



Document 2021 540

Book 2021 Page 540 Type 06 049 Pages 13

Date 2/10/2021 Time 9:56:18AM

Rec Amt \$67.00

INDX  
ANNO  
SCAN

LISA SMITH, COUNTY RECORDER  
MADISON COUNTY IOWA

CHEK

**Development Agreement**

Type of Document

**PREPARER INFORMATION:** (name, address, phone number)

City of Winterset  
124 W Court Ave  
Winterset IA 50273  
(515)462-1422

**TAXPAYER INFORMATION:** (name and mailing address)

N/A

**E ✓ RETURN DOCUMENT TO:** (name and mailing address)

City of Winterset  
124 W Court Ave  
Winterset IA 50273  
(515)462-1422

**GRANTOR:** (name)

City of Winterset

**GRANTEE:** (name)

Corkrean Development Inc,

**LEGAL DESCRIPTION:** (if applicable)

See page: 7

**Document or instrument of associated documents previously recorded:**

(if applicable)

## DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Winterset, Iowa (the "City") and Corkrean Development, Inc. (the "Developer") as of the 4th day of January, 2021 (the "Commencement Date").

WHEREAS, the City has established the Arbor Park Urban Renewal Area (Plat 4) (the "Urban Renewal Area") and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Developer owns certain property in the Urban Renewal Area, the legal description of which is set out in Exhibit A hereto (the "Property"), and the Developer has undertaken the development of a residential subdivision (the "Housing Project") on the Property, including the construction of certain public infrastructure improvements in connection therewith (the "Infrastructure Project"); and

WHEREAS, the Developer has requested that the City provide tax increment financing assistance for the Infrastructure Project; and

WHEREAS, the City Council is willing to provide tax increment financing assistance to the Developer in order to assist in paying the cost of the Infrastructure Project; and

WHEREAS, the Iowa Urban Renewal law requires that any project related to housing which receives tax increment financing assistance must also generate funds to be used to provide assistance related to housing for low and moderate income families; 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. Housing Project, Subdivision, and Infrastructure Project Construction.**

The Developer agrees to construct the Housing Project on the Property in accordance with the detailed site plan previously approved by the City Council on \_\_\_\_\_, 20\_\_ and set forth on Exhibit B hereto. Prior to beginning construction of the Housing Project, the Developer will subdivide the Property in accordance with applicable ordinances and regulations.

**2. Infrastructure Project Construction.** The Developer has caused the completion of the Infrastructure Project and has dedicated the completed improvements comprising the Infrastructure Project to the City as required by law and local regulation.

3. **Infrastructure Project Costs Documentation.** Within sixty (60) days of the Commencement Date of this Agreement, the Developer agrees to provide documentation (the "Costs Documentation") detailing the costs (the "Infrastructure Costs") incurred in the completion of the Infrastructure Project. Such Infrastructure Costs may include all infrastructure-related land acquisition costs, cost of designing and constructing the Infrastructure Project, landscaping and grading all land for the Infrastructure Project, interest expense and other costs of financing the Infrastructure Project, and other reasonably related costs of carrying out the Infrastructure Project, including legal fees as provided for in this Agreement. The Infrastructure Costs shall not include such costs as are incurred in the completion of the Housing Project.

The Costs Documentation will be accompanied by invoices, and such other documentation as is reasonably requested by the City, confirming that the Infrastructure Costs detailed in such Costs Documentation were in fact incurred in the installation of the Infrastructure Project and that such costs are of an amount reasonably to have been expected with respect to such installation. The Developer will include a cover page in the form attached hereto as Exhibit C with its submittal of the Costs Documentation.

4. **Base Valuation.** The Developer agrees that the Property consists of \_\_\_\_\_ ( ) lots (each, a "Lot") bearing the Madison County Property Tax Parcel Identification Numbers set forth on Exhibit A hereto. The Developer further agrees that the base valuation (the "Base Valuation") for purpose of calculating Incremental Property Tax Revenues, as hereinafter defined, under Section 403.19 of the Code of Iowa and this Agreement for each Lot shall be the taxable valuation of such Lot as of January 1, 2020.

