

PLANNING & DEVELOPMENT

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Timothy Huey
Director

To: Scott County Board of Supervisors

From: Timothy Huey, TIF Review Committee

Date: March 4, 20021

Re: City of Riverdale proposed Urban Renewal Area Plan for Fenno Drive.

The City of Riverdale notified Scott County of the Opportunity to Consult meeting last Thursday. That meeting was scheduled for last Tuesday afternoon. Supervisor Knobbe attended.

The TIF Review Committee has prepared the attached letter for the Board's consideration. We have also included letters we sent in 2014 and 2018 following previous TIF proposals by the City. We have also included the adopted Scott County TIF principles under which we review all proposed TIFs.

The plans proposes the creation of an Urban Renewal Area bounded by Belmont Road and Valley Drive with all of Fenno Drive and the portion of Fenno Road west of Valley Drive. It is an established residential neighborhood. The proposed TIF Funded projects would be the reconstruction of Fenno Drive (391,000), the reconstruction of Fenno Road (\$215,000), acquisition and redevelopment of a residential lot 1147 Fenno Road (\$265,000), development of a 12-plex by Windmilller (\$436,000) and "future" development that is unspecified (\$425,000).

All total \$1,7 million of TIF income, a portion of which is generated from the County's levy. This is basically a residential TIF, historically and consistently Scott County has opposed residential TIFs.

BOARD OF SUPERVISORS

600 West Fourth Street
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March 4, 2021

DRAFT DRAFT DRAFT DRAFT DRAFT

Mayor Michael Bawden
Riverdale City Council Members
Riverdale City Hall
110 Manor Drive
Riverdale, IA 52722

RE: City of Riverdale's proposed Fenno Drive Urban Renewal Area Plan

Dear Mayor Bawden and Council Members:

Thank you for the opportunity to comment on the proposed Fenno Drive Urban Renewal Area Plan by the City of Riverdale. It is the Board of Supervisor's understanding from the information provided, that the City proposes to use up to \$1.7M of Tax Increment Financed revenue for various residential infrastructure reconstruction projects, a residential property acquisition, a private multi-family development and other unspecified projects, in addition to using TIF funds to reimburse the City's administrative costs associated with this plan.

The Board supports the use of Tax Increment Financing when it is used as an economic development incentive for new or expanded industrial development that is retaining and adding primary jobs that strengthen the local and regional economy. The Board does not support the use of TIF for funding municipal infrastructure improvements such as city street reconstruction. Rather such costs should only come from city revenue sources and not the County levy generated portion of a TIF fund. The Board also opposes the use of TIF as an incentive for residential development to pay for residential infrastructure or to reimburse the City's administrative and legal fees associated with TIF plans. The objections and concerns the Board stated in its letters to the City of Riverdale dated March 6, 2018 and November 4, 2014 on other TIF proposals remain as stated in those letters.

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

Respectfully,

Ken Beck, Chair
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Mahesh Sharma, Scott County Administrator
Kent Royster, Riverdale City Administrator

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November 4, 2014

Mayor Sonya Paddock
Riverdale City Council Members
Riverdale City Hall
110 Manor Drive
Riverdale, IA 52722

RE: **City of Riverdale's proposed creation of a State Street Urban Renewal Area**

Dear Mayor Paddock and Council Members:

Thank you for the opportunity to comment on the proposed creation of a State Street Urban Renewal Area within the City of Riverdale. It is the Board of Supervisor's understanding, from the map and other information provided, that the City intends to include the entire ALCOA plant property, in addition to some other areas south and north of State Street/US Hwy 67 adjacent to the ALCOA property in this proposed URA. The Board has a number of concerns and questions about this proposal.

First, the Board would note that when ALOCA was proposing the recent expansion of their operation, ALCOA qualified for some State of Iowa funding incentives that required a local match. When the City of Riverdale was not able to finance that match, the local match was met by the Scott County Board of Supervisors through a combination of Bi-State Revolving Loan funds and a County loan from the County General Fund. The ALOCA expansion was then able to be completed.

