

PLANNING & DEVELOPMENT

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Timothy Huey
Director

To: Dee F. Bruemmer
From: Scott County TIF Review Committee
Date: October 27, 2015

Re: City of Davenport's proposed expansion of the North Urban Renewal Area and Amendment to the Plan for this area and the affected Taxing Entities Opportunity to Consult meeting.

The City of Davenport has notified Scott County of an opportunity to consult that is scheduled for Tuesday, November 3rd regarding the proposed expansion of the North Urban Renewal Area and amendment to the North Urban Renewal Area Plan. The proposed Urban Renewal Plan Amendment includes the proposed new project for the Spring Village Shopping Center property at 2102-2198 East Kimberly Road.

The information provided by the City does not give much detail on the project other the name and address and the total of \$2M in TIF income proposed to be reimbursed to the developer over a maximum 20 year period. The City is also proposing an "Internal TIF" of \$275K to reimburse the City's General Fund for Economic Development staff cost and other Economic Development related activities and training.

There is no information on the decline in assessed values for the property to document the property as "blighted", no information on the proposed cost of improvements and future assessed valuation, no information on the proposed TIF income to be generated nor the length of time needed to retire this \$2.275M in proposed debt.

The TIF Review Committee notes that this proposed TIF Plan is the second plan that includes the reimbursement of the City's General Fund for Economic Development staff costs. The TIF Review Committee stated in our memo on the proposed General Fund reimbursement included in the previous Plan:

The Review Committee does not recall a prior use of TIF in this manner, although the City claims they have been reimbursing their general fund for staff time for several years. Our belief and reaction is that City staff costs are a City expense. Funding these costs through the diversion of property tax revenue means that County tax payers and the other taxing entities are subsidizing what is unarguably a City expense.

It is difficult to further evaluate this total proposal with the information provided.

The TIF Review Committee would propose we ask the following questions at the opportunity to consult:

1. Can the City staff provide more detailed information with its initial notice of these URA and Project Plan amendments?
2. What are the total assessed valuations for these properties over the last five years?
3. What is the expected base valuation for this TIF?
4. What is the expected increase in valuation after the completion of the project?
5. What is the expected annual TIF payment to be generated from this expected increase in valuation?
6. How many years does the City expect these TIF payments to be made to retire this project's total debt?
7. What percentage of the City's total annual Economic Development staff budget does the \$275K reimbursement represent?
8. How much does the city receive each year in total staff reimbursement from all projects?
9. How much of the City's total annual Economic Development staff budget is funded through existing TIF funding sources?

Following the Opportunity to Consult meeting on Tuesday November 3rd, Scott County has seven days to send a response on this proposal. The City Council's public hearing is scheduled for November 18th at 5:30 PM.



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Date: October 27, 2015

To: Board of Supervisors, Scott County
Superintendent, Davenport Community School District
Superintendent, Bettendorf Community School District
Superintendent, North Scott Community School District
President, Scott Community College

From: City Council
City of Davenport, Iowa

RE: North Urban Renewal Area Amendment

The City of Davenport is in the process of amending the urban renewal area known as the Downtown Urban Renewal area, and, pursuant to Section 403.5 of the Code of Iowa, the City is sending you the enclosed 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 new renewal plan amendment has been set for Tuesday, November 3, 2015 at 3:00 o'clock p.m. at City Hall, 2nd floor large conference room, 226 W 4th St. in Davenport. If you are unable to send a representative to the meeting, we invite your written comments. In addition, Section 403.5 gives you designated representative the right to make written recommendations concerning the urban renewal plan amendment no later than second days following the date of the meeting.

The City will also hold a public hearing on this urban renewal plan amendment at 5:30 o'clock p.m. on November 18, 2015, and a copy of the notice of hearing is enclosed for your information.

Please call Susanne Knutsen, Economic Development Coordinator, at 326-6179 or via email at smk@ci.davenport.ia.us if you have questions.

