

AMENDED DEVELOPMENT AGREEMENT

This Amended Development Agreement is entered into between Dallas County, Iowa (the “County”) and Tyson Fresh Meats, Inc. (the “Company”) as of the ___ day of _____, 2021 (the “Commencement Date”).

WHEREAS, the County has established the 2019 Dallas County Economic Development Urban Renewal Area (the “Urban Renewal Area”), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Company owns certain real property which is situated in the County and lies within the Urban Renewal Area and is more specifically described on Exhibit A hereto (the “Property”); and

WHEREAS, the Company has proposed to undertake the expansion of its existing pork processing facilities (the “Project”) on the Property; and

WHEREAS, the Company requested that the County provide financial assistance in the form of incremental property tax payments to be used by the Company in paying the costs of constructing and maintaining the Project; and

WHEREAS, the County and the Company entered into a Development Agreement (the “Original Agreement”) dated April 2, 2019; and

WHEREAS, the Company, the County and the Iowa Economic Development Authority entered into an Economic Development Assistance Contract (the “IEDA Contract”) pursuant to which IEDA agreed to provide the Company certain tax credit benefits in exchange for the Company’s obligations set forth in the IEDA Contract, including meeting certain jobs requirements; and

WHEREAS, the Company agreed to maintain compliance with the IEDA Contract in the Original Agreement as a condition precedent to receiving the incremental property tax payments; and

WHEREAS, the IEDA Contract has been terminated because the Company was unable to comply with the terms set forth therein; and

WHEREAS, the County desires to continue making the incremental property tax payments to the Company because the Company completed the Project and continues to remain operational in the County; and

WHEREAS, it is now necessary to amend the Original Agreement to (1) remove the requirement that the Company remain in compliance with the IEDA Contract; and (2) make other related changes; and

WHEREAS, this Amended Development Agreement (the “Agreement”) has been prepared to set forth the updated, mutual understanding between the County and the Company and to replace the Original Agreement; and

WHEREAS, the taxable base valuation of the Property for purposes of calculating incremental property tax revenues under this Agreement and Section 403.19 of the Code of Iowa is \$5,235,280 (the “Base Valuation”); and

WHEREAS, Chapter 15A of the Code of Iowa authorizes cities to provide grants, loans, guarantees, tax incentives and other financial assistance to or for the benefit of private persons;

NOW THEREFORE, the parties hereto agree as follows:

A. Company’s Covenants

1. Project Construction. The Company agrees to construct the Project on the Property and to maintain and use the completed Project as part of its business operations throughout the Term, as hereinafter defined. Furthermore, the Company expects to invest approximately \$43,758,863 into capital improvements for the Project, including construction work, equipment, furnishings and other capital improvements. The Company agrees to complete the construction of the Project by December 31, 2020. The Company agrees to maintain compliance with local zoning, land use, building and safety codes and regulations with respect to the construction and use of the Project and the Property throughout the Term, as hereinafter defined.

2. Property Taxes. The Company agrees to make timely payment of all property taxes as they come due with respect to the Property and the completed Project throughout the Term, as hereinafter defined, and, upon request from the County, to submit a receipt or cancelled check in evidence of each such payment.

3. Company’s Certifications. The Company agrees to submit documentation to the satisfaction of the County by no later than each October 15 during the Term, as hereinafter defined, commencing October 15, 2021, demonstrating that the completed Project is being used as part of the Company’s business operations.

4. Insurance.

(a) The Company, and any successor in interest to the Company, shall obtain and continuously maintain insurance on the Property and the completed Project and, from time to time at the request of the County, furnish proof to the County that the premiums for such insurance have been paid and the insurance is in effect. The insurance coverage described below is the minimum insurance coverage that the Company must obtain and continuously maintain, provided that the Company shall obtain the insurance described in clause (i) below prior to the commencement of construction of the Project (excluding excavation and footings):

(i) Builder’s risk insurance, written on the so-called “Builder’s Risk—Completed Value Basis,” in an amount equal to one hundred percent (100%) of the insurable

value of the Project at the date of completion, and with coverage available in non-reporting form on the so-called "all risk" form of policy.

- (ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's/Contractor's Policy naming the County, as an additional insured, with limits against bodily injury and property damage of not less than \$2,500,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used), written on an occurrence basis.
- (iii) Workers compensation insurance, with statutory coverage.

