

PLANNING & DEVELOPMENT

500 West Fourth Street
Davenport, Iowa 52801-1106

Office: (319) 326-8643

Fax: (319) 326-8257



Timothy Huey
Director

To: Dee F. Bruemmer, County Administrator
From: Scott County TIF Review Committee
Date: August 23, 2010
Re: City of LeClaire's proposed amendment of an Urban Renewal Area #1 to allow the use of tax increment financing to fund road improvements on the City's North 26th Street and to provide TIF rebates as incentives for the expansion of two commercial retail antique sales businesses.

The City of LeClaire has notified the County, as an affected taxing entity, of the City's proposed expansion of an urban renewal area to allow the use of tax increment financing to fund street improvements. North 26th Street provides access to an industrial park south of Territorial Road in the northwest area of the city. Two other areas in the proposed expansion would be to allow the rebate of TIF payments to two different property owners that both are expanding retail antique sales businesses. The information we received from the City on these expansions is attached.

The City scheduled a meeting this morning to give the affected taxing entities an opportunity to consult with them and ask questions about the proposed plans. A Pleasant Valley School District member and the PV CFO, in addition to me attended that meeting with the LeClaire City Administrator, Mayor and City Council member. The County has seven days following that meeting to submit written comments. The City's public hearing on the plan is scheduled for September 7 at 7 PM.

The TIF Review Committee, Wes Rostenbach, Craig Hufford and I, have initially reviewed and preliminarily discussed this proposal. We submitted the attached ten questions to the City. We will draft a letter for the Board's consideration after receiving a response to those questions..

From the information provided at this morning's meeting it would appear that the City is proposing the use of TIF income that is generated in its existing TIF District for funding a portion of City street improvements and to provide the above noted TIF rebates.

The concern the TIF Review Committee has is that municipal improvements for the benefit of city residents should be funded from revenue sources that are attributable to the city and not from the county's portion of the levy diverted by the TIF. Also providing tax incentivizes to retail businesses that are in competition with other similar businesses located in LeClaire and elsewhere in Scott County provides an unfair competitive advantage to those businesses without any public benefit. Finally it would appear that the City has no plans to dissolve any part of its Urban Renewal Area #1 prior to 2031 and in the meantime is likely to find other projects that it can use the County funds diverted by the TIF to fund.

XC: TIF Review Committee

PLANNING & DEVELOPMENT

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Timothy Huey
Director

Questions for City of LeClaire on proposed Amendment to TIF District #1
August, 2010.

1. The amendment area shown on the map for area number 1, the North 23rd Street right of way, appears to be an expansion of TIF District #2 but the notice states that this amendment is an expansion of URA #1, please explain?
2. What are the uses and budget for TIF dollars in area number 1, the North 23rd Street right of way?
3. What are the sources of increment for area number 1 since it only contains right of way and therefore would not generate any tax income, either base or increment?
4. Who are the owners of the areas number 2 & 3?
5. What are the proposed taxable improvements to be developed in those areas?
6. What are the uses and budget for TIF dollars in those areas?
7. Will the property owners receive any TIF payments or rebates, if so will it be only from the increment generated from the taxable improvements on their property?
8. What are the terms of any proposed development agreement for the use of TIF revenue in these areas?
 - Maximum time of rebates?
 - Maximum amount of rebates?
9. If any of these areas in the District generate more income than is obligated by the development agreement are there any plans to spend the additional income?
10. Would you be able to provide separate maps at a larger scale of these three areas?



**Pleasant Valley
Community
School District**

Belmont Administration Center

JAMES R. SPELHAUG, Ph.D.
Superintendent

MS. STEPHANIE JUDKINS
Curriculum Coordinator

MICHAEL L. CLINGINGSMITH, C.P.A.
Chief Financial Officer

August 17, 2010

City of LeClaire, Iowa
Robert Scannell, Mayor
Edwin Choate, City Administrator
City Council Members

Re: LeClaire Urban Renewal Plan Amendment, LeClaire Urban Renewal Area No. 1

Dear Mayor Scannell, City Administrator Choate and City Council Members:

This letter is being sent to express the Pleasant Valley Community School District's concern with the City of LeClaire's proposed Urban Renewal Plan Amendment (for Urban Renewal Area No. 1) that we were made aware of in a letter to us from the City that was dated August 5, 2010.

You probably are aware of the fact that the aid that the district received from the state for the 2009-10 fiscal year was cut by 10% (approximately \$1,600,000). This forced the district to make several difficult budget decisions including delaying the opening of our new elementary school (Hopewell Elementary School) by one year, raising our property tax levy rate by \$0.75 per \$1,000 taxable valuation and cutting positions.

It is our understanding that if this amendment is approved, an additional approximately \$750,000 of property valuations will come off of our "regular taxable valuations" and become TIF valuations. It is also our understanding that these valuations will go into a TIF district that is not scheduled to expire until the year 2031. As the school district has made the City aware of before, taking property valuations from the "regular valuation" tax rolls and making them "TIF valuations" has a negative impact on the school district's General Fund and Management Fund budgets. It is the City's practice of extending the life of TIF's to unreasonable termination dates which causes us to reach the conclusion that the Pleasant Valley Community School District School Board and Administration are not in favor of this proposed amendment.

