

**MINIMUM ASSESSMENT AGREEMENT FOR JOHN DEERE BUILDING
IMPROVEMENTS ON LOT 1 IN PHASE III, THIRD ADDITION OF THE IOWA STATE
UNIVERSITY RESEARCH PARK**

This Minimum Assessment Agreement is entered into this ___ day of _____, 2018, by and between the City of Ames, Iowa (hereafter referred to as "City"), and Deere & Company (hereafter referred to as "Deere") and the City Assessor for the City of Ames, Iowa (hereafter referred to as "Assessor").

WITNESSETH:

WHEREAS, The City and the Iowa State University Research Park (the "Research Park") intend to enter into an Agreement for Public Improvements regarding the development of Phase IV of the Research Park; and

WHEREAS, the Iowa State Research Park controls the land necessary to undertake an expansion, heretofore known as Phase IV; and

WHEREAS, Deere desires to construct a building of approximately 37,000 square feet on Lot 1, Iowa State University Research Park Phase III, Third Addition located in Ames, Iowa (hereafter referred to as the "Property"); and

WHEREAS, the City has not historically offered a five year Industrial Property Tax Abatement incentive to companies locating in the Iowa State Research Park until the Tax Increment Financing debt that is used to pay for the City's public infrastructure improvements have been retired; and

WHEREAS, the City expects to receive \$1,743,558 from a U.S. Economic Development Administration grant and at least \$1,294,354 from a 50% State of Iowa RISE grant to help pay the City's public infrastructure costs for Phase IV of the Research

Park so the City supports the Industrial Tax abatement incentive to Deere should Deere qualify; and

WHEREAS, pursuant to section 403.6 of the Code of Iowa, as amended, the City and Deere desire to establish a minimum actual value for the improvements constructed or placed on the Property by Deere and which is intended to reflect the minimum actual value of such improvements; and

NOW, THEREFORE, the parties to this Minimum Assessment Agreement, in consideration of the promises, covenants, and agreement made by each other, do hereby agree that the Assessor shall establish an assessed value of at least \$5,000,000 as of January 1, 2020 for the first building constructed on Lot 1, Iowa State University Research Park Phase III, Third Addition.

This minimum assessment requirement will terminate once the total debt incurred by the City to pay for the costs associated with the City's public infrastructure improvements as specified in Section IV(A) of the Agreement For Public Improvements And Other Work Pertaining To The Iowa State University Research Park Phase IV has been totally retired, or no longer than 12 years from the date of the issuance of the bonds, whichever occurs first. These costs include, but are not limited to, the design, construction, inspection, principal, interest, and bond issuance costs. If Deere elects not to proceed with the development of the land as set forth in the Development Agreement dated June 28, 2018 by and between Deere and Research Park, then either party shall have the right to terminate this Agreement prior to the issuance by the City of any contract for construction of public improvements.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their authorized representatives as of the date first written.

CITY OF AMES, IOWA

DEERE & COMPANY

By:_____

By:_____

John Haila, Mayor

Attest:

By:_____

Diane R. Voss, City Clerk