CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

DATE: August 24, 2015

ITEM: Resolution - Approval of Agreement for Development between the City of West Des Moines and Hubbell Realty Company

FINANCIAL IMPACT: The Agreement will provide economic benefit to the City of West Des Moines through the construction by Hubbell Realty Company (Hubbell) of single-family and multi-family units in the existing Woodland Hills Urban Renewal Area while providing additional roadway access to the western portion of the City. The Agreement requires the City to fund the construction of Stagecoach Drive at a cost of approximately $1.149 million in return for Hubbell 1) performing rough grading of the property necessary for the construction by the City of Stagecoach Drive beginning approximately September 30, 2016; 2) providing residential housing units with an assessed value of no less than $28 million by January 1, 2028; and 3) providing assurance of payment to the City for any shortfall in construction costs due to the failure of Hubbell to construct the improvements.

Additionally, because the Woodland Hills Urban Renewal Area is a residential tax increment financing district, Low-and-Moderate Income (LMI) funds will be generated by the additional development. If Hubbell meets the requirements of the Agreement by constructing up to $28 million of improvements by January 1, 2028, the improvements will generate LMI of approximately $400,000, which will be beneficial in serving the needs of greater West Des Moines as these funds may be spent for low and moderate income housing in any area of the City.

SYNOPSIS: In 2006 the City of West Des Moines entered into a Development Agreement with Tallyn's Reach, L.C. for the development of approximately 345 acres of property southwest of Mills Civic Parkway and South 88th Street. In conjunction with the development, plat approval was given which allowed the developer to significantly alter the topography of the development site and, in turn, substantially affect the development potential of the adjacent site. Tallyn's Reach was unable to complete its development obligations and various lending institutions subsequently took ownership. Although Stagecoach Drive, a major east-west roadway, has been completed in the former Tallyn's Reach development, now known as Woodland Hills, that portion of the roadway between South 88th Street and Woodland Hills remains unbuilt, due in part to the difficulties created by the change in topography from the earlier grading.

Completion of Stagecoach Drive is recognized as providing an important access to areas within Woodland Hills, including access to Woodland Hills Elementary School from South 88th Street, as well as providing access to new areas of development west of Woodland Hills. In order to facilitate the completion of Stagecoach Drive, the City has negotiated a development agreement with Hubbell Realty Company (Hubbell) to provide for construction of the roadway and create up to seventy eight million dollars in residential housing on the property adjacent to the roadway.

The attached development agreement anticipates the ultimate construction by Hubbell of single and multi-family residential housing units having an assessed taxable value of up to seventy eight million dollars, with the requirement that Hubbell construct single and multi-family residential housing units with an assessed taxable value of no less than twenty eight million dollars by January 1, 2028. Calculations indicate that construction of improvements with a

taxable value of twenty eight million dollars within ten years will be necessary to produce sufficient tax revenue to reimburse the City for the cost of construction of Stagecoach Drive.

In return, the City will be required to construct Stagecoach Drive, proposed to cost $1,200,000, from South 88th Street to its current western terminus in Woodland Hills, with construction anticipated to begin in late 2016. If Hubbell fails to construct improvements with an assessed value of twenty eight million dollars by January 1, 2028, or if the improvements constructed by Hubbell within that time period fail to generate tax revenue equal to the actual cost expended by the City for construction of Stagecoach Drive, Hubbell will be required to pay the City the shortfall between the actual tax generated and the City's cost of construction.

Although provision is made in the agreement for reimbursement by Hubbell to the City for any shortfall for payment of construction costs due to the failure of Hubbell to create sufficient taxable value, the agreement also provides that the City will retain a second mortgage on the Hubbell property if Hubbell Realty Company becomes insolvent before completion of its obligations.

Hubbell will be required to dedicate all property and easements necessary for the construction of Stagecoach Drive, as well as easements necessary for the City to remove up to 70,000 cubic yards of dirt from the Hubbell property. This dirt, which is being provided by Hubbell at no cost to the City, will be used for construction of a portion of South 88th Street near Booneville Road.

OUTSTANDING ISSUES (if any): None.

RECOMMENDATION: Approve the Agreement for Development between the City of West Des Moines and Hubbell Realty Company

Lead Staff Member: Richard Scieszinski, City Attorney

STAFF REVIEWS

Department Director	Richard J. Scieszinski, City Attorney RJS
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance and Administration		
Date Reviewed	June 17, 2015		
Recommendation	Yes		

RESOLUTION NO._____

RESOLUTION APPROVING AGREEMENT FOR DEVELOPMENT BETWEEN THE CITY OF WEST DES MOINES, IOWA AND HUBBELL REALTY COMPANY

WHEREAS, the City of West Des Moines and Hubbell Realty Company ("Hubbell) have negotiated an agreement for the development of single and multi-family housing and the construction of Stagecoach Drive to be located immediately west of South 88th Street in West Des Moines; and

WHEREAS, publication of notice regarding consideration of the agreement by the West Des Moines City Council, attached hereto as Exhibit "A," has been made; and

WHEREAS, this being the time and place for the public hearing regarding the Agreement for Development between the City of West Des Moines and Hubbell Realty Company ("Agreement"); and

WHEREAS, following consideration by the West Des Moines City Council, the Council finds that it is in the best interest of the City to approve the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA THAT:

1. Publication of notice regarding consideration of the Agreement for Development between the City of West Des Moines and Hubbell Realty Company, as shown on the attached Exhibit "A" has been properly made, and the public hearing regarding consideration of the Agreement is closed.

2. The Agreement for Development between the City of West Des Moines and Hubbell Realty Company is approved.

3. The Mayor is authorized to sign the Agreement and the City Clerk is directed to attest to the Mayor's signature.

PASSED AND ADOPTED this 24th day of August, 2015.

_____
John Mickelson, Mayor Pro Tem

ATTEST:

_____
Ryan T. Jacobson, City Clerk

AGREEMENT FOR DEVELOPMENT BETWEEN THE CITY OF WEST DES MOINES, IOWA AND HUBBELL REALTY COMPANY

This DEVELOPMENT AGREEMENT is entered as of the ___ day of August, 2015 (the "Effective Date") between the City of West Des Moines, an Iowa municipal corporation ("City") and Hubbell Realty Company, an Iowa corporation having its principal office for the transaction of business at 6900 Westown Parkway, West Des Moines, Iowa 50266 ("HRC"); the City and HRC each a "Party" and together, the "Parties."

