

# FOR YOUR RECORDS

## APPROVE DEVELOPMENT AGREEMENT AND TAX INCREMENT PAYMENTS

(Cedar Development, L.L.C.)

421464-20

Muscatine, Iowa

January 22, 2004



A meeting of the City Council of the City of Muscatine, Iowa, was held at 7:00 o'clock p.m., on January 22, 2004, at the City Hall Council Chambers, Muscatine, Iowa, pursuant to the rules of the Council.

The Mayor presided and the roll was called, showing members present and absent as follows:

Present: Jerry Root, Phil Fitzgerald, Jerry Lange, Osama Shihadeh, Anne Lesnet, Bill Trent and Scott Day

Absent: None.

The Council investigated and found that notice of the intention of the City Council to conduct a public hearing on a Development Agreement between the City and Cedar Development, L.L.C. with respect to the development of certain retail and other commercial facilities in the Northeast Urban Renewal Area and the installation of associated public infrastructure improvements, which provides for certain property tax incentives in the form of property tax payments in a total principal amount not exceeding \$4,719,000, had been published according to law and a hearing had been held thereon on January 8, 2004, as directed by the Council.

Council Member Jerry Lange introduced the resolution next hereinafter set out and moved its adoption, seconded by Council Member Scott Day; and after due consideration thereof by the Council, the Mayor put the question upon the adoption of said resolution, and the roll being called, the following named Council Members voted:

Ayes: Jerry Lange, Scott Day, Bill Trent, Anne Lesnet, Osama Shihadeh, Phil Fitzgerald and Jerry Root

Nays: None.

Whereupon, the Mayor declared said resolution duly adopted, as follows:

RESOLUTION 88964-0104

Approving Development Agreement with Cedar Development, L.L.C.,  
Authorizing Tax Increment Payments and pledging certain tax increment  
revenues to the payment of the Agreement

WHEREAS, the City of Muscatine, 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 Northeast Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, this Council has adopted an ordinance 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 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, an agreement between the City and Cedar Development, L.L.C. has been prepared (the "Agreement"), pursuant to which Cedar Development, L.L.C. has agreed to the development of certain retail and other commercial facilities in the Urban Renewal Area and the installation of associated public infrastructure improvements (the "Cedar Development, L.L.C. Project") and the City has agreed to provide tax increment payments in a total principal amount not exceeding \$4,719,000; 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 January 8, 2004, 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;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. Pursuant to the factors listed in Chapter 15A, the Council hereby finds that:

(a) The Cedar Development, L.L.C. Project will add diversity and generate new opportunities for the Muscatine and Iowa economies;

(b) The Cedar Development, L.L.C. Project will generate public gains and benefits, particularly in the creation of new jobs, which are warranted in comparison to the amount of the proposed property tax incentives.

Section 2. The Council further finds that a public purpose will reasonably be accomplished by entering into the Agreement and providing the property tax payments to Cedar Development, L.L.C..

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, and such officers 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. 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 which is hereby established, 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 described as follows:

Parcel "C" as shown in the Plat recorded in File No. 2000-01546 in the Muscatine County Recorder's Office, being a parcel of land located in the West Half of the Northwest Fractional Quarter of Section 19, Township 77 North, Range 1 West of the 5<sup>th</sup> P.M., Muscatine County, Iowa.

Parcel "C" is also described as follows:

Part of the West Half of the Northwest Fractional Quarter of Section 19, Township 77 North, Range 1 West of the 5<sup>th</sup> P.M., Muscatine County, Iowa: Beginning at the Northwest corner of Section 19; thence North 89°19'53" East 1954.79 feet along the North line of the Northwest Quarter to the Northeast corner of the Northwest Quarter of the Northwest Fractional Quarter; thence South 00°37'18" East 743.25 feet along the East line of the West Half of the Northwest Fractional Quarter to the Northerly right-of-way of Primary Road No. US 61; thence along said right-of-way the following courses: South 62°28'55" West 202.40 feet; thence South 51°36'21" West 726.58 feet; thence South 53°57'22" West 1485.70 feet to the West line of Section 19; thence North 00°20'31" West 2139.56 feet along said West line to the point of beginning.

and

Parcel "D" as shown in the Plat recorded in File No. 2000-01540 in the Muscatine County Recorder's Office, being a parcel of land located in the West Half of the

