

COUNCIL ACTION FORM

**SUBJECT: TAX INCREMENT FINANCING (TIF) AND REPORTING RESOLUTIONS
FOR ANNUAL URBAN RENEWAL REPORT AND CERTIFICATON AND
ANNUAL APPROPRIATION OF KINGLAND TIF REBATE**

BACKGROUND:

The 2012 Iowa Urban Renewal and Tax Increment Financing (TIF) 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, ISU Research Park, and Campustown (Kingland) TIF districts. The attached Annual Urban Renewal Report is for the fiscal year ending June 30, 2018.

In addition to the state reporting, the City is required to certify TIF debt with the County Auditor for the upcoming fiscal year. The ISU Research Park and South Bell debt are both general obligation bonds approved by Council when issued, so no additional action is required. 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. Incremental taxes for the Kingland TIF are estimated at \$325,427 for the upcoming fiscal year.

ALTERNATIVES:

1. Approve the City's annual 2018 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 2018 Urban Renewal Report and resolution appropriating the payment of a rebate of incremental taxes for the Campustown TIF district.

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, 2019, 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, 2019;

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 \$325,427.00, 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, 2019.

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 2018 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, 2019.

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 All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Passed and approved November 27, 2018.

Mayor

Attest:

City Clerk

Annual Urban Renewal Report, Fiscal Year 2017 - 2018

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	85023	1
AMES ISU RESEARCH PARK URBAN RENEWAL	85024	2
AMES BARILLA URBAN RENEWAL	85026	0

TIF Debt Outstanding: 3,739,563

TIF Sp. Rev. Fund Cash Balance			Amount of 07-01-2017 Cash Balance
as of 07-01-2017:	-788,502	0	Restricted for LMI

TIF Revenue:	594,020
TIF Sp. Revenue Fund Interest:	-4,337
Property Tax Replacement Claims	0
Asset Sales & Loan Repayments:	41,020
Total Revenue:	630,703

Rebate Expenditures:	229,455
Non-Rebate Expenditures:	414,904
Returned to County Treasurer:	0
Total Expenditures:	644,359

TIF Sp. Rev. Fund Cash Balance			Amount of 06-30-2018 Cash Balance
as of 06-30-2018:	-802,158	0	Restricted for LMI

Year-End Outstanding TIF Obligations, Net of TIF Special Revenue Fund Balance: 3,897,362

♣ Annual Urban Renewal Report, Fiscal Year 2017 - 2018

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 - 1/1/2016 for FY 2018

	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 07-01-2017:

0

0

Amount of 07-01-2017 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 06-30-2018:

0

0

Amount of 06-30-2018 Cash Balance Restricted for LMI

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Sum of Private Investment Made Within This Urban Renewal Area
during FY 2018

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 - 1/1/2016 for FY 2018

	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 2018	43,167	0	0	0	0

FY 2018 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	2,889,090
AMES CITY AG/AMES SCH/SOUTH BELL AVENUE URBAN RENEWAL TIF INCREM	85587	85187	0

Urban Renewal Area Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	3,210,100	0	0	0	3,210,100	0	3,210,100
Taxable	0	0	2,889,090	0	0	0	2,889,090	0	2,889,090
Homestead Credits									0

TIF Sp. Rev. Fund Cash Balance as of 07-01-2017: -394,167 0 **Amount of 07-01-2017 Cash Balance Restricted for LMI**

TIF Revenue: 71,065
 TIF Sp. Revenue Fund Interest: -5,013
 Property Tax Replacement Claims 0
 Asset Sales & Loan Repayments: 0
Total Revenue: 66,052

Rebate Expenditures: 0
 Non-Rebate Expenditures: 109,704
 Returned to County Treasurer: 0
Total Expenditures: 109,704

TIF Sp. Rev. Fund Cash Balance as of 06-30-2018: -437,819 0 **Amount of 06-30-2018 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:	441,984
Interest:	37,781
Total:	479,765
Annual Appropriation?:	No
Date Incurred:	10/29/2009
FY of Last Payment:	2021

Non-Rebates For AMES SOUTH BELL AVENUE URBAN RENEWAL

TIF Expenditure Amount:	109,704
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 - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	3,210,100	0	0	0	3,210,100	0	3,210,100
Taxable	0	0	2,889,090	0	0	0	2,889,090	0	2,889,090
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2018	25,851	2,889,090	2,889,090	0	0

FY 2018 TIF Revenue Received: 71,065

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 - 1/1/2016 for FY 2018

	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 2018	0	0	0	0	0

FY 2018 TIF Revenue Received: 0

▲ Annual Urban Renewal Report, Fiscal Year 2017 - 2018

Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)
 Urban Renewal Area: AMES CAMPUSTOWN URBAN RENEWAL
 UR Area Number: 85023
 UR Area Creation Date: 11/2014

UR Area Purpose: To promote economic development
 in the Campustown area through
 the expansion of office and retail
 space.

