

PLANNING & DEVELOPMENT

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Timothy Huey
Director

To: Dee F. Bruemmer, County Administrator

From: Scott County TIF Review Committee

Date: August 26, 2009

Re: City of Bettendorf's proposed TIF District for both redevelopment and new construction for Vizient LLC at 3129 & 3219 State Street..

The City of Bettendorf notified Scott County of an opportunity to consult that is scheduled for, Tuesday, September 8, at 10:00 AM regarding a proposed TIF Plan for an existing urban renewal district. The City is proposing the use of tax increment financing generated by the rehabilitation of deteriorated industrial buildings and the construction of a new building at 3129 & 3219 State Street. The TIF funds would rebate to Vizient LLC to offset costs of the redevelopment of the property. The TIF payments would be generated from a minimum assessment agreement of \$1M in valuation and would be made for a period of 4 years and not exceed \$100K.

The assessed valuation and property taxes generated by the existing property are:

Current assessed value	\$1,089,700
Current taxes paid	\$ 38,548

The proposed project is anticipated to result in:

Future Assessed Value of developed land	\$2,089,700
Estimate of future taxes of developed land	\$ 63,548
Estimated duration of TIF	4 years
Estimate of Annual TIF payment	\$ 25,000
Total TIF payments over 4 years	\$100,000

The proposed development agreement the City will have with the developer states that the TIF payment will be based on the minimum assessment agreement for the new and rehabbed buildings. The City also has stated this TIF will help both retain and create new high quality jobs.

The TIF Review Committee did not see any need to attend Tuesday morning's meeting because it appears to be a use of TIF that we could recommend the Board support. A copy of a draft letter for the Board to send to Bettendorf and the information provided by the City is attached.

September 1, 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) District for Vizient LLC at 3129 & 3219 State Street..

Dear Mayor Freemire and Council Members:

Thank you for the opportunity to comment on the proposed creation of a tax increment financing (TIF) district for the rehabilitation of deteriorated buildings and construction of a new building for Vizient LLC. 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 redevelopment of blighted building and 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 for four years and total no more than \$100,000. The relatively short duration of the TIF District also adds merit to this proposal.

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

August 25, 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 Vizient L.L.C. at 3129 and 3219 State Street, 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 buildings located at 3129 & 3219 State Street in Bettendorf, Iowa (please see Location Map, and Building Photos attached to this notice).

These structures have long been considered an eyesore by Bettendorf residents and the structures at 3219 State Street are referred to as the "Rust Buildings" by many citizens. Numerous improvements to the sites are anticipated including:

- Adding a 4,400 square foot modern office building expansion (see Office Building Conceptual Drawing attached to this notice).
- Pavement Improvements.
- Re-facade the structure at 3129 State Street with new EIFS
- Replace the existing steel siding, roofing, and doors on the "Rust Buildings" at 3219 State Street.
- Re-sod and landscape both areas.

The estimated improvements will total \$1,000,000.

The City of Bettendorf has been asked to assist with this improvement in the form of Tax Increment Financing for a maximum period of 4-years and a maximum amount of \$100,000.

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 September 8, 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

NOTICE OF OPPORTUNITY TO CONSULT

You are hereby notified that the City of Bettendorf is beginning the process to establish the Vizient Tax Increment Financing (TIF) District. A meeting time and place has been established as follows so that you may discuss this matter should you so desire:

Date: September 8, 2009
Time: 10:00 am
Place: Bettendorf City Hall
Economic Development Office
1609 State Street
Bettendorf, Iowa 52722

Should you be unavailable to meet at the above noted time and place, please contact John Soenksen at 344-4083 at your earliest convenience in order to arrange for a meeting prior to that date and time. The following table summarizes the differences between the present taxes generated from the site and taxes anticipated to be generated upon completion of the development and also the length of time anticipated for the diversion of taxes for the TIF financing.

PROJECT

Vizient L.L.C. at 3129 and 3219 State Street additional structure and existing structures improvements.

ESTIMATE OF COST

Total Project (New Structure and Improvements) \$1,000,000

TAXES PRESENTLY BEING GENERATED FROM SITE

Total Value	\$1,089,700
Annual Taxes at Current Rate	\$ 38,548

TAXES ESTIMATED TO BE GENERATED FROM DEVELOPMENT

Total Value	\$2,089,700
Estimated annual taxes at current rate	\$ 63,548

FISCAL IMPACT OF THE DIVISION OF REVENUE FROM PROPOSED DEVELOPMENT

Property tax base will be increased and new taxes totaling \$25,000 per year will be generated when development is complete.

ESTIMATED SERVICES FROM TAXING ENTITY WILL BE EXPECTED TO PROVIDE THE TIF AREA

Scott County:	Minimal
Bettendorf Community School District:	None (non-residential)
Scott Community College:	None

ESTIMATED DURATION OF DIVERSION OF REVENUE

4 years

ESTIMATED REVENUE AVAILABLE TO EACH TAXING ENTITY AFTER 4 YEARS IF PROJECT SUCCEEDS:

City of Bettendorf	38 %	\$24,148
Bettendorf Community School District	45 %	\$28,597
Scott County	14 %	\$ 8,897
E.I.C.C.	2 %	\$ 1,271
Others	1 %	\$ 635
TOTAL		\$63,548

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of Bettendorf, Iowa, an Iowa Municipal Corporation (the "City"), and Vizient L.L.C., (the "Developer"), as of the ____ day of _____, 2009.