5. **Developer's Certifications – Phases.** The Developer shall have the right to divide the taxable parcels comprising the Property into three (3) phases (the "Phases" and, individually, each a "Phase") for purposes of calculating and administering the Payments, as hereinafter defined. The Developer agrees to certify to the City its intent to begin the process of dividing Incremental Property Tax Revenues, as hereinafter defined, from each Phase. In any year in which the Developer wishes to designate a new Phase, the Developer shall certify to the City, on or before October 15 of that year, the Lot or Lots to be included in such Phase. The Developer hereby agrees to certify as to the first Phase by no later than October 15, 2021. The Developer hereby acknowledges that the submission of the initial Worksheet, as defined in Section A.6 of this Agreement, for any particular Phase will satisfy the requirements of this Section A.5.

6. **Property Tax Payment Certification.** The Developer agrees to certify to the City by no later than October 15 of each year, commencing no later than October 15, 2021, an amount (each, the "Developer's Estimate") equal to the estimated Incremental Property Tax Revenues, as hereinafter defined, anticipated to be paid in the fiscal year immediately following such certification with respect to the taxable valuation of each of the then-certified Phases of the Property. However, the Developer shall only have the right to include incremental valuation from a particular Phase in the Developer's Estimate for a period not in excess of ten (10) years. In submitting each such Developer's Estimate for each Phase, the Developer will complete and submit the worksheet (the "Worksheet") attached hereto as Exhibit D. A separate Worksheet must be submitted for each Phase. Each Developer's Estimate shall be divided into two figures:

(1) 37.86% shall be designated as the “LMI Amount” (see Section B.5 below); and (2) 62.14% shall be designated as the “Projected Payment Amount.” 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 relevant Phase of the Property, as shown on the property tax rolls of Madison County, above and beyond that the Base Valuation of the Lots included with each such Phase; 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(s) required under this Section A.6.

**7. Legal and Administrative Costs.** The Developer hereby agrees to cover the legal fees and administrative costs incurred by the City in connection with the drafting, negotiation and authorization of this Agreement, including the creation of the Urban Renewal Area, up to an amount not in excess of \$7,000. The Developer agrees to remit payment to the City within 30-days of the submission of reasonable documentation by the City to the Developer evidencing such costs.

**8. 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 Housing Project pursuant to the terms and conditions of this Agreement.
- II. Failure by the Developer to comply Sections A.3, A.5, A.6 and A.7 of this Agreement.
- III. 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, 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 under Section B.2 of this Agreement, such right being additional to the right of annual appropriation as set forth in Section B.3 below.

**B. City's Covenants:**

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

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

2. **Payments.** In recognition of the Developer's obligations set out above, the City agrees to make 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 (the "Maximum Payment Total") shall not exceed the lesser of (i) the Accepted Infrastructure Costs, or (ii) \$510,000. The Payments shall be funded from the incremental valuation of any given Phase for a period not in excess of ten (10) years after the certification of such Phase. 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 Madison County Treasurer attributable to the taxable valuation of the Property.

Each Payment shall be in an amount which represents the Incremental Property Tax Revenues received by the City with respect to the incremental taxable valuation of the Property resulting from the Housing Project during the twelve (12) months immediately preceding such payment date reduced by the LMI Amount as set forth in Section A.6 above and Section B.5 below.

The Payments with respect to each Phase will be made on June 1 of each fiscal year, beginning on the first June 1 for which Incremental Property Tax Revenues become available with respect each Phase, and continuing for a total of ten (10) fiscal years for each Phase, or until such earlier time as total Payments equal to the Maximum Payment Total have been made.

This Agreement assumes that new taxable valuation relative to the Housing Project will go on the property tax rolls as of January 1, 2021, and thus the first Payment would be made on

June 1, 2023 with the final Payment to be made no later than the earlier of (i) June 1, 2042; or (ii) the date on which the total Payments remitted equal the Maximum Payment Total.

