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Instr. Number: 2025 14
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County Recording Fee: \$42.00
Iowa E-Filing Fee: \$3.78
Combined Fee: \$45.78
Revenue Tax: \$0.00
Melissa Bahnsen Recorder
Cedar County, Iowa

RESOLUTION NO. 2024-116
Recorder's Cover Sheet

Legal Description: Lot 1, Pedersen Valley, Part One, West Branch, Iowa

Send tax statements and return to: City of West Branch, 110 N. Poplar Street, West Branch,
Iowa 52358

Grantor: City of West Branch, Iowa

Grantee: KBH Holdings, LLC

Preparer Information:

Kevin D. Olson, West Branch City Attorney
1400 5th Street
Coralville, Iowa 52241
(319)351-2277

Return Document To:

City of West Branch
110 N. Poplar Street
West Branch, Iowa 52358

Prepared by: Kevin D. Olson, West Branch City Attorney, PO Box 5640, Coralville, Iowa 52241 (319)351-2277
Return to: City of West Branch, Iowa, 110 N. Poplar Street, West Branch, Iowa 52358.

RESOLUTION 2024-116

RESOLUTION APPROVING A DEVELOPER'S AGREEMENT WITH KBH HOLDINGS, LLC, INCLUDING TAX INCREMENT REBATE PAYMENTS.

WHEREAS, KBH Holdings, LLC (the "Developer") has agreed to construct a dental office on Lot 1, Pedersen Valley, Part One, West Branch, Iowa (the "Project"); and

WHEREAS, the City has agreed to grant tax increment payments to the Developer as an incentive to construct the Project; and

WHEREAS, to that end, the City Attorney has drafted a Developer's Agreement which states that the Developer is eligible for not-to-exceed \$101,000 in tax increment rebate payments over a 10-year period; and

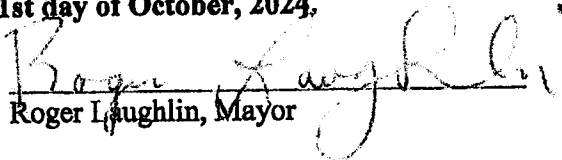
WHEREAS, it is now necessary to approve said Developer's Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of West Branch, Iowa, that this Council hereby finds:

1. That the use of tax increment rebate payments pursuant to Chapters 15A and 403 of the Code of Iowa will generate new opportunities for the state and local economies.
2. That the funds dispensed pursuant to this Agreement will generate appropriate public gains and benefits that are warranted in comparison to the funds dispensed.

BE IT FUTHER RESOLVED, that the aforementioned Agreement be and the same is hereby approved. Further, the Mayor and City Clerk are hereby directed to execute this Agreement on behalf of the City.

Passed and approved this 21st day of October, 2024.


Roger Laughlin, Mayor

ATTEST:



Leslie Brick, City Clerk

Prepared by: Kevin D. Olson, West Branch City Attorney, PO Box 5640, Coralville, Iowa 52241 (319) 351-2277
Return to: City Clerk, City of West Branch, Iowa, 110 N. Polar Street, West Branch, Iowa 52358

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") entered into by and between the City of West Branch, Iowa, 110 N. Poplar Street, West Branch, Iowa 52358, hereafter referred to as "City"; and KBH Holdings, LLC, 1593 Baker Avenue, West Branch, Iowa 52358, hereafter referred to as "Developer."

WHEREAS, the Developer is the owner of that certain real property legally described as:

Lot 1, Pedersen Valley, Part One, West Branch, Cedar County, Iowa, according to the recorded plat thereof in Book 418 at Page 74, Records of the Cedar County Recorder

(the "Development Property"); and

WHEREAS, the Developer desires to develop the Development Property a dental office on the Development Property (the "Development Project"); and

WHEREAS, the Development Property is located within the West Branch Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, the Developer is willing to construct the Development Property on the Development Property in accordance with the requirements outlined in this Development Agreement.

NOW, THEREFORE, ON THE BASIS OF THE PRECEDING RECITALS, AND FOR THE MUTUAL CONSIDERATION OF ENTERING INTO THIS AGREEMENT, THE DEVELOPER AND CITY AGREE AS FOLLOWS:

A. Developer's Obligations.

1. The Developer shall construct the Development Project on the Development Property and shall have received an occupancy permit for said Development Project by the City no later than eighteen (18) months from the date of this Agreement.

2. The Developer, shall operate the Development Project on the Development Property as a dental office for a period of ten (10) years following the issuance of an occupancy permit for the Development Project. In the event that there is a dispute as to whether the Development Project is being operated as a dental office, the City's sole opinion shall be the final arbiter of that question.

3. The Developer shall pay, when due, all real estate taxes levied against the Development Property to the Cedar County Treasurer. Prior to receiving any economic development tax increment payments, the Developer shall provide receipts to the City evidencing payment of said real estate taxes. Failure to pay property taxes for any year shall constitute a breach of this Agreement by the Developer.

B. City's obligations.

1. In recognition of the Developer's obligations set out above, the City agrees to maintain the tax increment ordinances in effect and to make economic development tax increment payments (the "Payments") to the Developer in each fiscal year during the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa. Said annual Payments shall be equal to twenty-five percent (25%) of the incremental tax revenues received by the City from the Development Property by the Cedar County Treasurer. Said payments shall continue for the lesser of ten (10) years or when the total aggregate Payments of the incremental tax revenues to the Developer under this Agreement equals \$101,000.00.

