

Reinvestment District 2020 Annual Report

Recipient: City of Sioux City

Courtyard by Marriott – Convention Center Improvements:

- a. *The status of each project undertaken within the district in the previous twelve months, including whether construction has begun on any project in the district or when the start of construction is anticipated and a summary of developer spending on projects within the district.*

Construction on the Courtyard by Marriott has been completed and the hotel opened in May 2020. Final expenses for the hotel portion of the project totaled over \$20 million.

Construction of the parking deck was completed in February 2020 and total costs were approximately \$3.63 million. Construction of the pre-function space was completed in July 2020 and total costs were approximately \$3.26 million.

- b. *An itemized list of expenditures from the municipality’s reinvestment project fund in the previous twelve months that have been made related to each project being undertaken within the district.*

At this point, the city has not spent any money on this project from the reinvestment project fund.

- c. *The amount of the total project cost remaining for each project being undertaken within the district as of the date the report is submitted.*

All expenses have been incurred for the hotel, pre-function space and parking deck and no costs remain.

- d. *The amounts, types, and sources of funding used for each project described in paragraph “a”.*

Cash/Owner Equity	\$ 3,800,000
Draw from TIF loan	\$ 4,000,000
Debt Financing	\$ 12,600,000
Tax Increment Financing	\$ 6,899,000
<u>Total</u>	<u>\$ 27,289,000</u>

- e. *The amount of bonds issued or other indebtedness incurred for each project described in paragraph “a”, including information related to the rate of interest, length of term, costs of issuance, and net proceeds. The report shall also include the amounts and types of moneys to be used for payment of such bonds or indebtedness.*

The first mortgage for the hotel project is approximately \$14 million. This loan will be amortized over 25 years at an interest rate of 4.75%. The indebtedness will be repaid through hotel revenues.

The City of Sioux City issued \$5,273,000 in bonds to construct the parking deck and pre-function space as summarized below:

Amount	Term	Rate
\$773,000	10 years	2.51%
\$4,050,000	10 years	2.01%
\$450,000	10 years	3.25%

There is no issuance cost to the project. The indebtedness will be repaid through tax increment financing. Other City funds are advancing the debt service payments until reinvestment funds are received. The debt service payment for FY 2020 was \$536,797.65.

Virginia Square:

- a. *The status of each project undertaken within the district in the previous twelve months, including whether construction has begun on any project in the district or when the start of construction is anticipated and a summary of developer spending on projects within the district.*

Virginia Square includes 4 sites in downtown Sioux City. Sites 1 and 2 (100 Virginia and 103 Virginia) include existing historic warehouse buildings which Ho-Chunk Capital has completed the renovations into mixed-use. Ho-Chunk has started the construction of a new four-story mixed-use building on Site 3 (101 Virginia) and construction is expected to be completed by November 2020. Construction of a new Avid Hotel has also begun on Site 4 (101 Court) by Hart Family Hotels and is expected to be completed by October 15, 2020. Current expenses for all four sites total approximately \$32.5 million.

- b. *An itemized list of expenditures from the municipality’s reinvestment project fund in the previous twelve months that have been made related to each project being undertaken within the district.*

At this point, the city has not spent any money on this project from the reinvestment project fund.

- c. *The amount of the total project cost remaining for each project being undertaken within the district as of the date the report is submitted.*

Sites 1 and 2 are completed. The total remaining costs for Sites 3 and 4 are estimated at \$3 million.

- d. *The amounts, types, and sources of funding used for each project described in paragraph “a”.*

Cash/Owner Equity	\$14,133,000
Debt Financing	\$19,490,000
Brownfield Redevelopment Tax Credits	\$ 910,000
Iowa Workforce Housing Tax Credits	\$ 1,050,000
Total	\$ 35,583,000

- e. *The amount of bonds issued or other indebtedness incurred for each project described in paragraph "a", including information related to the rate of interest, length of term, costs of issuance, and net proceeds. The report shall also include the amounts and types of moneys to be used for payment of such bonds or indebtedness.*

The 100 Virginia project is financed with \$2,200,000 of debt proceeds at 3.43% interest rate over 5 years, with a debt issuance cost of \$6,056. The 103 Virginia project is financed with \$6,840,000 of debt proceeds at 4.55% over 5 years, with a debt issuance cost of \$57,236. The 101 Virginia project will be financed with \$5,450,000 of debt proceeds at 4.25% interest rate over 5 years, with a debt issuance cost of \$82,000. Current debt proceeds are \$3,290,110. The 101 Court project will be financed with \$5,275,000 of debt proceeds at 5.375% interest rate over 20 years, with a debt issuance cost of \$30,000. Current debt proceeds are \$4,455,000. Debts will be repaid through tax credit funds, rental receipts, and hotel revenues.

