

City Administrator Report to Mayor & City Council

July 1, 2016, Edition No. 226

WEEKLY UPDATE:

- Bi-State: Per Bi-Sate - I wanted to let you all know that I have had unofficial approval of the CEDS Update 2016 from EDA. We're going to move forward with printing. Just as a reminder, the final draft of the CEDS can be found on Bi-State's website: <http://bistateonline.org/2012-11-14-00-17-31/ceds>. Laura Berkley, Senior Planner Bi-State Regional Commission
- In-Depth: Mississippi Drive is tentatively set for 7/14 for council review of the preliminary plans and intersection options.
- TIF: Please see the attached information from Chuck Coulter requesting a "Housing" for the Creekside project in conjunction for an application for housing tax credits. We are targeting 7/14 for council discussion.
- Census: Per City Planner Fangman - The Census Bureau released its 2015 population estimate today. Muscatine as July 1, 2015 has an estimated population of 23,968, an all-time high. This is an increase of 1,082 from the 2010 Census figure of 22,886. Of this the growth of 1,082, 886 can be attributed to annexations, and 196, which is more than Muscatine grew between 2000 and 2010, came from natural population growth. The population growth rate for Muscatine continues to accelerate. Between 2014 and 2015 the population of Muscatine grew by 80 people. To give some perspective, this is a rate of growth nearly double the growth rate observed between 2013 and 2014 when the population of Muscatine grew by 41. This accelerating growth rate is consistent with a larger trend between 2011 and 2013 the population grew by about 25 people annually, and between 2000 and 2010 it grew by about 19 people annually.
- Art Center/Deferred Maintenance: Staff will be returning at the Council's 7/21 meeting to discuss adding the carriage house to the Art Center Project as well as reviewing proposed deferred maintenance projects.
- Policy Committee: The Iowa League's Policy Committee met this week and will be meeting over the next few months in preparation for the annual meeting. Attached are the legislative priorities for the past several years.
- RAGBRAI: FYI...we have had two additional requests related to RAGBRAI for use of public property for RAGBRAI. The requests are for the display of a 20 foot tall metal "M" created for RAGBRAI by Monsanto to be placed at the Carver Corner from July 22nd - August 5th, 2016. Requested use of the Pine Street Parking Lot podium/display area and one or two parking spaces for the public art contest for participants to register their bikes and put them on display. Requested usage would be on July 30th from 7-9am.

CHARLES R. COULTER
AMBER J. HARDIN ¹
STEVEN J. HAVERCAMP ¹
STEVEN T. HUNTER
ERIC M. KNOERNSCHILD
DANIEL P. KRESOWIK ¹
DAVID J. MELOY
CURT A. OPPEL
TIARR D. SWEERE ¹
WENDY L. YOUNG

OF COUNSEL
ROBERT D. LAMBERT, P.C. ¹
ROBERT L. LANDE
CLEMENS (CAL) A. WERNER, JR.

¹ ALSO ADMITTED IN ILLINOIS



A Professional Corporation
ATTORNEYS AND COUNSELORS

SUITE 400, 301 IOWA AVENUE
MUSCATINE, IOWA 52761

PHONE 563.264.5000 FAX 563.263.8775

SUITE1000
201 WEST SECOND STREET
DAVENPORT, IOWA 52801
FAX: 563.326.6266
PHONE: 563.324.1000

SUITE 400
301 IOWA AVENUE
MUSCATINE, IOWA 52761
FAX: 563.263.8775
PHONE: 563.264.5000

WWW.SLHLAW.COM

June 28, 2016

Writer's E-mail Address:
chuckcoulter@slhlaw.com

The Honorable Mayor and
Members of the City Council
City Hall
Muscatine, IA 52761

Dear Friends:

Re: Creekside of Muscatine Development Project

This Project is on property just off Houser Street, immediately West of the Crossroads facility. On December 3, 2015, the City Council approved allocation of Project-Based Vouchers for the Project, subject to receipt of Low Income Housing Tax Credits from the Iowa Finance Authority (IFA).

