



Gregg Mandsager  
City Administrator  
City Hall, 215 Sycamore St.  
Muscatine, IA 52761-3840  
(563) 264-1550 Voice/TT  
Fax (563) 264-0750

## MEMORANDUM

---

**Date:** Monday, March 5, 2012  
**To:** Mayor Hopkins and Muscatine City Council  
**From:** Gregg Mandsager, City Administrator  
**Re:** Fridley TIF Proposal

---

### Background:

Representatives from Fridley Theatres will be in attendance at this coming Thursday's City Council In-Depth session to discuss their proposal for a TIF Agreement for their project. The initial request was for 15 years at 75% for the theatre lot generating over \$1.5 million dollars in increment rebates. Additionally, Fridley Theatres are requesting TIF for their out lots under our basic program of 10 years at 50%.

### Discussion:

Fridley representatives will be reviewing the potential impacts they expect from their development. Based on our discussions to date, we offer the following terms and conditions for Council review, discussion and consideration.

Below is a summary of the basic terms for a proposed TIF agreement with Fridley Theatres.

- Economic Development TIF
- 15 years
- Buildable lots - Fridley may collect TIF on these outlets, 10 years/50%, starting when lots develops
- Declining scale, starting at 90% and ending at 10%. Please see the attached image.
- Requirements:
  - All public improvements completed (DPW will provide an official attachment):
    - Interior public roadway improvements (Palm Drive),
    - Street lighting (MPW standards),
    - Right turn Lane (Mulberry onto Palm Drive),
    - All costs associated with the extension of sanitary and storm

**"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain**

sewer,

- Buffer between residential retirement home and Fridley property,
- Trees in ROW (Working with Branching Out)
- Related construction permits and sewer connection fees
- \* Potential addition - widening of Mulberry Street to include a third lane at the intersection of Mulberry and 61
- Employment - 35 jobs and/or annual payroll of \$276,000
- Buildable lots - no additional TIF may be sought
- City to waive sewer connection fees on the ROW, and the Storm Detention lot
- Pay all City legal fees (Standard on all agreements)

Additionally, Fridley Theatre's plans to donate the home that is on their site for City use (PD and FD training, FD burning), but Fridley would still be responsible for removing what is left of the demolition debris.

**Recommendation:** City Staff recommends that we enter into a proposed TIF agreement with the above terms and conditions.

**Attachments:**

1. Lot Map
2. Fridley Information
3. TIF Calculation/s

# FRIDLEY THEATRES MUSCATINE PROJECT

## IMPACT STATEMENT

**DESTINATION:** The Palms complex of ten theatre screens at the West edge of the City of Muscatine will create a unique, area-wide Destination. At such, it will:

- Continue Fridley Theatres' presence in Muscatine
- Enable Muscatine youth and adults to enjoy enhanced entertainment without leaving the community
- Draw patrons from communities surrounding Muscatine
- Initiate new commercial development at the West edge of the City:
  - Approximately 8.79 additional acres will create five to seven commercial lots
  - Fridley's infrastructure installations and enhancements will make them "shove-ready"
  - New businesses will be attracted, and new employment and payroll will be provided
  - Additional sales tax and real estate tax revenues will be generated
  - Infrastructure installations and enhancements will prepare the area for development

### EMPLOYMENT:

|   | <u>2011</u>      | <u>2013</u>                |
|---|------------------|----------------------------|
| General Manager                             |                  | 1 @ 39,000 – 42,000        |
| Food & Bar Manager                          |                  | 1 @ 26,500 – 28,000        |
| Asst Managers (Bar & Theatre)               |                  | 2 @ 22,000 – 23,000        |
| Hourly Assistants, Closers, etc.            |                  | 4 @ 18,000 – 20,000        |
| Janitorial                                  |                  | 4 @ 18,000 – 20,000        |
| Hourly Supervisor Staff                     |                  | 5 @ Minimum Wages          |
| General Staff (15-20)                       |                  | 15-20 @ Minimum Wages      |
| <b>Total Jobs</b>                           | <b>12</b>        | <b>30-35</b>               |
| <b>ANNUAL PAYROLL:</b>                      | <b>\$114,726</b> | <b>\$253,500 – 276,000</b> |
| <b>SALES TAX:</b> Local Option Tax          | <b>\$ 7,637</b>  | <b>\$ 22,054</b>           |
| Annual State Tax                            | \$ 45,820        | \$126,085                  |
| <b>REAL ESTATE TAXES:</b>                   | <b>\$ 321</b>    | <b>\$154,458</b>           |
| <b>DEBT SERVICE:</b> (City, County, School) | <b>\$ 39</b>     | <b>\$ 18,813</b>           |

