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PATRICK F GILL, AUDITOR AND RECORDER
WOODBURY COUNTY IOWA

Prepared by: Renae Billings, P.O. Box 447, Sioux City, Iowa 51102 Telephone No. (712) 279-6159
After recording return to: City of Sioux City, Iowa, P.O. Box 447, Sioux City, Iowa 51102

DEVELOPMENT AGREEMENT

LEGAL DESCRIPTION: EXHIBIT A

GRANTOR: A.D., LLC

GRANTEE: CITY OF SIOUX CITY, IOWA

STATE OF IOWA

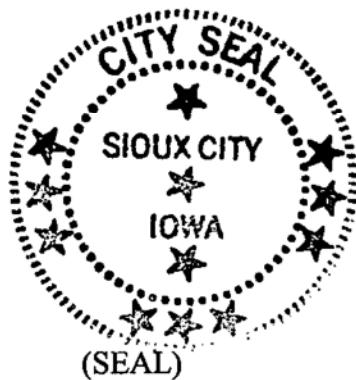
Woodbury County


CITY OF SIOUX CITY

Office of the City Clerk

I, Lisa L. McCardle, City Clerk of the City of Sioux City and City Clerk of the City Council thereof, and as such, having charge of and in my possession all the records and documents pertaining to said office now remaining therein, do hereby certify that it appears from such records that the foregoing is a true and correct copy of Resolution 2013-0962 adopted by the City Council of the City on the 23rd day of December, 2013 upon the call of ayes and nays thereof duly had and recorded.

Dated at Sioux City, Iowa this 3rd day of January, 2014.





LISA L. MCCARDLE
CITY CLERK

RESOLUTION NO. 2013 - 0962
with attachments

**RESOLUTION AUTHORIZING AND APPROVING A DEVELOPMENT
AGREEMENT AND ASSESSMENT AGREEMENT WITH A.D., LLC FOR
PROPERTY LOCATED AT 2401 18TH STREET**

WHEREAS, A.D., LLC proposes to expand its Sioux City operation by constructing a new facility, creating capital investment and retaining jobs; and

WHEREAS, A.D., LLC has purchased real estate and proposed the construction of a new office and warehouse facility on property located at 2401 18th Street which will immediately create additional tax base; and


WHEREAS, it is in the City's interest to provide tax incentives to promote new investment as well as the retention of jobs in the community; and


WHEREAS, a Development Agreement and Assessment Agreement between A.D., LLC and the City of Sioux City, Iowa, a copy of which is attached hereto and by this reference incorporated herein, sets forth the responsibilities and obligations of the parties for the development of the property located at the 2401 18th Street, which Development Agreement and Assessment Agreement should be approved as to form and content.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SIOUX CITY, that the Development Agreement and Assessment Agreement between A.D., LLC and the City of Sioux City, Iowa, for the development of the property located at 2401 18th Street, as referred to in the preamble hereof, be and the same are hereby approved as to form and content.

BE IT FURTHER RESOLVED that the Mayor and City Clerk be and they are hereby authorized and directed to execute said Development Agreement and Assessment Agreement and all attachments thereto for and on behalf of the City of Sioux City, Iowa.

PASSED AND APPROVED: December 23, 2013

ATTEST: 
Lisa L. McCardle, City Clerk


Robert E. Scott, Mayor

DEVELOPMENT AGREEMENT

A.D., LLC

THIS AGREEMENT made on DECEMBER 23RD, 2013, by and between, the City of Sioux City, Iowa, an Iowa municipal corporation, (hereinafter referred to as "City") and A.D., LLC (hereinafter referred to as "Developer").

WITNESSETH

WHEREAS, Developer owns real estate located at 2401 18th Street in Sioux City, Iowa, as legally described in Exhibit "A", and proposes to construct a new facility on said Exhibit "A" to be used initially as an office and warehouse facility; and

WHEREAS, in conjunction with such development, the City and Developer have undertaken, or will undertake, a program of improvements at substantial cost to the City and at a substantial benefit to the Developer; and

WHEREAS, the Developer desires to construct said facility and the City desires to provide assistance to this mutually beneficial construction project; and

WHEREAS, the Exhibit "A" property is located within and will benefit from the Combined Floyd River Urban Renewal Area; and

WHEREAS, the parties desire to establish between themselves their various obligations, duties and responsibilities.

