Written by Kathleen McCarthy
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The Economic Development Department of the City of Davenport held a workshop on Economic Development Tools and TIF on December 9, 2000, at City Hall. City leaders, aldermen and local activists attended to learn, discuss and debate the merits of TIF and development principles in general. Quad City Interfaith made a truly inspiring presentation, making a case for redevelopment of our inner cities, the need to include the disenfranchised in the overall plan for attracting and keeping a skilled workforce, and to recognize sprawl as the destroyer of farmland—Iowa's most valuable resource—through smart growth practices.

The question is how serious are the players at City Hall about such dialogue. The current mantra by DavenportOne president Dan Huber includes the wonders of TIF as an economic development "tool," and has cited lobbying the Iowa legislature for the retention of TIF for economic development as one of DavenportOne's legislative goals for 2001. (Legislators are considering serious land use reform to stop the current abuse of TIF.) Disturbing aspects of such notions of TIF are reflected in remarks like Huber's, that $7.00 per hour wages have their place in economic development incentives. But the idea of supporting economic development incentives for companies who are not even required to provide a living wage should not remotely qualify, let alone be considered for public assistance of any kind.

Discussion of TIF led to the acknowledgement that the use of TIF for purely economic purposes has strayed from the original intent of TIF to eliminate slum and blight and provide for affordable housing. Alderman Caldwell suggested that, as a city, we might adopt a policy of requiring a low-to-moderate-income housing set-aside as part of economic development TIFs. Noble as this suggestion was, director of economic development Clayton Lloyd responded by pointing out that such a policy would "limit the spending use of the general fund."

Many city leaders' resistance to refocusing development via sustainable growth principles is fascinating to behold. Those from the old school continue to subscribe to the theory that by implementing sustainable growth measures, this will somehow discourage development. Yet all smart growth measures taken in other communities across the nation show just the opposite. Growth is at an all time high, and such practices are actually increasing tax bases, creating real senses of place, neighborhoods that are hugely desirable by comparison and profitable to developers.

Perhaps what concerns those least comfortable with these principles is that sustainable growth demands accountability. Development must first demonstrate need. Its merits must be proven in terms of impact upon the community, both costs and benefits. A perfect example is the Jersey Partners Development being proposed by Attorney Steve Schalk for 110 to 125 residential lots north of 53rd Street between Jersey Ridge and Elmore Streets. In this particular case, no traffic study has been done, nor is staff requesting one for such a large development in an area where traffic is already a nightmare. No storm water management plan has been submitted, no costs/benefits analysis of the project has been conducted. At the initial presentation of the development to the Planning & Zoning Commission, the presenter had no information about what the price range of the homes would be, no details about the commercial component of the development, no significant buffers between R1, R2 and C1 sections of the development plan, and no neighbors within a 200-ft radius to object to the adjacent commercial zoning, to name just a few of the concerns voiced.

Additional issues brought forth in the following P&Z Commission meeting held Tuesday, December 19, 2000, included: what are the costs for services versus the tax base the city can expect, what is the impact on the schools, and what information determined that this housing is needed and won't just displace other neighborhoods at a net loss to other property values? Why has a traffic study not been conducted and what are the criteria for requiring it? Justification for this development claims, in part, that due to Sentry Insurance and John Deere employees coming into the area, additional housing inventory between $250,000-$400,000 will be needed. However, there is compelling data that states the majority of people who are employed by a company that relocates its facility within 40 miles of the same metropolitan area will not move or change residences. Never mind the higher taxes in Iowa versus Illinois will certainly prevent an exodus to Iowa.

The P&Z staff has justified recommending in favor of the project based on the current Comprehensive Land Use Plan, which is woefully obsolete. It is based on a projected population growth to 120,000 by 2000. In reality, Davenport's population in 2000 is only 98,000—a substantial enough difference to warrant deeper investigation into how such housing will be absorbed, by whom, and at what cost, if any, to other areas of the city.

This is not about anti-development, but about sustainable development. By investigating these issues, by researching the impact, by conducting due diligence, the case for or against will be made on the merits or lack thereof. But it is up to the P&Z staff and Commission to hold such developers accountable to these standards. Only a narrow majority of commissioners voted to table the project to allow for further review. Those that voted against tabling it should question their own lack of stewardship. There is no earthly reason to fast track a development of this magnitude. One member of the commission was asked how he could be certain that so much housing was really necessary, and he responded, "Because the developer told us so." Now that's bank!

