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

April 12, 2023

To: Board of Supervisors
CC: Mahesh Sharma, County Administrator
From: Chris Mathias, Planning & Development Director

Re: City of Walcott's proposed amendment to the City's Consolidated Urban Renewal Area Plan to authorize the use of tax increment financing to incentivize development.

The City of Walcott has notified Scott County of a proposed amendment to the Consolidated Urban Renewal Area Plan to allow the City of Walcott to reimburse a maximum of \$750,000 to Sterling Partners I, LLC to construct a new 250,000 SF warehouse building at Lot 1 of Iowa 80 9th Addition in the City of Walcott.

Sterling Partners will be moving 20 existing employees to the new building, but also leasing out 150,000 SF to a new business which could create as much as 20-50 new primary jobs. The reimbursement is limited to a maximum of \$750,000 and is only paid over four years which does cap the incentive amount and time frame.

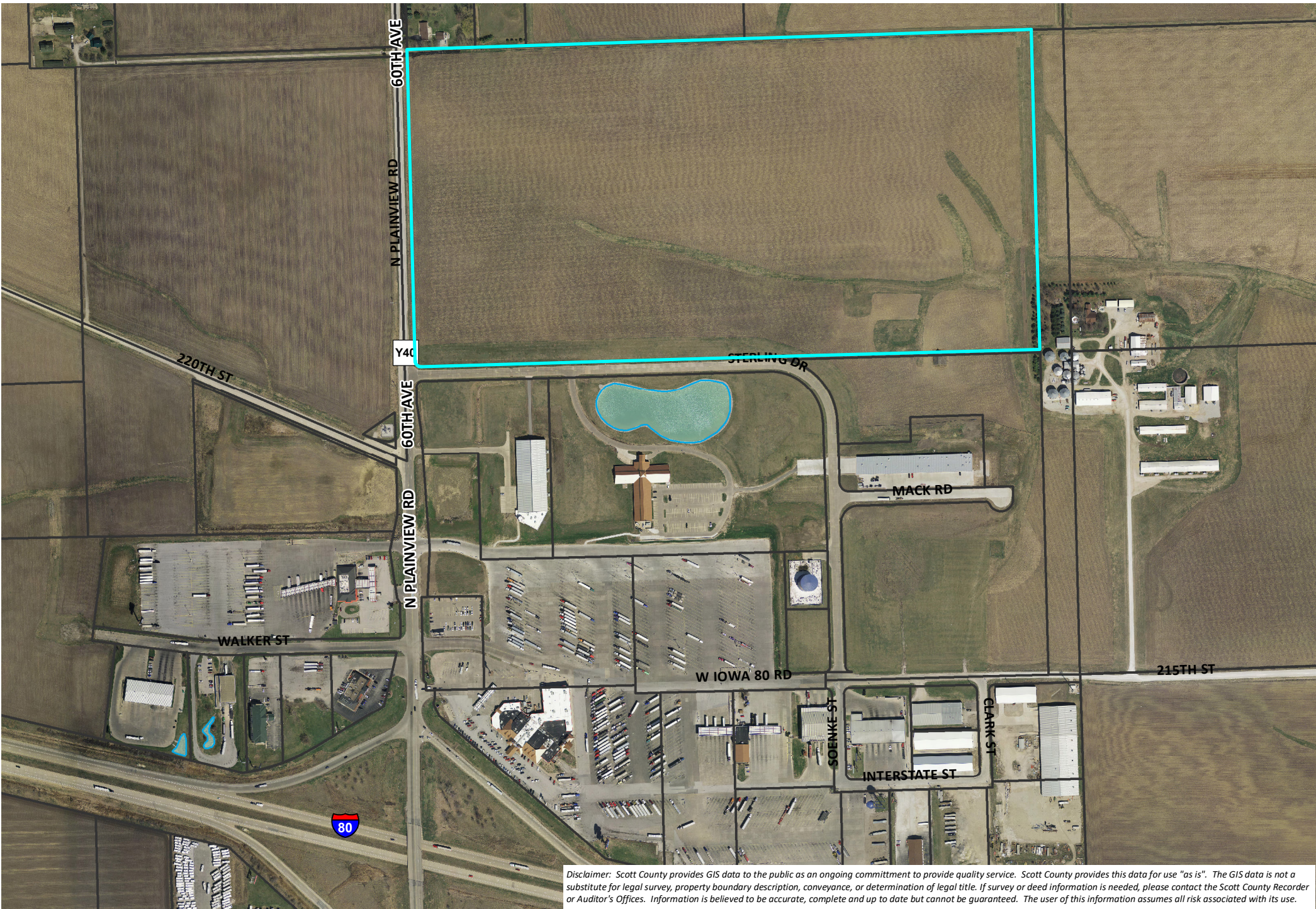
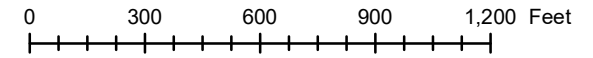
The Board has already passed a TIF policy that provides guidance on this matter. The policy states that "Scott County supports the use of tax increment financing when it is used as an economic development incentive for businesses adding primary jobs that strengthen the local and regional economy." While the creation of jobs is not guaranteed with this proposal, it is creating a warehouse space for a new business that could create 20-50 primary jobs. In that policy the Board also affirms that the reimbursement should be the minimum amount necessary and capped for a certain amount and period of time. I have drafted a letter that supports this use of TIF funds and I will be available to answer questions and take direction from you on that letter at the April 25th COW.



