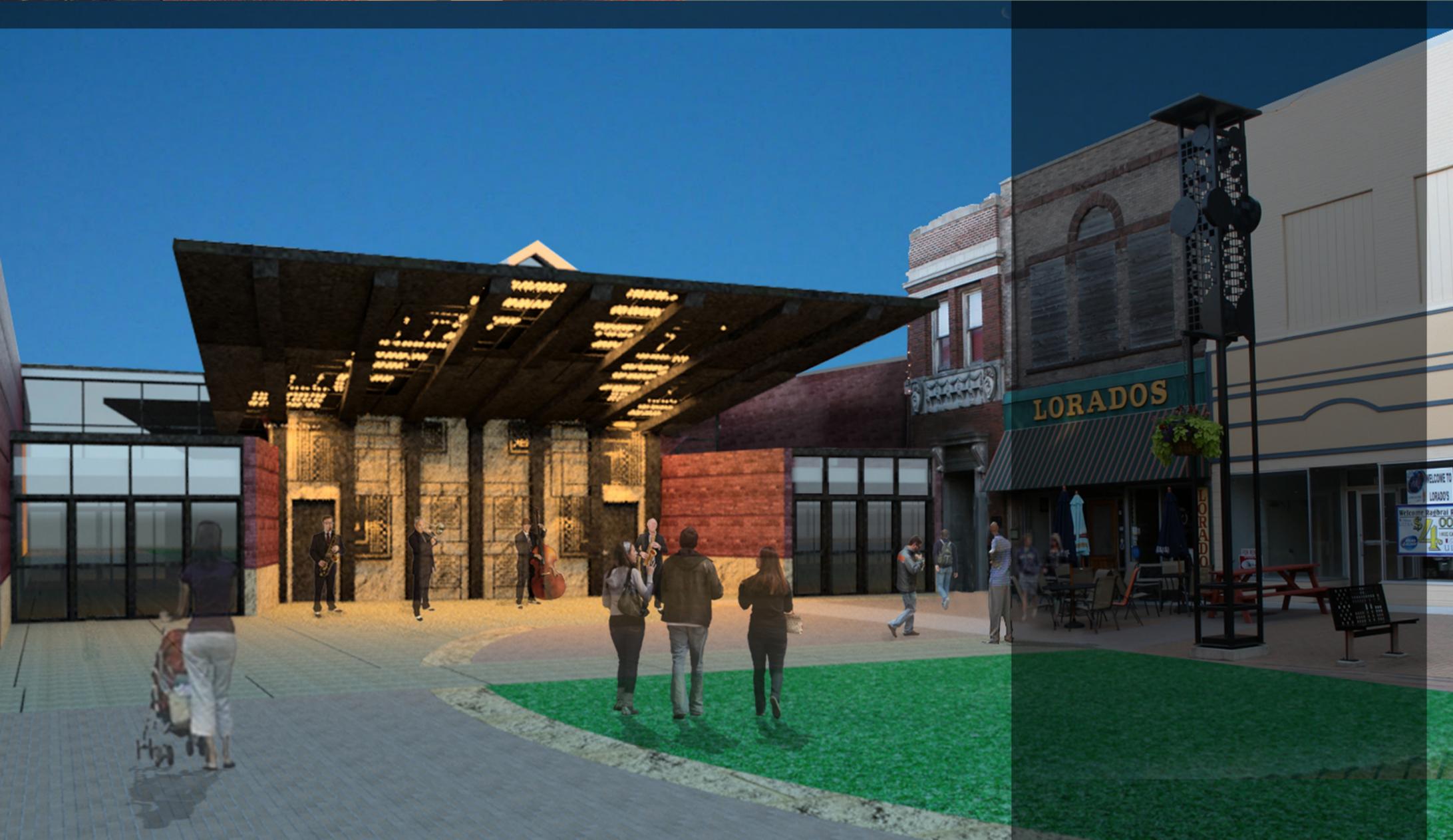


Our River City RENAISSANCE Downtown Mason City

IOWA REINVESTMENT DISTRICT
PROGRAM
2015





OFFICE OF THE CITY ADMINISTRATOR
10 First Street Northwest
Mason City, Iowa 50401
641.421.3601 / FAX 641.421.7189
www.masoncity.net

March 12, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment District Act Application

Dear Members of the Application Review Committee,

The City of Mason City hereby submits the “**Our River City Renaissance**” project to be considered for funding under the Iowa Reinvestment District Act.

The projects proposed by Mason City are unique and transformative in nature; they redevelop declining assets and provide infill development that will continue our Downtown revitalization. Thus, our program is a true reinvestment.

The projects both reflect and expand upon Mason City’s unique heritage as a musical town and an architectural mecca. Our “River City Renaissance” will benefit Mason City and meet the intent of the Iowa Reinvestment District Act: to improve the quality of life, create and enhance unique opportunities, and substantially benefit the municipality, the surrounding region, and the state as a whole.

Sincerely,

Brent Trout
City Administrator

City of Mason City – Iowa Reinvestment Act Pre-Application Pre-Application Contents



1. Pre-Application Form, with responses
2. Exhibits
 - Exhibit A
 - A1: Resolution by the governing body containing the following: intent to establish an Iowa Reinvestment District, approval of the district plan, and a finding that the area in the proposed district is an area suitable for development
 - A2a and A2b: Documentation that the district is located within an economic development Urban Renewal area; including a map (A2a) of the existing area and the resolution or ordinance establishing the zone or area (A2b)
 - A3 Detailed map of the proposed Iowa Reinvestment District depicting the existing parcels of real estate located in the proposed district.
 - A4: A list of the names and addresses of the owners of record of the parcels to be included in the proposed district
 - A5: A legal description of the real estate forming the boundaries of the area to be included in the proposed district
 - A6: Documentation substantiating the explanation that real property will be directly and substantially benefited.
 - Exhibit B
 - Exhibit B1: Proposed Projects Area Map
 - Exhibit B2: Plan for Central Park Hotel and Downtown Parking Garage (these are presented in a single exhibit, as they are adjacent to one another)
 - B2a: Narrative (project description, development timeline and feasibility)
 - B2b(1) and (ii): Preliminary financing plan for Hotel (B2b(i)) and Garage (b2b(ii)), including project budget, financing and expected revenues.
 - B2c: Site Plan
 - Perspectives and Elevations for Central Park Hotel
 - Letter of Commitment from Developer
 - Signature Page of Franchise Agreement with Marriott Corp.
 - Option Agreement for City Hall Lot Property
 - B2d: Real Estate Appraisal Summary
 - Exhibit B3: Plan for North Federal Lofts
 - B3a: Narrative (project description, development timeline and feasibility)
 - B3b: Preliminary financing plan, including project budget, financing and expected revenues.
 - B3c: Site Plan
 - B2c(i) through (v): Perspectives and Elevations
 - B3d(i) Real Estate Appraisal Summary
 - B3d(ii) Option Agreement for Property
 - Exhibit B4: Plan for Performing Arts Pavilion
 - B4a: Narrative (project description, development timeline and feasibility)
 - B4b: Preliminary financing plan, including project budget, financing and expected revenues.
 - Pavilion Rendering
 - Floor Plan
 - Roof Plan
 - Letter of Support, Mason City Performing Arts Pavilion Committee
 - Exhibit B5: Plan for Multi-Purpose Arena
 - B5a: Narrative (project description, development timeline and feasibility)

- B5b: Preliminary financing plan, including project budget, financing and expected revenues.
- Arena Renderings: Mall Entrance, Basketball Perspective, Aerial View (with cutaway)
- Arena Renderings: Concert Layout, Box Seat Perspective
- Arena Floor Plans: Main Level, Lower Level
- Letter of Support from Mall Ownership
- Memorandum of Understanding, Mason City Youth Hockey Association
- **Exhibit C**
 - C: Economic Impact Overview
 - C2: Economic Impact Study, with exhibits 1-5
- **Exhibit D**
 - D: Unique Nature of the Project Narrative
 - D1: Letters of Support



Debi V. Durham, Director
Iowa Economic Development Authority

Iowa Reinvestment District Program Application

Business Finance - Business Development Division
Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, Iowa 50309-1819
www.iowaeconomicdevelopment.com
Telephone: 515.725.3197 Email: businessfinance@iowa.gov

MASON CITY DOWNTOWN REINVESTMENT DISTRICT SECTION A – Project and Eligibility

Name of Project/District: Mason City Downtown Reinvestment District

Date Submitted: 3/12/2015 Pre-application Final application

Applicant: (must be a municipality): City of Mason City

Contact Name: Steven J. Van Steenhuyse, Director of Development Services

Address: 10 1st Street NW City: Mason City State: IA Zip: 50401

Telephone: (641) 421-3626 Email: svansteenhuyse@masoncity.net

Federal Identification Number: 42-6004948

Size of Proposed District: 25 acres (no more than 25 acres)

Are the parcels contiguous, physically connected? Yes No

Please describe: The Mason City Downtown Reinvestment District – “Our River City Renaissance” – encompasses the historic heart of Mason City. The District includes vacant and underutilized properties appropriate for development that will provide new lodging, retail and entertainment opportunities that emphasize walkability and downtown character. The District also includes Mason City’s iconic Southbridge Mall, representing the City’s commitment to redevelopment and our responsiveness to contemporary retail trends and needs of the community.

Please provide an overview of the proposed Iowa Reinvestment District. Please demonstrate in your explanation that the real property will be directly and substantially benefited by development.

- See Exhibit A, “Mason City Downtown Reinvestment District Overview”

Following your description, please provide the following attachments:

A1 – Resolution by the governing body which contains the following: intent to establish an Iowa Reinvestment District, approval of the district plan, and a finding that the area in the proposed district is an area suitable for development

- *Resolution is attached as Exhibit A1*

A2 – Documentation that the district is located within an Urban Renewal area. This should include maps of the existing zone or area and the resolution or ordinance establishing the zone or area.

- *See Exhibits A2a [map] and A2b [resolution establishing the Mason City Unified Urban Renewal Area]*

A3 – Detailed map of the proposed Iowa Reinvestment District depicting the existing parcels of real estate located in the proposed district. The area must consist of physically connected parcels.

- *Map attached as Exhibit A3*

A4 - A list of the names and addresses of the owners of record of the parcels to be included in the proposed district

- *Attached as Exhibit A4*

A5 - A legal description of the real estate forming the boundaries of the area to be included in the proposed district

- *Attached as Exhibit A5*

A6 – Documentation substantiating the explanation that real property will be directly and substantially benefited. This could include expected increase in valuation or other relevant data that lends itself to a quantitative assessment.

- *Attached as Exhibits A6a (explanation) and A6b (Assessor's Letter)*

SECTION B – District Plan

1. In the chart below please list each proposed project within the district and total capital investment associated with the project. Please provide a name for each project that corresponds with references throughout the application. Add additional lines as needed.

New retail establishments cannot exceed 50% of the total cost expected for the district. At least one project within the district must have a capital investment of \$10 million or more.

Proposed Projects	Total Cost
A. Central Park Hotel	\$11,437,135
B. Downtown Parking Garage	\$4,566,200
C. N. Federal Lofts Retail/Residential Building	\$6,022,015
D. Performing Arts Pavilion	\$1,650,000
E. Multi-Purpose Arena	\$12,550,000
Total:	\$36,225,350

2. Amount of State Assistance Needed \$ 9,800,000

Note: this amount cannot exceed 35% of the total cost proposed within the District and should be supported by expected tax revenues within the district over 20 years or less.

- Requested assistance is 27 percent of total cost proposed within the District.
- Costs will be met by expected revenues in approximately 18 years or less.

3. Provide a description of how the state assistance will be used within the Reinvestment District, and identify the gap in financing needed to complete the proposed projects in the district.

Costs and funding sources detailed below are based on currently available data. A more thorough analysis of total costs and funding sources is expected if this pre-application is chosen for a final application. The state assistance will be used in the Reinvestment District to fund the building of four of the five projects (the Federal Avenue Lofts Building will be completely funded from private sources).

1) Central Park Hotel: This 96-room hotel project (to be branded as a Courtyard by Marriott) includes a convention center to host small to medium-sized overnight conventions. The estimated total cost of the project is \$11,437,135. The majority of the project is proposed to be privately funded by an equity investment and a mortgage loan to the developer in the amount of \$11,302,135. The remaining \$135,000 will be in the form of a donation of the City-owned land to the developer.

2) Downtown Parking Garage: The structure will provide parking spaces to support the guests of the hotel and conference center, downtown residents and downtown shoppers. The structure will also support employees of the City and downtown businesses in a limited capacity. The estimated total cost of the parking structure is \$4,556,200. The City will fund this construction with Tax Increment Financing in the amount of \$1,106,200. This leaves a gap of \$3,450,000 to be funded with the Reinvestment District grant.

3) Performing Arts Pavilion: This venue will draw shoppers and diners to the downtown neighborhood. The estimated total cost of the Pavilion is \$1,650,000. Funding sources may include private donations depending on the structure of final lease arrangements between the participating parties. Potential private funding is estimated to be around \$200,000. This leaves a gap of \$1,450,000 that will be funded with the Reinvestment District grant.

4) Multi-Purpose Arena: The 2,400-seat arena will host hockey, other sporting events, small-scale trade shows and similar. An arena of this size will have a regional draw, bringing more people to downtown. The estimated total cost of the Multi-Purpose Arena is \$12,550,000. Funding will come from local option sales taxes, TIF, the North Iowa Hockey Club, Cerro Gordo County, and private donations. Funding from these sources is estimated to be \$7,650,000. The \$4,900,000 gap will be funded with the Reinvestment District grant.

4. Provide a detailed description of each project listed in the chart above. With the description, copy the project “Funding Sources and Uses” chart provided below for each project and include it with the project description. Add additional lines to the chart, as needed.

A. Central Park Hotel:

The proposed Central Park Hotel, which will be branded as a Courtyard by Marriott, is a 4-story, 96-room business-class hotel, with guest amenities such as a pool/spa and workout room. The hotel includes a ballroom and breakout rooms to accommodate meetings and conventions for up to 300 attendees, with food preparation space (and potentially, a bistro restaurant). Both the hotel and the convention space fill a need for lodging and meeting space in downtown Mason City. The project also includes 3,400 square feet of new retail space, which can be divided.

The hotel will be located immediately to the west of City Hall on land currently used for surface parking. This lot was originally the site of the Cerro Gordo County Courthouse, which was demolished in the early 1960s. Since that time, the parking lot has represented an interruption of the traditional “street wall” that faces Central Park, Mason City’s town square. As a result, activity, vitality and pedestrian walkability in the entire Central Park neighborhood has been compromised. The new hotel, with its ground floor retail space, will fill in the “gap” around Central Park and promote a more walkable, active and interesting urban environment.

The proposed building elevations show a Courtyard Inn by Marriott. The developer, G8 Development, has demonstrated financial ability to complete this project and has obtained a Franchise Agreement from the Marriott Corporation. The attached drawings indicate the scale and impact the new building will have on the Central Park square and the downtown area as a whole (see Exhibit B2).

The building is proposed to be sited on City-owned land (this property also includes the land upon which the Downtown Parking Garage will be located). An appraisal of the property was completed in 2013. The market value of the entire site (including the land occupied by the proposed Parking Garage) is \$204,000. The hotel will occupy approximately 2/3 of this property, so land acquisition is estimated at \$135,000, which will then come back to the developer as a land donation.

The developer has an option to acquire this property from the City and has completed due diligence to determine market demand for a hotel of this type. A letter of support from the developer is included in Exhibit B2. Also included is a portion of the developer’s franchise agreement with the Marriott Corporation. The grant of a franchise is an indication that the Marriott Corp. has confidence in the ability of G8 Development to complete and operate this project.

Funding Sources and Uses:

Project Name: Central Park Hotel			
Funding Uses		Funding Sources	
Site Preparation	\$25,000.00	Equity Investment	\$5,325,000.00
Site Acquisition	\$135,000.00	Mortgage Loan	\$5,977,135.00
Building Construction	\$8,917,472.00	Land Donation	\$135,000.00
Building Remodeling	\$0.00		
Fixtures	\$1,568,350.00		
Architectural/Engineering Design	\$248,914.00		
Construction Admin.	\$77,664.00		
Other	\$464,735.00		
Total Project Budget	\$11,437,135.00	Total Funding Sources	\$11,437,135.00

B. Downtown Parking Garage:

Both the Central Park Hotel and the Federal Avenue Lofts are on lots currently used for public parking. The City Hall lot provides 186 parking spaces for City Hall vehicles and employees, other downtown employees, downtown shoppers, and downtown residents. It also provides parking for evening events held in downtown, such as the Friday Night Live concerts held in Central Park during the summer. The adjacent Praise Community Church utilizes the lot for Sunday and Wednesday evening services. The lot also provides 26 leased parking spaces. An additional 25 (approx.) spaces will be displaced by the proposed Federal Avenue Lofts, located nearby. It is necessary to mitigate the loss of this parking and provide modern, covered parking for hotel guests and conference attendees.

The proposed Downtown Parking Garage will be a multi-level, 225- to 250-space garage, including spaces reserved for hotel guests, designated spaces for City Hall and downtown employees, and monthly leased spaces. Collection of parking fees will be automated. With an anticipated daily usage rate of 60% for the Central Park Hotel, approximately 45-50 spaces daily will be used by hotel guests. Revenues from hotel parking, monthly leases and hourly parking are expected to be approximately \$213,300 per year.

The garage will be designed to integrate into the downtown aesthetic. While this structure has yet to be designed, there is adequate space north of the proposed Central Park Hotel to accommodate the structure.

As noted above, the Parking Garage is proposed to be constructed on an existing public parking lot, north of the proposed Central Park Hotel. This land is owned by (and will be retained by) the City; therefore, there is no land acquisition cost. The parking garage replaces any parking that would otherwise be required for the Central Park Hotel and funded through private sources; thus, this project also directly supports the Central Park Hotel element of the Reinvestment District. Additional parking also serves the downtown neighborhood, preserving parking spaces for downtown employees, shoppers and residents.

Funding Sources and Uses:

Project Name: Downtown Parking Garage			
Funding Uses		Funding Sources	
Site Preparation	\$25,000.00	Tax Increment Financing	\$1,106,200.00
Site Acquisition	\$0.00	Reinvestment District Grant	\$3,450,000.00
Building Construction	\$3,740,000.00		
Building Remodeling	\$0.00		
Fixtures	\$25,000.00		
Architectural/Engineering Design	\$204,000.00		
Construction Admin.	\$112,200.00		
Other	\$450,000.00		
Total Project Budget	\$4,556,200.00	Total Funding Sources	\$4,556,200.00

C. Federal Avenue Lofts:

The City-owned property located at the southeast corner of North Federal Avenue and 2nd Street SE has been vacant for many years. During that time, the property has become an impromptu parking lot, as it can be accessed from an adjacent alley. The surface is gravel, so parking spaces are not marked. As configured, it can accommodate up to 25 vehicles. The lack of a building at this site has negatively affected the pedestrian vitality in this essential downtown corridor. It is well documented that gaps in a downtown “street wall” discourage pedestrian activity on adjacent sidewalks. As a result, the businesses on the northern blocks of North Federal Avenue are separated from the main core of downtown activity and do not capture that vitality.

Redevelopment of this site is proposed to consist of a three-story mixed use retail/residential building (the Federal Avenue Lofts). Up to five retail spaces (four facing North Federal Avenue, one facing 2nd Street NE) are proposed for the first floor. These spaces will be designed so that they can be combined into fewer leasable spaces, according to the needs of the tenant businesses. The upper two stories will contain 18 market rate dwelling units, with one to three bedrooms. Indoor parking for six vehicles is proposed at the ground floor.

This development will close the street wall gaps on North Federal Avenue and 2nd Street NE, provide additional retail opportunities, and also provide needed market rate dwelling units downtown. The building is designed to reflect the historic character of the downtown, but will contain modern amenities. A developer has an option to purchase this property and has done due diligence to determine the feasibility of the project; additional information from this developer is forthcoming. This project will be funded privately, but will make a significant contribution to the District through real property and sales taxes.

Funding Sources and Uses:

Project Name: Federal Avenue Lofts			
Funding Uses		Funding Sources	
Site Preparation	\$20,000.00	Equity Investment	\$1,900,000.00
Site Acquisition	\$36,000.00	Mortgage Loan	\$4,122,015.00
Building Construction	\$5,383,333.00		
Building Remodeling	\$0.00		
Fixtures	n/a		
Architectural/Engineering Design	\$386,836.00		
Construction Admin.			
Other	\$195,846.00		
Total Project Budget	\$6,022,015.00	Total Funding Sources	\$6,022,015.00

D. Performing Arts Pavilion:

As a part of the "repurpose" of Southbridge Mall, the mall's ownership will construct a performing arts pavilion at the north entrance.

The current entrance and tinted glass facade will be demolished in favor of reconstructing the pavilion at the center, while maintaining four sets of double doors for egress per code. The design also accommodates the minimum of 20' mall circulation width that must be maintained to the exit points.

The pavilion has a storage/equipment room in the middle that serves as a backdrop for performance areas on either side: one indoor and one outdoor. This clever design also enables the correction of a streetscape design flaw--the lack of electricity for sound equipment, etc. on the Plaza.

The outdoor pavilion roof structure is composed of tubular steel columns cantilevering upward at a slight angle. The roof will serve to shade the musicians as well as enhance acoustics. Steel sheets with Frank Lloyd Wright-inspired patterns cut into them will be placed between the exposed tube steel columns and beams. LED lighting will be placed behind the steel sheets shining through the patterns on the back wall and roof during evening performances.

The entrance to Southbridge Mall has been redesigned in a manner more in keeping with the wonderful architecture already present on the Federal Avenue Plaza (including the world-renowned Historic Park Inn Hotel.)

The flexible-space design accommodates entertainment acts of various sizes - from the large municipal band to individual acts. The interior "companion" venue ensures that inclement weather will never cancel a performance.

Funding Sources and Uses:

Project Name: Performing Arts Pavilion			
Funding Uses		Funding Sources	
Site Preparation	\$20,000.00	Private Contributions	\$200,000.00
Site Acquisition	\$0.00	Reinvestment District Grant	\$1,450,000.00
Building Construction	\$1,330,000.00		
Building Remodeling	\$0.00		
Fixtures	\$100,000.00		
Architectural/Engineering Design	\$110,000.00		
Construction Admin.	n/a		
Other	\$90,000.00		
Total Project Budget	\$1,650,000.00	Total Funding Sources	\$1,650,000.00

E. Multi-Purpose Arena:

Mason City is unique as the only city of its size in Iowa that supports semi-professional hockey. The North Iowa Bulls regularly sell out games in their current 1,600-seat facility, which is aging and cannot be enlarged. The Mason City Youth Hockey Association has actively sought a larger location with state of the art ice making equipment to serve the Bulls and the growing ranks of ice hockey players and figure skaters. In addition, the current arena lacks modern exhibit space for small trade shows and similar events. The proposed Multi-Purpose Arena will meet these needs. The arena will provide a venue for youth hockey tournaments from grade school to high school level. Public skate times will be offered during the open hours not scheduled for other events.

The new Arena will seat 2,400 for hockey and similar sports events, and 3,500 for concerts (5,500 for standing room only concerts). It will be designed to allow for the installation of a basketball floor when the ice is not installed that will be the size of three high school level basketball courts. The courts will provide a venue to hold youth basketball tournaments, wrestling tournaments, and other recreational activities.

The City Recreation Department will also be co-located within the Mall and arena. The Department is currently searching for a new "home," as their current lease will end and the owner wishes to use their space for a different purpose. They will conduct programming in the arena for a number of programs such as cheerleading, tumbling and the summer day care program.

Funding Sources and Uses:

Project Name: Multi-Purpose Arena			
Funding Uses		Funding Sources	
Site Preparation	\$100,000.00	Tax Increment Financing	\$3,950,000.00
Building Acquisition	\$0.00	Cerro Gordo County	\$500,000.00
Building Construction	\$11,050,000.00	Private Donations	\$2,000,000.00
Fixtures	\$350,000.00	Local Option Sales Tax	\$1,200,000.00
Architectural/Engineering Design	\$950,000.00	Reinvestment District Grant	\$4,900,000.00
Construction Admin.	n/a		
Other	\$100,000.00		
Total Project Budget	\$12,550,000.00	Total Funding Sources	\$12,550,000.00

Following your project descriptions and sources and uses, please attach the following:

B1, B2, B3... - A project plan for each project proposed within the district. The project plan should include comprehensive details relating to the project including but not limited to:

- Description and type of project (i.e. new lessor, new retail establishment, public improvement, etc.)
- Expected Timeline
- Detailed budget for the project
- Expected debt associated with each project
- Status of expected financing and financing gap
- Expected state hotel/motel tax and/or state sales tax projections over 20 years. (Provide assumptions and detail related to these projections.)
- Visual aids which enhance the understanding of the project
- Feasibility study conducted by an independent professional
 - Each project feasibility study should include the following, as well as any other pertinent information:
 - Projected annual gross revenues expected as a result of the proposed project
 - Detailed explanation of the economic impact expected as a result of the project
 - Estimate of the number of visitors or customers the project is expected to generate
 - A description of the unique characteristics of the project within the context of the “unique nature”

Project Plans should be numbered and titled attachments to this section. Titles should be consistent with project references throughout the application. Plans should be as thorough as possible.

- *Exhibit B1: Proposed Projects Area Map*
- *Exhibit B2: Central Park Hotel and Downtown Parking Garage (these are presented in a single exhibit, as they are adjacent to one another)*
- *Exhibit B3: Federal Avenue Lofts*
- *Exhibit B4: Performing Arts Pavilion*
- *Exhibit B5: Multi-Purpose Arena*

Each Exhibit B2 through B5 includes the following:

- a) Narrative (project description, development timeline and project feasibility)*
- b) Preliminary financing plan, including project budget, expected debt, financing and expected revenues.*
- c) Site plan and building elevations*
- d) Related documents, if any*

SECTION C – Economic Impact

- 1. Please provide a detailed analysis of the expected economic impact of the proposed Reinvestment District. Assess the fiscal and financial impact of the proposed district on business or on other economic development projects within the projected market area. Your explanation should include the development activity within the Reinvestment District, as well as, the associated and related activity adjacent to the district. Clearly designate what activity will be within the district versus leveraged activity outside the district.**

The expected economic impact makes up a large portion of the scoring criteria. Thoroughly demonstrate the economic impact on the municipality, region and state by including all assumptions and inputs considered in your analysis. To the degree possible, the economic impact data should represent the “net impact” to the market area and state. Be as thorough as possible in your explanation and provide assumptions and supporting data analysis. Attach additional information to support your claims.

- *See Exhibit C, Economic Impact Overview*

Following your response, please attach the following:

C1 – Any visual aids that correspond with your analysis in this section

- *The narrative in Exhibits C and C2 provide adequate detail; therefore, there is no Exhibit C1.*

C2 - An economic impact study for the proposed district, conducted by an independent economist. The economic impact study should include, at a minimum:

- A detailed analysis of the financial benefit of the proposed district to the economy of the state and municipality
- Identify one or more projected market areas in which the district can reasonably be expected to have a substantial economic impact
- Assess the fiscal and financial impact of the proposed district on business or on other economic development projects within the projected market area
 - *See Exhibit C2, Economic Impact Study*

SECTION D – Unique in Nature

1. **Justify and demonstrate that the district meets the definition of “unique nature”, shown below. Provide a comprehensive discussion of how the projects, within the proposed Reinvestment District, meet this requirement. Be as thorough as possible in your explanation and provide assumptions and supporting data analysis. Include a discussion about how the proposed district aligns with the community’s larger economic development strategy. Attach additional information to support your claims.**

“Unique nature” means a quality or qualities of the projects to be developed in a district which, when considered in the entirety, will substantially distinguish the district’s projects from other existing or proposed developments in the state. For purposes of this chapter, whether a project is of a unique nature is a subjective and contextual determination that will be made by the board. In determining whether a project is of a unique nature, the board will not necessarily require a project to be entirely without precedent or to be the only one of its kind in the state, but rather the board will evaluate whether the projects to be undertaken in a district will either (1) permanently transform the aesthetics or infrastructure of a local community for the better, including by preserving important historical structures or neighborhoods; or (2) contribute substantially more to the state’s economy or quality of life than other similar projects in the state.

- *See Exhibit D*

Following your response, please attach the following:

D1 – Any visual aids that correspond with your analysis in this section

- *Letters of support and other supporting information is included in Exhibit D1*

SECTION E – Certification and Release of Information

I hereby give permission to the Iowa Economic Development Authority (IEDA) to engage in due diligence, make credit checks, contact the applicant's financial institutions, insurance carriers, and perform other related activities necessary for reasonable evaluation of this application. I also hereby authorize the Iowa Department of Revenue to provide to IEDA state tax information pertinent to the state income tax, sales and use tax, and state tax credits involved with the Iowa Reinvestment District.

I understand that all information submitted to IEDA related to this application is subject to Iowa's Open Record Law (Iowa Code, Chapter 22).

I understand that IEDA reserves the right to negotiate the financial assistance.

I understand this application is subject to final approval by IEDA and the Project may not be initiated until final approval is secured.

I hereby certify that all representations, warranties, or statements made or furnished to IEDA in connection with this application are true and correct in all material respect. 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.

FOR THE APPLICANT:

[Name, Title]

Signature

Date _____



EXHIBIT A

MASON CITY DOWNTOWN REINVESTMENT DISTRICT OVERVIEW

Our River City Renaissance

The Downtown Mason City Reinvestment District will be a catalyst for greater success and growth in Mason City's central business neighborhood. Recently designated by the American Planning Association as one of the "Great Neighborhoods in America," Downtown Mason City is experiencing a renaissance due to the recent historic rehabilitation of the only remaining hotel in the world designed by Frank Lloyd Wright, the Historic Park Inn. The Downtown Mason City Reinvestment District brings exciting and unique opportunities to our River City.

The proposed Reinvestment District consists of 25 acres encompassing the National Register-listed Mason City Downtown Historic District, commerce and government center, the Federal Avenue Corridor, and North Iowa's major retail destination: the Southbridge Mall. Five projects are proposed for the District:

- A "new lessor" Central Park Hotel, branded as a Courtyard by Marriott, overlooking the City's historic central square, consisting of 96 rooms, a conference center accommodating conferences of up to 300, and 3,400 square feet of "new retail" space on the ground floor. This project will generate new full- and part-time employment, place land currently owned by the City back on the tax rolls, and generate new real property tax, local and State hotel/motel taxes, and local option and State sales taxes.
- A 225-250 space Downtown Parking Garage owned and operated by the City. This project will provide parking for Central Park Hotel guests and employees and include convenient covered and open parking spaces for downtown employees, residents and shoppers. This project will generate revenue in the form of leased parking spaces for the Hotel and downtown employees and hourly parking rates for shoppers.
- A three-story mixed use retail/residential building, "The Federal Avenue Lofts," containing 7,600 square feet of "new retail" space on the ground floor and 18 market-rate dwelling units on the upper floors. This project will generate new employment, place a current City-owned property back on the tax rolls, generate new real property tax revenue and produce new local option and State sales taxes. The project also provides needed downtown market-rate dwellings, which will benefit the entire Downtown.
- An Indoor-Outdoor Performing Arts Pavilion, incorporated into Federal Plaza and highlighting the entrance to Southbridge Mall, providing a state-of-the-art performance venue for both indoor and outdoor concerts. This unique venue will bring business to Downtown stores and restaurants, as well as patrons to hotels located both downtown and in other areas of the Community, resulting in an increase in local option and State hotel/motel tax and sales tax.
- A 2,400-seat indoor multi-purpose arena located within Southbridge Mall filling a space currently occupied by a mall anchor tenant that will be closing in April 2015. The facility will offer indoor space for ice hockey and figure skating during the winter months, including hosting a semi-professional or professional ice hockey team franchise, and space for concerts and events throughout the year. This redevelopment preserves the viability of the Mall, preventing the slow decline that inevitably occurs when a mall loses an anchor tenant. The project will raise the value of the Mall property, resulting in an increase in property tax revenues. It will also draw more visitors to Mason City, leading to additional local and State hotel/motel and sales tax revenue.

These projects are "development ready." The developer of the hotel has a franchise agreement with the Marriott Corp. to develop a Courtyard hotel, and has an option to purchase the land from the City. The same developer has an option to purchase the property at North Federal and 2nd Street NE to develop the North Federal Lofts. Private donations to help fund the Performing Arts Pavilion and the Multi-Purpose Arena have already been raised or dedicated. The owners of Southbridge Mall have stated their support of the Mall projects and are looking forward to this redevelopment.

The Mason City Downtown Reinvestment District is a true reinvestment; its focus is to maintain the vitality of Downtown Mason City and ensure that current and future residents can enjoy the unique resource that has always been the center of Mason City's government, economy, history and culture. It does not waste valuable infrastructure resources on greenfield development, but instead reuses and updates existing infrastructure and develops infill sites. Thus, this District truly reflects the intent of the Iowa Reinvestment District Act: "to improve the quality of life, create and enhance unique opportunities, and substantially benefit the municipality, the surrounding region, and the state as a whole."



EXHIBIT A1

RESOLUTION OF SUPPORT

RESOLUTION NO. 15 – 48

A RESOLUTION AUTHORIZING SUPPORT FOR STAFF TO SUBMIT A PRE-APPLICATION TO IOWA ECONOMIC DEVELOPMENT AUTHORITY FOR THE IOWA REINVESTMENT DISTRICT PROGRAM

WHEREAS, the Iowa Reinvestment Districts Act was approved by the Legislature and signed by the Governor during the 2013 legislative session, and

WHEREAS, the Iowa Reinvestment District 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, and

WHEREAS, said program provides up to \$ 100 million in new state hotel/motel and sales tax revenues to be “reinvested” within approved districts.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mason City, Iowa:

Section 1: That the City of Mason City, Iowa does hereby intend to establish an Iowa Reinvestment District.

Section 2: That the District Plan be and the same is hereby approved.

Section 3: That the area in the proposed district is determined to be an area suitable for development.

Section 4: That the City of Mason City, Iowa hereby supports the submission of the a Pre-Application to the Iowa Economic Development Authority for the Iowa Reinvestment District Program and that the Mayor be authorized and the City Clerk and Director of Development Services be hereby directed to submit the necessary documents.

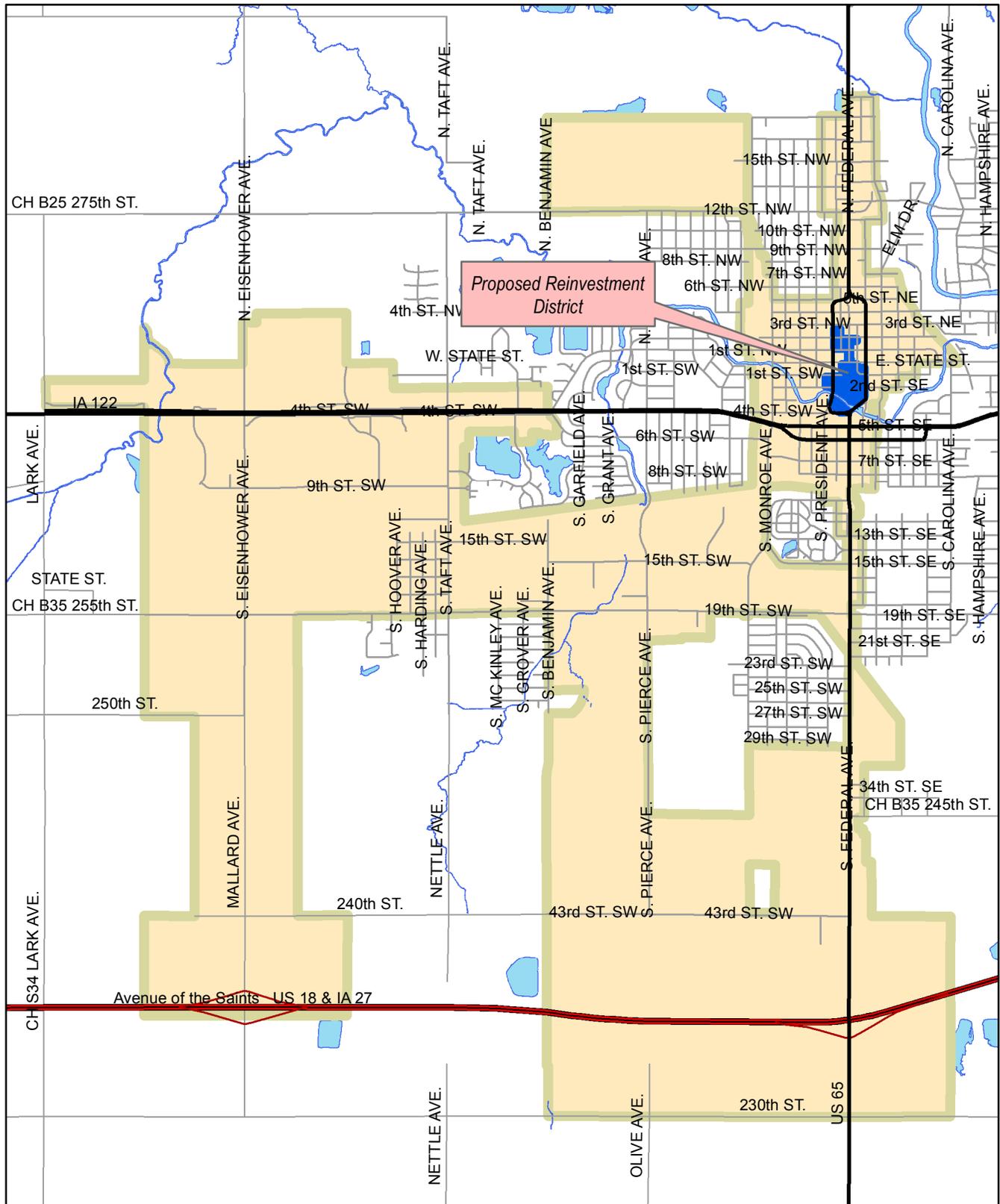
PASSED AND APPROVED this 3rd day of March, 2015.

/s/Eric Bookmeyer
Eric Bookmeyer, Mayor

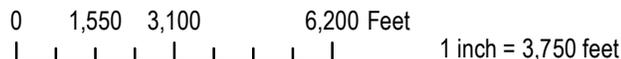
ATTEST:

/s/Brent Trout
Brent Trout, City Clerk

EXHIBIT A2a



PROPOSED REINVESTMENT DISTRICT LOCATED WITHIN THE MASON CITY UNIFIED URBAN RENEWAL AREA



- Reinvestment District Boundary
- Mason City Unified Urban Renewal Area

Source: Cerro Gordo County GIS
Map Date: 2/5/15



EXHIBIT A2b - RESOLUTION ESTABLISHING THE URBAN RENEWAL AREA

RESOLUTION NO. 13-34

RESOLUTION DETERMINING AN AREA OF THE CITY TO BE AN ECONOMIC DEVELOPMENT AREA, AND THAT THE REHABILITATION, CONSERVATION, REDEVELOPMENT, DEVELOPMENT, OR A COMBINATION THEREOF, OF SUCH AREA IS NECESSARY IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY OR WELFARE OF THE RESIDENTS OF THE CITY; DESIGNATING SUCH AREA AS APPROPRIATE FOR URBAN RENEWAL PROJECTS; AND ADOPTING AMENDMENT NO. 2 TO THE MASON CITY UNIFIED URBAN RENEWAL PLAN

WHEREAS, by Resolutions adopted between 1969 and 1994 this Council found and determined that certain areas located within the City are eligible and should be designated as urban renewal areas under Iowa law, and approved and adopted seven Mason City Urban Renewal Areas; and

WHEREAS, by Resolution No. 01-204 adopted October 16, 2001, this Council found and determined that the seven existing urban renewal areas should be modified and consolidated into four areas, the Council finding and determining the areas to be economic development areas, and that the rehabilitation, conservation, redevelopment, development, or a combination thereof, of such areas is necessary in the interest of the public health, safety or welfare of the residents of the City; designating such areas as appropriate for urban renewal projects; and adopting Amendment Nos. 1-4 to the Mason City Urban Renewal Plan (Community Growth Urban Renewal Area (#1); South Federal/Gateway Urban Renewal Area (#2); South Eisenhower Avenue Urban Renewal Area (#3); Westside Urban Renewal Area (#4)); and

WHEREAS, by Resolution No. 03-296 adopted November 4, 2003, this Council adopted Amendment No. 5 to the Mason City Urban Renewal Plan pertaining to the addition of land to the South Federal/Gateway (Area #2) Urban Renewal Area; and

WHEREAS, by Resolution No. 12-222 adopted September 18, 2012 this Council adopted Amendment No. 6 to the Mason City Urban Renewal Plan expanding the list of proposed urban renewal projects to the Westside Urban Renewal Area (#4); and

WHEREAS, by Resolution No. 02-249, on December 3, 2002, this Council adopted the Industrial Urban Renewal Plan; and

WHEREAS, by Resolution No. 12-259, adopted November 6, 2012, this City Council approved and adopted an Amendment No. 1 to the Mason City Unified Urban Renewal Plan ("Plan") which unified the City's existing urban renewal areas into a single unified urban renewal area ("Urban Renewal Area"); and

WHEREAS, this Urban Renewal Area currently includes and consists of:

Community Growth Urban Renewal Area (#1)

Beginning at the intersection of the north right-of-way (existing) (existing) line of Iowa Highway 122 and the west right-of-way (existing) (existing) line of South Delaware Avenue, thence west along the north right-of-way (existing) (existing) line of Iowa Highway 122 to the westerly right-of-way (existing) line of South Monroe Avenue, thence southerly along the westerly right-of-way (existing) line of South Monroe Avenue to the northeasterly right-of-way (existing) line of the Union Pacific Railroad located in the southwest quarter of the northwest quarter of the northeast quarter (SW 1/4 NW 1/4 NE 1/4) of Section 16-96-20, thence southeasterly along the northeasterly right-of-way (existing) line of the Union Pacific Railroad to the north right-of-way (existing) line of 19th Street SW, thence west along the north right-of-way (existing) line of 19th Street SW to the west line of the east half (E 1/2) of Section 13-96-21, thence north along the west line of the east half (E 1/2) of Section 13-96-21 and the west line of the east half (E 1/2) of Section 12-96-21 to the south right-of-way (existing) line of Iowa Highway 122, thence east along the south right-of-way (existing) line of Iowa Highway 122 to the west right-of-way (existing) line of South Eisenhower Avenue, thence south along the west right-of-way (existing) line of South Eisenhower Avenue to the northerly right-of-way (existing) line of I & M Rail Link Railroad located in the north half of the northwest quarter (N 1/2 NW 1/4) of Section 18-96-20, thence northeasterly along the northerly right-of-way (existing) line of I & M Rail Link Railroad to the easterly right-of-way (existing) line of the Union Pacific Railroad located in the west half of the southwest quarter of the southeast quarter (W 1/2 SW 1/4 SE 1/4) of Section 9-96-20 thence north along the easterly right-of-way (existing) line of Union Pacific Railroad to the south right-of-way (existing) line of 1st Street SW, thence east along the south right-of-way (existing) line of 1st Street SW to the east right-of-way (existing) line of South Monroe Avenue, thence north along the east right-of-way (existing) line of South Monroe Avenue to the north right-of-way (existing) line of West State Street, thence east along the north right-of-way (existing) line of West State Street to the east right-of-way (existing) line of North Washington Avenue, thence north along the east right-of-way (existing) line of North Washington Avenue to the south right-

of-way (existing) line of 10th Street NW, thence east along the south right-of-way (existing) line of 10th Street NW to the east right-of-way (existing) line of North Washington Avenue, thence north along the east right-of-way (existing) line of North Washington Avenue to the south right-of-way (existing) line of 16th Street NW, thence east along the south right-of-way (existing) line of 16th Street NW to the east right-of-way (existing) line of North Federal Avenue, thence south along the east right-of-way (existing) line of North Federal Avenue to the south right-of-way (existing) line of 16th Street NE, thence east along the south right-of-way (existing) line of 16th Street NE to the west right-of-way (existing) line of North Pennsylvania Avenue, thence southerly along the west right-of-way (existing) line of North Pennsylvania Avenue to the south right-of-way (existing) line of 11th Street NE, thence west along the south right-of-way (existing) line of 11th Street NE to the west right-of-way (existing) line of North Delaware Avenue, thence south along the west right-of-way (existing) line of North Delaware Avenue and the west right-of-way (existing) line of South Delaware Avenue to the point of beginning.

South Federal/Gateway Urban Renewal Area (#2)

Beginning at the point of intersection of the west right-of-way (existing) line of South Federal Avenue (Highway 65) and the northeasterly right-of-way (existing) line of the Union Pacific Railroad located in the southeast quarter (SE 1/4) of Section 16-96-20, thence south along the west right-of-way (existing) line of South Federal Avenue (Highway 65) to a point 830.5 feet south and 60 feet west of the northeast corner of Section 21-96-20, thence west to the southwest corner of the north 830.5 feet of the east half (E 1/2) of the northeast quarter (NE 1/4) of Section 21-96-20, thence south to the northwest corner of the northeast quarter of the southeast quarter (NE 1/4 SE 1/4) of Section 21-96-20, thence south along the quarter quarter section line to the north line of Section 28-96-20, thence west along said section line to the northwest corner of the northeast quarter (NE 1/4) of Section 28-96-20, thence south along said quarter section line to the southwest corner of the northeast quarter (NE 1/4) of Section 28-96-20, thence east along said quarter section line to the southeast corner of the northwest quarter (NW 1/4) of Section 27-96-20, thence north along said quarter section line to the northeast corner of the northwest quarter (NW 1/4) of Section 27-96-20, thence west along the section line of Section 27-96-20 to a point located 620 feet east of the southwest corner of the

southwest quarter (SW 1/4) of Section 22-96-20, thence north 1420 feet, thence west 140 feet, thence north 735.4 feet, thence west 71 feet, thence north 150 feet, thence west 125.4 feet, thence north 300.62 feet to the south right-of-way (existing) line of 245th Street of Cerro Gordo County, Iowa, thence east along the south right-of-way (existing) of 245th Street to its point of intersection with the centerline of South Delaware Avenue, thence north along the centerline of South Delaware Avenue extended to its point of intersection with the quarter section line of the north half (N 1/2) of Section 22-96-20, thence east along said quarter section line to the southeast corner of the northwest quarter of the northwest quarter (NW 1/4 NW 1/4) of Section 22-96-20, thence north along said quarter section line to its point of intersection with the northeasterly right-of-way (existing) line of the Union Pacific Railroad located in the northwest quarter (NW 1/4) of Section 22-96-20, thence northwesterly along said northeasterly right-of-way (existing) line of Union Pacific Railroad to the west line of Lot Six (6) in Block Thirteen (13), H. E. Francisco's Second Addition to Mason City, Iowa, thence north along the west line of said Lot Six (6) and Lot Four (4) in Block Thirteen (13), and north along the northerly extension of said west line, and north along the west line of Lot Seventeen (17) and Lot Ten (10) in Block Twelve (12), and north along the northerly extension of said west line, and north along the west line of Lot Seventeen (17) and Lot Ten (10) in Block Five (5), and north along the northerly extension of said west line, and north along the west line of Lot Seventeen (17) and Lot Ten (10) in Block Four (4), and north along the northerly extension of said west line, all in H. E. Francisco's Second Addition to Mason City, Iowa, to the south right-of-way (existing) line of 19th Street SE, thence westerly along the south right-of-way (existing) line of 19th Street SE to the easterly right-of-way (existing) line of South Federal Avenue, thence northerly along the easterly right-of-way (existing) line of South Federal Avenue to the north right-of-way (existing) line of 18th Street SE, thence east along the north right-of-way (existing) line of 18th Street SE to the west right-of-way (existing) line of South Delaware Avenue, thence north along the west right-of-way (existing) line of South Delaware Avenue to the north right-of-way (existing) line of 13th Street SE, thence west along the north right-of-way (existing) line of 13th Street SE to the east right-of-way (existing) line of South Federal Avenue, thence north along the east right-of-way (existing) line of South Federal Avenue to the northerly right-of-way (existing) line of the I & M Rail Link Railroad located in the southwest quarter (SW 1/4) of Section 10-96-20, thence easterly along the northerly

right-of-way (existing) line of I & M Rail Link Railroad to the west right-of-way (existing) line of South Pennsylvania Avenue, thence north along the west right-of-way (existing) line of South Pennsylvania Avenue to the south right-of-way (existing) line of 6th Street SE, thence west along the south right-of-way (existing) line of 6th Street SE and the south right-of-way (existing) line of 6th Street SW to the east right-of-way (existing) line of South Washington Avenue, thence south along the east right-of-way (existing) line of South Washington Avenue and south along the vacated east right-of-way (existing) line of South Washington Avenue to the north right-of-way (existing) line of 13th Street SW, thence east along the north right-of-way (existing) line of 13th Street SW to the west right-of-way (existing) line of South Federal Avenue, thence south along the west right-of-way (existing) line of South Federal Avenue to the south right-of-way (existing) line of 15th Street SW, thence west along the south right-of-way (existing) line of 15th Street SW to the northeasterly right-of-way (existing) line of Union Pacific Railroad located in the east half of the west half of the northeast quarter (E 1/2 W 1/2 NE 1/4) of Section 16-96-20, thence southeasterly along the northeasterly right-of-way (existing) line of Union Pacific Railroad to the point of beginning.