Feel free to contact Dr. James Spelhaug, Superintendent or Mike Clingingsmith, Chief Financial Officer if you have any questions on this matter. Thank you.

Sincerely,

James Spelhaug, Superintendent & Mike Clingingsmith, Chief Financial Officer

MLC/mc

c: Pleasant Valley Community School District School Board Members



CITY OF LECLAIRE, IOWA

325 WISCONSIN STREET
LECLAIRE, IOWA 52753-0605

TEL: (563)-289-4242 FAX: (563)-289-6015
WWW.LECLAIREIOWA.GOV

SENDER'S DIRECT CONTACT INFORMATION:
PHONE EXT. #1111 BSCANNELL@LECLAIREIOWA.GOV

August 24, 2010

Mrs. Chris Gallin, Chair &
Scott County Board of Supervisors
600 West Fourth Street
Davenport, Iowa 52801-1030

RE: CITY'S PROPOSAL TO AMEND URBAN RENEWAL AREA #1 AND PLAN TO ALLOW FOR THE USE OF TAX INCREMENT FINANCING FOR THE DEVELOPMENT OF ONE OR MORE COMMERCIAL ENTERPRISES AND TO CONSTRUCT PUBLIC INFRASTRUCTURE IMPROVEMENTS

Dear Chair Gallin & Board Members:

Thank you for your response and comments to our notice of intended actions. We will try to answer your questions in as concise a manner as possible.

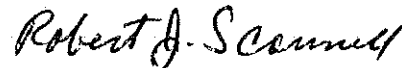
1. The amendment area shown on the map for area number 1, the North 23rd Street right of way, appears to be an expansion of TIF District #2 but the notice states that this amendment is an expansion of URA #1, please explain? *(As you may recall the City consolidated areas #1 & #2 back in 2003 to create one urban renewal area, (legally re-designated as #1), and at the same time created area #3, (the Pebble Creek Area). The information provided to you depicts areas #1, #2, and #3 along with the Cody's Hunt subdivision amendment all as separate areas for internal accounting and tracking purposes only. Sorry for the confusion.)*
2. What are the uses and budget for TIF dollars in area number 1, the North 23rd Street right of way? *(The proposed uses for this amended area are strictly the public infrastructure improvements (paving, storm sewer, and grading) that are intended to be made to and within the 23rd Street right-of-way. The anticipated budget for this work at this time is approximately \$250,000+.)*
3. What are the sources of increment for area number 1 since it only contains right of way and therefore would not generate any tax income, either base or increment? *(The sources of increment would be any available increment from the entire urban renewal area #1.)*
4. Who are the owners of the areas number 2 & 3? *(The owner of the parcels contained within proposed area #2 (the NW corner of Benton Street and Cody Road – East 115' of Lots #1 & #2 of Block #3 of the Upper LeClaire's Addition) is Mr. Steve Henson. The owners of the parcels within proposed area #3 (the West ½ of Blocks #9 & #10 of the Original Town of LeClaire) are: Mike Wolfe (Antique Archeology), Cheryl Allbee, Jeff Dugan, Chad Vicevich, John Ladenburger, Harry Alzman, and Deb Willaredt & Don Johnson (Crane & Pelican Restaurant).*

5. What are the proposed taxable improvements to be developed in those areas? *(In area #1 – obviously nothing (public infrastructure improvements only); in area #2 - \$300,000 - \$500,000 (proposed “Mississippi Gallery Antique Mall” commercial building construction); and in area #3 - \$100,000 - \$150,000 (proposed “Antique Archeology- American Pickers” existing commercial building expansion).*
6. What are the uses and budget for TIF dollars in those areas? *(In area #1 - \$250,000± - 23rd Street public infrastructure improvements only; in area #2 – TIF rebate for commercial development - \$125,000±; and in area #3 - TIF rebate for commercial development - \$125,000 max.)*
7. Will the property owners receive any TIF payments or rebates, if so will it be only from the increment generated from the taxable improvements on their property? *(Yes.)*
8. What are the terms of any proposed development agreement for the use of TIF revenue in these areas? *(See “Mississippi River Distilling Company” typical agreement conditions and terms.)*
Maximum time of rebates? *(Maximum not to exceed ten (10) years.)*
Maximum amount of rebates? *(Maximum not to exceed City Council established percentage as provided for in City’s TIF development criteria. (See attached.) Typically this amount does not exceed about 30% - 35% of the approved project cost.)*
9. If any of these areas in the District generate more income than is obligated by the development agreement are there any plans to spend the additional income? *(Yes. Most likely on public infrastructure projects undertaken within District.)*
10. Would you be able to provide separate maps at a larger scale of these three areas? *(Yes. See attached.)*

The City Council will review your concerns and take your recommendations under advisement in their deliberations.

We thank you for taking the time to share your views, comments, and concerns with the City on this contentious issue.

Sincerely,



Robert J. Scannell

Mayor

cc: P.V.C.S.D.