Northwest Fractional Quarter of Section 19, Township 77 North, Range 1 West of the 5<sup>th</sup> P.M., Muscatine County, Iowa;

Parcel "D" is also described as follows:

Party of the West Half of the Northwest Fractional Quarter of Section 19, Township 77 North, Range 1 West of the 5<sup>th</sup> P.M., Muscatine County, Iowa: Beginning at the Southeast corner of the Southwest Quarter of the Northwest Fractional Quarter of Section 19; thence South 89°63'42" West (assumed bearing) 1030.08 feet to the Easterly right-of-way of University Drive; thence North 00°46'26" West 851.48 feet along said right-of-way to the Southerly right-of-way of Primary Road No. US 61; thence along said right-of-way the following courses: North 63°49'50" East 232.07 feet; thence North 53°57'20" East 400.00 feet; thence North 42°43'30" East 102.13 feet; thence North 54°29'38" East 520.36 feet to the East line of the West Half of the Northwest Fractional Quarter; thence South 00°37'18" East 1564.66 feet along said East line to the point of beginning containing 92.615 acres and is subject to easements of record;

and

The property conveyed in the Quit Claim Deed recorded as File No. 2002-05917 in the Muscatine County Recorder's Office;

That part of the Northeast Quarter of Section 24, Township 77 North, Range 2 West of the 5<sup>th</sup> P.M., Muscatine County, Iowa, located East of the existing Westerly fence line of the following described tract (*which fence is shown in the survey recorded as Document No. 2000-01546*)

That part of the West Half of the Northwest Quarter of Section 19, Township 77 North, Range 1 West of the 5<sup>th</sup> P.M., Muscatine County, Iowa, lying North of the public highway running through said quarter section

but specifically excluding

The property conveyed in the Quit Claim Deed recorded as File No. 2002-05918 in the Muscatine County Recorder's Office.

(the "Cedar Development, L.L.C. Subfund").

Section 5. The City hereby pledges to the payment of the Agreement the Cedar Development, L.L.C. Subfund and the taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Subfund.

Section 6. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor of Muscatine County to evidence the continuing pledging of the Cedar

Development, L.L.C. 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 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 this 22nd day of January, 2004.



City Clerk

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Clerk

.....

On motion and vote the meeting adjourned.



Attest:

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
Mayor

STATE OF IOWA  
COUNTY OF MUSCATINE           SS:  
CITY OF MUSCATINE

I, the undersigned, Clerk of the aforementioned City, hereby certify that the foregoing is a true and correct copy of the minutes of the Council of the City relating to the adoption of a resolution approving a Development Agreement.

WITNESS MY HAND and the seal of the City hereto affixed this 6th day of  
February, 2004.



  
\_\_\_\_\_  
City Clerk

CITY OF MUSCATINE  
REGULAR CITY COUNCIL MINUTES  
Council Chambers – 7:00 p.m. –  
January 22, 2004

Mayor Richard W. O'Brien called the meeting to order.

Roll Call: Councilmembers Root, Fitzgerald, Lange, Shihadeh, Lesnet, Trent and Day present.

Captain Quinton Boyle, Salvation Army, gave the opening prayer.

The Pledge of Allegiance was given.

Gary Carlson, addressed Council regarding the voting that will take place on January 27, 2004.

#18629. Councilmember Day moved to approve the minutes of the January 8, 2004 Regular City Council Meeting, January 8, 2004 Joint City Council/Legislative Meeting and January 15, 2004 In-Depth City Council Meeting.

Councilmember Lange asked that the January 15, 2004 In-Depth Council Meeting minutes be amended to relect the date "March 15, 2004" for discussion of the smoking prohibition policy.

A.J. Johnson, City Administrator, stated that the minutes reflect what happens at the meeting.

#18629. Councilmember Shihadeh moved to amend the motion to include March 15, 2004 date for the smoking prohibition policy of the January 15, 2004 In-Depth Minutes.

Mayor O'Brien asked City Attorney Harvey Allbee Jr. what is the next step to take.

City Attorney Allbee stated that as City Administrator Johnson stated earlier the minutes reflect what happened at the time of the meeting and that the motion on the floor is out-of-order.

There was further discussion.

#18630. Councilmember Fitzgerald called the question. All ayes; motion carried

Vote on minutes as presented – Six ayes: Councilmembers Day, Fitzgerald, Root, Shihadeh, Trent and Lesent. One nay: Councilmember Lange. All ayes; motion carried.

