



AGENDA INFORMATION
TIFFIN CITY COUNCIL COMMUNICATION

DATE: October 31, 2025

AGENDA ITEM: Resolution 2025-085 – Resolution Authorizing Economic Development Grant Agreement with Honey Lane Development, LLC and Authorizing Internal Advance for Funding of Economic Development Grant Thereunder

ACTION: Approval

Background

Honey Lane Development, LLC has undertaken the construction of public infrastructure improvements within the Tiffin Urban Renewal Area to support future commercial development. The Developer has requested financial assistance from the City in the form of an Economic Development Grant to offset costs associated with the infrastructure improvements.

Chapter 15A of the Code of Iowa permits cities to provide financial assistance for economic development purposes, provided that a public purpose is reasonably accomplished. The City Council must consider factors such as job creation, economic diversity, and public benefits when approving such assistance.

Agreement Highlights

- Developer agrees to promote commercial development and dedicate completed infrastructure to the City.
- City retains inspection rights and must formally accept the infrastructure before disbursement.
- Developer must submit a Grant Disbursement Request with documentation of eligible costs.
- City will review and approve costs up to the maximum grant amount of \$125,000.
- Developer must remain current on property taxes throughout the term of the agreement.
- Default provisions allow the City to withhold funds or terminate the agreement if obligations are not met.

Recommendation

Staff recommends approval of Resolution No. 2025-085 authorizing the Economic Development Grant Agreement with Honey Lane Development, LLC and the internal advance of funds to support the project.

ATTACHMENTS: Resolution, Agreement

October 31, 2025

Via Email

Doug Boldt
City Administrator/City Hall
Tiffin, Iowa

Re: Resolution Authorizing Development Agreement
Honey Lane Development, LLC
Our File No. 436989-51

Dear Doug:

We have prepared the attached proceedings providing for the adoption of a resolution by the City Council authorizing the funding of the economic development grant to Honey Lane Development, LLC in compliance with Chapter 15A of the Code of Iowa.

As soon as possible after the City Council meeting, please return one fully executed copy these proceedings to wingfield.nathaniel@dorsey.com.

Please call John Danos or me with any questions.

Kind regards,

Amy Bjork

Attachment

cc: Abigail Hora

MINUTES AUTHORIZING
ECONOMIC DEVELOPMENT
GRANT AGREEMENT AND
APPROVING INTERNAL ADVANCE

(HONEY LANE DEVELOPMENT,
LLC)

Tiffin, Iowa

436989-51

November 4, 2025

The City Council of the City of Tiffin, Iowa, met at the Springmier Community Library, in the City, at 7:00 p.m., on November 4, 2025.

The meeting was called to order and there were present the Mayor in the chair, and the following named Council Members:

Present: _____

Absent: _____.

The matter of authorizing an Economic Development Grant Agreement between the City and Honey Lane Development, LLC was considered by the Council.

Whereupon, Council Member _____ introduced a proposed resolution entitled: "Resolution Authorizing Economic Development Grant Agreement with Honey Lane Development, LLC and Authorizing Internal Advance for Funding of Economic Development Grant Thereunder," and moved that the said resolution be adopted, seconded by Council Member _____ and after due consideration thereof by the Council, the Mayor put the question on the motion for adoption of the said resolution and, the roll being called, the following named Council Members voted:

Ayes: _____

Nays: _____.

Whereupon, the Mayor declared the said resolution duly adopted and signed approval thereto.

* * * *

On motion and vote the meeting adjourned.

Mayor

Attest:

City Clerk

RESOLUTION NO. 2025-085

Resolution Authorizing Economic Development Grant Agreement with Honey Lane Development, LLC and Authorizing Internal Advance for Funding of Economic Development Grant Thereunder

WHEREAS, Chapter 15A of the Code of Iowa (“Chapter 15A”) declares that economic development is a public purpose for which a city may provide grants, loans, guarantees and other financial assistance to or for the benefit of private persons; and

WHEREAS, Chapter 15A requires that before public funds are used for grants, loans or other financial assistance, a city council must determine that a public purpose will reasonably be accomplished by the spending or use of those funds; and

WHEREAS, Chapter 15A requires that, in determining whether funds should be spent, a city council must consider any or all of a series of factors; and

WHEREAS, the City of Tiffin, Iowa (the “City”), has previously established the Tiffin Urban Renewal Area (the “Urban Renewal Area”) and has established the Tiffin Urban Renewal Area Tax Increment Revenue Fund (the “Tax Increment Fund”) in connection therewith; and

WHEREAS, the City has proposed to undertake an urban renewal project in the Urban Renewal Area consisting of funding of an economic development grant (the “Grant”) to Honey Lane Development, LLC (“Honey Lane”) in connection with construction by Honey Lane of certain public infrastructure improvements necessary to support commercial development (the “Project”); and

WHEREAS, in order to make the City’s costs of funding the Grant eligible to be paid from future incremental property tax revenues, it is necessary to facilitate an internal advance of funds in the amount of \$125,000; and

NOW, THEREFORE, IT IS RESOLVED by the City Council of the City of Tiffin, Iowa, as follows:

Section 1. It is hereby directed that an amount not to exceed One Hundred Twenty-Five Thousand Dollars (\$125,000) (the “Advance”) be advanced from the City’s General Fund in order to fund the Grant. The Advance shall be repaid to the General Fund, without interest, out of future incremental property tax revenues received into the Tax Increment Fund.

