

RESOLUTION NO. 031 (2025/2026)

Resolution Approving Development Agreement with Mid-States Material Handling & Fabrication, 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 Mid-States Material Handling & Fabrication, Inc. (the “Company”) has been prepared in connection with the expansion by the Company of its manufacturing facilities in the Urban Renewal Area (the “Project”); and

WHEREAS, under the Agreement, the City would provide annual appropriation incremental property tax payments the Company in a total amount not exceeding \$300,000; 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 December 8, 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 the Company 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 and the City Administrator 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. The 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 a subfund (the "Mid-States Manufacturing Facilities Subfund"), into which shall be paid that portion of the income and proceeds of the Urban Renewal Tax Revenue Fund attributable to property taxes derived from the property as described as follows:

Certain real property situated in the City of Nevada, Story County, State of Iowa bearing Story County Property Tax Parcel Identification Number 1108350180.

Section 5. The City hereby pledges to the payment of the Agreement the Mid-States Manufacturing Facilities Subfund and the taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Subfund, provided, however, that no Payment will be made under the Agreement unless and until monies from the Mid-States Manufacturing Facilities Subfund 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 Mid-States Manufacturing Facilities Subfund and the portion of taxes to be paid into such Subfund and, pursuant to the direction of Section 403.19 of the Code of Iowa, the county 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 December 8, 2025.

Ryan Condon, Mayor

Attest:

City Clerk

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On motion and vote the meeting adjourned.

Ryan Condon, Mayor

Attest:

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.

City Clerk

DEVELOPMENT AGREEMENT

This Agreement is entered into by and between the City of Nevada, Iowa (the "City"), and Mid-States Material Handling & Fabrication, Inc. (the "Company") as of the ____ day of _____, 2025 (the "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 Company owns certain real property which is situated in the Urban Renewal Area and is more specifically described on Exhibit A hereto (the "Property"); and

WHEREAS, the Company has proposed to undertake the construction of a 55,000 square foot expansion of its manufacturing facilities for use in its business operations on the Property ("the Project"); and

WHEREAS, the Company has requested that the City provide financial assistance in the form of incremental property tax payments to be used by the Company in paying the costs of undertaking the Project; and

WHEREAS, for purposes of calculating Incremental Property Tax Revenues (as herein defined) under this Agreement and Section 403.19 of the Code of Iowa, the base taxable valuation of the Property, after reduction for the commercial rollback percentage, shall be the assessed taxable valuation of the Property as of January 1, 2025 (the "Base Valuation"); and

WHEREAS, the term of this Agreement (the "Term") shall begin on the Commencement Date and shall end on the earlier of (a) the date upon which the aggregate sum of Payments made to the Company equals the Maximum Payment Total, or (b) June 1, 2033 (all capitalized terms as defined in this Agreement); and

WHEREAS, Chapter 403 of the Code of Iowa authorizes cities to establish urban renewal areas and to undertake economic development projects; 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. Company's Covenants

1. **Project Construction.** The Company agrees to construct the Project on the Property and to maintain and use the completed Project as part of its business operations throughout the Term. Furthermore, the Company agrees to invest not less than **\$6,030,000** into capital improvements for the Project, including construction work and other furnishings, as shown in the budget for the Project included in the IEDA Contract (as hereinafter defined). The Company shall submit a detailed site plan (the "Site Plan") for the development of the Project to the City by April 30, 2026. Upon approval by the City, the Site Plan shall be attached hereto as Exhibit B hereto. The Company agrees to construct the Project in accordance with the Site Plan and to make

commercially reasonable efforts to substantially complete such construction by no later than December 31, 2026.

2. **Property Taxes.** The Company agrees to make timely payment of all property taxes as they come due with respect to the Property with the completed Project thereon throughout the Term and to submit a receipt or cancelled check in evidence of each such payment as part of the certification required under Section A.3 of this Agreement.

3. **Company's Certifications.** The Company agrees to submit documentation by no later than October 15 of each year during the Term, commencing on October 15, 2027, demonstrating to the reasonable satisfaction of the City that the completed Project is being maintained and used as part of the Company's business operations.

4. **Economic Development Assistance Contract.** The Company agrees that it will enter into an Economic Development Assistance Contract (the "IEDA Contract") with the Iowa Economic Development Authority (the "IEDA"). At such time that the IEDA Contract is executed, it shall be inserted as Exhibit C of this Agreement. The Company agrees to submit documentation as part of the certification required under Section A.3 of this Agreement, demonstrating to the reasonable satisfaction of the City that the Company is in compliance with the requirements of the IEDA Contract. The Company may meet this obligation by providing the City with a copy of the Annual Status Report provided to IEDA under the terms of the IEDA Contract. Furthermore, the Company agrees to provide written notice to the City within thirty (30) days of the receipt of any notification from IEDA that the Company has fallen out of compliance with the requirements of the IEDA Contract.

5. **Property Tax Payment Certification.** For purposes of this Agreement "Annual Percentage" shall mean the annual percentage in effect from time to time as set forth in the following table:

Fiscal Year of City	Annual Percentage
First Payment Year	75%
Second Payment Year	60%
Third Payment Year	50%
Fourth Payment Year	50%
Fifth Payment Year	50%

As part of the certification required under Section A.3 of this Agreement, the Company agrees to provide an estimate (the "Company's Estimate") of the Incremental Property Tax Revenues anticipated to be paid by the Company during the fiscal year beginning July 1 following such certification, multiplied by the applicable Annual Percentage. When providing each such Company's Estimate, the Company will complete and submit the worksheet attached hereto as Exhibit D. The Company acknowledges that the first Company's Estimate must be submitted by

no later than October 15, 2027. The City reserves the right to review and request revisions to each such Company's Estimate to ensure the accuracy of the amounts 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 Property, as shown on the property tax rolls of Story County, in excess the Base Valuation; 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 Company in completing the worksheet required under this Section A.5.

