#659

IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT

HOUSING ENTERPRISE ZONE PROGRAM AGREEMENT

EZ AGREEMENT NUMBER: 06-HEZ-019
APPLICATION APPROVAL DATE: September 19, 2005

AGREEMENT EFFECTIVE DATE: September 19, 2005

ENTERPRISE ZONE NAME: Mitchell County, St. Ansgar EZ-4
ZONE CERTIFICATION DATE: May 19, 2005
ZONE EXPIRATION DATE: May 19, 2015

THIS **ENTERPRISE ZONE AGREEMENT** is made by and among the **Iowa Department of Economic Development**, 200 East Grand Avenue, Des Moines, Iowa 50309 ("Department" or "IDED"), **Mitchell County Board of Supervisors, Mitchell County Courthouse, 508 State Street, Osage, IA 50461**, ("Community") and **Waylon Brown Construction, Inc., Box 74, St. Ansgar, IA 50472**, ("Housing Business").

WHEREAS, the purpose of the Enterprise Zone Program is to promote new economic development in economically distressed areas; and

WHEREAS, the Community has designated and the Department has certified the Enterprise Zone identified above; and

WHEREAS, eligible housing businesses with projects located in a certified Enterprise Zone are authorized under this program to receive certain tax incentives and assistance; and

WHEREAS, the Enterprise Zone Commission responsible for the above-identified Zone has recommended approval and the Department has found the Housing Business' application to be consistent with the Act's eligibility requirements; and

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, it is agreed as follows:

ARTICLE I
DEFINITIONS

As used in this Agreement, the following terms shall apply:

1.1 "*Act*" means 2003 Iowa Code sections 15E.191 through 15E.196 as amended by 2003 Iowa Acts, Senate File 441 and House File 576.

1.2 "*Administrative Rules*" means 261 Iowa Administrative Code, chapter 59.

1.3 "*Agreement Effective Date*" means the date this Agreement becomes effective and the Housing Business is authorized to receive program benefits.

1.4 "*Agreement Expiration Date*" means the date this Agreement ceases to be in force and effect. This Agreement shall remain in effect until IDED receives written verification that all 4 units have been certified for occupancy.

1.5 "*Application Approval Date*" means the date, as identified above, on which the Director or Director's designee of the IDED approved the Housing Business' Enterprise Zone application.

1.6 "*Board*" means the IDED Board.

1.7 *"Commission"* or *"Enterprise Zone Commission"* means the Enterprise Zone commission established by the Community responsible for the certified Enterprise Zone.

1.8 "DRF" means the Iowa Department of Revenue and Finance.

1.9 *"Enterprise Zone"* means the site within the Community certified by the Board for the purpose of attracting private investment.

1.10 *"Project"* means the activity, or set of activities, described in this Agreement and the Enterprise Zone application approved by IDED.

1.11 *"Project Completion"* means the date of completion of construction or if this Project involves rehabilitation, the date all improvements included in the Project are completed.

ARTICLE II
ENTERPRISE ZONE BENEFITS

2.1 *Benefits.* The following Enterprise Zone benefits authorized by the Act and IDED administrative rules are available to the Housing Business under this Agreement:

(a) *Investment Tax Credit.* The Housing Business may claim an investment tax credit up to a maximum of 10 percent of the new investment which is directly related to the building or rehabilitating of the units stated in Article IV, Section 4.1 of this Agreement.

New investment which is directly related to the building or rehabilitating units includes the following costs: land, surveying, architectural services, building permits, inspections, interest on the construction loan, building materials, roofing, plumbing materials, electrical materials, amounts paid to subcontractors for labor and materials provided, concrete, labor, landscaping, appliances normally provided with a new home, heating and cooling equipment, millwork, drywall and drywall materials, nails, bolts, screws, and floor coverings. New investment does not include the machinery, equipment, hand or power tools necessary to build or rehabilitate homes.

The new investment that may be used to compute the tax credit shall not exceed the new investment used for the first one hundred forty thousand dollars of value for each unit. In determining the tax credit, new investment financed through federal, state, and local government tax credits, grants, and forgivable loans shall not be included.

The tax credit may be used to reduce tax liabilities imposed under Iowa Code chapter 422, Division II, Division III or Division V or under Iowa Code chapter 432. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs earlier. If the business is a partnership, subchapter S corporation, limited liability company, or estate or trust electing to have the income taxed directly to the individual, an individual may claim the tax credit allowed. The amount claimed by the individual shall be based upon the pro-rata share of the individual's earnings of the partnership, subchapter S corporation, limited liability company, or estate or trust.

(b) *Refund Of Sales, Service And Use Taxes Paid To Contractors Or Subcontractors.* The Housing Business is eligible for a refund of sales, service and use taxes paid by an eligible business, including an eligible business acting as a contractor or subcontractor as authorized in Iowa Code section 15.331A.