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Recorded: 06/09/2010 at 10:32:14 AM
Fee Amt: \$34.00 Page 1 of 6
Scott County Iowa
Rita A. Vargas Recorder

File 2010-00014535

Preparer Information: City of LeClaire, Edwin N. Choate, 325 Wisconsin Street, LeClaire, IA 52753 (563) 289-4242
Return to: City of LeClaire, 325 Wisconsin Street, LeClaire, Iowa 52753

RESOLUTION #10-94

**APPROVING DEVELOPMENT AGREEMENT WITH "ANGELS SHARE PROPERTIES, LLC.",
AUTHORIZING TAX INCREMENT PAYMENTS AND PLEDGING CERTAIN TAX
INCREMENT REVENUES TO THE PAYMENT OF THE AGREEMENT.**

WHEREAS, the City of LeClaire, Iowa (the "City"), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the LeClaire Urban Renewal Area No. 1 (the "Urban Renewal Area"); and

WHEREAS, this Council 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 (the "Urban Renewal Tax Revenue Fund"), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal 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, an agreement between the City and Angels Share Properties, LLC. has been prepared (the "Agreement"), pursuant to which Angels Share Properties, LLC has agreed to undertake the development of a commercial micro-distillery facility (the "Mississippi River Distilling Co. Project") and certain public infrastructure improvements and the City has agreed to provide annual appropriation tax increment payments in a total amount not exceeding \$300,000; and

WHEREAS, this City Council, pursuant to Section 403.9 of the Code of Iowa, has published notice, has held a public hearing on the Agreement on May 17, 2010, and has otherwise complied with statutory requirements for the approval of the Agreement; and

WHEREAS, Chapter 15A of the Code of Iowa ("Chapter 15A") declares that economic development is a public purpose for which a City 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 City Council 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 City Council must consider any or all of a series of factors;

NOW, THEREFORE, It Is Resolved by the City Council of the City of LeClaire, Iowa, as follows:

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

(a) The Mississippi River Distilling Co. Project will add diversity and generate new opportunities for the LeClaire and Iowa economies;

(b) The Mississippi River Distilling Co. Project will generate public gains and benefits, particularly in the creation of new jobs, a diversified tax base, and the provision of new commercial expansion opportunities, which are warranted in comparison to the amount of the proposed property tax incentives.

(c) The Mississippi River Distilling Co. Project will enhance certain public infrastructure improvements to the Cody Road streetscape corridor.

Section 2. The Council further finds that a public purpose will reasonably be accomplished by entering into the Agreement and providing the property tax payments to Angels Share Properties, LLC.

Section 3. The Agreement is hereby approved and the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Agreement on behalf of the City, in substantially the form and content in which the Agreement has been presented to this City Council, 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 Agreement.

Section 4. All payments by the City under the Agreement shall be subject to annual appropriation by the City Council. As provided and required by Chapter 403 of the Code of Iowa, the City's obligations under the Agreement shall be payable solely from a subfund which is hereby established, into which shall be paid that portion of the income and proceeds of the Urban Renewal Tax Revenue Fund attributable to property taxes derived from the property described as follows:

Lot #2 of the Dana Block Final Plat to the City of LeClaire

(the "Angels Share Properties, LLC. Subfund").

Section 5. The City hereby pledges to the payment of the Agreement the Angels Share Properties, LLC. Subfund and the taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Subfund, provided, however, that no payment will be made under the Agreement unless and until monies from the Angels Share Properties, LLC. Subfund are appropriated for such purpose by the City Council.

Section 6. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor of Scott County to evidence the continuing pledging of the Angels Share Properties, LLC Subfund and the portion of taxes to be paid into such Subfund and, pursuant to the direction of Section 403.19 of the Code of Iowa, the Auditor shall allocate the taxes in accordance therewith and in accordance with the tax allocation ordinance referred to in the preamble hereof.

Section 7. All resolutions or parts thereof in conflict herewith are hereby repealed.

PASSED AND APPROVED this 17th day of May, 2010.

ATTEST:


Edwin N. Choate, City Administrator


Robert J. Scannell, Mayor

DEVELOPMENT AGREEMENT

This Agreement is entered into between the City of LeClaire, Iowa (the "City") and The Angels Share Properties, LLC, (the "Developers") as of the 17th day of May, 2010.

WHEREAS, the City has established the LeClaire Urban Renewal Area No. 1 (the "Urban Renewal Area"), and has adopted a tax increment ordinance for the Urban Renewal Area; and

WHEREAS, the Developers have/will acquired certain real property which is situated within the Urban Renewal Area and is more specifically described on Exhibit A hereto (the "Property"), and the Developers have/will undertaken the construction and development of a one and one-half-story, commercial micro-distillery facility and the construction of the "Ewing Street" curb cut (at Cody Road) and Easterly street right-of-way extension (through the radius to the property line) to accommodate a permanent access point from the Cody Road and Ewing Street right-of-way intersection to the rear of the property on and adjacent to the Property (the "Project"), more specifically described on Exhibit B attached hereto; and

WHEREAS, the Developers have requested tax increment financing assistance in paying the costs of the Project; 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. Developers' Covenants

1. The Developers agree to complete the Project on the Property in accordance with the details set forth on Exhibit B hereto. Upon completion of the Project, the Developers agree to demonstrate to the satisfaction of the City the costs incurred in the construction thereof (the "Developers' Costs").