RECITALS

WHEREAS, HRC intends to acquire certain real property located within the City's corporate boundaries and described more particularly on Exhibit "A" (comprising both the Miller Land and the CBL Land, together constituting the "Property") on which HRC proposes to initiate and complete the HRC Development (as defined in Article 1); and

WHEREAS, the City believes that the HRC Development will provide significant economic benefit to the City by adding to the City's tax base; and

WHEREAS, the City is entering into this Agreement to induce HRC to construct the Development by providing certain infrastructure improvements that will be of benefit to both HRC and the City; and

WHEREAS, HRC would not undertake the Development without construction of the infrastructure improvements by the City, and the City would not construct the infrastructure improvements without HRC undertaking the Development or providing assurance of payment for construction of the infrastructure improvements; and

WHEREAS, each party's undertaking of the obligations set forth in this Agreement is done with the reasonable and good faith reliance upon the other party's representations regarding the economic feasibility of constructing the Development and installing the infrastructure improvements, and is in accord with public purposes.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

PURPOSE AND INTENT

The purpose and intent of this Agreement is to increase the tax base of the City of West Des Moines through the development by HRC of single family and multi-family residential housing that will produce sufficient tax revenue to allow the construction by the City of infrastructure improvements that will provide access to both the HRC Development and new areas of development in the City.

HRC acknowledges and agrees that failure to complete the Project Build-Out as contemplated in this Agreement will decrease the revenue available to the City related to construction of the infrastructure improvements and, subject to the terms and conditions of this Agreement, will require HRC to provide additional payment for the expenditures made by the City for construction of the infrastructure improvements.

ARTICLE 1
CERTAIN DEFINITIONS

1.1 As used in this Agreement, the following terms shall have the following meanings, except as otherwise expressly provided or as the context may otherwise require:

1.1.1 "**Agreement**" means this Agreement, including all exhibits and schedules attached hereto and made a part hereof, as from time to time amended.

1.1.2 "**Annual Tax Revenue Generated by the HRC Development**" means (a) for each fiscal year prior to and including fiscal year 2023-2024, the sum of the tax increment portion of the combined millage levy rate for the Woodland Hills Urban Renewal Area Tax Increment District[1], plus the City of West Des Moines, Iowa's debt

[1] The parties acknowledge that the Property is located in the Woodland Hills Urban Renewal Area Tax Increment District and therefore the City is entitled to collect tax increment revenues from the Property for existing debt obligations, with such obligations anticipated to terminate no later than fiscal year 2023-2024, after which no additional tax-increment obligations will have been incurred. For taxes payable in FY 2015-2016, the current

service levy portion of the combined millage levy rate, used to determine property taxes to be paid in such fiscal year multiplied by the Applicable Annual Incremental Taxable Value of the HRC Development applicable to such fiscal year, and (b) for each fiscal year from and after fiscal year 2024-2025, shall mean the taxes paid at the City of West Des Moines, Iowa's combined millage levy rate used to determine property taxes to be paid in such fiscal year, multiplied by the Applicable Annual Incremental Taxable Value of the HRC Development applicable to such fiscal year.

1.1.3 **"Applicable Annual Incremental Assessed Value of the HRC Development"** (a) shall mean with respect to the development on the Miller Land, the amount by which the aggregate actual value as determined for property taxation purposes for all developed and undeveloped portions of the Miller Land as of the applicable January 1st exceeds its base actual valuation of $39,420, and (b) shall mean with respect to development on each of the following Outlots of the Corrected Michael's Landing Plat 1 that collectively form the CBL Land, the amount by which the aggregate actual value as determined for property taxation purposes for all developed and undeveloped portions of each such respective Outlot as of the applicable January 1st exceeds the base actual valuation for such Outlot listed in the following table:

Current Tax Parcel	Outlot	Base Actual Valuation
16-22-201-001	Outlot L	$1,320.00
16-22-226-001	Outlot M	$1,320.00
16-22-203-016	Outlot N	$1,320.00
16-22-204-023	Outlot O	$1,320.00
16-22-276-001	Outlot P	$1,320.00
16-22-276-002	Outlot Q	$1,320.00
16-22-277-001	Outlot R	$1,320.00

Collectively for the entire Property, the Applicable Annual Incremental Assessed Value of the HRC Development shall mean the sum of the Applicable Annual Incremental Assessed Value of the HRC Development for the Miller Land and of the Applicable Annual Incremental Assessed Values for each of the Outlots that constitute the CBL

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tax increment millage rate is 0.2611412 and the City's share of the debt service levy millage rate on the incremental assessed value of the Property is 0.00195283. Starting with taxes payable in FY 2024-2025 and thereafter, the City shall receive the City's combined tax levy millage rate on the then Applicable Annual Incremental Taxable Value of the HRC Development. The City's combined millage rate that would be in effect for taxes payable in FY 2015-2016 is 0.012000000.

Land, both calculated as of the same January 1st, for each year during the term of this Agreement.

1.1.4 "**Applicable Annual Incremental Taxable Value of the HRC Development**" shall mean the Applicable Annual Incremental Taxable Value of the HRC Development applicable for calculation of taxes to be paid in a particular fiscal year multiplied by any applicable roll back factors or other matters to be taken into account under the Iowa Code to determine the taxable value on which the amount of taxes to be paid in such fiscal year are calculated; provided, however, if the roll back factors or other factors are different for different types of development, then the Applicable Annual Incremental Taxable Value of the HRC Development shall be allocated among the different tax parcels that make up such portion of the Miller Land or such portion of one of the Outlots of the CBL Land in proportion to the way the base actual valuation of the Miller Land or such Outlot of the CBL Land is allocated for property taxation purposes among the new tax parcels that result from platting and development of the particular portion of the HRC Development.

1.1.5 "**Applicable Rules**" means all of the rules, regulations, resolutions, ordinances and official policies of the City of West Des Moines and the State of Iowa as are in force and effect on the Effective Date, including but not limited to the West Des Moines Code of Ordinances and the Code of Iowa.

1.1.6 **"CBL Land"** means the real property identified as the "CBL Land" on Exhibit "A."

1.1.7 **"CBL Land Dirt"** means approximately seventy thousand (70,000) cubic yards of dirt located on either the CBL Land or the Miller Land (defined herein) or both.

1.1.8 **"City Code"** means the West Des Moines Code of Ordinances.

1.1.9 **"Cumulative Tax Revenue Generated by the HRC Development"** means the sum of the Annual Tax Revenue Generated by the HRC Development for each fiscal year from and including fiscal year 2017 through the fiscal year when the particular determination of the Cumulative Tax Revenue Generated by the HRC Development is being calculated.

1.1.10 **"Discretionary Action"** means an action which requires the exercise of judgment, deliberation or decision on the part of the City, including a decision of any board, commission or department or any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from an activity which merely requires a determination regarding compliance with statutes, ordinances, or regulations.

1.1.11 **"Exhibits"** means the following:

Exhibit "A" - Legal Description of the "Property," which is comprised of the CBL Land and the Miller Land.

Exhibit "B" – Itemization of Stagecoach Drive Infrastructure Improvements to be constructed by the City.

