

**PLANNING & DEVELOPMENT**

500 West Fourth Street

Davenport, Iowa 52801-1106

E-mail: [planning@scottcountyiaowa.com](mailto:planning@scottcountyiaowa.com)

Office: (563) 326-8643 Fax: (563) 326-8257




---

 Timothy Huey  
 Director

To: Scott County TIF Review Committee  
 Craig Hufford, Treasurer's Office  
 Wes Rostenbach, Auditor's Office

From: Timothy Huey, Planning Director

Date: May 17, 2011

**Re: City of Bettendorf's proposed TIF District for proposed industrial development of JJZ Addition on State Street.**

The City of Bettendorf notified Scott County of an opportunity to consult that is scheduled for, Friday, May 27, at 10:00 AM regarding a specific TIF Plan for an existing urban renewal district. The City is proposing the use of tax increment financing generated by the development of industrial buildings in a new subdivision along State Street in eastern Bettendorf. The TIF funds would rebate the taxes due on any new buildings constructed in the subdivision for up to ten years from the completion of the first building. The taxes paid on the current base valuation, in addition to the increment paid on the increase in land value following development of the subdivision, would be paid to all the affected taxing entities. The TIF rebate to the developer would only be on the increment of the value of any buildings constructed.

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

Current land value	\$200,000
Current taxes paid	\$ 7,314

The proposed project is anticipated to result in:

Future Assessed Value of developed land	\$ Undetermined
Estimate of future taxes of developed land	\$ Undetermined
Estimated duration of TIF	7 years
Estimate of Annual TIF payment	To be determined
Total TIF payments over 10 years	To be determined

The development agreement the City has with the developer states that the TIF payment will be based on the amount of assessed value for any buildings built with the subdivision and will run no longer than seven years after the first payment. The \$7,314 in taxes paid after the land is developed will go to the taxing entities.

I do not see any need to attend next Friday morning's meeting because it appears to be the type of use of TIF that we could recommend the Board support. I have attached a copy of my draft letter for the Board to send to Bettendorf and the information provided by the City.

May 24, 2011

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

**RE: City of Bettendorf's proposal to create a Tax Increment Financing District for JJZ Addition in an industrial area in eastern Bettendorf, between State Street and Valley Drive.**

Dear Mayor Freemire and Council Members:

Thank you for the opportunity to comment on the proposed creation of a new TIF District in the City of Bettendorf's Urban Renewal Area #2011, an area zoned light industrial in eastern Bettendorf between State Street and Valley Drive. The Scott County Board of Supervisors has reviewed the information provided our TIF Review Committee by your Economic Development Director Stver Van Dyke. The Board has supported the use of TIF as an economic development tool in industrial areas when it is used to attract new businesses or to retain growing businesses and employers in Scott County, as would appear to be the case in this current TIF proposal.

The Board understands that the use tax increment financing in this case is to assist the development of an industrial subdivision to provide opportunities for new or expanded businesses. The Board supports the use of TIF if it creates new jobs, is for a new or expanding existing business that does not give that business an unfair advantage over an existing local competitor and if the length of time a TIF district is in place is the minimum necessary. It is the Board's understanding in this case TIF payments will only be made if new buildings and businesses are developed on this property and that the taxes paid on the increase in land values will immediately be available to the local taxing entities. It is also the Board's understanding that the TIF payments resulting from construction of any new buildings on this property will last no longer than seven years.

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,

Tom Sunderbruch, Chairman  
Scott County Board of Supervisors

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

May 13, 2011

Dr. Thomas Coley, President  
Scott Community College  
Eastern Iowa Community College District  
500 Belmont Road  
Bettendorf, IA 52722

Dee Bruemmer, Administrator  
Scott County Bicentennial Building  
600 West 4<sup>th</sup> Street  
Davenport, Iowa 52801

Tim Huey, Planning and Development Director  
500 West 4<sup>th</sup> Street  
Davenport, Iowa 52801

Dr. Jim Spelhaug, Superintendent  
Pleasant Valley School Administration Center  
525 Belmont Road  
Riverdale, Iowa 52722

SUBJECT: Establishment of a new JJZ, LLC Tax Increment Financing District.

Please accept this letter announcing the Opportunity to Consult on establishment of a new Tax Increment Financing District within the City of Bettendorf in Urban Renewal Area #2011. The hearing will be held on **May 27, 2011, at 10:00 a.m.** in the **Economic Development Office, City Hall, 1609 State Street, Bettendorf.** If you have any comments you wish to make, you are encouraged to attend at that time.

JJZ, LLC consists of approximately 10 acres in the industrial park and will be a multi-building industrial/commercial development. This area is outlined in the attached JJZ Final Plat and in the attached aerial photo of the area. It should be noted that Lot 8 of JJZ Addition is not included in the proposed TIF area. The developer has indicated that Lot 8 will be developed with multiple mini-storage buildings, and the City has chosen to not accept this type of development for TIF consideration.