Amendment No. 5 to South Federal/Gateway (#2)(1st Amendment to South Federal/Gateway #2 Area)

All of the following described area is within Township 96 North, Range 20 West of the 5th P.M., Cerro Gordo County, Iowa:

Beginning at the intersection of the existing north right-of-way line of 19th Street SW and the west line of the East Half of Section 17; Thence East along said existing north right-of-way line to the east line of the West Half of Section 16; Thence South along said east line and the east line of the West Half of Section 21 to the south line of the North 830.5 feet of the East Half of Section 21; Thence East along said south line to the west line of the East Half of the NE 1/4 of Section 21; Thence South along said west line and the west line of the East Half of the SE 1/4 of Section 21 to the north line of the NE 1/4 of Section 28; Thence West along said north line to the west line of the NE 1/4 of Section 28; Thence South along said west line to the south line of the NE 1/4 of Section 28; Thence East along said south line and the south line of the NW 1/4 of Section 27 to the east line of the SW 1/4 of Section 27; Thence South along said east line to the south line of Section 27;

Thence West along said south line and the south line of Section 28 and the south line of Section 29 to the existing east right-of-way line of the Union Pacific Railroad; Thence North along said existing east right-of-way line to the west line of the NE 1/4 of Section 20; Thence North along said west line and the west line of the East Half of Section 17 to the point of beginning.

Except, Commencing at the Southwest Corner of the Southeast Quarter of Section 17, Township 96 North, Range 20 West of the Fifth Principal Meridian, Cerro Gordo County, Iowa; thence N 89°52' E 27.5 feet along the south line of the Southeast Quarter of said Section 17 to the point of beginning; thence N 89°52' E 592.62 feet along the South line of the Southeast Quarter of said Section 17 to a point 50.0 feet perpendicularly distant from the centerline of the Chicago and North Western Transportation Company main track; thence N 43°21'06" E 231.09 feet along a line lying 50.0 feet perpendicularly distant from the said centerline of the Chicago and North Western Transportation Company main track; thence Northeasterly 484.17 feet along a line lying 50.0 feet perpendicularly distant of the centerline of the industrial spur track to a point 25.0 feet perpendicularly distant South of the centerline of an industrial spur track; thence N 89°52'24" W 936.32 feet along a line lying 25.0 perpendicularly distant from said centerline of industrial spur track and the extension thereof to a point 27.5 feet East of the West line of the Southeast Quarter of said Section 17; thence South 603.76 feet along a line 27.5 feet East of the West line of the Southeast Quarter of said Section 17 to the point of beginning. NOTE: The West line of the Southeast Quarter of Section 17-96-20 is assumed to bear South; and

Except, East 30 Acres of the Northeast Quarter (NE 1/4) of the Southwest Quarter (SW1/4) of Section Sixteen (16) in Township Ninety-six (96) North, Range Twenty (20) West of the 5th P.M., Except the East 141 Feet Thereof, and Except the South 289 Feet Thereof, and Except That Part Conveyed to the State of Iowa in Deeds Recorded in Land Deed Record 121 Page 288 and Land Deed Record 121 Page 289, Subject to All Existing Easements of Record; and

Except, That part of the SW 1/4 of Section 16, and the NW 1/4 of Section 21, Township 96 North, Range 20 West of the 5th P.M., Cerro Gordo County, Mason City, Iowa, described as follows: Beginning at the

Southwest Corner of the NW 1/4 of said Section 21; thence N 00°05'50" W. 2649.94 feet along the West line of the NW 1/4 of said Section 21; thence N 00°00'00" W. 1807.14 feet along the West line of the SW 1/4 of said Section 16; thence N 43°31'00" E. 52.27 feet along the Southeasterly right-of-way of the Chicago and Northwestern Railroad; thence Northeasterly on a curve to the left with a central angle of 00°27'45", a radius of 5769.64 feet and an arc length of 46.58 feet along said railroad right-of-way; thence N 87°17'13" E. 835.99 feet; thence N 01°59'54" E. 54.47 feet; thence S 88°51'13" E. 751.90 feet; thence S 00°07'43" W. 1989.65 feet; thence S 88°53'58" E. 994.63 feet along the North line of the NW 1/4 of said Section 21, thence S 00°03'16" W. 2649.89 feet along the East line of the NW 1/4 of said Section 21; thence N. 88°53'51" W. 2640.08 feet along the South line of the NW 1/4 of said Section 21 to the point of beginning, containing 234.56 acres subject to Easements of record and monumented as shown in the plat herein. NOTE: The West line of the SW 1/4 of said Section 21 is assumed to bear N 00°00'00" W; and

Except, The West One-half (1/2) of the Southwest One-quarter (SW 1/4) of the Southeast One-quarter (SE 1/4) of Section 21, Township 96 North, Range 20 West of the Fifth P.M.

South Eisenhower Avenue Urban Renewal Area (#3)

Beginning at the intersection of the south right-of-way (existing) line of 19th Street SW and the east line of the west half of the west half (W 1/2 W 1/2) of Section 18-96-20, thence south along the east line of the west half of the west half (W 1/2 W 1/2) of Sections 18-96-20 and 19-96-20 to the north section line of Section 30-96-20, thence east along the north section line of Section 30-96-20 to the northeast corner of the northwest quarter (NW 1/4) of Section 30-96-20, thence south along the quarter section line of Section 30-96-20 to the southeast corner of the northwest quarter (NW 1/4) of Section 30-96-20, thence west along the quarter section line of Section 30-96-20 to the southwest corner of the northeast quarter (NE 1/4) of Section 25-96-21, thence north along the quarter section line of Section 25-96-21 to the south line of Section 24-96-21, thence east on the south line of Section 24-96-21 to the west line of the east half of the east half (E 1/2 E 1/2) Section 24-96-21, thence north on the west line of the east half of the east half (E 1/2 E 1/2) Section 24-96-21 to the south right-of-way (existing) line of 250th Street, Cerro Gordo County, thence west on south right-of-way

(existing) line of 250th Street to the west line of the east half (E 1/2) of Section 13-96-21, thence north on the west line of the east half (E 1/2) of Section 13-96-21 to the south right-of-way (existing) line of 19th Street SW, thence east along the south right-of-way (existing) line of 19th Street SW to the point of beginning.

Westside Urban Renewal Area (#4)

Beginning at the intersection of the east right-of-way (existing) line of South Taft Avenue and the south right-of-way (existing) line of Iowa Highway 122, thence east along the south right-of-way (existing) line of Iowa Highway 122 to the point of intersection with the east line of the west 563 feet of the southwest quarter (SW 1/4) of Section 8-96-20, which point is also on the west line of Lot Eight (8) of Westside Acres Addition to Mason City, Iowa, thence south along the east line of the west 563 feet of the southwest quarter (SW 1/4) of Section 8-96-20 to the south line of the north 899 feet of the southwest quarter (SW 1/4) of Section 8-96-20, thence west along the south line of the north 899 feet of the southwest quarter (SW 1/4) of Section 8-96-20 to the west right-of-way (existing) line of South Taft Avenue, thence south along the west right-of-way (existing) line of South Taft Avenue to the north section line of Section 18-96-20, thence west along the north section line of Section 18-96-20 to the west line of the east half of the east half (E 1/2 E 1/2) of Section 18-96-20, thence south along the west line of the east half of the east half (E 1/2 E 1/2) of Section 18-96-20 to the northerly right-of-way (existing) line of the I & M Rail Link Railroad located in the north half of the northeast quarter (N 1/2 NE 1/4) of Section 18-96-20, thence southwesterly along the northerly right-of-way (existing) line of the I & M Rail Link Railroad to the east right-of-way (existing) line of South Eisenhower Avenue, thence northerly along the east right-of-way (existing) line of South Eisenhower Avenue to the south right-of-way (existing) line of Iowa Highway 122, thence easterly along the south right-of-way (existing) line of Iowa Highway 122 to the point of beginning;

Industrial Urban Renewal Area

The Northwest quarter (NW ¼) of S4-T96N-R20W, and the Northeast quarter (NE ¼) of S5-T96N-R20W all in Mason City, Iowa

Amendment No. 1 Area to Unified Urban Renewal Plan

Areas to be added:

South Taft Area

Beginning at the Northwest corner of Lot Six, Block Three, Briarstone Estates Second Addition to Mason City, Iowa,

Thence South along the East line of Lots Six, Five, Four, Three, and Two of Block Three, Briarstone Estates Second Addition to Mason City, Iowa to the Northwest corner of Lot One of said Subdivision,

Thence Southwesterly along the West line of Lot One, Block Three, Briarstone Estates Second Addition to Mason City, Iowa to the Southwest corner of said Lot One,

Thence South from the Southwest corner of Lot One, Block Three, Briarstone Estates Second Addition to Mason City, Iowa to its intersection with the South Right of Way line of Briarstone Drive,

Thence Southeasterly along the South Right of Way line of Briarstone Drive to the Northwest corner of Lot One, Block Eight, Briarstone Estates Second Addition to Mason City, Iowa,

Thence South along the West line of Lot One and Three, Block Eight, Briarstone Estates Second Addition to Mason City, Iowa and continuing South along West line of Briarcliff Estates First Subdivision to Mason City, Iowa and continuing South along the East line of a parcel of land described as follows: Parcel "A" in the Southwest Quarter of Section Eight (8) and the Northwest Quarter of Section Seventeen (17), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., as recorded in book 1997, page 4610 in the Cerro Gordo County, Iowa Recorders Office to its intersection with the North Right of Way line of the Canadian Pacific Railway,

Thence Southwesterly along the North Right of Way line of the Canadian Pacific Railway to the Southwest corner of Commercial Park Second Addition to Mason City, Iowa,

Thence North along the West line of Commercial Park Second Addition to Mason City, Iowa to the Northwest corner of said Addition,

Thence East along the North line of Commercial Park Second Addition to Mason City, Iowa and continuing East along the North line of Lot One, Commercial Park Addition to Mason City, Iowa, and continuing East along the North line of a parcel of land described as follows: The Northerly 140 Feet of the Easterly 311.14 Feet of the Northeast Quarter (NE ¼) of Section Eighteen (18) in Township Ninety-six (96) North, Range Twenty (20) West of the 5th P.M., as recorded in book 1992, page 3794 in the Cerro Gordo County, Iowa Recorders Office to its intersection with the West Right of Way line of South Taft Avenue,

Thence North along the West Right of Way line of South Taft Avenue to its intersection with a line extending West from the Northwest corner of Briarstone Estates Second Addition to Mason City, Iowa

Thence East from the West Right of Way line of South Taft Avenue to the Northwest corner of Briarstone Estates Second Addition to Mason City, Iowa

Thence East along the North line of Briarstone Estates Second Addition to Mason City, Iowa from the Northwest corner of said Addition to the Point of Beginning.

North End

Beginning at the intersection of the North Right of Way line of Eighteenth Street Northeast and the East Right of Way line of North Pennsylvania Avenue,

Thence Southerly along the East Right of Way line of North Pennsylvania Avenue to its intersection with the South Right of Way line of Eleventh Street Northeast,

Thence West from the intersection of the East Right of Way line of North Pennsylvania and the South Right of Way line of Eleventh Street Northeast to its intersection with West Right of Way line of North Pennsylvania Avenue,

Thence Northerly along the West Right of Way line of North Pennsylvania Avenue to its intersection with the South Right of Way line of Sixteenth Street Northeast,

Thence West along the South Right of Way line of Sixteenth Street Northeast to its intersection with the East Right of Way line of North Federal Avenue,

Thence North along the East Right of Way line of North Federal Avenue to its intersection with the South Right of Way line of Sixteenth Street Northwest,

Thence West along the South Right of Way line of Sixteenth Street Northwest to its intersection with the East Right of Way line of North Washington Avenue,

Thence Southerly along the East Right of Way line of North Washington Avenue to the South Right of Way line of Twelfth Street Northwest,

Thence West along the South Right of Way line of Twelfth Street Northwest to its intersection with the West Right of Way line of North President Avenue,

Thence North along the West Right of Way line of North President Avenue to the North Right of Way line of Seventeenth Street Northwest,

Thence East along the North Right of Way line of Seventeenth Street Northwest to its intersection with the West Right of Way line of North Federal Avenue,

Thence North along the West Right of Way line of North Federal Avenue to its intersection with the North Right of Way line of Eighteenth Street Northeast,

Thence East along the North Right of Way line of Eighteenth Street Northeast to the Point of Beginning.

Nineteenth Street Southwest Gaps

1. Gap from South Benjamin Avenue to the West

Beginning at the point of intersection of the East line of the West half of Section Seventeen (17), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. and the North Right of Way line of Nineteenth Street Southwest,

Thence South along the East line of the West half of Section Seventeen (17), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. to its intersection with the South Right of Way line of Nineteenth Street Southwest,

Thence Westerly along the South Right of Way line of Nineteenth Street Southwest to its intersection with the West line of the East half of Section Thirteen

(13), Township Ninety-Six (96) North, Range Twenty-One (21) West of the 5th P.M.,

Thence North along the West line of the East half of Section Thirteen (13), Township Ninety-Six (96) North, Range Twenty-One (21) West of the 5th P.M. to its intersection with the North Right of Way line of Nineteenth Street Southwest,

Thence Easterly along the North Right of Way line of Nineteenth Street Southwest to the Point of Beginning.

2. Gap North of Rolling Acres

Beginning at the point of intersection of the Northeast Right of Way line of the Union Pacific Railroad and the North Right of Way line of Nineteenth Street Southwest which point is within the Southeast Quarter of the Northeast Quarter of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence Southeasterly along the Northeast Right of Way line of the Union Pacific Railroad to its intersection with the South Right of Way line of Nineteenth Street Southwest,

Thence Westerly along the South Right of Way line of Nineteenth Street Southwest to its intersection with the West line of the East half of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence North along the West line of the East half of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. to its intersection with the North Right of Way line of Nineteenth Street Southwest,

Thence East along the North Right of Way line of Nineteenth Street Southwest to the Point of Beginning.

122 West Corridor Area

Beginning at the Northwest corner of the Subdivision of South 617 Feet of Outlot "F" Willowbrook Addition to Mason City, Iowa,

Thence South along the West line of the Subdivision of South 617 Feet of Outlot "F" Willowbrook Addition to Mason City, Iowa to the Southwest corner of said Subdivision,

Thence East along the South line of the Subdivision of South 617 Feet of Outlot "F" Willowbrook Addition to Mason City, Iowa to the Southeast corner of Lot Sixteen of said Subdivision,

Thence South from the Southeast corner of Lot Sixteen of the Subdivision of South 617 Feet of Outlot "F" Willowbrook Addition to Mason City, Iowa to the South Right of Way line of the Frontage Road lying South of Fourth Street Southwest,

Thence East along the South Right of Way line of the Frontage Road lying South of Fourth Street Southwest to its intersection with the West Right of Way line of Cerro Gordo Way,

Thence Southeast along the Western Right of Way line of Cerro Gordo Way to the Northwest corner of Lot one of Hillcrest Addition to Mason City, Iowa, which point is also on the West line of a parcel of land described as follows: The North 625 feet of the West 232 feet of the Northwest quarter (NW ¼) of the Southeast Quarter (SE ¼) of Section Eight (8), in Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., EXCEPT the following tracts: (1) The North 60 feet thereof; (2) That part of the South 40 feet of the North 100 feet thereof lying West of Cerro Gordo Way; (3) Commencing at a point which is 60 feet South and 75.1 feet East of the center of said Section 8; thence East 79.1 feet parallel to and 60 feet South of the center line of said Section 8; thence Southeasterly 140.05 feet to a point which is 176.85 feet South and 232 feet East of the center of said Section 8, thence South 118.85 feet to a point which is 295.7 feet South and 232 feet East of the center of said Section 8; thence Northwesterly to the point of beginning (said parcel is also described in Book 1987 and Page 4406 of the Cerro Gordo County, Iowa Recorders Office and is also known as County Parcel Number 070840100100),

Thence South along the East line of said parcel described in Book 1987 and Page 4406 of the Cerro Gordo County, Iowa Recorders Office (County Parcel Number 070840100100) to the Southeast corner of said parcel,

Thence West along the South line of said parcel described in Book 1987 and Page 4406 of the Cerro Gordo County, Iowa Recorders Office (County Parcel Number 070840100100) to the Southwest corner of said property,

Thence North along said parcel described in Book 1987 and Page 4406 of the Cerro Gordo County, Iowa Recorders Office (County Parcel Number 070840100100) to the Southeast corner of a parcel described as Parcel "B" located within the Southwest Quarter of Section 8, Township 96 North, Range 20 West of

the 5th P.M. as described and depicted on the October 19, 2010 Survey filed October 26, 2010 as Document 2010-7503 (also know as parcel 070832902700),

Thence West along the South line of said parcel described as Parcel "B" located within the Southwest Quarter of Section 8, Township 96 North, Range 20 West of the 5th P.M. as described and depicted on the October 19, 2010 Survey filed October 26, 2010 as Document 2010-7503 (also know as parcel 070832902700), to the Southwest corner of said parcel,

Thence North along West line of said parcel described as Parcel "B" located within the Southwest Quarter of Section 8, Township 96 North, Range 20 West of the 5th P.M. as described and depicted on the October 19, 2010 Survey filed October 26, 2010 as Document 2010-7503 (also know as parcel 070832902700), to the Southeast corner of Park West Subdivision to Mason City, Iowa,

Thence West along the South line of Park West Subdivision to Mason City, Iowa to the Southwest corner of said subdivision,

Thence South from the Southwest corner of Park West Subdivision to Mason City, Iowa to the Northeast corner of Block 3, Briarstone Estates First Addition to Mason City, Iowa,

Thence West along the North line of Block 3, Briarstone Estates First Addition to Mason City, Iowa to the Northwest corner of Block 3, Briarstone Estates First Addition to Mason City, Iowa,

Thence West from the Northwest corner of Block 3, Briarstone Estates First Addition to Mason City, Iowa, to the West Right of Way line of Briarstone Drive,

Thence North along the West Right of Way line of Briarstone Drive to the Southeast corner of Westside Acres Addition to Mason City, Iowa,

Thence West along the South line Westside Acres Addition to Mason City, Iowa to the Southwest corner of Westside Acres Addition to Mason City, Iowa,

Thence North along the West line of Westside Acres Addition to Mason City, Iowa to the South Right of Way line of Fourth Street Southwest,

Thence Westerly along the South Right of Way line of Fourth Street Southwest to the Northwest corner of Stanford Subdivision to Mason City, Iowa,

Thence South along the West line of Stanford Subdivision to Mason City, Iowa to the Northwest corner of Lot 7 of said Subdivision which point is also along the South Right of Way line of the Frontage Road South of Fourth Street Southwest,

Thence Westerly along the South Right of Way line of the Frontage Road South of Fourth Street Southwest to its intersection with the East Right of Way Line of South Eisenhower Avenue,

Thence South along the East Right of Way line of South Eisenhower Avenue to its intersection with the North Right of Way line of the Canadian Pacific Railway,

Thence West along the North Right of Way line of the Canadian Pacific Railway to its intersection with the West Right of Way line of South Eisenhower Avenue,

Thence North along the West Right of Way line of South Eisenhower Avenue to its intersection with the South Right of Way line of Fourth Street Southwest which street is also known as Iowa State Highway 122,

Thence Westerly along the South Right of Way line of Fourth Street Southwest to its intersection with the West line of the East half of Section Twelve (12), Township Ninety-Six (96) North, Range Twenty-One (21) West of the 5th P.M.,

Thence North along the West line of the East half of Section Twelve (12), Township Ninety-Six (96) North, Range Twenty-One (21) West of the 5th P.M., to the Southeast corner of Sedars Auto Park an Addition to Mason City, Iowa,

Thence Westerly along the South line of Sedars Auto Park an Addition to Mason City, Iowa to the East Right of Way line of Lark Avenue,

Thence North along the East Right of Way line of Lark Avenue to the Northwest corner of Sedars Auto Park an Addition to Mason City, Iowa,

Thence East along the North line of Sedars Auto Park an Addition to Mason City, Iowa to the Northeast corner of said Addition which point is also along the West line of the East half of Section Twelve (12), Township Ninety-Six (96) North, Range Twenty-One (21) West of the 5th P.M.,

Thence North along the West line of the East Half of Section Twelve (12), Township Ninety-Six (96) North, Range Twenty-One (21) West of the 5th P.M. to the Northern most point of a parcel of land described as the West Half (W ½) of the Northeast Quarter (NE ¼) of Section Twelve (12), Township Ninety-six (96) North, Range Twenty-one (21) West of the 5th P.M., Lying West of Willow Creek,

Thence Southeasterly along the Eastern line of a parcel of land described as the West Half (W ½) of the Northeast Quarter (NE ¼) of Section Twelve (12), Township Ninety-six (96) North, Range Twenty-one (21) West of the 5th P.M., Lying West of Willow Creek to its intersection with the South line of the North half of the North half of Section Twelve (12), Township Ninety-six (96) North, Range Twenty-one (21) West of the 5th P.M.,

Thence East along the South line of the North half of the North half of Section Twelve (12), Township Ninety-six (96) North, Range Twenty-one (21) West of the 5th P.M. to its intersection with the West Right of Way line of South Eisenhower Avenue,

Thence North along the West Right of Way line of South Eisenhower Avenue and continuing North along the West Right of Way line of North Eisenhower Avenue to its intersection with a line extending West from the Southwest Corner of a parcel of land described in Book 1991 and Page 3756 of the Cerro Gordo County, Iowa Recorders Office as follows: That part of the Northwest Quarter of the Northwest Quarter of Section 7, Township 96 North, Range 20 West, Cerro Gordo County, Iowa described as follows: Beginning at the northwest corner of said Northwest Quarter; thence southerly on an assumed azimuth from north of 180 degrees 00 minutes 00 seconds along the west line of said Northwest Quarter 230.00 feet; thence easterly 89 degrees 27 minutes 02 seconds azimuth 310.00 feet; thence northerly 00 degrees 00 minutes 00 seconds azimuth 230.00 feet to the North line said Northwest Quarter; thence westerly 269 degrees 27 minutes 02 seconds azimuth along the North line of said Northwest Quarter 310.00 feet to the point of beginning (parcel also know as 070710001000),

Thence East along the South line of a parcel of land described in Book 1991 and Page 3756 of the Cerro Gordo County, Iowa Recorders Office to the Southeast corner of said parcel,

Thence North along the East line of a parcel of land described in Book 1991 and Page 3756 of the Cerro Gordo County, Iowa Recorders Office to its intersection with the North line of Section Seven (7), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence East along the North line of Section 7, Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. to the Northeast corner of the Northwest Quarter of Section Seven (7), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence South along the East line of the Northwest Quarter of Section Seven (7), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. to the Northwest corner of the Southwest Quarter of the Northeast Quarter of Section Seven (7), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence East along the North line of the Southwest Quarter of the Northeast Quarter of Section Seven (7), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., to its intersection with the Northwest corner of Barlas Subdivision to Mason City, Iowa,

Thence South along the West line of Barlas Subdivision to Mason City, Iowa to the Southwest corner of said Subdivision,

Thence East along the South line of Barlas Subdivision to Mason City, Iowa to the Southeast corner of said Subdivision which point is also on the West line of Felker's Addition to Cerro Gordo County, Iowa,

Thence South along the West line of Felker's Addition to Cerro Gordo County, Iowa to the Southwest corner of said Subdivision which point is also the Northwest corner of Westgate First Addition to Mason City, Iowa,

Thence East along the North line of Westgate First Addition to Mason City, Iowa and continuing East along the North line of Westgate Second Addition to Mason City, Iowa to the Northeast corner of Westgate Second Addition to Mason City, Iowa which point is also the Southwest corner of Pebble Creek First Addition to Mason City, Iowa,

Thence East along the South line of Pebble Creek First Addition to Mason City, Iowa and continuing East along the South line of Pebble Creek Second Addition to Mason City, Iowa to the Southeast corner of Pebble Creek Second Addition to Mason City, Iowa which point is also the Southwest corner of Hunter's Ridge First Subdivision to Mason City, Iowa

Thence East along the South line of Hunter's Ridge First Subdivision to Mason City, Iowa to the Point of Beginning.

Combined Shopko and East Downtown

Beginning at the point of intersection of the West Right of Way line of the inactive Union Pacific Railroad in the Southwest Quarter of Section Three (3), Township

Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. and the North Right of Way line of Seventh Street Northeast,

Thence Southeasterly along the West Right of Way line of the inactive Union Pacific Railroad to its intersection with the South Right of Way line of East State Street,

Thence West along the South Right of Way line of East State Street to its intersection with the East Right of Way line of South Connecticut Avenue,

Thence South along the East Right of Way line of South Connecticut Avenue to its intersection with the South Right of Way line of First Street Southeast,

Thence West along the South Right of Way line of First Street Southeast to its intersection with the East Right of Way line of South Georgia Avenue,

Thence South along the East Right of Way line of South Georgia Avenue to its intersection with the South Right of Way line of Second Street Southeast,

Thence West along the South Right of Way line of Second Street Southeast to its intersection with the East Right of Way line of South Pennsylvania Avenue,

Thence Southerly along the East Right of Way line of South Pennsylvania Avenue to its intersection with a line extending East from the Northeast corner of Lot Twenty, of Charles D. Wilson's Replat of the East 8 rods of Lot 6 in Sub. Lot 7 in S 1/2 of the SW 1/4 of the NW 1/4 of Section Ten (10), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. and Lots 1-2-3-20-21-22 and 23 in M.M. Burns Addition to Mason City, Iowa,

Thence West from the East Right of Way line of South Pennsylvania Avenue to the Northeast corner of Lot Twenty, of Charles D. Wilson's Replat of the East 8 rods of Lot 6 in Sub. Lot 7 in S 1/2 of the SW 1/4 of the NW 1/4 of Section Ten (10), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. and Lots 1-2-3-20-21-22 and 23 in M.M. Burns Addition to Mason City, Iowa,

Thence West along the North line of Lot Twenty, of Charles D. Wilson's Replat of the East 8 rods of Lot 6 in Sub. Lot 7 in S 1/2 of the SW 1/4 of the NW 1/4 of Section Ten (10), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. and Lots 1-2-3-20-21-22 and 23 in M.M. Burns Addition to Mason City, Iowa to the Northwest corner of said Lot,

Thence South along the West line of Lot Twenty, of Charles D. Wilson's Replat of the East 8 rods of Lot 6 in Sub. Lot 7 in S 1/2 of the SW ¼ of the NW ¼ of Section Ten (10), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. and Lots 1-2-3-20-21-22 and 23 in M.M. Burns Addition to Mason City, Iowa to the Southwest corner of said Lot,

Thence South along the West line of Lots Nineteen and Eighteen of M.M. Burns Addition to Mason City, Iowa to the Southwest corner of Lot 18 of said Addition,

Thence South along the West line of Lot Three of Auditors Replat of Lots 14-15-16-17 M.M. Burn's Addition to Mason City, Iowa to the Southwest corner of said Lot,

Thence East along the South line of Lot Three of Auditors Replat of Lots 14-15-16-17 M.M. Burn's Addition to Mason City, Iowa to the Southeast corner of said Lot,

Thence East from the Southeast corner of Lot Three of Auditors Replat of Lots 14-15-16-17 M.M. Burn's Addition to Mason City, Iowa to the East Right of Way line of South Pennsylvania Avenue,

Thence Southerly along the East Right of Way line of South Pennsylvania Avenue to its intersection with the South Right of Way line of Sixth Street Southeast,

Thence West along the South Right of Way line of Sixth Street Southwest to its intersection with the East Right of Way line of South Washington Avenue,

Thence South along the East Right of Way line of South Washington Avenue to its intersection with the South Right of Way line of Eighth Street Southwest which point is also the Northwest corner of Block Twenty-One of Town Plat of South Mason City,

Thence South along the West line of Block Twenty-One of Town Plat of South Mason City to the Southwest corner of said Block which point is also along the North Right of Way line of the Canadian Pacific Railway,

Thence South from the Southwest corner of Block Twenty-One of Town Plat of South Mason City to the Northwest corner of Block D of Town Plat of South Mason City,

Thence South along the West line of Block D of Town Plat of South Mason City to the Southwest corner of said Block which point is also along the North Right of Way line of Tenth Street Southwest,

Thence South from the Southwest corner of Block D of Town Plat of South Mason City to the Northwest corner of Block Twenty-Two of Town Plat of South Mason City which point is also along the South Right of Way line of Tenth Street Southwest,

Thence West along the South Right of Way of Tenth Street Southwest to its intersection with the West Right of Way line of South President Avenue,

Thence North along the West Right of Way line of South President Avenue to its intersection with the South Right of Way line of the Canadian Pacific Railway,

Thence Westerly along the South Right of Way line of the Canadian Pacific Railway to its intersection with West Right of Way Line of South Monroe Avenue,

Thence Northerly along the West Right of Way line of South Monroe Avenue to its intersection with the North Right of Way line of Iowa State Highway 122 (Fifth Street Southwest),

Thence East along the North Right of Way line of Iowa State Highway 122 to its intersection with a line extending North from the Northwest corner of Lot Six of a Subdivision of Lot Seventeen in Emsley and Adams Subdivision of the Northwest Quarter of the Southeast Quarter of Section Nine (9), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. in Mason City, Iowa,

Thence South across the Right of Way of Iowa State Highway 122 (Fifth Street Southwest) to the Northwest corner of Lot Six of a Subdivision of Lot Seventeen in Emsley and Adams Subdivision of the Northwest Quarter of the Southeast Quarter of Section Nine (9), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. in Mason City, Iowa,

Thence South along the West line of Lot Six of a Subdivision of Lot Seventeen in Emsley and Adams Subdivision of the Northwest Quarter of the Southeast Quarter of Section Nine (9), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. in Mason City, Iowa, to the Southwest corner of said Lot Six which point is also along the North Right of Way line of the Eastbound one way of Iowa State Highway 122,

Thence Southeasterly along the North Right of Way line of Iowa State Highway 122 (Sixth Street Southwest) to its intersection with the East Right of Way line of South Jefferson Avenue,

Thence Easterly along the North Right of Way line of Sixth Street Southwest to its intersection with the West Right of Way line of South Delaware Avenue,

Thence Northerly along the West Right of Way line of South Delaware Avenue and continuing North along the West Right of Way line of North Delaware Avenue to its intersection with the South Right of Way line of Eleventh Street Northeast,

Thence East along the South Right of Way line of Eleventh Street Northeast to its intersection with the East Right of Way line of North Delaware Avenue,

Thence South along the East Right of Way of North Delaware Avenue to its intersection with the North Right of Way line of Seventh Street Northeast,

Thence East along the North Right of Way line of Seventh Street Northeast to the Point of Beginning.

Diamond Vogel Paint Area

Beginning at the Northwest corner of a parcel of land described in Book 2004 and Page 1080 in the Cerro Gordo County, Iowa Records Office (See Exhibit One for a description of said parcel also known as County Parcel Number 071036000100) which point is also along the East Right of Way line of South Federal Avenue,

Thence East along the North line of a parcel of land described in Book 2004 and Page 1080 in the Cerro Gordo County, Iowa Records Office (Exhibit One) to the Northeast Corner of said parcel,

Thence Southerly along the Westerly line of a parcel of land described in Book 2004 and Page 1080 in the Cerro Gordo County, Iowa Records Office (Exhibit One) to the Southeast corner of said parcel which point is also the Northeast corner of a parcel of land described in Book 1997 and Page 8407 of the Cerro Gordo County, Iowa Records Office (See Exhibit Two for a description of said parcel also know as County Parcel Number 071036000200),

Thence Southerly along the Eastern boundary line of a parcel of land described in Book 1997 and Page 8407 of the Cerro Gordo County, Iowa Recorders Office (Exhibit Two) to the Southeast corner of said parcel which point is also known as the Northeast corner of a parcel of land described in Book 1998 and Page 10206 of the Cerro Gordo County, Iowa Recorders Office (See Exhibit Three for a description of said parcel also known as County Parcel Number 071036000300),

Thence South along the East line of a parcel of land described in Book 1998 and Page 10206 of the Cerro Gordo County, Iowa Recorders Office (Exhibit Three) to the Southeast corner of said parcel which point is also along the North Right of Way line of the alley North of Block Four, College Addition to Mason City, Iowa,

Thence South from the North Right of Way line of the alley North of Block Four College Addition to Mason City, Iowa to the South Right of Way line said alley,

Thence West along the South Right of Way line of the alley North of Block Four, College Addition to Mason City, Iowa to the Northwest corner of Lot Ten (10), Block Four (4), College Addition to Mason City, Iowa,

Thence South along the West line of Lot Ten (10), Block Four (4) College Addition to Mason City, Iowa to the Southwest corner of said lot which point is also along the North Right of Way line of Twelfth Street Southeast,

Thence East along the North Right of Way line of Twelfth Street Southeast to its intersection with a line extending North from the Northeast corner of a parcel of land described as the West One Hundred Fifty (150) Feet of Block Five (5) in College Addition to Mason City, Iowa,

Thence South from the North Right of Way line of Twelfth Street Southeast to the Northeast corner of a parcel of land described as the West One Hundred Fifty (150) Feet of Block Five (5) in College Addition to Mason City, Iowa,

Thence South along the East line of a parcel of land described as the West One Hundred Fifty (150) Feet of Block Five (5) in College Addition to Mason City, Iowa to the Southeast corner of said parcel which point is also along the North Right of Way line of Thirteenth Street Southeast,

Thence West along the North Right of Way line of Thirteenth Street Southeast to its intersection with the East Right of Way line of South Federal Avenue,

Thence Northerly along the East Right of Way line of South Federal Avenue to the Point of Beginning.

Exhibit 1: A parcel of land described in Book 2004 and Page 1080 in the Cerro Gordo County, Iowa Recorders Office (County Parcel Number 071036000100).

A TRACT OF LAND LOCATED IN THE SOUTHWEST QUARTER (SW1/4) OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION TEN (10) IN TOWNSHIP NINETY-SIX (96) NORTH, RANGE TWENTY (20) WEST OF THE 5TH P.M., BEING A PORTION OF BLOCK "X", TENTH STREET SOUTHEAST AND BLOCK FOURTEEN (14), ALL IN SOUTH MASON CITY, IOWA, AND PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 10; THENCE NORTH 130 FEET ALONG THE WEST LINE OF SAID SECTION 10 TO THE POINT OF BEGINNING; THENCE EAST 253 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10; THENCE NORTH 112.8 FEET PARALLEL WITH THE WEST LINE OF SAID SECTION 10 TO A POINT DISTANT 9 FEET SOUTHWESTERLY, MEASURED RADIALLY, FROM THE CENTERLINE OF A SPUR TRACK OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY AS SAID SPUR TRACK IS PRESENTLY LOCATED; THENCE NORTHWESTERLY 162.9 FEET, CHORD MEASUREMENT, ALONG AN IRREGULAR CURVE PARALLEL WITH AND 9 FEET DISTANT SOUTHWESTERLY, MEASURED RADIALLY, FROM SAID SPUR TRACK CENTERLINE AS SAID SPUR TRACK IS PRESENTLY LOCATED TO A POINT DISTANT 162 FEET EAST, MEASURED PARALLEL WITH THE SOUTH LINE OF SECTION 10, FROM THE WEST LINE OF SAID SECTION 10 (THE AFORESAID CHORD DEFLECTING 34° 02' 30" LEFT FROM THE PRECEDING COURSE AND SAID SPUR TRACK CENTERLINE BEING LOCATED NORTHEASTERLY FROM SAID CHORD, MEASURED AT RIGHT ANGLES AND STATIONING FROM THE SOUTHERLY END OF SAID CHORD AS FOLLOWS: STATION 0+25 A DISTANCE OF 6.43 FEET; STATION 0+50 A DISTANCE OF 5.15 FEET; STATION 0+75 A DISTANCE OF 4.95 FEET; STATION 1+00 A DISTANCE OF 5.83 FEET; STATION 1+25 A DISTANCE OF 6.97 FEET AND STATION 1+50 A DISTANCE OF 8.27 FEET); THENCE NORTH 42 FEET PARALLEL WITH THE WEST LINE OF SAID SECTION 10; THENCE DEFLECTING NORTHWESTERLY 41° 43' 10" A DISTANCE OF 32.3 FEET TO A POINT 140 FEET EAST, MEASURED PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10, FROM THE WEST LINE OF SAID SECTION 10; THENCE WEST 140 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10 TO THE WEST LINE OF SAID SECTION 10; THENCE SOUTH 314.95 FEET ALONG THE WEST LINE OF SAID SECTION 10 TO THE POINT OF BEGINNING;

EXCEPT PART OF BLOCK 14 AND THE VACATED EAST-WEST ALLEY THROUGH SAID BLOCK 14 IN SOUTH MASON CITY, IOWA, DESCRIBED AS COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 10 IN TOWNSHIP 96 NORTH, RANGE 20 WEST OF THE 5TH P.M., SAID CORNER BEING 33 FEET SOUTH OF THE SOUTHWEST CORNER OF SAID BLOCK 14; THENCE NORTH 130 FEET ALONG THE WEST LINE OF SAID SECTION 10; THENCE EAST 33 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10 TO THE POINT OF BEGINNING; THENCE CONTINUING EAST A DISTANCE OF 220 FEET; THENCE NORTH PARALLEL WITH THE WEST LINE OF SAID SECTION 10 A DISTANCE OF 85 FEET; THENCE WEST PARALLEL WITH THE SOUTH LINE OF SECTION 10 A DISTANCE OF 103 FEET; THENCE NORTH PARALLEL WITH THE WEST LINE OF SECTION 10 A DISTANCE OF 35 FEET; THENCE WEST PARALLEL WITH THE SOUTH LINE OF SECTION 10 A DISTANCE OF 117 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SECTION 10 TO THE POINT OF BEGINNING; AND

EXCEPT COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 10, THENCE NORTH 130 FEET ALONG THE WEST LINE OF SAID SECTION 10 TO THE POINT OF BEGINNING; THENCE EAST 33 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10; THENCE NORTH 120 FEET PARALLEL WITH THE WEST LINE OF SAID SECTION 10; THENCE WEST 10 FEET; THENCE NORTHWESTERLY 98.9 FEET TO A POINT ON THE WEST LINE OF SAID SECTION 10, 216.5 FEET NORTH OF THE POINT OF BEGINNING; THENCE SOUTH 216.5 FEET ALONG THE WEST LINE OF SAID SECTION 10 TO THE POINT OF BEGINNING; AND

EXCEPT COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 10, THENCE NORTH 130 FEET ALONG THE WEST LINE OF SECTION 10; THENCE EAST 33 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10; THENCE NORTH 120 FEET PARALLEL WITH THE WEST LINE OF SAID SECTION 10 TO THE POINT OF BEGINNING; THENCE WEST 10 FEET; THENCE NORTHWESTERLY ALONG THE PUBLIC STREET TO A POINT ON SAID PUBLIC STREET DEDICATION LINE WHICH IS 260 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 10; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10 TO A POINT DISTANT 9 FEET SOUTHWESTERLY, MEASURED RADIALLY, FROM THE CENTERLINE OF A SPUR TRACK OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY AS SAID SPUR TRACK IS PRESENTLY LOCATED; THENCE

SOUTHEASTERLY ALONG AN IRREGULAR CURVE PARALLEL WITH AND 9 FEET DISTANT SOUTHWESTERLY, MEASURED RADially, FROM SAID SPUR TRACK CENTERLINE AS SAID SPUR TRACK IS PRESENTLY LOCATED TO A POINT 253 FEET EAST, MEASURED PRALLEL WITH THE SOUTH LINE OF SAID SECTION 10, FROM THE WEST LINE OF SAID SECTION 10; THENCE WEST 103 FEET PARALLEL WITH THE WEST LINE OF SAID SECTION 10; THENCE WEST 104 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10; THENCE NORTH 35 FEET PARALLEL WITH THE WEST LINE OF SAID SECTION 10; THENCE WEST 117 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10 TO THE POINT OF BEGINNING

Exhibit 2: A parcel of land described in Book 1997 and Page 8407 of the Cerro Gordo County, Iowa Recorders Office (County Parcel Number 071036000200).

PART OF BLOCK 14 AND VACATED EAST-WEST ALLEY THROUGH SAID BLOCK 14 IN SOUTH MASON CITY, IOWA, DESCRIBED AS: COMMENCING AT THE SOUTHWEST CORNER OF SECTION TEN (10), TOWNSHIP NINETY-SIX (96) NORTH, RANGE TWENTY (20) WEST OF THE 5TH P.M., CERRO GORDO COUNTY, IOWA, SAID CORNER BEING 33 FEET SOUTH OF THE SOUTHWEST CORNER OF SAID BLOCK 14; THENCE N 00°-00' 00" E, 130.00 FEET ALONG THE WEST LINE OF SAID SECTION 10; THENCE N 89° -08' -50" E, 33 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10 TO THE POINT OF BEGINNING; THENCE CONTINUING N 89° -08' -50" E, 220.00 FEET; THENCE N 00° -00' -00" E, 112.80 FEET PARALLEL WITH THE WEST LINE OF SAID SECTION 10 TO A POINT DISTANT 9.00 FEET SOUTHWESTERLY, MEASURED RADially FROM THE CENTERLINE OF A SPUR TRACK OF THE C. M. ST. P. & P. R.R. COMPANY AS SAID SPUR TRACK IS PRESENTLY LOCATED; THENCE N 39° -49' -10" W, 22.12 FEET, CHORD MEASUREMENT, ALONG AN IRREGULAR CURVE, PARALLEL WITH AND 9.00 FEET DISTANT SOUTHWESTERLY, MEASURED RADially FROM SAID SPUR TRACK CENTERLINE TO A POINT 260.00 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 10; THENCE S 89° -08' -50" W, 218.08 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10 TO A POINT ON THE EASTERLY LINE OF SOUTH FEDERAL AVENUE IN THE CITY OF MASON CITY, IOWA; THENCE S 13° -27' -10" E, 10.25 FEET ALONG SAID EASTERLY LINE OF SOUTH FEDERAL AVENUE TO A POINT 250.00 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 10; THENCE N 89° -08' -50" E, 10.00 FEET PARALLEL WITH THE SOUTH LINE OF SAID SECTION 10; THENCE S 00° -00' -00" W, 120.00 FEET PARALLEL WITH THE WEST LINE OF SAID SECTION 10 AND

ALONG SAID EASTERLY LINE OF SOUTH FEDERAL AVENUE TO THE POINT OF BEGINNING

Exhibit 3: A parcel of land described in Book 1998 and Page 10206 of the Cerro Gordo County, Iowa Recorders Office (County Parcel Number 071036000300).

THE SOUTH 97 FEET OF THE EAST 37 1/8 FEET OF LOT FIVE (5), THE SOUTH 97 FEET OF LOTS SIX (6) AND SEVEN (7) AND THE SOUTH 97 FEET OF THE WEST 42 5/8 FEET OF LOT EIGHT (8), ALL IN BLOCK FOURTEEN (14) IN THE PLAT OF SOUTH MASON CITY, IOWA; ALSO ALL EXCEPT THE SOUTH 4 FEET OF THAT PART OF THE 33 FOOT STREET KNOWN AS ELEVENTH STREET S.E., MASON CITY, IOWA, LYING SOUTH OF AND ADJOINING THE FOLLOWING: THE SOUTH 97 FEET OF THE EAST 37 1/8 FEET OF LOT FIVE (5), THE SOUTH 97 FEET OF LOTS SIX (6) AND SEVEN (7), AND THE SOUTH 97 FEET OF THE WEST 42 5/8 FEET OF LOT EIGHT (8), ALL IN BLOCK FOURTEEN (14) IN THE PLAT OF SOUTH MASON CITY, IOWA TO THE SOUTHEAST CORNER OF SAID PARCEL.

West Downtown Area

Beginning at the intersection of the North Right of Way line of Fifth Street Northwest and the East Right of Way line of North Washington Avenue, which point is also the Southwest corner of Lot Seven, Block Forty-Two of Paul Felts Plat of Mason City, Iowa,

Thence South along the East Right of way line of North Washington Avenue to its intersection with the North Right of Way line of West State Street,

Thence West along the North Right of Way line of West State Street to its intersection with the East Right of Way line of South Monroe Avenue,

Thence South along the East Right of Way line of South Monroe Avenue to its intersection with the South Right of Way line of First Street Southwest,

Thence West along the South Right of Way line of First Street Southwest to its intersection with the West Right of Way line of the Union Pacific Railroad,

Thence Northerly along the West Right of Way line of the Union Pacific Railroad to its intersection with the South Right of Way line of First Street Northwest,

Thence West along the South Right of Way line of First Street Northwest to its intersection with the West Right of Way line of North Jackson Avenue,

Thence North along the West Right of Way line of North Jackson Avenue to the Northeast corner of Lot Nine, Block Nine, Parkers Sixth Addition to Mason City, Iowa,

Thence East from the Northeast corner of Lot Nine, Block Nine, Parkers Sixth Addition to Mason City, Iowa to the Northwest corner of Lot Nine, Block Ten, Parkers Sixth Addition to Mason City, Iowa,

Thence East along the North line of Lot Nine, Block Ten, Parkers Sixth Addition to Mason City, Iowa to the Northeast corner of Lot Nine, Block Ten, Parkers Sixth Addition to Mason City, Iowa, which point is also along the West Right of Way line of the Union Pacific Railroad,

Thence Northerly along the West Right of Way line of the Union Pacific Railroad to its intersection with the South line of the Northwest Quarter of Section Four (4), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence East along the South line of the Northwest Quarter of Section Four (4), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., to the Southeast corner of the Northwest Quarter of Section Four (4), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., and continuing East along the South line of the Northeast Quarter of Section Four (4), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., to its intersection with the East Right of Way line of the Union Pacific Railroad,

Thence Southerly along the East Right of Way line of the Union Pacific Railroad to its intersection with the North line of the vacated East-West alley in Block Nine of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa,

Thence East along the North line of the vacated East-West alley in Block Nine of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa, and continuing East along the North line of the East-West alley of Block Nine of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa to its intersection with the East line of the North-South alley in Block Nine of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa,

Thence South along the East line of the North-South alley in Block Nine of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa

to its intersection with the North Right of Way line of Eighth Street Northwest, which point is also the Southwest corner of Lot Eight in Block Nine of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa,

Thence East along the South line of Lot Eight in Block Nine of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa to its intersection with a line extending North from the Northeast corner of Lot Three of Block Ten of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa,

Thence South from the South line of Lot Eight in Block Nine of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa to the Northeast corner of Lot Three, Block Ten of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa,

Thence South along the East line of Lot Three, Block Ten of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa to the Southeast corner of said lot,

Thence South across the vacated East-West alley of Block Ten of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa to the Northeast corner of Lot Six, Block Ten of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa,

Thence South along the East line of Lot Six, Block Ten of Parkers Third Addition Plat of Blocks Nine, Ten, and Fifteen to Mason City, Iowa to the North Right of Way line of Seventh Street Northwest,

Thence East along the North Right of Way line of Seventh Street Northwest to its intersection with the East Right of Way line of North Monroe Avenue,

Thence South along the East Right of Way line of North Monroe Avenue to its intersection with the North Right of Way line of Fifth Street Northwest,

Thence East along the North Right of Way line of Fifth Street Northwest to the Point of Beginning.

