

Prepared By and Bill To: City Manager's Office, 319-286-5060

Return To: City Clerk, 101 First Street SE, Cedar Rapids, IA 52401

RESOLUTION NO. 0226-02-24

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
DEVELOPMENT AGREEMENT AND RELATED DOCUMENTS BY AND
BETWEEN THE CITY OF CEDAR RAPIDS AND HEAVISIDE LLC

WHEREAS, the City Council intends to enter into a Development Agreement ("Agreement") with Heaviside LLC ("Developer") for the development of one or more data centers and related improvements which require a minimum investment of not less than \$576 million ("Project"); and

WHEREAS, the Agreement would, subject to stated terms and conditions, obligate the City to exempt 70% of the actual value added by the completed Improvements in the Project for a total period of 20 years, subject to the Company meeting the employment threshold and successful application for the tax exemption incentive under the State's High-Quality Jobs (HQP) Program. If the HPJ application is not approved, the City agrees to work in good faith to provide comparable Tax Increment Financing (TIF) rebates in lieu of the tax exemption. In addition, the City agrees to provide a 20-year, 75% economic development rebate of franchise fees collected by the City through the electrical provider for each data center constructed. The City will also provide a monthly Gray Water Discharge Credit of \$1.30 per ccf of Gray Wastewater Discharge, escalated 2.5% annually, up to a maximum of 57% of the per unit sewer discharge rate. The company agrees to provide annual Community Betterment Payments to the City to increase economic development activities in the amount of \$400,000 per data center for a period of 15 years per data center with a maximum of \$6 million per data center and \$36 million in total.

WHEREAS, the Council has determined that entering into the Development Agreement, which memorializes the commitment of the City and Developer with regard to the Project, is in the best interests of the City and the residents thereof and that the performance by the City of its obligations thereunder is a public undertaking and purpose, and further, that the Development Agreement and the City's performance thereunder is in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15 and 15A of the Code of Iowa; and

WHEREAS, the Development Agreement, and related documents, are now ready for execution on behalf of the City.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CEDAR RAPIDS, IOWA AS FOLLOWS:

Section 1. The recitals contained hereinabove are found to be true and correct and incorporated herein.

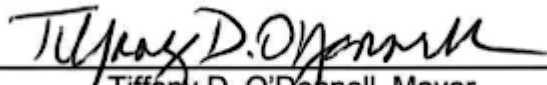
Section 2. The performance by the City of its obligations under the Development Agreement, including but not limited to, providing a value-added property tax exemption ("Economic Development Abatement") which shall be 70% of the actual value added by the Improvements, as defined in the Agreement, for a period of 20-years, and providing a 20-year, 75% economic development rebate of franchise fees collected by the City through the electrical provider for each data center constructed ("Economic Development Rebates"), are in furtherance of appropriate economic development activities and objectives of the City within the meaning of Chapters 15A and 15 of the Code of Iowa taking into account the factors set forth therein, and the expenditure of public funds is commensurate with the public gains and benefits received from the Project. The Economic Development Abatement is being approved under the authorization of Chapter 15.332 of the Code of Iowa, pursuant to the approval of the Project by the Iowa Economic Development Authority Board on March 15, 2023.

Section 3. The form and content of the Development Agreement, the provisions of which are incorporated herein by reference, be and the same hereby are in all respects authorized, approved and confirmed, and the City Manager and the City Clerk be and they hereby are authorized, empowered and directed to execute, attest, seal and deliver them for and on behalf of the City in substantially the form and content now before this meeting, but with such changes, modifications, additions or deletions therein as shall be approved by such officers, and from and after the execution and delivery of the Development Agreement

Section 4. The City Manager and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Development Agreement, as executed. The City Clerk is specifically directed to record a Memorandum of Development Agreement with the Linn County Recorder's office.

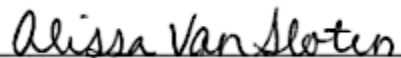
Passed this 27th day of February, 2024.

Voting: Council member Olson (Tyler) moved the adoption of the resolution; seconded by Council member Poe. Adopted, Ayes, Council members Maier, Olson (Tyler), Overland, Poe, Todd, Vanorny and Mayor O'Donnell.



Tiffany D. O'Donnell, Mayor

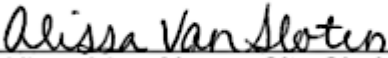
Attest:



Alissa Van Sloten, City Clerk

STATE OF IOWA)
) ss.
COUNTY OF LINN)

I, Alissa Van Sloten, City Clerk of the City of Cedar Rapids, Iowa, do hereby certify that the above and foregoing Resolution and attached documents are true and authentic documents of the City of Cedar Rapids, as full and complete as the same of record and on file in my office, on this 27th day of February, 2024.



Alissa Van Sloten, City Clerk