2. The Developers agree to certify to the City by no later than October 15 of each year during the term of this Agreement the estimated amount of incremental property taxes which will be paid with respect to the Property in the fiscal year immediately following such certification (the "Developers' Estimate").

3. The Developers agree to pay to the City an amount equal to the legal fees incurred by the City with respect to the drafting of this Agreement, such payment to be made within 60 days of the execution of this Agreement.

4. The Developers agree to pay the property taxes due and owing on the Property in a timely manner and acknowledges that any failure to pay said taxes in a timely manner will result in the permanent forfeiture of all of the Payments not timely made.

B. City's Obligations

1. In recognition of the Developers' obligations set out herein, the City agrees to make economic development tax increment payments (the "Payments") to the Developers in each of ten fiscal years during the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa, provided however that the aggregate, total amount of the Payments shall not exceed Three Hundred Thousand Dollars (\$300,000) or the actual, verified, total cost of the Project, whichever is less.

2. This Agreement assumes that a portion or all of the full taxable value of the Project will go on the property tax rolls as of January 1, 2011. Accordingly, the Payments will be made on June 1 of each fiscal year, beginning June 1, 2013 and continuing through and including June 1, 2022, or until such earlier date upon which total Payments equal to the lesser of Three Hundred Thousand Dollars (\$300,000) or the total actual, verified Project cost, have been made.

3. Each Payment shall be in an amount which represents eighty-five percent (85%) of the Incremental Property Tax Revenues received by the City with respect to the Property during the twelve months preceding such payment date. Incremental Property Tax Revenues are produced by multiplying the consolidated property tax levy (city, county, school, etc.) times the incremental valuation of the Property, then subtracting debt service levies of all taxing jurisdictions, subtracting the school district physical plant and equipment levy and subtracting any other levies which may be exempted from such calculation by action of the Iowa General Assembly.

4. The Payments shall not constitute general obligations of the City, but 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.

5. Each Payment shall be subject to annual appropriation by the City Council. Prior to December 1 of each year during the term of this Agreement, the City Council of the City shall consider the question of obligating for appropriation to the funding of the Payments due in the following fiscal year, an amount of Incremental Property Tax Revenues to be collected in the following fiscal year equal to or less than the most recent Developers' Estimate (the "Appropriated Amount").

6. To the extent that the City Council decides to obligate funds for appropriation to the Payments, the City agrees to certify by December 1 of each year during the term of this Agreement to the Scott County Auditor an amount equal to the most recently determined Appropriated Amount.

C. Administrative Provisions

1. 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 Developers' rights to receive the economic development tax increment payments hereunder may be assigned by the Developers to a private lender, as security, without further action on the part of the City.

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

3. 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 City and the Developers 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 LECLAIRE, IOWA

By Robert J. Scantell
Robert J. Scantell, Mayor

Attest:

Edwin N. Choate
Edwin N. Choate, City Administrator

THE ANGELS SHARE PROPERTIES, LLC.

By Ryan Burchett
Ryan Burchett, Manager

Attest:

J. A. Phares

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The following real property situated in the City of LeClaire, County of Scott, State of Iowa:

Lot #2 of the Dana Block Final Plat to the City of LeClaire

EXHIBIT B

DETAILS OF PROJECT

GENERAL DESCRIPTION: This proposal is to construct a new one and one-half story, commercial building, consisting of a commercial "artisan, micro-distillery production facility" retail sales and tasting space, and parking and storage space. This building would have a perimeter footprint of 3,400 +/- square feet on the main (Cody Road level) floor, and approximately the same square footage on the lower level floor. The design of the building, and the choice of materials used, will reflect and enhance the historic and architectural attributes of the downtown of LeClaire, all as approved by the City as a part of the site plan development review process. The construction of the building will consist of conventionally framed walls, with masonry as the exterior finish. All of the materials and finishes will compliment and fit in with the neighboring buildings and businesses. It is proposed that the Project will create three (3) regular, full-time jobs. The Project will also include the construction of the "Ewing Street" curb cut (at Cody Road) and Easterly street right-of-way extension (through the radius to the property line) to accommodate a permanent access point from the Cody Road and Ewing Street right-of-way intersection to the rear of the property and to adjoining properties. The Ewing Street curb cut and right-of-way development improvements will be constructed in accordance with the City's standard specifications and "downtown" design criteria for such improvements. Preliminary cost projections estimate that the total construction cost of the project as outlined herein will be approximately to \$600,000.00.

TIMELY COMPLETION COMMITMENT: Given the significant commitment made by the City to assist with the timely completion of the Project, should any portion of the Project (as detailed and specified herein) **NOT** be substantially completed*, (as such term is defined herein-below), by 5:00 p.m. on Friday, December 31, 2010, an amount equal to 10% (\$30,000) of the maximum allowable rebate of \$300,000 shall be deducted from any amounts rebated to the Developer for each calendar month or any fractional portion thereof that the Project or any portion thereof is not completed. Any amounts so deducted shall be deducted from those TIF rebate payments due the Developer beginning with the first scheduled payment due on June 1, 2013.

