



To: Mayor and City Council

From: Dylan Mulfinger, City Administrator

Subject: Matt Construction Development Agreement 201 9th Ave SW

Date: 9/14/2026

The mayor was recently asked about the development agreement between the city and Matt Construction. The question was if Matt Construction would see the full benefit of the agreement because the middle unit was smaller.

After reviewing the agreement, it states the following:

WHEREAS: Developer has agreed to build three townhomes on the Property, each of which to include at least three (3) bedrooms, two (2) bathrooms, and a two-car attached garage, ("Project"); and

Dylan Mulfinger conversed with Megan Matt about the topic of the plan change and how that would affect the agreement. At the time, Mulfinger was under the impression that changes made to the initial proposal would not affect the agreement. Mulfinger believed that the council would still be satisfied that anything was being built.

In April of 2026 Matt Construction sent a design for their property that showed two three-bedroom, two bathroom and two car garage homes, along with one two-bedroom, two bathroom, and one car garage. Mulfinger did not stop Matt Construction from proceeding or make note of the change in design.

Lately, following and enforcing contracts has been a hot topic with the city after the 311 E Charles came to the city council. With the new urgency for the city to act as the enforcer of any all contracts, Mulfinger has brought this discussion to the city council on the incentives for Matt Construction. With Matt Construction not following the contract, the city can pull back the incentive in its entirety. This is not recommended as the city finally has a contractor willing to build homes in Oelwein. Having a contractor has been a shortage for several years. In the last ten years, less than five homes have been built to be put on the market. While this appears black and white on paper, many variables come into play in enforcing the development agreement. Working with contractors to bring in new housing to the community is complicated and a process which requires a lot of give and take.

The city council should determine if the current building does not meet the goal of the development agreement. If the current building does not meet the goal, then the city council should direct the City Administrator to negotiate a new agreement with Matt Constuction.