RECITALS

WHEREAS, the Developer owns certain property, more specifically described as "Exhibit A", currently zoned as "I-2" General Industrial District, which is located within the Urban Renewal Area #1, and upon which the Developer intends to expand its industrial facility; and

WHEREAS, the City desires to encourage development and expansion of industrial facilities in said Urban Renewal Area; and

WHEREAS, the Project (as defined below) will help enable the Developer to expand within the City of Bettendorf rather than seeking sites outside of the City of Bettendorf; and

WHEREAS, business retention is a high priority goal for the City of Bettendorf, and

WHEREAS, development within Urban Renewal Area #1 has not occurred at a rate desired by the City of Bettendorf, and

WHEREAS, under Chapter 15A of the State Code, the City is required to determine that a public purpose will reasonably be accomplished and the City Council so FINDS that jobs will be preserved and expanded and tax base increased as a result of the agreement signed herein; and

WHEREAS, under Chapter 403 of the State Code, the City may enter into development agreements to assist and retain local industries to strengthen and revitalize the economy of the State of Iowa and the City of Bettendorf; and

WHEREAS, Chapters 15A and 403 of the Code of Iowa authorize 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:

Section 1. Developer Obligations. The Developer will undertake a Project, consisting of, but not limited to, construction of a (approximately) 4,400 square foot building expansion (more or less) for an industrial use as allowed in a "I-2" General Industrial District as well as the refurbishment of two additional buildings, on the property described above and by this reference made a part thereof (the "Property"). The building expansion and building refurbishment are herein collectively referred to as the "Project". Prior to the construction of the Project, the Developer shall submit to the City copies of all plans and engineering documents related to the Project 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. The Project shall consist of a building expansion having approximately 4,400 gross square feet (more or less) and the refurbishment of two additional buildings located adjacent at 3219 and 3221 State Street, all of which shall have a total agreed minimum value of \$1,000,000. The Project shall commence promptly upon City approval of plans and issuance of a building permit, and Developer shall diligently prosecute construction to be completed prior to the end of calendar year 2010.

The Developer will agree to a minimum assessed value for the Project of \$1,000,000 for the time frame beginning January 1, 2011 through December 31, 2021 (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, 2010 (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 \$1,000,000, 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, 2010.

Section 2. Economic Development Payments. In recognition of the Developer's commitment set out herein, the City agrees to make economic development tax increment payments (the "Payments") to the Developer in each fiscal year during the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa, in an amount equal to the total incremental property taxes derived from the Project.

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 improvements made to the property as called for herein. 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. Taxes to be rebated under this agreement shall be those incremental taxes accruing on the property by virtue of the newly constructed building expansion and refurbishment beginning with calendar year 2011 and continuing for a maximum of 4 years thereafter, or until a maximum of \$100,000 in incremental tax revenue has been rebated to the Developer, whichever first occurs.

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 agrees and consents that the Developer's right to receive the 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 or approval on the part of the City. In the event that Developer sells the Property subject to the minimum assessment agreement as herein required, the Developer may without any further consent of the City assign its rights to remaining payments. 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 ("Negotiation Period"), either party may initiate arbitration as provided herein.

Initiation of Arbitration. If the dispute is not resolved during the Negotiation Period, any unresolved dispute, controversy or claim arising out of or relating to this Agreement or the relationship resulting in or from this Agreement (each a "Dispute" and collectively, the "Disputes") shall be settled by binding arbitration. The expedited procedures of the Commercial Arbitration Rules ("Commercial Rules") of the American Arbitration Association ("AAA") in effect on the date that the arbitration is initiated as provided herein shall govern the procedure for the arbitration, except to the extent modified by the provisions of this Section 8. The arbitration shall be initiated by sending to the other party and the AAA a written demand for arbitration that complies with the requirements of the Commercial Rules (the "Arbitration Demand") and by requesting from the AAA a list of qualified arbitrators (the "Arbitrator List") meeting the requirements of the following paragraph. The AAA shall not administer the arbitration and shall only provide the list of qualified arbitrators and appoint one or more arbitrators under the circumstances set forth herein. Each party to the arbitration shall be responsible to pay an equal share of the fees

payable to the AAA in connection with the arbitration, subject to the right to recover such fees as a cost or expense incurred in connection with the Dispute as otherwise provided in this Section 8. If a party fails to pay its share of such fees within the time required by the AAA, any other party may advance such share and recover it from the party failing to pay it, together with interest at the annual rate of 18%. The party advancing such share shall be entitled to have an immediate award entered by the arbitrator, once appointed, for the full amount of such party's payment with interest thereon and attorneys fees and expenses incurred in connection therewith.

Appointment of Arbitrator. The arbitration shall be conducted by a single arbitrator selected by the parties from the Arbitrator List or, if they cannot agree on that arbitrator, by the appointment of an arbitrator by the AAA. The parties agree that the arbitrator selected by the parties or the AAA must be a person with extensive knowledge in the subject matter of the Dispute(s) and at least five (5) years of experience in arbitrating substantially similar issue(s) as those described in the Arbitration Demand and submitted to arbitration hereunder.

Location of Arbitration. The arbitration, including the rendering of the award, shall take place in Bettendorf, Iowa.

