

MINUTES TO HOLD HEARING AND
AUTHORIZE ISSUANCE OF URBAN
RENEWAL TAX INCREMENT
REVENUE NOTE

436775-44

Eagle Grove, Iowa

November 18, 2024

The City Council of the City of Eagle Grove, Iowa, met on November 18, 2024, at 6:30 o'clock p.m., at the Council Chambers Eagle Grove, Iowa.

The meeting was called to order by the Mayor, and the roll being called, the following named Council Members were present and absent:

Present: Weland, Limerick, Axtell, Pamperin, Vandewater

Absent: Lorenzen

Council Member Pamperin introduced a proposed resolution entitled: "Resolution authorizing the issuance of a \$350,000 Urban Renewal Tax Increment Revenue Note, Series 2024, and pledging to the payment thereof funds and portions of taxes created pursuant to the authority of Subsection 2 of Section 403.19 of the Code of Iowa."

Council Member We moved that the said resolution be adopted, seconded by Council Member Weland, and after due consideration thereof by the City Council, the Mayor put the question on the motion for adoption of the said resolution and, the roll being called, the following named Council Members voted:

Ayes: Vandewater, Pamperin, Axtell, Limerick, Weland

Nays: _____.

Whereupon, the Mayor declared the resolution as hereinafter set out duly adopted.

RESOLUTION NO. 2024-124

Resolution authorizing the issuance of a \$350,000 Taxable Urban Renewal Tax Increment Revenue Note, Series 2024, and pledging to the payment thereof funds and portions of taxes created pursuant to the authority of Subsection 2 of Section 403.19 of the Code of Iowa

WHEREAS, the City of Eagle Grove, 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 (the “Plan”) for the Eagle Grove Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, this City 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 (the “TIF 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 notes issued under the authority of Section 403.9 of the Code of Iowa; and

WHEREAS, on July 15, 2024, the City Council took action to approve provisions within the Plan updating the description of the City’s Eagle Grove Recreation Center Project (the “Project”) in the Urban Renewal Area to include providing credit support to Eagle Grove Recreation on its loan for the construction of a recreation and fitness center in the Urban Renewal Area; and

WHEREAS, it has been proposed that the City enter into a certain Credit Backstop Agreement with First Bank, Eagle Grove, Iowa (the “Lender”) in order to carry out the City’s participation in the Project; and

WHEREAS, under the Credit Backstop Agreement, the City will deposit \$150,000 of City funds with the Lender to be held in reserve (the “Rec Center Reserve”) as credit support for a loan to be undertaken by Eagle Grove Recreation; and

WHEREAS, in order to have a source of credit from which to replenish the Rec Center Reserve, it has been proposed that the City issue its Taxable Urban Renewal Tax Increment Revenue Note, Series 2024 (the “Note”); and

WHEREAS, the City has previously entered into certain obligations secured by and payable from the TIF Fund, and the income and taxes to be deposited therein, such obligations being set forth on Exhibit A hereto (the “Prior TIF Payments”); and

WHEREAS, the City has published notice of proposed action of the City to institute proceedings for the issuance of the Note in a principal amount not to exceed \$350,000, under the authority of Section 403.9(1) of the Code of Iowa, and for payment of which the aforementioned fund and portion of taxes may be irrevocably pledged, for the purpose of providing credit support for the development of the Eagle Grove Recreation Center Project (such credit support set forth in the aforementioned Credit Backstop Agreement), and has held a hearing thereon on November

18, 2024 and has otherwise complied with the statutory requirements for the issuance of such Note; and

WHEREAS, the City has negotiated the placement of the Note with First Bank, Eagle Grove, Iowa (the "Lender") for the purposes set forth above, and it is deemed necessary and advisable at this time to provide for the sale and issuance of the Note to the Lender pursuant to the provisions of Section 403.9(1) of the Code of Iowa for the purposes and upon the terms hereinafter set out;

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

Section 1. Pursuant to and as authorized by the Constitution and laws of the State of Iowa, and particularly Section 403.9 of the Code of Iowa, the Note is hereby authorized to be issued to the Lender in the maximum principal amount of \$350,000, to be dated as of the date of its delivery (the "Note Date") to the Lender, and shall be payable as to both principal and interest in the manner hereinafter specified.