* For purposes of interpretation and clarification of the term "completion" as referred to and used herein the City in its sole discretion shall rely on the definition of "Substantial Completion" as defined in the City's Zoning Ordinance Section #1.7-1.194, which is as follows, *"that point in the installation or construction of structures and/or improvements where more than ninety percent (90%) of the total, proposed work is fully completed AND said structures and/or improvements can be used for their intended purpose(s).*

RESOLUTION #10-94 – May 17, 2010

Moved by Blecker, seconded by Farmer, to approve the Development Agreement with "Mississippi River Distilling Co." authorizing tax increment payments, and pledging certain tax increment revenues to the payment of the agreement [a total amount not exceeding \$300,000 or the total actual project costs]. Roll Call: Blecker, Farmer, Leiby, Long, and Smith, yes. Carried.

MAXIMUM AGREEMENT AMOUNT CALCULATIONS

(MAY 17, 2010)

BLDG/LAND/DEVELOPMENT COSTS =	\$550,000	(PRIVATE)
PUBLIC INFRASTRUCTURE (EWING ST) =	<u>\$ 50,000</u>	(PUBLIC)
TOTAL EST. PROJECT COST =	\$600,000	
<u>PRIVATE REBATE =</u>	\$550,000	
	X 30%	(20% + 5% + 5%)
	<u>\$165,000</u>	
(3) x \$7,500 =	<u>\$ 22,500</u>	(JOB CREATION)
SUB-TOTAL =	\$187,500	
<u>PUBLIC INFRASTRUCTURE REBATE (100%) =</u>	<u>\$ 50,000</u>	(EWING STREET)
TOTAL =	<u>\$237,500</u>	
"CONSERVATIVE" MAXIMUM ESTIMATE		
NOT-TO-EXCEED : SAY =	<u>\$300,000</u>	

RESOLUTION # 99-58

A RESOLUTION ESTABLISHING CRITERIA AND GUIDELINES FOR THE IMPLEMENTATION OF A TAX INCREMENT FINANCING (TIF) PROGRAM IN THE CITY OF LECLAIRE, IOWA.

BE IT RESOLVED by the City Council of the City of LeClaire, Iowa, that pursuant to the provisions of Chapter 403 of the Code of Iowa which gives the city broad powers to carry out and effectuate the purposes of an Urban Renewal Plan, including the use of tax increment financing (TIF), the City Council hereby establishes the following criteria and guidelines which, while not all-inclusive, shall be considered as a general guide for implementing its tax increment financing program in and for the various TIF Districts in the City of LeClaire, Iowa:

SECTION 1. General Guidelines:

- A. Except as otherwise provided for herein, the maximum City participation in any individual project will normally not exceed twenty percent (20%) of the total estimated project costs as verified and determined by the City, provided, however, that if the estimated increase in assessed valuation of a project upon completion is sufficient to completely liquidate any debt incurred by the City within a maximum ten (10) year time frame, such limitation may be exceeded.
- B. Although the City will usually give the highest priority to projects that involve the construction of "essential or general corporate purpose" infrastructure improvements as defined in Chapter 384.24 of the *Code of Iowa* ["Code"], the City is further authorized by Chapter 403 of the Code to consider projects referred to herein as "private purpose projects", i.e., providing "direct financial assistance, including grants or loans, to private persons engaged in economic development, in such form and subject to such conditions as may be determined by the City Council". Such projects must satisfy the objectives of the Urban Renewal Plan previously adopted by the City. (*See Section #2 below*).
- C. The City may undertake its own TIF projects either utilizing any accrued surplus funds or where there is sufficient "built-up" incremental value within a TIF District to completely liquidate any debt incurred by the City in accordance with the time frame set forth in "A" above.
- D. TIF assistance of any type will be provided on a "reimbursable basis" only, i.e., payments will be made only after the project is completed and all applicable costs are known and verified.

SECTION 2. Private Purpose Economic Development Projects:

In evaluating proposals involving TIF assistance for "private purpose projects," the guidelines and criteria previously set forth in Section 1 will be considered as well as the following:

- A. The City may give special consideration to projects in TIF Districts that:
 - (i) have a demonstrable and positive long-term impact on the local labor market, or that provide, expand, diversify or enhance desirable and necessary services or facilities in the community, and/or;
 - (ii) incorporate historically correct improvements involving restoration and/or expansion of recognized historic buildings situated within a TIF District, or, in the case of new construction, incorporate architectural features similar to those found in historic buildings situated in such Districts, as may be determined by the City.