Exhibit "C" – General Location of Easement Areas on the Property.

Exhibit "D" – Calculation of assumed Assessed Value and Tax Revenue from HRC Development.

Exhibit "E" – Certificate of Completion.

Exhibit "F" – Form of Memorandum of Agreement.

Exhibit "G" – Form of Second Mortage Document

1.1.12 **"HRC"** means Hubbell Realty Company, an Iowa corporation.

1.1.13 **"HRC Development"** means the construction of single family and multi-family improvements anticipated to result in the Property having an aggregate actual value of the land and improvements for property taxation purposes of no less than seventy eight million dollars.

1.1.14 "**Infrastructure Improvements**" means the construction by the City of:

Stagecoach Drive Extension - the southerly two lanes of pavement of an ultimate 4 lane facility, including all final grading for the ultimate 4 lane facility, with all appurtenances (water main and storm sewer), located on or adjacent to the Property between the terminus of and aligning with the existing Stagecoach Drive on the west and connecting to South 88th Street on the east. Installation of the Stagecoach Drive

Improvements shall substantially conform to the existing Stagecoach Drive, and shall adhere to all City design standards and specifications.

Trails and Sidewalks – installation of all public trails and sidewalks to City design standards and specifications adjacent to the north side and/or the south side of Stagecoach Drive between the existing western terminus and South 88th Street. Coordination of construction between trail and sidewalk installation and adjacent development shall be determined by and be within the sole discretion of the City.

Streetlights – all streetlights required by and to be installed in conformance with the streetlight plan developed by MidAmerican Energy.

Seeding – the Stagecoach Drive Extension right-of-way between the existing western terminus of Stagecoach Drive and South 88th Street.

A complete itemization of the Infrastructure Improvements to be constructed by the City is shown on the attached Exhibit "B" and assumes excavation and removal of approximately 89000 cubic yards of material by HRC prior to initiation of construction by the City.

1.1.15 **"Miller Land"** means the real property identified as the "Miller Land" on Exhibit "A."

1.1.16 "**Ministerial Approvals**" means the permits, approvals, plans, inspections, certificates, documents, licenses, and all other actions taken or considered by the City at the request of HRC to facilitate or as required to implement, develop and construct the HRC Development, including without limitation, building permits, foundation permits, public works permits, grading permits, stockpile permits, encroachment permits, and other similar permits and approvals which are required by the Applicable Rules to implement the HRC Development. Ministerial Approvals shall not include any Discretionary Actions.

1.1.17 **"Preliminary Plat"** means the preliminary plat for the land on which the Project will be located.

1.1.18 **"Project Build-Out"** means the construction (in one or more phases) of all single family and multi-family improvements in full compliance with all City codes, rules and regulations having an Applicable Annual Incremental Assessed Value of the HRC Development as of January 1, 2028 of no less than twenty-eight million dollars.

1.1.19 **"Property"** means the land comprising the Miller Land and the CBL Land as legally described on Exhibit "A."

1.1.20 **"PUD Amendment"** means the adoption of a Planned Unit Development Zoning plan that applies specifically for development of the Property.

1.1.21 **"South 88th Street Assessment"** means all fees and assessments against the Property related to the construction and installation of the west side of South 88th Street adjacent to the Property. The real property of which the South 88th Street Assessment relates is depicted on Exhibit "A."

1.1.22 **"Stagecoach Drive" or "Stagecoach Drive Improvements"** means the improvements to be constructed by the City as defined above.

1.1.23 **"Stagecoach Drive Improvements Shortfall"** means the difference between the Cumulative Tax Revenue Generated by the HRC Development by March 31, 2028 and the actual cost expended by the City for construction of the Stagecoach Drive Improvements.

1.1.24 **"Streetlights"** means the installation of streetlights as described under "Stagecoach Drive Infrastructure Improvements" as defined above.

1.1.25 **"Storm Sewer"** means the installation of a storm sewer as described under "Stagecoach Drive Infrastructure Improvements" as defined above.

1.1.26 **"Water Main"** means the installation of a water main as described under "Stagecoach Drive Infrastructure Improvements" as defined above.

ARTICLE 2
ENTITLEMENTS

2.1 **Entitlement Process.** The City shall not unreasonably withhold, condition or delay consideration of any Discretionary Action or Ministerial Approvals requested by HRC with respect to the HRC Development, provided that HRC reasonably and satisfactorily complies with all City-wide standard procedures, actions, payments of processing fees, and criteria generally required of developers by the City for processing requests for developments similar in character to the HRC Development.

2.2 **Development Entitlements.** Upon request by HRC for consideration of the PUD Amendment and approval of the Preliminary Plat, the City agrees to cause the necessary proceedings to be commenced to consider such requests in accordance with Iowa law. The Parties acknowledge and agree that the Parties obligations under this Agreement are expressly contingent on approval of the PUD Amendment and Preliminary Plat and that if such approvals are not obtained, HRC and the City shall be relieved from all further obligations of this Agreement.

ARTICLE 3
HRC OBLIGATIONS

3.1 **Construction of the Development.** HRC agrees to construct the HRC Development in accordance with the PUD Amendment and final plat. HRC agrees to commence implementation of the HRC Development by August 1, 2016, and to use commercially reasonable efforts to construct the HRC Development in accordance with prevailing market conditions. Commencement of implementation shall require HRC to obtain preliminary plat approval and a grading permit from the City to allow HRC to begin the rough grading and excavation work sufficient for the City to begin construction of the Stagecoach Drive Improvements on or before September 30, 2016, or as soon thereafter as is reasonably feasible if HRC is unable to complete such rough grading and excavation work on or before September 30, 2016 due to either the City's failure to have timely removed the CBL Land Dirt or force majeure events. In the event HRC does not commence implementation of the HRC Development by August 1, 2016, or does not begin the rough grading and excavation work by August 31, 2016, or as soon thereafter as is reasonably feasible if HRC is unable to commence rough grading and excavation work by August 31, 2016 due to force majeure events, then the City at its election, may by written notice to HRC declare this Agreement to be terminated, or, may grant HRC additional time in which to commence implementation of the HRC Development and/or complete the rough grading and excavation work. If additional time is granted by the City and HRC does not commence implementation of the HRC Development and complete the rough grading by September 30, 2016, or as soon thereafter as is reasonably feasible if HRC is unable to complete such rough grading and excavation work by September 30, 2016 due to force majeure events, HRC shall be responsible and shall pay the City for the

actual costs incurred by the City, following public bid, to complete the rough grading. Payment to the City from HRC shall be made within thirty (30) days of receipt by HRC of an invoice of the actual cost expended by the City to complete the grading. If the City is required to complete the rough grading due to the failure of HRC to meet the timelines established herein, and if HRC fails to reimburse the City for the costs of completion of such rough grading within thirty (30) days of receipt by HRC of the invoice therefor from the City, the City, at its election, by written notice to HRC may declare this Agreement terminated in its entirety and thereafter the City shall have no further obligation whatsoever to construct the Stagecoach Drive Improvements.