(i) The Housing Business may apply for a refund of the sales and use taxes paid under Iowa Code chapters 422 and 423 for gas, electricity, water or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or rehabilitation of the units within the Enterprise Zone.

(ii) Taxes attributable to intangible property and furniture and furnishings shall not be refunded.

To receive a refund of the sales, service and use taxes paid to contractors or subcontractors, the Housing Business must, within one year after Project Completion, make an application to the DRF.

2.2 *Duration Of Benefits*. The Enterprise Zone designation shall remain in effect for ten years following the date of certification. Any state incentives or assistance that may be conferred must be conferred before the designation expires. However, the benefits of the incentive or assistance may continue beyond the expiration of the Enterprise Zone designation.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUSINESS

To induce the Department and the Community to authorize Enterprise Zone benefits referred to in this Agreement, the Housing Business represents, covenants and warrants that:

3.1 *Authority.* The Housing Business is a corporation duly organized and validly existing under the laws of its state of incorporation and is in good standing, and has complied with all applicable laws of the State of Iowa. The Housing Business is duly authorized and empowered to execute and deliver this Agreement. All action on the Housing Business' part (e.g. where required, appropriate resolution of its Board of Directors) for the execution and delivery of this Agreement, has been effectively taken.

3.2 *Business Information.* All written financial statements and related materials concerning the Housing Business and the Project provided to the Department and the Community are true and correct in all material respects and completely and accurately represent the subject matter thereof as of the effective date of the statements and related materials, and no material adverse change has occurred since that date.

3.3 *Application.* The contents of the application the Housing Business submitted to the Department for Enterprise Zone program benefits (Attachment A) is a complete and accurate representation of the Housing Business and the Project as of the date of submission and there has been no material adverse change in the organization, operation, business prospects, fixed properties or key personnel of the Housing Business since the date the Housing Business submitted its application to the Department.

3.4 *Claims And Proceedings.* There are no actions, lawsuits or proceedings pending or, to the knowledge of the Housing Business, threatened against the Housing Business affecting in any manner whatsoever its rights to execute this Agreement or to otherwise comply with the obligations of the Housing Business contained under this Agreement. There are no actions, lawsuits or proceedings at law or in equity, or before any governmental or administrative authority pending or, to the knowledge of the Housing Business, threatened against the Housing Business or affecting the Housing Business' ability to proceed with the Project.

3.5 *Permits.* All necessary permits have been issued or will be applied for in a timely manner with reasonable expectation that they will be issued.

ARTICLE IV
CONDITIONS TO RECEIPT OF ENTERPRISE ZONE BENEFITS

The Enterprise Zone Benefits authorized under Article II of this Agreement are available to the Housing Business provided the Housing Business, (and where applicable, the Community) satisfies each of the following conditions:

4.1 *Build or Rehabilitate.* The Housing Business must build 4 single family units in the St. Ansgar EZ-4 Enterprise Zone.

4.2 *Modest Homes.* The single-family homes and dwelling units which are rehabilitated or constructed by the Housing Business shall be modest homes or units, but shall include the necessary amenities. When completed and made available for occupancy, the single-family homes and dwelling units shall meet the United Sates Department of Housing and Urban Development's housing quality standards and local safety standards.

4.3 *Completed within Two Years.* The Housing Business shall complete its building or rehabilitation within two years from the time the Housing Business begins construction or rehabilitation of the units described in Section 4.1.

4.4 *Records And Accounts.* The Housing Business shall maintain information, books, records, documents and other evidence concerning the Project, in sufficient detail to permit the Department and the Community to assess compliance with the terms of this Agreement. The Housing Business shall retain the aforementioned records for a period of three (3) years from the Agreement Expiration Date.

4.5 *Access To Records/Inspections.* The Housing Business shall, upon prior reasonable notice and at any time (during normal business hours), permit the Community and its representatives and the Department, its representatives or the State Auditor to examine, audit and/or copy:

(i) any plans and work details pertaining to the Project,
(ii) all of the Housing Business' books, records and accounts relating to the Project, and
(iii) all other documentation or materials related to this Agreement.

The Housing Business shall provide proper facilities for making such examination and/or inspection. Records of the Housing Business furnished to the Department in connection with this Project are subject to the provisions of Iowa Code chapter 22 and administrative rules adopted by the Department concerning public records and requests for confidential treatment of records.

4.6 *Notice Of Proceedings.* The Housing Business shall promptly notify the Community and IDED of the initiation of any claims, lawsuits, bankruptcy proceedings or other proceedings brought against the Housing Business which would adversely impact the Project.

4.7 *Reports; Community Monitoring/Reporting.*

(a) The Housing Business shall prepare, sign and submit the following reports:

Report	Due Date
Annual Certification	January 30

The Housing Business shall, for the length of its designation as an Enterprise Zone business, certify annually to the Community and the Department its compliance with the requirements of the Act. The Housing Business shall use the form provided by the Department for its annual certification. Documentation of compliance with the conditions detailed in Article IV shall be included with the annual certification.