Arbitrator's Award. Any award rendered by the arbitrator may be entered as a judgment or order and confirmed or enforced by either party in the division of the United States District Court located in the Southern District of Iowa which includes Bettendorf, Iowa. If either party brings or appeals any judicial action to vacate or modify any award rendered pursuant to arbitration or opposes the confirmation of such award and the party bringing or appealing such action or opposing confirmation of such award does not prevail, such party will pay all of the costs and expenses (including, without limitation, court costs and attorney fees) incurred by the other party in defending such action. Additionally, if either party brings any action for judicial relief (other than injunctive relief) in the first instance without pursuing arbitration prior thereto, the party bringing such action will be liable for and will immediately pay to the other party all of the other party's costs and expenses (including, without limitation, court costs and attorney fees) to stay or dismiss such judicial action and/or remove it to arbitration. The arbitrator may only grant a remedy or relief that is within the scope of this Agreement, including, but not limited to, any limitations on remedies imposed by other provisions of this Agreement. The arbitrator shall not award punitive or exemplary damages, and each party to this Agreement waives their respective right to recover punitive or exemplary damages under any circumstances. In making an award, the arbitrator shall apply and follow the laws of the State of Iowa applicable to contracts and to the extent applicable, the Federal Arbitration Act, found at 9 USC §1, et. seq. (the "Federal Arbitration Act"), which shall supersede any state laws governing arbitration of Disputes; provided, however, that the procedural rules in the Commercial Rules and the evidentiary and discovery rules set forth in the following subsections of this Section 8 shall be applied notwithstanding state or federal law to the contrary. The prevailing party in an arbitrated Dispute shall be entitled to recover as a part of any award the costs and expenses (including without limitation reasonable attorneys' fees) incurred by such party in connection with the arbitrated Dispute.

Discovery. Except as hereafter provided, discovery shall be at the discretion of the arbitrator and allowed only upon a showing of good cause. The parties shall comply with the requirements of Federal Rule of Civil Procedure 26(a)(1)(A), (B) and (C); Federal Rule of Civil Procedure 26(a)(2)(A) and (B); and Federal Rule of Civil Procedure 26(a)(3)(A), (B) and (C) within sixty (60) days after the date of the Arbitration Demand. Any party failing to comply with such requirements shall be subject to sanctions as provided in Federal Rule of Civil Procedure 37(b)(2)(A), (B), (C) and the final unlettered paragraph thereof; Federal Rule of Civil Procedure 37(c)(1); and Federal Rule of Civil Procedure 37(d); provided, however, that the arbitrator may permit a party to have one additional period of up to thirty (30) days to cure any such failure. The arbitrator shall permit, as a matter of right, the depositions of the parties and any expert witnesses to be taken. The arbitrator shall not allow more than one (1) set of interrogatories limited in number to no more than thirty (30), including subparts thereof. The arbitrator shall have the right to enter protective orders under Federal Rule of Civil Procedure 26(c)(2), (3), (4), (5), (6), (7) and (8). The parties shall supplement responses to discovery permitted in this subsection under the circumstances described in Federal Rule of Civil Procedure 26(e). Discovery requests and responses, including objections, shall be signed in the manner described in Federal Rule of Civil Procedure 26(g) and the certification described in Federal Rule of Civil Procedure 26(g)(2) and penalties described in Federal Rule of Civil Procedure 26(g)(3) shall apply to each signature. The arbitrator shall enforce the discovery provisions set forth in this subsection.

Evidence. The formal rules of evidence shall not be applicable to the arbitration. Any relevant evidence, including hearsay to the extent it is determined by the arbitrator to be reliable, may be admitted by the

arbitrator if it is the sort evidence upon which responsible persons are accustomed to rely in the conduct of serious business affairs, regardless of the admissibility of such evidence in a court of law.

Time Limits. The award shall be made by the arbitrator on or before thirty (30) days after final submission of all matters, or within such extended time, not exceeding an additional thirty (30) days (sixty (60) days total) as the arbitrator may determine is necessary.

Form of Award. The arbitrator shall render the award in writing, which shall set forth in detail the reasons for such award. The arbitrator shall sign and date the award and serve upon each party a signed copy of the award.

Section 9. NOTICE. Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or when deposited in the United States mail, postage prepaid, sent certified or registered and addressed as follows:

**To the City of Bettendorf:
Mr. Decker Ploehn
City Administrator
1609 State Street
Bettendorf, Iowa 52722**

**To Vizient L.L.C.:
Attn: Mr. Mark Hann
3129 State Street
Bettendorf, IA 52722
Office Phone (563) 650-0487**

Section 10. ENTIRE AGREEMENT. This Agreement and the Exhibits attached hereto constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and supercede all negotiations, preliminary agreements and all prior and contemporaneous discussions and understandings of the parties in connection with the subject matter hereof. All Exhibits attached hereto are hereby incorporated into and made a part of this Agreement.

Section 11. AMENDMENTS. No amendment, waiver, change or modification of any of the terms, provisions or conditions of this Agreement shall be effective unless made in writing and signed or initialed by the parties. Waiver of any provision of this Agreement shall not be deemed a waiver of future compliance herewith and such provision shall remain in full force and effect.

Section 12. SEVERABILITY. In the event any provision of this Agreement is held invalid, illegal or unenforceable, in whole or in part, the remaining provisions of this Agreement shall not be affected thereby and shall continue to be valid and enforceable, and, if for any reason a court finds that any provision of this Agreement is invalid, illegal or unenforceable as written, but that by limiting such provision it would become valid, legal and enforceable, then such provision shall be deemed to be written and shall be construed and enforced as so limited.

