

RESOLUTION\_\_\_\_\_

Approving Development Agreement with Hy-Vee, Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement

WHEREAS, 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 Industrial Park Urban Renewal Area (the “Urban Renewal Area”) and has adopted the 2020-1 Amendment to the Urban Renewal Plan; and

WHEREAS, this 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 “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 proposes to enter into an agreement (the “Development Agreement”) with Hy-Vee (the “Company”) in connection with the development of commercial property located in the Urban Renewal Area, at 1345 S. Frederick Street; and

WHEREAS, the Development Agreement would provide property tax incentives to the Company in the form of annual appropriation incremental property tax payments in an amount not to exceed \$400,000 under the authority of Section 403.9(1) of the Code of Iowa; and

WHEREAS, this City Council, pursuant to Section 403.9 of the Code of Iowa, has published notice, has held a public hearing on the Development Agreement, and has otherwise complied with statutory requirements for the approval of the Development Agreement; and

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, tax incentives, 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, tax incentives 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;

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

Section 1. Pursuant to the factors listed in Chapter 15A, the Council hereby finds that:

(a) The Hy-Vee Project will add diversity and generate new opportunities for the Oelwein and Iowa economies;

(b) The Hy-Vee Project will generate public gains and benefits, particularly in the creation of new jobs, which are warranted in comparison to the amount of the proposed property tax incentives.

Section 2. The Council further finds that a public purpose will reasonably be accomplished by entering into the Development Agreement and providing the property tax payments to Hy-Vee.

Section 3. The Development Agreement is hereby approved and the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Development Agreement on behalf of the City, in substantially the form and content in which the Development Agreement has been presented to this City Council, and such officers are also authorized to make such changes, modifications, additions or deletions as they, with the advice of bond counsel, may believe to be necessary, and to take such actions as may be necessary to carry out the provisions of the Development Agreement.

Section 4. All payments by the City under the Development Agreement shall be subject to annual appropriation by the City Council, in the manner set out in the Development Agreement. As provided and required by Chapter 403 of the Code of Iowa, the City's obligations under the Development Agreement shall be payable solely from a subfund which is hereby established, into which shall be paid that portion of the income and proceeds of the Urban Renewal Tax Revenue Fund attributable to property taxes derived from the property described as follows:

Fayette County Property Tax Identification Parcel Numbers: 18-28-451-003 and  
18-28-451-010  
(the "Hy-Vee Subfund").

Section 5. The City hereby pledges to the payment of the Development Agreement the Hy-Vee Subfund and the taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Subfund, provided, however, that no payment will be made under the Development Agreement unless and until monies from the Hy-Vee Subfund are appropriated for such purpose by the City Council.

Section 6. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor of Fayette County to evidence the continuing pledging of the Hy-Vee Subfund and the portion of taxes to be paid into that Subfund and, pursuant to the direction of Section 403.19 of the Code of Iowa, the Auditor shall allocate the taxes in accordance therewith and in accordance with the tax allocation ordinance referred to in the preamble hereof.

Section 7. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved October 12, 2020.

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Mayor

Attest:

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City Clerk