Area to Be Removed:

Exclusion of a Portion of Rolling Acres, McKiness Subdivision, and Frederick Hanford Park

Beginning at the Northwest corner of Lot One in Block Nine of Rolling Acres Fourth Addition to Mason City, Iowa,

Thence East along the North Line of Lot One in Block Nine of Rolling Acres Fourth Addition to Mason City, Iowa to the Northeast corner of said Lot which point is also along the West Right of Way line of South Monroe Avenue,

Thence East from the Northeast corner of Lot One in Block Nine of Rolling Acres Fourth Addition to Mason City, Iowa to the East line of the West Half of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence South along the East line of the West Half of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. to its intersection with the South line of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence West along the South line of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. to the Southeast corner of a parcel of land described as the West 10 Acres of the Southeast Quarter (SE $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence North along the East line of a parcel of land described as the West 10 Acres of the Southeast Quarter (SE $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. to the Northeast corner of said parcel,

Thence North along the East line of a parcel of land described as the South 510 Feet of the West 10 Acres of the Northeast Quarter (NE $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M. to the Southwest corner of a parcel of land described in Exhibit One,

Thence East along the South line of a parcel of land described in Exhibit One to the Southeast corner of said parcel of land which point is also along the West line of Rolling Acres Third Addition to Mason City, Iowa,

Thence North along the West line of Rolling Acres Third Addition to Mason City, Iowa and continuing North along the West line of Rolling Acres Fourth Addition to Mason City, Iowa to the Point of Beginning.

Exhibit 1: County Parcel Number 0716326003

The East 30 Acres of the Northeast Quarter (NE ¼) of the Southwest Quarter (SW ¼) of Section Sixteen (16) in Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., Except the East 141 Feet Therof, and Except the South 289 Feet Therof, and Except that part conveyed to the State of Iowa in deeds recorded in land deed record 121 page 288 and land deed record 121 page 289, subject to all easements of record.

WHEREAS, a proposed Amendment No. 2 to the Mason City Unified Urban Renewal Plan has been prepared, which proposed Amendment is on file in the office of the City Clerk and which is incorporated herein by reference, the purpose of which is to (1) add additional land; and (2) expand the list of urban renewal activities and projects that may be undertaken by the City; and

WHEREAS, this proposed Amendment No. 2 to the Urban Renewal Area adds land, as follows:

Amendment No. 2 to the Unified Urban Renewal Area

South Row Additions

Part 1: Monroe – 15th SW ROW

That portion of the South Monroe Avenue right of way lying between the South right-of-way line of the east-west travelled rail line of the Canadian Pacific Railway and the Northeast right-of-way line of the Northwest-Southeast travelled rail line of the Canadian Pacific Railway in the Southwest Quarter of the Southeast Quarter of Section Nine (9), and the Northeast Quarter of Section Sixteen (16) Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Including also that portion of the 15th Street SW right-of-way lying between its intersection with the West side of the South Federal Avenue right-of-way and the East line of the South Monroe Avenue right-of-way.

Part 2: Plaza Mexico – Delaware ROW

All portions of the right-of-way of South Delaware Avenue lying between the North line of the 13th Street SE right-of-way line and the South line of the 18th Street SE right-of-way line,

Including all portions of the right-of-way of 18th Street SE lying between the East right-of-way line of South Federal Avenue and the East right-of-way line of South Delaware Avenue,

Including also that parcel described as Lots 9 through 12, Block 28, College Addition to Mason City, Iowa,

Including also the following described property: Beginning at the Southeast corner of Lot 9, Block 28, College Addition to Mason City, Iowa to the South Right of Way line of 19th Street SW,

Thence West along the South right-of-way line of 19th Street SW to its intersection with the East right-of-way line of South Federal Avenue, Thence north to the intersection of the East Right of Way line of South Federal Avenue and the Southwest corner of Lot 12, Block 28, College Addition to Mason City, Iowa, which point is also on the South line of Block 28 of said College Addition to Mason City, Iowa,

Thence East along the South line of said Block 28 to the Point of Beginning.

Part 3: South Pennsylvania Avenue ROW

That portion of the right-of-way of South Pennsylvania Avenue lying between the South right-of-way line of 6th Street SE and the North right-of-way line of the Canadian Pacific Railway in the Southwest Quarter of Section Ten (10), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.

WEST OF SOUTH FEDERAL AVENUE ADDITION

Beginning at the point of intersection of the West Right of Way line of South Federal Avenue and the Southwest Right of Way line of the Union Pacific Railroad in the East half of the East Half of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20), West of the 5th P.M., all in Mason City, Iowa,

Thence South along the West Right of Way line of South Federal Avenue to its intersection with the South line of the North 830.5 feet of the East Half of Section Twenty-One (21), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence West along the South line of the North 830.5 feet of the East Half of Section Twenty-One (21), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., to the West Right of Way line of South Washington Avenue,

Thence North along the West Right of Way line of South Washington Avenue to its intersection with the North Right of Way line of 27th Street Southwest,

Thence East along the North Right of Way line of 27th Street Southwest to the Southwest corner of Lot 468 of Midland Heights Addition to Mason City, Iowa,

Thence North from the Southwest corner of Lot 468 of Midland Heights Addition to Mason City, Iowa to the Northwest corner of Lot 5 of Midland Heights Addition to Mason City, Iowa, which point is also along the South Right of Way line of 23rd Street Southwest,

Thence West along the South Right of Way line of 23rd Street Southwest to its intersection with the projected East line of Rolling Acres Addition to Mason City, Iowa,

Thence North from the South Right of Way line of 23rd Street Southwest to the Southeast corner of Rolling Acres Addition to Mason City, Iowa,

Thence North along the East line of Rolling Acres Addition to Mason City, Iowa to its intersection with the Southwest Right of Way line of the Union Pacific Railroad,

Thence southeasterly along the Southwest Right of Way line of the Union Pacific Railroad to the point of beginning.

12TH STREET NW AND CASEY'S ADDITION

12th Street NW and Casey's

That parcel of land described in Exhibit 1 and also known as Parcel Number 070542600300;

Including also that portion of the right-of-way of North Pierce Avenue adjacent to the parcel of land described in Exhibit 1;

Including also all portions of the right-of-way of 12th Street NW lying between its intersection with the west right-of-way line of the Union Pacific Railroad and its intersection with the west right of way line of North Benjamin Avenue.

Exhibit 1

Part of the Southeast ¼ of Section 5, Township 96 North, Range 20 West, of the 5th P.M., Cerro Gordo County, Iowa, more particularly described as follows:

Commencing at the East ¼ corner of said Section 5

THENCE South 89 degrees 31 minutes 14 seconds West, along the North line of said Southeast ¼ a distance of 33.00 feet;

THENCE South 00 degrees 00 minutes 00 seconds East a distance of 45.00 feet to the Point of Beginning, said point also being on the South Right of Way line of 12th Street NW and on the West Right of Way line of Pierce avenue:

THENCE South 00 degrees 00 minutes 00 seconds East, along said West Right of Way line of Pierce Avenue, a distance of 200.00 feet;

THENCE South 89 degrees 31 minutes 14 seconds West a distance of 200.00 feet;

THENCE North 00 degrees 00 minutes 00 seconds East a distance of 200.00 feet to a point on said South Right of Way line of 12th Street NW;

THENCE North 89 degrees 31 minutes 14 seconds East, along said South Right of Way line of 12th Street NW, a distance of 200.00 feet to the Point of Beginning, containing 40,000 sq. ft more or less.

WHEREAS, it is desirable that these areas be redeveloped as part of the overall redevelopment area covered by the proposed Amendment No. 2 to the Mason City Unified Urban Renewal Plan known as the "Mason City Unified Urban Renewal Plan"; and

WHEREAS, by resolution adopted on February 5, 2013, this Council directed that a consultation be held with the designated representatives of all affected taxing entities to discuss the proposed Amendment No. 2 to the Mason City Unified Urban Renewal Plan and the division of revenue described therein, and that notice of the consultation and a copy of the proposed Amendment No. 2 to the Mason City Unified Urban Renewal Plan be sent to all affected taxing entities; and

WHEREAS, pursuant to such notice, the consultation was duly held as ordered by the City Council and all required responses to the recommendations made by the affected taxing entities, if any, have been timely made as set forth in the report of the Director of Development Services filed herewith and incorporated herein by this reference, which report is in all respects approved; and

WHEREAS, by resolution this Council also set a public hearing on the adoption of the proposed Amendment No. 2 to the Mason City Unified Urban Renewal Plan for this meeting of the Council, and due and proper notice of the public hearing was given, as

provided by law, by timely publication in the "Mason City Globe - Gazette", which notice set forth the time and place for this hearing and the nature and purpose thereof; and

WHEREAS, in accordance with the notice, all persons or organizations desiring to be heard on the proposed Amendment No. 2 to the Mason City Unified Urban Renewal Plan, both for and against, have been given an opportunity to be heard with respect thereto and due consideration has been given to all comments and views expressed to this Council in connection therewith and the public hearing has been closed.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF MASON CITY, STATE OF IOWA:

Section 1. That the findings and conclusions set forth or contained in Amendment No. 2 concerning the area of the City of Mason City, State of Iowa, described in the preamble hereof, be and the same are hereby ratified and confirmed in all respects as the findings of this Council for this area.

Section 2. This Council further finds:

A. Although relocation is not expected, a feasible method exists for the relocation of any families who will be displaced from the Mason City Unified Urban Renewal Area into decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families;

B. Acquisition by the City is expected and as to those areas of open land to be acquired by the City included within the Mason City Unified Urban Renewal Area:

1. Residential use is expected and with reference to those portions thereof which are to be developed for residential uses, this City Council hereby determines that a shortage of housing of sound standards and design with decency, safety and sanitation exists within the City; that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality; and that one or more of the following conditions exist:

A. That the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas, including other portions of the urban renewal area.

B. That conditions of blight in the municipality and the shortage of decent, safe and sanitary housing cause or contribute to an

increase in and spread of disease and crime, so as to constitute a menace to the public health, safety, morals, or welfare.

C. That the provision of public improvements related to housing and residential development will encourage housing and residential development which is necessary to encourage the retention or relocation of industrial and commercial enterprises in this state and its municipalities.

D. The acquisition of the area is necessary to provide for the construction of housing for low and moderate income families.

2. Non-residential use is expected and with reference to those portions thereof which are to be developed for non-residential uses, such non-residential uses are necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 3. That the Mason City Unified Urban Renewal Area, as amended, continues to be an economic development area within the meaning of Iowa Code Chapter 403; that such area is eligible for designation as an urban renewal area and otherwise meets all requisites under the provisions of Chapter 403 of the Code of Iowa; and that the rehabilitation, conservation, redevelopment, development, or a combination thereof, of such area is necessary in the interest of the public health, safety or welfare of the residents of this City.

Section 4. That Amendment No. 2 to the Mason City Unified Urban Renewal Plan of the City of Mason City, State of Iowa, attached hereto as Exhibit 1 and incorporated herein by reference, be and the same is hereby approved and adopted as "Amendment No. 2 to the Mason City Unified Urban Renewal Plan for the City of Mason City, State of Iowa"; Amendment No. 2 to the Mason City Unified Urban Renewal Plan of the City of Mason City, State of Iowa, is hereby in all respects approved; and the City Clerk is hereby directed to file a certified copy of Amendment No. 2 with the proceedings of this meeting.

Section 5. That, notwithstanding any resolution, ordinance, plan, amendment or any other document, the original Mason City Unified Urban Renewal Plan, and the Plan as amended, shall be in full force and effect from the date of this Resolution until the Council amends or repeals the Plan. The proposed Amendment No. 2 to the Mason City Unified Urban Renewal Plan shall be forthwith certified by the City Clerk, along with a copy of this Resolution, to the Recorder for Cerro Gordo County, Iowa, to be filed and recorded in the manner provided by law.

Section 6. That all other provisions of the Plan not affected or otherwise revised by the terms of Amendment No. 2, as well as all resolutions previously adopted by this City Council related to the Plan be and the same are hereby ratified, confirmed and approved in all respects.

PASSED AND APPROVED this 5th day of March, 2013.

/s/Eric Bookmeyer
Mayor

ATTEST:

/s/Brent Trout
City Clerk

Label the Amendment as Exhibit 1 (with all exhibits) and attach it to this Resolution.

AMENDMENT NO. 2

to

MASONCITY UNIFIED URBAN RENEWAL PLAN

CITY OF MASON CITY, IOWA

March 2013

Mason City Urban Renewal Plan

- 2001 Amendment No. 1--Community Growth Urban Renewal (Area #1)
- 2001 Amendment No. 2--South Federal/Gateway Urban Renewal Area (Area #2)
- 2001 Amendment No. 3--South Eisenhower Urban Renewal Area (Area #3)
- 2001 Amendment No. 4--Westside Urban Renewal Area (Area #4)
- 2002 Industrial Urban Renewal Area
- 2003 Amendment No. 5 to South Federal/Gateway Urban Renewal Area (Area #2)
- 2012 Amendment No. 6 to Westside Urban Renewal Area (Area #4)

- Amendment No. 1 to the Mason City Unified Urban Renewal Plan (2012)
- Amendment No. 2 to the Mason City Unified Urban Renewal Plan (2013)

**AMENDMENT NO. 2
TO THE
MASON CITY UNIFIED URBAN RENEWAL PLAN
FOR THE MASON CITY UNIFIED URBAN RENEWAL AREA**

CITY OF MASON CITY, IOWA

The Mason City Unified Urban Renewal Plan ("Plan") for the Mason City Unified Urban Renewal Area ("Area" or "Urban Renewal Area"), unifying certain of the City's existing urban renewal areas into a single area in 2012, is being further amended to add additional land to the Urban Renewal Area and confirm the list of proposed projects to be undertaken within the Urban Renewal Area ("Amendment #2" or "Amendment").

The Original Area and each amendment area are referred to as subareas in this Amendment. The subareas make up the Urban Renewal Area. The "base valuation" of the Original Area and each of the amendment areas will remain unchanged by this Amendment.

Except as modified by this Amendment, the provisions of the original Unified Urban Renewal Plan, as previously amended, are hereby ratified, confirmed, and approved and shall remain in full force and effect as provided herein. In case of any conflict or uncertainty, the terms of this Amendment shall control.

DESCRIPTION OF THE URBAN RENEWAL AREA

A map of the entire Mason City Unified Urban Renewal Area, as amended, is attached hereto as Exhibit A. Detailed maps of the Amendment Areas are included as Exhibits B, C & D. The legal description of the property being added to the Mason City Unified Urban Renewal Area is attached hereto as Exhibit E.

AREA DESIGNATION

The Area currently is designated as appropriate for the promotion of new commercial and industrial development and redevelopment. This Amendment #2 continues that same designation.

PROJECT AREA OBJECTIVES

No changes are made by this Amendment.

TYPES OF RENEWAL ACTIVITIES

No changes are made by this Amendment.

PREVIOUSLY AUTHORIZED URBAN RENEWAL PROJECTS

The following Urban Renewal Projects were authorized prior to this Amendment (in Amendment #1 to the Unified Plan) and are continuing. Such Projects include:

1. *Metalcraft Industries, Inc.*: Economic Development Grants in the form of tax rebates to support Metalcraft's Construction of a new manufacturing facility which retains 81 jobs and provides for expansion of capacity and employment construction to take place in 2012-2013. This Development Agreement also includes an incentive for new job creation, funded through Tax Increment Financing, in the form of a \$1,000 incentive per new job created that pays less than \$15.00 per hour and a \$2,500 incentive per new job created that pays \$15.00 per hour or more. Metalcraft is expected to invest an estimated \$4,000,000 in the Project. It is estimated the taxable value of the property will increase by \$2,500,000 and the City expects to make Economic Development Grants of approximately \$775,000 over a seven year period, plus the new job creation incentive described above, capped at \$100,000.

Amendment #2 Update: This project has not yet begun and therefore the City has not yet expended any costs in conjunction with this project, so the expected cost continues to be a maximum of \$875,000.

2. *Additional Development Agreements:* the City expects to consider requests for Development Agreements for projects that are consistent with this Plan, in the City's sole discretion. Such Agreements are unknown at this time, but based on past history, and dependent on development opportunities and climate, the City expects to consider a broad range of incentives as authorized by this Plan, including but not limited to land, loans, grants, tax rebates and other incentives. The costs of such Development Agreements will not exceed \$3,500,000.

Amendment #2 Update:The City has not yet expended any costs in conjunction with the above development agreement allowance authorized as part of Amendment #1, so the expected costs remain \$3,500,000. The City may also use part of this allowance for public improvements that are related to the promotion of economic development activities in conjunction with development agreements for new buildings and retention or creation of employment. For example, the City may consider tax rebate grants and assistance with infrastructure construction or extension for a particular urban renewal project.

3. *Planning, engineering fees, costs and attorney fees to support urban renewal projects*

Project	Date	Estimated cost
Fees and costs	Undetermined	Not to exceed \$75,000

Amendment #2 Update: This Amendment #2 extends this \$75,000 allowance for planning, engineering fees, costs and attorney fees.

PROPOSED URBAN RENEWAL PROJECTS IN AMENDMENT NO. 2

Although certain project activities may occur over a period of years, in addition to the projects previously proposed in the Unified Urban Renewal Plan, as previously amended, the Proposed Urban Renewal Projects under this Amendment #2 include:

1. **Development Agreements:**

North Iowa Powerlifting, LLC: Economic Development Grants in the form of tax rebates to support North Iowa Powerlifting, LLC’s construction of a weightlifting/fitness center building, resulting in the retention and creation of jobs. The taxable value of the property increased by approximately \$200,000 and the City expects to make Economic Development Grants in an amount not to exceed \$19,000 over a five year period.

2. **Low and Moderate Income Residential Development:**

The City is proposing an urban renewal project which involves the “deconversion” and preservation of owner-occupied homes in targeted older neighborhoods within the City. The City finds that the conversion of homes originally built as single family and then converted into multiple unit apartments leads to a diminution in property values and instability in neighborhoods. The areas that may be targeted for this project include mostly residential areas within the Urban Renewal Area north of the Canadian Pacific Railroad right-of-way, excluding the area lying north of 12th Street NW and west of the Union Pacific Railroad right-of-way. In addition to public improvements within these neighborhoods, the City intends to provide down payment and closing cost assistance for owner occupied home purchases within the neighborhood for qualified low and moderate income residents. The City may also offer forgivable and zero-interest loans for rehabilitation of qualified low and moderate income multiple-family units in the targeted neighborhoods.

The Project is anticipated to cost approximately \$500,000 (with a maximum of \$40,000 per project of which up to \$30,000 would be interest free loans that would eventually be repaid). Additional funding (likely less than \$10,000) may also be

necessary to create the homeownership class, find good applicants for the pilot program and pay for initial administrative costs. Money from loans that are paid back will be credited back to the special fund and used solely for the purposes specified by Iowa Code § 403.19.

FINANCIAL DATA

July 1, 2012 constitutional debt limit:	\$81,919,465
Outstanding general obligation debt:	\$29,116,996

Proposed amount of loans, advances, indebtedness or bonds to be incurred: The estimated project costs in this Amendment are estimates only and actual costs will be incurred and spent over a number of years. In no event will debt be incurred that would exceed the City's constitutional debt limit. The City Council will consider each project proposal on a case-by-case basis to determine if it is in the City's best interest to participate before approving an urban renewal project or expense. Subject to the foregoing, it is estimated that the costs of the Previously Authorized and Proposed Urban Renewal Projects as described above will be approximately as follows:

<u>Previously Authorized Projects:</u>	<u>New Projects Authorized under Amendment #2:</u>
\$4,500,000 to \$5,000,000	\$529,000

PROPERTY ACQUISITION/DISPOSITION

The City will follow any applicable requirements for the acquisition and disposition of property.

URBAN RENEWAL PLAN AMENDMENTS

The Mason City Unified Urban Renewal Plan may be amended from time to time for a variety of reasons, including but not limited to, adding or deleting land, adding urban renewal projects, or to modify goals or types of renewal activities.

The City Council may amend this Plan in accordance with applicable state law.

EFFECTIVE PERIOD

This Urban Renewal Plan Amendment #2 will become effective upon its adoption by the City Council. The Urban Renewal Plan shall remain in effect until terminated by the City Council, and the use of incremental property tax revenues, or the "division of revenue," as those words are used in Chapter 403 of the Code of Iowa, will be consistent with Chapter 403 of the

Iowa Code. Notwithstanding anything to the contrary in the Urban Renewal Plan, any prior amendment, resolution, ordinance or document, the division of revenues shall continue on the Area, including subareas, for the maximum period allowed by law.

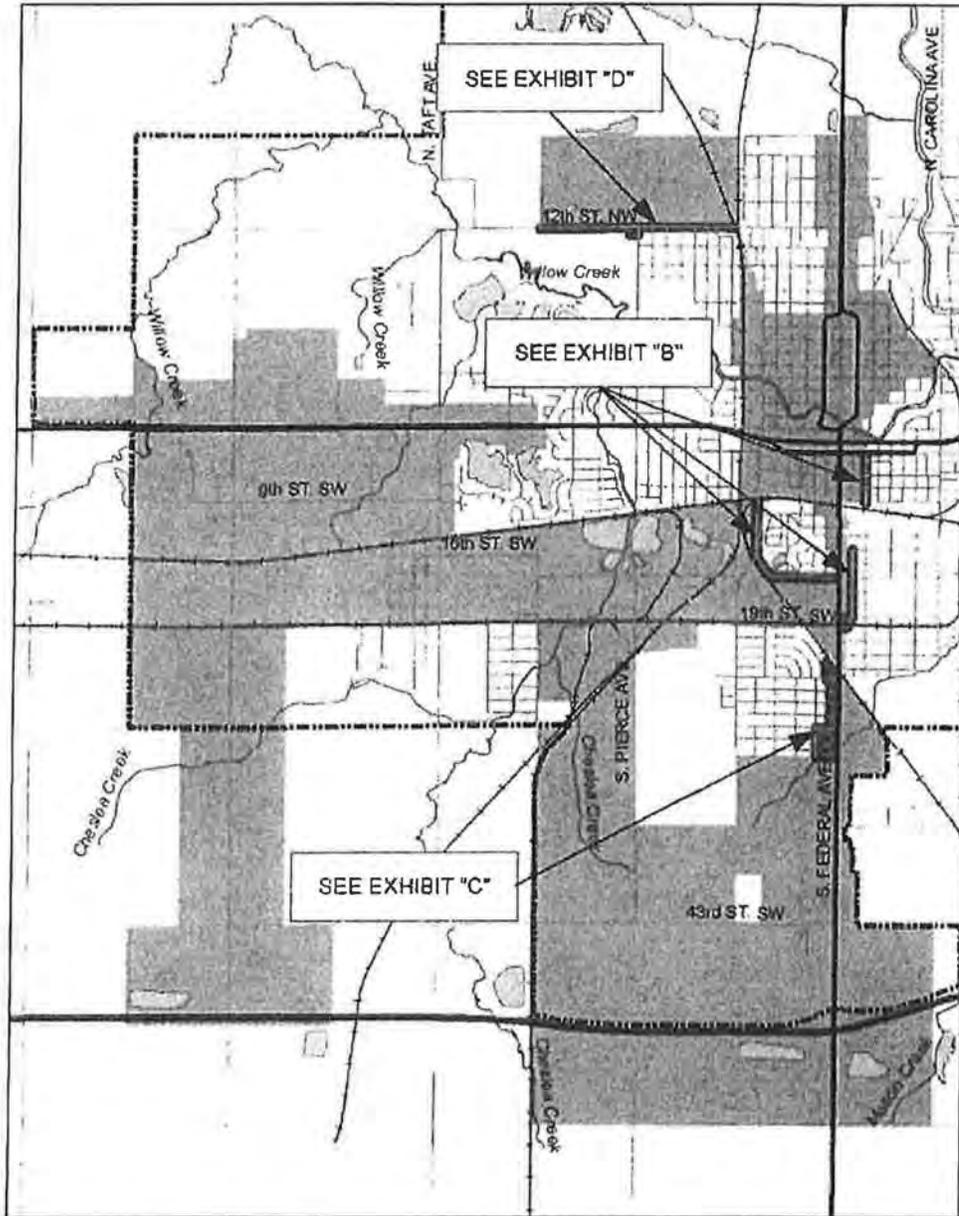
REPEALER

Any parts of the previous Plan, as previously amended, in conflict with this Amendment are hereby repealed.

SEVERABILITY CLAUSE

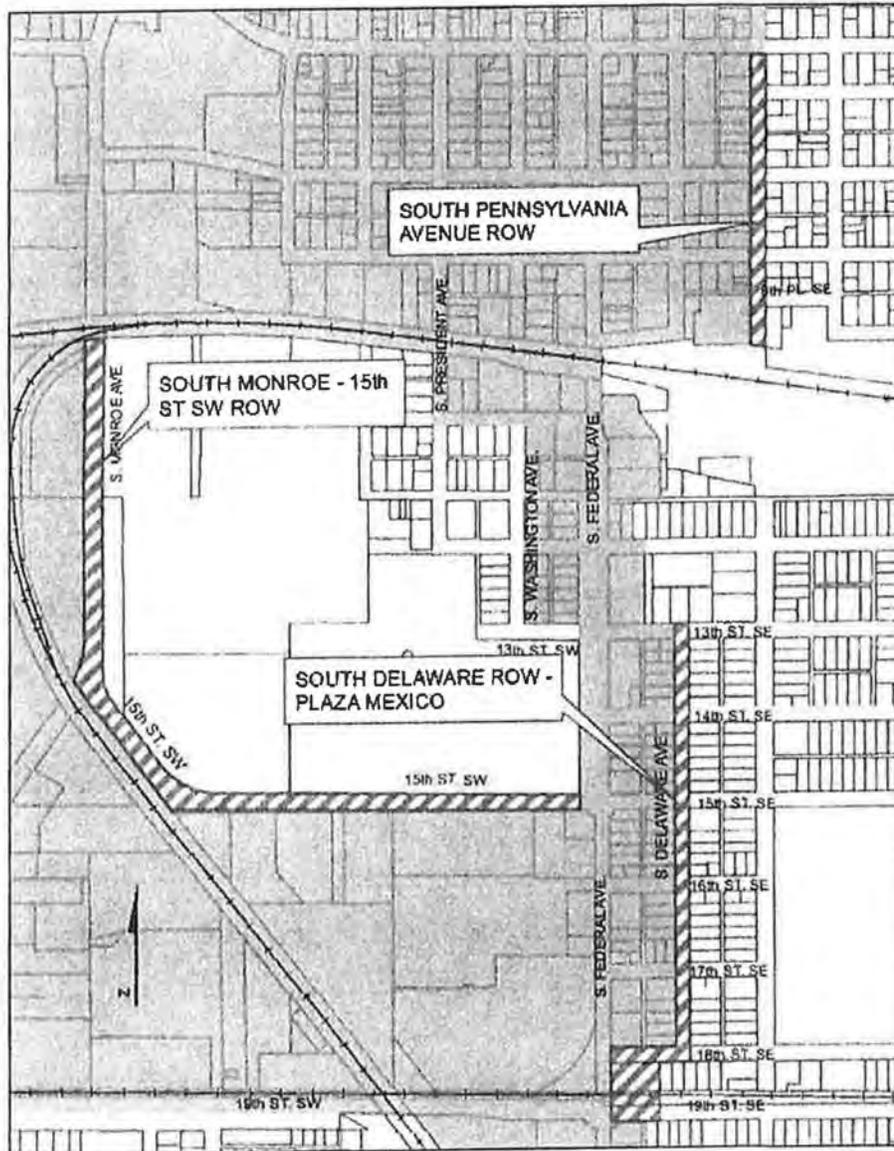
If any part of the Amendment is determined to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the previously adopted Plan as a whole or the previous amendments to the Plan, or any part of the Plan not determined to be invalid or unconstitutional.

**EXHIBIT A
UNIFIED URBAN RENEWAL AREA
AMENDMENT NO. 2**



Mason City Unified Urban Renewal Area Amendment No. 1 (2012)
 Proposed Additions (Amendment No. 2)

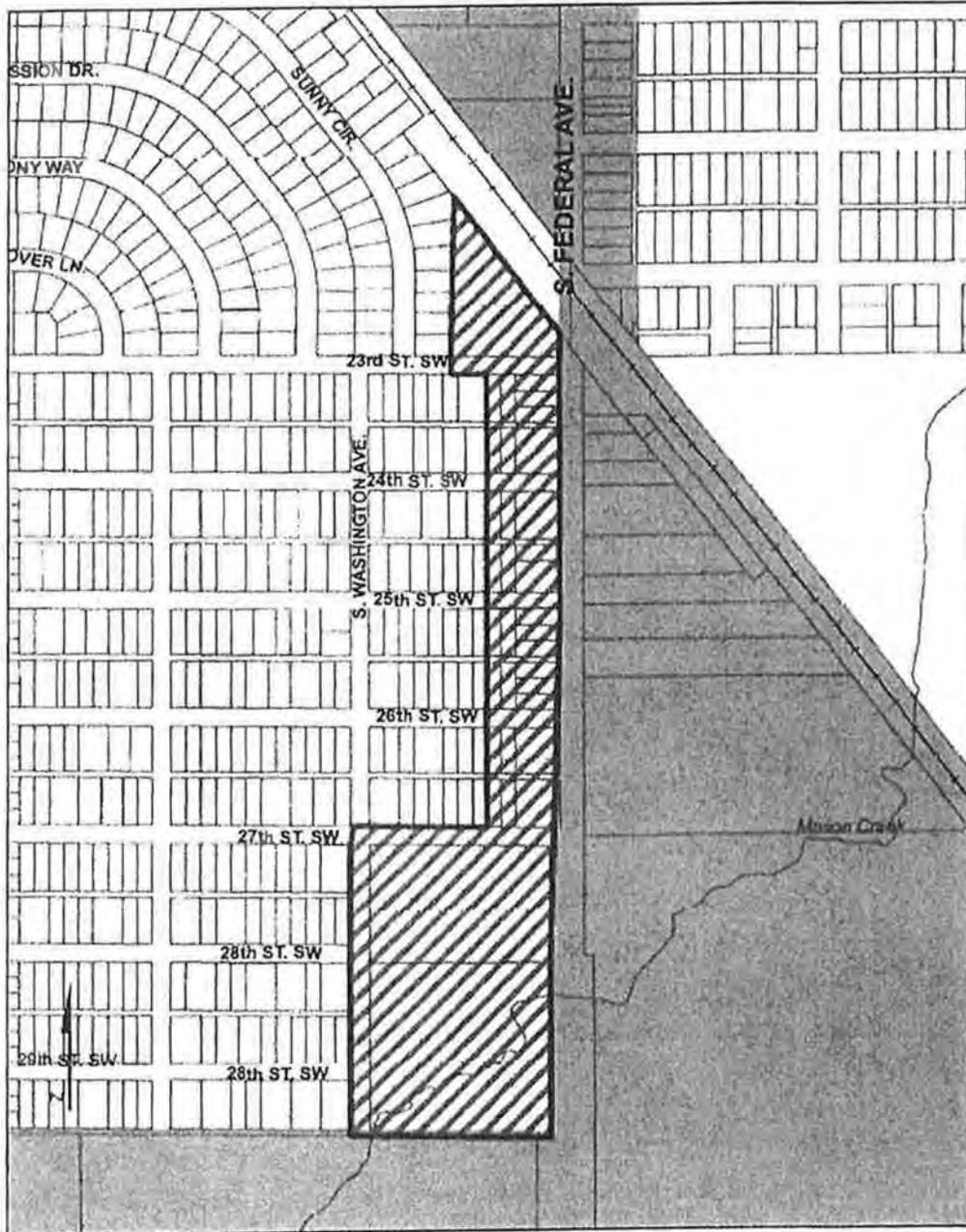
**EXHIBIT B
UNIFIED URBAN RENEWAL AREA
AMENDMENT NO. 2
RIGHT OF WAY ADDITIONS**



 Mason City Unified Urban Renewal Area Amendment No. 1 (2012)

 Proposed Additions (Amendment No. 2)

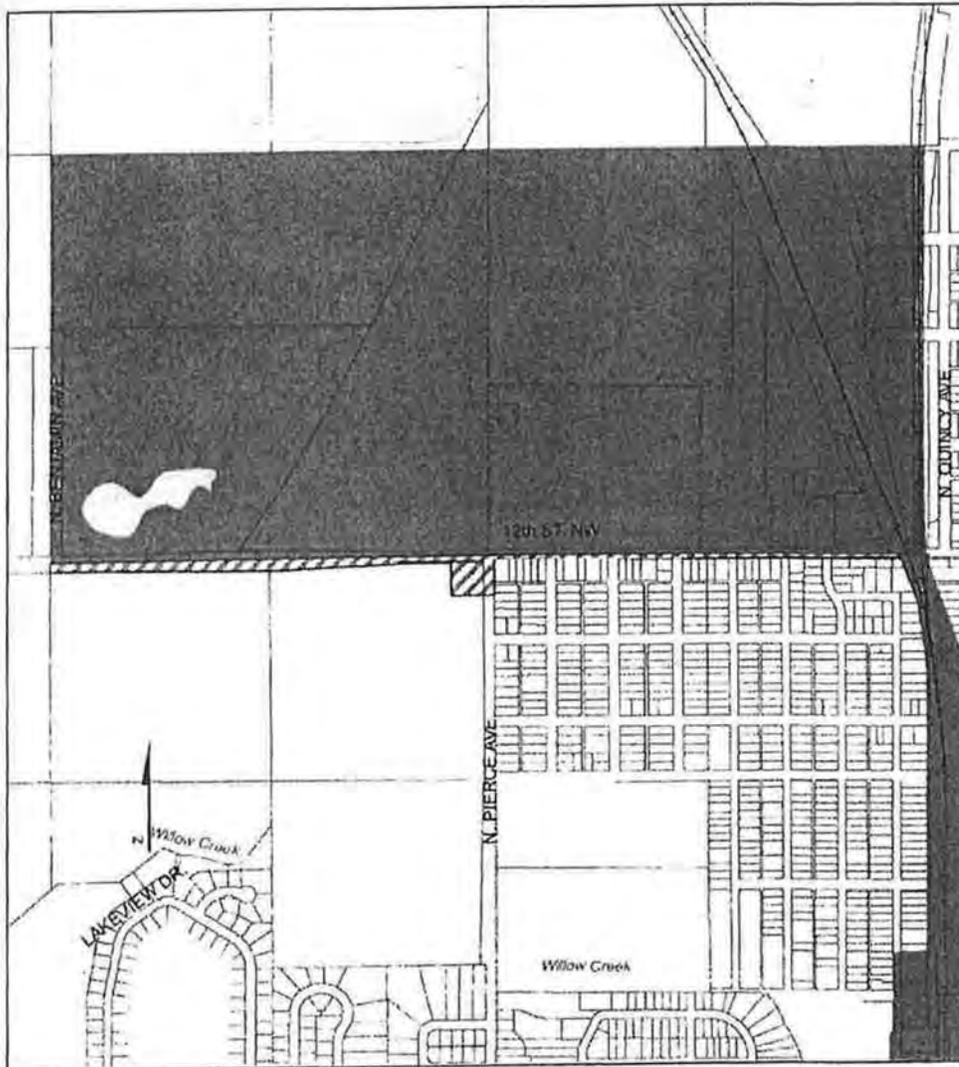
**EXHIBIT C
UNIFIED URBAN RENEWAL AREA
AMENDMENT NO. 2
SOUTH FEDERAL AVENUE**



 Mason City Unified Urban Renewal Area
Amendment No. 1 (2012)

 Proposed Additions
(Amendment No. 2)

**EXHIBIT D
UNIFIED URBAN RENEWAL AREA
AMENDMENT NO. 2
12th STREET NW - CASEY'S**



Mason City Unified Urban Renewal Area
 Amendment No. 1 (2012)
 Proposed Additions
 (Amendment No. 2)

EXHIBIT E

LEGAL DESCRIPTION OF AREA ADDED BY AMENDMENT # 2

ROW ADDITIONS AS SHOWN ON EXHIBIT B

Part 1: Monroe – 15th SW ROW

That portion of the South Monroe Avenue right of way lying between the South right-of-way line of the east-west travelled rail line of the Canadian Pacific Railway and the Northeast right-of-way line of the Northwest-Southeast travelled rail line of the Canadian Pacific Railway in the Southwest Quarter of the Southeast Quarter of Section Nine (9), and the Northeast Quarter of Section Sixteen (16) Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Including also that portion of the 15th Street SW right-of-way lying between its intersection with the West side of the South Federal Avenue right-of-way and the East line of the South Monroe Avenue right-of-way.

Part 2: Plaza Mexico – Delaware ROW

All portions of the right-of-way of South Delaware Avenue lying between the North line of the 13th Street SE right-of-way line and the South line of the 18th Street SE right-of-way line,

Including all portions of the right-of-way of 18th Street SE lying between the East right-of-way line of South Federal Avenue and the East right-of-way line of South Delaware Avenue,

Including also that parcel described as Lots 9 through 12, Block 28, College Addition to Mason City, Iowa,

Including also the following described property: Beginning at the Southeast corner of Lot 9, Block 28, College Addition to Mason City, Iowa to the South Right of Way line of 19th Street SW,

Thence West along the South right-of-way line of 19th Street SW to its intersection with the East right-of-way line of South Federal Avenue, Thence north to the intersection of the East Right of Way line of South Federal Avenue and the Southwest corner of Lot 12, Block 28, College Addition to Mason City, Iowa, which point is also on the South line of Block 28 of said College Addition to Mason City, Iowa,

Thence East along the South line of said Block 28 to the Point of Beginning.

Part 3: South Pennsylvania Avenue ROW

That portion of the right-of-way of South Pennsylvania Avenue lying between the South right-of-way line of 6th Street SE and the North right-of-way line of the Canadian Pacific Railway in the Southwest Quarter of Section Ten (10), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.

WEST OF SOUTH FEDERAL AVENUE ADDITION AS SHOWN ON EXHIBIT C

Beginning at the point of intersection of the West Right of Way line of South Federal Avenue and the Southwest Right of Way line of the Union Pacific Railroad in the East half of the East Half of Section Sixteen (16), Township Ninety-Six (96) North, Range Twenty (20), West of the 5th P.M., all in Mason City, Iowa,

Thence South along the West Right of Way line of South Federal Avenue to its intersection with the South line of the North 830.5 feet of the East Half of Section Twenty-One (21), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M.,

Thence West along the South line of the North 830.5 feet of the East Half of Section Twenty-One (21), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., to the West Right of Way line of South Washington Avenue,

Thence North along the West Right of Way line of South Washington Avenue to its intersection with the North Right of Way line of 27th Street Southwest,

Thence East along the North Right of Way line of 27th Street Southwest to the Southwest corner of Lot 468 of Midland Heights Addition to Mason City, Iowa,

Thence North from the Southwest corner of Lot 468 of Midland Heights Addition to Mason City, Iowa to the Northwest corner of Lot 5 of Midland Heights Addition to Mason City, Iowa, which point is also along the South Right of Way line of 23rd Street Southwest,

Thence West along the South Right of Way line of 23rd Street Southwest to its intersection with the projected East line of Rolling Acres Addition to Mason City, Iowa,

Thence North from the South Right of Way line of 23rd Street Southwest to the Southeast corner of Rolling Acres Addition to Mason City, Iowa,

Thence North along the East line of Rolling Acres Addition to Mason City, Iowa to its intersection with the Southwest Right of Way line of the Union Pacific Railroad,

Thence southeasterly along the Southwest Right of Way line of the Union Pacific Railroad to the point of beginning.

12TH STREET NW AND CASEY'S ADDITION AS SHOWN ON EXHIBIT D

12th Street NW and Casey's

That parcel of land described in Exhibit 1 and also known as Parcel Number 070542600300;

Including also that portion of the right-of-way of North Pierce Avenue adjacent to the parcel of land described in Exhibit 1;

Including also all portions of the right-of-way of 12th Street NW lying between its intersection with the west right-of-way line of the Union Pacific Railroad and its intersection with the west right of way line of North Benjamin Avenue.

Exhibit 1

Part of the Southeast ¼ of Section 5, Township 96 North, Range 20 West, of the 5th P.M., Cerro Gordo County, Iowa, more particularly described as follows:

Commencing at the East ¼ corner of said Section 5

THENCE South 89 degrees 31 minutes 14 seconds West, along the North line of said Southeast ¼ a distance of 33.00 feet;

THENCE South 00 degrees 00 minutes 00 seconds East a distance of 45.00 feet to the Point of Beginning, said point also being on the South Right of Way line of 12th Street NW and on the West Right of Way line of Pierce avenue:

THENCE South 00 degrees 00 minutes 00 seconds East, along said West Right of Way line of Pierce Avenue, a distance of 200.00 feet;

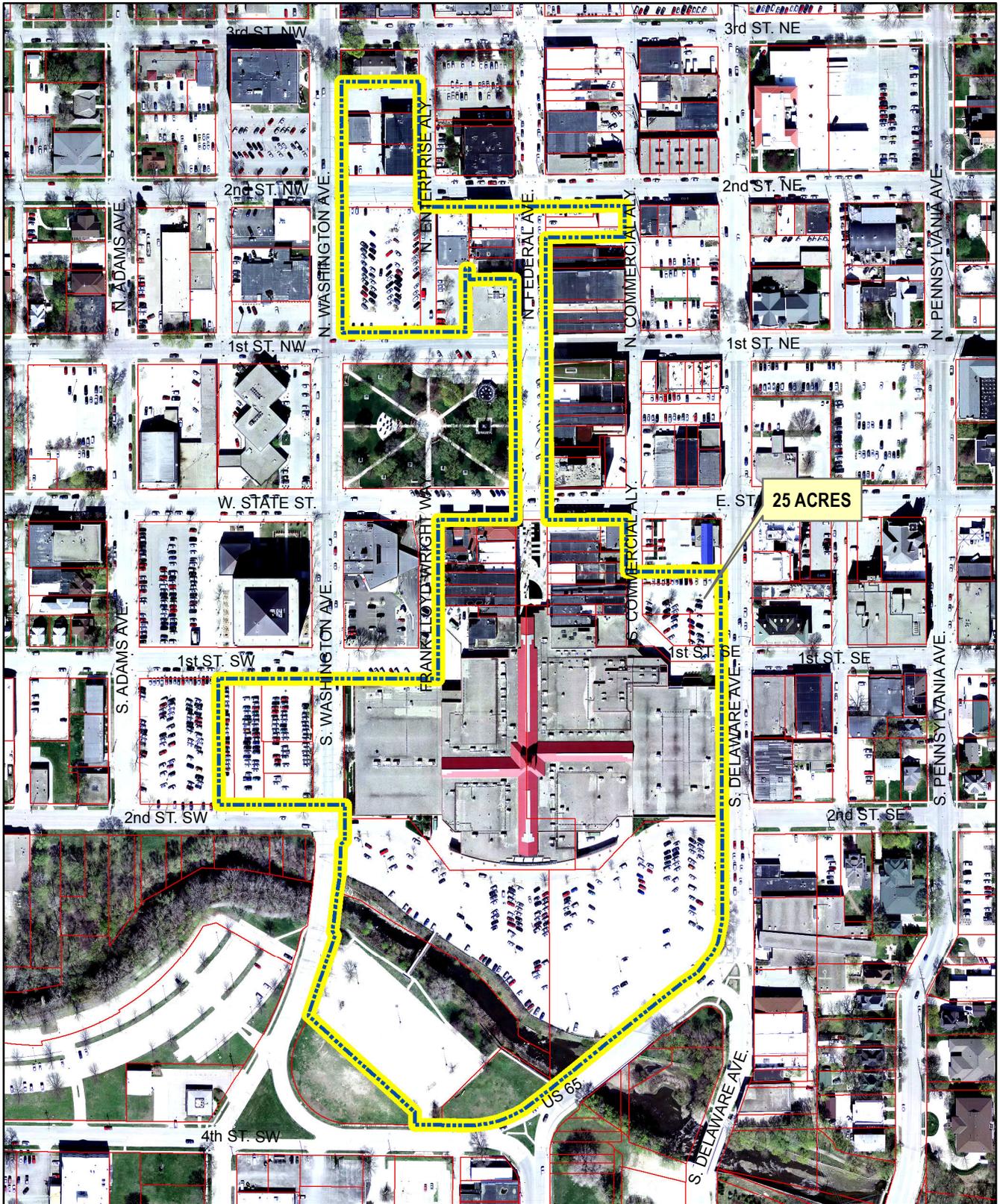
THENCE South 89 degrees 31 minutes 14 seconds West a distance of 200.00 feet;

THENCE North 00 degrees 00 minutes 00 seconds East a distance of 200.00 feet to a point on said South Right of Way line of 12th Street NW;

THENCE North 89 degrees 31 minutes 14 seconds East, along said South Right of Way line of 12th Street NW, a distance of 200.00 feet to the Point of Beginning, containing 40,000 sq. ft more or less.

