

The Iowa Legislature enacted the Iowa Reinvestment Act, Iowa Code Chapter 15J, during the 2013 session. The Iowa Economic Development Authority (IEDA) and the Iowa Department of Revenue (IDR) administer the Iowa Reinvestment District Program. IEDA's rules can be found at 261 IAC Chapter 200. IDR's rules can be found at 701 IAC Chapter 273.

The program is designed to assist communities in developing transformative projects that will improve the quality of life, create and enhance unique opportunities, and substantially benefit the community, region and state. Under the program, a municipality that has an area suitable for development within its boundaries is eligible to seek approval from the IEDA Board to establish a reinvestment district consisting of the developable area. The district must be located within an Urban Renewal Area.

A municipality that has received IEDA Board approval of its district plan and that has completed all steps set out in Code and in the administrative rules to establish a district can "reinvest" state hotel/motel and sales tax revenue generated by "new retail establishments" and "new lessors" in projects within the reinvestment district. New retail establishments cannot exceed 50 percent of the total proposed capital investment. The capital investment in at least one of the new proposed projects within the district must total a minimum of \$10 million and the total amount of new tax revenues to be remitted to the municipality cannot exceed 35 percent of the total cost of all proposed projects in the district plan.

As part of its approval of a district plan, the IEDA Board establishes a commencement date for the reinvestment district. Beginning on the first day of the calendar quarter that begins on or after the commencement date, IDR is required to remit sales and hotel/motel tax revenues to the municipality's reinvestment project fund.

For districts approved before July 1, 2018, the total aggregate amount of state sales tax and hotel/motel tax revenues that the IEDA board was authorized to approve for the purpose of "reinvesting" in districts with approved plans was \$100 Million. The IEDA Board approved district plans submitted by seven municipalities: Muscatine, Waterloo, Des Moines, Coralville, Grinnell, Mason City, and Sioux City, and allocated the entire \$100 million in tax revenue that was originally available under the program.

In 2020, the Legislature appropriated an additional \$100 million for the program and updated the following aspects of the program:

- Changed the calculation for the amounts deposited in each district's fund;
- Increased the size of the area that may be designated as a reinvestment district from 25 acres to 75 acres;
- Expanded the definition of "municipality" to include entities formed by two or more contiguous cities or counties; and
- Allowed the Board to extend the period for deposit and receipt of funds by up to five years under specified circumstances.

In June 2021, IEDA provided provisional approval to six new districts for the additional \$100 million that was appropriated in 2020. The following municipalities submitted preapplications and received provisional approvals: Ames, Cedar Rapids, Des Moines (Capital City District), Des Moines/Urbandale (Merle Hay Campus), Fort Dodge, and Newton. The IEDA Board approved final district plans for Fort Dodge and Merle Hay Campus in April 2022. Cedar Rapids received final approval in July 2022. Jasper County (Newton) received final approval in March 2023. Des Moines (Capital City District) received final

approval in October 2024. The IEDA Board determined that the final application submitted by Ames did not satisfy the requirements of Iowa Code section 15J and rescinded the provisional approval on June 20, 2025.

In 2025, the Legislature increased the total number of acres allowed in Iowa Reinvestment Districts approved after July 2018 from 75 to 125 (HF 975).

The status of approved districts and the amounts of tax revenues that have been reinvested in each district are listed below. Information is gathered in the annual report, due to the Authority on October 1.

### **Cedar Rapids**

The City of Cedar Rapids was originally approved for a maximum benefit amount of \$9 million for the Cedar Rapids Central Reinvestment District. The maximum benefit amount was reduced to \$6 million due to removal of two projects from the district plan (described below). The amendment to the district plan was approved by the IEDA board in November 2025. The commencement date, i.e., the IDR begins calculating new state sales tax and new state hotel and motel tax revenue for deposit in the state reinvestment district fund, was January 1, 2025. The city has received rebates totaling \$169,446 and reinvested a total of \$818.41 from its district fund.