Tax Districts within this Urban Renewal Area	Base No.	Increment No.	Increment Value Used
AMES CITY/AMES SCH/CAMPUSTOWN URBAN RENEWALTIF INCREM	85630	85230	10,476,716

Urban Renewal Area Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	14,691,000	0	0	0	14,691,000	0	14,691,000
Taxable	0	0	13,221,900	0	0	0	13,221,900	0	13,221,900
Homestead Credits									0

TIF Sp. Rev. Fund Cash Balance as of 07-01-2017: **-7,694** **0** **Amount of 07-01-2017 Cash Balance Restricted for LMI**

TIF Revenue: 234,455
 TIF Sp. Revenue Fund Interest: 2,694
 Property Tax Replacement Claims 0
 Asset Sales & Loan Repayments: 0
Total Revenue: 237,149

Rebate Expenditures: 229,455
 Non-Rebate Expenditures: 0
 Returned to County Treasurer: 0
Total Expenditures: 229,455

TIF Sp. Rev. Fund Cash Balance as of 06-30-2018: **0** **0** **Amount of 06-30-2018 Cash Balance Restricted for LMI**

Projects For AMES CAMPUSTOWN URBAN RENEWAL

Campustown Kingland Building

Description:	Office and Retail Development
Classification:	Commercial - office properties
Physically Complete:	Yes
Payments Complete:	Yes

Debts/Obligations For AMES CAMPUSTOWN URBAN RENEWAL

Campustown Urban Renewal

Debt/Obligation Type:	Rebates
Principal:	232,148
Interest:	0
Total:	232,148
Annual Appropriation?:	Yes
Date Incurred:	11/10/2015
FY of Last Payment:	2018

Rebates For AMES CAMPUSTOWN URBAN RENEWAL

Kingland Systems

TIF Expenditure Amount:	229,455
Rebate Paid To:	Kingland Systems
Tied To Debt:	Campustown Urban Renewal
Tied To Project:	Campustown Kingland Building
Projected Final FY of Rebate:	2017

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Sum of Private Investment Made Within This Urban Renewal Area
during FY 2018

▲ Annual Urban Renewal Report, Fiscal Year 2017 - 2018

TIF Taxing District Data Collection

Local Government Name: AMES (85G811)
 Urban Renewal Area: AMES CAMPUSTOWN URBAN RENEWAL (85023)
 TIF Taxing District Name: AMES CITY/AMES SCH/CAMPUSTOWN URBAN RENEWALTIF INCREM
 TIF Taxing District Inc. Number: 85230
 TIF Taxing District Base Year: 2014
 FY TIF Revenue First Received: 2017
 Subject to a Statutory end date? Yes
 Fiscal year this TIF Taxing District statutorily ends: 2037

UR Designation	
Slum	No
Blighted	No
Economic Development	11/2013

TIF Taxing District Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	14,691,000	0	0	0	14,691,000	0	14,691,000
Taxable	0	0	13,221,900	0	0	0	13,221,900	0	13,221,900
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2018	3,467,200	11,223,800	10,476,716	747,084	16,719

FY 2018 TIF Revenue Received: 234,455

Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)
 Urban Renewal Area: AMES ISU RESEARCH PARK URBAN RENEWAL
 UR Area Number: 85024

UR Area Creation Date: 11/2013

UR Area Purpose: To promote economic development
 for Iowa State University Research
 Park by extending public
 infrastructure.

