ECONOMIC DEVELOPMENT
REDEVELOPMENT TAX CREDIT CONTRACT

BY

RECIPIENT NAME

AND THE

IOWA ECONOMIC DEVELOPMENT AUTHORITY

CONTRACT NUMBER: 12-BTC-21
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**CONTRACT EXHIBITS**

| Exhibit A - | Recipient’s Application (on file with IEDA) |
| Exhibit B - | Description of the Project |
| Exhibit C - | Schedule of Claimed Expenses Form |
ECONOMIC DEVELOPMENT
REDEVELOPMENT TAX CREDIT CONTRACT

RECIPIENT: Financial District Properties WTC, LLC
CONTRACT NUMBER: 12-BTC-21
AWARD DATE: May 18, 2012
TAX BENEFITS: $500,000

This REDEVELOPMENT TAX CREDIT CONTRACT (the “Contract”) is made as of the Contract Effective Date by the Iowa Economic Development Authority (“IEDA”), 200 East Grand Avenue, Des Moines, IA 50309, and Recipient Name ("Recipient"), Recipient Address.

WHEREAS, the Recipient submitted an application to IEDA requesting tax credits for its Project as more fully described in Exhibit B, Description of the Project (the “Project”); and

WHEREAS, the Iowa Economic Development Authority Board (“IEDA Board”) awarded the Recipient Tax Benefits for the Project pursuant to the Redevelopment Tax Credit Program described in Iowa Code section 15.293A; and

NOW THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound, the Recipient and IEDA agree to the following terms:

ARTICLE 1: Contract Duration

1.1 This Contract shall be in effect on the Contract Effective Date and shall remain in effect until the occurrence of one of the following:

(a) Through Final Contract Closeout by IEDA. Until all the Recipient’s obligations and liabilities under the Program and the Contract have been satisfied, as determined by IEDA in its sole discretion, and IEDA has provided the Recipient with a written Notice of Final Contract Closeout; or

(b) Termination by IEDA. Until IEDA terminates the Contract, including but not limited to termination pursuant to Section 7.3 of the Contract; or

(c) Termination or Reduction in Funding or Authority. Termination of the Contract pursuant to Section 4.5(b) of the Contract; or

(d) Mutual Written Agreement. Upon mutual written agreement signed by the Recipient and IEDA.

ARTICLE 2: Definitions

The following terms apply to this Contract:

2.1. “Award Date” means the date first stated in this Contract and is the date the IEDA Board approved the Tax Benefits to the Recipient for the Project. Award Date is also the date IEDA and the Board registers the Project under Iowa Code section 15.293A(2)(a)(2) (Code Supplement 2011).
2.2 "Contract Effective Date" means the latest date on the signature page of this Contract.

2.3 "Contract End Date" means the date stated in the Notice of Final Contract Closeout issued by IEDA pursuant to Section 1.1(a).

2.4 "Green Development" means development which meets or exceeds the sustainable design standards established by the state building code commissioner pursuant to section 103A.8B.

2.4 "Program" means the Redevelopment Tax Credit program established by Iowa Code section 15.293A (Code Supplement 2011) and related appropriations and regulated by 261 Iowa Administrative Code chapter 65.

2.5 "Project" means the description of the work and activities to be completed by the Recipient as outlined in Exhibit A, Recipient's Application and Exhibit B, Description of the Project. The Project is a qualifying redevelopment project, as defined by Iowa Code section 15.291(Code Supplement 2011).

2.6 "Project Completion Date" means the date by which the Recipient must complete the Project. Unless granted an extension by IEDA and the Board, the Project Completion Date shall be 30 months from the Award Date.

2.7 "Project Completion Period" means the period of time between Award Date and the Project Completion Date.

2.8 "Qualifying Investment" means the purchase price, cleanup costs, or redevelopment costs that are: (i) directly related to the Project, (ii) incurred and paid after the Award Date, and (iii) not prohibited or disallowed by Section 3.5 of this Contract, other provisions of this Contract, the Program, or any other law.

2.9 "State Actors" means: (i) IEDA; (ii) the Board; (iii) all Board members; (iv) the State of Iowa; and (v) all departments, divisions, agencies, sections, commissions, officers, members, employees, agents, attorneys, auditors, contractors, associates, and affiliates of IEDA, the Board, and the State of Iowa.

2.10 "Tax Benefits" means the tax credits IEDA has awarded for this Project as detailed in Article 3.

ARTICLE 3: Award Terms

3.1 Total Tax Benefit. The IEDA Board has approved Tax Benefits to the Recipient in an amount not to exceed $500,000. The maximum Tax Benefits claimed by the Recipient shall not exceed 30% of the Qualifying Investment under Iowa Code section 15.293A(3) (Code Supplement 2011). If the Recipient is approved for a total tax benefit amount that includes benefits for a Green Development but the Recipient fails to meet the standards required for a Green Development, then the total tax benefit will be reduced by the amount attributable to the benefits available for Green Development.

3.2 Statutory and Regulatory Requirements. The Recipient shall be bound to the requirements of and eligible for Tax Benefits described in Iowa Code sections 15.291 through 15.293A (Code Supplement 2011) and 261 Iowa Administrative Code chapter 65, related to the Program.

3.3 Application to Future Tax Years. Any tax credit in excess of the taxpayer’s liability for the tax year may be credited to the tax liability for the following five years or until depleted, whichever comes first.
3.4 Application to Prior Tax Years. A tax credit shall not be carried back to a tax year prior to the tax year in which the taxpayer claims the tax credit.

3.5 Limitations on Qualifying Investments. Notwithstanding any other provision of this Contract to the contrary, the term “Qualifying Investments” as used in this Contract and under the Program shall be subject to the following restrictions:

(a) No In-Kind Contributions. In-kind contributions or in-kind expenditures to the Project or any other non-monetary transactions related to the Project shall not be claimed, included, allowed, or otherwise permitted as Qualifying Investment.

(b) No Deferred Compensation or Payments. Deferred, delayed, or future compensation or payments shall not be claimed, included, allowed, or otherwise permitted as Qualifying Investment. Qualifying Investment shall only include monetary transactions that are complete and final as of the date the Recipient submits the Schedule of Claimed Expenses as described in Section 4.4 of this Contract.