Second, the Board notes that as the 5th largest property taxpayer in Scott County, ALCOA's impact on County tax revenue's is significant. The Board of Supervisors would oppose any project funded by taxes generated from the County's levy through the use of tax increment financing which would strictly benefit the City of Riverdale. The creation of this URA allows for the future creation of TIF districts and the diversion of County revenues. This diversion disproportionately burdens all other County tax payers in order to maintain County services in light of such lost revenue.

Finally the Board has concerns that this proposed Urban Renewal Plan could negatively impact the City's finances and future ability to meet its budgetary commitments. The TIF revenue that is generated within this Urban Renewal Area is also attributable to the City's levy and will not be available to the City for its General Fund and if used for projects within the State Street URA Plan would increase the financial burden on existing homes and businesses within the City.

In response to our Opportunity to Consult the Board would have the following questions:

1. Would the City of Riverdale be willing to limit the amount of TIF revenue taken for projects to 50% of that generated? This would allow the County (and the School District) to receive some of the revenues generated from the taxable improvements in this proposed area.
2. When does the City propose to create a tax increment financing district within this Urban Renewal Area and how much debt will be asked to be certified with that initial project?
3. How long is the City proposing to keep this Urban Renewal Area in place?
4. Has the City considered how the limited extent of its bonding capacity limits the size and scope of the projects that can be done with tax increment financing?
5. Has the City considered if it will have the capacity to bond for an industrial economic development project that may come in the future if this plan is implemented?
6. Has ALCOA expressed any concerns or objections to this proposal and has ALCOA requested any of the proposed projects? And finally;
7. Has the City considered the possibility that through a re-assessment of property values the base of this Urban Renewal Area could result in a negative increment with no revenue being generated?

While the Board of Supervisors recognizes the City of Riverdale 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.

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
Pleasant Valley Community School District Board
Dr. James Spelhaug, Superintendent PVCSD
Quad City Times
North Scott Press

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TONY KNOBBE, Chairman
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BRINSON L. KINZER

March 8, 2018

Mayor Michael Bawden
Riverdale City Council Members
Riverdale City Hall
110 Manor Drive
Riverdale, IA 52722

RE: City of Riverdale's proposed amendment of the State Street Urban Renewal Area Plan

Dear Mayor Bawden and Council Members:

Thank you for the opportunity to comment on the proposed amendment of the State Street Urban Renewal Area Plan by the City of Riverdale. It is the Board of Supervisor's understanding from the information provided, that the City proposes to offer Arconic up to \$3.5M of Tax Increment Financed rebate as an economic development incentive for the proposed expansion and upgrade to Arconic's manufacturing facilities. The Plan amendment also includes a proposal to use \$350K in TIF revenue to provide the required local match for a State RISE grant for the reconstruction of South Bellingham Road adjacent to the Arconic plant and also to cover the administrative costs associated with this plan amendment.

The Board supports the use of Tax Increment Financing when it is used as an economic development incentive for a valued significant business, such as Arconic, that is retaining and adding primary jobs and other improvements that strengthen the local and regional economy. The Board does not support the use of TIF for funding municipal infrastructure improvements, such as the local match for the State RISE grant. Rather such a match should only come from city revenue sources and not the County levy generated portion of a TIF fund. The Board also opposes the use of TIF to reimburse City's for administrative and legal fees associated with TIF plans. The objections and concerns the Board stated in its letter to the City of Riverdale dated November 4, 2014 remain as stated in that letter.

The Board of Supervisors recommends that all tax increment financing projects be for the minimum dollar amount to make the industrial project feasible and also be of the shortest possible duration.

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

Sincerely,

Tony Knobbe, Chairman
Scott County Board of Supervisors

cc: Scott County Board of Supervisors
Mahesh Sharma, Scott County Administrator
Tim Long, Riverdale City Administrator

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES THAT
THIS RESOLUTION HAS BEEN FORMALLY APPROVED BY
THE BOARD OF SUPERVISORS ON September 21, 2017

Roxanna Meritz
SCOTT COUNTY AUDITOR

RESOLUTION
SCOTT COUNTY BOARD OF SUPERVISORS

September 21, 2017

**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 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.