(b) All insurance required in this Section shall be obtained and continuously maintained in responsible insurance companies selected by the Company or its successors that are authorized under the laws of the State of Iowa to assume the risks covered by such policies. Unless otherwise provided in this Section, each policy must contain a provision that the insurer will not cancel nor modify the policy without giving written notice to the insured at least thirty (30) days before the cancellation or modification becomes effective. Not less than fifteen (15) days prior to the expiration of any policy, the Company, or its successors or assigns, must renew the existing policy or replace the policy with another policy conforming to the provisions of this Section. In lieu of separate policies, the Company or its successors or assigns, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein.

(c) The Company, its successors or assigns, agrees to notify the County promptly in the case of damage exceeding \$250,000 in amount to, or destruction of the Project resulting from fire or other casualty. Furthermore, the Company agrees to apply the proceeds from any and all casualty claims against the insurance detailed in this Section to the restoration and improvement of the Property and/or the Project.

5. Remedy. The Company hereby acknowledges that material failure to comply with the requirements of this Section A, will result in the County having the right to withhold Payments under Section B of this Agreement at its sole discretion, until such time as the Company has demonstrated, to the satisfaction of the County, that it has cured such non-compliance. The County shall provide written notice of its intention to withhold any Payment due to non-compliance. The written notice shall include identification of the contractual default. To the extent that the non-compliance is not cured within 30-days of the sending of the County's written notice, then the County shall have the right to terminate this Agreement and no further Payments shall be made hereunder.

B. County's Obligations

1. Payments. In recognition of the Company's obligations set out above, the County agrees to make five (5) annual economic development tax increment payments (the "Payments") to the Company due on June 1 of each fiscal year during the Term, as hereinafter defined, pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments shall not exceed \$574,000 (the "Maximum Payment Total").

Each Payment shall be in an amount which represents the Annual Percentage of the Incremental Property Tax Revenues available to the County with respect to the Property and attributable to the Project during the twelve (12) months immediately preceding each Payment date. For purposes of this Agreement “Annual Percentage” shall mean the annual percentage in effect from time to time as set forth in the following table:

Fiscal Year of County	Annual Percentage
First Payment Year	75%
Second Payment Year	60%
Third Payment Year	45%
Fourth Payment Year	30%
Fifth Payment Year	15%

For purposes of this Agreement, Incremental Property Tax Revenues are calculated by: (1) determining the consolidated property tax levy (county, school, etc.) then in effect with respect to imposition of property taxation on the Property; (2) subtracting (a) the debt service levies of all taxing jurisdictions, (b) the school district instructional support and physical plant and equipment levies and (c) any other levies which may be exempted from such calculation by action of the Iowa General Assembly; (3) multiplying the resulting modified consolidated levy rate times any incremental growth in the taxable valuation of the Property attributable to the Project, as shown on the property tax rolls of Dallas County, above and beyond the Base Valuation; and (4) deducting any property tax credits which shall be available with respect to the Property.

This Agreement assumes that the new taxable valuation of the Project will go on the property tax rolls as of January 1, 2021. Accordingly, the Payments will be made on June 1 of each fiscal year, beginning on June 1, 2023, and continuing through and including June 1, 2027, or until such earlier date upon which total Payments equal to the Maximum Payment Total have been made.

2. Security for Payments. The Payments shall not constitute general obligations of the County, but shall be made solely and only from Incremental Property Tax Revenues received by the County from the Dallas County Treasurer which are attributable to the Property with the completed Project thereon, such revenues to be deposited into a subfund (the “Tyson Subfund”) of the County’s Urban Renewal Tax Increment Revenue Fund. The Tyson Subfund and the Incremental Property Tax Revenues to be collected therein have been pledged to the funding of the Payments by duly authorized action of the Board of Supervisors.

3. Certification of Payment Obligation. By no later than December 1, 2019, the County agrees to certify to the Dallas County Auditor an amount of tax increment debt payable from future Incremental Property Tax Revenues to be collected from the Property pursuant to this Agreement equal to \$574,000 with further instructions that only the applicable Annual Percentage of the Incremental Property Tax Revenues be divided and disbursed for the funding of Payments hereunder.

C. Administrative Provisions

1. **Amendment and Assignment.** Neither party shall have the right to cause the Agreement to be amended, assigned, assumed, sold or otherwise transferred without the prior written consent of the other party. However, the County hereby gives its permission that the Company's rights to receive the Payments hereunder may be assigned by the Company to a private lender, as security on a credit facility taken in connection with the Project, without further action on the part of the County.

