


## COUNCIL COMMUNICATION

|   |               |  |            |                          |
|---|---------------|--|------------|--------------------------|
|  | Number:       | <b>25-438</b>                            | Meeting:   | <b>November 17, 2025</b> |
|   | Agenda Item:  | <b>33</b>                                | Roll Call: | <b>25-1549</b>           |
|   | Submitted by: | <b>Nickolas Schaul, Finance Director</b> |            |                          |

### AGENDA HEADING:

Approving tax increment needs for Fiscal Year (FY) 2026/2027, internal loans to the Tax Increment Fund, and approving the submittal of the Annual Urban Renewal Report (AURR).

### SYNOPSIS:

The City is required to submit its tax increment financing (TIF) needs to the Polk County Auditor annually by December 1st for the subsequent FY. Staff has computed the FY 2026/2027 request based on indebtedness by the City and the City Council's TIF policy. The City of Des Moines' TIF request is \$38,400,618 and uses an estimated 29% of available TIF valuations. The roll call directs the City Manager or his designee to notify the Polk County Auditor of the City's need for \$38,400,618 of tax increment generated revenue for FY 2026/2027. 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 City Council's TIF policy.

One (1) of the TIF obligations is to repay the General Fund for operating costs incurred in the General Fund for activities associated with TIF administration and planning. This amount has been conservatively established at \$1,500,000 for the FY ending June 30, 2026, to be repaid with TIF revenues in FY ending June 30, 2027. This amount reflects a portion of the annual personnel costs for the Finance Department, Development Services Department, and other City staff working on TIF projects.

The AURR is required by legislation passed in 2012. It contains data on all existing TIF districts as of June 30, 2025, and all transactions including cash balances by TIF district. The report must be received and approved by the City Council to certify the annual operating budget for the upcoming FY ending June 30, 2027, and submitted to the State of Iowa by December 1, 2025.

### FISCAL IMPACT:

Amount: \$38,400,618 in TIF revenues needed, requiring TIF revenue certification

Funding Source: TIF Special Revenue Funds and Debt Service Fund—

|                |    |         |
|----------------|----|---------|
| 38th and Grand | \$ | 962,905 |
| Carpenter      | \$ | 25,273  |
| Central Place  | \$ | 807,587 |
| Drake          | \$ | 187,556 |

|                          |               |
|--------------------------|---------------|
| Forest Avenue            | \$ 51,066     |
| Hilltop                  | \$ 5,118      |
| Ingersoll-Grand          | \$ 3,038,139  |
| Merle Hay                | \$ 1,095,249  |
| Metro Center             | \$ 25,204,460 |
| Northeast Gateway I      | \$ 295,511    |
| Oak Park-Highland Park   | \$ 65,243     |
| SE Agri Business         | \$ 3,576,927  |
| Southside                | \$ 1,867,657  |
| SW 42nd & Army Post Road | \$ 412,714    |
| SW Gateway               | \$ 805,213    |

**ADDITIONAL INFORMATION:**

- The request is in conformance with the City 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 2026/2027 are composed of the following:

|   |               |
|---|---------------|
| Debt Service Financing for the Urban Renewal Areas Listed Below | \$ 14,318,286 |
| Debt Service Payments for Central Place                         | \$ 807,587    |
| Debt Service Payments for Ingersoll-Grand                       | \$ 2,327,506  |
| Debt Service Payments for Merle Hay                             | \$ 334,637    |
| Debt Service Payments for Metro Center                          | \$ 8,215,229  |
| Debt Service Payments for Southeast Agriculture Business Park   | \$ 2,633,327  |

|  |               |
|--|---------------|
| Cash Financing for the Projects Listed Below | \$ 24,082,332 |
|--|---------------|

| <u>District</u> | <u>Name</u>                    | <u>Amount</u> |
|-----------------|--------------------------------|---------------|
| 38th and Grand  | 3750 Grand LLC (TIF 1)         | \$ 672,905    |
| 38th and Grand  | 3801 Grand Associates (TIF 2)  | \$ 290,000    |
| Carpenter       | Merge                          | \$ 25,273     |
| Drake           | Home 2 Suites (Drake Hotel)    | \$ 165,556    |
| Drake           | Canary Lofts (Nelson Multiuse) | \$ 22,000     |
| Forest          | Forest Avenue Village          | \$ 51,066     |
| Hilltop         | Hilltop III and IV             | \$ 5,118      |
| Ingersoll-Grand | Goldfinch Lofts                | \$ 300,000    |
| Ingersoll-Grand | 2801 Grand (Reagan Partners)   | \$ 75,000     |
| Ingersoll-Grand | 2315 Grand (Grand Trees)       | \$ 200,000    |
| Ingersoll-Grand | Spot 515, LLC                  | \$ 65,200     |
| Ingersoll-Grand | SSMID Backfill - Ingersoll     | \$ 70,433     |

