

PLANNING & DEVELOPMENT

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Timothy Huey
Director

To: Scott County Board of Supervisors

From: TIF Review Committee

Date: November 20, 2017

Re: Opportunity to Consult on proposed amendment of City of Walcott's Urban Renewal Area Plan for a proposed TIF project.

The City of Walcott has notified Scott County of an Opportunity to Consult on the proposed Amendment of its Urban Renewal Area Plan and the creation of a TIF project within the City's URA.


The TIF Review Committee will be reviewing the proposed information submitted by the City of Walcott. The information received from the City is attached. Staff has also included copies of the previous response letters the Board has sent to Walcott.

In reviewing the information from the City they are proposing the following:

Rebate up to \$500,000 to I-80 Truck Stop as an economic development incentive for the expansion of the truck stop.

The Board's adopted principles for reviewing TIF incentives opposes such incentives when they are used for retail or service sector type businesses unless they are in a blighted area and need the payment to level the playing field due to extraordinary costs associated with that blighted area. It is staff's understanding such conditions do not exist in association with this project.

The TIF Review Committee will prepare a draft letter for the Board to consider at the Committee of the Whole meeting.

City of
 **ALCOTT**

NOV 13 2017

128 W. Lincoln Street - P.O. Box 247 - Walcott, IA 52773

Phone: 563-284-6571 Fax: 563-284-6984

DATE: November 9, 2017

TO: Board of Supervisors, Scott County
Superintendent, Davenport Community School District

FROM: City Council
City of Walcott, Iowa

RE: Consolidated Walcott Urban Renewal Area Plan Amendment

The City of Walcott is in the process of amending the urban renewal plan for the Consolidated Walcott 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 urban renewal plan amendment has been set for November 17, 2017, at 2:30 p.m. at the Walcott City Hall in Walcott. 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 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 6:00 p.m. on December 4, 2017, and a copy of the notice of hearing is enclosed for your information.

Please call our City Clerk, Lisa Rickertsen, at 563.284.6571 x17 if you have questions.

Enclosure

CITY OF WALCOTT, IOWA
URBAN RENEWAL PLAN AMENDMENT
CONSOLIDATED WALCOTT URBAN RENEWAL AREA

December, 2017

The Urban Renewal Plan (the “Plan”) for the Consolidated Walcott Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purpose of identifying a new urban renewal project to be undertaken therein.

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

Name of Project: Iowa 80 Truckstop, Inc. Expansion Project

Name of Urban Renewal Area: Consolidated Walcott Urban Renewal Area

Date of Council Approval of Project: December 4, 2017

Description of the Project: Iowa 80 Truckstop, Inc. (the “Company”) has proposed to undertake the expansion of its existing truck stop facilities, including the expansion of the main truck stop building and parking lot (the “Project”), on certain real property situated at 755 W. Iowa 80 Road (the “Property”) in the Urban Renewal Area.

It has been requested that the City provide tax increment financing assistance to the Company in support of the efforts to complete, operate and maintain the Project.

The costs incurred by the City in providing tax increment financing assistance to the Company will include legal and administrative fees (the “Admin Fees”) in the estimated amount of \$7,500.

Description of Properties to be Acquired in Connection with Project: It is not anticipated that the City will acquire real property in connection with the Project.

Description of Public Infrastructure: It is not anticipated that the City will install public infrastructure in connection with the Project.

Description of Use of TIF: The City intends to enter into a Development Agreement with the Company with respect to the construction of the Project and to provide annual appropriation economic development payments (the “Payments”) to the Company thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Property. It is anticipated that the City’s total commitment of incremental property tax revenues with respect to the Project will not exceed \$500,000.

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>\$6,986,460</u>
Outstanding general obligation debt of the City:	<u>\$ 33,477</u>
Proposed debt to be incurred under the December, 2017 Amendment*:	<u>\$ 500,000</u>

*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.

NOTICE OF PUBLIC HEARING ON PROPOSED URBAN RENEWAL PLAN
AMENDMENT

Notice Is Hereby Given: That at six o'clock p.m., at the Walcott City Hall, Walcott, Iowa, on December 4, 2017, the City Council of the City of Walcott, Iowa, will hold a public hearing on the question of amending the urban renewal plan for the Consolidated Walcott Urban Renewal Area (the "Urban Renewal Area") to authorize the undertaking of a new urban renewal project in the Urban Renewal Area consisting of providing tax increment financing support to Iowa 80 Truckstop, Inc. (the "Company") in connection with the expansion and renovation of existing truckstop facilities for use in the Company's business operations in the Urban Renewal Area. 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.