4.8 *Notice Of Business Changes.* The Housing Business shall provide prompt advance notice to the Community and the Department of any proposed change in the Housing Business ownership, structure or control which would materially and directly affect the Project.

ARTICLE V
DEFAULT AND REPAYMENT

5.1 *Events Of Default.* Enterprise Zone benefits described in Article II are only available to the Housing Business to the extent the Housing Business satisfies the conditions described in Article IV. Any of the following shall constitute an Event of Default under this Agreement:

(a) *Material Misrepresentation.* If at any time any representation, warranty or statement made or furnished to the Department or the Community by, or on behalf of, the Housing Business in connection with this Agreement shall be determined by the Department to be incorrect, false, misleading or erroneous in any material respect when made or furnished.

(b) *Breach Of Agreement.* If there is a failure of the Housing Business to comply with any of the covenants, terms or conditions contained in this Agreement.

(c) *Relocation Or Abandonment.* If there is an abandonment of the Project and the Housing Business fails to renew the Project within the Enterprise Zone within 30 days. If the relocation or abandonment is due to a natural disaster (e.g. flood, tornado), the Housing Business shall have 120 days to renew the Project within the Enterprise Zone.

(d) *Insolvency Or Bankruptcy.* If the Housing Business becomes insolvent or bankrupt, or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or the Housing Business applies for or consents to the appointment of a trustee or receiver for the Housing Business or for the major part of its property; or if a trustee or receiver is appointed for the Housing Business or for all or a substantial part of the assets of the Housing Business and the order of such appointment is not discharged, vacated or stayed within sixty (60) days after such appointment; or if bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings or other proceedings for relief under any bankruptcy or similar law or laws for the relief of debtors, are instituted by or against the Housing Business and, if instituted against the Housing Business, is consented to, or, if contested by the Housing Business is not dismissed by the adverse parties or by an order, decree or judgment within sixty (60) days after such institution.

5.2 *Notice Of Default.*

(a) *From Department*. If, through the annual certification report or other means, the Department has reason to believe the Housing Business is in default of the terms of this Agreement, the Department will issue a written notice of default to the Housing Business, setting forth the nature of the default in reasonable specificity, and providing therein a reasonable period of time, which shall not be less than 30 days from the date of the notice of default, in which the Housing Business shall have an opportunity to cure, provided that cure is possible and feasible. A copy of any Notice of Default will also be provided to the Community and DRF.

(b) *From Community*. If, through monitoring, auditing or other means, the Community has reason to believe the Housing Business is in default of the terms of this Agreement, the Community will issue a written notice of default to the Housing Business, setting forth the nature of the default in reasonable specificity, and providing therein a reasonable period of time, which shall not be less than 30 days from the date of the notice of default, in which the Housing Business shall have an opportunity to cure, provided that cure is possible and feasible. A copy of any Notice of Default will also be provided to the Department and DRF.

5.3 *Repayment; Loss of Benefits.*

(a) *Failure to meet/maintain requirements*. If the Housing Business fails in any year to meet or maintain any one of the requirements of the Act, the Housing Business shall repay the value of the incentives received for each year during which it was not in compliance.

(b) *DRF recovery*. Once it has been established, through the Housing Business' annual certification, monitoring, audit or otherwise, that the Housing Business is required to repay all or a portion of the incentives received, the DRF shall collect the amount owed. DRF has the authority, pursuant to the Act, to recover the value of state taxes or incentives provided under the Act. The value of state incentives provided under the Act includes applicable interest and penalties.

ARTICLE VI
GENERAL TERMS AND PROVISIONS

6.1 *Compliance With Laws And Regulations.* The Housing Business shall comply with all applicable State and federal laws, rules (including the administrative rules adopted by the Department for the Enterprise Zone Program - 261 Iowa Administrative Code, chapter 59), ordinances, regulations and orders.

6.2 *Termination.* This Agreement may be terminated by the Department or the Community: (a) in the event of an unremedied material Event of Default by the Housing Business under Article V of this Agreement; or (b) by mutual agreement of all parties.

6.3 *Survival Of Agreement.* If any portion of this Agreement is held to be invalid or unenforceable, the remainder shall be valid and enforceable.

6.4 *Governing Law.* This Agreement shall be interpreted in accordance with the law of the State of Iowa, and any action relating to this Agreement shall only be commenced in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa.

6.5 *Modification.* This Agreement may only be modified by a written document signed by all Parties.

6.6 *Notices.* Whenever this Agreement requires or permits any notice or written request by one party to another, it shall be in writing, enclosed in an envelope, addressed to the party to be notified at the address heretofore stated (or at such other address as may have been designated by written notice), properly stamped, sealed and deposited in the United States Mail. Any such notice given hereunder shall be deemed delivered upon the earlier of actual receipt or three (3) business days after posting. The Department may rely on the addresses of the Housing Business and Community set forth heretofore, as modified from time to time, as being the addresses of the Community and Housing Business.