Siouxland Expo Center:

- a. *The status of each project undertaken within the district in the previous twelve months, including whether construction has begun on any project in the district or when the start of construction is anticipated and a summary of developer spending on projects within the district.*

A grand opening for the Siouxland Expo Center was held on September 18, 2020. IEDA Director Debi Durham participated in the grand opening event. A few local organizations have already held events in the facility and there has been significant interest from local, regional and statewide organizations to book events in the upcoming months. Project expenditures to date total approximately \$16 million.

- b. *An itemized list of expenditures from the municipality's reinvestment project fund in the previous twelve months that have been made related to each project being undertaken within the district.*

At this point, the city has not spent any money on this project from the reinvestment project fund.

- c. *The amount of the total project cost remaining for each project being undertaken within the district as of the date the report is submitted.*

The total costs remaining for the Siouxland Expo Center project is approximately \$1.6 million.

- d. *The amounts, types, and sources of funding used for each project described in paragraph "a".*

City of Sioux City	\$ 2,000,000
Woodbury County	\$ 1,500,000
Missouri River Historical Dev	\$ 1,000,000
Brownfield Redevelopment Tax Credits	\$ 1,000,000
Gilchrist Foundation Grant	\$ 200,000
Urban Water Quality Grant	\$ 100,000
<u>Construction Loan/Private Contributions</u>	<u>\$11,831,202</u>
Total	\$17,631,202

- e. *The amount of bonds issued or other indebtedness incurred for each project described in paragraph “a”, including information related to the rate of interest, length of term, costs of issuance, and net proceeds. The report shall also include the amounts and types of moneys to be used for payment of such bonds or indebtedness.*

The Siouxland Expo Center is being financed through General Obligation Bonds issued by the City of Sioux City. Up to \$12.5 million in bonds will be issued. To date, the City has issued \$4 million in bonds at 2.2% and \$5.5 million at 1.6%. The remaining \$3 million will be issued in 2025 at 1.9%. There is no issuance cost to the project and the loans will be repaid over 20 years. The indebtedness will be repaid through public contributions, private donations, grant funds, Reinvestment District funds and operating revenues.

Warrior & Davidson Buildings:

- a. *The status of each project undertaken within the district in the previous twelve months, including whether construction has begun on any project in the district or when the start of construction is anticipated and a summary of developer spending on projects within the district.*

Renovation of the Warrior and Davidson buildings is nearing completion and expenditures to date total approximately \$57 million. A soft opening for the Warrior Hotel took place in September 2020, and construction on both buildings will be completed by the end of 2020.

- b. *An itemized list of expenditures from the municipality’s reinvestment project fund in the previous twelve months that have been made related to each project being undertaken within the district.*

At this point, the city has not spent any money on this project from the reinvestment project fund.

- c. *The amount of the total project cost remaining for each project being undertaken within the district as of the date the report is submitted.*

The total project costs remaining for the Warrior and Davidson project is approximately \$18.7 million.

- d. *The amounts, types, and sources of funding used for each project described in paragraph “a”.*

City of Sioux City Loan	\$ 2,516,115
Bridge Loan – State HTC	\$16,397,169
Bridge Loan – Federal HTC	\$ 9,447,996
Remaining State HTC	\$ 2,006,967
Remaining Federal HTC	\$ 1,215,010
Construction/Permanent Loan	\$26,500,000
Owner Equity	\$ 3,997,036
Investor Member Equity	\$ 3,301,190
City Grant	\$ 2,500,000
Deferred Developer Fee	\$ 7,810,101
<u>Gill Revocable Trust Equity</u>	<u>\$ 33,486</u>
Total	\$75,725,070

- e. *The amount of bonds issued or other indebtedness incurred for each project described in paragraph "a", including information related to the rate of interest, length of term, costs of issuance, and net proceeds. The report shall also include the amounts and types of moneys to be used for payment of such bonds or indebtedness.*

Construction Loan/Permanent Loan
\$26,500,000
6% Interest Rate
Matures 9/1/2024

Federal Bridge Loan
\$9,447,996
5.75% Interest Rate
Matures 6/1/2021

State Bridge Loan
\$16,397,169
5.75% Interest Rate
Matures 6/1/2021

City of Sioux City
\$2,516,115
3.80% Interest Rate
Matures 1/1/2041

The indebtedness will be repaid through tax credit proceeds and hotel revenues.

Information provided should be the most recent that is available.

CERTIFICATION OF ACCURACY:

I hereby certify that the information presented to the Iowa Economic Development Authority on the date indicated below is fully complete, true, and correct. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or subdivision, as provided in Iowa Code section 15A.3 and other applicable law.

I further depose that the signature below is my own proper signature and that I have the authority to submit this information on behalf of the Recipient.

Prepared By:

Name: Marty Dougherty Phone # 712-279-6345

Title: Economic & Community Development Director

Signature  Date 9/30/2020

E-Mail Address mdougherty@sioux-city.org

Authorized Signatory:

Name: Robert Padmore

Title: City Manager

Signature  Date 9/30/2020