#18631. Councilmember Lesnet moved that the Consent Agenda be approved as follows: Request for renewal of a Class "C" Beer and Sunday Sales Permit for Fareway Store #998, 2100 Cedar Plaza Drive – Fareway Stores Inc.; request for renewal of a Class "C" Beer and Sunday Sales Permit for West Side Store, 2201 Houser Street – DJMB, LLC.; Filing of communications A-F; and bills totaling \$1,169,552.19. Seconded by Councilmember Shihadeh. All ayes; motion carried.

## PUBLIC HEARING

Mayor O'Brien stated that a public hearing was being held on the proposed vacation of a utility easement in the Cedar Plaza Subdivision.

There were no oral or written petitions for or against the proposed vacation of a utility easement in the Cedar Plaza Subdivision.

#18632. Councilmember Trent moved the public hearing be closed. Seconded by Councilmember Fitzgerald. All ayes; motion carried.

#18633. Councilmember Trent moved the resolution be adopted concerning the vacation of a portion of an existing City utility and access easements in the Cedar Plaza Subdivision in the City of Muscatine. Seconded by Councilmember Root. All ayes: Councilmembers Trent, Root, Fitzgerald, Lange, Shihadeh, Lesnet and Day. Motion carried and resolution duly adopted.

#18634. Councilmember Lesnet moved the resolution be adopted accepting the low bid for the Muscatine Owner-Occupied Housing Rehabilitation Program for 902 E. 8<sup>th</sup> Street in the amount of \$27,730 from North Construction. Seconded by Councilmember Day. All ayes: Councilmembers Lesnet, Day, Trent, Shihadeh, Lange, Fitzgerald and Root. Motion carried and resolution duly adopted.

#18635. Councilmember Shihadeh moved the resolution be adopted accepting the low bid for the Muscatine Owner-Occupied Housing Rehabilitation Program for 503 E. 7<sup>th</sup> Street in the amount of \$24,659 from North Construction. Seconded by Councilmember Lesnet. All ayes: Councilmembers Shihadeh, Lesnet, Trent, Day, Lange, Fitzgerald and Root. Motion carried and resolution duly adopted.

#18636. Councilmember Lange moved the resolution be adopted approving the development agreement between the City of Muscatine and Cedar Development, LLC. Seconded by Councilmember Day.

There was further discussion.

Vote – All ayes: Councilmembers Lange, Day, Trent, Lesnet, Shihadeh, Fitzgerald, Root. Motion carried.

#18637. Councilmember Lesnet moved the request be approved for the joint participation agreement between the Iowa Department of Transportation (IDOT) and the City of Muscatine for a two-year contract for the Job Access Reverse Commute Program. Seconded by Councilmember Shihadeh. All ayes; motion carried.

#18638. Councilmember Trent moved the request be approved for the partial tax exemption requests and to forward them on to the County Assessor's office. Seconded by Councilmember Root.

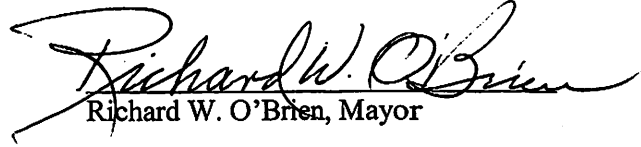
There was further discussion.

Vote – All ayes; motion carried.

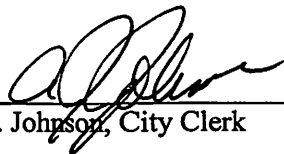
#18639. Councilmember Lesnet moved the request be approved for the City Council's goals and objectives for 2004. Seconded by Councilmember Lange. All ayes; motion carried.

#18640. Councilmember Root moved to adjourn the meeting. Seconded by Councilmember Day. All ayes; motion carried.

The meeting adjourned at 7:45 p.m.