Section 13. CONSTRUCTION. The titles or captions of paragraphs in this Agreement are provided for convenience of reference only and shall not be considered a part hereof for purposes of interpreting or applying this Agreement, as such titles or captions do not define, limit, extend, explain or describe the scope or extent of this Agreement or any of its terms or conditions. Words and phrases herein shall be construed as in the singular or plural number and as masculine, feminine or neuter gender, according to the context.

Section 14. WAIVER OF JURY TRIAL. EACH OF THE DEVELOPER AND THE CITY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT THAT IS NOT OTHERWISE REQUIRED TO BE SUBMITTED TO ARBITRATION IN ACCORDANCE WITH SECTION 8 OF THIS AGREEMENT.

Section 15. UNAVOIDABLE DELAYS: Any delays resulting from acts or occurrences outside the reasonable control of the party claiming the delay including but not limited to storms, floods, fires, explosions or other casualty losses, unusual weather conditions, strikes, boycotts, lockouts or other labor disputes, delays in transportation or delivery of material or equipment necessary for construction and installation of the Project, litigation commenced by third parties, or the acts of any federal, State or local governmental unit (other than the City) are "Unavoidable Delays". Time lost as a result of Unavoidable Delays shall be added to extend the December 31, 2007 deadline by the number of days equal to the number of days lost as a result of Unavoidable Delays.

Section 16. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument, and in making proof hereof, it shall not be necessary to produce or account for more than one (1) such counterpart.

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, IOWA

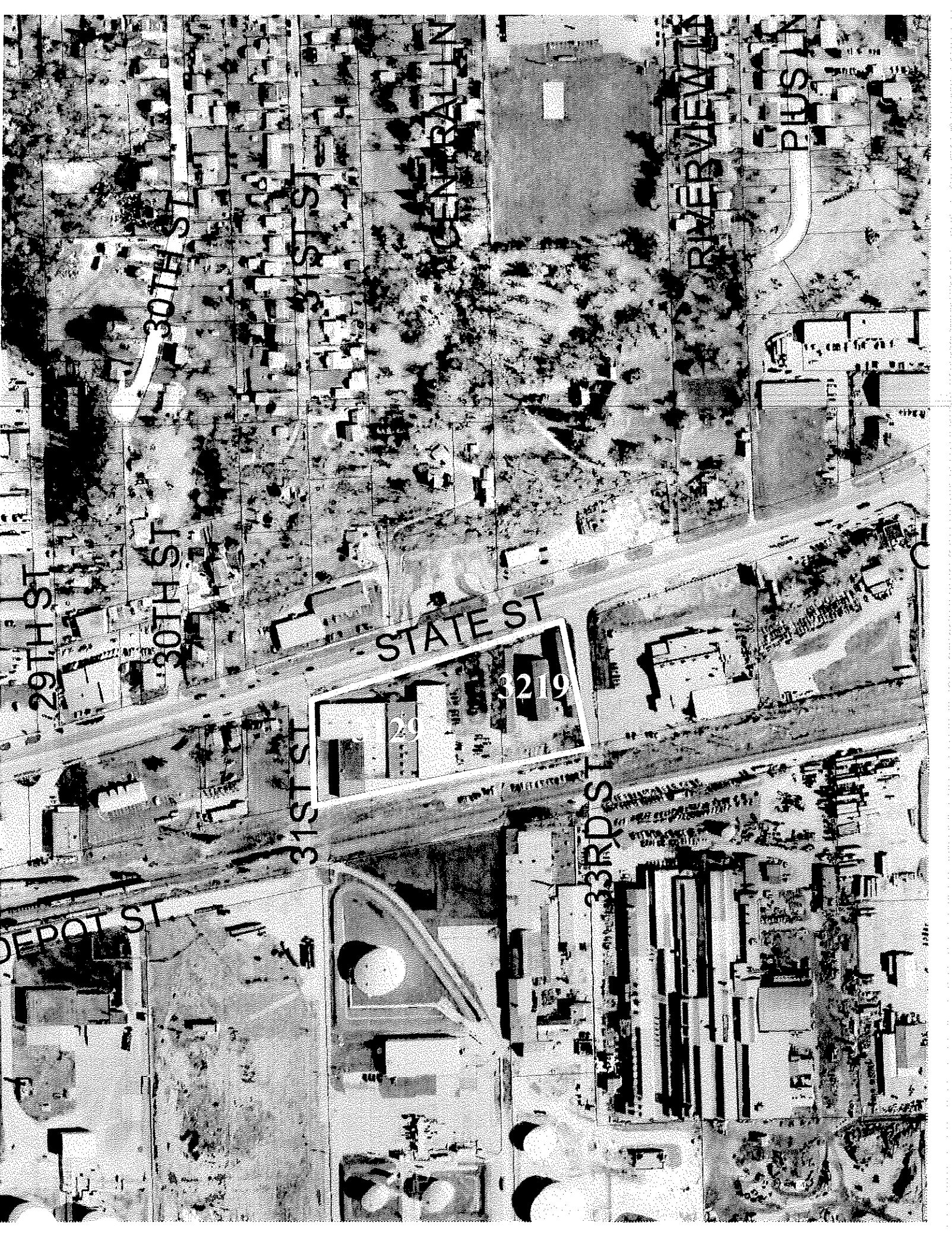
By: _____
Its: Mayor

Attested by:

By: _____
Its City Clerk

Vizient L.L.C.

