CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM:

DATE: November 27, 2017

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

FINANCIAL IMPACT:

Up to $18,832,074 in various TIF-related expenditures are projected in FY 2018-19, which rely on the use of tax revenues generated by the City's Urban Renewal Areas. This includes $585,733 of "set aside" for Low and Medium Income Housing (LMI) from the Woodland Hills URA. The City plans to "capture" $625,864,535 of incremental valuation from within all the various Urban Renewal Areas, which represents 48.0% of the total $1,308,976,407 incremental valuation available in such areas. This amount and percentage are both higher than the FY 2017-18 captured valuation of $496,600,802 (43.2%) and total valuation available ($1,419,634,946), primarily due to the increasing debt requirements of the Alluvion Urban Renewal Area and to a lesser extent, the creation of several new Urban Renewal Areas.

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 2018-19 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 2018-19 are as follows:

Urban Renewal Area	Taxable Increment Available 18-19	Taxable Increment Captured 18-19	Money to WDM TIF Fund 18-19	Taxable Increment Released 18-19
Jordan Creek	$ 688,280,541	$ 186,252,193	$ 4,981,486	$ 502,028,348
Mills Parkway (Original)	177,537,522	47,650,258	1,274,450	129,887,264
Mills Parkway (Global Aviation)	2,443,671	-	-	2,443,671
Mills Parkway (Aviva)	51,086,403	51,086,403	1,366,353	-
Mills Parkway (Mountain)	43,409,776	43,409,776	1,161,034	-
Mills Parkway (Glennan Square)	4,446,800	-	-	4,446,800
Mills Parkway (West Grand Business)	-	-	-	-
Fuller Road	14,311,300	-	-	14,311,300
4125 Westown Parkway	9,272,000	3,759,303	118,930	5,512,697
Historic West Des Moines	1,322,010	-		1,322,010
EP True Parkway	-	-		-
Alluvion	170,127,600	170,127,600	5,382,189	-
Osmium	-	-	-	-
Val Gate	2,857,050	-	-	2,857,050
Midtown	2,088,000	1,566,000	49,542	522,000
Westown V (Polk County)	13,903,400	13,903,400	439,851	-
Westown V (Dallas County)	18,648,880	18,648,880	498,781	-
Coachlight Drive	-	-	-	-
Ashworth Corridor	34,829,431	34,829,431	931,545	-
Woodland Hills	74,412,023	57,631,291	1,541,402	16,780,732
Total	$ 1,308,976,407	$ 628,864,535	$ 17,745,564	$ 680,111,872

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 normal tax revenues.

RECOMMENDATON:

Approve tax increment needs for FY 2018-19 and authorize the City's Finance Director to complete and submit the annual certification forms to Dallas, Polk, and Warren counties as required.

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

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	KR

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	Split