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No. 1 story of 2017

No. 1 story of 2017: Reinvestment District project set to transform downtown Sioux City

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From left, Roger Caudron and Lew Weinberg talk about the Warrior Hotel redevelopment during a tour Thursday. The Warrior Hotel and Davidson Building will undergo a \$56 million revitalization over the next years.

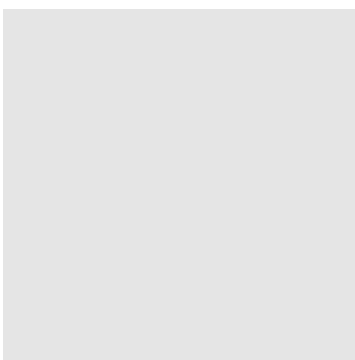
Justin Wan, Sioux City Journal



SIOUX CITY | The opportunity was too good to



Scott
Provided



Dougherty

The projects

--Virginia Square

The nearly \$36 million mixed use development includes the renovation of three former industrial buildings and the construction of another building into mixed commercial, retail and residential space. The project will also include demolition of another industrial building at 101 Court St. and construction of a five-story hotel with approximately 90 rooms that will be affiliated

pass up.

Through the Iowa Economic Development Authority's competitive Reinvestment District Program, millions of dollars in state funding sat available for the right combination of projects that could transform the look and feel of a city.

It was March of 2015 when Sioux City put in its initial application for nearly \$14 million of state funds. More than two years later, in August of this year, it at long last received contingent approval to receive most of its original request, about \$13.5 million.

The state's approval of this large-scale financial award, which will assist a quartet of projects that could dramatically change the face of Sioux City's downtown, is The Journal's top story of 2017.

All told, the Reinvestment District project will involve approximately \$134 million of investment from private and public entities for the projects over the next several years. One project, a four-building mixed-use development called Virginia Square, is about 50 percent complete.

The other projects, each of which could begin next year, include the following:

--A five-story, 150-room Courtyard by Marriott hotel that will adjoin the Sioux City Convention Center downtown. The project also includes renovations at the city-owned convention center and construction of a 140-space parking ramp.

--An ag expo center in the city's former stockyards

with the Home2 Suites by Hilton brand.

--Bomgaars Ag Expo Center

The ag center will double as an arena for ag events and recreational activities. The venue will feature a main arena with about 2,000 seats, a warm-up arena and more exhibit space. Other features include a Bomgaars store, a "Stockyards Hall of Fame" with interactive displays and monuments and Western Iowa Tech classrooms for a new vet tech training program.

--Warrior Hotel and Davidson Building

The former Warrior Hotel and Davidson Building would be converted into a 146-room Marriott brand hotel under a \$56 million restoration plan that also calls for transforming other space in the historic buildings into luxury apartments, bars, restaurants and other retail outlets.

--Convention center hotel and parking structure

This project includes construction of a Courtyard by Marriott hotel at the current site of the Sioux City Convention Center

area that will host a wide range of ag-related events as well as athletic contests.

--Redevelopment of the historic Warrior Hotel and Davidson Building in the 500 block of Sixth Street into a combination hotel and residential/commercial/retail complex.

City leaders say if all four are completed, the impact on the city could be a game-changer.

"I think it's going to create a lot of activity in downtown Sioux City – positive activity – when you get that kind of construction going with those buildings that I think people will frequent and use," Mayor Bob Scott said.

Iowa's Reinvestment District Program, founded in 2014, permits cities to establish zones of up to 25 acres where future hotel-motel and sales tax money can be diverted to big-ticket, unique projects designed to increase tourism and quality of life. Sioux City applied in the second and final year funding was available through the program.

"We realized it was going to be a once-in-a-lifetime opportunity," city economic development director Marty Dougherty said.

Initially, the state approved a smaller \$8.03 million award for the city, as it split available funding among five cities' projects. But more funds became available after a project in Davenport fell through, and Sioux City re-applied for the full amount.

