

PLANNING & DEVELOPMENT

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Timothy Huey
Director

To: Mahesh Sharma, County Administrator

From: Scott County TIF Review Committee

Date: October 26, 2016

Re: City of Davenport's proposed amendment to the City's North Urban Renewal Area Plan to allow the reimbursement to the City's General Fund for Economic Development Staff costs and other related activities.

The City of Davenport has notified Scott County of a proposed amendment to North Urban Renewal Area Plan to allow the reimbursement of \$275,000 to the City's General Fund for Economic Development staff costs and other economic development related activities. The City has done this for a number of years but only recently notified the County of the practice on at least two previous occasions. The Board has consistently objected to the use of TIF for such reimbursement. In our letters to the City we have stated:

"The Board has not supported the use of "Internal TIFs" to fund city staff positions as stated in this plan amendment. 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."

The Committee has drafted a letter that includes this same language for the Board's consideration at the COW. The information provided by the City is also included.



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Date: October 20, 2016

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 North 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 1, 2016 at 8:30 o'clock a.m. at City Hall, CPED 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 16, 2016, and a copy of the notice of hearing is enclosed for your information.

Please call Susanne Knutsen, Lead 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

October 2016

The Urban Renewal Plan (the “Plan”) for the North Urban Renewal Area (the “Area”) is being amended for the purposes of 1) identifying new urban renewal projects 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 project descriptions:

- a. **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.

- 2) **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: \$ 219,950,000

- Remaining Constitutional Debt Capacity of the City: \$ 94,600,270

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

NOTICE OF PUBLIC HEARING 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 16th day of November, 2016, there will be conducted a public hearing on the question of amending the North Urban Renewal Area Plan pursuant to Chapter 403, Code of Iowa.

North Urban Renewal Plan Amendment

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

BOARD OF SUPERVISORS

600 West Fourth Street
Davenport, Iowa 52801-1030

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JIM HANCOCK, Chair
CAROL EARNHARDT, Vice-Chair
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BRINSON L. KINZER
TOM SUNDERBRUCH

November 1, 2016

Mayor Frank Klipsch
Davenport City Council Members
Davenport City Hall
226 West Fourth Street
Davenport, Iowa 52801

draft draft draft draft draft

RE: City of Davenport's proposed amendment to the City's North Urban Renewal Area Plan to allow the reimbursement to the City's General Fund for Economic Development Staff costs and other related activities.

Dear Mayor Klipsch and Council Members:

Thank you for the opportunity to comment on the proposed amendment of the North Urban Renewal Area Plan to allow the reimbursement of \$275,000 to the City's General Fund for Economic Development Staff costs and other related activities. Ever since the City first notified the County on previous occasions of the use of TIF funding for economic development staff costs, the Board of Supervisors has consistently expressed its objection.

Even though the Scott County Board of Supervisors has supported the use of TIF as an economic development incentive for the creation of quality, primary jobs that are deemed to add real value to the Quad Cities economy and provide new employment opportunities, the Board has not supported the use of "Internal TIFs" to fund city staff positions as stated in this plan amendment. 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.

Scott County would like to continue the spirit of cooperation with the City of Davenport on economic development projects and we look forward to working with you in the future.

Sincerely,

Jim Hancock, Chairman
Scott County Board of Supervisors

xc: Corri Spiegel, Davenport City Administrator;
Mahesh Sharma, Scott County Administrator