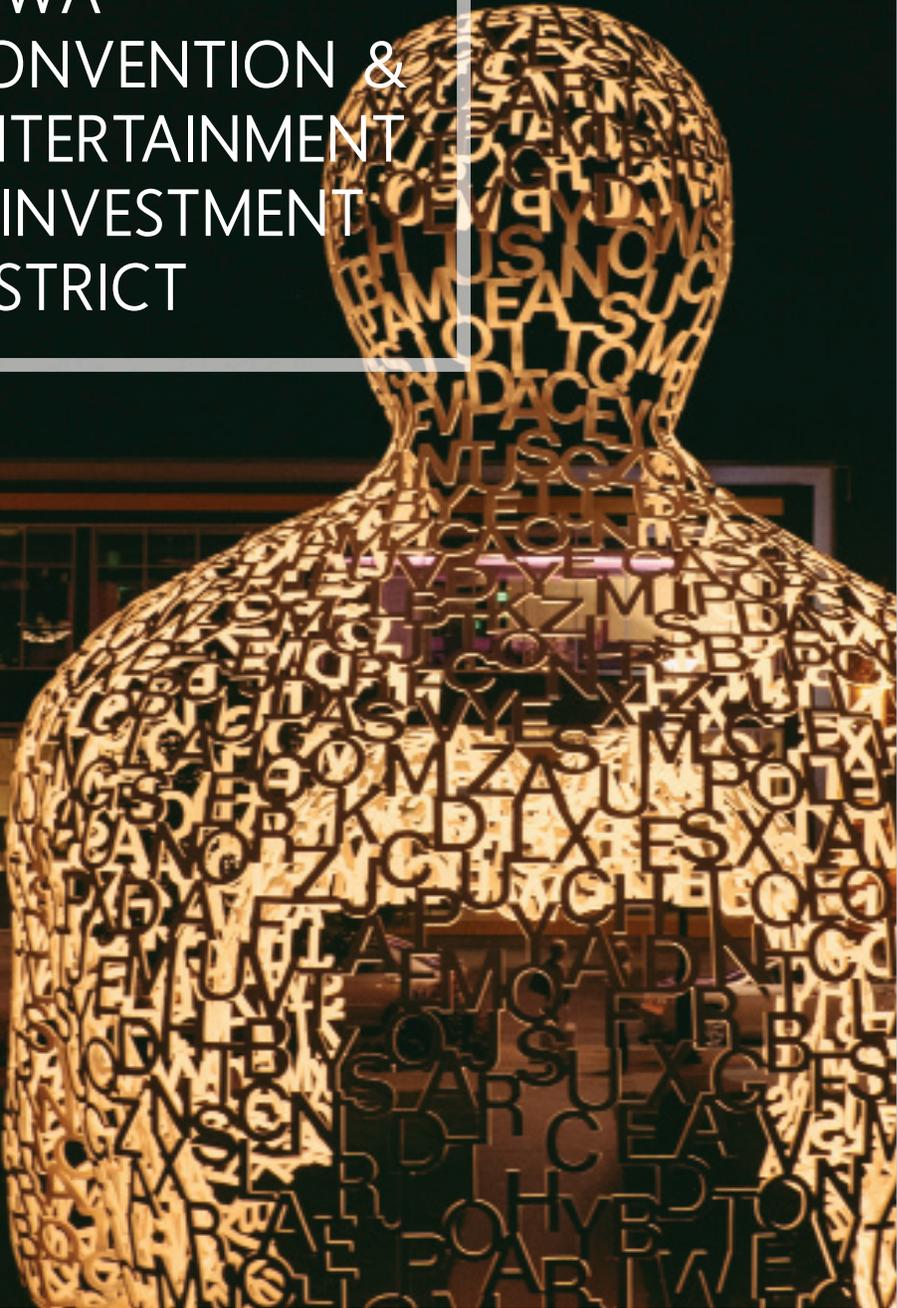


IOWA
CONVENTION &
ENTERTAINMENT
REINVESTMENT
DISTRICT



SECTION D UNIQUE IN NATURE

SECTION D UNIQUE IN NATURE

JUSTIFY AND DEMONSTRATE THAT THE DISTRICT MEETS THE DEFINITION OF "UNIQUE NATURE". PROVIDE A COMPREHENSIVE DISCUSSION OF HOW THE PROJECTS, WITHIN THE PROPOSED REINVESTMENT DISTRICT, MEET THIS REQUIREMENT.

