

PLANNING & DEVELOPMENT

500 West Fourth Street
Davenport, Iowa 52801-1106
E-mail: planning@scottcountyiaowa.com
Office: (563) 326-8643 Fax: (563) 326-8257



Timothy Huey
Director

To: Dee F Bruemmer, County Administrator

From: Timothy Huey, Planning Director

Date: November 1, 2011

Re: Setting a public hearing for November 22, 2011 on accepting the transfer of ownership of the Mississippi Valley Welcome Center building and property from the Cities of Davenport, Bettendorf and LeClaire to facilitate the sale of the property.

About a year ago the Quad Cities Convention and Visitors Bureau in conjunction with the Mississippi Valley Welcome Center Board established a task force to recommend what direction the Bureau and the Board should take in regards to the operation of the Welcome Center in light of declining visitation, increasing operation and maintenance costs and the changing landscape of how travelers and visitors receive information on the QCA.

Attached is the recommendation of that task force that was approved by the QCCVB Board in June of 2011. Since that time the two Boards have proceeded on parallel tracks. The QCCVB established a Visitor Services Committee to determine what methods the Bureau should use to deliver visitor information in an increasing digital world. The MVWC Board has commissioned a commercial appraisal of the property and following an RFP, has reached an agreement with a local realty firm to market the property.

Since the building is jointly owned by the four local governments that make up the MVWC Board any pending sale of the property would require a public hearing on the offer by each of those four governing bodies. In order to facilitate and expedite any sale offer the Board determined that it would be advisable for three of those governments to transfer its ownership interests to a single governmental entity. That way only a single public hearing would need to be held on any purchase offer. Because, under the management agreement, Scott County has been the designated entity to manage the capital budget and improvements of the building it was determined Scott County would be the governmental entity that would take sole ownership.

However, the proceeds of the sale of the building will still be distributed in accordance with the management agreement and the MVWC Board will still review and make a recommendation on any offer received for the purchase of the property.

A determination of how the proceeds from the sale of the property will be used by Scott County and the other three participating governments will be decided at a later date.

Recommendation of the Mississippi Valley Welcome Center Task Force

Task Force Members:

QCCVB Board of Directors

Carmen Darland, – At Large member
Timothy Huey, - Scott County Representative
Myron Scheibe, – 1st Vice Chair & At Large member
Steve VanDyke, – Chairman & City of Bettendorf Representative

MVWC Board of Directors

Ed Choate, City of LeClaire
Alan Guard, City of Davenport
Timothy Huey, Scott County
Decker Ploehn, City of Bettendorf

Background: The Quad Cities Convention and Visitors Bureau Board along with the Mississippi Valley Welcome Center Board formed a task force made up of all four members of the MVWC Board and four members of the QCCVB Board. The task force was staffed by Joe Taylor, President and CEO of QCCVB and Margo McInnis, Vice President of Visitor Services.

The assignment for the task force was to review the role of the MVWC in the overall program of the QCCVB in the delivery of information services and to formulate a recommendation to the QCCVB Board on the future of the Mississippi Valley Welcome Center by June 30, 2011.

The Quad Cities Convention & Visitors Bureau has managed staff and programs at the Welcome Center under two management agreements which have been in place since 1990, one agreement with the Welcome Center Board and the other with the Iowa Tourism Office, to operate the facility as an Iowa Welcome Center. The four local governments own the building and grounds through a 28E agreement; under that agreement the capital costs for the building are shared on a pro rated basis. The Cities of Davenport and Bettendorf share 60% of the annual capital costs based on each city's hotel-motel tax revenue, Scott County pays for 30% and the City of LeClaire 10% (not to exceed \$5K per FY). Scott County has administered the Capital Improvement Plan and the various construction projects that have been conducted over the years. In the last ten years the capital budgets have totaled \$234,823.

The Quad Cities Convention & Visitors Bureau budget has covered the cost of operating the Welcome Center as part of its Visitor Services Department. Those costs have been offset by revenues from gift shop sales, advertising revenues, and various other sources. However the QCCVB has seen visitation at the MVWC fall from a high of 100K in 1998 to 53K in 2010. That is coupled with net operating costs rising from \$65K in FY03 to \$125K in FY08, \$122K in FY09 and \$147K in FY10.

A space analysis completed by consultant Berkley Young seeking to help reverse those losses recommended a number of site improvements and floor plan changes to create more of a visitor sales

destination. However the cost of implementing the improvements recommended with that space analysis were estimated to range upward to \$250K or more. In the current fiscal climate the MVWC Board felt it was unlikely the governing bodies would approve the funding of capital budget of that amount.

It was a result of these factors that the task force was formed.