Notwithstanding the foregoing, in the event that the City does not approve the PUD Amendment and the Preliminary Plat for the Property by no later than December 31, 2015, then HRC may terminate this Agreement by written notice to the City and thereafter this Agreement shall be of no further force and effect.

3.2 **CBL Land Dirt**. HRC shall provide at no cost all or a portion of the CBL Land Dirt to the City, its contractors, agents or assigns. HRC shall have no obligation for the removal or the cost of removal of the CBL Land Dirt, which shall be the sole responsibility of the City.

3.3 **Right of Way.** HRC shall dedicate, or cause to be dedicated at no cost to the City, all property necessary for the construction of the Infrastructure Improvements (including the dedication of property necessary for the ultimate 4 lane Stagecoach Drive facility) and shall provide, or cause to be provided at no cost to the City, all temporary construction easements necessary for the construction of the Infrastructure Improvements and removal of the CBL Land Dirt, all in the general locations depicted on Exhibit "C." Acquisition of all property and easements shall be obtained before initiation of construction of the Infrastructure Improvements and removal of the CBL Land Dirt.

3.4 **Project Build-Out.** HRC acknowledges that construction by the City of the Stagecoach Drive Improvements is contingent upon the generation of sufficient tax revenue from the HRC Development. The Parties acknowledge that the property tax to be generated from the HRC Development may be affected by the potential change in the millage rate established by the City, the residential assessment limitations imposed by the

State of Iowa, and the existing tax-increment obligations of the City in the Woodland Hills Urban Renewal Area. With due consideration to these factors, the City represents, and HRC acknowledges and agrees, that HRC will be required to construct to completion (in one or more phases) single family and multi-family improvements with an Applicable Annual Incremental Assessed Value of the HRC Development of no less than twenty-eight million dollars (the "Project Build-Out") as of January 1, 2028.

3.5 **Calculation of Assessed Value and Tax Revenue.** The following is an example of the calculation of the annual tax revenue generated by the HRC Development and is given for illustration purposes only, based on the assumptions stated in this example:

Assume (a) the HRC Development starts with development of the Miller Land and Outlots L and M of the CBL Land, (b) as of January 1, 2017 the applicable annual actual value of the HRC Development is $2,604,220 on the Miller Land, $793,092 on Outlot M and $527,408 on Outlot L, (c) the roll back for taxes payable in FY 2018-2019 is 56%, and (d) the tax increment millage rate is $26.11412/$1000 = $0.02611412 and the City of West Des Moines portion of the debt service levy millage rate is $1.95283/$1000 = $0.00195283. Based on these assumptions the annual tax revenue generated by the HRC Development for fiscal year 2018-2019 would be calculated as follows:

	Miller Land	Outlot L	Outlot M
Actual Valuation as of 1/1/2017	$2,643,640	$528,728	$793,092
Less Base Value	$ 39,420	$ 1,320	$ 1,320
Incremental Actual Value	$2,604,220	$527,408	$791,772
Roll back	56%	56%	56%
Incremental Taxable Value	$1,458,363	$295,348	$443,392
TIF + WDM Debt Millage	0.02806695	0.02806695	0.02806695
Taxes	$40,932	$8,290	$12,444

Annual Tax Revenue Generated $40,932 + $8,290 + $12,444 = $61,666

The attached Exhibit "D" represents the calculations regarding the cumulative assessed value over a ten year period necessary to generate sufficient new tax revenue to the City in an amount equal to the cost for construction of the Stagecoach Drive Improvements by the City, based on assumptions set forth on Exhibit D.

3.6 **Agreement to Construct Project.** In recognition of the City's agreement to construct the Stagecoach Drive Improvements at the City's cost, HRC agrees to undertake and construct to completion single family and multi-family residential housing units on the Property having an Applicable Annual Incremental Assessed Value of the HRC Development of no less than twenty-eight million dollars by no later than January 1, 2028 (the "Project Build-Out"). Construction of the residential units shall be done in full compliance with all City codes, rules and regulations, with each residential unit determined to be complete upon the issuance of an occupancy permit by the City. HRC anticipates constructing no less than ten residential units annually, with each residential unit and associated land having an average actual value for property taxation purposes in excess of $264,000.00. HRC agrees to annually provide a Certificate of Completion as shown on Exhibit "E" indicating the number of housing units completed for each calendar year between January 1, 2017 and December 31, 2027.

3.7 **Project Build-Out Calculation.** No later than June 30, 2028, the City shall calculate the Applicable Annual Incremental Assessed Value of the HRC Development as of January 1, 2028. If the Applicable Annual Incremental Assessed Value of the HRC Development as of January 1, 2028:

a) equals or exceeds twenty-eight million dollars, this Agreement shall terminate and be of no further force or effect whatsoever;[2]

[2] Due to the timeline on which construction occurs, construction of residential units having an Applicable Annual Incremental Assessed Value of twenty-eight million dollars as of January 1, 2028 may not generate sufficient tax revenue as of that date to reimburse the City for the cost of constructing the Stagecoach Drive Infrastructure Improvements. As sufficient tax revenue will subsequently be generated to provide reimbursement, construction of residential units by HRC with a total Applicable Annual Incremental Assessed Value of twenty-eight million dollars as of December 31, 2027 is acceptable to the City.

b) is less than twenty-eight million dollars, HRC shall pay to the City the difference between the Cumulative Tax Revenue Generated by the HRC Development from January 1, 2017 through and including March 31, 2028 and the actual cost expended by the City for construction of the Stagecoach Drive Improvements (the "Stagecoach Drive Improvements Shortfall")[3].

Notwithstanding the foregoing, this Agreement shall terminate and be of no further force and effect upon the earlier to occur of the following: (i) the date that the Cumulative Tax Revenue Generated by the HRC Development equals or exceeds the actual amount expended by the City for construction of the Stagecoach Drive Improvements, or (ii) the June 30th of the year in which the Applicable Annual Incremental Assessed Value of the HRC Development for the Property first exceeds twenty-eight million dollars.