  
Richard W. O'Brien, Mayor

ATTEST:

  
A.J. Johnson, City Clerk

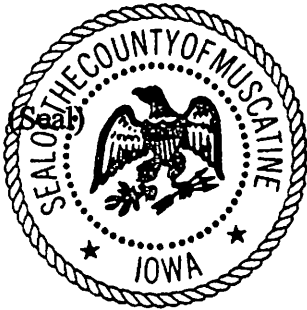
STATE OF IOWA

SS:

COUNTY OF MUSCATINE

I, the undersigned, County Auditor of the aforementioned County, in the State of Iowa, do hereby certify that on the 29th day of January, 2004, the City Clerk of the City of Muscatine filed in my office a certified copy of a resolution of such City shown to have been adopted by the Council and approved by the Mayor thereof on January 22, 2004, entitled: "Resolution Approving Development Agreement with Cedar Development, L.L.C., Authorizing Tax Increment Payments and pledging certain tax increment revenues to the payment of the Agreement," and that I have duly placed the copy of the resolution on file in my records.

WITNESS MY HAND and the seal of the County hereto affixed this 29th day of January, 2004.



*Alesia A. Soule*  
\_\_\_\_\_  
County Auditor

## **DEVELOPMENT AGREEMENT**

This Development Agreement is entered into between the City of Muscatine, Iowa (the "City"), and Cedar Development, L.L.C., an Iowa Limited Liability Company (the "Developer"), as of this 29th day of January, 2004.

WHEREAS, the City has established the Northeast Urban Renewal Area pursuant to Chapter 403 of the Code of Iowa (the "Urban Renewal Area") and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Developer owns certain real property, attached hereto on Exhibit A, (the "Property"), which is located within the Urban Renewal Area. The Developer intends to develop and sell portions of the Property for retail, office, commercial, residential and light industrial facilities upon the Property, as shown on Exhibit B; and

WHEREAS, the Developer shall pay for and install certain public infrastructure improvements on the Property (the "Public Infrastructure"). Any infrastructure installed and paid for by Developer that will directly benefit any residentially designated land within the Property shall not be included in the Public Infrastructure for purposes of this Agreement; and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities in Iowa to provide grants, loans, guarantees, tax incentives and other financial assistance to or for the benefit of private persons; and

WHEREAS, the Developer has requested that the City provide a method for rebating to the Developer certain property taxes which will be paid with respect to the Property in consideration of certain obligations to be undertaken by the Developer under this Agreement;

NOW, THEREFORE, in consideration of the mutual obligations contained in this Agreement, the parties hereto agree as follows:

### **A. Developer's Covenants**

1. The Developer will install and pay for all of the Public Infrastructure improvements in accordance with the details set forth on Exhibit C hereto (Exhibit C details the approximate locations of the Public Infrastructure, with the exact locations and specifications of said improvements to be approved by Engineers for the Developer and the City. The Public Infrastructure shall be installed based on the specifications then in place for the City). Public Infrastructure shall include but is not limited to streets, water mains, storm sewers, sanitary sewers, and appurtenances ("Public Infrastructure"). Public Infrastructure shall directly benefit the retail, office, commercial, or light industrial facilities upon the Property, as shown on Exhibit B. Public Infrastructure shall specifically exclude any Sewer Improvements as defined in Section C.2 of this Agreement. Public Infrastructure shall specifically exclude any infrastructure installed

and paid for by Developer that will directly benefit any residentially designated land within the Property.

Prior to the completion of the Public Infrastructure, the Developer shall provide to the City copies of all engineering documents related to the Public Infrastructure for its approval. Upon completion of the Public Infrastructure and after the City formally approves and accepts by resolution the Public Infrastructure, the Developer will then provide the City with a Certificate of Dedication, or any other such document that will transfer title and ownership of the Public Infrastructure to the City. After conveyance or dedication by the Developer and acceptance by the City, all Public Infrastructure shall thereafter be owned and maintained by the City.

2. Platting. The Developer shall provide to the City for its approval a subdivision plat of the Property. The Developer shall follow all City and State regulations regarding the platting process. Upon approval by the City of the subdivision plat for the Property, all related rights-of-way shall be dedicated to the City.

3. Taxes and Assessments. The Developer agrees to pay when due, all taxes and assessments, general or special, and all other charges lawfully levied on or assessed or placed against the Property for which it is in legal ownership. This obligation shall not be deemed to waive the Developer's rights to contest the assessment of the Property made by the Muscatine County Assessor.

4. Use of Property. On or before November 15 of each year, the Developer shall submit to the City documentation satisfactory to the City that the Property is being used for retail, commercial, office or light industrial uses.

