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## AGENDA ITEM SUMMARY

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**Subject: Development Agreement with Charles city Civic Foundations (Main Street Charles City)**

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**Background Summary:**

This is proposed economic support development agreement for renewing the operational funding agreement with Main Street Charles City (MSCC), formerly known as Charles City Community Revitalization (CCCR), and which also includes funding to both the Downtown Façade Improvement Program and Culture and Entertainment District Improvement Program, both of which are facilitated through MSCC.

This proposed agreement is for three years – FY23, 24 & 25 and includes the following

- Annual funding to MSCC - \$25,000 – Total \$75,000 (increased from \$23,000 annually)
- Annual Façade program funding - \$35,000 -Total \$105,000 (increased from \$30,000 annually)
- Annual Culture and Entertainment District program funding - \$25,000 – Total \$75,000 (same as previous agreement)
- Aggregate total of the agreement - **\$255,000**

As before we will look to set up the funding between the Façade Program and the Culture and Entertainment District funding to be flexible. So, between the two there would be \$60,000 annually available.

Historically we have funded these economic development opportunities via the Riverside UR area, and would look to renew that same funding stream.

CITY OF CHARLES CITY

## ECONOMIC DEVELOPMENT SUPPORT AGREEMENT

This Economic Development Support Agreement, including Exhibits (the "Agreement") is entered into between the City of Charles City, Iowa (the "City") and **Main Street Charles City ("MSCC")** ~~Charles City Community Revitalization, ("MSCC")~~ as of the 26<sup>th</sup> day of November, 2018 (the "Commencement Date").

WHEREAS, the City has established the Riverside Urban Renewal Area (the "Urban Renewal Area") and the Riverside Urban Renewal Area Tax Increment Revenue Fund (the "TIF Fund"); and

WHEREAS, MSCC provides economic development programs, initiatives and support to the territory situated within the Urban Renewal Area; and

WHEREAS, MSCC has requested that the City provide financial assistance in order to assist in funding the ongoing activities of MSCC; and

WHEREAS, the City is willing to provide such financial assistance in the form of economic development grants (the "Grants") in an aggregate amount not to exceed **\$255,000** ~~\$234,000~~ to MSCC provided that MSCC agrees to undertake certain obligations as hereinafter set forth; and

**Commented [SD1]:** \$25,000 \*3 years of MSCC operations  
\$60,000 \*3 years of combination of Façade Program and Cult & program

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

WHEREAS, this Agreement has been prepared to facilitate the funding of the Grants and to set forth the understanding between the City and MSCC;

NOW THEREFORE, the parties hereto agree as follows:

### A. MSCC's Covenants

1. **Economic Development Support.** MSCC agrees to apply the proceeds from the Grants to the carrying out of the specific economic development support programs, promotional events, initiatives and activities within the Urban Renewal Area, as follows:

a. **Main Street Iowa Program:** MSCC shall use its best efforts to facilitate and carry out the City's Main Street Iowa Program in accordance with the details outlined on Exhibit A hereto.

b. **Façade Improvement Program.** MSCC shall use its best efforts to facilitate and carry out the City's Façade Improvement Program in accordance with the details outlined on Exhibit B hereto.

c. Cultural and Entertainment Program. MSCC shall use its best efforts to facilitate and carry out the City's Cultural and Entertainment Program in accordance with the details outlined on Exhibit C hereto.

2. Annual Report. MSCC agrees to submit an annual financial report by June 1 in each of the years during the Term (as hereinafter defined) of this Agreement, commencing June 1, 2022, to the City Council detailing the use of the proceeds of the Grants. MSCC agrees to provide such supporting documentation as may reasonably be requested by the City as an accompaniment to the financial reports required under this Section.

3. Use of Grant Proceeds. MSCC agrees to apply the proceeds of the Grants for the purposes and in the amounts as provided in Section B.1 herein. MSCC agrees that the proceeds of the Grants received for one purpose shall not be used for any other purpose.

**B. City's Obligations**

1. Grants. In recognition of MSCC's obligations hereunder, the City hereby agrees to make a series of Grants to MSCC. The Grants shall be made at the times and in the amounts as follows:

On or before June 30, 2023, the City will make a Grant to MSCC in an amount not to exceed \$85,000 (the "2023 Grant"), and the proceeds of such Grant are to be expended in the following amounts for the following purposes: (i) \$25,000 shall be applied to the costs associated with the Main Street Iowa Program; (ii) \$35,000 shall be applied to costs associated with the Façade Improvement Program; and (iii) \$25,000 shall be applied to costs associated with the Cultural and Entertainment Program.

On or before June 30, 2024, the City will make a Grant to MSCC in an amount not to exceed \$85,000 (the "2024 Grant"), and the proceeds of such Grant are to be expended in the following amounts for the following purposes: (i) \$25,000 shall be applied to the costs associated with the Main Street Iowa Program; (ii) \$35,000 shall be applied to costs associated with the Façade Improvement Program; and (iii) \$25,000 shall be applied to costs associated with the Cultural and Entertainment Program..

On or before June 30, 2025, the City will make a Grant to MSCC in an amount not to exceed \$85,000 (the "2025 Grant"), and the proceeds of such Grant are to be expended in the following amounts for the following purposes: (i) \$25,000 shall be applied to the costs associated with the Main Street Iowa Program; (ii) \$35,000 shall be applied to costs associated with the Façade Improvement Program; and (iii) \$25,000 shall be applied to costs associated with the Cultural and Entertainment Program.

The commitment to fund the Grants shall not constitute general obligations of the City, but shall be funded solely and only from incremental property taxes to be received by the City from the Floyd County Treasurer attributable to the incremental taxable valuation of the property situated in the Riverside Urban Renewal Area. The total amount of the Grants made under this Agreement shall not exceed \$255,000.

2. **Annual Appropriation.** The Grants shall be subject to annual appropriation by the City Council. Prior to December 1, 2021 the City Council shall consider the question of obligating for appropriation to the funding of the 2023 Grant an amount of incremental property tax revenues sufficient to fund such 2023 Grant. Prior to December 1, 2022, the City Council of the City shall consider the question of obligating for appropriation to the funding of the 2024 Grant an amount of incremental property tax revenues sufficient to fund such 2024 Grant. Prior to December 1, 2023, the City Council of the City shall consider the question of obligating for appropriation to the funding of the 2025 Grant an amount of incremental property tax revenues sufficient to fund such 2025 Grant.

If the City Council determines to not obligate sufficient funds for the funding of a Grant, then the City will be under no obligation to fund the Grant next scheduled to become due, and MSCC will have no rights whatsoever to compel the City to make such Grant or to seek damages relative thereto or to compel the funding of such Grant in future fiscal years.

C. **Administrative Provisions**

1. **Assignment.** This Agreement may not be amended or assigned by either party without the express permission of the other party.

2. **Term.** The term (the "Term") of this Agreement shall commence on the Commencement Date and shall continue until the date on which the final Grant is remitted by the City to MSCC as set forth in Section B above.

3. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

4. **Choice of Law.** 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 MSCC 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 CHARLES CITY, IOWA**

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

Attest:

By: \_\_\_\_\_  
City Clerk

**CHARLES CITY COMMUNITY REVITALIZATION**

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

**EXHIBIT A**  
**DETAILS OF MAIN STREET IOWA PROGRAM**

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**EXHIBIT B**  
**DETAILS OF FAÇADE IMPROVEMENT PROGRAM**

**EXHIBIT C**  
**DETAILS OF CULTURAL AND ENTERTAINMENT PROGRAM**