By: _____
Its: President



29TH ST

30TH ST

30TH ST

31ST ST

STATE ST

3219

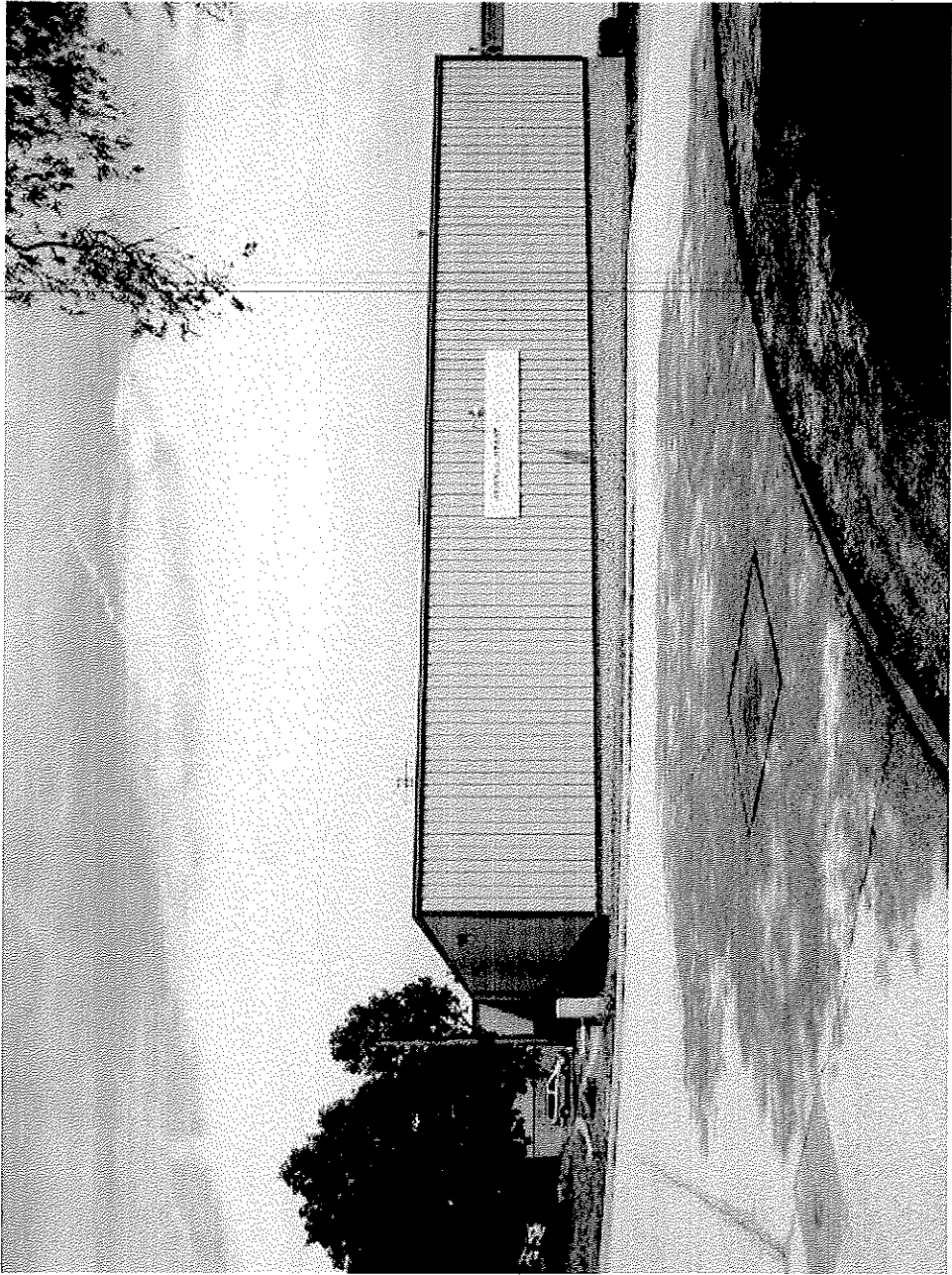
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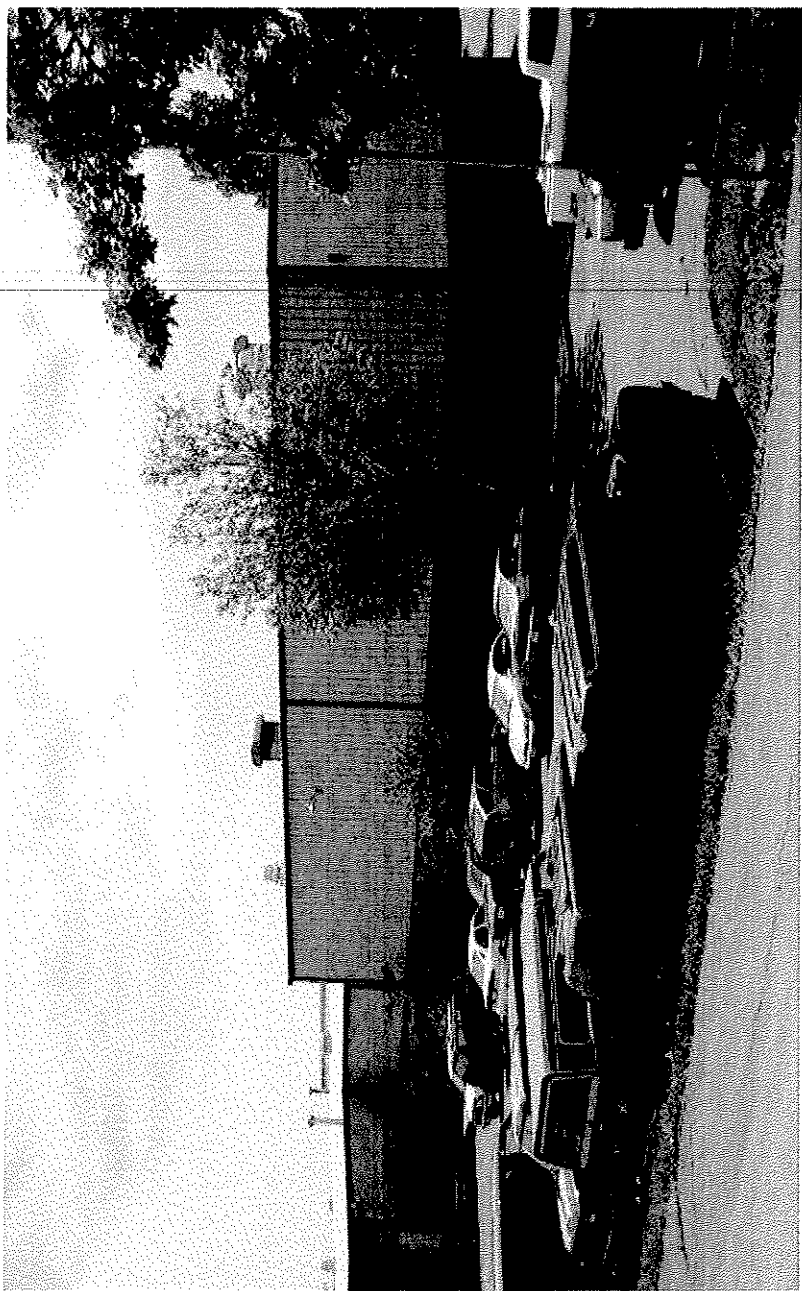