3.8 **Calculation of Stagecoach Drive Improvements Shortfall.** If, on or before March 31, 2028, the Cummulative Tax Revenue Generated by the HRC Development is more than the actual expenditures made by the City for construction of the Stagecoach Drive Improvements, or, if by no later than the assessments of the Property as of January 1, 2028 the Applicable Annual Incremental Assesed Value of the HRC Development is more than twenty-eight million dollars, then HRC shall have no further obligation under this Agreement and no shortfall shall be owing from HRC to the City. However, if both (1) the Cumulative Tax Revenue Generated by HRC as of March 31, 2028 is less than the actual expenditures made by the City for the construction of the Stagecoach Drive Improvements, and, (2) the Applicable Annual Incremental Assessed Value of the HRC Development has not equaled or exceeded than twenty-eight millions as of January 1, 2028, then , HRC shall make payment to the City for the shortfall, calculated as follows:

Actual amount expended by City for construction of Stagecoach Drive Improvements	$	X
Cumulative Tax Revenue Generated by the HRC Development betwen 1/1/2017 and 3/31/2028.....	$	Y
Stagecoach Drive Improvement shortfall owed to City	$	X-Y

[3] The estimate for the Stagecoach Drive Improvements is shown on the attached Exhibit B.

Payment from HRC to the City for the Stagecoach Drive Improvement shortfall shall be made within thirty (30) days of receipt by HRC of an invoice from the City.

ARTICLE 4
CITY OBLIGATIONS

4.1 **Infrastructure Construction**. Subject to the provisions of Article 3, the City agrees, at its sole cost, to construct the Stagecoach Drive Improvements as defined in Article 1 in accordance with City and state law. Subject to the terms and conditions of Article 3, the City shall commence construction of the Stagecoach Drive Infrastructure Improvements no later than September 30, 2016, or as otherwise mutually agreed by the Parties. Upon the failure of HRC to comply with the requirements of Article 3, all obligations imposed upon the City by this Agreement shall terminate in their entirety, and the City shall have no further obligation under this Agreement whatsoever.

4.2 **Assessments.** No fees and/or assessments related to the initial construction of the Stagecoach Drive Improvements or related to the existing portion of South 88th Street adjacent to the Property, and no fees and/or assessments for any future widening of Stagecoach Drive or the existing portion of South 88th Street adjacent to the Property shall be made against HRC, its successors and assigns. The City hereby waives payment of any assessments heretofore levied against the Property for the South 88th Street Assessment and acknowledges and agrees that it shall notify the Dallas County, Iowa Treasurer that such obligation is paid in full by no later than the date a final plat is filed for any portion of the Property to which any South 88th Street Assessment applies. The Parties acknowledge and agree that the City maintains the right to assess properties adjacent to and/or benefited by future repairs or reconstruction of Stagecoach Drive and South 88th Street, including HRC, its successors and assigns. Any assessment for public improvements shall be done in accordance with Iowa Code Chapter 384 (Special Assessments) and succeeding legislation and/or City policy in existence at the time of the assessment.

4.3 **CBL Land Dirt**. The City agrees to remove at its cost the CBL Land Dirt concurrently with the construction of the Stagecoach Drive Improvements or, with the concurrence of HRC, prior to construction of the Stagecoach Drive Improvements.

It is the intent of the City to use the CBL Land Dirt for construction of a portion of South 88th Street unrelated to the HRC Development. In order to facilitate removal of the CBL Land Dirt by the City, an agreement for placement of the relocated CBL Land Dirt must be executed by the City and the property owner or owners on which the CBL Land Dirt will be relocated prior to or in conjunction with execution of this Agreement. Upon the failure of the City to obtain a fully executed relocation agreement prior to or in conjunction with this Agreement, this Agreement shall terminate in its entirety and the Parties shall have no further rights or obligations under this Agreement whatsoever.

ARTICLE 5
DEFAULT AND REMEDY

5.1 **Company Events of Default**. Each of the following shall constitute an event of default by HRC if left uncured following any applicable notice and cure periods:

Any breach by HRC of any of its representations, covenants or agreements contained herein.

5.2 **City Events of Default**. Each of the following shall constitute an event of default by the City if left uncured following any applicable notice and cure periods:

Any breach by the City of any of its representations, covenants or agreements contained herein.

5.3 **Remedies**. Except for the timelines set forth in Article 3, above, upon the default by a Party to this Agreement, the non-defaulting Party shall thereafter provide written notice of the default to the defaulting Party and shall specify a period of not less than fifteen (15) business days during which the defaulting Party shall have a right to cure the default; provided, however, such cure period may be extended if all of the following occur: (a) a default cannot reasonably be cured within the cure period provided in such notice, (b) the curing party notifies the non-defaulting party and provides evidence of such fact not later than the end of the cure period provided in the notice, (c) the curing party has theretofore been diligent in pursuing the cure and (d) the curing party in such extension notice covenants to (and thereafter actually does) diligently pursue the cure to completion. In the event the defaulting party fails to cure the default, the non-defaulting

party may (i) terminate this Agreement and seek damages from the defaulting party or (ii) enforce this Agreement by the remedy of damages or specific performance or both. No remedy herein conferred upon or reserved to either party is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

5.4 **Force Majeure**. The Parties shall not be liable for any failure to perform hereunder, including , but not limited to, failure to complete any work by any deadline set forth in this Agreement, as a result of an external event or events beyond their respective control, including, without limitation, acts of the United States of America, acts of the State, embargos, fire, flood, drought, hurricanes, tornadoes, other adverse weather conditions, including but not limited to those related to wet soil and temperature, explosions, acts of God or a public enemy, strikes, labor disputes, vandalism or civil riots (each of the foregoing, a "**Force Majeure**"). However, if any such event interferes with the performance by a Party hereunder, such Party shall diligently and in good faith act to the extent within its power to remedy the circumstances affecting its performance or to complete performance in as timely a manner as is reasonably possible.

ARTICLE 6
MORTGAGEE RIGHTS

6.1 **Encumbrances on the Property**. The Parties hereto agree that this Agreement shall not prevent or limit HRC from encumbering the Property (except that any such encumbrance shall be subordinate and subject to any exclusive rights of way or easements granted or to be granted to the City as set forth herein) or any estate or interest therein, portion thereof, or any improvement thereon, by one or more mortgages, deeds of trust, sale and leaseback, or other form of secured financing ("Mortgage") with respect to the construction, development, use or operation of the Project and parts thereof. HRC, at no expense to the City, shall cause the holders of any such Mortgage to release such Mortgage as to any land to be deeded to the City for Stagecoach Drive Improvements or other public rights of way, park land or other City land to be owned by the City in fee simple in connection with the HRC Development and to subordinate its Mortgage to any easements granted to the City in connection with development of any plat in the Property.

HRC may pledge any and/or all of its assets as security for any financing of the Project, and the City agrees that HRC may assign its interest under this Agreement for such purpose. The City acknowledges that the lender(s) providing such Mortgages may require certain Agreement interpretations and modifications and agrees, upon request, from time to time, to meet with HRC and representatives of such lender(s) to negotiate in good faith any such request for interpretation or modification. The City will not unreasonably withhold its consent to any such requested interpretation or modification, provided such interpretation or modification is consistent with the intent and purposes of this Agreement, and provided HRC or the secured parties are not relieved of their obligations under this Agreement.

