

July 9, 2009

Thomas Coley
Scott Community College
500 Belmont Road
Bettendorf, Iowa 52722

Dee Bruemmer, Administrator
Scott County Bicentennial Building
600 West Fourth Street
Davenport, Iowa 52801-1030

Mr. Tim Huey
Planning Director
500 West Fourth Street
Davenport, Iowa 52801-1106

Dr. Theron Schutte, Superintendent
Bettendorf Community School District
P.O. Box 1150
Bettendorf, Iowa 52722

SUBJECT: A proposed Tax Increment Financing District for Plantation Development at 730 Tanglefoot Road, Bettendorf.

Dear Taxing Entities:

One of the City of Bettendorf's top goals in its efforts to encourage economic development and increase the tax base is "to encourage the development of underutilized property" such as the 19 acre parcel of land located northwest of Tanglefoot Road and Utica Ridge Road in Bettendorf, Iowa (please see Location Map, attached to this notice).

Multiple commercial buildings with a technology use emphasis are anticipated for this site. The location chosen for the new buildings has been taxed at the agricultural rate for decades and has not developed even while being surrounded by numerous commercial sites. This site, in the City's opinion, has been underutilized for many years. With the use of the TIF incentive, the City may be in a position to address this problem. The City anticipates a request for a fifteen year 100% TIF rebate.

Prior to offering any such financial incentives, the city desires to seek your input about this project. Therefore, an Opportunity to Consult will be held on July 21, 2009 at 10:00 a.m. in the Economic Development Office of Bettendorf City Hall at 1609 State Street. Please feel free to contact me at any time should you have any questions concerning these projects at 344-4083.

Sincerely,

John Soenksen
City Planner

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Bettendorf, Iowa, an Iowa Municipal Corporation (the "City"), and Plantation Development, LTD, an Iowa Limited Liability Company (the "Developer"), as of the ____ day of _____, 2009.

RECITALS

WHEREAS, the Developer owns certain property, more specifically described on Exhibit A attached hereto (the "Property"), currently zoned as "C-6" Office and Research Park District, which is located within the Urban Renewal Area #2, and upon which the Developer intends to construct commercial or industrial facilities, after certain infrastructure improvements have been constructed by the Developer (the "Project") on the Property; and

WHEREAS, the City desires to develop commercial and industrial facilities in the City, and has established an Urban Renewal District encompassing the area; and

WHEREAS, the Developer has a project to develop a portion of the area established within the Urban Renewal District; and

WHEREAS, the project will not be done without financial assistance from the City of Bettendorf; and

WHEREAS, under 15A of the State Code, the City is required to determine that a public purpose will reasonably be accomplished; and

WHEREAS, under Chapter 403 of the State Code, the City may enter into development agreements to encourage needed urban rehabilitation; and

WHEREAS, Chapter 15A and 403 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; and

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Developer Obligations. The Developer will undertake future Projects, consisting of but not limited to installation of new buildings for commercial and industrial uses as allowed in a "C-6" Office and Research Park District, and infrastructure improvements on the Property (the "Project"). Prior to the construction of any Project, the Developer shall submit to the city copies of all site plans, elevation drawings, landscape plans and engineering documents related to the Project. Buildings shall be constructed of quality materials that have strength and permanence. Permanence means that buildings will age without deteriorating, given a minimum level of maintenance. The development shall recognize the strength and permanency of stone, brick, concrete and steel as opposed to the frailty of light gauge sheet metal and constant

maintenance of wood veneer. Restaurants, outdoor retailing, outdoor vending machines, signs painted on buildings, and pole mounted signage shall be prohibited. The City may request reasonable changes to such plans and documents to insure compliance with any applicable City Ordinance and engineering requirement.