NOW, THEREFORE, in consideration of the promises and mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

I. RESPONSIBILITIES OF THE DEVELOPER

- A. Developer agrees to construct a new 15,000 square foot facility on land located on 18th Street in Sioux City, Iowa which is legally described in Exhibit "A". The new facility to be constructed will initially be utilized by developer as an office and warehouse facility.
- B. Developer shall comply with the applicable laws of the State of Iowa and the City of Sioux City in the construction of any improvements on the property.
- C. Developer shall comply with all Federal laws and Regulations and shall be in compliance at all times with all regulations, rules, and any direction or recommendation from the United States Army Corps of Engineers before any disbursements, reimbursements, or tax rebate payments are paid by City.
- D. Developer shall install a 100 foot 72" concrete culvert to serve the site.
- E. Developer shall enter into an assessment agreement in the form attached hereto as Exhibit "B" which shall establish as the minimum value for real estate tax assessment purposes upon the property effective January 1, 2015, and continuing in effect 10 years thereafter, as follows:

1. Minimum Assessed Valuation: \$400,000.

II. RESPONSIBILITIES OF THE CITY

- A. City will make semi-annual grants (rebate payments) to the Developer equal to \$6,000 of the amount of the tax payments made by Developer for a 5-year period. Said grants shall be made on or before October 31 and April 30 of each year throughout the 10-year term of the minimum assessment agreement attached hereto as Exhibit "B".

The City's responsibilities under this Agreement shall be conditioned upon the Developer's compliance with all requirements under this agreement including the requirements set out in Section I. In addition, no semi-annual grant shall be required to be made by the City to the Developer without timely payment of semi-annual property taxes by the Developer for the most recent period due.

Assuming completion by December 31, 2014, and a Minimum Actual Value pursuant to the Assessment Agreement of at least \$400,000 as of January 1, 2015, the Tax Rebate Grants shall commence on June 1, 2016, and end on June 1, 2020 when the maximum amount of \$60,000 has been met. The Tax Rebate Grants shall commence and be in effect for the fiscal year during which the completion of the development occurs and the property has been fully assessed. Payments shall be made on a reimbursement basis to the Developer upon proof of payment of real estate taxes based upon the minimum valuation set forth above.

The Tax Rebate Grants shall be pursuant to Section 403.19 of the Urban Renewal Act under the chart which is set out for illustration purposes:

Estimated Payment Date	Calculation	Fiscal Year of collection of Tax Increment
• June 1, 2016	• \$12,000 grant in the form of a reimbursement rebate	• for Fiscal Year 2015-16
• June 1, 2017	• \$12,000 grant in the form of a reimbursement rebate	• for Fiscal Year 2016-17
• June 1, 2018	• \$12,000 grant in the form of a reimbursement rebate	• for Fiscal Year 2017-18
• June 1, 2019	• \$12,000 grant in the form of a reimbursement rebate	• for Fiscal Year 2018-19
• June 1, 2020	• \$12,000 grant in the form of a reimbursement rebate	• for Fiscal Year 2019-20

III. GENERAL PROVISIONS

- A. This agreement shall be binding on the parties and their successors and assigns.
- B. This agreement shall be interpreted according to the laws of the State of Iowa.

- C. Any notice, demand, or communication under this Agreement by either party to the other shall be sufficiently given if it is dispatched by regular mail, postage prepaid, or delivered personally as follows:


Developer, to: Casey Fenton
A.D., LLC
P.O. Box 2669
Sioux City, IA 51106

City, to: City Manager
City of Sioux City
P.O. Box 447
Sioux City, Iowa 51102

IN WITNESS WHEREOF, the City of Sioux City, Iowa and A.D., LLC have caused this Agreement to be duly executed as of the date and year first above written.

CITY OF SIOUX CITY


A.D., LLC



Robert E. Scott, Mayor



Casey Fenton, Owner/President

Attest: 


Lisa McCardle, City Clerk



STATE OF IOWA)
):SS
COUNTY OF WOODBURY)

BE IT REMEMBERED, on this 23RD day of DECEMBER, 2013, before me the undersigned, a Notary Public in and for Woodbury County, personally appeared Robert E. Scott and Lisa McCardle, to me personally known, who, being by me duly sworn, did say that they are Mayor and City Clerk, respectively, of the City of Sioux City, Iowa; that the seal affixed hereto is the seal of the City of Sioux City, Iowa; that the said instrument was signed and sealed on behalf of said City of Sioux City, Iowa, and that the said Mayor and City Clerk acknowledged the execution of said instrument to be the voluntary act and deed of said City of Sioux City, Iowa, by it and by them voluntarily executed.

(SEAL)  **SUSAN BARNES**
Commission Number 774988
My Comm. Exp. 09/29/15

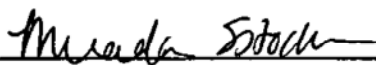


Notary Public in and for Said County and State

STATE OF IOWA)
):SS
COUNTY OF WOODBURY)

On this 5 day of December, 2013, before me, the undersigned, a Notary Public in and for the said State, personally appeared Casey Fenton, to me personally known, who being by me duly (sworn or affirmed) did say that he is the Owner/President of A.D., LLC, an Iowa Corporation, that no seal has been procured by A.D., LLC by the authority of its Members and the said Owner/President acknowledged the execution of said instrument to be the voluntary act and deed of A.D., LLC.