6.7 *Waivers.* No waiver by a party of any Event of Default hereunder shall operate as a waiver of any other Event of Default or of the same Event of Default on any future occasion. No delay on the part of a party in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by a party shall preclude future exercise thereof or the exercise of any other right or remedy.

6.8 *Headings.* The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction and interpretation of this Agreement.

6.9 *Integration.* This Agreement contains the entire understanding between the Community, Housing Business and the Department and any representations that may have been made before or after the signing of this Agreement, which are not contained herein, are nonbinding, void and of no effect. None of the parties have relied on any such prior representation in entering into this Agreement.

6.10 *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

6.11 *Documents Incorporated By Reference.* The following documents are hereby incorporated by reference:

(a) Attachment A, "Housing Business' Enterprise Zone Application."
(b) Attachment B, "Enterprise Zone Commission Resolution Approving the Housing Business' Enterprise Zone Application."

6.12 *Order Of Priority.* In the event of a conflict between documents of this Agreement, the following order of priority shall govern:

(a) Articles 1 through 6 herein.
(b) Attachment A, "Housing Business' Enterprise Zone Application."
(c) Attachment B, "Enterprise Zone Commission Resolution Approving the Housing Business' Enterprise Zone Application."

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date first stated:

FOR THE COMMUNITY:
Mitchell County Board of Supervisors

Signature

Cheryl A. Tahael, Chair
Type or Print Name, Title

FOR IDED:

Michael Miller, Investment Management

FOR THE HOUSING BUSINESS:
Waylon Brown Construction, Inc.

Wayl Jay Brown President
Signature

Waylon Jay Brown President
Type or Print Name, Title

ATTACHMENT A

Housing Business' Enterprise Zone Application

IOWA DEPT. OF ECONOMIC DEVELOPMENT
SEP 12 2005
DIVISION OF COMMUNITY DEVELOPMENT

APPLICATION for ENTERPRISE ZONE BENEFITS

Housing Development

Mitchell County

Waylon Brown Construction, Inc

Iowa Department of Economic Development
Division of Business Development
200 East Grand Avenue
Des Moines, Iowa 50309

INTENT: The Enterprise Zone Program was established by the Iowa Legislature with the intent of promoting new economic development in economically distressed areas of Iowa by encouraging communities to target resources in ways that attract productive private investment.

PROJECT INITIATION: Projects that have already been initiated before receiving formal application approval by the Iowa Department of Economic Development shall not be eligible for tax incentives and assistance under this program.

"Project initiation" means any one of the following: the start of construction of new or expanded buildings; the start of rehabilitation of existing buildings; the purchase or leasing of existing buildings; or the installation of new machinery and equipment or new computers to be used in the operation of the business' project. The purchase of land or signing an option to purchase land or earth moving or other site development activities not involving actual building construction, expansion or rehabilitation shall not constitute project initiation.

GENERAL INSTRUCTIONS

1. If more than six months has elapsed since the date on the front of this application, please contact IDED to see if this version of the application is still current.

2. Before filling out this application form, please read Iowa Code Sections 15E.191 through 15E.196, as amended and the Enterprise Zone administrative rules.

3. Only typed or computer-generated applications will be accepted and reviewed. *(Contact the IDED to have an electronic copy of this application e-mailed to you.)* Any material change to the format, questions or wording of questions presented in this application, will render the application invalid and will not be accepted.

4. Complete the application fully; if any questions are left unanswered or required attachments are not submitted, an explanation must be included.

5. Use clear and concise language. Attachments should only be used when requested or as supporting documentation.

6. Any inaccurate information of a significant nature may disqualify the application from consideration.

7. Send the original plus two copies of the completed application form and all required attachments to:

Kent Powell
Housing Fund Compliance Specialist
Iowa Department of Economic Development
200 East Grand Avenue
Des Moines, Iowa 50309
Phone: (515) 242-4786
Fax: (515) 242-4809
E-mail: kent.powell@ided.state.ia.us

It is not necessary to bind the application and/or the required attachments. Staples and/or binder clips may be utilized. Please provide photocopies of any documents, which in their original form, IDED would not be able to 2-hole punch for purposes of creating the applicant's file.

PUBLIC RECORDS POLICIES

The Iowa Department of Economic Development (IDED) is subject to the Open Records law (2001 Iowa Code, Chapter 22). Treatment of information submitted to IDED in an Enterprise Zone application is governed by the provisions of the Open Records law. All public records are available for public inspection. Some public records are considered confidential and will not be disclosed to the public unless ordered by a court, the lawful custodian of the record, or by another person duly authorized to release the information. Copies of Iowa's Open Records law and IDED's administrative rules relating to public records are available from the Department upon request.

