

MUSCATINE REINVESTMENT DISTRICT



IOWA REINVESTMENT DISTRICT PROGRAM FINAL APPLICATION

Muscatine
Iowa Reinvestment District Program
Final Application

Table of Contents

A: Project & Eligibility	001
A.1: City of Muscatine Resolution of IRD	003
A.2: Enterprise Zone/Urban Renewal Documentation	004
A.2.1: Urban Renewal Map	004
A.2.2: Urban Renewal Resolution	005
A.3: Map of Muscatine Reinvestment District	008
A.4: Property Owner Information	010
A.5: Legal Description of IRD District Boundary	011
A.6: Documentation of Benefit to Real Property	012
A.6.1: Summary of Real Property	012
A.6.2: County Assessor Property Tax Assessment	013
A.6.3: Appraised Value Post Enhancement	014
A.6.4: Benefit to IRD District Properties Outside Defined Project	015
B: District Project	016
B.1: Proposed District Project	017
B.2: Amount of State Assistance Required	017
B.3: Description of Use of State Assistance	017
B.4: The Hotel Stanley and Conference Center	018
B.4.1: Executive Summary	018
B.4.2: Description	019
B.4.3: Project Impetus	021
B.4.4: Sources and Uses	023
B.4.5: Project Team	024
B.4.5.1: Project Key Players	025
B.4.5.2: Hotel Stanley Key Players	026
B.4.6: Expected Milestone Timeline	028
B.4.6.1: Summary Milestone Timeline	029
B.4.6.2: Detailed Milestone Timeline	030
B.4.7: Project Detailed Construction Budget	032
B.4.7.1: Summary Construction Budget	032
B.4.7.2: Detailed Construction Budget	035
B.4.7.3: Pre-opening Cost Detail	040
B.4.8: Project Construction Cash Flows	042
B.4.8.1: Construction Cash Flow Summary	042
B.4.8.2: Construction Cash Flow Detail	043
B.4.9: Operating Financials	045
B.4.9.1: Operating Financials Summary Yr1-5	045

B.4.9.2: Operating Proforma Year 1 Summary	046
B.4.9.3: Operating Proforma Year 2 Summary	047
B.4.9.4: Operating Proforma Year 1 Detail	048
B.4.9.5: Operating Proforma Year 2 Detail	057
B.4.9.6: Occupancy & Rate Projections Used	066
B.4.10: Sensitivity Analysis	067
B.4.11: Debt Associated with Project	070
B.4.11.1: USDA Loan	070
B.4.11.2: MMRLF	077
B.4.11.3 Project Support for Debt	080
B.4.12: Equity Structure	082
B.4.13: Grant Structure	082
B.4.14: Hotel/Motel & State Sales Tax Table	085
B.4.15: Land Acquisition	086
B.4.16: Visual Aids	093
B.4.16.1: Location	093
B.4.16.2: Project overview Arial Views	096
B.4.16.3: Riverview Perspective	098
B.4.16.4: Lobby	099
B.4.16.5: Executive Boardroom	102
B.4.16.6: Spa	103
B.4.16.7: Typical Guest Room Floor	104
B.4.16.8: Conference Center	110
B.4.16.9: Parking Structure	114
B.4.17: Independent Feasibility	115
B.4.18: Undercapitalization Scenarios	217
B.4.18.1: Elimination of Conference Center	217
B.4.18.2: Elimination of Current 5 th Floor	219
C: Economic Impact	221
C.1: Economic Impact on State	222
C.1.1: Economic Impact on State From Construction	222
C.2: Economic Impact on Muscatine County	222
C.2.1: Economic Impact on Muscatine – Construction	222
C.2.2: Economic Impact on Muscatine – Operations	223
C.2.3: Total Economic Impact on Muscatine	224
C.3: Employment Impact on Muscatine	224
C.4: Fiscal Impact on City of Muscatine	225
C.4.1: Hotel Occupancy Tax	225
C.4.2: Sales Tax	226
C.4.3: Property Tax	227