Notary Public in and for said County and State

EXHIBIT "A"

Legal Description:

All that part of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 22, Township 89 North, Range 47 West of the Fifth Principal Meridian, Sioux City, Woodbury County, Iowa described as follows:

Commencing at the Southwest corner of said Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 22; thence South $89^{\circ}12'01''$ East along the South line of said Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ for 845.00 feet; thence North $0^{\circ}22'15''$ East for 60.00 feet to the North line of 18th Street and the point of beginning; thence continuing North $0^{\circ}22'15''$ East along the East line of the Floyd River Channel for 30.00 feet; thence North $83^{\circ}49'20''$ West along said East line for 215.00 feet; thence North $0^{\circ}47'50''$ East along said East line for 119.81 feet; thence North $36^{\circ}58'20''$ East along said East line for 474.38 feet; thence South $89^{\circ}12'01''$ East for 68.85 feet; thence South $0^{\circ}47'59''$ West for 552.90 feet to the North line of said 18th Street; thence North $89^{\circ}12'01''$ West along said North line for 134.55 feet to the point of beginning.

Said described parcel contains 3.000 acres, more or less.

Commonly Known As: 2401 18th Street

EXHIBIT "B"

ASSESSMENT AGREEMENT

THIS AGREEMENT made on DECEMBER 23RD, 2013, by and between the City of Sioux City, Iowa, an Iowa municipal corporation, vested with urban renewal powers pursuant to Chapter 403, Code of Iowa, (hereinafter referred to as "City") and A.D., LLC (hereinafter referred to as "Developer").

WHEREAS, Developer is the owner of the real estate in Sioux City, Woodbury County, Iowa, as described in the attached Attachment "1"; and

WHEREAS, City and Developer have undertaken construction of improvements on or in conjunction with said real estate; and

WHEREAS, City and Developer have heretofore entered into a development agreement concerning such construction of improvements; and

WHEREAS, pursuant to Subsection 403.6(19), Code of Iowa, (copy attached and marked Attachment "1") the City and Developer desire to enter into a written agreement establishing the minimum actual value of land and improvements located upon the land.

NOW, THEREFORE, in consideration of the promises and mutual obligations of the parties, hereto, each of them does hereby covenant and agree with the other as follows:

1. For the purpose of tax increment financing to be utilized by City in the performance of its responsibilities under the development agreement, Developer agrees that the minimum actual value of the real estate and improvements shall be as follows:


Land and Improvements: \$400,000

2. Such minimum actual values shall be for the tax year commencing with the January 1, 2015, valuation and continuing for 10 years thereafter. Although Developer may appeal or protest any valuation in excess of said minimum actual values, Developer shall not, through protest, appeal or any other method seek to reduce the actual value of the real estate and improvements for tax purposes below the aforesaid minimum actual value.
3. Other than tax abatements and rebates specifically provided for in the development agreement, Developer agrees it shall not seek, nor shall the City grant, tax abatement during the term set forth in paragraph number two above.
4. In the event the manner of valuing properties for real estate tax purposes should change from the method existing at the time of the execution of this Agreement so as to reduce the tax increment realized by the City, Developer agrees to increase the minimum actual value of the land and improvements so that the tax increment received by the city is the same under the revised method of property valuation as it is under the present manner of valuing properties for real estate tax purposes.
5. This Agreement shall be binding on the parties, their successors and assigns.
6. This Agreement shall be interpreted according to the laws of the State of Iowa.

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be duly executed as of the day first above written.

Attest:

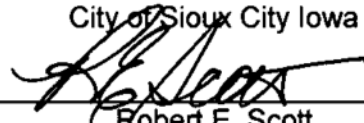
By:



Lisa L. McCardle
City Clerk

By:

City of Sioux City Iowa

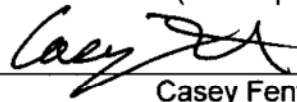


Robert E. Scott
Mayor



A.D., LLC
(Developer)

By:



Casey Fenton


Title:

Owner/President

STATE OF IOWA)
):SS
COUNTY OF WOODBURY)

BE IT REMEMBERED, on this 23RD day of DECEMBER, 2013, before me the undersigned, a Notary Public in and for Woodbury County, personally appeared Robert E. Scott and Lisa McCardle, to me personally known, who, being by me duly sworn, did say that they are Mayor and City Clerk, respectively, of the City of Sioux City, Iowa; that the seal affixed hereto is the seal of the City of Sioux City, Iowa; that the said instrument was signed and sealed on behalf of said City of Sioux City, Iowa, and that the said Mayor and City Clerk acknowledged the execution of said instrument to be the voluntary act and deed of said City of Sioux City, Iowa, by it and by them voluntarily executed.