Advances (each an "Advance") of principal on the Note up to \$350,000 outstanding at any given time may be requested from the Lender by the Mayor or the City Administrator in such amounts and at such times as are needed to replenish the Rec Center Reserve. The date and amount of each Advance shall be entered by the Lender on the schedule of Advances on the Note, and each Advance shall bear interest from the date of such entry.

Installments of outstanding principal of the Note in an amount equal to the lesser of (i) \$150,000 or (ii) the actual outstanding principal on the Note shall be made on each June 1 during the period commencing on June 1 of the fiscal year of the City immediately succeeding the fiscal year in which the first Advance on the Note is made. All principal of the Note then outstanding shall be due and owing at final maturity on June 1, 2037.

Outstanding principal of the Note shall bear interest at the rate of 1.5% over Prime % per annum. Interest shall be calculated on the basis of an actual calendar year of 365 days. Interest on the Note shall be payable on each June 1 and December 1 while the Note is outstanding commencing on the first June 1 or December 1 to occur following the first Advance on the Note. All remaining accrued interest on the Note shall be due and owing at final maturity on June 1, 2037.

Section 2. The City Clerk is hereby designated as the Registrar and Paying Agent for the Note and may be hereinafter referred to as the "Registrar" or the "Paying Agent."

Payment of both principal of and interest on the Note shall be made to the registered owner appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the payment date and shall be paid to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest shall be payable only upon presentation and surrender of the Note to the Paying Agent.

The City reserves the right to prepay principal of the Note in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest without notice or

penalty. All principal so prepaid shall cease to bear interest on the prepayment date. The borrowing transaction contemplated herein is intended to be a revolving line of credit. All amounts prepaid prior to maturity shall become available to fund additional Advances under the Note, provided, however that the aggregate amount of principal outstanding at any given time shall not exceed \$350,000.

The Note shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor and attested with the official manual or facsimile signature of the City Clerk, and shall be a fully registered Note without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Note shall cease to be such officer before the delivery of the Note, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Note shall be fully registered as to principal and interest in the name of the owner on the registration books of the City kept by the Registrar, and after such registration, payment of the principal and interest thereof shall be made only to the registered owner, its legal representatives or assigns. The Note shall be transferable only upon the registration books of the City upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The record and identity of any owners of the Note shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 3. The Note shall be in substantially the following form:

(FORM OF NOTE)
UNITED STATES OF AMERICA
STATE OF IOWA WRIGHT COUNTY
CITY OF EAGLE GROVE

URBAN RENEWAL TAX INCREMENT REVENUE NOTE, SERIES 2024

Maximum Principal: \$350,000

RATE	MATURITY DATE	NOTE DATE
<u>1.5</u> % <i>over Prime</i>	June 1, 2037	_____, 202__

The City of Eagle Grove (the "City"), in Wright County, State of Iowa, for value received, promises to pay in the manner hereinafter provided to

First Bank
Eagle Grove, Iowa

(the "Lender") or registered assigns, the principal sum of THREE HUNDRED FIFTY THOUSAND DOLLARS, or so much thereof as is advanced by the Lender hereunder and noted on the Schedule of Advances hereto, in lawful money, together with interest on the outstanding principal hereof from the date of each Advance (as hereinafter defined), or from the most recent payment date on which interest has been paid, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto.

The Lender has made a commitment to make periodic advances (the "Advances") to the City in an outstanding principal amount not to exceed \$350,000 under this Note, such Advances to be made during the time period commencing on the date hereof and continuing until maturity on October 23, 2022. Each such Advance made by the Lender shall be entered by the Lender on the Schedule of Advances hereto and shall bear interest from the date of such entry.

Installments of outstanding principal of this Note in an amount equal to the lesser of (i) \$150,000 or (ii) the actual outstanding principal on this Note shall be made on each June 1 during the period commencing on June 1 of the fiscal year of the City immediately succeeding the fiscal year in which the first Advance on this Note is made. All principal of this Note then outstanding shall be due and owing at final maturity on June 1, 2037.

Outstanding principal of this Note shall bear interest at the rate of 1.5% *over Prime* per annum. Interest shall be calculated on the basis of an actual calendar year of 365 days. Interest on this Note shall be payable on each June 1 and December 1 while this Note is outstanding commencing on the first June 1 or December 1 to occur following the first Advance on this Note. All remaining accrued interest on this Note shall be due and owing at final maturity on June 1, 2037.

