

URBAN RENEWAL SUPPORT AGREEMENT

This Urban Renewal Support Agreement, including Exhibits (the "Agreement") is entered into between Osceola County, Iowa (the "County") and the City of Ocheyedan, Iowa, (the "City") as of the 25th day of October, 2016.

WHEREAS, the County has established the Osceola County Urban Renewal Area 6 (the "Urban Renewal Area") and the Osceola County Urban Renewal Area 6 Tax Increment Revenue Fund (the "'TIF Fund"); and

WHEREAS, pursuant to the urban renewal plan for the Urban Renewal Area, the County has authorized the Economic Development and Blight Alleviation Support Program for the City of Ocheyedan, Iowa (the "Ocheyedan Support Program") on November 10, 2014; and

WHEREAS, this Agreement has been prepared to facilitate the provision of tax increment financing support by the County to the City with respect to its redevelopment project (the "Project") for the old Ocheyedan school building property (the "Property") which is more particularly described on Exhibit A hereto; and

WHEREAS, the Project involves demolition of prior structures, environmental remediation, site clearance, public infrastructure installation and redevelopment of housing on the Property; and

WHEREAS, the City has requested that the County provide financial assistance in the form of incremental property tax payments to be used by the City in paying the costs of the Project; and

WHEREAS, the County has determined to provide financial assistance to the Project through a series of semiannual payments (the "Payments") funded from incremental property tax revenues to be derived from certain taxable parcels situated in the Urban Renewal Area and more particularly described on Exhibit B hereto (the "TIF Source Property"); and

WHEREAS, Chapter 15A of the Code of Iowa authorizes counties 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 Payments and to set forth the understanding between the County and the City;

NOW THEREFORE, the parties hereto agree as follows:

A. City's Covenants

1. Property Acquisition. The City agrees to acquire the Property and to demonstrate to the satisfaction of the County that the City is vested with full and clear title thereto. The City hereby acknowledges that satisfaction of the section is a condition precedent to the County funding any Payments under this Agreement.

2. The Project. The City hereby agrees to undertake the Project. Minimally, the Project may include: (1) any remaining demolition, environmental remediation and site clearance necessary to prepare the Property for redevelopment; (2) the installation of utilities and public infrastructure necessary for the redevelopment on the Property, including, but not limited to, the construction of streets, alleys and storm water drainage improvements and the extension of electric, natural gas, sewer and water utility services; (3) the construction of residential housing (either through direct City contracting or working with a private developer; and (4) the provision of homeowner incentive grants.

3. Project Costs. The City shall be responsible for paying all initial costs of the Project. The City agrees to demonstrate to the satisfaction of the County all costs incurred by the City in connection with the undertaking of the Project on the Property. The City agrees to periodically provide documentation, in such form as may be requested by the County, of the costs incurred in the completion of the Project (the "Project Costs"). Such Project Costs may include all land acquisition costs; costs of designing and constructing the Project; costs related to landscaping, site preparation and grading all land for the Project; costs related to the provision of financial incentives to private developers; interest expense and other costs of financing; and other reasonably related costs of carrying out the Project including legal fees as provided for in this Agreement.

Each documentation of the Project Costs made under this Section will be accompanied by invoices, and such other documentation as is reasonably requested by the County, confirming that the costs detailed in such documentation were in fact incurred in the course of completion of the Project. Upon acceptance of such demonstrated Project Costs, the County shall record a summary of the date, amount and nature of such Project Costs on the Summary of Accepted Project Costs attached hereto as Exhibit C, and such summary shall be the official record of the Project Costs for purposes of tallying the maximum amount of Payments (as hereinafter defined) allowed to the City under this Agreement.

4. Legal and Administrative Costs. The City hereby acknowledges that the County will cover the initial payment of legal fees and administrative costs (the "Actual Admin Costs") incurred by the County in connection with the drafting, negotiation and authorization of this Agreement. Furthermore, the City agrees that the County shall withhold an amount (the "Admin Withholding Amount") equal to the lesser of (1) \$3,500 or (2) the Actual Admin Costs from the initial Payments, as hereinafter set forth in order to recover some or all of the Actual Admin Costs.

5. **Remedy.** The City hereby acknowledges that failure to comply with the requirements of this Section A, will result in the County having the right to withhold Payments under Section B of this Agreement at its sole discretion, until such time as the City has demonstrated, to the satisfaction of the County, that it has cured such non-compliance.

B. County's Obligations

1. **Payments.** In recognition of the City's obligations set out above, the County agrees to make twenty-four (24) semiannual economic development tax increment payments (the "Payments") to the City during the Term, as hereinafter defined, pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments shall not exceed the lesser of (i) the Accepted Project Costs, or (ii) \$650,000 (the "Maximum Payment Total").

