

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 29, 2011
	<p>Agenda Item No. 75</p> <p>Roll Call No. <u>11-</u></p> <p>Communication No. <u>11-567</u></p> <p>Submitted by: Richard A. Clark, City Manager</p>

AGENDA HEADING:

Recommendation regarding the creation of a new urban renewal area and tax increment district for the Ingersoll Avenue commercial area.

SYNOPSIS:

Recommend staff to proceed with preparation of a new urban renewal area and tax increment district for the Ingersoll Avenue area. The requested boundaries of the urban renewal area generally follow the Ingersoll and Grand Avenues extending from Martin Luther King Jr. Boulevard on the east to 43rd Street on the west. The exact boundaries will be fashioned to take the greatest advantage of economic development opportunities while respecting the provisions of the State of Iowa tax increment financing rules. Balancing these two principles will be necessary.

FISCAL IMPACT:

Amount: Fiscal impact is unknown at this time. The availability of future TIF revenues is dependent upon growth in property values. If TIF revenues become available, council will be able to consider the use of these TIF funds for specific needs that fulfill the objectives of the plan. Any use of TIF funds must be considered in relation to the City’s overall fiscal needs.

Funding Source: N/A

ADDITIONAL INFORMATION:

At the May 9, 2011 Council meeting by Roll Call 11-0821, the City Council received a request from Restoration Ingersoll, represented by Ted Irvine, for the creation of an urban renewal tax increment financing (TIF) district for Ingersoll Avenue to provide funding for an expansion and completion of the Ingersoll Ave. streetscape with the proposed area to be added as part of the existing Metro Center Urban Renewal Area. Council received, filed and referred the request to the City Manager for a report and recommendation with a timeline and to designate staff to work with Restoration Ingersoll.

Staff has reviewed Restoration Ingersoll’s proposal and believes an urban renewal area with tax increment financing is appropriate for the Ingersoll Avenue area. The area will qualify as an economic development district and be separate from the Metro Center Urban Renewal Area.

Timeline

The next steps include refining the boundary area and generating the required urban renewal plan documents that will include a list of proposed projects that directly benefit the properties within the

proposed boundary as well as a financial report that provides projections of anticipated revenues and expenditures. Because the area's overall assessment values as of January 1, 2011, decreased from 2010, there will be no increment available in FY2012/13 to fund any urban renewal activities.

The creation of the district will allow the City to initiate the use of tax increment financing if the overall taxable property values within the area rise in future years. The 20 year limitation on urban renewal districts created on the basis of economic development does not start until the City begins to use the tax increment financing.

PREVIOUS COUNCIL ACTION(S):

Date: May 9, 2011

Roll Call Number: 11-0821

Action: [From](#) Restoration Ingersoll, represented by Ted Irvine, requesting the creation of an Urban Renewal Tax Increment Financing (TIF) District for Ingersoll Avenue as an extension of the Metro Center Urban Renewal District. Moved by Hensley to receive, file and refer to the City Manager for a report and recommendation with a timeline and to designate staff to work with Restoration Ingersoll. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Review of draft plan, set date of hearing and refer to the Urban Design Review Board and Plan and Zoning Commission prior to TIF consultation with other taxing entities.

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