Lisa Rickertsen
City Clerk

RESOLUTION 2016-48

**A RESOLUTION ESTABLISHING CRITERIA AND APPROVING
AN APPLICATION REGARDING THE USE OF ECONOMIC
DEVELOPMENT INCENTIVES**

WHEREAS, Chapter 15A of the Code of Iowa authorizes local governments to provide grants, loans, tax incentives and other financial assistance to or for the benefit of private persons; and

WHEREAS, the City Council of the City of Walcott, Iowa desires to establish criteria and a program application regarding the use of property tax rebates in those areas designated as the Consolidated Walcott Urban Renewal Area, Walcott, Iowa as an incentive to economic development; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Walcott, Iowa, as follows:

Section 1. The Tax Increment Finance (TIF) Program Application, attached hereto, is hereby approved.

Section 2. The Developer requesting tax increment financing assistance must complete an application prior to the start of any project construction.


Section 3. The City Council of the City of Walcott, Iowa shall not consider the use of property tax rebates for residential development.

Section 4. No rebates will be paid after the termination date of the Consolidated Walcott Urban Renewal Area.

Passed and approved by the City Council of the City of Walcott, Iowa this 6th day of September, 2016.


Mayor John Kostichek

Attest:


Lisa Rickertsen, CMC
City Clerk

Roll Call Vote:	Aye	Nay	Abstain	Absent
Koehler	—	—	—	✓
Latimer	✓	—	—	—
Mengler	✓	—	—	—
Jackie Puck	✓	—	—	—
Jacob Puck	✓	—	—	—

City of



128 W. Lincoln Street - P.O. Box 247 - Walcott, IA 52773

Phone: 563-284-6571 Fax: 563-284-6984

TAX INCREMENT FINANCE (TIF) PROGRAM APPLICATION

The goal of Walcott's TIF Program is to encourage quality economic development, enhance the industrial and commercial property tax base, create quality employment, and attract businesses that contribute to the general quality of life of Walcott's residents. To accomplish these goals, the city may utilize TIF to provide incentives to developers and businesses locating or significantly expanding within the TIF area in Walcott.

TIF is a discretionary program. This Program shall not be construed as obligating the City of Walcott to use TIF for projects that satisfy the criteria. The decision to provide economic development incentives shall be at the sole discretion of the Walcott City Council and shall be determined on a case-by-case basis.

The following has been established by the Walcott City Council as significant criteria when determining an applicant's acceptance into the Program.

- New or significantly expanded structure with an estimated, increased assessed value of at least \$2,000,000
- Rehabilitation or replacement of dilapidated structure
- Commercial or industrial use (not for residential)
- Project fills an identified need within the community
- Environmental or quality-of-life impact

If an application is accepted, the City Council would consider a maximum rebate of taxes generated by the incremental assessed value over a 5 year, decreasing percentage of: 60%, 50%, 40%, 30%, 20%.

Name of business enterprise: _____

Form of entity: Corporation General Partnership Limited Partnership Sole Proprietorship

State of Organization: _____ Taxpayer ID# _____

Address: _____

Telephone # _____ Email _____

Name and Titles of Principal officers, partners or owners: _____

Type of Business for which TIF funds are requested: _____

The request is for () expansion of an existing business or () newly constructed business.

Physical location of project, including Parcel # _____

Current assessed value of property \$ _____

Estimated assessed value upon completion \$ _____

Estimated job creation _____

Detailed description of project _____

Describe how the project will assist the City Council in accomplishing the goals of the Program and any other pertinent information you want the City Council to consider for this application.

Applicant's Signature

Applicant's Printed Name

Applicant's Title

Date

BOARD OF SUPERVISORS

428 Western Avenue
Davenport, Iowa 52801-1004

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E-Mail: board@scottcountyiowa.com



LARRY E. MINARD, Chairman
JIM HANCOCK, Vice-Chairman
GREGORY P. ADAMSON
CHRIS GALLIN
TOM SUNDERBRUCH

September 6, 2005

Mayor Reed Hagen
Walcott City Council Members
Walcott City Hall
128 West Lincoln
PO Box 247
Walcott, IA 52773

RE: City of Walcott's proposed expansion to its North Urban Renewal Area

Dear Mayor Hagen:

Thank you for the opportunity to comment on the proposed expansion of Walcott's North Urban Renewal Area along East Main Street and south of County Road F-58. The Scott County Board of Supervisors has reviewed the information provided to our TIF Review Committee by your City Clerk Lisa Rickertsen. The Board supports the use of TIF as an economic development incentive to assist existing businesses to relocate or new businesses to get started in this area.

It is the Board's understanding that there are no specific TIF financing plans at this time but that the area is zoned for commercial and industrial development. The Board supports the judicious use of TIF financing as an incentive for new industries that create well paying new jobs or for assistance to existing businesses to retain jobs or expand the tax base. The Board encourages the use of public tax dollars to be the minimum amount necessary to make a project feasible and which then also allows the TIF District to be in place for the shortest time possible.

