

PLANNING & DEVELOPMENT

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



Timothy Huey
Director

To: Dee F Bruemmer, County Administrator

From: Timothy Huey, Planning Director

Date: October 29, 2013

Re: City of LeClaire's proposed Amendment to TIF District #1

The City of LeClaire has notified Scott County of the proposed amendment to the City's Urban Renewal Area #1 to use TIF income for three capital projects. Attached is the information the City provided Scott County and my memo to the Scott County TIF Review Committee. We are in the process of reviewing this proposal and have prepared a draft of a list of questions we are prepared to present to the City at the Opportunity to Consult meeting scheduled at LeClaire City Hall next Monday morning at 9 AM.

I plan to attend that meeting and will report on it to you and the Board at the Committee of the Whole next Tuesday morning. The County has seven days from the date of the Opportunity to Consult meeting to submit our recommendations to the City which then will hold a Public hearing on the proposal on November 18.

I have also attached some of the recent letters of recommendation the County has sent in response to other recent amendments to LeClaire's TIF plans.

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Timothy Huey
Director

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

From: Timothy Huey, Planning & Development

Date: October 28, 2013

Re: City of LeClaire's proposed Amendment to TIF District #1.

The City of LeClaire has notified Scott County of the proposed amendment to the City's URA #1 to use TIF income for three capital projects.

The first is the City's upgrade to its sewer system including a new lift station, new gravity fed sewer mains and new force main sewers. The City states these improvements are necessary for the existing businesses and to promote new commercial and industrial development. The notice states that the City's use of TIF revenues will not exceed \$3M.

The second project listed is a sidewalk and curb replacement along Cody Road for an amount not to exceed \$250K and the third is an 8th Street rehabilitation project for an amount not to exceed \$300K. No map of these projects or the current URA #1 was included with the notice.

In previous years, before the City was required to notify the affected taxing entities, the City put in place a number of TIF plans to rebate the cost of subdivision infrastructure improvements to private developers. The City has also used TIF proceeds to fund portions of its new City Hall and remodeling of its Public Library.

Current requirements of the State law require the County and other affected taxing entities to be notified when areas are amended or expanded.

I have attached the information received from the City with this notice. I have also attached a draft of the questions I have prepared to submit to the City. Do you have any thoughts on changes or additional questions?

The meeting giving the affected taxing entities an opportunity to consult on this proposal is scheduled for Monday, November 4, 2013 at 9 AM at LeClaire City Hall. The Board of Supervisors has this on its COW agenda to discuss on Tuesday November 5.

Xc: Dee F. Bruemmer, County Administrator

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Timothy Huey
Director

Questions for City of LeClaire on proposed Amendment to TIF District #1
November, 2013.

1. The amendment information does not include any map for area number 1, are the boundaries of the URA #1 to remain as amended in 2010? Do you have a map that includes the three projects locations?
2. What are the total budgets for the projects proposed to use TIF dollars in area number 1, are there other funding sources or are they totally financed with TIF income?
3. What are the sources of increment for area number 1?
4. Are there any proposed taxable improvements to be developed in this area as a result of this TIF?
5. What are the other uses and budget for TIF dollars previously approved in this area?
6. Are the pending State mandated changes in property taxes expected to have any impact on this or other TIF financed projects in the City of LeClaire?
7. Does the fact that construction of the lift station has already been started impact the ability for the cost of this project to be included in this amendment?
8. Was the construction of the portion of Eighth Street to be rehabilitated with this proposed TIF project originally paid for with previous TIF funding?
9. Does this amendment again extend the timeframe of how long the City can continue to collect TIF revenue?



