

Reinvestment District 2025 Annual Report

Recipient: City of Des Moines

Please complete charts below to comply with annual reporting requirement pursuant to 15J.4 of Iowa Code and Section 9 of your award agreement. Add lines as needed. Report is due October 1, 2025.

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	Construction Actual or Anticipated Start Date	Estimated Budget	Expenditures to date	Actual or Anticipated Completion Date
Iowa Events Center Hotel	Completed	\$101,677,455	\$101,677,455	March 15, 2018
Brief narrative of progress: completed				
District Infrastructure	Active	\$6,800,000	\$5,134,370	June 30, 2026
Brief narrative of progress: improvements continue to be made in the district				
Randolph Hotel	Completed	\$19,179 900	\$19,179, 900	May 25, 2016
Brief narrative of progress: completed				
420 Court	Completed	\$101,677,455	\$101,677,455	March 15, 2018
Brief narrative of progress: completed				
Surety Hotel	Completed	\$39,713,689	\$39,713,689	December 9, 2021
Brief narrative of progress: completed				
Financial Center Project	N/A	\$N/A	\$N/A	N/A
Brief narrative of progress: Developer changed project scope to multi-family units rather than hotel units – City intends to eliminate the project from the application before the next reporting period				

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.

Project	Expenditures from the Reinvestment Fund
City of Des Moines, IA Series UR CLN Series C	FY25 - \$0 principal; \$0 interest
IEC Hotel Corp Series D	FY25 - \$380,00 principal; \$325,550 interest
IEC Hotel Corp Series E	FY25 - \$585,000 principal; \$298,932
TWELVE MONTHS TOTAL	FY25 - \$965,000 principal; \$624,482 interest

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	Total Project Cost Remaining
Iowa Events Center Hotel	\$0
District Infrastructure	Of the \$6,800,000 estimated in the application, \$1,665,630 remains
Randolph Hotel	\$0
Fourth & Court	\$0

Surety Hotel	\$0		
Financial Center Hotel	N/A (Project is now multi-family)		
TOTAL COSTS REMAINING	\$1,655,630		

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

Project	Funding Amount	Funding Type (ex.: Debt, Private Funds, TIF)	Funding Source (ex.: City, Developer)
Iowa Events Center Convention Hotel			
See attached file for information pertaining to current financing of the hotel			
District Infrastructure			
5 th & Keo Garage Stair	\$517,500	General Fund/TIF	City
5 th & Keo Structural Repair	\$324,500		
5 th & Keo Mech, Elec, & Plumbing	\$72,000		
5 th & Keo Expansion Joint Repair	\$15,000		
5 th & Keo Parking Garage Control Equip	\$218,019		
5 th & Keo Garage Elevator Lobby HVAC	\$56,455		
Skywalk 4F-4J HVAC Replacement	\$48,500		
Skywalk 4J-4K replacement	\$485,198		
5 th & Keo – Steel	\$73,012		
5 th Street 2-Way Conversion	\$2,432,224		
5 th & Keo Garage Surface Coatings	\$65,000		
5 th & Keo Structural Repairs	\$187,000		
5 th & Keo Expansion Joints	\$24,750		
5 th & Keo Skywalk LED Light Upgrade	\$6,250		
5 th Street 2-Way Conversion	\$57,664		
5 th & Keo Expansion Joint Repair	\$16,140		
5 th & Keo – Skywalk South Door	\$13,434		
5 th & Keo – Skywalk North Door	\$11,317		
Total (from prior years)	\$4,623,963		
07/01/24 – 06/30/2025			
Skywalk 3C-4C & 4E-4F improvements	\$425,000		
5 th & Keo Expansion Joint Replacements	\$85,407		
Total (for current year)	\$510,407		
TOTAL	\$5,134,370		
Randolph Hotel			
	\$2,090,000	Developer Equity	Developer
	\$5,680,000	First Mortgage	
	\$835,000	Second Mortgage	
	\$2,690,000	Third Mortgage	
	\$3,091,452	Federal Historic TC Equity	

	\$3,903,348	State Historic TC Equity	
	\$716,100	EZ TC Equity	
	\$174,000	EZ Sales Tax Rebate	
	\$19,179,000		
420 Court			
	\$1,000,000	Workforce Housing Tax Credit	Developer
	\$2,600,000	New Market Tax Credit	
	\$14,000,000	Mortgage	
	\$12,762,610	Equity	
	\$30,362,610		
Surety Hotel			
	\$4,961,347	Equity	Developer
	\$5,063,496	Historic Tax Credits	
	\$7,446,317	State Historic Tax Credits	
	\$400,000	Brownfield Tax Credits	
	\$2,869,184	Project Generated TIF	
	\$18,9783,345	Senior Debt Financing	
	\$39,713,689		

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.