0916142-1\10866-171

EXHIBIT A3



PROPOSED REINVESTMENT DISTRICT DOWNTOWN MASON CITY

0 300 600 Feet 1 inch = 300 feet

-  District Boundary
-  Parcel Boundaries

Source: Cerro Gordo County GIS
Map Date: 2/3/15





EXHIBIT A4

OWNERS OF RECORD WITHIN PROPOSED REINVESTMENT DISTRICT (as of 2/19/15)

Parcel No.	Site Address	Owner Name(s)	Attention:	Owner Address	City	State	ZIP
070923100200	22 2ND ST NW	INTERSTATE POWER CO	ATTN: REAL ESTATE TAX DEPT	PO BOX 77007	MADISON	WI	53707
070923100300		INTERSTATE POWER CO	ATTN: REAL ESTATE TAX DEPT	PO BOX 77007	MADISON	WI	53707
070923100400		INTERSTATE POWER CO	ATTN: REAL ESTATE TAX DEPT	PO BOX 77007	MADISON	WI	53707
070923500100		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
070923500200	11 2ND ST NW	PRAISE COMMUNITY CHURCH		1631 4TH ST SW, SUITE 201	MASON CITY	IA	50401
070923500300		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
070923500400	122-124 N FEDERAL AVE	MOXIEBIRD LLC		2399 LARK AVE	SHEFFIELD	IA	50475
070923500500	120 N FEDERAL AVE	RANSOM, ROBERT C & LADONNA M		120 N FEDERAL AVE	MASON CITY	IA	50401
070923500600	118 N FEDERAL AVE	G8 DEVELOPMENT, INC		7626 EL CAJON BLVD	LA MESA	CA	91942
070923500700	116 N FEDERAL AVE	WEISS, CANDY A		146 WINNEBAGO WAY	MASON CITY	IA	50401
070923500800		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
070927800700	15 W STATE ST	WOTP LANDLORD, LLC		PO BOX 792	MASON CITY	IA	50402
070927800800	2 S FEDERAL AVE	WOTP LANDLORD, LLC		PO BOX 792	MASON CITY	IA	50402
070927800900	6 S FEDERAL AVE	HOLT RESTAURANTS LLC AN IOWA LIMITED LIABILITY CO		10 S FEDERAL AVE	MASON CITY	IA	50401
070927801000	10 S FEDERAL AVE	HOLT RESTAURANTS, LLC		24 CIRCLE TERRACE	MASON CITY	IA	50401
070927801100	12 S FEDERAL AVE	COFFEY, PAMELA	C/O TRUSTEE OF THE R.LYLE BERGO TRUST	68 RIVER HEIGHTS DR	MASON CITY	IA	50401
070927801200	14 S FEDERAL AVE	COFFEY, PAMELA	C/O TRUSTEE OF THE R.LYLE BERGO TRUST	68 RIVER HEIGHTS DR	MASON CITY	IA	50401

Parcel No.	Site Address	Owner Name(s)	Attention:	Owner Address	City	State	ZIP
070927801300	16 S FEDERAL AVE	COFFEY, PAMELA	C/O TRUSTEE OF THE R.LYLE BERGO TRUST	68 RIVER HEIGHTS DR	MASON CITY	IA	50401
070927801400	18 S FEDERAL AVE	BERGO, REX L & JULIE A		218 LAKEVIEW DR	MASON CITY	IA	50401
070928000400		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
070928000500		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
070928001100		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
070928001200		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
070928102400	20 S FEDERAL AVE	U.S. BANK NATIONAL ASSOCIATION	C/O C-III ASSET MANAGEMENT LLC ATTN: REO DEPARTMENT	5222 N O'CONNOR BLVD, SUITE 600	IRVING	TX	75039
070928102500		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
070928400100		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
070928400300		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
071010700100		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
071010700200		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
071010700300	11-15 2ND ST NE	CROPLEY, LAURENCE W & ROBERTS, AMY ELISE		13826 NURMI ST	SYLMAR	CA	91342
071010700400		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
071015100300	5 S FEDERAL AVE	JOHNSON - GRAVES REAL ESTATE LLC		219 N JACKSON AVE	MASON CITY	IA	50401
071015100400	7 S FEDERAL AVE	COFFEY, PAMELA	C/O TRUSTEE OF THE R.LYLE BERGO TRUST	68 RIVER HEIGHTS DR	MASON CITY	IA	50401
071015100500	9 S FEDERAL AVE	COFFEY, PAMELA	C/O TRUSTEE OF THE R.LYLE BERGO TRUST	68 RIVER HEIGHTS DR	MASON CITY	IA	50401
071015100600	11 S FEDERAL AVE	COFFEY, PAMELA	C/O TRUSTEE OF THE R.LYLE BERGO TRUST	68 RIVER HEIGHTS DR	MASON CITY	IA	50401
071015100700	13 S FEDERAL AVE	PAULPAM INVESTMENT, LLC	C/O PAM DONAHUE	4400 NE BROADWAY AVE	DES MOINES	IA	50317
071015100800	15 S FEDERAL AVE	PAULPAM INVESTMENT, LLC	C/O PAM DONAHUE	4400 NE BROADWAY AVE	DES MOINES	IA	50317
071015100900	17 S FEDERAL AVE	COFFEY, PAMELA	C/O TRUSTEE OF THE R.LYLE BERGO TRUST	68 RIVER HEIGHTS DR	MASON CITY	IA	50401

Parcel No.	Site Address	Owner Name(s)	Attention:	Owner Address	City	State	ZIP
071015101000		COFFEY, PAMELA	C/O TRUSTEE OF THE R.LYLE BERGO TRUST	68 RIVER HEIGHTS DR	MASON CITY	IA	50401
071015101100	16 N COMMERCIAL ALLEY	LANGHART, JENNIFER		117 N CRESCENT DR	MASON CITY	IA	50401
071015101500	10 1ST ST SE	COFFEY, PAMELA	C/O TRUSTEE OF THE R.LYLE BERGO TRUST	68 RIVER HEIGHTS DR	MASON CITY	IA	50401
071015101600	11 E STATE ST	MARQUIS, ANTHONY L & KRISTY L		15 STATE ST E	MASON CITY	IA	50401
071015102200		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
071015102400		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
071015102500		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
071015103100		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401
071015103200	1 S FEDERAL AVE	MOORMAN, SCOTT W & SUSAN L		3 WOODSHIRE LN	MASON CITY	IA	50401
071015403000	19 S FEDERAL AVE	U.S. BANK NATIONAL ASSOCIATION	C/O C-III ASSET MANAGEMENT LLC ATTN: REO DEPARTMENT	5221 N O'CONNOR BLVD, SUITE 600	IRVING	TX	75039
071015403100		CITY OF MASON CITY		10 1ST ST NW	MASON CITY	IA	50401



EXHIBIT A5 LEGAL DESCRIPTION OF DOWNTOWN MASON CITY REINVESTMENT DISTRICT

Beginning at the intersection of the South Right of Way line of Second Street Northeast and the West Right of Way line of North Commercial Alley all in Section Ten (10), Township Ninety-Six (96) North, Range Twenty (20) West of the 5th P.M., in Mason City, Iowa,

Thence South along the West Right of Way line of South Commercial Alley to the Southeast corner of Lot Two (2), Block Nine (9) of Paul Felts Plat of Mason City, Iowa,

Thence West along the South line of Lot Two (2), Block Nine (9) of Paul Felts Plat of Mason City, Iowa to the Southwest corner of said Lot, which point is also along the East Right of Way line of North Federal Avenue,

Thence South along the East Right of Way line of North Federal Avenue to the Southwest corner of Lot Two (2) in the Subdivision of Lot Seven (7), Block Fifteen (15) of Paul Felts Plat of Mason City, Iowa,

Thence South across the Right of Way of East State Street from the Southwest corner of Lot Two (2) in the Subdivision of Lot Seven (7), Block Fifteen (15) of Paul Felts Plat of Mason City, Iowa to the Northwest corner of Lot Two (2), in the Subdivision of Lot (2), Block Sixteen (16) of Paul Felts Plat of Mason City, Iowa, which point is also along the South Right of Way line of East State Street,

Thence East along the South Right of Way line of East State Street to its intersection with the West Right of Way line of South Commercial Alley,

Thence South along the West Right of Way line of South Commercial Alley to the Northeast corner of Lot Four (4) in the Subdivision of Lot Three (3), Block Sixteen (16) of Paul Felts Plat of Mason City, Iowa,

Thence East across the Right of Way of South Commercial Alley from the Northeast corner of Lot Four (4) in the Subdivision of Lot Three (3), Block Sixteen (16) of Paul Felts Plat of Mason City, Iowa to the Southwest corner of Parcel 071015103000,

Thence East along the South line of Parcel 071015103000 to the Southeast corner of said Parcel, which point is also along the West Right of Way line of South Delaware Avenue,

Thence South along the West Right of Way line of South Delaware Avenue to the Northeast corner of Parcel 071015403100,

Thence Southerly along the Easterly line of Parcel 071015403100 to the Southernmost tip of said Parcel, which point is also the Southeasterly corner of Parcel 070928400300,

Thence Southwesterly along the Southerly line of Parcel 070928400300 to the Southwest corner of said Parcel, which point is also along the North Right of Way line of Fourth Street Southwest,

Thence West along the North Right of Way line of Fourth Street Southwest to the Southeast corner of Parcel 070928400200,

Thence North along the East line of Parcel 070928400200 to the Northeasterly corner of said Parcel,

Thence Northwesterly along the Northeasterly line of Parcel 070928400200 to the Northern most point of said Parcel, which point is also along the Easterly Right of Way line of South Washington Avenue,

Thence Northerly along the Easterly Right of Way line of South Washington Avenue to the Southwest corner of Lot Seven (7), Block Twenty-Two (22) of Paul Felts Plat of Mason City, Iowa,

Thence West across the Right of Way of South Washington Avenue from the Southwest corner of Lot Seven (7), Block Twenty-Two (22) of Paul Felts Plat of Mason City, Iowa to the Southeast corner of Lot Eight (8), Block Twenty-One (21) of Paul Felts Plat of Mason City, Iowa,

Thence West along the South line of Lot Eight (8), Block Twenty-One (21) of Paul Felts Plat of Mason City, Iowa to the Southeast corner of Lot Seven (7) Block Twenty-One (21) of Paul Felts Plat of Mason City, Iowa, which point is also along the West line of the North-South Alley of Block Twenty-One (21) of Paul Felts Plat of Mason City, Iowa,

Thence North along the West line of the North-South Alley of Block Twenty-One (21) of Paul Felts Plat of Mason City, Iowa to its intersection with the South Right of Way line of First Street Southwest,

Thence Easterly along the South Right of Way line of First Street Southwest to its termination at the East Right of Way line of Frank Lloyd Wright Way (formerly known as South Enterprise Alley),

Thence North along the East Right of Way line of Frank Lloyd Wright Way to its intersection with the South Right of Way line of West State Street,

Thence East along the South Right of Way line of West State Street to the Northeast corner of Lot One (1) of Auditors Plat of Lot Five (5) Block Seventeen (17) of Paul Felts Plat of Mason City, Iowa,

Thence North across the Right of Way of West State Street from the Northeast corner of Lot One (1) of Auditors Plat Lot Five (5) Block Seventeen (17) of Paul Felts Plat of Mason City, Iowa to the Southeast corner of Public Square of Paul Felts Plat of Mason City, Iowa, which point is also along the West Right of Way line of North Federal Avenue,

Thence North along the West Right of Way line of North Federal Avenue to the Southeast corner of Parcel 070923500800,

Thence West along the South Line of Parcel 070923500800 to the Southwest corner of said Parcel,

Thence North along the West line of Parcel 070923500800 to the Southeast corner of Parcel 070923500200,

Thence West along the South line of Parcel 070923500200 to the Northeast corner of Parcel 070923500300,

Thence South along the East line of Parcel 070923500300 to the Southeast corner of said Parcel, which point is also along the North Right of Way line of First Street Northwest,

Thence West along the North Right of Way line of First Street Northwest to its intersection with the East Right of Way line of North Washington Avenue,

Thence North along the East Right of Way line of North Washington Avenue to the Northwest corner of Lot Three (3), Block Seven (7) of Paul Felts Plat of Mason City, Iowa,

Thence East along the North Line of Lot Three (3), Block Seven (7) of Paul Felts Plat of Mason City, Iowa to the Northeast corner of said Lot, which point is also along the West Right of Way line of North Enterprise Alley,

Thence South along the West Right of Way line of North Enterprise Alley to the Southeast corner of Lot Seven (7), Block Seven (7) of Paul Felts Plat of Mason City, Iowa,

Thence South across the Right of Way of Second Street Northwest from the Southeast corner of Lot Seven (7), Block Seven (7) of Paul Felts Plat of Mason City, Iowa to the Northeast corner of Lot Two (2), Block Ten (10) of Paul Felts Plat of Mason City, Iowa,

Thence East across the Right of Way of North Enterprise Alley from the Northeast corner of Lot Two (2), Block Ten (10) of Paul Felts Plat of Mason City, Iowa the Northwest corner of Parcel 070923500200 which point is also along the South Right of Way line of Second Street Northwest,

Thence East along the South Right of Way line of Second Street Northwest to the Northeast corner of Parcel 070923500400,

Thence East across the Right of Way of North Federal Avenue from the Northeast corner of Parcel 070923500400 to the Northwest corner of Lot Two (2), Block Nine (9) of Paul Felts Plat of Mason City, Iowa, which point is also along the South Right of Way line of Second Street Northeast,

Thence East along the South Right of Way line of Second Street Northeast to the point of beginning.



EXHIBIT A6a

EXPLANATION THAT REAL PROPERTY WILL BE DIRECTLY AND SUBSTANTIALLY BENEFITED

Central Park Hotel – Courtyard by Marriott

The location for the Central Park Hotel is currently a City of Mason City public parking lot. The property to be used for the Central Park Hotel and Downtown Parking Garage has an appraised value of \$204,000. The hotel will occupy approximately two-thirds of the land, so the current value of the hotel property is \$135,000. The City Assessor has placed a future assessed valuation of \$6,450,000 once the hotel is completed.

Downtown Parking Garage

The location for the Downtown Parking Garage is currently a City of Mason City public parking lot. The portion of the property that will be occupied by parking garage has an appraised value of \$69,000. The City Assessor has placed a future assessed valuation on the new structure of \$2,400,000 when completed.

Federal Avenue Lofts: Mixed Use Retail/Residential

The location for the Federal Avenue Lofts is currently a City of Mason City public parking lot. The property to be used for the Mixed Use Development has an appraised value of \$36,000. The City Assessor has placed a future assessed valuation of \$2,400,000 when the mixed use development is completed.

Performing Arts Pavilion

The Performing Arts Pavilion is part of the Southbridge Mall property. The improvements will create an updated façade on the north entrance of the mall. The improvements will substantially improve and update the appearance of the north entrance. The City Assessor has reviewed the plans and has estimated that the improvements will add approximately \$700,000 in new assessed valuation to the mall.

Multi-Purpose Arena

The Multi-Purpose Arena is part of the Southbridge Mall property. The improvements will create an ice arena that is convertible for other uses in the space that was previously a retail anchor store. The improvements will completely repurpose this part of the mall. The construction required will be substantial. The City Assessor has reviewed the plans and has estimated that the improvements will add approximately \$5,325,000 in new assessed valuation of the mall.

EXHIBIT A6b ASSESSOR'S OPINION OF FUTURE ASSESSED VALUE

Mason City

Assessor

220 N Washington Ave Mason City, IA 50401-3220
(641) 421-3061 FAX (641) 421-3091
Dana Naumann, ICA-RES-AAS

March 3, 2015

Brent Trout
City Administrator
City of Mason City
10 First Street NW
Mason City, IA 50401

Re: Downtown Mason City development

Dear Mr. Trout,

At the request of Steven Van Steenhuyse, Director of Development Services for Mason City, I have estimated the future assessed valuations of the multiple downtown Mason City project proposals.

Courtyard Marriott hotel -	\$6,450,000
Four-story parking ramp -	\$2,400,000
Three story retail & apartments -	\$2,250,000 (priced as brick on wood frame)
Ice arena/multi-purpose center -	\$5,325,000 additional value to existing mall
Pavilion -	\$700,000 additional value to existing mall

These estimates are based on limited information available to me at this time. I did not have access to blue prints. Please let me know if you have any questions.

Sincerely,

Dana Naumann

Dana Naumann, ICA-RES-AAS
Mason City Assessor



EXHIBIT B2a

Project Description, Project Timeline and Feasibility: Central Park Hotel and Downtown Parking Garage Projects

Narrative:

Central Park Hotel: The proposed Central Park Hotel is a four-story, 96-room business-class hotel, with guest amenities such as a pool/spa and workout room. The hotel includes a ballroom and breakout rooms to accommodate meetings and conventions for up to 300 attendants, with attendant food preparation space (and potentially a bistro restaurant). Both the hotel and the convention space fill a need for lodging and meeting space in downtown Mason City. The project also includes approximately 3,400 square feet of new retail leasable space, which can be divided, accessible from the street.

The hotel will be located immediately to the west of City Hall, on land currently used for surface parking. The proposed building elevations show a building modeled on the Courtyard by Marriott concept. While the final design is yet to be determined, the attached drawings indicate the scale and impact the new building will have on the Central Park square and the downtown area as a whole.

The building is proposed to be sited on City-owned land (this property also includes the land upon which the Downtown Parking Garage will be located). An appraisal of the property was completed in 2013. The market value of the entire site (including the land occupied by the proposed Parking Garage) is \$204,000. The hotel will occupy approximately 2/3 of this property, so land acquisition is estimated at \$135,000, which will then come back to the developer as a land donation.

G8 Development, the developer, has an option to acquire this property from the City and has completed due diligence to determine market demand for a hotel of this type. The developer has entered into a franchise agreement with Marriott Corporation to establish a hotel at this site. This Exhibit B3 includes a letter of commitment from the developer, a copy of the signature page of the franchise agreement (the rest is redacted at the request of the developer), and copies of the option to purchase. This project is ready to begin upon approval of the Reinvestment District.

Downtown Parking Garage: Both the Central Park Hotel and the Mixed Use Retail/Residential Building projects are located on lots currently used for public parking. The City Hall Parking Lot provides 122 parking spaces for City Hall vehicles and employees, other downtown employees and downtown shoppers. It provides parking for evening events held in downtown, such as the Friday Night Live concerts held in Central Park during the summer. The adjacent Praise Community Church utilizes the lot for Sunday and Wednesday evening services. The lot also provides 26 leased parking spaces for long term use. An additional 25 (approx.) spaces will be displaced by the proposed Mixed Use Retail/Residential Building, located nearby. It is necessary to mitigate the loss of this parking and provide modern, covered parking for hotel guests and conference attendees.

The proposed Downtown Parking Garage will be a multi-level, 225- to 250-space garage, including spaces for hotel guests, designated spaces for City Hall and downtown employees, and monthly leased spaces. Collection of parking fees will be automated. The hotel will lease 110 spaces for their use. Revenues from hotel parking, monthly leases, hourly parking and long-term permits are expected to be approximately \$213,300 per year.

The garage will be designed to integrate into the downtown aesthetic. While this structure has yet to be designed, there is adequate space north of the proposed Central Park Hotel to accommodate the structure.

As noted above, the Parking Garage is proposed to be constructed on the existing City Hall parking lot, north of the proposed Central Park Hotel. This land is owned by the City; therefore, there is no land acquisition cost. The parking garage replaces any parking that would otherwise be required for the Central Park Hotel and funded through private sources; thus, this project also directly supports the Central Park Hotel element of the Reinvestment District. Additional parking also serves the downtown neighborhood, preserving parking spaces for downtown employees, shoppers and residents.

Project Timeline:

The developer intends to begin construction on the hotel by at least June 2016. Construction is expected to take 18 months, with the hotel opening in January 2018.

Construction of the Downtown Parking Garage will take place concurrently with construction of the hotel.

Feasibility: Exhibit B2b(i) shows anticipated annual gross revenues from property taxes, sales taxes (including Local Option Sales Taxes), and local and state hotel/motel taxes. The hotel project is estimated to initially generate \$788,507 annually. The parking garage is expected to generate \$213,300 per year in parking revenues.

The Economic Impact Study, by PlanScape Partners, Inc., provides details regarding anticipated impact on the local economy (see Exhibit C2). The hotel project will have a very positive impact on the Mason City hotel and convention market. The 96 new rooms will compensate for 54 rooms recently lost when the Clarion Inn was demolished, to be replaced by a smaller Hampton Inn and Suites.

The hotel project is strongly supported by its two likely competitors: the Historic Park Inn and the Holiday Inn Express (see support letters in Exhibit D1). The local hotel industry realizes the need for quality downtown lodging as well as for convention and meeting space. As shown in the Economic Impact Study, the Central Park Hotel project will not merely place new rooms in competition with existing lodging operations, but will supplement the existing market by providing rooms and amenities not currently available.

The parking garage will fill a need for convenient and covered parking serving not only the hotel guests, but also downtown employees, shoppers and residents.

These projects both contribute to Mason City's unique history and character as a musical town and an architectural mecca. The hotel and garage will provide visitors with another lodging and parking option and promote spending by hotel guests and convention attendees.

The garage will be designed to integrate into the downtown aesthetic. While this structure has yet to be designed, there is adequate space north of the proposed Central Park Hotel to accommodate the structure.

As noted above, the Parking Garage is proposed to be constructed on the existing City Hall parking lot, north of the proposed Central Park Hotel. This land is owned by the City; therefore, there is no land acquisition cost. The parking garage replaces any parking that would otherwise be required for the Central Park Hotel and funded through private sources; thus, this project also directly supports the Central Park Hotel element of the Reinvestment District. Additional parking also serves the downtown neighborhood, preserving parking spaces for downtown employees, shoppers and residents.

Project Timeline:

The developer intends to begin construction on the hotel by at least June 2016. Construction is expected to take 18 months, with the hotel opening in January 2018.

Construction of the Downtown Parking Garage will take place concurrently with construction of the hotel.

Feasibility: Exhibit B2b(i) shows anticipated annual gross revenues from property taxes, sales taxes (including Local Option Sales Taxes), and local and state hotel/motel taxes. The hotel project is estimated to initially generate \$788,507 annually. The parking garage is expected to generate \$213,300 per year in parking revenues.

The Economic Impact Study, by PlanScape Partners, Inc., provides details regarding anticipated impact on the local economy (see Exhibit C2). The hotel project will have a very positive impact on the Mason City hotel and convention market. The 96 new rooms will compensate for 54 rooms recently lost when the Clarion Inn was demolished, to be replaced by a smaller Hampton Inn and Suites.

The hotel project is strongly supported by its two likely competitors: the Historic Park Inn and the Holiday Inn Express (see support letters in Exhibit D1). The local hotel industry realizes the need for quality downtown lodging as well as for convention and meeting space. As shown in the Economic Impact Study, the Central Park Hotel project will not merely place new rooms in competition with existing lodging operations, but will supplement the existing market by providing rooms and amenities not currently available.

The parking garage will fill a need for convenient and covered parking serving not only the hotel guests, but also downtown employees, shoppers and residents.

These projects both contribute to Mason City's unique history and character as a musical town and an architectural mecca. The hotel and garage will provide visitors with another lodging and parking option and promote spending by hotel guests and convention attendees.



Exhibit B2b(i) Central Park Hotel Preliminary Financing Plan and Revenues

PROJECT COSTS

Site Preparation	\$	25,000	
Site Acquisition	\$	135,000	(1)
Construction Costs			
Hotel Building Structure	\$	7,350,296	
Retail Space	\$	832,125	
Contingency	\$	735,051	
Subtotal Construction	\$	8,917,472	
Furnishings/Fixtures/Equipment	\$	1,568,350	
Arch./Eng. Design	\$	248,914	
Project Management	\$	77,664	
Other			
Permits/Licenses/Fees	\$	186,507	
Inventories/Signage	\$	78,428	
Pre-opening Costs	\$	109,650	
Financing/Taxes/Legal	\$	50,936	
Insurance	\$	39,214	
Total Project Costs	\$	11,437,135	

FUNDING SOURCES

Equity Investment	\$	5,325,000
Mortgage Loan	\$	5,977,135
Land Donation	\$	135,000
Total Funding Sources	\$	11,437,135

ANTICIPATED REVENUES

	<u>Value</u>	<u>Multiplier</u>	<u>Annual</u>	<u>20-Year (3)</u>
Property Tax	\$ 6,450,000	Tax levy 34.7	\$ 223,815	\$ 4,476,300
Iowa Sales Tax (6%) Retail	\$ 555,000	2 retailers	\$ 66,600	\$ 1,332,000
IA Sales Tax Hotel Food/Beverage (6%)	\$ 800,000	Annual sales	\$ 48,000	\$ 960,000
Local Option Sales Tax (1%)	\$ 555,000	2 retailers	\$ 11,100	\$ 222,000
IA Sales Tax Hotel Food/Beverage (1%)	\$ 800,000	Annual sales	\$ 8,000	\$ 160,000
Iowa (Excise) Tax (5%)	\$ 123	Avg. rate, 96 rooms (2)	\$ 129,298	\$ 2,585,952
Local Hotel/Motel Tax (7%)	\$ 123	Avg. rate, 96 rooms (2)	\$ 301,694	\$ 6,033,888
Total			\$ 788,507	\$ 15,770,140

Note: These costs and funding source amounts are preliminary in nature and are subject to change as details of the project are determined.

(1) Based on 2/3 of land value for entire lot (total value \$204,000)

(2) Average rate per Economic Impact Study, Exhibit C2(5), 60% occupancy

(3) Assumes no increase in tax levy, annual sales, room rate, etc. Increases will result in higher revenues

Assumptions:

Retail sales tax figures based on estimated average sales per retail firm in FY13 of approximately \$555,000

Assumes full occupancy of all retail spaces provided



Exhibit B2b(ii) Downtown Parking Garage Preliminary Financing Plan and Revenues

PROJECT COSTS

Site Preparation	\$	25,000
Site Acquisition	\$	-
Construction Costs		
Building Structure	\$	3,350,000
Site Improvements	\$	50,000
Subtotal	\$	3,400,000
Contingency	\$	340,000
Total Construction	\$	3,740,000
Fixtures	\$	25,000
Arch./Eng. Design (6%)	\$	204,000
Construction Administration	\$	112,200
Other		
Admin./Legal	\$	50,000
Bond Issuance Costs	\$	100,000
Capitalized Interest	\$	300,000
Total Other	\$	450,000
Total Project Costs	\$	4,556,200

FUNDING SOURCES

Tax Increment	\$	1,106,200
IA Reinvestment District Grant	\$	3,450,000
Total Funding Sources	\$	4,556,200

ANTICIPATED REVENUES

	<u>Value</u>	<u>Multiplier</u>	<u>Annual</u>	<u>20 Years</u>
Monthly fee for hotel spaces	\$ 100	110 spaces	\$ 132,000	\$ 2,640,000
Monthly fee for leased spaces	\$ 50	25 spaces	\$ 15,000	\$ 300,000
Hourly parking, 60% of remaining spaces	\$ 0.85	60 spaces	\$ 66,300	\$ 1,326,000
Total			\$ 213,300	\$ 4,266,000

Note: These costs and funding source amounts are preliminary in nature and are subject to change as details of the project are determined.

Assumptions:

Daily maximum parking rate = \$10.00

Ramp contains 250 spaces

Hourly parking assumes 60% usage of remaining 100 spaces for 5 hrs/day, 5 days per week

ISSUE DATE:
 4-29-2014
 REVISIONS:
 N/A

Drawn By/Checked:
 Contributor:

Project Number:

100 BLOCK 1st STREET NW.
 MASON CITY IA.



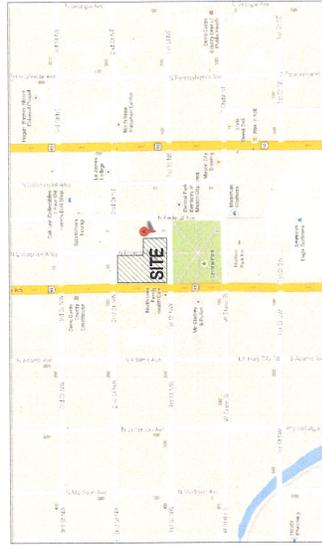
Sheet Title:

SITE PLAN

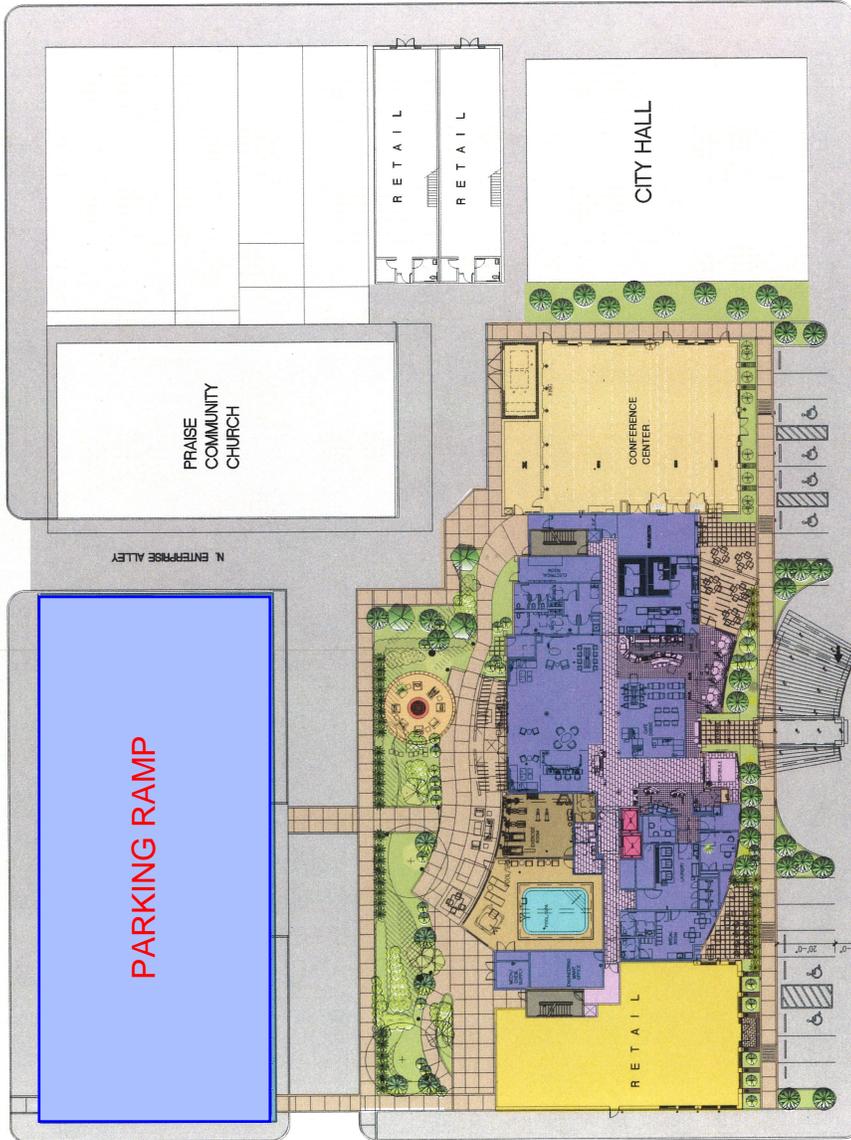
Sheet Number:
 A-001
 SHEET NO. OF SHEETS

SITE AREA:

- LOBBY AREA - 12,025 S.F.
- TOTAL ROOM 96
- MEETING ROOM 4,486 S.F.
- PARKING GARAGE
- TOTAL PARKING SPACES @ GARAGE 192 TOTAL
- STREET PARKING 14
- RETAIL @ 1st STREET 3414 S.F.



VICINITY MAP



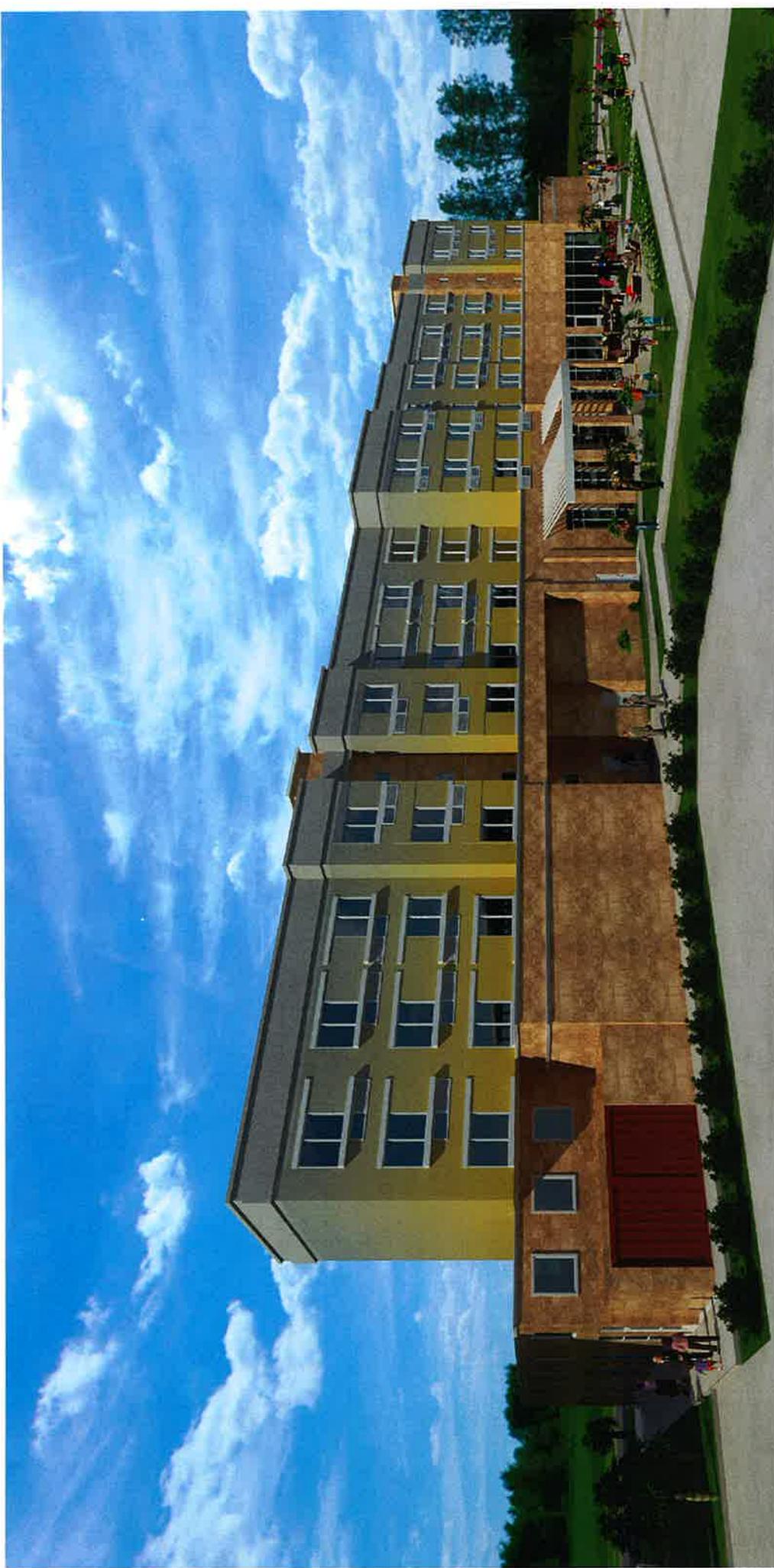
SITE PLAN

SCALE: 1"=20'











March 10, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee,

Mason City's Iowa Reinvestment District application is full of great opportunities that will help to create a sustainable community for decades to come. The decision of Mason City to develop a project through the Iowa Reinvestment Act is evidence of the great vision of, and collaboration between, City officials and civic leaders.

G8 Development believes in Mason City's vision. G8 Development has every confidence that just as Mason City has successfully used Iowa's "Main Street Program" to restore facades of numerous CBD buildings, Mason City will successfully use Iowa Reinvestment District funds to improve the quality of life in the community and generate a significant, positive economic impact on the community, region, and even the state as a whole.

As part of Mason City's plans, G8 Development looks forward to building a hotel and a mixed use project. G8 Development has already secured a franchise agreement from the Marriott Corporation to build a 96 room Courtyard by Marriott hotel adjacent to Central Park. Located in the Central Business District, the Courtyard by Marriott will generate much-needed foot traffic to benefit numerous businesses within the CBD and will inspire additional businesses to return to the central core of the City. Furthermore, the future multi-purpose arena will be a great occupancy generator for the hotel and will also generate foot traffic for nearby businesses. Revenues generated by the hotel for Mason City and the State will help replenish the program to benefit other communities in the future.

Our mixed use development on 2nd & Federal Avenue is designed to promote a sense of community by encouraging walking and bicycling to nearby shopping, entertainment, and other conveniences.

Design work for both the hotel and the mixed use projects has been completed. Marriott has already accepted the design and site plan for the hotel. G8 Development has finished soil borings and is assembling a team to move forward with construction documents. Our intent is to start construction on both projects this fall.

In conclusion, G8 Development and I, as a native Iowan, are pleased to be part of this exciting project and look forward to the application's approval by the Iowa Economic Development Authority.

Sincerely,


Philip Chodur
President
G8 Development, Inc.

Roberta Pearson
Managing Paralegal
301/380-6260
301/380-6727 Fax
bobbie.pearson@marriott.com

November 12, 2014

VIA FEDEX

Mr. Philip Chodur
4538 Cass Street
San Diego, CA 92109
(619) 823-3402

Re: Courtyard by Marriott – Mason City, IA (Unit #: 65-3Q6)

Dear Philip:

Enclosed for your files are the following fully-executed documents for the above-referenced property dated November 6, 2014:

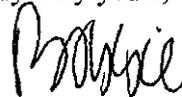
1. Franchise Agreement (one original);
2. Guaranty (one original); and
3. Electronic Systems License Agreement (one original).

Please be advised that insurance coverage must be effective pursuant to the Franchise Agreement terms in a timely manner (at least 6 months prior to the opening date). Please contact Risk Management if you have any questions regarding this matter. Failure to comply with the insurance requirements could affect your ability to open or pre-sell the property and could result in a default under the terms of the Franchise Agreement.

As a reminder, please provide us with a copy of the recorded deed in the name of G8 Development Inc. as soon as the transfer has occurred, but in any event prior to the construction commencement date deadline. Also, we will need the name of the Marriott-approved third-party management company prior to the Construction Commencement Date Deadline so that the Franchise Agreement can be amended and a Management Company Acknowledgement signed by both Franchisee and Management Company.

Please do not hesitate to contact me if you have any questions.

Very truly yours,



Roberta Pearson
Managing Paralegal

Enclosure

cc: Nick DeCarlo (w/o encls.)
Skip LaBarre (w/o encls.)
Paula Mahrenholz (w/o encls.)

EXECUTION VERSION

COURTYARD BY MARRIOTT HOTEL

FRANCHISE AGREEMENT

BETWEEN

MIF, L.L.C.

AND

G8 DEVELOPMENT INC.

Location: Northeast Quadrant of Highway 65 and 1st Street NW, Mason City, IA 50401

Dated as of:

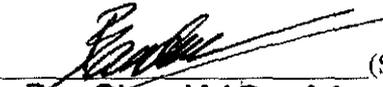
November 6, 2014

IN WITNESS WHEREOF, the parties hereto have caused this Electronic Systems License Agreement to be duly executed and delivered, under seal, as of the date first above written.

FRANCHISOR:

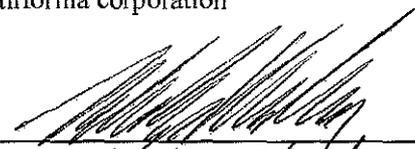
MIF, L.L.C.

By: Marriott International, Inc.
Its: Sole Member

By:  (SEAL)
Name: **Bao Giang Val Bauduin**
Title: **Vice President**

FRANCHISEE:

G8 DEVELOPMENT INC.
a California corporation

By:  (SEAL)
Name: *Philip Chodur*
Title: *President*



Doc. #: 2014-3220

Type: IRES

Date: 06/20/2014

R: \$45.00 - Tf: \$0.00 - M: \$1.00 - Tc: \$1 - N: \$0

Pages: 9

Time: 08:33 AM

Pymt: Charge

AUD

Colleen Pearce, Cerro Gordo County Recorder

Preparer: Diana Black, Deputy City Clerk, 10 1st Street N.W., Mason City, IA
50401 641-421-3600

Return To: Diana Black, 10 1st Street N.W., Mason City, IA 50401

4700 dg

RESOLUTION NO. 14 - 119

A RESOLUTION APPROVING AND AUTHORIZING EXECUTION
OF AN AMENDMENT/EXTENSION OF OPTION AGREEMENT
FOR LEASE OR PURCHASE BETWEEN THE CITY OF MASON
CITY AND G8 DEVELOPMENT INC. FOR POTENTIAL
DEVELOPMENT OF CITY-OWNED DOWNTOWN PARCELS

WHEREAS, the City Council of the City of Mason City, Iowa, did adopt Resolution No. 13-114 on the 4th day of June, 2013, it being a resolution approving and authorizing execution of an Exclusive Negotiation Agreement between the City of Mason City and G8 Development Inc. for potential development of city-owned downtown parcels; and,

WHEREAS, the parties are continuing to negotiate the terms of a site development agreement for property currently owned by the City; and,

WHEREAS, on October 1, 2013, the City Council of the City of Mason City, adopted Resolution No. 13-218, authorizing the execution of an Option Agreement allowing G8 Development Inc. the exclusive right to purchase certain parcels owned by the City of Mason at a price to be negotiated, for a period of one (1) year; and,

WHEREAS, without abrogating or modifying the terms of the ENA, the parties wish to extend the option period for an additional one (1) year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mason City, Iowa:

Section 1: That the Mayor is authorized and the Clerk is hereby directed to execute any and all necessary documents.

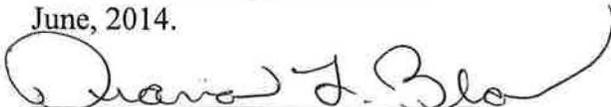
PASSED AND APPROVED this 3rd day of June, 2014.

/s/Eric Bookmeyer
Eric Bookmeyer, Mayor

ATTEST:

/s/Brent Trout
Brent Trout, City Clerk

I, Diana Black, appointed, qualified and acting Deputy City Clerk, do hereby certify this to be a true and exact copy of Resolution No. 14-119, adopted by the City Council on the 3rd day of June, 2014.


Diana L. Black, Deputy City Clerk



AMENDMENT/EXTENSION OF OPTION AGREEMENT FOR LEASE OR PURCHASE

THIS AMENDMENT/EXTENSION OF OPTION AGREEMENT FOR LEASE OR PURCHASE, dated this 16 day of June, 2014, by and between **G8 Development, Inc.**, a California corporation, and **City of Mason City, Iowa**; WITNESSETH:

WHEREAS, the parties have entered into an Option Agreement for Lease or Purchase of real property dated October 2, 2013 and recorded in the office of the Cerro Gordo County Recorder on the 9th day of October, 2013, designated as Doc. #2013-7213; and,

WHEREAS, the terms of said Option Agreement provide for a primary option period of one (1) year from October 2, 2013; and,

WHEREAS, the parties have negotiated an extension of said Option Agreement for an additional one (1) year period ending October 2, 2015;

NOW, THEREFORE, it is agreed as follows:

1. That the Option Agreement for Lease or Purchase by and between the parties dated October 2, 2013, and recorded in the office of the Cerro Gordo County Recorder on the 9th day of October, 2013, designated as Doc. #2013-7213, shall be amended to provide as follows:

A. That the real estate subject to the option shall be the real estate situated in Cerro Gordo County, Iowa, described as:

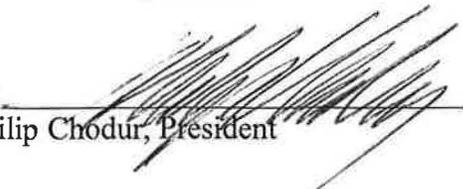
Block Lots 2, 3, 6, 7 and 8 in Block 10 of Paul Felt's Plat of Mason City; also the north 22 feet of Lot 5 in Block 10 of Paul Felt's Plat of Mason City; also the east 94.5 feet of the south 22 feet of Lot 4 in Block 10 of Plat of Mason City; including also the dedicated alley right-of-way in Block 10 of Paul Felt's Plat of Mason City.

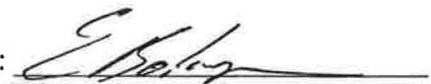
B. That said Option Agreement shall expire on October 2, 2015.

2. All other terms of the Option Agreement referenced above shall remain as previously agreed upon and in full force and effect.

G8 DEVELOPMENT, INC. a
California Corporation

CITY OF MASON CITY

By: 
Philip Chodur, President

By: 
Eric Bookmeyer
Its: Mayor

STATE OF CALIFORNIA)
)ss:
COUNTY OF SAN DIEGO)

Angela M. Hodgdon,

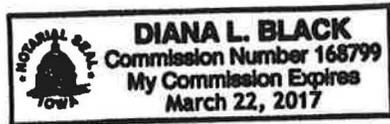
On this 16th day of June, 2014, before me, a Notary Public, personally appeared PHILIP CHODUR, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity. and that by his signature on the instrument the person, or the entity on behalf of which the person acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



Angela M. Hodgdon
Notary Public in and for the
State of California

STATE OF IOWA)
)ss:
COUNTY OF CERRO GORDO)

On this 4 day of June, 2014, before me, a Notary Public, personally appeared ERIC BOOKMEYER, to me personally known, and whom being by me duly sworn, did say that he is the Mayor of the City of Mason City, Iowa, that the seal affixed to the foregoing instrument is the seal of the City of Mason City, Iowa, and that the instrument was signed and sealed on behalf of the City of Mason City by authority of its City Council, as contained in the Resolution No. 13-218, adopted by the City Council of the City of Mason City, Iowa, on the 3 day of June, 2014, and that Eric Bookmeyer acknowledged the execution of this instrument to be the voluntary act and deed of the City of Mason City, and which is by him voluntarily executed.



Diana L. Black
Notary Public in and for the
State of Iowa

OPTION AGREEMENT FOR LEASE OR PURCHASE

THIS OPTION AGREEMENT FOR LEASE OR PURCHASE (hereinafter referred to as "Option Agreement") is entered into by the CITY OF MASON CITY, IOWA (hereinafter referred to as "City") and G8 DEVELOPMENT, INC. (hereinafter referred to as "G8"), being effective on the latest date of execution written below:

RECITALS

A. The City and G8 have entered into an Exclusive Negotiation Agreement (hereinafter referred to as "ENA") entered into on or about May 29, 2013, stating in part the intention of the parties to negotiate a site development agreement for certain real property in Mason City, Iowa.

B. The parties hereto are continuing to negotiate the terms of a site development agreement for property currently owned by the City, including property described as follows:

Lots 2, 3, 6, 7 and 8 in Block 10 of Paul Felt's Plat of Mason City; also the north 22 feet of Lot 5 in Block 10 of Paul Felt's Plat of Mason City; also the east 94.5 feet of the south 22 feet of Lot 4 in Block 10 of Paul Felt's Plat of Mason City; including also the dedicated alley right-of-way in Block 10 of Paul Felt's Plat of Mason City.

C. Without abrogating or modifying the terms of the ENA, the parties wish to move the negotiating process forward by entering into this Option Agreement indicating the intent and willingness of the parties to place the above-described property in the control of G8 for the development purposes described in the ENA, subject to certain conditions.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. The City agrees to and hereby does convey to G8 an exclusive option to purchase or lease the Property from the City, subject to the conditions and limitations described below.
2. G8 agrees to pay to the City either rental payments, or a purchase price, in amounts and under terms to be specified by future agreement of the parties.
3. In exchange for this Option Agreement, G8 agrees to pay to the City the nonrefundable amount of one dollar (\$1.00), no later than ten (10) days after the effective date of this Option Agreement.
4. Upon payment by G8 of the amount specified above, the City will cause this Option Agreement to be filed in the real estate records for Cerro Gordo County, Iowa.
5. The parties hereto agree to negotiate in good faith following the effective date of this Option Agreement in order to reach an agreement for either a lease or purchase agreement for the Property, and the property shall not be conveyed by any means unless the parties have

executed a development agreement that sets forth the obligations of all parties to the development.

6. This Option Agreement shall expire one year after the effective date thereof.

7. The expiration of this Option Agreement shall in no way void or otherwise affect any written agreement for G8 to lease or purchase the property from the City executed by the Parties hereto.

8. This Option Agreement and the obligation of the City to lease, sell, or otherwise convey the Property to G8 for development purposes is and shall be subject to the ability of the City to meet all statutory requirements for the conveyance of publicly owned real property to private parties for development purposes.

9. The Parties hereto agree to, in good faith, use all reasonable efforts to advance the purposes and to meet the conditions of this Option Agreement.

10. In the event of default by either party, the sole and exclusive remedy of the aggrieved party shall be to terminate this agreement by written notice as specified in paragraph 10 of the ENA referenced above.

11. The City represents and warrants to G8 that it is a municipal corporation, and has the capacity and full power and authority to enter into and carry out this Option Agreement and that the transactions contemplated by this Option Agreement have been duly authorized by the City and shall be a valid and binding agreement of the City.

12. G8 represents and warrants to the City that it is a California corporation, and that it has the capacity and full power and authority to enter into and carry out the agreements contained herein and that this Option Agreement has been duly authorized and executed by G8 and, upon execution by Parties, shall be a valid and binding agreement of the developer.

13. This agreement and each and every related document are to be governed by, and construed in accordance with, the laws of the State of Iowa.

14. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Option Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning and not for or against any party based upon any attribution of such party as the sole source of the language in question. Notwithstanding anything to the contrary set forth herein, each party shall be solely responsible for paying its own attorney fees.

15. G8 shall not assign any of its right, title or interest in this Option Agreement without the City's express written consent. Subject to the foregoing, this agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties to this Option Agreement.