Photo 3



Photo 4



Photo 5



Photo 6



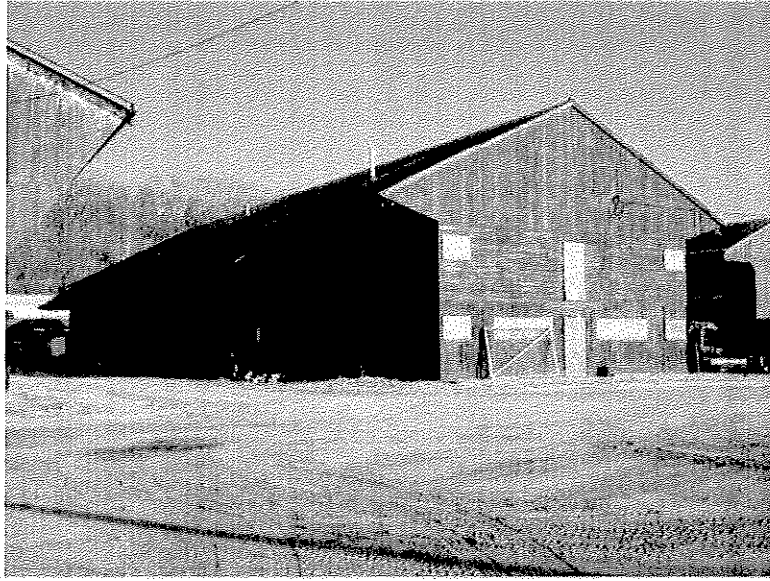


Photo 2

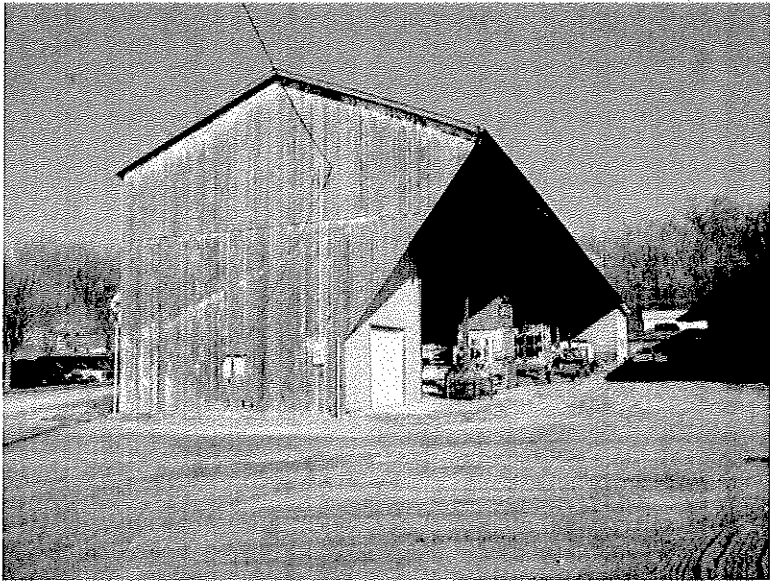
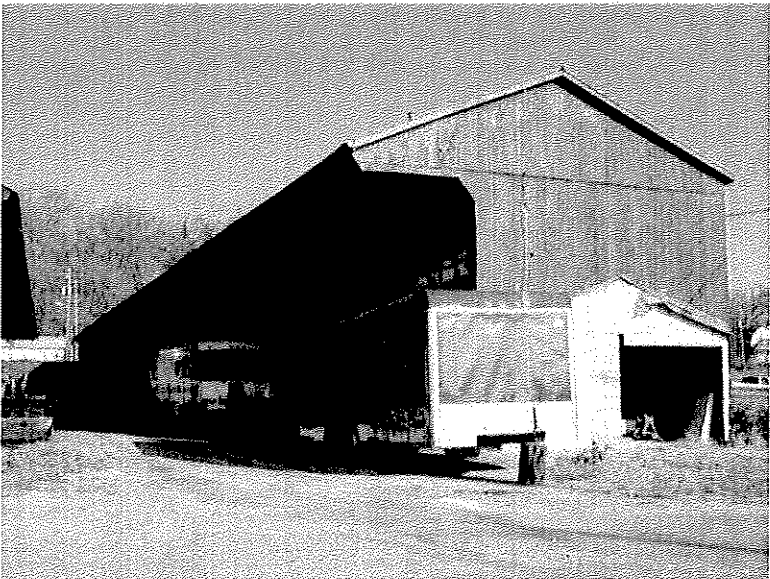


