



COUNCIL LETTER

MEETING DATE: May 15, 2018

REQUESTED BY: Jeff Reiter

ITEM TITLE: RESOLUTION SETTING A DATE FOR A PUBLIC HEARING TO CONSIDER A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF BETTENDORF AND CDCQC, LLC.

Explanation

One of the City of Bettendorf’s top priorities in its efforts to encourage economic development and revitalize the I-74 Corridor, is to see the former Lodge Hotel site fully redeveloped in a manner that supports the removal of blight, and generates positive economic gains for the the City as a whole.

For more than three years, the former Lodge Hotel site has remained underutilized and undeveloped. And prior to that, the former hotel was blighted and in terrible disarray. A Development Agreement is being brought to you by CDCQC, LLC., looking to fully develop the site, with a brand new hotel as the anchor property to the development. This Development Agreement will support the growth and development of the site, which has continued to depreciate over the years. This new development will support great new commercial and economic growth, generating new tax base and amenities.

This agreement that is brought to you includes a 10 year, 100% TIF, which is necessary to support the blight removal and the development of the new projects to come. This sort of economic growth will assist in the overall revitalization of this corridor, and help add to the excitement and energy to the I-74 corridor.

City Staff will consult the taxing entities on May 18th and offer additional meetings to said entities as required, if necessary. The date for said Public Hearing is being set for June 5th.

If the matter is not budgeted in the current year, explain why funding is requested and the anticipation:

Funds will be generated and issued in the form of a TIF rebate. Additional funding will come from the Downtown Property Acquisition Fund that is already in hand.

List Attachments:

- Development Agreement Draft
- TIF Ordinance Draft
- Resolution

RESOLUTION SETTING A DATE FOR A PUBLIC HEARING
TO CONSIDER A DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF BETTENDORF AND CDCQC, LLC.

WHEREAS, the City of Bettendorf has identified a "Lodge" site development as a Top Priority, and

WHEREAS, the economic revitalization and removal of blight at this site continues to be at the forefront of City planning and development, and

WHEREAS, CDCQC, LLC. has approached the City of Bettendorf with a plan to completely redevelop the corridor with a new hotel product, and additional mixed uses to support new economic growth, and

WHEREAS, CDCQC, LLC. and the City of Bettendorf are negotiating a Development Agreement which includes financial participation on the part of the City of Bettendorf in the form of tax increment financing, and

WHEREAS, the City Council has determined a public purpose will be accomplished by the removal of blight and an increase in economic growth that generate public gains and benefits as mandated by Section 15A of the Code of Iowa.

NOW, THEREFORE IT BE RESOLVED BY THE CITY OF BETTENDORF that June 5, 2018 at 7pm in the Bettendorf City Hall Council Chambers at 1609 State Street is hereby established as the date, time and location for a public hearing for a proposed Development Agreement including a Tax Increment Financing District between the City of Bettendorf and CDCQC, LLC.

Passed, Approved and Adopted this 15th day of May, 2018.

Robert S. Gallagher, Mayor

Attest:

Decker P. Ploehn, City Clerk

DEVELOPMENT AGREEMENT

This Development Agreement (the “Agreement”) is entered into between the City of Bettendorf, Iowa, an Iowa Municipal Corporation (the “City”), and CDCQC, LLC, an Iowa Limited Liability Company (the “Developer”), as of the ____ day of _____, 2018.

RECITALS

WHEREAS, Developer owns certain property, more specifically described on Exhibit A attached hereto (the “Property”), which is located within the Urban Renewal Area #3, and upon which the Developer intends to construct commercial facilities (individually, a “Project”, collectively, the “Projects”) on the Property; and

WHEREAS, Developer has an option to purchase certain property, more specifically described on Exhibit B attached hereto (the “Additional Property”), which is located within the Urban Renewal Area #3, and upon which the Developer intends to construct a Project;

