

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

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

**99-055**

**SYNOPSIS -**

**AGENDA:**

FEBRUARY 15, 1999

I submit the following change to the Tax Increment Financing (TIF) policy adopted by the City Council at its January 25, 1999 meeting. The revision, as discussed by the City Council at the January 28, 1999 Budget Workshop, states that "interest on idle TIF funds shall remain in the general fund annually unless specifically requested and approved as part of the annual Request for TIF Funds submitted to the County by Council resolution in December of each year."

**SUBJECT:**

TAX INCREMENT  
FINANCING POLICY  
RECOMMENDATION

**FISCAL IMPACT -**

**TYPE:**

None. Staff prepared the Fiscal Year 1999-2000 Operating Budget consistent with the proposed policy.

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**RECOMMENDATION -**

**Approve the TIF policy revision.**

**SUBMITTED BY:**

ERIC A. ANDERSON  
CITY MANAGER

**BACKGROUND -**

At the City Council's direction, and under the leadership of Christine Van Meter from the Polk-Des Moines Taxpayers Association, the TIF Study Committee (comprised of Jacquie Easley, Bill Knapp II, Bob Mahaffey, Bob Mickle, and Alice Rodine) prepared an extensive analysis and comprehensive list of TIF recommendations, project standards and policies.

Staff presented the revised TIF policy to the City Council on January 25, 1999. At that meeting, Ms. Rodine asked staff to revise the policy for earned interest on idle TIF funds. The City Council discussed and tentatively approved the following revision at its January 28, 1999 Budget Workshop.

I propose the following as the City's policy for earned interest on idle TIF funds:

Interest on idle TIF funds shall remain in the general fund annually unless specifically requested and approved as part of the annual Request for TIF Funds submitted to the County by Council resolution in December of each year.

The original TIF policy proposal I submitted to Council on January 25, 1999, used the following language for the same item:

Interest on idle TIF funds shall be returned to the general fund annually unless specifically allocated in the adopted budget for an alternative use.

This same item, as contemplated by the TIF Committee in their report, read as follows:

The City should prepare a written policy for the handling of interest earned on TIF dollars which at a minimum should require that interest on idle TIF funds be returned to the general fund annually.

Prior to the Committee's Report, the City's policy on idle TIF interest required that TIF funds remained in the General Fund unless staff specifically requested otherwise.

The remaining items in the policy remain unchanged from the version presented to the City Council on January 25, 1999.