C.5: Other District Impacts	228
C.6: PKF Economic Impact Study	231
D: Uniqueness	241
D.1: Uniqueness	242
D.1.1: Unique Economic Engine	242
D.1.2: Unique Historic Architecture	243
D.1.3: Unique Interface with the River	247
D.1.4: Making Downtown Muscatine Uniquely Walkable	256
D.1.5: Unique Chinese Involvement	259
D.1.6: Unique Learning Experience	261
D.1.7: Unique State of the Art Conference Center	262
D.1.8: Unique Community Support	262
E: Certification and Release Information	272

Section A: Project & Eligibility

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Section A: Project & Eligibility

Name of Project/District: Muscatine Reinvestment District

Date Submitted: February 3, 2015

Application Type: Final

Applicant: City of Muscatine

Contact: Gregg Mandsager
City Administrator
215 Sycamore
Muscatine, IA 52761
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gmandsager@muscatineiowa.gov

Rebecca Howe
President
Riverview Hotel Developers
770-630-8414
rhowe@riverviewhoteldev.com

Federal Identification No: 426005008

Size of Proposed District: 24.9 acres

Parcels Contiguous? Yes

Section A.1: City of Muscatine Resolution for IRD

RESOLUTION NO. 92708-0314

**A RESOLUTION AUTHORIZING THE SUBMISSION OF A PREAPPLICATION
FOR CONSIDERATION UNDER THE IOWA REINVESTMENT DISTRICT
PROGRAM**

WHEREAS, pursuant to the authority of 2013 Iowa Code section 15.106A and 2013 Iowa Acts, the Economic Development Authority has established and adopted rules to administer the "Iowa Reinvestment Act"; and

WHEREAS, the administrative rules provide for the submission of a preapplication to the Iowa Economic Development Authority and Board for evaluation and scoring under the Program; and

WHEREAS, it is necessary for the City of Muscatine, an Iowa municipality to submit a preapplication with a declaration of intent to:

- 1) Establish an Iowa Reinvestment District
- 2) Approve the District Plan; and
- 3) Find that the area of the proposed District is an area suitable for development.

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Muscatine Iowa that this Council intends to establish an Iowa Reinvestment District, approve a plan for the District, and finds that the area within the proposed District is suitable for development.

BE IT FURTHER RESOLVED that City Council authorizes and directs that a preapplication be submitted in accordance with the administrative rules for the Iowa Reinvestment District program.

PASSED, APPROVED, AND ADOPTED, by the City Council for the City of Muscatine, Iowa on this, the 13th day of March, 2014.

(City Seal)



DeWayne Hopkins, Mayor

Gregg Mandsager, City Clerk

A.2: Enterprise Zone/Urban Renewal Documentation

A.2.1: Urban Renewal Map



A.2.2: Urban Renewal Resolution

Muscatine/421464-34/UR Plan Amend

RESOLUTION NO. 91641-0511

A resolution to declare necessity and establish an urban renewal area, pursuant to Section 403.4 of the Code of Iowa and approve urban renewal plan amendment

WHEREAS, the City Council (the "Council") of the City of Muscatine (the "City") has previously established the Original Muscatine Urban Renewal Area, the Muscatine Downtown Urban Renewal Area, the South End Urban Renewal Area, the Northeast Urban Renewal Area, the Muscatine Mall Urban Renewal Area, the Highway 38 - Northeast Urban Renewal Area, and the 2010 Industrial Urban Renewal Area (collectively hereinafter the "Urban Renewal Areas"); and

WHEREAS, studies have been conducted the results of which indicate that conditions of blight (the "Blighted Conditions"), as described in Section 403.17(5) of the Code of Iowa continue to exist on various parcels of ground (the "Blighted Properties") in the City, such properties being described on Exhibit C to the Restated Urban Renewal Plan (as hereinafter defined); and