WHEREAS, a Development Agreement was approved in April ___, 2014, between the City of Bettendorf and Spruce Hills Investment Partners, LLC, with the City agreeing to provide tax increment financing (TIF) rebates as support for a proposed development project on this Property; and

WHEREAS, Spruce Hills Investment Partners was not able to complete the prior project as proposed and Developer has purchased the Property, and may, following due diligence, purchase the Additional Property, and intends to construct a new Project or Projects within the site; and

WHEREAS, by approving this Agreement, the City hereby terminates the April ___, 2014 agreement with Spruce Hills Investment Partners and agrees to take steps to repeal Resolution No. 67-14 and Ordinance No. 11-14; and

WHEREAS, the Projects will not occur without financial assistance from the City of Bettendorf; and

WHEREAS, the parties agree the base year value of the Property is \$641,800; and

WHEREAS, the parties agree the base year value of the Additional Property, should Developer take title thereto, is \$499,200; and

WHEREAS, under Chapter 15A of the Code of Iowa, the City is required to determine that a public purpose will reasonably be accomplished and the City Council so finds that jobs will be preserved and expanded and tax base increased as a result of the agreement signed herein; and

WHEREAS, under Chapter 403 of the Code of Iowa, the City may enter into development agreements to attract and retain businesses to strengthen and revitalize the economy of the State of Iowa and the City of Bettendorf; and

WHEREAS, Chapters 15A and 403 of the Code of Iowa authorize cities to provide grants, loans, guarantees, tax incentives and other financial assistance to or for the benefit of private persons.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Developer Obligations.

Developer shall construct, or cause to be constructed, a Home 2 Suites hotel, with a minimum of 109 hotel rooms (the “Hotel Project”) to serve as the anchor Project for the development. Developer shall

commence construction –of such hotel within forty-five (45) days of obtaining final approvals and permitting from the City necessary to construct the Hotel Project, and shall place such hotel into operation no later than December 31, 2019. Additional Projects may be constructed on the Property and Additional Property. Developer shall undertake future development work, consisting of but not limited to the construction of new buildings for commercial or mixed uses, and, if necessary, infrastructure improvements on or adjacent to the Property or Additional Property within existing easements or rights of way. All infrastructure improvements shall comply with City ordinances and engineering requirements. Developer agrees that any Project on the Additional Property will require the removal of all curb cuts on the Additional Property.

Developer may subdivide the Property into multiple lots in furtherance of its plans for commercial development or mixed use. Any subdivision of the Property shall require formal platting, with all costs of the replatting being paid by Developer. Platted lots may be retained by Developer, or sold to a third party.

Developer agrees that any buildings constructed on the Property during the term of this Development Agreement shall adhere to the design and performance standards identified in the UTICOD overlay district or shall be developed under a Planned Unit Development District with design standards being incorporated into the Development Plan submitted under the PUD.

It is anticipated that the final development will incorporate a number of mixed uses. Developer may request that the City’s Comprehensive Plan, land use map, and zoning map be amended to allow for such a mixed use development within the Property. Upon receipt of such request, the City agrees to cause the necessary proceedings to be commenced to consider such amendments.

In order to provide the City with additional oversight over the manner in which the Projects are actually developed, the Parties agree that Projects shall only become eligible for the TIF Rebate (described below) following rezoning, if necessary, and site plan development approval. Notwithstanding the foregoing, it is understood and agreed to by the Parties that the Developer has the right to develop a Project under the current zoning classification, C-6, with said Project being eligible for TIF Rebate without further approvals beyond those already required for development; provided; however, any Project incorporating a restaurant or retail component will require the City’s prior approval even if such use is a permitted use in the C-6 zoning classification. For avoidance of doubt, the City does not contemplate fast food-style restaurants or traditional strip mall-style businesses as TIF-eligible Projects under this Agreement.

Notwithstanding anything to the contrary hereinafter, Developer hereby acknowledges and agrees that Developer shall retain all TIF Rebates attributable to the development of a Project and any pass-through of TIF Rebates shall be by separate agreement at Developer’s discretion. Developer further agrees that no TIF Rebate received for any Project on the Property or Additional Property shall be paid or rebated to any use not meeting the current C-6 zoning classification.

