

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

00-567

SYNOPSIS -

AGENDA:

DECEMBER 4, 2000

SUBJECT:

IOWA EVENTS
CENTER FUNDING

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

I recommend that the City financially support the Iowa Events Center as outlined in a presentation made by Polk County at the November 20, 2000 Council meeting. The \$562,000 annual commitment (for a period of ten years) will be funded primarily from hotel/motel tax revenues beginning in Fiscal Year (FY) 2003. There will be no reductions in the current hotel/motel tax support of City operations (Botanical Center and Zoo). Growth in annual hotel/motel tax receipts from existing hotels/motels and the possibility of added hotel/motel tax revenues from new hotels or motels will aid in the annual funding commitment. In addition to the ten-year commitment, there are two infrastructure improvements (skywalk and street realignment) that will need to be included in the Capital Improvement Program (CIP).

FISCAL IMPACT -

• \$562,000 per year for ten years for direct project costs (commencing in FY2003) funded primarily from growth in hotel/motel taxes and reallocation of existing hotel/motel taxes.

• \$3,000,000 for construction of a skywalk bridge across Third Street and Third Street Re-alignment funded from general obligation bond proceeds.

RECOMMENDATION -

Approve the City's financial commitment to the Iowa Events Center as outlined above, and direct the City Manager to program the skywalk and street improvements related to the Iowa Events Center into the proposed CIP and also include in the long-range Operating Budget projection for the ten-year annual contribution. Both of these actions are to be presented in greater detail to Council during budget hearings next month.

BACKGROUND -

At the November 20, 2000 Council meeting, Polk County officials and staff made a special presentation regarding the proposed Iowa Events Center culminating from over three years of viability studies and concept designs. The \$200 million project anticipates funding from four sources: State (\$75 million), Private (\$30 million), County (\$85 million), and Local (\$10 million). The potential state funding requires a minimum 50 percent match from local sources. Polk County is soliciting support from municipalities in Polk County for the \$10 million. The City's share of the \$10 million is currently projected to be approximately \$5,620,000 or \$562,000 per year for a ten-year period. At the conclusion of the special presentation, the Council referred the request to the City Manager to bring back a recommendation at its next meeting.