



AGENDA INFORMATION TIFFIN CITY COUNCIL COMMUNICATION

DATE: October 31, 2025

AGENDA ITEM: Resolution 2025-086 – A Resolution Approving of an Escrow and Partial Release Agreement between the City of Tiffin and GHS Development, Inc.

ACTION: Approval

Purpose

To consider approval of an Escrow and Partial Release Agreement between the City of Tiffin and GHS Development, Inc. related to the paving of Halfmoon Avenue NW in the Tiffin Heights West subdivision.

Background

Per the Developer’s Agreement dated July 24, 2024, GHS Development, Inc. is obligated to pave Halfmoon Avenue NW to the northern boundary of Coquina Avenue as a benefit to the subdivision. This obligation is a covenant running with the land and is currently a lien and cloud on the property title.

To facilitate progress and protect the City’s interests, the Developer has submitted a bid from Streb Construction Co., Inc. for the paving work in the amount of **\$67,950.00**. In accordance with City policy, the Developer has deposited **\$81,540.00** into escrow.

Agreement Summary

- The Escrow and Partial Release Agreement transfers the lien from the property to the escrow account.
- The escrow funds will be retained by the City until the paving work is completed and certified by the City Engineer.
- Upon completion, the City will issue a final release for recordation.
- If the Developer fails to complete the paving, the City may draw on the escrow funds to fulfill the obligation.
- This agreement does **not** release the Developer from dust control responsibilities or modify other terms of the original Developer’s Agreement.

Recommendation

Staff recommend approval of the Escrow and Partial Release Agreement to ensure the paving obligation is secured while allowing for partial release of the lien on the property. This approach protects the City’s interests and facilitates development progress.

ATTACHMENTS: Resolution, Escrow & Partial Release Agreement, Quote from Streb Construction

RESOLUTION NO. 2025-086

A RESOLUTION APPROVING THE ESCROW AND PARTIAL RELEASE AGREEMENT FOR TIFFIN HEIGHTS WEST

Whereas, GHS Development, Inc., has requested the City enter into an escrow agreement prior to completion of the all the improvements in the subdivision and required by the subdivision, and;

Whereas, the final plat is found to conform with all of the requirement of the City's Ordinances and Subdivision Agreement with the exceptions noted in the escrow agreement, attached, and;

Now, therefore be it resolved by the City Council of the City of Tiffin, Iowa that the Mayor and City Clerk are hereby authorized to execute the documents necessary to approve the final plat as submitted and as approved by the City Engineer and City Attorney, but, as a condition of its approval, the approval of the final plat is contingent on the following: 1) GHS Development, INC., executing the attached escrow agreement; 2) Execution by the Subdivider and other necessary parties of all other documents required by the Subdivision Ordinance or Subdivision Agreement, including easement agreements. The final plat may not be recorded and no lots may be transferred until these contingencies have been completed.

On the 4th day of November, 2025, at a regular meeting of the Tiffin City Council, Tiffin, Iowa, Councilperson _____ introduced **RESOLUTION NO. 2025-086, A RESOLUTION APPROVING THE ESCROW AND PARTIAL RELEASE AGREEMENT FOR TIFFN HEIGHTS WEST** and made a motion for approval. Motion seconded by Councilperson _____.

Ayes:
Nays:
Absent:

Whereupon _____ Council members were present and voted approval and Mayor Kasperek declared that the **RESOLUTION NO. 2025-086, A RESOLUTION APPROVING THE ESCROW AND PARTIAL RELEASE AGREEMENT FOR TIFFIN HEIGHTS WEST** to be adopted and signified his approval of the same by affixing his signature thereto.

Passed by the City Council on the 4th day of November, 2025.

City of Tiffin

Tim Kasperek, Mayor

ATTEST: _____
Abigail Hora, City Clerk

Prepared by:
Michael J. Pugh
Pugh Hagan Prahm, PLC

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Coralville, IA 52241

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**ESCROW AND PARTIAL RELEASE AGREEMENT
CONCERNING HALFMOON AVENUE NW**

**TIFFIN HEIGHTS WEST
TIFFIN, IOWA**

This Escrow and Partial Release Agreement is made between the City of Tiffin, Iowa, a municipal corporation (“the City”), and GHS Development, Inc., (“Developer”) as Owner and/or Subdivider of Tiffin Heights West, Tiffin, Iowa.

IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. That by reason of the Developer’s Agreement for Tiffin Heights West, Tiffin, Iowa, by and between the City and Developer, dated July 24, 2024, and recorded in the Johnson County Recorder's Office on September 9, 2024 in Book 6593, Pages 825 (“Developer’s Agreement”), Developer is obligated to pave Halfmoon Avenue NW to the northerly terminus of Coquina Avenue as a benefit to the subdivision as more particularly set forth in Section 3(C)(10) of the Developer’s Agreement (the “Halfmoon Avenue NW Paving”). The parties further acknowledge that this obligation is deemed a covenant running with the land and with title to the land.
2. That Developer has obtained a bid from Streb Construction Co., Inc., to complete the Halfmoon Avenue NW Paving, in the amount of \$67,950.00 (“Bid Amount”), a copy of which has been provided to the City.
3. The Parties acknowledge that, since the Halfmoon Avenue NW Paving is not yet complete, a final release regarding the same by the City is not yet appropriate. For this reason, the Developer’s Agreement constitutes a lien and cloud on the property described above.
4. That GHS Development, Inc. has made an \$81,540.00 cash payment in escrow with the City for said subdivision (“Paving Escrow”), and said Paving Escrow is 120% of the Bid

Amount. The parties further acknowledge that this Paving Escrow is being retained by the City pending completion of the Halfmoon Avenue NW Paving, as certified by the City Engineer and issuance of a final release by the City for the Halfmoon Avenue NW Paving.