(c) Arm’s Length Transactions Only. Qualifying Investment shall only include fair market value monetary payments from the Recipient to persons or entities that are not affiliated with or related to the Recipient. A person or entity shall be deemed “affiliated with or related to the Recipient” if one or more of the following is true:

1. The person or entity that receives the payment directly or indirectly controls the Recipient; or

2. The Recipient directly or indirectly controls the entity that receives the payment; or

3. The person or entity that receives the payment is an owner, member, shareholder, or partner of the Recipient or the person or entity that receives the payment otherwise directly or indirectly owns the Recipient in part or in whole; or

4. The Recipient is an owner, member, shareholder, or partner of the business entity that receives the payment or the Recipient otherwise directly or indirectly owns, in part or in whole, the business entity that receives the payment.

(d) Project Deadline. All Qualifying Investment shall be deemed to have been made on the date the Project is completed. If the Project is completed more than 30 months after the Award Date, the Project shall not be eligible for any Tax Benefits under the Program or this Contract. IEDA with the approval of the Board may, solely in its discretion, provide additional time beyond the 30 months from the Award Date for the Recipient to complete the Project. However, IEDA shall not provide more than a total of 12 months additional time for the Project to be completed. Failure to complete the Project within the timeline described in this Section 3.5(d) shall result in the Recipient receiving no Tax Benefits under the Program or this Contract.

(e) No Prior Costs. Any costs incurred and/or paid prior to the Award Date, regardless of whether such costs are related to the Project, shall not be claimed, included, allowed, or otherwise permitted as “Qualifying Investment.”

(f) Exclude Payments Made with Other Government Incentives. Qualifying Investment shall not include any payments made from any funds received or originating from a city, county, local government, the State of Iowa, or the United State government (collectively “Governmental Entities”) or any agency, department, commission, board, division, or other entity of the Governmental Entities, regardless of whether such funds were received through a grant, loan, forgivable loan, tax credit, or any
other incentive. Any payments described in this paragraph shall not be claimed, included, allowed, or otherwise permitted as Qualifying Investment.

(g) Payments Submitted Exclusively for Incentives from the Program. Any payment that: (i) the Recipient submits or will submit to the IEDA for Tax Benefits and (ii) the Recipient receives or will receive Tax Benefits under this Contract and the Program, shall not be claimed, included, allowed, or otherwise submitted, by any person or entity, to any Governmental Entity in order to claim or receive any grant, loan, forgivable loan, tax credit, or any other incentive. Any payment for which any person or entity previously received or will receive any grant, loan, forgivable loan, tax credit, or any other incentive from a Governmental Entity shall not be claimed, included, allowed, or otherwise permitted as Qualifying Investment.

(h) No Inflated Payments or Kick Backs. In addition to satisfying all the other restrictions and conditions contained in this Contract, all payments must be final and fully-paid in order to be Qualifying Investment. The Recipient shall not engage in, or enter into agreements or other arrangements with any other person or entity whereby the Recipient and/or a payee agrees to engage in, the following conduct:

(i) Reporting higher or inflated payments than actually received in order to receive additional Tax Benefits; or

(ii) Accepting inflated payments or payments greater than fair market value prior to the submission of the Schedule of Claimed Expenses (as described in Section 4.4 of this Contract) for the purpose of increasing the apparent Qualifying Investment, then repaying all or a portion of the payment to the Recipient, the Recipient’s designee, or a person or entity affiliated with or related to the Recipient as defined in Section 3.4(c) of this Contract; or

(iii) Engaging in any other act or omission whereby the Recipient, a payee, the Recipient’s designee, or a person or entity affiliated with or related to the Recipient as defined in Section 3.4(c) of this Contract misleads, deceives, or defrauds IEDA in order to obtain Tax Benefits to which the Recipient would not otherwise be entitled to under the Program or this Contract.

ARTICLE 4: Conditions to Issuance of a Tax Credit Certificate

4.1 Tax Credit Certificate Required to Claim Benefits. Recipient shall not claim the tax benefits described in Article 3 until IEDA has issued a Tax Credit Certificate for this Project.

4.2 Issuance of Tax Credit Certificate. Once IEDA determines the Recipient has satisfied all the conditions of this Contract and complied with all the rules and requirements of the Program and this Contract, IEDA will issue a Tax Credit Certificate to the Recipient for this Project.

4.3 Conditions to Issuance of Tax Credit Certificate. The obligation of IEDA to issue a Tax Credit Certificate shall be subject to the conditions precedent described in this Article 4 and the full execution of and compliance with this Contract and the Program.

4.4 Documents Submitted. IEDA shall have received each of the following documents, properly executed and completed, and approved by IEDA as to form and substance within 30 days of the Project Completion Date:

(a) Schedule of Claimed Expenses and Supporting Documentation. A completed Schedule of Claimed Expenses using the form described in Exhibit C, Schedule of Claimed Expenses form, of this Contract, as well as documentation to support and verify the expenses described therein. No other form shall be accepted by IEDA.
(b) **Third-Party Auditor’s Report.** An auditor’s report including but not limited to Claimed Expenses contained in “Exhibit C, Schedule of Claimed Expenses” form prepared by an independent certified public accountant that is licensed in the State of Iowa. The auditor’s report must be completed pursuant to Generally Accepted Accounting Principles (GAAP) and comply with any additional requirements of or requests by IEDA.

(c) **Articles of Incorporation or Articles of Organization.** Copies of the articles of incorporation or articles of organization, whichever is appropriate, of the Recipient, certified in each instance by its secretary or assistant secretary.

(d) **Certificate of Existence.** A certificate of existence for the Recipient from the State of incorporation or organization, whichever is applicable.

