

RESOLUTION No. 5477-2023

OBLIGATING FUNDS FROM THE CORNERSTONE INN AND SUITES, LLC SUBFUND OF THE CITY'S INDUSTRIAL PARK URBAN RENEWAL AREA URBAN RENEWAL TAX REVENUE FUND FOR APPROPRIATION TO THE PAYMENT OF ANNUAL APPROPRIATION ECONOMIC DEVELOPMENT TAX INCREMENT PAYMENTS DUE TO BE PAID IN THE NEXT SUCCEEDING FISCAL YEAR

WHEREAS, the City Council of the City of Oelwein, 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 City's Industrial Park Urban Renewal Area (the "Urban Renewal Area"); and

WHEREAS, the City 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 "Industrial Park Urban Renewal Area 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, the City Council has approved a Development Agreement (the "Agreement") with Cornerstone Inn and Suites, LLC (the "Company"), pursuant to which the City has agreed to make annual economic development tax increment payments to the Company, subject to annual appropriation by the City Council; and

WHEREAS, in the resolution approving the Agreement, the City Council created a subfund of the Industrial Park Urban Renewal Area Urban Renewal Tax Revenue Fund to be used to account for payments to be made under the Agreement (the "Cornerstone Inn and Suites, LLC Subfund"); and

WHEREAS, payments under the Agreement are scheduled to be made from the Cornerstone Inn and Suites, LLC Subfund during the fiscal year that will begin July 1, 2024, in an amount equal to 90% of the incremental property tax payments made by the Company in that fiscal year (the "Payments"); and

WHEREAS, it is now necessary for the City Council to obligate for appropriation to the Payments, funds anticipated to be received in the Cornerstone Inn and Suites, LLC Subfund in the fiscal year that will begin July 1, 2024;

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

Section 1. There is hereby obligated for appropriation from the Cornerstone Inn and Suites LLC Subfund the estimated amount of \$38,000.00, which is estimated to be an amount equal to 90% of the incremental property tax revenues that are expected to be received by the City in such Subfund from the Fayette County Treasurer in the fiscal year that will begin July 1, 2024.

Section 2. The City Clerk is hereby directed to certify to the Fayette County Auditor, no later than December 1, 2023, the amount obligated for appropriation in Section 1 above as part of the City's

Fiscal Year 2025 certification of debt payable from the Industrial Park Urban Renewal Area Urban Renewal Tax Revenue Fund and to reflect such estimated amount in the City's budget for the fiscal year that will begin July 1, 2024.

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Passed and approved October 23, 2023.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Administrator

It was moved by \_\_\_\_\_ and seconded by \_\_\_\_\_  
that the Resolution as read be adopted, and upon roll call there were:

AYES      NAYS      ABSENT      ABSTAIN

Stewart  
Weber  
Lenz  
Garrigus  
Seeders  
Payne