

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-571

SYNOPSIS -

AGENDA:

DECEMBER 20, 1999

SUBJECT:

TAX INCREMENT
NEEDS FOR FY99-00

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

The City is required to submit its tax increment financing (TIF) needs to the Polk County Auditor on an annual basis. Staff has computed the FY00/01 request based on existing City commitments, City Council resolutions, and anticipated TIF expenditures. Based on this information, the TIF need is \$10,948,817 which is 52 percent of the currently available TIF valuations. This request is in conformance with the Council's adopted policy on use of tax increment funds. The City requests Council to direct the City Manager or his designee to notify the County Auditor of the City's need for \$10,948,817 of tax increment generated revenue for the 2000/2001 fiscal year.

Attached to the roll call is a report on an analysis of TIF uses in 1999; this report is provided in accordance with the City's TIF policy.

FISCAL IMPACT -

Based on the projected TIF need, about 48 percent of property tax assessed valuation generated in TIF areas will be returned to the taxing jurisdictions. Assuming the current property tax rates, the returned valuation will generate about \$11,990,000 in tax revenues of which about \$2,036,000 will be returned to the City of Des Moines' general fund.

RECOMMENDATION -

Approval.

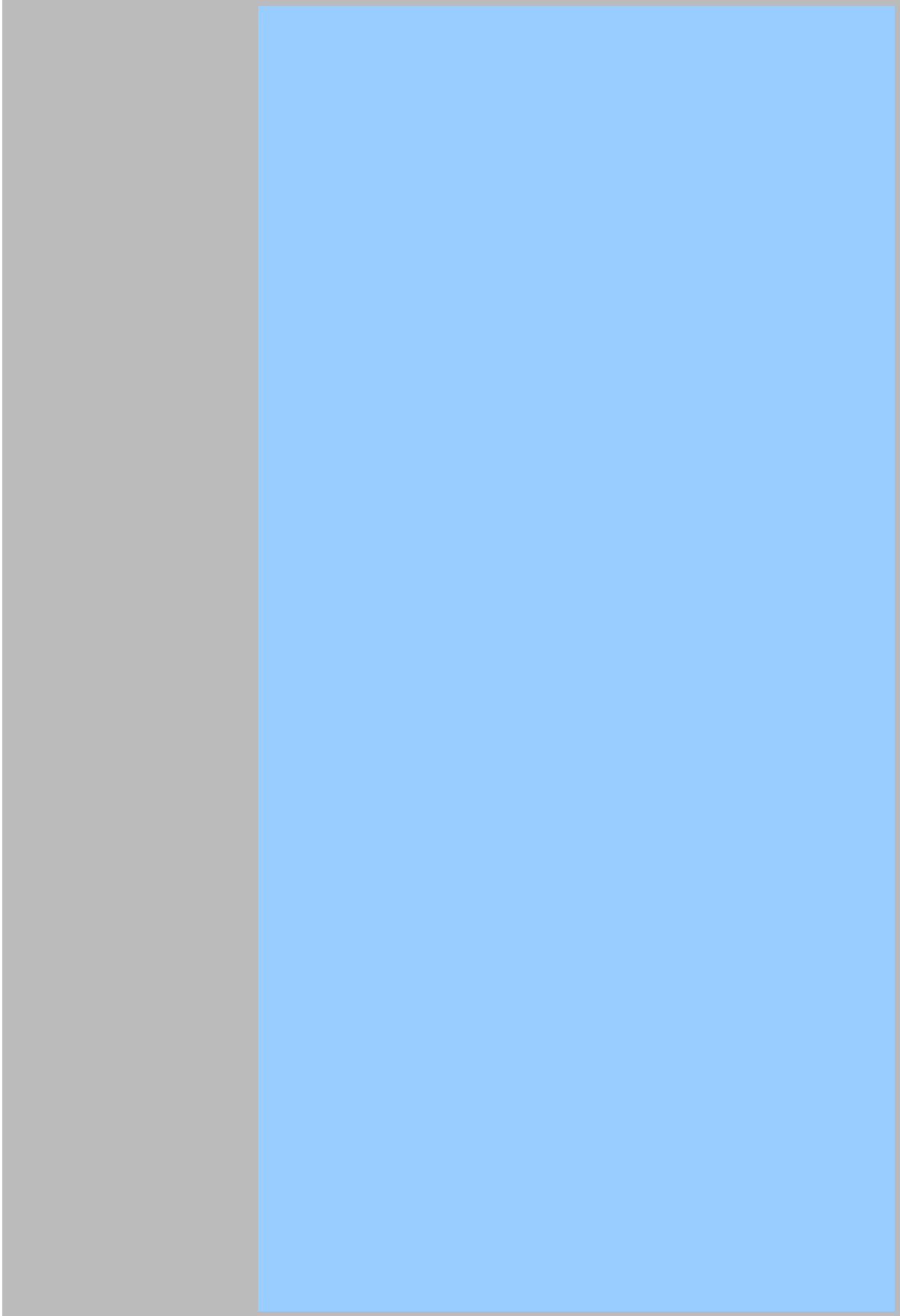
BACKGROUND -

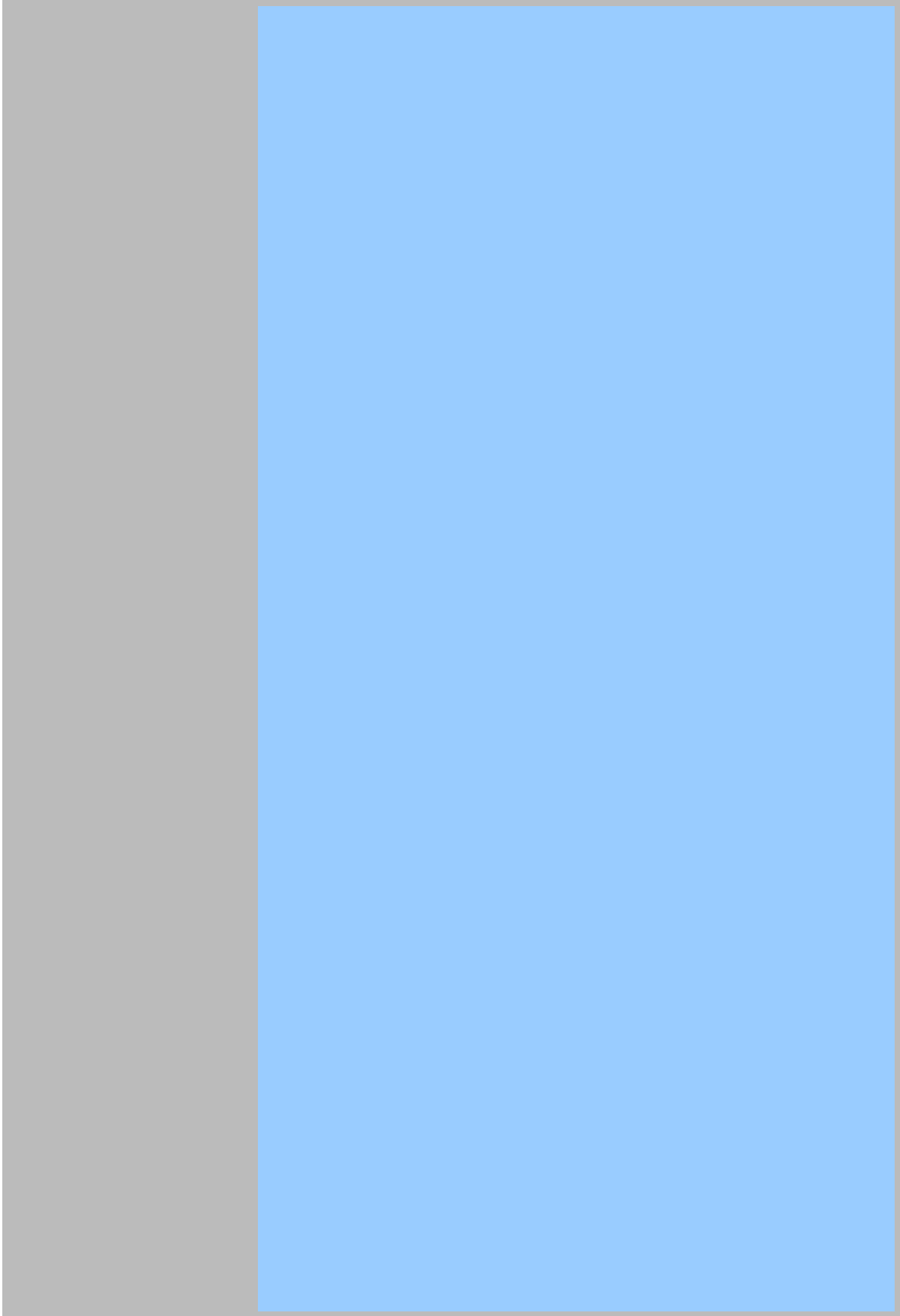
These TIF needs total \$12,495,425. This total will be offset by State of Iowa property tax replacement funds and a carryover