(e) **Written Certification Statement.** A written certification signed by an authorized representative of the Recipient certifying that:

   i. All work for which Tax Benefits are being requested has been completed;
   
   ii. Such work conforms to and complies with any applicable specifications, terms, requirements, and provisions contained in the Contract, including but not limited to Exhibit A (the Recipient’s Application) and Exhibit B (Description of the Project);
   
   iii. All costs and expenses submitted by Recipient have been incurred and paid by Recipient in accordance with the terms and provisions of the Program and the Contract, including but not limited to Exhibit A (the Recipient’s Application) and Exhibit B (Description of the Project);
   
   iv. All costs and expenses submitted by Recipient are: (a) allowable and eligible for Tax Benefits, and (b) directly related to and in conformance with the Project;
   
   v. All such submitted costs and expenses have been paid timely in accordance with the terms of any applicable agreements, contracts, or other documents;
   
   vi. Recipient has complied with and continues to be in compliance with all terms and provisions of the Contract, and Recipient has not breached or violated any term or provision of the Contract; and
   
   vii. All information provided in the Schedule of Claimed Expenses form, supporting documentation, and this written certification is true, accurate, and complete.

(f) **Other Required Documents.** IEDA shall have received such other contracts, instruments, documents, certificates, and opinions as the IEDA may request.

(g) **Solid or Hazardous Waste Audit.** To comply with Iowa Code section 15A.1(3)(b), if the Recipient generates solid or hazardous waste, it must either: a) submit a copy of the Recipient’s existing in-house plan to reduce the amount of waste and safely dispose of the waste based on an in-house audit conducted within the past 3 years; or b) submit an outline of a plan to be developed in-house, or c) submit documentation that the Recipient has authorized the Iowa Department of Natural Resources or Iowa Waste Reduction Center to conduct the audit.

(h) **Release Form – Confidential Tax Information.** A signed Authorization for Release of Confidential State Tax Information form to permit IEDA to receive the Recipient’s state tax information directly from the Iowa Department of Revenue for the purpose of evaluation and administration of tax credit programs and other state financial assistance programs.

(i) **State Building Code Bureau Approval.** Evidence of compliance with State building codes, where applicable. Bidding for construction shall not be conducted prior to the written approval of the final plans by the State Building Code Bureau of the Iowa Department of Public Safety, and only if either of the following applies:
1. The building or structure is located in a governmental subdivision which has not adopted a local building code, or
2. The building or structure is located in a governmental subdivision which has adopted a building code, but the building code is not enforced.

4.5 Suspension, Reduction or Delay of Issuance of Tax Credit Certificate, or Authorization of Tax Benefits. Any one or more of the following shall be grounds for IEDA to suspend, delay, reduce, revoke, and/or terminate the Tax Benefits or delay the issuance of a Tax Credit Certificate:

(a) Unremedied event of default. The occurrence of an Event of Default (as defined in this Contract).

(b) Reduction, discontinuance or alteration of state funding/programs. Any termination, reduction, or delay of funds or Tax Benefits available under the Program due, in whole or in part, to (i) lack of, reduction in, or a deappropriation of revenues or Tax Benefits previously appropriated or authorized for this Contract or (ii) any reason beyond the IEDA’s control may, in the IEDA’s sole discretion, result in the suspension, reduction, delay, revocation, and/or termination of Tax Benefits to the Recipient.

ARTICLE 5: Outstanding Tax Liabilities

5.1 Tax benefits awarded under this contract cannot be used to satisfy the Recipient’s outstanding state or local tax liability. If the Recipient has an outstanding Iowa tax liability, the IEDA shall not issue a tax credit certificate to Recipient until all such liabilities have been satisfied. The IEDA reserves the right to require submission of any and all information necessary to demonstrate that Recipient is current with all Iowa tax obligations.

ARTICLE 6: Covenants of the Recipient

For the duration of this Contract, the Recipient covenants to IEDA as follows:

6.1 Project Performance Obligations. By the Project Completion Date, Recipient shall complete the Project and comply with all other performance requirements described in this Contract. The Recipient shall promptly provide IEDA with written notice of any major changes that would impact the success of the Project. The Recipient shall continue to meet and maintain all statutory, regulatory, and contractual eligibility requirements for the Tax Benefits made available under this Contract.

6.2 Taxes. The Recipient shall duly pay and discharge all taxes, rates, assessments, fees and governmental charges upon or against its properties, in each case before the same become delinquent and before penalties accrue thereon.

6.3 Maintenance of Properties. The Recipient shall maintain, preserve, and keep its properties related to the Project in good repair, working order and condition (ordinary wear and tear excepted) and will from time to time make all needful and proper repairs, renewals, replacements, additions and betterments thereto so that at all time the efficiency thereof shall be fully preserved and maintained in accordance with prudent business practices.

6.4 No Changes in the Project. The Recipient shall not materially change the Project as described in the Recipient's approved application for funding, Exhibit A of this Contract, unless approved in writing by IEDA prior to the change.
6.5 Changes in Recipient Ownership, Structure and Control. The Recipient shall not materially change the ownership, structure, or control of the business if it would adversely affect the Project. Recipient shall provide IEDA with advance notice of any proposed changes in ownership, structure, or control. The materiality of the change and whether or not the change affects the Project shall be as reasonably determined by IEDA.

6.6 Required Reports. The Recipient shall prepare, sign, and submit all documents and information described in Article 4.4 of this Contract, within 30 days of the Project Completion Date. In addition, IEDA reserves the right to require more frequent submission of reports if, in the opinion of the IEDA, more frequent submissions would provide needed information about Recipient’s Project performance, or if necessary in order to meet requests from the Iowa General Assembly, the Department of Management, the Governor’s office, the Iowa Department of Public Safety, the Iowa Division of Criminal Investigation, or the Iowa Attorney General’s Office.

6.7 Compliance with Laws. The Recipient will comply in all material respects with the requirements of all federal, state, and local laws, rules, regulations and orders applicable to or pertaining to the Project including, but not limited to, all applicable environmental, hazardous waste or substance, toxic substance, and underground storage laws and regulations, and the Recipient will obtain any permits, licenses, buildings, improvements, fixtures, equipment or its property required by reason of any applicable environmental, hazardous waste or substance, toxic substance or underground storage laws or regulations. The Recipient shall comply in all material respects with all applicable federal, state, and local laws, rules, ordinances, regulations and orders applicable to the prevention of discrimination in employment, including the administrative rules of the Iowa Department of Management and the Iowa Civil Rights Commission which pertain to equal employment opportunity and affirmative action. The Recipient shall comply in all material respects with all applicable federal, state and local laws, rules, ordinances, regulations and orders applicable to worker rights and worker safety, including but not limited to laws, rules, ordinances, regulations, and orders regarding wages, hours, child labor, workers’ compensation, unemployment insurance, and payroll taxes. The Recipient is subject to and shall comply with IEDA’s administrative rules for the Program.

