



**New Business**

UA18-14  
Davenport

Matt Rasmussen reported this was a 100% voluntary annexation to the City of Davenport. It's 8.69 acres. Kraft Heinz Food Company is the property owner who desires to be annexed into Davenport's corporate limits in order to accommodate future development. This property is part of their new development and was withheld from annexation previously until the City of Eldridge annexed property north of Slopertown Road. Those annexations by the City of Eldridge have now been complete. Upon annexation, the City will discuss rezoning the property to M-1, Light Industrial District with the respective owners. Full urban services are already in place or are nearby, including power from Mid-American Energy Company, and water from Iowa-American Water Company. Municipal services including sanitary sewer, public works and emergency response will be provided by the City of Davenport. This territory is not subject to an existing moratorium agreement. It does appear to be complete and properly filed.

Matt Flynn, Senior Planning Manager for the City of Davenport, was present via teleconference to answer questions from Board members. Board members had no questions.

Motion by  
Motion

Jay Howe  
I move the Board find UA18-14 as complete and properly filed and in the public interest and that it be approved.

Second  
Roll Call

Chris McKee  
All ayes. Motion approved.

**Old Business**

**Discussion of disposing of Mount Union Community Building**

Matt Rasmussen stated that Emily Willits has had discussions with the Henry County Attorney. Emily Willits explained she did talk to the Henry County Attorney about this and he said the County would be willing to work with us to sell the building. He needed to circle back with the Henry County Auditor and Board of Supervisors about how to best go about that. We had previously disposed of a building, working with the County, where we did a Quit Claim Deed. He said they had some reservations about doing it that way, but he said they would help us find a buyer and then sell it. The proceeds would then be held by the City Development Board to pay out the outstanding claims that have been approved, presuming that gets upheld in the judicial review proceeding. If the Board would give direction to staff that that is how you want to proceed, we can work it out with the County and get it moving in that direction.

Matt Rasmussen stated that the Board had formerly directed staff to work with City/County in order to dispose of that property. I don't think we formally need anything, but if the Board has any thoughts, we would be open to those thoughts.

Chairperson Plautz asked if anyone had any thoughts, comments or questions.

Jim Halverson stated that the County Auditor has been the party who has been most involved in this discussion to date. It seems to me that she raised one or two concerns or issues about why the County did not participate in the disposition of the property early on. I think it would be in everybody's best interest to take action on those items. Maybe that was part of your conversation with the County Attorney.

Emily Willits replied that part of her concern was that building is still titled in the City's name, so she did not feel that she had authority to go sell it. That's the piece we need to work out. We did this with another city building in Mount Union early on where we did an affidavit from Matt Rasmussen explaining the situation; did a Quit Claim Deed of the building to the County so the County could sell it and then remitted the funds back to the Board. We can probably arrange something similar here. The County Attorney said the County might be a little reluctant to take title of the building for very long out of liability concerns. Now it's sitting in the City's name and I don't think there is insurance, so it would be best if we could get it transferred to the County as quickly as possible because I have some concerns about that also. That's what we're working towards and that's why he felt he needed to go back to his clients and get the green light, but he thought it would be doable. I didn't get the impression from him that it couldn't be done.

This is Greg Moeller from the Henry County Board of Supervisors office. My understanding is the City Development Board has paid-off Iowa State Bank. Emily Willits stated that was correct. Greg Moeller said there was a lien/mortgage against this building. The loan amount plus paying the attorney's fees for Iowa State Bank—basically \$28,000 here or there—has the State City Development Board received the title to that building from Iowa State Bank? They were holding the mortgage on it. Matt Rasmussen stated they have received no deed or title. Mr. Moeller stated he's a little miffed—you paid these people and they were holding the note against it, so why haven't you demanded the deed from the Iowa State Bank who you paid-off? Matt Rasmussen replied the City Development Board is not the owner of the property. Technically, property would revert to the County upon dissolution of a City. If the lawyers had to get involved, I would imagine that a judge would declare the City property go to Henry County. The only glitch in this situation is there's a judgment and the proceeds from the sale of that building need to be used to satisfy that judgment if that does in fact go through. There are claims against the City that are still unpaid. There are two—it's the judgment for the Johnsons.

Jay Howe stated that it seemed to him that the gentleman would be expecting a release of the mortgage for the title record rather than a deed. Mr. Moeller replied that was correct. Emily Willits stated she would follow-up with the Bank on that. Her understanding was they were planning to release the lien that they had. Matt Rasmussen stated that he didn't know if they technically ever filed a lien. Mr. Rasmussen said he called the Henry County Treasurer and Auditor and they couldn't tell me if there was a lien on that property. I think that until someone tries to transfer title of that property, there is not going to be any kind of a lien search done. I think an abstract company would do that when they go

to transfer ownership of the property. We can certainly get a hold of the Bank and get a release form. Greg Moeller stated that from Henry County's perspective, I think that would be cleaner. They had money borrowed against that building; that was there collateral. I don't understand why they wouldn't release it. You paid them. Matt Rasmussen replied that he couldn't imagine why they wouldn't either. Greg Moeller stated it's Iowa State Bank's fault or somebody's fault for not following-up. I would have thought when they got the money, they would have released it to you guys. Emily Willits stated that we can follow-up with the Bank and she didn't anticipate that it would be a problem based on the representations that they made to the Board when the Board approved their claim. Greg Moeller stated he would ask the Board to make that motion—that you guys follow-up with the Bank. Ms. Willits replied she didn't know that it requires a motion unless the Board thinks it does. It's just something staff will do.

Jay Howe stated he didn't think it requires a motion either. I think a check with the County Recorder would let you know or not whether the Bank has filed a release.

Chairperson Plautz stated that previously, we had instructed staff to work this out. I don't think you're requesting any motions today—is that right? This is an advisement to see if anyone has a different opinion in terms of allowing you to proceed to work this out. Emily Willits replied that was correct; we just wanted to give you an update on where it's at and that we're working on it. Chairperson Plautz asked that once you have a solution, do you anticipate any Board action once a solution is developed? Emily Willits replied that she didn't think it was necessary; you've already provided direction. Chairperson Plautz stated that it sounded like a plan and asked if there were further questions and there were none.

### **Staff Reports**

Matt Rasmussen reported that we will have a meeting next month, August 8, 2018, and we expect to have a couple 100% voluntary annexation petitions to come before the Board and hopefully we'll have some action on this Henry County building.

Emily Willits stated that we got dismissed out of the lawsuit that some of the residents from Mount Union had filed against the City Development Board, Henry County and the Johnsons. We filed a Motion to Dismiss; had a hearing on that a couple weeks ago and we just got an order late yesterday dismissing the Board from that lawsuit. Chairperson Plautz congratulated Ms. Willits. Ms. Willits stated that we still have the judicial proceeding going on. Perhaps at a future meeting, we would want to put that as an agenda item with a closed session, to discuss litigation strategy, but for now, I'll just leave it at that.

Chairperson Plautz asked if there were any other issues to come before the Board today and there were none.

**Future Meeting** August 8, 2018, at 1:00 p.m., City Development Board  
Business Meeting at IEDA, 200 E. Grand Ave., 2<sup>nd</sup> Floor  
Main Conference Room, Des Moines, Iowa

**Adjourn** 1:20 p.m.

Respectfully Submitted,  
Betty Hessing, Administrative Assistant