Section 2. Economic Development Payments.

The City agrees to make tax increment rebate payments (each, the “TIF Rebate”) to Developer or its escrow agent in support of the Projects. The TIF Rebate shall be paid only from the tax incremental revenues derived from the Project for the term of this Agreement, pursuant to Chapters 15A and 403 of the Code of Iowa. For the purposes of this Agreement, the tax incremental revenues derived from the Project shall mean only the taxes available for division by the City under the Urban Renewal Law in excess of the base year assessment.

Developer shall be entitled to the TIF Rebate that accumulates for the entire Property, including the Additional Property if Developer closes on the purchase thereof, regardless of changes in ownership

of any individually platted lots. It shall be up to the Developer to determine whether the TIF Rebate shall pass through to the individual lot owners. If the Property, or Additional Property if Developer closes on the purchase thereof, is subdivided, each tax parcel may constitute a separate Project under this Agreement and shall be awarded its own TIF Rebate stream, subject to written approval as provided for in Section 1 above, for a full ten (10) year period, with twenty (20) full payments. Notwithstanding the foregoing, in no event shall TIF Rebate payments be made to Developer under this Agreement beyond June 1, 2033 for any subdivided Project.

The TIF Rebates shall be made on December 1st and June 1st of each fiscal year, and shall continue for a period of a maximum of ten (10) full fiscal years of taxes, plus any partial TIF Rebate that may accumulate during the period of time during which the Project is partially assessed. On or about November 1st of each year, the Developer shall report to the City the status of payment of all property taxes then due on the Property, and Additional Property if Developer takes title thereto, and certify to the City the eligible reimbursement costs associated with the Projects. On December 1st of each year, and based upon the Developer's certification to the City, the City shall certify said amount to the county auditor pursuant to Iowa Code Section 403.19(6) as debt incurred within the District (as established by the Tax Increment Financing Ordinance). Assuming completion of the Hotel Project by December 31, 2019, full assessment of the Hotel Project on January 1, 2020, debt certification to the County Auditor by the City pursuant to Iowa Code Section 403.19 prior to December 1, 2020, and compliance with the terms of the Agreement by Developer at the time of each payment, the economic development payments shall commence on December 1, 2021, and end on June 1, 2031, under the following formula:

December 1, 2021	100% of Tax Increments for the first half of Fiscal Year 21-22
June 1, 2022	100% of Tax Increments for the second half of Fiscal Year 21-22
December 1, 2022	100% of Tax Increments for the first half of Fiscal Year 22-23
June 1, 2023	100% of Tax Increments for the second half of Fiscal Year 22-23
December 1, 2023	100% of Tax Increments for the first half of Fiscal Year 23-24
June 1, 2024	100% of Tax Increments for the second half of Fiscal Year 23-24
December 1, 2024	100% of Tax Increments for the first half of Fiscal Year 24-25
June 1, 2025	100% of Tax Increments for the second half of Fiscal Year 24-25
December 1, 2025	100% of Tax Increments for the first half of Fiscal Year 25-26
June 1, 2026	100% of Tax Increments for the second half of Fiscal Year 25-26
December 1, 2026	100% of Tax Increments for the first half of Fiscal Year 26-27
June 1, 2027	100% of Tax Increments for the second half of Fiscal Year 26-27
December 1, 2027	100% of Tax Increments for the first half of Fiscal Year 27-28
June 1, 2028	100% of Tax Increments for the second half of Fiscal Year 27-28
December 1, 2028	100% of Tax Increments for the first half of Fiscal Year 28-29
June 1, 2029	100% of Tax Increments for the second half of Fiscal Year 28-29
December 1, 2029	100% of Tax Increments for the first half of Fiscal Year 29-30
June 1, 2030	100% of Tax Increments for the second half of Fiscal Year 29-30
December 1, 2030	100% of Tax Increments for the first half of Fiscal Year 30-31
June 1, 2031	100% of Tax Increments for the second half of Fiscal Year 30-31