WHEREAS, it has been proposed that the Council take action to consolidate the City's urban renewal policies, projects and initiatives under the governance a single urban renewal plan; and

WHEREAS, it has been further proposed that the Council amend the urban renewal plans for the Urban Renewal Areas to (1) update the legal description of the Urban Renewal Areas to include all real property (the "Property") in the City as set forth on Exhibit A hereto; (2) to consolidate the Urban Renewal Areas into a single Consolidated Muscatine Urban Renewal Area (the "Consolidated Area"); (3) to update and reaffirm findings of a need for economic development and slum and blight alleviation with respect to various properties within the Urban Renewal Areas; (4) to adopt a restated and updated urban renewal plan (the "Restated Plan") for the continued undertaking and operation of projects and initiatives within the Consolidated Area; and (5) to specifically identify new projects to be undertaken within the Consolidated Area; and

WHEREAS, the Council intends that this consolidating action shall not alter the original base valuations, time restrictions and debt certifications for the City's tax increment financing districts that have been established from time-to-time by ordinances with respect to the financing of projects in the Urban Renewal Areas; and

WHEREAS, this Council is desirous of obtaining as much information as possible from the residents of the City before making this decision; and

WHEREAS, an amendment (the "Amendment") to the urban renewal plans for the Urban Renewal Areas which carries out this proposal has been prepared; and

WHEREAS, notice of a public hearing by the City Council of the City on the question of establishing the area shown in Exhibit A hereto as an urban renewal area and on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the City Council has conducted said hearing on May 5, 2011; and

WHEREAS, the Planning and Zoning Commission of the City has reviewed and commented on the proposed Amendment and Restated Plan; and

WHEREAS, copies of the Amendment and the Restated Plan, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Muscatine County, Muscatine Community School District and Muscatine Community College; the consultation meeting was held on the 19th day of April, 2011; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Muscatine, Iowa, as follows:

Section 1. An economic development area as defined in Chapter 403 of the Code of Iowa, is found to exist in the City of Muscatine on the Property. The Council hereby acknowledges this finding to be a reaffirmation of findings made with respect to the portions of the Property previously included in the Urban Renewal Areas.

Section 2. A blighted area resulting from the Blighted Conditions as defined in Section 403 of the Code of Iowa is hereby found to exist on the Blighted Properties.

Section 3. The portion of the Property not previously contained within the Urban Renewal Areas is hereby declared to be an urban renewal area, in conformance with the requirements of Chapter 403 of the Code of Iowa, and, together with the portions of the Property previously contained within the Urban Renewal Areas is hereby designated as the Consolidated Muscatine Urban Renewal Area.

Section 4. The rehabilitation, conservation, redevelopment, development or a combination thereof, of the Consolidated Muscatine Urban Renewal Area is necessary in the interest of the public health, safety or welfare of the residents of the City.

Section 4. It is hereby determined by this Council as follows:

A. It is not anticipated that families will be displaced with respect to any urban renewal projects to be carried out on the Blighted Property, but, if the need arises, a feasible method exists for the location of families who will be displaced from the urban renewal area into decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families;

B. The Restated Plan as amended covering the Property conforms to the general plan of the municipality as a whole;

C. Proposed development on the Property is necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 5. The Amendment and the Restated Plan, attached hereto and made a part hereof, are hereby in all respects approved. The Urban Renewal Areas are hereby consolidated

into a single Consolidated Muscatine Urban Renewal Area, and the Restated Plan is hereby adopted to govern future urban renewal activity therein.

Section 6. It is hereby declared that this consolidating action shall not alter the original base valuations, time restrictions and debt certifications for the City's tax increment financing districts that have been established from time-to-time by ordinances with respect to the financing of projects in the Urban Renewal Areas. Furthermore, nothing in this consolidating action shall in any way interfere with the carrying out of ongoing urban renewal projects previously undertaken or the payment of obligations previously incurred in connection therewith.

Section 7. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved May 5, 2011.