Owned by Polk County, the Iowa Events Center Complex (IEC), including Hy-Vee Hall, Wells Fargo Arena and the Iowa Hall of Pride, was completed in 2006 at a cost of over \$220M; six years later, the remodeled Veterans Memorial Community Choice Credit Union Convention Center opened with an additional investment of \$42M. **The largest facility of its kind in Iowa and a top Midwestern venue, the IEC is a state-of-the-art entertainment and convention complex and draws more events and more visitors than any other convention center or arena in the state.** It competes for conventions, shows, events, meetings, and concerts with cities in the Midwest and across the country. Yet, the Iowa Events Center has the ability to perform at a higher level; it has greater capacity to attract more events and more visitors, thereby improving the local and State economy. The proposed Iowa Convention and Entertainment Reinvestment District proposes to build on the successful convention and events business that has been established at the IEC, the resurgence downtown Des Moines has been experiencing, and the national press that has been recently given to the region, including: .

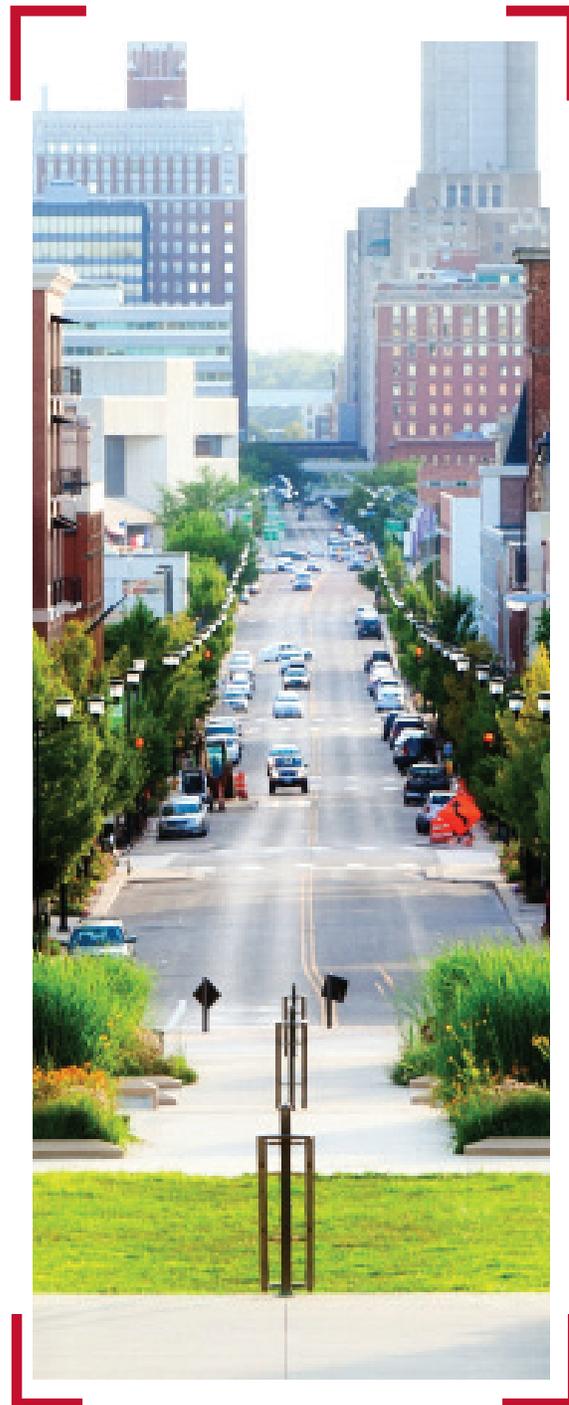
!!2015 UPDATE!!

