

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-580

SYNOPSIS -

AGENDA:

DECEMBER 21, 1998

The City is required to submit its tax increment financing (TIF) needs to the Polk County Auditor on an annual basis. City staff has computed the Fiscal Year (FY) 1999/2000 needs based on existing City commitments, City Council resolutions, and anticipated TIF expenditures. Based on this information, the TIF need is \$151,751,862, which is 34.8 percent of the currently estimated available TIF valuations. This request is in conformance with the Council's adopted policy on use of TIF.

SUBJECT:

TAX INCREMENT NEEDS
FOR FISCAL YEAR 1999-
2000

FISCAL IMPACT -

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

Based on the projected TIF need, \$284,921,184 of estimated property tax assessed valuation will be returned to the taxing jurisdictions. Therefore, the proposed TIF expenditures for 1999/2000 will result in not less than \$251,000,000 in values returned to taxing jurisdictions, as recommended in the November 16, 1998 TIF report. Assuming the current property tax rates, the returned valuation will generate about \$12,663,000 in tax revenues of which about \$4,826,500 will be returned to the City.

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

RECOMMENDATION -

Approve the roll call which directs the City Manager or his designee to notify the County Auditor of the City's need for \$151,751,862 of tax increment-generated revenue for the 1999/2000 fiscal year.

BACKGROUND -

The tax increment needs for FY 99/00 are composed of the following:

Item	Amount
• Principal and interest payments on existing tax increment-supported debt	\$5,669,955
• Principal and interest annual payment on the following proposed tax increment-supported debt	\$ 655,177
- Court Avenue Entertainment Center	\$3,100,000
- Gateway Project	\$3,000,000
- MLK Acquisition and Construction	\$1,624,951
- Durable Street Marking	\$ 10,000
- Downtown Streets	\$ 100,000
- Bike Trail/Sec Taylor Stadium	\$ 150,000
- CBD Loop	\$ 30,000
- Keo Way	\$ 150,000
• Cash Financing	\$2,123,106
- Airport Commerce Park South	\$ 52,599
- Airport Commerce Park West	\$ 126,286
- Airport Business Park	\$ 18,024
- Zimmerman Laurent & Richardson Inc. Assistance	\$ 100,000
- Anderson-Erickson Loan	\$ 35,000
- Amphitheater Loan Repayment	\$ 60,000
- Pioneer HiBred Assistance	\$ 169,672
- Equitable of Iowa Assistance	\$ 275,000
- Planning and Administration	\$ 750,000
- Guthrie Avenue Business Park	\$ 86,525

- New Lawn & Kromer Flats Housing Rehab	\$ 100,000	
- Saddlery Building Renovation	\$ 250,000	
- Court Avenue Improvements	\$ 100,000	

Re-allocation of unexpended TIF funds totaling \$850,000, derived from project closeouts, etc., will be made to Downtown Housing.

Summary

These TIF needs total \$8,448,238. This total will be offset by State of Iowa property tax replacement funds of \$2,268,435 and a carryover fund balance of \$14,603, resulting in a net request of \$6,165,200.