[Signature]
City Clerk

[Signature]
Mayor

(Attach copy of the urban renewal plan amendment to this resolution.)

A.3: Map of Muscatine Reinvestment District



A.4: Property Owner Information

Iowa Reinvestment District Property Owner Information

Page 1 of 2

PIN	House No.	Street	Deed Holder	Deed Holder Address	Deed Holder City	Deed Holder State	Deed Holder Zip
0835481026	313	2nd St E	313 East Second LLS	313 2nd St E	Muscatine	IA	52761
0835483006	203	2nd St E	AKA Properties LLC	PO Box 153	Muscatine	IA	52761
0835483017	225	2nd St E	AKA Properties LLC	PO Box 153	Muscatine	IA	52761
0835488003	106	2nd St E	AKA Properties LLC	PO Box 153	Muscatine	IA	52761
0835488028	101	Mississippi Dr E	Avenue Properties	PO Box 153	Muscatine	IA	52761
0835488018	113	Iowa Ave	Avenue Properties	PO Box 153	Muscatine	IA	52761
0835488025	111	Iowa Ave	Avenue Properties	PO Box 153	Muscatine	IA	52761
0835488026	107	Iowa Ave	Avenue Properties	PO Box 153	Muscatine	IA	52761
0835486002	204	2nd St E	Bankhead Thomas R Trustee	204 E 2nd St	Muscatine	IA	52761
0835481030	323	2nd St E	Beegee Enterprises	323 E 2nd St	Muscatine	IA	52761
0835483005	201	2nd St E	Bell Darrel T or Mary T	6963 Wapsi Ave SE	Lone Tree	IA	52755
1302205015	116	Chestnut St	Benninger Gene M or Janice M	1023 Sunrise Ctr	Muscatine	IA	52761
0835486009	214	2nd St E	Bird David J or Linda J	1203 E Mississippi	Muscatine	IA	52761
0835463026	202	Iowa Ave	Carver Roy J Charitable Trust	202 Iowa Ave	Muscatine	IA	52761
1302226006	118	2nd St W	Casper & Associates Inc	100 2nd St W	Muscatine	IA	52761
1302226009	112	2nd St W	Casper & Associates Inc	100 2nd St W	Muscatine	IA	52761
1302226012	104	2nd St W	Casper & Associates Inc	100 2nd St W	Muscatine	IA	52761
1302226014	100	2nd St W	Casper & Associates Inc	100 2nd St W	Muscatine	IA	52761
1302205001	228	2nd St W	Cedar Street Investments LLC	301 2nd St E	Muscatine	IA	52761
0835481022	301	2nd St E	Cedar Street Investments LLC	301 2nd St E	Muscatine	IA	52761
0835481023	303	2nd St E	Cedar Street Investments LLC	301 2nd St E	Muscatine	IA	52761
0835488023	119	Mississippi Dr E	Diercks Gary L	2450 Snug Harbor Ln	Muscatine	IA	52761
0835485018	129	2nd St E	Diercks Karen J	131 2nd St E	Muscatine	IA	52761
0835485019	131	2nd St E	Diercks Karen J	131 2nd St E	Muscatine	IA	52761
0835483013	217	2nd St E	Flying Arrow LLC	315 Wood Creek Ln	Muscatine	IA	52761
0835486010	216	2nd St E	Fuegen Jeffrey or Candice L	3105 Clermont Dr	Muscatine	IA	52761
0835481028	319	2nd St E	Goodken Duane J	105 Deerpath Ln	Muscatine	IA	52761
0835483007	205	2nd St E	Hagerty Joseph or Ryan	2788 Shamrock Dr	Muscatine	IA	52761
1302205006	218	2nd St W	Hill Brent W or Torina	218 2nd St W	Muscatine	IA	52761
0835463018	117	2nd St W	Historic Muscatine Inc	117 2nd St W	Muscatine	IA	52761
0835463013	124	2nd St E	Historic Muscatine Inc	117 2nd St W	Muscatine	IA	52761
0835483020	229	2nd St E	Hyink Steven R or Renne V	2601 Mulberry Ave	Muscatine	IA	52761
1302505001			Iowa Chicago & Eastern Railroad Corp.	501 Marquette Ave Ste 1	Minneapolis	NN	55402
0835488002	104	2nd St E	Johnston Gregory A	323 2nd St E	Muscatine	IA	52761