In an effort to promote commercial and industrial growth in the area, the developers are asking for the establishment of the new TIF District. Previous projects in the industrial park have involved public and infrastructure improvements by the City of Bettendorf AND Tax Increment Financing. In this request, the private sector (JJZ, LLC) is funding public and infrastructure improvements prior to the request for TIF. The developers will

be maintaining the assessed value of the project site at \$200,000. Therefore, there will be no reduction of the current revenue taxing entities are now receiving. The City will offer TIF for new commercial/industrial structures above the \$200,000 minimum assessed value of the improved land. No site plans for potential structures have been received by the City of Bettendorf at this time.

Prior to the passage of any TIF ordinance, the City of Bettendorf desires to notify the affected taxing entities and consult with them concerning the JJZ, LLC Tax Increment Financing District.

I have included a copy of the initial development agreement submitted from the developer.

Should you have any other questions regarding this matter, please feel free to contact me at any time.

Sincerely,

A handwritten signature in cursive script that reads "Steve Van Dyke".

Steve Van Dyke  
Economic Development Director

Enclosures



## Development Agreement

This Agreement is entered into between the City of Bettendorf, Iowa, an Iowa Municipal Corporation (the "City"), and JJZ, LLC, (the "Developer"), as of the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

### RECITALS

WHEREAS, the Developer owns certain property, more specifically described on Exhibit "A" attached hereto (the "Property"), currently zoned as "I-2", General Industrial District, which will be located within the Urban Renewal Area #2011, 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 redevelop and rehabilitate 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 redevelop 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 an "I-2" General Industrial District, and infrastructure improvements on the Property. Prior to the construction of any Project, the Developer shall submit to the City copies of all site plans and engineering documents related to the Project. The City may request reasonable changes to such plans and documents to insure compliance with any applicable City Ordinance and engineering requirement.

In addition to the ordinance standards included above, the Developer agrees to place a restrictive and protective covenant on the Property that will require that any structure constructed on the Property, including but not limited to office building, work shop or storage shed, shall be in an earth-tone color, said color to be approved by the City.

The Developer agrees not to seek any further financial assistance from the City for development or construction of any development on the Property.

Section 2. Phases of Development. 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 Development Program into multiple Project Areas. Project Areas will be the property included in Lots 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, and 14 of the JJZ Addition to the City of Bettendorf, Iowa, while Lot 8 of the same shall not be included. A copy of the Project is attached hereto and included herein as Exhibit "A".

The Property shall be subdivided into 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. A copy of the planned lot configuration is shown on the Final Plat of the JJZ Addition to the City of Bettendorf, Iowa a copy of which is attached hereto and included herein as Exhibit "A". 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, and attorneys fees shall be paid by the Developer.

The Developer shall install 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 sanitary sewer line shall be extended from its existing location on Highway 67 to such a distance as required to service the newly platted lots. The sanitary sewer line may be installed incrementally, with the sale and development of the individual development of the lots. 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.

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 rights-of-way 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.

The Developer, or other third party then in ownership of a lot, may construct commercial or industrial structures on the lots to support that individual lot owner's requirements ("Lot Development"). The Developer, or other third parties in ownership of the lot, shall submit to the City copies of all site 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.** 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, even in the event of transfer of title to the Property, or any part thereof, to any third party, 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 individual Lot Development. For the purposes of the Agreement, the tax incremental revenues derived from the Lot Development shall mean only the taxes available for division by the City under the Urban Renewal Law in excess of an assumed base year assessment for the entire Property in the total amount of Two Hundred Thousand dollars (\$200,000.00)

The payments to be made with respect to individual Lot Development shall be considered separate and distinct obligations of the City and shall not be interdependent. The Developer shall agree to execute a minimum assessment agreement as to the entire Project in the amount of Two Hundred Thousand Dollars (\$200,000.00) which shall be allocated among the individual lot development at the time said Lot Development is completed. This amount may be divided based on the percentage of the actual lot acreage to all the lot's acreage.

The Developer shall certify to the City in writing each year, on or before October 1, that which is to be treated as a new Project for that year. The Project Area may contain industrial or commercial property constructed during that year. Each Project Area will be treated separately for purposes of applying the statutory restrictions with respect to the allocation of incremental property tax revenues.

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 until such time as the Developer has received the total payments set out above, but for no longer than seven (7) years with respect to each Project Area.