6.2 **Second Mortgage.** HRC hereby agrees to grant the City, or cause the City to be granted, a second mortgage upon all of the undeveloped portion of the Property, which second mortgage shall secure the obligation of HRC to pay the Stagecoach Drive Improvements Shortfall (the "Second Mortgage"). The Second Mortgage shall be junior and subordinate to one and only one first Mortgage on each phase of development of the Property granted by HRC in an amount reasonably necessary to purchase the portion of the Property located in such phase and to construct the plat improvements to each phase of Development of the Property, including amounts necessary to finance the costs of obtaining such first mortgage loan and providing a capitalized interest reserve (the "First Mortgage"). The City acknowledges that HRC may have different First Mortgages on different phases of development of the Property and on the undeveloped portion of the Property. The City agrees that it will execute and record a partial release of its Second Mortgage as to any phase of the development of the Property upon its approval of the final plat for that phase of development of the Property and will execute and record a final release of its Second Mortgage upon the earlier of the termination of this Agreement as provided in Section 3.7 above, or upon payment by HRC of any Stagecoach Drive Improvements Shortfall.

6.3 **Mortgagee's Notice and Cure Rights**. The Mortgagee of any Mortgage or deed of trust encumbering the Property, or any part or interest thereof, that has submitted a request in writing to the City in the manner specified herein for giving notices shall be entitled to receive written notification from the City of any notice of non-compliance by

HRC in the performance of HRC's obligations under this Agreement. If the City timely receives a request from a Mortgagee requesting a copy of any notice of non-compliance given to HRC under the terms of this Agreement, the City shall provide a copy of that notice to the Mortgagee within ten (10) business days of sending the notice of non-compliance to HRC.

ARTICLE 7
THIRD PARTY TRANSACTIONS

7.1 **Assignment**. Prior to fulfillment of its obligations under this Agreement, HRC will not transfer, convey, or assign its obligations under this Agreement to any other party unless: (i) the transferee partnership, corporation, limited liability company or individual assumes in writing all of the obligations of HRC under this Agreement; and (ii) the City consents thereto in writing in advance thereof, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, HRC may transfer all or any portion of the Property to a wholly owned subsidiary, a limited liability company of which it is, directly or indirectly, a member and the manager, or a limited partnership of which it is directly or indirectly, the general partner; provided, that notwithstanding any such transfer, HRC shall remain liable to the City for payment of any Stagecoach Drive Improvements Shortfall and for any costs for which the City is entitled to reimbursement under Section 3.1 of this Agreement.

7.2 **Estoppel Certificate**. At any time, and from time to time, HRC may deliver written notice to the City, and the City may deliver written notice to HRC, requesting that such Party certify in writing that, to the knowledge of the certifying Party (i) this Agreement is in full force and effect and a binding obligation of the Parties, (ii) this Agreement has not been amended, or if amended, the identity of each amendment, (iii) the requesting Party is not then in breach of this Agreement, or if in breach, a description of each such breach, and (iv) any other factual matters reasonably requested (an "**Estoppel Certificate**"). The Mayor shall be authorized to execute, on behalf of the City, any Estoppel Certificate requested by HRC which complies with this Article. The City acknowledges that an Estoppel Certificate may be relied upon by transferees or successors in interest to HRC and by Mortgagees holding an interest in the Property.

7.3 **No Third Party Beneficiaries**. The only Parties to this Agreement are the City and HRC. There are no third party beneficiaries under this Agreement, and except for permitted assignees and successors-in-interests to either party, this Agreement shall not be construed to benefit or be enforceable by any other person whatsoever. If HRC does not close on the acquisition of the Property, this Agreement shall be null, void, and of no further force or effect without any additional action required by the Parties.

ARTICLE 8
NOTICES

All notices and other communications required or permitted to be served hereunder shall be deemed served in accordance with this Agreement if the notice is: (a) delivered by personal delivery; (b) mailed in a sealed wrapper and deposited in the United States mail, certified mail, return receipt requested, postage prepaid (with delivery conclusively presumed to occur on the third (3rd) business day following such deposit absent evidence of actual failure of delivery) or (c) deposited with a national overnight courier service for next day delivery that retains receipts of its deliveries, properly addressed (with delivery conclusively presumed to occur on the next business day following such deposit absent evidence of actual failure of delivery), as follows:

City:	Company:
City of West Des Moines 4200 Mills Civic Parkway West Des Moines, IA 50265 Attn: City Clerk	Hubbell Realty Company 6900 Westown Parkway West Des Moines, IA 50266 Attn: General Counsel

The Parties, by written notice given to the other, may designate any further or different names or addresses to which all notices or other communications shall be sent without said further or different names or addresses being considered amendments to this Agreement.

ARTICLE 9
MISCELLANEOUS

9.1 **Amendments.** The parties may amend this Agreement only in the form of a written amendment to be signed by all parties.

9.2 **Attorneys' Fees.** If either Party brings an action at law or in equity to enforce the provisions of this Agreement against the other Party, including, without limitation, in an action for declaratory relief, the prevailing Party shall be entitled to receive from the other Party its reasonable attorney's fees and other reasonable expenses incurred in connection with such action. In addition to the foregoing award of attorneys' fees to the prevailing Party, the prevailing Party in any lawsuit on this Agreement shall be entitled to its attorneys' fees incurred in any post judgment proceedings to collect or enforce the judgment.

9.3 **Waiver of Jury Trial.** The Parties by this Section waive trial by jury in any dispute brought by either of the Parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Agreement and/or the relationship of the Parties under this Agreement.

9.4 **Waiver.** No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. No waiver of any right or remedy with respect to any occurrence or event shall be deemed a waiver of any right or remedy with respect to any other occurrence or event.

9.5 **Further Assurances.** Each Party shall take all actions and do all things, and execute, with acknowledgment or affidavit, if required, any and all documents and writings that may be necessary or proper to achieve the purposes and objectives of this Agreement.

9.6 **Relationship of the Parties.** It is understood and agreed by the Parties hereto that HRC is an independent contractor and not an agent of the City. Further, the City and Company hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing herein or in any document executed in connection herewith shall be construed as making the City and HRC joint venturers or partners.

9.7 **Severability**. If any provisions, conditions, or covenants of this Agreement, or the application thereof to any circumstances of either Party, shall be held invalid or unenforceable, the remainder of this Agreement or the application of such provision, condition, or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

9.8 **Entire Agreement**. This Agreement, together with all exhibits and schedules attached hereto, constitutes the Parties' entire agreement and understanding regarding the matters set forth herein. All prior or contemporaneous oral or written drafts of this Agreement or other understandings with respect to the subject matter herein between the parties are merged into this Agreement.