0835485017	127	2nd St E	King James W or Grace E	2485 Mulberry Ave	Muscatine	IA	52761
0835481032	210	Walnut St	King James W or Grace E	2485 Mulberry Ave	Muscatine	IA	52761
0835481031	212	Walnut St	King James W or Grace E	2485 Mulberry Ave	Muscatine	IA	52761
0835481025	307	2nd St E	Kleindolph Jerry N or Linda K	3118 Tipton Rd	Muscatine	IA	52761
0835481024	205	2nd St E	Kleindolph Neal & Betty Marie	1111 Lincoln Blvd	Muscatine	IA	52761
0835485016	121	2nd St E	L&H Holdings LLC	121 2nd St E	Muscatine	IA	52761
1302226005	120	2nd St E	Mark J William	105 7th St	Muscatine	IA	52761
0835483011	213	2nd St E	Juarez Jose J	213 2nd St E	Muscatine	IA	52761
0835483018	208	Cedar St	Mealy Holdings LLC	301 2nd St E	Muscatine	IA	52761
1302226002	126	2nd St E	Metcalf Conlon & Siering	126 2nd St E	Muscatine	IA	52761
1302205018	109	Pine St	Midwest Machine & Engineering LLC	109 Pine St	Muscatine	IA	52761
0835483014	219	2nd St E	Mowl Terry	PO Box 221	Muscatine	IA	52761
0835483019	227	2nd St E	MTMM LLC	227 2nd St E	Muscatine	IA	52761
1302227001			Muscatine City of	215 Sycamore St	Muscatine	IA	52761
0835486016			Muscatine City of	215 Sycamore St	Muscatine	IA	52761
1302202011			Muscatine City of	215 Sycamore St	Muscatine	IA	52761
1302208018	403	Mississippi Dr W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302205019	215	Mississippi Dr W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302205002	224	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302205035			Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302205004	222	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302205027			Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302205014	118	Chestnut St	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302226018	117	Chestnut St	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302202019	219	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302202020	217	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302226031	119	Mississippi Dr W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302226001	128	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302226003	124	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302226004	122	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302202024	205	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302202012	215	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302202014	211	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302202015	209	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302202025	201	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302202022	212	Chestnut St	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835463012	113	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835463014	129	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835486001	200	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835486012	226	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835486014	226	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835483009	209	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761