IOWA DEPT. OF ECONOMIC DEVELOPMENT
SEP 12 2005
DIVISION OF COMMUNITY DEVELOPMENT

APPLICANT INFORMATION

Name of Housing Business: **Waylon Brown Construction, Inc.**

Contact Name & Title: Waylon Brown, President

Address: Box 74

City, State & Zip Code: St. Ansgar, IA 50472

Telephone: 641-713-3019 or 641-590-0610
Fax: none

E-mail Address: none

Taxpayer Identification No: **20-0426088**

Local Enterprise Zone Commission

Enterprise Zone Commission Name: **Mitchell County Enterprise Zone Commission**

Contact Name & Title: Brenda Dryer, Mitchell County EZ Board Secretary

Organization: **Mitchell County Economic Development Commission**

Address: 509 State Street

City, State & Zip Code: **Osage, Iowa 50461**

Telephone: 641-732-4790
Fax: 641-732-4790

E-mail Address: **mcedc@osage.net**

CERTIFICATION & RELEASE OF INFORMATION

I, the undersigned, on behalf of the Housing Business identified above, hereby submit the following application under Iowa Code Sections 15E.191 through 15E.196. I certify that the Housing Business is in good standing, and has complied or will upon receipt of approval by the Department, with all applicable laws of the State of Iowa to conduct business within the State. I certify that all information, representations, or statements provided to the Iowa Department of Economic Development (IDED), in connection with this application, are true and correct in all material respects.

I certify and understand that in order to receive benefits under the Enterprise Zone Program that the project described in this application has not been initiated and that the project will not be initiated until the business receives final approval of this application from the IDED.

I hereby give permission to IDED to make credit checks, contact the company's financial institution(s), and perform other related activities necessary for reasonable evaluation of this application.

I understand this application is subject to final approval by the Department and am aware that Enterprise Zone benefits are not available until final Department approval is secured and an agreement is executed with the Housing Business, IDED and the Community, within a reasonable time period following approval. This application will be used as the basis for the Enterprise Zone agreement.

For the Housing Business:

Walt J. Brown, President
Signature, Title

Waylon Brown, President
Print name and title

September 5 ,2005
Date

For the Enterprise Zone Commission:

Kevin Kolbet, Chair
Signature, Title

Kevin Kolbet, Chair
Print name and title

09/08/05
Date

APPLICATION INFORMATION

1. Please provide a brief description of the proposed housing development project.

   The proposed development project is the construction of 4 new homes.

2. In which Enterprise Zone will this project occur (include the zone's name, number, size in acres, and date certified)?

   St Ansgar EZ-04, 1063.11 acres, approved May 19, 2005

3. Does the project involve new construction or rehabilitation?

   New construction

4. How many single-family homes or multi-family units are proposed?

   Four new homes

5. What will be the per unit value of the housing?

   $126,250 per unit

6. The single family homes or multi-family units being constructed or rehabilitated must be modest homes or units and include the necessary amenities. Please explain how the proposed project will satisfy this requirement?

   Each unit will have at least two bedrooms, living room, kitchen, dining room, 1 ½ baths, laundry and attached garage.

7. Will the project meet U.S. Department of Housing and Urban Development Housing Standards and applicable local codes?

   Yes

8. What is the current status of the project? When is construction scheduled to begin? What is the anticipated project completion date?

   Upon acceptance of this application, all units are to be completed within the two year period allowed.

9. Attach a legal description of the business site on which the project will occur.
See attachment

10. Attach a detailed map (no larger than 8" x 14") showing the housing development site in relation to the boundaries of the certified Enterprise Zone.

See attached map

11. Is any part of the project located in a 100-year flood plain?

No

12. Please indicate the total capital investment that will be made as the result of this project?

Description of Capital Expenditure	Amount
Land Purchase	$56,000.00
Materials	$375,000.00
Labor	$150,000.00
Digging	$35,000.00
Total	**$616,000.00**

13. Please identify the sources of project financing that will be utilized and the amount of the financing. (The total amount of the financing should equal the total expenditures in Question #12.)

Source of Project Financing	Amount
Local Bank	$462,000.00
Home Ward Funding	$100,000.00
Contractor Cash	$54,000.00
Total	**$616,000.00**

14. For purposes of determining the amount of investment tax credits the housing business may receive, the Iowa Department of Economic Development cannot include capital expenditures financed through federal, state, and local government tax credits, grants and forgivable loans. Based on this information, what portion of your total capital investment (identified in Question #12) will be eligible for the investment tax credit?

100% of the capital investment.

15. Please attach a long-term plan for the proposed housing development project including labor and infrastructure needs.

I plan to start during October on the first dwelling, as soon as the application has been approved. After the first dwelling sells I will start the second one, which I'm planning on being a duplex. After the duplex sells, I will start the final housing unit and will be completed with in the two year period.