The Scott County Board of Supervisors appreciates the continuing spirit of cooperation with the City of Walcott on economic development projects and we look forward to working with you in the future.

Sincerely,

Larry Minard, Chairman
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
C. Ray Wierson, Scott County Administrator

BOARD OF SUPERVISORS

600 West 4th Street
Davenport, Iowa 52801-1030

Ph: (563) 326-8749 Fax: (563) 328-3285
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JIM HANCOCK
Chairman
TOM SUNDERBRUCH
Vice Chairman
CHRIS GALLIN
LARRY MINARD
ROXANNA MORITZ

August 21, 2007

Mayor Kristal Koberg-Schaefer
Walcott City Council Members
Walcott City Hall
128 West Lincoln
PO Box 247
Walcott, IA 52773

RE: City of Walcott's proposed expansion to its North Urban Renewal Area

Dear Mayor Koberg-Schaefer:

Thank you for the opportunity to comment on the proposed expansion of Walcott's North Urban Renewal Area to include 55 acres located in Muscatine County where the City's sewage treatment facilities are located. The Scott County Board of Supervisors has reviewed the information provided to our TIF Review Committee by your City Clerk Lisa Rickertsen. The Board supports the use of TIF to help cities upgrade and improve its public infrastructure, particularly when those upgrades and expansions are required by new commercial and industrial development within those urban renewal areas.

The Board understands that the City of Walcott proposes to use \$100,000 of TIF income to help finance upgrades to the City's sewer treatment facilities. The Board supports the judicious use of TIF financing to upgrade and expand public infrastructure that is necessary to expand the economic tax base. The Board encourages the use of TIF income to be the minimum amount necessary to make a project feasible and which then also allows the TIF District to be in place for the shortest time possible.

The Scott County Board of Supervisors appreciates the continuing spirit of cooperation with the City of Walcott on economic development projects and we look forward to working with you in the future.

Sincerely,

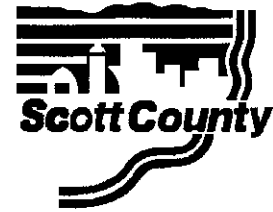
Jim Hancock, Chairman
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
C. Ray Wierson, Scott County Administrator

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JIM HANCOCK
Chairman
TOM SUNDERBRUCH
Vice Chairman
CHRIS GALLIN
LARRY MINARD
ROXANNA MORITZ

August 22, 2008

Mayor Kristal Koberg-Schaefer
Walcott City Council Members
Walcott City Hall
128 West Lincoln
PO Box 247
Walcott, IA 52773

RE: City of Walcott's proposed expansion and consolidation of Urban Renewal Areas.

Dear Mayor Koberg-Schaefer:

Thank you for the opportunity to comment on the proposed expansion of Walcott's Urban Renewal Area to include the 88 acres recently annexed by the City. The Scott County Board of Supervisors has reviewed the information provided to our TIF Review Committee by your City Clerk Lisa Rickertsen. The Board supports the use of TIF as an economic development tool to expand the County tax base and increase employment opportunities in the County.

It is the Board's understanding that the City of Walcott proposes to use up to \$400,000 of TIF income to rebate to Ossian Inc as an incentive for its proposed development inside Walcott. The Board supports the judicious use of TIF financing as an economic development incentive that is necessary to expand the economic tax base. The Board encourages the use of TIF income to be the minimum amount necessary to make a project feasible and which then also allows the TIF District to be in place for the shortest time possible.

The Scott County Board of Supervisors appreciates the continuing spirit of cooperation with the City of Walcott on economic development projects and we look forward to working with you in the future.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim Hancock".

Jim Hancock, Chairman
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
C. Ray Wierson, Scott County Administrator

November 9, 2010

Mayor Jim Couper
Walcott City Council Members
Walcott City Hall
128 West Lincoln
PO Box 247
Walcott, IA 52773

RE: City of Walcott's proposed expansion to its Urban Renewal Area to include the right of way of Blue Grass Road in the City of Walcott

Dear Mayor Couper:

Thank you for the opportunity to comment on the proposed expansion of Walcott's Urban Renewal Area to include the right of way for Blue Grass Road. The Scott County Board of Supervisors has reviewed the information provided to our TIF Review Committee by your City Clerk Lisa Rickertsen. The Board has concerns with the City proposing to use TIF payments to fund the City's portion of a joint city county road and bridge improvement project. This is because a portion of all TIF funds are generated from the County's portion of the total property tax levy which are diverted to use in the City's Urban Renewal Areas through TIF. The use of such funding for the city's share of this project in effect increases the County's share and reduces the City's portion.

