

COUNCIL ACTION FORM

SUBJECT: TAX INCREMENT FINANCING (TIF) AND REPORTING RESOLUTIONS FOR ANNUAL URBAN RENEWAL REPORT, CERTIFICATION OF TIF DEBT FOR CAMPUSTOWN AND ISU RESEARCH PARK, AND ANNUAL APPROPRIATION OF KINGLAND TIF REBATE

BACKGROUND:

The 2012 Iowa Urban Renewal and Tax Increment Financing Reform bill included provisions for reporting, including the Annual Urban Renewal Report, which must be approved by the governing board and provided to the Iowa Department of Management 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 filing is December 1 of each year. The penalty for non-compliance is withholding certification of tax levies. The attached report includes financial information for the South Bell TIF district, the only active TIF for the City. Documents for the ISU Research Park and Campustown (Kingland) TIF districts have been uploaded to the Department of Management website and will be available for public viewing. The attached Annual Urban Renewal Report is for the fiscal year ending June 30, 2015.

In addition to the state reporting, the City is required to certify TIF debt with the County Auditor for the upcoming fiscal year. Of the two new TIF districts, the ISU Research Park debt is a general obligation bond debt, so no additional action is required by the City Council. The Kingland TIF involves a rebate of incremental property taxes subject to annual appropriation by the City Council. A resolution is required for the annual appropriation for the collection and rebate of incremental taxes per the agreement with Kingland.

ALTERNATIVES:

1. Approve the City's annual 2015 Urban Renewal Report and resolution appropriating the payment of a rebate of incremental taxes for the Campustown TIF district.
2. Do not approve the report and resolution and refer back to staff.

MANAGER'S RECOMMENDED ACTION:

In order for the City to comply with mandated reporting requirements and fulfill requirements under the development agreement with Kingland, it is necessary to submit

this report to the Iowa Department of Management by December 1 of this year and approve the appropriation of the tax increment rebate.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the City's annual 2015 Urban Renewal Report and resolution appropriating the payment of a rebate of incremental taxes for the Campustown TIF district.

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
AMES CAMPUSTOWN URBAN RENEWAL	85900	0
AMES ISU RESEARCH PARK URBAN RENEWAL	85901	0

TIF Debt Outstanding: 833,053

TIF Sp. Rev. Fund Cash Balance as of 07-01-2014:	-175,731	0	Amount of 07-01-2014 Cash Balance Restricted for LMI
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TIF Revenue:	37,250
TIF Sp. Revenue Fund Interest:	-1,640
Property Tax Replacement Claims	1,632
Asset Sales & Loan Repayments:	0
Total Revenue:	37,242

Rebate Expenditures:	0
Non-Rebate Expenditures:	117,251
Returned to County Treasurer:	0
Total Expenditures:	117,251

TIF Sp. Rev. Fund Cash Balance as of 06-30-2015:	-255,740	0	Amount of 06-30-2015 Cash Balance Restricted for LMI
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Year-End Outstanding TIF Obligations, Net of TIF Special Revenue Fund Balance: 971,542

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 - 1/1/2013 for FY 2015

	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 07-01-2014: 0 0 **Amount of 07-01-2014 Cash Balance Restricted for LMI**

TIF Revenue:	0
TIF Sp. Revenue Fund Interest:	0
Property Tax Replacement Claims	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 06-30-2015: 0 0 **Amount of 06-30-2015 Cash Balance Restricted for LMI**

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Sum of Private Investment Made Within This Urban Renewal Area
during FY 2015

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 - 1/1/2013 for FY 2015

	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 2015	43,167	0	0	0	0

FY 2015 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	1,646,350
AMES CITY AG/AMES SCH/SOUTH BELL AVENUE URBAN RENEWAL TIF INCREM	85587	85187	0

Urban Renewal Area Value by Class - 1/1/2013 for FY 2015

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	1,733,000	0	0	0	1,733,000	0	1,733,000
Taxable	0	0	1,646,350	0	0	0	1,646,350	0	1,646,350
Homestead Credits									0

TIF Sp. Rev. Fund Cash Balance as of 07-01-2014: -175,731 **0** **Amount of 07-01-2014 Cash Balance Restricted for LMI**

TIF Revenue: 37,250
 TIF Sp. Revenue Fund Interest: -1,640
 Property Tax Replacement Claims: 1,632
 Asset Sales & Loan Repayments: 0
Total Revenue: 37,242

Rebate Expenditures: 0
 Non-Rebate Expenditures: 117,251
 Returned to County Treasurer: 0
Total Expenditures: 117,251

TIF Sp. Rev. Fund Cash Balance as of 06-30-2015: -255,740 **0** **Amount of 06-30-2015 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:	No

Debts/Obligations For AMES SOUTH BELL AVENUE URBAN RENEWAL

2009B GO Bonds

Debt/Obligation Type:	Gen. Obligation Bonds/Notes
Principal:	737,136
Interest:	95,917
Total:	833,053
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:	117,251
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 - 1/1/2013 for FY 2015

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	1,733,000	0	0	0	1,733,000	0	1,733,000
Taxable	0	0	1,646,350	0	0	0	1,646,350	0	1,646,350
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2015	14,531	1,646,350	1,646,350	0	0

FY 2015 TIF Revenue Received: 37,250

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 - 1/1/2013 for FY 2015

	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 2015	0	0	0	0	0

FY 2015 TIF Revenue Received: 0

RESOLUTION _____

Obligating funds from City of Ames Campustown Urban Renewal Area Urban Renewal Tax Revenue Fund for appropriation to the payment of annual appropriation tax increment rebate payments due to be paid in the next succeeding fiscal year

WHEREAS, the City of Ames, Iowa (the “City”), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Campustown Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, this Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa (the “Campustown Urban Renewal Tax Revenue Fund”), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, pursuant to the City’s Development Agreement (the “Agreement”) with Kingland Systems Corporation (the “Company”), approved by resolution of the City Council on December 10, 2013, the City agreed to make economic development tax increment payments to the Company, subject to annual appropriation by the City Council; and

WHEREAS, payments under the Agreement are scheduled to be made from the Campustown Urban Renewal Tax Revenue Fund during the fiscal year that will begin July 1, 2016, in a total amount equal to 100% of the incremental property tax payments made by the Company in that fiscal year (the “Payments”); and

WHEREAS, it is now necessary for the City Council to obligate for appropriation to the Payments, funds anticipated to be received in the Campustown Urban Renewal Tax Revenue Fund in the fiscal year that will begin July 1, 2016;

NOW, THEREFORE, It Is resolved by the City Council of the City of Ames, Iowa, as follows:

Section 1. The City Council hereby obligates for appropriation from the Campustown Urban Renewal Tax Revenue Fund the amount of \$200,017.00, which is estimated to be an amount equal to 100% of the incremental property tax revenues that are expected to be received by the City in such fund from the Story County Treasurer in the fiscal year that will begin July 1, 2016.

Section 2. The City Clerk and Finance Director are hereby authorized and directed to certify to the Story County Auditor the amount obligated for appropriation in Section 1 above as part of the City's 2015 certification of debt payable from the Campustown Urban Renewal Tax Revenue Fund and to reflect such estimated amount in the City's budget for the fiscal year that will begin July 1, 2016.

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Passed and approved November 10, 2015.

Mayor

Attest:

City Clerk