

AMENDED DEVELOPMENT AGREEMENT

This Amended Development Agreement is entered into between the City of Oelwein, Iowa (the “City”) and Quality Plus Mfg., Inc. (the “Company”) as of the \_\_\_\_ day of \_\_\_\_\_, 2021.

WHEREAS, the City has established the Oelwein Urban Renewal Area No. 2 (the “Urban Renewal Area”), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Company owns certain real property which is situated within the Urban Renewal Area and specifically described as:

Lot 2, Block 2, Industrial Park First Addition to the City of Oelwein, Fayette County, State of Iowa

(the “Property”)

and;

WHEREAS, the Company has agreed to construct a manufacturing facility on the Property (the “Project”); and

WHEREAS, the Company has requested tax increment financing assistance in paying the costs of the Project; and

WHEREAS, the City and the Company entered into a Development Agreement (the “Original Agreement”) dated June 27, 2012; and

WHEREAS, it is now necessary to amend the Original Agreement to (1) increase the amount of incremental property tax payments to be provided to the Company; (2) adjust the time period during which such payments will be made; and (3) make other related changes; and

WHEREAS, this Amended Development Agreement (the “Agreement”) has been prepared to set forth the updated, mutual understanding between the City and the Company and to replace the Original Agreement; and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide grants, loans, guarantees, tax incentives and other financial assistance to or for the benefit of private persons;

NOW THEREFORE, the parties hereto agree as follows:

**A. Company’s Covenants**

1. The Company agrees to construct the Project on the Property and to use the Project as a manufacturing facility throughout the term of this Agreement.

2. The Company agrees to make timely payment of all property taxes as they come due throughout the term of this Agreement and to submit a copy of a receipt or cancelled check to the City Clerk in evidence of each such payment.

**B. City's Obligations**

In recognition of the Company's obligations set out above, the City agrees to make economic development tax increment payments (the "Payments" and individually, each a "Payment") to the Company in each fiscal year during the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa, provided, however, that the aggregate, total amount of the Payments shall not exceed \$1,500,000 (the "Maximum Payment Total"), and all Payments shall be subject to annual appropriation by the City Council.

The Payments will be made on December 1 and June 1 of each fiscal year, beginning in the first fiscal year for which the City receives incremental property tax revenues with respect to an increase in the taxable valuation of the Property over the valuation shown on the tax rolls as of January 1, 2011 (the "Incremental Property Tax Revenues"), and continuing for a total of twenty (20) fiscal years or until such earlier date upon which total Payments equal to \$1,500,000 have been made.

Increased taxable valuation of the Property resulting from the Project was placed on the Fayette County tax rolls as of January 1, 2012. Accordingly, Payments will be made on December 1 and June 1 of each fiscal year beginning December 1, 2013, and continuing through and including June 1, 2033, or until such earlier date upon which total Payments equal to the Maximum Payment Total have been made. Each Payment shall be in an amount equal to 90% of the Incremental Property Tax Revenues received by the City during the six months immediately preceding each Payment Date.

Incremental Property Tax Revenues are produced by multiplying the consolidated property tax levy (city, county, school, etc.) times the incremental valuation of the Property, then subtracting debt service levies of all taxing jurisdictions, subtracting the school district physical plant and equipment levies and subtracting any other levies which may be exempted from such calculation by action of the Iowa General Assembly.

The Payments shall not constitute general obligations of the City, but shall be made solely and only from Incremental Property Tax Revenues attributable to the Property that are received by the City from the Fayette County Treasurer.

Each Payment shall be subject to annual appropriation by the City Council. Prior to November 15 of each year during the term of this Agreement, the City Council shall consider the question of obligating for appropriation to the funding of the Payments due in the next succeeding fiscal year, an amount of Incremental Property Tax Revenues to be collected in such following fiscal year equal to the City's estimate of the amount of Incremental Property Tax Revenues that could be collected in such year (the "Appropriated Amount"). Each such estimate shall be based on then current consolidated property tax levy and most recent incremental valuation of the Property.

To the extent the City Council decides to obligate funds for appropriation to the Payments, the City agrees to certify to the Fayette County Auditor by December 1 of each year during the term of this Agreement, an amount equal to the most recently determined Appropriated Amount.

**C. Administrative Provisions**

1. This Agreement may not be amended or assigned by either party without the express permission of the other party. However, the City hereby gives its permission that the Company’s rights to receive the economic development tax increment payments hereunder may be assigned by the Company to a lender, as security, without further action on the part of the City.

2. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

3. This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with laws of the State of Iowa.

The City and the Company have caused this Agreement to be signed, in their names and on their behalf, by their duly authorized officers, all as of the day and date written above.

CITY OF OELWEIN, IOWA

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

QUALITY PLUS MFG., INC.

By: \_\_\_\_\_