Photo 3



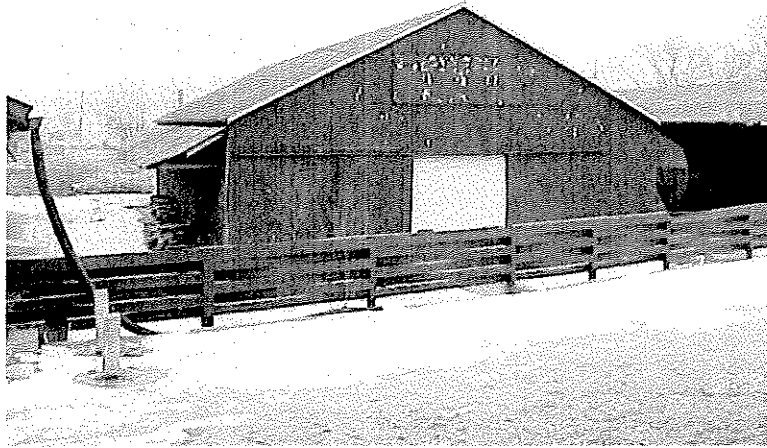


Photo 5

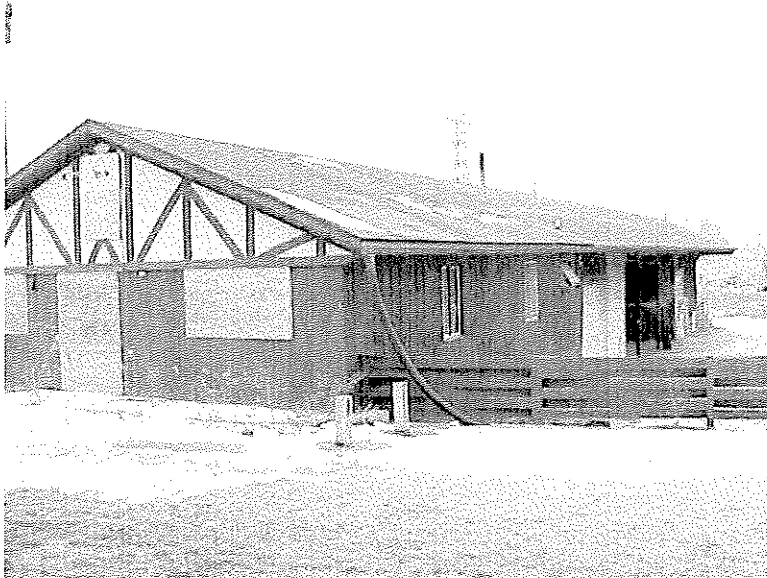