6. 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 Company to complete construction of the Project pursuant to the terms and conditions of this Agreement.
- (ii) Failure by the Company to fully and timely remit payment of property taxes when due and owing.
- (iii) Failure by the Company to comply with the IEDA contract.
- (iv) Failure by the Company to observe or perform any other material covenant on their 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 Company describing the cause of the default and the steps that must be taken by the Company in order to cure the default. The Company 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 Company fails to cure the default or provide assurances, the 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 provided for under Section B.1 below.

7. Legal and Administrative Costs. The Company hereby acknowledges that the City will cover the initial payment of legal fees and administrative costs (the "Actual Admin Costs") incurred by the City in connection with the drafting, negotiation and authorization of this Agreement, including the necessary amendment to the Urban Renewal Area. Furthermore, the Company agrees that the City shall withhold amounts from the Payments, as hereafter defined,

until the total of such withheld amounts equals the lesser of \$8,000 or the Actual Admin Costs (the "Admin Withholding Amount").

B. City's Obligations

1. Payments. In recognition of the Company's obligations set out above, the City agrees to make five (5) annual economic development tax increment payments (the "Payments" and, individually each, a "Payment") to the Company during the Term pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments to be made under this Agreement during the Term shall not exceed \$300,000 (the "Maximum Payment Total"). 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 Story County Treasurer attributable to the taxable valuation of the Property.

Prior to funding any Payments under this Agreement, the City will first withhold from the Incremental Property Tax Revenues an amount equal to the Admin Withholding Amount. Once an amount equal to the Admin Withholding Amount has been withheld by the City, the Payments shall be made as set forth herein. For the avoidance of doubt, the Admin Withholding Amount shall not be considered a Payment for purposes of computing the Maximum Payment Total.

Each Payment shall not exceed an amount which represents the then-current Annual Percentage multiplied by the Incremental Property Tax Revenues available to the City with respect to the Property during the twelve (12) months immediately preceding each Payment date.

It is assumed that the new valuation from the Project will go on the property tax rolls as of January 1, 2027. Accordingly, the Payments will be made on June 1 of each fiscal year, beginning on June 1, 2029 and continuing to, and including, June 1, 2033, or until such earlier date upon which total Payments equal to the Maximum Payment Total have been made.

2. Annual Appropriation. Each Payment shall be subject to annual appropriation by the City Council. Prior to December 1 of each year during the Term of this Agreement, beginning in calendar year 2027, the City Council 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 Company's Estimate.

In any given fiscal year, if the City Council determines to not obligate the 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 Company will have no rights whatsoever to compel the City to make such Payment, 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 Company shall make the next succeeding submission of the Company's Estimate as called for in Section A.5 above, provided however that no Payment shall be made after June 1, 2033.

3. **Payment Amounts.** Each Payment shall be in an amount equal to the corresponding Appropriated Amount (for example, for the Payment due on June 1, 2029, the amount of such Payment would be determined by the Appropriated Amount determined for certification by December 1, 2027) provided, however, that no Payment shall exceed an amount which represents the Incremental Property Tax Revenues (excluding allocations of "back-fill" or "make-up" payments from the State of Iowa for property tax credits or roll-back) actually received by the City from the Story County Treasurer attributable to the taxable incremental valuation of the Property in the twelve (12) months immediately preceding each Payment date.

4. **Certification of Payment Obligation.** In any given fiscal year, if the City Council determines to obligate the Appropriated Amount, as set forth in Section B.2 above, then the City Clerk will certify by December 1 of each such year to the Story County Auditor an amount equal to the most recently obligated Appropriated Amount.

C. **Administrative Provisions**

1. **Amendment and Assignment.** Neither party may cause this Agreement to be amended, assigned, assumed, sold or otherwise transferred without the prior written consent of the other party, which consent shall not be unreasonably withheld. However, the City hereby gives its permission that the Company's rights to receive the Payments hereunder may be assigned by the Company to a private lender, as security on a credit facility taken with respect to the 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. **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 Company 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 Ryan Condon

Attest:

City Clerk

MID-STATES MATERIAL HANDLING &
FABRICATION, INC.

By: _____

Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Certain real property situated in the City of Nevada, Story County, State of Iowa bearing Story County Property Tax Parcel Identification Number 1108350180.

EXHIBIT B

SITE PLAN

EXHIBIT C
IEDA CONTRACT

EXHIBIT D

**ANNUAL TIF WORKSHEET
COMPANY'S ESTIMATE**

- (1) Date of Preparation: October ____, 20 ____.
- (2) Assessed Valuation of Property as of January 1, 20 ____:
\$ _____.
- (3) Base Taxable Valuation of Property:
\$ _____.
- (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) TIF Estimate (\$ _____ x Annual Percentage = Annual Percentage Estimate (\$ _____)).

Fiscal Year of City	Annual Percentage
First Payment Year	75%
Second Payment Year	60%
Third Payment Year	50%
Fourth Payment Year	50%
Fifth Payment Year	50%

- (8) Subtract anticipated property tax credits from the Annual Percentage Estimate = \$ _____ (the "Company's Estimate")