16. The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Option Agreement.

17. This agreement may be executed on counterpart signature pages which contain the notary acknowledgment.

COMMERCIAL APPRAISERS OF IOWA, INC.

Real Estate Valuation & Consulting

Patrick J. Schulte, MAI
Russ G. Manternach, MAI

Levi H. Freedman
Karen C. Olson
David J. Fuglsang
Luke J. Wanninger

September 6, 2013

Steven J. Van Steenhuyse, AICP
Director of Development Services
City of Mason City
10 1st Street NW
Mason City, IA 50401

Exhibit B2d
Appraisal

Dear Mr. Van Steenhuyse:

Re: Appraisal of Real Estate Located at First Street NW and North Washington Avenue, Mason City, Iowa.

As you requested, we have on August 29, 2013, inspected the above referenced property. A description of the property is included in the Summary of Salient Data Section of the accompanying report.

The purpose of the appraisal is to estimate the market value of the fee simple estate in the property as of the date of inspection. The appraisal is to be used to assist in determining a potential sale price. The intended user is the City of Mason City. It is not to be relied upon by any third parties.

We are providing a summary appraisal report. The scope of work for this appraisal is described in the Summary of Salient Data Section. The appraisal has been completed in conformance to the most recent Federal regulations (FIRREA), as well as the guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Institute's Code of Ethics.

Valuation Conclusion: Based on the data and judgments contained in the following appraisal report, we estimate the market value of the fee simple estate in the subject property, as of August 29, 2013, to be **\$204,000.**

Two Hundred Four Thousand Dollars.

It has been a pleasure providing appraisal services to you. If you should have any questions regarding the derivation of market value, please feel free to contact me at your convenience.

Respectfully submitted,



Russ G. Manternach, MAI



EXHIBIT B3a

Project Description, Project Timeline and Feasibility: Federal Avenue Lofts

Narrative:

The City-owned property located at the southeast corner of North Federal Avenue and 2nd Street SE has been vacant for many years. During that time, the property has become an impromptu parking lot, as it can be accessed from an adjacent alley. The surface is gravel, so parking spaces are not marked and parking occurs *ad hoc*. As configured, it can accommodate up to 25 vehicles. The lack of a building at this site has negatively affected pedestrian vitality of this essential downtown corridor. It is well documented that gaps in a downtown street will discourage pedestrian activity on adjacent sidewalks. As a result, the businesses on the northern blocks of North Federal Avenue are separated from the main core of downtown activity and do not capture that vitality.

Redevelopment of this site is proposed to consist of a **three-story mixed use retail/residential building, the "Federal Avenue Lofts."** Up to five retail spaces (four facing North Federal Avenue, one facing 2nd Street NE) are proposed for the first floor. These spaces will be designed so that they can be combined into fewer leasable spaces, according to the needs of the tenant businesses. The upper two stories will contain 18 market rate dwelling units, with one to three bedrooms. Indoor parking for six vehicles is proposed at the ground floor.

This development will close the street wall gaps on North Federal Avenue and 2nd Street NE, provide additional retail opportunities, and also provide needed market rate dwelling units downtown. The building is designed to reflect the historic character of the downtown, but will contain modern amenities.

G8 Development, Inc. has secured an option to purchase this property from the City.

Project Timeline:

Construction is anticipated to begin by at least the summer of 2016. The building will take approximately 8 months to construct. Occupancy is expected during the spring of 2017.

Feasibility:

This project is anticipated to generate initial revenues of \$272,235 annually in property tax and sales taxes.

A recent market study conducted by Main Street Mason City, funded by the IEDA and conducted by the Downtown Professionals Network, found a need for additional specialty food stores, florists, general merchandise stores and limited service eating and drinking establishments, among others. This study also revealed a demand for additional market rate dwelling units in Downtown. Additional support for this market need can be found in the Economic Impact Study (see Exhibit C2).



Exhibit B3b Federal Avenue Lofts Preliminary Financing Plan and Revenues

PROJECT COSTS

Site Preparation	\$	20,000	
Site Acquisition	\$	36,000	
Construction Costs			
First Floor Parking Garage	\$	1,180,485	
First Floor Commercial Space	\$	1,209,600	
Second and Third Floor Apartments	\$	2,898,000	
Site Improvements	\$	39,248	
Total Construction	\$	5,383,333	
Arch./Eng. Design	\$	386,836	
Other			
Admin./Legal	\$	52,803	\$ 195,846
Permits/Fees	\$	129,591	
Other	\$	13,452	
Total Project Costs	\$	6,022,015	

FUNDING SOURCES

Equity Investment	\$	1,900,000
Mortgage Loan	\$	4,122,015
Total Funding Sources	\$	6,022,015

ANTICIPATED REVENUES

	<u>Value</u>	<u>Multiplier</u>	<u>Total</u>	<u>20-Year</u>
Property Tax	\$ 2,250,000	tax levy 34.7	\$ 78,075	\$ 1,561,500
Iowa Sales Tax (6%)	\$ 555,000	5 retailers	\$ 166,500	\$ 3,330,000
Local Option Sales Tax (1%)	\$ 555,000	5 retailers	\$ 27,750	\$ 555,000
Total			\$ 272,325	\$ 5,446,500

Note: These costs and funding source amounts are preliminary in nature and are subject to change as details of the project are determined.

Assumptions:

Sales tax figures based on estimated average sales per retail firm in FY13 of approximately \$555,000

Assumes full occupancy of all five retail spaces provided



Mixed Use Retail/Residential Building Area Site Plan



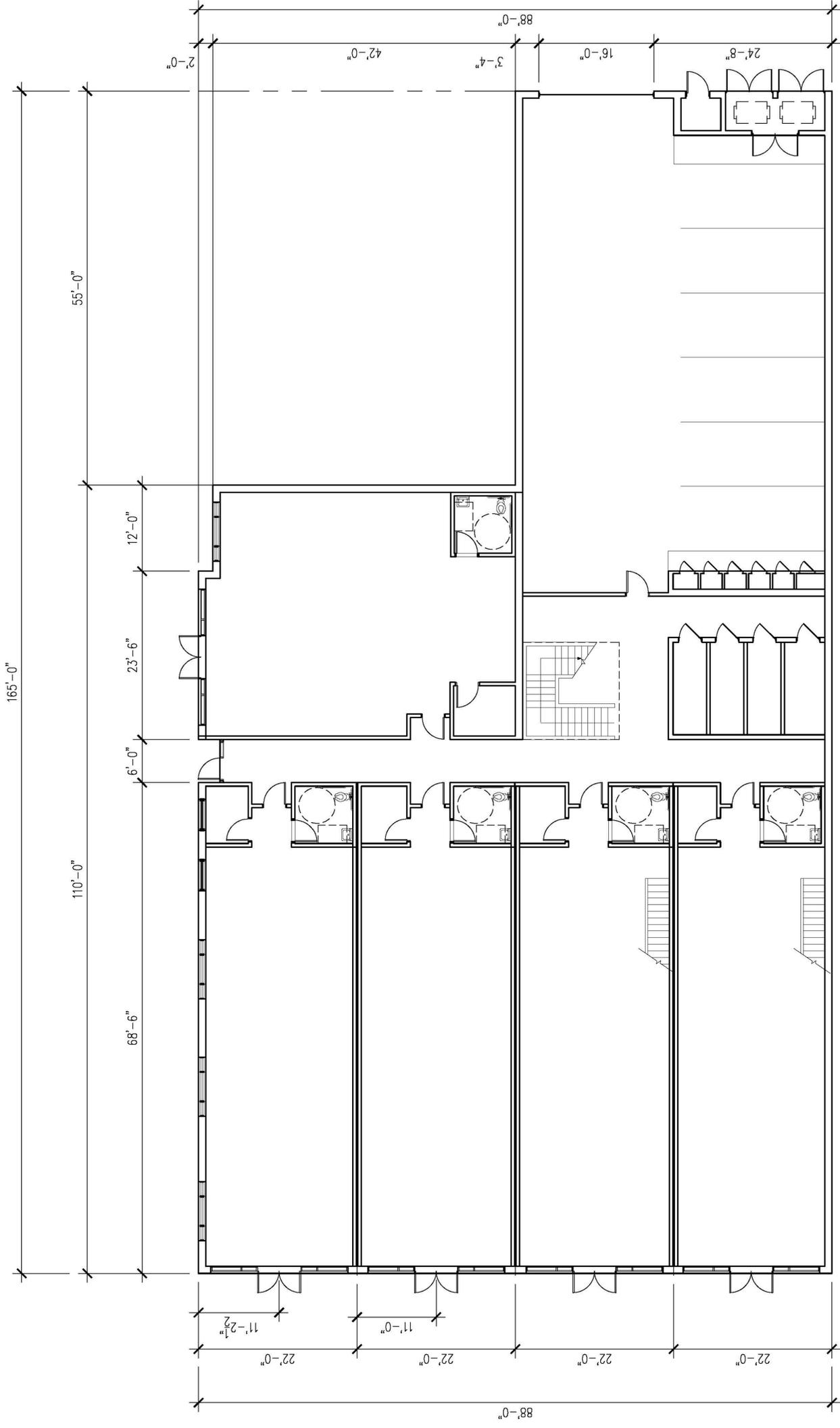
-  District Boundary
-  Building Site



Source: Cerro Gordo County GIS
Map Date: 2/27/14



Exhibit B3c(i) Mixed Use Retail/Residential Building 1st Floor Plan

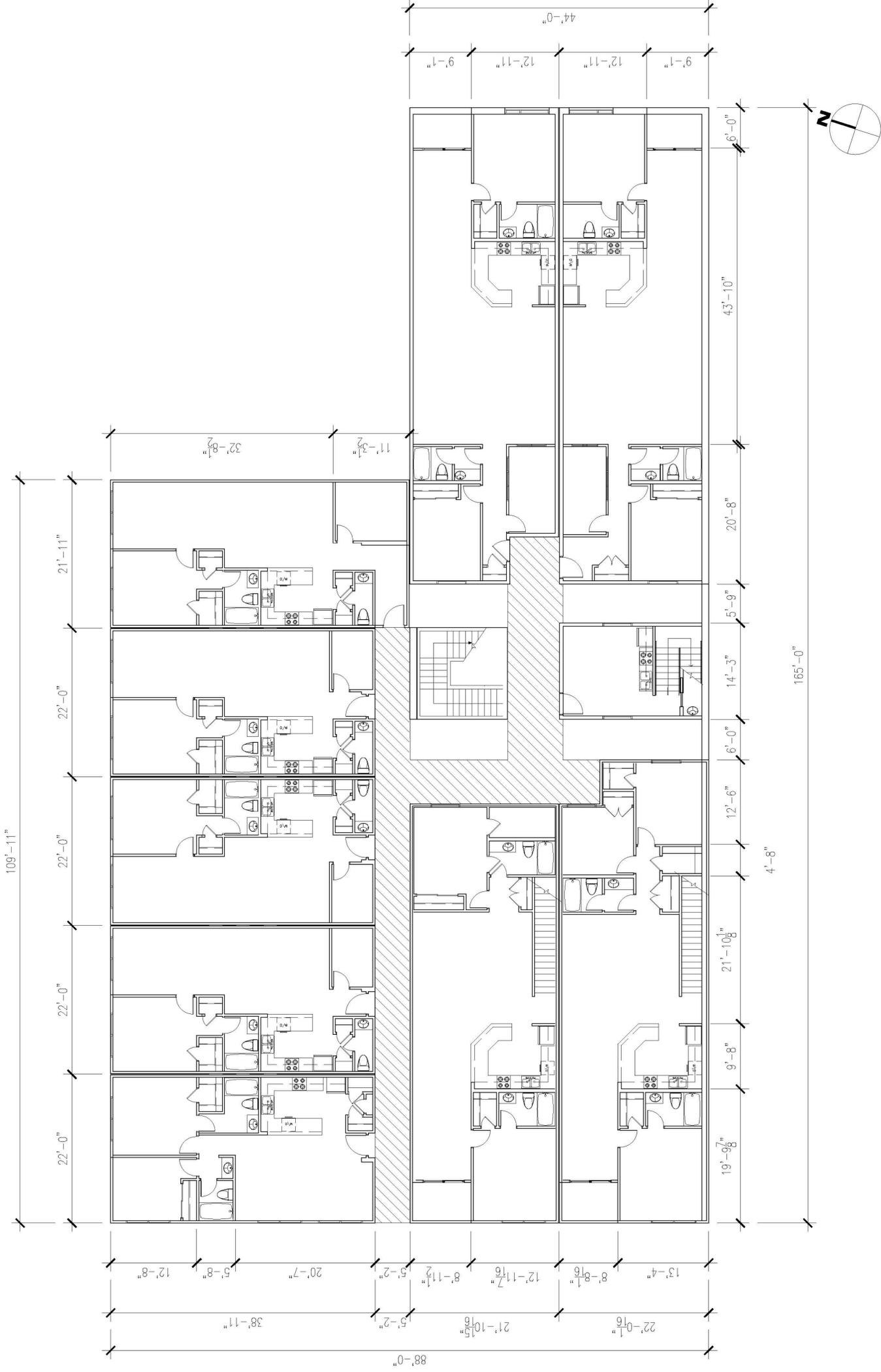


FIRST FLOOR PLAN

Issue Date: 3-28-2013	N. Federal Lofts --- Mason City, IA	Sheet Title: FRIST FLOOR PLAN
Revisions:		Sheet Number: A-01
Drawn By/Checked:		SHT NO. : - OF - SHTS
Consultant:		
Project Number: 09-03-2012		



Exhibit B3c(ii) Mixed Use Retail/Residential Building 2nd/3rd Floor Plan



SECOND THIRD FLOOR PLAN

N. Federal Lofts --- Mason City, IA

Issue Date:	3-29-2013
Revisions:	
Drawn By/Checked:	
Consultant:	
Project Number:	08-03-2012

Sheet Title:	SECOND FLOOR PLAN
Sheet Number:	A-02
SHEET NO. :	- OF - SHEETS



Exhibit B3c(iii) Mixed Use Retail/Residential Building
Northeast Perspective



Exhibit B3c(iv) Mixed Use Retail/Residential Building
Northwest Perspective



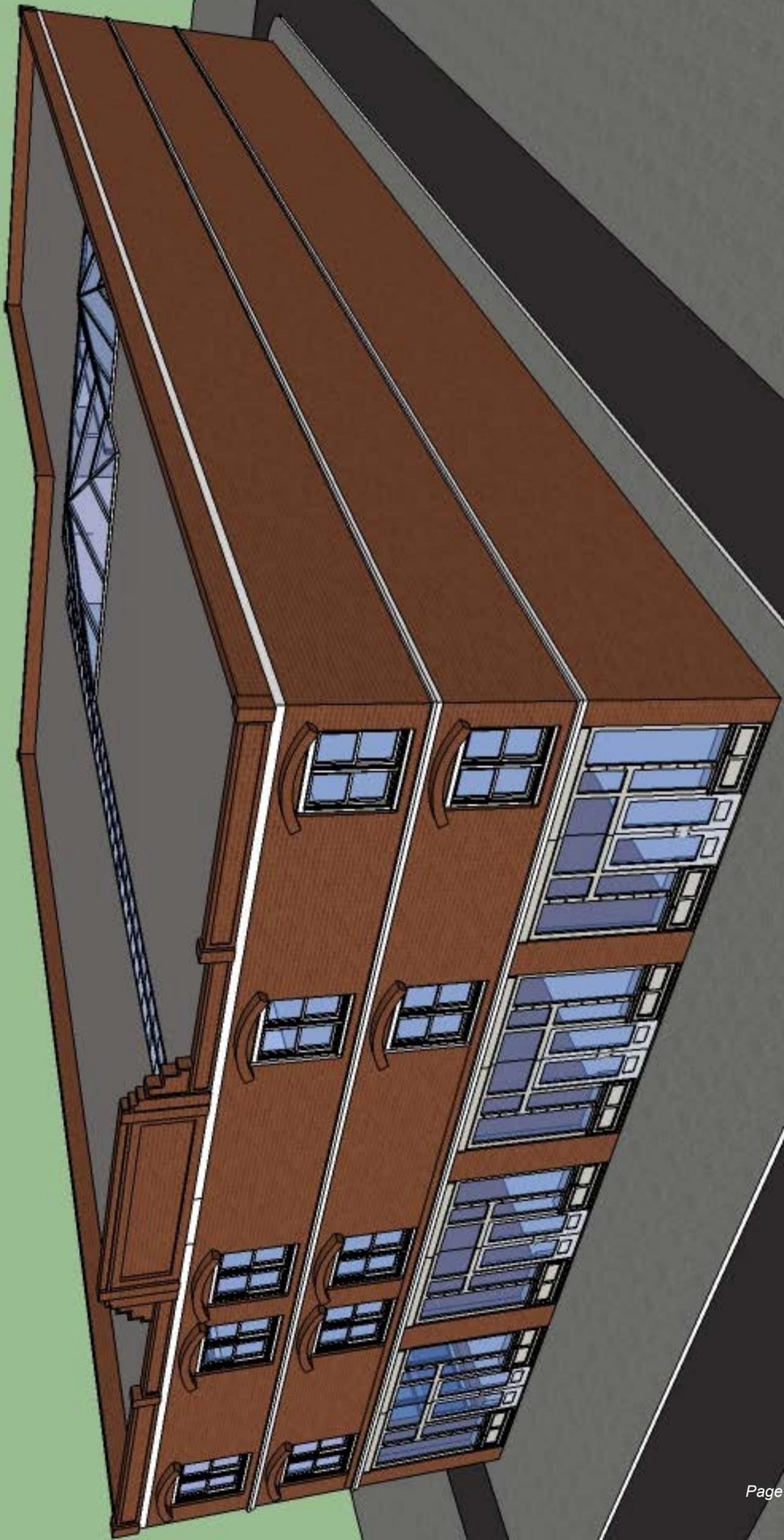


Exhibit B3c(v) Mixed Use Residential/Retail Building
Southeast Perspective

COMMERCIAL APPRAISERS OF IOWA, INC.

Real Estate Valuation & Consulting

Patrick J. Schulte, MAI
Russ G. Manternach, MAI

Levi H. Freedman
Karen C. Olson
David J. Fuglsang
Luke J. Wanninger

September 6, 2013

Exhibit B3d(i) Federal Avenue Lofts
Real Estate Appraisal

Steven J. Van Steenhuyse, AICP
Director of Development Services
City of Mason City
10 1st Street NW
Mason City, IA 50401

Dear Mr. Van Steenhuyse:

**Re: Appraisal of Real Estate Located at North Federal Avenue and Second Street NE,
Mason City, Iowa.**

As you requested, we have on August 29, 2013, inspected the above referenced property. A description of the property is included in the Summary of Salient Data Section of the accompanying report.

The purpose of the appraisal is to estimate the market value of the fee simple estate in the property as of the date of inspection. The appraisal is to be used to assist in determining a potential sale price. The intended user is the City of Mason City. It is not to be relied upon by any third parties.

We are providing a summary appraisal report. The scope of work for this appraisal is described in the Summary of Salient Data Section. The appraisal has been completed in conformance to the most recent Federal regulations (FIRREA), as well as the guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Institute's Code of Ethics.

Valuation Conclusion: Based on the data and judgments contained in the following appraisal report, we estimate the market value of the fee simple estate in the subject property, as of August 29, 2013, to be **\$36,000.**

Thirty Six Thousand Dollars.

It has been a pleasure providing appraisal services to you. If you should have any questions regarding the derivation of market value, please feel free to contact me at your convenience.

Respectfully submitted,



Russ G. Manternach, MAI

Exhibit B3d(ii) Federal Avenue Lofts
Option Agreement

Doc. #: 2014-3714

Type: IRES

Date: 07/11/2014

R: \$30.00 - Tf: \$0.00 - M: \$1.00 - Tc: \$1 - N: \$0

Pages: 6

Time: 09:06 AM

Pymt: Charge

aud

Colleen Pearce, Cerro Gordo County Recorder

Preparer: Diana Black, Deputy City Clerk, 10 1st Street N.W., Mason City, IA 50401 641-421-3600

Return To: Diana Black, 10 1st Street N.W., Mason City, IA 50401

32.00 chg

RESOLUTION NO. 14- 147

A RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF AN OPTION AGREEMENT FOR LEASE OR PURCHASE BETWEEN THE CITY OF MASON CITY AND G8 DEVELOPMENT INC. FOR POTENTIAL DEVELOPMENT OF CITY-OWNED DOWNTOWN PARCELS (VACANT CITY LOT AT SE CORNER OF NORTH FEDERAL AVENUE AND 2ND STREET NE)

WHEREAS, the City Council of the City of Mason City, Iowa did adopt Resolution No. 13-114 on the 4th day of June 2013, it being a resolution approving and authorizing execution of an Exclusive Negotiation Agreement between the City of Mason City and G8 Development Inc. for potential development of city-owned downtown parcels, and

WHEREAS, parties are continuing to negotiate the terms of a site development agreement for property currently owned by the City, and

WHEREAS, without abrogating or modifying the terms of the ENA, the parties wish to move the negotiating process forward by entering into an Option Agreement related to vacant City lot at the Southeast corner of North Federal Avenue and 2nd Street Northeast.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Mason City, Iowa;

Section 2: That the Mayor and City Clerk be hereby authorized and directed to execute the necessary documents.

PASSED AND APPROVED this 1st day of July, 2014.

/s/Eric Bookmeyer
Eric Bookmeyer, Mayor

ATTEST:

/s/Brent Trout
Brent Trout, City Clerk

I, Diana Black, appointed, qualified and acting Deputy City Clerk, do hereby certify this to be a true and exact copy of Resolution No. 14-147, adopted by the City Council on the 1st day of July, 2014.


Diana L. Black, Deputy City Clerk



OPTION AGREEMENT FOR LEASE OR PURCHASE

THIS OPTION AGREEMENT FOR LEASE OR PURCHASE (hereinafter referred to as "Option Agreement") is entered into by the CITY OF MASON CITY, IOWA (hereinafter referred to as "City") and G8 DEVELOPMENT, INC. (hereinafter referred to as "G8"), being effective on the latest date of execution written below:

RECITALS

A. The City and G8 have entered into an Exclusive Negotiation Agreement (hereinafter referred to as "ENA") entered into on or about May 29, 2013, stating in part the intention of the parties to negotiate a site development agreement for certain real property in Mason City, Iowa.

B. The parties hereto are continuing to negotiate the terms of a site development agreement for property currently owned by the City, including property described as follows:

Lot 2 in Block 9, Paul Felt's Plat of Mason City, Iowa, excluding therefrom the east 55 feet of the north 44 feet of said Lot 2; and the north 22 feet of Lot 3 in Block 9, Paul Felt's Plat of Mason City, Iowa.

C. Without abrogating or modifying the terms of the ENA, the parties wish to move the negotiating process forward by entering into this Option Agreement indicating the intent and willingness of the parties to place the above-described property in the control of G8 for the development purposes described in the ENA, subject to certain conditions.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. The City agrees to and hereby does convey to G8 an exclusive option to purchase or lease the Property from the City, subject to the conditions and limitations described below.

2. G8 agrees to pay to the City either rental payments, or a purchase price, in amounts and under terms to be specified by future agreement of the parties.

3. In exchange for this Option Agreement, G8 agrees to pay to the City the nonrefundable amount of one dollar (\$1.00), no later than ten (10) days after the effective date of this Option Agreement.

4. Upon payment by G8 of the amount specified above, the City will cause this Option Agreement to be filed in the real estate records for Cerro Gordo County, Iowa.

5. The parties hereto agree to negotiate in good faith following the effective date of this Option Agreement in order to reach an agreement for either a lease or purchase agreement for the Property, and the property shall not be conveyed by any means unless the parties have executed a development agreement that sets forth the obligations of all parties to the development.

6. This Option Agreement shall expire one year after the effective date thereof. The effective date shall be the date the City causes this Option Agreement to be filed in the real estate records for Cerro Gordo County, Iowa.

7. The expiration of this Option Agreement shall in no way void or otherwise affect any written agreement for G8 to lease or purchase the property from the City executed by the Parties hereto.

8. This Option Agreement and the obligation of the City to lease, sell, or otherwise convey the Property to G8 for development purposes is and shall be subject to the ability of the City to meet all statutory requirements for the conveyance of publicly owned real property to private parties for development purposes.

9. The Parties hereto agree to, in good faith, use all reasonable efforts to advance the purposes and to meet the conditions of this Option Agreement.

10. In the event of default by either party, the sole and exclusive remedy of the aggrieved party shall be to terminate this agreement by written notice as specified in paragraph 10 of the ENA referenced above.

11. The City represents and warrants to G8 that it is a municipal corporation, and has the capacity and full power and authority to enter into and carry out this Option Agreement and that the transactions contemplated by this Option Agreement have been duly authorized by the City and shall be a valid and binding agreement of the City.

12. G8 represents and warrants to the City that it is a California corporation, and that it has the capacity and full power and authority to enter into and carry out the agreements contained herein and that this Option Agreement has been duly authorized and executed by G8 and, upon execution by Parties, shall be a valid and binding agreement of the developer.

13. This agreement and each and every related document are to be governed by, and construed in accordance with, the laws of the State of Iowa.

STATE OF IOWA)

) SS:

COUNTY OF CERRO GORDO)

On this 9 day July, 2014, before me, a Notary Public, personally appeared Eric Badmeyer and Brent Traut, to me personally known, and, whom being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Mason City, Iowa, that the seal affixed to the foregoing instrument is the seal of the City of Mason City, and that the instrument was signed and sealed on behalf of the City of Mason City by authority of its City Council, as contained in the Resolution Number 14-147, adopted by the City Council of the City of Mason City, Iowa, on the 1st day of July, 2014 and that Mayor and City Clerk acknowledge the execution of this instrument to be the voluntary act and deed of the City of Mason City, and which is by them voluntarily executed.



A handwritten signature in cursive script, appearing to read "Diana L. Black", written over a horizontal line.

Notary Public in and for the State of Iowa



EXHIBIT B4a

Project Description, Project Timeline and Feasibility: Performing Arts Pavilion

Narrative:

As a part of the "repurpose" of Southbridge Mall, the mall's ownership will construct a Performing Arts Pavilion at the north entrance.

The current entrance and tinted glass facade will be demolished in favor of reconstructing the Pavilion at the center, while maintaining four sets of double doors for egress per code. The design also accommodates the minimum of 20 foot circulation width that must be maintained to the exit points.

The pavilion has a storage/equipment room in the middle that serves as a backdrop for performance areas on either side: one indoor and one outdoor. This clever design also enables the correction of a streetscape design flaw--the lack of electricity for sound equipment, etc. on the Federal Avenue Plaza.

The outdoor pavilion roof structure is composed of tubular steel columns cantilevering upward at a slight angle. This roof will serve to shade the musicians as well as enhance acoustics. Between these exposed tube steel columns and beams, steel sheets will have Frank Lloyd Wright-inspired patterns cut into them. LED lighting will be placed behind the steel sheets and will shine through the patterns on the back wall and the roof during evening performances.

The entrance to Southbridge Center has been redesigned in a manner more in keeping with the wonderful architecture already present on the Federal Avenue Plaza (including the world-renowned Historic Park Inn Hotel.)

The flexible-space design accommodates entertainment acts of various sizes--from the large municipal band to individual acts. The interior "companion" venue ensures that inclement weather will never cancel a performance. The pavilion will provide a superb venue to have community celebrations and concerts which are free to anyone in the community.

Project Timeline:

Construction is anticipated to begin upon Reinvestment District approval. The building will take approximately 9 months to construct.

Feasibility:

Rental of the facility, sales of tickets and an incremental increase in property value is expected to generate \$54,590 in the initial years of operation.

There is strong demand in Mason City for a performance venue of this type and size. The venerable Mason City Municipal Band currently does not have a place to play. The historic Bandshell in East Park, about a mile east of Downtown, is too small to meet the needs of a modern community band. The area also lacks a smaller, more intimate venue for concerts and dramatic productions. The Performing Arts Pavilion will meet this need. Additional economic impact information can be found in the Economic Impact Study (see Exhibit C2).

This project promotes Mason City's unique heritage as a musical town. Providing a new, intimate venue for both indoor and outdoor performances enhances the Federal Plaza and reflects Downtown's architecture.



Exhibit B4b Performing Arts Pavilion Preliminary Financing Plan and Revenues

PROJECT COSTS

Site Preparation	\$	20,000
Site Acquisition	\$	-
Construction Costs		
Building	\$	1,165,000
Site Improvements	\$	30,000
Subtotal	\$	1,215,000
Contingency	\$	115,000
Total Construction	\$	1,330,000
Fixtures	\$	100,000
Arch./Eng. Design	\$	110,000
Other		
Admin./Legal	\$	50,000
Bond Issuance Costs	\$	40,000
Total Project Costs	\$	1,650,000

FUNDING SOURCES

Contributions	\$	200,000
Iowa Reinvestment District Program Fund:	\$	1,450,000
Total Funding Sources	\$	1,650,000

ANTICIPATED REVENUES

	<u>Value</u>	<u>Multiplier</u>	<u>Total</u>	<u>20-Year</u>
Facility rental	\$ 100	8 hrs/wk, 30 wks/yr	\$ 24,000	\$ 480,000
Property Tax (Incremental)	\$ 700,000	tax levy 34.7	\$ 24,290	\$ 485,800
Iowa Sales Tax	\$ 10	300 att, 30 events/yr	\$ 5,400	\$ 108,000
Local Option Sales Tax	\$ 10	300 att, 30 events/yr	\$ 900	\$ 18,000
Total			\$ 54,590	\$ 1,091,800

Note: These costs and funding source amounts are preliminary in nature and are subject to change as details of the project are determined.

Assumptions

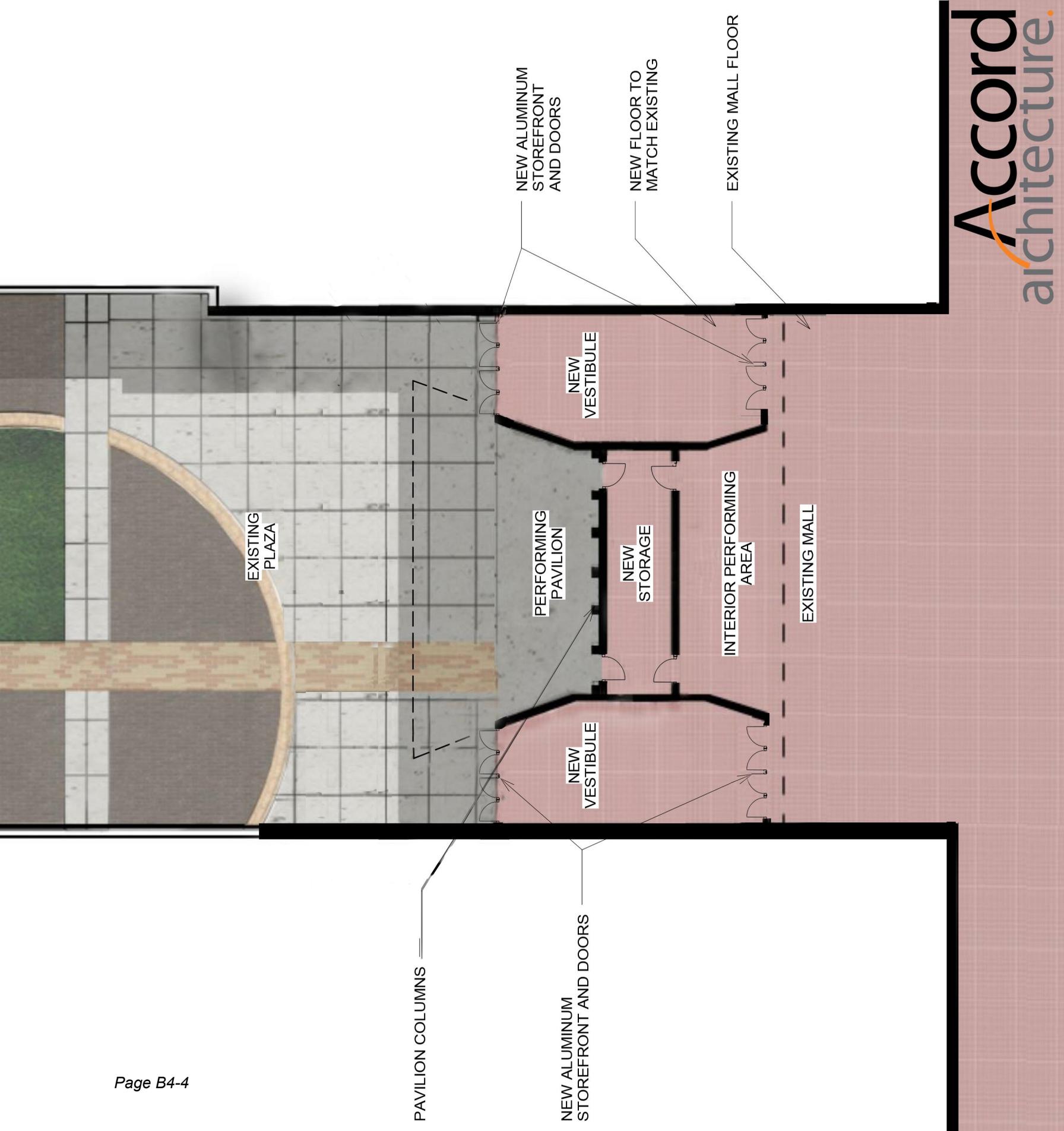
Cost of facility rental is \$100 per hour



LORADOS

LORADOS

WELCOME TO LORADOS
RECEIVE BONUS BY
\$4.00
FREE
LORADOS



EXISTING PLAZA

PAVILION COLUMNS

PERFORMING PAVILION

NEW ALUMINUM STOREFRONT AND DOORS

NEW VESTIBULE

NEW VESTIBULE

NEW STORAGE

NEW FLOOR TO MATCH EXISTING

INTERIOR PERFORMING AREA

EXISTING MALL FLOOR

EXISTING MALL





Performing Arts Pavilion Committee

9 North Federal Avenue
Mason City, IA 50401
641.423.5724

February 18, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act application

Dear Members of the Application Review Committee:

The Mason City Performing Arts Pavilion Committee is pleased to be included as part of Mason City's application to this program. For several years, the Mason City Municipal Band, has been "homeless". In 2007, a new pavilion was part of Mason City's Vision Iowa grant application, but it was later dropped from the scope of the plan. Our committee has been fundraising and searching for a new location to construct a venue since that time!

With the significant investment that has been made in our downtown, the Municipal Band made a decision last fall to move our 2015 concerts to Thursday evenings (instead of Sunday) and to play them on the Federal Avenue Plaza. This was intended as a temporary solution while we continued to search for a place to construct a permanent pavilion and storage area in the downtown core.

The effort to repurpose Southbridge Mall provides a wonderful opportunity for us—and for the entire community! Our plan to incorporate a performing arts pavilion into the Plaza entrance to Southbridge Mall will result in a big win for everyone:

- The entrance to Southbridge Mall will be redesigned in a manner that is more in keeping with the wonderful architecture already present on the Federal Avenue Plaza (including the world-renowned Historic Park Inn Hotel designed by Frank Lloyd Wright.)
- The flexible space design will accommodate entertainment of various sizes—from the large municipal band to individual musical acts.
- The interior "companion" venue will provide a rain site for performance activities such as the North Iowa Band Festival and Friday Night LIVE events as well as the municipal band. In addition, the annual "Tuba Christmas" will be able to accommodate even more performers and spectators. Tuba Christmas celebrated its 20th anniversary last December and continues to gain popularity.

It is our hope that your committee will agree that repurposing Southbridge Mall into “Southbridge Center” with the addition of an ice arena/event center and performing arts pavilion is a creative solution to several long-term community challenges.

We’re eager to make lemonade!

Thank you for your consideration!

Sincerely,

A handwritten signature in black ink that reads "Robin Anderson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Robin Anderson
North Iowa Band Festival Foundation Representative
Mason City Performing Arts Pavilion Committee

Performing Arts Pavilion Committee:

Russ Kramer, Mason City Municipal Band Director & Director of Instrumental Music at Mason City
Community School District

John Klemas, Director of Instrumental Music at North Iowa Area Community College

Bob Fisher, News Director-Digity Communications

Dr. Darrell Fisher, retired Orthopedic Surgeon

Vance Baird, retired Director of the North Iowa Band Festival

Scott Bell, musician with Feldspar

Ed Kent, owner/operator City Center



EXHIBIT B5a

Project Description, Project Timeline and Feasibility: Multi-Purpose Arena

Narrative:

Mason City is a unique as the only city of its size that supports semi-professional hockey. The North Iowa Bulls regularly sell out games in their current, 1,500-seat venue, which is aging and cannot be enlarged. In addition, the current ice-making equipment is aging and once it fails, it cannot be repaired. The Mason City Youth Hockey Association has actively sought a larger venue with up-to-date ice making equipment to serve the Bulls and the growing ranks of North Iowa ice hockey players and figure skaters. In addition, the Mason City area lacks modern exhibit space for trade shows and similar events. The proposed Multi-Purpose Arena will meet these needs. The arena will provide a venue for youth hockey tournaments from grade school to high school level. The arena will have public skate times during the open hours that are not schedule for other events.

The arena will seat 2,400 for hockey and similar sports events and 3,500 for concerts through the use of seating on the floor of the arena. The arena will be designed to allow for the installation of a basketball floor when the ice is not installed that will be the size of three high school level basketball courts. The courts will provide a venue to hold youth basketball tournaments, wrestling tournaments, and other recreational activities. The Mason City Recreation Department will also conduct programming in the arena for a number of programs such as cheerleading, tumbling and summer day care program.

The arena will be owned and constructed by Southbridge Mall. The mall will lease the arena to the City of Mason City for a period of 30 years with additional options to make it a 40 year lease term if desired. The City of Mason City will in turn sub-lease the arena to MCYHA (Mason City Youth Hockey Association) for the same period of time. MCYHA will then lease time to the other organizations (North Iowa Bulls, semi-professional hockey team, Figure Skating Club, High School Hockey Team, and youth hockey teams, they currently lease to. MCYHA will lease from the City 6 to 7 months depending upon whether the ice rink is needed for the semi-professional team's playoffs. The time that the arena is not leased to MCYHA the City of Mason City will manage the facility and schedule concerts, conventions, exhibits, and sports tournaments.

The North Iowa Bulls regularly sell out their games in their current venue, and local hockey promoters are certain that the new, larger venue will draw even larger crowds. Mason City has also shown that it can promote nationally-known entertainment acts; in 2014, over 30,000 people enjoyed a concert by Bret Michaels and Warrant when RAGBRAI XVIII made an overnight stop here. The Multi-Purpose Arena won't accommodate that large of a crowd, but this venue will make it possible to attract more concerts of that type to North Iowa.

This project will also provide a permanent home to the City's Recreation Department. Citizens will have a convenient venue for dropping off kids for tumbling, cheerleading and other offerings. The Department also sponsors a summer day care program that would be held in this facility. The Recreation Department serves an average of 5,179 participants per year in its adult and child programs.

The owners of Southbridge Mall are in support of this project; a letter stating their support is included in this exhibit. In addition, a copy of the Memorandum of Understanding by the Mason City Youth Hockey Association, outlining their commitments, is also included.

Project Timeline:

Construction is anticipated to begin as soon as the final application is approved. Construction will take about 12 months.

Feasibility:

This project will have a major impact on the local economy, bringing in visitors from a wide region. As the largest facility between Ames and Mankato, MN, the Multi-Purpose Arena will bring in new revenue in the form of facility rental, ticket sales, concession sales and hotel/motel tax. A combination of incremental property taxes, rental revenues and sales taxes is expected to lead to annual revenues of approximately \$496,778.

The Economic Impact Study (see Exhibit C2) provides detail about the impact this transformative project will have on the local economy. The commitment by local organizations and the ownership of the Mall all point to a successful project that will be profitable. This project also prevents the slow deterioration that inevitably occurs in shopping malls that can no longer support one or more anchor tenants.

This project reflects several aspects of Mason City's unique character. As a community committed to ice sports, the Multi-Purpose Arena allows for more ice time available to the many organizations clamoring for access. As a musical community, this venue will attract regionally- and nationally-known acts to North Iowa, further enhancing our heritage as a home for music and the arts. Finally, as a "can-do" community, this project provides a solution to keeping our downtown mall viable, with the same attitude that led to the construction of the mall when Downtown faced economic challenges in the later part of the last century.



Exhibit B5b Multi-Purpose Arena Preliminary Financing Plan and Revenues

PROJECT COSTS

Site Preparation	\$	100,000
Site Acquisition	\$	-
Construction Costs		
Building	\$	9,850,000
Site Improvements	\$	50,000
Subtotal	\$	10,000,000
Contingency	\$	1,050,000
Total Construction	\$	11,050,000
Fixtures	\$	350,000
Arch./Eng. Design	\$	950,000
Other		
Admin./Legal	\$	60,000
Bond Issuance Costs	\$	40,000
Total Project Costs	\$	12,550,000

FUNDING SOURCES

TIF	\$	3,950,000
Cerro Gordo County Contribution	\$	500,000
Private Funds	\$	2,000,000
Local Option Sales Tax	\$	1,200,000
Iowa Reinvestment District Program Funds	\$	4,900,000
Total Funding Sources	\$	12,550,000

ANTICIPATED REVENUES

	Value	Multiplier	Annual	20 Year
Ice Facility rental	\$ 100	8 hrs/wk, 30 wks/yr	\$ 24,000	\$ 480,000
Other event rentals	\$ 100	8 hrs/wk, 45 wks/yr	\$ 36,000	\$ 720,000
Property Tax (Incremental)	\$ 5,325,000	Tax levy 34.7	\$ 184,778	\$ 3,695,550
Iowa Sales Tax (6%)				\$ -
Tickets	\$ 20	2000 att, 60 events/yr	\$ 144,000	\$ 2,880,000
Concession	\$ 10	2000 att, 60 events/yr	\$ 72,000	\$ 1,440,000
Subtotal			\$ 216,000	\$ 4,320,000
Local Option Sales Tax (1%)				
Tickets	\$ 20	2000 att, 60 events/yr	\$ 24,000	\$ 480,000
Concession	\$ 10	2000 att, 60 events/yr	\$ 12,000	\$ 240,000
Subtotal			\$ 36,000	\$ 720,000
Total			\$ 496,778	\$ 9,935,550

Rental fees to be finalized at a later date; fees shown are estimates

Assumptions:

Average event ticket price = \$20

Average attendance at events = 2,000; 60 events per year

Each patron spends an average of \$10 on concessions

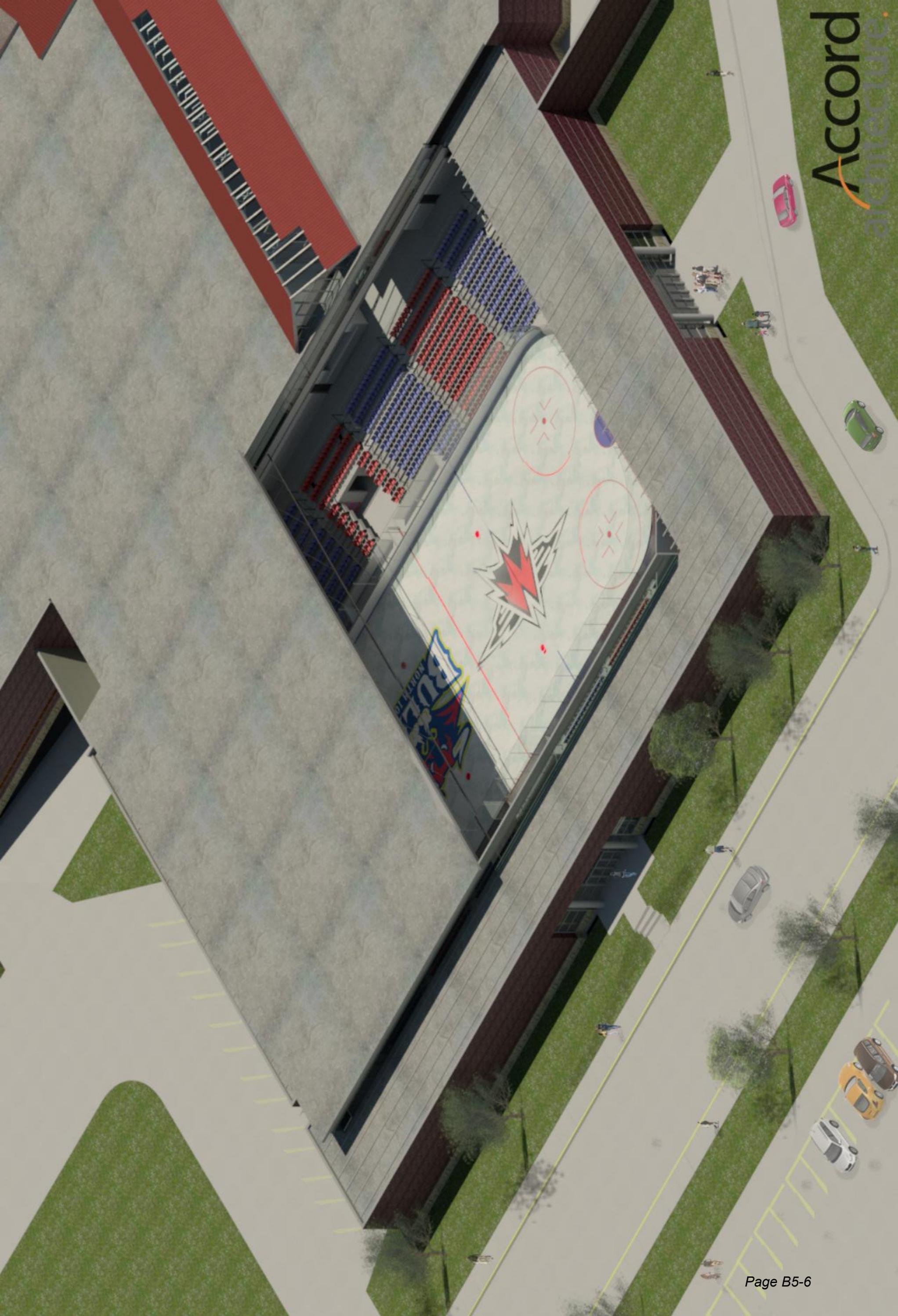
Note: These costs and funding source amounts are preliminary in nature and are subject to change as details of the project are determined.