5. Ongoing Certifications. The Developer agrees to certify to the City by no later than November 1 of the year immediately preceding the first fiscal year in which the Developer expects to receive a Payment under this Agreement, the intent of the Developer to begin receiving the Payments (the "Triggering Certification") and the amount of incremental property taxes anticipated to be paid with respect to the Property in the fiscal year immediately following such November 1 certification date (the "Developer's Estimate"). The Developer agrees to certify a Developer's Estimate to the City by no later than November 1 of each fiscal year following the year of the Triggering Certification throughout the term of this Agreement.

Each Developer's Estimate shall be accompanied by records and information sufficient to document to the satisfaction of the City the actual Public Infrastructure costs incurred by the Developer to the date of such certification. Upon the acceptance of the Public Infrastructure by the City as provided for in Section A.1 of this Agreement, the Developer shall certify to the satisfaction of the City the total amount of costs incurred by the Developer in constructing the Public Infrastructure (the "Total Public Infrastructure Costs"). Only costs incurred with respect to Public Infrastructure items detailed on Exhibit C hereto shall be considered as part of the Total Public Infrastructure Costs. The Developer shall not certify Total Public Infrastructure Costs greater than \$4,719,000.

## **B. Developer's Representations and Warranties**

1. The Developer makes the following representations and warranties as of the date of this Agreement:

(a) The Developer is an Iowa limited liability company, has power to enter into this Agreement and to perform its obligations under this Agreement, and is not in violation of any provisions of its Articles of Organization, its Operating Agreement, or Iowa law.

(b) The Developer will use its best efforts to cause the Public Infrastructure to be installed and paid for in accordance with the terms of this Agreement, the City's urban renewal plan, and all local, state, and federal laws and regulations including, without limitation, environmental, zoning, building code, and public health laws and regulations.

(c) To the best knowledge of the Developer, its execution and delivery of this Agreement, its consummation of the transactions contemplated by this Agreement, and its fulfillment of or compliance with the terms and conditions of this Agreement are not, in any material respect, prevented by, limited by, in conflict with, or a breach of the terms, conditions, or provisions of any contractual restriction, evidence of indebtedness, agreement, or instrument of whatever nature to which the Developer is now a party or by which it is bound, and they will not constitute a default under any of the foregoing.

## **C. City's Covenants**

1. Economic Development Payments. In recognition of the Developer's covenants set out in Section A above, the City agrees to make economic development tax increment payments (the "Payment(s)") to the Developer for ten fiscal years during the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa. Each Payment shall be in an amount which represents 50% of the property taxes paid with respect to the incremental value of the Property in that fiscal year, minus the amount of debt service taxes levied by taxing jurisdictions, physical plant and equipment taxes levied by school districts and any other tax levies exempted by future actions of the state legislature from the division of revenues provided for in Section 403.19 of the Code of Iowa, provided, however, that the total Payments made under this Agreement shall not exceed the Total Public Infrastructure Costs plus interest at the rate of eight percent (8%). Payments made will be applied first to accrued interest and then to Total Public Infrastructure Costs. Payments will be made on June 1 of each fiscal year, commencing with the second June 1 following the Triggering Certification and continuing through and including 9 additional fiscal years, or until such earlier date upon which total Payments in an amount equal to the Total Public Infrastructure Costs have been made. For example, if the Triggering Certification is made November 1, 2004, then Payments will be made on June 1 of each fiscal year beginning June 1, 2006 and continuing through and including June 1, 2015.

The Payments shall not constitute general obligations of the City, but shall be paid

solely and only from incremental property taxes received by the City from the Muscatine County Treasurer which are attributable to the Project.

The City agrees to certify to the Muscatine County Auditor by no later than December 1 of each year, an amount equal to the most recently certified Developer's Estimate.

2. Sewer Improvement Construction. The City will arrange for and make all payment for the design and construction of an appropriately sized sanitary sewer service for any unsewerable portion of the Property (the "Sewer Improvements"). The unsewerable sanitary portion of the Property is defined as that portion of the Property as shown on Exhibit D. The Sewer Improvements shall be installed and maintained by the City. The Sewer Improvements shall be complete and operational on or before November 31, 2005.

3. Sewer Hook-on Fees. The Developer agrees to connect to the sanitary sewer system of the City. In the event the City uses any portion of its incremental property tax revenues from the Property to pay for the Sewer Improvements, then City shall waive any and all charges related to sewer hook-on for the Property. In the event the City funds the Sewer Improvements by any other source except as defined above, then City may not waive charges related to sewer hook-on for the Property.

