NO CHANGE FROM PREVIOUS READING

CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Alluvion Urban Renewal Area TIF Ordinance – City-initiated **DATE:** May 4, 2015

ORDINANCE: Approval of Second, Third Readings, and Final Adoption

FINANCIAL IMPACT: The City anticipates spending up to approximately $62 million, plus financing costs, which will include road improvements of up to $23 million, water storage/wells of up to $6 million, water distribution lines of up to $9.5 million, sanitary sewer improvements of up to $4 million, power line relocation of up to $3 million, and a public safety facility of up to $16 million. In addition, the City expects to provide economic development grants of up to $11 million to incent various costs related to the development of a fiber optic capable facility for the Microsoft Project. Each of these costs will be funded by incremental property tax revenues generated by properties within the Alluvion Urban Renewal Area.

BACKGROUND: The City Council approved the Alluvion Urban Renewal Plan on May 19, 2014 and amended the Plan on March 23, 2015 to incorporate additional land needed for the public improvements and to update projects and project costs. The TIF Ordinance is now ready for approval. The property subject to the TIF Ordinance encompasses only a portion of the Alluvion Urban Renewal Area, that being Lot 1 of Willow Creek Plat 1, which is the lot presently under construction. (See Exhibit I – Map of Alluvion Urban Renewal Area and Exhibit II – Willow Creek Plat 1.)

Since the Microsoft Alluvion project is a 4-phased project, there will be four TIF Ordinances based on each phase. Willow Creek Plat 1, which was recorded on April 6, 2015, divides the subject property into lots based on the phased construction. Future TIF Ordinances will be adopted to cover Lots 2, 3, and 4 of Willow Creek Plat 1 as construction commences.

PREVIOUS COUNCIL ACTION:
Vote: 5-0 for approval
Date: April 20, 2015
Motion: Approval of the First Reading of the Ordinance creating the Alluvion Tax Increment Financing (TIF) District.

OUTSTANDING ISSUES: There are no outstanding issues.

RECOMMENDATION: Staff recommends approval of the first reading of the Ordinance creating the TIF District.

Lead Staff Member: Naomi Hamlett, AICP, Planner

STAFF REVIEWS

Department Director	Clyde Evans, Community and Economic Development Department
Appropriations/Finance	
Legal	
Agenda Acceptance	RTJ

PUBLICATION(S) (if applicable)

Published In	NA	
Date(s) Published	NA	
Letter sent to surrounding property owners	NA	

SUBCOMMITTEE REVIEW (if applicable)

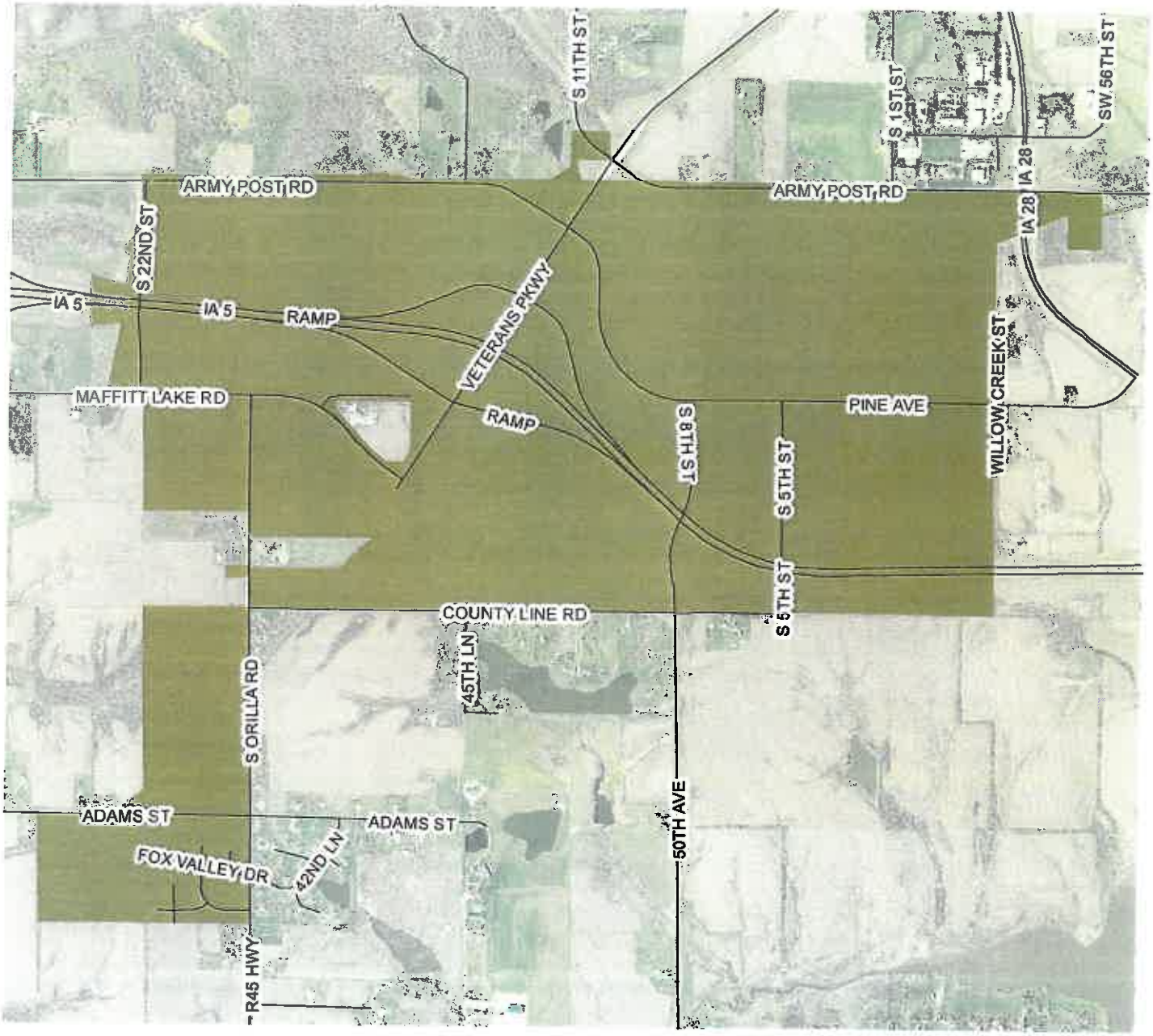
Committee	N/A		
Date Reviewed	N/A		
Recommendation	Yes ☐	No ☐	Split ☐