The Project includes 48 senior rental units in the form of 24 duplexes with attached garages. The target population is individuals age 55 and over, all of whom have incomes at or below 60 percent of the Area Median Income, with at least 10 percent of the units set aside for individuals with special needs or handicaps. Muscatine native Chris Ales presented the Project to the City Council on behalf of DN Development, LLC; Mr. Ales previously developed the Cottage Grove project and Welch Apartments in Muscatine. This commercial Project will be managed by National Management Corporation in Clive, Iowa.

Competition for the IFA Tax Credits is very strong, and the Project did not score high enough to obtain the Tax Credits by IFA in 2016. The developer intends to submit a new application to IFA in December, and local incentives will significantly enhance the project's competitive scoring.

For this reason, the developer requests that the City provide tax increment financing for the Project. In order to achieve maximum scoring for local incentives, the Project needs a commitment for 7 percent of the total development cost. The project's cost estimate is \$9,367,850 which requires a local incentive commitment of not less than \$655,750. Based on our projections, this will require TIF rebates at 100 percent for 11 years, but not less than \$655,750.

11

The Honorable Mayor and Members of the City Council

June 28, 2016

We understand it may be necessary to expand the Tax Increment Financing District to include the subject property.

We will be happy to provide any additional information that you may request, and we look forward to the opportunity to present the Project to the City Council.

Thanks for your consideration.

Very truly yours,

STANLEY, LANDE & HUNTER

By 

Charles R. Coulter

CRC/me
M10416-1
Cc: Chris Ales

TAX INCREMENT SPREADSHEET

	A	B	C	D	E	F	G
1	CREEKSIDE DEVELOPMENT		BASE				
2							
3	Tax Parcel 0833200042	01/01/16	01/01/17	01/01/18	01/01/19	01/01/20	01/01/22
4							
5	Assessed Value	58,400	58,400	1,688,000	1,688,000		
6	- Base (Frozen) Value		58,400	58,400	58,400		
7							
8	Net Incremental Value		0	1,629,600	1,629,600		
9							
10	Current Gross Tax Rate		0.04084594	0.04084594	0.04084594		
11							
12	- Current Debt Service		0.00339351	0.00339351	0.00339351		
13							
14	Net Tax Rate for TIF		0.03745243	0.03745243	0.03745243		
15							
16	Estimated Incremental Taxes		0	61,032	61,032		
17	(Row 8' x Row 14)						
18							
19							
20							
21							
22							
23	ASSUMPTIONS:			Cost Estimate	9,367,850		
24	1. Assessed value of completed project				0.07		
25	2. Roll-back, if any, will remain constant			Total	655,750		
26	3. Tax rate will remain constant			Per Year	61,032		
27	4. Debt service ratio will remain constant			TIF Years	10.74		
28							
29							
30	M10426/01/Creekside Iowa Spreadsheet 160531						

Iowa League of Cities

- Past Legislative Priorities -

2016 Legislative Priorities

Economic Development

Increase funding levels for economic development programs and quality of life initiatives; preserve economic development policies, such as tax increment finance, as flexible tools for economic growth; and provide programs and policies that further develop our local workforce to attract economic development and close the skills gap.

Financial Sustainability

Eliminate unfunded mandates; diversify revenue options available to local governments and protect existing revenue options; and continue to ensure the commercial and industrial property tax backfill.

Water and Wastewater Infrastructure

Advocate for additional funding sources and flexible policies related to water, wastewater, and storm water infrastructure development to meet the demands of increased environmental regulation for cities of all sizes, including the development of opportunities for partnership with the agricultural community to meet these requirements.

Home Rule

Advocate for and sustain Home Rule and the ability to make decisions at the local level – where decisions are made closest to the people they impact and can be tailored to fit local conditions, needs, and concerns.

Public Safety

Ensure cities have the adequate resources to provide and fund public safety services, including addressing costs under the Municipal Fire and Police Retirement System of Iowa (MFPRSI).

2015 Legislative Priorities

Local Budget Issues and Decision-Making

Our citizens need and expect cities to provide safe communities and quality infrastructure, in addition to other valued services. City budgets are put under pressure to maintain or increase services and to comply with increasing regulations and mandates with fewer resources. These pressures placed on city budgets can make difficult decisions that result in lessening the amount of services provided or increasing costs to residents. Cities cannot have an impact on those cost-drivers outside of their control and need additional resources and the ability to make decisions at the local level.