Pursuant to the terms of Iowa Code §403.6(19), Developer agrees to execute a Minimum Assessment Agreement for the Property in the amount of Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000.00) effective as of January 1, 2020, and to execute a Minimum Assessment Agreement for the Additional Property, should Developer take title thereto, in the amount of One Million Thirty Three Thousand Eight Hundred Ninety Dollars (\$1,033,890.00). The Minimum Assessment

Agreement(s) shall be in full force and effect for the duration of the TIF Rebates and shall run with the land upon execution.

Section 3. Term of Agreement.

The tax increment revenues described in Section 2 above shall accumulate and be available for rebate through the life of the TIF Rebate stream. This Agreement shall terminate once all TIF Rebates have concluded.

Section 4. Right of Non-Appropriation.

The TIF Rebates shall be payable from and secured solely and only by amounts deposited and held in the applicable tax increment revenue fund of the City under Iowa Code §403.19 and derived from the Property and Additional Property. The TIF Rebates shall not be payable in any manner by other tax increment revenues or by general taxation or from any other City funds. Any commercial and industrial property tax replacement monies that may be received by the City under Iowa Code §441.21A and any monies received back by the City under Iowa Code Ch. 426C relating to the Business Property Tax Credit shall not be used to pay TIF Rebates to Developer.

Notwithstanding anything in this Agreement to the contrary, the obligation of the City to pay any installment of the TIF Rebate from the Pledged Tax Increment Revenues described in Section 2 hereto shall be an obligation limited to currently budgeted funds, and not a general obligation or other indebtedness of the City or a pledge of its full faith and credit within the meaning of any constitutional or statutory debt limitation, and shall be subject in all respects to the right of non-appropriation by the City Council of the City as provided in this section. The City may exercise its right of non-appropriation as to the amount of the TIF Rebates to be paid during any fiscal year during the term of this Agreement without causing a termination of this Agreement. The right of non-appropriation shall be exercised only by an ordinance approved by two thirds (2/3) of the City Council affirmatively declaring the City's election not to appropriate funds otherwise required to be paid in the next fiscal year under the Development Agreement. The vote for non-appropriation shall require three prior separate readings at regularly-scheduled City Council meetings, with no suspension of the rules or shortening the timing of the readings or approvals.

In the event the City Council of the City elects to not appropriate sufficient funds in the budget for any future fiscal year from the Pledged TIF Rebate described in Section 2 hereto for the payment in full of the installments on the TIF Rebate due and payable in that fiscal year, then the City shall have no further obligation to the Developer for the payment of all installments due in the next fiscal year which cannot be paid with the funds then appropriated for that purpose.

The right of non-appropriation reserved to the City in this Section is intended by the parties, and shall be construed at all times, so as to ensure that the City's obligation to pay future installments on the TIF Rebates shall not constitute a legal indebtedness of the City within the meaning of any applicable constitutional or statutory debt limitation prior to the adoption of a budget which appropriates funds for the payment of that installment or amount. In the event that any of the provisions of this Agreement are determined by a court of competent jurisdiction to create, or result in the creation of, such a legal indebtedness of the City, the enforcement of the said provision shall be suspended, and the Agreement shall at all times be construed and applied in such a manner as will preserve the foregoing intent of the parties, and no event of default shall be deemed to have occurred as a result thereof. If any provision of this Agreement or the application thereof to any circumstance is so suspended, the suspension shall not affect other provisions of this Agreement which can be given effect without the suspended provision, and to this end the provisions of this Agreement are severable.

Section 5. Assignment.

This Agreement may not be assigned by either party without the express permission and approval of the other party. However, the City hereby gives its permission that the Developer's right to receive TIF Rebates hereunder may be assigned by the Developer to an affiliate, assignee, or lender without further action on the part of the City in conjunction with an escrow agent as referenced herein.

Section 6. Events of Default; Remedies.