ATTACHMENTS:

Exhibit I - Map of Alluvion Urban Renewal Plan Area
Exhibit II - Willow Creek Plat 1
Exhibit III - TIF Ordinance for Alluvion Urban Renewal Plan Area

EXHIBIT I

West Des Moines
Urban Renewal Areas
Alluvion Urban Renewal Area

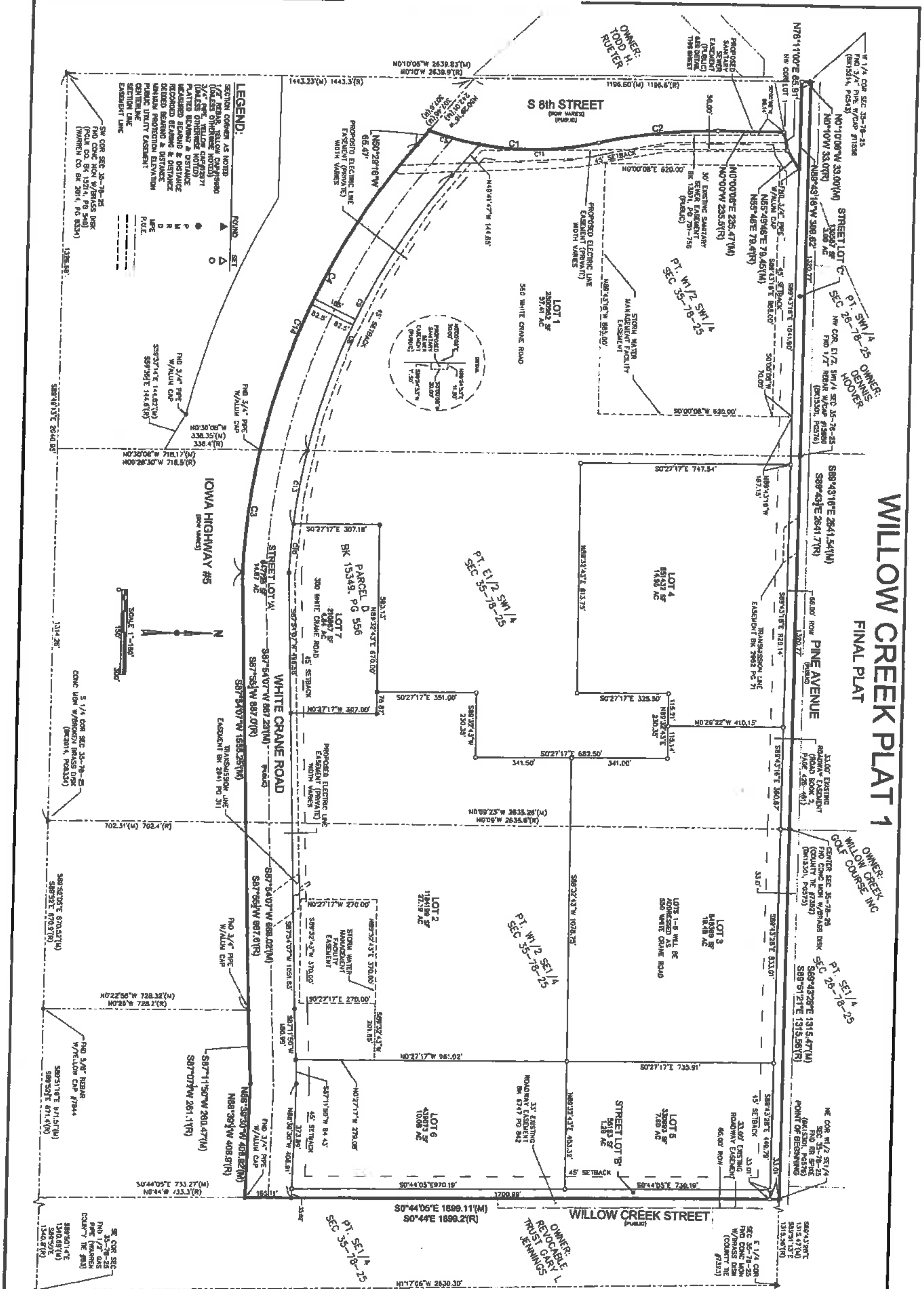


THE CITY OF WEST DES MOINES

N

No Scale

EXHIBIT II



2/2	WILLOW CREEK PLAT 1		3405 S.E. CROSSROADS DRIVE, SUITE G GRIMES, IOWA 50111 PHONE: (515) 369-4400 FAX: (515) 369-4410	
1406.316	FINAL PLAT	WEST DES MOINES, IOWA	CIVIL DESIGN ADVANTAGE	ENGINEER:	TECH:

REVISIONS	DATE
ELECT. EASEMENT	03/02/15
THIRD SUBMITTAL	12/18/14
SECOND SUBMITTAL	12/10/14
FIRST SUBMITTAL	11/10/14

EXHIBIT III

ORDINANCE NO. _____

AN ORDINANCE PROVIDING THAT GENERAL PROPERTY TAXES LEVIED AND COLLECTED EACH YEAR ON CERTAIN PROPERTY LOCATED WITHIN THE ALLUVION URBAN RENEWAL AREA, IN THE CITY OF WEST DES MOINES, COUNTY OF POLK, STATE OF IOWA, BY AND FOR THE BENEFIT OF THE STATE OF IOWA, CITY OF WEST DES MOINES, COUNTY OF POLK, WEST DES MOINES COMMUNITY SCHOOL DISTRICT, AND OTHER TAXING DISTRICTS, BE PAID TO A SPECIAL FUND FOR PAYMENT OF PRINCIPAL AND INTEREST ON LOANS, MONIES ADVANCED TO AND INDEBTEDNESS, INCLUDING BONDS ISSUED OR TO BE ISSUED, INCURRED BY THE CITY IN CONNECTION WITH THE ALLUVION URBAN RENEWAL AREA (**WILLOW CREEK PLAT 1, LOT 1 PARCEL**)

