



**Council  
Communication**  
Office of the City Manager

<b>Date</b>	November 20, 2006
<b>Agenda Item No.</b>	<b>51</b>
<b>Roll Call No.</b>	<b>06-</b>
<b>Communication No.</b>	<b>06-719</b>
<b>Submitted by:</b>	<b>Richard A. Clark</b>

**AGENDA HEADING:**

Resolution approving tax increment needs for FY 2007/2008.

**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 07/08 request based on outstanding indebtedness incurred by the City. Based on the current assessed value information, the City of Des Moines TIF request is \$23,968,682. This request uses 59.8 % of available TIF valuations.

The roll call on the November 20, 2006 Council agenda directs the City Manager or his designee to notify the County Auditor of the City’s need for \$23,968,682 of tax increment-generated revenue for FY 07/08. The roll call also provides if there are subsequent adjustments in tax increment valuations, the City Manager or his designee is authorized to adjust the TIF needs requirement so as to not violate the Council’s TIF policy.

**FISCAL IMPACT:**

Based on the projected TIF need, 41.2% 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 \$16,777,000 in tax revenues of which about \$5,210,000 will be returned to the City of Des Moines’ general operations.

**ADDITIONAL INFORMATION:**

The request is in conformance with the Council’s policy on use of tax increment funds and is based on the Polk County Auditor’s preliminary taxable valuation figures which, when finalized, will be certified to the State of Iowa.

The tax increment uses for FY 07/08 are composed of the following:

**Debt Service Payments.....\$14,378,055**

- This amount reflects principal and interest payments on outstanding bonds and notes.

**Cash Financing..... \$ 9,590,627**

- Airport Commerce Park South (Grant Agreement) 538,388
- Airport Commerce Park West (Grant Agreement) 492,320

- Iowa Events Center (28E Agreement) 450,000
- 600 East Locust Building (Grant Agreement) 34,101
- Temple for Performing Arts (Grant Agreement) 31,000
- Hubbell Riverpoint at SW 7<sup>th</sup> (Grant Agreement) 44,130
- Eighth and Mulberry Garage (Lease Purchase Agreement) 1,400,000
- Wells-Fargo (Grant Agreement) 994,041
- Wells-Fargo/Museum (Grant Agreement) 25,000
- Allied/Nationwide (Grant Agreement) 1,140,140
- Metro Lofts (Grant Agreement) 500,000
- 400-500 Court Avenue Site 100,000
- Kenyon Building - 301 Grand Ave. (Grant Agreement) 20,000
- Equitable/Liberty Parking Ramp at Grand & 6<sup>th</sup> (Grant Agreement) 226,000
- Mulberry Lofts 110 11<sup>th</sup> St. (Grant Agreement) 332,000
- MLK Rise Loan Payment 555,968
- Whiteline Lofts SW 5<sup>th</sup> St. (Grant Agreement) 250,000
- Court Ave. Partners I/Spaghetti Works (Grant Agreement) 709,661
- Court Ave. Partners II/New Construction (Grant Agreement) 1,000,000
- Gateway Lofts 1701 Grand Ave. (Grant Agreement) 295,000
- Kemin (Grant Agreement) 202,877
- Hawthorn Hill 912 Pleasant St. (Grant Agreement) 250,000
- Fleur Drive Commercial Urban Renewal Area 1

**PREVIOUS COUNCIL ACTION(S):**

Date: December 5, 2005

Roll Call Number: 05-2930

Action: Tax Increment Needs for FY 2006/2007. (Council Communication No. 05-685) Moved by Coleman to adopt the recommendations contained in Council Communication No. 05-685 and to direct the City Manager or his designee to notify the County Auditor of the City of Des Moines' need for \$24,010,440 of tax increment revenue for FY 2006/2007 and if there are subsequent reductions in tax increment valuations, the Acting City Manager or his designee is authorized to decrease the TIF needs requirement as to be in compliance with the Council's TIF policy. Motion Carried 5-1-1. Nays: Brooks. Absent: Hensley

Date: December 6, 2004

Roll Call Number: 04-2624

Action: Regarding tax increment needs for fiscal year 2005/2006. (Council Communication No. 04-612) Moved by Hensley to adopt the recommendations contained in Council Communication No. 04-612 and to direct the City Manager or his designee to notify the County Auditor of the City of Des Moines' need for \$19,925,577 of tax increment revenue for FY 2005/2006 and if there are subsequent reductions in tax increment valuations, the City Manager or his designee is authorized to decrease the TIF needs requirement as to be in compliance with the Council's TIF policy. Motion Carried 7-0.

Numerous previous annual roll calls on approving annual tax increment request to the Polk County Auditor.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**