



1609 State Street • Bettendorf, Iowa 52722-4937 • (563) 344-4000

To: Scott County TIF Review Committee
Timothy Huey, Planning & Development
Craig Hufford, Treasurer's Office
Wes Rostenbach, Auditor's Office

From: Steve Van Dyke, Director of Economic Development

CC: Mayor and Council
Decker Ploehn, City Administrator
Greg Jager, City Attorney
Carol Barnes, Finance Director
John Soenksen, City Planner

Date: July 24, 2009

Re: City of Bettendorf proposed TIF District with Plantation Development.

We appreciate greatly the interest by Scott County in this project as well as all previous and future TIF projects as with your participation our development agreements and ordinances better protect our community's dollars more and improve our chances of the desired outcomes. Below are our responses to your questions asked in your letter dated July 21, 2009.

Q1. How will the City ensure that the TIF dollars will be an incentive for quality, primary jobs?

- First, due to your suggestion, the proposed development agreement has been modified and now includes a Project Eligibility section which states "To qualify for economic development assistance, businesses must be judged to be a primary business. This means that the activities of the business must add value to Bettendorf and the Quad City economy through the production or enhancement of goods or services. The attraction of technology intensive businesses is highly encouraged."
- Second, it is our suggestion that a third step be added to the review of projects within this development seeking TIF incentives; that being a separate review of the TIF ordinance when the specifics of each project are known. Not only will the

City review the particulars but we pledge that all taxing bodies will be informed of each project and its attributes.

Q2. How will the city ensure that the TIF dollars will not create an unfair economic advantage to the businesses that locate in the proposed Districts that compete with other businesses elsewhere in Bettendorf and the Quad Cities Area?

- The intent of the I-74 Technology Park is to attract technology intensive businesses. It is both the developer's and city's intent to attract businesses to the region that would not normally locate here. Due to the fact that our fiber optic network is a main attraction of this location, it is our belief that few other sites/facilities would meet the needs of those businesses we are hoping to secure.

Q3. What development costs are the TIF dollars intended to offset and is there any ceiling or maximum that will be set on such payments?

- Although the developer will use portions of the funds to cover development costs, the main reason for the TIF dollars will be for the developers use in motivating these targeted businesses to come to our region.

Q4. What are the tangible economic benefits to Scott County and its tax payers of these proposed TIFs?

- Our goal is to increase the potential to attract to the Quad Cities diverse technology intensive businesses with higher paying jobs that require well trained/educated employees, and hopefully more young adults with the ability to perform these tasks.

Q5. Does the City of Bettendorf have an established written policy on its use of TIF and if so does this proposal meet that policy?

- Yes the City does have a written policy which specifically mentions our desire to create primary businesses.

Q6. How does this area qualify to be considered "blighted"?

- This project would be classified as an economic development project versus one meant to eliminate blight.

Q7. Why use TIF incentives on this 19 acre parcel that is located in an area of Bettendorf that is growing and developing in the immediate vicinity without the use of TIF incentives?

- Perhaps this is restating a similar answer above, but the goal of the I-74 Technology Park and the incentives being requested is not about the commercial nature of that which has or would normally develop. This effort is about the

utilization of our fiber optic network located alongside this parcel and along with other Quad City assets including the TIF to attract the desired businesses.

We hope we have adequately answered your questions. Further, we hope that Scott County would, as it has on so many occasions, lend it's support to this request as it moves forward. Thank you so much for your consideration.

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 seeks projects to develop a portion of the area established within the Urban Renewal District; and

WHEREAS, the projects will not occur 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 consider 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 restrictions on use shall be binding upon all purchasers of the property listed in Exhibit "A" until January 1, 2030. Thereafter, any use allowed by City code shall be allowed.

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. All platting and replatting shall comply with the requirements of city and state code. 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, 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 in which the improvements are placed shall be dedicated in the platting process. Upon approval and conveyance, the infrastructure improvements shall thereafter be owned and maintained by the City.

PHASE II of the Project shall consist of the following:

- a. 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. Such plans and documents shall comply with any applicable City Ordinance and engineering requirements.

Section 3. Project Eligibility. To qualify for economic development assistance, businesses must be judged to be a primary business. This means that the activities of the business must add value to Bettendorf and the Quad City economy through the production or enhancement of goods or services. The attraction of technology intensive businesses is highly encouraged. If the City Council in its sole opinion deems any business locating within the Project area to not be a primary business, then there shall be no TIF funds provided to the developer for that business.