9.9 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered (by electronic means or otherwise) shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully executed counterpart.

9.10 **Choice of Law**. This Agreement shall be construed and enforced in accordance with the laws of the State of Iowa.

9.11 **Neutral Interpretation; Headings**. Each Party acknowledges that it has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of the language in question. The headings and table of contents used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

9.12 **Memorandum of Agreement**. The Parties agree to execute and record a Memorandum of Agreement in substantially the form attached as Exhibit "F" to serve as notice to the public of the existence and provisions of this Agreement, and the rights and interests held by the City by virtue hereof. HRC shall bear the costs of such recording.

[*End of Text*]

[SIGNATURE PAGE TO DEVELOPMENT AGREEMENT]

The City and HRC 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 first written above.

CITY OF WEST DES MOINES, IOWA

By: _____
Steven K. Gaer, Mayor

Attest:

_____
Ryan Jacobson, City Clerk

HUBBELL REALTY COMPANY
By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Outlots L, M, N, O, P, Q, and R in Corrected Michael's Landing Plat 1, an Official Plat, now included in and forming a part of the City of West Des Moines, Dallas County, Iowa; (the "CBL Land")

and

The North 1010.00 feet of the East 1087.00 feet of the Northeast Quarter (NE 1/4) of Section 22, Township 78 North, Range 78 West of the 5th P.M., West Des Moines, Dallas County, Iowa, Except land deeded to the City of West Des Moines in Book 2008, Page 52014 (the "Miller Land").

KIRKHAM MICHAEL

6/3/2015

OPINION OF PROBABLE CONSTRUCTION COSTS

Stagecoach Drive Extension (W/ Grading Completed by Others)

CITY OF WEST DES MOINES

TOTAL ESTIMATED QUANTITIES					
REF. NO.	ITEM	UNIT	PRICE	TOTAL PROJECT QUANTITY	TOTAL PROJECT EXTENDED COST
	CLEARING AND GRUBBING	LS	$500.00	1.0	$500.00
	EXCAVATION, CLASS 10, ROADWAY AND BORROW	CY	$12.00	1000.0	$12,000.00
	TOPSOIL, STRIP, SALVAGE AND SPREAD	CY	$8.00	1000.0	$8,000.00
		EARTHWORK SUBTOTAL			$20,500.00
	SUBGRADE PREPARATION	SY	$3.50	6650.0	$23,275.00
	PAVEMENT, PCC, 8 IN.	SY	$60.00	5495.0	$329,700.00
	PCC PAVEMENT SAMPLES	LS	$2,500.00	1.0	$2,500.00
	SUBDRAIN, LONGITUDINAL, 6 IN. DIA.	LF	$11.00	1800.0	$19,800.00
	SUBDRAIN OUTLET (RF-19C)	EACH	$400.00	13.0	$5,200.00
		PAVING SUBTOTAL			$380,475.00
	MANHOLE, STORM SEWER, SW-404, 60 IN.	EACH	$8,000.00	1.0	$8,000.00
	INTAKE, SW-505	EACH	$5,500.00	5.0	$27,500.00
	INTAKE, SW-506	EACH	$6,500.00	4.0	$26,000.00
	STORM SWR , TRENCHED, RCP, 2000D, 18"	LF	$85.00	390.0	$33,150.00
	STORM SWR , TRENCHED, RCP, 2000D, 24"	LF	$95.00	881.0	$83,695.00
		STORM SEWER SUBTOTAL			$178,345.00
	PCC TRAILS & SIDEWALKS	SY	$40.00	2670.0	$106,800.00
		TRAILS & SIDEWALKS SUBTOTAL			$106,800.00
	REMOVAL OF PAVEMENT	SY	$75.00	10.0	$750.00
	SAFETY CLOSURE	EACH	$500.00	2.0	$1,000.00
	CONSTRUCTION SURVEY	LS	$10,000.00	1.0	$10,000.00
	PAINTED PAVEMENT MARKING	STA	$121.00	20.0	$2,420.00
	PAINTED SYMBOLS AND LEGENDS	EACH	$200.00	3.0	$600.00
	TRAFFIC CONTROL	LS	$1,000.00	1.0	$1,000.00
	MOBILIZATION	LS	$70,000.00	1.0	$70,000.00
	PROJECT SIGNS	EACH	$1,500.00	1.0	$1,500.00
	SEEDING AND FERTILIZING (RURAL)	ACRE	$2,500.00	1.85	$4,625.00
	SEEDING AND FERTILIZING (URBAN)	ACRE	$3,000.00	3.9	$11,700.00
	SILT FENCE	LF	$2.00	500.0	$1,000.00
	CLEAN-OUT OF SILT FENCE	LF	$1.00	500.0	$500.00
	CLEAN-OUT OF SILT FENCE FOR DITCH CHECK	LF	$6.50	200.0	$1,300.00
	DITCH CHECK (SYNTHETIC - HDPE)	LF	$6.50	200.0	$1,300.00
	PERIMETER & SLOPE SEDIMENT CONTROL DEVICE	LF	$4.00	2300.0	$9,200.00
		MISCELLANEOUS SUBTOTAL			$116,895.00
	WATER MAIN, PVC, 12"	LF	$95.00	2080.0	$197,600.00
		WATER MAIN SUBTOTAL			$197,600.00
	STREETLIGHTS	LS	$149,000.00	1.0	$149,000.00
		STREET LIGHT SUBTOTAL			$149,000.00
	SUBGRADE PREPARATION (FUTURE)	SY	$3.50	7500.0	$26,250.00
	PAVEMENT, PCC, 8 IN. (FUTURE)	SY	$60.00	6150.0	$369,000.00
	PCC PAVEMENT SAMPLES (FUTURE)	LS	$2,500.00	1.0	$2,500.00
	SUBDRAIN, LONGITUDINAL, 6 IN. DIA. (FUTURE)	LF	$11.00	1800.0	$19,800.00
	SUBDRAIN OUTLET (RF-19C) (FUTURE)	EACH	$400.00	13.0	$5,200.00
		FUTURE PAVING SUBTOTAL			$422,750.00
		TOTAL			$1,572,365.00

KIRKHAM MICHAEL

6/3/2015

OPINION OF PROBABLE CONSTRUCTION COSTS
Stagecoach Drive Extension (W/ Grading Completed by Others)
CITY OF WEST DES MOINES