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 the 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) days 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 sent 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

JJZ, LLC

---

By: Michael J. Freemire  
Its: Mayor

---

By: Kevin P. Koellner  
Its: Manager

Attested by:

---

By: Decker P. Ploehn  
Its: City Clerk

**Attachment - A**

**New  
Urban Renewal  
Area 2011**

Previous  
Urban Renewal  
Area #4





CITY OF BETTENDORF  
AMENDMENT TO  
BETTENDORF URBAN RENEWAL PLAN  
ESTABLISHING URBAN RENEWAL AREA #2011

The State Code of Iowa authorizes cities to establish urban renewal plans for portions of the city requiring special governmental attention. Such areas may be vacant ground, suitable for economic development or expansion, and developed commercial areas needing an infusion of funds for redevelopment and expansion.

This plan has been prepared to fulfill the requirements of Chapter 403 of the State Code of Iowa. It is intended to establish a basis for an Urban Renewal Area for the purpose of tax increment financing to promote development and redevelopment.

When considering specific development proposals, the provisions of this Plan can be utilized to determine whether the proposed development merits assistance from the city in terms of land assembly, special financing, or any type of tax abatement or tax increment mechanisms. If the city finds the proposed project to be complementary to the plan's goals and objectives, it may approve the use of the various incentive mechanisms to make the project a reality.

The Bettendorf Urban Renewal Plan for Urban Renewal Area #2011 is hereby established to clarify and state program objectives and activities and to establish a 20-year limitation on the use of incremental property tax revenues in the Urban Renewal Area #2011, in accordance with Iowa Code chapter 403, as amended.

**URBAN RENEWAL AREA #2011 DESCRIPTION**

*Lots 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, and 13 of JJZ Addition to the City of Bettendorf, Iowa, being a replat of Lot 2 – Tallman's 3<sup>rd</sup> Addition and Lot 1 – Stafford Industrial Park 2<sup>nd</sup> Addition. (See Attachment – Final Plat – JJZ Addition).*

## **STATEMENT OF DEVELOPMENT OBJECTIVES**

This area is composed of general and heavy industry and undeveloped ground. It is the intention of the City to foster interest in the district by promoting new business development and expansion of current businesses.

Action by the City within the district will strengthen the overall economy of the City, reduce conditions of further unemployment, and stimulate development within the City.

Specifically, this plan for the district calls for:

1. Development of the district consistent with sound planning principles and the City of Bettendorf Comprehensive Land Use Plan which indicates that the land should be developed as "general industrial".
2. Increased employment within the district.
3. Harmonious growth consistent with the needs of the City as a whole.
4. Provide for the modification or installation of public improvements necessary to support proposed projects.
5. Provide for good landscape and building design in the area to minimize potential effects on neighboring residential property as much as possible and to establish a physically attractive pattern of development throughout the community.

All action taken by the City and/or developer pursuant to this Plan shall be subject to the Codes of the City, as well as the Comprehensive Land Use Plan.

## **POWERS TO ACHIEVE OBJECTIVES**

The City may exercise any or all of the following in its attempt to meet the objectives above:

1. Use of federal, state, or city funds, either in combination or singly, to create incentives for location, remodeling, or expansion of enterprises within the district.
2. Acquisition, development, or redevelopment, including the clearance and disposition of real property within the district.
3. Relocation or vacation of public right-of-way or easements within the district.
4. Construction or reconstruction of public improvements.
5. Any other act pursuant the authority granted by Chapter 403, State Code of Iowa.

## **TIMETABLE FOR IMPLEMENTATION OF THE URBAN RENEWAL PLAN**

The need for municipal action in Urban Renewal Area #2011 is important and should be implemented as suitable projects arise. There has been some interest of late by businesses wishing to expand or locate in the area. Establishment of an urban renewal area at this location gives the City the ability to react more quickly to any proposed projects.

## **INCREMENTAL TAX FINANCING**

The use of incremental property tax revenues, or the "division of revenue," as those words are used in Chapter 403 of the Code of Iowa, in the Urban Renewal Area #2011 will be limited to twenty (20) years from the calendar year following the calendar year in which the City, after the adoption of this plan, first certifies to the County Auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the incremental property tax revenues.

The "base value" of Urban Renewal Area #2011 shall be determined upon the timing of the certification of debt to the County Auditor following the adoption of the tax increment ordinance related to this plan, as amended. By way of example, following the adoption of this plan, as amended, and the tax increment

ordinance, if debt is certified during calendar year 2011, Urban Renewal District #2011 will have a "base value" at the January 1, 2011 valuation level. Otherwise, the "base value" will be determined as of the valuation of the area as of January 1 of the year preceding the first year debt is certified for the area.

### **MODIFICATION OF PLAN**

Except as hereby modified, the provisions of the original Urban Renewal Plan are hereby ratified, confirmed, and approved and shall remain in full force and effect as provided therein.

This plan shall be modified from time to time to reflect the changing needs of the City in its goals of stabilization of property value, reducing unemployment, and attraction of new and expanding business.

This plan shall not be terminated except in the manner provided by law and only at such times as no bonds or other obligation which, by their terms, are payable from incremental taxes with respect to an Urban Renewal Project, remain outstanding.