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, beginning in the City's 2021-2022 fiscal year, 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 Projected Payment Amount.

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 Payment 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 under this Agreement after June 1, 2042.

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, 2023, the amount of such Payment would be determined by the Appropriated Amount determined for certification by December 1, 2021), provided, however, that no Payment shall exceed the amount of Incremental Property Tax Revenues received by the City from the Madison County Treasurer attributable to the taxable valuation of the Property minus the then-effective LMI Amount.

5. **Low and Moderate Income Set Aside.** On each Payment date, the City shall retain from then-accumulated Incremental Property Tax Revenues received with respect to the Property an amount equal to such accumulated Incremental Property Tax Revenues multiplied by the minimum percentage required by Section 403.22 of the Code of Iowa. As of the date of this Agreement, the applicable minimum percentage is 37.86%.

The funds retained shall be used by the City in the provision of assistance to low and moderate income families, pursuant to Section 403.22 of the Code of Iowa. The Developer may apply to the City for all or a portion of the funds set aside for assistance to low and moderate income families, provided the Developer can document to the satisfaction of the City that housing units which are located on the Property are occupied or reserved to be occupied by families which meet the required income limits of state law. The City reserves the right to allocate funds retained under this Section B.5 in any lawful manner of its choosing.

6. **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 Madison County Auditor (for purposes of Section 403.19 of the Code of Iowa) an amount equal to the

most recently obligated Appropriated Amount for the funding of the Payment, plus the corresponding LMI Amount due in the next succeeding fiscal year.

**C. Administrative Provisions:**

1. **Assignment.** Neither party shall have the right to cause the 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 in connection with the Housing Project and/or the 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.** The term (the "Term") of this Agreement shall commence on the Commencement Date and end on the date on which the last Payment is made by the City to the Developer under Section B.2 above.

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 WINTERSET, IOWA

By:   
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk

CORKREAN DEVELOPMENT, INC.

By:   
\_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTION OF PROPERTY**

A PART OF LOT 14, C & C ALLEN'S ADDITION, AN OFFICIAL PLAT IN THE CITY OF WINTERSET, MADISON COUNTY, IOWA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF ARBOR PARK PLAT 3, AN OFFICIAL PLAT IN SAID CITY OF WINTERSET; THENCE SOUTH 0°43'49" EAST ALONG THE WESTERLY LINE OF SAID ARBOR PARK PLAT 3, A DISTANCE OF 245.76 FEET TO THE NORTHEAST CORNER OF LOT 10, ARBOR PARK PLAT NO. 1, AN OFFICIAL PLAT IN SAID CITY OF WINTERSET; THENCE NORTH 89°20'50" WEST ALONG THE NORTHERLY LINE OF SAID ARBOR PARK PLAT NO. 1, A DISTANCE OF 320.60 FEET; THENCE SOUTH 0°09'55" WEST CONTINUING ALONG SAID NORTHERLY LINE, 130.00 FEET; THENCE NORTH 89°21'07" WEST CONTINUING ALONG SAID NORTHERLY LINE, 66.00 FEET; THENCE NORTH 0°09'55" EAST CONTINUING ALONG SAID NORTHERLY LINE, 80.00 FEET; THENCE NORTH 89°21'07" WEST CONTINUING ALONG SAID NORTHERLY LINE, 130.00 FEET TO THE NORTHWEST CORNER OF LOT 14, SAID ARBOR PARK PLAT NO. 1, SAID POINT ALSO BEING ON THE WESTERLY LINE OF SAID LOT 14, C & C ALLEN'S ADDITION; THENCE NORTH 0°12'21" EAST ALONG SAID WESTERLY LINE, 400.00 FEET; THENCE SOUTH 89°21'07" EAST, 129.72 FEET; THENCE NORTH 0°09'55" EAST, 29.33 FEET; THENCE SOUTH 89°50'05" EAST, 66.00 FEET; THENCE SOUTH 89°47'27" EAST, 419.32 FEET TO THE WESTERLY LINE OF PARCEL 'G' OF LOT 14, C & C ALLEN'S ADDITION AS SHOWN ON THE PLAT OF SURVEY RECORDED IN BOOK 2, PAGE 389; THENCE SOUTH 0°14'14" WEST ALONG SAID WESTERLY LINE, 120.49 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL 'G', SAID POINT ALSO BEING ON THE NORTHERLY LINE OF SAID ARBOR PARK PLAT 3; THENCE SOUTH 81°14'42" WEST ALONG SAID NORTHERLY LINE, 103.67 FEET TO THE POINT OF BEGINNING AND CONTAINING 5.05 ACRES (219,944 SQUARE FEET).