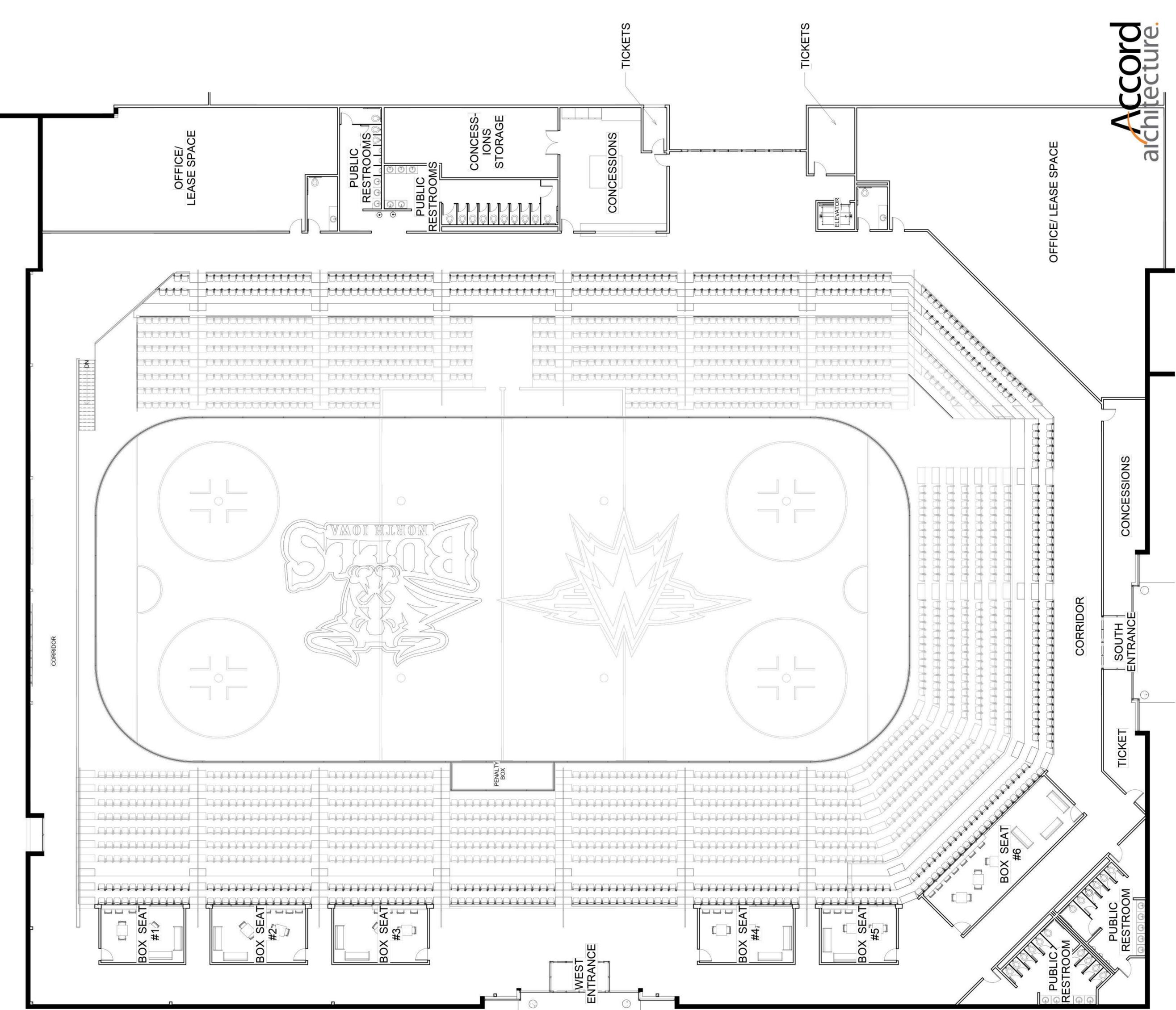
CITY OF MASON CITY
PARKS & RECREATION
Building a Better Community

Accord
architect









CORRIDOR

OFFICE/
LEASE SPACE

PUBLIC
RESTROOMS

PUBLIC
RESTROOMS

CONCESS-
IONS
STORAGE

CONCESSIONS

TICKETS

TICKETS

ELEVATOR

OFFICE/LEASE SPACE

CORRIDOR

SOUTH
ENTRANCE

TICKET

CONCESSIONS

BOX SEAT
#1

BOX SEAT
#2

BOX SEAT
#3

PENALTY
BOX

WEST
ENTRANCE

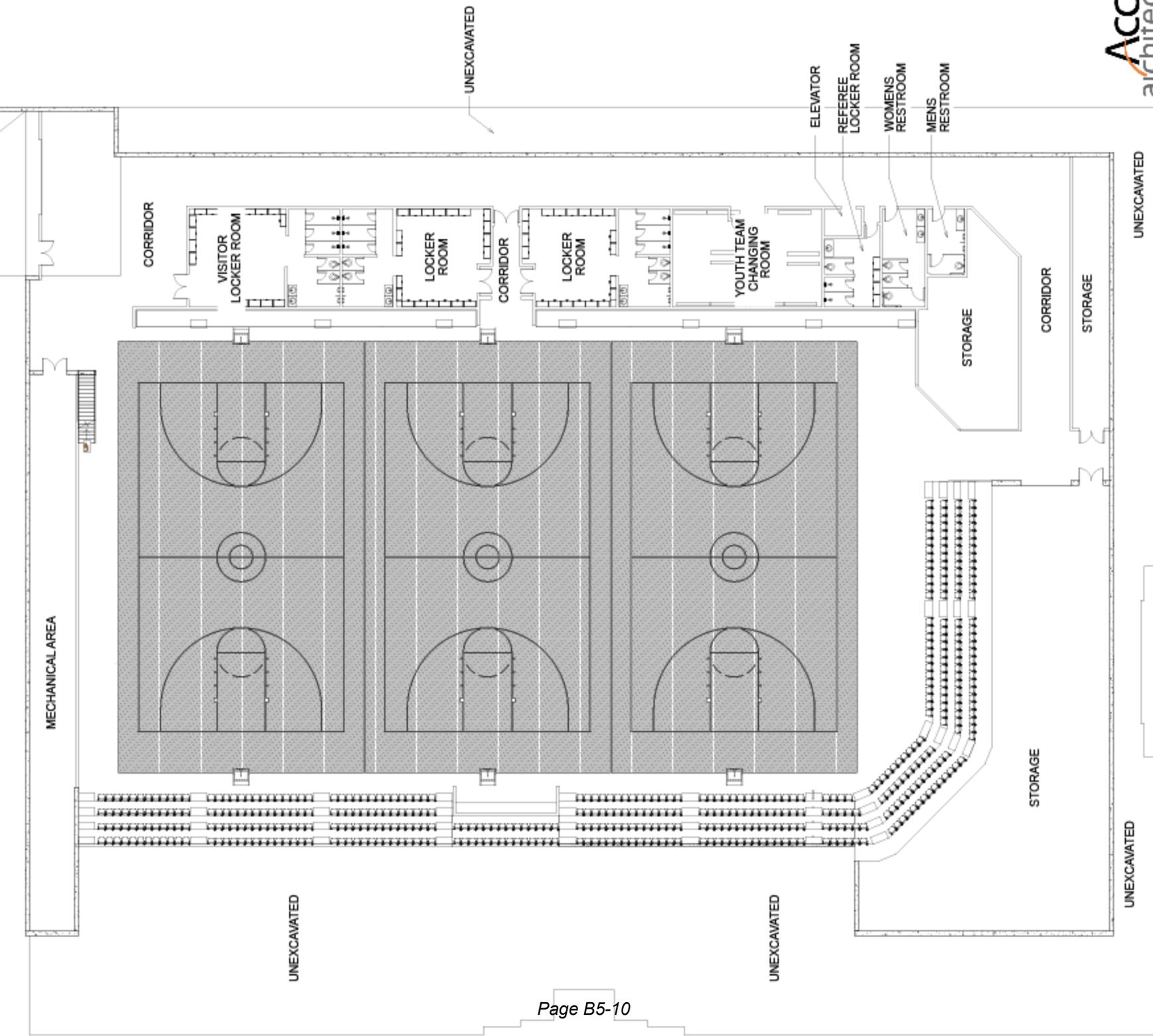
BOX SEAT
#4

BOX SEAT
#5

BOX SEAT
#6

PUBLIC
RESTROOM

PUBLIC
RESTROOM



C-III Asset Management

February 26, 2015

City of Mason City
Mayor, Eric Bookmeyer
10 First Street NW
Mason City, IA 50401

Dear Mayor Bookmeyer,

Southbridge Mall has been a fixture of the Mason City community for the last 20 years and we have enjoyed a mutually beneficial relationship since our involvement with the property. Southbridge Mall, has a desire to support the City of Mason City in its efforts to grow and improve the quality of life for its residents.

The proposed projects in Mason City's Iowa Reinvestment District application are tremendous opportunities to grow and improve the community. The conversion of the current JC Penney's space into a Multi-Purpose Arena is an outstanding repurpose of the space in the mall. Also, the addition of the Performing Arts Pavilion to the north end of the Mall indicates a continuation of the property's support of various musical entertainment events in Mason City. We generally support the plans as proposed and have agreed in principal to the terms for construction of the Multi-Purpose Arena and the Performing Arts Pavilion. It is understood the proposed plans may be altered in the future to accommodate potential changes that are required by either Mason City or Southbridge Mall. We understand the use of funds from various grants and financing sources will be used to pay for the cost of construction for the Multi-Purpose Arena and the Performing Arts Pavilion with the Mall continuing as the owner of the facility.

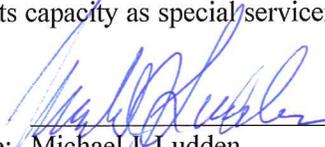
We also have agreed in principal to the terms of a long term lease and operation of the facilities. The Multi-Purpose facility would be leased to the City of Mason City after completion for 30 years with two additional 5 year options. The exact financial terms of the lease will be negotiated in the future once the final plans are approved by both parties and is subject to final execution by December 31, 2015.

The projects will bring high quality sports and musical entertainment venues to downtown Mason City. Venues of this quality and size will lead to increased activity in our Mall and the downtown area. We are excited to be a part of this project and look forward to a successfully approved application.

Sincerely,

U.S. Bank National Association, successor to Wells Fargo Bank, N.A., as Trustee for the registered holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2005-LDP1

By: C-III Asset Management LLC, (successor to Midland Loan Services, Inc.), a Delaware limited liability company, in its capacity as special servicer pursuant to that certain Pooling and Servicing Agreement dated March 1, 2005

By: 
Name: Michael J. Ludden
Title: Servicing Officer

Memorandum of Understanding

A motion was made by Steve Crane and seconded by Andy Hubbard to authorize The Mason City Youth Hockey Executive Board of directors to execute a Memorandum of Understanding with the City of Mason City, Iowa for the purpose of constructing a multi-purpose event center. The terms of said agreement shall include the following:

1. Mason City Youth Hockey(MCYH) will cover the costs of all Ice equipment
 - a. Design should include usage of the new cooling tower(with credit given to MCYH for its value)
 - b. Any other items that's that can be re-used from the current ice operation will be provided by MCYH (with credit given for their value)
2. In addition to covering costs associated with the ice equipment MCYH will provide 500k in cash funding.
3. Items 1 & 2 shall not exceed 2 million dollars total.
4. MCYH will oversee/operate/manage ice operation during ice season.
5. Jr. Hockey team (NI Bulls/etc.) shall be a tenant of MCYH.
6. Ongoing fees (lease payments) shall be comparable to current financials of MCYH.
7. MCYH will be leading a capital campaign and will have exclusive rights to "sell" sponsorships for all interior signage/scoreboards/Zamboni/suites/etc. during the ice season. And, MCYH requests the rights to "sell" the naming-rights to the building.
8. On-going maintenance of the Ice Making equipment shall be a responsibility of MCYH, provided that the provision required by item #6 has been faithfully met. Access shall be granted to MCYH, as necessary, in the off-season to make needed repairs.
9. Arena shall be billed as a "multi-purpose" or "civic center"-and not specifically an ice arena.
10. Liquor License is negotiable. However, liquor proceeds should be used to fund the building project and its on-going maintenance.
11. MCYH will provide daily "public" use/access.
12. MCYH's investment must be protected for the long-term (35-40 +years). (i.e. protected from ownership changes/protected from unplanned lease increases/etc.).
13. MCYH board of directors agree to publicly support the project and be vocal proponents of its construction.
14. Ice season may be as long as Sept. 1st -May 1st. However, in most cases ice would be needed from mid-September through the first week of April.

This memorandum of understanding isn't intended to be all inclusive. It frames the basic needs of MCYH and its willingness to contribute financially to the project. As other issues arise and as a long-term lease is negotiated we assume a good faith effort will be made by MCYH and the City of Mason City to protect the best interests of Youth Hockey in North Iowa.

The motion was voted on this day, February 3, 2015. The motion Carried 10-0.

Amy Glavin
Secretary, MCYH



EXHIBIT C

ECONOMIC IMPACT OVERVIEW

The projects proposed in the Mason City Downtown Reinvestment District will have a transformative impact on the downtown neighborhood and the Community as a whole. The downtown neighborhood has seen a revival since the completion of the Historic Park Inn Hotel redevelopment and the streetscape project. The completion of façade improvements for several historic buildings has further led to renewed optimism regarding downtown. Investment has occurred in many businesses to improve their appearance along with their value. Downtown Mason City is ready for business and has been experiencing improvements in the local business climate over the last 18 months. Completion of the projects proposed in this application will significantly improve the Downtown business environment.

The impact of the Central Park Hotel in the downtown area would be dramatic. The addition of 60 or more new visitors each night in our downtown area would be very noticeable. The bars and restaurants would see an increase in customers. Downtown has several high quality restaurants that would cater very well to the visitors as well as a diverse set of taverns that will provide a fun night of entertainment, with live music in some venues. Southbridge Mall and other retail shops in the downtown will also benefit from the additional visitors. Mason City is the major retail center in Northern Iowa and provides goods and services to a wide area of the state. The City is well positioned to accommodate additional visitors and it will be an enjoyable experience.

The development of additional retail in the hotel and in the Mixed Use Retail/Residential Building will provide opportunities to attract new businesses to the area that will increase and complement the existing business mix. New businesses will provide additional options, making downtown a destination shopping location. The increase in sales will assist the City and the State by increasing sales tax revenue for use within the district and throughout the community.

An increase in visitors creates a need for easy access to parking. The Downtown Parking Garage will provide the needed parking for the hotel and for downtown shoppers, as well as employees and residents. The City needs to make shopping in Mason City an enjoyable experience for customers without fear of receiving a ticket while they shop. The parking garage will also provide a secure location for visitors to leave their vehicle.

The Performing Arts Pavilion will provide a needed concert venue. Live music will bring residents downtown to enjoy the good times and visit various restaurants and bars in the downtown area. The performance area will provide opportunities for musicians to perform in front of a live crowd, furthering their progress as performers and nurturing our history as a musical town.

The Multi-Purpose Arena will have multiple economic impacts. It will attract entertainment possibilities that are not currently available due to the small size of current venues. Sports and performance offerings will be large enough to draw visitors from throughout the northern region of Iowa and southern Minnesota for games, concerts and shows. An additional benefit is that the new arena will allow citizens of Mason City and Cerro Gordo County to stay in town instead of leaving for entertainment, spending entertainment money in town and saving money that can be used for other spending in the community.

The facility will host youth hockey practices and games during the same hours that the mall is open. The parents are required to be on site during the practices so they may take advantage of the available mall for shopping or to purchase a meal at the food court while they wait. Traffic created by this facility will be very beneficial to retailers in the mall. This new traffic will also be an incentive for new businesses to locate in the mall. These new retailers will cater to fans coming to the arena for events such as hockey and basketball. The resulting rental revenue will provide a greater income stream to the mall and assist them in being a more successful business venture.

Youth sports are a big part of family life in our society. Parents and children travel several weekends each month to some type of sports event or tournament. They spend money in the communities they visit while at the tournament. Regional sports events held at the arena will bring people to town that will spend money at hotels, restaurants, gas

stations and retail shops. The new arena will provide an excellent venue to host these events. The Central Park Hotel and the arena will support each other with these events. The arena will provide a venue that will keep people in the region and in Iowa, versus traveling to neighboring states for entertainment and sports.

The additional benefit of the hockey programs moving to the new facility will be the ability of the North Iowa Events Center (the current, aging venue for ice sports) to have more events in their facility. Instead of being passed over for various events such as rodeos and horse shows because the hockey programs are using the arena, they will be able to provide more opportunities for such events. The positive impact of these events on our local economy is well-documented by our tourism partners. Adding the Multi-Purpose Arena to the entertainment mix creates a strong likelihood that there will be multiple events occurring in our community at the same time, which is good for our citizens and for our economy.

The community will see many indirect impacts from the additional visitors as the businesses in the reinvestment district and Downtown Mason City begin to see an increase in business, leading to hiring of additional staff and making additional purchases to support their businesses. The impacts will also be seen from the many construction jobs that will be created by the project.

EXHIBIT C2
ECONOMIC IMPACT ANALYSIS FOR THE
REDEVELOPMENT PROJECTS IN
MASON CITY, IOWA FOR THE
IOWA REINVESTMENT DISTRICT PROGRAM

Completed by:
PlanScape Partners
1005 North Shore Drive
Clear Lake, Iowa 50428

TABLE OF CONTENTS

<u>Section</u>	<u>Pages</u>
Background	C-5
Local Economic Trends	C-7
Proposed Projects	C-12
Economic Impacts	C-19
Summary Quantifiable Findings	C-31
References - End notes	C-33
Exhibits of findings	C-35

ECONOMIC IMPACT ANALYSIS FOR THE REDEVELOPMENT PROJECTS IN MASON CITY, IOWA FOR THE IOWA REINVESTMENT DISTRICT PROGRAM

This report provides an analysis of the economic value of anticipated redevelopment projects in Mason City, Iowa in the proposed Reinvestment District. The research has been derived from analysis of primary and secondary data from a number of sources which we believe are deemed to be reliable: Iowa State University's Department of Economics, the Iowa Department of Management, the 2007 Real Estate Market Analysis completed by Economics Research Associates for the Mason City Downtown Association, STR (Smith Travel Research) Report, the 2010 report on The Economic Impact of the Frank Lloyd Wright Hotel by the Goodman Group and the 2011 study on a Multipurpose Center conducted by the City with the assistance of staff members from the City of Mason City, Main Street Mason City, and the North Iowa Corridor Economic Development Corp. Based on conversations with staff at Iowa State University and the University of Northern Iowa, a typical computer model such as IMPLAN is difficult to use for mixed use projects and projects with various components. Data would only be available at the county or regional level.

The parameters regarding the activity and value are best-available estimates given the speculative information included in this report about the various projects and the number of parties providing estimates on potential costs and employment. The estimates are reasonable and conservative but focus on direct economic impact which has the potential to be substantial over a ten year period.

BACKGROUND

PlanScape Partners has been engaged by the City of Mason City to analyze the economic impact for the proposed application for the Iowa Reinvestment District Program related to the 2015 projects in the Mason City downtown district. The projects in this application will add significant economic value to the city as the redevelopment will occur on vacant parcels in the downtown core and creatively repurpose space in Southbridge Mall. The projects will create an environment that will support previous investments made by the City in the downtown area. The Mason City Reinvestment District will continue the transformation that has been occurring downtown for the betterment of the entire community. Other facilities within the District and beyond will perform better and more revenue will be produced for all governmental bodies.

Area 1: The projects in the north section of the Mason City Reinvestment District include blocks to be redeveloped which are currently being used predominately for surface parking. Surface parking lots are often considered to have minimal current economic value and are ripe for reinvestment. For the set of improvements planned for more than half of the block between N. Federal Avenue on the east, North Washington Avenue on the west, First Street on the south and Second Street on the north, the surface parking spaces will be replaced by a parking ramp/garage and include construction of a downtown Courtyard by Marriott Hotel with convention and retail space. A 3 story mixed use building, to be called Federal Avenue Lofts, will be located one block to the east. It will contain first floor retail space and 18 upper story, market-rate apartments

Area 2: The second set of projects in the Mason City Reinvestment District include extensive redevelopment of a large portion of Southbridge Mall into a Multi-Purpose Arena and a community arts venue with indoor and outdoor performance space. The City is calling the renovation Southbridge Center. These projects will offer great value and leverage future public and private investments in the economy of Mason City, Cerro Gordo County and the state of Iowa.

Mason City (population 27,704¹) is in north central Iowa, situated along U.S. Highway 65 and Highway 122 (Hwy 18 business bypass). U.S. Highway 18 is located on the south edge of the city. Interstate 35 is 8 miles to the west. The Canadian National and Union Pacific railroads serve the community. Mason City is the largest community in and the county seat for Cerro Gordo County. The next largest city in the county, Clear Lake, is eight miles away and has less than 30% of the population of Mason City. Mason City and Clear Lake work collaboratively on economic development issues through the North Iowa Corridor Economic Development Corporation. Mason City has and is expected to maintain a relatively stable economy. It is the major commercial center situated between Ames/Des Moines (90 and 131 miles to the south) and Albert Lea/Minneapolis (45 and 140 miles to the north). Mason City is approximately 25 miles from the Minnesota border.

Many communities prize the heritage of their downtown core and want to keep it vibrant. Mason City is no different. The love of music and architecture is deeply entrenched in the town's sense of place. Composer Meredith Willson used his hometown, Mason City, as the inspiration for the town in his Broadway hit musical "The Music Man" and named it River City. Music Man Square is just off the east side of the Mason City Reinvestment District and contains both the Meredith Willson boyhood home and the Meredith Willson Museum. The North Iowa Band Festival is the city's signature celebration, held each May on Memorial Day. This year marks 77 years of festivals; the event is the largest free marching band competition in the Midwest.

The community has capitalized on its Prairie School architectural treasures, particularly the Historic Park Inn Hotel, the last Frank Lloyd Wright designed hotel in the world, which is located downtown in the Reinvestment District. The Stockman House Museum (a home designed by Frank Lloyd Wright), the Architectural Interpretive Center and the Rock Crest/Rock Glen Historic District are other assets of Mason City's legacy. The downtown loop with its set of N/S one way streets – Hwy 65/Washington Avenue on the west (two lane southbound) and Hwy 65/Delaware Avenue on the east (two lane northbound) - was created in the 1970s. When first proposed in the late 1970s, the public overwhelmingly supported the development of the Mall. Two thirds of voters backed the issuance of General Obligation bonds to help finance the major redevelopment/urban renewal project designed to stabilize the downtown area as the town's commercial center. The plan connected existing downtown buildings on Federal Avenue to a space that became 250,000 square feet for retail, called Southbridge Mall. Now, thirty years later, changes have taken place in the retail sector as consumer preferences and transportation patterns shift. JC Penney, one of the original anchor stores, recently announced it will close its 50,000 square foot Mason City store in Southbridge Mall, challenging the Mall owners and the City to think creatively about repurposing its function and role in the community.

"The first step in downtown revitalization is a decision by the public sector that downtown has value as a destination and that elements of the downtown public space are deserving of reinvestment to stay competitive." ⁱⁱ The 2007 ERA report said "From ERA's perspective, a successful

downtown revitalization process for Mason City needs to include the following policy elements and investment targets: streetscape enhancements, targeted incentives for infill residential development, targeted incentives for cinemas and performing arts centers and a parking strategy that includes consideration of structured parking. The core of downtown is based on major elements found adjacent to each other - Southbridge Mall, Federal Plaza, the Historic Park Inn Hotel and Central Park.” Improvements to outdated sidewalks, the street surface and lighting along North Federal have been made. The recent major investments in the downtown core have enhanced components listed above and solidified that commitment to the CBD and its downtown ‘living room.’

LOCAL ECONOMIC TRENDS

Population: Mason City has been losing population for the past 50 years. The State of Iowa’s population suffered in the farm crisis but now continues to grow and its 2014 estimated population is at its largest population ever. Mason City’s peak population of 30,642 was reached in the 1960 U.S. Census. The County also had its peak population that same year. It too has been losing population but at a faster rate of decline. In 1960, Mason City’s population was 60.8% of the County’s population. With the 2013 estimate, Mason City’s population is now 64% of the county’s population.

YEAR	MASON CITY	CERRO GORDO	% CHANGE CITY	% CHANGE COUNTY
1950	27,980	46,053	-	-
1960	30,642	49,894	9.5%	8.3%
1970	30,379	49,223	-0.9%	-1.3%
1980	30,144	48,458	-0.8%	-1.6%
1990	29,040	46,733	-3.7%	-3.6%
2000	29,172	46,447	0.5%	-0.6%
2010	28,179	44,151	-3.7%	-4.9%
2013 (EST)	27,704	43,575	-1.7%	-1.3%

Table 1- Population changes

Source: U.S. Census Bureau www.census.gov

Diversity: Using 2010 Census data, the percentage of Mason City’s population of people over 65 years of age (17.1%) is higher than the state of Iowa (14.1%) and there is less ethnic diversity than in the state as a whole. Of the Mason City population, 93.8% listed ‘white alone’ for race; 91.3% of all Iowans used the same classification.

Income: Per capita income in 2013 dollars is lower in Mason City (\$25,565) than in the state (\$27,027). The median household income continues that trend and was \$41,332 for Mason City and \$51,843 for the state (2009-2013). Spending patterns vary by age and income. National patterns show per capita spending was highest in households headed by people 55-64, followed by those in the 65+ age group. The under 25 age group has the lowest average spending. With a larger percentage of older people, Mason City residents may have more discretionary income to spend in town.

Employment: Mason City has a diverse industrial base. Job growth creates earning opportunities for current residents and helps attract new people to the region. In 2014, five companies have chosen to locate to Mason City and have pledged to create 108 new jobs. During that same period of time, 7 firms have expanded and pledged to create 75 new positions.ⁱⁱⁱ In neighboring Clear Lake, McKesson Corporation will create 164 jobs when it opens its new 340,000 square foot distribution center in 2016. At the same time, one Mason City company closed and laid off 20 positions. The net gain is 163 new jobs in Mason City but many more to come in the region. Mason City's 2014 annual unemployment rate (4.4%) is a slightly higher than the state annual rate of 4.1 % but consistently below the national average.

Commuting patterns: Travel patterns reveal important relationships that may impact retail sales performance. More than 10,500 people are employed in Mason City but live elsewhere.^{iv} These people and workers who stay in town for employment are likely to purchase goods and services in Mason City. For employed Mason City residents (excluding the self employed), 62% remain in the community for work. Few communities in Iowa are able to make that claim. Another 5% of Mason City workers travel to Clear Lake. Worker commuter travel patterns/flows are part of the ISU Retail Trade Analysis as they show important regional economic relationships that may influence a city's retail trade performance. Mason City has relatively high resident employment in the community (63% of Mason City's employed residents, excluding the self-employed) and within the County (69%) It has relatively high retail trade performance with diversified retail, service and government capacities.

Walkable cities: Mason City is a Blue Zone ProjectTM community interested in the health and physical welfare of its residents. Federal Avenue from Southbridge Mall to the grocery store is a pedestrian oriented street. Efforts to promote downtown housing and development increasingly consider the walkability factor. Walkable communities are thriving, liveable, sustainable places that give residents safe transportation choices and improved quality of life.^v Mason City has a walk score of 82 on a scale of 100.^{vi} There is an emerging consensus that Americans drive too much. The proposed projects involve compact development which encourages resource-efficient development of land that could reduce development costs and conserve energy. The rejuvenation of downtown has led to upper story renovations in the area. Promoting physical activity for improved health with environmental reasons encourages people to walk more and the area has seen an increase in pedestrian traffic. Biking/walking paths surround the southern perimeter of the Mason City Reinvestment District. The downtown is also connected to the city's bikeway system, as portrayed on its award-winning Bicycle and Pedestrian Master Plan.

Main Street Mason City: Main Street Mason City (MSMC) partners with the City, North Iowa Corridor (regional economic development group), Visit Mason City (Convention and Visitors' Bureau) and the Mason City Chamber of Commerce to promote economic development in the downtown central business district (CBD). The area has seen many changes. In the 1970s, the IDOT rerouted US Highway 65 off Federal Avenue onto the one-way pair that forms the boundary of the CBD. When Southbridge Mall was built in the 1982-84, several blocks of Federal Avenue were closed for the 250,000 square foot facility. In a creative concept for the times, the Mall was attached to existing downtown buildings which created a one block pedestrian plaza- the North Federal Plaza. Thirty years later, the overall appearance and vitality of the CBD has been enhanced by the 2011 restoration of the Historic Park Inn in 2011, the 2012 Federal Avenue streetscape renovation

which highlights the city's Prairie School architecture, the annual art initiative effort called Sculptures on Parade, started in 2012, and the CDBG downtown façade improvement grant program completed in 2014. Federal Avenue runs north and south through this district. It plays an important role in Mason City and can still be considered "River City's" Main Street.

MSMC adheres to four points for successful development: Design, Organization, Promotion, and Business Improvements. The CBD features a balanced business mix that includes general merchandise and specialty retailers, eating & drinking establishments, personal services, business services, professional offices, civic facilities, churches, and governmental services. Close by are cultural activity centers. The majority of businesses in the district are local, small businesses. A few of the banks, a regional grocer and a regional retailer are in the CBD. The only national "chain" stores are those within Southbridge Mall. The few empty spaces in the CBD are predominately on the Plaza. For the most part, downtown is occupied and new retail space is needed. MSMC conducted a market analysis in 2014 with the assistance of the Iowa Economic Development Authority to get an in-depth understanding of local and regional market conditions and trends impacting the CBD. It also noted opportunities for the future based on interviews with residents to be able to target businesses.

Beyond the CBD, there are other commercial corridors with shopping districts in Mason City. The Regency area is to the east on Hwy 122 toward North Iowa Area Community College near the City's eastern border. There is an area that is further south on Highway 65 to the south side of the City limits. The West End Shopping District also known as Indianhead, is west of Eisenhower Avenue along Highway 122 to the western city limits. Highway 122 is the major thoroughfare between Mason City and Clear Lake. This area has experienced significant growth and investment in the past 10 to 15 years and now hosts a number of chain restaurants and department stores with national identities. New shops and restaurants continue to be built here.

Retail Trade: Iowa State University's (ISU) Department of Economics divides Iowa's 947 cities in nine groups for its Retail Trade Analysis Report. A given city's retail prospects depend not only on its own population size but also on the types of urbanization patterns and competitive characteristics of the surrounding area. In Fiscal Year 2014, as noted in the report released in February 2015, ISU grouped cities in nine Peer Group categories from largest to smallest cities using the 2012 U.S. Census data. There are 21 cities in Peer Group 1, which are in central metropolitan statistical area (MSA) counties. Cities in Peer Group 1 account for 58.2% of the state's taxable retail sales. The average sales per capita in Peer Group 1 is \$17,120.

Mason City's peer group (Peer Group 2) is made up of 17 cities with populations of 10,000 or more in an outlying MSA or non-metropolitan county. Cities in Peer Group 2 account for 13% of the state's taxable sales. Mason City is a major commercial and retail hub for an area in a 30-60 mile radius. The closest competing city is Waterloo/Cedar Falls, 80 miles southeast. It is in Peer Group 1. Mason City has the largest population in Peer Group 2 and ranks #3 in per capita sales among its peers. The population has been declining faster in Mason City than in the other cities in Peer Group 2. The average sales per capita in Peer Group 2 is \$15,210.

Mason City's average sales per capita is \$20,192.^{vii} The statewide average for per capita sales is \$11,565. For FY 2014, the report finds that average sales per capita in Mason City far exceed what

would be the expected or “typical” range. The 17 Peer Group 2 cities account for 13% of the state’s taxable sales in the State of Iowa. Mason City has 64% of the County’s population but contributes 82% of the taxable sales in Cerro Gordo County.

The Retail Trade Report includes three related measures for comparing a city’s actual sales performance with the total sales one might expect for a city of its population size and income characteristics: trade surplus or leakage, trade area capture, and the pull factor ratio. The three measures are based on a hypothetical “self-sufficiency” level of sales at which the city’s retail sector satisfies all of the retail needs of its own residents. This same hypothetical sales value might also be viewed as “break-even” level where any lost sales to local residents are exactly offset by sales to non-residents. Mason City’s trade area extends well beyond its geographic borders and is expected to remain the major provider of retail and commercial services in the regional market place for years to come. The term is called Trade Area Capture. ISU estimated the annualized number of shoppers in Mason City in FY4 to be 49,974, or 180 % of the current population. More people shop in Mason City than live in Cerro Gordo County. This results in a trade surplus - the difference between the city’s actual sales and the total sales it could generate if residents bought everything locally. The Trade Area Capture and the Trade Surplus are very strong for Mason City although both have decreased somewhat in recent years. The Trade Area Capture peaked in FY10 with 51,141 shoppers. In FY08, Mason City trade surplus (estimated in dollars) peaked at \$263,540,000. Today it is \$245,765,000. Mason City’s Pull Factor (dividing the trade area capture by its residents) is a healthy 1.78 which suggests merchants are attracting shoppers from outside the city. The retail customer base is 79% larger than its population. The median Pull Factor for Peer Group 2 cities was lower at 1.46 in FY14.

For the past 25 years, the total number of businesses reporting retail sales in Mason City has been fairly stable. In the past ten year period, from FY04 to FY13, the lowest number of reporting businesses was 924 in FY05 and the highest number was 1029 in FY09. This was the highest number since 1998 when 1044 firms were reporting. There were 982 companies reporting retail sales in FY13, the lowest number since 2006.

The total average “real” and taxable sales, adjusted for inflation and shown in 2013-equivalent dollars, has also varied during that same ten year period but remains well above the statewide average for sales per firm. The highest level of average real sales per firm was reported in the following year, FY 05, as \$613,895. The highest average real sales per capita were reported as \$21,073 in FY08. For FY 14, the real total taxable sales were \$559,078,944; the average real sales per firm was \$596,351 and the average real sales per capita was \$20,192. This compares favorably to the statewide real average sales per firm (\$425,500) and the statewide real average sales per capita (\$11,565).

There were 44 fewer firms reporting taxable sales in 2014 from 2013 – this is a reduction of 4.5%.^{viii} As a regional hub, other metrics show that Mason City can be considered as holding steady as shown below. In FY2014, average sales per capita were \$20,192 which far exceeds the statewide average sales per capita. Since 1976, Mason City’s average sales per capita have never been lower than the statewide average.

	FY2010	FY2013	FY2014	% Change 2011 to 2013
Real total taxable sales (\$)	\$559,752,222	\$562,571,432	\$559,078,944	-0.6%
Number of reporting firms	1016	983	938	-4.5%
Average sales/ firm (\$)	\$551,073	\$573,029	\$596,351	4.1%
Average sales/capita (\$)	\$19,933	\$20,274	\$20,129	-.04%

Table 2 – Retail sales

*All dollar values have been adjusted for inflation and are shown in FY2014 equivalent dollars. Source: Iowa State University Key Retail Indicators for Mason City^{ix}

Downtown housing: Mason City’s 2006 Comprehensive Plan and the 2007 Mason City Downtown plan establishes the expansion of downtown residential options as a primary goal. The 2007 ERA study identified a potential target market for new rentals of 4,600 households within 50 miles that included boomer-aged households and families.^x That report appears overly optimistic and unrealistic about demand, especially as it relates to families willing to relocate to a downtown apartment. Improvements made downtown since that time in aesthetics and new housing units have been opened. In July, 2014 13 new apartments were completed in a second and third story redevelopment effort; all were leased immediately. Conversions and renovations to other downtown units have been completed. The 2014 Downtown Mason City Market Study results “lend support for prospects to develop new housing of various styles in the downtown area.”^{xi} Almost 43% of those surveyed indicated “yes” or “maybe” when asked if they would consider living downtown. Of those indicating consideration for the idea of living downtown, 37% would like to rent and 63% would prefer to buy. 73% of the respondents were women, split fairly evenly between the ages of 25-34, 35-44, 45-54 and 55-64. A target audience for downtown options would include young professional and empty nesters. MSMC staff reported that rentals fill quickly when a vacancy occurs in an existing downtown property.

PROPOSED PROJECTS

Five distinct eligible projects are proposed to be built in the Reinvestment District to add vitality to areas of the downtown which have been underutilized in the past or need redevelopment today.

Area 1

A. Central Park Hotel - Courtyard by Marriott Hotel

The Central Park Hotel project will be built by G8 Development, Inc. on the corner of 1st Street NW and N Washington Avenue, west of the City Hall, on a 1.56 acre irregular-shaped tract of land that has been underutilized as surface parking. It is zoned Z5 Central Business District. There is frontage on 1st Street NW, North Federal Avenue, North Washington Avenue and 2nd Street NW. The property is primarily bounded by office, retail and government. The entire block located south of the site across 1st Street NW is Central Park.

Marriott is a national chain with six different hotel models associated with their brand ranging from luxury to destination entertainment properties. Courtyard is positioned as the top hotel model in its Modern Essentials category. The Marriott website says Courtyard is designed for the business traveler who wants a break from routine in a space that is modern, warm and approachable. The construction cost is expected to be \$11,277,135. The hotel is geared toward guests who desire a more upscale standard with improved food and beverage offerings. Newly designed Courtyard properties are not considered full service hotels but do include a bistro area with food and beverage offerings. The developer's pro forma includes \$824,000 annual revenue for food and beverages which will include catering for events. The new hotel will add an important new aesthetic to the landscape of Mason City's critical downtown core. It complements investments that have recently occurred by the private and public sector surrounding the renovation of the Historic Park Inn Hotel and the streetscaping that occurred on the Southbridge Mall Plaza and North Federal Avenue.

The developer will be a national franchisee who is maximizing every foot of space on this relatively small site that is currently a surface parking lot. The facility will include 96 hotel rooms, 4,500 square feet of convention/meeting room space for up to 300 people, 12,000 square feet of lobby area with business center space, a bistro/lounge "restaurant", pool, spa and exercise room. In addition, there will also be 3,400 square feet of retail space occupying the first floor of the hotel accessible from outside doors. This space can be divided into two or more stores.

There are no Marriott properties within 100 miles of Mason City. Of the four Courtyards located in Iowa towns, Mason City has the smallest population. Mason City is equidistance between the closest two Courtyard properties which are 114 miles south in Ankeny or 114 miles north in Mankato, MN. Based on financial performance representations on the Marriott website for franchisees, for the one year period ending December 2013, the average occupancy rate for the 525 franchised Courtyard by Marriott hotels in North America was 71.3%. The range was 103.4% to 45.5%; 47% of properties achieved an average occupancy rate equal to or better than 71.3%. For the same period of time, the average daily room rate (ADR) was equal to or greater than \$123.97. For the same one year period, the RevPar (average revenue per available room) was \$88.40. The range was \$267.14 to \$40.80; 34% of the properties achieved or exceed the average RevPar. The ADR and RevPar for this Courtyard, which is located in a smaller market than the other Courtyards, may not meet or exceed the values listed above. The Courtyard developer has used a conservative RevPar of \$72.80 in year one and \$78.40 in subsequent years for his pro forma.

Competition: There are currently nine hotels in Mason City with a total of 441 rooms. One year ago, in January, 2014, there were 579 rooms in Mason City. These facilities are a mix of national and regional brands (Holiday Inn Express, Super 8, Country Inn & Suites and Days Inn) and privately owned small hotel properties. The property sizes range from 88 rooms to 14 rooms. The most unique hotel, which has the highest rating by guests for Mason City on TripAdvisor, is the Historic Park Inn Hotel. Visitors have come from nearly all 50 states and many foreign countries to stay at this boutique hotel. It opened in September 2011 as the newest hotel in the city. It is the only hotel located downtown in the Reinvestment District. It is on the North Federal Plaza and on the south side of Central Park, directly across from the site of the planned Courtyard. The owners of the Historic Park Inn have stated their support for the Central Park Hotel project.

The majority of the other hotels are along Highway 122, mostly on the west side of town. The Holiday Inn Express also opened in 2011, five months before the Historic Park Inn, is also located on Highway 122.

The largest Mason City hotel, the Clarion Inn, has gone through ownership and franchise changes over the past many years. Originally built in 1964, it had 132 rooms and was the only Mason City hotel with large convention space. Once a state-of-the-art facility utilizing an indoor open pool area in the middle of the hotel, it was in need of reinvestment so the owners demolished it in March, 2015. The new site plan shows a smaller hotel footprint at the same location (west of downtown along Highway 122) for an 83 room Hampton Inn & Suites franchise that is expected to open in Spring, 2016. The new facility will only have one small meeting room. As shown below, some of the other Mason City hotels are much older, smaller and considered more rustic or as economy hotels. The small properties are predominately used for long term stays and by construction workers.

Name	Class	Date Opened	Rooms
American Best Inn & Suites	Economy	N/A	35
Ashley Inn	Economy	N/A	16
Country Inn & Suites	Upper Midscale	5/2001	88
Days Inn	Economy	6/1978	57
Historic Park Inn	Upscale	9/2011	27
Holiday Inn & Suites	Upper Midscale	4/2011	87
Quality Inn & Suites	Midscale	9/1990	60
Super 8	Economy	3/1999	57
Willow Inn	Economy	N/A	14
Total rooms			441

Table 3 – Hotel properties in Mason City Source: Smith Travel Report (2/11/15)

The American Customer Satisfaction Index (ACSI) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. Results were released in a December 2013 survey on customer satisfaction benchmarks for 24 lodging chains serving business and leisure travelers in the United States were given. The study included a diverse array of 24 hotel brand properties—from luxury, upper-upscale and upscale to midscale and economy offerings. “For Marriott, the good news is that its properties turn in the best scores across all lodging types in which it competes,” said Claes Fornell, ACSI founder and Chairman. “As expected, luxury hotels come out on top and economy properties at the bottom across nearly all aspects of the customer experience, according to their respective guests,” says ACSI Director David VanAmburg. “There is opportunity, however, for midscale and upscale properties to create services that offer guests an experience that compares well with upper-upscale and luxury hotels by focusing on the most salient aspects: room quality, food quality and on-site amenities such as pools, fitness rooms and business centers.”

Using classifications from this survey and from Smith Travel Resources, there are no luxury or upper upscale hotels in the North Iowa marketplace. Courtyard is listed as upscale and will be the only chain hotel with this designation in the region. The Hampton Inn and Suites and Quality Inn

brands scored well for satisfaction; they are both considered midscale properties. Super 8 is classified as economy.

TripAdvisor (www.tripadvisor.com) is the world’s largest travel site enabling travelers to gather information and post review of properties. Eight of the nine Mason City hotels (The Clarion Inn was still listed as of 2/15/15) are reviewed on the site. As noted earlier, the Historic Park Inn is a upscale destination property for many leisure travelers. It ranked 1st, followed by the Holiday Inn Express and in descending order: Quality Inn, Super 8, Country Inn and Suites, Days Inn and America’s Best Value Inn & Suites. Based on TripAdvisor reviews and the age of the hotels, a number of the properties are badly in need of reinvestment if they are to continue to capture tourist - guest dollars.

Year	Average Annual Occupancy Rate	Average Daily Rate
2010	58.1%	\$73.18
2011	60.9%	\$79.38
2012	61.2%	\$81.25
2013	54.89%	\$83.78

Table 4 - Mason City Hotel Data for National Chains only Source: www.str.com

There are 9 hotels with a total of 434 rooms in neighboring Clear Lake, the vast majority of the hotels are located at or near the intersection of Highway 122 and I-35, including the Best Western Holiday Motel Lodge. The Best Western opened in 1964 and has convention space and has undergone some reinvestment in the past few years. It is owned by Kinseth Hospitality Group, the same company that owns the Clarion Inn/Hampton Inn and Suites. There has been a loss of 20 rooms in Clear Lake in the past twelve months. Clear Lake has a few national hotel brand properties that are considered midscale and economy. New hotels have recently been built in Northwood, Iowa near the Diamond Jo Casino and in Osage, Iowa. These sites are approximately 30 - 35 miles from Mason City’s downtown.

It is understood that competition is keen for travelers’ dollars. Occupancy rates have been declining in Mason City and the average daily room rate has been increasing steadily. Mason City continues to experience a healthy increase in revenue from the hotel motel tax paid to the city. It will dip for 2015 with the closing of the Clarion Inn. It may continue to be lower than before, even after the Hampton Inn & Suites opens in 2016 because there will be fewer rooms that in 2014.

There are positive national performance trends in lodging for 2015 based on 2014 results that showed record breaking performance metrics across the industry. This trend may be realized by Mason City hotels.^{xii} STR expects to see strong revenue per available room growth in 2015 of 6.4% with average daily rates forecasted to grow by 5.2%. A new upscale hotel that will increase the total number of lodging rooms in the city will have an economic impact. Being able to provide convention space under the same roof as hotel rooms is a critical offering currently unavailable in Mason City.

Mason City has many attributes that make it attractive as a location for regional, state or national meetings, however, the City’s destination marketing organization, Visit Mason City, has documented 27 lost convention events since 2010. See Exhibit 1. The Historic Park Inn can’t

provide enough guest rooms for many of the events held in its own ballroom which has a capacity of 150-170 persons. Another downtown meeting location is the Music Man Square, but multi-day conventions prefer to stay in the same facility as their meetings.

Until January 2015, the Clarion Inn offered space for large group meetings under its roof but for the past couple years, convention planners felt the property was too outdated and needed major reinvestment so they chose other locations for conventions. It also had limitations that made it unsuitable for a number of conventions as it didn't have room for large meetings and small ones to occur simultaneously. The Clarion Inn owners reached the decision that it was economically beneficial to them to tear down rather than remodel the hotel.

From October 2013 to September 2014, Visit Mason City worked with 54 meetings or special events resulting in an estimated 41,000 visitors and an estimated \$3.8 million in director visitor spending. Visit Mason City only counts visitors, defined as someone from 90 miles away. In the past year, some conventions moved to the Clarion Inn's sister property, Clear Lake's Best Western so Cerro Gordo County saw an economic impact but many times the planners went elsewhere (sometimes to MN) because the Mason City - Clear Lake facilities couldn't accommodate their needs or the existing facilities were unacceptable. Recently, there have been two groups that chose Mason City for their conferences - Professional Developers of Iowa and the Iowa Chapter of the American Planning Association. In both cases, an officer of the group was from Mason City and could influence the decision but Visit Mason City had to provide incentives and incur additional costs for transportation between venues to "win" the bid for these conventions. A new hotel with convention space will make it easier for Visit Mason City to be successful in "winning" the bid for a convention.

Retail Space Demand

Retail space will be lost with the redevelopment in Southbridge Mall. The MCMS believes new retail space is needed in the downtown area. There are two retail projects incorporated into the Reinvestment District.

The ERA study found "that smaller downtown locations are well positioned to support additional tenants "and noted opportunities exist for restaurants, bars and entertainment; specialty apparel boutiques, gift shops, art stores; etc." Beyond the options listed in the ERA study, MSMC market study survey results show an interest in adding businesses in these categories: Eating and Drinking places, Entertainment/Recreation and Specialty/Miscellaneous Retail. These results were consistent with the ERA study. There would be support for concepts such as casual dining, boutique clothing, specialty shops or other businesses not currently in Mason City.

The Courtyard Hotel facility intends to include 3,500 square feet of retail space on the first floor of the hotel and expects it could be divided into one or two storefronts. The space, like the hotel itself, will overlook Central Park with parking directly in front of the building, making it accessible for hotel guests and others.

B. Parking Ramp

Mason City intends to build a four story 200 vehicle parking ramp on the northwest corner of the block, adjacent and north of the Courtyard Hotel site. The ramp will be used by city employees, hotel guests and hotel employees, members of the Praise Community church, also located on the same block and other downtown workers and visitors. It is intended to be a self park facility with user operated meters. Depending on the final size and design, this facility is expected to cost \$4.5 million. The ramp will accommodate the loss of 113 surface parking spaces from redevelopment of the lot at City Hall and the 35 spots from the gravel lot at N. Federal and 2nd Street NE, the site of the proposed Federal Avenue Lofts building and serve the needs of the hotel for guests and staff.

C. Federal Avenue Lofts - Mixed Use Building

A 36,000 square foot, three-story mixed use building is another project in development. It is expected to cost approximately \$6.0 million and will be built on a lot that is currently graveled and used for parking. This parcel is on the southeast corner of the intersection of North Federal Avenue and 2nd Street NE and the alley known as North Commercial Alley. It is intended to house approximately 7,500 square feet of commercial/retail space. The upper two stories will have nine loft style apartments on each floor and a variety of configurations and sizes ranging from studio apartments to three bedroom - two bath units. “It is worth noting that almost 50% of online respondents who would consider living downtown chose “loft” as their preferred style. Currently only a few downtown residences would qualify as a loft, which is defined as open, flexible space and un-partitioned floor area. Demand is high but supply is low. This presents a special opportunity for developers of upper story residential space, since loft space would generally be the lowest construction cost of any rehab residential unit.”^{xiii}

Area 2 - Southbridge Mall Re-envisioned as Southbridge Center

No sector has undergone a more radical transformation than the retail sector in recent years. Enclosed malls were popular throughout the late 20th century but have become less popular as changing demographics and shopping habits have lured consumers to big-box stores, the Internet and in some cases, especially in larger cities, open-air lifestyle malls. This expanding and changing competition with technology and shifting lifestyle trends affects businesses and how people interact in the both the traditional downtown environment and a mall, which in the case of Mason City includes a combination since Southbridge Mall is downtown and historic buildings are attached to it, forming the North Federal Plaza where a street once was.