- City Finances and Property Tax Backfill: Diversify funding options for cities and continue to ensure the commercial and industrial property tax backfill.
- Transportation Funding: Increase funding and resources for road and bridge infrastructure.
- Pensions: Pursue systemic changes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI) and also ensure fairness for Iowa Public Employees Retirement System (IPERS) through long term sustainability while controlling costs to cities.
- Environmental Regulation: Provide funding for and supportive policies related to water and wastewater infrastructure development to meet demands of increased environmental regulation. Assess the need for additional resources or policies to address the impacts caused by weather and other natural events.
- Public Safety: Ensure cities have the tools to adequately provide and fund public safety services for our citizens.

Economic Development and Community Vitality

Cities are drivers and partners for economic development projects and provide services that make attractive communities. They need a supportive environment to continue to attract economic development and to provide the types of opportunities that make appealing places to live.

- **Local Economic Development Programs and Policies:** Increase funding levels for economic development programs and preserve economic development policies, including tax increment financing, as flexible tools for economic growth.
- **Community Growth:** Expand resources and provide supportive policies for community development to provide for locally-supported initiatives.
- **Workforce Development:** Provide programs and policies that further develop the skills and knowledge of our workforce to attract economic development.

2014 Legislative Priorities

Infrastructure Funding

Increase existing funding and develop new funding resources for city infrastructure needs, which include maintaining Iowa's roads and bridges and water and wastewater compliance.

Public Pension System

Ensure long-term sustainability and fairness of the Municipal Fire and Police Retirement System of Iowa (MFPRSI). Enact changes to MFPRSI that result in a more balanced system and control costs to cities.

City Finances and Economic Development

Support essential and diversified funding options, including property tax backfill for local revenue losses and diversified revenue options; support progressive economic development policies and maintain funding for key economic development programs.

Local Decision Making

Ensure legislation enhances a city's ability to make decisions at the local level to operate efficiently and to deliver city services more effectively.

2013 Legislative Priorities

Responsible Property Tax Reform

- Enact reform that addresses commercial property tax relief without negatively impacting local governments' ability to provide necessary infrastructure and services or creating a tax shift.

Increase Road and Bridge Funding

- Raise infrastructure revenues through user fees such as a gas tax increase and other mechanisms to maintain critical funding for Iowa's roads and bridges.

Fair and Sustainable Public Pension Systems

- Address the exponentially increasing costs and inequities under the Municipal Fire and Police Retirement System of Iowa (MFPRSI).
- Ensure fairness and hold down costs to local governments participating in the Iowa Public Employees' Retirement System (IPERS).

Local Decision Making

- Allow for more efficient use of city resources and enhance transparency by shifting requirements for newspaper publication to online publication.
- Remove unnecessary requirements for certain boards and commissions.

- Alleviate public safety costs by reducing costs for training officers and increasing fairness in funding sources.

Home Town Economic Development

- Strengthen and maintain the ability of cities to promote economic development through programs like Vision Iowa, including the CAT and RECAT programs, Main Street Iowa, the Enterprise Zone and Historic Tax Credits programs, Brownfield and Grayfield tax credits, Targeted Jobs tax credits and Tax Increment Finance.

2012 Legislative Priorities

Responsible Property Tax Reform

- Reform Iowa's property tax system by implementing equitable reforms that work for all property tax payers and local governments.

Reform and Maintain Strong Pension Systems

- Address needed systemic changes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI), aimed at creating a fair, sustainable system while controlling costs to cities. Ensure the sustainability and fairness of the IPERS system.

Remove Unfunded Mandates

- Eliminate unfunded state mandates and increase home rule.

Increase Transportation Infrastructure Funding

- Increase the TIME-21 fund for city transportation infrastructure through additional funding methods.

Protect Economic Development Tools

- Maintain funding for economic development programs and support policies aimed at improving city economic development.