Revised: 12/01/2014

Iowa Reinvestment District
Property Owner Information

Page 2 of 2

PIN	House No.	Street	Deed Holder	Deed Holder Address	Deed Holder City	Deed Holder State	Deed Holder Zip
0835483010	211	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835483015	221	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835483016	223	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835481035	206	Walnut St	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835481036	331	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
1302202016	207	2nd St W	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835488031	102	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835488006	112	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835488008	116	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835488030	100	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835488012	122	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835488011	120	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835488004	110	2nd St E	Muscatine Downtown Investors LLC	215 Mississippi W	Muscatine	IA	52761
0835488007	114	2nd St E	Paco Properties LLC	323 2nd St E	Muscatine	IA	52761
0835483012	215	2nd St E	Pengar LLC	1118 Mulberry Ave	Muscatine	IA	52761
0835486008	212	2nd St E	Plank Marvin E or Vicki R	118 Clinton St	Muscatine	IA	52761
1302207006	319	Mississippi Dr W	River Bend Realty W	319 Mississippi Dr W	Muscatine	IA	52761
1302207010	305	Mississippi Dr W	River Bend Realty W	319 Mississippi Dr W	Muscatine	IA	52761
1302207011	301	Mississippi Dr W	River Bend Realty W	319 Mississippi Dr W	Muscatine	IA	52761
1302207004	325	Mississippi Dr W	River Bend Realty W	319 Mississippi Dr W	Muscatine	IA	52761
1302207005			River Bend Realty W	319 Mississippi Dr W	Muscatine	IA	52761
0835488014	128	2nd St E	RMI Investments	101 Mississippi Dr W	Muscatine	IA	52761
0835485011			SECO Investments Co	209 Iowa Ave	Muscatine	IA	52761
0835483008	101	2nd St E	SECO Investments Co	209 Iowa Ave	Muscatine	IA	52761
0835483008	207	2nd St E	Sichterman James Lor Janet R	207 2nd St E	Muscatine	IA	52761
0835485013	109	2nd St E	Sosa Antonio & Adela	814 2nd St	Columbus	IA	52738
0835463013	131	2nd St W	Teitsworth Renee	5606 S Hwy 61	Muscatine	IA	52761
0835486004	206	2nd St E	Vazquez Ramiro & Guadalupe	1707 Foster St	Muscatine	IA	52761
0835486005	208	2nd St E	Vazquez Ramiro & Guadalupe	1707 Foster St	Muscatine	IA	52761
0835486006	210	2nd St E	Vazquez Ramiro & Guadalupe	1707 Foster St	Muscatine	IA	52761
0835481027	317	2nd St E	Wester James C or Gail N	315 2nd St E	Muscatine	IA	52761
0835485014	115	2nd St E	W-M Ltd	115 2nd St E	Muscatine	IA	52761
0835488015	130	2nd St E	WSSM LLC	5311 Tremont Ave	Davenport	IA	52807
1302205000							
1302206000							

Revised: 12/01/2014

NOTE:

Parcel ids with Deed Information but with missing addresses are due to:

- 1) Parcel has no structures on the lots (i.e. parking lots, railroad tracks, parkland, etc.) and therefore contains no address.
- 2) Parcel contains a building that straddles a parcel line. in such cases only the parcels that contains the majority of the building is addressed.

Parcel ids 1302226000 and 1302205000 contain multiple deed owners.

A.5: Legal Description of IRD District Boundary

That territory bounded by a line extended as follows: Beginning at a point at the center of the intersection of the east right-of-way line of Pine Street and the south right-of-way line of Alley #2; thence northeasterly along the south right-of-way line of Alley #2 to an intersection with the west right-of-way line of Walnut Street; thence southeasterly along the west right-of-way line of Walnut Street to an intersection with the north right-of-way line of 2nd Street; thence southwesterly along the north right-of-way line of 2nd Street to intersection with the west right-of-way line of Cedar Street; thence southeasterly along the west right-of-way line of Cedar Street to intersection with the north right-of-way line of Mississippi Drive; thence southwesterly along the north right-of-way line of Mississippi Drive to intersection with the west right-of-way line of Sycamore Street; thence southeasterly along the west right-of-way line of Sycamore Street and then an extension of the west right-of-way line of Sycamore Street to the intersection with the west bank of the Mississippi River; thence southwesterly along the west bank of the Mississippi River to intersection with an extension of the east right-of-way line of Chestnut Street and then the east right-of-way line of Chestnut Street to an intersection with the north right-of-way line of Mississippi Drive; thence southwesterly along the north right-of-way line of Mississippi Drive to the intersection with the west line of parcel described as Lots 4 & 5 of Block 8 of Original Town; thence northwesterly along the west line of said parcel to intersection with the south right-of-way line of Alley #1; thence northeasterly along the south right-of-way line of Alley #1 to an intersection with east right-of-way line of Pine Street; thence northwesterly along the east right-of-way line of Pine Street to the point beginning.

A.6: Documentation of Benefit to Real Property

A.6.1: Summary of Properties

The project consists of 3 main parcels of property that will undergo renovations.

