

## PUBLIC BUILDING ANALYSIS

### For Consultation Meeting on September 12, 2012 at 12:00 p.m.

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, 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 **Mystique Community Ice Center** is home to the Dubuque Fighting Saints, a United States Hockey League Tier 1 junior team. The Saints are a regional tourist attraction that provides a positive impact on the local economy. The Ice Center hosts public skating sessions, clinics, and camps that primarily benefit area youth. Additionally the Center is home to the Dubuque Devils, which is comprised of players from Senior, Walhert, and Hempstead High School, as well as a few eighth graders from Dubuque middle schools. The Ice Center also features adult hockey leagues, and is available to community groups for rental use and private events. There are no comparable facilities in the County and School District as the facility complements, rather than competes with, the mission of those two governing bodies. The facility was constructed using private contributions raised through a fundraising drive administered by the Dubuque Community Ice and Recreation Center, Inc., a non-profit organization that manages the facility. The non-profit has minimal funds available for capital improvements. It is fair and rational that improvements made to the Center's air conditioning, electrical system, generator, power factor device, and ice decking be supported by TIF due to its broad benefit to the entire community which extends beyond the City's boundaries.

The **Multi-Cultural Family Center** promotes a variety of educational services, outreach, community building, personal and economic development programs throughout the surrounding area. The Center supports children, teenagers, adults, seniors and families alike. Some of the program offerings include job training efforts, after-school programs, tutoring and college preparation. These programs complement, rather than compete with, the mission of the County

and School District. Due to the popularity of the Center's programs, which extend beyond City of Dubuque residents, a partnership was formed between the City, School District and the Center's Board of Directors to acquire and remodel a new location in 2008. Gaming revenue, community development block grant funds, and private donations were utilized in the build out. The non-profit Center has minimal funds available for capital improvements. It is fair and rational that improvements made to enhance program capabilities at the center – including additional conference room space, meeting rooms and workstations – be supported by TIF due to its broad benefit to the entire community which extends beyond the City's boundaries.

The **new restroom** at the corner of 5<sup>th</sup> and Bluff Street is being constructed in response to a broad public request to provide an Americans with Disabilities compliant restroom in the nearby vicinity. The area is a regional tourist attraction as it is the home to several festivals, as well as the historic Fenlon Place elevator, known as one of the shortest and steepest railroads in the world. The restroom would benefit tourists and local businesses, supporting the regional economy. Local businesses owners have minimal funds available to privately fund the restroom. It is fair and rational that the construction of the ADA compliant facility be supported by TIF due to its broad benefit to the entire community which extends beyond the City's boundaries.

The **downtown parking ramps** have been constructed to serve commercial, retail and residential tenants. Due to the dense, urban nature of the area, there is insufficient space for surface parking to meet the needs of all downtown employees, customers and residents. The County and School District would not benefit from the sizeable commercial property tax values, both in the present and in to the future, if a significant commitment to the creation of parking structures in the downtown area was not made. The parking ramps have largely been financed with parking revenue bonds, supported by users of the facilities. However the City intends to exercise urban renewal powers to refinance existing obligations in order to incur savings and allow contracts between the City and private developers that will promote job growth, spur new business development including expanded retail offerings, and counter conditions that constitute blight. While those parking in the ramps will shoulder a majority of the obligations associated with their debt through continued payment of parking fees, 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 extends beyond the City's boundaries.