

ITEM # 10
DATE: 11-25-14

COUNCIL ACTION FORM

SUBJECT: RESOLUTION APPROVING ANNUAL URBAN RENEWAL REPORT

BACKGROUND:

In 2012, the State of Iowa passed an Iowa Urban Renewal and Tax Increment Financing (TIF) Reform bill. Provisions of the bill included new reporting requirements. One of the required reports is the Annual Urban Renewal Report, which must be approved by the governing board and provided to the Iowa Department of Management (DOM) to be made available to the public on an Internet site.

This report includes uploading documents related to the urban renewal districts, such as the plan document and City Council action establishing the district, as well as financial information on TIF funds related to urban renewal districts. The due date for the report to be filed is December 1 of each year. The penalty for non-compliance is withholding certification of tax levies. This is the third year of reporting.

During the FY 2013/14 reporting year there was one active TIF District on South Bell. The attached reporting reflects the financial activity of the TIF Fund which is used to record all revenue and expenditures relate to the South Bell TIF. Bonds were issued in October 2009 and proceeds received in this fund and used for infrastructure improvements on South Bell. Fortunately the project expenses were lower than expected and excess proceeds were available in the TIF fund to pay principal and interest payments in the early years of the TIF. The incremental property valuation in the district has not grown as fast as expected and we began FY 2013/14 with a negative balance of \$68,083 as shown in the report. Total incremental tax revenue in the district for the reporting year was \$10,456 while debt service was \$117,055. This shortfall along with interest charged to the fund due to a negative balance resulted in an FY 2013/14 ending balance of negative \$175,731. We do not expect to generate adequate incremental revenue to fund the debt service in FY 2014/15. Hopefully with new projects in the district incremental revenue will grow and eventually cover debt service as well as the accumulated negative fund balance.

The City Council recently established two other TIF districts that have not yet had financial activity. For the Kingland TIF, the terms of the development agreement provide for the first collection of incremental property taxes to occur in FY 2016/17. This means the first reporting to the DOM will be in November, 2017. For the recently approved ISU Research Park TIF, we expect to issue debt to fund public infrastructure in FY 2015/16. Our first reporting to the DOM on this TIF district will be in November of 2016.

The attached report is for the fiscal year ending June 30, 2014.

ALTERNATIVES:

1. Approve the City's annual 2014 Urban Renewal Report.
2. Do not approve the 2014 Urban Renewal Report, and refer this item back to staff.

MANAGER'S RECOMMENDED ACTION:

In order for the City to comply with mandated reporting requirements, it is necessary to submit this report to the Iowa Department of Management by December 1 of this year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the 2014 Urban Renewal Report.

Annual Urban Renewal Report, Fiscal Year 2013 - 2014

Levy Authority Summary

Local Government Name: AMES
 Local Government Number: 85G811

Active Urban Renewal Areas	U.R. #	# of Tif Taxing Districts
AMES COMMUNITY DEVELOPMENT PARK URBAN RENEWAL	85012	1
AMES SOUTH BELL AVENUE URBAN RENEWAL	85021	2

TIF Debt Outstanding: 949,117

TIF Sp. Rev. Fund Cash Balance		Amount of 07-01-2013 Cash Balance
as of 07-01-2013:	0	Restricted for LMI

TIF Revenue:	10,456
TIF Sp. Revenue Fund Interest:	-1,049
Asset Sales & Loan Repayments:	0
Total Revenue:	9,407

Rebate Expenditures:	0
Non-Rebate Expenditures:	117,055
Returned to County Treasurer:	0
Total Expenditures:	117,055

TIF Sp. Rev. Fund Cash Balance		Amount of 06-30-2014 Cash Balance
as of 06-30-2014:	0	Restricted for LMI

Year-End Outstanding TIF Obligations, Net of TIF Special Revenue Fund Balance: 1,007,793

Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)
 Urban Renewal Area: AMES COMMUNITY DEVELOPMENT PARK URBAN RENEWAL
 UR Area Number: 85012

UR Area Creation Date: 11/1997

UR Area Purpose: Enhance the availability of sites to accommodate the construction of new industrial and commercial buildings and encourage and support development that will expand the tax base.

Tax Districts within this Urban Renewal Area	Base No.	Increment No.	Increment Value Used
AMES CITY/AMES SCH/AMES COMMUNITY DEVELOPMENT PARK URBAN RENEWAL TIF INCREM	85526	85126	0

Urban Renewal Area Value by Class - 1/1/2012 for FY 2014

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

TIF Sp. Rev. Fund Cash Balance as of 07-01-2013: **0** **0** **Amount of 07-01-2013 Cash Balance Restricted for LMI**

TIF Revenue: 0
 TIF Sp. Revenue Fund Interest: 0
 Asset Sales & Loan Repayments: 0
Total Revenue: 0

Rebate Expenditures: 0
 Non-Rebate Expenditures: 0
 Returned to County Treasurer: 0
Total Expenditures: 0