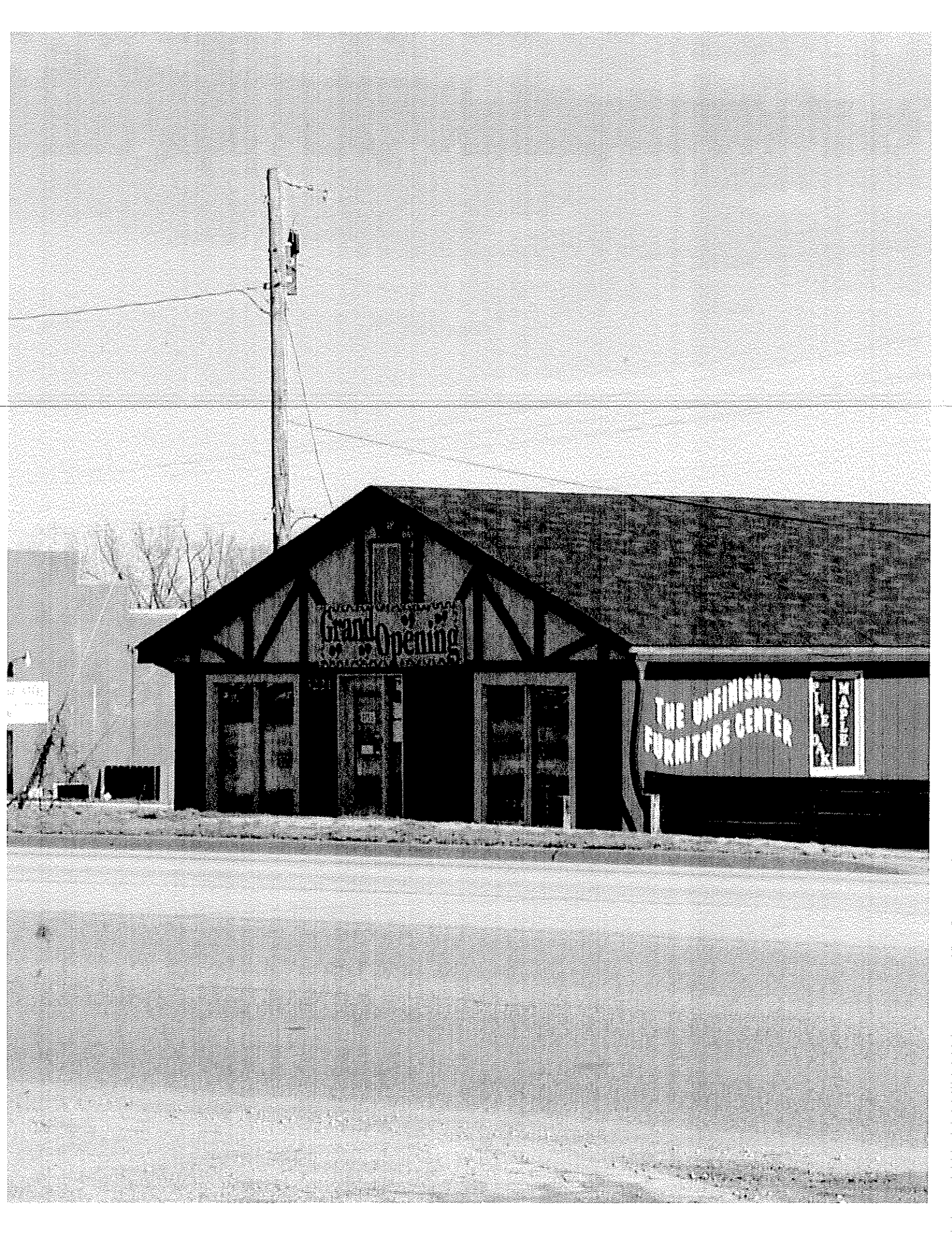
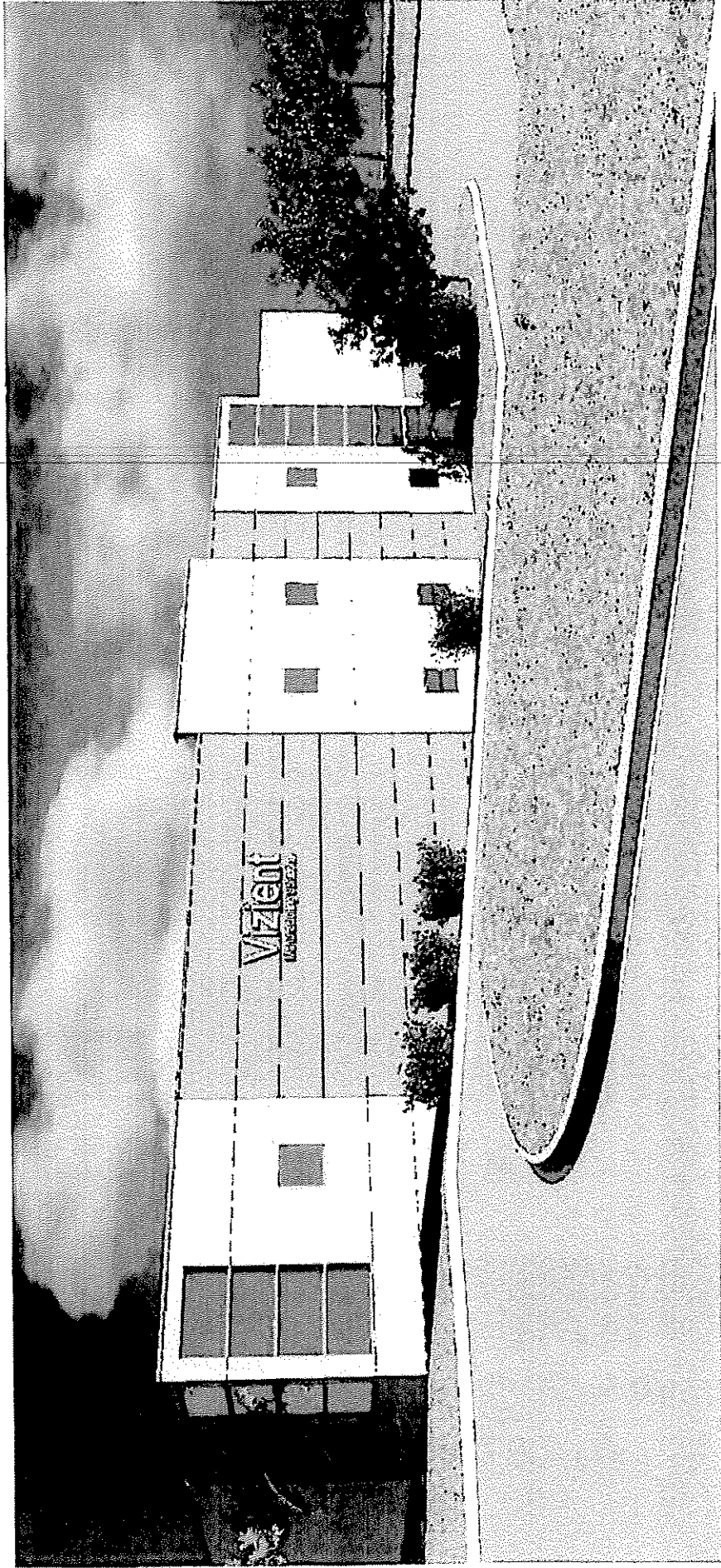


Photo 6







NEW OFFICE STRUCTURE