


## COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>25-105</b>	Meeting:	<b>March 10, 2025</b>
	Agenda Item:	<b>46</b>	Roll Call:	<b>25-0386</b>
	Submitted by:	<b>Cody Christensen, Development Services Director</b>		

### AGENDA HEADING:

Ordinance establishing The Capital City Reinvestment District.

### SYNOPSIS:

The City has been working with the Iowa Soccer Development Foundation and Krause+, LLC for the past few years to establish a new Reinvestment District as part of the Iowa Reinvestment Act. The City Council has approved a number of steps in this process {pre-application, final application, Iowa Economic Development Authority (IEDA) contract}, which has now led to this current step of establishing the Reinvestment District through an Ordinance, which will enable the capture of up to \$23.5 million in new state sales tax and new state hotel/motel tax within the 75-acre boundary for use by the City to further the projects contained within the application.

### FISCAL IMPACT: NONE

### ADDITIONAL INFORMATION:

- 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: December 9, 2024

Roll Call Number: [24-1645](#)

Action: [Reinvestment](#) District Contract with the IEDA for the Capital City Reinvestment District. ([Council Communication No. 24-492](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Approval of Development Agreement between the City, Iowa Soccer Development Foundation, and Krause+, LLC

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](mailto:cityclerk@dmgov.org).