

Reinvestment District 2022 Annual Report

Recipient: Merle Hay Reinvestment District Joint 28E Board

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.**

Project 1A - Buccaneer Arena

- Design is progressing on the site plan and structure.
- Cost estimating exercises have been conducted three times due to significant price increases experienced in 2022.
- Construction has not commenced. Expected start to construction is First Quarter 2023.
- Interest rate increases in 2022 have dramatically altered the present value of debt funding components, creating financial pressure to begin construction.
- Approximate Developer costs to date are as follows:

Funding Uses	
Site Preparation	
Building & Land Acquisition	
Building Construction	
Building Remodeling	
Fixtures & Finishes	
Arch & Eng Design	\$ 160,000
Project Management	\$ 26,320
Contingency	
Interest & Working Cap.	
Cost of Issuance	
Other	\$ 37,922
Total Project Costs:	\$ 224,242

Project 1B – Buccaneer Training Center

- Some design work has been done.
- Construction is anticipated to begin in 2024.
- Approximate Developer costs to date are as follows:

Funding Uses	
Site Preparation	
Building & Land Acquisition	
Building Construction	

Building Remodeling	
Fixtures & Finishes	
Arch & Eng Design	\$ 90,000
Project Management	\$ 14,805
Contingency	
Interest & Working Cap.	
Cost of Issuance	
Other	\$ 21,331
Total Project Costs:	\$ 126,136

Project 2 – District Hotel

- This project has not started.
- Discussions with potential developers and hotel users is ongoing.
- Construction is anticipated to begin in 2024.
- Approximate Developer costs to date are as follows:

Funding Uses	
Site Preparation	\$ -
Building Acquisition	\$ -
Building Construction	\$ -
Building Remodeling	\$ -
Fixtures	\$ -
Architectural Design	\$ -
Engineering Design	\$ -
Project Management	\$ 2,500
Other	\$ -
Total Project Costs:	\$ 2,500

Project 3 – Kohl’s Department Store

- The new Kohl’s Department Store is under construction. Anticipated grand opening is November 11, 2022.
- Approximate Developer costs to date are as follows:

Funding Uses	
Site Preparation	\$ 3,000,000
Building Acquisition	\$ 2,800,000
Building Construction	\$ 5,500,000
Building Remodeling	\$ -
Fixtures	\$ 1,000,000
Architectural Design	\$ 125,000
Engineering Design	\$ -
Construction Admin.	\$ -
Other	\$ -

Total Project Costs:	\$ 12,425,000
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Project 4 – New Business Construction

- Mall ownership is in final lease negotiations with a national tenant to locate within this project.
- Expected start of construction is Second Quarter 2023.
- Approximate Developer costs to date are as follows:

Funding Uses	
Site Preparation	\$ 250,000
Building Acquisition	\$ -
Building Construction	\$ -
Building Remodeling	\$ -
Fixtures	\$ -
Architectural Design	\$ 25,000
Engineering Design	\$ -
Construction Admin.	\$ -
Other	\$ -
Total Project Costs:	\$ 275,000

Project 5 – New Outparcel

- Mall ownership has an agreement with International Harvester Mississippi Valley Credit Union (IHMCUCU).
- Construction began September 1, 2022. Expected completion is June 1, 2023.
- Approximate Developer costs to date are as follows:

Funding Uses	
Site Preparation	\$ -
Land Acquisition	\$ 925,000
Building Construction	\$ -
Building Remodeling	\$ -
Fixtures	\$ -
Architectural Design	\$ 100,000
Engineering Design	\$ -
Construction Admin.	\$ -
Other	\$ -
Total Project Costs:	\$ 1,025,000

Project 6 – Mixed-Use Improvements

- New tenants announced prior to October 1, 2022 include Kids Empire and Five Guys.
- Mall ownership is selecting a design firm to reposition the Douglas Ave. mall façade, redesign the interior and exterior signage, and redesign the interior corridors of the campus.
- Construction is ongoing.