PROPERTY IS SUBJECT TO ANY AND ALL EASEMENTS OF RECORD.

The Property described above in this Exhibit A is comprised of \_\_\_ Lots, such Lots bearing the following Madison County Property Tax Parcel Identification Numbers:

**[Insert Property Tax Parcel Identification Numbers]**



**EXHIBIT B**  
**SITE PLAN FOR HOUSING PROJECT**

**EXHIBIT C**  
**FORM OF COVER PAGE FOR INFRASTRUCTURE PROJECT COSTS**  
**DOCUMENTATION**

Date submitted: 1/29/21

Submitted by: Peter Corkrean

Contact information: 515-988-9613

Index of Invoices/Statements Attached to substantive request:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*See Attached*  
\_\_\_\_\_  
*Doc*  
\_\_\_\_\_  
\_\_\_\_\_

I, the undersigned hereby certify that the costs shown on the documents referred in the index above are legitimate costs reasonably incurred in the undertaking of the Infrastructure Project.

CORKREAN DEVELOPMENT, INC.

By: *Peter Corkrean*  
Title: owner

Reviewed and accepted by the City of Nevada, Iowa this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
City Administrator

**EXHIBIT D**  
**DEVELOPER'S ESTIMATE WORKSHEET**  
**COMPLETE ONE FOR EACH OPERATIVE PHASE**  
**PHASE \_\_\_\_**

- **Contains the following described taxable parcels:**

---



---



---



---



---

(1) Date of Preparation: October \_\_\_\_, 20\_\_.

(2) Assessed Taxable Valuation of Property as of January 1, 20\_\_:

\$ \_\_\_\_\_.

(3) Base Taxable Valuation of Property (determined as of January 1, 2020):

\$ \_\_\_\_\_.

(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 "TIF Estimate")

(7) Developer's Estimate = \$ \_\_\_\_\_ (TIF Estimate)

x .3786 = \$ \_\_\_\_\_ (Estimated LMI Amount)

x .6214 = \$ \_\_\_\_\_ (Projected Payment Amount)

**EXHIBIT E**  
**SUMMARY OF ACCEPTED INFRASTRUCTURE COSTS**

Date of Cost	Amount of Cost	Nature of Cost	Date Accepted by City

Arbor Park Plat 4  
Infrastructure Expenses

Company	Amount	Total
Sandstone Management	\$262,512.49	
	\$19,606.43	
	\$15,209.50	
	\$6,861.61	
		\$304,190.03
Sternquist Paving	\$119,740.50	
		\$119,740.50
Civil Design Advantage	\$2,858.00	
	\$5,651.00	
	\$7,257.93	
		\$15,766.93
MidAmerican Energy	\$25,182.52	
		\$25,182.52
Farmers & Merchants (Interest)	\$30,000	
		\$30,000
Team Services	\$2,693.48	
		\$2,693.48
General Contracting	\$15,000	
		\$15,000
Misc. (Legal/Recording/ Abstracting)	\$3,004.06	
		\$3,004.06
Seeding	\$1,050	
		\$1,050
<b>Total</b>		<b>\$516,627.52</b>