

**PLANNING & DEVELOPMENT**

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Timothy Huey  
Director

To: Mahesh Sharma, County Administrator

From: Timothy Huey, Planning Director

Date: September 12, 2017

**Re: Resolution identifying Scott County principles for Review of TIF proposals**

Iowa Code covering the creation of Urban Renewal and Economic Development Areas and the adoption of plans within those areas require that cities give the affected taxing entities an opportunity to consult and comment on those plans. It does not give the County or other affected taxing entities any authority on the adoption of those plans or on the use of any tax increment financing proposed with those plans. However, it is a method by which the issues related to the creation of such districts and the TIF plans that come about as a result, are more fully vetted and discussed in a public forum. Scott County has reviewed such plans and has consistently responded to notification by the City making such proposals. Generally, Scott County has expressed support for such plans when they were determined to benefit the Quad Cities area by incenting economic growth, creating high quality jobs or reversing blight in areas needing re-development.

These proposals have been reviewed by a staff committee made up of the Planning Director, the Director of Budget and Administrative Services, the Financial Management Supervisor in the Treasurer's office and the Accounting & Tax Manager in the Auditor's office. This committee has reviewed these plans and advised the Board of Supervisors on recommended responses to these plans. The committee has followed general principles in reviewing these plans which are:

1. Consistently recommended that any use of TIF be for the minimum duration and amount to make a project feasible. The committee recognizes that TIF plans are using tax dollars that should be expended conservatively and appropriately and only to make a particular project feasible and not just more profitable for the developer.
2. When used as an economic development incentive, TIF should only be used where the project grows the regional economy by the creation or retention of primary high quality jobs. If the TIF is proposed as incentive for projects that only result in the creation of retail or service sector jobs, the committee has not recommended the County support it. The committee has also recommended opposition to TIF plans that give an unfair advantage to businesses that compete with other local and long established businesses.
3. In cases where TIF is used to reverse blight and offset the extraordinary cost of redevelopment the committee has generally supported such proposals. Although it can be difficult to determine what "extraordinary" costs are and such projects also often involve the creation or retention of retail service sector jobs and can be for businesses that compete with existing businesses.

4. The committee has recommended against the use of TIF to fund public infrastructure when there are other more equitable sources of municipal financing available for such projects. The funding of public facilities such as parks, libraries, police and public buildings should be funded with municipal revenue sources which are generated for and by the municipality.
5. Scott County has consistently and strongly opposed the use of TIF to rebate infrastructure costs to private developers of single family residences. Such developments generate additional demands on public services to serve the new residents that occupy these homes without the benefit of the increase in property tax revenue generated and paid by these new homes.

Staff would recommend the Board approve a resolution identifying the principles Scott County uses in reviewing the creation of Urban Renewal and Economic Development Areas, the plans that are associated with such areas and the use of TIF that results from the adoption of such plans. A draft of such a resolution is attached.

# DRAFT

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES THAT THIS RESOLUTION HAS BEEN FORMALLY APPROVED BY THE BOARD OF SUPERVISORS ON _____ DATE _____
_____ SCOTT COUNTY AUDITOR

## RESOLUTION

### SCOTT COUNTY BOARD OF SUPERVISORS

Date here

#### **APPROVAL OF SCOTT COUNTY'S PRINCIPLES FOR REVIEWING AND COMMENTING ON PROPOSALS FOR THE CREATION OF URBAN RENEWAL AND ECONOMIC DEVELOPMENT AREAS FOR THE USE OF TAX INCREMENT FINANCING WHEN GIVEN THE OPPORTUNITY TO CONSULT BY CITIES.**

BE IT RESOLVED by the Scott County Board of Supervisors as follows:

Section 1. Iowa Code 403 requires that prior to the approval of an Urban Renewal or Economic Development Plan that enables cities to make use of Tax Increment Financing, such cities must give affected tax entities, including Scott County, the opportunity to consult and comment on such plans.

Section 2. Scott County's efforts in economic development have been to collaborate and support other local governments' efforts to retain and attract businesses to provide quality jobs and strengthen the local economy.

Section 3. Scott County supports the use of tax increment financing used to reverse blight and declining property values, if it is to offset the extraordinary cost of such redevelopment in urban renewal areas.

Section 4. Scott County supports the judicious use of tax increment financing when it is used as an economic development incentive to encourage the retention and creation of primary economic sector jobs and businesses that improve the economy of the entire County.

Section 5. Scott County opposes the use of tax increment financing as an economic development incentive that give an unfair advantage to businesses that compete with local businesses or provides secondary market, retail, or service sector jobs.

Section 6. Scott County opposes the use of tax increment financing to fund public infrastructure when there are other more equitable sources of municipal financing available for such projects.

Section 7. Scott County adamantly opposes the use of tax increment financing to fund public and private infrastructure for single family residential development.

Section 8. Scott County encourages all uses of tax increment financing be for the shortest duration and the minimum amount determined to be necessary to make projects feasible.

Section 9. This resolution shall take effect immediately.