City of Walcott - Urban Renewal Plan Amendment

Adding Lot 1 of Iowa 80 9th Addition

1 inch = 500 feet



Disclaimer: Scott County provides GIS data to the public as an ongoing commitment to provide quality service. Scott County provides this data for use "as is". The GIS data is not a substitute for legal survey, property boundary description, conveyance, or determination of legal title. If survey or deed information is needed, please contact the Scott County Recorder or Auditor's Offices. Information is believed to be accurate, complete and up to date but cannot be guaranteed. The user of this information assumes all risk associated with its use.

City of



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

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

DATE: April 6, 2023

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

FROM: City Council
City of Walcott, Iowa

RE: Consolidated Walcott Urban Renewal Area Amendment

The City of Walcott is in the process of expanding its Consolidated Walcott Urban Renewal Area, and amending the urban renewal plan for the 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 April 17, 2023, at 4:00 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 Council will also hold a public hearing on this urban renewal plan amendment at six o'clock p.m. on May 1, 2023, 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

NOTICE OF PUBLIC HEARING ON DESIGNATION OF EXPANDED
CONSOLIDATED WALCOTT URBAN RENEWAL AREA AND ON
PROPOSED URBAN RENEWAL PLAN AMENDMENT

Notice Is Hereby Given: That at 6:00 p.m., at the Walcott City Hall, Walcott, Iowa, on May 1, 2023, the City Council of the City of Walcott, Iowa (the “City”) will hold a public hearing on the question of amending the urban renewal plan (the “Plan”) for the Consolidated Walcott Urban Renewal Area and designating an expanded Consolidated Walcott Urban Renewal Area (the “Urban Renewal Area”), pursuant to Chapter 403, Code of Iowa, by adding and including certain real property (the “Property”) described as follows:

Lot 1 of Iowa 80 9th Addition, City of Walcott, Scott County, State of Iowa.

The proposed amendment to the Plan brings the property described above under the Plan and makes it subject to the provisions of the Plan. The amendment also authorizes the undertaking of a new urban renewal project in the Urban Renewal Area consisting of providing tax increment financing support to Sterling Partners I, LLC in connection with the construction of a warehouse and distribution center.

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.

City Clerk
Lisa Rickertsen

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

May, 2023

The Urban Renewal Plan (the “Plan”) for the Consolidated Walcott Urban Renewal Area (the “Urban Renewal Area”) of the City of Walcott, Iowa (the “City”) is being amended for the purposes of (1) adding certain property to the Urban Renewal Area; and (2) identifying a new urban renewal project to be undertaken therein.

1) Addition of Property. The real property (the "Property") legally described on Exhibit A hereto is, by virtue of this Amendment, being added as the May, 2023 Addition to the Urban Renewal Area. With the adoption of this Amendment, the City will designate the Property as an economic development area. The Property will become subject to the provisions of the Plan for the Urban Renewal Area. It is anticipated that the City will adopt an ordinance providing for the division of property tax revenues, as set forth in Section 403.19 of the Code of Iowa, with respect to the Property.

2) Identification of Projects. 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: Sterling Partners I, LLC Development Project

Date of Council Approval of Project: May 1, 2023

Description of the Project: Sterling Partners I, LLC (the “Developer”) has proposed to undertake the construction of a warehouse and distribution center (the “Project”) on the Property (as described in Section 1 of this Amendment) in the Urban Renewal Area.

It has been requested that the City provide tax increment financing assistance to the Developer in support of the efforts to complete the Project.

The costs incurred by the City in providing tax increment financing assistance to the Developer will include legal and administrative fees (the “Admin Fees”) in an amount not to exceed \$8,000.

