

BOARD OF SUPERVISORS

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November 4, 2014

Mayor Sonya Paddock
Riverdale City Council Members
Riverdale City Hall
110 Manor Drive
Riverdale, IA 52722

RE: **City of Riverdale's proposed creation of a State Street Urban Renewal Area**

Dear Mayor Paddock and Council Members:

Thank you for the opportunity to comment on the proposed creation of a State Street Urban Renewal Area within the City of Riverdale. It is the Board of Supervisor's understanding, from the map and other information provided, that the City intends to include the entire ALCOA plant property, in addition to some other areas south and north of State Street/US Hwy 67 adjacent to the ALCOA property in this proposed URA. The Board has a number of concerns and questions about this proposal.

First, the Board would note that when ALOCA was proposing the recent expansion of their operation, ALCOA qualified for some State of Iowa funding incentives that required a local match. When the City of Riverdale was not able to finance that match, the local match was met by the Scott County Board of Supervisors through a combination of Bi-State Revolving Loan funds and a County loan from the County General Fund. The ALOCA expansion was then able to be completed.

Second, the Board notes that as the 5th largest property taxpayer in Scott County, ALCOA's impact on County tax revenue's is significant. The Board of Supervisors would oppose any project funded by taxes generated from the County's levy through the use of tax increment financing which would strictly benefit the City of Riverdale. The creation of this URA allows for the future creation of TIF districts and the diversion of County revenues. This diversion disproportionately burdens all other County tax payers in order to maintain County services in light of such lost revenue.

Finally the Board has concerns that this proposed Urban Renewal Plan could negatively impact the City's finances and future ability to meet its budgetary commitments. The TIF revenue that is generated within this Urban Renewal Area is also attributable to the City's levy and will not be available to the City for its General Fund and if used for projects within the State Street URA Plan would increase the financial burden on existing homes and businesses within the City.

In response to our Opportunity to Consult the Board would have the following questions:

1. Would the City of Riverdale be willing to limit the amount of TIF revenue taken for projects to 50% of that generated? This would allow the County (and the School District) to receive some of the revenues generated from the taxable improvements in this proposed area.
2. When does the City propose to create a tax increment financing district within this Urban Renewal Area and how much debt will be asked to be certified with that initial project?
3. How long is the City proposing to keep this Urban Renewal Area in place?
4. Has the City considered how the limited extent of its bonding capacity limits the size and scope of the projects that can be done with tax increment financing?
5. Has the City considered if it will have the capacity to bond for an industrial economic development project that may come in the future if this plan is implemented?
6. Has ALCOA expressed any concerns or objections to this proposal and has ALCOA requested any of the proposed projects? And finally;
7. Has the City considered the possibility that through a re-assessment of property values the base of this Urban Renewal Area could result in a negative increment with no revenue being generated?

While the Board of Supervisors recognizes the City of Riverdale 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
Dee F. Bruemmer, Scott County Administrator
Pleasant Valley Community School District Board
Dr. James Spelhaug, Superintendent PVCSD
Quad City Times
North Scott Press