



1 October 2015

To: Lisa Connell
Project Manager, Iowa Economic Development Authority

From: Erin Olson-Douglas
Economic Development Coordinator

CC: Scott Sanders and Matt Anderson, City of Des Moines
Tim Oswald, Piper Jaffray
Mark Wandro, Polk County
Alaina Santizo, Iowa Economic Development Authority

Re: Iowa Convention and Entertainment Reinvestment District – annual report

Dear Lisa,

The following are responses to questions posed in the request for an annual report:

- 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

Abatement and demolition activities to remove the existing building on the site are planned to take place October 2015 – February 2016; commencement of hotel construction is planned for March 2016

Randolph Hotel

Financing closed and construction commenced in April 2015.

420 Court

The property was conveyed to the developer and construction commenced in August 2015.

- 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.*

N / A (none of the commercial and/or hotel establishments have opened)

- 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

The full project cost remains; design and other predevelopment costs are borne by the developer

Randolph Hotel

\$10,731,097 remaining as of September 30, 2015

420 Court
\$24,307,747 left as of September 30, 2015

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

Iowa Events Center Convention Hotel
sources and uses information provided in the final IRA application remain current

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	\$19,179,900

420 Court

Workforce Housing Tax Credit	\$ 1,000,000
New Market Tax Credit	\$ 2,600,000
Mortgage	\$14,000,000
Equity	\$10,995,001
Total	\$28,595,001

- 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

The bonds for the Iowa Events Center Convention Hotel cannot be issued until the hotel is completed and open, at which time the IEC is obligated to purchase the Hotel from DSM Hotel LLC. We currently expect that bonds will be issued on or around March 1, 2018, with hotel acquisition occurring simultaneous with the issuance of the bonds. As such, the bonds have not yet been issued

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)



27 October 2015

To: Lisa Connell
Project Manager, Iowa Economic Development Authority

From: Erin Olson-Douglas
Economic Development Coordinator

CC: Scott Sanders and Matt Anderson, City of Des Moines
Tim Oswald, Piper Jaffray
Mark Wandro, Polk County
Alaina Santizo, Iowa Economic Development Authority

Re: Iowa Convention and Entertainment Reinvestment District – annual report update

Dear Lisa,

Per your additional request for a summary of developer spending over the last 12 months (ending September 30, 2015), I have received the following information from the developers of the respective projects:

Iowa Events Center (IEC) Hotel:

Predevelopment costs by DSM Convention Hotel, LLC (architectural, engineering, and development administration fees)	\$ 745,993
Legal and other professional services fees by IEC Hotel Corporation	<u>\$ 126,113</u>
IEC Hotel TOTAL (10/01/14 – 09/30/15)	\$ 872,116

Randolph Hotel (by Sherman Associates)

Building Acquisition	
Loan interest	\$ 97,320
Construction Costs	\$4,355,169
Soft Costs (incl professional fees, FF&E, taxes, interest, insurance, carrying costs)	<u>\$2,210,219</u>
Randolph TOTAL (10/01/14 – 09/30/15)	\$6,662,708

420 Court (by 420 Court, LLC)

Site Acquisition	\$ 321,328
Construction Costs (earthwork)	\$ 770,890
Soft Costs	<u>\$2,019,785</u>
420 Court TOTAL (10/01/14 – 09/30/15)	\$3,112,003

Reinvestment District 2015 Annual Report

Please provide as much information on the following:

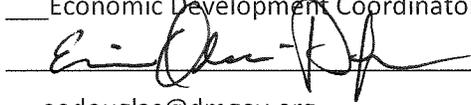
- a. The status of each project undertaken within the district in the previous twelve months, including whether construction has begun on any project in the district or when the start of construction is anticipated.
- b. An itemized list of expenditures from the municipality's reinvestment project fund in the previous twelve months that have been made related to each project being undertaken within the district.
- 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.

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: Economic Development Coordinator
Signature  Date 10/1/15
E-Mail Address eodouglas@dmgov.org

Authorized Signatory:

Name: Scott Sanders
Title: City Manager
Signature  Date 10/1/15