Task Force Analysis: The task force identified three issues that needed to be examined in order to formulate a recommendation on the future of the MVWC. Those were:

Capital costs: *Review the amount that had been spent and estimate costs in the future.*

The task force, as stated above, did not see funding a sizable capital investment as a reasonable alternative given the fiscal challenges faced by the local governments that would be asked to appropriate those funds. Furthermore the task force did not see funding a sizable capital investment as a responsible alternative given the changing trends in the methods used by the traveling public to rely more on cyber based information service rather than physical locations. This was also coupled with the changes that had taken place in the vicinity of the MVWC since it was built and the increase in other places for visitors to stop in the areas around this I-80 exit.

Operating costs: *Review net operating costs, revenue sources, and other impacts on net costs.*

The task force did not see it likely, given the changing trends in delivery of visitor information services that without implementing the recommendation of the recent space analysis, that the falling visitation numbers were likely to be significantly reversed. It also appeared that the fall in visitation numbers had also precipitated the gift shop from contributing net revenue to the cost of MVWC operations to being a net loss to the budget of the Welcome Center.

Management Agreement: *Review both the management agreement with the QCCVB for operating the MVWC and the agreement with the Iowa Tourism office on operating as a Iowa Welcome Center.*

Both agreements had been in place for nearly twenty years with few changes during their renewal in five year increments. The Board saw few benefits (other than Interstate signage) for the agreement with the State of Iowa to operate as a Primary Welcome Center. The State contributed no funding for the operation of the Welcome Center and in fact had made improvements at the Middle Road rest area, just down the road from the MVWC, that likely negatively impacted the visitation to the MVWC. The agreement on the ownership of the building among the four local governments states that any proceeds from the sale of the building would be divided amongst those governments on the basis of how the capital improvement budget was shared.

Alternatives: The task force identified and analyzed six alternatives for the MVWC:

Do Nothing: Due to the trends in falling visitation numbers and increase in net cost of operating the MVWC this alternative was eliminated early on in the Task Force's analysis.

Modify the Program in line with recommendations of Space Analysis: Due to the fiscal climate, the expected cost and the trends in the delivery of visitor information services cited above, this alternative was also eliminated early on.

Develop partnership with private sector enterprise for joint use of the MVWC: Task force members made contacts with a number of individuals to discuss this possibility but did not find any feasible partner or the likelihood that that one would be found in the future.

Consolidate QCCVB administrative and visitor services functions at MVWC: The Task Force considered the possibility of consolidating all QCCVB office operations at the MVWC. However the current lease for the Moline office is in effect until 2018 and the cost of buying out that lease would make this alternative financially unfeasible. Additionally, the location of the MVWC is relatively remote from the critical mass of meetings, conventions, attractions and sports facilities with which staff interacts and meets.

Seek State of Iowa resources to help fund MVWC operations: Task Force members talked to various local legislators and Iowa Tourism Office representatives and it was easy to determine that this alternative had little likelihood of success.

Close the facility and take the delivery of visitor information services in a new direction: The Task Force members asked QCCVB staff to obtain a professional estimate of the value of the land and building. The estimated value of the building was about \$540K and the excess land valued at an additional \$250K. The Task Force also considered the placement of restrictive covenants on the property to ensure that future uses would be related to the hospitality industry and appropriate for the location. It was acknowledged that the land use controls of the City of LeClaire and market forces would likely also dictate such uses. The Task Force felt it was important to maintain a presence for visitor information services at this important gateway into the Quad Cities.

Recommendation of the Task Force:

The recommendation of the task force is to close the facility and provide visitor information services by alternative methods to be determined. The task force further recommends that within the shortest feasible timeframe the QCCVB develop a plan for a new direction in the delivery of those visitor information services. Furthermore that the QCCVB work with the MVWC in the development of this plan and to assist the MVWC Board in developing a plan for the disposal of the land and building. Such a plan should include how the proceeds from any sale could best be used jointly by the parties to enhance visitor services in the QCA. Ultimately any plan on the disposition of sale proceeds would have to be approved by all the participating local governments.

JOINT AGREEMENT FOR OWNERSHIP AND PROVISION OF CAPITAL NEEDS
OF THE MISSISSIPPI VALLEY WELCOME CENTER
AMONG SCOTT COUNTY AND
THE CITIES OF DAVENPORT, BETTENDORF AND LECLAIRE
IN THE STATE OF IOWA

This agreement, made and entered into this 3rd day of December, 1996, by and between Scott County, Iowa, the City of Davenport, Iowa, the City of Bettendorf, Iowa and the City of LeClaire, Iowa, all municipal corporations, and political subdivisions of the State of Iowa, organized under and by virtue of the laws of the State of Iowa.

