

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. 1409-12-25

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF AN
AMENDED AND RESTATED DEVELOPMENT AGREEMENT AND RELATED
DOCUMENTS BY AND BETWEEN THE CITY OF CEDAR RAPIDS AND QTS
CEDAR RAPIDS I LLC

WHEREAS, the City Council previously found and determined that certain areas located within the City of Cedar Rapids, ("City") are eligible and should be designated as urban renewal areas under Iowa law, and approved and adopted the Big Cedar West Urban Renewal Plan (for the Big Cedar West Urban Renewal Area by Resolution No. 1584-11-24 on November 19, 2024, and the Big Cedar East Urban Renewal Plan for the Big Cedar East Urban Renewal Area by Resolution No. 1585-11-24 on November 19, 2024; and

WHEREAS, on January 28, 2025, City Council authorized a development agreement with QTS Cedar Rapids I, LLC ("Developer") for the construction of a new data center campus with two (2) or more phases on approximately 560 acres within the Big Cedar West Urban Renewal Area and the Big Cedar East Urban Renewal Area ("Development Agreement"); and

WHEREAS, on December 2, 2025, the City Council adopted Amendment No. 1 to the Big Cedar East Urban Renewal Plan to, inter alia, rename the area the Big Cedar East #1 Urban Renewal Area and to remove property from the area so that the removed property could be placed in separate urban renewal areas to be named the Big Cedar East #2 Urban Renewal Area, the Big Cedar East #3 Urban Renewal Area; and the Big Cedar East #4 Urban Renewal Area; and

WHEREAS, on December 2, 2025, the City adopted separate urban renewal plans for each of the Big Cedar East #2 Urban Renewal Area, the Big Cedar East #3 Urban Renewal Area; and the Big Cedar East #4 Urban Renewal Area (collectively with the Big Cedar West Urban Renewal Area and Big Cedar East #1 Urban Renewal Area referred to herein as the "Urban Renewal Areas"); and

WHEREAS, the Urban Renewal Areas have been designated as appropriate for "Economic Development" pursuant to Chapter 403 of the Iowa Code (the "Urban Renewal Law"); and

WHEREAS, the Urban Renewal Law and Chapter 15A of the Iowa Code authorizes cities to make grants, loans, guarantees, incentives and financial assistance for economic development and in furtherance of the objectives of an urban renewal project and to appropriate such funds

and make such expenditures as may be necessary to carry out the purposes of said Urban Renewal Law; and

WHEREAS, the City and Developer desire to amend and restate the Development Agreement to make changes to terms related to the parties to the agreement, definition of property owner, the establishment of the additional Urban Renewal Areas, and number of project phases; and

WHEREAS, the Amended and Restated Agreement would obligate the Developer to construct certain Minimum Improvements (as defined in the Agreement) on certain real property, located within the Big Cedar West Urban Renewal Area and Big Cedar East #1 Urban Renewal Area, and allow for the construction of additional Project Phases in the Big Cedar West Urban Renewal Area, Big Cedar East #2 Urban Renewal Area, Big Cedar East #3 Urban Renewal Area, and Big Cedar East #4 Urban Renewal Area, which improvements, cumulatively consist of the construction of a data center campus with up to seven (7) Project Phases. Each Project Phase involves the construction of one Data Center, each at least 300,000 square feet in size, which Project Phase shall require a Minimum Investment of \$250,000,000. The Agreement also obligates Developer to provide 20 annual Community Betterment Payments per Project Phase to the City to assist with initiatives and projects which support the growth of amenities to benefit the community, with each annual payment in the amount of \$300,000 per completed Project Phase and a maximum aggregate payment amount of \$18 million for all Project Phases; and

WHEREAS, the Agreement would, subject to stated terms and conditions, obligate the City to provide Developer up to 20 consecutive annual rebate payments per Project Phase, with each annual rebate payment comprised of 70% of the tax increment created from the value added by the Data Center(s) and related improvements constructed as part of the applicable Project Phase, as described in the Agreement and authorized by Iowa Code §403.19. The amount of tax increment rebate payments to be provided under the Agreement for all Project Phases, in the aggregate, shall not exceed \$1,000,000,000. The City's obligation to make the tax increment rebate payments is subject to annual appropriation and employment thresholds. In addition, the Agreement would obligate the City to provide Developer 20 consecutive annual rebate payments per Data Center constructed, with each annual rebate payment comprised of 75% of the franchise fees collected by the City through the electrical provider for the particular Data Center constructed as part of the Project. The City's obligation to make the franchise fee rebate payments is subject to annual appropriation and employment thresholds. The Agreement would also obligate the City to complete certain Public Improvements to include paving an extension of 76th Avenue; and

WHEREAS, the Council has determined that amending and restating 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 in furtherance of the Plans and the Urban Renewal Law, and further, that the Amended and Restated Development Agreement and the City's performance thereunder is in furtherance of economic development activities and objectives of the City within the meaning of Chapters 15, 15A and 403; and

WHEREAS, the Amended and Restated 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 Amended and Restated Development Agreement, including, but not limited to, providing tax increment rebate payments and franchise fee rebate payments, be and are hereby declared to be a public undertaking and purpose and in furtherance of the Plans and the Urban Renewal Law and, further, that the Amended and Restated 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 15A and 403, Code of Iowa, taking into account the factors set forth therein.

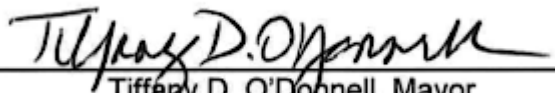
Section 3. Based upon the factors outlined in Chapter 15A of the Code of Iowa, the Council hereby determines the public gains and benefits received as a result of the Project are commensurate with the expenditure of public funds provided for in the Amended and Restated Development Agreement.

Section 4. The form and content of the Amended and Restated 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 that from and after the execution and delivery of the Amended and Restated Development Agreement.

Section 5. 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 Amended and Restated 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 2nd day of December, 2025.

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



Tiffany D. O'Donnell, Mayor

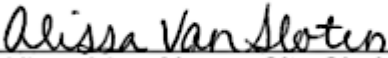
Attest:



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 2nd day of December, 2025.



Alissa Van Sloten, City Clerk