- Urbandale has begun design of the major storm sewer trunk line through the campus.
- Approximate Developer costs to date are as follows:

Funding Uses	
Site Preparation	\$ -
Land Acquisition	\$ -
Building Acquisition	\$ -
Building Construction	\$ 500,000
Building Demolition	\$ -
Stormwater Management	\$ 285,672
Building Remodeling	\$ -
Fixtures	\$ -
Architectural Design	\$ 40,000
Engineering Design	\$ -
Construction Admin.	\$ -
Other	\$ -
Total Project Costs:	\$ 825,672

Project 7 – Target Department Store Improvements

- In 2022, Target invested in the following improvements:
 - Restroom improvements
- Approximate Developer costs to date are as follows:

Funding Uses	
Site Preparation	\$ -
Land Acquisition	\$ -
Building Acquisition	\$ -
Building Construction	\$ -
Building Demolition	\$ -
Stormwater Management	\$ -
Building Remodeling	\$ 250,000
Fixtures	\$ -
Architectural Design	\$ -
Engineering Design	\$ -
Construction Admin.	\$ -
Other	\$ -
Total Project Costs:	\$ 250,000

- 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.**

No funds have been received through the IRA in the previous twelve months. The first anticipated rebate receipts are expected in February 2024 based upon the increases in sales and lodging taxes above the base year of Q3-2021 thru Q2-2022 from sales generated in Q4-2023.

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.

Project 1A - Buccaneer Arena

- Original Budget = \$37,667,000
- Total Costs to date = \$224,242
- Total Costs Remaining = \$37,442,758

Project 1B – Buccaneer Training Center

- Original Budget = \$21,188,015
- Total Costs to date = \$126,136
- Total Costs Remaining = \$21,061,879

Project 2 – District Hotel

- Original Budget = \$20,250,000
- Total Costs to date = \$2,500
- Total Costs Remaining = \$20,247,500

Project 3 – Kohl’s Department Store

- Original Budget = \$10,366,800
- Total Current Estimated Costs = \$12,425,000
- Total Costs to date = \$12,425,000
- Total Costs Remaining = Minimal

Project 4 – New Business Construction

- Total Current Estimated Costs = \$7,560,000
- Total Costs to date = \$275,000
- Total Costs Remaining = \$7,285,000

Project 5 – New Outparcel

- Total Current Estimated Costs = \$2,375,000
- Total Costs to date = \$1,025,000
- Total Costs Remaining = \$1,350,000

Project 6 – Mixed-Use Improvements

- Total Current Estimated Costs = \$36,150,000
- Total Costs to date = 825,672
- Total Costs Remaining = \$35,324,328

Project 7 – Target Department Store Improvements

- Total Current Estimated Costs = \$3,000,000
- Total Costs to date = \$250,000
- Total Costs Remaining = \$2,750,000

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

Project 1A - Buccaneer Arena

Funding Sources	
Iowa Reinvestment Act	\$ -
OVSE Equity	\$ 224,242
OVSE Debt	
City of Urbandale TIF	
Total Funding Sources	\$ 224,242

Project 1B – Buccaneer Training Center

Funding Sources	
Iowa Reinvestment Act	
OVSE Equity	\$ 126,136
OVSE Debt	
City of Urbandale TIF	
Total Funding Sources	\$ 126,136

Project 2 – District Hotel

Funding Sources	
Private Equity	\$ 2,500
Private Debt	\$ -
Total Funding Sources	\$ 2,500

Project 3 – Kohl’s Department Store

Funding Sources	
	\$ -
Developr Debt & Equity	\$ 10,425,000
Des Moines TIF Assignment	\$ 2,000,000
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
Total Funding Sources	\$ 12,425,000

Project 4 – New Business Construction

Funding Sources	
Private Equity	\$ 275,000
Private Lending	\$ -
	\$ -
	\$ -
Total Funding Sources	\$ 275,000

Project 5 – New Outparcel

Funding Sources	
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Total Funding Sources	\$ 250,000
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- 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.**

Bonds related to the IRA rebates have not been sold as of October 1, 2022. The interest rate environment has drastically changed from February 2022 when we submitted the Final Plan for the Merle Hay Revitalization District. The rapidly increasing interest rates have reduced the estimated par value of the bond by several million dollars, from \$22 million to \$17 million.

Total amount spent from the district fund in the previous 12 months: \$0.00

Total amount spent from the district fund to date: \$0.00

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: Aaron DeJong Phone # 515.251.1644

Title: Asst. Economic Development Director


Signature  Date 10/12/2022

E-Mail Address adejong@urbandale.org

Authorized Signatory:

Name: Curtis Brown

Title: Merle Hay 28E Board Chair

Signature  Date 12 October 2022