5. In consideration of the City's release of its lien on the property, Developer agrees that the lien on the property in Tiffin Heights West, Tiffin, Iowa shall be transferred to and shall immediately attach to the Paving Escrow, and that this lien shall remain attached to the Paving Escrow until such time as the conditions for total release set forth in the Developer's Agreement have been satisfied. At such time, the City will issue a final release to the Developer for recordation. If the Developer does not discharge its obligations for the Halfmoon Avenue NW Paving as outlined in the Developer's Agreement and as stated herein, the City shall be entitled to draw on the Paving Escrow as outlined herein and the Developer's Agreement. However, this remedy shall not be exclusive of any other remedy provided in law or equity.
6. Developer agrees that the Paving Escrow will be retained until all work on the Halfmoon Avenue NW Paving is completed and the Halfmoon Avenue NW Paving is finally released by the City as provided above.
7. In consideration thereof, the City does hereby release Tiffin Heights West, Tiffin, Iowa from any lien or cloud now placed on the title to the above property for the purposes stated in Paragraphs 1 through 6 above, and arising out of Section 3(c)(10) the Developer's Agreement.
8. This Escrow and Partial Release Agreement shall not be construed as a release of Developer's obligations to control dust on Halfmoon Avenue NW as set forth in Section 3(F) of the Developer's Agreement. Nor shall this Escrow and Partial Release Agreement in any way alter, amend or modify the Developer's Agreement, except as provided in this agreement.

[Signature page to Escrow and Partial Release Agreement]

Dated this _____ day of October, 2025.

SUBDIVIDER
GHS DEVELOPMENT, INC.

By: _____
Jason Dumont, President

STATE OF IOWA)
) ss:
COUNTY OF JOHNSON)

This instrument was acknowledged before me on this _____ day of October, 2025, by
Jason Dumont, as President of GHS Development, Inc.

Notary Public in and for said State

[Signature page to Escrow and Partial Release Agreement]

Dated this _____ day of _____, 2025.

CITY OF TIFFIN, IOWA

By: _____
Tim Kasperek, Mayor

ATTEST:

By: _____
Abigail Hora, City Clerk

STATE OF IOWA, COUNTY OF JOHNSON) ss:

On this _____ day of _____, 2025, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Tim Kasperek and Abigail Hora, to me personally known, who being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Tiffin, Iowa, a municipal corporation; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and the instrument was signed and sealed on behalf of the corporation by authority of its City Council, and the said Mayor and City Clerk did acknowledge the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Notary Public in and for said State



To:	Shelby Builders	Contact:	Jason Dumont
Address:	PO Box 78 North Liberty, IA 52317	Phone:	(319) 400-3509
		Fax:	
Project Name:	Half Moon Ave Paving		
Project Location:	Half Moon Ave NW, Tiffin	Date:	4/28/2025

Line #	Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
	1	7" PCC PAVING 24'-0" WIDTH	1,200.00	SY	\$48.00	\$57,600.00
	2	6" RECYCLED MODIFIED SUBBASE - 3'-0" PAVER TRACK LINE	460.00	TON	\$22.50	\$10,350.00
Total Bid Price:						\$67,950.00

Notes:

Escrow= \$81,540.00

- We hereby propose to furnish all labor, materials, equipment and supervision necessary to complete this project in accordance with the specifications including any applicable taxes. Proposal is valid for Thirty (30) Days.
- Subgrade completed, compacted, approved and brought to within +0.1' by others.
- Final trim grade completed by paving contractor. If additional subbase is needed to complete the final grading it shall be supplied by others.
- IDOT/SUDAS Specifications are included within this pricing.
- Intakes and sanitary manholes to be boxed out per SUDAS and/or metro standards. If concrete sanitary manhole boxouts are required, add \$1,800.00/EA.
- Final Payment is based on field measurements at Unit Prices.
- **Exclusions:**
 - Engineering, Surveying or Staking.
 - Bonding, Dues or Permits.
 - IDOT Cold Weather Protection/Procedures if needed would be charged at an additional \$7.00 SY of the paving quantity
 - Hot Water or Heated aggregate materials are not included in the standard mix cost.
 - Traffic Control, Flaggers on highway 6, or striping.
 - Washout Pit. Supplied by GC.
 - Driveways, Sidewalks, Ramps or Detectable Warnings
 - CD Baskets in any paving.
 - Intakes structures or fillets.
 - ACC/PCC Sawing, Removals or Curb Grinding.
 - Utility adjustments (Manholes, Intakes, Valves, Valve Boxes etc..)
 - Street subgrade must be compacted to 98% standard modified density for concrete mixers or dump trucks backing the grade.
 - If the subgrade doesn't support concrete trucks backing the grade and the concrete has to be placed with a belt placer a \$250 hourly charge will be added to the cost of the 7" PCC Paving.
 - Items not included as bid items within this proposal are not included within this pricing.

Payment Terms:

Full Payment shall be made to Streb Construction Co., Inc upon each item of work when said item of work is completed and upon billing therefore. All payments due shall bear 1.5% interest from 30 days after the date of billing therefore until paid in full.

ACCEPTED: The above prices, specifications and conditions are satisfactory and hereby accepted. Buyer: _____ Signature: _____ Date of Acceptance: _____	CONFIRMED: Streb  Authorized Signature: Estimator: Troy Mertens 319-631-4635 troy@strebconstruction.com
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