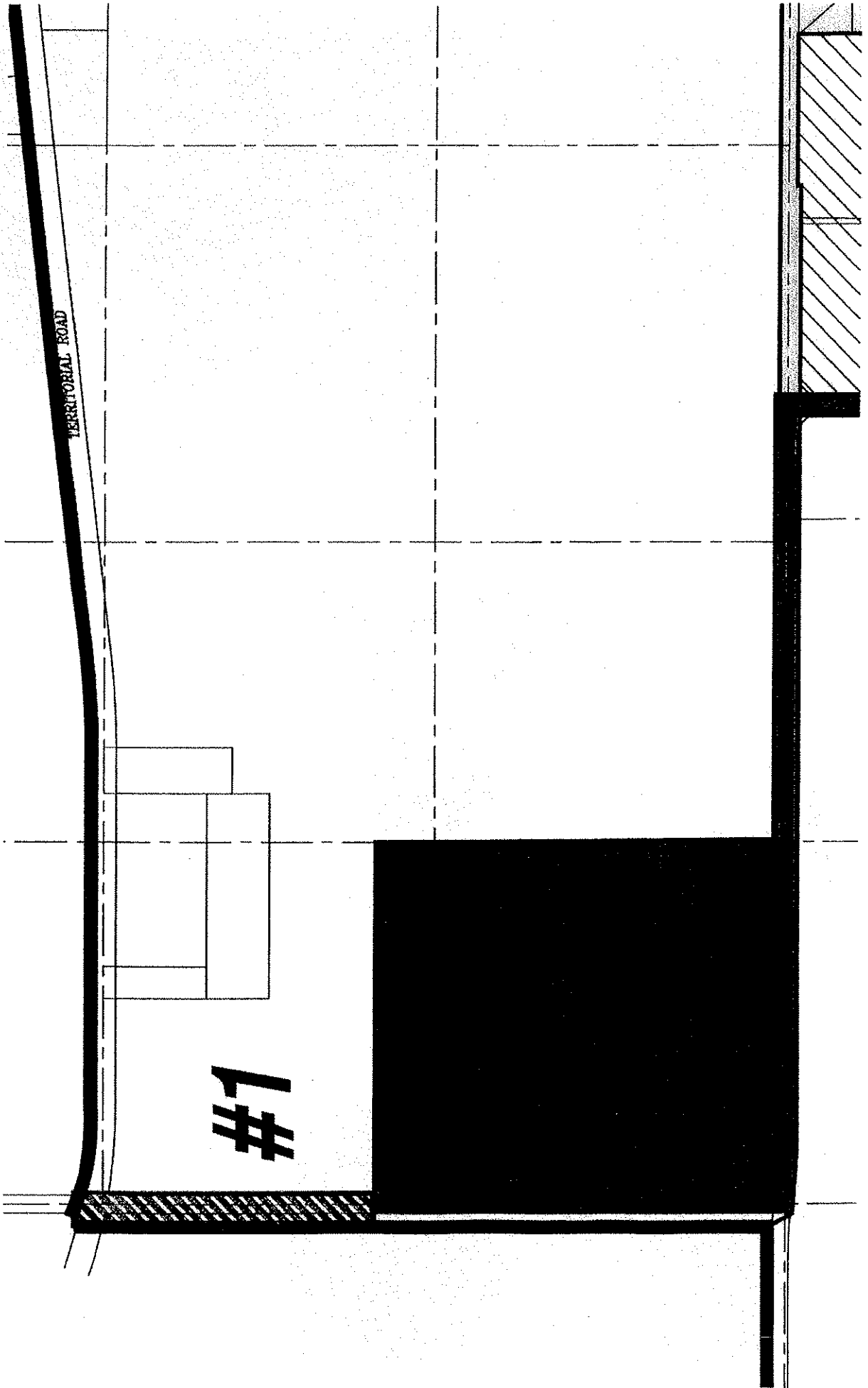
The City may increase its maximum participation by an additional amount not to exceed five percent (5%) of the project's aggregate cost for *one or both* of the foregoing, provided, however, that TIF assistance to any such project must increase the property's assessed valuation by at least fifteen percent (15%) as determined by the Scott County Assessor's Office and may not exceed the amount set forth in Section #1A above or the computed amount of new taxes generated over a ten (10) year period based on the incremental valued added to the property, whichever is smaller.

- B. In addition to the consideration mentioned in Section #2A(i) and (ii) above the City may also give special consideration to projects that expand the employment base in the City of LeClaire. A maximum payment of \$7,500 per full-time equivalent job created and maintained for a minimum of five (5) years after the start up of the new or expanded service, commercial or industrial operation may be made, subject to verification and reimbursement provisions. The maximum assistance provided under this Section, when combined with any other form of TIF assistance mentioned herein may not exceed the amount set forth in Section #1A above or the computed amount of new taxes generated over a ten (10) year period based on the incremental valued added to the property, whichever is smaller.
- C. If the City elects to issue debt in order to assist a private purpose TIF project, the developer will be required to secure a "purchaser" for such debt instrument prior to the issuance of the debt.
- D. An executed "Development Agreement" is required for any type of assistance provided to private purpose economic development projects.
- E. When the assistance provided to a private purpose economic development project is something other than an outright grant, an executed "Minimum Assessment Agreement" will be required.