The state board granted just \$400,000 fewer than

parking lot. The project will additionally include \$5 million in city projects: Construction of a two-story, 140-space parking structure directly behind the hotel and improvements to the convention center that will connect it to the new hotel.

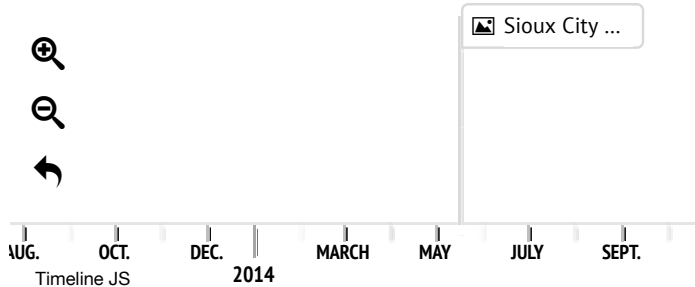
SIoux CITY REINVESTMENT DISTRICT

It took more than two years, but Sioux City in August received contingent approval for \$13.5 million in state funding to support more than \$100 million in development projects. The Reinvestment District project includes four elements: an arena, a convention center hotel, renovated industrial buildings into mixed-use development and renovation of the former Warrior Hotel a Davidson Building. Here is how the project has evolved over the years.

MORE INFORMATION

+6

Council members frustrated at design changes for Marriott parking ramp



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the city requested in August.

The city will pay back the \$13.5 million over a 20-year period using the state's portion of the hotel-motel and sales tax generated by the new construction. That period will begin for Sioux City on Oct. 1, 2019.

Final state approval remains contingent on documentation of construction documents for the Bomgaars Ag Expo project, a development agreement and documentation of financing for the

Warrior project and a development agreement and documentation of financing for the additional component of the Virginia Square project.

Sioux City's original application proposed to leverage that funding to complete three projects: three Virginia Square buildings, the ag center and convention hotel. Plans changed in 2017 to add a fourth Virginia Square building, which could become an extended-stay hotel, and the Warrior project.

The \$56 million Warrior project is the latest of a series of proposals to revitalize the two buildings, which are both listed on the National Register of Historic Places. Since the late 1990s, the boarded-up structure has been red-tagged by the city for building code violations.

Developer Lew Weinberg's company has agreed to a deal with a St. Louis-based firm to develop the 200,000 square feet of combined space into a 146-room Marriott Autograph hotel, luxury apartments, bars, restaurants and other retail outlets.

The current project could begin in May or June of next year, according to Roger Caudron, a spokesman for Weinberg. Caudron said construction is anticipated to take between 16 and 18 months.

Scott said the Warrior project is the one he's most excited to see because of how long it has sat there. Combined with a separate project that will revitalize the nearby Commerce Building, he believes it will be a large lift to the area.

The other Marriott hotel project within the district sparked debate earlier this year, when the proposal to build a five-story Courtyard by Marriott hotel on the parking lot next door to the convention center was met with skepticism for multiple reasons.

Some hotel owners, faced with dwindling occupancy rates, said they feared an increase in hotel room supply without an increase in demand. Some community members feared the loss of parking for the nearby Promenade Cinema 14 movie theater.

The council ultimately voted 4-1 to advance the project, with Scott dissenting.

Meanwhile, plans for the Bomgaars Ag Expo Center in the city's former stockyards area underwent significant changes. The Siouxland Expo Center Board, the nonprofit heading the project, saw a change in leadership and a change in focus for the project, which has been in the works for years.

At the recommendation of city management, the project grew to not only include equestrian and ag events but also sporting events. New designs include the addition of temporary turf and removable sports flooring -- capable of creating up to three small soccer fields or six regulation basketball courts -- to accommodate soccer, volleyball, basketball, baseball and softball games and practices, as well as some larger trade shows and events.

These additions have, according to organizers, boosted cash flow projections into the positive by

allowing more rental and usage in the off-season.
They will also help meet Sioux City's growing need
for additional recreational facilities to hold sports
clinics, tournaments, practices and camps.

Ian Richardson

City hall reporter