Hotel Property

The hotel property will reside at 119 Mississippi Drive West, Muscatine, IA. This property, identified by parcel id. 1302226031, consists of 0.45 acres of land and a 8750 square foot metal building built in 1975. It is considered a blighted area within the downtown community, as the building is currently uninhabited. The Project intends to tear down the 39 year old metal structure and build a 4-star luxury boutique hotel and conference center in its place.

Parking Structure Property

The parking structure property will reside at 112 2nd Street, Muscatine, IA. This parcel, identified by parcel ids 13022260006, 1302226009, 1302226012 (partial), and 1302226014 (partial), consists of an asphalt parking lot with 66 rentable parking spaces. The project intends to resurface the current lot and add a 1.5 story controlled access parking structure with an estimated 106 spaces.

Parking Lot Property

The parking lot property will reside at 215 Mississippi Drive West, Muscatine, IA. This property, identified by parcel ids. 1302205019 and 1302205035, consists of 0.69 acre lot and 15,720 square foot concrete/brick building and concrete lot which is also considered blighted. Currently, the Chophouse restaurant resides in this building but is failing and not expected to survive past 2nd quarter 2015. The Project intends to resurface the parking lot, add landscaping and install parking barriers creating an estimated 59 space controlled access parking structure. Possible future uses for the building are (1) an extension of the hotel should demand exceed supply or (2) mixed use building containing riverfront condos, additional parking, restaurant and retail.

Green Space Property (Potential)

There is a potential for green space property to be included within the project. This property consists of a dated two-tier parking lot located between the Hotel Property and the current Pearlview Condominiums. The Pearlview Condo Association currently owns the property and the Project is currently in talks with the Association over its acquisition. The Project's intent with this property would be to convert the existing parking lot into ADA parking, new parking spaces, a covered, heated walkway to connect the Pearlview Condominiums (which contains 2 restaurant sites and a bar) with the new hotel and conference center. In addition, part of the parking lot will be converted into a green space with a planned sculpture park on the riverside of the lot. This will result in enhanced beautification of the Mississippi Drive corridor, ADA parking, and year round access from hotel to restaurant and bar facilities located in the Pearlview Condominiums.

Benefits to the Project's real properties can be identified via County Assessor Property Tax Assessment and Appraised Assessment.

A.6.2: County Assessor Property Tax Assessment Post-Enhancement

Property Values & Tax Rates Current vs. Expected Post-Enhancement

PROPERTY	CURRENT	POST ENHANCEMENT
Hotel Property	Tax Assessment Value: \$192,360	Tax Assessment Value: \$12,245,280
	Annual Property Taxes: \$6375	Annual Property Taxes: \$442,993
Parking Structure Property	Tax Assessment Value: \$102,000	Tax Assessment Value \$3,406,700
	Annual Property Taxes: \$3630	\$123,293
Parking Lot Property	n/a¹	n/a¹
Green Space Property	n/a²	n/a²

¹ Parking Lot Property is not part of the TIF and therefore we currently do not have a current tax assessed value. Phase I enhancements will be minimal to include resurfacing, landscaping and parking control. This property was purchased to reduce the cost of the parking garage and create a more economical design for required hotel and conference center parking. Future plans include an adaptive reuse of the building on this property at a later date.

² Green Space Property is a potential property that would add future enhancement to not only The Project but also the downtown riverfront. These enhancement include: green space, sculpture garden, ADA parking and heated, covered walkway between The Stanley Hotel and the Pearlview Condos (which include 2 restaurants and 1 bar facility). The Project is currently in initial negotiations with the condo association at the Pearlview Condos.

NOTES:

1: Current tax assessment values and annual property taxes were taken from current appraisals created in 2014 by Koestner, McGivern & Associates of Davenport, Iowa (EXHIBIT A: PROPERTY APPRAISALS).

2: Post enhancement tax assessment values were taken from Muscatine County Assessor document dated 10/10/2014 (EXHIBIT D.3 COUNTY ASSESSOR TAX ASSESSED LAND VALUATION).