16. What economic benefits will the project bring to the area?

Bring to St Ansgar affordable housing, create local jobs, and increase the local tax basis for school, city and county

17. Explain why the proposed project would be considered a good housing development project.

Modest, safe and affordable housing is needed in the area. People living is St Ansgar now would like to move into new housing and there are people wanting to move to St Ansgar for modest, safe affordable housing.

18. Please attach an affidavit that states the Housing Business has not, within the last five years, violated state or federal environmental and worker safety statutes, rules, and regulations or, if such violations have occurred, that there were mitigating circumstances or such violations did not seriously affect public health or safety or the environment.

See attached affidavit

19. Explain why Enterprise Zone Benefits are needed in order for the project to proceed. Due to the rising cost of materials this project would not be able to proceed with out the EZ benefits.

20. Please indicate the amount of Enterprise Zone tax benefits being requested for this project.

State Sales, Service, and Use Tax Refund: $30,800.00

Investment Tax Credit: ~~$61,600.00~~

$56,000. = MAXIMUM 4 units

21. Please list any additional requirements adopted by the local Enterprise Zone Commission and explain how the Housing Business will meet each requirement.

This project will meet the Enterprise Zone Commission and Housing requirements.

ATTACHMENTS

Please make sure the following items are included with this application:

***Housing Business*:**

- ☐ Legal description of the business site on which the project will occur.
- ☐ Detailed map (no larger than 8" x 14") showing the business site in relation to the boundaries of the certified Enterprise Zone.
- ☐ Long term strategic plan, which includes labor and infrastructure needs.
- ☐ Affidavit that states the Business has not, within the last 5 years, violated state or federal environmental and worker safety statutes, rules, and regulations.

***Enterprise Zone Commission*:**

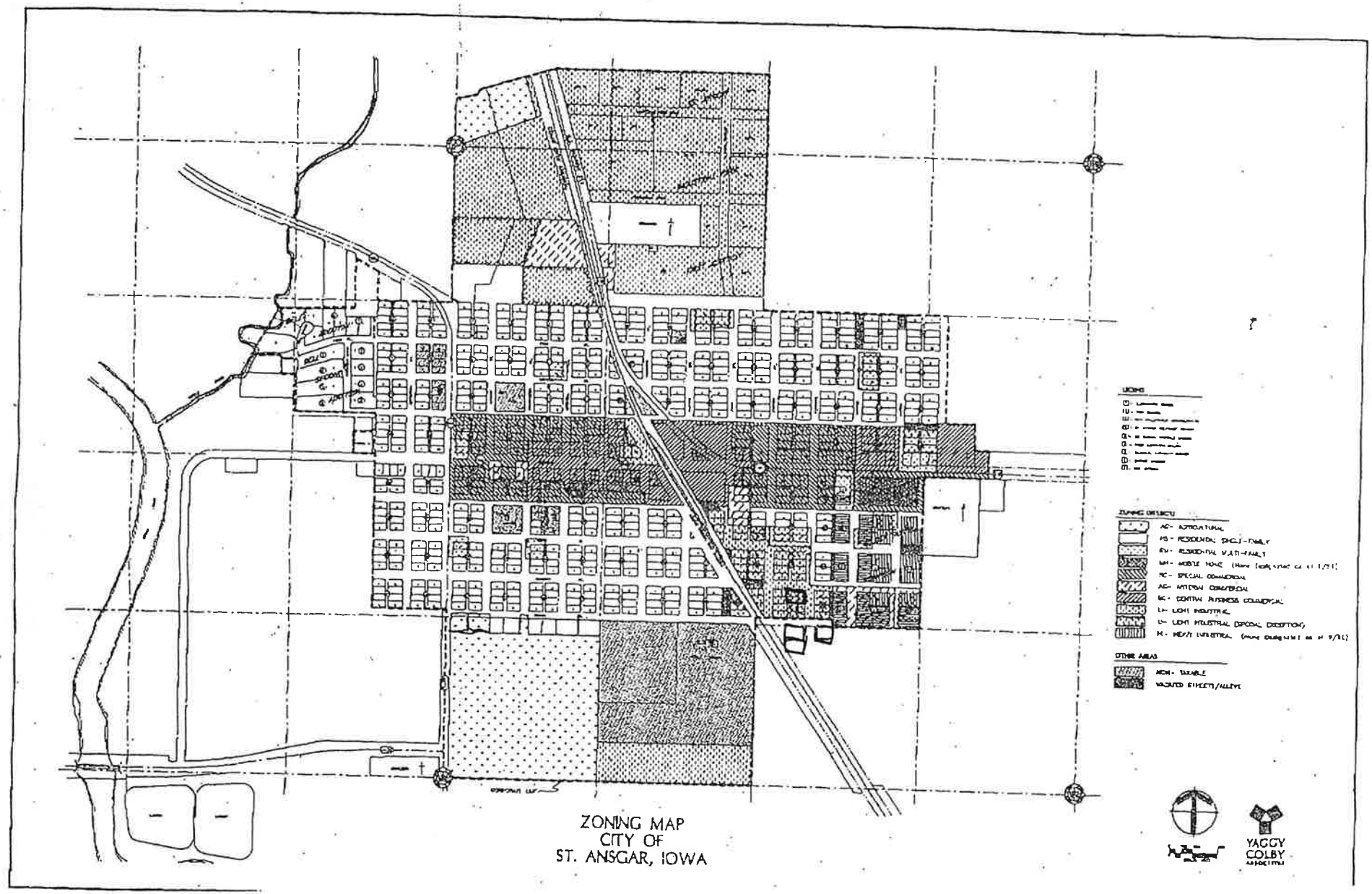
- ☐ Resolution by the Enterprise Zone Commission approving this application.
- ☐ Proof that the meeting, in which this application was approved, was open to the public (i.e. public notice which was published and/or posted).
- ☐ Meeting minutes from the meeting, in which this application was approved.

