

7. WORK RESPONSIBILITIES. Subject to the terms of this Agreement, Developer will be solely responsible for completing all work on the Project. Neither party will be considered an agent of the other for purposes of this Project, and each will hold harmless and indemnify the other for any damages suffered by any person or entity as a result of its own or its agents' acts or failures to act in performance of its obligations under this Agreement.

8. FINANCIAL OBLIGATION. In addition to the Grant funding, the parties agree to the following financial commitments.

The City paid \$100,000 in Tax Increment Financing funds toward the restoration of the building.

The Developer commits any expenses exceeding the Grant funds and City commitment, along with any additional amounts necessary to complete the project shall be the responsibility of the Developer.

9. ASSIGNMENT OF AGREEMENT. The Parties may not assign, transfer or convey in whole or in part this Agreement, without the consent of each Party. Consent shall not be unreasonably withheld.

10. WRITING REQUIRED. No change, modification, or termination of any of the terms, provisions or conditions of this Agreement shall be effective unless made in writing and signed by the Parties.

11. PAYMENT PROCEDURES FOR GRANT FUNDS. Payment under the Grant shall be made on a reimbursement basis. Requests for reimbursement shall be submitted at two points in the Project. The first request shall be made at the Project Mid-Point after costs directly related to the Project are equal or greater than 60% of the Grant Fund as well as the required 25% match. The final request for reimbursement shall be made within thirty (30) days of the Project Completion Date for the remaining 40% of the Grant Fund. Each request for reimbursement will include reports of the work completed, including photographs of the Project. Payments will be made to Developer within thirty (30) days of the receipt by the City of funds from the IEDA.

12. MISCELLANEOUS.

a Any publications or media releases related to the Project will contain the following. This Project is Sponsored in Part by the Iowa Economic Development Authority and the City of Dyersville.

b The City's obligation to provide funds is contingent on funds being available to the City from the IEDA under the Downtown Grant Program. Developer will hold the City harmless from any damage Developer sustains as a result of funds for the Project being unavailable through the Downtown Grant Program.

c If the City's agreement with IEDA is modified in any way, this Agreement will be similarly modified, if necessary, to comply with or carry out the obligations of the IEDA agreement. Developer will hold the City harmless from any damage Developer sustains as a result of modifications to the City's agreement with IEDA over which the City has no control.

d The City's Mayor, City Council members, and employees, and their immediate family members will not be paid for any work they perform on the Project through contracts with the Developer unless that work was contracted through a competitive bidding process.

13. ENTIRE AGREEMENT. This Agreement contains the entire understanding between the City and the Developer with respect to the Project contained herein.

IN WITNESS WHEREOF, the parties have executed this Agreement at Dyersville, Dubuque County, Iowa, the day and year first stated.

CITY OF DYERSVILLE

BY: _____
Jeff Jacque, Mayor

ATTEST: _____
Tricia L. Maiers, City Clerk

PENN HOUSE LLC

BY: _____