SECTION 3. Rescission:

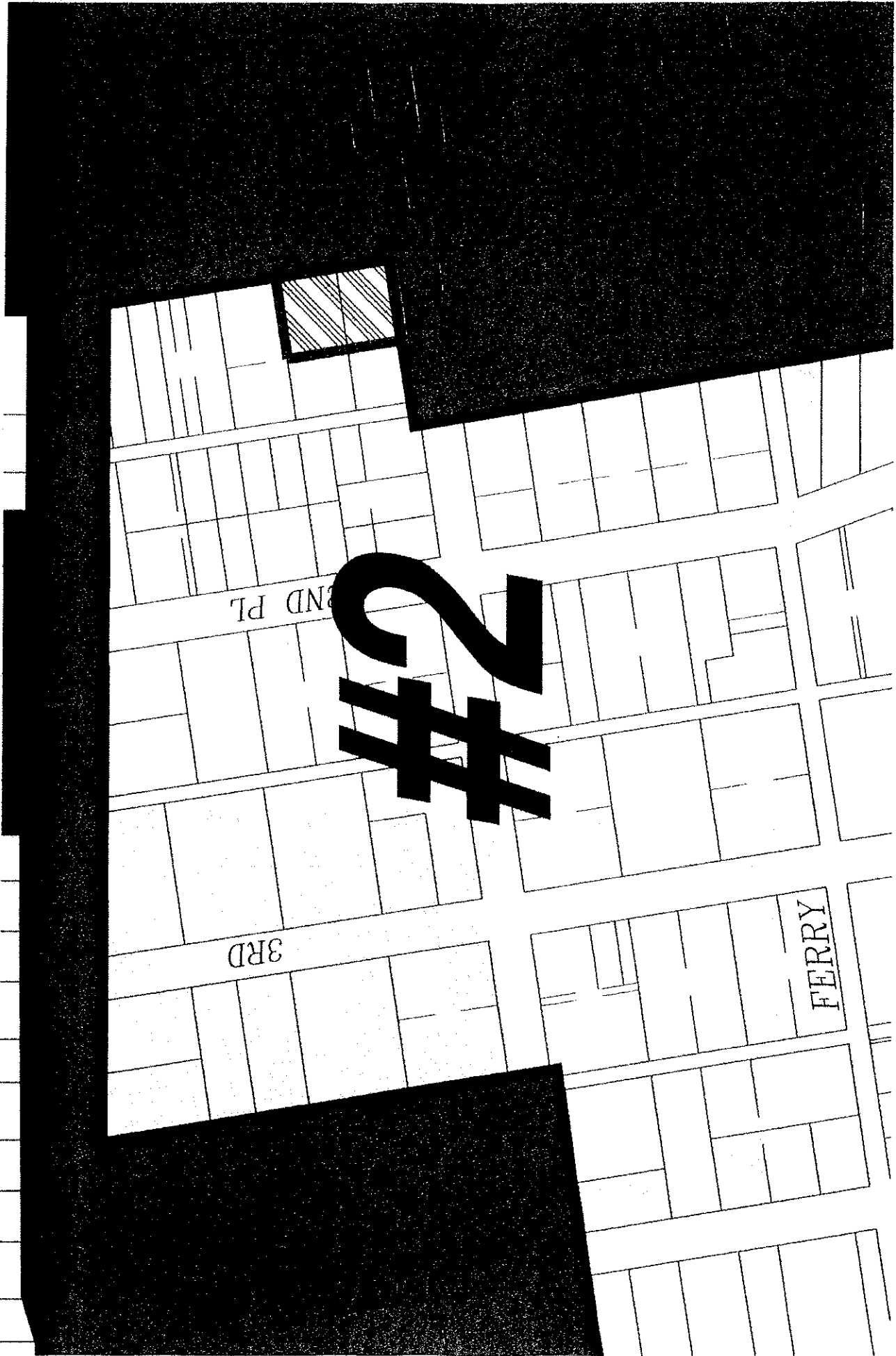
Resolutions #92-84 and #94-57, previously adopted on May 18, 1992, and April 18, 1994, respectively, are hereby rescinded.

PASSED, APPROVED, ADOPTED this the 5th day of April, 1999.