ESTIMATED COST SUMMARY		
CONSTRUCTION ITEM	ESTIMATED COST	NOTES
EARTHWORK	$20,500.00	PRIMARY EARTHWORK COMPLETED BY OTHERS. ESTIMATING JUST MINOR EARTHWORK WITH PAVING PROJECT.
PCC PAVEMENT	$380,475.00	INITIAL CONSTRUCTION: 2 SOUTH LANES & TURN LANE AT 88TH STREET INTERSECTION
STORM SEWER	$178,345.00	
PCC SIDEWALKS & TRAILS	$106,800.00	10' TRAIL AND 4' SIDWALK
MISCELLANEOUS CONSTRUCTION (i.e. Mobilization, Traffic Control, Survey, Erosion Control, Pavement Marking etc.)	$116,895.00	
WATER MAIN	$197,600.00	INCLUDES VALVES, FITTING, AND HYDRANTS
STREET LIGHTS	$149,000.00	
ESTIMATED TOTAL COST	$1,149,615.00	
FUTURE PAVING (2015 DOLLARS)	$422,750.00	REMAINING PAVEMENT FOR FULL 5-LANE SECTION
ESTIMATED TOTAL COST (w/ FUTURE PAVING)	$1,572,365.00	

EXHIBIT D: Example Calculation of Increased Assessments and Taxes Generated by the HRC Development

Assumptions											
Average Home Value	$ 264,364										
West Des Moines 2015/2016 Consolidated MIL Rate	$ 34.93567										
						WDM Aggregate					
West Des Moines 2015/2016 Net TIF Rate	$ 26.11412					2015/2016 Tax Rate	$ 12.00				
City Share of Debt Service Levy	$ 1.95283										
Total City Tax Revenues from TIF District	$ 28.06695										
2015/2016 Rollback	54.4002%										
Net West Des Moines Taxes Earned per home	$ 4,036.43						$ 1,725.77				
Number of Homes Completed Per Year	15										
							TIF EXPIRES 2023/2024				
Number of Units	15	30	45	60	75	90	105	120	135	150
Value	$ 3,965,459	$ 7,930,918	$ 11,896,378	$ 15,861,837	$ 19,827,296	$ 23,792,755	$ 27,758,214	$ 31,723,673	$ 35,689,133	$ 39,654,592
Includes Increased Assessed Value by Residential	1/1/16-	1/1/16-	1/1/16-	1/1/16-	1/1/16-		1/1/16-	1/1/16-	1/1/16-	1/1/16-
Construction between dates	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	1/1/16-12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
January 1st Assesssment Date	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
Fiscal Year	**2018/2019**	**2019/2020**	**2020/2021**	**2021/2022**	**2022/2023**	**2023/2024**	**2024/2025**	**2025/2026**	**2026/2027**	**2027/2028**
Period	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
1	$ 60,547	$ 60,547	$ 60,547	$ 60,547	$ 60,547	$ 60,547	$ 25,887	$ 25,887	$ 25,887	$ 25,887
2		$ 60,547	$ 60,547	$ 60,547	$ 60,547	$ 60,547	$ 25,887	$ 25,887	$ 25,887	$ 25,887
3			$ 60,547	$ 60,547	$ 60,547	$ 60,547	$ 25,887	$ 25,887	$ 25,887	$ 25,887
4				$ 60,547	$ 60,547	$ 60,547	$ 25,887	$ 25,887	$ 25,887	$ 25,887
5					$ 60,547	$ 60,547	$ 25,887	$ 25,887	$ 25,887	$ 25,887
6						$ 60,547	$ 25,887	$ 25,887	$ 25,887	$ 25,887
7							$ 25,887	$ 25,887	$ 25,887	$ 25,887
8								$ 25,887	$ 25,887	$ 25,887
9									$ 25,887	$ 25,887
10										$ 25,887
Per Year Total of Tax Revenues	$ 60,547	$ 121,093	$ 181,640	$ 242,186	$ 302,733	$ 363,279	$ 181,206	$ 207,093	$ 232,980	$ 258,866
Cumlative Total of Tax Revenues	$ 60,547	$ 181,640	$ 363,279	$ 605,465	$ 908,198	$ 1,271,477	$ 1,452,683	$ 1,659,776	$ 1,892,756	$ 2,151,622

Note: HRC will build residential units as the market dictates. The actual increases in assessed value and taxes generated will turn on (a) the number of units built per year, (b) the types of units built per year, (c) the actual assessed value of the improvements and land, (d) the combined tax levy and combined debt service levy of all taxing jursidictions and the City's portion of such debt service levy for taxes collected for FY 18-19 through FY 23/24, (e) the City's combined tax levy for taxes collected in FY 24-25 and thereafter, (f) the taxable percentage (roll back) of the assessed value of a property applicable to the taxes payable in a particular fiscal year, and (g) any other changes in state law that affect the amount of taxes collectible from this property. As a result, the actual assessed value created and taxes generated by this the HRC Development may be more or less than shown on this example, both for any particular year or cumulative at any particular time.

EXHIBIT "E"

CERTIFICATE OF COMPLETION – Residential Improvements

WHEREAS, in accordance with the terms and conditions of the Agreement between the City of West Des Moines, Iowa (the "City"), and Hubbell Realty Company ("HRC") dated August _, 2015, HRC hereby submits and certifies, pursuant to Section __ of the Agreement, that between January 1, 20__ and December 31, 20__, (# of properties) residential properties located at the following addresses received an occupancy permit from the City:

[Insert address of each residential property receiving occupancy permit for the calendar year]

HUBBELL REALTY COMPANY,
an Iowa corporation

By: _____
_____, Officer

STATE OF IOWA)
) SS
COUNTY OF POLK)

This record was acknowledged before me on _____, 20__, by as an officer of Hubbell Realty Company on behalf of whom this record was executed.

_____
Notary Public

EXHIBIT "F"

Prepared by: R.J. Scieszinski, Office of City Attorney, PO Box 65320, West Des Moines, IA 50265-0320 (515) 222-3614
Return to: City Clerk, PO Box 65320, West Des Moines, IA 50265-0320

SPACE ABOVE THIS LINE FOR RECORDER

MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF WEST DES MOINES, IOWA AND HUBBELL REALTY COMPANY

This Memorandum of Agreement is notice of an Agreement dated August __, 2015 and all subsequent amendments to the Agreement made by and between the City of West Des Moines, an Iowa municipal corporation and Hubbell Realty Company, an Iowa corporation, on file in the Office of the City Clerk of the City of West Des Moines, Iowa affecting the following property in Dallas County, Iowa:

As described on Exhibit "A" attached hereto and made part of this Memorandum of Agreement.

Dated this ___ day of August, 2015.

CITY OF WEST DES MOINES, IOWA

By_____
Richard J. Scieszinski, City Attorney

STATE OF IOWA)
) SS:
COUNTY OF POLK)

This record was acknowledged before me on _____, 2015 by Richard J. Scieszinski, City Attorney of the City of West Des Moines, Iowa, on behalf of whom the record was executed.

_____
Notary Public in and for the State of Iowa