

**PLANNING & DEVELOPMENT**

500 West Fourth Street  
Davenport, Iowa 52801-1106  
E-mail: [planning@scottcountyiowa.com](mailto:planning@scottcountyiowa.com)  
Office: (563) 326-8643 Fax: (563) 326-8257



---

Timothy Huey  
Director

To: Scott County Board of Supervisors

From: TIF Review Committee

Date: July 3, 2018

**Re: Proposed amendment to the Walcott Urban Renewal Area to provide TIF incentives for the Atlantic Bottling Company Development Project.**

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

The TIF Review Committee has reviewed the information submitted by the City of Walcott. The information received from the City is attached. This includes the application to the State of Iowa Economic Development Authority for State High Quality Jobs Program Tax Credits. The City's TIF would provide the required local match for that program. It would rebate up to \$460,000 to Atlantic Bottling Company as an economic development incentive for the development of a new soft drink bottling plant. The project would be new to Walcott but a relocation of the facility currently located in the City of Rock Island. The City of Rock Island did not have a suitable location for a new facility. The project will retain and relocate the 143 jobs currently at their Rock Island facility.

The project is proposed to be located on a parcel 8.575 acres in size located along the west side of Plainview Road directly south of Walcott CB. The City calculates the estimated project cost at \$8,000,000. The local match contribution, required by Iowa Economic Development Authority, will be the TIF rebate payments made to Atlantic Bottling Company over a five-year period, based on the following annual percentages of incremental taxable valuation of the property from the project: Year 1 = 75%, Year 2 = 60%, Year 3 = 45%, Year 4 = 30%, and Year 5 = 15%. The City anticipates the annual TIF rebates to range from \$151,200 (year 1) to \$31,900 (year 5). The first rebate payment is anticipated to be in FYE 2022 and the City would request the annual appropriated payment, based on the percentages, each year for the five-year period.

The Board's adopted principles for reviewing TIF incentives 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.

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

**Applicant:** Atlantic Bottling Company  
**Project Sponsor:** Walcott  
**Award Date:** May 18, 2018  
**Version:** 7/3/2018, 2:03 PM

18-HQJP-45

## Executive Summary

Atlantic Bottling Company is a family owned and operated business that bottles and distributes Coca-Cola Products throughout parts of the Midwest.

This project relocates Atlantic Bottling Company's Rock Island, Illinois operations to a newly constructed building in Walcott, Iowa. The 100,000 square foot building will be built by a third-party developer with an estimated cost of \$8 million.

## Award Summary

Direct Financial Assistance		
	Forgivable Loan	\$ -
	5-year 0% Loan	\$ -
	<b>Total</b>	<b>\$ -</b>
Secured by: N/A		
Tax Credits		
	Investment Tax Credit	\$ -
	Sales, Service, Use Tax Refund	\$ 240,900
	Research Activities Credit	\$ -
	Targeted Jobs Withholding Credit	\$ -
	Other (Describe)	\$ -
	<b>Total</b>	<b>\$ 240,900</b>

## Project Jobs

	Incented	Other	Total Jobs
Created	106	37	143
Retained	0	0	0
<b>Total</b>	<b>106</b>	<b>37</b>	<b>143</b>

## Contract Conditions

- Application sponsorship and local match by the Scott County Board of Supervisors

**Applicant:** Atlantic Bottling Company  
**Project Sponsor:** Walcott  
**Award Date:** May 18, 2018  
**Version:** 7/3/2018, 2:03 PM

18-HQJP-45

## Project Budget

<i>Use of Funds</i>	<i>Cost</i>	<i>Source of Funds</i>	<i>Amount</i>	<i>Form</i>
Capital Lease costs	\$ 1,680,000	Business	\$ 1,915,000	Internal financing
Building Remodeling	\$ 30,000		\$ -	
Racking, Shelving, etc.	\$ 140,000		\$ -	
Computer Hardware	\$ 50,000		\$ -	
Furniture & Fixtures	\$ 15,000		\$ -	
<b>TOTAL</b>	<b>\$ 1,915,000</b>	<b>TOTAL</b>	<b>\$ 1,915,000</b>	

## Indirect Project Contributions

<i>Source of Funds/Contribution</i>	<i>Amount</i>	<i>Form / Term</i>
TIF Rebate	\$ -	
Tax Abatement	\$ -	
In-kind contribution (Describe)	\$ -	
RISE / RED funds - IDOT	\$ -	
Other (Describe)	\$ -	
<b>TOTAL</b>	<b>\$ -</b>	

\*- Local match for the project

### Notes on Other Project Contributions

Local match is TBD

## Project Jobs

### Job & Wage Information

Business' Base Employment: 0 (new location)  
Verification Source: n/a

<b>Proposed:</b>	<b><u>Incented Jobs</u></b>	<b><u>Other Jobs</u></b>	<b><u>Total Project Jobs</u></b>
Created	106	37	<b>143</b>
Retained	0	n/a	<b>0</b>
Total Project Jobs	106	37	<b>143</b>

<i>Laborshed Area</i>	<i>Distressed County?</i>	<i>Brownfield /Grayfield</i>	<i>Laborshed Wage 100%</i>
Walcott	Yes (Scott Co.)	No	\$18.30 /hr

**Applicant:** Atlantic Bottling Company  
**Project Sponsor:** Walcott  
**Award Date:** May 18, 2018  
**Version:** 7/3/2018, 2:03 PM

18-HQJP-45

## Prior Awards

None.