6.8 Inspection and Audit. The Recipient shall permit the IEDA and its duly authorized representatives, at such times and intervals as the IEDA may designate, to:

(a) Conduct site visits and inspect the Project.

(b) Audit financial records related to the Project.

(c) Examine and make copies of any books of accounts and other financial records related to the Project.

(d) Discuss the affairs, finances and accounts of the Recipient with, and to be advised as to the same by, its officers, and independent public accountants. By this provision, the Recipient authorizes its officers and accountants to discuss with the IEDA and the IEDA’s duly authorized representatives the finances and affairs of the Recipient.

6.9 Maintenance and Retention of Records.

(a) Maintain Accounting Records. The Recipient is required to maintain all books, records, and all other evidence pertaining to the Project and this Contract (hereinafter “the Records”) in accordance with generally accepted accounting principles and such other procedures specified by IEDA.
(b) **Access to Records.** The Records shall be available at all times, and made available to IEDA and its designees at places and times designated by IEDA, for the duration of this Contract and any extensions thereof. Recipient shall make the Records available to: (i) IEDA, (ii) IEDA’s internal or external auditors, agents, or designees; (iii) the Auditor of the State of Iowa, the Attorney General of the State of Iowa, (iv) the Iowa Division of Criminal Investigations and any other applicable law enforcement agencies.

(c) **Records Retention Period.** Recipient shall retain the Records for a period of three (3) years from the Contract End Date, unless the records are the subject of an audit, investigation, or administrative or legal proceeding. In those instances, the records shall be retained until the audit, investigation, or proceeding has been resolved.

6.10 **Required Notices from Business to IEDA.** The Recipient shall promptly provide IEDA with written notice of any major changes that would impact the success of the Project. In addition, the Recipient shall promptly notify IEDA of the initiation of any claims, lawsuits, bankruptcy proceedings or other proceedings brought against the Recipient or any other person or business entity that would adversely impact the Project.

6.11 **Indemnification.** The Recipient shall indemnify, defend, and hold harmless the State Actors from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys’ fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

(a) Any claim, demand, action, citation, or legal proceeding arising out of or resulting from the Project;

(b) Any claim, demand, action, citation, or legal proceeding arising out of or resulting from a breach by the Recipient of any representation, warranty or covenant made by the Recipient in this Contract;

(c) Any claim, demand, action, citation, or legal proceeding arising out of or related to occurrences that the Recipient is required to insure against as provided for in this Contract; and

(d) Any claim, demand, action, citation, or legal proceeding which results from an act or omission of the Recipient or any of their agents in its or their capacity as an employer of a person.

6.12 **Release.** Recipient shall release, discharge, and relinquish the State Actors from any liability arising from or related to the termination, suspension, reduction, or delay of Tax Benefits under this Contract or under the Program, including but not limited to any liability arising from or related to any: (i) losses, (ii) damages (including but not limited to amounts associated with loss of prospective profits, revenues, anticipated sales or rents, or goodwill), (iii) expenses and investments (including but not limited to expenditures, investments, loans, financings or commitments made or entered into by Recipient in connection with this Contract), (iv) costs, penalties, fines, and charges (including but not limited to any damages, fines, penalties, charges or other amounts resulting from Recipient’s failure to comply with any applicable federal, state, and local laws, rules, ordinances, codes, regulations, and orders), (v) settlement amounts, (vi) fees (including but not limited to attorney fees and other professional fees), (vii) judgments, (viii) actions, (ix) tax credit claims, or (x) any other claims.

6.13 **Nonassignment.** The Recipient shall not assign this Contract without the written consent of the IEDA.
6.14 Repayment of Unallowable Costs. Recipient shall repay any Tax Benefits claimed that are determined by IEDA, its auditors, agents, or designees, the Auditor of State, the Iowa Department of Revenue, the Iowa Attorney General’s Office, or similar authorized governmental entity to be unallowable under the terms of this Contract.

ARTICLE 7: Default

An unremedied Event of Default can result in termination of this Contract and repayment of the value of the Tax Benefits actually received, plus applicable default interest and costs.

7.1 Events of Default. Any one or more of the following shall constitute an "Event of Default" under this Contract:

(a) Noncompliance with Contract. Failure to observe or perform any provision of this Contract; or

(b) Material Misrepresentation. Any representation or warranty made by the Recipient in this Contract or in any statement or certificate furnished by it pursuant to this Contract proves untrue in any material respect as of the date of the issuance or making thereof, including but not limited to a representation or warranty in one of the following statements or certificates: (i) the reports described by Section 4.4. of this Contract, (ii) the statements made in Exhibit A, (iii) the statements in Recipient’s Application, or (iv) any other statement made in connection with this Contract; or

(c) Judgment Over $100,000. Any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of $100,000 shall be entered or filed against the Recipient or against any of its property and remains unvacated, unbonded or unstayed for a period of 30 days; or

(d) Adverse Change in Financial Condition. Any change shall occur in the financial condition of the Recipient which would have a material adverse effect on the ability of the Recipient to perform under this Contract; or

(e) Bankruptcy or Similar Proceedings Initiated. Either the Recipient shall: (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended; (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due; (iii) make an assignment for the benefit of creditors; (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property; (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it; or (vi) fail to contest in good faith any appointments or proceeding described in Section 7.1(f) of this Contract; or

(f) Appointment of Officials. A custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for either the Recipient or any substantial part of any of its respective property, or a proceeding described above shall be instituted against either the Recipient and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) days; or
(g) Insecurity. IEDA shall in good faith deem itself insecure and believes, after consideration of all the facts and circumstances then existing, that the satisfaction of the obligations under this Contract, or the performance of or observance of the covenants in this Contract, is or will be materially impaired; or

(h) Failure to Submit Required Reports. The Recipient fails to submit complete reports by the required due dates as outlined in Articles 4 and 6; or

(i) Failure to Maintain Program Eligibility Requirements. Recipient fails to maintain a statutory or regulatory eligibility requirement for Tax Benefits made available under this Contract; or

(j) Noncompliance with Another State Contract. Failure to observe or perform any provision of any other contract between the Recipient and the State; or

(k) Noncompliance with Any Other Project-Related Contract. Failure to observe or perform any provision of any contract arising from or related to the Project, regardless of who is a party to such contract; or

(l) Failure to Comply with Program Statute or Rules. Failure to comply with Program statutes or administrative rules.

