

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

00-570

SYNOPSIS -

AGENDA:

DECEMBER 18, 2000

SUBJECT:

TAX INCREMENT
NEEDS FOR FY 2001-
2002

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 Fiscal Year (FY) 2001/2002 request based on existing City commitments, City Council resolutions, and anticipated TIF expenditures. Based on this information, the TIF need is \$11,252,272, which utilizes 53 percent of 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 \$11,252,272 of tax increment generated revenue for the 2001/2002 fiscal year.

TYPE:

FISCAL IMPACT -

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

Based on the projected TIF need, about 47 percent of taxable valuation generated in TIF areas will be returned to the taxing jurisdictions. Assuming the current property tax rates, the returned valuation will generate about \$11,941,000 in tax revenues of which about \$2,033,000 will be returned to the City of Des Moines' general fund.

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

RECOMMENDATION -

Approval.

BACKGROUND -

The TIF needs total \$11,845,357. This total will be offset by State of Iowa property tax replacement funds and a carryover fund balance of \$593,085, resulting in a net request of \$11,252,272.

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

preliminary taxable valuation figures to be certified by the State of Iowa.

The tax increment uses for FY 01-02 are composed of the following:		
<i>Principal and interest payments</i>		\$9,598,728
--Existing tax increment-supported debt	\$9,001,165	
--New annual debt service required for Capital Improvement Program (CIP)	\$597,563	
(Sec Taylor Stadium, Skywalks, Downtown Streets durable markings, 15th Street Corridor, MLK East/West, Gateway East/West)		
<i>Cash Financing</i>		\$2,246,629
Airport Commerce Park South	\$212,256	
Airport Commerce Park West	242,057	
Airport Business Park	38,374	
Amphitheater Loan Repayment	60,000	
Pioneer HiBred Assistance	169,672	
Equitable of Iowa Assistance	132,103	
Planning and Administration	750,000	
Locust Street Mall	100,000	
Principiant (Hotel Fort Des Moines)	100,000	
SE Ag Park	422,167	
Proposed new project: Kenyon Building (301 Grand Avenue)	20,000	