TERRITORIAL ROAD

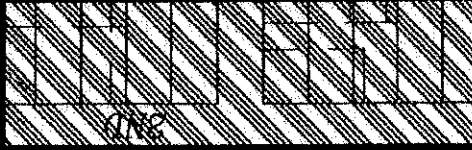
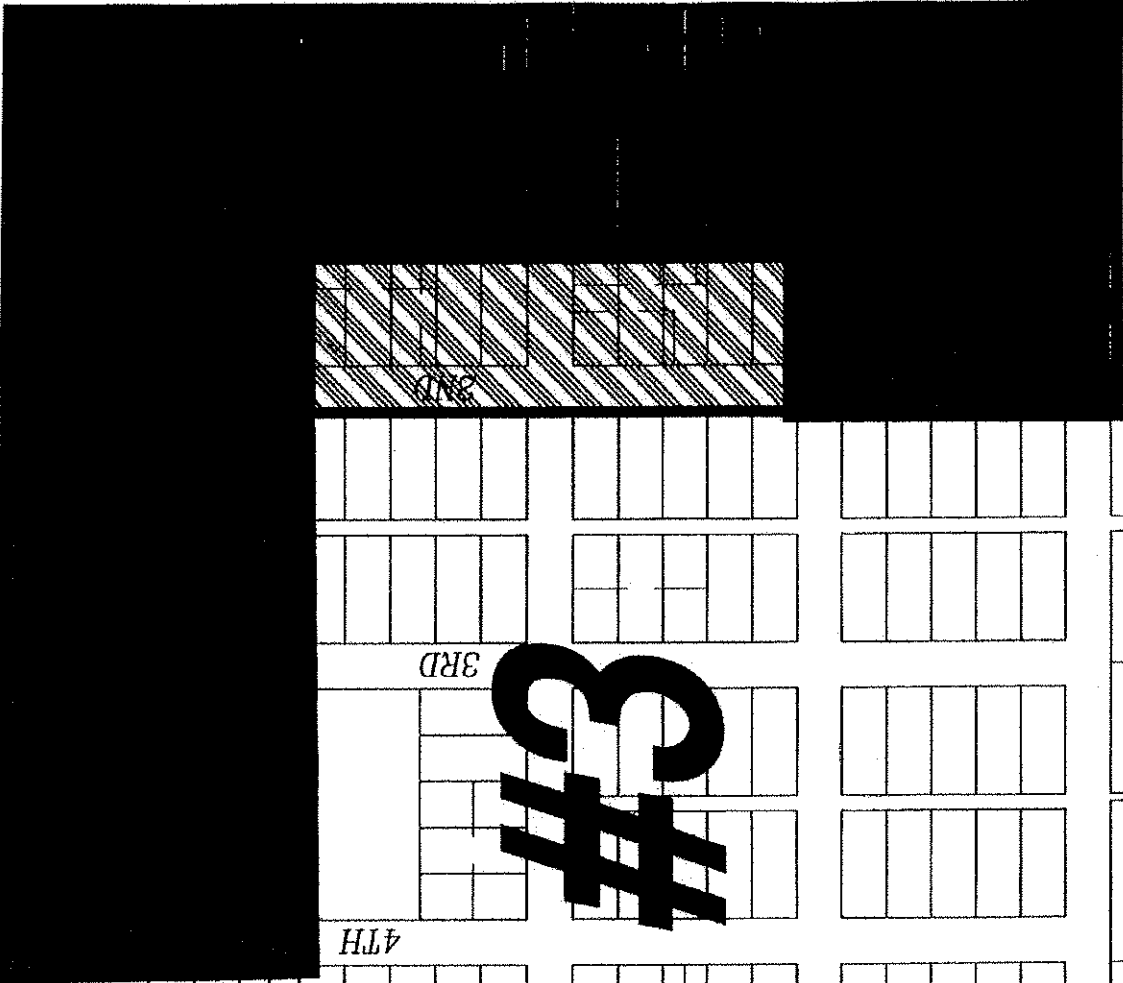
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DODGE

DAVENPORT

MAY

BOARD OF SUPERVISORS

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

August 31, 2010

Mayor Robert Scannell
LeClaire City Council Members
LeClaire City Hall
425 North Third Street
LeClaire, IA 52753

RE: City of LeClaire's proposal to amend and expand an existing Urban Renewal Area to include North 26th Street right of way and two existing commercial businesses that propose expansions.

Dear Mayor Scannell and Council Members:

Thank you for the opportunity to comment on the proposed amendment of the Urban Renewal Area #1 in the City of LeClaire. The Scott County Board of Supervisors has reviewed the information provided by your City Administrator Ed Choate and the answers to the questions we presented at the opportunity to consult meeting on Monday, August 23, 2010.

The Scott County Board of Supervisors has previously expressed and continues to have very serious concerns with the both the use of TIF revenues for City capital improvement projects and the length of time this Urban Renewal Area is proposed to be in place and continue to capture property tax revenues. It appears that the City of LeClaire is using this TIF funding as a revenue stream to continue to fund City projects unrelated to the purpose for which these TIF Districts were created, namely to spur new growth in the tax base. If the affected taxing entities are never to receive their portion of the levy from this growth in the taxable valuation within the City of LeClaire, the County Board believes that is contrary to the purpose and intent of tax increment financing.

The Board also has concerns with the equity and wisdom of providing TIF incentives as a rebate to expanding retail businesses that are in competition with other similar businesses in LeClaire and Scott County. It would appear that these TIF rebates are not being used to level the playing field due to some extraordinary development cost but rather as an incentive for the expansion of the business. While the Board has supported TIF incentives for the creation of primary, industrial jobs, it has not supported the use of TIF where the job creation was secondary jobs in the retail or service sectors.

The Board of Supervisors would encourage the City of LeClaire not to incur any further debt or fund any additional projects with TIF revenues from the existing portions of the Urban Renewal Areas and to dissolve those existing TIF Districts when the current debt is retired. The Board believes that the purpose of tax increment financing is to temporarily defer the tax paid on incremental value of new development to assist that development to occur but it is not to allow a municipality to divert income from that increment indefinitely to fund a variety of unrelated projects.

Sincerely,

Chris Gallin, Chair
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Ed Choate, LeClaire City Administrator
Dee F. Bruemmer, Scott County Administrator