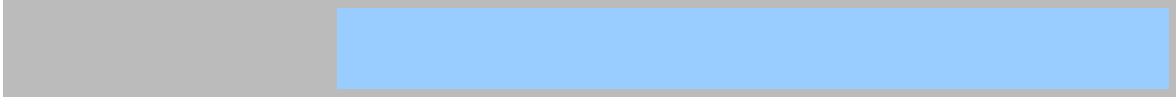
fund balance of \$1,546,608 resulting in a net request of \$10,948,817.

The request is in conformance with the Council's adopted policy on use of tax increment funds and is based on the Polk County Auditor's assessed valuation figures as certified by the State of Iowa. The tax increment uses for FY 00/99 are composed of the following:

- Principal and interest payments.....\$6,732,016
 - Existing tax increment-supported debt \$6,265,004
 - New annual debt service required for CIP \$467,012 (these proposed projects- MLK Parkway, Gateway, skywalks, 15th St. improvements, durable street markings, and local match for riverfront bike trail system - are proposed to be part of the 2000/01 City's CIP)
- Cash
- Financing.....\$5,763,409
- Airport Commerce Park South \$73,601
 - Airport Commerce Park West \$282,771
 - Airport Business Park \$159,149
 - Amphitheater loan repayment \$58,605
 - Pioneer HiBred assistance \$169,672
 - Equitable of Iowa assistance \$275,000
 - Planning and Administration \$750,000
 - ZLR \$125,000
 - Court Ave. Renovations/Improvements \$500,000
 - Locust St. Mall \$100,000
 - Hotel Ft. Des Moines \$100,000
 - Downtown Historic Façade Renovation \$100,000
 - Downtown Development Opportunities \$200,000
 - Gateway-Related Development \$2,505,000 (econ. dev. assistance and land acquisition)
 - Alter Development \$100,000
 - SE Agri-Business Park \$148,272
 - Guthrie Ave. Business Park \$116,339







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