Section 6.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events during the Term of this Agreement:

- a. Failure by Developer to cause the construction of the Projects to be completed pursuant to the terms and conditions of this Agreement, unless a delay is caused in whole or in part by the City or force majeure;
- b. Failure by the Developer to substantially observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement;
- c. Transfer of any interest in this Agreement in violation of the provisions of this Agreement;
- d. Failure by Developer to pay ad valorem taxes on the Property or Additional Property or;
- e. Developer shall:
 - i. file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended, or under any similar federal or state law; or
 - ii. make an assignment for the benefit of its creditors; or
 - iii. admit in writing its inability to pay its debts generally as they become due; or
 - iv. be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of Developer as bankrupt or either entity's reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety (90) days after the filing thereof; or a receiver, trustee or liquidator of Developer, or part thereof, shall be appointed in any proceedings brought against Developer, and shall not be discharged within ninety (90) days after such appointment, or if Developer shall consent to or acquiesce in such appointment;
- f. Any representation or warranty made by Developer in this Agreement or in any written statement or certificate furnished by Developer pursuant to this Agreement, shall prove to have been incorrect, incomplete, or misleading in any material respect on or as of the date of the issuance or making thereof; or
- g. Failure of the Developer or any lienholder to execute or comply with the Minimum Assessment Agreement(s).

Section 6.2. Remedies on Default. Whenever any Event of Default referred to in Section 6.1 of this Agreement occurs and is continuing, the City, as specified below, may take any one or more of the following actions, after (except in the case of an Event of Default under subsections 6.1(f) of said Section 6.1) the giving of thirty (30) days' written notice by the City to Developer of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days, or if the Event of Default cannot reasonably be cured within thirty (30) days and Developer does not provide assurances reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible:

- a. The City may suspend its performance under this Agreement until it receives assurances from Developer, deemed adequate by the City, that Developer will cure the default and continue its performance under this Agreement;
- b. The City may terminate this Agreement;

- c. The City may withhold the certificate of completion;
- d. The City may take any action, including legal, equitable, or administrative action, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of Developer, as the case may be, under this Agreement; or
- e. The City will have no obligation to make payment of economic development payments to Developer subsequent to the Event of Default.

Section 6.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.4. No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach hereunder.

Section 7. Successors and Assigns.

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

Section 8. Governing Law.

This Agreement shall be deemed to be a contract made under the laws of the State of Iowa and for all purposes shall be governed by and construed in accordance with the laws of the State of Iowa.

Section 9. Jury Trial Waiver.

The parties hereto, after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily, and intentionally waive any right they may have to a trial by jury in any litigation based on or arising out of this agreement or instrument, or any related instrument or agreement, or any of the transactions contemplated hereby or any course of conduct, dealing, statements, whether oral or written, or action of any party hereto. No party shall seek to consolidate by counterclaim or otherwise, any such action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by any party hereto except by a written instrument executed by all parties.

Section 10. Entire Agreement.

This Agreement and any documents delivered and recorded pursuant hereto constitute the entire agreement and understanding among the parties and supersede and revoke any prior agreement or understanding relating to the subject matter of this Agreement.

Section 11. Amendments.

No change, amendment, or termination or attempted waiver or variation of the terms and conditions of this Agreement shall be valid unless agreed in writing by the parties and the same follows applicable State statutes.

Section 12. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

The City and Developer have caused this Agreement to be signed, and the City’s seal to be affixed, in their names and on their behalf by their duly authorized officers, all as of the day and date written above.

Section 13. Additional Property Purchase Contingency.

Developer’s obligations under this Agreement relating to the Additional Property, including, but not limited to, executing a minimum assessment agreement and making payment of property taxes for the Additional Property, shall be contingent upon the closing on the purchase of the Additional Property pursuant to the terms and conditions of that certain Sales Contract between Developer, as buyer, and 7-11, Inc., as seller. Notwithstanding anything contained in this Agreement to the contrary, Developer shall have no liability whatsoever under this Agreement or otherwise for failing to complete the purchase and closing, which shall be at Developer’s sole option and discretion.