The borrowing transaction contemplated hereunder is intended to be a revolving line of credit. All amounts prepaid prior to maturity shall become available to fund additional Advances

hereunder, provided, however that the aggregate amount of principal outstanding at any given time shall not exceed \$350,000.

Both principal of and interest on this Note are payable to the registered owner appearing on the registration books of the City maintained by the City Clerk (hereinafter referred to as the "Registrar" or the "Paying Agent") at the close of business on the fifteenth day of the month next preceding the payment date in lawful money of the United States of America to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest shall be payable only upon presentation and surrender of this Note to the Paying Agent.

The City reserves the right to prepay principal of this Note in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest without notice or penalty. All principal so prepaid shall cease to bear interest on the prepayment date.

This Note is issued for the purpose of planning, undertaking, and carrying out the Eagle Grove Recreation Center Project (the "Project") in the Eagle Grove Urban Renewal Area (the "Urban Renewal Area"). In any suit, action or proceeding involving the validity or enforceability of this Note or the security therefor, this Note shall be conclusively deemed to have been issued for the foregoing purpose and the Project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of Chapter 403 of the Code of Iowa.

This Note is issued pursuant to and in strict compliance with the provisions of Section 403.9 of the Code of Iowa, 2023, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution (the "Resolution") of the City Council, adopted on November 18, 2024, providing for the issuance and securing the payment of this Note, and reference is hereby made to the Resolution for a more complete statement as to the source of payment of this Note and the rights of the owners of the Note. Pursuant to the Resolution, the City has pledged the "Series 2024 Note Subfund" and the "TIF Revenues" to be deposited therein (all as defined in the Resolution) to the payment of principal of and interest on this Note.

This Note is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the City in the office of the Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Note to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The City, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the City, the Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified and Recited that all acts, conditions and things required by the laws and Constitution of the State of Iowa, to exist, to be had, to be done or to be performed precedent to and in the issue of this Note were and have been properly existent, had, done and

performed in regular and due form and time; and that the total indebtedness of the City, including this Note, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the City of Eagle Grove, Iowa, by its City Council, has caused this Note to be executed with the duly authorized facsimile signature of its Mayor and attested with the duly authorized facsimile signature of its City Clerk, all as of the Note Date.

CITY OF EAGLE GROVE, IOWA

By (DO NOT SIGN) _____
Mayor

Attest:

(DO NOT SIGN) _____
City Clerk

ABBREVIATIONS

The following abbreviations, when used in this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UTMA	_____
TEN ENT	- as tenants by the entireties	As Custodian for	_____
TEN	- as joint tenants with right of survivorship and not as tenants in common	(Minor)	
		under Uniform Transfers to Minors Act	

		(State)	

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Note to

(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____, Attorney, to transfer this Note on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed:

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Note in every particular, without alteration or enlargement or any change whatever.

SCHEDULE OF ADVANCES

Date of Advance	Amount Advanced	Balance	Signature of Authorized Officer of Purchaser
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

Section 4. The Note shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon it shall be delivered to the Registrar for registration and delivery to the Lender, upon receipt of the proceeds of the Note (the "Note Proceeds"), and all action heretofore taken in connection with the issuance of the Note is hereby ratified and confirmed in all respects. It is anticipated that the closing of the credit transaction contemplated herein will occur on December 16, 2024. To the extent that the date of closing needs to be adjusted, the City staff, with advice from the Lender and bond counsel to the City, is hereby authorized to make such adjustment and to modify the transaction documents accordingly.

Section 5. A separate and special subfund within the TIF Fund is hereby established and shall be maintained by the City and known as the Urban Renewal Tax Increment Revenue Note, Series 2024 Subfund (the "Series 2024 Note Fund").

Subject and subordinate to the application of the TIF Revenues to the Prior TIF Payments which have a senior lien on the TIF Revenues, the City shall apply TIF Revenues, as and when received, for the payment of principal of and interest on the Note and any Parity Obligations by depositing such sufficient amounts in the Series 2024 Note Fund and any other subfund created for the payment of principal of and interest on the Parity Obligations.

The City may also deposit other amount appropriated by the City from any other source for the payment of principal of and interest on the Note and any Parity Obligations.

Any funds deposited in the Series 2024 Note Fund shall be used solely and only and are pledged to pay the principal of and interest on the Note when due.

