

Reinvestment District 2018 Annual Report

Recipient: City of Sioux City

Courtyard by Marriott – Convention Center Hotel:

- 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.*

A ground breaking was held for the Courtyard by Marriott Hotel on June 6, 2018. The underground utilities have been extended to the site, the footings and foundations for the hotel are going in, and the stair towers are being constructed. Current expenses for the hotel portion of the project total \$2.5 million.

The City awarded the contract for the parking deck adjacent to the hotel in July and construction will begin in mid-October. The City recently received bids for the Convention Center renovations and construction of the pre-function space and is currently reviewing the bids with plans to award the contract in early October.

- 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.*

At this point, the city has not spent any money on this project from the reinvestment project fund.

- 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.*

Remaining construction costs for the hotel portion of the project are estimated at \$18.5 million. Remaining construction costs for the parking deck and pre-function space is estimated at \$4.8 million.

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

| | |
|---------------------------|---------------|
| Equity/Draw from TIF loan | \$ 5,800,000 |
| Debt Financing | \$ 15,200,000 |
| Tax Increment Financing | \$ 4,800,000 |
| Total | \$ 25,800,000 |

- 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.*

The first mortgage for the hotel project will be approximately \$14 million. This loan will be amortized over 25 years at an interest rate of 4.75%. The indebtedness will be repaid through hotel revenues.

The City of Sioux City will issue \$4.8 million in bonds to construct the parking deck and pre-function space. \$773,000 will be repaid over 10 years at an interest rate of 2.5% and \$4,027,000 will be repaid over 10 years at an interest rate of 2.1%. The indebtedness will be repaid through tax increment financing. There is no issuance cost to the project.

Virginia Square:

- 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.*

Virginia Square includes 4 sites in downtown Sioux City. Sites 1 and 2 include existing historic buildings which Ho-Chunk, Inc. has renovated into mixed-used. The building on Site 1 is fully leased and the building on Site 2 is over 75% leased. Ho-Chunk plans to construct a new four-story mixed-use building on Site 3 and construction is expected to begin in early 2019. Ho-Chunk is still evaluating its options for Site 4.

- 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.*

At this point, the city has not spent any money on this project from the reinvestment project fund.

- 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.*

Sites 1 and 2 are completed. The total remaining costs for Sites 3 and 4 are estimated at \$16.1 million.

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

| | |
|--------------------------------------|---------------------|
| Cash/Owner Equity | \$ 6,500,000 |
| Debt Financing | \$21,500,000 |
| Brownfield Redevelopment Tax Credits | \$ 1,000,000 |
| Iowa Workforce Housing Tax Credits | \$ 300,000 |
| Tax Increment Financing | \$ 1,500,000 |
| <u>Iowa Reinvestment District</u> | <u>\$ 1,600,000</u> |
| Total | \$32,400,000 |

- 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.*

The 100 Virginia project is financed with \$2,200,000 of debt proceeds at 3.43% interest rate over 5 years, with a debt issuance cost of \$6,056. The 103 Virginia project is financed with \$6,840,00 of debt proceeds at 4.55% over 5 years, with a debt issuance cost of \$57,236. The 101 Court project is estimated to require \$3,500,000 in debt proceeds, and the 101 Virginia project is estimated to

require \$6,090,000 in debt proceeds. Construction on these two projects has not yet begun and the debt has not yet been issued. Debts will be repaid through tax credit funds and rental receipts.

Siouxland Expo Center:

- 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.*

The Siouxland Expo Center Board and City continue to work closely with the architect to finalize the design of the facility. Both groups are also working with the developers of the adjacent multi-sport complex known as The Arena, reviewing potential benefits from eliminating redundant programs, working on maximizing the site layout and shared parking, and coordinating events which will utilize both facilities. Construction is anticipated to begin in spring 2019 and be completed by July 2020. Current expenses for the project total \$794,068 in architect design.

- 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.*

At this point, the city has not spent any money on this project from the reinvestment project fund.

- 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.*

Remaining architect fees total \$594,000. Construction costs are estimated at \$12.7 million.

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

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|--------------------------------------|---------------------|
| City of Sioux City | \$ 2,000,000 |
| Woodbury County | \$ 1,500,000 |
| Missouri River Historical Dev | \$ 1,000,000 |
| Brownfield Redevelopment Tax Credits | \$ 1,000,000 |
| Gilchrist Foundation Grant | \$ 200,000 |
| Urban Water Quality Grant | \$ 100,000 |
| Private Contributions | \$ 4,500,000 |
| Iowa Reinvestment District | \$ 6,500,000 |
| Total | \$16,800,000 |

- 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.*

The project will be financed through Industrial Revenue Bonds issued by Woodbury County. Approximately \$10 million in bonds will be issued. The final terms and cost of issuance have not yet been established. The indebtedness will be repaid through public contributions, private donations, grant funds, Reinvestment District funds and operating revenues.

Warrior & Davidson Buildings:

- 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.*

The developers of the Warrior & Davidson project completed negotiation and execution of a Development Agreement with the City of Sioux City. Work was completed to secure the funding for the Warrior Hotel project including application for both Federal and State Historic Tax Credits, Iowa Brownfield/Grayfield Redevelopment Tax Credits, Iowa Workforce Housing Tax Credits, Construction Financing, Permanent Mortgage Loan Financing and Tax Credit Bridge Financing. Additionally, all acquisition has been completed and full construction specifications and design was completed and a pre-bid contractor’s tour completed. Expenditures to date exceed \$5 million including acquisition and design expenses.

- 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.*

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- 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.*

As design of the project is completed, the revised budget is approximately \$71 million including all hard construction expenses and soft costs. Of that amount, over \$5 million has been spent including acquisition, design and engineering expenses.

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

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|--|---------------------|
| City of Sioux City Loan | \$ 2,500,000 |
| Construction Loan – Dubuque Bank and Trust | \$25,000,000 |
| Workforce Housing Sales Tax Rebate | \$ 181,501 |
| Investment Tax Credit Proceeds | \$ 300,300 |
| State Grayfields Credit Proceeds | \$ 830,525 |
| State HTC – Warrior GP, LLC – Equity | \$16,197,393 |
| Warrior GP, LLC – | \$ 6,779,502 |
| Warrior Hotel Operator LLC (MT Equity) | \$ 9,535,861 |
| Hotel Blackhawk, SLM, Inc. - Equity | \$ 2,500,000 |
| <u>Deferred Developer Fee – Warrior GP, LLC – Equity</u> | <u>\$ 7,860,000</u> |
| Total | \$71,685,083 |

- 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.*

The financing bank has not issued the final term sheet for the project. The indebtedness will be repaid through tax credit proceeds and hotel revenues.

The City of Sioux City will provide a loan in the amount of \$2.5 million for the project. This loan will be repaid over 10 years at an interest rate of 3.31%. There is no issuance cost to the project.

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: Marty Dougherty Phone # 712-279-6345

Title: Economic & Community Development Director

Signature  Date 9/28/2018

E-Mail Address mdougherty@sioux-city.org

Authorized Signatory:

Name: Robert Padmore

Title: City Manager

Signature  Date 9/28/2018