Section 4. 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 the 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 minimum assessment agreement, the form of which shall be as shown on Exhibit "B," shall extend for ten (10) years beyond the expiration of the tax rebate period, and shall be binding upon all subsequent purchasers, assigns, and or mortgagors of the property to be assessed. 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 5. Term. This agreement shall remain in effect for an eight (8) year period ending on the ____ day of _____, 2017. Upon agreement of the parties, this agreement may be extended.

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

Section 6. 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 7. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

Section 8. 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 9. 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. Arbitration under this Agreement will be governed by the Federal Arbitration Act (Title IX of the United States Code) and proceed in Bettendorf, Iowa, or such other location as the parties may agree and shall be conducted by the American Arbitration Association ("AAA") in accordance with the AAA's commercial arbitration rules ("AAA Rules"). Arbitration will be conducted before a single neutral arbitrator selected in accordance with AAA rules and who shall be an attorney who has practiced commercial law for at least fifteen (15) years. Judgment upon the arbitrator's award may be entered in any court having jurisdiction. The arbitrator has the discretion to decide, upon documents only or with a hearing, any motion to dismiss for failure to state a claim or any motion for summary judgment. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any part to submit the controversy or claim to arbitration if any other party contests such action for judicial relief. The arbitrator will award costs, expenses and fees to the prevailing party. Discovery will be governed by the Iowa Rules of Civil Procedure. Discovery must be completed at least twenty (20) days before the hearing date and within one hundred twenty (120) days of the commencement of the arbitration. Each request for an extension and all other discovery disputes will be determined by the arbitrator upon a showing that the request is essential for the party's presentation and that no alternative means for obtaining such information is available during the initial discovery period.

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

LEGAL DESCRIPTION

Part of the Northeast Quarter of Section 17, Township 78 North, Range 4 East of the 5th P.M., being more particularly described as follows:

Commencing, as a point of reference, at the southeast corner of the Northeast Quarter of said Section 17; thence North $89^{\circ}-17'-40''$ West (assumed bearing for this survey) 1774.66 feet along the south line of the Northeast Quarter of said Section 17 to a point on the west line of a tract of land conveyed to Jeffrey M. Wilhelm by Quit Claim Deed recorded as Document Number 2002-28347 in the Office of the Recorder of Scott County, Iowa; thence North $00^{\circ}-10'-05''$ East 33.00 feet along the west line of said Wilhelm tract to a point on the north right of way line of Tanglefoot Lane as now established in the City of Bettendorf, Iowa, said point being the POINT OF BEGINNING of the tract of land hereinafter described:

thence North $89^{\circ}-17'-40''$ West 668.05 feet along the north right of way line of said Tanglefoot Lane to a point on the easterly right of way line of Interstate 74 as now established;

thence North $53^{\circ}-09'-10''$ West 24.74 feet along the easterly right of way line of said Interstate 74;

thence South $89^{\circ}-32'-55''$ West 90.00 feet along the easterly right of way line of said Interstate 74;

thence northeasterly 394.74 feet along the easterly right of way line of said Interstate 74 being a curve concave easterly having a radius of 11,310.00 feet and a chord bearing and dimension of North $00^{\circ}-32'-50''$ East 394.72 feet;

thence North $01^{\circ}-32'-50''$ East 320.00 feet along the easterly right of way line of said Interstate 74;

thence North $15^{\circ}-35'-00''$ East 206.16 feet along the easterly right of way line of said Interstate 74;

thence North $06^{\circ}-30'-05''$ West 357.11 feet along the easterly right of way line of said Interstate 74 to the southwest corner of Lot 1 of Trinity Bettendorf Campus, an addition to the City of Bettendorf, Iowa;

thence South $89^{\circ}-52'-40''$ East 416.84 feet along the south line of Lot 1 of said Trinity Bettendorf Campus to the northwest corner of Lot 1 of Uticor First Addition to the City of Bettendorf, Iowa

thence South 01°-30'-50" West 663.48 feet along the west line of Lot 1 of said Uticor First Addition and along the west line of Boyd-Russell First Addition to the City of Bettendorf, Iowa, to the south right of way line of 40th Avenue as now established in the City of Bettendorf, Iowa;