Section 1: Purpose of Agreement

Whereas, it is of mutual advantage and benefit to the parties hereto that each of the other parties agrees to share in the ownership and provision of capital needs of the Mississippi Valley Welcome Center (MVWC), each party relies on the joint undertaking of the others in entering into the obligations hereunder. No new entity or agency is intended to be created as a result of this agreement.

Section 2: General Provisions

In consideration of their mutual covenants, the parties hereto agree as follows:

- A. The building and land known as the Mississippi Valley Welcome Center located in the northeast quadrant of Interstate 80 and U.S. 67 in the City of LeClaire, Iowa shall be jointly owned by the parties to this agreement following conveyance of said property for no monetary consideration from its current not-for-profit corporate owner.
- B. The parties to this agreement, as joint owners, shall provide for the capital needs of the MVWC facility and grounds. One designated representative of each party shall periodically meet and review plans and programs for the capital needs of the MVWC, as well as provisions for implementing maintenance, improvements and other responsibilities of ownership.
- C. Scott County shall serve as lead agency under this agreement with primary responsibility for working up preliminary plans for determination of capital needs for the MVWC subject to the approval of all parties acting via their designated representatives. Notwithstanding Scott County's status as lead agency hereunder, any party by notice to the others may call a joint meeting of the parties' designated representatives.
- D. The parties to this agreement, may enter into agreement with

the Quad City Convention and Visitor Bureau (QCCVB), or such other agency as the parties hereto may jointly designate, for operation and routine maintenance of the MVWC, with the costs of such operation and maintenance covered by the QCCVB or such other agency as is designated.

Section 3: Financing Contributions

A. The cost of capital needs (not including routine maintenance) of the building and grounds of the MVWC shall be determined annually by Scott County in consultation with the other parties to this agreement.

B. The parties to this agreement shall share in the cost of capital needs of the building and grounds according to the following formula:

The Cities of Davenport and Bettendorf shall share an aggregate 60 percent of such capital costs, with their respective portions being determined by the proportion of hotel/motel tax collected by each jurisdiction in the immediately prior completed fiscal year for said Cities.

Scott County shall provide an amount equal to 30 percent of such capital costs.

The City of LeClaire shall provide an amount equal to 10 percent of such capital costs, but not to exceed \$5,000 annually. In the event that 10% of the annual capital cost for MVWC exceeds \$5,000, such excess amount shall be provided by the cities of Davenport and Bettendorf and Scott County in addition to the shares set out above as follows -- one third of such excess shall be provided by Scott County, and two thirds of such excess shall be provided by the Cities of Davenport and Bettendorf with their respective portions being determined as above.

Section 4: Effective Date and Termination of Agreement

This agreement shall have an effective date of December 19, 1996.

Participation in this agreement may be terminated by any party upon notice in writing to the other parties not less than six (6) calendar months prior to the effective date of such termination. The terminating party waives any right to any proceeds which may accrue from the MVWC property. When any three parties have terminated this agreement, the agreement shall no longer be in force and joint ownership of the property shall be dissolved. Those parties to the agreement at the time of dissolution shall share in the proceeds derived from the property in proportion to their participation in the previous fiscal year in the capital

costs.

Section 5: Authorization of Agreement

This Agreement will not become effective unless the Scott County Board of Supervisors and the City Councils of the participating Cities pass a resolution adopting said agreement. A copy of said resolutions shall be attached to the agreement.

Section 6: Records and Signatures

This agreement will become effective when filed with the Iowa Secretary of State, and recorded with the Scott County Recorder.

WHEREFORE, the undersigned parties have executed this Agreement by their duly authorized officials.

SCOTT COUNTY, IOWA

CITY OF BETTENDORF

By: Edwin G. Sinborn
Chair, Board of Supervisors
EDWIN G. SINBORN
Attest:

By: Ann Hutchinson
Mayor
ANN HUTCHINSON
Attest:

Karen L. Fitzsimmons
Scott County Auditor
.. KAREN L. FITZSIMMONS
CITY OF DAVENPORT, IOWA

Decker P. Ploehn
City Clerk
DECKER P. PLOEHN
CITY OF LECLAIRE

By: Pat Gibbs
Mayor
PAT GIBBS
Attest:

By: Vernon C. Spring
Mayor
VERNON C. SPRING
Attest:

Jacques E. Rogstad
(Deputy) City Clerk

Deborah J. Buskirk
City Clerk (Deputy)

FIRST AMENDMENT TO
JOINT AGREEMENT FOR OWNERSHIP AND PROVISION OF CAPITAL NEEDS
OF THE MISSISSIPPI VALLEY WELCOME CENTER
AMONG SCOTT COUNTY AND
THE CITIES OF DAVENPORT, BETTENDORF AND LECLAIRE
IN THE STATE OF IOWA

WHEREAS, the Cities of Davenport, Bettendorf, and LeClaire in the State of Iowa joined with Scott County, Iowa to enter into a Joint Agreement for Ownership and Provision of Capital Needs of the Mississippi Valley Welcome Center among Scott County and the cities of Davenport, Bettendorf and LeClaire in the State of Iowa as of December 3, 1996, and effective as of December 19, 1996; and

WHEREAS, the parties to said Joint Agreement now wish to amend that Joint Agreement.

