

RESOLUTION NO. 2020-20

**A RESOLUTION APPROVING DEVELOPMENT AGREEMENT WITH
GEATER MACHINING & MANUFACTURING CO., 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 of 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 Geater Machining & Manufacturing Co. (the "Company") has been prepared in connection with the expansion of the Company's manufacturing facilities on certain real property situated 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 \$300,000; 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 February 24, 2020, 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 "Geater Machining & Manufacturing Co. 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 Numbers 0635151004 and 0635151005.

Section 5. The City hereby pledges to the payment of the Agreement the Geater Machining & Manufacturing Co. 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 Geater Machining & Manufacturing Co. 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 Geater Machining & Manufacturing Co. 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. 2020-20 was passed and approved by a majority vote of the City Council of Independence, Iowa, on the 24th day of February, 2020.

Record of Voting:

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

Nays:

Absent:

RESOLUTION NO. 2020-20 declared passed and adopted by the Mayor on this 24th day of February, 2020.



Bonita Davis, Mayor of the City of Independence, Iowa

ATTEST:


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