

PLANNING & DEVELOPMENT

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Timothy Huey
Director

To: Dee F. Bruemmer, County Administrator
From: Timothy Huey, Planning Director
Date: October 15, 2013
Re: Update on Greater Davenport Redevelopment Corporation and the Eastern Iowa Industrial Center.

Since its inception in 1997, Scott County has been a partner in the Greater Davenport Redevelopment Corporation (GDRC) with the City of Davenport, Mid American Energy, and the Davenport Chamber. Those four entities incorporated the GDRC to own and market the Eastern Iowa Industrial Center (EIIC) in northwest Davenport. The City of Davenport and Mid American Energy (Dakota Dunes) made the initial investment to purchase and develop the original 203 acre industrial park. The \$1.5M invested by Dakota Dunes and \$890K of the City of Davenport's total investment of \$1.5M were to be repaid on a per acre formula as land was sold. Additional revenue from the sale of any land was to be used for operating expenses of the GDRC and to purchase additional land. Over the years to facilitate further development of the park an additional 152 acres have been purchased. The GDRC has had 12 land sales over 13 years, totally 151 acres; leaving a balance of 204 acres owned by the GDRC. Total proceeds of those sales have been \$4.9M.

The Quad Cities Chamber of Commerce had previously provided administrative, sales and marketing support for the industrial park. Previously the GDRC had paid for those services with both a line of credit and income from the sale of land. A number of years ago the GDRC requested each of the participating entities, to make an unsecured loan to cover \$300,000 of operating expenses. The City of Davenport and Scott County each approved loans to GDRC of \$100,000 at an interest rate of 4% on a one year note. Mid-American Energy and DavenportOne were to split the balance of the \$300,000, 75%-25%. In 2007 those loans were modified to stop accruing interest and the existing interest and principal were combined and that balance is being paid off on a per acre formula as the balance of the industrial land is sold. Two years ago the GDRC hired an executive director to work part time marketing and managing the park; while and the QC Chamber continues to provide financial management and space for the executive director for a fee.

From FY2006 until FY 2013 the City of Davenport and Scott County have made annual contributions to the GDRC for its marketing budget. The City's contribution had been \$85,000 and the County's contribution had been \$30,000 up until the past year when the City reduced its contribution to \$56,678 in FY13. The County still contributed \$30K in FY13, however the City has not included any funding for the GDRC in its FY14. In the meantime, without more land sales the GDRC is funding its budget with deferred repayments it held in reserve from previous land sales.

I will prepare a full presentation summarizing land sales, debt schedule, and marketing budget for the GDRC for the October 22nd Committee of the Whole meeting.