thence South 89°-52'-40" East 559.74 feet along the south right of way line of said 40th Avenue to a point on the west line of a tract of land conveyed to Northwestern Bell Telephone Company by Warranty Deed recorded in Book 259 Deeds at page 89 in the Office of the Recorder of Scott County, Iowa;

thence South 01°-07'-55" West 431.72 feet along the west line of said Telephone Company tract to an iron pipe marking the northeast corner of said Wilhelm tract;

thence North 88°-43'-11" West 199.56 feet along the north line of said Wilhelm tract to an iron pin marking the northwest corner of said Wilhelm tract;

thence South 00°-10'-05" West 197.83 feet along the west line of said Wilhelm tract to the point of beginning.

Containing 19.08 acres, more or less.

Exhibit B

Form of Minimum assessment agreement

PLANNING & DEVELOPMENT

518 West Fourth Street

Davenport, Iowa 52801-1106

E-mail: planning@scottcountyiowa.com

Office: (563) 326-8643

Fax: (563) 326-8257



Timothy Huey
Director

To: Dee F. Bruemmer, County Administrator

From: Scott County TIF Review Committee
Craig Hufford, Treasurer's Office
Wes Rostenbach, Auditor's Office
Timothy Huey, Planning & Development

Date: July 29, 2009

Re: City of Bettendorf's proposed creation of multiple TIF Districts for technology intensive businesses on a 19 acre site north of Tanglefoot Lane and east of I-74.

The City of Bettendorf has responded to the questions Scott County presented at the opportunity to consult meeting on Tuesday, July 21. The City is proposing to rebate 100% of tax increment payments generated by the construction of commercial buildings to the developer of the property. In response to the County's concerns the City has specifically stated that TIF financing will only be offered to developments deemed to be a primary business that add value to the Quad City economy. The City has also pledged to give the County notice of each specific proposed project to allow for review and comment prior to final action by the Bettendorf City Council.

The proposed agreement with the developer would still allow the developer to create a separate TIF district for each building or development. The current base value of the property is assessed as agricultural land. Each district is proposed to run for 15 years and the agreement allows the districts to be created over the next eight years.

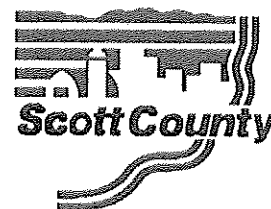
The proposed TIF dollars would be rebated to the developer as an incentive to the developer and used at the developer's discretion. The agreement does contain a provision that the minimum assessment agreement for each building will extend for ten years following the expiration of the TIF District.

Attached is a draft of the proposed letter for the County Board's consideration.

BOARD OF SUPERVISORS

600 West Fourth Street
Davenport, Iowa 52801-1030

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JIM HANCOCK, Chairman
TOM SUNDERBRUCH, Vice-Chair
CHRIS GALLIN
JEFF LISKE
LARRY MINARD

DRAFT

August 4, 2009

Mayor Michael Freemire
Bettendorf City Council Members
Bettendorf City Hall
1609 State Street
Bettendorf, IA 52722

RE: City of Bettendorf's proposed creation of a Tax Increment Financing (TIF) Districts for Plantation Development on a 19 acre site adjacent to I-74 and north of Tanglefoot Lane.

Dear Mayor Freemire and Council Members:

Thank you for the opportunity to comment on the proposed creation of tax increment financing (TIF) districts for the development of a technology park located north of Tanglefoot Lane and east of I-74. The Scott County Board of Supervisors has reviewed the information provided our TIF Review Committee by your Director of Economic Development and City Planner. The Board supports the use of TIF as an economic development incentive for the creation of quality, primary jobs that are deemed to add real value to the Quad Cities economy and provide new employment opportunities.

It is the Board's understanding that the TIF payments will only be approved following review by the Bettendorf City Council on the specifics of each development to ensure compliance with the City's policy and the development agreement. The Board appreciates that Bettendorf staff has pledged to inform the County and other taxing bodies to allow for their comments prior to any action approving TIF financing on any specific project by the City Council.

The Scott County Board of Supervisors appreciates the continuing spirit of cooperation with the City of Bettendorf on economic development projects and we look forward to working with you in the future.

Sincerely,

Jim Hancock, Chairman
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Dee F. Bruemmer, Scott County Administrator
Decker Ploehn, Bettendorf City Administrator

