

★ Roll Call Number

15-0269

Agenda Item Number

II(A)

Date February 23, 2015

APPROVING PRELIMINARY TERMS OF AGREEMENT WITH IEC HOTEL CORPORATION FOR FINANCIAL ASSISTANCE FOR DEVELOPMENT OF A HEADQUARTERS HOTEL CONNECTED TO THE IOWA EVENTS CENTER AND APPROVING THE FINAL APPLICATION TO IOWA ECONOMIC DEVELOPMENT AUTHORITY FOR FUNDING FROM THE IOWA REINVESTMENT ACT FOR THE IOWA CONVENTION & ENTERTAINMENT REINVESTMENT DISTRICT

WHEREAS, in 2013 the Iowa Legislature enacted the Iowa Reinvestment Act which establishes a program administered by the Iowa Economic Development Authority ("IEDA") that allows certain state hotel and motel, and sales and use tax revenues to be "reinvested" in designated reinvestment district; and,

WHEREAS, the IEDA Board has announced that "[t]o the greatest extent possible, the board will fund projects in districts that are the most likely (1) to improve the quality of life of the municipality, the surrounding region, and the state as a whole; (2) to be unique to the municipality, the surrounding region, and the state as a whole; and (3) to substantially benefit the economy of the municipality, the surrounding region, and the state as a whole"; and,

WHEREAS, on March 10, 2014, by Roll Call No. 14-0383, the City Council approved the proposed Iowa Convention and Entertainment Reinvestment District (the "District") and the proposed preliminary plan for the District, and directed Office of Economic Development to seek provisional approval by the IEDA of the District and the preliminary District Plan; and,

WHEREAS, the IEDA has given provisional approval of the Iowa Convention and Entertainment Reinvestment District and the preliminary District Plan; and,

WHEREAS, the City's Office of Economic Development has prepared a final District Plan for the District which includes the development of a headquarters hotel at the Iowa Events Center, renovation of the Randolph Hotel, the redevelopment of 420 Court Avenue with a mixed use project including a Hy-Vee grocery store, renovation of the Fifth and Keo Parking Garage, and associated streetscape improvements that strengthen the connection between the Iowa Events Center and other places downtown as more fully described in the accompanying Council Communication; and,

WHEREAS, the City Manager has also negotiated preliminary terms of agreement with Polk County and IEC Hotel Corporation, a development entity created by Polk County, whereby the Corporation has agreed to acquire and redevelop the Polk County owned property at the northeast corner of 5th and Park Streets with a headquarters hotel with approximately 330 guest rooms, a full service restaurant, meeting and banquet facilities, and underground parking with approximately 100 spaces, and the City has agreed to provide financial assistance as more fully described in the accompanying Council Communication.

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

1. The City Council hereby makes the following findings of fact in support of the proposed Iowa Convention and Entertainment Reinvestment District:
 - a) The City of Des Moines, an Iowa municipality, intends to establish by ordinance a reinvestment district to be known as the "Iowa Convention and Entertainment Reinvestment District" upon final approval of the District and the District Plan by the IEDA.
 - b) The District is located in the downtown core of the City of Des Moines as shown by Exhibit "A", and is legally described in Exhibit "B".
 - c) The District consists of contiguous parcels, and contains approximately 23.5 acres and is entirely within the boundaries of the City of Des Moines and the Metro Center Urban Renewal Area.
 - d) No part of the District is located within another existing or proposed reinvestment district.
 - e) The area in the District is suitable for redevelopment, and each parcel within the District will be directly and substantially benefited by development in the District.
2. The District Plan for the proposed Iowa Convention and Entertainment Reinvestment District is hereby approved, subject to such corrections and minor amendments as may be determined appropriate by the City staff and approved by the City Manager or his designee to comply with the Iowa laws and regulations regarding reinvestment districts.
3. The Office of Economic Development is hereby authorized and direct to submit an application to the IEDA seeking final approval of the proposed Iowa Convention and Entertainment Reinvestment District and the District Plan.
4. The preliminary terms of agreement for City assistance to IEC Hotel Corporation for the development of a headquarters hotel connected to the Iowa Events Center as provided in the accompanying Council Communication are hereby approved. The City Manager is hereby authorized and directed to proceed with negotiation of a final agreement with IEC Hotel Company and such other parties as may be appropriate to provide for the construction of the headquarters hotel and the provision of City assistance upon terms consistent with such preliminary terms.
5. All commitments for City financing for undertakings pursuant to the District Plan, including but not limited to the headquarters hotel, are subject to further review and

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approval by the City Council after notice and any required hearings in conformance with the applicable laws and regulations.

- 6. The City's Office of Economic Development is hereby authorized and directed to initiate an amendment to the Metro Center Urban Renewal Plan to incorporate the undertakings proposed in the Iowa Convention and Entertainment Reinvestment District Plan.

(Council Communication No. 15- 094)

MOVED by Coleman to adopt, and to refer to the City Manager for review and recommendation regarding:

- 1. Skill set necessary for members of the non-profit board of IEC Hotel Corporation;
- 2. How the City's interests are protected, and if refinancing takes place, how taxpayer's are protected; and,
- 3. Strategy for the City to have a reserve or "nest egg", funded by available hotel/motel taxes for use in the event the City is required to fund a shortfall in the reinvestment district revenues.

FORM APPROVED:

Roger K. Brown

Roger K. Brown
Assistant City Attorney

U:\Rog Docs\Eco Dev\Reinvestment District\RC 15-02-23 Approve Final App.doc

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MOORE	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin Mayor

CERTIFICATE

I, DIANE RAUH, 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.

Diane Rauh

City Clerk