NATIONAL RANKINGS

- #4** TOP TEN PLACES WITH THE MOST JOB OPPORTUNITIES PER CAPITA
- Beyond.com, 2014
- #1** WEALTHIEST CITY IN AMERICA
- TODAY show, 2014
- #5** "BEST US STATES FOR YOUNG ADULTS"
- MoneyRates, 2013
- #15** AMERICA'S MOST PRODUCTIVE METROS
- The Atlantic Cities, 2013
- "THREE BEST CITIES TO START A BUSINESS"
- *Forbes*, 2013
 - #1** "BEST PLACES FOR BUSINESS AND CAREERS"
- *Forbes*, 2013
 - #2** "STRONGEST LOCAL ECONOMY"
- *Policom*, 2013
 - #3** "TOP 15 U.S. CITIES' EMERGING DOWNTOWNS"
- *Forbes*, 2013
 - #1** "BEST MIDWEST CITIES FOR YOUNG ADULTS"
- *The Business Journals*, 2013
 - #2** "BEST CITIES TO START A BUSINESS"
- The Street, 2013
- #6** "CITIES WHERE STARTUPS ARE THRIVING"
- CNN Money, 2012
- #6** "BEST CITIES TO GROW OLD IN"
- MSN Money, 2012
- #1** "BEST CITIES FOR FAMILIES"
- *Kiplinger*, 2012
- #4** "BEST PLACES FOR BUSINESS AND CAREERS"
- *Forbes*, 2012

The Des Moines community believes that a convention hotel will assist in capitalizing on this interest in our capital city while also responding to the documented feedback received by our Convention and Visitor's Bureau (CVB) and facilities management staff that hotel-related reasons are increasingly contributing to lost convention and events business in Des Moines (*see the economic impact study in section C, chapter 3*). Further, the proposed Iowa Convention and Entertainment Reinvestment District and the projects within it seek to improve the experience of visitors to the IEC and downtown in general by better connecting the facility to downtown's many amenities. The District and its projects capitalize on opportunities that can only be realized at this location in Iowa. As the State's Capitol and its largest city, Des Moines has the role and responsibility to host events and attractions that gather Iowans and attract visitors from across the country and world. As visitors descend upon Des Moines for programs, events, conventions, meetings, and celebrations at the Iowa Events Center, they also engage in other areas of the city and the experience as a whole forms their impressions of our city and our state. We want this experience to be an overwhelmingly positive one, an experience that encourages them to tell their friends, families, and neighbors -- and perhaps invite them back again. As a facility, the IEC is at this standard, but the surrounding district is not as attractive as areas supporting convention centers in most of Des Moines' competitor and peer markets. This improved District will work towards strengthening the entirety of the experience of those coming to our capital city and to the Iowa Events Center.

Our downtown also serves as a demonstration of ideas and practices that can be shared with visitors; specifically, the projects in the District have the potential to provide inspiration for reinvigorating aging infrastructure and public spaces, preserving historic buildings, and building hotels, multi-family housing and mixed use development.



The following aspects, taken together, demonstrate the Iowa Convention and Entertainment Reinvestment District's unique potential to positively transform the aesthetics and infrastructure of the downtown and substantially contribute to the state's economy by:

1. IMPROVING THE TOURISM ECONOMY AND PROVIDING A VISITOR AMENITY

Currently, the IEC is strong, but not operating at full capacity. Analysis of the IEC and surrounding downtown community indicates that the single most important change needed to attract more and larger events to the community is the addition of a convention hotel. Currently, the CVB and Global Spectrum, the operator of the IEC, report lost business related to hotel room block availability that is increasing over time. The IEC frequently competes for conventions, shows, events, meetings, and concerts with cities across the country, most often vying against venues that have an attached hotel and convention center attached. With an attached hotel the Iowa Events Center has greater capacity and appeal to attract more events and more visitors, thereby improving the local and State economy. Very simply, more conventions and more events translate to more visitors to the city and state and more money spent in the city and state. The economic impact study estimates that a headquarters hotel for IEC will increase attendance by

approximately one third by year five of opening the IEC Convention hotel. The value that these attendees bring and the business they spur is significant; the feasibility study cites an economic impact of this District is \$64.7M in the first year that the proposed IEC Convention hotel opens, with \$35M of this total attributed to the hotel alone. Over the 20-year life of the District, it is projected to contribute nearly \$2B to our state's economic activity. These additional visitors drive the need for additional businesses – restaurants and retail establishments. These amenities are desirable not only to travelers, but also to residents and workers in the downtown and the region.

It is estimated that the IEC convention hotel will bring a significant number of new visitors to Des Moines. With the current investment in the IEC and Des Moines' role as the Capital City and largest urban center in the State, there is a responsibility to maximize tourism and the revenue generation it creates for all Iowa residents. Picking Des Moines as a convention host site over, for example, Grand Rapids, MI brings out-of-state spending that is a benefit for all of Iowa's residents. Further, conventions, trade shows, and meetings bring exposure to the host city and can generate demand for leisure travel. For example a family's visit to watch a teenager play in a state tournament or someone traveling to Des Moines for a convention might encourage a family's future visit 'for fun' or a couple's getaway weekend.



FEASIBILITY STUDY CITES AN ECONOMIC IMPACT OF THIS DISTRICT IS \$64.7M IN THE FIRST YEAR THAT THE PROPOSED IEC CONVENTION HOTEL OPENS. OVER THE 20-YEAR LIFE OF THE DISTRICT, IT IS PROJECTED TO CONTRIBUTE NEARLY \$2B TO OUR STATE'S ECONOMIC ACTIVITY.

2. BRINGING JOBS

The projects proposed in the Iowa Convention and Entertainment District will house new businesses and these new businesses will need a significant number of new workers. The IEC Convention Hotel will bring approximately 250 full time equivalent positions (FTE) for the hotel and induce demand for approximately 50 FTEs for the Iowa Events Center for new convention-related activities. Construction activity for the hotel alone is expected to provide over 1,000 construction jobs over the duration of the project. The Hy-Vee grocery store at 420 Court will provide approximately 75 FTEs, 128 part-time positions, and 12-15 managerial positions. At year 5 of the establishment of the District, its economic impact is projected to support 757 jobs that do not currently exist in the State's economy.

3. STRENGTHENING EXISTING INFRASTRUCTURE

The projects in downtown that comprise the proposed Iowa Convention and Entertainment District utilize existing infrastructure – including parking structures, roadways, streets, sidewalks, skywalks and utilities -- and proposes to improve this infrastructure by investing a portion of the hotel and sales taxes into strengthening it. The IEC hotel proposes a minimal number of underground parking spaces and will rely on existing parking structures within a couple of blocks of the site, the 6th and Center St. Park and Ride facility and the 5th and Keo parking structure. Due to changes in uses in proximity to these parking structures and construction of private structured parking, these two city-owned parking structures are under-utilized; they have additional capacity to support increased volumes that are projected with the IEC Convention hotel. Reinvestment includes implementation of several planning initiatives including, the Walnut Street streetscape, the skywalk master plan, and What's Next, Downtown? Proposed improvements to the 5th and Keo parking structure include: new LED lighting, renovation to stairwells, signage, and new cladding for the elevations fronting on public ways. The skywalk master plan identified the need for mechanical upgrades at this location and retrofitting the stairwell to create skywalk-sidewalk connectivity. The pedestrian environment will also be upgraded in the area around the IEC and between the IEC and other ar-

reas of downtown, including widened sidewalks, new MidAmerican standard LED light fixtures, corner bump-outs to shorten pedestrian crossings, street trees, and landscaping – all contributors to improving the visitor experience of walking in downtown. A key piece of the streetscape work is the third phase of the Walnut Street renovation, an overhaul of 10 blocks the former transit mall into a multi-use pedestrian-oriented east-west corridor across downtown with a heavy retail focus. This streetscape work in the District is proposed as a part of the IEC Convention Hotel.