#### **Project Updates:**

- Pickle Palace and Big Grove Brewery have opened and are operational.
- Project 1 - 1<sup>st</sup> and 1<sup>st</sup> West has grown in total investment from \$48 million to \$82 million. To date, the 151 Lofts mixed use building is complete (with the exception of tenant improvements), and 275 Lofts is under construction.
- The land sale closed for Kinseth to build an AC Marriott.
- Project 2 - 1st & 1st West - Phase 2 - Public Plaza was expected to be completed in December 2025. The Central Park stage, park and open space are complete. The 463-space parking ramp is under construction.
- Project 3 – 8<sup>th</sup> Avenue Pump Station Mixed-Use Development and Project 5 – 5-in-1 Bypass Channell were removed from the District Plan and the maximum benefit was reduced to \$6 million.

### **Coralville**

The City of Coralville was approved for a maximum benefit amount of \$12 million for the Iowa River Landing Reinvestment District. The commencement date was July 1, 2019. The city has reinvested a total of \$2,839,494 from its district fund.

#### **Project Updates:**

- Xstream Arena, GreenState Family Fieldhouse and two hotels are complete.
- Parking ramp is temporarily replaced by surface parking pending completion of University of Iowa Hospital and Clinics planning process.
- Multiple mixed-use spaces completed with tenants and one mixed-use building has yet to begin.

### **Des Moines**

The City of Des Moines was approved for a maximum benefit amount of \$36.5 million. The commencement date was April 1, 2018. The city has reinvested a total of \$10,175,796 from its district fund.

#### Project updates:

- District Infrastructure improvements are nearing completion. The expected completion date was June 2025.
- Construction of Iowa Events Center Convention Hotel and renovations to Randolph Hotel apartments and Fourth & Court apartments are complete.
- The Board approved inclusion of two additional hotels in the district in September 2020. The Surety Hotel is complete and the hotel proposed for the Financial Center is expected to be removed from the district plan in the coming year.

#### **Des Moines – Capital City**

The City of Des Moines – Capital City Reinvestment District was approved for a maximum benefit amount of \$23,500,000. The commencement date was established as January 1, 2028. Approval was received after the reporting period for this report.

The Capital City Reinvestment District will reimagine blighted, vacant and brownfield sites in the heart of Des Moines and replace them with mixed-use neighborhoods that use the power of place to draw people of all ages and backgrounds to downtown. The proposed district is broken down into three hubs: the Stadium Neighborhood, Western Gateway, and Gray's Landing, connected by pedestrian friendly community corridors. Major proposed projects within these hubs include hotels, entertainment venues, and the Pro Iowa Stadium, which proposed to transform a 38-acre Superfund site into a professional soccer stadium and outdoor plaza.

#### **Fort Dodge**

The City of Fort Dodge was approved for a maximum benefit amount of \$17 million. The commencement date was July 1, 2023. The city has generated a total of \$1,515,028 to its district fund and reinvested \$0 to date.

#### Project Updates:

- Project 1 – Strip Center is complete.
- Project 2 - Pavilion is complete and the plaza is nearing completion.
- Project 3 – Complementary Retail progressing with several operations complete. There are two remaining lots to be developed.
- Project 4 – Hotel and Entertainment Venue has started working with hotel developers. Completion expected in 2028.

#### **Grinnell**

The City of Grinnell was approved for a maximum benefit amount of \$6.85 million for its Grinnell Historic Downtown and Campus Confluence Reinvestment District. The commencement date was January 1, 2020. The city has reinvested a total of \$ 461,285.39 from its district fund.

#### Project updates:

- Hotel Grinnell, Central Park reconstruction and Grinnell Campus Improvements are complete.

- The Zone of Confluence has progressed. Within this area, Grinnell College's Renfrow Hall is complete. Merge Urban Development has started their 55+ unit apartment complex with commercial space on the first floor. Several smaller commercial projects have been completed.

### **Jasper County (Newton)**

Jasper County was approved for a maximum benefit amount of \$14 million for the Newton Legacy Iowa Reinvestment District. The commencement date was October 1, 2024. The county has reinvested a total of \$78,575 from its district fund.

