

 <h1 style="text-align: center;">Council Communication</h1> <p style="text-align: center;">Office of the City Manager</p>	<b>Date:</b> November 22, 2010
	<b>Agenda Item No.</b> 29 <b>Roll Call No.</b> <u>10-1943</u> <b>Communication No.</b> <u>10-691</u> <b>Submitted by:</b> Allen McKinley, <b>Finance Director</b>

**AGENDA HEADING:**

Approving tax increment needs for FY2011/2012

**SYNOPSIS:**

The city is required to submit its tax increment financing (TIF) needs to the Polk County Auditor annually by December 1 for the subsequent fiscal year. Staff has computed the Fiscal Year 11/12 request based on indebtedness by the City and the City Council’s TIF policy. The City of Des Moines TIF request is \$24,257,482. This request uses 49.7% of available TIF valuations.

The roll call on the November 22, 2010 Council agenda directs the City Manager, or his designee, to notify the Polk County Auditor of the City’s need for \$24,257,482 of tax increment generated revenue for FY11/12. 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:**

Amount: \$24,257,482

Funding Source:

SP370 FIN909101	Accent (page 117)	\$ 28,916
SP370 FIN909103	Airport Commerce Park South (page 117)	\$ 657,246
SP370 FIN909105	Metro Center(page 117)	\$22,187,525
SP370 FIN909106	Central Place (page 117)	\$ 21,599
SP370 FIN909107	Guthrie (page 117)	\$ 28,028
SP370 FIN909108	SE Agrimergent Park (page 117)	\$ 681,930
SP370 FIN909109	Fleur Drive (page 117)	\$ 244,987
SP370 FIN909110	Beaverdale (page 117)	\$ 50,000
SP370 FIN909111	Merle Hay (new)	\$ 357,250

Based on the projected TIF need, 50.3% 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 \$27,979,000 of tax revenues of which \$7,730,000 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 FY11/12 are composed of the following:

Debt Service Payments \$13,218,050

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

Cash Financing \$ 11,039,432

Iowa Events Center (28E Agreement)	\$ 450,000
Civic Center Improvements (Grant Agreement)	\$ 100,000
Wells Fargo Expansion (Grant Agreement)	\$ 481,842
600 East Locust Building (Grant Agreement)	\$ 48,735
Temple for Performing Arts (Grant Agreement)	\$ 31,000
Hubbell Riverpoint at SW7th (Grant Agreement)	\$ 145,580
Soho (Grant Agreement)	\$ 141,000
Village Place (Grant Agreement)	\$ 105,000
Hawkeye Transfer (Grant Agreement)	\$ 161,788
Davis Brown Tower (Grant Agreement)	\$ 1,193,820
Eighth and Mulberry Garage (Lease Purchase Agreement)	\$ 1,200,000
Merle Hay Mall (Grant Agreement)	\$ 357,250
Wellmark (Grant Agreement)	\$ 96,000
Planning, Oversight, & Administration Reimbursement	\$ 500,000
Wells Fargo (Grant Agreement)	\$ 1,050,004
Allied (Grant Agreement)	\$ 1,269,623
Allied II (Grant Agreement)	\$ 1,395,000
InPlay (Grant Agreement)	\$ 187,500
Equitable/Liberty (Grant Agreement)	\$ 182,165
MLK Rise Loan Payment	\$ 555,968
Court Avenue Partners (Grant Agreement)	\$ 62,710
Court Avenue Partners II (Grant Agreement)	\$ 57,414
1717 Ingersoll (Grant Agreement)	\$ 55,000
Starbucks Fleur Drive (Grant Agreement)	\$ 10,000
E5W	\$ 17,500
Aviva	\$ 150,000
Studio Block	\$ 85,000
Fleur Drive Phase 2 (Grant Agreement)	\$ 242,287
Airport Commerce Park South (Grant Agreement)	\$ 157,246
Eurofins (Grant Agreement)	\$ 500,000
Joe’s Square (Grant Agreement)	\$ 50,000

**PREVIOUS COUNCIL ACTION(S):**

Date: November 23, 2009

Roll Call Number: [09-2119](#)

Action: [Tax](#) Increment needs for FY 2010-2011. ([Council Communication No. 09-811](#)) Moved by Coleman to adopt the recommendations contained in Council Communication No. 09-811 and to direct the City Manager or his designee to notify the County Auditor of the City of Des Moines' need for \$24,802,894 of tax increment revenue for FY 2010/2011 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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