



**Planning & Development
Scott County, Iowa**

Chris Mathias, Director

Email: planning@scottcountyiowa.gov
Office: (563) 326-8643
Fax: (563) 326-8257

Administrative Center
600 West Fourth Street
Davenport, Iowa 52801-1106

To: Board of Supervisors

CC: Mahesh Sharma, County Administrator

From: Chris Mathias, Planning Director

Date: October 18, 2022

Re: City of Davenport's proposed amendment to the City's North Urban Renewal Area Plan

The City of Davenport has notified Scott County of a proposed amendment to the North Urban Renewal Area Plan for two projects, amendments to an internal TIF and a new project for Fair Oak Foods, a new business to Scott County.

The internal TIF amendment proposes to reimburse the General Fund for Economic Development staff costs and other economic development related activities such as economic research tools and training in the amount of \$275,000. The Board of Supervisors already has a policy in place which states that the Board opposes the use of TIF to reimburse the City for staffing costs.

The second project is for Fair Oak Foods. This is a business attraction project for the City of Davenport. Fair Oak Foods will bring 247 new full time positions paying on average \$23.95/hr plus benefits. The new building will be approximately 134,000 square feet with an estimated assessed valuation of \$23 million. The agreement includes total TIF incentives of \$6.4 million. This amount includes a \$1.1 million forgivable loan for the business to make improvements to handle their waste water on site, an estimated \$51,000 in cost share for road improvements (turn lane) and reimbursement of 60% of the total property tax bill, less the City's debt service or bond repayment for the above costs (onsite wastewater and road costs).

Because I was just provided notice last week and the TIF hearing is on November 2nd, time is of the essence. The Board has already passed a TIF policy that provides guidance on this matter. I have drafted a letter that includes the Board's TIF policy guidance for the Board's consideration and I will be available to answer questions and take direction from you on that letter at the October 25th Committee of the Whole.

October 27, 2022

Mayor Mike Matson
Davenport City Council Members
Davenport City Hall
226 West Fourth Street
Davenport, Iowa 52801

RE: City of Davenport's proposed amendment to the City's North Urban Renewal Area Plan.

Dear Mayor Matson and Council Members:

Thank you for the opportunity to comment on the proposed amendment of the North Urban Renewal Area Plan. The amendment includes two projects, one internal TIF amendment to allow the use of TIF funds to reimburse \$275,000 to the City's General Fund and another titled Fair Oaks Foods, which is providing \$6.4 million in incentives to Fair Oak Foods as a business attraction project. As for the internal TIF amendment, the Board has consistently opposed the use of TIF to reimburse the City for staffing costs.

For the Fair Oaks Foods project, The Board supports the use of tax increment financing for economic development projects which both increase the tax base and create new jobs. According to Susanne Knutsen's letter, the Fair Oaks Foods project will create 247 new full time positions paying on average \$23.95/hr plus benefits. However, The Board does not support the use of TIF for the public infrastructure costs associated with the Fair Oaks Foods project. The Board does not support the use of TIF for infrastructure costs when there are other more equitable sources of municipal financing available for such projects.

The Scott County Board of Supervisors appreciates the opportunity to comment on this plan amendment. While the Board is supportive of the increase to the tax base and creation of new jobs, the Board also believes the use of TIF by the City of Davenport to reimburse its General Fund for these economic development staff and public infrastructure costs is inappropriate. We would like to continue a spirit of cooperation with the City of Davenport on economic development projects that create jobs and we look forward to working with you in the future.

Sincerely,

Ken Beck, Chairman
Scott County Board of Supervisors

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