CITY OF LECLAIRE, IOWA

325 WISCONSIN STREET
LECLAIRE, IOWA 52753

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FAX: (563)-289-6014
WWW.LECLAIREIOWA.GOV

SENDER'S DIRECT CONTACT INFORMATION:
PHONE EXT. #1104 ECHOATE@LECLAIREIOWA.GOV

October 25, 2013

TO: Board of Supervisors, Scott County - #7010 1870 0001 7791 2865
 Superintendent, Pleasant Valley Community School District - #7010 1870 0001 7791 2872

FROM: City Council
 City of LeClaire, Iowa

RE: LeClaire 2013 Urban Renewal Plan Amendment

The City of LeClaire is in the process of amending the urban renewal plan for the LeClaire Urban Renewal Area No. 1, and, pursuant to Section 403.5 of the Code of Iowa, the City is sending you the enclosed draft copy of its urban renewal plan amendment and scheduling a meeting at which you will have the opportunity to discuss this amendment.

The meeting to discuss our urban renewal plan amendment has been set for Monday, November 4, 2013, at 9:00 o'clock a.m. at the LeClaire City Hall in LeClaire. If you are unable to send a representative to the meeting, we invite your written comments. In addition, Section 403.5 gives your designated representative the right to make written recommendations concerning the proposed urban renewal plan amendment no later than seven days following the date of the meeting.

The City will also hold a public hearing on this urban renewal plan amendment at 7:00 o'clock p.m. on November 18, 2013, and a copy of the notice of hearing is enclosed for your information.

Please call our City Administrator at (563) 289-4242, if you have questions.

**NOTICE OF PUBLIC HEARING ON PROPOSED URBAN RENEWAL PLAN
AMENDMENT**

Notice Is Hereby Given: That at 7:00 o'clock p.m., at the LeClaire City Council Chambers, LeClaire, Iowa, on the 18th day of November, 2013, the City Council of the City of LeClaire, Iowa, will hold a public hearing on the question of amending the urban renewal plan for the LeClaire Urban Renewal Area No. 1 (the "Urban Renewal Area") to facilitate the undertaking of new urban renewal projects in the Urban Renewal Area consisting of using tax increment financing to pay the costs of (1) the City's 2013 Sewerage System Improvement Project; (2) the City's 2013 Cody Road Commercial District Sidewalk and Curb Replacement Project; and (3) the City's 2013-2014 8th Street Drainage & Rehabilitation Project. A copy of the amendment is on file for public inspection in the office of the City Clerk.

At said hearing any interested person may file written objections or comments and may be heard orally with respect to the subject matters of the hearing.

Edwin N. Choate
City Clerk

CITY OF LECLAIRE, IOWA

URBAN RENEWAL PLAN AMENDMENT
LECLAIRE URBAN RENEWAL AREA NO. 1

November, 2013

The Urban Renewal Plan (the "Plan") for the LeClaire Urban Renewal Area No. 1 (the "Area") is being amended for the purpose of identifying new urban renewals project to be undertaken therein.

1) Identification of Projects. By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following described projects:

A)

Name of Project: 2013 Sewerage System Improvement Project (the "Sewer Project")

Name of Urban Renewal Area: LeClaire Urban Renewal Area No. 1

Year of Establishment of Urban Renewal Area: 1991

Date of Council Approval of Sewer Project: November 18, 2013

Description of Sewer Project: The City will undertake the construction of improvements to the Municipal Sanitary Sewer System on property situated in the Area including (1) the installation of a new lift station on real property situated at 317-1/2 N. Cody Road; (2) the installation of a new gravity main extending from the 800 block to the 1500 block of Canal Shore Drive; and (3) the installation of a new force main extending from the 700 block to the 1000 block of Eagle Ridge Road. The Sewer Project is necessary to handle the sanitary sewer requirements of businesses and industries situated in the Area and to improve capacity, flow rates and pressures to promote commercial and industrial growth within the Area.

Description of Properties to be Acquired in Connection with the Sewer Project: The City will acquire such easement territory and right-of-way as are necessary to successfully undertake the Sewer Project.

Description of Use of TIF: It is anticipated that the City will pay for the Sewer Project with proceeds from the issuance of General Obligation Annual Appropriation Corporate Purpose and Refunding Bonds, Series 2013A. The City's obligations with respect to these Bonds will be repaid with incremental property tax revenues derived from the Area. It is anticipated that the City's use of incremental property tax revenues for the Sewer Project will not exceed \$3,000,000.