3: Annual Property Taxes were derived using the property tax rate of .04019622. (Tax Assessed Building Value * .90 * .0401622)

ANTICIPATED PROPERTY TAXES 20 YEAR SPAN	
Hotel Property 20 year anticipated property taxes	8,859,860.00
Parking Structure 20 anticipated property taxes	2,465,860.00
TOTAL 20 ANTICIPATED PROPERTY TAXES	\$11,325,720.00
Less TIF	6,000,000.00
TOTAL 20 YR ANTICIPATED PROPERTY TAX AFTER TIFF	\$5,325,720.00

A.6.3: Appraised Value Post Enhancement

Three methods were used to estimate the value of the properties post enhancement. These methods were then averaged.

Method 1 Replacement Value Approach

Project Construction Costs	\$41,000,000
Hotel Property Value	(\$380,000)
Parking Structure Property Value	(\$350,000)
Parking Lot Property Value	(\$150,000)
Total Est. Project Replacement Value	\$40,120,000

NOTES:

- 1: Property Values are based on 2014 Appraisals prepared by Koestner, McGivern&Associates of Davenport, IA. (EXHIBIT A: PROPERTY APPRAISALS)
- 2: Land values were deduced from the Project Costs (lines 2-4)
- 3: Parking Lot Property has a land valued at \$150K within current appraisal and a building value of 660K. Therefore, line 4 of table shows 150K rather than the full appraised value of \$810K.
- 4: Hotel Property currently has metal building erected on property. However appraisal does not break out appraised value at land vs. property. It is believed that the metal building hold little value and therefore conservatively the full appraised value was defined as land value as seen in Line 2 of table.

Method 2: Income Value Approach

Cash Flow From Operations – Year 3	\$2,831,244
Capitalization Rate	8%
Est. Income Approach Value	\$35,390,550

NOTES:

- 1: Cash Flow From Operations take from Income Proforma – Year 3 (See B.4.11.3)
- 2: Year 3 is considered stabilization year for operations
- 3: 8% capitalization rate based on current proforma. (Conservative approach).

**Method 3:
Market Value Approach**

Cash Flow From Operations – Year 3	\$2,831,244
Capitalization Rate	7%
Est. Market Approach Value	\$40,446,340

NOTES:

- 1: Cash Flow From Operations taken from Income Proforma – Year 3 (B.4.11.3)
- 2: Year 3 is considered stabilization year for operations
- 3: 7% capitalization rate based on what current similar properties are trading at for last 12 months.

**Conclusion:
Post Enhancement Market Appraisal Value of Land**

Replacement Approach	\$40,120,000.00
Income Approach	\$35,180,163.00
Market Value Approach	\$40,446,340.00
Post Enhancement Market Appraisal Value	\$38,582,170.00

NOTES:

- 1: Post Enhancement Market Appraisal Value = Average of the 3 above 3 methods
- 2: Current 2014 Appraised Market Value of the 4 Properties (including land & buildings) = \$1,690,000 (including 150K allocated for the purchase of the Green Space Property which is currently in negotiations).

A.6.4: Benefit to IRD District Properties Outside Defined Project

In addition to the increased value in the properties that The Project intends to purchase and renovate, it is expected that property values overall within downtown Muscatine to also increase once The Project is completed and stabilized. The hotel is expected to bring in approximately 80+ additional people into the downtown community per day (at 72% occupancy). Note that this does not include additional headcount that will be associated with the conference center. These additional people will pull revenues into downtown and create additional demand for food/bar revenue, entertainment, and retail thereby lifting the property values of the downtown community via the newly created demand within the area. The additional business and recreational activity drawn to downtown Muscatine will increase demand for properties within the IRD district thereby increasing property values through property renovations and enhancements to meet the new food/beverage, entertainment, and retail demand that the Project will create (EXHIBIT E: COUNTY TAX ASSESSOR LETTER).