4. IMPROVING WALKABILITY

The proximity of amenities to the Iowa Events Center in downtown is good, but not attractive, nor does it connect various parts of the downtown. A five-eight minute walk will take a walker from the Iowa Events Center to the 10th St Corridor and Gateway West, to the East Village, and to Court Avenue. The structure for walkability exists. Walkscore.com, a recognized barometer of an area's walkability, gives downtown Des Moines a score of 82 (out of 100) and characterizes downtown as "very walkable." However, the area around the Iowa Events Center still feels somewhat desolate. Proposed improvements to the public realm – signage, streetscapes and skywalk-sidewalk connections – will contribute to making the area more inviting for walking and better connect the IEC area to other amenities in downtown such as Court District, Principal Riverwalk, Civic Center of Greater Des Moines, Cowles Commons, and the East Village. This is key for encouraging visitors to move around the downtown and realize the economic benefits possible with the IEC and the proposed convention hotel. According to our CVB, **walkability is also becoming an increasingly important aspect in the marketability of locations for convention site selection.**

The District boundary is a direct reflection on our efforts to improve connectivity around downtown and create better walkability between the IEC and downtown Des Moines' other amenities.

5. ENHANCING QUALITY OF LIFE

The impacts and opportunities afforded by the IEC Convention Hotel are mainly cited for improving a visitor's experience of Des Moines and for en-

hancing the tourism economy. Investment in the Iowa Convention and Entertainment Reinvestment District also enhances the quality of life for local, regional and state residents. The spin-off development (residential, restaurants, retail, and services) will be used and enjoyed by visitors and those that live here. Increased events in the IEC's calendar may pique interest from state, regional and/or local residents. Walkability is one of the key benefits to living and/or working in downtown; enhancing walkability is a quality of life benefit to all.

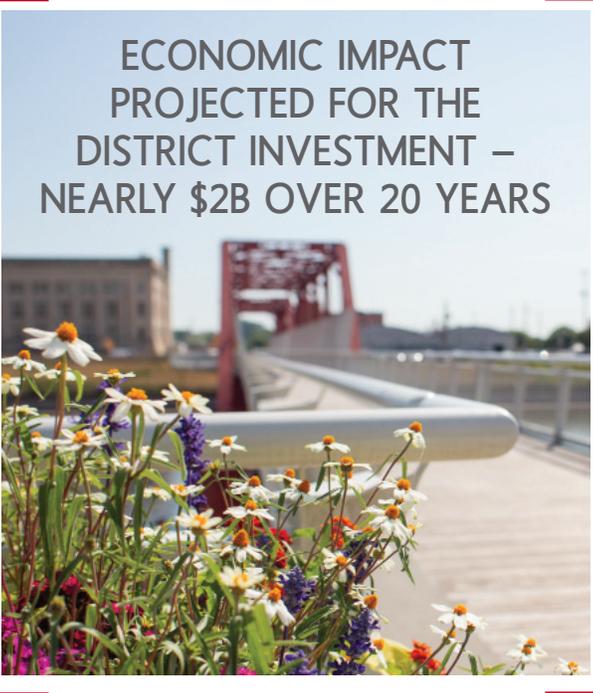
The two projects on Court Avenue, 420 Court and the Randolph Hotel conversion, make important contributions to quality of life in downtown. They both will add market rate housing to the downtown rental market which has an unprecedented low vacancy rate at 2%. The Randolph Hotel will turn an eyesore and drag on the area into a well-preserved building that contributes to the historic context of Court Avenue. With Hy-Vee jointly developing 420 Court, the project aims to bring a marker of urban success to the downtown Des Moines market. A downtown grocery store is often heralded as a turning point for urban living, providing a pivotal quality of life amenity to the urban pioneers and beckoning those considering making downtown their home to take a second look.