B)

Name of Project: 2013 Cody Road Commercial District Sidewalk and Curb Replacement Project (the "Cody Road Project")

Name of Urban Renewal Area: LeClaire Urban Renewal Area No. 1

Year of Establishment of Urban Renewal Area: 1991

Date of Council Approval of Project: November 18, 2013

Description of Cody Road Project: The City Council hereby acknowledges the importance of the Cody Road Commercial District to the economic development of the City. The Cody Road Project will consist of the replacement of sidewalk and curb on and along Cody Road from its intersection with May Street on the south to its intersection with Ewing Street on the north. The enhancement of sidewalks in the Cody Road Commercial District will contribute to commercial growth and retention in Cody Road Commercial District and the Area.

Description of Properties to be Acquired in Connection with Cody Road Project:

The City will acquire such easement territory and right-of-way as are necessary to successfully undertake the Cody Road Project.

Description of Use of TIF for the Cody Road Project: It is anticipated that the City will pay for the Cody Road Project with proceeds from the issuance of General Obligation Annual Appropriation Corporate Purpose and Refunding Bonds, Series 2013A.. The City's obligations with respect to these Bonds will be repaid with incremental property tax revenues. It is anticipated that the City's use of incremental property tax revenues for the Cody Road Project will not exceed \$250,000.

C)

Name of Project: 2013-2014 8th Street Rehabilitation Project (the "8th Street Project")

Name of Urban Renewal Area: LeClaire Urban Renewal Area No. 1

Year of Establishment of Urban Renewal Area: 1991 & 2005

Date of Council Approval of Project: November 18, 2013

Description of 8th Street Project: The 8th Street Project will consist of street reconstruction and the construction of storm water drainage improvements on and along the 8th Street arterial corridor from and including its intersection with May Street on the North to and including its intersection with Bluff Lane on the South. It is expected that the completed 8th Street Project will cause increased and improved ability of the City to provide adequate transportation infrastructure for the growth and expansion of the City.

Description of Properties to be Acquired in Connection with 8th Street Project: The City will acquire such easement territory and right-of-way as are necessary to successfully undertake the 8th Street Project.

Description of Use of TIF for the 8th Street Project: It is anticipated that the City will pay for the 8th Street Project with borrowed proceeds from the issuance of General Obligation Annual Appropriation Corporate Purpose and Refunding Bonds, Series 2013A.. The City's obligations with respect to these Bonds will be repaid with incremental property tax revenues. It is anticipated that the City's use of incremental property tax revenues for the 8th Street Project will not exceed \$300,000.

2) Required Financial Information. The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$16,878,239</u>
Outstanding general obligation debt of the City:	<u>\$10,294,095</u> (07-01-'13)
Proposed obligations to be incurred in connection with the November, 2013 Amendment:	<u>\$3,550,000**</u>

**Subject to annual appropriation by the City Council

SCOTT COUNTY BOARD OF SUPERVISORS

600 West Fourth Street
Davenport, Iowa 52801-1003



Office: (563) 326-8749
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TOM SUNDERBRUCH, Chair
JIM HANCOCK, Vice-Chair
WILLIAM P. CUSACK
CAROL EARNHARDT
LARRY MINARD

May 22, 2012

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 Lot 2 of the Niko Addition Subdivision (115 Davenport Street) to provide TIF incentives for expansion of an existing retail commercial business.

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.

The Scott County Board of Supervisors has previously expressed and continues to have 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 re-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,

A handwritten signature in cursive script that reads "Tom Sunderbruch".

Tom Sunderbruch, Chairman
Scott County Board of Supervisors

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

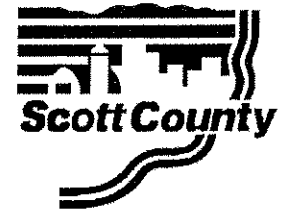
BOARD OF SUPERVISORS

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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 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

March 2, 2010

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

RE: City of LeClaire's proposal to amend the Urban Renewal Plan for LeClaire's Urban Renewal Area to allow the use of tax increment financing for the developing and equipping of Huckleberry Park.

