

RESOLUTION NO. 2025-

Resolution Approving Development Agreement with Steve Gee Construction, Inc., Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement

WHEREAS, the City of Independence, 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 2025 Pines Housing 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 (the “Urban Renewal Tax Revenue Fund”), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal of and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, the City has proposed to enter into a certain development agreement (the “Development Agreement”) with Steve Gee Construction, Inc. (the “Developer”) in connection with the construction by the Developer of public infrastructure necessary for the development of a residential subdivision in the Urban Renewal Area (the “Project”); and

WHEREAS, under the Development Agreement, the City will agree to provide financial incentives (the “Incentives”) to the Developer in the form of (i) annual appropriation incremental property tax payments (the “Payments”) in an amount not to exceed \$760,000 under the authority of Section 403.9(1) of the Code of Iowa; and (ii) an economic development forgivable loan in an amount not to exceed \$530,000; 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 May 27, 2025, and has otherwise complied with statutory requirements for the approval of the Development Agreement, and it is now necessary to make provision for the approval of the Development 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 Independence, 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 Independence and Iowa economies; and

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

Section 2. The City Council further finds that a public purpose will reasonably be accomplished by entering into the Development Agreement and providing the Incentives to the Developer as provided for therein.

Section 3. The Development Agreement is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Development Agreement on behalf of the City, in substantially the form and content in which the Agreement has been presented to this City Council. The City Manager and the Mayor 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 Development Agreement.

Section 4. The Payments by the City under the Development Agreement shall be subject to annual appropriation by the City Council, in the manner set out in the Development Agreement. As provided and required by Chapter 403 of the Code of Iowa, the Payments shall be payable solely from a subfund (the “Steve Gee Construction, Inc. Subfund”), 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:

Beginning at the SE corner of Lot 5, Hummingbird Court at the Pines, Second Addition to the City of Independence, Buchanan County, Iowa; thence along the East line of said Hummingbird Court at the Pines, Second Addition, N00°43’24”W, 45.49 feet; thence continuing along said East line N00°25’10”W, 269.98 feet to the SW corner of Lot 6, Goldfinch Court at the Pines, First Addition; thence along the southerly line of said Goldfinch Court at the Pines, First Addition, N61°11’21”E, 736.70 feet; thence N65°25’41”E, 88.35 feet to the SW corner of Lot 4, Cardinal Court at the Pines; thence along the southerly boundary of Cardinal Court at the Pines N81°16’41”E, 193.75 feet; thence N89°50’03”E, 263.16 feet to the west right-of-way line of 6th Avenue Southwest; thence along said west right-of-way line S00°09’57”E, 277.74 feet to the Northeast corner of Tract A of the Pines First Addition; thence along the northerly line of said Pines First Addition S89°50’08”W, 251.57 feet; thence S61°22’57”W, 936.33 feet to the NE corner of Lot 1 of the Pines Second Addition; thence S75°25’08”W, 41.49 feet; thence N89°59’47”W, 65.11 feet to the point of beginning. Described land contains 9.12 acres and is subject to easements and restrictions of record.

Section 5. The City hereby pledges to the payment of the Development Agreement the Steve Gee Construction, Inc. 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 Steve Gee Construction, Inc. 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 Buchanan County to evidence the continuing pledging of the Steve Gee Construction, Inc. 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.

RESOLUTION NO. 2025- was passed and approved by a majority vote of the City Council of Independence, Iowa, on the 27th day of May 2025.

Record of Voting:

Ayes:

Nays:

Absent:

RESOLUTION NO. 2025- declared passed and adopted by the Mayor on this 27th day of May 2025.

Brad Bleichner, Mayor of the City of Independence, Iowa

ATTEST:

Susi Lampe, IaCMC, IaCFO,
Assistant City Manager/City Clerk/Treasurer of the City of Independence, IA