

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-309

SYNOPSIS —

AGENDA:

JULY 27, 1998

SUBJECT:

SEC TAYLOR
STADIUM 28E
AGREEMENT

Council approval of the Chapter 28E Agreement providing for the Cities of Altoona, Ankeny, Clive, Johnston, West Des Moines, Windsor Heights, and Urbandale, and Polk County to pay the debt service on \$750,000 (principal amount) of bonds issued by the City of Des Moines to finance improvements to Sec Taylor Stadium is required. Each community pays a portion of the debt service, based on their portion of total Hotel/Motel Tax revenues.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

The City of Johnston was the final community to sign the agreement on April 6, 1998. Since the 28E Agreement did not become effective until all communities agreed to it, it is now appropriate for the City Council to review, sign, and execute the agreement. Those communities which signed the agreement have been notified of the payment due; some payments for 1997 and 1998 have already been received.

SUBMITTED BY:

KEVIN RIPER
FINANCE
DIRECTOR

FISCAL IMPACT –

In the early 1990' s, the City sold \$9.6 million in bonds to finance the improvements to Sec Taylor. Aggregate annual payments are made by the communities on \$750,000 principal amount of the bonds payable in the sixth through twentieth years, while bonds are outstanding (see attached schedule). According to the agreement, communities would have begun payment on May 1, 1997; thus, payments for the last two years are due from each community. Over 15 years, the City will receive \$1,325,620.65 in payments from these communities.

RECOMMENDATION –

Approval and authorization of the Mayor to sign the agreement and the City Clerk to execute the agreement.

BACKGROUND –

In 1993, the City of Des Moines worked with the local governments of Altoona, Ankeny, Clive, Johnston, Polk County, Urbandale, West Des Moines, and Windsor Heights to compile an Intergovernmental Chapter 28E Agreement pledging a portion of the Hotel/Motel Tax revenues from those communities to help finance improvements to Sec Taylor Stadium. All communities except Johnston approved and signed the agreement in 1993. The Des Moines City Council was, at that time, advised to defer its own approval until all other communities had signed the agreement. Johnston approved the agreement on April 6, 1998.

The reconstruction and renovation of Sec Taylor Stadium helped ensure the retention of the Iowa Cubs, a Class AAA baseball club, which has a positive economic impact by attracting large groups and national publicity to the Des Moines metro area. The Sec Taylor Stadium Project was completed at a cost of approximately \$11.5 million. With a combination of Hotel/Motel Tax bonds and tax increment bonds, the City of Des Moines funded about \$8 million of total project costs. Greater Des Moines Baseball (Sam Bernabe, General Manager) provided \$2 million in financing. For the remaining \$1.5 million, \$750,000 was received from the private sector (Des Moines Development Corporation and the Greater Des Moines Chamber of Commerce), with debt service on the balance split among the suburban communities, Polk County, and the City of Des Moines.

Johnston, Altoona, and Clive were given the option to defer payments until May 1, 2000, because of their current payments of Grand Prix debt. The City of Clive has requested to defer payment at this time.

The following delineates when the communities signed the Agreement:

Altoona by Resolution No. 4-19-93 on April 19, 1993
Ankeny by Resolution No. 109-93 on May 17, 1993
Clive by Resolution No. 93-57 on April 15, 1993
Johnston by Resolution No. 98-57 on April 6, 1998
Polk County by Resolution No. 98-57 on April 20, 1993
Urbandale by a vote on September 3, 1996

West Des Moines by Roll Call No. 92-548 on April 15, 1993
Windsor Heights by Resolution No. 93-83 on April 5, 1993

Attachment

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