

Reinvestment District 2022 Annual Report

Recipient: City of Des Moines

Please provide the following:

- 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.
- b. An itemized list of expenditures from the municipality's reinvestment project fund (funds captured through the program) in the previous twelve months that have been made related to each project being undertaken within the district.
- 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.
- d. The amounts, types, and sources of funding used for each project described in paragraph "a".
- 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.

Total amount spent from the district fund in the previous 12 months:

Total amount spent from the district fund to date:

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.

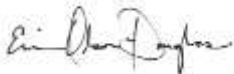
I further depose that the signature below is my own proper signature and that I have the authority to submit this information on behalf of the Recipient.

Prepared By:

Name: Erin Olson-Douglas Phone #515.283.4021

Title: Director, Development Services Department

Signature



Date October 7, 2022

E-Mail Address: eodouglas@dmgov.org

Authorized Signatory:

Name: Scott Sanders

Title: City Manager

Signature  Date October 7, 2022



October 7, 2022

To: Megan Andrew
Project Manager, Iowa Economic Development Authority

From: Erin Olson-Douglas
Development Services Director

CC: Scott Sanders, Matt Anderson, Nick Schaul, Naomi Hamlett - City of Des Moines
Sarah Boese - Polk County
Gerry Nugent - IEC Hotel Corporation Board
Alaina Santizo - Iowa Economic Development Authority
Lisa Connell - Iowa Economic Development Authority

Re: Iowa Convention and Entertainment Reinvestment District
annual report (October 1, 2021 – September 30, 2022)

Dear Megan,

The following are responses to inquiries requested in the annual report. Notably, on September 18, 2020, the Board of Directors of the Iowa Economic Development Authority approved changes to the Iowa Convention and Entertainment Reinvestment District to include two additional projects – the Surety Hotel and a hotel in the Financial Center. This report includes these two additional projects.

- 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.*

Iowa Events Center Convention Hotel: construction complete; Permanent Certificate of Occupancy was issued on March 15, 2018. The total project cost was \$101,677,455. Work has also been implemented on the District infrastructure projects including various improvements to the 5th and Keo Parking Garage, skywalk system, and Grand Avenue.

Randolph Hotel: conversion to apartments with ground floor restaurants complete; Permanent Certificate of Occupancy was issued on May 25th, 2016. The total project cost was \$19,179,900.

Fourth + Court (fka 420 Court): upper floor apartments with ground floor Hy-Vee and parking deck complete; Permanent Certificate of Occupancy was issued on June 8, 2017. The total project cost was \$30,362,610

Surety Hotel – renovation of the hotel with ground floor restaurant and bar is complete; Permanent Certificate of Occupancy was issued on December 9, 2021.

Financial Center Hotel – project is on-hold; construction has not begun

- 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.*

The following expenditures were made from the Iowa Convention and Entertainment District fund to debt service payments on the bonds for the Iowa Events Center Convention Hotel during this reporting period and correspond to the nomenclature in the attached file:

<u>Bond series</u>	<u>Interest</u>	<u>Principal</u>	<u>Total P&I</u>
IEC Series D	325,550	0	325,550
IEC Series E	298,932	0	298,932
DSM Series	108,120	774,000	882,120
Total			1,506,602

- 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.*

Iowa Events Center Convention Hotel: Project is complete; \$0 of project costs remaining. District infrastructure has various aspects to complete. Of the \$6,800,000 improvements estimated in the application, \$4,997,828 remains to be invested.

Randolph Hotel: Project is complete; \$0 of project costs remaining.

Fourth + Court: Project is complete; \$0 of project costs remaining.

Surety Hotel: Project is complete; \$0 of project costs remaining.

Financial Center Hotel: Project has not started; developer is reviewing options and total cost unknown

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

Iowa Events Center Convention Hotel

See attached file for information pertaining to current financing of the Hotel.

District Infrastructure:

5th & Keo Garage Stair	\$ 517,500
5th & Keo Structural repair	\$ 324,500
5th & Keo Mechanical, Electrical, & Plumbing	\$ 72,000
5th & Keo Expansion Joint repair	\$ 15,000
5th & Keo Parking Garage Control Equipment	\$ 218,019
5th & Keo Parking Garage Elevator Lobby HVAC	\$ 56,455
Skywalk 4F-4J HVAC Replacement	\$ 48,500
Skywalk 4J-4K replacement	\$ 485,198
5 th and Keo garage surface coatings	\$ 65,000
Total (from prior reporting)	\$ 1,802,172
5th & Keo Structural Repairs:	\$ 187,000
5th & Keo Expansion Joints:	\$ 24,750
5th & Keo Skywalk LED Light Upgrade:	\$ 6,250
Total (2021 reporting)	\$ 218,000
Total District Infrastructure	\$ 2,020,172

Randolph Hotel

Developer Equity	\$ 2,090,000
First Mortgage	\$ 5,680,000
Second Mortgage	\$ 835,000
Third Mortgage	\$ 2,690,000
Federal Historic TC Equity	\$ 3,091,452
State Historic TC Equity	\$ 3,903,348
EZ Tax Credit Equity	\$ 716,100
EZ Sales Tax Rebate	\$ 174,000
Total	<u>\$19,179,900</u>

Fourth + Court

Workforce Housing Tax Credit	\$ 1,000,000
New Market Tax Credit	\$ 2,600,000
Mortgage	\$14,000,000
Equity	<u>\$12,762,610</u>
Total	<u>\$30,362,610</u>

Surety Hotel

Equity Contribution	\$ 4,961,347
Historic Tax Credits	\$ 5,063,496
State Historic Tax Credits	\$ 7,446,317
Brownfield Tax Credit	\$ 400,000
Project Generated Tax Increment	\$ 2,869,184
Senior Debt Financing	<u>\$18,973,345</u>
Total	<u>\$39,713,689</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.*

Iowa Events Center Convention Hotel

See attached.

The following details the summary provided in #7 of the attachment regarding TIF bonds: The City of Des Moines issued General Obligation Bonds, Series 2017B in the amount of \$8,915,000 on September 12, 2017. The true interest cost was 2.93% and will mature on June 1, 2037. The City also issued General Obligations Annual Appropriation Bonds, Series 2017C on September 12, 2017 in the amount of \$4,785,000. The true interest cost was 1.62% and will mature on June 1, 2025

District Infrastructure

Improvements noted in item d. were included in City of Des Moines’ Capital Improvement Program (CIP)

Randolph Hotel – N/A (this project is fully funded with private financing; no public bonds will be issued to provide the City’s TIF incentive)

420 Court – N/A (this project is fully funded with private financing; no public bonds will be issued to provide the City’s TIF incentive)

Surety Hotel – N/A (this project is fully funded with private financing; no public bonds will be issued to provide the City’s TIF incentive)

Financial Center Hotel – unknown; project has not started