



Date July 18, 2022

RECEIVE AND FILE RESOLUTION FROM MERLE HAY MALL REINVESTMENT DISTRICT JOINT BOARD ESTABLISHING MERLE HAY REINVESTMENT DISTRICT

WHEREAS, on January 11, 2021, by roll call number 21-0024, the City Council passed a resolution approving an Agreement under Iowa Code chapter 28E which authorized the establishment of a Joint Board to establish a reinvestment district in the area of Merle Hay Mall located partially in Des Moines and partially in Urbandale; and

WHEREAS, in accordance with roll call number 21-0024, the Joint Board was established and the 28E Agreement was filed with the Iowa Secretary of State on or about January 15, 2021; and

WHEREAS, the Joint Board consists of two representatives from the City of Des Moines; two representatives from the City of Urbandale; and one representative from Polk County; and

WHEREAS, on or about June 30, 2022, the Joint Board met and passed Resolution No. 2022-02 authorizing the Chairperson or Joint Board Administrator to take all action necessary to establish the Merle Hay Reinvestment District pursuant to Iowa Code Chapter 15J.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa:

1. The resolution from the Merle Hay 28E Joint Board related to the establishment of the Merle Hay Reinvestment District is hereby received and filed.
2. The City Manager and/or his designee(s) is/are hereby authorized to continue working with the Joint Board as set forth in the 28E Agreement to effectuate the terms and intent thereof.

Moved by _____ to adopt. Second by _____

APPROVED AS TO FORM:

/s/ Gary D. Goudelock Jr.
Gary D. Goudelock Jr.
Assistant City Attorney



Roll Call Number

Agenda Item Number

33

Date July 18, 2022

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
MANDELBAUM				
SHEUMAKER				
VOSS				
WESTERGAARD				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, LAURA BAUMGARTNER, Acting City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Acting City Clerk

RESOLUTION NO. 2022-02

RESOLUTION ESTABLISHING THE MERLE HAY REINVESTMENT DISTRICT
PURSUANT TO IOWA CODE SECTION 15J.4(4)

WHEREAS, this Joint Board was established pursuant to a 28E Agreement entered into by the City of Urbandale, Iowa and the City of Des Moines, Iowa ("28E Agreement"), which 28E Agreement was filed with the Iowa Secretary of State on January 15, 2021; and

WHEREAS, the purpose of the Joint Board is to take those actions necessary to establish a Reinvestment District for the Merle Hay Mall Campus ("Merle Hay Reinvestment District" or "Reinvestment District") under the authority set forth in Iowa Code Chapter 15J (the "Reinvestment Act"); and

WHEREAS, the Iowa Economic Development Authority ("IEDA") established a pre-application process under Iowa Code Section 15J.3 through which a municipality, as defined in the Reinvestment Act, may submit preliminary application materials to the IEDA Board in order to receive provisional approval for a proposed reinvestment district; and

WHEREAS, by Resolution 2021-01, this Joint Board approved a Pre-Application for the Reinvestment District which was timely submitted to the IEDA in conjunction with the IEDA's pre-application process; and

WHEREAS, on June 25, 2021, the IEDA Board made a provisional funding award for the Reinvestment District of \$26,500,000 under the Reinvestment Act; and

WHEREAS, by Resolution 2022-01, this Joint Board approved the Final Plan in Support of the Creation of a Reinvestment District for the Merle Hay Mall Campus ("Plan") attached hereto as Exhibit 1 which was timely submitted to the IEDA; and

WHEREAS, on Friday, April 22, 2022, the IEDA Board approved a maximum benefit amount of \$26,500,000 for the Reinvestment District as described in the Plan submitted to the IEDA Board, and established the commencement date for the Reinvestment District as October 1, 2023; and

WHEREAS, this Joint Board hereby finds and determines that the Reinvestment District described in the Plan should be established pursuant to Iowa Code section 15J.4(4).

NOW THEREFORE, BE IT RESOLVED, BY THE JOINT BOARD:

Section 1. That the Merle Hay Reinvestment District as described in the Plan shall be established as of the date of this Resolution.