IMAX is a Clear "WOW" for Davenport

Iowa Governor Tom Vilsack is asking Iowa cities, employers and business leaders (large and small) to address the critical need to attract and retain a skilled workforce to our Iowa communities. Over the next ten years, Iowa will need 580,000 workers to fill jobs being made available by massive numbers of retirements, new technologies, and industry-wide expansions. However, jobs and higher wages alone will not suffice when competing against communities nationwide for workers. People are looking at what other amenities and resources a community has to offer, such as housing, educational opportunities, arts and culture, sports and recreation, to name a few. Corporate America is finding ways to partner with such providers, and with municipalities, to create amenities that contribute to quality of life issues that are now an integral part of a family's decision to relocate to an area.

Most Quad Cities' citizens will agree that amenities such as a world-class museum of art; a modern zoo complete with a new water park; a sports center and riverfront stadium, all pass muster. And the proposed IMAX Theatre as part of the Putnam Museum of Natural History and Science is also in keeping with the goal of providing amenities a community can use to attract new working populations.

The 3-D IMAX Theater provides a unique and powerful educational opportunity for all school ages in a myriad of subject matters, and an entertainment experience that reaches the broadest range of visitors, from small children to grandparents. It is a project that should be aggressively pursued as part of the redevelopment of “Museum Hill.” But it must be a project that has the consensus of the community—it cannot happen in a vacuum like so many of Davenport’s past projects.

Initially, we were told the IMAX would not cost taxpayers. The Putnam Trust would take care of the financials of the project with the help of Iowa state economic development grants. Several of these grants were not awarded, and project cost estimates relative to the IMAX technology have fallen short. So the Putnam is asking the City to make up part of the difference.

While the project is absolutely worth pursuing, some of the negotiating leverage the City has includes the need for the Putnam Estate-owned land downtown behind the Redstone building for a new parking ramp. Rejuvenate Davenport deeded the land to the Putnam Estate, along with the Redstone Building, for the cost of its taxes and maintenance.

It has been suggested by Aldermen Nickolas and Hean that in return for the $2,073,000 the Putnam is requesting for infrastructure improvements relative to the IMAX, the Putnam would donate the downtown lot to the City for its parking facility. Another suggestion by Alderman Englemann was for a surcharge on admission tickets sold to offset the $2.07 million (50 cents each per the projected 210,000 tickets to be sold annually, over a period of 10 years, which is equal to $1 million of the $2.07 million at $100,000 per year in defrayed costs).

Instead City Attorney John Martin and Finance Director Kent Kolway, the two city staffers who negotiated on behalf of the taxpayers, appear to have settled on a $20,000 annual revenue stream from the Putnam as the final compromise to offset costs. The Putnam’s position is that the infrastructure improvements will also benefit the adjacent zoo, waterpark, and the shared DMA building as a community resource. Also, they will deed a portion of the land back to the City. When asked why the lot behind the Redstone wasn’t also part of the deal, Kolway explained that he would not discuss negotiations, but that “they are two separate armslength deals and business isn’t done that way.” So there you have it. Now all that’s needed is an explanation of that explanation.

DavenportOne president Dan Huber attempted to convince the public that the Putnam shouldn’t have to intrude upon its endowment principle because of a misjudgment of approximately $3.5 million in technology costs. He claimed that the Putnam was constrained by an IMAX confidentiality clause that didn’t allow the Putnam access to such information for initial project cost estimates. This, by way of explanation, is unfortunate because it only served to undermine the public’s confidence in the Putnam’s ability to manage the project in a fiscally responsible way. In truth, it is highly unlikely that the IMAX will fail because the Putnam has done their homework relative to the financial viability of this project. They invested considerably in consultants to examine the venture, and they can point to other such partnerships, like the Omaha Zoo/IMAX, as evidence of successful projects that share compatible missions and are self-sustaining as a result.

Suffice it to say that there are questions about the project that deserve answers, but they are likely not forthcoming because Davenport's City Council isn't inclined to ask them—at least not in the public arena. (The council received the proposed final draft of the development agreement between the City and the Putnam 15 minutes before the Committee of the Whole meeting began.)

Despite the questionable process, the Putnam has a mission, and by a most ardent show of support from business leaders, a worthy one that tends to displace any nagging doubt. One cannot deny that the Putnam has an exceptional reputation for educational outreach and they will have an exciting and innovative means to expand on this strength with the IMAX. Accompanied by a strong marketing plan that highlights the educational benefits, the IMAX will surely be successful. Its "WOW" effect on the new synergy of Museum Hill only adds to the livability of Davenport and the Quad Cities region.