Department stores, either through consolidations or bankruptcies, are disappearing from malls. Many malls are finding themselves with large vacant department store spaces that used to anchor the mall as is happening in Mason City. Replacing JC Penney with another retailer needing a large space will be difficult. Department stores have lost some of their magnetic power due to specialty retailers and discounters that have been cutting into the market share of malls so some malls have been demolished. The national discount stores have built on Highway 122 west, between Mason City and Clear Lake. Many mall developers are now looking at different types of tenants to fill vacant department store spaces or additional anchors to generate customer traffic.

“It is amazing how in a little over a decade, what used to be the dominant retail concept in North America has evolved in such a way that if the retail is to succeed, the shopping center needs to have a significant amount of entertainment and restaurants. The customer and their lifestyles have changed, and with that, shopping centers are changing to continue to attract consumers. Entertainment centers, eater-tainment and destination venues, once of little significance to shopping centers and malls, are now growing in importance as an essential part of the mix, since in order to attract today's consumer, goods alone don't work. Malls and lifestyle centers now offer a fun and a social experience. Today, shopping centers are in the out-of-home entertainment and dining business as much as they are in the retail goods business.^{xiv} For a variety of reasons, tearing down that section of the mall is not a viable option.

D. Performing Arts Pavilion

Mason City envisions a bright but different future for much of Southbridge by incorporating entertainment into the mix. Community leaders are interested in a transforming two sections of the Mall. The Southbridge common area/lobby and part of the food court will be turned into an indoor-outdoor community performing arts venue. This pavilion area would become an adaptable setting to be used predominantly for local performances and community events during all seasons. This space, expected to cost \$1,650,000 for renovations, currently includes the north set of doors opening to the improved North Federal Plaza.

The goal is for the space to transition seasonally with new vestibules and indoor and outdoor stages. Downtown's Central Park, a block north of the Mall and Plaza, now hosts frequent free outdoor activities including a Friday night concert series in the summer, a holiday open-house event and various other town celebrations - that are jeopardized by inclement weather. Other events such as weekly Thursday night summer municipal band concerts, the annual North Iowa Band Festival held on Memorial Day, and December's Tuba Christmas concert - could move to this renovated space.

In the Downtown Market Study, consumers and businesses were surveyed. Public participation opportunities included an online consumer survey, a consumer intercept survey and a business survey. When asked to name enhancement efforts, both groups gave high marks to staging additional festivals and special events in the downtown area. Consumers were asked “is there a type of attraction or business that would make you visit Mason City more often?” outdoor venues/entertainment/events scored 23% of the responses, second only to eating & drinking establishments which scored 27%. As these new events are developed, larger “happenings” could occur at the arena and smaller ones could occur at the community arts space.

E. Multi-purpose Arena

Mason City is the smallest community in Iowa to host indoor ice sporting events and the distinction sets Mason City apart from other communities its size. Since 2002, City leaders have been interested in establishing a civic center/ice arena/convention space downtown with an equestrian center and upgraded sports complex west of downtown at the North Iowa Fairgrounds. A variety of recent actions have created the opportunity to look further at this option.

As noted earlier, Southbridge Mall is suffering the same fate as many other regional malls with stores leaving and increased vacancies. The latest blow was the announcement that the JC Penney store at Southbridge Mall will be closed in April 2015. JC Penney has been in Mason City since 1926 and was one of the anchors for the Mall. This store is one of three JC Penney stores being shuttered in Iowa and part of the 40 stores to be closed nationwide.

The plans include a shifting of space in the Mall. The Younkers Home Store, now located in the west wing next to JC Penneys, will move to renovated space next to its department store. The Mall will be able to attract different tenants and will gain occupancy and benefit from traffic generated by events at the arena. This situation provides a unique opportunity for the reinvention of the Mall using public-private partnerships. The Iowa Reinvestment District program funding can help make this a transformation a reality.

The multi-purpose arena will be approximately 61,500 square feet, located on the west side of the Mall. This will include more space than the JC Penneys store. The renovations are expected to cost \$12.5 million. There is more than enough parking around the facility to accommodate the needs of the arena and there can be other mall space available for synergistic "lease-offs." Mall management is excited about their ability to attract a sit down restaurant and different kinds of hard goods retailers. It is envisioned as a large flexible flat floor space. For 6-7 months of the year, the space, which will include a 2,400 square foot sheet of ice with locker rooms and seating for up to 2,400, will be subleased to the North Iowa Ice Sports Association. This facility will have 1100 more seats than in the current ice arena.

The North Iowa Ice Sports Association (also known as the Mason City Youth Hockey Association), is a 30 year-old non-profit volunteer organization. It provides ice sports activities for nearly 200 North Iowa youth hockey players of all ages and skill levels including the Mason City High School Varsity and JV team, 50 adult hockey players and approximately 150 figure skaters, members of the North Iowa Figure Skating Club. The skaters practice and compete for six months each year at the North Iowa Events Center (NIEC) but also go out of town in other months to practice. The North Iowa Bulls, part of the North American Tier 3 Hockey League, practice and play 25 home games in 2014/15 season at the NIEC from September through the playoffs in March. The NIEC ice is scheduled from 6:00 AM to 10:00 PM most days.

Currently the NIEC campus, located across from the west end shopping area in Highway 122, has a number of buildings at what has been known as the North Iowa Fairgrounds. The North Iowa Arena is the location of the current ice arena but the space needs substantial reinvestment in facilities and equipment to remain viable for ice skating activities. The new facility will be able to have more spectators so it is understood there will be some net gains in economic impact with ice-associated events that move from the NIEC to the Mall. However, the move will free up the winter time space at the NIEC for more equestrian events run by a number of organizations such as Horsemen of Iowa Inc. or Mid States Horse Shows. For more than 30 years, Horsemen of Iowa has promoted and supported equine events, show facilities and equine 4-H organizations in North Iowa. Mid States Horse Shows is an equestrian competition management company that has been hosting Hunter/Jumper competitions for 30 years at the NIEC. It is believed the demand exists to make the NIEC a year round equestrian facility. The equestrian events now compete for space particularly in the change - over months of April and September with the ice sports association. Horse events are

now held April through September but the time period would be extended and bring additional horse shows to town if the ice arena had another location.

The Multi-Purpose Arena intends to be able to install a floor over the ice infrastructure so a variety of events can be accommodated during the period of use as an ice arena and at other times of the year. The kind of events the arena would expect to host are sporting activities like regional soccer and basketball tournaments, trade shows and consumer exhibitions, and very large conventions. It would be possible to hold concerts with seating for approximately 3,500.

Performance Space Competition: Mason City currently has three facilities with stages capable of hosting live indoor performances. The Muse Norris Auditorium is located on the NIACC campus on the eastern edge of Mason City. It seats 1158 and has a full time staff director who books year round national and regional touring productions shows, motivation speakers and holiday events which are geared for all ages. Two much smaller non-profit theaters - Stebens Children's Theater and the Mason City Community Theater - are located blocks apart in the Central Business District on Delaware. Stebens Theater provides training in theater arts for K-12 students. Mason City Community Theater community productions are held a few times each year. These two small theaters have 130 and 120 seats respectively.

Other nearby performance venues include the Surf Ballroom in Clear Lake, the Events Center at Diamond Jo Casino in Worth County and the All Season's Buildings (also known as the Events Center) at the North Iowa Fairgrounds. The occupancy of the Surf is 2100 for concerts. The concert occupancy for Diamond Jo is 500 for the inside area. They have the ability to open the space to the outdoors in warm weather for larger concerts of 1000-1200. The All Seasons Building is one of four buildings at the NIEC and is the largest space at 26,000 square feet, approximately half the size of the arena. There is also an outdoor grandstand with seating for 4500 at this site for summer stock car racing, which is also used for outdoor concert during the North Iowa Fair. The Multi-Purpose Arena space is expected to accommodate more people than these other venues for inside performances.

ECONOMIC IMPACTS

These projects will provide the infrastructure needed to have a substantial economic impact on community hospitality, tourism, recreation, and conference hosting that is currently missing. Combined, these projects will continue to transform the downtown into a destination for residents and visitors alike. Long term, the downtown enhancements will help all establishments be more successful by bringing new people and dollars to the city and to the state and make the downtown district a regional destination for food, beverages, shopping and entertainment.

Economic impact is defined as incremental new spending in an economy that is the direct result of activities, facilities or events. The economic value to the Mason City area as well as to the State of Iowa that will result from these distinct redevelopment projects in a Reinvestment District will be significant and varied, divided among direct, indirect and induced impacts. This study is interested in new and net economic activity. Direct impact is an expression of the spending that occurs "in the first round" as a direct result from the construction (although temporary) and the subsequent spending directly related to the facilities or events. Indirect effects are impacts caused by

recirculating dollars, it's the money the businesses spend purchasing from other businesses. For example, spending by a hotel guest at a restaurant causes the restaurant to purchase food and other supplies. Further ripple effects are caused by employees of impacted businesses spending some of their salary and wages. Induced impact is the local household spending of the earnings generated from construction and operations related activities. Measuring the effect of these projects on general wealth can be difficult but property values are a good indicator of local wealth in a local economy. An increase in economic activity often raises real estate values because of an increase aggregate of personal income and the investment of business profits. Ultimately, the uses of the buildings, once construction is complete, will cause an increase in employment as retail sales and incomes are "multiplied" in the economy. New tax revenue will be generated from property taxes, sales tax and income taxes. Again, the impact, as noted in this analysis, will be reported using a conservative approach.

The following assumptions have been used in the compilation of this report especially related to the hotel project:

- Construction period: Beginning Summer 2016, completed 18 months. New assessed value for properties will be on the tax rolls 1/1/18; the first property tax payment will occur in FY2020, first ½ payable Fall 2019). Property values are expected to increase by 2% annually as are salaries and hourly wages.
- Estimates are rounded.
- Visit Mason City estimates the spending per day of a multi-day convention visitor, defined as a person from outside a 90-mile radius, is \$147.
- Property tax revenue is figured using the FY13 tax levy for taxes payable in FY15, rounded. \$30.40/1000 (net levy for properties within the Urban Renewal Area) . Property value increases are projected at 2% annually, based on a conversation with the Mason City Assessor.
- Beginning of building tenancy and operational employment start-up: July 1, 2017.
- Full operational employment stabilized in January, 2018.
- After stabilization, employment numbers are not assumed to grow, but incomes will increase by 2% annually.
- Fringe benefits are calculated at 30% of salary, as applicable for full time employment.

Direct Impacts

The first direct economic impact is for construction spending. Although this is temporary, new construction generates large, short term economic impacts within the local economy. It is expected that construction on these diverse projects will take two to three years for all properties to be developed, once an award has been made by the Iowa Economic Development Authority.

Details about the Courtyard Hotel project are known so the impact is easier to extrapolate for this aspect of the reinvestment district plan. Calculations of economic impact were made using a 2012 University of Cincinnati study for a similar \$13,000,000 hotel facility with Mason City/ Cerro Gordo County data and the 2010 study on the impact of the Historic Park Inn. It is expected that new downtown development will spur other reinvestments in downtown properties providing jobs and income to those workers but that presumed impact is not calculated in this report.

Employment

Temporary construction: The total construction period is expected to be 18 to 24 months to complete the multiple projects in this district. It is estimated that the 96 room Courtyard Hotel project would cost \$11,278,000 and could directly support 100-150 construction jobs.^{xv} For this report, 125 was used. This is a lower number than used was used in the 2012 hotel study of a similar hotel in Ohio and a larger number than was used by the Goodman Group in 2010 for the 27 room Historic Park Inn, called the Frank Lloyd Wright Boutique Hotel at the time of the study.

In the 2014 National Association of Home Builders' report, it was stated that the building of an average rental apartment (each unit) created the equivalent of 1.13 jobs for a full year.^{xvi} The mixed use building with 18 apartments on the 2nd and 3rd floor and a first floor for retail would then conservatively require 25 construction workers. The expected \$13.65 M renovations to Southbridge Mall for the pavilion and arena could require another 100-150 construction jobs so 125 was used. A conservative total estimate of 275 construction jobs has been used for a period of 24 months.

Construction projects have a significant, albeit temporary, impact on the local economy because they normally involve local contractors in building and related trades and the purchases of large quantities of material from local firms. As noted above, there will be construction jobs created for the renovation of the arena and performing arts venue, the hotel and the mixed use building.

Permanent jobs:

Hotel Operations; Once the Courtyard is completed, it is expected that there will be 58 (FTE) new direct jobs created among the management and staffing of the hotel. The hotel payroll is expected to be approximately \$1,880,000 in the first year.

Performing arts pavilion: A conservative 1 FTEs may be created by this facility to manage booking and provide maintenance at conservative annual wages of \$26,000 (see below).

Multi-purpose arena: It is expected more than 50% of the year, the arena would be leased to the North Iowa Sports Association and the employment would not differ from its use at the NIEC for that period of time so there would be no net gain in jobs. Conservatively a ½ FTE could be employed the rest of the year and/or employment could be shared between the arts venue and the arena.

Retail and apartment operations: Although the specific retail/office tenants have not yet been identified for the Federal Avenue Lofts or the retail space in the hotel, general data is available for projected income levels for the anticipated jobs at stabilization. The median salary for wholesale and retail workers in the North Iowa Laborshed Study was \$50,000 and \$12.50 for hourly workers for 2014. Using hourly wage levels that are CPI-adjusted to projected 2017 levels, new personal income for these new jobs would be \$26,000/per hourly new job; much of it would remain the in the local economy. Twenty (20) new full time retail or service positions would result in a conservative annual personal income of \$520,0000. If new professional firms occupied the space, such as dentists or lawyers and they generate additional work not being done by others, the impact on personal

income would be much higher. Earlier studies mentioned home and home accessories, spa and health, dining, drinking and dancing venues as targeted businesses for an eclectic blend of retail and hospitality uses to complement options that already exist.

Construction Payroll – Personal Income

Using data from the North Iowa Corridor Laborshed Analysis, released in April 2014, the median wage for construction workers (non-salaried) was \$18.00 per hour.^{xvii} This was the highest wage hourly wage in all categories beyond governmental workers. There was insufficient survey data to determine the salary of workers in the construction field alone but in a larger category consisting of production, construction operating, maintenance and material handling, the median hourly wage was \$16.93 and the salary was \$45,000. The Goodman Group used \$42,934 in 2010 as average.^{xviii} This analysis will use an annual wage of \$42,100 – the average between hourly and salaried employees with 2% yearly increases for inflation. Using that figure, new direct personal income for the construction workers in FY2017 and 2018 completing the projects in the district would be approximately \$23,285,000 over the two year period. Work completed by Cerro Gordo County or Mason City contractors using local employees would remain in the local economy. See Exhibit 2 for personal income.

Tax Revenue

State Hotel/Motel Excise tax: For lodging, a state imposed (excise) tax rate of 5% exists rather than the general 6% state sales tax. Assuming the new hotel has 96 rooms with an average occupancy rate of 60% with average room rent at \$123/night (average over 20 years, see Exhibit 5), the excise taxes for the state generated by the hotel would generate \$354/night or conservatively \$129,300 annually if all of those nights were new customers to the travel market in Mason City. The occupancy and average room rent in this study are lower than the developer's proformas. Over twenty years, this would result in \$2,697,042 for the State of Iowa. See Exhibit 5.

There will be little or modest net gain if guests merely substitute a new hotel for another existing hotel room. To generate new revenue, all other properties would need to maintain their occupancy rates and their average daily rate and the new hotel would need to attract additional guests to town. Mason City business leaders have said there are corporate travelers that visit their companies who may now be traveling out of town to other more modern hotels who would stay in Mason City.

Many aspects of the Courtyard are unlike other lodging properties in town. This will create the opportunity to attract business travelers and additional guests to stay that would not have stayed in other Mason City properties. Wedding receptions are not a target for Visit Mason City but they know that weddings of 150 guests are often held at the Historic Park Inn (HPI). Often times, there are not enough hotel rooms at HPI to accommodate the wedding guests. Large weddings with many out-of-town guests can be accommodated at the Courtyard when the HPI is too small. Catering for these events is not included in the annual food and beverage sales estimate for the Courtyard.

The hotel will open up many more opportunities for Visit Mason City to market the city to targeted visitors. Currently Visit Mason City staff members have limited options and focus only on attracting conventions they know they can accommodate. Their market will expand greatly with this new

property. In some cases, a convention was “lost” as noted in the chart because the available convention space had already been booked by others. See Exhibit 3. The new Courtyard convention space, able to accommodate 250-300 convention guests, will attract more convention events per year to the city. Conventioneers will stay at the Courtyard and “overflow” to other properties. .

Retail sales tax revenue: The state of Iowa sales tax rate is 6% and the local option tax adds 1%. With more options and a vibrancy that will enhance downtown, visitors, local employees and office workers may be enticed to shop, eat, be entertained and walk more downtown. Continued, conscious planning of activities and events that attract residents and visitors to the downtown multi-purpose arena and the community arts venue will keep people interested in spending discretionary dollars in the area.

Additional sales tax revenue will be generated when sales occur in the new retail and food and beverage businesses as long as the sales are for goods and services not available elsewhere in Mason City and if new dollars are drawn into the economy. Conservatively, if 4 new businesses occupy the 11,000 square feet of new retail being built in the hotel and the Federal Avenue Lofts, using FY13 average Mason City sales per firm and adding the hotel food and beverage sales, total new sales could be expected to generate \$3,200,000 in sales in year one. This results in new state and local sales tax revenue.

Retail firms	FY 13 Average Mason City sales/firm	Hotel food & beverage -sales year 1	Total revenue	State sales tax revenue 6%	1 % LOST revenue - Mason City
4	\$555,000	\$800,000	\$3,020,000	\$181,200	\$29,700

Table 5- Annual Impact in Year 1 - Mason City average sales /firm

In Exhibit 3, new sales tax revenue is shown using two alternatives. One set of figures uses the figures shown above (Mason City average sales per year plus \$800,000 in hotel sales). Over 20 years, the state will capture \$4,402,683 in new sales tax revenue and the City will capture \$733,781 over that period of time.

In a second, more conservative estimate, the revenue is lower but still substantial. That set of figures uses the statewide average of \$400,000 sales/firm and a lower dollar estimate for hotel sales.

Retail firms	FY 13 Average Statewide sales/firm	Hotel food & beverage - sales year 1	Total revenue	State sales tax revenue 6%	1 % LOST revenue - Mason City
4	\$400,000	\$600,000	\$2,200,000	\$132,000	\$22,000

Table 6 - Annual Impact in Year 1 – Statewide average sales/firm

Using a more conservative approach, over 20 years, the state will capture \$3,207,253 in new sales tax revenue and the City will capture \$534,542 over that period of time. See Exhibit 3 for cumulative impact over 20 years

There will be a loss of sales tax revenue beginning in April 2015 with the departure of JC Penneys at Southbridge but by reinventing Southbridge Mall space, the Southbridge Center will have more foot traffic from people attending an event at the Arena or at the Performing Arts Venue. Those who come to shop may stay longer while enjoying new entertainment to the downtown or vice versa. Synergy will be created and other spaces that are now vacant in the Mall will be occupied. Mall management would look to recruiting possibilities that include a sit down restaurant, sports bar and other hard goods. This will create additional sales tax but it may not totally fill the void and reduction in Sales tax revenue that will be left when JC Penney departs.

There are other forms of revenue for the City of Mason City that are a direct result of the projects in the reinvestment zone but the economic impact is included in another section.

Secondary Impacts -Indirect Impacts

When a development project occurs, it fosters creation and expansion of other businesses in various economic sectors. The core business requires goods and services in the form of merchandise, supplies, equipment, delivery and transportation services and various professional business services. All these businesses generate growth in other businesses with which they are linked, which, in turn, stimulate still more business. The changes in the level of economic activity create a multiple effect throughout the economy. This ultimate business growth among firms that may or may not have a direct link with the project, but which is nonetheless attributable to the project, is termed “indirect benefit”.

Based on the U.S Bureau of Economic Analysis^{xix}, the construction multiplier is traditionally 2.0 (for every job that is created, one additional job is created) but represents an aggressive multiplier that would take more than 18 months to be realized. The Goodman Group used a measure of 1.6 for indirect multiplier. To be conservative during construction, this analysis uses a multiplier of 1.1 (0 .1 new jobs for every 1 construction job) for indirect jobs to account for this multiplier time lag.

Induced Impacts

The direct and indirect economic impacts are further magnified as incomes are spent in ever expanding “ripples”. These impacts are translated as revenue increases for local, county and state governments, A portion of these revenue increases leaves the region and state in which they are generated as such revenues “leak” out of the area. Related to retail sales and leakage, Mason City has a tremendous pull factor of 1.79. This third level of impact, the “induced impact” is more difficult to accurately quantify and predict, and is, therefore, more speculative but our approach will be buoyed by Mason City’s pull factor. A conservative measure of this impact is to apply an induced impact multiplier of .1 in the first two years, increasing to .2 by year four.

As the impact of the three types of factors is calculated, it is easy to see the Reinvestment District projects will show significant overall economic benefit to the community and region. Absent these proposed new projects, these financial benefits would not be realized and the community could continue to lose population and tax revenue.

The following table recites the job creation impact from the hotel project for the first year in which construction is accomplished, and then for the ensuing years as the project is complete. Retail tenants will occupy space in the building and have been considered as part of the jobs created in subsequent years to add to the economy. The performance venues and the other retail spaces' impact can be calculated once more is known about them.

	2016 & 2017 construction only (all spaces)	2018 Hotel & retail space	2025
Direct Jobs	275	58+ 21= 79	79
Indirect jobs	27	8	8
Induced jobs	27	8	16
Total	329	95	103

Table 7 Number of Jobs Associated with/Created by the Projects over 10 years

PERSONAL INCOME /PAYROLL

Personal income is conservatively figured at \$42,100/annually for construction workers, indirect and induced jobs during construction. Hotel/retail jobs are figured at \$26,000/annually for wages and fringes, for 55 full time positions and \$50,000 for 3 management positions. A 2% increase is figured in subsequent years. See Exhibit 2.

	2016 construction only	2018	2026
Direct Payroll	\$11,577,500	\$1,880,000	\$2,786, 711
Indirect Payroll	\$1,157,000	\$188,000	\$278,000
Induced Payroll	\$1,157,000	\$188,000	\$278,000
Total	\$13,891,50000	\$2,256,000	\$3,342,711

Table 8 – Annual Personal Income Generated by/Created with the Projects over 10 years

This new personal income will generate new income tax revenue for the State of Iowa.

FORMS OF NEW REVENUE GENERATED FOR MASON CITY

Property tax revenue will increase as new property taxes will be paid on the assessed value (AV) of the three new buildings and with the renovation of space in Southbridge Center. In a letter dated March 3, 2015, the Mason City Assessor estimated the future assessed value of each project.

It is anticipated that 96-room Courtyard Inn, expected to cost \$11,400,000 in construction costs will result in an assessed value (AV) of approximately \$6,450,000. This will generate, based on current tax levy rates (\$30.40/\$1000), new annual property taxes of approximately \$196,080 in the first year.

The 36,000 square foot mixed use building, Federal Avenue Lofts, is expected to cost in excess of \$5 million. The new assessed value could be expected to be \$2,225,000. Based on current tax levy rates, the building will annually generate \$68,400 in new property taxes.

The combined renovations to Southbridge Mall, which will continue to be owned by US National Bank, were estimated at \$12 million for the multi-purpose center and \$1,650,000 for the pavilion. The resulting property taxes are expected to be \$209,068 in the first year (the Mall is not part of the TIF ordinance and is subject to the total tax levy of 34.70/1,000). See Exhibit 4.

Utility fees/service charges will increase revenue to the city. With the exception of the parking garage, all of these spaces will have water and sewer hook ups and ongoing user fees for those as well as garbage and stormwater. Hook-ups fee will be one time revenue events. Monthly payments for utility charges will be ongoing new revenue.

State and Local Option Sales Tax

Of the 7% sales tax rate in Mason City, 1% is Local Option Sales Tax (LOST). In the past few years, the city collected an increasing pool of LOST dollars until FY 2013 when LOST revenue began to decline. There is expected to be a slight increase in LOST dollars for FY 15.

FY	Total LOST Dollars generated
2010	\$3,998,655
2011	\$4,347,273
2012	\$4,578,750
2013	\$4,458,688
2014	\$4,293,644
2015 EST	\$4,445,125

Table 9 - Local Option Sales Tax Revenue

Source: <http://www.iowa.gov/tax/locgov/locgovLOST.html>

The value of new retail space is that new firms selling goods and services not available elsewhere or firms that complement existing retail businesses may occupy these spaces. It is counterintuitive but additional restaurants, bars and shops make an area a destination worthy of visiting for multiple choices and draws new dollars into the economy. The value of the new sales will be dependent upon the mix of businesses. Using \$3,020,00 for sales from the same 4 new retail firms and hotel sales noted elsewhere, LOST sales would be \$30,200 in the first year. See Exhibit 3.

Parking fees from the ramp will generate new income for the city that could be used to repay the construction costs over time. Parking meters were first installed in 1946. Free parking was introduced in Mason City in the early 1980s when plans were announced for construction of Southbridge Mall with its free surface parking lot. Currently there is no charge to park on Mason City streets or in the parking lots referenced in this report unless parking occurs in one of the 26 reserved spots in the City Hall parking lot that can be leased. 13 of the 26 spots are usually rented at a cost of \$25/month. Revenue has been nominal.

A parking ramp will be required to serve the hotel property because the site is constrained to accommodate a facility of this size. The city intends to lease 110 spots to the hotel. Charging \$100/month for parking spaces to the hotel could generate \$132,000 annually. Leasing of spaces and hourly parking could generate an additional \$15,000 and \$63,300 per year, respectively. Thus, the ramp is expected to generate approximately \$213,300 in annual parking revenues.

A Google search of cities in Iowa with parking ramps/parking garages turned up few cities the size of Mason City. Parking ramps or garages exist in larger cities, at Iowa State and the University of Iowa, and at the U of I Hospital. The UI Hospital was just forced, through public pressure, to drop the fees it charges for parking in their ramp from a maximum of \$18/day to \$10/day. Usual rates range from 1-2 free hours of parking and modest rates (0.75¢/per hour) thereafter. The maximum is usually \$10/day. This would generate modest but additional revenue.

Hotel Motel Tax

Mason City first adopted the Hotel Motel Tax (HMT) in 1985 when the allowable rate was 5%. Mason City hotels began collecting 7% HMT in July, 2008. This resulted in a 42% increase in HMT in FY 09 from the previous year. Until the recession hit, this annual revenue stream, paid quarterly but lagging behind approximately 4 months from collection to distribution from the state, had been increasing. The reduction of HMT revenue between FY09 and FY10 is likely attributed to the recession. There may have been other factors at play which brought additional guests to Mason City in FY12 but new hotel rooms appear to contribute to additional HMT revenue which continues to grow, as evidenced by the table which follows.

Fiscal Year	July – Sept.	Oct - Dec	Jan - March	April- June	Total Revenue	% Change
2008	\$93,758	\$67,857	\$72,966	\$97,113	\$331,694	
2009	\$139,444	\$108,014	\$98,242	\$126,599	\$472,266	42%
2010	\$148,833	\$86,933	\$87,373	\$118,690	\$441,829	-5%
2011	\$127,736	\$86,017	\$93,768	\$141,886*	\$449,408	1.7%
2012	\$172,364**	\$129,399	\$114,472	\$153,309	\$569,545	26.7%
2013	\$174,412	\$129,310	\$118,764	\$159,322	\$581,808	2.2%
2014	\$170,812	\$124,102	\$127,495	\$184,926	\$607,336	4.4%

Table 10 - Historic Hotel Motel Tax Collections – Mason City

Source: <http://www.iowa.gov/tax/business/business.html>

In April 2011, the Holiday Inn Express* opened 87 new rooms. In September, 2011, the Historic Park Inn** had a gala grand opening celebration and added 27 new and unique rooms to the hotel mix. One is a chain hotel and one is a boutique hotel. They operate at different price points as shown by a quick anecdotal comparison of rates, and attract primarily different guests but they do compete for customers. The impact of adding 115 new hotel rooms in 2011 was spread over two fiscal years.

On a check of rates on the hotels' websites and using the same dates (and not discounters' websites) , the Holiday Inn Express capitalizes on business clients and typically has higher rates during the week. Rates were \$120-\$135 during the week and decreased to \$95-\$120 on weekends. The Historic Park Inn capitalizes on the leisure guest's travel schedule. Many people staying there come for the experience of that particular hotel. Hotel rates are lower on weekdays and range from \$83 to \$250. On weekends, rates increase to \$125-\$275. Properties can adjust rates as needed and the Historic Park Inn reduced rates during the week to attract more weekday guests.

This impact study is not interested in the recirculation of funds that would have been spent in Mason City already but rather in the new money that will flow to Mason City, the region and the state. As noted earlier, there will be little or modest net gain if guests merely substituted one hotel for another. The reality is the even when the Hampton Inn and Suites and the Courtyard are completed, there will only be a net gain of 53 rooms over the 2014 total. To generate new revenue, all other properties would need to maintain their occupancy rates and their average daily rate while the new hotel attracted additional guests to town.

Assuming the new hotel has 96 rooms with a conservative average occupancy rate of 60% with average room rent at \$100/night, the 7% hotel motel tax would generate \$420/night or approximately \$150,000 (360 nights/year) in new money if all of those nights were new customers to the travel market in Mason City. Occupancy would be projected to grow to 65% in year 3. Total new revenue in Hotel Motel tax over 20 years would be \$3,775,859. See Exhibit 5.

The developer's pro forma uses an occupancy rate of 65% in year one for 365 nights per year and 75% in year 3. This translates into 26,278 nights per year of occupancy compared to this impact study's conservative estimate of 22,320 nights in year 3.

A new hotel with quality meeting space than can accommodate midsize overnight conferences will generate new income for the city. Additional hotel rooms do not attract additional revenue alone but there is a conference niche that Mason City has not been able to attract. Currently, conference space is constrained so this property will alleviate that concern and bring more people to town. The Courtyard has facilities to accommodate convention space for 250-300 persons that can be configured for large meetings and simultaneous smaller break out venues. Calculating the economic impact on new tourists/ business conventioners will be left to Visit Mason City as they continue to market Mason City for leisure tourists and multi-day conventions. The multi-day conventioner is expected to spend \$147/day in a community.

A new Performing Arts Pavilion and concerts and events at the Multi Purpose Arena will also attract new performers/groups that will stay in hotel properties in town and spend money in the community.

STATE BENEFITS

The state of Iowa will gain new revenue with additional "new" dollars being spent in Mason City for taxable goods and services. This will happen with construction spending and in subsequent years for maintenance, operations and supplies.

Income taxes will be paid on personal income for the new jobs that will be created during construction and then for the new positions created to staff the new entities.

OTHER ECONOMIC BENEFITS

This project will have a lasting economic impact on the region in new retail space, housing units and entertainment options. The direct impact is associated with construction, operation and resident spending in the multifamily facilities.

More conventions staying in Mason City. As noted earlier, Visit Mason City is very focused in their efforts to attract conventions and other visitors to town. Having convention space in the Courtyard will give Visit Mason City a larger audience to market the community to. In Exhibit A, Visit Mason City estimated lost visitors spending in 2015 alone was projected to be more than \$550,000. Visitor dollars circulate through the economy.

Strong positive economic impact from the reinvisioned Southbridge Mall is expected. Mason City has done much planning and studying over the past ten years and now the opportunity has presented itself for action. In 2006, Main Street Iowa worked with key Mason City organizations and outside consultants to prepare a Downtown Resource Report. In it, they suggested many steps for downtown enhancement and raised an urgent concern about key anchor leases that were going to expire in 3-5 years at Southbridge Mall. Two strategies were proposed for the Mall: determine the highest and best use of the 12,000 square feet used by Cinema V theatres and explore opportunities to rework the food court orientation and programming. Since that time, Cinema V closed (a new movie theater was built on Highway 122 out by the west end shopping district) and the theater space has been vacant. Now is the time to reinvent space in the Mall which was approximately 72% full before the JC Penney closing was announced. When JC Penney closes, less than 50% of the space will be occupied.

In the past, indoor entertainment at malls may have included movie theaters but little else was considered in the mix. New strategies are needed in Mason City and this plan incorporates entertainment into the Mall in a big way. In the past 15 years, there have been a variety of research studies that have looked at the impact entertainment has on the frequency of mall visits and retail sales. Although the malls studied were in larger cities, the results should be fairly consistent for Mason City. One study found that 25% of the people who came to a mall for entertainment cross shopped other stores. They spent 75% of the amount that shoppers who came primarily for shopping spent. In 2005, research was done on sales at in-line retail stores at 39 U.S. malls completing renovations. Some included new entertainment options. Although entertainment-based expansions did not result in a significant increase in per square foot sales growth for in-line stores, it did increase the footfall and aggregate sales and helped the mall by enhancing its brand image and establishing its reputation as a dominant regional mall. In yet another study, not surprisingly, a study found that regardless of why people visited a mall, whether for shopping or entertainment, positive experiences translate into higher profitability of repeat business and this is an effective strategy to increase visits and retail profitability.^{xx} **A vibrant Southbridge Center will result in a higher assessed value on the entire mall property, more sales tax revenue for all governmental bodies and additional new jobs but quantifying those economic impacts is difficult.**

There will be intangible impact to the community too. Aside from quantified economic benefits that are noted, the two new spaces will provide new economic, cultural, and educational benefits that can't be easily quantified. Research shows people place a greater value on the place of art in their communities than in their own lives. They strongly believe that the arts improve the quality of life and are a source of community pride, promote understanding of other people and other ways of life and help preserve and share cultural heritage which demonstrates the value of the performing arts to individuals. This is especially true in Mason City where the musical and architectural heritage are considered part of the fabric of daily life. People also believe the arts contribute to the education of children.^{xxi}

This is intentionally a conservative study that evaluates the financial impact of these two spaces. A re-envisioned Southbridge Center goes beyond merely substituting space in one arena for another. It is known that there is demand for the space occupied by the ice arena six months each year at the NIEC. Opening the multi-purpose arena downtown will allow more events to be held at the NIEC whether they are equestrian shows or other types of events.

Each booking in either facility will include ticket sales, rental fees and concessions/catering to add new dollars to the economy. This spending will generate new revenue for the City, Cerro gordo County (owner of the NIEC) and the state. Those who come from out of town may also buy gasoline or groceries or eat out and shop before a performance or show. Performers and athletes may stay overnight in town as may concert goers who live more than 4 hours from Mason City. An analysis of impact from an outdoor performing arts pavilion was completed by the community as part of the 2007 Vision Iowa application. An annual economic impact of \$468,280 was cited for uses of the new space. New performance space will bring new opportunities for productions and concerts that don't fit in the other venues in Mason City and may attract a broader scope of attendees from throughout the north Iowa/southern Minnesota region. The arts audience is diverse and includes people from all income levels and age groups. People who frequently attend arts performances also are frequent attendee of other leisure activities including sporting events, movies, festivals, concerts and museums.

Impact from resident spending of new apartment dwellers has not fully studied for apartment buildings until 2012 when the National Multi Housing Council (NMHC) and the National Apartment Association completed a study on the national economy.^{xxii} "People underestimate the economic impact that flows from apartment buildings," says Stephen S. Fuller, an academic researcher at George Mason University's Center for Regional Analysis who conducted the study. Examples were completed on larger buildings in metro markets. There is no research on the impact of an apartment building in Iowa or other small markets but some general assumptions can be made from the study. The economic effects of an apartment building extend beyond the initial construction period by generating permanent jobs and spending related to ongoing property operations and maintenance. The routine needs of keeping a building operational requires the annual investment in property repairs and improvements to attract and retain residents in a competitive environment in addition to the new management job created for leasing and building management.

The study found resident spending on goods and services produces an economic impact 21 times greater than construction. Resident spending drove 80% of the apartment's total contribution to the

economy. Renters spend more of their income locally than homeowners and these households generate indirect jobs that wouldn't ordinarily be associated with the apartment industry. Apartment residents spend a significant portion of available dollars on housing, food and transportation – the three largest expenditures. Roughly 70% of the dollars spent on those items stayed within the local economy.

SUMMARY QUANTIFIABLE FINDINGS

NEW JOBS ASSOCIATED WITH/CREATED BY THE PROJECTS OVER 10 YEARS

	2016 & 2017 construction only (all spaces)	2018 Hotel & retail space	2025
Direct Jobs	275	58+ 21= 79	79
Indirect jobs	27	8	8
Induced jobs	27	8	16
Total	329	95	103

ANNUAL PERSONAL INCOME GENERATED BY/CREATED WITH THE PROJECTS OVER 10 YEARS

	2016 construction only	2018	2026
Direct Payroll	\$11,577,500	\$1,880,000	\$2,786, 711
Indirect Payroll	\$1,157,000	\$188,000	\$278,000
Induced Payroll	\$1,157,000	\$188,000	\$278,000
Total	\$13,891,500	\$2,256,000	\$3,342,711

NEW PROPERTY TAXES - based on assessed value and FY15 tax levy of \$34.70/\$1000

	Current AV	1/1/2019 New AV	New Taxes FY 2020	AV in 2040	New Taxes FY2040
Courtyard Hotel	0	\$6,450,000	\$223,815	\$9,584,361	\$332,577
Federal Avenue Lofts	0	\$2,250,000	\$78,075	\$3,343,382	\$116,015
Renovations to Southbridge Mall – multi-purpose center	\$5,000,000	\$5,325,000 (total AV \$10,325,000)	\$184,778	\$7,912,670	\$274,570
Performing Art Pavilion	0	\$700,000	\$24,290	\$1,040,163	\$36,094
TOTAL	\$5,000,000	\$8,700,000	\$510,958		\$759,256

Based on the Mason City Assessor’s estimate of 2% inflation each year, using the existing tax levy for the City, these four properties combined can be expected to contribute more than \$13 million in property tax revenue to the Mason City coffers over the course of twenty years.

OTHER NEW TAX REVENUE

	2018	2027	2037	Total over 20 years
LOST (1%)	\$30,200	\$36,092	\$43,996	\$733,781
State Sales Tax (6%)	\$181,200	\$216,551	\$263,974	\$4,402,683
Local Hotel Motel Tax (7%)	\$146,160	\$186,721	\$227,612	\$3,775,859
Excise tax on new rooms (5%)	\$104,400	\$133,372	\$162,580	\$2,697,042
Parking Ramp revenue	\$213,300	\$213,300	\$213,300	\$4,266,000
TOTAL	\$675,260	\$786,036	\$911,462	\$15,875,365

Beyond the revenue that will traditionally come to the city with property taxes as shown in Exhibit 4 and as noted in the chart above for LOST and parking ramp revenue, the Iowa Reinvestment District program allows the city to retain 4% of the 6% state sales tax and all of the 5% excise tax for a period of twenty years. The amount of the new sales tax revenue retained by the city is conservatively estimated to be \$2,905,770; however, with retail sales, food and beverage sales in the hotel, and ticket/concessions sales at the Performing Arts Pavilion and the Multi-Purpose Arena, sales tax revenues can be as high as \$8,089,600. It is estimated that \$2,697,042 in excise tax revenue will also be available to Mason City to help finance these projects.

REFERENCE END NOTES

- ⁱ U.S. Census Bureau, 2013 estimate www.census.gov
- ⁱⁱ Economic Research Associates “2007 Real Estate Market Analysis” page 3
- ⁱⁱⁱ North Iowa Corridor Economic Development Corp. report
- ^{iv} ISU Retail Trade Analysis
- ^v www.walkable.org
- ^{vi} www.walkscore.com
- ^{vii} www.census.gov (February, 2015)
- ^{ix} Retail Trade Analysis Report, page 12
- ^x Economic Research Associates, page 15
- ^{xi} Downtown Mason City Market Study and Strategies, 2014 page 29

-
- ^{xii} Hotel News Now, January 27, 2015 “ALIS Numbers back up optimistic mood”
- ^{xiii} Downtown Mason City Market Study page 30
- ^{xiv} https://www.whitehutchinson.com/leisure/articles/Role_of_Entertainment.shtml (February 20, 2015)
- ^{xv} University of Cincinnati, “Economic and Fiscal Impacts of the Construction and Operations of a Proposed Select-Service Hotel on Greater Cincinnati, September 2012.
- ^{xvi} www.nahb.org (February 20, 2015)
- ^{xvii} North Iowa Corridor Laborshed Analysis, April 2014 page 8
- ^{xviii} The Goodman Group “The Economic Impact of the Frank Lloyd Wright Boutique Hotel Development”, 2010
- ^{xix} www.bea.gov
- ^{xx} General Growth Properties study
- ^{xxi} Performing Arts Research Coalition, “The Value of Performing Arts to 5 Communities” 2002.
- ^{xxii} <http://www.propertymanagementinsider.com/economic-impact-apartment-industry.html> “The Trillion Dollar Apartment Industry,” March 2013

Exhibit 1 Visit Mason City Log of "Lost Opportunities"

Sales Status	Company	Reason Lost Business	# of people	# of days in town	# of hotel room nights	estimated lost of visitor spending economic impact
Lost 2010	Iowa Drainage District Assoc.- (IDDA)	lost to Fort Dodge better site due to location of their members	100	1	3	\$ 10,000
Lost 2010	Iowa Assoc. of Financial Aid Administrators	Lost to Iowa City because they had better amenities and rates	135	3	110	\$ 59,535
Lost 2010	Petroleum Marketers & Convenience Stores of Iowa	Lost to Riverside Casino because they had better amenities and rates	300	3	300	\$ 132,300
Lost 2010	HelmsBriscoe	lost to Woodbury MN due since better site based on location of their members	3000	3	20	\$ 1,323,000
Lost 2010	Grand National Team Event Duplicate Bridge Tournament	lost to Des Moines due to location - thought would get a better turn out of players	120	3	95	\$ 52,920
Lost 2011	Disciples of Christ	lost since no available dates for them	300	1	30	\$ 30,000
Lost 2011	Iowa Assoc. of Realtors	Lost to Pella because they had better facilities	150	2	60	\$ 44,100
Lost 2011(too large)	Iowa Chiropractic Society	lost since too large - our facilities can't accommodate their breakout room needs	187	3	105	\$ 82,467
Lost 2012	Iowa Department of Natural Resources (DNR)	lost since no available dates for them	150	1	10	\$ 15,000
Lost 2012 - too large	Iowa Library Assoc.	lost since too large - our facilities can't accommodate their needs	700	4	900	\$ 411,600
Lost 2012 (too big?)	EntreFest!	lost since too large - our facilities can't accommodate their breakout & exhibitor room needs	288	2	93	\$ 84,672
Lost 2012	Iowa Museums Assoc.	lost since too large - our facilities can't accommodate their breakout room needs	130	2.5	100	\$ 47,775
lost 2012	Revitalize Iowa Conference	lost since too large - our facilities can't accommodate their breakout room needs	250	3	575	\$ 110,250
Lost 2012	Iowa State Snowmobile Assoc.	lost since too large - our facilities can't accommodate their breakout and exhibitor room needs	175	2.5	100	\$ 64,313

estimated lost
of visitor
spending
economic
impact

of
days
in
town

of
people

of hotel
room
nights

Reason Lost Business

Sales Status	Company	Reason Lost Business	# of people	# of days in town	# of hotel room nights	estimated lost of visitor spending economic impact
Lost 2013	Ladies Pamper Night Event	lost since the planner thought our facilities were outdated / tired	50	1	0	\$ 5,000
Lost 2013 - too large	Iowa Recycling Assoc.	lost since too large - our facilities can't accommodate their needs	400	3	315	\$ 176,400
Lost 2014	Farm Journal Media	lost to Rochester MIN since they had more space options that met their needs	75	1	0	\$ 7,500
Lost 2014	USDA Rural Development State Meeting	lost since no available dates for them	90	2.5	180	\$ 33,075
lost 2014	Women, Food and Agriculture Network Convention	Lost since we do not have a facility with enough breakout rooms	200	2	150	\$ 58,800
lost 2014	Beta Sigma Phi State Convention	moved to Clear Lake since no facility available that could meet their breakout room needs	250	3	250	\$ 110,250
lost 2014,	Your Time to Bloom - Women's Conference & Shopping Extravaganza	wants to try something new so discontinuing event	100	1	0	\$ 10,000
Lost 2015	National Assoc. of Postmasters (NAPUS) - Iowa Chapter	Lost since no facility available that could meet their needs of all hotel rooms in the same building as meetings	100	3	80	\$ 44,100
Lost 2015	Iowa Junior Chamber International (JCI) Senate	Lost since no facility available that could meet their needs of all hotel rooms in the same building as meetings	80	2.5	80	\$ 29,400
lost 2015;	Regional Duplicate Bridge Tournament	Lost since no facility available that could meet their needs	283	6	700	\$ 249,606
lost 2015	Midwest Electronic Gaming Convention	postponed until 2016	200	3	20	\$ 88,200
lost 2015	Iowa Jaycee's Convention	leaning towards Clear Lake because it has hotel and meeting rooms under one facility and is cost appropriate.	100	2.5	85	\$ 36,750
lost 2015	National Gardening Convention	moved to Clear Lake since no facility available that could meet their needs	175	4	352	\$ 102,900

estimated lost
of visitor
spending
economic
impact

of
days
in
town

of
people

of hotel
room
nights

Reason Lost Business

Sales Status	Company	Reason Lost Business	# of people	# of days in town	# of hotel room nights	estimated lost of visitor spending economic impact
pending 2015	Brain Injury Alliance of Iowa	leaning towards Clear Lake because it has hotel and meeting rooms under one facility and is cost appropriate.	100	3	30	\$ 44,100
pending 2016	Iowa Auto Recyclers	leaning towards Clear Lake because it has hotel and meeting rooms under one facility and is cost appropriate.	225	2.5	185	\$ 82,688
sold 2015	Professional Developers of Iowa (PDI)	really wanted to have the meeting and hotel rooms under one roof - since did not have this provided incentives and lobbied the group to host it in Mason City versus another location - was successful since a Mason City person was the President of the Board	150	3	160	\$ 66,150
sold 2014	American Planning Association - Iowa Chapter Conference	really wanted to have the meeting and hotel rooms under one roof - since did not have this provided incentives and lobbied the group to host it in Mason City versus another location - was successful since a Mason City person served in a volunteer leadership role in the organization	175	3	65	\$ 77,175
pending 2015	ERI Solutions	leaning towards Clear Lake because it has hotel and meeting rooms under one facility and is cost appropriate.	100	2	150	\$ 29,400
Lost revenue 2010 to present						\$ 3,719,425

The estimate we use for convention spending is based upon surveys with convention planners that have held meetings / conferences in Mason City that attracted delegates from outside a 90-mile radius of Mason City. The formula is as follows and does not include "locals / North Iowa residents":

number of convention delegates from outside a 90-mile radius of Mason City x number of days in the community x \$147 per person for a multi-day meeting and \$100 for a day meeting = estimated amount of direct visitor spending

In Visit Mason City's FY 13-14 (Oct. 2013 - Sept. 2014) - our office worked with 54 meetings / special events resulting in an estimated 41,247 visitors to the community and an estimated \$3.8 million in direct visitor spending. NOTE: this is what Visit Mason City office worked with and is not reflective of the entire community. The definition of a visitor is a person from outside a 90-mile radius of Mason City thus only meetings / special events that attracted visitors are "counted" in the Visit Mason City statistics. In addition, Visit Mason City does work with business that is very likely to take place in the community such as weddings, class reunions.

