

RESOLUTION NO. 024 (2025/2026)

Resolution Approving Development Agreement with Nevada Economic Development Council, Inc., Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement

WHEREAS, the City of Nevada, Iowa (the “City”), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Nevada Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, this City Council has adopted certain ordinances providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa (the “Urban Renewal Tax Revenue Fund”), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal of and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, a certain development agreement (the “Agreement”) between the City and Nevada Economic Development Council, Inc. (“NEDC”) has been prepared in connection with the provision of services, programs and initiatives by NEDC for the promotion of economic growth and development in the Urban Renewal Area (the “Project”); and

WHEREAS, under the Agreement, the City would provide annual appropriation incremental property tax payments to NEDC in a total amount not exceeding \$475,000; and

WHEREAS, this City Council, pursuant to Section 403.9 of the Code of Iowa, has published notice, has held a public hearing on the Agreement on November 10, 2025, and has otherwise complied with statutory requirements for the approval of the Agreement; 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, tax incentives, 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, tax incentives 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; and

NOW, THEREFORE, It Is Resolved by the City Council of the City of Nevada, 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 Nevada 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 property tax incentives.

Section 2. The City Council further finds that a public purpose will reasonably be accomplished by entering into the Agreement and providing the incremental property tax payments to NEDC thereunder.

Section 3. The Agreement is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Agreement on behalf of the City, in substantially the form and content in which the Agreement has been presented to this City Council. The Mayor, the City Administrator and the City Clerk are also authorized to make such changes, modifications, additions or deletions as they, with the advice of bond counsel, may believe to be necessary, and to take such actions as may be necessary to carry out the provisions of the Agreement.

Section 4. All payments by the City under the Agreement shall be subject to annual appropriation by the City Council, in the manner set out in the Agreement. As provided and required by Chapter 403 of the Code of Iowa, the City's obligations under the Agreement shall be payable solely from the income and proceeds of the Urban Renewal Tax Revenue Fund attributable to incremental property tax revenue derived from the Urban Renewal Area.

Section 5. The City hereby pledges to the payment of the Agreement the Urban Renewal Tax Revenue Fund and the taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Fund, provided, however, that no payment will be made under the Agreement unless and until monies from the Urban Renewal Tax Revenue Fund are appropriated for such purpose by the City Council.

Section 6. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor of Story County to evidence the continuing pledging of the Urban Renewal Tax Revenue Fund and the portion of taxes to be paid into such Fund and, pursuant to the direction of Section 403.19 of the Code of Iowa, the Auditor shall allocate the taxes in accordance therewith and in accordance with the tax allocation ordinance referred to in the preamble hereof.

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

Passed and approved November 10, 2025.

Ryan Condon, Mayor

Attest:

Kerin Wright, City Clerk

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On motion and vote the meeting adjourned.

Ryan Condon, Mayor

Attest:

Kerin Wright, City Clerk

STATE OF IOWA
STORY COUNTY
CITY OF NEVADA

SS:

I, the undersigned, Clerk of the City of Nevada, hereby certify that the foregoing is a true and correct copy of the minutes of the Council of the City relating to holding a public hearing and adopting a resolution to approve a Development Agreement.

WITNESS MY HAND this _____ day of _____, 2025.

Kerin Wright, City Clerk

ECONOMIC DEVELOPMENT SUPPORT AGREEMENT

This Agreement is entered into between the City of Nevada, Iowa (the "City") and the Nevada Economic Development Council, Inc. (the "NEDC") as of the _____ day of _____, 2025 (Commencement Date").

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

WHEREAS, the City and NEDC have cooperatively undertaken the promotion of economic development within the Urban Renewal Area and the City; and

WHEREAS, NEDC has provided, and intends to continue providing, services and initiatives for the promotion of economic development opportunities in the Urban Renewal Area; and

WHEREAS, the City has provided, and intends to continue providing, fiscal support to the economic development initiatives of NEDC; 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; and

WHEREAS, this Development Agreement has been prepared to facilitate the City's ongoing financial support for NEDC and to further set forth the rights and responsibilities of the parties;

NOW THEREFORE, the parties hereto agree as follows:

A. NEDC's Covenants

1. NEDC agrees to use its best efforts to carry out initiatives, activities and projects in the Urban Renewal Area to promote the economic development of the City. These efforts will be focused on marketing activities for the attraction of business development and job creation in the City and the Urban Renewal Area.

2. NEDC agrees to provide two board seats on both its Board of Directors and Executive Board to the City. For both such Boards, one of the seats shall be held by the City Administrator. The other seat shall be held by a member of the Nevada City Council or the Mayor of the City, as appointed by the Nevada City Council.