Furthermore, failure by Developer to close on and purchase the Additional Property shall not alter or otherwise invalidate the terms of this Agreement relating to the Property, all of which shall remain in full force and effect unless changed in accordance with the terms contained herein. .

CITY OF BETTENDORF

By:
Its: Mayor

Attested by:

By:
Its: City Clerk

CDCQC, LLC

By:
Its:

EXHIBIT A

Legal Description - Property

Lot 1 in Jumer's Castle Lodge Addition, an Addition to the City of Bettendorf, Iowa; In the County of Scott and State of Iowa; also, Lot 2 in Summit Hills Commercial Park Fifth Addition to the City of Bettendorf, Scott County, Iowa; also, that former highway conveyed by Grant from the State of Iowa recorded March 3, 1993 as Document No. 4914-93 described as follows, to wit: Part of the Southeast 1/4 of Section 17, Township 78 North, Range 4 East of the 5th Principal Meridian, City of Bettendorf, Scott County, Iowa, more particularly described as follows: Beginning at the southerly most corner of Lot 1 Jumer's Castle Lodge Addition to the City of Bettendorf, Iowa, said point being on the existing right of way line of I-74, thence South 16 degrees 32 minutes 41 seconds West, 15.12 feet (for purposes of this legal description, the southerly line of said Lot 1 is assumed to bear North 80 degrees 45 minutes 02 seconds West); thence North 80 degrees 45 minutes 02 seconds West, 170.06 feet; thence North 57 degrees 06 minutes 16 seconds West, 79.65 feet; thence North 50 degrees 11 minutes 56 seconds West, 124.44 feet to a point on the existing right of way line of I-74; thence South 57 degrees 07 minutes 02 seconds East 200.04 feet along said right of way line; thence South 80 degrees 45 minutes 02 seconds East, 168.84 feet along said right of way line to the said point of beginning.

Parcel No. 8417533011

Common Address: 900 Spruce Hills Drive, Bettendorf, Iowa 52722

EXHIBIT B

Legal Description – Additional Property

Legal Description:

A tract of land in the Southeast Quarter of Section 17, Township 78 North, Range 4 East of the 5th P.M., City of Bettendorf, Scott County, Iowa, described as follows: Beginning at a point 757.71 feet North of and 1,248.85 feet East of the Southwest corner of the Southeast Quarter of said Section 17, (the South line of said Southeast Quarter is assumed due East-West) said point being the Northwest corner of Utica Ridge Road and Spruce Hills Drive; thence South 81 degrees 40' 40" West along the Interstate 74 ROW line a distance of 90.78 feet; thence North 81 degrees 36' 58" West along the I-74 ROW line a distance of 120.00 feet; thence North 16 degrees 30' 24" East a distance of 219.37 feet; thence South 77 degrees 59' 37" East a distance of 200.00 feet; thence South 15 degrees 56' 00" West along the Utica Ridge Road ROW line a distance of 180.0 feet to the point of beginning; containing 0.955 acres.

Property ID: 841753004

Property Address: 3232 Utica Ridge Road
Bettendorf, IA

DRAFT

**ORDINANCE PROVIDING THAT TAX INCREMENT REVENUES
LEVIED AND COLLECTED EACH YEAR ON PROPERTY LOCATED
WITHIN URBAN RENEWAL AREA #3, IN THE CITY OF
BETTENDORF, COUNTY OF SCOTT, STATE OF IOWA, BY AND FOR
THE BENEFIT OF THE STATE OF IOWA, CITY OF BETTENDORF,
COUNTY OF SCOTT, BETTENDORF COMMUNITY SCHOOL
DISTRICT AND OTHER TAXING DISTRICTS, BE PAID TO A
SPECIAL FUND FOR PAYMENT OF PRINCIPAL AND INTEREST ON
LOANS, MONIES ADVANCED TO AND INDEBTEDNESS,
INCLUDING BONDS ISSUED OR TO BE ISSUED, INCURRED BY
SAID CITY IN CONNECTION WITH SAID URBAN RENEWAL
REDEVELOPMENT PROJECT.**