(SEAL)  **SUSAN BARNES**
Commission Number 774988
My Comm. Exp. 09/25/15



Notary Public in and for Said County and State

STATE OF IOWA)
):SS
COUNTY OF WOODBURY)

On this 5 day of December, 2013, before me, the undersigned, a Notary Public in and for the said State, personally appeared Casey Fenton, to me personally known, who being by me duly (sworn or affirmed) did say that he is the Owner/President of A.D., LLC, an Iowa Corporation, that no seal has been procured by A.D., LLC by the authority of its Members and the said Owner/President acknowledged the execution of said instrument to be the voluntary act and deed of A.D., LLC, by it voluntarily executed.






Notary Public in and for said County and State

ASSESSOR'S CERTIFICATE

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be made upon it, certified that the actual value assigned to the land and improvements upon completion shall not be less than \$400,000 as of January 1, 2015.



CITY ASSESSOR
Date: 1-1-2014

Attachment "1"

AN ATTACHMENT TO THE ASSESSMENT AGREEMENT

LEGAL DESCRIPTION OF PROPERTY
SUBJECT TO ASSESSMENT AGREEMENT

Legal Description:

All that part of the Northwest ¼ of the Southeast ¼ of Section 22, Township 89 North, Range 47 West of the Fifth Principal Meridian, Sioux City, Woodbury County, Iowa described as follows:

Commencing at the Southwest corner of said Northwest ¼ of the Southeast ¼ of said Section 22; thence South 89°12'01" East along the South line of said Northwest ¼ of the Southeast ¼ for 845.00 feet; thence North 0°22'15" East for 60.00 feet to the North line of 18th Street and the point of beginning; thence continuing North 0°22'15" East along the East line of the Floyd River Channel for 30.00 feet; thence North 83°49'20" West along said East line for 215.00 feet; thence North 0°47'50" East along said East line for 119.81 feet; thence North 36°58'20" East along said East line for 474.38 feet; thence South 89°12'01" East for 68.85 feet; thence South 0°47'59" West for 552.90 feet to the North line of said 18th Street; thence North 89°12'01" West along said North line for 134.55 feet to the point of beginning.

Said described parcel contains 3.000 acres, more or less.

Commonly Known As: 2401 18th Street

Attachment "2"

AN ATTACHMENT TO ASSESSMENT AGREEMENT

IOWA CODE SUBSECTION 403.6(19)

(2011 Code of Iowa)

403.6 Powers of municipality.

The provisions of this chapter shall be liberally interpreted to achieve the purposes of this chapter. Every municipality shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter, including the following powers in addition to others herein granted:

19. a. A municipality, upon entering into a development or redevelopment agreement pursuant to section 403.8, subsection 1, or as otherwise permitted in this chapter, may enter into a written assessment agreement with the developer of taxable property in the urban renewal area which establishes a minimum actual value of the land and completed improvements to be made on the land until a specified termination date which shall not be later than the date after which the tax increment will no longer be remitted to the municipality pursuant to section 403.19, subsection 2. The assessment agreement shall be presented to the appropriate assessor. The assessor shall review the plans and specifications for the improvements to be made and if the minimum actual value contained in the assessment agreement appears to be reasonable, the assessor shall execute the following certification upon the agreement:

The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be made on it, certifies that the actual value assigned to that land and improvements upon completion shall not be less than...

b. This assessment agreement with the certification of the assessor and a copy of this subsection shall be filed in the office of the county recorder of the county where the property is located. Upon completion of the improvements, the assessor shall value the property as required by law, except that the actual value shall not be less than the minimum actual value contained in the assessment agreement. This subsection does not prohibit the assessor from assigning a higher actual value to the property or prohibit the owner from seeking administrative or legal remedies to reduce the actual value assigned except that the actual value shall not be reduced below the minimum actual value contained in the assessment agreement. An assessor, county auditor, board of review, director of revenue, or court of this state shall not reduce or order the reduction of the actual value below the minimum actual value in the agreement during the term of the agreement regardless of the actual value which may result from the incomplete construction of improvements, destruction or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording of an assessment agreement complying with this subsection constitutes notice of the assessment agreement to a subsequent purchaser or encumbrancer of the land or any part of it, whether voluntary or involuntary, and is binding upon a subsequent purchaser or encumbrancer. The provisions of this chapter shall be liberally interpreted to achieve the purposes of this chapter.