From time to time, upon request by the City Council, a representative of NEDC will attend a City Council meeting and provide a report detailing the activities and initiatives undertaken by NEDC in the Urban Renewal Area including an accounting of expenditures of funds on NEDC activities and initiatives therein. NEDC hereby acknowledges that failure to comply with the reporting requirements set forth herein will give the City the right to withhold

Payments, as hereinafter defined, and to deny requests made in connection with the Incentive Plan, as hereinafter defined.

3. NEDC agrees to maintain at least 30 distinct paid investors (the "Required Investment") as part of the organization and to require that each such investor shall contribute not less than \$250 per year to NEDC as an investment (the "Required Contribution"). By no later than November 1 of each year, commencing November 1, 2025 (or on such later date as agreed to by the City), NEDC shall submit an investment report (the "Annual Investment Report") to the City detailing the identities of the then-current investors, how much each investor paid as a Required Contribution in the preceding twelve months and when such investment was made, and the aggregate amount (the "Annual Total Contributions") of all Required Contributions received by NEDC in the preceding twelve months. NEDC hereby acknowledges that failure to demonstrate full, ongoing compliance with the Required Investment and the Required Contribution provisions set forth above in the Annual Investment Report will give the City the right to withhold the Matching Payments, as hereinafter defined.

4. NEDC agrees to use all TIF Funds, as hereinafter defined, received from the City under this Agreement for the carrying out of the activities detailed in Section A.1 hereof and to spend such funds only within the boundaries of the Urban Renewal Area.

B. City's Obligations

1. The City agrees to make a series of annual payments to NEDC as contributions to its annual operations. Each year the City shall make a payment of \$40,000 to be funded from local option sales and services tax receipts of the City (the "LOST Payments"). In addition, each year the City shall make a payment of \$70,000 to be funded from Incremental Property Tax Revenues (as hereinafter to defined) to be derived from the Urban Renewal Area (the "TIF Payments"). In addition, the City, assuming full compliance with the Required Investment and Required Contribution provisions set forth in Section A.3 above, each year shall make a payment (the "Matching Payment"), to be funded from Incremental Property Tax Revenues to be derived from the Urban Renewal Area, matching the Annual Total Contributions reported by NEDC in the most recent Annual Investment Report (collectively hereinafter the LOST Payments, the TIF Payments and the Matching Payments shall be referred to as the "Payments"), provided however no single Matching Payment shall exceed \$25,000 and that all Payments under the agreement shall be subject to annual appropriation by the City Council.

The Payments will be made on June 1 of each fiscal year, beginning on June 1, 2026 and continuing to and including June 1, 2030.

Each LOST Payment shall be subject to annual appropriation by the City Council. Prior to funding each LOST Payment during the Term of this Agreement, the City Council shall consider the question of obligating for appropriation to the funding of each LOST Payment scheduled to be made in the following fiscal year an amount of local option sales and services tax receipts of the City to fund each LOST Payment.

If the City Council determines not to fund the then-considered LOST Payment, then the City will be under no obligation to fund the LOST Payment scheduled to become due in the

following fiscal year, and NEDC will have no rights whatsoever to compel the City to make such LOST Payment, to seek damages relative thereto or to compel the funding of such LOST Payment in future fiscal years.

Each TIF Payment and Matching Payment shall be subject to annual appropriation by the City Council. Prior to funding each TIF Payment and Matching Payment during the Term of this Agreement, the City Council shall consider the question of obligating for appropriation to the funding of each TIF Payment and Matching Payment scheduled to be made in the following fiscal year an amount of Incremental Property Tax Revenues of the City to fund each such TIF Payment or Matching Payment, as applicable.

If the City Council determines to not fund the TIF Payment or Matching Payment, as applicable, then the City will be under no obligation to fund the TIF Payment or Matching Payment, as applicable, scheduled to become due in the following fiscal year, and the Company will have no rights whatsoever to compel the City to make such TIF Payment or Matching Payment, as applicable,, to seek damages relative thereto or to compel the funding of such TIF Payment or Matching Payment, as applicable, in future fiscal years.

The Payments shall not constitute general obligations of the City, but shall be made solely and only from Incremental Property Tax Revenues or local option sales and services tax receipts, as applicable.

C. Administrative Provisions

1. This Agreement may not be amended or assigned by either party without the express permission of the other party

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

3. The term (the "Term") of this Agreement shall commence on the Commencement Date and shall end on June 30, 2030. Provided that no breaches of obligations under this Agreement have occurred, the City agrees, prior to the end of the Term, to consider in good faith the authorization and approval of a successor agreement to further the purposes set forth herein.

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 laws of the State of Iowa.

The City and NEDC 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 NEVADA, IOWA

By: _____
Mayor

Attest:

City Clerk

NEVADA ECONOMIC
DEVELOPMENT COUNCIL, INC.

By: _____

Its. _____