


# COUNCIL COMMUNICATION

	Number:	<b>26-118</b>	Meeting:	<b>April 6, 2026</b>
	Agenda Item:	<b>51</b>	Roll Call:	<b>26-0475</b>
	Submitted by:	<b>Carrie Kruse, Economic Development Administrator</b>		

## AGENDA HEADING:

Amendment to the Ordinance establishing The Capital City Reinvestment District to expand the boundary to include the Market District.

## SYNOPSIS:

In March 2025, the City Council approved an Ordinance to establish a new Reinvestment District, the Capital City Reinvestment District as part of the Iowa Reinvestment Act (IRA). That District was approximately 75 acres and was centered around the Iowa Soccer Development Foundation's stadium built for soccer, as well as Krause+-owned land near the Western Gateway. Since then, the state law around the program has been changed to allow an additional 50 acres to be added to existing districts. At their March Board meeting, the Iowa Economic Development Authority (IEDA) approved the addition of approximately 50 acres to the District to encompass the Market District. The existing Ordinance boundary now needs to be amended.

## 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/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.

- In 2025, the Iowa Legislature increased the total number of acres allowed in existing Iowa Reinvestment Districts approved after July 2018 from 75 acres to 125 acres. Additional funds for projects within the amended area would also be available. In September 2025, IEDA opened a 90-day window for such applications.
- In October 2025, Council approved a resolution directing the City Manger to prepare an Amendment to the existing IRA District plan. Staff submitted an application in November 2025.
- At their March 20, 2026, Board meeting, the IEDA Board approved an allocation of \$9.5 million to the newly expanded boundary, which will be used to help fund a hotel and parking ramp within the Market District.
- Map of amended boundary:



### **PREVIOUS COUNCIL ACTION(S):**

Date: March 10, 2025

Roll Call Number: [25-0386](#)

Action: [Establishing](#) the Capital City Reinvestment District pursuant to Iowa Code Chapter 15J. ([Council Communication No. 25-105](#)) Moved by Simonson that this ordinance be considered and given first vote for passage. Second by Gatto. Motion Carried 7-0.

Date: October 20, 2025

Roll Call Number: [25-1414](#)

Action: [Directing](#) the City Manager to prepare an amendment to the Iowa Reinvestment Act District Plan for the Capital City Reinvestment District modifying the boundaries to include the area within the City known as the Market District. Moved by Gatto to adopt. Second by Coleman. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Approval/amendment of Contract between City and IEDA to include Market District
- Approval of Development Agreement between the City and Iowa Soccer Development Foundation
- Approval of Development Agreement between the City and Krause+
- Approval of Ground Lease between the City and Iowa Soccer Development Foundation
- Approval of Ground Lease between the City and Krause+

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 second floor of T.M. Franklin Cownie City Administration Building, 1200 Locust Street. 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).