

SPECIAL SESSION

August 10, 2022

The Union County Board of Supervisors met in Special Session on Wednesday August 10, 2022. The meeting was called to order at 9:00AM with the following members present; Rick Friday, Ron Riley and Dennis Brown. Also present were as follows: Mindy Stalker, UCDA Director; Gabe Carroll, City of Creston Mayor; Randy McCunn and Todd Barker, Agri-Vision; Mindy Schaefer, Union County Assessor; John Van Nostrand, Creston News Advertiser and Raquel Linch, KSIB Radio.

AGENDA: Motion by Riley and seconded by Friday to approve the agenda. All voting aye, motion carried.

ENGAGEMENT LETTER: Motion by Riley and seconded by Friday for the chair to sign an engagement letter with Ahlers Cooney Attorney to help with an urban renewal plan and a development agreement with Agri-Vision. All voting aye, motion carried.

RESOLUTION #7 FYR 22/23 – SUPPORT OF PROPOSED TERMS IN AN AGREEMENT BETWEEN UNION COUNTY AND AGRIVISION EQUIPMENT GROUP: Motion by Friday and seconded by Riley to approve Resolution #7 FYR 22/23 as follows: A Resolution in Support of the Proposed Terms to Be included in an agreement for Private Development by and between Union County and Ave-PLP, LLC D/B/A Agri Vision Equipment Group, WHEREAS, AVE-PLP, LLC d/b/a Agri Vision Equipment Group (“Developer”) has proposed to invest in excess of \$8,000,000 to construct a agricultural equipment facility within a proposed urban renewal area in Union County, Iowa (“County”) and to retain jobs to be employed therein (the “Project”); and WHEREAS, Developer has proposed a development agreement with the County (“Development Agreement”) pursuant to which the County would construct certain Public Improvements and provide annual Tax Increment Financing (“TIF”) grants in support of the Project; and WHEREAS, the County is willing to pursue the creation of a new urban renewal area for the promotion of commercial and industrial economic development to include, among other property, the Developer’s proposed site for the Project (“Development Property”); and WHEREAS, the County intends to utilize its powers under the urban renewal law to support the development of the Project, subject to certain conditions to be set forth in a detailed Development Agreement. NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of Union County, Iowa:

Section 1: That the County proposes to support the Project as follows, contingent on the conditions in

1. The County will work cooperatively with the Developer to procure permission from the Iowa Department of Transportation (“IDOT”) for the construction of a turn lane off of Highway 34 to the Development Property (“Public Improvements”), including but not limited to the completion of any required traffic studies to seek such permission. If the IDOT authorizes the turn lane, the County will further support the completion of Public Improvements by:
 - a. Taking reasonable steps to procure RISE grant funding (if reasonably available) or other reasonably available State or Federal funding to help pay for the Public Improvements, provided Developer cooperates with such efforts.
 - b. Financing up to \$1,500,000 of any outstanding costs for the completion of the Public Improvements and causing the completion of the Public Improvements, subject to the terms of the Development Agreement, which Development Agreement shall include at a minimum:
 - i. A Minimum Assessment Agreement establishing a minimum assessed value for the completed Project and Development Property of not less than \$4,000,000, before rollback, beginning upon completion of the Project and continuing through the date the debt service on the financing for the Public Improvements has been retired and the utility connection costs incurred by the County or the City of Creston (as the case may be) as described in item 3 have been repaid in full;
 - ii. A promise from Developer to make payments in lieu of taxes (“Shortfall Payments”) to the County if tax increment produced by the Project under Iowa Code Section 403.19 is insufficient in any fiscal year to make the debt service payments on the financing for

