

**SPECIAL CITY COUNCIL AGENDA
WITH THE COUNTY BOARD OF SUPERVISOR'S**

NEWTON CITY COUNCIL
Jasper County Courthouse
101 1st Street North

REGULAR MEETING
November 13, 2007
9:30 p.m.

CALL TO ORDER
PUBLIC HEARING

Roll Call

- 1. Resolution Approving An Agreement For Private Redevelopment By And Among Opus Northwest, LLC; Jasper County, Iowa; The City Of Newton, Iowa; And The Jasper County Economic Development Corporation For Developing A Factory Building On North 33rd Avenue East In Newton Within The Amended Jasper County Urban Renewal Area (Council Report 07-156)**

- The Project

The TPI Composites project would involve building a 316,000 square foot factory valued at a minimum of \$13.5 million on 30 acres of land just west of the Central Iowa Energy bio-diesel plant. The project would employ 500 workers and would produce blades for wind turbines. The building would be constructed and owned by a development company, Opus Corporation, with a long-term lease arrangement for TPI to occupy the space. The plan would be for production to start at the facility in 2008. Conditional site plan approval has been granted by the City and preliminary building plans have been received.

- The Development Agreement and Employer Incentives Agreement

As with most economic development projects that involve public funds, the terms of the assistance for the TPI project are delineated in a formal development agreement. In this instance, due to the structure of the developer/lease arrangement, two development agreements are proposed. One is with the developer, Opus Corporation, and the other is with the employer, TPI Composites. This dual development agreement structure makes both agreements simpler and does not make one company liable for the performance of the other. The City would be a party to both agreements, but the County is the lead agency, as they would be doing all of the proposed bonding. The terms in both of the agreements are largely the same and are summarized below.

- City of Newton:

Provide the tax abatement for three years at 100% of the added value. This is authorized by the existing citywide commercial tax abatement program. The first year for the abatement would be for the 2008 tax year, when the construction would be only partially complete.

Agree to pay for half of the interest cost on the County general obligation bonds for four years (Fiscal Years 2009-10, 2010-11, 2011-12, and 2012-13). This is estimated to be approximately \$135,000 of City cost in each of the years. The exact cost would be known upon sale of the bonds on November 14th.

PUBLIC HEARING

- 2. Resolution Approving An Employer Incentives Agreement By And Among TPI Iowa, LLC; Jasper County, Iowa; And The City Of Newton For Developing A Business On North 33rd Avenue East In Newton To Produce Composite Products Within The Amended Jasper County Urban Renewal Area (Council Report 07-156)**

- See information above

RESOLUTION

- 3. Resolution Approving An Amendment To An Intergovernmental Agreement Pursuant To Code Of Iowa Chapter 28E Between Jasper County, Iowa And The City Of Newton, Iowa Regarding Joint Exercise Of Urban Renewal Powers (Council Report 07-157)**

- The proposed amendment to the agreement allows the incremental City portion of the property tax bill to be collected by the TIF District. This applies only for the Alpha Products and TPI Composites sites and only for the purpose and duration of funding the bonding in support of the projects on those sites. Since the projects create jobs, build tax base, and are beneficial to both the City and County, the amendment is a co-operative way to foster economic development.
- The proposed amendment also extends the duration of the agreement by almost six years; to better coincide with possible bond issues. Another change is also being made solely for the purpose of internal consistency within the Agreement.

ADJOURN