

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-627

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

AGENDA:

DECEMBER 17, 2001

SUBJECT:

TAX INCREMENT
FINANCING NEEDS
FOR FISCAL YEAR
2002-2003

SYNOPSIS -

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) 2002/2003 request based on existing City commitments, City Council resolutions, and anticipated TIF expenditures. Based on this information, the TIF requirement is \$15,691,145 that utilizes 58 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 \$15,691,145 of tax increment generated revenue for the 2002/2003 fiscal year.

TYPE:

RESOLUTION

ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

FISCAL IMPACT -

Based on the projected TIF need, about 42 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 \$14,077,000 in tax revenues of which about \$4,790,000 will be returned to the City of Des Moines' general fund.

RECOMMENDATION -

Approval.

BACKGROUND -

The TIF needs total \$15,691,145. 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 which is to be certified by the State of Iowa.

The tax increment uses for FY2002/2003 are composed of the

following:		
· Principal and Interest Payments		\$11,421,233
· New Annual Debt Service (Principal + Interest) (Sec Taylor Stadium, skywalks, downtown streets durable markings, 15th Street Corridor, 10th-12th Streets re-alignment, Martin Luther King, Jr. Parkway {MLK} East/West, Gateway East/West, and 3rd Street re-alignment)		\$690,084
· Cash Financing		\$3,579,828
Airport Commerce Park South		
Airport Commerce Park West		
Airport Business Park		
Planning and Administration	\$327,711	
CPMI (300 East Locust Street)	339,342	
	58,041	
Kenyon Building (301 Grand Avenue)	750,000	
	300,000	
Vine Street RR Crossing at SW 5th Street	20,000	
	35,000	
Locust Street Mall	100,000	
Equitable/ING	137,500	
Principiant (Hotel Fort Des Moines)	100,000	
	500,000	
Court Avenue Entertainment Center	233,017	
	77,112	
Development	602,105	
Opportunities/Metro Center		
Guthrie Avenue Business Park		
SE Agribusiness Park		

Other

The Council adopted its current policy in 1999 (Roll Call No. 99-453) which provided a framework for staff to make its recommendations on using TIF to Council. The Urban Renewal Board has indicated it will review the City's TIF policies; staff will provide updates of this review and Board comments to Council as it progresses.