2011 Legislative Priorities

Providing Essential City Services

Cities provide services and infrastructure fundamental to the lives of Iowa's citizens and businesses. These constituents need and expect cities to maintain safe roads and bridges, and to provide clean drinking water, and reliable wastewater and stormwater services. Public safety such as police, fire and emergency response are some of the most crucial services cities provide. In this time of tight budgets, cities want to ensure these essential services are maintained by addressing key issues.

- **Essential City Infrastructure and Planning:** Increase funding for city road and water infrastructure and incent smart planning and watershed planning.
- **Public Safety:** Ensure cities can adequately provide and fund public safety services for our citizens.
- **Pensions:** Address needed systemic changes to the Municipal Police and Fire Retirement System of Iowa (MFPRSI), aimed at creating a fair, balanced system and controlling costs to cities.

Enhancing Essential City Services

Cities want to enhance the ability to cost-effectively provide essential city services such as key infrastructure and public safety. This session, cities are seeking solutions like increasing efficiencies, supporting economic development initiatives, and diversifying revenue options.

- **Local Government Efficiency:** Enhance cities' ability to operate efficiently and to deliver city services more effectively.
- **Flexible Revenue Options for Cities:** Ensure a reliable property tax system while diversifying funding options to allow flexibility at the local level.

- **Local Economic Development:** Maintain and support funding for economic development programs, and support policies aimed at improving city economic development.

2010 Legislative Priorities

City Revenue Options and Property Taxes: Diversify funding options for cities by authorizing alternative revenue options and lessen city dependence on property taxes.

Economic Development Initiatives: Maintain and support funding for economic development programs and encourage policies aimed at improving city economic development.

City Infrastructure: Increase funding for the TIME-21 fund to maintain Iowa's roads and bridges, and to address city drinking water, wastewater and stormwater infrastructure funding needs.

Pensions: Iowa's cities want to ensure the integrity and long-term sustainability of the state's public employee retirement systems.

Continued Disaster Rebuilding and Recovery: Support disaster recovery policies that help cities rebuild and mitigate future disasters.

2009 Legislative Priorities

Disaster Recovery Legislation: Advocate progressive flood and storm recovery policies and programs that help cities rebuild for the future.

TIME-21 Funding: Increase funding for the TIME-21 fund to reach or exceed the \$200 million minimum needed annually, to maintain Iowa's roads and bridges.

City Revenue Options and Property Taxes: Diversify funding for cities by authorizing additional alternative revenue options and lessen city dependence on property taxes.

Economic Development Initiatives: Maintain or increase funding for economic development programs and encourage policies aimed at enhancing city economic development.

Drinking Water and Wastewater Infrastructure: Address city drinking water and wastewater infrastructure needs.

2008 Legislative Priorities

City Revenue Alternatives

Allow cities the authority to implement alternative revenue choices that fit the specific needs of the city. These revenue alternatives include, but are not limited to, increasing the hotel/motel tax up to 9%, imposing and collecting gas and electric franchise fees, and implementing a sales tax rebate for specifically defined economic development.

Infrastructure Funding

Support funding for transportation and water/wastewater infrastructure needs. The League supports the revenue approach as recommended by TIME-21 Interim Committee including increasing pick-up truck registration fees, statewide sales tax, and/or gas tax increase. The League also seeks to address water and wastewater infrastructure needs through additional state funding.

Economic Development Initiatives

Preserve or expand economic development initiatives available to cities at the state level through programs such as Vision Iowa, Great Places, and Community Attractions funding and to prevent any changes to tax increment financing that would impair its use as an economic development tool.

Control Pension Costs

Control public pension costs – limit any increased requirements imposed upon local governments relating to public pension costs, including state support of Municipal Fire and Police Retirement System (MFPRSI).

2007 Legislative Priorities

Property Tax Reform

Support a property tax reform initiative that includes elimination of inequities caused by the rollback formula.

Local Government Finance

Enable and enhance revenue alternatives, and reduce costly mandates, to allow cities to efficiently manage vital services including public safety, transportation, utilities and other quality of life amenities.

Economic Development and Growth

Protect and enhance economic development tools enabling cities in Iowa to promote economic improvement throughout the state.

Controlling Pension Costs

Support initiatives to control all public pension costs and, in addition, increase state funding of the Municipal Fire and Police Retirement System of Iowa (MFPRSI).