2. **Successors.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

3. **Term.** The term (the "Term") of this Agreement shall commence on the Commencement Date and end on June 1, 2027 or on such earlier date upon which the aggregate sum of Payments made to the Company equals the Maximum Payment Total.

4. **Choice of Law.** This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with laws of the State of Iowa.

The County and the Company have caused this Agreement to be signed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

DALLAS COUNTY, IOWA

By: _____
Chairperson, Board of Supervisors

Attest:

County Auditor

TYSON FRESH MEATS, INC.

By: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Part of Sections 8 and 9, Township 81 North, Range 28 West, described as follows:

Commencing at the Southwest corner of the Northwest 1/4 of the Southwest 1/4 of Section 9, Township 81 North, Range 28 West of the 5th P.M., Dallas County, Iowa; thence North along the West line of the NW 1/4 SW 1/4 of said Section 9, a distance of 660.0 ft.; thence S 89°56' E, 1307.9 ft.; thence N 0° 19' E, 586.8 ft. to the point of beginning; thence continuing N 0° 19' E, 304.4 ft. to a point on the South line of the Chicago Northwestern Railroad Right-of-Way; thence S 88° 14' W along said R.O.W. 5,262.3 ft. to a point on the West line of the NE 1/4 SW 1/4 of Section 8, Township 81 North, Range 28 West; thence S 1° 12' W, 325.0 ft. to a point on the Northerly Right-of-Way line of property now owned by Oscar Mayer & Co.; thence N 88° 14' E along said R.O.W. 3,038.0 ft.; thence N 2° 01' W, 257.7 ft.; thence N 88° 14' E, 1,586.42 ft.; thence S 2° 01' E, 240.2 ft.; thence N 87° 59' E, 643.65 ft. to the point of beginning.

That part of the East half (E 1/2) of the East half (E 1/2) of Section 8, and of the West half (W 1/2) of the West half (W 1/2) of Section 9, all in Township 81 North, Range 28, West of the 5th P.M., Dallas County, Iowa, described as follows: Commencing at the Southeast corner of the NE 1/2 of the SE 1/2 of said Section 8, thence North along the East line of said NE 1/2 of the SE 1/2 990 feet to the point of beginning of the real estate to be described; thence continue North along said E line 210 feet; thence North 87 degree 59 minutes east 678.9 feet, thence North 2 degrees 1 minute West 237.8 feet to a point distant 29 feet south of, as measured perpendicularly from, the centerline of Grantor's most southerly yard track as now there established; thence South 88 degrees 14 minutes West, parallel to and 29 feet South of the centerline of said yard track, 1586.42 feet, thence South 2 degrees 1 minute East, 255.3 feet; thence North 87 degrees 59 minutes East, 250 feet; thence South 157 feet, thence South 88 degrees 19 minutes East 657 feet to the point of beginning, containing 11.693 acres, more or less.

APPROVE AMENDED DEVELOPMENT AGREEMENT AND TAX INCREMENT PAYMENTS

(Tyson Fresh Meats, Inc.)

472955-4

Adel, Iowa

October 26, 2021

A meeting of the Board of Supervisors (the "Board") of Dallas County, Iowa, was held at _____ o'clock __.m., on October 26, 2021, at the _____, Adel, Iowa, pursuant to the rules of the Board.

The Chairperson presided and the roll was called, showing members present and absent as follows:

Present: _____

Absent: _____.

The Board of Supervisors took up for consideration a resolution to approve an amended development agreement with Tyson Fresh Meats, Inc.

Supervisor _____ introduced the resolution next hereinafter set out and moved its adoption, seconded by Supervisor _____; and after due consideration thereof by the Board, the Chairperson put the question upon the adoption of said resolution, and the roll being called, the following named Supervisors voted:

Ayes: _____

Nays: _____.

