

City Council Meeting

November 8, 2018

TIF Request

- Potential need to increase office space at Kent Corporation
- Kent recently acquired the hotel property
- Evaluating converting hotel to office facility or standalone facility
 - Donated 100's of items from the hotel to those in need.
 - MCSA, MCC, Rebuilding Together, Jesus Mission, Habitat for Humanity, Muscatine County Fair, Goodwill etc.
- Recent announcement of moving Kent Precision Foods Group to Muscatine.
 - Involving 30 - 35 high value positions.
 - Leasing space in the Laurel building 4th floor.
 - Started the recruiting process.
- Additional office space will focus on long term growth of our business.
- Asking for consent agreement from City Council to provide a Tax Increment Finance (TIF) program to Kent for future office expansion at 2905 Hwy 61 North.
 - Asking for 75% rebate for first 4 years and 50% for the remaining 6 years.
- Additional information will be shared as it becomes available.

Proposed New Development: PREL. WORKSHEET KENT CORP.

Assumes All Commercial and/or Industrial Development

Date Prepared: 10-5-18

Valuations

Estimated Value After Improvement \$ 14,711,090

Frozen Base

1,311,090

Increment Estimates

\$ 13,400,000 (100% Value before rollback)

Tax Rate for Increment (Per \$1,000)
(FY 19 Rate for Increment)

\$ 32.64978 (FY 19 Rate)

If 100% Rebate

Incremental Taxes (Total Annual Estimate) \$ 437,507.05 (Before rollback)

Rebate Percentage (See Actuals Below) 100.00%

Rebate (At 100% - See Actuals Below) \$ 437,507.05 (Before rollback)

KENT

Estimated cost of construction \$15,000,000 to \$25,000,000

This example is using estimated construction cost of \$20,000,000 at 67% incremental assessed value.

Additional information will be provided as more information becomes available.

Assumptions for Preliminary Rebate Calculation (Estimate):

1. Assumes project is commercial or industrial and the rollback remains at 90%.
2. Assumes FY 19 incremental tax rate for all years; actual rates will vary.
3. Assumes increment is \$ 13400000 at 100% valuation (actual incremental valuation may differ from this estimate).

Target \$ _____ for _____ Years

Year	Estimated Commercial or Industrial Rebates					
	Increment at 100% of Assessed Value	Estimated TIF Tax Rate (per \$1,000)	Commercial/Ind. Rollback Factor	Rebate Percentage	Estimated Annual Rebate	Cumulative TIF Totals
1	\$ 13,400,000	\$ 32.64978	90.00%	75.00%	\$ 295,317	\$ 295,317
2	13,400,000	32.64978	90.00%	75.00%	295,317	590,634
3	13,400,000	32.64978	90.00%	75.00%	295,317	885,951
4	13,400,000	32.64978	90.00%	75.00%	295,317	1,181,268
5	13,400,000	32.64978	90.00%	50.00%	196,878	1,378,146
6	13,400,000	32.64978	90.00%	50.00%	196,878	1,575,024
7	13,400,000	32.64978	90.00%	50.00%	196,878	1,771,902
8	13,400,000	32.64978	90.00%	50.00%	196,878	1,968,780
9	13,400,000	32.64978	90.00%	50.00%	196,878	2,165,658
10	13,400,000	32.64978	90.00%	50.00%	196,878	2,362,536
11		32.64978	90.00%		-	2,362,536
12		32.64978	90.00%		-	2,362,536
13		32.64978	90.00%		-	2,362,536
14		32.64978	90.00%		-	2,362,536
15		32.64978	90.00%		-	2,362,536
16		32.64978	90.00%		-	2,362,536
17		32.64978	90.00%		-	2,362,536
18		32.64978	90.00%		-	2,362,536
19		32.64978	90.00%		-	2,362,536
20		32.64978	90.00%		-	2,362,536
(Manually change the number of years of rebates)			(Manually change these percentages)		\$ 2,362,536	