

RESOLUTION NO. 2024-17

Resolution Authorizing Commercial Construction Incentive Agreements

WHEREAS, the City of Eagle Grove, Iowa (the “City”), has previously established the Eagle Grove Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, a certain Commercial Construction Incentive grant agreement (the “Agreement”) between the City and Eagle Grove Community Development Corporation (the “Developer”) has been prepared pursuant to which the Developer would construct single-family residential properties on certain slum and blight real property situated in the Urban Renewal Area (the “Project”); and

WHEREAS, the two Commercial Construction Incentive Agreements, under current consideration and affixed hereto, shall be 710 NW 2nd Street (formally 219 N. Garfield) and 611 N. Lincoln; and

WHEREAS, under the Agreement, the City would provide a commercial construction incentive grant (the “Grant”) to the Developer in a total amount not exceeding \$240,000 in order to pay a portion of the costs of the Project; 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, 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 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 Eagle Grove, 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 Eagle Grove and Iowa economies;
- (b) The Project will generate public gains and benefits, particularly in the creation of new jobs and income, which are warranted in comparison to the amount of the proposed Grant.

Section 2. The City Council further finds that a public purpose will reasonably be accomplished by entering into the Agreement and funding the Grant to the Developer.

Section 3. The Grant in an amount not to exceed \$240,000 is hereby approved, subject to the terms and conditions set out in the Agreement to be entered into by the Developer and the City. The City Administrator, with advice from bond counsel to the City, is hereby authorized and directed to prepare any additional documentation and to make such changes to the Agreement as are deemed necessary to carry out the purposes of this Resolution. The Mayor and the City Clerk are hereby authorized to execute such documents as may be necessary to implement the Grant approved herein, including the Agreement, in substantially the form as has been presented to this City Council.

Section 4. The grant shall be dispersed in a not-to-exceed amount of \$40,000 per unit and only after each building receives a Certificate of Completion from the Contractor to ensure City ordinances have been met and the project conforms to the Commercial Construction Incentive Program, as defined by the Urban Renewal Plan. All funds shall be dispersed as a local commercial construction incentive grant to the General Contractor as a refund for every dollar spent within the 50533 zip code. The grant is to spur the local economy through the purchases of goods or services.

Section 5. The real property identified shall be considered slum and blight by the Council prior to the dispersing any grant funds.

Section 6. The rents charged by the Developer shall be reasonable and affordable.

Section 7. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and Approved this February 05, 2024.



Mayor

Attest:



City Clerk

Prepared by: Brett D. Legvold, P. O. Box 644, Humboldt, IA 50548 (515) 332-4093
Return to: Brett D. Legvold, P. O. Box 644, Humboldt, IA 50548

**AGREEMENT FOR THE CITY OF EAGLE GROVE'S COMMERCIAL
CONSTRUCTION INCENTIVE PROGRAM GRANT**

This Agreement dated 1-23-24 2024 by and between Eagle Grove
CDL, hereinafter called "Applicant," K and K construction
_____, hereinafter called "Contractor," and the City of Eagle Grove, Iowa, a political
Subdivision of the State of Iowa, hereinafter called "City.

Whereas, the City established a Commercial Construction Incentive Program ("Program") to provide public support to local contractors participating in new commercial, industrial, residential and multi-residential construction projects in the City's Urban Renewal Area; and

Whereas, through the Program, the City desires to provide fiscal support through a series of economic development grants ("Grant" or "Grants") to local contractors undertaking qualified construction projects in the Urban Renewal Area; and

Whereas, the City developed guidelines governing the award of Grants under the Program and solicited and received Grant applications; and

Whereas, to implement the Program and encourage economic development in the City, the parties enter into this Agreement

Based on the foregoing premises, the parties mutually agree to administer the provision of a Grant under the Program on the following terms and conditions:


1. Applicant acknowledges submission of the Commercial Construction Incentive Program Grant Application and accompanying documents, attached hereto and incorporated herein by reference ("Application"), which the Eagle Grove Community Economic Development Corporation reviewed and referred to the City for its consideration and approval. Applicant affirms the accuracy of the Application as submitted and as of the date of this Agreement
2. The legal description of the real property to which the Application applies is:
[INSERT LEGAL DESCRIPTION!] *219 N Garfield*
Lot 1 & 1/2 of Lot 2, Block 5, Heights and
3. Applicant and Contractor agree to complete the construction project set forth in the Application in accordance with the plans, specifications and bid set forth therein.
4. Upon completion of Applicant's project, Applicant and Contractor shall certify in writing to City that the project is complete and request the provision of the Grant set forth in the Application approved by the City. Applicant and Contractor shall also submit invoices from local contractors showing the amount of work performed by local contractors. The City reserves the right to contact local contractors on the project to confirm the amount of their work on the project
5. As a condition of issuance of the Grant, Applicant must comply with City's zoning ordinance and regulations.
6. Within thirty (30) days of receipt of Applicant's written certification of project completion and proof of the amount of work performed by local contractors, City shall issue a check made jointly payable to Applicant and Contractor in an amount equal to the amount of work performed by local contractors on the project not to exceed the lesser of twenty percent (20%) of the project cost as set forth in the Application or \$40,000.00.
7. As a condition of the issuance of the Grant, City reserves the right to inspect and investigate Applicant's project and the work performed thereon to ensure completion and compliance with the terms of this Agreement. The City is not obligated to dispense Grant funds unless, in its sole and absolute authority and discretion, the Project is completed in accordance with the Application and this Agreement
8. Applicant agrees that any costs incurred by the City in the process of reviewing and awarding the Grant may be deducted from the Grant.
9. Applicant agrees that any infrastructure improvements required to be installed by the City to complete the Applicant's construction project may be deducted from the Grant
10. Applicant agrees that the property upon which the Applicant's project is constructed for this Grant shall be utilized and remain a property whose ownership and use subjects it to property taxes for a period of twenty (20) years from the date of the Grant award. This covenant shall run with the land, and the Agreement shall be recorded for that purpose.

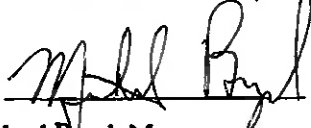
11. Upon any breach or violation of this Agreement by Applicant, the City may, at its option, utilize one or more of the following remedies:
 - a. Terminate or refuse to award any Grant funds if not yet awarded;
 - b. If Grant funds have been awarded, be entitled to the repayment of awarded Grant funds; or
 - c. Utilize any other legal remedy available to it
12. If the City takes legal action to remedy a breach by Applicant or Contractor, then City may recover its attorney fees and costs.
13. Notwithstanding City's award of a Grant under the terms and conditions of this Agreement, City shall have no liability to Applicant, Contractor or any third parties for any cost, loss, liability, or payment which is in any way related to Applicant's construction project, and Applicant and Contractor shall indemnify and hold City harmless from same, including City's attorney fees and litigation costs.
14. This Agreement, together with the Application and its accompanying documents, constitutes the entire agreement between the parties, and supersedes all prior and concurrent proposals and agreements, whether oral or written, and all other communications between parties relating to the subject matter. No amendments, modifications, or additions to this contract shall be binding unless they are in writing and signed by all parties hereto.
15. The Agreement shall be binding upon each party's heirs, successors, and assigns.

In witness, the parties have executed this Contract as of the date above.

APPLICANT:


CITY OF EAGLE GROVE, IOWA

By: 
 Print Name: Jess Toliver
 Title: CDL Vice President

By: 
 Michael Boyd, Mayor

CONTRACTOR:

By: 
 Bryce Davis, City Administrator

By: 
 Print Name:
 Title: project manager

**Prepared by: Brett D. Legvold, P. O. Box 644, Humboldt, IA 50548 (515) 332-4093
Return to: Brett D. Legvold, P. O. Box 644, Humboldt, IA 50548**

**AGREEMENT FOR THE CITY OF EAGLE GROVE'S COMMERCIAL
CONSTRUCTION INCENTIVE PROGRAM GRANT**

This agreement dated the 23rd day of January, 2024 by and between the Eagle Grove CDC (hereinafter called "Applicant" and Torkelson Construction, hereinafter called "Contractor," and the City of Eagle Grove, Iowa, political Subdivision of the State of Iowa, hereinafter called "City.

Whereas, the City established a Commercial Construction Incentive Program ("Program") to provide public support to local contractors participating in new commercial, industrial, residential and multi-residential construction projects in the City's Urban Renewal Area; and

Whereas, through the Program, the City desires to provide fiscal support through a series of economic development grants ("Grant" or "Grants") to local contractors undertaking qualified construction projects in the Urban Renewal Area; and

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2. The legal description of the real property to which the Application applies is:


611 north Lincon
3. Applicant and Contractor agree to complete the construction project set forth in the Application in accordance with the plans, specifications and bid set forth therein.
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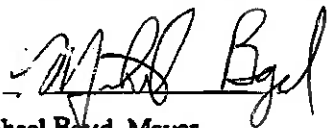
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In witness, the parties have executed this Contract as of the date above.

APPLICANT:

CITY OF EAGLE GROVE, IOWA

By: 
 Print Name: Jess Toliver
 Title: CDC Vice President

By: 
 Michael Boyd, Mayor

CONTRACTOR:

By: 
 Bryce Davis, City Administrator

By: 
 Print Name: Bob Turkelson
 Title: Project Manager