

**RESOLUTION NO. 2018-76**

**A RESOLUTION APPROVING DEVELOPMENT AGREEMENT WITH WAPSIE VALLEY CREAMERY INC., AUTHORIZING ANNUAL APPROPRIATION TAX INCREMENT PAYMENTS AND PLEDGING CERTAIN TAX INCREMENT REVENUES TO THE PAYMENT OF THE AGREEMENT**

**WHEREAS**, the City of Independence, 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 Independence Urban Renewal Area (the “Urban Renewal Area”); and

**WHEREAS**, this 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 “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**, a certain development agreement (the “Agreement”) between the City and Wapsie Valley Creamery, Inc. (the “Company”) has been prepared in connection with the construction of a new warehouse by the Company for use as additional storage space in its manufacturing business operations on certain real property in the Urban Renewal Area (the “Project”); and

**WHEREAS**, under the Agreement, the City would provide annual appropriation tax increment payments to the Company in a total amount not exceeding \$500,000; 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 Agreement on September 10, 2018, and has otherwise complied with statutory requirements for the approval of the 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 Independence, Iowa, as follows:

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

(a) The Project will add diversity and generate new opportunities for the Independence and Iowa economies;

(b) The 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 City Council further finds that a public purpose will reasonably be accomplished by entering into the Agreement and providing the incremental property tax payments to the Company.

Section 3. The Agreement is hereby approved and the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Agreement on behalf of the City, in substantially the form and content in which the 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 Agreement.

Section 4. All payments by the City under the Agreement shall be subject to annual appropriation by the City Council, in the manner set out in the Agreement. As provided and required by Chapter 403 of the Code of Iowa, the City's obligations under the Agreement shall be payable solely from a subfund (the "Wapsie 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 as described as follows:

*Certain real property situated in the City of Independence, Buchanan County, State of Iowa, bearing Buchanan County Property Tax Parcel Identification Number 06.34.228.016*

Section 5. The City hereby pledges to the payment of the Agreement the Wapsie 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 Agreement unless and until monies from the Wapsie 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 Buchanan County to evidence the continuing pledging of the Wapsie Subfund and the portion of taxes to be paid into such Subfund and, pursuant to the direction of Section 403.19 of the Code of Iowa, the County 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.

**Resolution No. 2018-76** was passed and approved by a majority vote of the City Council of Independence, Iowa, on the 10<sup>th</sup> day of September, 2018.

Record of Voting:

Ayes: Hayward, Hill, Scharff, O'Loughlin, Hanna, Vaughn, and Kurtz.

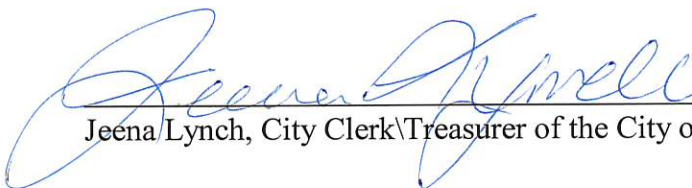
Nays:

**Resolution No. 2018-76** declared passed and adopted by the Mayor on this 10<sup>th</sup> day of September, 2018.



Bonita Davis, Mayor of the City of Independence, Iowa

ATTEST:



Jeena Lynch, City Clerk/Treasurer of the City of Independence, Iowa