TIF Sp. Rev. Fund Cash Balance as of 06-30-2014: **0** **0** **Amount of 06-30-2014 Cash Balance Restricted for LMI**

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Sum of Private Investment Made Within This Urban Renewal Area
during FY 2014

TIF Taxing District Data Collection

Local Government Name: AMES (85G811)
 Urban Renewal Area: AMES COMMUNITY DEVELOPMENT PARK URBAN RENEWAL (85012)
 TIF Taxing District Name: AMES CITY/AMES SCH/AMES COMMUNITY DEVELOPMENT PARK URBAN RENEWAL TIF INCREM
 TIF Taxing District Inc. Number: 85126
 TIF Taxing District Base Year: 1997
 FY TIF Revenue First Received: 2000
 Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2020

UR Designation	
Slum	No
Blighted	No
Economic Development	11/1997

TIF Taxing District Value by Class - 1/1/2012 for FY 2014

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2014	43,167	0	0	0	0

FY 2014 TIF Revenue Received: 0

Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)
 Urban Renewal Area: AMES SOUTH BELL AVENUE URBAN RENEWAL
 UR Area Number: 85021

UR Area Creation Date: 01/2009

UR Area Purpose: To expand the available inventory of fully serviced industrial land within Ames.

Tax Districts within this Urban Renewal Area

	Base No.	Increment No.	Increment Value Used
AMES CITY/AMES SCH/SOUTH BELL AVENUE URBAN RENEWL TIF INCREM	85586	85186	447,669
AMES CITY AG/AMES SCH/SOUTH BELL AVENUE URBAN RENEWAL TIF INCREM	85587	85187	0

Urban Renewal Area Value by Class - 1/1/2012 for FY 2014

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	462,200	0	0	0	462,200	0	462,200
Taxable	0	0	462,200	0	0	0	462,200	0	462,200
Homestead Credits									0

TIF Sp. Rev. Fund Cash Balance as of 07-01-2013: -68,083 **0** **Amount of 07-01-2013 Cash Balance Restricted for LMI**

TIF Revenue: 10,456
 TIF Sp. Revenue Fund Interest: -1,049
 Asset Sales & Loan Repayments: 0
Total Revenue: 9,407

Rebate Expenditures: 0
 Non-Rebate Expenditures: 117,055
 Returned to County Treasurer: 0
Total Expenditures: 117,055

TIF Sp. Rev. Fund Cash Balance as of 06-30-2014: -175,731 **0** **Amount of 06-30-2014 Cash Balance Restricted for LMI**

Projects For AMES SOUTH BELL AVENUE URBAN RENEWAL

South Bell Infrastructure

Description:	Public Infrastructure for South Bell Area
Classification:	Roads, Bridges & Utilities
Physically Complete:	Yes
Payments Complete:	Yes

Debts/Obligations For AMES SOUTH BELL AVENUE URBAN RENEWAL

2009B GO Bonds

Debt/Obligation Type:	Gen. Obligation Bonds/Notes
Principal:	830,542
Interest:	118,575
Total:	949,117
Annual Appropriation?:	No
Date Incurred:	10/29/2009
FY of Last Payment:	2020

Non-Rebates For AMES SOUTH BELL AVENUE URBAN RENEWAL

TIF Expenditure Amount:	117,055
Tied To Debt:	2009B GO Bonds
Tied To Project:	South Bell Infrastructure

TIF Taxing District Data Collection

Local Government Name: AMES (85G811)
 Urban Renewal Area: AMES SOUTH BELL AVENUE URBAN RENEWAL (85021)
 TIF Taxing District Name: AMES CITY/AMES SCH/SOUTH BELL AVENUE URBAN RENEWL TIF INCREM
 TIF Taxing District Inc. Number: 85186
 TIF Taxing District Base Year: 2008
 FY TIF Revenue First Received: 2010
 Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2030

UR Designation	
Slum	No
Blighted	No
Economic Development	01/2009

TIF Taxing District Value by Class - 1/1/2012 for FY 2014

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	462,200	0	0	0	462,200	0	462,200
Taxable	0	0	462,200	0	0	0	462,200	0	462,200
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2014	3,300	458,900	447,669	11,231	262

FY 2014 TIF Revenue Received: 10,456

TIF Taxing District Data Collection

Local Government Name: AMES (85G811)
 Urban Renewal Area: AMES SOUTH BELL AVENUE URBAN RENEWAL (85021)
 TIF Taxing District Name: AMES CITY AG/AMES SCH/SOUTH BELL AVENUE URBAN RENEWAL TIF INCREM
 TIF Taxing District Inc. Number: 85187
 TIF Taxing District Base Year: 2008
 FY TIF Revenue First Received: 2011
 Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2031

UR Designation	
Slum	No
Blighted	No
Economic Development	01/2009

TIF Taxing District Value by Class - 1/1/2012 for FY 2014

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2014	0	0	0	0	0

FY 2014 TIF Revenue Received: 0