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Memo

Department of Planning & Housing

TO: Mayor and City Council

FROM: Department of Planning and Housing

DATE: December 12, 2008

SUBJECT: Consultation with Affected Taxing Entities

At the December 9, 2008 City Council meeting, the Council directed staff to proceed with the necessary steps to create an urban renewal area for the South Bell project. One of the necessary steps is a consultation with the "affected taxing entities" if the area includes a tax increment financing component. Following that Council meeting, staff mailed and hand-delivered the invitation to the consultation and a copy of the draft urban renewal plan to the affected taxing entities.

The consultation is scheduled for 6:30 p.m. on Tuesday, December 16, immediately prior to the regular scheduled City Council meeting. The consultation will include the Ames City Council, Story County Board of Supervisors, Ames Community School District Board of Education, and the Des Moines Area Community College Board of Directors. These last three may appear as the entire body or they may choose to appoint a representative. The Ames City Council chose City Manager Steve Schainker as its representative. His role will be to respond to any written recommendations for modifications by the affected taxing entities.

The requirement of the consultation, as well as its content, is described below in this excerpt from Code of Iowa Chapter 403.5(2).

Prior to its approval of an urban renewal plan which provides for a division of revenue pursuant to section 403.19, the municipality shall mail the proposed plan by regular mail to the affected taxing entities. The municipality shall include with the proposed plan notification of a consultation to be held between the municipality and affected taxing entities prior to the public hearing on the urban renewal plan. Each affected taxing entity may appoint a representative to attend the consultation. The consultation may include a discussion of the estimated growth in valuation of taxable property included in the proposed urban renewal area, the fiscal impact of the division of revenue on the affected taxing entities, the estimated impact on the provision of services by each of the affected taxing entities in the proposed urban renewal area, and the duration of any bond issuance included in the plan. The designated representative of the affected taxing entity may make written recommendations for modification to the proposed division of revenue no later than seven days following the date of the consultation. The representative of the municipality shall, no later than seven days prior to the public hearing on the urban renewal plan, submit a written response to the affected taxing entity addressing the recommendations for modification to the proposed division of revenue.

At the consultation, the City's Finance Director will provide information on "the estimated growth in valuation of taxable property included in the proposed urban renewal area, the fiscal impact of the division of revenue on the affected taxing entities, the estimated impact on the provision of services by each of the affected taxing entities in the proposed urban renewal area, and the duration of any bond issuance included in the plan." Staff from the City's Finance, Public Works, and Planning and Housing Departments will be available to answer any questions that may arise from the project.

Following the consultation, the school board, county supervisors, and DMACC directors will have seven calendar days (until December 23) within which to make written recommendations for modifications to the proposed division of revenue. Those written recommendations will be directed to Steve Schainker who will have until seven days prior to the public hearing to respond back to those recommendations. At the December 16 regular meeting, the City Council will be asked to set January 13 as the date of the public hearing on the adoption of the urban renewal plan. If the Council sets this date, the City Manger will respond back to the taxing entities no later than January 6.

At the January 13 City Council meeting, the staff will update the Council on the recommendations made by the taxing entities as well as the City's responses. The Council will then be asked to act on a resolution adopting the urban renewal plan, a resolution creating an urban renewal area, and an ordinance establishing the tax increment financing district.