- the Public Improvements and reimburse the County or City for the utility connection costs; and
- iii. The provision of security for the Shortfall Payments in the form of a mortgage on the Development Property, a third-party letter of credit, personal guarantee or other security deemed acceptable by the parties.
2. Pay to Developer annual Economic Development Grants for up to ten (10) fiscal years, subject to the following:
 - a. Each grant will be equal to a percentage to be negotiated by the parties of the tax increment produced by the Project under Iowa Code Section 403.19;
 - b. The County will only be able to collect tax increment from the Project under Iowa Code Section 403.19 for a maximum of twenty (20) fiscal years. Initially, the tax increment from the Project will be used by the County to abate the debt service incurred for the financing of the Public Improvements and to repay the County and/or City for utility connection costs incurred for the Project (as described in item 3 below). The division of the tax increment from the Project as between the Grants to the Developer and the use by the County for these other purposes will be negotiated by the parties.
 - c. The aggregate amount of Economic Development Grant payments to Developer shall not exceed \$550,000 and shall cease on the earlier of: (i) Developer has received the aggregate maximum amount of grants; (ii) when the County can no longer collect tax increment from the Development Property; (iii) the maximum number of annual grants have been paid; or (iv) the Development Agreement is terminated under its terms. (Note that the grants shall be made solely from the incremental property tax revenue produced by the Project, and that the actual amount of incremental taxes granted to Developer as rebates is dependent on the assessed value of the completed development, tax rates, tax laws, tax payments, and other factors; depending on these variables, the aggregate grants to the Developer may not reach the stated maximum.).
 - d. Payment of the Economic Development Grants will be subject to annual appropriation and will be conditioned on all of the following conditions:
 - i. Developer completing any County processes required for the Development Property to be used as proposed by the Project, including, but not limited to, rezoning of the Development Property (if needed) and issuance of all necessary County permits for the Project;
 - ii. Developer completing the Project pursuant to the terms of the Development Agreement;
 - iii. A Minimum Assessment Agreement has been executed by all necessary parties and signatories and properly recorded, which agreement establishes a minimum assessed value for the completed Project and Development Property of not less than \$4,000,000, before rollback, beginning upon completion of the Project and continuing through the date the debt service on the financing for the Public Improvements has been retired and the utility connection costs have been repaid in full;
 - iv. Developer operating its business at the Project and employing at least 40 employees therein; and
 - v. Developer complying with the terms of the Development Agreement at the time of payment, including compliance with stated jobs obligations.
 3. Take all reasonable steps to ensure sanitary sewer, fiber, water, electric, and gas utilities are extended to the Development Property. With respect to sanitary sewer utilities, the County will work with the City of Creston to extend the City's sanitary sewer system to the Development Property, subject to the terms of the Development Agreement which shall include an obligation to repay the City for costs incurred to extend the sanitary sewer through a portion of the tax increment created by the Project or Shortfall Payments.

Section 2: That the terms listed in Section 1 are subject to and conditioned on all of the following:

1. The Developer acquiring the Development Property.
2. The County completing all of the legislative processes necessary for the Development Property to be included in an urban renewal area of the County, following the County's completion of the adoption process for a new urban renewal plan that identifies the Development Agreement and the County's construction of the Public Improvements as urban renewal projects.
3. Completion of all County legislative processes (pursuant to Iowa's urban renewal law then in effect) necessary to adopt a TIF ordinance in the proposed urban renewal area.
4. The City of Creston providing all necessary consents for the County to establish the urban renewal area and utilize tax increment for the Project, and the City's willingness extend its sanitary sewer line to the Development Property.
5. The County completing all of the legislative processes necessary to borrow money for, bid, let, and cause the construction of the Public Improvements.
6. The inclusion of the terms listed in Section 1 into a Development Agreement between the County and Developer (and possibly the City of Creston) to be drafted by the County's counsel, including but not limited to, the above terms and other terms recommended by counsel; and the approval of the Development Agreement by the Board of Supervisors in its final form following all required legislative processes including a public hearing.

Section 3: That the County Auditor is hereby authorized and directed to proceed with negotiating the terms of the Development Agreement, and, if the negotiations are successful, preparing the necessary documents for the urban renewal plan and the Development Agreement, and taking other actions consistent herewith. Roll call vote: Riley aye, Friday aye, Brown aye, motion carried

ADJOURNMENT: There being no further business, the meeting adjourned at 10:20AM.

BY: _____
DENNIS J. BROWN, CHAIRMAN

ATTEST: _____
SANDY HYSELL, AUDITOR