

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	November 24, 2008
	Agenda Item No. 50 Roll Call No. <u>08-</u> Communication No. <u>08-713</u> Submitted by: Allen McKinley, Finance Director/Treasurer	

AGENDA HEADING:

Resolution approving tax increment needs for FY2009/2010.

SYNOPSIS:

The city is required to submit its tax increment financing (TIF) needs to the Polk County Auditor on an annual basis by December 1 each year. Staff has computed the Fiscal Year 09/10 request based on indebtedness by the City and the City Council’s TIF policy. Based on the current assessed value information, the City of Des Moines TIF request is \$ 28,343,181. This request uses 61.8% of available TIF valuations.

The roll call on the November 24, 2008 Council agenda directs the City Manager or his designee to notify the Polk County Auditor of the City’s need for \$28,343,181 of tax increment generated revenue for FY09/10. The roll call also provides if there are substantial adjustments in tax increment valuations between now and December 1st, the City Manager or his designee is authorized to adjust the TIF needs requirement so as not to violate the Council’s TIF policy.

FISCAL IMPACT:

Based on the projected TIF need, 38.2% 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 \$17,552,000 of tax revenues of which \$5,439,000 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 FY09/10 are composed of the following:

Debt Service Payments	\$20,187,716
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This amount reflects principal and interest payments on bonds and notes.

Cash Financing	
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Iowa Events Center (28E Agreement)	\$ 450,000
Civic Center Improvements	\$ 100,000
Wells Fargo Expansion (Grant Agreement)	\$ 481,842
601 East Locust Building (Grant Agreement)	\$ 40,921
Temple for Performing Arts (Grant Agreement)	\$ 31,000
Hubbell Riverpoint at SW7th (Grant Agreement)	\$ 129,333
Soho (Grant Agreement)	\$ 68,390
Village Place (Grant Agreement)	\$ 105,000
Davis Brown Tower (Grant Agreement)	\$ 808,382
Eighth and Mulberry Garage (Lease Purchase Agreement)	\$ 1,200,000
E300 (Grant Agreement)	\$ 200,000
Planning, Oversight, & Administration Reimbursement	\$ 500,000
Wells Fargo (Grant Agreement)	\$ 1,000,828
Allied (Grant Agreement)	\$ 1,173,655
Allied II (Grant Agreement)	\$ 150,000
Equitable/Liberty (Grant Agreement)	\$ 216,872
MLK Rise Loan Payment	\$ 555,968
Court Avenue Partners (Grant Agreement)	\$ 62,710
Court Avenue Partners II (Grant Agreement)	\$ 57,414
Metro Lofts (Grant Agreement)	\$ 250,000
Starbucks Fleur Drive (Grant Agreement)	\$ 14,455
Airport Commerce Park South (Grant Agreement)	\$ 558,695

PREVIOUS COUNCIL ACTION(S):

Date: November 19, 2007

Roll Call Number: 07-2264

Action: Tax Increment needs for FY 2008/2009. (Council Communication No. 07-705) Moved by Hensley to adopt the recommendations contained in Council Communication No. 07-705 and to direct the City Manager or his designee to notify the County Auditor of the City of Des Moines' need for \$26,542,482 of tax increment revenue for FY2008/2009 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 7-0.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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