|              |   |              |
|--------------|---|--------------|
| Merle Hay    | Merle Hay Mall Phase I                                | \$ 400,000   |
| Merle Hay    | 3801 Merle Hay Road                                   | \$ 45,000    |
| Merle Hay    | Douglas/MH (Merle Hay Phase 3A & 3B)                  | \$ 315,612   |
| Metro Center | Parking System Subsidy                                | \$ 800,000   |
| Metro Center | Planning and Administration                           | \$ 1,500,000 |
| Metro Center | SSMID backfill-DOWNTOWN                               | \$ 1,170,222 |
| Metro Center | SSMID backfill-SHERMAN HILL                           | \$ 18,863    |
| Metro Center | Allied II Grant Payments - 1200 Locust Street         | \$ 697,500   |
| Metro Center | Village Place 521 E Locust Street                     | \$ 105,000   |
| Metro Center | Court Avenue Partners II 410 Court Avenue             | \$ 57,415    |
| Metro Center | Botanical Center                                      | \$ 400,000   |
| Metro Center | Riverpoint West Section TIF to Projects               | \$ 136,541   |
| Metro Center | Riverpoint West Section 108 Loan - TIF Request        | \$ 567,015   |
| Metro Center | Fleming Building - 218 6th Avenue                     | \$ 140,000   |
| Metro Center | Wilkins Building 713 Walnut Street Tea Room           | \$ 69,725    |
| Metro Center | Wilkins Building 713 Walnut Street Commercial         | \$ 237,000   |
| Metro Center | Waterfront Lodging 200 Water Street                   | \$ 371,000   |
| Metro Center | Iowa Machine Shed Co. (AC Marriott Hotel)             | \$ 293,000   |
| Metro Center | 420 Court Avenue (Hy-Vee/Knapp)                       | \$ 232,000   |
| Metro Center | 130 East 3rd (Market One) Advance Rumely Building     | \$ 110,000   |
| Metro Center | Cityville   | \$ 197,000   |
| Metro Center | Principal Financial Campus - 600 7th Property         | \$ 533,000   |
| Metro Center | Principal Financial Campus - 801 Grand Property       | \$ 463,000   |
| Metro Center | Principal Financial Campus - 711 High Street Property | \$ 863,000   |
| Metro Center | American Republic Insurance - 601 6th Street          | \$ 203,000   |
| Metro Center | Miesblock (665 Grand Avenue) Nelson Construction      | \$ 76,000    |
| Metro Center | 201, LLC (201 East Locust Street) Staybridge Hotel    | \$ 300,000   |
| Metro Center | Marel Meat Processing 401 SW 7th                      | \$ 9,000     |
| Metro Center | 505 E Grand LLC (Raygun Building)                     | \$ 113,000   |
| Metro Center | East Village Tower Partners - The Lyon                | \$ 89,250    |
| Metro Center | 220 SE 6th (PDM Precast, Inc.) Parking License        | \$ 119,700   |
| Metro Center | 220 SE 6th (PDM Precast, Inc.) Project Generated TIF  | \$ 201,000   |
| Metro Center | Dilley Manufacturing 215 East 3rd Street, LLC         | \$ 60,000    |
| Metro Center | Grays Station (Hubbell Realty Company) - 7.4M         | \$ 254,000   |
| Metro Center | 101 East Grand Parking (Phase 2)                      | \$ 254,000   |
| Metro Center | EMC (219 8th Street)                                  | \$ 25,000    |
| Metro Center | College Hill (921 6th Avenue - Frank Levy)            | \$ 129,000   |
| Metro Center | R&T Lofts (DM Register Bldg) 717 Locust and 421 8th   | \$ 370,000   |
| Metro Center | 219 East Grand, LLC - Commercial                      | \$ 142,000   |
| Metro Center | 1417 Walnut Street (Bronson Partners)                 | \$ 33,000    |
| Metro Center | Krause Gateway Center                                 | \$ 1,992,000 |
| Metro Center | 317 and 322 E Court LLC (Jake Christensen)            | \$ 45,000    |
| Metro Center | Hotel Fort Des Moines                                 | \$ 355,000   |
| Metro Center | 212 East 3rd Street (H. Glass Partners, LLC - Rypma)  | \$ 43,000    |
| Metro Center | District at 6th (TWG)                                 | \$ 350,000   |
| Metro Center | Federal Home Loan Bank (909 Locust)                   | \$ 261,000   |
| Metro Center | Rowat Lofts   | \$ 200,000   |
| Metro Center | 440 E Grand (RE3)                                     | \$ 24,000    |
| Metro Center | 418 E Grand (Phase I)                                 | \$ 72,000    |
| Metro Center | The Edna Griffin Bldg (319 7th Street)                | \$ 85,000    |
| Metro Center | Fairfield Inn (207 Crocker)                           | \$ 249,000   |
| Metro Center | DICO  | \$ 250,000   |
| Metro Center | Midland (206 6th)                                     | \$ 239,000   |