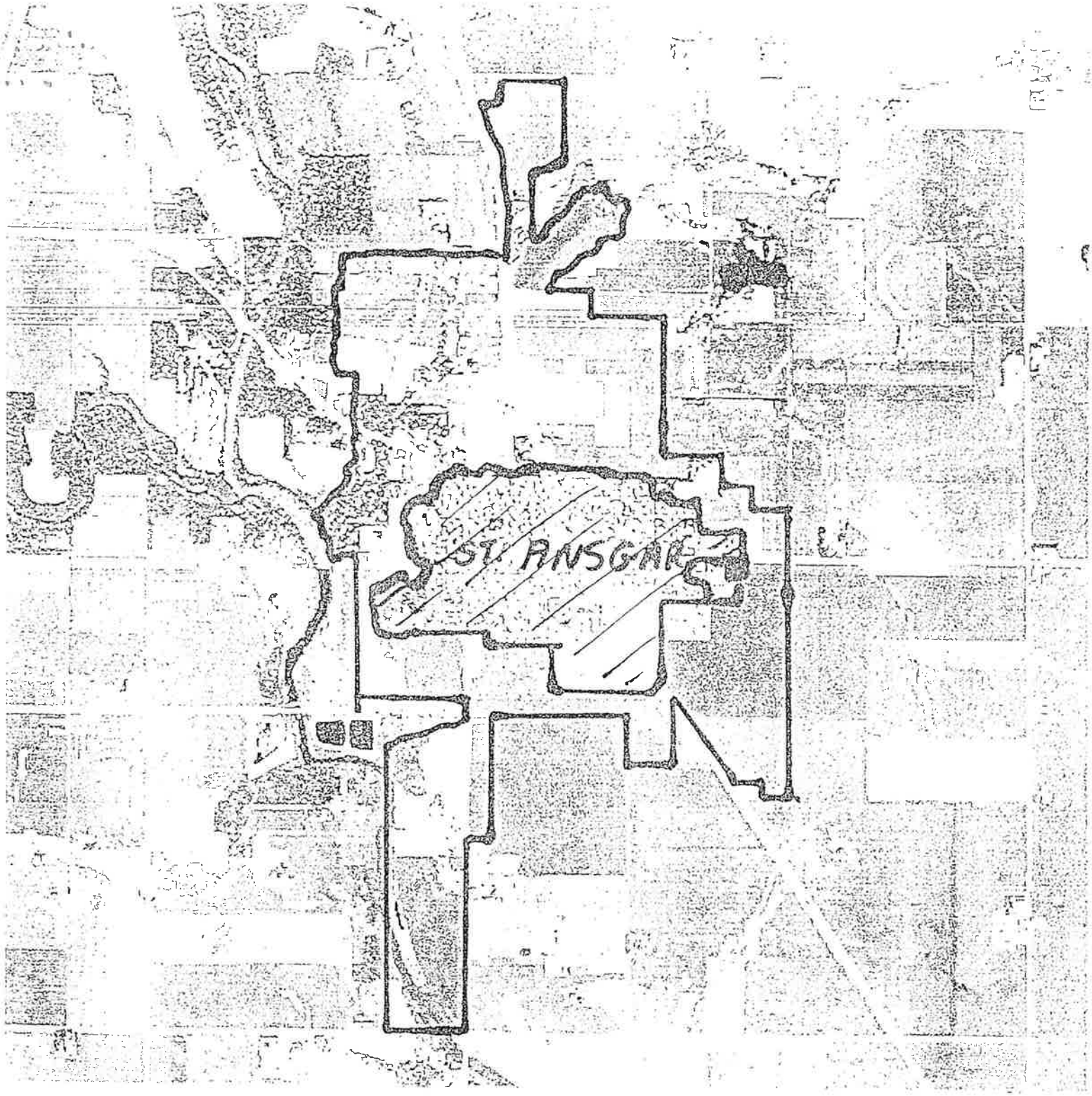
LEGAL DESCRIPTIONS

Lot 1:West side of Summer Street
Lots 1,2,3,4 and ½ of lot 5 in the Sedlacek and Gilbertson addition to St. Ansgar, being located in the northwest quarter of the southeast quarter of section 24 township 99 north, range 18 west of the fifth principal meridian, Mitchell County, Iowa.

