

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. 0072-01-25

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A
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 (the "Plan" or "Urban Renewal Plan") for the Big Cedar West Urban Renewal Area (the "Area" or "Urban Renewal Area") by Resolution No. 1584-11-24 on November 19, 2024, and Big Cedar East Urban Renewal Area (the "Area" or "Urban Renewal Area") by Resolution No. 1585-11-24 on November 19, 2024, which Plans, are on file in the office of the Recorder of Linn County and is from time to time amended; 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 Council intends to enter into a Development Agreement ("Agreement") with QTS Cedar Rapids I LLC ("Developer") for the development of the Urban Renewal Areas in accordance with the Urban Renewal Plans, which Agreement will: (i) establish conditions which attract further new investment, (ii) maintain and expand taxable values in the Urban Renewal Areas, and (iii) attract new employment opportunities within the Urban Renewal Areas and the community; and

WHEREAS, The 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 Urban Renewal Area, which improvements consist of the construction of a data center campus with a minimum of two (2) Project Phases (the "Project"). Each Project Phase involves the construction of one or more 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 tax increment rebate payments per Project Phase, with each annual tax increment 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 franchise fee rebate payments per Data Center constructed, with each annual franchise fee 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 comprised of water main and sanitary sewer improvements to the Development Property, and paving an extension of 76th Avenue; and

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 in furtherance of the Plan and the Urban Renewal Law, and further, that the 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 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 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 Plan and the Urban Renewal Law 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 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 Development Agreement.

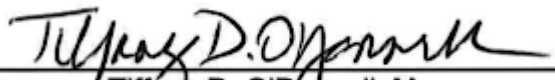
Section 4. The form and content of the Development Agreement, the provisions of which are incorporated herein by reference, be and the same hereby are in all respects authorized, approved and confirmed, and the City Manager and the City Clerk be and they hereby are authorized, empowered and directed 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 that from and after the execution and delivery of the 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 Development Agreement, as executed. The City Clerk is specifically directed to record a Memorandum of Development Agreement with the Linn County Recorder's office.

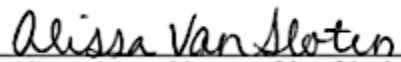
Passed this 28th day of January, 2025.

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



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 28th day of January, 2025.



Alissa Van Sloten, City Clerk