2. The Payments shall be made on June 1st and December 1st (the "Payment Date") of each fiscal year. The Developer expressly agrees that no Payment will be made to the Developer if the Developer is not in compliance with this Agreement.

3. The Payments to the Developer contemplated under this Agreement will be for ten (10) fiscal years (a total of 20 payments), the first Payment being made on the first tax payment based upon the assessment for the completed Development Project. (By way of example, if the Project receives an occupancy permit on December 15, 2025, the first Payment contemplated under this Agreement will be based upon the January 1, 2027 tax assessment made by the Cedar County Assessor, and the first Payment would be made December 1, 2027 because taxes payable on January 1, 2026 assessment are delinquent as of October 1 and April 1 of 2027 and 2028.) However, if the aggregate Payments under this Agreement total \$101,000, then this

Agreement will cease and no other Payments shall be made to the Developer. Likewise, if the aggregate amount of Payments made to the Developer after ten (10) fiscal years does not equal \$101,000, the Agreement will end and the Developer has no recourse to collect any more incremental tax revenues under this Agreement.

4. The Payments contemplated under this Agreement shall not constitute general obligations of the City, but shall be made solely and only from incremental property taxes received by the City from the Cedar County Treasurer, which are attributable to the Development Property.

5. Each Payment contemplated under this Agreement shall be subject to the annual appropriation of the City Council. Prior to December 1 of each year during the term of this Agreement, the City Council of the City shall consider the question of obligating for appropriation to the funding of the Payments due in the following fiscal year 100% of the amount of incremental tax increment revenues to be collected in the following fiscal year. (the "Appropriated Amount"). The Developer expressly agrees that in no event shall the Appropriated Amount, when added to the previous Payments, exceed the \$101,000.00.

The City agrees to certify pursuant to Section 403.19 of the Iowa Code by December 1st of each year during the term of this Agreement to the Cedar County Auditor an amount equal to the most recent Appropriated Amount. The City will give notice to the Developer of the amount certified pursuant to Section 403.19 of the Code on or before December 1st of each year, for the fiscal year beginning the following July 1st. If the City fails to certify an amount to be collected pursuant to said Section 403.19 of the Code for the obligations contemplated under this Agreement, then an event of non-appropriation shall have occurred, as discussed herein. If an event of non-appropriation occurs, the City's obligation to pay pursuant to this Agreement for the fiscal year in question shall cease, and the Developer expressly acknowledges that is has no recourse against the City for said non-appropriation. Future Payments, if any, contemplated under this Agreement shall be subject to future appropriation by the City, all of which shall be contemplated pursuant to said Section 403.19 and certified each December 1st for the fiscal year beginning the following July 1st.

6. In the event that the City makes improvements to Main Street in the future and disturbs the stormwater detention facility constructed by the Developer on the Development Property or such improvements render said stormwater detention facility unnecessary, the City, upon being granted an easement, at no cost to the City, to enter onto the Development Property by Developer, shall enter onto the Development Property and make any storm water and street improvements on the Development Property at no cost to the Developer which shall include removal and filling in of Developer's existing stormwater detention facility.

C. Administrative Provisions.

1. Each party represents to the other that the party has full power and authority to enter into this Agreement and that this Agreement is a binding Agreement duly authorized by the governing body of each party.

2. This Agreement represents the entire agreement between the parties and may not be amended or assigned without the express permission of the other party. However, by execution of this Agreement, the City hereby authorizes the Developer to assign the rights to receive the Payments to a private lender, as security, without further action of the City Council and the receipt of a written assignment to receive the Payments from the Developer.

3. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

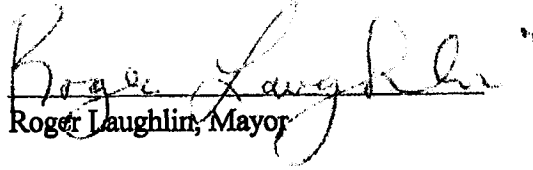
4. This Agreement shall be deemed to be a contract made under the laws of the State of Iowa, and for all purposes shall be governed by and construed in accordance with the laws of the State of Iowa.

5. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

6. That this Agreement may be executed in counterparts.

(Signature pages to follow)

SIGNATURE PAGE OF CITY OF WEST BRANCH, IOWA.

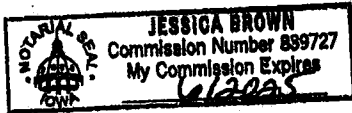

Roger Laughlin, Mayor

ATTEST:


Leslie Brick, City Clerk

STATE OF IOWA, CEDAR COUNTY, ss:

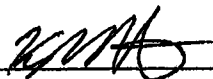
This instrument was acknowledged before me on this 31 day of December, 2024, by Roger Laughlin and Leslie Brick as Mayor and City Clerk respectively of the City of West Branch, Iowa.




Notary public

SIGNATURE PAGE OF DEVELOPER:

KBH Holdings, L.L.C.

By:  10/20/2024

Kyle C. Haganman, Manager

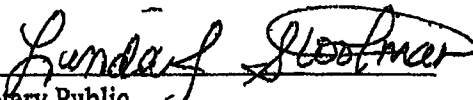
Print name and title

Kyle Haganman, Manager

STATE OF IOWA, COUNTY OF JOHNSON _:

On this 20th day of October, 2024, this document was executed by Kyle C. Haganman, as Manager of KBH Holdings, LLC.




Notary Public