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**TO:** Michael C. Van Milligen, City Manager

**FROM:** Jill M. Connors, Economic Development Director

**SUBJECT:** Amending Tax Increment Ordinance \_\_-23 for the Dubuque Industrial Center Economic Development District, as amended by Version 2023.2 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 \_\_-23 for the Dubuque Industrial Center Economic Development District ("District"). The District's boundaries were amended by Version 2023.2 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 expand the District to include the property to be designated as Subarea S by Version 2023.2 of the Amended and Restated Urban Renewal Plan in the TIF ordinance area of the Amended and Restated Urban Renewal Plan.

## BACKGROUND

On February 20, 2023, Resolution No. 53-23 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 2023.2, following the public hearing, Council action to amend the tax increment ordinance for the District would be appropriate.

## **DISCUSSION**

The primary goal of Version 2023.2 of the Amended and Restated Plan is to expand the District by creating a new Subarea S. The expansion of the District is required to accommodate the issuance of urban renewal tax rebates under the Development Agreement by and between the City of Dubuque, Iowa, and Seippel Warehouse, LLC.

In order to reflect the changes to the District's boundaries and Subareas made by Version 2023.2, the TIF ordinance area boundaries must also be amended. The proposed ordinance reflects the addition of Subarea S.

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 2023.2 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.