


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	24-492	Meeting:	December 9, 2024
	Agenda Item:	29	Roll Call:	24-1645
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving the Reinvestment District Contract between Iowa Economic Development Authority (IEDA) and the City of Des Moines for The Capital City Reinvestment District.

SYNOPSIS:

On October 18, 2024, the IEDA Board approved The Capital City Reinvestment District final application to establish a reinvestment district, which will enable the capture of up to \$23.5 million in new state sales tax and new state hotel/motel tax for use by the City to further the projects contained within the application.

FISCAL IMPACT:

The Iowa Reinvestment Act is a State of Iowa funded economic development program and there is no fiscal impact to the City associated with the approval of the Reinvestment District Contract with IEDA.

ADDITIONAL INFORMATION:

- The IEDA Board approved the application with the following conditions subsequent:
 - Documentation that construction financing has closed for Project 1 - *Pro Iowa Stadium*, and Project 2 - *Global Plaza*, by August 1, 2025.
 - Documentation that construction financing has closed for Project 3 - *Stadium Hotel*, Project 4 - *Convenience Store*, and Project 5 - *Entertainment Venue*, by March 31, 2026.
 - Documentation that construction financing has closed for Project 6 - *Western Gateway Hotel*, by May 31, 2026.
 - Documentation that construction financing has closed for Project 7 - *Gray's Landing Grocery*, by March 31, 2026.
 - Documentation that construction financing has closed for Project 8 - *Sherman Hotel*, by May 31, 2027.
- Representatives from both the Iowa Soccer Development Foundation (ISDF) and Krause+ were in attendance at the IEDA Board meeting on October 18, 2024, and are aware of the conditions subsequent.

- In 2013, the Iowa Legislature enacted the Iowa Reinvestment District Act (the Act), which establishes a program administered by IEDA that allows certain state hotel and motel, and sales and use tax revenues to be reinvested in designated reinvestment districts. IEDA requested and received applications for that round. In Des Moines, the Iowa Events Center hotel received funding through this program.
- In 2020, the Iowa Legislature amended certain parameters of the Act and budgeted an additional \$100 million to be used to fund additional projects across the state. The Act and the administrative rules adopted by IEDA require the submission of a pre-application for provisional approval of a proposed reinvestment district. The City submitted a pre-application for The Capital City Reinvestment District in February 2021, and was awarded preliminary approval of \$23.5 million, and invited to submit a final application. The City submitted a final application for The Capital City Reinvestment District in February 2022 and was awarded final approval of \$23.5 million. Due to delays in construction, based on high interest rates and high material costs, IEDA asked that project representatives attend the October 2024 IEDA Board meeting with an updated application. The award of \$23.5 million was affirmed.

Map of the IRA District Boundary



PREVIOUS COUNCIL ACTION(S):

Date: February 7, 2022

Roll Call Number: [22-0178](#)

Action: [Proposed](#) Final District Plan for the Capital City Reinvestment District and approving the submission of an application to IEDA for approval of the District. ([Council Communication No. 22-048](#)) Motion by Sheumaker to allow the public to speak failed, no second. Moved by Mandelbaum to adopt. Second by Gatto. Motion Carried 6-1. Nays: Sheumaker.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Approval of Ordinance creating an Iowa Reinvestment District

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.