## Competition

Major beverage companies, including Pepsi Co and Dr. Pepper Snapple Group would be considered competitors. The project is not expected to impact competition as the company will be servicing an existing territory with the new facility.

## Additional Project Information and Timeline

Activity	Activity Completion Date
Execute lease	May 30, 2018
Construction	4/1/2019

## High Quality Jobs Program Tax Credits

**Capital Investment** \$235,000  
**Qualifying Investment** \$1,775,000  
**Investment Qualifying for Tax Credits** \$1,760,000

Tax Benefits	Included in Award	Maximum Value
Refund of sales, service or use taxes paid during construction – provided as corporate tax credit for certain sales taxes paid by third-party developer – based on construction budget of \$8 million	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$240,900
Refund of sales taxes paid on racks, shelving, and conveyor equipment ( <i>warehouse/DC projects only</i> )	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$0
Investment tax credit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$0
Supplemental research activities tax credit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$0
<b>MAXIMUM AWARD – STATE’S PORTION</b>		<b>\$240,900</b>
<u>Local</u> Property Tax Exemption through the High Quality Jobs Program	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$0

**Applicant:** Atlantic Bottling Company  
**Project Sponsor:** Walcott  
**Award Date:** May 18, 2018  
**Version:** 7/3/2018, 2:03 PM

18-HQJP-45

TOTAL VALUE of State and Local benefits through program	\$240,900
---	-----------

## Employee Benefits

---

Company provides sufficient benefits:

- ☒ Pays at least 80% of single coverage medical premiums & meets deductible level of \$1,250 (or part of the deductible is offset by additional premium cost) based on number of Iowa employees at time of application
- ☒ Pays at least 50% of family coverage medical premiums & meets deductible level of \$2,500 (or part of the deductible is offset by additional premium cost) based on number of Iowa employees at time of application
- ☐ Provides some level of medical insurance and provides a monetary equivalent through the following benefits:

## Contract Information

---

Project Award Date: May 18, 2018  
Project Performance Completion Date: May 31, 2021  
Project Maintenance Completion Date: May 31, 2023



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

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

DATE: June 21, 2018

TO: Board of Supervisors, Scott County  
Superintendent, Durant 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 June 29, 2018, at two o'clock 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 six o'clock p.m. on July 16, 2018, and a copy of the notice of hearing is enclosed for your information.

Please call our City Clerk, Lisa Rickertsen, at 563.284.6571 ext. 17 if you have questions.

Enclosure

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

July, 2018

The Urban Renewal Plan (the "Plan") for the Consolidated Walcott Urban Renewal Area (the "Urban Renewal Area") in the City of Walcott, Iowa (the "City") is being amended for the purpose of identifying a new urban renewal project to be undertaken within the Urban Renewal Area.

**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:** Atlantic Bottling Company Development Project

**Name of Urban Renewal Area:** Consolidated Walcott Urban Renewal Area

**Date of Council Approval of the Project:** July 16, 2018

**Description of Project and Project Site:** Atlantic Bottling Company (the "Company") has proposed to undertake the construction of new bottling warehouse and distribution facilities (the "Project") on certain real property (the "Development Property") in the Urban Renewal Area. It is anticipated that the completion of the Project will result in the creation of a substantial number of new jobs 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 and implement 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 an amount not to exceed \$8,000.

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

**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 Use of TIF:** The City intends to provide annual appropriation economic development payments (the "Payments") to the Company under a negotiated Development Agreement. The Payments will be funded with incremental property tax revenues to be derived from the Development Property. It is anticipated that the City's total commitment of incremental property tax revenues with respect to the Project will not exceed \$460,000, plus the Admin Fees.

**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>\$ 15,000</u>
Proposed debt to be incurred in connection with this July, 2018 Amendment*:	<u>\$468,000</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 July 16, 2018, 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 consisting of providing tax increment financing support to Atlantic Bottling Company in connection with the construction and operation of new bottling warehouse and distribution facilities on certain real property 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

**BOARD OF SUPERVISORS**

600 West Fourth Street  
Davenport, Iowa 52801-1030

Office: (563) 326-8749

E-Mail: [board@scottcountyia.com](mailto:board@scottcountyia.com)



DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT

TONY KNOBBE, Chairman  
KEN BECK, Vice-Chair  
CAROL EARNHARDT  
DIANE HOLST  
BRINSON L. KINZER

July 12, 2018

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 the proposed Atlantic Bottling Company project.

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 as an economic development incentive for businesses adding or retaining primary jobs and that strengthen the local and regional economy. The Board supports the use of TIF to be used as the local match for State High Quality Jobs Tax Credits. It would appear that the use of TIF in this case helps retain the 143 jobs of the Atlantic Bottling Company here in the Quad Cities.

The Board of Supervisors recommends that all tax increment financing projects be for the minimum dollar amount to make the commercial or industrial project feasible and also be of the shortest possible duration. It would appear that this is the case with this proposal.

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

Sincerely,

Tony Knobbe, Chair  
Scott County Board of Supervisors

cc: Scott County Board of Supervisors  
Mahesh Sharma, Scott County Administrator  
Lisa Rickertsen, Walcott City Clerk