7.2 Notice of Default and Opportunity to Cure. If IEDA believes an Event of Default has occurred under this Contract, IEDA shall issue a written Notice of Default to the Recipient, setting forth the nature of the alleged default in reasonable specificity, and providing therein a reasonable period time, which shall not be fewer than thirty (30) days from the date of the Notice of Default, in which the Recipient shall have an opportunity to cure. Notwithstanding anything in this Section 7.2 or this Contract to the contrary, if IEDA determines that cure is not possible or feasible, IEDA may immediately deem the Recipient in default under the Contract.

7.3 Remedies Available to IEDA. When an Event of Default has occurred and is not cured within the allowable time period, IEDA may, after written notice to Recipient:

(a) Terminate this Contract.

(b) Revoke the authorized Tax Benefits.

(c) Reduce the authorized Tax Benefits.

(d) Require full repayment of all or a portion the value of Tax Benefits received.

7.4 Default Interest Rate. If an Event of Default occurs and remains uncured, a default interest rate of 10% APR compounded monthly shall apply to repayment of amounts due under this Contract. The default interest rate shall accrue from the first date Tax Benefits are claimed.

7.5 Expenses. The Recipient agrees to pay to the IEDA all expenses, costs, and fees incurred or paid by IEDA in connection with any Default or Event of Default by the Recipient or in connection with the enforcement of any of the terms of this Contract, including but not limited to audit expenses, attorneys’ fees, and court costs.
ARTICLE 8: Representations and Warranties

The Recipient represents and warrants to IEDA as follows:

8.1 Organization and Qualifications. The Recipient is duly organized, validly existing and in good standing under the state of its incorporation or organization, whichever is applicable. The Recipient has full and adequate power to own its property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the Recipient conducted by it or the nature of the property owned or leased by it requires such licensing or qualifying, except where the failure to so qualify would not have a material adverse effect on the Recipient’s ability to perform its obligations under the Program and the Contract.

8.2 Authority and Validity of Obligations. The Recipient has full right and authority to enter into this Contract. The person signing this Contract has full authority on behalf of Recipient to sign this contract and perform each and all of the obligations under the Contract. The Contract delivered by the Recipient has been duly authorized, executed, and delivered by the Recipient and constitutes the valid and binding obligations of the Recipient and is enforceable in accordance with its terms. This Contract and related documents do not contravene any provision of law or any judgment, injunction, order, or decree binding upon the Recipient or any provision of the Recipient’s formation or incorporation documents, contravene or constitute a default under any covenant, indenture, or contract of or effecting the Recipient or any of its properties.

8.3 Financial Reports. The Recipient has no contingent liabilities which are material to it, other than as indicated on financial statements furnished to IEDA. Such financial statements are and shall be in conformity with GAAP applied on a consistent basis.

8.4 No Material Adverse Change. Since the Award Date and to the knowledge of the Recipient, there has been no material adverse change in the condition of the Recipient (financial or otherwise) or the prospects of the Recipient that would adversely affect the Project.

8.5 Full Disclosure; Recipient’s Application. The statements and other information furnished to the IEDA by Recipient in its application and in connection with the negotiation of this Contract do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading. The IEDA acknowledges that as to any projections furnished to the IEDA, the Recipient only represents that the same were prepared on the basis of information and estimates it believed to be reasonable.

8.6 Trademarks, Franchises and Licenses. The Recipient owns, possesses, or has the right to use all necessary patents, licenses, franchises, trademarks, trade names, trade styles, copyrights, trade secrets, know how and confidential commercial and proprietary information to conduct its business as now conducted and complete the Project, without known conflict with any patent, license, franchise, trademark, trade name, trade style, copyright or other proprietary right of any other Person. As used in this Contract, “Person” means an individual, partnership, corporation, association, trust, unincorporated organization, or any other entity or organization, including a government or agency or political subdivision thereof.

8.7 Governmental Authority and Licensing. The Recipient has received all licenses, permits, and approvals of all Federal, state, local, and foreign governmental authorities, if any, necessary to conduct its business and complete the Project, in each case where the failure to obtain or maintain the same could reasonably be expected to have a material adverse effect. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit, or approval is pending or, to the knowledge of the Recipient threatened.
8.8 **Litigation and Other Controversies.** There is no litigation or governmental proceeding pending, nor to the knowledge of the Recipient threatened, against the Recipient which if adversely determined would result in any material adverse change in Recipient or its financial condition, properties, or operations, nor is the Recipient aware of any existing basis for any such litigation or governmental proceeding.

8.9 **Good Title.** The Recipient has good and defensible title (or valid leasehold interests) to all of its property involved with the Project reflected on the most recent balance sheets furnished to the IEDA (except for sales of assets in the ordinary course of business).

8.10 **Taxes.** All tax returns required to be filed by the Recipient in any jurisdiction have, in fact, been filed, and all taxes, assessments, fees and other governmental charges upon the Recipient or upon any of its property, income or franchises, which are shown to be due and payable in such returns, have been paid, except such taxes, assessments, fees and governmental charges, if any, as are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves established in accordance with GAAP have been provided. The Recipient knows of no proposed additional tax assessment against it for which adequate provisions in accordance with GAAP have not been made on its accounts. Adequate provisions in accordance with GAAP for taxes on the books of the Recipient have been made for all open years, and for their current fiscal period.

8.11 **Other Contracts.** The Recipient is not in default under the terms or any covenant, indenture or contract of or affecting either the Recipient or any of its properties, which default, if uncured, would have a material adverse effect on the Recipient or its financial condition, properties, or operations.