Each Payment shall not exceed an amount which represents the Incremental Property Tax Revenues available to the County with respect to the TIF Source Property during the six (6) months immediately preceding each Payment date.

Prior to funding any Payments under this Agreement, the County will first withhold from the Incremental Property Tax Revenues an amount equal to the Admin Withholding Amount. Once an amount equal to the Admin Withholding Amount has been withheld by the County, the Payments shall be made as hereinafter set forth.

For purposes of this Agreement, Incremental Property Tax Revenues are calculated by: (1) determining the consolidated property tax levy (city, county, school, etc.) then in effect with respect to taxation of the TIF Source Property; (2) subtracting (a) the debt service levies of all taxing jurisdictions, (b) the school district instructional support and physical plant and equipment levies and (c) any other levies which may be exempted from such calculation by action of the Iowa General Assembly; (3) multiplying the resulting modified consolidated levy rate times any incremental growth in the taxable valuation of the TIF Source Property, as shown on the property tax rolls of Osceola County, above and beyond the Base Valuation; and (4) deducting any property tax credits which shall be available with respect to the TIF Source Property.

Payments will be made on December 1 and June 1 of each fiscal year, beginning on December 1, 2017 and continuing to, and including, June 1, 2029, or until such earlier date upon which total Payments equal to the Maximum Payment Total have been made.

2. **Security for Payments.** The Payments shall not constitute general obligations of the County, but shall be made solely and only from Incremental Property Tax Revenues received by the County from the Osceola County Treasurer which are attributable to the TIF Source Property, such revenues to be deposited into a subfund (the "Ocheyedan Support Agreement Subfund") of TIF Fund. The Ocheyedan Support Agreement Subfund and the Incremental Property Tax Revenues to be collected therein have been pledged to the funding of the Payments by duly authorized action of the Board of Supervisors.

3. **Certification of Payment Obligation.** By no later than December 1, 2016, the County agrees to certify to the Osceola County Auditor an amount of tax increment debt payable from future Incremental Property Tax Revenues to be collected from the TIF Source Property pursuant to this Agreement equal to \$650,000. In the event that the Accepted Project Costs are less than \$650,000, the County will take appropriate action to decertify tax increment debt payable from the future Incremental Property Tax Revenues to be collected from the TIF Source Property pursuant to this Agreement in an amount equal to the difference between \$650,000 and the Accepted Project Costs.

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

3. **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.

4. **Term.** The term (the "Term") of this Agreement shall commence on the Commencement Date and end on June 1, 2029 or on such earlier date upon which the aggregate sum of Payments made to the City equals the Maximum Payment Total.

The County and the City 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.

OSCEOLA COUNTY, IOWA

By Mik. Schultz
Chairperson

Attest:

By Barb Icht
Auditor

CITY OF OCHEYEDAN, IOWA

By Ashlyn Pully
Mayor

Attest:

By M. W.
City Clerk

EXHIBIT A
OLD OCHEYEDAN SCHOOL BUILDING REDEVELOPMENT PROPERTY

Certain real property situated in the City of Ocheyedan, Osceola County, Iowa and bearing Osceola County Property Tax Parcel Identification Numbers 310-090901000 and 310-091001000

EXHIBIT B
TIF SOURCE PROPERTY

Certain real property situated in Osceola County, Iowa and more particularly described as follows:

- (1) Parcel numbers 310-090901000 and 310-091001000 located within the City of Ocheyedan, Iowa; and
- (2) The property description and parcel number of each of the seven (7) wind turbines within the Endeavor Wind Farm in NE Osceola County that are to be included in Urban Renewal Area 6.

Each of these areas are located on leased property.

Tower 01 SW¹/₄ of NW¹/₄ 13-100-40 Parcel #200-02-13-23-00-1

Tower 02 SE¹/₄ of NW¹/₄ 13-100-40 Parcel #200-02-13-24-00-1

Tower 03 SW¹/₄ of NE¹/₄ 13-100-40 Parcel #200-02-13-13-00-1

Tower 04 SE¹/₄ of NE¹/₄ 13-100-40 Parcel #200-02-13-14-00-1

Tower 05 SW¹/₄ of NW¹/₄ 18-100-39 Parcel #080-01-18-23-02-1

Tower 06 SE¹/₄ of NW¹/₄ 18-100-39 Parcel #080-01-18-24-02-1

Tower 07 W¹/₂ SW¹/₄ of NE¹/₄ 18-100-39 Parcel #080-01-18-13-03-1

Each of the above listed wind turbines are located on leased parcels and owned by Osceola Windpower LLC, c/o NextEra Energy Resources, 700 Universe Blvd., Juno Beach, FL 33408.