CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: **DATE:** November 28, 2016

Approving Annual Tax Increment Financing (TIF) Indebtedness Certification Report to Dallas and Polk Counties

FINANCIAL IMPACT:

Up to $13,724,346 in various TIF-related expenditures are projected in FY 2017-18, which rely on the use of tax revenues generated by the City's Urban Renewal Areas. This includes $602,535 of "set aside" for Low and Medium Income Housing (LMI) from the Woodland Hills URA. The City plans to "capture" $496,600,802 of incremental valuation from within the Urban Renewal Areas, which represents 43.2% of the total $1,149,634,946 incremental valuation available in the active Urban Renewal Areas, which is higher than the percentage captured in the previous year (42.2%), primarily due to the debt requirements of the new Alluvion Urban Renewal Area.

BACKGROUND:

Each year the City is required to submit its tax increment financing (TIF) needs to the Dallas, Polk, and Warren County Auditors annually by December 1 for the subsequent fiscal year (none of the City's active Urban Renewal Areas currently extend into either Madison County). Staff, with assistance from the City's financial advisory firm (Public Financial Management), has computed the FY 2017-18 request based on indebtedness and obligations of the City.

Approval of this item will approve the certifications and also allow for the Finance Director to adjust the requirement if there are substantial adjustments in tax valuations between now and December 1st.

The request prepared by staff is based on the County Auditor's preliminary taxable valuation figures which, when finalized, will be certified to the State of Iowa. A summary of specific planned tax increment sources and uses for FY 2017-18 are as follows:

Urban Renewal Area	Increment Available 17-18	Increment Captured 17-18	Money to WDM TIF 17-18	Increment Released 17-18
Jordan Creek	$ 617,284,266	$ 115,255,918	$ 3,070,464	$ 502,028,348
Mills Parkway (General)	164,633,532	113,004,592	3,010,488	$ 51,628,940
Mills Parkway (Aviva)	49,445,163	49,445,163	1,317,239	$ -
Mills Parkway (Mountain)	42,877,484	42,877,484	1,142,273	$ -
Mills Parkway (Glennan Square)	8,166,184	-	-	$ 8,166,184
Mills Parkway (Global Aviation)	1,769,652	-	-	$ 1,769,652
Fuller Road	46,046,473	31,423	994	$ 46,015,050
4125 Westown Parkway	8,432,000	4,673,280	144,035	$ 3,758,720
Valley Junction	35,261,440	-	-	$ 35,261,440
Alluvion	94,212,000	94,212,000	2,980,239	$ -
Val Gate	1,993,070	-	-	$ 1,993,070
Westown V	11,147,000	11,147,000	301,574	$ -
Ashworth Corridor	6,434,648	6,434,648	171,422	$ -
Woodland Hills	61,932,034	59,519,294	1,585,618	$ 2,412,740
Total	$ 1,149,634,946	$ 496,600,802	$ 13,724,346	$ 653,034,144

Note that "Increment Released" refers to the incremental taxable valuation within the Urban Renewal Area which will be released to the respective taxing bodies with corresponding revenues allocated just as normai tax revenues.

RECOMMENDATON:

Approve tax increment needs for FY 2017-18 and authorize the City's Finance Director to complete and submit the annual certifications to Dallas and Polk Counties.

Lead Staff Member: **Tim Stiles, Finance Director**

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	Split