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## AGENDA ITEM SUMMARY

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**Subject: Resolution No. 70-21 Approving urban renewal plan amendment for South Grand UR: Development Agreement with Charles City Area Development Corp and the 2021 Molstead Motors Expansion TIF rebate**

**Agreement**

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**Background Summary:**

Resolution approves the amendment that includes portion of the new three year payment agreement with CCADC as well as the new TIF rebate agreement with Mike Molstead Motors.

CCADC is requesting funding of \$46,000 per year for three years. FY23-25

- Funded via three different UR Areas districts annually
- South Grand UR - \$13,750 annually (increased from \$0; replacing Park Ave TIF contribution of \$7,700). Total for three year agreement = \$41,250

○Mike Molstead Motors 2021 Expansion TIF Rebate Agreement.  
Total rebate not to exceed \$110,000

Total Amendment to South Grand UR District of \$151,250

RESOLUTION NO. 70-21

Resolution to Approve Urban Renewal Plan Amendment for the South Grand Urban Renewal Area

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa cities by Chapter 403 of the Code of Iowa (the “Urban Renewal Law”), a municipality must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the municipality and that the rehabilitation, conservation, redevelopment, development or a combination thereof, of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the municipality; and

WHEREAS, the City Council of the City of Charles City, Iowa (the “City”), by prior resolution established the South Grand Urban Renewal Area (the “Urban Renewal Area”) and adopted an urban renewal plan (the “Plan”) for the governance of projects and initiatives therein; and

WHEREAS, an amendment (the “Amendment”) to the Plan has been prepared which facilitates the undertaking of new urban renewal projects in the Urban Renewal Area consisting of (a) using tax increment financing to fund economic development support payments to Charles City Area Development Corporation (“CCADC”) in connection with certain economic development initiatives being undertaken by CCADC in the Urban Renewal Area; and (b) using tax increment financing to pay the costs of the City’s Urban Renewal Administration and Professional Support Program; (c) providing tax increment financing support to Mike Molstead Motors, Inc. (the “Company”) in connection with the expansion of the Company’s parts and services department; and

WHEREAS, notice of a public hearing by the City Council on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing on June 21, 2021; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Floyd County and the Charles City Community School District the consultation meeting was held on the 4<sup>th</sup> day of June, 2021; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Charles City, Iowa, as follows:

Section 1. The Amendment, attached hereto and made a part hereof, is hereby in all respects approved.

Section 2. It is hereby determined by this City Council as follows:

A. The activities proposed under the Amendment conform to the general plan for the development of the City;

B. The initiatives and projects proposed under the Amendment are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

C. It is not anticipated that families will be displaced as a result of the City's undertakings under the Amendment. Should such issues arise with future projects, then the City will ensure that a feasible method exists to carry out any relocations without undue hardship to the displaced and into safe, decent, affordable and sanitary housing.

Section 3. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved June 21, 2021.

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Mayor

Attest:

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City Clerk