

RESOLUTION NO. 23-17

RESOLUTION APPROVING AND AUTHORIZING
EXECUTION OF A DEVELOPMENT AGREEMENT WITH THE
CITY OF NEWTON, IOWA, AND CHRISTENSEN
DEVELOPMENT 1, LLC

WHEREAS, by Resolution No. 23-08, adopted February 7, 2023, and corrected by Resolution No. 23-08-A, adopted February 14, 2023, this Board found and determined that certain areas located within the County are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Urban Renewal Plan (the "Urban Renewal Plan" or "Plan") for the Legacy Plaza Urban Renewal Area (the "Urban Renewal Area" or "Area") described therein, which Plan is, or will be, on file in the office of the Recorder of Jasper County; and

WHEREAS, it is desirable that properties within the Area be redeveloped as part of the overall redevelopment area covered by said Plan; and

WHEREAS, the County has received a proposal from the City of Newton, Iowa (the "City") and Christensen Development 1, LLC (the "Developer"), in the form of a proposed Development Agreement (the "Agreement") by and among the County, the City, and the Developer, pursuant to which, among other things, the Developer would agree to construct certain Minimum Improvements, including the Apartment Improvements and the Hotel Improvements (as those terms are defined in the Agreement), and related site improvements, on certain real property located within the Urban Renewal Area as defined and legally described in the Agreement (the "Development Property"); and

WHEREAS, the completion of the Minimum Improvements is expected to repurpose former Maytag buildings into a 72-unit apartment building and a 58-room boutique hotel; and

WHEREAS, pursuant to the Agreement, the City, the Developer, and the County will enter into a Minimum Assessment Agreement setting the minimum actual value of the Minimum Improvements and Development Property for tax purposes at not less than \$7,000,000; and

WHEREAS, construction of the Minimum Improvements and redevelopment of the Development Property is expected to remediate blighting conditions within the Urban Renewal Area, and further, one of the obligations of the Developer relates to employment retention and/or creation; and

WHEREAS, in consideration of Developer's obligations, the Agreement proposes that the City would provide the Developer with Local Hotel Tax Rebates, a City Residential Grant, and a Downtown Housing Grant (as those terms are defined in the Agreement), pursuant to the terms and conditions set forth in the Agreement for those incentives; and

WHEREAS, in consideration of Developer's obligations, the Agreement proposes that the County will make up to ten (10) consecutive payments of Redevelopment Grants to Developer, equal in amount to 100% of the Tax Increments annually generated by the construction of the Minimum Improvements and collected pursuant to Iowa Code Section 403.19 (as more particularly

described in the Agreement); provided, however, that the cumulative total for all such payments not to exceed the lesser of \$2,600,000, or the amount accrued under the formula outlined in the proposed Agreement, under the terms and following satisfaction of the conditions set forth in the Agreement; and

WHEREAS, the Agreement also proposes that the County would issue bonds, in an aggregate principal amount not to exceed \$9,000,000 (the “Bonds”), which Bonds would be used to provide Construction Grants to the Developer, under the terms and following satisfaction of the conditions set forth in the Agreement; and

WHEREAS, the County expects to use Reinvestment Funds received from the State and generated from a Reinvestment District that includes the Development Property to pay the debt service on the Bonds; however, if the Reinvestment Funds were insufficient to fully repay the Bonds’ debt service, then the Agreement would permit the County to use Tax Increments (following termination of the Redevelopment Grant payments) to pay debt service on the Bonds, subject to a requirement that the County first use Tax Increments to provide a \$65,000 “City Reimbursement” payment to the City; and

WHEREAS, Chapters 15A and 403, Code of Iowa, authorize counties to make grants for economic development and blight remediation in furtherance of the objectives of an urban renewal project and to appropriate such funds and make such expenditures as may be necessary to carry out the purposes of said Chapters, and to levy taxes and assessments for such purposes; and

WHEREAS, the Board has determined that the Agreement is in the best interests of the County and the residents thereof and that the performance by the County of its obligations thereunder is a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the County's performance thereunder is in furtherance of appropriate economic development and blight remediation activities and objectives of the County within the meaning of Chapters 15A and 403, Code of Iowa, taking into account any or all of the factors set forth in Chapter 15A, Code of Iowa, to wit:

- a. Businesses that add diversity to or generate new opportunities for the Iowa economy should be favored over those that do not.
- b. Development policies in the dispensing of the funds should attract, retain, or expand businesses that produce exports or import substitutes, or which generate tourism-related activities.
- c. Development policies in the dispensing or use of the funds should be targeted toward businesses that generate public gains and benefits, which gains and benefits are warranted in comparison to the amount of the funds dispensed.
- d. Development policies in dispensing the funds should not be used to attract a business presently located within the state to relocate to another portion of the state unless the business is considering in good faith to relocate outside the state or unless the relocation is related to an expansion which will generate significant new job creation. Jobs created as a result of other jobs in similar Iowa businesses being

displaced shall not be considered direct jobs for the purpose of dispensing funds;
and

WHEREAS, pursuant to notice published as required by law, this Board has held a public meeting and hearing upon the proposal to approve and authorize execution of the Agreement and has considered the extent of objections received from residents or property owners as to said proposed Agreement; and, accordingly the following action is now considered to be in the best interests of the County and residents thereof.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF SUPERVISORS OF JASPER COUNTY IN THE STATE OF IOWA:

Section 1. That the performance by the County of its obligations under the Agreement, including but not limited to making of grants to the Developer in connection with the development of the Development Property under the terms set forth in the Agreement, be and is hereby declared to be a public undertaking and purpose and in furtherance of the Plan and the Urban Renewal Law and, further, that the Agreement and the County's performance thereunder is in furtherance of appropriate economic development and blight remediation activities and objectives of the County within the meaning of Chapters 15A and 403, Code of Iowa, taking into account the factors set forth therein.


Section 2. That the form and content of the Agreement, the provisions of which are incorporated herein by reference, be and the same hereby are in all respects authorized, approved and confirmed, and the Chairperson and the County Auditor be and they hereby are authorized, empowered and directed to execute, attest, seal and deliver the Agreement for and on behalf of the County in substantially the form and content now before this meeting, but with such changes, modifications, additions or deletions therein as shall be approved by such officers, and that from and after the execution and delivery of the Agreement, the Chairperson and the County Auditor are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed.

PASSED AND APPROVED this 21st day of February, 2023.



County, Board of Supervisors

ATTEST:



County Auditor

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF JASPER)

I, the undersigned County Auditor of Jasper County, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the County showing proceedings of the Board, and the same is a true and complete copy of the action taken by the Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board pursuant to the local rules of the Board and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective county offices as indicated therein, that no Board vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the County or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Board hereto affixed this 21st day of February, 2023.



Jenna Jerny
County Auditor, Jasper County, State of Iowa

The Board then considered the proposed action and the extent of objections thereto.

Whereupon, Board Member Cupples introduced and delivered to the Auditor the Resolution hereinafter set out entitled "RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT WITH THE CITY OF NEWTON, IOWA, AND CHRISTENSEN DEVELOPMENT 1, LLC", and moved:

- that the Resolution be adopted.
- to defer action on the Resolution and the proposal to the meeting to be held at _____ .M. on the _____ day of _____, 2023, at this place.

Board Member Talsma seconded the motion. The roll was called, and the vote was:

AYES: 11 _____

NAYS: 0 _____

Whereupon, the Chairperson declared the measure duly adopted.