Lot 2, 3, and 4: Un-numbered commencing at SW corner of Block; thence south 200', thence east 345', thence north 200', thence west 354'; to point of beginning in SE ¼ of Section 24-99-18.

641-732-4790




ST. ANSGAR

AFFIDAVIT REGARDING FACILITY

Within the last five years, I have not violated state or federal environmental and worker safety statues, rules and regulations or if such violations have occurred that there were mitigating circumstances or such violations did not seriously affect public health or safety or the environment.

SIGNED: Wayne T. B

DATE: 9/6/2005

ATTACHMENT B

Enterprise Zone Commission Resolution Approving the Housing Business' Enterprise Zone Application

RESOLUTION 05.12

RESOLUTION OF THE MITCHELL COUNTY ENTERPRISE ZONE COMMISSION (hereafter referred to as the "Commission") APPROVING APPLICATION TO THE IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT (hereinafter referred to as the "Department") FOR THE PURPOSES OF RECEIVING BENEFITS UNDER THE ENTERPRISE ZONE PROGRAM as described in 2001 Iowa Code Sections 15E.191 through 15E.196 and all subsequent amendments, including 2002 Iowa Acts, House File 2378 (hereafter referred to as the "Enterprise Zone Program" or the "Act")

WHEREAS, **WAYLON BROWN CONSTRUCTION, INC.** proposes to build new housing in Mitchell County, St. Ansgar Enterprise Zone Number 4 (hereafter referred to as the "Enterprise Zone") to receive benefits authorized under the Enterprise Zone Program; and

WHEREAS, **WAYLON BROWN CONSTRUCTION, INC.** has submitted an application to the Commission demonstrating that it meets the requirements of the Enterprise Zone Program; and

WHEREAS, **WAYLON BROWN CONSTRUCTION, INC.** has provided the Commission with information meeting the requirements of the Act and applicable rules of Chapter 261 of the Iowa Administrative Code which includes the long-term plan for the housing project which includes labor and infrastructure needs; the economic benefits the project will bring to the area; examples of why the housing project should be considered a good housing development project; and an affidavit that **WAYLON BROWN CONSTRUCTION, INC.** has not violated state or federal environmental and worker safety statutes, rules and regulations within the last five years; and

WHEREAS, The Commission has reviewed the **WAYLON BROWN CONSTRUCTION, INC.** application and all supporting documents.

NOW THEREFORE BE IT RESOLVED BY THE MITCHELL COUNTY ENTERPRISE ZONE COMMISSION, that

1. The Commission certifies that the attached application from **WAYLON BROWN CONSTRUCTION, INC.** meets or exceeds the requirements of the Enterprise Zone Program and the Commission hereby approves the application based on the following representations by from **WAYLON BROWN CONSTRUCTION, INC**.

    a. **WAYLON BROWN CONSTRUCTION, INC.** will construct 4 single-family homes or at least 2 multi-family building containing 2 units.
    b. The housing shall be modest homes or units and include all the necessary amenities.
    c. The housing shall, when completed and made available for occupancy, meet HUD Housing Quality Standards and local housing codes.
    d. The housing project shall be completed within two years of the start of construction or rehabilitation.

2. All other resolutions or actions on the part of this Enterprise Zone Commission that may conflict with previous approval of an application from **WAYLON BROWN CONSTRUCTION, INC.** or that may conflict with this resolution are herewith repealed.

3. The Chairperson of the Commission is hereby directed to execute said application and forward the application to the Iowa Department of Economic Development requesting approval by the State of Iowa.

PASSED AND APPROVED THIS 8TH DAY OF SEPTEMBER 2005

Kevin Kolbet

Kevin Kolbet
Mitchell County Enterprise Zone Chairperson

C US B
SEE US BANK

Established 1888

Tuesday, December 27, 2005

Mitchell County Courthouse
508 State Street
Osage, IA 50461

As 2005 is wrapping up and a new year of change is upon us, we wanted to let you know that we have changed our name.

As of November 1, 2005, CRESCO UNION SAVINGS BANK has changed their official name to C US Bank. All documents bearing our old name will still be honored. We ask from this point forward that our new official name be used.

Please let us know if you have any questions. We wish you all the best during this holiday season!

Sincerely,

J. Scott Thomson, President, C US Bank

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