Section 2. Phases of Project. The Developer anticipates and the City agrees that the Project may be developed in phases:

PHASE 1 of the Project shall consist of the following:

- a. The replatting of the Property into subdivided lots, (i.e., more than currently exist), in a consistent size and configuration to accomplish commercial and industrial development on the Property. The Developer shall have the ability to size and configure the lots in such a manner as is consistent with its then current development goals for the Property. This replatting does not limit the Developer from any additional platting to accommodate the reconfiguration or resizing of lots on the Property for the future use of a potential commercial or industrial user, nor does it prohibit the sale of more than one replatted lot for a single commercial or industrial user. The City may request reasonable changes in such platting documents, to insure compliance with applicable City ordinances, unless specifically excluded herein. All costs for the replatting, including but not limited to engineering expenses, attorney fees shall be paid by the Developer.
- b. The installation of certain infrastructure improvements, including but not limited to streets, grading and subgrade improvements thereon, water mains, storm and sanitary sewer lines, and appurtenances attached thereto, at such specific locations and as specifically described on such plans and specifications as mutually agreed upon by the Developer and the City. The infrastructure improvements described above may be made in increments, at the discretion of the Developer. Costs of the infrastructure improvements described above, including all costs and expenses related to the actual construction and installation shall be paid by the Developer.
- c. Upon completion of the infrastructure improvements described above, and after the City confirms to the Developer in writing that the improvements meet City requirements, the Developer will petition the City to accept the infrastructure improvements and provide the City with a dedication certificate and will transfer title and ownership of the improvements. If the infrastructure improvements are in compliance as-built with the City Ordinances, the City shall accept such dedication. The related right-of-ways for the improvements shall be dedicated in the platting process. Upon approval and conveyance, the infrastructure improvements shall thereafter be owned and maintained by the City.
- d. The Developer will undertake Project 1, consisting of, but not limited to, construction of a 6,800 square foot building (more or less) for use as allowed in a "C-6" Office and Research Park District, on the property described above and by this reference made a part thereof (the "Property") the building to be constructed shall be referred to as "Project 1"). Prior to the construction of Project 1, the Developer shall submit to the City copies of all plans and engineering documents related to Project 1 as customarily required under existing City Ordinances. The City may request reasonable changes to such plans and documents to insure compliance with existing applicable City Ordinances and engineering requirements. Project 1 shall consist of a building having at least 6,800 gross square feet (more or less) and which shall have a total agreed minimum value of

\$1,100,000. Project 1 shall commence promptly upon City approval of plans and issuance of a building permit, and the Developer shall diligently prosecute construction to be completed prior to the end of calendar year 2009.

The Developer will agree to a minimum assessed value for the Project of \$1,100,000 for the time frame beginning January 1, 2010 through December 31, 2025 (except for limited exceptions provided for in the Minimum Assessment Agreement), provided that City timely approves the site plan and building permit and that construction is substantially completed by December 31, 2009 (the "Completion Date"). During such time, the Developer, its assigns, or successors in interest, and all tenants of the building agree not to seek to reduce the assessment of the property to below \$1,100,000, unless one of the stated exceptions in the Minimum Assessment Agreement occurs. Said Minimum Assessment Agreement must be filed with the Scott County Recorder's Office **before** December, 31, 2009.

- e. The Developer will undertake Project 2, consisting of, but not limited to, construction of a 13,600 square foot building (more or less) for use as allowed in a "C-6" Office and Research Park District, on the property described above and by this reference made a part thereof (the "Property") the building to be constructed shall be referred to as "Project 2"). Prior to the construction of Project 2, the Developer shall submit to the City copies of all plans and engineering documents related to Project 2 as customarily required under existing City Ordinances. The City may request reasonable changes to such plans and documents to insure compliance with existing applicable City Ordinances and engineering requirements. Project 2 shall consist of a building having at least 13,600 gross square feet (more or less) and which shall have a total agreed minimum value of \$2,500,000. Project 2 shall commence promptly upon City approval of plans and issuance of a building permit, and the Developer shall diligently prosecute construction to be completed prior to the end of calendar year 2009.

The Developer will agree to a minimum assessed value for the Project of \$2,500,000 for the time frame beginning January 1, 2010 through December 31, 2025 (except for limited exceptions provided for in the Minimum Assessment Agreement), provided that City timely approves the site plan and building permit and that construction is substantially completed by December 31, 2009 (the "Completion Date"). During such time, the Developer, its assigns, or successors in interest, and all tenants of the building agree not to seek to reduce the assessment of the property to below \$2,500,000, unless one of the stated exceptions in the Minimum Assessment Agreement occurs. Said Minimum Assessment Agreement must be filed with the Scott County Recorder's Office **before** December, 31, 2009.