NOW THEREFORE, the parties set out below their agreed First Amendment to said Joint Agreement, as follows:

I. A new Section 2A shall be added to the Joint Agreement, which new Section provides as follows:

"Section 2A: Creation of Mississippi Valley Welcome Center Board"

A. For the purpose of implementing the General Provisions set out in Section 2 above, and pursuant to Iowa Code Section 28E.5(2) a separate legal or administrative entity is hereby created, to be known as the Mississippi Valley Welcome Center Board (the "Board").

B. The Board shall be comprised of a designated representative from each of the constituent parties hereto, with said representative being formally designated by resolution of the governing board of each of the parties.

C. The Board shall have the authority to operate the facility known as the Mississippi Valley Welcome Center for the joint benefit of the parties hereto and their political constituencies. The Board shall meet periodically with three members constituting a quorum for conducting business. All decisions of the Board will require the affirmative consent of at least three of the four Board members.

D. Funds subject to the control of the Board shall be

deposited with and invested for the benefit of the Board by the Scott County Treasurer subject to Iowa Code Sections 12B.10 and 12B.10A through 12B.10C and other applicable law.

E. Any Board member may call a Board meeting by notice to all other Board members."

II. The provisions of Section 2(C) and 2(D) are hereby deleted and the following provisions are substituted therefor in their entirety:

"C. The designated representative of Scott County, Iowa pursuant to Section 2A (B) shall have primary responsibility for working up preliminary plans for determination of capital needs for the MVWC subject to the approval of the Board created pursuant to Section 2A.

D. The Board created pursuant to Section 2A may enter into agreement with the Quad City Convention and Visitor Bureau (QCCVB), or such other agency as the Board may designate, for operation and routine maintenance of the MVWC, with the costs of such operation and maintenance covered by the QCCVB or such other agency as is designated."

WHEREFORE, the undersigned parties have executed this Agreement by their duly authorized officials.

SCOTT COUNTY, IOWA

CITY OF BETTENDORF

By: Edwin G. Winborn
Chair, Board of Supervisors
EDWIN G. WINBORN

By: Ann Hutchinson
Mayor
ANN HUTCHINSON

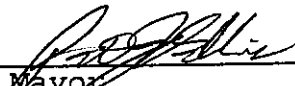
Attest:

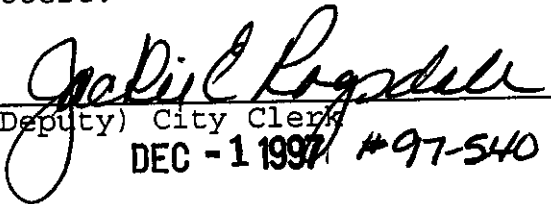
Attest:

Karen L. Fitzsimmons
Scott County Auditor
KAREN L. FITZSIMMONS

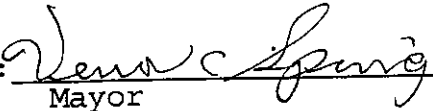
Decker P. Beach
City Clerk

CITY OF DAVENPORT, IOWA

By: 
Mayor
PAT GIBBS
Attest:


(Deputy) City Clerk
DEC - 1 1997 #97-540

CITY OF LECLAIRE

By: 
Mayor
VERNON C. SPRING
Attest:


City Clerk (Deputy)

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES THAT
THIS RESOLUTION HAS BEEN FORMALLY APPROVED BY
THE BOARD OF SUPERVISORS ON _____
DATE

SCOTT COUNTY AUDITOR

RESOLUTION
SCOTT COUNTY BOARD OF SUPERVISORS
November 8, 2011

**SETTING A PUBLIC HEARING FOR NOVEMBER 22, 2011 ON TRANSFER OF
OWNERSHIP INTERESTS IN THE MISSISSIPPI VALLEY WELCOME CENTER
FROM THE CITES OF DAVENPORT, BETTENDORF AND LECLAIRE SOLELY TO
SCOTT COUNTY TO FACILITATE THE SALE OF THE PROPERTY**

BE IT RESOLVED by the Scott County Board of Supervisors as follows:

Section 1. A public hearing is set for 5:30 p.m. on November 22, 2011 at a regular meeting to hear public comments concerning the transfer of ownership interests in the Mississippi Valley Welcome Center from the Cites of Davenport, Bettendorf and LeClaire solely to Scott County to facilitate the sale of the property

Section 2. This resolution shall take effect immediately.