#### **D. Administrative Provisions**

1. Term. This Agreement shall remain in effect until such time as either the Developer has received Payments in an amount equal to the Total Public Infrastructure Costs or for ten (10) years following the year in which the Developer receives the first Payment hereunder, whichever event occurs first.

2. Assignment. This Agreement may not be assigned by either party without the express written permission of the other party. However, the City hereby gives permission for the Developer to assign its economic development tax increment payments to a private lender, as security, or to another entity which is controlled by the Developer, without further action on the part of the City. The City agrees not to unreasonably withhold its permission for assignment of all or any portion of the Developer's rights and obligations hereunder to any other party. Upon receipt of a written request from the Developer the City agrees to either approve or deny such request within sixty (60) days after receipt of such request by the City Council.

3. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors or assigns of the parties, as detailed herein.

4. Governing 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 the laws of the State of Iowa.

5. Recitals Inclusive. The above listed recitals are incorporated into this Agreement.

6. Execution of Documents. All parties agree to execute and deliver whatever documents or assurances as may be reasonably necessary to implement the terms and conditions of this Agreement and effectuate the intent hereof. The parties hereto will cooperate fully with each other and their respective counsel in connection with all steps to be taken as part of their obligations under this Agreement.

The City and the Developer have caused this Agreement to be signed, and the City's seal to be affixed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

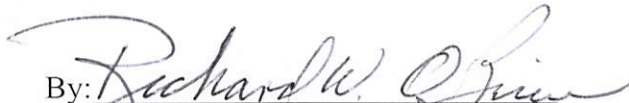
**IN WITNESS WHEREOF**, the parties have executed this Agreement on this 29th day of January, 2004.

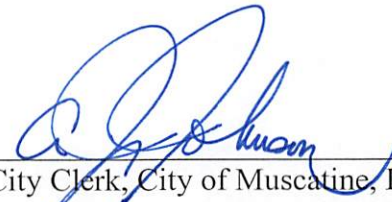
**DEVELOPER:**  
**CEDAR DEVELOPMENT, L.L.C.,**  
**An Iowa Limited Liability Company**

By:   
Scott Andersen, Member/Manager

**CITY:**  
**CITY OF MUSCATINE, IOWA**

**ATTESTED TO:**

By:   
Richard W. O'Brien, Mayor

  
City Clerk, City of Muscatine, Iowa

[SEAL OF CITY OF MUSCATINE, IOWA]



**EXHIBIT A**  
**Legal Description of Property**

Parcel "C" as shown in the Plat recorded in File No. 2000-01546 in the Muscatine County Recorder's Office, being a parcel of land located in the West Half of the Northwest Fractional Quarter of Section 19, Township 77 North, Range 1 West of the 5<sup>th</sup> P.M., Muscatine County, Iowa.

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and

The property conveyed in the Quit Claim Deed recorded as File No. 2002-05917 in the Muscatine County Recorder's Office;

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That part of the West Half of the Northwest Quarter of Section 19, Township 77 North, Range 1 West of the 5<sup>th</sup> P.M., Muscatine County, Iowa, lying North of the public highway running through said quarter section

but specifically excluding

The property conveyed in the Quit Claim Deed recorded as File No. 2002-05918 in the Muscatine County Recorder's Office.

The Grantor does not warrant the title conveyed in the Quit Claim Deed recorded as File No. 2002-05917.

**EXHIBIT B**  
**Proposed Development on the Property**

**EXHIBIT C**  
**Anticipated Public Infrastructure**

**EXHIBIT D**  
**Description of Unsewerable Property**

January 21, 2004

David Casstevens  
Director of Administrative Services  
City Hall  
215 Sycamore  
Muscatine, IA 52761-3840

Re: Northeast Urban Renewal Area/Cedar Development, L.L.C.  
Our File No. 421464-20

Dear Dave:

Enclosed is a resolution for use by the City Council on January 22 to approve the Development Agreement with Cedar Development, L.L.C. We have also enclosed a copy of the Development Agreement.

A copy of the Resolution should be filed with the Muscatine County Auditor and an extra copy is enclosed for that purpose.

We would appreciate receiving one fully executed copy of these proceedings and of the executed Development Agreement as soon as they are available.

Please call John Danos or me if you have any questions.

Very truly yours,

  
Robert E. Josten

REJ:mls  
Enclosures