It is the Board's understanding that the City of Walcott proposes to use up to \$100,000 of TIF income to help finance the City's share of this planned road and bridge improvement project. The Board would support a more equitable source of funding for the city's share of this project or for the City rebate to County an amount equal to the County's share of the TIF payments.

The Scott County Board of Supervisors would appreciate the City of Walcott's consideration of the Board's concerns on the use of TIF for this project.

Sincerely,

Chris Gallin, Chair
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Dee F. Bruemmer, Scott County Administrator

BOARD OF SUPERVISORS

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LARRY MINARD, Chair
JIM HANCOCK, Vice-Chair
WILLIAM P. CUSACK
CAROL T. EARNHARDT
TOM SUNDERBRUCH

April 24, 2014

Mayor John Kostichek
Walcott City Council Members
Walcott City Hall
128 West Lincoln, PO Box 247
Walcott, IA 52773

RE: City of Walcott's proposed expansion to its Urban Renewal Area in order to authorize the use of tax increment financing: a) to fund the Main Street enhancement project, b) in support of the development of a commercial storage facility and c) in support of the construction of a new City Hall/ Police Station facilities.

Dear Mayor Kostichek and City Council Members:

Thank you for the opportunity to comment on the City of Walcott's most recent proposed expansion of its Urban Renewal Area. The Scott County Board of Supervisors has reviewed the information provided to our TIF Review Committee by your City Clerk Lisa Rickertsen. The Board has concerns with the City proposing to use TIF payments to fund these various projects. The Board believes that the legislative intent for the use of tax increment financing would be limited to redeveloping and revitalizing blighted areas or in attracting new or expanded industrial development. The Board has concerns and objections related to the use of TIF for all three of these proposed projects, as we do not believe they meet this legislative intent.

The Board has concerns with the use of TIF for Main Street enhancements which may benefit existing businesses and encourage new businesses, such projects should be funded by the tax base and tax revenue generated for the City of Walcott and not by Scott County's portion of the tax levy.

The Board has objections with the use of tax increment generated funds in the manner proposed by the City of Walcott in its stated policy for TIF funding assistance as it is being applied to a commercial storage building at the Iowa 80 Truck Stop. The Board regards this proposal as inappropriate and not within the legislative intent of the law.

The Scott County Board of Supervisors most strongly objects to the use of TIF tax dollars generated within this urban renewal area for a capital improvement project, such as a new municipal building, which is exclusively for the benefit of the citizens of Walcott. The Board could never endorse a project that the City believes would not pass a referendum vote by the citizens of Walcott. Therefore the Board strongly objects to a funding mechanism to pay for a new Walcott City Hall and Police Station that would have a negative impact on the property tax revenue generated for the entire county.

The Scott County Board of Supervisors would recommend and appreciate if the City of Walcott 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 of the commercial storage building or used for a municipal capital projects. While the Board of Supervisors recognizes the City of Walcott 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.

The Scott County Board of Supervisors would appreciate the City of Walcott's consideration of the Board's concerns on the use of TIF for these projects.

Sincerely,

A handwritten signature in cursive script, appearing to read "Larry Minard".

Larry Minard, Chairman
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Dee F. Bruemmer, Scott County Administrator

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

May 5, 2015

Mayor John Kostichek
Walcott City Council Members
Walcott City Hall
128 West Lincoln, PO Box 247
Walcott, IA 52773

RE: City of Walcott's proposed amendment to its Urban Renewal Area Plan in order to authorize the use of tax increment financing as an economic development incentive for a retail service business.

Dear Mayor Kostichek:

Thank you for the opportunity to comment on the City of Walcott's most recent proposed amendment to its Urban Renewal Area Plan. The Scott County Board of Supervisors has reviewed the information provided to our TIF Review Committee by your City Clerk Lisa Rickertsen. The Board supports the use of Tax Increment Financing when it is used to remove blight and revitalize your Main Street. It is the Board understands that a deteriorated building was demolished on the property and that the economic development payments are offered to offset some of the extraordinary cost associated with redeveloping this property.

The Board of Supervisors encourages the use of tax increment financing to be limited to redeveloping and revitalizing blighted areas with a history of declining property values or to attracting new or expanded commercial and industrial development. The Board supports the use of tax increment financing as an incentive for the retention and creation of primary jobs. The Board recommends that all tax increment financing projects be for the minimum dollar amount to make the commercial or industrial project feasible and be of the shortest possible duration.

The Scott County Board of Supervisors appreciates the continuing spirit of cooperation with the City of Walcott on economic development projects and we look forward to working with you in the future.

Sincerely,

Tom Sunderbruch, Chairman
Scott County Board of Supervisors

cc: City Clerk of Walcott
Dee F. Bruemmer, Scott County Administrator