Section 2. That the IEDA Board identified October 1, 2023 as the Commencement Date for the Reinvestment District, as that term is defined in Iowa Code section 15J.2(2).

Section 3. That the detailed statement of the manner in which the approved projects to be undertaken in the Reinvestment District will be financed, as required by Iowa Code section 15J.4(4)(c), is set forth in Exhibit 2 attached hereto, and such statement includes but is not limited to: (i) the information required by Iowa Code section 15J.4(4)(b); and (ii) the financial information included in the Plan as required by Iowa Code section 15J.4(2)(d).

Section 4. That the Chairperson or Joint Board Administrator is hereby authorized, empowered and directed to submit this Resolution, the Commencement Date, and the information required by Iowa Code 15J.4(4)(b) to the director of revenue within thirty (30) days form the date of this Resolution, and the Chairperson or Joint Board Administrator is hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to establish the Reinvestment District.

PASSED AND APPROVED this 30TH day of JUNE, 2022.



Chairperson

ATTEST: 

Joint Board Administrator

EXHIBIT 1- FINAL PLAN IN SUPPORT OF THE CREATION OF A REINVESTMENT
DISTRICT FOR THE MERLE HAY MALL CAMPUS

EXHIBIT 2- DETAILED STATEMENT OF THE MANNER IN WHICH THE APPROVED
PROJECTS TO BE UNDERTAKEN IN THE DISTRICT WILL BE FINANCED.

The quarterly amount of sales subject to the state sales tax from the most recently available twelve-month period preceding the establishment of the district for the new retail establishments under section 15J.2, subsection 9, paragraph “b”, that were in operation before the establishment of the district is as follows:

Quarter Ending March 31, 2021	=	\$19,719,938
Quarter Ending June 30, 2021	=	\$21,632,137
Quarter Ending September 30, 2021	=	\$21,882,409
Quarter Ending December 31, 2021	=	\$27,893,595
Quarter Ending March 31, 2022	=	(To be provided by Dept. of Revenue once sales tax returns are finalized)

The quarterly amount of sales subject to the state hotel and motel tax from the most recently available twelve-month period preceding the establishment of the district for the new lessors under section 15J.2, subsection 8, paragraph “b”, that were in operation before the establishment of the district is as follows:

Quarter Ending March 31, 2021	=	\$0
Quarter Ending June 30, 2021	=	\$0
Quarter Ending September 30, 2021	=	\$0
Quarter Ending December 31, 2021	=	\$0
Quarter Ending March 31, 2022	=	\$0

**The financial information included in the Plan under section 15J.4, subsection 2, paragraph “d” is as follows:

Project Name: Buccaneer Arena and Training Center			
Funding Uses		Funding Sources	
Site Preparation	\$ 1,159,000	Iowa Reinvestment Act	\$ 22,000,000 *
Building & Land Acquisition	\$ 5,000,000	OVSE Equity	\$ 5,000,000 ***
Building Construction	\$ 14,674,000	OVSE Debt	\$ 20,000,000 ***
Building Remodeling	\$ 18,077,000	City of Urbandale TIF	\$ 3,000,000 **
Fixtures & Finishes	\$ 10,186,000	Private Equity	\$ 8,855,015 ***
Arch & Eng Design	\$ 3,165,960		
Construction Admin.	\$ 1,132,000		
Contingency	\$ 1,637,550		
Interest & Working Cap.	\$ 1,700,000		
Cost of Issuance	\$ 500,000		
Other	\$ 1,623,505		
Total Project Budget:	\$ 58,855,015	Total Funding Sources	\$ 58,855,015

Project Name: Mall Campus Hotel			
Funding Uses		Funding Sources	
Site Preparation	\$ -	Private Equity	\$ 7,087,500
Building Acquisition	\$ -	Private Debt	\$ 13,162,500
Building Construction	\$ 20,250,000		\$ -
Building Remodeling	\$ -		\$ -
Fixtures	\$ -		\$ -
Architectural Design	\$ -		\$ -
Engineering Design	\$ -		
Construction Admin.	\$ -		
Other	\$ -		
Total Project Budget:	\$ 20,250,000	Total Funding Sources	\$ 20,250,000

