

The background image shows a multi-story brick building under renovation. A large, semi-transparent green circle is overlaid on the right side of the image. In the foreground, a brick-paved walkway leads towards the building's entrance. A scissor lift is visible inside the building's open ground floor. A sign in the bottom right corner features a portrait of a man and the text 'FRANK LOYD WRIGHT GIFT SHOP'.

IOWA REINVESTMENT DISTRICT PROGRAM

2021 ANNUAL REPORT

IOWA[®]
economic development

The Iowa Legislature enacted the Iowa Reinvestment Act, Iowa Code, Chapter 15J, during the 2013 session. The Iowa Economic Development Authority (IEDA) administers the Iowa Reinvestment District Program and promulgated rules found at 261 IAC, Chapter 200. In 2020, the Legislature appropriated an additional \$100 million for the program and updated the following aspects of the program:

- Changed the calculation for the amounts deposited in each district's fund
- Increased the size of the area that may be designated as a reinvestment district from 25 acres to 75 acres
- Expanded the definition of "municipality" to include entities formed by two or more contiguous cities or counties
- Allowed the IEDA Board to extend the period for deposit and receipt of funds by up to five years under specified circumstances

The program is designed to assist communities in developing transformative projects that improve the quality of life, create and enhance unique opportunities and substantially benefit the community, region and state. Under the program, a municipality that has an area suitable for development within its boundaries is eligible to seek approval from the IEDA Board to establish a reinvestment district consisting of the developable area. The district must be located within an Urban Renewal Area.

A municipality that received IEDA Board approval of its district plan and completed all steps set out in Code and in the administrative rules to establish a district can "reinvest" state hotel/motel and sales tax revenue generated by "new retail establishments" and "new lessors" in projects within the reinvestment district. New retail establishments cannot exceed 50% of the total proposed capital investment. The capital investment in at least one of the new proposed projects within the district must total a minimum of \$10 million, and the total amount of new tax revenues to be remitted to the municipality cannot exceed 35% of the total cost of all proposed projects in the district plan.

As part of its approval of a district plan, the IEDA Board establishes a commencement date for the reinvestment district. Beginning on the first day of the calendar quarter that begins on or after the commencement date, the Iowa Department of Revenue is required to remit sales and hotel/motel tax revenues to the municipality's reinvestment project fund.

For districts approved before July 1, 2018, the total aggregate amount of state sales tax and hotel/motel tax revenues that the IEDA board was authorized to approve for the purpose of "reinvesting" in districts with approved plans was \$100 million. The IEDA Board approved district plans submitted by seven municipalities: Muscatine, Waterloo, Des Moines, Coralville, Grinnell, Mason City and Sioux City, and allocated the entire \$100 million in tax revenue originally available under the program. The status of those districts and the amounts of tax revenues reinvested in each district are listed below.

In June 2021, IEDA provided provisional approval to six new districts for the additional \$100 million appropriated in 2020. The following municipalities received provisional approvals: Ames, Cedar Rapids, Des Moines (Capital City District), Des Moines/Urbandale (Merle Hay Campus), Fort Dodge and Newton. These districts are expected to receive a final award decision before February 2022.

CORALVILLE

The City of Coralville was approved for a maximum benefit amount of \$12,000,000 for the Iowa River Landing Reinvestment District. The commencement date, or the date calculation of new state sales tax and new state hotel and motel tax revenue begin for deposit in the state reinvestment district fund, was July 1, 2019. The city has reinvested a total of \$467,854 from its district fund.

Project Updates:

- Finishing touches remain on the Xtream Arena and GreenState Family Fieldhouse
- A parking ramp will be completed near the arena
- A mixed-use project will be completed where the Johnson County Historical Society and Antique Car Museum was previously located

DES MOINES

The City of Des Moines was approved for a maximum benefit amount of \$36.5 million. The commencement date was April 1, 2018. The city has reinvested a total of \$2,636,432 from its district fund.

Project updates:

- Two hotels were approved for inclusion in the district in September 2020 – the Surety Hotel and a hotel in the Financial Center
- The Surety Hotel opened in November 2020
- The hotel proposed for the Financial Center is in planning stages

GRINNELL

The City of Grinnell was approved for a maximum benefit amount of \$6,850,000 for its Grinnell Historic Downtown and Campus Confluence Reinvestment District. The commencement date was January 1, 2020. The city has reinvested a total of \$73,890 from its district fund.

Project updates:

- Renovation work is complete on one historic property in the mixed-use area at the confluence of Grinnell’s Historic Downtown and the Grinnell College Campus. This space is now home to Mahaska Communications Group who is in the process of a complete fiber build out in Grinnell.
- Another property in the “zone of confluence” will be redeveloped beginning in spring 2022. The project will include 53 residential units and 6,988 square feet of commercial and support space on the first floor. This project was awarded \$1 million from the Iowa Workforce Housing Tax Incentive. Two potential retail tenants have been identified for this space.

MASON CITY

The City of Mason City was approved for a maximum benefit amount of \$9,162,600 for the Mason City Downtown Reinvestment District. The commencement date was January 1, 2020. The city has reinvested a total of \$171,286.34 from its district fund.

Project updates:

- The Indoor-Outdoor Performing Arts Pavilion is substantially complete
- The skywalk over South Delaware Avenue/U.S. 65 connecting the hotel to Music Man Square is under construction
- Construction is expected to begin on the downtown hotel project in spring 2022



MUSCATINE

The City of Muscatine was approved for a maximum benefit amount of \$10 million. The commencement date was July 1, 2017. The city has reinvested a total of \$409,498 from its district fund.

Project update:

- No change since submission of the 2020 annual report



SIoux CITY

The City of Sioux City was approved for a maximum benefit amount of \$13,500,000. The commencement date was October 1, 2019. The city has reinvested \$190,270 from its district fund.

Project updates:

- Renovations of two existing historic warehouses into mixed-use buildings were completed in December 2020
- Renovation of the Warrior and Davidson buildings was substantially completed December 31, 2020

WATERLOO

The City of Waterloo was approved for a maximum benefit amount of \$12 million. The commencement date was July 1, 2016. The city has reinvested \$446,181 from its district fund.

Project updates:

- Lincoln Savings Bank has completed renovations of the top three floors of the Tech 1 building to create a new corporate office center
- The University of Northern Iowa Additive Manufacturing Center and Hawkeye Community College Design Lab have both expanded
- The Black Hawk County Gaming Association awarded the city a \$1.2 million grant for a streetscaping project in the district that will improve the pedestrian walking system from the main portions of downtown to the TechWorks Campus, as well as add additional parking in the area. Construction of the project is underway