WHEREAS, the City Council of the City of West Des Moines, State of Iowa, after public notice and hearing as prescribed by law and pursuant to Resolution No. 14-05-19-14 passed and approved on the 19th day of May, 2014, adopted an Urban Renewal Plan (the "Urban Renewal Plan") for an urban renewal area known as the Alluvion Urban Renewal Area (the "Urban Renewal Area"), which Urban Renewal Area includes the lots and parcels located within the area legally described as follows ("**Willow Creek Plat 1, Lot 1 Parcel**"):

> Lot 1 of Willow Creek Plat 1, an Official Plat, now included in and forming a part of the City of West Des Moines, Polk County, Iowa; and

WHEREAS, expenditures and indebtedness are anticipated to be incurred by the City of West Des Moines, State of Iowa, to finance urban renewal project activities carried out in furtherance of the objectives of the Urban Renewal Plan; and

WHEREAS, the City Council of the City of West Des Moines, State of Iowa, desires to provide for the division of revenue from taxation on the **Willow Creek Plat 1, Lot 1 Parcel** in the Urban Renewal Area, as above described, in accordance with the provisions of Section 403.19 of the Code of Iowa, as amended. [Note: The **Willow Creek Plat 1, Lot 1 Parcel** is the only portion of the Urban Renewal Area that will be included in this TIF Ordinance. The City anticipates that as other parcels develop (increase in value) in the future, the City will adopt a separate TIF ordinance(s) on other parcels/areas within the Urban Renewal Area. Therefore, it is likely that the various TIF ordinances in this Urban Renewal Area will have different frozen bases and different expiration dates.]