Enclosure

City of Davenport, Iowa
Urban Renewal Plan Amendment
North Urban Renewal Area
November 18, 2015

The Urban Renewal Plan (the “Plan”) for the North Urban Renewal Area (the “Area”) is being amended for the purposes of 1) increasing the size of the Area by added certain real property thereto; and 2) identifying new urban renewal projects to be undertaken therein.

- 1) **Addition of Property.** The real property (the “Property”), legally described on Exhibit A hereto is, by virtue of this Amendment, being added as the December 2015 Addition to the Area. With the adoption of this Amendment, the City will designate the Property as an economic development area. The Property will become subject to the provisions of the Plan for the Area.
It is anticipated that the City will adopt an ordinance providing for the division of property tax revenues, as set forth in Section 403.19 of the Code of Iowa, with respect to certain taxable Property contained in this December 2015 Addition. Following the adoption of such ordinance, if the City certifies obligations to the County Auditor payable from incremental property tax revenues to be derived from the December 2015 Addition by December 1, 2016, then the “base valuation” for the calculation of available incremental property tax revenues for the December 2015 Addition will be determined as of January 1, 2016. For property placed in an economic development urban renewal area after January 1, 1995, Section 403.17 of the Code of Iowa limits the number of years of incremental property tax collections to twenty years.
- 2) **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 project descriptions:
 - a. **Name:** Spring Village Blighted Shopping Center
Location: E Kimberly Rd.
Cost: Approximately \$2,000,000
Rationale: To provide assistance in redeveloping a blighted and underutilized shopping center on Kimberly Rd. to attract a new to the market anchor tenant.
 - b. **Name:** Internal TIF
Cost: \$275,000
Rationale: To reimburse the General Fund for Economic Development staff costs and other economic development related activities such as economic research tools and training.

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

Outstanding General Obligation Debt of the City: \$185,750,000

Remaining Constitutional Debt Capacity of the City: \$122,719,369

Proposed Debt to be incurred in the Urban Renewal Area: \$2,275,000

Exhibit A

Parcels 1810-08B and 1809-04C:

Lot 33, Spring Village Addition to the City of Davenport, Iowa, in Scott County, Iowa,

Excepting therefrom the following described parcels conveyed by Deed filed for record June 23, 1978, recorded as Document Number 10616-89 of the Records of Scott County, Iowa:

A part of Lot 33, Spring Village Addition, Davenport, Iowa, more particularly described as follows: Commencing at a point on the Westerly right-of-way line of Belle Avenue that is 19.67 feet North of its intersection with Kimberly Road; thence Southwesterly, along a curve concave to Northwest, having a radius of 20 feet, with a chord bearing and distance of South 44 degrees 24 minutes 10 seconds West, 28.04 feet, to the Northerly right-of-way line of Kimberly Road; thence South 89 degrees 08 minutes 40 seconds West 112.43 feet, along said Northerly right-of-way line of Kimberly Road; thence North 00 degrees 31 minutes 30 seconds West, 35.86 feet; thence North 89 degrees 11 minutes 10 seconds East, 20.44 feet; thence North 00 degrees 00 minutes 50 seconds East, 83.34 feet; thence North 89 degrees 20 minutes 50 seconds East, 111.92 feet , to said Westerly right-of-way line of Belle Avenue; thence South 00 degrees 00 minutes 00 seconds, 99.04 feet, along said Westerly right-of-way line of Belle Avenue to the point of beginning, in Davenport, Iowa, in Scott County, Iowa.

Spring Village Addition is filed in the office of the Scott County, Iowa Recorder's Office at Document Number 17056-78.

Together with a non-exclusive easement for ingress and egress and parking over portions of the above described carved out of Parcel 2, as set forth in Easement, Use and Restriction Agreement, dated June 19, 1989 filed for record June 23, 1989 recorded as Document Number 10617-89.