Dear Mayor Scannell and Council Members:

Thank you for the opportunity to comment on the proposed amendment of the Urban Renewal Plan for Urban Renewal Area in the City of LeClaire. The Scott County Board of Supervisors has reviewed the information provided by your City Administrator Ed Choate.

The Board of Supervisors has the following questions regarding the City's proposal:

1. *What is the total proposed budget for the Huckleberry Park?*
2. *What portion of that budget is proposed to be paid for with TIF?*
3. *How many years have TIF payments already been collected from this district?*
4. *How many additional years will the TIF District run with this proposal?*
5. *How is this new park development determined to be urban renewal or economic development under the provisions of State Law for TIF Districts?*

The Scott County Board of Supervisors objects to the use of TIF tax dollars generated within this urban renewal area for a capital improvement project for the benefit of the citizens of LeClaire. That is a capital project that should not be subsidized by the portion of the property tax levy assessed by Scott County but rather paid for by the citizens of LeClaire and from tax revenues generated by the City of LeClaire. The Board voiced its objections in 2003 when the City took action to combine two of its urban renewal areas into one to increase the amount of TIF payments available for the city hall project, as well as, adding time to the number of years these payments can be captured by the City.

The Board notes that State Law has been amended to no longer allow newly created urban renewal areas to extend time limits in the manner that is proposed with the city's Urban Renewal Area #1. The Board has concerns that this allows TIF payments to be captured beyond the initial maximum twenty year time frame. This means that the County will not receive any property tax income from many of the new homes in LeClaire for possibly another fifteen or more years. The County has therefore been forced to put the financial burden of providing County services to these residents for the last ten or more years on the other County residents both within and outside of LeClaire. It now appears it will be forced to continue to shift that financial burden for many years to come.

The Scott County Board of Supervisors would recommend and appreciate if the City of LeClaire would consider amending the proposed Tax Increment Financing plan so that the portion of the property taxes generated by Scott County's levy was paid to the County and not used to finance your new city park. While the Board of Supervisors recognizes the City of LeClaire has no legal obligation to comply with our request, we hope in the spirit of intergovernmental cooperation the City Council would seriously consider this request.

Sincerely,

Chris Gallin, Chair
Scott County Board of Supervisors

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

June 27, 2005

Mayor Vern Spring
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 Tax Increment Financing District to include for an area designated for residential development.

Dear Mayor Spring 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 following the opportunity to consult meeting on Tuesday, June 21, 2005.

The Scott County Board of Supervisors continues to have very serious concerns with the equity and wisdom of Tax Increment Financing proposals that rebate the maximum amount of increment in property taxes allowed to a private for-profit developer. The Board believes that the cost of private residential development should be paid for with the investment of private funds and not public tax dollars. With this proposal the City is diverting County tax dollars that will be paid by these new residences into a private developers pocket. This will put the burden of paying for the County services provided to the residents in these newly developed areas on the existing property taxpayers of the County.

The Board opposes the use of tax increment generated funds in the manner proposed by the City of LeClaire. The proposal is inappropriate and not within the legislative intent that the use of tax increment financing be limited to redeveloping and revitalizing blighted areas or to attracting new or expanded industrial development.

The Scott County Board of Supervisors would recommend and appreciate if the City of LeClaire would consider amending the proposed Tax Increment Financing plan so that the portion of the property taxes generated by Scott County's levy was paid to the County and not rebated to the developer. While the Board of Supervisors recognizes the City of LeClaire has no legal obligation to comply with our request, we hope in the spirit of intergovernmental cooperation the City Council would seriously consider this request.

Sincerely,

Larry Minard, Chairman
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Ed Choate, LeClaire City Administrator
C. Ray Wierson, Scott County Administrator

BOARD OF SUPERVISORS

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CAROL H. SCHAEFER, Chairman
LARRY E. MINARD, Vice-Chairman
GREGORY P. ADAMSON
OTTO L. EWOLDT
JIM HANCOCK

June 22, 2004

Mayor Vern Spring
LeClaire City Council Members
LeClaire City Hall
425 North Third Street
LeClaire, IA 52753

RE: City of LeClaire's proposal to amend the Urban Renewal Plan for LeClaire's Urban Renewal Area #1 to allow the use of tax increment financing for the construction of a new city hall.