Section 6. As provided and required by Chapter 403 of the Code of Iowa, the Note and interest thereon shall be payable as set forth in the preamble hereof and the Form of Note, solely from the TIF Revenues, (subject to the senior lien of the Prior TIF Payments). The City hereby pledges to the payment of the Note, the Eagle Grove Urban Renewal Area TIF Fund, and the TIF Revenues referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Fund. The Note is not a general obligation of the City and is payable solely and only from the Series 2024 Note Subfund and the TIF Revenues to be deposited therein pursuant to this Resolution.

Section 7. The Note shall not be subject to the provisions of any other law relating to the authorization, issuance or sale of bonds except Section 403.9 of the Code of Iowa. The Note is declared to be issued for an essential public and governmental purpose. Furthermore, the Note shall recite in substance that it has been issued in connection with an urban renewal project as defined in Chapter 403 of the Code of Iowa and in any suit, action or proceeding involving the validity or enforceability of the Note issued hereunder or the security therefor, such Note shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of Chapter 403 of the Code of Iowa.

Section 8. The City reserves the right and privilege of issuing additional obligations (“Parity Obligations”) from time to time payable from the Eagle Grove Urban Renewal Area TIF Fund and ranking on a parity with the Note in order to pay the cost of additional projects in the Urban Renewal Area.

Section 9. Prior to the issuance and delivery of the Note, a certified copy of this resolution shall be filed in the office of the County Auditor of Wright County to evidence the City’s pledge of the Eagle Grove Urban Renewal Area TIF Fund, the Series 2024 Note Subfund and the TIF Revenues and, pursuant to the direction of Section 403.19 of the Code of Iowa, the County Auditor shall allocate the taxes in accordance therewith and in accordance with the tax allocation ordinance referred to in the preamble hereof.

Section 10. The Credit Backstop Agreement is hereby approved and the Mayor and City staff are hereby authorized to execute and deliver the Credit Backstop Agreement to the Lender with such changes thereto as they, with advice from bond counsel, deem necessary to carry out the purposes of this Resolution. Furthermore, the City staff and Mayor are hereby authorized and directed to negotiate, draft and execute such additionally documents as they, with advice from bond counsel, deem necessary to carry out the purposes of this Resolution and the credit transactions contemplated herein, including the provision of the Rec Center Reserve. \$150,000 of funds on hand in the Rec Fund are hereby appropriated to be placed on deposit with the Lender for the initial funding of the Rec Center Reserve.

Section 11. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 12. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved November 18, 2024.

Attest:




Mayor



City Clerk

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Upon motion and vote, the meeting adjourned.



Mayor

Attest:



City Clerk

ATTESTATION CERTIFICATE

STATE OF IOWA
COUNTY OF WRIGHT SS
CITY OF EAGLE GROVE

I, the undersigned, certify that I am the City Clerk of the City of Eagle Grove, Iowa, and that as such I have in my possession or have access to the complete corporate records of the City and of its City Council and officers and that I have carefully compared the transcript hereto attached with the aforesaid records and that the transcript hereto attached is a true, correct, and complete copy of all the records in relation to the authorization and issuance of a \$350,000 Taxable Urban Renewal Tax Increment Revenue Note of the City and that the transcript hereto attached contains a true and correct and complete statement of all the measures adopted and proceedings, acts and things had, done and performed, up to the present time in relation to the authorization and issuance of such Note.

I further certify that no appeal has been taken to the District Court from the decision of the City Council to issue the Note.

WITNESS MY HAND this 18th day of November, 2024.

Bryce Davis
City Clerk

COUNTY FILING CERTIFICATE

STATE OF IOWA

SS:

COUNTY OF WRIGHT

I, the undersigned, County Auditor of Wright County, in the State of Iowa, do hereby certify that on the ____ day of _____, 2024, there was filed in my office a copy of a resolution of the City of Eagle Grove, Iowa, shown to have been adopted by the City Council and approved by the Mayor thereof on November 18, 2024, entitled: "Resolution authorizing the issuance of a \$350,000 Taxable Urban Renewal Tax Increment Revenue Note, Series 2024, and pledging to the payment thereof funds and portions of taxes (subject to non appropriation) created pursuant to the authority of Subsection 2 of Section 403.19 of the Code of Iowa," and that I have duly placed the copy of the resolution on file in my records.

WITNESS MY HAND this ____ day of _____, 2024.

County Auditor