WHEREAS, the City Council of the City of Bettendorf, Iowa, after public notice and hearing as prescribed by law and pursuant to Resolution No. 444-92, passed and approved on the 1st day of December, 1992, adopted the Bettendorf Urban Renewal Plan (the "Urban Renewal Plan") and has since been amended to include an urban renewal area known as Urban Renewal Area #3 (the "Urban Renewal Project Area"), which Urban Renewal Project Area includes the lots and parcels located within the area legally described in "Exhibit A" attached to this ordinance.

WHEREAS, the City Council desires to establish the CDCQC, LLC Tax Increment Financing District for the division of revenue pursuant to Section 403.19 of the Code of Iowa for the following lots and parcels located within the area legally described in "Exhibit A" (the "TIF District"); and

WHEREAS, expenditures and indebtedness are anticipated to be incurred by the City of Bettendorf, Iowa in the future to finance urban renewal projects within the TIF District carried out in furtherance of the objectives of the Urban Renewal Plan; and

WHEREAS, the City Council of the City of Bettendorf, Iowa desires to provide for the division of revenue from taxation in the TIF District, as described below, in accordance with the provisions of Section 403.19 of the Code of Iowa, as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BETTENDORF, IOWA:

Section 1. That the taxes levied on the taxable property in the TIF District legally described in the preamble hereof, by and for the benefit of the State of Iowa, City of Bettendorf, County of Scott, Bettendorf Community School District, and all other taxing districts from and after the effective date of this Ordinance shall be divided as hereinafter in the Ordinance provided.

Section 2. That portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the TIF District, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City of Bettendorf certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the division of property tax revenue described herein, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for the taxing district into which all other property taxes are paid.

Section 3. That portion of the taxes each year in excess of the base period taxes determined as provided in Section 2 of the Ordinance shall be allocated to and when collected be paid into a special tax increment fund of the City of Bettendorf, Iowa hereby established, to pay the principal of and interest on loans, monies advanced to, indebtedness, whether funded, refunded, assumed or otherwise, including bonds or obligations issued under the authority of Section 403.9 or 403.12 of the Code of Iowa, as amended, incurred by the City of Bettendorf, Iowa, to finance or refinance, in whole or in part, urban renewal projects undertaken within the TIF District pursuant to the Urban Renewal Plan, except that taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant Section 298.2, but only to the extent authorized in Section 403.19(2), and taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the Urban Renewal Project Area without and limitation as hereinabove provided.

Section 4. Unless or until the total assessed valuation of the taxable property in the TIF District exceeds the total assessed value of the taxable property in the TIF District as shown by the assessment role referred to in Section 2 of this Ordinance, all of the taxes levied and collected upon the taxable property in the TIF District shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes.

Section 5. At such time as the loans, advances, indebtedness, bonds and interest thereon of the City of Bettendorf, Iowa referred to in Section 3 hereof have been paid, all monies thereafter received from taxes upon the taxable property in the TIF District shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

Section 6. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed. The provisions of this Ordinance are intended and shall be construed so as to fully implement the provisions of Section 403.19 of the Code of Iowa, as amended, with respect to the division of taxes from property within the TIF District, as described above. In the event that any provision of this Ordinance shall be determined to be contrary to law, it shall not affect other provisions or application of this Ordinance which shall at all times be construed to fully invoke the

provisions of Section 403.19 of the Code of Iowa with reference to the TIF District and the territory contained therein.

Section 7. This Ordinance shall be in effect after its final passage, approval, and publication as provided by law.

PASSED, APPROVED, AND ADOPTED this ____ day of _____, 2018.

Robert S. Gallagher, Mayor

ATTEST:

Decker P. Ploehn, City Clerk

DRAFT