|                     |   |            |
|---------------------|---|------------|
| Metro Center        | Jarcor (Argonne Apartments - 1723 Grand Avenue)   | \$ 3,000   |
| Metro Center        | Hubbell Bridge District - Level Apartments        | \$ 250,000 |
| Metro Center        | 611 5th Avenue - Knapp Properties                 | \$ 191,000 |
| Metro Center        | Aust Real Estate - 1201 Keo Way                   | \$ 58,000  |
| Metro Center        | JR Partners (401 E Court)                         | \$ 14,000  |
| Metro Center        | 217 E 2nd Avenue                                  | \$ 94,000  |
| Metro Center        | 13th and Mulberry Phase I                         | \$ 96,000  |
| Metro Center        | Stapek Partners - 112 SE 4th Street               | \$ 51,000  |
| Metro Center        | Center at Sixth (1417 6th Avenue)                 | \$ 67,000  |
| Metro Center        | Landus Cooperative                                | \$ 50,000  |
| Metro Center        | Crescent Chevy (KG Store 543 LLC)                 | \$ 191,000 |
| Metro Center        | Onespeed DSM                                      | \$ 80,000  |
| Metro Center        | North Des Moines Town Hall LP (1601 6th Avenue)   | \$ 300,000 |
| Metro Center        | American Equity Investment Life Insurance         | \$ 40,000  |
| Northeast Gateway 1 | ILEX Group (OPUS)                                 | \$ 295,511 |
| Oak Park-Highland   | 3523 6th Avenue                                   | \$ 48,826  |
| Oak Park-Highland   | 3610 6th Avenue (Chucks)                          | \$ 12,000  |
| Oak Park-Highland   | SSMID Backfill - OPHP                             | \$ 4,417   |
| SE Agri Business    | Helena  | \$ 33,600  |
| SE Agri Business    | Transload   | \$ 511,000 |
| SE Agri Business    | Cold Storage                                      | \$ 248,416 |
| SE Agri Business    | Cold Storage Expansion                            | \$ 150,584 |
| Southside           | Macerich Southridge Mall, LLC Phase I             | \$ 184,000 |
| Southside           | Macerich Southridge Phase II (Unity Point)        | \$ 103,000 |
| Southside           | Macerich VA Clinic                                | \$ 263,000 |
| Southside           | Fort Des Moines                                   | \$ 27,000  |
| Southside           | MV - Southridge Senior Lofts                      | \$ 88,000  |
| Southside           | TWG - Southridge (Southridge Apartments Partners) | \$ 222,000 |
| Southside           | Genesis   | \$ 980,657 |
| SW 42nd & Army Post | EP2 and Expansion                                 | \$ 412,714 |
| SW Gateway          | Bell Avenue Properties (Walldinger)               | \$ 805,213 |

**PREVIOUS COUNCIL ACTION(S):**

Date: November 18, 2024

Roll Call Number: [24-1586](#), [24-1587](#), and [24-1588](#)

Action: Items regarding tax increment needs for FY 2025/2026, internal loans to the Tax Increment Fund, and approving the submittal of the AURR: ([Council Communication No. 24-475](#))

- (A) [Advance](#) of funds to the Metro Center Urban Renewal Project for planning, oversight, and administration, \$900,000. Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.
- (B) [Communication](#) from the City Manager on TIF needs for FY 2025/2026 and certification of [TIF](#) indebtedness. Moved by Gatto to adopt the recommendations contained in Council Communication No. 24-475 for TIF needs for each urban renewal area and to direct the

City Manager or his designee to notify the County Auditor of the City of Des Moines' need for a total of \$48,337,781 of tax increment financing revenue for FY 2025/2026 and to make the necessary timely certifications of the amount of loans, advances, indebtedness or bonds including interest negotiated on such loans, advances, indebtedness or bonds which qualify for payment from TIF for each urban renewal area in accordance with Iowa Code Section 403.19 and if there are subsequent reductions in tax increment valuations prior to certification, 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. Second by Voss. Motion Carried 7-0.

- (C) [Urban Renewal Reports](#) for Urban Renewal Plans and Areas within the City of Des Moines. Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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