Project Name: New Kohl's Department Store			
Funding Uses		Funding Sources	
Site Preparation	\$ -		\$ -
Building Acquisition	\$ -	Kohl's	\$ 10,336,800
Building Construction	\$ 10,336,800		\$ -
Building Remodeling	\$ -		\$ -
Fixtures	\$ -		\$ -
Architectural Design	\$ -		\$ -
Engineering Design	\$ -		\$ -
Construction Admin.	\$ -		\$ -
Other	\$ -		\$ -
Total Project Budget:	\$ 10,336,800	Total Funding Sources	\$ 10,336,800

Project Name: New Business Construction Opportunity			
Funding Uses		Funding Sources	
Site Preparation	\$ 750,000	Private Equity	\$ 1,660,000
Building Acquisition	\$ -	Private Lending	\$ 5,900,000
Building Construction	\$ 6,810,000		\$ -
Building Remodeling	\$ -		\$ -
Fixtures	\$ -		
Architectural Design	\$ -		
Engineering Design	\$ -		
Construction Admin.	\$ -		
Other	\$ -		
Total Project Budget:	\$ 7,560,000	Total Funding Sources	\$ 7,560,000

Project Name: New Outparcel Development			
Funding Uses		Funding Sources	
Site Preparation	\$ 200,000		
Land Acquisition	\$ 900,000	Private Equity	\$ 500,000
Building Construction	\$ 1,000,000	Private Debt	\$ 1,875,000
Building Remodeling	\$ -		
Fixtures	\$ 200,000		
Architectural Design	\$ 25,000		
Engineering Design	\$ 50,000		
Construction Admin.	\$ -		
Other	\$ -		
Total Project Budget:	\$ 2,375,000	Total Funding Sources	\$ 2,375,000

Project Name:		Mixed-Use Campus Improvements	
Funding Uses		Funding Sources	
Site Preparation	\$ 3,150,000	Merle Hay Equity	\$ 2,990,000
Land Acquisition	\$ 2,800,000	Merle Hay Debt	\$ 10,460,000
Building Acquisition	\$ 2,000,000	Des Moines TIF	\$ 2,800,000
Building Construction	\$ 600,000	Polk County Loan	\$ 2,400,000
Building Demolition	\$ 1,900,000	Housing Dev. Equity	\$ 1,400,000
Stormwater Management	\$ 6,200,000	Housing Dev. Debt	\$ 10,000,000
Building Remodeling	\$ 17,000,000	Housing Tax Credits	\$ 600,000
Fixtures	\$ 2,300,000	Urbandale Storm Fund	\$ 5,500,000
Architectural Design	\$ 100,000		
Engineering Design	\$ 100,000		
Construction Admin.	\$ -		
Other	\$ -		
Total Project Budget:	\$ 36,150,000	Total Funding Sources	\$ 36,150,000

Project Name:		Target Store Improvements	
Funding Uses		Funding Sources	
Site Preparation	\$ -	Target Equity	\$ 3,000,000
Land Acquisition	\$ -		
Building Acquisition	\$ -		
Building Construction	\$ -		
Building Demolition	\$ -		
Stormwater Management	\$ -		
Building Remodeling	\$ 3,000,000		
Fixtures	\$ -		
Architectural Design	\$ -		
Engineering Design	\$ -		
Construction Admin.	\$ -		
Other	\$ -		
Total Project Budget:	\$ 3,000,000	Total Funding Sources	\$ 3,000,000

The feasibility study and other information required by Iowa Code §15J.4(2)(d) can be found at pages 47-74 of the Plan attached hereto as Exhibit 1.

** The above financial information included in the Plan is the best available, responsive, financial information at the time of the adoption of this Resolution establishing the Merle Hay Reinvestment District. Given the uncertainties in the financial and construction markets, revisions to the above financial information are anticipated following the establishment of the Reinvestment District. To the extent any such revisions require amendment(s) to the Plan, such amendments to the Plan and this Resolution will be adopted as and to the extent set forth in Iowa Code §15J.4(5).