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, STATE OF IOWA:

Section 1. That the taxes levied on the taxable property in the **Willow Creek Plat 1, Lot 1 Parcel** of the Urban Renewal Area legally described in the preamble hereof, by and for the benefit of the State of Iowa, City of West Des Moines, County of Polk, West Des Moines Community School District, and all other taxing districts from and after the effective date of this Ordinance shall be divided as hereinafter in this Ordinance provided.

Section 2. That portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the **Willow Creek Plat 1, Lot 1 Parcel** of the Urban Renewal Area, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City of West Des Moines, State of Iowa, certifies to the Auditor of Polk County, Iowa the amount of loans, advances, indebtedness, or bonds payable from the division of property tax revenue described herein, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for the taxing district into which all other property taxes are paid. The City Clerk is directed to file a certification of debt under Iowa Code Section 403.19 on or before December 1, 2015; thus, the frozen base assessed valuation for **Willow Creek Plat 1, Lot 1 Parcel** shall be as of January 1, 2014.

Section 3. That portion of the taxes each year in excess of the base period taxes determined as provided in Section 2 of this Ordinance shall be allocated to and when collected be paid into a special tax increment fund of the City of West Des Moines, State of Iowa, hereby established, to pay the principal of and interest on loans, monies advanced to, indebtedness, whether funded, refunded, assumed or otherwise, including bonds or obligations issued under the authority of Section 403.9 or 403.12 of the Code of Iowa, as amended, incurred by the City of West Des Moines, State of Iowa, to finance or refinance, in whole or in part, urban renewal projects undertaken anywhere within the Urban Renewal Area pursuant to the Urban Renewal Plan, except that (i) taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to Iowa Code Section 298.2 and taxes for the instructional support program of a school district imposed pursuant to Iowa Code Section 257.19 (but in each case only to the extent required under Iowa Code Section 403.19(2)); (ii) taxes for the payment of bonds and interest of each taxing district; (iii) taxes imposed under Iowa Code Section 346.27(22) related to joint county-city buildings; and (iv) any other exceptions under Iowa Code Section 403.19 shall be collected against all taxable property within the **Willow Creek Plat 1, Lot 1 Parcel** of the Urban Renewal Area without any limitation as hereinabove provided.

Section 4. Unless or until the total assessed valuation of the taxable property in the **Willow Creek Plat 1, Lot 1 Parcel** of the Urban Renewal Area exceeds the total assessed value of the taxable property in the **Willow Creek Plat 1, Lot 1 Parcel** of the Urban Renewal Area as shown by the assessment roll referred to in Section 2 of this Ordinance, all of the taxes levied and collected upon the taxable property in the **Willow Creek Plat 1, Lot 1 Parcel** of the Urban Renewal Area shall be paid into the funds for the respective taxing districts as taxes by or for the taxing districts in the same manner as all other property taxes.

Section 5. At such time as the loans, advances, indebtedness, bonds and interest thereon of the City of West Des Moines, State of Iowa, referred to in Section 3 hereof have been paid, all monies thereafter received from taxes upon the taxable property in the **Willow Creek Plat 1, Lot**

1 Parcel of the Urban Renewal Area shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

Section 6. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed. The provisions of this Ordinance are intended and shall be construed so as to fully implement the provisions of Section 403.19 of the Code of Iowa, as amended, with respect to the division of taxes from property within the **Willow Creek Plat 1, Lot 1 Parcel** of the Urban Renewal Area as described above. In the event that any provision of this Ordinance shall be determined to be contrary to law, it shall not affect other provisions or application of this Ordinance which shall at all times be construed to fully invoke the provisions of Section 403.19 of the Code of Iowa with reference to the **Willow Creek Plat 1, Lot 1 Parcel** of the Urban Renewal Area and the territory contained therein.

Section 7. This Ordinance shall be in effect after its final passage, approval and publication as provided by law.

PASSED AND APPROVED this _____ day of _____, 2015.

_____
Mayor

ATTEST:

_____
City Clerk

Read First Time: _____, 2015

Read Second Time: _____, 2015

Read Third Time: _____, 2015

PASSED AND APPROVED: _____, 2015.

I, _____, City Clerk of the City of West Des Moines, State of Iowa, hereby certify that the above and foregoing is a true copy of Ordinance No. _____ passed and approved by the City Council of the City at a meeting held _____, 2015, signed by the Mayor on _____, 2015, and published in the Des Moines Register on _____, 2015.

_____
City Clerk, City of West Des Moines, State of Iowa

(SEAL)

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