It is intended that the Advance shall be repaid to the General Fund in one or more installments by no later than June 1, 2028, provided however that repayment of the Advance is subject to the determination of future City Councils that there are incremental property tax revenues available for such purpose which have been allocated to or accrued in the Tax Increment Fund relative to the Advance, and the City Council reserves the right to appropriate funds, or to withhold such appropriation, at its discretion.

Section 3. A copy of this Resolution shall be filed in the offices of the Johnson County Auditor to evidence the Advance. Pursuant to Section 403.19 of the Code of Iowa, the City Clerk is hereby directed to certify, no later than December 1, 2025, the original amount of the Advance.

Section 4. Pursuant to the factors listed in Chapter 15A, the City Council hereby finds that:

a) The Project will add diversity and generate new opportunities for the Tiffin and Iowa economies; and

b) The Project will generate public gains and benefits, particularly in the creation and retention of jobs and income, which are warranted in comparison to the amount of the proposed Grant.

Section 5. The City Council further finds that a public purpose will reasonably be accomplished by making the Grant in connection with the Project.

Section 6. The Grant in an amount not to exceed \$125,000, is hereby approved, subject to the terms and conditions set out in the Economic Development Grant Agreement (the "Agreement") to be entered into by Honey Lane and the City. The City Administrator, with advice from legal counsel to the City, is hereby authorized and directed to prepare any additional documentation and to make such changes to the Agreement as are deemed necessary to carry out the purposes of this Resolution. The Mayor and the City Clerk are hereby authorized to execute such documents as may be necessary to implement the Grant approved herein, including the Agreement, in substantially the form as has been presented to this City Council.

Section 7. All resolutions or parts thereof in conflict herewith, are hereby repealed, to the extent of such conflict.

Passed and Approved this November 4, 2025.

Mayor

Attest:

City Clerk

ATTESTATION CERTIFICATE:

STATE OF IOWA
JOHNSON COUNTY SS:
CITY OF TIFFIN

I, the undersigned, City Clerk of the aforementioned City, do hereby certify that as such I have in my possession or have access to the complete corporate records of the City and of its officers; and that I have carefully compared the transcript hereto attached with the aforesaid records and that the attached is a true, correct and complete copy of the corporate records relating to the action taken by the City Council preliminary to and in connection with authorizing and Economic Development Grant Agreement with Honey Lane Development, LLC and authorizing an internal advance for funding an economic development grant.

WITNESS my hand this ____ day of _____, 2025.

City Clerk

ECONOMIC DEVELOPMENT GRANT AGREEMENT

This Agreement is entered into between the City of Tiffin, Iowa (the “City”) and Honey Lane Development, LLC (the “Developer”) as of _____, 2025 (the “Commencement Date”).

WHEREAS, the City has established the Tiffin Urban Renewal Area (the “Urban Renewal Area”) and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Developer owns certain real property, which is situated in the City, lies within the Urban Renewal Area and is more specifically described on Exhibit A hereto (the “Property”); and

WHEREAS, the Developer has undertaken the construction of certain public infrastructure improvements (the “Public Infrastructure Project”) on the Property in order to promote future commercial development thereon; and

WHEREAS, the Developer has requested that the City provide financial assistance in the form of an economic development grant (the “Grant”) to be used by the Developer in paying the costs of constructing the Public Infrastructure Project; and

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

NOW THEREFORE, the parties hereto agree as follows:

A. Developer’s Covenants

1. Commercial Development Project. The Developer agrees to use its best efforts to promote commercial development on the Property, such that the Property is capable of being put to its highest and best commercial use.

2. Public Infrastructure Project Construction. The Developer has constructed the Public Infrastructure Project.

The City shall retain all rights to inspect the completed Public Infrastructure Project for quality of work and full compliance with the City Code. Nothing in this subsection shall be interpreted as limiting the City’s rights to not accept the work if the Public Infrastructure Project is not completed to the satisfaction of the City.

Upon completion of the Public Infrastructure Project, provided that (i) such improvements are of the type ordinarily dedicated to the City; (ii) the City confirms to the Developer in writing that such completed improvements meet City requirements; and (iii) the City accepts such Public Infrastructure Project in accordance with State law, the Developer will provide the City with either a deed or permanent easement to the improvements and related right-of-way comprising the Public Infrastructure Project, which shall thereafter be maintained by the City.