**Mason City Reinvestment District Projects
Value of New Jobs' Payroll - Personal Income**

Assumptions

Annual increase of 2%	102%	58 FTE hotel employees
Construction workers	\$42,100	21 other new jobs
Retail/service workers	\$26,000	
Management positions	\$50,000	

Beginning July 2016 (FY2017)

FY	DIRECT JOBS			
	Construction	Payroll	Service Jobs	Payroll
2017	275	\$11,577,500		
2018	275	\$11,809,050	58	\$1,880,000
2019			79	\$2,463,600
2020			79	\$2,512,872
2021			79	\$2,563,129
2022			79	\$2,614,392
2023			79	\$2,666,680
2024			79	\$2,720,013
2025			79	\$2,774,414
2026			<u>79</u>	<u>\$2,829,902</u>
Total		\$23,386,550		\$23,025,003

EXHIBIT 2

Year	Total sales revenue using MC average sales per firm (\$555,000) plus hotel sales (\$800,000) 2% growth/year	6% state sales	1% LOST	Total sales revenue using statewide average sales per firm (\$400,000) plus conservative \$600,000 hotel sales	6% sales Tax revenue	1% LOST
2018	\$3,020,000	\$181,200	\$30,200	\$2,200,000	\$132,000	\$22,000
2019	\$3,080,400	\$184,824	\$30,804	\$2,244,000	\$136,640	\$22,440
2020	\$3,142,000	\$188,520	\$31,420	\$2,288,880	\$137,333	\$22,889
2021	\$3,204,848	\$192,291	\$32,048	\$2,334,658	\$140,079	\$23,347
2022	\$3,268,945	\$196,137	\$32,689	\$2,381,351	\$142,881	\$23,814
2023	\$3,333,324	\$200,059	\$33,343	\$2,428,978	\$145,739	\$24,290
2024	\$3,401,011	\$204,061	\$34,010	\$2,477,557	\$148,653	\$24,776
2025	\$3,469,031	\$208,142	\$34,690	\$2,527,108	\$151,627	\$25,271
2026	\$3,538,411	\$212,305	\$35,384	\$2,577,651	\$154,659	\$25,777
2027	\$3,609,180	\$216,551	\$36,092	\$2,629,204	\$157,752	\$26,292
2028	\$3,681,363	\$220,882	\$36,814	\$2,681,788	\$160,907	\$26,818
2029	\$3,754,990	\$225,299	\$37,550	\$2,735,423	\$164,125	\$27,354
2030	\$3,830,090	\$229,805	\$38,301	\$2,790,132	\$167,408	\$27,901
2031	\$3,906,692	\$234,402	\$39,067	\$2,845,935	\$170,756	\$28,459
2032	\$3,9847,826	\$239,090	\$39,848	\$2,902,853	\$174,171	\$29,029
2033	\$4,064,522	\$243,871	\$40,645	\$2,960,910	\$177,655	\$29,609
2034	\$4,145,813	\$248,749	\$41,458	\$3,020,129	\$181,208	\$30,021
2035	\$4,228,729	\$253,724	\$42,287	\$3,080,531	\$184,832	\$30,805
2036	\$4,313,304	\$258,708	\$43,133	\$3,142,142	\$188,529	\$31,421
2037	\$4,399,570	\$263,974	\$43,996	\$3,204,985	\$192,299	\$32,050
Total		\$4,402,683	\$733,781		\$3,207,253	\$534,542

EXHIBIT 3 6% State Sales Tax Revenue & 1% Local Option Sales Tax Revenue

Mason City Reinvestment District Projects
New Assessed Value - New Property Taxes (not including existing AV on Mail space)

Assumptions
 Annual increase of 2%* 102%
 Tax levy FY 2015 0.0347

FY	Courtyard	Taxes paid	Federal Lofts	Multi Purpose		Performing Arts		
				Taxes Paid	Center	Taxes paid	Space	Taxes Paid
2020	\$6,450,000	\$223,815	\$2,250,000	\$78,075	\$5,325,000	\$184,778	\$700,000	\$24,290
2021	\$6,579,000	\$228,291	\$2,295,000	\$79,637	\$5,431,500	\$188,473	\$714,000	\$24,776
2022	\$6,710,580	\$232,857	\$2,340,900	\$81,229	\$5,540,130	\$192,243	\$728,280	\$25,271
2023	\$6,844,792	\$237,514	\$2,387,718	\$82,854	\$5,650,933	\$196,087	\$742,846	\$25,777
2024	\$6,981,687	\$242,265	\$2,435,472	\$84,511	\$5,763,951	\$200,009	\$757,703	\$26,292
2025	\$7,121,321	\$247,110	\$2,484,182	\$86,201	\$5,879,230	\$204,009	\$772,857	\$26,818
2026	\$7,263,748	\$252,052	\$2,533,865	\$87,925	\$5,996,815	\$208,089	\$788,314	\$27,354
2027	\$7,409,023	\$257,093	\$2,584,543	\$89,684	\$6,116,751	\$212,251	\$804,080	\$27,902
2028	\$7,557,203	\$262,235	\$2,636,234	\$91,477	\$6,239,086	\$216,496	\$820,162	\$28,460
2029	\$7,708,347	\$267,480	\$2,688,958	\$93,307	\$6,363,868	\$220,826	\$836,565	\$29,029
Subtotal	\$70,625,700	\$2,450,712	\$24,636,872	\$854,899	\$58,307,264	\$2,023,262	\$7,664,805	\$265,969
2030	\$7,862,514	\$272,829	\$2,742,737	\$95,173	\$6,491,145	\$225,243	\$853,296	\$29,609
2031	\$8,019,764	\$278,286	\$2,797,592	\$97,076	\$6,620,968	\$229,748	\$870,362	\$30,202
2032	\$8,180,160	\$283,852	\$2,853,544	\$99,018	\$6,753,388	\$234,343	\$887,769	\$30,806
2033	\$8,343,763	\$289,529	\$2,910,615	\$100,998	\$6,888,455	\$239,029	\$905,525	\$31,422
2034	\$8,510,638	\$295,319	\$2,968,827	\$103,018	\$7,026,224	\$243,810	\$923,635	\$32,050
2035	\$8,680,851	\$301,226	\$3,028,204	\$105,079	\$7,166,749	\$248,686	\$942,108	\$32,691
2036	\$8,854,468	\$307,250	\$3,088,768	\$107,180	\$7,310,084	\$253,660	\$960,950	\$33,345
2037	\$9,031,557	\$313,395	\$3,150,543	\$109,324	\$7,456,286	\$258,733	\$980,169	\$34,012
2038	\$9,212,188	\$319,663	\$3,213,554	\$111,510	\$7,605,411	\$263,908	\$999,772	\$34,692
2039	\$9,396,432	\$326,056	\$3,277,825	\$113,741	\$7,757,519	\$269,186	\$1,019,768	\$35,386
2040	\$9,584,361	\$332,577	\$3,343,382	\$116,015	\$7,912,670	\$274,570	\$1,040,163	\$36,094
Subtotal	\$95,676,695	\$3,319,981	\$33,375,591	\$1,158,133	\$78,988,900	\$2,740,915	\$10,383,517	\$360,308
Taxes 1-10		\$2,450,712		\$854,899		\$2,023,262		\$265,969
Taxes 11-20		\$3,319,981		\$1,158,133		\$2,740,915		\$360,308
Total new taxes		\$5,770,693		\$2,013,032		\$4,764,177		\$13,174,179

*based on conversation with the Cerro Gordo County Assessor 3/4/15

EXHIBIT 4

Year	Room rent 2% annual increase	Rooms /Yr (360/days/yr.)	Total hotel revenue	7% Hotel Motel Tax revenue	5% Excise Tax revenue
2018	\$100	20,880	\$2,088,000	\$146,160	\$104,400
2019	\$102	20,880	\$2,129,760	\$149,083	\$106,488
2020	\$104	22,320	\$2,322,173	\$162,552	\$116,109
2021	\$106	22,320	\$2,368,616	\$165,803	\$118,403
2022	\$108	22,320	\$2,415,989	169,119	\$120,800
2023	\$110	22,320	\$2,464,308	\$172,502	\$123,215
2024	\$113	22,320	\$2,513,595	\$175,952	\$125,680
2025	\$115	22,320	\$2,563,866	\$179,471	\$128,193
2026	\$117	22,320	\$2,615,144	\$183,060	\$130,757
2027	\$120	22,320	\$2,667,447	\$186,721	\$133,372
2028	\$122	22,320	\$2,720,796	\$190,456	\$136,040
2029	\$124	22,320	\$2,775,211	\$194,265	\$138,761
2030	\$127	22,320	\$2,830,716	\$198,150	\$141,366
2031	\$129	22,320	\$2,887,330	\$202,113	\$144,366
2032	\$132	22,320	\$2,945,077	\$206,155	\$147,254
2033	\$135	22,320	\$3,003,978	\$210,278	\$150,199
2034	\$137	22,320	\$3,064,058	\$214,484	\$153,203
2035	\$140	22,320	\$3,125,339	\$218,774	\$156,267
2036	\$143	22,320	\$3,178,846	\$223,149	\$159,392
2037	\$146	22,320	\$3,251,603	\$227,612	\$162,580
Total				\$3,775,859	\$2,697,042

EXHIBIT 5 7% Hotel Motel Tax Revenue & 5% Excise tax



SECTION D: UNIQUE IN NATURE

Downtown Mason City: Our River City Renaissance

"You gotta know the territory."

This sage advice from Native Son Meredith Willson's Broadway musical, *The Music Man*, certainly applies to community and economic development investments.

The Territory

Mason City is the original "River City." Willson based the musical's "River City" on his hometown. Mason City has emerged as one of Iowa's "can do" communities. In 2011, the city completed the successful implementation of a multi-phase Vision Iowa project entitled, *Mason City...a community on the march*. The success of this ambitious undertaking has captured the attention of the entire world. By capitalizing on the downtown's unique architectural and historic assets, Mason City has established an individual, unique identity as well as an authentic theme to build upon.

The community's capstone is the Prairie School Architecture featuring the Frank Lloyd Wright-designed Historic Park Inn Hotel, Stockman House and Rock Crest/Rock Glen Historic District. Wright, perhaps America's most famous architect, designed six hotels during the span of his professional career, but the Historic Park Inn is the only one remaining in the entire world. The 27 room boutique hotel reopened in September 2011 and has enjoyed wonderful success. Guests include residents of all 50 states and more than 40 foreign countries. In addition, architecture enthusiasts can visit the Wright-designed Stockman House Museum and the Rock Crest/Rock Glen Historic District. Rock Crest/Rock Glen is the world's largest example of Prairie School architecture unified by a common setting, with houses designed by Wright's colleagues from his Oak Park Studio: Walter Burley Griffin, Barry Byrne and William Drummond.

And Mason City has continued its forward march. In 2012, Mason City was selected as one of just four Blue Zones Project pilot programs as part of Iowa's quest to become the Healthiest State. "Blue Zones" is a term that describes a community where people live longer, happier, and healthier lives through an environmental approach.

A high school youth leadership group installed public pianos in four locations in the Downtown. They named their project *Tunes for the Town* in a nod to Mason City's musical tradition.

In addition, a public/private partnership brought a rotating 1.6 mile "sculpture walk" to the downtown core. Now in its third year, *River City Sculptures on Parade* features an exhibit of 35 outdoor sculptures. Mason City is poised and ready for the next BIG THING – Our River City Renaissance.

Accomplishments

Mason City and its unique downtown demonstrate readiness for undertaking this project through the following designations, credentials, and fun facts:

- **Main Street Iowa Community**
Mason City has been a member of this highly-competitive program since 2004.
- **Cultural and Entertainment District**
The project area received one of the state's first Cultural and Entertainment District certifications in November 2005.
- **Iowa Great Place**
Mason City received this recognition in 2006 from the Iowa Department of Cultural Affairs following the first year pilot program.
- **One of America's Great Places**
In 2013, Downtown Mason City was designated as one of the "Great Places in America," modeling a tradition of strong city planning and provision of public amenities. Only three other communities in Iowa have been so designated.
- **100 Best Communities for Youth**
Mason City was designated a "Community of Promise" by General Colin Powell's America's Promise Foundation.
- **Certified Blue Zones Project® Community**
In 2014, Mason City met all of the necessary criteria to be designated an official Blue Zones Project Community. This community-wide effort to living longer, healthier lives is underscored by significant improvement in Mason City's performance in the *Gallup-Healthways Well-Being Assessment*.
- **World's Best Architecture**
Conde' Nast Traveler named Mason City one of the "World's Best Cities for Architecture Lovers". That's right...Mason City, Iowa...listed alongside Barcelona, Istanbul, Tel Aviv, Florence, Miami, Dubai, Marrakech, and Seattle.
- **Best Day Trip (but spend the night!)**
On January 30, 2015, *USA Today* selected Mason City in its article, "The 10 Best Dynamite Day Trips"...but encouraged readers to actually spend the night at the Historic Park Inn Hotel.
- **North Iowa Band Festival**
Mason City enjoys a rich musical tradition that goes beyond Meredith Willson (of "76 Trombones" fame.) The North Iowa Band Festival (now in its 77th year) is the community's signature event, which annually attracts thousands of people to celebrate music of all genres.
- **A Musical Conservatory Atmosphere**
The Mason City High School band and choral programs are accredited by the Julliard School of Music--one of only 42 in the entire country to earn this honor.

- **A Grammy School**
 The Mason City High School choral program has been designated a "Grammy Foundation School"...the only such school in Iowa (public or private).
- **Rich Musical Heritage**
 The Music Man Square incorporates an interactive museum and a house museum dedicated to the life of Meredith Willson with meeting spaces and practice rooms for aspiring musicians.
- **A Storied Past**
 The newly-renovated Holabird & Root-designed Mason City Public Library with its outstanding literary autograph collection and historical archives includes artifacts from the notorious Dillinger Gang robbery of Mason City's First National Bank in March 1934.
- **A Focus on Iowa Artists**
 The Charles H. MacNider Art Museum is home to a fine collection of American Art-- including several works by Grant Wood. The museum features Bil Baird's "World of Puppets" permanent exhibit – which include the puppets from *The Sound of Music* movie. Baird was a graduate of Mason City High School.
- **Musical Heritage Tourism**
 Mason City's musical offerings and Clear Lake's nostalgic connection to early Rock and Roll (Buddy Holly, Richie Valens, and J.P. "The Big Bopper" Richardson played their final *Winter Dance Party* concert at the Surf Ballroom just before their tragic deaths in a plane crash shortly after take-off from the Mason City Municipal Airport), combine to make a wonderful tourism package for music lovers.
- **Niche Retail Opportunities**
 Mason City's incredibly strong architectural and musical heritage has created a niche market opportunity for gift shops, restaurants, bars, and specialty shops focusing upon these themes. Main Street Mason City promotes Downtown's unique offerings.
- **An Ice Sports Town**
 Mason City is the smallest community in Iowa with indoor ice sports; a testament to the popularity of skating in North Iowa. The existing North Iowa Arena, affectionately nicknamed "The Barn" (two miles west of Downtown at the County-owned North Iowa Events Center) is used for ice events approximately six months of the year, while the remaining six months it is used as a horse arena with a dirt floor. The Barn hosts the North Iowa Bulls hockey team (an NA3HL semi-pro franchise), as well as the high school Mohawk Hockey Club, Mason City Youth Hockey League, and the North Iowa Figure Skating Club. The "wow factor" of offering a wide array of indoor ice sports distinguishes Mason City from other communities its size.
- **Visionary Leaders...on the Same Page**
 The Mason City Chamber of Commerce Board brainstormed the concept of "repurposing" Southbridge Mall at a recent planning meeting. Main Street Mason City and the City Council have pursued the idea of a new hotel and conference center in Downtown for several years. Business and community leaders are in clear consensus with local government officials and

citizens about the importance of continuing Downtown Mason City's resurgence and reinventing Southbridge Mall as an important community asset.

Opportunities

- **A Shortage of Downtown Hotel Rooms**

The notoriety of the Historic Park Inn and Prairie School Architecture, as well as our numerous cultural and natural assets, makes Mason City an attractive location for regional, state, and national meetings and conferences. However, as the only lodging property downtown, the Historic Park Inn cannot provide enough guest rooms to accommodate many of the events held in its own ballroom.

- **A Shortage of Meeting Space**

Downtown Mason City has a pent-up demand for more downtown meeting space for small-to-medium scale multi-day conventions. The Historic Park Inn's Ballroom has a maximum capacity of 150-170 persons.

- **A Capacity Gap**

Mason City is hampered by a lack of meeting/banquet space for large groups. Mason City's aged and tired Clarion Inn and Conference Center (located 1.25 miles west of Downtown) closed in late 2014. The hotel/restaurant and conference center is being demolished and a Hampton Inn will be built in its place. However, the new flag's business model does not include the banquet/meeting capacity of 350+ offered by its predecessor. Mason City has a serious need for facilities that can accommodate groups of this size. Locating such a facility in Downtown recognizes the unique role that Downtown plays as the historic and cultural hub of the City.

- **No Place to Play!**

The Mason City Municipal Band is "homeless". A historic restoration project on the old band shell in East Park (approximately 1 mile east of Downtown) has returned the structure to its original 1924 condition. The concrete apron and limestone facade that were added to the band shell during World War II as a WPA project were removed, rendering the band shell too small to accommodate the Mason City Municipal Band and similar-sized groups.

- **More Seats Needed!**

The North Iowa Community Auditorium on the NIACC campus hosts wonderful musical entertainment, but only has a capacity of 1,158 seats. Similarly, the Historic Surf Ballroom in Clear Lake attracts a variety of acts, but must limit ticket sales to 2,100.

- **Dwindling...**

Mason City's Southbridge Mall is suffering the same reversal of fortune as many indoor shopping malls across America. According to *Bloomberg Business Journal*, more than 300 U.S. malls are facing a choice between re-invention and oblivion. The American Eagle store closed in January and JC Penney announced it will close its Southbridge Mall store in April.

- **Declining Valuation**

The Southbridge Mall financial woes have resulted in huge declines in the mall's assessed valuation. The mall has lost over \$7 million in assessed valuation since 2001. Action is needed to return the mall to financial viability.

- **An Awkward Façade**
Main Street Mason City and the City Council leveraged a \$500,000 2012 CDBG award to fund restoration of 11 historic building facades, several of them on the Federal Avenue Plaza. One of the remaining eyesores is the Southbridge Mall entrance. The awkwardly shaped tinted glass facade is incongruent with the surrounding historic architecture and does not present an attracting – nor attractive – entry.
- **Diminishing Market Share**
While Mason City enjoys a strong retail pull factor, online shopping continues to absorb market share from traditional retail formats. This makes it difficult, if not unlikely, that the Mall will be able to replace lost retail with other stores, particularly the lost JC Penney anchor store.
- **A Tug Of War**
At the existing North Iowa Arena, ice sports and horse enthusiasts are at constant odds over use of the facilities. A long time tug-of-war between these popular activities leaves both groups in desperate need of more time. Especially during the fall and spring transition periods, ice sports and equestrian events compete for time in the current arena. During the summer months, the arena is booked nearly every weekend with events ranging from bull-riding to hunter-jumper shows. If the two groups had their own facilities, the community would be better served and more events could be held.
- **Heading North for Practice and Tournaments**
The North Iowa Bulls are forced to lease practice ice in Albert Lea during August, September, and April. Parents of hockey players and figure skaters travel to various rinks in Minnesota for ice time.
- **Waiting to Exhale**
The ice-making equipment at the North Iowa Arena has miraculously survived beyond its expected useful life. The Mason City Youth Hockey Board is holding its collective breath they make it through the season. Any major breakdowns will necessitate a major investment. The board would rather invest in a solution that will result in more ice time AND more dirt floor time for its counter-parts.
- **Standing Room Only**
The North Iowa Bulls hockey games consistently draw capacity crowds of more than 1600 (with standing room only). In several instances this season and in recent seasons, spectators have been turned away.
- **No Place to Call Home**
The City's Recreation Department is currently homeless – there is no space for them in City Hall, and they are losing their current leased space later this year. The Department provides several recreational programs for adults and youth and need programming and office space to continue to serve over 5,000 participants each year.

The Creative Solution

- **Southbridge Mall Re-Purposed to “Southbridge Center”**
The project is unique in that it will be the only multi-purpose arena in Iowa (and one of the few in the nation) tied directly to a mall. The repurposing of a mall space like this will be a

major accomplishment and will result in economic resurgence instead of a continued decline. The use of the mall entrance for a musical performance area is a creative use of a unique setting. The acoustics are surprisingly good in the plaza; the plaza's shape provides a natural slope for a stadium seating effect.

- **Something for Everyone**

The opportunity to bring together sports, architecture, music and green space in a three-block area ensures Mason City's downtown has something for everyone.

- **A Regional Draw**

The facility will be a strong regional pull for the North Iowa region. We already have the sixth largest retail pull as the sixteenth largest population base. We have the capacity to support the arena with hotels and restaurants with the addition of the new hotel.

- **New Entertainment Opportunities**

The construction of the multi-purpose arena and pavilion will provide entertainment opportunities that a person would not normally see in a community our size but our regional presence can support it. The various projects will provide a leap forward in our community beyond what was accomplished by the renovation of the Historic Park Inn Hotel. The multi-purpose arena will provide entertainment opportunities and sports opportunities for Mason City residents of all socio-economic backgrounds.

- **Revitalizing Our Mall**

The mall will be preserved by this action as a viable tax paying entity and community gathering place. People do much of their shopping online these days, but having a mall in a community means something. The repurpose of an existing community asset will buck the national trend of the disappearing mall and set Mason City apart.

Mason City's Reinvestment District program is like no other. These projects are unique and transformative in nature. They do not utilize undeveloped land at the fringe of the community, requiring expensive infrastructure investments. Instead, they redevelop declining assets and provide infill development that will continue our Downtown revitalization. Thus, this program is a true reinvestment. The projects both reflect and expand upon Mason City's unique heritage as a musical town and an architectural mecca. Our "River City Renaissance" will benefit Mason City and completely meet the intent of the Iowa Reinvestment District Act: to improve the quality of life, create and enhance unique opportunities, and substantially benefit the municipality, the surrounding region, and the state as a whole.



Board of Supervisors Cerro Gordo County Courthouse

220 North Washington Avenue
Mason City, IA 50401-3254
Ph. (641) 421-3021 * Fax (641) 421-3088

Phillip E. Dougherty
Jay Urdahl
Casey M. Callanan

March 3, 2015

Honorable Mayor and City Council
City of Mason City
10 – 1st Street NW
Mason City, IA 50401

RE: Application under the Iowa Reinvestment Act

Dear Mayor and City Council Members:

The Cerro Gordo County Board of Supervisors would like to take this opportunity to express our strong support of Mason City's application under the Iowa Reinvestment Act.

In lending our support, we realize the outstanding contribution this application will make not only to downtown Mason City but to the entirety of Cerro Gordo County.

To that end, the County has explored the possibility of being part of the request related to the renovation of the current JC Penney store in Southbridge Mall into a civic arena that is part of this larger project. The Board of Supervisors is pleased to commit \$500,000 over the next four fiscal years to this specific element of the project based upon the following schedule:

FYE June 30, 2016	\$200,000
FYE June 30, 2017	\$100,000
FYE June 30, 2018	\$100,000
FYE June 30, 2019	\$100,000

Thank you for your continued leadership and vision in making downtown Mason City a regional destination.

Please let me know if the County can be of assistance in advocating for this project.

Sincerely,

Phillip E. Dougherty
Chairman, Board of Supervisors

cc: Brent Trout
Heather Mathre
Tom Drzycimski

March 2, 2015



Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

Mason City Youth Hockey is pleased to offer our support of Mason City's application to the Iowa Reinvestment Act program.

Our organization operates an ice arena located at the North Iowa Fairgrounds. We offer ice programs and public ice access to North Iowans of all ages. Unfortunately, our arenas' ice floor is in a functionally failed condition. It is in need of substantial repair to bring it up to long-term usable standards. Our organization believes that our investment would better serve the community by pledging it to support the downtown reinvestment plan, which will include a new multi-purpose center/ice arena.

We believe that a new, larger, more visible, more reliable facility will allow us to expand our program offerings and allow us to attract additional participants to ice sports in North Iowa. Additionally, we believe that the whole community will benefit by having a multi-purpose center. The facility will be available to host community events year round creating an enhanced quality of life for North Iowans.

Thank you for your careful consideration of Mason City's application.

Sincerely,

A handwritten signature in black ink, appearing to read "Shane W. Cooney". The signature is fluid and cursive, with a long, sweeping tail.

Shane W. Cooney
Arena Task Force, Chair
Mason City Youth Hockey



Over 30 years of Figure Skating in North Iowa

March 2, 2015

Iowa Economic Development Authority

200 East Grand Avenue

Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

On behalf of the North Iowa Figure Skating Club, we hereby offer our support for Mason City's application for Iowa Reinvestment Act designation.

Our club has sub-leased space from the Mason City Youth Hockey Association since the North Iowa Arena opened. It has been a great relationship and we look forward to sharing ice time with the other ice sports. We anticipate the expanded ice season will benefit our individual figure skaters who will no longer need to travel to Minnesota in search of ice time.

We are a non-profit organization that has continued to grow our membership from not only Mason City but the surrounding communities. We have skaters that come from Clear Lake, Manly, and Sheffield, just to name a few.

In addition, the new arena may provide the opportunity to host figure skating competitions. Mason City has never been on the competition circuit due to the restricted ice time. Having ample hotel rooms within walking distance of the ice arena, restaurants, and shopping presents new possibilities for our club.

Thank you for considering our application.

Sincerely,

Elizabeth Anderegg

North Iowa Figure Skating President

PO Box 1381

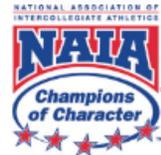
Mason City, IA 50401

nifsc@yahoo.com

Website: nifsc.org



Waldorf College Athletics
WARRIORS



Thursday, March 12, 2015

TO: Shane Cooney
FROM: Bart Gray, Director of Athletics
RE: Proposed Ice Arena in Mason City

Shane,

I am writing this letter in regard to the e-mail I received from you regarding the proposed new ice arena in the Mason City area.

I feel the prospect of a new ice facility in the North Iowa area is a positive step for youth, recreational, educational and community needs.

From a Waldorf College Hockey stand point it is very attractive to have another facility (we currently use the Albert Lea ice arena) that we could potentially use. Realistically our first loyalty is to the Albert Lea facility, however there are many times where it would be nice to have another facility that we could utilize for practice and games.

I look forward to talking more with you if this facility does in fact become a reality.

The Athletic Department at Waldorf College supports Mason City's efforts to secure this new facility.



106 South Sixth Street
Forest City, Iowa 50436
800 292 1903
www.waldorf.edu



212 Highway 105
Lake Mills, IA 50450
Phone: (507) 450-1127
E-Mail: tkirby@masoncityschools.org
Web: www.northiowafire.com

March 7, 2015

Iowa Reinvestment Act
c/o Alex Kuhn
Mason City, IA

To Whom It May Concern:

I am writing to you in support of the multipurpose arena that would be built in downtown Mason City, IA using the Iowa Reinvestment Act Grant. I am writing to you on behalf of the North Iowa Basketball Association (NIBA). The NIBA is a non-profit group based out of Mason City and is the governing body for the North Iowa Fire, an AAU basketball program. We currently have teams ranging from 3rd through 11th grade that include male and female athletes from the surrounding communities in North Iowa. We have a year-round program, but our main season is from March through July. We would be very interested in utilizing the multipurpose center for practice space as well as hosting our annual Father's Day Classic tournament in June.

Gym space in Mason City is at a premium, and the North Iowa Fire has been looking for some time for a place to call "home." The multipurpose center could be just that for our organization during the summer. The NIBA is always looking for ways to help area youth and this will certainly do just that. We would like to ask that Mason City be considered a strong candidate for the Iowa Reinvestment Act. Thank you for your time and consideration of this project to strengthen the Mason City area and the surrounding areas of North Iowa.

Sincerely,

A handwritten signature in blue ink that reads "Tom Kirby".

Thomas A. Kirby
President, North Iowa Basketball Association



NORTH IOWA EVENTS CENTER

3700 4th Street SW | www.NorthIowaEventsCenter.com | Mason City, IA 50401-1590

March 3, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

Dear Members of the Application Review Committee:

Please consider this letter as an indication of support from the North Iowa Events Center for Mason City's application for the Iowa Reinvestment Act.

It is the intention of the North Iowa Events Center to keep Mason City moving forward. In our partnership with both the Mason City City Council and the Cerro Gordo County Supervisors, we recognize the need for growth between downtown and the North Iowa Events Center.

Sincerely,

Paul Harris
President
North Iowa Events Center
3700 4th Street SW
Mason City, IA 50401



Performing Arts Pavilion Committee

9 North Federal Avenue
Mason City, IA 50401
641.423.5724

February 18, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act application

Dear Members of the Application Review Committee:

The Mason City Performing Arts Pavilion Committee is pleased to be included as part of Mason City's application to this program. For several years, the Mason City Municipal Band, has been "homeless". In 2007, a new pavilion was part of Mason City's Vision Iowa grant application, but it was later dropped from the scope of the plan. Our committee has been fundraising and searching for a new location to construct a venue since that time!

With the significant investment that has been made in our downtown, the Municipal Band made a decision last fall to move our 2015 concerts to Thursday evenings (instead of Sunday) and to play them on the Federal Avenue Plaza. This was intended as a temporary solution while we continued to search for a place to construct a permanent pavilion and storage area in the downtown core.

The effort to repurpose Southbridge Mall provides a wonderful opportunity for us—and for the entire community! Our plan to incorporate a performing arts pavilion into the Plaza entrance to Southbridge Mall will result in a big win for everyone:

- The entrance to Southbridge Mall will be redesigned in a manner that is more in keeping with the wonderful architecture already present on the Federal Avenue Plaza (including the world-renowned Historic Park Inn Hotel designed by Frank Lloyd Wright.)
- The flexible space design will accommodate entertainment of various sizes—from the large municipal band to individual musical acts.
- The interior "companion" venue will provide a rain site for performance activities such as the North Iowa Band Festival and Friday Night LIVE events as well as the municipal band. In addition, the annual "Tuba Christmas" will be able to accommodate even more performers and spectators. Tuba Christmas celebrated its 20th anniversary last December and continues to gain popularity.

It is our hope that your committee will agree that repurposing Southbridge Mall into “Southbridge Center” with the addition of an ice arena/event center and performing arts pavilion is a creative solution to several long-term community challenges.

We’re eager to make lemonade!

Thank you for your consideration!

Sincerely,

A handwritten signature in black ink that reads "Robin Anderson". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Robin Anderson
North Iowa Band Festival Foundation Representative
Mason City Performing Arts Pavilion Committee

Performing Arts Pavilion Committee:

Russ Kramer, Mason City Municipal Band Director & Director of Instrumental Music at Mason City
Community School District

John Klemas, Director of Instrumental Music at North Iowa Area Community College

Bob Fisher, News Director-Digity Communications

Dr. Darrell Fisher, retired Orthopedic Surgeon

Vance Baird, retired Director of the North Iowa Band Festival

Scott Bell, musician with Feldspar

Ed Kent, owner/operator City Center



■ Experience the art of hospitality ■

March 2, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

On behalf of Visit Mason City, I would like to express support for Mason City's application for Iowa Reinvestment Act assistance. The projects outlined in the application would improve the quality of life, create and enhance unique opportunities and substantially benefit the community, region and state.

Visit Mason City's mission is to attract, retain and expand visitor spending in the area. The proposed projects are the perfect complement to our mission. They would aid in attracting visitors and generate tourism revenue to Mason City, North Iowa and the state of Iowa. Tourism business that Mason City could pursue with this new development includes sporting events such as camps and tournaments. This development project would enable us to host meetings and events that are seeking a full service venue. Currently, Mason City is unable to meet the needs of this meeting market due to a lack of facilities. The current ice facility could be repurposed allowing us to bid for equestrian events year-round. Presently, Mason City can accommodate this need only six months of the year. Plus, the addition of more retail space and parking would strengthen the community's retail trade appeal.

Thank you for your time and consideration of this unique project.

Sincerely,

A handwritten signature in cursive script that reads "Sue Armour".

Sue Armour
Visit Mason City



February 20, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

On behalf of the Mason City Chamber of Commerce and its member businesses which employ more than 16,000 people, we offer enthusiastic support for Mason City's application.

Mason City's largest employers include Mercy Medical Center-North Iowa, Mason City Community School District, Principal Financial Group-Pension Center, Curries-Graham, Cargill Kitchen Solutions, and Kraft Foods. "Placemaking" projects like this are a huge factor in recruiting professionals, executives, and workforce to these and other employers.

This plan addresses key community needs with creative solutions to problems that have perplexed us for the past several years!

- The ice arena/event center with capacity for 2400 spectators is an excellent "repurpose" for the space in Southbridge Mall that is currently occupied by JC Penney. This is exactly the right size—neither an over or under-build.
- The performing arts pavilion component will FINALLY provide a performance venue for the Mason City Municipal Band, but it also serves to make us "party ready" for the North Iowa Band Festival, Friday Night LIVE events, and other community gatherings.
- The interior performance space ensures that investments of time and resources for events is never wasted, because we'll have a permanent "in case of rain" venue.
- Finally, the 98 room hotel and conference center will fill a huge gap in the downtown area. We need additional hotel rooms in this area to accommodate meetings and conferences already happening downtown. Additional rooms and conference space will enable Downtown Mason City to host even more events. Currently, we are missing a space that can accommodate groups of more than 300 for banquets and meetings.

Thank you for your careful consideration of our application. If it moves forward, we will look forward to working with IEDA staff and board members to demonstrate the merit of this project.

Sincerely,

Robin Anderson, CCE IOM
President & CEO
randerson@masoncityia.com
641.423.5724



9 NORTH FEDERAL AVENUE
MASON CITY, IOWA
641.494.0003
DIRECTOR@MAIN/STREETMASONCITY.ORG
WWW.MAIN/STREETMASONCITY.ORG

March 1, 2015

RE: Iowa Reinvestment Act application

Dear Members of the Application Review Committee:

Main Street Mason City would like to lend our support for Mason City's application for the Iowa Reinvestment Act assistance.

The proposed project offers a unique element that will not only transform our downtown mall, but also provide areas of economic impact for our district businesses and entire community. As a Main Street District we are the heart and soul of the community with a mission to enhance, promote and preserve downtown Mason City as a diverse business, cultural and residential destination, for the benefit of the entire community. This project assists our mission by incorporating various venues; ice arena, arts pavilion and hotel, all offering more opportunities to meet needs outlined in our 2014 Downtown Market Analysis. Identified needs were: recreation, retail and entertainment. The permanent performing arts pavilion will aid our organization financially, taking away our need to rent a stage for concerts, while giving us an indoor venue due to inclement weather. The hotel and parking are another aspect that allows us to entice conventions to our downtown; showcasing our history, culture & architecture. This entire project not only gives guests of our community a reason to stay longer; but it also gives our retail anchor, the mall, another way to drive traffic to our district.

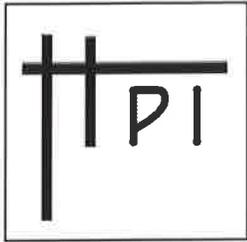
Each aspect outlined in this project has incredible possibilities that meet Main Street Mason City's mission. It brings revenue opportunities to our current and prospective businesses through increased traffic. We are excited for this project which assists us in providing the strong heartbeat that pumps blood into the entire body of our community.

Thank you for your consideration!

Regards,

A handwritten signature in blue ink that reads "Jodee O'Brien". The signature is written in a cursive, flowing style.

Jodee O'Brien
Executive Director



historicparkinn.com



February 17, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

As the Owner and President of HPI Partners LLC, I would like to offer my support for Mason City's application for Iowa Reinvestment Act assistance.

The proposed projects are the perfect complement to not only our property; the 27-room Historic Park Inn Hotel and Conference Center, but all the downtown area businesses, and truthfully- all of Mason City.

- The ice arena/event center with capacity for 2400 spectators is an excellent "repurposing" for the space in Southbridge Mall that is currently occupied by JC Penney.
- The performing arts pavilion component will FINALLY provide a performance venue for the Mason City Municipal Band, but it also serves to make us "party ready" for the North Iowa Band Festival, Friday Night LIVE events, and other community gatherings right in the heart of our city.
- The interior performance space ensures success for those investing time and resources by having a permanent "in case of rain" venue.
- Finally, the proposed Marriot Courtyard Hotel will fill a gap for not only my business, but others in the downtown area. We need additional hotel rooms in this area to accommodate meetings and conferences already happening downtown. Additional rooms will enable Downtown Mason City to host more events and more importantly, events of a larger venue. Currently, we are lacking a space that can accommodate groups of 300 or more folks for banquets or meetings.

This project will join the Historic Park Inn to serve as an economic draw for the downtown area, and establishes a complementary niche to the financial and services industry already operating in the area.

Thank you for considering our application. We are anxious to utilize the benefits this designation will provide.

Sincerely,

Steven M. Noto
President, HPI Partners, LLC

Holiday Inn Express & Suites
3041 4th Street SW
Mason City, IA 50401
t: 641.424.1200
f: 641.424.5596
1.800.HOLIDAY
holidayinnexpress.com/masoncityiowa



MASON CITY IOWA

March 4, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

This letter comes on behalf of Holiday Inn Express & Suites in Mason City. We are writing in support of Mason City's application for Iowa Reinvestment Act assistance. After further reviewing the proposed projects outlined in the application, we feel that they will not only provide the convention space we find necessary, but also improve the quality of our downtown area and the community as a whole.

We have been serving the Mason City area for almost four years and are proud to be part of this community. In the time that we have been here, we have seen Mason City undergo amazing growth. Having said that, we truly feel that Mason City is capable of more. We believe Mason City is in the beginning stage of a resurgence that will be greatly enhanced by the proposed projects. Not only do we feel these projects will increase our occupancy, but we feel they will benefit all hoteliers in the area as well. Our position is that these developments will attract tourism and increase interest in our community. The revenue these developments are projected to bring to Mason City will be a fundamental asset to improving the quality of life within all of North Iowa. These projects will open up the opportunity for us to host a wide variety of groups and event staff. The end result, we feel, will be increased shopping, visitation, tourism and revenue within our community, all of which can be used in turn to help Mason City become everything we know it can be.

We appreciate your time and attention to this important decision.

Sincerely,

A handwritten signature in black ink that reads 'Crystal Shellhart'.

Crystal Shellhart
General Manager

Holiday Inn Express & Suites



THE MASON CITY FOUNDATION

308 S. Pennsylvania Ave., Mason City, Iowa 50401
Phone: 641-424-2852 or 1-866-228-6262
E-mail: mmsquare@themusicmansquare.org
www.themusicmansquare.org

March 3, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

On behalf of the Mason City Foundation Board of Directors and The Music Man Square complex, we offer enthusiastic support for Mason City's application for the Iowa Reinvestment Act program.

The proposed projects will be a welcome complement to our city's existing cultural tourism offerings. Each year, The Music Man Square is the host venue for well over two hundred meetings, conferences, and social events, drawing over 60,000 guests and visitors from across the country and around the world. These numbers speak to the need for additional hotel rooms in the downtown area. The "repurposing" of the west wing of Southbridge Mall will likely create a synergy which will draw additional retail and dining options. The performing arts pavilion will be located in the ideal location to serve community festivals and performances.

This project joins the Historic Park Inn, the Stockman House Museum & Architectural Interpretive Center, the Charles H. MacNider Museum, the Mason City Public Library, and The Music Man Square in serving as an ever-increasing economic draw for the downtown area.

Thank you for considering Mason City's application.

Sincerely,

David Vikturek, CEO
The Mason City Foundation



CLEAR LAKE BANK & TRUST CO.

P.O. BOX 8 CLEAR LAKE, IOWA 50428 PH. 641-357-7121

Paul K. Stevenson
Senior Vice President

March 3, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

Clear Lake Bank and Trust Company is pleased to join the entire North Iowa region in supporting Mason City's application to the Iowa Reinvestment Act program. Our bank participated in the financing package for Mason City's Vision Iowa project and is looking forward to the opportunity to assist in making another big vision project become a reality.

This project will join the Historic Park Inn as an economic draw for the downtown area, and represents an excellent repurpose of Southbridge Mall. We envision increased foot traffic and economic activity for both new and existing retail and services industry already operating in the area. This is truly an exciting project for Mason City and all of North Iowa.

Thank you for your careful consideration of Mason City's application.

Sincerely,

Paul K. Stevenson
Executive Vice President/Chief Credit Officer
Clear Lake Bank and Trust Company



www.firstcitizensnb.com

March 2, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

First Citizens National Bank is pleased to join the entire North Iowa region in supporting Mason City's application to the Iowa Reinvestment Act program.

First Citizens National Bank participated in the financing package for Mason City's Vision Iowa project and look forward to the opportunity to assist in making another big vision project become a reality.

I served as a Board member of Mason City Youth Hockey Association for 20 years beginning in 1987—nearly dating back to the opening of the North Iowa Arena in 1983. Having ice sports in a community the size of Mason City is something that sets us apart. The youth program is a wonderful opportunity for our young people, and attendance at both the high school and North Iowa Bulls approaches the capacity of the current arena. The Hockey Association has managed the Ice rink during its 6 months of occupancy and managed the financing and fundraising associated with a \$700,000 capital improvement 8 years ago.

This project will join the Historic Park Inn as an economic draw for the downtown area, and represents an excellent repurpose of Southbridge Mall. The multipurpose facility contemplated will not only enhance ice sports activity but will change retail patterns and will result in increased economic activity for both new and existing businesses in the downtown core.

Thank you for your careful consideration of Mason City's application.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert J. Klocke", is written over the word "Sincerely,".

Robert J. Klocke
Chief Credit Officer
First Citizens National Bank



March 2, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

NSB Bank is pleased to join the entire North Iowa region in supporting Mason City's application to the Iowa Reinvestment Act program.

I serve on the Board with the Mason City Chamber of Commerce. I support this application and believe that it will directly affect all of North Iowa in a positive light and create more economic opportunities for businesses across Mason City.

This project will join the Historic Park Inn as an economic draw for the downtown area. This project allows Mason City to take a space that will be vacant in the coming months and turn it in to a mixture of retail and entertainment that will have long lasting effects for downtown.

I believe this project will change the business climate of Mason City. The project represents potential growth downtown and increased economic activity. The core of every community is its' downtown and the leadership and vision in Mason City is strong and looking into the future for our community and children to make Mason City a shining star in Iowa.

Thank you for your careful consideration of Mason City's application.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kirk Paulson', with a long horizontal flourish extending to the right.

Kirk Paulson
President & CEO
NSB Bank

900 Central Avenue
Northwood, Iowa 50459
(641) 324-1023 Fax (641) 324-1030

451 South Illinois Ave.
Mason City, Iowa 50401
(641) 423-1432 Fax (641) 423-3670

2650 4th Street S.W.
Mason City, Iowa 50401
(641) 423-7638 Fax (641) 423-7630

www.nsbbank.com

Member FDIC The Equal Housing Lender logo, featuring a house icon with an equals sign inside, and the words 'EQUAL HOUSING LENDER' below it.

"We're Here For You"

HOME LUMBER & Builders

INCORPORATED

716 South Jefferson
Mason City, IA 50401
P (641) 424-4001
F (641) 421-6044

March 4, 2015

Mayor Eric Bookmeyer
10 1st St NW
Mason City, IA 50401
mayor@masoncity.net

Dear Mayor Eric Bookmeyer,

I am writing you this letter in 100% support of the proposed downtown redevelopment project. This project that includes a hotel, performing arts pavilion, retail outlets, apartments, and an ice arena, is a big step in improving the quality of life here in Mason City. I firmly believe that this project would give the residents of the community a reason to stay here in North Iowa as well as attract new residents. In order for the community to grow in the long term, we need projects like this to strengthen the community.

As a 3rd generation owner of Home Lumber, I can honestly say that I feel this project would benefit everyone in this community. The amount of people that this project would bring to town would help all of the businesses in the community. It would also entice new businesses to move to town creating more jobs. I have thought for a long time that this community needs something to bring more people in. This project would be huge and do exactly that.

I want to thank you and everyone else involved for your hard work on this project to this point. Let's keep moving forward and make this dream a reality!

Sincerely,

Carl Bothwell, President
Home Lumber & Builders Inc.
716 S. Jefferson
Mason City, IA 50401
carlbothwell@yahoo.com



March 2, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application – Mason City, Iowa

Dear Members of the Review Committee:

On behalf of Blue Zones Project® – Mason City, I would like to share our overwhelming support for Mason City's application for Iowa Reinvestment Act Assistance.

Blue Zones Project is a community well-being improvement initiative brought to Iowa through an innovation sponsorship by Wellmark Blue Cross and Blue Shield, in collaboration with Healthways® and Blue Zones LLC. Mason City was chosen through a competitive process as one of the first four of only ten communities to work toward community certification.

In June 2014, after twenty-four months of work by hundreds of community volunteers to transform Mason City's environments in six sectors, we celebrated successfully becoming a Blue ZonesCommunity®.

As we continue our work, one area of focus is to build a solid policy foundation to inform future built-environment projects which will support active living. The proposed project would support and greatly enhance this work.

Our Activating Mason City Bicycle Pedestrian Plan work was awarded the Iowa American Planning Association Transportation Planning award. Much of the work of the plan developed around our desire to have a healthy community design and environment that encourages walking and biking towards a downtown destination area for socialization and activity for our citizens and those visiting our community.

The projects in Mason City's application would allow Mason City to continue the momentum in place, allow us to build on other strong collaborations such as Blue Zones Project, and continue to provide a healthy environment for our citizens and for the long term viability of our community and downtown area.

On behalf of Blue Zones Project – Mason City, thank you for your consideration of our community application.

Sincerely,

A handwritten signature in blue ink that reads 'Angela Determan'.

Angela Determan,
Community Program Manager



recognizes

as a certified
BLUE ZONES COMMUNITY®

By making healthy choices easier through permanent changes
to environment, policy and social networks,
this community has improved the well-being of its citizens.

BLUE ZONES PROJECT® is a community-wide well-being improvement initiative designed to make healthy choices easier where you live, work, and play.

Dan Buettner, Founder of Blue Zones



Blue Zones Project® and Blue Zones Community® are trademarks of Blue Zones, LLC. All rights reserved.
Wellmark Blue Cross and Blue Shield is an Independent Licensee of the Blue Cross and Blue Shield Association. Blue Cross®, Blue Shield®, and the Cross® and Shield® symbols are registered marks of the Blue Cross and Blue Shield Association, an Association of Independent Blue Cross and Blue Shield Plans. Wellmark® is a registered mark of Wellmark, Inc. © 2012 Wellmark, Inc.

Copyright © 2012 Blue Zones, LLC and Healthways, Inc. All rights reserved.

March 12, 2015

Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, IA 50309

RE: Iowa Reinvestment Act Application

Dear Members of the Application Review Committee:

On behalf of the North Iowa Corridor Economic Development Corporation and its member investors in Mason City, Clear Lake, and throughout Cerro Gordo County, we are excited to support Mason City's downtown project and application for the Iowa Reinvestment Act.

The North Iowa region has experienced a string of economic development successes leading to significant job growth over the past few years, as well as many community development activities that have created great momentum for continued growth. This project has the opportunity to really push the region over the top and truly make it a destination location for young families and professionals.

Mason City is blessed with a diverse retail, commercial, and industrial base that continues to see growth, but like most rural areas has struggled to find the people needed to fill all of the jobs. This may begin to hinder future expansion and limit opportunities to attract new business. More and more we are seeing that people are moving to the places that they want to live, then looking for work. Projects like this play a key role in our efforts to recruit professionals, executives, and workforce to the community to ensure sustainable growth and well-being for our communities.

The new facilities proposed will provide amenities and activities that open up new opportunities for this region. They are also based on sound sustainable development and great planning initiatives that help to fill many gaps. We truly believe that this project will have a significant impact on not only Mason City, but the entire North Central Iowa region.

Thank you for your careful consideration of the application, with your support this project can be a reality and help shape northern Iowa for generations to come.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chad Schreck".

Chad Schreck,
President & CEO