15 year declining

|              |              |     |
|--------------|--------------|-----|
|              | 135,605.36   |     |
| City Revised |              |     |
| 1            | 122,044.82   | 90% |
| 2            | 122,044.82   | 90% |
| 3            | 108,484.29   | 80% |
| 4            | 108,484.29   | 80% |
| 5            | 94,923.75    | 70% |
| 6            | 94,923.75    | 70% |
| 7            | 81,363.22    | 60% |
| 8            | 81,363.22    | 60% |
| 9            | 67,802.68    | 50% |
| 10           | 67,802.68    | 50% |
| 11           | 54,242.14    | 40% |
| 12           | 54,242.14    | 40% |
| 13           | 54,242.14    | 40% |
| 14           | 40,681.61    | 30% |
| 15           | 40,681.61    | 30% |
|              | 1,193,327.17 |     |

City Original

|    |              |     |
|----|--------------|-----|
|    | 135,605.36   |     |
| 1  | 122,044.82   | 90% |
| 2  | 122,044.82   | 90% |
| 3  | 108,484.29   | 80% |
| 4  | 108,484.29   | 80% |
| 5  | 94,923.75    | 70% |
| 6  | 94,923.75    | 70% |
| 7  | 81,363.22    | 60% |
| 8  | 81,363.22    | 60% |
| 9  | 67,802.68    | 50% |
| 10 | 67,802.68    | 50% |
| 11 | 54,242.14    | 40% |
| 12 | 54,242.14    | 40% |
| 13 | 40,681.61    | 30% |
| 14 | 27,121.07    | 20% |
| 15 | 13,560.54    | 10% |
|    | 1,139,085.02 |     |

|         |              |     |
|---------|--------------|-----|
|         | 135,605.36   |     |
| Fridley | Opt #1       |     |
| 1       | 122,044.82   | 90% |
| 2       | 122,044.82   | 90% |
| 3       | 108,484.29   | 80% |
| 4       | 108,484.29   | 80% |
| 5       | 94,923.75    | 70% |
| 6       | 94,923.75    | 70% |
| 7       | 81,363.22    | 60% |
| 8       | 81,363.22    | 60% |
| 9       | 67,802.68    | 50% |
| 10      | 67,802.68    | 50% |
| 11      | 67,802.68    | 50% |
| 12      | 67,802.68    | 50% |
| 13      | 54,242.14    | 40% |
| 14      | 54,242.14    | 40% |
| 15      | 54,242.14    | 40% |
|         | 1,247,569.31 |     |

|         |              |     |
|---------|--------------|-----|
|         | 135,605.36   |     |
| Fridley | Opt #2       |     |
| 1       | 122,044.82   | 90% |
| 2       | 122,044.82   | 90% |
| 3       | 122,044.82   | 90% |
| 4       | 122,044.82   | 90% |
| 5       | 122,044.82   | 90% |
| 6       | 54,242.14    | 40% |
| 7       | 54,242.14    | 40% |
| 8       | 54,242.14    | 40% |
| 9       | 54,242.14    | 40% |
| 10      | 67,802.68    | 50% |
| 11      | 67,802.68    | 50% |
| 12      | 67,802.68    | 50% |
| 13      | 67,802.68    | 50% |
| 14      | 67,802.68    | 50% |
| 15      | 67,802.68    | 50% |
|         | 1,234,008.78 |     |

City Original vs. revised 54,242.14

City Original vs. Fridley opt 1 108,484.29

City Original vs. Fridley opt 2 94,923.75

Mulberry Development Agreement Cost

Paving (Widening, Taper) 197,730.00

Palms Drive 44' to 42' -8,706.00

Street Lighting 11,000.00

Buffer Strip 15,000.00

Total 215,024.00