3. Economic Development Grant Disbursement Request and Public Infrastructure Costs Documentation. The Developer agrees to submit a grant disbursement request (the “Grant Disbursement Request”) in the form attached hereto as Exhibit B. The Grant Disbursement Request shall be accompanied by documentation (the “Costs Documentation”) detailing the costs (the “Public Infrastructure Costs”) incurred in the completion of the Public Infrastructure Project, including invoices and such other documentation as is reasonably requested by the City, confirming that such Public Infrastructure Costs detailed in such Costs Documentation were in fact incurred in the construction of the Public Infrastructure Project and that such Public Infrastructure Costs are of an amount reasonably to have been expected with respect to such construction.

The Public Infrastructure Costs may include costs related to designing, constructing, landscaping, and grading the Public Infrastructure Project, as well as other reasonably related costs of carrying out the Public Infrastructure Project.

4. Property Taxes. The Developer agrees to make timely payment of all property taxes as they come due with respect to the Property throughout the Term (as hereinafter defined) of this Agreement and to submit a receipt or cancelled check in evidence of each such payment.

5. Default Provisions.

A. Events of Default. The following shall be “Events of Default” under this Agreement, and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless otherwise provided), any one or more of the following events:

- (i) Failure by the Developer to dedicate the Public Infrastructure Project to the City pursuant to the terms and conditions of this Agreement.
- (ii) Failure by the Developer to fully and timely remit payment of property taxes when due and owing as required by this Agreement.
- (iii) Failure by the Developer to comply with Section A.3 of this Agreement.
- (iv) Failure by the Developer to observe or perform any other material covenant on its part, to be observed or performed hereunder.

B. Notice and Remedies. Whenever any Event of Default described in this Agreement occurs, the City shall provide written notice to the Developer describing the cause of the default and the steps that must be taken by the Developer in order to cure the default. The Developer shall have thirty (30) days after receipt of the notice to cure the default or to provide assurances satisfactory to the City that the default will be cured as soon as reasonably possible. If the Developer fails to cure the default or provide assurances, the City shall then have the right to:

- (i) Pursue any action available to it, at law or in equity, in order to enforce the terms of this Agreement.
- (ii) Withhold the Grant provided for under Section B.2 below.
- (iii) Terminate this Agreement.

B. City's Obligations

1. **Review of Costs Documentation.** The City staff will review the Costs Documentation upon receipt from the Developer. If the City determines the Public Infrastructure Costs set forth in the Costs Documentation are costs reasonably incurred in the construction of the Public Infrastructure Project, the City shall record a summary of the date, amount and nature of the costs (the "Accepted Public Infrastructure Costs") on the Summary of Accepted Public Infrastructure Costs attached hereto as Exhibit C, and such summary shall be the official record of the Accepted Public Infrastructure Costs for purposes of tallying the Maximum Grant Total, as defined in Section B.2 of this Agreement.

If the City determines that the Public Infrastructure Costs set forth in the Costs Documentation are not costs reasonably incurred in the construction of the Public Infrastructure Project, the City shall notify the Developer of such determination within fifteen (15) days of such determination in order to allow an opportunity for the Developer to cure the noted deficiencies.

2. **Economic Development Grant.** The City hereby agrees to make the Grant to the Developer in an amount equal to the lesser of (i) the Accepted Public Infrastructure Costs, or (ii) \$125,000 (the "Maximum Grant Total") within thirty (30) days of the receipt of a satisfactory Grant Disbursement Request from the Developer.

C. Administrative Provisions

1. **Amendment and Assignment.** Neither party may cause this Agreement to be amended, assigned, assumed, sold or otherwise transferred without the prior written consent of the other party. However, the City hereby gives its permission that the Developer's rights to receive the Grant hereunder may be assigned by the Developer to a private lender, as security on a credit facility taken with respect to the Public Infrastructure Project, without further action on the part of the City.

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

3. **Term.** This Agreement shall become effective upon the date of the last signature below and shall terminate upon the date all obligations of the parties hereto with respect to this Agreement have been satisfied (the "Term").

4. **Choice of Law.** This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with the laws of the State of Iowa.

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

CITY OF TIFFIN, IOWA

By: _____
Mayor

Attest:

City Clerk

HONEY LANE DEVELOPMENT, LLC

By: _____
[Name, Title]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B

FORM OF GRANT DISBURSEMENT REQUEST

Date submitted: _____

Submitted by: _____

Contact information: _____

Index of Invoices/Statements Attached to substantive request:

[illegible]

I, the undersigned hereby certify that the costs shown on the documents referred in the index above are legitimate costs reasonably incurred in the undertaking of Public Infrastructure Project.

HONEY LANE DEVELOPMENT, LLC

By: _____
[Name, Title]

Reviewed and accepted by the City of Tiffin, Iowa this _____ day of _____, 20__.

By: _____
City Administrator

EXHIBIT C

SUMMARY OF ACCEPTED PUBLIC INFRASTRUCTURE COSTS

Date of Cost	Amount of Cost	Nature of Cost	Date Accepted by City