#### **Project updates:**

- Construction on residential adaptive use project is complete.
- Construction on the hotel is underway with utilities installed, the walls are framed, bathroom fixtures are being set.
- DMACC Legacy projects in buildings 17 and 18 are complete. Greenspace is currently under construction
- The City of Newton Resiliency Zone is complete with Community Gathering Park and splash pad construction.

### **Mason City**

The City of Mason City was approved for a maximum benefit amount of \$9.163 million. The commencement date was January 1, 2020. The city has reinvested \$1,179,958.41 from its district fund.

#### **Project updates:**

- The Performing Arts Pavilion and Multi-Purpose Arena are complete.
- Skywalk over South Delaware Avenue/US65 connecting the hotel to Music Man Square is complete.
- Kinseth Hospitality has been identified as the developer for hotel project. A ground breaking was held in Fall 2025 with completion expected in Fall 2026.

### **Merle Hay Reinvestment District Joint 28E Board**

The City of Urbandale and the City of Des Moines formed the Merle Hay Reinvestment District Joint 28E Board that was approved for a maximum benefit amount of \$26.5 million for the Merle Hay Reinvestment District. The commencement date was October 1, 2023. The cities have not yet reinvested tax revenues.

#### **Project Updates:**

- Mixed use improvements have been completed.
- The 28E requested and was approved for an Amended District Plan, which includes the following projects:
  - o Merle Hay Arena and Volleyball Facility
  - o Multi-Court Pickleball Facility
  - o Mall Campus Hotel
  - o New Kohl's Department Store
  - o New Business Construction Opportunity
  - o New Outparcel Development

- Completed Mixed Use Campus Improvements Phase
- Commenced Mixed Use Campus Improvements Phase
- Target Store Improvements

## **Muscatine**

The City of Muscatine was approved for a maximum benefit amount of \$10 million. The commencement date was July 1, 2017. The city has reinvested a total of \$1,398,061 from its district fund.

Project updates:

- The Merrill Hotel has been open since 2018.
- In July 2019 the hotel was converted to a Marriott Tribute Brand Independent Hotel.
- The project has won numerous awards and accolades including #1 Trip Advisor Hotel in Iowa and Best Iowa Hotel by US News and World Report.

## **Sioux City**

The City of Sioux City was approved for a maximum benefit amount of \$13.5 million. The commencement date was October 1, 2019. The city has reinvested \$1,930,948.28 from its district fund.

Project updates (all proposed projects in the district are complete):

- Construction of Courtyard by Marriott hotel and parking deck completed 2020.
- Virginia Square renovation of 2 buildings and construction of 2 new properties completed 2020.
- Siouxland Expo Center completed 2020.
- Renovation of the Warrior and Davidson buildings completed 2021.

## **Waterloo**

The City of Waterloo was approved for a maximum benefit amount of \$12 million. The commencement date was July 1, 2016. The city has reinvested \$1,239,001 from its district fund.

Project updates:

- Marriott Courtyard hotel completed in 2019.
- Tech 1 Building investments were complete in 2024.
- Project 2: The TechWorks Outlots were intended for commercial and retail businesses that complement the TechWorks Campus mixed-use project. Outlot #1 was planned to be a drive-thru coffee shop or family friendly restaurant. Outlot #2 was planned to be a 16,000 sq. ft. commercial building. The City of Waterloo is working on changing these plans. Public improvements to the marina totaling \$694,588 are complete. Private development is being recruited for the proposed commercial development.

A summary of the provisionally approved project is included below:

The Ames District includes approximately 73 acres within Downtown and along Lincoln Way with five project sites that will act as catalysts for the area. The primary public investment includes development of the Indoor Aquatics Center (IAC) on a three-acre site that is currently used as parking and office space for the Iowa Department of Transportation. The primary commercial

development catalyst project for the Reinvestment District is the redevelopment of two blocks of Lincoln Way with a new 136 room full-service hotel with conference space, mixed-use development of apartments with retail, office buildings with ground floor retail, and structured parking. The three other supporting projects include a multi-seasonal destination plaza and rehabilitation of historic building for new retail and residential spaces. The IEDA Board determined that the final application submitted by Ames did not satisfy the requirements of Iowa Code section 15J and rescinded the provisional approval on June 20, 2025.