8.12 **No Default.** No Default or Event of Default, as defined in Article 7, has occurred or is continuing.

8.13 **Compliance with Laws.** The Recipient is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to the operations of the Recipient and its completion of the Project and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes or substances, non-compliance with which could have a material adverse effect on the Project or financial condition, properties, business or operations of the Recipient. The Recipient has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental or health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, properties, business or operations of the Recipient.

8.14 **Effective Date of Representations and Warranties.** The warranties and representations of this Article are made as of the Contract Effective Date and shall be deemed to be renewed and restated by the Recipient at the time the Recipient submits information under Article 4 to receive a Tax Credit Certificate and at the time Tax Benefits are claimed by the Recipient or any transferee of the Tax Benefits.

**ARTICLE 9: Limitation of Liability**

9.1 **Limitation of Liability.** Recipient acknowledges and agrees that the maximum potential liability of IEDA arising from or related to the Project or this Contract is for the Tax Benefits described in Section 3.1 of this Contract. IEDA shall not, under any circumstances, be obligated financially under the Program and this Contract except to award Tax Benefits pursuant to the Program and the Contract. Other than the Tax Benefits awarded pursuant to the terms of the Program and the Contract, the State Actors as defined in Section 2.10 of this Contract shall not, under any circumstances, be liable for any: (i) losses,
(ii) damages (including but not limited to amounts associated with loss of prospective profits, revenues, anticipated sales or rents, or goodwill), (iii) expenses and investments (including but not limited to expenditures, investments, loans, financings or commitments made or entered into by Recipient in connection with this Contract), (iv) costs, penalties, fines, and charges (including but not limited to any damages, fines, penalties, chargers or other amounts resulting from Recipient’s failure to comply with any applicable federal, state, and local laws, rules, ordinances, codes, regulations, and orders), (v) settlement amounts, (vi) fees (including but not limited to attorney fees and other professional fees), (vi) judgments, (viii) actions, (ix) tax credit claims, or (x) any other claims.

**ARTICLE 10: Miscellaneous**

10.1 **State of Iowa Recognition.** If the Project involves construction and there is signage recognizing the financial contributions made to the Project the Recipient agrees to include the Iowa Economic Development Authority on the list of entities providing assistance. For example, a sign or plaque indicating that the Project was funded in part by an Award from the State of Iowa, Iowa Economic Development Authority.

10.2 **Choice of Law and Forum; Governing Law.**

(a). The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Agreement without regard to the choice of law provisions of Iowa law or any other principles of conflicts of law.

(b). In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Agreement, the proceeding shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa, if such court has jurisdiction. If however, such court lacks jurisdiction and jurisdiction lies only in a United States District Court, the matter shall be commenced in the United States District Court for the Southern District of Iowa, Central Division.

(c). Nothing in this Agreement shall be construed as waiving any immunity to suit or liability, in state or federal court, which may be available to the State Actors as defined in Section 2.10 of this Contract.

10.3 **Contract Amendments.** Neither this Contract nor any documents incorporated by reference in connection with this Contract, may be changed, waived, discharged or terminated orally, but only as provided below:

(a) **Writing required.** The Contract may only be amended if done so in writing and signed by the Recipient and IEDA. Examples of situations requiring an amendment include, but are not limited to, time extensions, budget revisions, and significant alterations of existing activities or beneficiaries.

(b) **IEDA review.** Requests to amend this Contract shall be processed by IEDA in compliance with the IEDA Board’s rules and procedures applicable to contract amendments.

10.4 **Notices.** Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation by fax) and shall be given to the relevant party at its address, e-mail address, or fax number set forth below, or such other address, e-mail address, or fax number as such party may hereafter specify by notice to the other given by United States mail, by fax or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:
To the Recipient at:
Bryce T. Henderson
Financial District Properties WTC, LLC
201 N. Harrison Street, Suite 402
Davenport, IA 52801

E-mail:  brycethenderson@yahoo.com
Telephone:  563-324-9898
Facsimile:  563-324-0359

To the IEDA at:
Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, Iowa 50309
Attention: Matt Rasmussen, Project Manager

E-mail:  matt.rasmussen@iowa.gov
Telephone:  515.725.3126
Facsimile:  515.725.3010

Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Article and a confirmation of such facsimile has been received by the sender, (ii) if given by e-mail, when such e-mail is transmitted to the e-mail address specified in this Article and a confirmation of such e-mail has been received by the sender, (iii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iv) if given by any other means, when delivered at the addresses specified in this Article.

10.5 Headings. Article headings used in this Contract are for convenience of reference only and are not a part of this Contract for any other purpose.

10.6 Final Authority. The IEDA shall have the authority to reasonably assess whether the Recipient has complied with the terms of this Contract. Any IEDA determinations with respect to compliance with the provisions of this Contract shall be deemed to be final determinations pursuant to Iowa Code Chapter 17A, Iowa Administrative Procedure Act.

10.7 Waivers. No waiver by IEDA of any default hereunder shall operate as a waiver of any other default or of the same default on any future occasion. No delay on the part of the IEDA in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by IEDA shall preclude future exercise thereof or the exercise of any other right or remedy.

10.8 Counterparts. This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

10.9 Survival of Representations. All representations and warranties made herein or in any other Contract document or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Contract and the other Contract documents and shall continue in full force and effect with respect to the date as of which they were made until all of Recipient’s obligations or liabilities under this Contract have been satisfied.
10.10 **Severability of Provisions.** Any provision of this Contract, which is unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Contract or any other Contract document may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Contract and any other Contract document are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Contract or any other Contract document invalid or unenforceable.

10.11 **Successors and Assigns.** This Contract shall be binding upon the Recipient and its respective successors and assigns, and shall inure to the benefit of the IEDA and the benefit of their respective successors and assigns.

10.12 **Nonassignment.** This Contract shall not be assigned, in whole or in part, by Recipient unless approved in writing by IEDA prior to the assignment.

10.13 **Third Party Beneficiaries.** Other than the State Actors as described in this Contract, there are no third-party benefits to this Contract.