Tax Districts within this Urban Renewal Area	Base No.	Increment No.	Increment Value Used
AMES CITY/AMES SCH/ISU RESEARCH PARK URBAN RENEWAL TIF INCREM	85628	85228	17,135,370
AMES CITY AG/AMES SCH/ISU RESEARCH PARK URBAN RENEWAL TIF INCREM	85629	85229	0

Urban Renewal Area Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	1,149,700	42,382,500	0	0	-1,852	43,530,348	0	43,530,348
Taxable	0	654,629	38,144,250	0	0	-1,852	38,797,027	0	38,797,027
Homestead Credits									2

TIF Sp. Rev. Fund Cash Balance as of 07-01-2017: **-386,641** **0** **Amount of 07-01-2017 Cash Balance Restricted for LMI**

TIF Revenue: 288,500
 TIF Sp. Revenue Fund Interest: -2,018
 Property Tax Replacement Claims 0
 Asset Sales & Loan Repayments: 41,020
Total Revenue: 327,502

Rebate Expenditures: 0
 Non-Rebate Expenditures: 305,200
 Returned to County Treasurer: 0
Total Expenditures: 305,200

TIF Sp. Rev. Fund Cash Balance as of 06-30-2018: **-364,339** **0** **Amount of 06-30-2018 Cash Balance Restricted for LMI**

Projects For AMES ISU RESEARCH PARK URBAN RENEWAL

ISURP Infrastructure Extension

Description:	Extension of public infrastructure to serve ISURP
Classification:	Roads, Bridges & Utilities
Physically Complete:	Yes
Payments Complete:	Yes

Debts/Obligations For AMES ISU RESEARCH PARK URBAN RENEWAL

General Obligation Series 2015A

Debt/Obligation Type:	Gen. Obligation Bonds/Notes
Principal:	2,525,000
Interest:	502,650
Total:	3,027,650
Annual Appropriation?:	No
Date Incurred:	11/13/2015
FY of Last Payment:	2027

Non-Rebates For AMES ISU RESEARCH PARK URBAN RENEWAL

TIF Expenditure Amount:	305,200
Tied To Debt:	General Obligation Series 2015A
Tied To Project:	ISURP Infrastructure Extension

TIF Taxing District Data Collection

Local Government Name:	AMES (85G811)
Urban Renewal Area:	AMES ISU RESEARCH PARK URBAN RENEWAL (85024)
TIF Taxing District Name:	AMES CITY/AMES SCH/ISU RESEARCH PARK URBAN RENEWAL TIF INCREM
TIF Taxing District Inc. Number:	85228
TIF Taxing District Base Year:	2014
FY TIF Revenue First Received:	2017
Subject to a Statutory end date?	Yes
Fiscal year this TIF Taxing District statutorily ends:	2037

UR Designation	
Slum	No
Blighted	No
Economic Development	11/2013

TIF Taxing District Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	1,149,700	42,382,500	0	0	-1,852	43,530,348	0	43,530,348
Taxable	0	654,629	38,144,250	0	0	-1,852	38,797,027	0	38,797,027
Homestead Credits									2

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2018	26,396,830	17,135,370	17,135,370	0	0

FY 2018 TIF Revenue Received: 288,500

TIF Taxing District Data Collection

Local Government Name:	AMES (85G811)
Urban Renewal Area:	AMES ISU RESEARCH PARK URBAN RENEWAL (85024)
TIF Taxing District Name:	AMES CITY AG/AMES SCH/ISU RESEARCH PARK URBAN RENEWAL TIF INCREM
TIF Taxing District Inc. Number:	85229
TIF Taxing District Base Year:	2014
FY TIF Revenue First Received:	
Subject to a Statutory end date?	No

UR Designation	
Slum	No
Blighted	No
Economic Development	No

TIF Taxing District Value by Class - 1/1/2016 for FY 2018

	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 2018	690,740	0	0	0	0

FY 2018 TIF Revenue Received: 0

Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)
 Urban Renewal Area: AMES BARILLA URBAN RENEWAL
 UR Area Number: 85026

UR Area Creation Date: 07/2017

UR Area Purpose: This urban renewal area is being created to facilitate the expansion of the Barilla manufacturing facility at 3303 and 3311 East Lincoln Way.

Tax Districts within this Urban Renewal Area

	Base No.	Increment No.	Increment Value Used
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Urban Renewal Area Value by Class - 1/1/2016 for FY 2018

	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 07-01-2017: 0 0 **Amount of 07-01-2017 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 06-30-2018: 0 0 **Amount of 06-30-2018 Cash Balance Restricted for LMI**

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Sum of Private Investment Made Within This Urban Renewal Area
during FY 2018