

**CITY COUNCIL COMMUNICATION 97-605  
DECEMBER 22, 1997 AGENDA**

**SUBJECT:**

**TAX INCREMENT NEEDS  
FOR FY1998-99**

**SUBMITTED BY:**

**ERIC A. ANDERSON  
CITY MANAGER**

**SYNOPSIS –**

The City is required to submit tax increment financing (TIF) needs to the County Auditor by December of each year. Research and Budget staff have computed the need based on existing City commitments, Council resolutions, and anticipated tax increment expenditures to determine the need in FY1998-99. The tax increment need in 1998-99 will be \$6,852,616. This need will require 41 percent of available tax increment valuations and will, therefore, conform with Council's TIF policy

**FISCAL IMPACT –**

Based on the FY1998-99 tax increment need, \$251,086,397 of valuations will be returned to taxing jurisdictions. These valuations will generate about \$11,390,293 in tax revenues for all of the taxing jurisdictions, assuming the current property tax rate. Of the \$11,390,293 in tax revenues returned to all taxing jurisdictions, about \$4,308,312 will be returned to the City of Des Moines.

**RECOMMENDATION –**

**Notify the County Auditor of the need for \$6,852,616 of tax increment-generated revenue for the 1998-99 fiscal year.**

**BACKGROUND –**

The tax increment needs for FY1998-99 are composed as follows:

## **1998-99 TIF Need**

**Principal and interest payments on existing tax increment supported debt: \$6,760,997**

**Principal and interest payments on following proposed tax increment supported debt (CIP): 199,837**

Skywalks \$ 45,178  
MLK 2,000,000  
Botanical Center Riverfront 55,000  
CBD Signalization 238,227  
Durable Street Markings 10,000  
Downtown Street Restoration 100,000  
Bike Trails 42,000

**Principal and interest payments on proposed tax increment supported debt (Development): 147,646**

Accent \$ 550,000  
Central Place 290,000  
Downtown Parking 1,000,000

**Cash Financing: 1,989,700**

Amphitheater \$ 60,000  
Word of Mouth 25,000  
Equitable of Iowa 275,000  
Keystone 115,000  
Elegant Touch 20,000  
Redevelopment Engineering and Feasibility Analysis 450,000  
Self Supported Municipal Improvement District (SSMID) 125,000  
Court Avenue Housing 20,000  
Hiatt Square 400  
Airport Business Park 3,850  
Airport Commerce Park South 40,850  
Airport Commerce Park West 104,600  
Administration/Planning 750,000

These needs total \$9,098,180, which will be offset by State Replacement-Machinery & Equipment of \$1,731,260 and carryover fund balance of \$514,304, resulting in a net asking of \$6,852,616.