
AGENDA ITEM SUMMARY

Subject: Resolution No. 74-21 Approving amended development agreement for the 2017 Zoetis expansion project.

Background Summary:

Resolution approves the amended TIF Rebate Agreement with Zoetis and their 2017 expansion project. Due to the project construction period extending longer than anticipated. The TIF rebate for this project needs to be pushed back one Fiscal Year. So instead of rebates starting in FY21 they would now start in FY22.

Other terms remain the same which includes not to exceed \$1,850,000 in Total TIF rebates over eight years.

- Total Amendment to SW Bypass UR District of \$662,000

RESOLUTION 74-21

Resolution Amending Development Agreement with Zoetis, Inc.

WHEREAS, the City Council (the “Council”) of the City of Charles City, 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 Southwest Bypass Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, this 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, 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, the City has previously entered into a certain Development Agreement (the “Original Agreement”) with Zoetis, Inc. (the “Company”), pursuant to which the Company has undertaken the expansion of its manufacturing facilities and workforce on certain real property in the Urban Renewal Area (the “Project”); and

WHEREAS, in exchange for the Company’s commitments under the Original Agreement, the City has agreed to make certain annual appropriation tax increment payments (the “Payments”) to the Company in an amount not to exceed \$1,850,000; and

WHEREAS, the City and the Company now deem it advisable to amend the Original Agreement to adjust the time period during which such Payments will be made;

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

Section 1. The Agreement is hereby amended to match the form (the “Amended Agreement”) presented to this City Council as Exhibit A to this Resolution. The Mayor and City Clerk are hereby authorized and directed to execute and deliver the Amended Agreement on behalf of the City.

Section 2. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved this June 21, 2021.

Mayor

Attest:

City Clerk