PUBLIC BUILDING ANALYSIS

For Consultation Meeting on October 13, 2014 at 10:00 a.m.
City Hall, 50 W. 13th Street, Conference Room A

The following report details the proposed plan by the City of Dubuque to use tax increment financing (TIF) on public buildings as part of an amended and restated Urban Renewal Plan for the Greater Downtown Urban Renewal District. This report adheres to the requirements of Section 403.5(2)(b)(1), providing an analysis of each building that will utilize TIF, and demonstrating how the financing tool, while infrequently the sole funding source, is preferred among the available alternatives to meet the shortfalls of each project.

Development and funding options for these projects, outside of tax increment financing, include the issuance of general obligation debt backed by property taxes, local option sales tax, or revenue, such as parking fees, received by the City of Dubuque. Additionally, gaming revenues could be used to fund these projects. Opportunities for state and federal grants, as well as private fundraising, may also exist. These options are being used for urban renewal projects, and for projects discussed below, however the exclusive use of other sources is less feasible than the use of tax increment financing because there would be no contribution from the School District and County. Because the urban renewal projects listed below will benefit County residents and District patrons, the use of tax increment financing is the most appropriate funding mechanism because it is fair and equitable for the School District and the County to share in their costs. Each project has or plans to contemplate the use of different funding sources for capital improvements, outside of tax increment financing. Additionally, there are substantial operation and maintenance responsibilities associated with each project that will not utilize TIF.

The Intermodal Transportation Facility is being constructed to provide vital transportation connections required for the success of existing investments and will be instrumental in leveraging additional investments required to achieve the long-term goals for downtown Dubuque. The centralized transportation hub will connect automobile, bus, and pedestrian traffic, while increasing demand for alternative transportation modes. The County and School District will benefit from the center, as it provides various transportation options for Millwork District and Washington Neighborhood residents, as well as visitors and downtown employees, spurring economic development in the District. It is fair and rational that a portion of the capital improvements are supported by TIF due to its broad benefit to the entire community, which extend beyond the City’s boundaries.

The Transit Building currently located at 2401 Central Avenue provides office space and storage space for the City’s transit division and its equipment/vehicles. Construction and repairs to this building benefit the County and School District, as they facilitate public transportation of residents and visitors. The public busses are widely used by local youth, providing 100,000 transportation trips to and from school for K-12 students annually. The busses also serve many tourist attractions and business centers
in all areas of town. It is fair and rational that a portion of the capital improvements are supported by TIF due to its broad benefit to the entire community, which extend beyond the City’s boundaries.

The planned **Bus Storage Facility** will provide office space and storage space for the City’s transit division and its equipment/vehicles. Construction and repairs to this building benefit the County and School District, as they facilitate public transportation of residents and visitors. The public busses are widely used by local youth, providing 100,000 transportation trips to and from school for K-12 students annually. The busses also serve many tourist attractions and business centers in all areas of town. It is fair and rational that a portion of the capital improvements are supported by TIF due to its broad benefit to the entire community, which extend beyond the City’s boundaries.

**The 1860 Hawthorne Building Renovation Study** project provides for a preliminary design study to determine how to convert this vacant property into a viable space that will attract commercial and/or residential tenants. With its location in the Point area of Dubuque, it serves as a great potential spot for reenergizing the economy in the North End of Dubuque. Inserting commercial and residential space in this underutilized area of town will serve to bolster property taxes, as well as potentially provide needing housing for families. It is fair and rational that a portion of the capital improvements are supported by TIF due to its broad benefit to the entire community, which extend beyond the City’s boundaries.

The **Jackson Park Restrooms** project provides for constructing a rest room building in Jackson Park that will include a single men’s and a single women’s rest room and install security cameras. Many parades start at this location, so school bands and county-wide organizations will now have access at the gathering point to restrooms. This community park holds events that draw from the entire community (i.e. Music in the Park). It is fair and rational that a portion of the capital improvements are supported by TIF due to its broad benefit to the entire community, which extend beyond the City’s boundaries.

Twof of the four **Five Flags Arena Roof A/C** units need to be replaced. The arena provides space for community events, graduations (Hempstead, Senior, NICC), concerts, fundraising events for non-profit organizations (St. Marks, MFC), and events with a regional draw as well as national conventions. It also acts as a weather site for large festivals (Irish Hooley, America’s River Festival). It is fair and rational that a portion of the capital improvements are supported by TIF due to its broad benefit to the entire community, which extend beyond the City’s boundaries.

In the heart of downtown Dubuque adjacent to Washington Park, Town Clock Plaza and a senior housing facility, sits the **Historic Federal Building** -- a multi-tenant building built in 1934 that houses tenants such as USPS, Social Security office and legislators’ field offices who offer critical services to downtown residents and employees. With no private developer able to cash flow a rehab project of this neglected, Art Deco building and concern that the inevitable sale of the building by General Services Administration (GSA) would lead to further neglect and loss of tenants, the City acquired the building from the GSA for $1 so as to preserve the building and these services in the city’s urban core. The use of TIF for the stabilizing and initial building restoration also provided an
opportunity for the city to improve citizen access to local government by providing office space for the City’s growing Housing & Community Development Department, and transforming the former courtroom into a new City Council chambers with improved access for the public and state of the art equipment for home viewers unable to attend in person. It is fair and rational that a portion of the capital improvements are supported by TIF due to its broad benefit to the entire community, which extend beyond the City’s boundaries, particularly due to the centralized availability of Federal Legislative Staff to area residents.