Dear Mayor Spring and Council Members:

Thank you for the opportunity to comment on the proposed amendment of the Urban Renewal Plan for 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 following the opportunity to consult meeting on Monday, June 21, 2004.

The Board of Supervisors has the following questions regarding the City's proposal:

1. *What is the total proposed budget for the City Hall?*
2. *What portion of that budget is proposed to be paid for with TIF?*
3. *How many years have TIF payments already been collected from this district?*
4. *How many additional years will the TIF District run with this proposal?*
5. *How is the new City hall determined to be urban renewal or economic development under the provisions of State Law for TIF Districts?*

The Scott County Board of Supervisors objects to the use of TIF tax dollars generated within this urban renewal area for a capital improvement project exclusively for the benefit of the citizens of LeClaire. The Board also understands that the City recently took action to combine two of its urban renewal areas into one to increase the amount of TIF payments available for the proposed city hall project, as well as, adding time to the number of years these payments can be captured by the City.

The Board notes that State Law has been amended to no longer allow newly created urban renewal areas to extend time limits in the manner that is proposed with the city's Urban Renewal Area #1. The Board has concerns that this allows TIF payments to be captured beyond the initial maximum twenty year time frame. This means that the County will not receive any property tax income from many of the new homes in LeClaire for possibly another fifteen or more years. The County has therefore been forced to put the financial burden of providing County services to these residents for the last ten or more years on the other County residents both within and outside of LeClaire. It now appears it will be forced to continue to shift that financial burden for many years to come.

Page Two
Letter to City of LeClaire
June 22, 2004

The Scott County Board of Supervisors would recommend and appreciate if the City of LeClaire would consider amending the proposed Tax Increment Financing plan so that the portion of the property taxes generated by Scott County's levy was paid to the County and not used to finance your new city hall. While the Board of Supervisors recognizes the City of LeClaire has no legal obligation to comply with our request, we hope in the spirit of intergovernmental cooperation the City Council would seriously consider this request.

Sincerely,

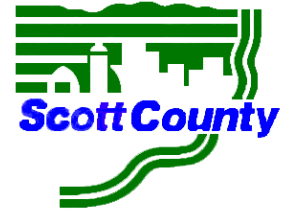
Carol Schaefer, Chairman
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Ed Choate, LeClaire City Administrator
C. Ray Wierson, Scott County Administrator

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CAROL H. SCHAEFER, Chairman
LARRY E. MINARD, Vice-Chairman
GREGORY P. ADAMSON
OTTO L. EWOLDT
JIM HANCOCK

April 23, 2004

Mayor Vern Spring
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 Tax Increment Financing District to include for an area designated for residential development.

Dear Mayor Spring 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 following the opportunity to consult meeting on Friday, April 16, 2004.

The Scott County Board of Supervisors has very serious concerns with the equity and wisdom of this proposal that will rebate the maximum amount of increment in property taxes allowed to a private for-profit developer. The Board believes that the cost of private residential development should be paid for with the investment of private funds and not public tax dollars. With this proposal the City is diverting County tax dollars that will be paid by these new residences into a private developers pocket. This will put the burden of paying for the County services provided to these newly developed areas on the existing property taxpayers of the County.

The Board opposes the use of tax increment generated funds in the manner proposed by the City of LeClaire. The proposal is inappropriate and not within the legislative intent that the use of tax increment financing be limited to redeveloping and revitalizing blighted areas or to attracting new or expanded industrial development.

The Scott County Board of Supervisors would recommend and appreciate if the City of LeClaire would consider amending the proposed Tax Increment Financing plan so that the portion of the property taxes generated by Scott County's levy was paid to the County and not rebated to the developer. While the Board of Supervisors recognizes the City of LeClaire has no legal obligation to comply with our request, we hope in the spirit of intergovernmental cooperation the City Council would seriously consider this request.

Sincerely,

Carol Schaefer, Chairman
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Ed Choate, LeClaire City Administrator
C. Ray Wierson, Scott County Administrator