

RESOLUTION NO. 2019-110

Resolution Authorizing Economic Development Forgivable Loan Agreement with
Eagle Grove Hotel, LLC

WHEREAS, Chapter 15A of the Code of Iowa (“Chapter 15A”) declares that economic development is a public purpose for which a city may provide grants, loans, guarantees and other financial assistance to or for the benefit of private persons; and

WHEREAS, Chapter 15A requires that before public funds are used for grants, loans or other financial assistance, a city council must determine that a public purpose will reasonably be accomplished by the spending or use of those funds; and

WHEREAS, Chapter 15A requires that, in determining whether funds should be spent, a city council must consider any or all of a series of factors; and

WHEREAS, the City has proposed to undertake an urban renewal project in the Eagle Grove Urban Renewal Area consisting of funding an economic development forgivable loan (the “Forgivable Loan”) to Eagle Grove Hotel, LLC (the “Company”) in connection with the construction of a new hotel (the “Project”);

NOW, THEREFORE, IT IS RESOLVED by the City Council of the City of Eagle Grove, Iowa, as follows:

Section 1. Pursuant to the factors listed in Chapter 15A, the City Council hereby finds that:

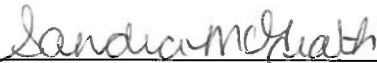
- (a) The Project will add diversity and generate new opportunities for the Eagle Grove and Iowa economies;
- (b) The Project will generate public gains and benefits, particularly in the creation of new jobs, which are warranted in comparison to the amount of the proposed Forgivable Loan.

Section 2. The City Council further finds that a public purpose will reasonably be accomplished by funding the Forgivable Loan to the Company.

Section 3. The Forgivable Loan in an amount not to exceed \$500,000 is hereby approved, subject to the terms and conditions set out in the Development Agreement to be entered into by the Company and the City. The City Clerk, with advice from bond counsel to the City, is hereby authorized and directed to prepare any additional documentation and to make such changes to the Development Agreement as are deemed necessary to carry out the purposes of this Resolution. The Mayor and the City Clerk are hereby authorized execute such documents as may be necessary to implement the Forgivable Loan approved herein, including the Development Agreement, in substantially the form as has been presented to this City Council.


Section 4. All resolutions or parts thereof in conflict herewith, are hereby repealed, to the extent of such conflict.

Passed and Approved this November 18, 2019.



Mayor

Attest:



City Clerk