



Economic Development
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TO: Michael C. Van Milligen, City Manager

FROM: Jill M. Connors, Economic Development Director

SUBJECT: Amending Tax Increment Ordinance 28-22A for the Dubuque Industrial Center Economic Development District, as amended by Version 2022.3 of the Amended and Restated Plan

DATE: March 7, 2023

INTRODUCTION

This memorandum presents for City Council review and adoption an ordinance amending the most recent Ordinance 28-22A for the Dubuque Industrial Center Economic Development District ("District"). The District's boundaries were amended by Version 2023.1 of the Amended and Restated Urban Renewal Plan. The proposed ordinance was reviewed by the City Attorney's Office and is attached to this memo.

The proposed amending ordinance would remove from the division of revenues that portion of Subarea E removed by Version 2023.1 of the Amended and Restated Urban Renewal Plan for the Dubuque Industrial Center Economic Development District.

BACKGROUND

On February 20, 2023, Resolution No. 52-23 was adopted finding that proposed changes to the District's boundaries are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning and local community objectives.

On February 28, 2023, a Consultation was conducted with the affected taxing entities as required by Chapter 403.5 of the Iowa Code, providing an opportunity to discuss, question, or object to the findings in the Amended and Restated Urban Renewal Plan. Prior to the meeting, the taxing entities were mailed copies of the Amended and Restated

Urban Renewal Plan and the Notice of Public Hearing. No written objections or recommended changes to the Amended and Restated Plan were received.

On March 10, 2023 the notice of public hearing was published to allow for the appropriate publication requirements. Assuming that the City Council approves the Amended and Restated Plan, Version 2023.1, following the public hearing, Council action to amend the tax increment ordinance for the District would be appropriate.

DISCUSSION

The primary goal of Version 2023.1 of the Amended and Restated Plan is to remove property from Subarea E of the District. Due to legislation in 1995, the collection of tax increment in urban renewal areas designated for economic development purposes is limited to 20 years. This means the Subarea E of the District in which this parcel is located has its “TIF sunset” in 2034. If the parcel were to remain in Subarea E, the City would be unable to provide full future economic development incentives. The property will still remain within the Dubuque Industrial Center Economic Development District Urban Renewal Area.

In order to reflect the changes to the District’s boundaries and Subareas made by Version 2023.1, the TIF ordinance area boundaries must also be amended. The proposed ordinance reflects the removal of property from Subarea E.

The ordinance continues to authorize the City to maintain a special fund for the collection of a portion of the property tax revenues generated by new development occurring the District. All taxable property that remains located in the District will continue to pay property taxes based upon the current tax levies and assessment valuations. Tax revenues collected in excess of the base amounts in each Subarea will be used to assist in financing future development projects within the District, including both public and private development.

RECOMMENDATION / ACTION STEP

Following City Council approval of Version 2023.1 of the Amended and Restated Plan, I recommend that the City Council approve the ordinance attached hereto for the Dubuque Industrial Center Economic Development District. Tax increment financing is an important tool for economic development and will be used to assist future public and private development efforts.