

 <b>Council</b> <b>Communication</b> Office of the City Manager	<b>Date</b>	November 19, 2007
	<b>Agenda Item No.</b> 61 <b>Roll Call No.</b> <u>07-</u> <b>Communication No.</b> <u>07-705</u> <b>Submitted by:</b> Richard A. Clark	

**AGENDA HEADING:**

Resolution approving tax increment needs for FY 2008/2009.

**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 08/09 request based on indebtedness by the City. Based on the current assessed value information, the City of Des Moines TIF request is \$26,542,482. This request uses 61.1 % of available TIF valuations.

The roll call on the November 19, 2007 Council agenda directs the City Manager or his designee to notify the County Auditor of the City’s need for \$26,542,482 of tax increment-generated revenue for FY 08/09. 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, 38.9% 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 \$17,156,000 in tax revenues of which \$5,168,000 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 08/09 are composed of the following:

**Debt Service Payments.....\$18,378,267**

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

**Cash Financing..... \$ 8,164,215**

Airport Commerce Park South (Grant Agreement)	592,872
Airport Commerce Park West (Grant Agreement)	506,583
Iowa Events Center (28E Agreement)	450,000
600 East Locust Building (Grant Agreement)	40,921
Temple for Performing Arts (Grant Agreement)	31,000
Hubbell Riverpoint at SW 7 <sup>th</sup> (Grant Agreement)	129,333
Eighth and Mulberry Garage (Lease Purchase Agreement)	1,200,000
Wells-Fargo (Grant Agreement)	1,000,828
Wells-Fargo/Museum (Grant Agreement)	25,000
Allied/Nationwide (Grant Agreement)	1,173,655
Metro Lofts (Grant Agreement)	250,000
Planning, Oversight, Administration Reimbursement	500,000
Kenyon Building - 301 Grand Ave. (Grant Agreement)	20,000
Equitable/Liberty Parking Ramp at Grand & 6 <sup>th</sup> (Grant Agreement)	216,872
Central Library Construction	729,000
MLK RISE Loan Payment	555,968
Whiteline Lofts SW 5 <sup>th</sup> St. (Grant Agreement)	250,000
Court Ave. Partners II – Spaghetti Works Housing (Grant Agreement)	62,710
Gateway Lofts 1701 Grand Ave. (Grant Agreement)	315,018
Civic Center Improvements	100,000
Fleur Drive (Grant Agreement)	14,455

**PREVIOUS COUNCIL ACTION(S):**

Date: November 20, 2006

Roll Call Number: 06-2332

Action: Tax Increment Needs for FY 2007/2008. (Council Communication No. 06-719) Moved by Hensley to adopt the recommendations contained in Council Communication No. 06-719 and to direct the City Manager or his designee to notify the County Auditor of the City of Des Moines' need for \$23,968,682 of tax increment revenue for FY 2008/2009 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 6-0.

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**