Whereupon, the Chairperson declared said resolution duly adopted, as follows:

RESOLUTION _____

Resolution Approving Amended Development Agreement with Tyson Fresh Meats, Inc., Authorizing Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement

WHEREAS, Dallas County, Iowa (the “County”), pursuant to and in strict compliance with all laws applicable to the County, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the 2019 Dallas County Economic Development Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, this Board of Supervisors 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 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 County for the payment of the principal of and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, the County has previously entered into a certain development agreement (the “Original Agreement”) with Tyson Fresh Meats, Inc. (the “Company”) in connection with the expansion by the Company of its existing pork processing facilities (the “Project”) on certain real property (the “Property”) in the Urban Renewal Area; and

WHEREAS, under the Original Agreement, the County has agreed to provide tax increment payments (the “Payments”) to the Company in a total amount not exceeding \$574,000 from incremental property tax revenues derived from the Property; and

WHEREAS, the County and the Company now propose to amend the Original Agreement in order to update the obligations that must be met by the Company in order to continue to receive the Payments; and

WHEREAS, an amended development agreement (the “Amended Agreement”) has been prepared to set forth the new understanding between the County and the Company; and

WHEREAS, Chapter 15A of the Code of Iowa (“Chapter 15A”) declares that economic development is a public purpose for which a County may provide grants, loans, tax incentives, guarantees and other financial assistance to or for the benefit of private persons; and

WHEREAS, Chapter 15A requires that before public funds are used for grants, loans, tax incentives or other financial assistance, a Board of Supervisors must determine that a public purpose will reasonably be accomplished by the spending or use of those funds; and

WHEREAS, Chapter 15A requires that in determining whether funds should be spent, a Board of Supervisors must consider any or all of a series of factors;

NOW, THEREFORE, It Is Resolved by the Board of Supervisors of Dallas County, Iowa, as follows:

Section 1. Pursuant to the factors listed in Chapter 15A, the Board hereby reaffirms that:

(a) The Project will add diversity and generate new opportunities for the Dallas County and Iowa economies;

(b) The Project will generate public gains and benefits, particularly in the creation of new jobs, which are warranted in comparison to the amount of the proposed property tax incentives.

Section 2. The Board of Supervisors further finds and reaffirms that a public purpose will reasonably be accomplished by entering into the Amended Agreement and providing the incremental property tax payments to the Company.

Section 3. The Amended Agreement is hereby approved and the Chairperson and County Auditor are hereby authorized and directed to execute and deliver the Amended Agreement on behalf of the County, in substantially the form and content in which the Amended Agreement has been presented to this Board of Supervisors, and such officers are also authorized to make such changes, modifications, additions or deletions as they, with the advice of bond counsel, may believe to be necessary, and to take such actions as may be necessary to carry out the provisions of the Amended Agreement.

Section 4. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved on October 26, 2021.

Chairperson, Board of Supervisors

Attest:

County Auditor

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On motion and vote the meeting adjourned.

Chairperson, Board of Supervisors

Attest:

County Auditor

STATE OF IOWA

SS:

COUNTY OF DALLAS

I, the undersigned, County Auditor of Dallas County, Iowa hereby certify that the foregoing is a true and correct copy of the minutes of the Board of Supervisors of the County relating to adopting a resolution to approve an Amended Development Agreement.

WITNESS MY HAND hereto affixed this ___ day of _____, 2021.

County Auditor

STATE OF IOWA

SS:

DALLAS COUNTY

I, the undersigned, County Auditor of the aforementioned County, in the State of Iowa, do hereby certify that on the ___ day of _____, 2021, there was filed in my office a certified copy of a resolution of such Board shown to have been adopted by the Board of Supervisors and approved by the Chairperson thereof on October 26, 2021, entitled: "Resolution Approving Amended Development Agreement with Tyson Fresh Meats, Inc., Authorizing Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement," and that I have duly placed the copy of the resolution on file in my records.

WITNESS MY HAND hereto affixed this ___ day of _____, 2021.

County Auditor



October 21, 2021

Via Email

Rob Tietz
Director of Finance and Operations
Dallas County, Iowa

Re: Tyson Fresh Meats, Inc. Amended Development Agreement
Our File No. 472955-4

Dear Rob:

Attached please find proceedings covering the adoption of a resolution approving the Amended Development Agreement with Tyson Fresh Meats, Inc. and pledging certain incremental property tax revenues to the payment of the County's obligations thereunder.

A copy of the Resolution must be filed in your office. Please print an extra copy for this purpose.

We would appreciate receiving one fully executed copy of these proceedings and of the executed Amended Development Agreement as soon as they are available.

Please contact John Danos or me if you have questions.

Kind regards,

Amy Bjork

Attachments