6. LEVERAGING OTHER ECONOMIC DEVELOPMENT ACTIVITY

The significant increase in the number of visitors to the area, projected at 33 percent, and the forecasted economic impact will lead to a greater array of businesses responding to this demand – new restaurants and retail establishments. These new businesses will generate new sales taxes. They will need spaces for their businesses, thus generating real estate development and new property taxes. And, they will need workers, generating new jobs and demand for new

housing. The economic impact projected for the District investment – nearly \$2B over 20 years – has tangible impact not only for the landscape in downtown Des Moines, but also across the metro region and for Iowa.

The sheer magnitude of the investment in the IEC Convention hotel and investments in the vacant lot and derelict buildings on Court Avenue increases the value of the surrounding properties and the viability for their redevelopment. For example, the Iowa Convention and Entertainment District has a couple of sites that, at current time, are not part of any project described in this application. How-



ECONOMIC IMPACT PROJECTED FOR THE DISTRICT INVESTMENT – NEARLY \$2B OVER 20 YEARS

ever both of these sites are assembled and have redevelopment potential that is improved by the proposed District projects. Additionally, the 2-3 blocks surrounding the proposed IEC Convention Hotel, while held by a variety of owners, has potential for redevelopment in a variety of development types – from corporate office and commercial to mixed use retail and housing. In turn, this increased development adds additional desirable impacts and assists in attracting more annually-repeating

major sporting and entertainment events.

7. SETTING EXAMPLES OF QUALITY URBAN DEVELOPMENT

The District contains a set of high quality urban development projects. While not extravagant projects, they are projects that will endure; they will utilize high quality construction types and materials. The projects are all on infill sites that utilize existing infrastructure. They propose ambitious, yet appropriate, levels of density for their context. The 330-room hotel will challenge future development on the surrounding under-utilized parcels to 'think big'. 420 Court proposes 83 housing units atop

the full service Hy-Vee grocery store, coming in at a height that approximates its neighbors along this historic corridor and supports the massing hierarchy set by the grand tower on the Polk County Courthouse. The Randolph hotel preserves the integrity of the historic architecture and will enhance its contribution to the historic culture of Court Avenue, while sensitively proposing a modern reuse strategy for inserting housing. The renovations at the 5th & Keo parking structure will reinvigorate a tired and ubiquitous building type in the urban fabric. And the streetscape projects will contribute to remaking roadways into pedestrian-friendly, walkable environments. The 420 Court project is anchored by Hy-Vee's first mixed use full-service grocery store in a dense urban setting; the Iowa-based company views the Court Avenue project as a potential model for other urban grocery stores in Iowa and the Midwest. All of the projects in this Iowa Convention and Entertainment Reinvestment District take on complex projects on tight urban sites, showing a commitment to elevate the quality of downtown.

8. CREATING NEW REVENUES

The Iowa Reinvestment Act created a win-win opportunity for local development and State revenues that benefit all Iowans. With our request of \$39.4M, the Iowa Convention & Entertainment Reinvestment District requests the opportunity to earn the maximum projected hotel and sales tax allowed by the legislation. The District is expected to generate in excess of \$100M in new taxes (hotel/motel, sales, and property taxes). While, the hotel will capture a little less than half of this amount; the State, County, and City will be able to utilize the balance – new revenues -- for functions in our community. This is entirely new revenue that would not be possible but for the Iowa Reinvestment Act.

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Collectively, the contributions enumerated in this section combine to present a unique opportunity for Des Moines and for Iowa. Funding from the Iowa Reinvestment Act is vital to realizing the opportunities presented in this application. When implemented, the District will permanently transform the aesthetics and infrastructure of our capital city for the better, including the preservation of important historical structures important to Iowa's cultural heritage. The District will also contribute substantially to the attraction and retention of businesses and residents, Iowa's economy and our quality of life.

