
FISCAL UPDATE Article

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

IOWA ECONOMIC DEVELOPMENT AUTHORITY DUE DILIGENCE COMMITTEE MEETING — APRIL 30, 2021

Board Meeting. The [Iowa Economic Development Authority \(IEDA\)](#) Due Diligence Committee (DDC) met on April 30, 2021, to listen to presentations from candidates to receive funding from the Reinvestment Districts Program.

Background. The Reinvestment Districts Program was created in 2013 Iowa Acts, [HF 641](#) (Iowa Reinvestment Act). House File 641 authorized municipalities, with approval from the IEDA Board, to establish reinvestment districts and to receive remittances of State sales tax and State hotel and motel tax revenues collected in the districts to fund projects within the districts. The total amount of State sales tax and State hotel and motel tax revenues remitted to all districts had a cap of \$100.0 million.

The 2020 Iowa Acts, [HF 2641](#) (2020 Tax Changes Act), implemented changes to the Program authorized through Iowa Code chapter [15J](#), and provided for an additional \$100.0 million for awards made beginning July 1, 2020, through June 30, 2025. For awards made after July 1, 2020, the Act changed the calculation for the amounts deposited in each district's fund and increased the area that may be designated as a reinvestment district to 75.0 acres. The Act also made a joint entity formed by two or more cities or counties eligible for the Program and allowed the Board to extend the period for deposit and receipt of funds by up to five years under specified circumstances. The Act allowed the IEDA Board to extend the 20-year maximum number of years a reinvestment district may receive State sales tax and State hotel and motel tax diversions for up to an additional 5 years under specified circumstances.

Proposals. The following six [proposals](#) were heard by the IEDA DDC at the meeting:

- **Fort Dodge — Corridor Plaza Reinvestment District:** Fort Dodge is requesting \$18.0 million for an \$86.1 million project for redevelopment of the Crossroads Mall site north of U.S. Highway 20 that would raze a portion of the mall and add smaller retail buildings, apartments, restaurants, a hotel with meeting space, an office building, green space, and an outdoor pavilion.
- **Newton — Newton Legacy Reinvestment District:** Newton is requesting \$15.5 million for a \$44.6 million project to make improvements to the downtown area including a hotel, apartments, and a new plaza. The project would also upgrade the Des Moines Area Community College's library.
- **Ames — Ames Reinvestment District:** Ames is requesting \$21.5 million for a \$154.4 million project to develop an indoor aquatics center east of Iowa State University and to construct a hotel and conference center with apartments and restaurants along the Lincoln Way corridor.
- **Cedar Rapids — Cedar Rapids Central Reinvestment District:** Cedar Rapids is requesting \$39.5 million for six projects totaling \$262.6 million in downtown Cedar Rapids. The projects include the construction of apartments, bars, restaurants, hotels, and up to 140,000 square feet of commercial space west of the Cedar Rapids River. Several riverfront amenities are also proposed, and a project would restore the Guaranty Bank Building and Old World Theater.
- **Urbandale and Des Moines — Merle Hay Reinvestment District:** Des Moines and Urbandale are requesting \$30.0 million for a \$121.6 million project to develop a 3,500-seat multiuse arena and training center at Merle Hay Road and Douglas Avenue with an attached multistory hotel. The arena would host the Des Moines Buccaneers hockey team. Construction would be completed by December 2023.
- **Des Moines — Capital City Reinvestment District: Reimagining the Superfund Site:** Des

Moines is requesting \$27.1 million for a \$276.6 million project for construction of a 6,300-seat multiuse outdoor stadium for a professional soccer team, a hotel, and other mixed-use developments at the former Dico industrial site on the east bank of the Raccoon River.

Next Steps/Meeting. The IEDA DDC will review the proposals and make provisional funding recommendations to the IEDA [Board](#) for consideration at the next IEDA Board meeting to be held May 21, 2021, at 9:00 a.m.

LSA Staff Contact: Eric Richardson (515.281.6767) eric.richardson@legis.iowa.gov

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