PHASE II of the Project shall consist of the following:

- f. Construction by the Developer, or other third party then in ownership of a lot, of commercial or industrial structures on the lots to support that individual lot owner's requirement ("Lot Development"). The Developer, or other third parties in ownership of the lot, shall submit to the City copies of all site plans, elevation drawings, landscape plans and engineering documents related to their Lot Development. The City may request reasonable changes to such plans and documents to insure compliance with any applicable City Ordinance and engineering requirements.

Section 3. Economic Development Payments. The City agrees to cooperate with the Developer in maximizing the potential return to the Developer from incremental property taxes, by allowing the Developer to divide the Project into separate tax increment financing districts (Districts). The Developer shall certify to the City in writing each year, on or before October 1, that portion of the Property, which is to be treated as a new District for that year. The District may contain industrial or commercial property constructed during that year. Each District will be treated separately for purposes of applying the statutory restrictions with respect to the allocation of incremental property tax revenues. For the purposes of the Agreement, the tax incremental revenues derived from each District shall mean only the taxes available in excess of an assumed base year assessment for that portion of the entire Property. The Developer shall agree to execute a minimum assessment agreement for each District contained within Phase II. The Payments shall be made solely and only from incremental property taxes received by the City from the Scott County Treasurer, which are attributable to the Property. The Payments to the Developer are subject to the timely payment of property taxes by the Developer or other owners of the Property, and to the satisfactory completion of the Improvements.

Section 4. Term. This agreement shall remain in effect for an eight (8) year period ending on the ____ day of _____, 2017. This Agreement may be extended on or before the ____ day of _____, 2017 during a renegotiation period which shall begin ninety (90) days prior to the end of the original agreement. All aspects of this Agreement may be renegotiated to each party's satisfaction during the renegotiation period.

Taxes to be rebated under this agreement shall be those incremental taxes accruing on the property by virtue of the newly constructed buildings and continuing for a minimum of a fifteen (15) year period.

Section 5. Assignment. This Agreement may not be amended or assigned by either party without the express permission of the other party. However, the City hereby gives its permission that the Developer's right to receive the economic development tax increment payments hereunder may be assigned by the Developer to a private lender, as security, or to another entity which is controlled by the Developer, without further action on the part of the City. The City agrees, further, not to unreasonably withhold its permission upon receipt of a request from the Developer for assignment of all or any portion of its rights and obligations hereunder to any other party and to either approve or deny such request within sixty (60) days after receipt of such request by the City Council.

Section 6. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

Section 7. Governing 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 the laws of the State of Iowa.

Section 8. Dispute Resolution. All disputes, controversies and questions directly or indirectly arising under, out of, in connection with or in relation to this Agreement or its subject matter, including without limitation, all disputes, controversies and questions relating to validity, negotiation, interpretation, construction, performance, termination and enforcement of the Agreement, shall be resolved finally and conclusively in accordance with this section, which shall be the sole and exclusive procedure for the resolution of any dispute.

The parties shall attempt in good faith to resolve any dispute promptly by negotiation if the matter has not been resolved within twenty (20) days after a party's request for negotiation, either party may initiate arbitration as provided herein.

If this good faith twenty (20) day period does not resolve the dispute, both parties will agree on an independent arbitrator within ten (10) days of notification by either party of request for formal arbitration. An arbitrator will be selected by agreement of the parties and an arbitration meeting will be set within thirty (30) days, with all remaining disputes submitted to the independent arbitrator under the rules of the Federal Arbitration Act 9, with all disputes finalized by decision of the independent arbitrator.

The City and the Developer have caused this agreement to be signed, and the City's seal to be affixed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

CITY OF BETTENDORF

By:
Its: Mayor

Attested by:

By:
Its City Clerk

PLANTATION DEVELOPMENT, LTD

By: Alan Frankel
Its: President