10.14 **Documents Incorporated by Reference.** The following documents are incorporated by reference and considered an integral part of this Contract:

1. Exhibit A - Recipient’s Application (on file with IEDA).
2. Exhibit B - Description of the Project.
3. Exhibit C - Schedule of Claimed Expenses form.

10.15 **Order of Priority.** In the case of any inconsistency or conflict between the specific provisions of this document and the exhibits, the following order of priority shall control:

1. Articles 1 - 10 of this Contract.
2. Exhibit A - Recipient’s Application (on file with IEDA).
3. Exhibit B - Description of the Project.
4. Exhibit C - Schedule of Claimed Expenses form.

10.16 **Complete Integration.** This Contract contains the entire understanding between the Recipient and IEDA relating to the Project and any representations that may have been made before or after the signing of this Contract, which are not contained herein, are nonbinding, void and of no effect. None of the Parties have relied on any such prior representation in entering into this Contract.
EXECUTION

IN WITNESS WHEREOF in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into this Contract and have caused their duly authorized representatives to execute this Contract, effective as of the latest date stated below.

FOR IEDA:  

BY:  

Deborah V. Durham, Director

Signature

Date: 7-9-12

FOR RECIPIENT:  

BY:  

Signature

Typed Name and Title

Date: 9/3/12
LIST OF EXHIBITS

Exhibit A - Recipient’s Application (on file with IEDA)
Exhibit B - Description of the Project
Exhibit C - Schedule of Claimed Expenses Form - (electronic copy of Schedule of Claimed Expenses Form will be sent to Recipient by IEDA)
This project is The Green at Techworks Project in Waterloo, formerly occupied by John Deere. The project includes three buildings: 1) The TechWorks 1 Building is a 156,000 square foot former engineering and manufacturing facility that will be redeveloped into offices and laboratories for the Center for Technology Advancement, bioeconomy R&D such as the University of Northern Iowa’s National Ag-Based Lubrication Center, and bioproduct manufacturing businesses. 2) The TechWorks 1A Building is the future home of the John Deere Tractor & Engine Museum which is projected to create nearly 35 temporary jobs during construction and 12 permanent jobs upon opening. 3) The TechWorks 2 Building is a 200,000 square foot former manufacturing facility that is being redeveloped into a “green hotel” that will integrate energy efficient and environmentally friendly practices into a 100-room business class hotel. The site will also include corporate training space, classrooms and Class-A office space.
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (this "MOU") sets forth the principal terms and conditions of certain business relationships which would be incorporated into definitive agreements and related documents among Rodney Blackwell, FDP Acquisitions, LLC (or its designee) (collectively, "FDP") and IoTIAW LLC, JTT (or its designee) ("JTJ"). FDP and JTJ are sometimes hereinafter individually referred to as a "Party", and collectively as the "Parties". The principal terms and conditions of the business relationships would be as follows:

1) **Description of Business Relationships**

   a) It is the intention of the Parties to form a business relationship in connection with the development of a Courtyard by Marriott hotel (the "Hotel"), consisting of approximately 156 rooms, in Waterloo, Iowa. The Hotel is to be developed in the building identified as Tech II as shown on the Green @ Techworks redevelopment site plan attached hereto as Exhibit "A" and incorporated herein by reference.

   b) The Parties shall form a new Iowa limited liability company named "Waterloo Hotel, LLC" ("Tenant"). Tenant shall be a member-managed limited liability company, which is 75% owned by FDP, and 25% owned by JTJ. A form of the operating agreement of Tenant has been provided by JTJ to FDP, and is attached hereto as Exhibit "B" and incorporated herein by reference.

   c) FDP, through a separate legal entity, FDP WTC, LLC ("Landlord"), shall own the property site and building (the "Building") in Waterloo, Iowa, where the Hotel will be located. Landlord and Tenant will enter into a lease agreement, where Tenant will lease a portion of the Building (the "Leased Premises") from Landlord (the "Lease"), which shall contain the terms set forth in Section 3 below.

   d) Tenant shall enter into a management agreement with Hospitality Specialists, Inc ("HSI"), where HSI shall be the manager of the Hotel on behalf of Tenant. A form of HSI's management agreement has been provided by HSI to FDP, and is attached hereto as Exhibit "C" and incorporated herein by reference.

   e) FDP shall enter into a consulting agreement with HSI, where HSI shall provide certain consulting services to FDP in connection with the planning, construction, development and operation of the Hotel. A form of HSI's consulting agreement has been provided by HSI to FDP, and is attached hereto as Exhibit "D" and incorporated herein by reference.

   f) It is anticipated that the lender or lenders to the Landlord as part of the redevelopment financing will require guarantees from one or more of the members of Tenant. It is agreed that JTJ or its designee shall provide a corporate guarantee but neither its owners nor employees shall be required to provide any personal guarantees. Furthermore, Rodney Blackwell acknowledges that he will be required and is willing to provide a personal guaranty as part of his ownership in Tenant.

2) **Hotel Franchise and Development**

   a) Within ten (10) days of the execution of the Lease and related documents, Tenant shall prepare and file a franchise application for the Hotel franchise with Marriott International (the
"Franchise"). All fees in connection with the Franchise (including, but not limited to, the Franchise application fee) shall be at FDP's expense.

b) FDP, at its sole cost and expense, shall develop and construct the Hotel. It is the intention of the Parties that FDP shall deliver to Tenant a so-called "turnkey" Hotel, in compliance with all applicable Franchise standards and requirements, ready to open for business to the public on or before April 1, 2016. This can be extended up to six months for construction or other delays.

c) Notwithstanding Section 2(b) above, HSI shall be responsible for obtaining, coordinating, and installing all FF&E, operating systems, and inventory for the Hotel in accordance with Franchise requirements and pursuant to the attached Consulting Agreement, at the sole cost and expense of FDP pursuant to a budget created by HSI and reasonably approved by Landlord. FDP has provided for $2,550,400 within its budget for these purposes.