Parcel 1810-08C

A part of Lot 33 Spring Village Addition, Davenport, Iowa, more particularly described as follows:

Commencing at a point on the westerly right-of-way line of Belle Avenue that is 19.67 feet north of its intersection with Kimberly Road; thence southwesterly along a curve to northwest and having a radius of 20' with a chord bearing and distance south 44°24'10" West 28.04 feet to the northerly right-of-way line of Kimberly Road; thence South 89°08'40" west 112.43 feet along said northerly right-of-way line of Kimberly Road: thence north 00°31'30" west 35.86 feet; thence north 89°11'10" east 20.44 feet; thence north 00°00'50" east 83.34 feet; thence north 89°20'50" east 111.92 feet to said westerly right-of-way line of Belle Avenue; thence south 00°00'00" 99.04 feet along said westerly right-of-way line of Belle Avenue to the point of beginning.

Said tract of land is located in Davenport, Iowa and contains 0.32 acres more or less.

NOTICE OF PUBLIC HEARING ON DESIGNATION OF EXPANDED
NORTH URBAN RENEWAL AREA AND ON PROPOSED URBAN
RENEWAL PLAN AMENDMENT

Notice Is Hereby Given: That at 5:30 o'clock p.m., at City Council Chambers on the first floor of City Hall, 226 W. 4th Street, Davenport, Iowa, on the 18th day of November, 2015, there will be conducted a public hearing on the question of amending the North Urban Renewal Area Plan and designating an expanded North Urban Renewal Area, pursuant to Chapter 403, Code of Iowa, by adding and including all the property described as follows:

Parcels 1810-08B and 1809-04C:

Lot 33, Spring Village Addition to the City of Davenport, Iowa, in Scott County, Iowa,

Excepting therefrom the following described parcels conveyed by Deed filed for record June 23, 1978, recorded as Document Number 10616-89 of the Records of Scott County, Iowa:

A part of Lot 33, Spring Village Addition, Davenport, Iowa, more particularly described as follows: Commencing at a point on the Westerly right-of-way line of Belle Avenue that is 19.67 feet North of its intersection with Kimberly Road; thence Southwesterly, along a curve concave to Northwest, having a radius of 20 feet, with a chord bearing and distance of South 44 degrees 24 minutes 10 seconds West, 28.04 feet, to the Northerly right-of-way line of Kimberly Road; thence South 89 degrees 08 minutes 40 seconds West 112.43 feet, along said Northerly right-of-way line of Kimberly Road; thence North 00 degrees 31 minutes 30 seconds West, 35.86 feet; thence North 89 degrees 11 minutes 10 seconds East, 20.44 feet; thence North 00 degrees 00 minutes 50 seconds East, 83.34 feet; thence North 89 degrees 20 minutes 50 seconds East, 111.92 feet , to said Westerly right-of-way line of Belle Avenue; thence South 00 degrees 00 minutes 00 seconds, 99.04 feet, along said Westerly right-of-way line of Belle Avenue to the point of beginning, in Davenport, Iowa, in Scott County, Iowa.

Spring Village Addition is filed in the office of the Scott County, Iowa Recorder's Office at Document Number 17056-78.

Together with a non-exclusive easement for ingress and egress and parking over portions of the above described carved out of Parcel 2, as set forth in Easement, Use and Restriction Agreement, dated June 19, 1989 filed for record June 23, 1989 recorded as Document Number 10617-89.

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Commencing at a point on the westerly right-of-way line of Belle Avenue that is 19.67 feet north of its intersection with Kimberly Road; thence southwesterly along a curve to northwest and having a radius of 20' with a chord bearing and distance south 44°24'10" West 28.04 feet to the

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Said tract of land is located in Davenport, Iowa and contains 0.32 acres more or less.

North Urban Renewal Plan Amendment

The projects described below are also being considered for the North Urban Renewal Plan:

- 1) Internal TIF: North Urban Renewal Area: \$275,000

The proposed amendment to the urban renewal plan brings the property described above under the plan and makes it subject to the provisions of the plan.

A copy of the proposed 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.

Jackie Holecek
Deputy City Clerk