Description of Use of TIF: The City intends to enter into a development agreement (the “Agreement”) with the Developer with respect to the construction of the Project and to provide annual appropriation economic development payments (the “Payments”) to the Developer 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 \$750,000, plus the Admin Fees.

3) 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>\$8,521,953</u>
Outstanding general obligation debt of the City:	<u>\$1,700,000</u>
Proposed debt to be incurred in connection with May, 2023 Amendment*:	<u>\$ 758,000</u>

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

EXHIBIT A
LEGAL DESCRIPTION
Consolidated Walcott Urban Renewal Area
May, 2023 Addition

Lot 1 of Iowa 80 9th Addition, City of Walcott, Scott County, State of Iowa.

Lisa Rickertsen

From: Dave Meier <dave.meier@iowa80group.com>
Sent: Friday, December 23, 2022 10:52 AM
To: Lisa Rickertsen
Subject: TIF Request for New Warehouse
Attachments: [Untitled].pdf

Lisa,

Attached is a completed version of the TIF application for our new warehouse. As I do not know who may occupy the remainder of the building at this time, I am just taking a guess at the possible number of new jobs that could be created.

Please advise receipt and if a meeting will be held on this so I or another person from our company can attend.

Thank you.

Dave

-----Original Message-----

From: IOWA 80 Group Copier <HQCopier@iowa80group.com>
Sent: Friday, December 23, 2022 10:43 AM
To: Dave Meier <dave.meier@iowa80group.com>
Subject: Scanned Document Attached

CONFIDENTIALITY NOTE: The information transmitted, including attachments, is intended only for the person(s) or entity to which it is addressed and may contain confidential and/ or privileged material. Any review, copying, transmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and destroy any copies of this information.

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%.

Property Owner/Applicant: Sterling Partners, I. LLC
Mailing Address: 515 Sterling Drive, Walcott, IA 52773
Phone #: 563 468 5228 Email: dave.meier@iowa80group.com
Form of entity: Corporation General Partnership Limited Partnership Sole Proprietorship
State of Organization: Iowa Taxpayer ID#: 42-1493948
Name and Titles of Principal officers, partners or owners: William I. Moon,
Delia Moon Meier
Type of Business for which TIF funds are requested: Warehouse-distribution center
Business Occupying facility (if not owner): Iowa 80.com - others to be determined
Form of entity: Corporation General Partnership Limited Partnership Sole Proprietorship
State of Organization: Iowa Taxpayer ID# 42-1493945 - Sterling Partners
Mailing Address: 515 Sterling Drive, Walcott, IA 52773

Phone #: 563 468 5228 Email: dave.meier@iowa80group.com

Name and Titles of Principal officers, partners or owners: William J. Moon,
President, Delia Moon Meier, Vice President

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

Physical location of project, including Parcel #: North side of Sterling Drive,
North of Iowa 80 Group HQ office Parcel 923001002

Current assessed value of property \$ To be determined

Estimated assessed value upon completion \$ TBD at least 5,000,000.

Estimated job creation TBD - see below

Is business relocating? No If yes, please state from what location: in Walcott now.

Detailed description of project: 251,000 square foot warehouse
with concrete parking area. Move 20 employees
from existing building on Clark Street to this building.
151,000 square feet of rental space will allow
either warehouse or manufacturing to operate in
building. Could be 20-50 new jobs in
this space depending upon use.

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.

Project will allow for growth of Iowa 80's retail
and mail order business. Project will allow for
151,000 square feet of rental space for a new
business or businesses to move to Walcott.

David Meier
Applicant's Signature

Director of Real Estate
Applicant's Title

David Meier
Applicant's Printed Name

7-25-22
Date

DRAFT

April 25, 2023

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 to incentivize development

Dear Mayor Kostichek:

Thank you for the opportunity to comment on the City of Walcott's most recently 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. According to those documents, the City of Walcott will reimburse a maximum of \$750,000 back to Sterling Partners I, LLC to construct a new 250,000 SF warehouse building at Lot 1 of Iowa 80th Addition in the City of Walcott.

The Board supports the use of tax increment financing when it is used as an economic development incentive for businesses adding primary jobs that strengthen the local and regional economy. However, the creation of jobs is not guaranteed with this project. We understand that the intent is to move 20 existing jobs to this location, but that there will be 150,000 SF of new building available to lease which could lead to 20-50 more primary jobs in Scott County. The Board supports the fact that you have limited these reimbursement payments to four years which appears to be the minimum dollar amount to make the project feasible and the shortest possible duration.

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,

Ken Beck, Chair
Scott County Board of Supervisors

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