Surety Hotel	N/A. This project is fully funded with private financing; no public bonds will be issued to provide the City's TIF incentive
Financial Center Hotel	Developer changed project scope to multi-family units rather than hotel units – City intends to eliminate the project from the application before the next reporting period

Reinvestment Fund Activity Summary

Reinvestment Fund Revenue Previous 12 Months	Reinvestment Fund Revenue to-Date	Reinvestment Fund Expenditures Previous 12 Months	Reinvestment Fund Expenditures to-date
FY25 - \$1,742,115	\$9,519,841	FY25 - \$1,589,482	\$10,175,796

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: Naomi Hamlett Phone # 515-283-4015

Title: Economic Development Coordinator

Signature Naomi Hamlett Date 10/1/2025

E-Mail Address nahamlett@dmgov.org

Authorized Signatory:

Name: Carrie Kruse

Title: Economic Development Administrator

Signature Carrie Kruse Date 10/1/2025



BORROWINGS, AMOUNTS, SOURCE OF REPAYMENT AT CLOSING OF FINANCING

IEC Hotel Corporation Debt

Lease Purchase Certificates of Participation, Senior Lien Series A

1. \$10,000,000 Series A-1
2. \$30,000,000 Series A-2
 - Paid from a senior lien on the net operating income of the hotel; no claim to the IRA, the City's TIF or any other form of guarantor. Collateral position through the lease purchase agreement.
 - Matures 2042.
 - Series A-1 is paid out of surplus cash flow recapture, and is expected to mature in 2025
 - Series A-1 interest rate varies from month to month, assumed for pro-forma at 3.5%
 - Series A-2 has a swapped interest rate which is fixed through 2028, at 4.55%.

Lease Purchase Certificates of Participation, Subordinate Lien Series B

3. \$27,750,000
 - Purchased by Polk County
 - Paid from a subordinate lien on the net operating income of the hotel; no claim to the IRA, the City's TIF or the County.
 - Interest rate is 4%
 - Matures 1/1/2049

Lease Purchase Certificates of Participation, Facility Fee Series C

4. \$7,351,000 Facility Fee Series C.
 - Paid from the 3% facility fee to be charged on all hotel room nights.
 - No claim to the net operating income of the hotel, the IRA or the City's TIF.
 - \$3,040,000 Series C-1
 - senior lien
 - not guaranteed
 - \$4,311,000 Series C-2
 - subordinate lien,
 - Guaranteed by Polk County
 - Swapped interest rate which is fixed through 2028, at 4.55% for C-1 and 4.56% for C-2

Lease Purchase Certificates of Participation, Iowa Reinvestment Act Senior Lien Series D

5. \$8,500,000
 - Paid (on parity basis with \$4,000,000 City of Des Moines UR CLN noted below) from a senior lien on the IRA tax
 - Not paid from the net operating income of the hotel or the City's TIF
 - Guaranteed by the City of Des Moines.
 - 3.83% interest rate (fixed for life of loan)
 - Matures 6/1/2038





Page Two, continued....

Lease Purchase Certificates of Participation, Iowa Reinvestment Act Subordinate Series E

6. \$7,805,000
 - Paid from a subordinate lien on the IRA tax,
 - Not paid from the net operating income of the hotel or the City's TIF.
 - Guaranteed by Polk County
 - 3.83% interest rate (fixed for life of loan)
 - Matures 6/1/2038

City of Des Moines Debt Funding

City of Des Moines, Iowa, General Obligation Urban Renewal (TIF) Bonds

7. \$14,200,000
 - Issued August 14, 2017
 - City intends to abate the levy of property taxes tied to the bonds out of the new TIF increment created by the hotel. No claim to the net operating income of the hotel or the IRA.

City of Des Moines, Iowa, Urban Renewal Iowa Reinvestment Act Capital Loan Notes Series C

8. \$4,000,000
 - Paid from a senior lien on the IRA tax (on a parity basis with IEC Series D),
 - Not paid from the net operating income of the hotel or the City's TIF.
 - No third party guarantees.
 - Sold to several Des Moines-area business leaders and companies
 - 4.00% interest rate
 - Issued March 20, 2018; matures 6/1/2024

Additional Funding

IEDA Grayfield Grant

9. \$1,000,000 provides net \$900,000 after fees

Key Money

10. \$3,000,000 cash payment up-front from hotel operator. Not a loan, rather, it is a contribution that the operator recovers over time from a portion of its hotel management fees.

Sub-Total Funding + 113,506,000

Non-Reimbursed Funding

Polk County Cash contribution

11. \$6,000,000 cash contribution

Total Project = \$119,506,000



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