3) Lease
   a) Term.
      i) The Lease term shall be twenty (20) Lease Years, with four (4) options, each for seven (7) Lease Years. "Lease Year" means each twelve (12) month period, beginning with the rent commencement date, and each yearly anniversary thereof.

b) Rent.
   i) Rent for Lease Months 1-6 shall be $42,500
   ii) Rent for Lease Months 7-12 shall be $62,500
   iii) Rent for Lease Year 2 shall be $95,000
   iv) Rent for Lease Years 3-5 shall be $100,000
   v) Rent for Lease Year 6, and every 5 Lease Years thereafter, shall increase based upon the applicable CPI.

c) NNN.
   i) The Lease shall be triple net, based upon Tenant's proportionate share, which shall be a fraction, expressed as a percentage, the numerator of which is the number of rentable square feet of the Leased Premises and the denominator of which is the number of rentable square feet in the Building

d) Franchise Compliance.
   i) All provisions of the Lease shall at all times strictly comply with all Franchise requirements and standards (as may be amended from time to time). The Parties acknowledge this may require amending the Lease from time to time to comply with such Franchise requirements and standards. Such Lease terms include, but are not limited to, construction drawings, interior design specifications, parking, signage, alterations, FF&E, insurance, damage, condemnation, financing, subordination, estoppel, maintenance, utilities, services, ADA and all applicable law.

4) Definitive Agreements

The final terms and conditions of the proposed business relationships will be set forth in mutually agreed upon definitive agreements and related documents containing customary representations, warranties, conditions, covenants and indemnities, and various other related documents. The Parties agree to negotiate in good faith in the preparation of any and all definitive agreements.
5) **Binding Effect of Provisions**

All of the provisions set forth in this MOU (the "**Binding Provisions**") shall constitute binding agreements between the Parties with respect to the subject matter thereof for purposes of preparing definitive agreements. However, until such definitive agreements are executed, this MOU is non-binding on the Parties, and is merely an expression of our intent and desire to enter into the relationships set forth herein on the terms outlined above on which negotiations with respect to this matter would proceed, and any binding legal obligation with respect to a relationship or transaction is subject to the negotiation and execution of a mutually acceptable definitive agreement(s).

6) **Counterparts**

This MOU may be executed in any number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one agreement, but, in making proof of this MOU, it shall not be necessary to produce or account for more than one such counterpart. Delivery of an executed counterpart of this MOU by facsimile or other electronic means shall be equally as effective as delivery of a manually executed original counterpart of this MOU.

[Balance of Page Intentionally Blank; Signatures on Following Page]
IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding effective as of the latest date indicated below.

Accepted and Agreed:

FDP Acquisitions, LLC

By: 

Name: **Rodney Blackwell**

Title: 

Date: 1/20/15

Accepted and Agreed:

Rodney Blackwell

Date: 1/20/15

Accepted and Agreed:

JTJ IOWA, LLC

By: 

Name: 

Title: 

Date: 

Accepted and Agreed:

Hospitality Specialists, Inc.

By: 

Name: 

Title: 

Date: 

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (this "MOU") sets forth the principal terms and conditions of certain business relationships which would be incorporated into definitive agreements and related documents among Rodney Blackwell, FDP Acquisitions, LLC (or its designee) (collectively, "FDP") and JTI-IOWA, LLC (or its designee) ("JTI"). FDP and JTI are sometimes hereinafter individually referred to as a "Party", and collectively as the "Parties". The principal terms and conditions of the business relationships would be as follows:

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b) The Parties shall form a new Iowa limited liability company named "Waterloo Hotel, LLC" ("Tenant"). Tenant shall be a member-managed limited liability company, which is 75% owned by FDP, and 25% owned by JTI. A form of the operating agreement of Tenant has been provided by JTI to FDP, and is attached hereto as Exhibit "B" and incorporated herein by reference.

c) FDP, through a separate legal entity, FDP WTC, LLC ("Landlord"), shall own the property site and building (the "Building") in Waterloo, Iowa, where the Hotel will be located. Landlord and Tenant will enter into a lease agreement, where Tenant will lease a portion of the Building (the "Leased Premises") from Landlord (the "Lease"), which shall contain the terms set forth in Section 3 below.

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a) **Term.**

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i) All provisions of the **Lease** shall at all times strictly comply with all Franchise requirements and standards (as may be amended from time to time). The Parties acknowledge this may require amending the **Lease** from time to time to comply with such Franchise requirements and standards. Such **Lease** terms include, but are not limited to, construction drawings, interior design specifications, parking, signage, alterations, FF&E, insurance, damage, condemnation, financing, subordination, estoppel, maintenance, utilities, services, ADA and all applicable law.

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This MOU may be executed in any number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one agreement, but, in making proof of this MOU, it shall not be necessary to produce or account for more than one such counterpart. Delivery of an executed counterpart of this MOU by facsimile or other electronic means shall be equally as effective as delivery of a manually executed original counterpart of this MOU.

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IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding effective as of the latest date indicated below.

Accepted and Agreed:

FDP Acquisitions, LLC

By: ________________________
Name: ________________________
Title: ________________________
Date: ________________________

Accepted and Agreed:

Rodney Blackwell

Date: ________________________
Preliminary Conceptual Drawing Based on Current Plans. May be adjusted in final construction drawings.
Preliminary Conceptual Drawing Based on Current Plans.
May be adjusted in final construction drawings.
Preliminary Conceptual Drawing Based on Current Plans.
May be adjusted in final construction drawings.
Preliminary Conceptual Drawing Based on Current Plans.
May be adjusted in final construction drawings.
Preliminary Conceptual Drawing Based on Current Plans. 
May be adjusted in final construction drawings
TechWorks Campus
Tech I Building
Waterloo, Iowa

Service Functions
(Exhaust, Waste Removal)

Heavy Uses
- Manufacturing

Light Manufacturing

Labs

Workshop Space

Future Expansion for Business Acceleration

Future Expansion for Business Acceleration

Iowa Advanced Manufacturing Center Manufacturing Flex Space

Heavy Uses
- Function

Functions
- Future Expansion for Business Acceleration

~20,000 sq ft

~20,000 sq ft

~20,000 sq ft

Future Expansion for Business Acceleration

IAMC Applied Research Labs

Iowa Advanced Manufacturing Center

TechWorks Tinkering Space (TechShop)

Sustainable Construction Lab

Mechanical

Flex

Storage

TechWorks Tinkering Space (TechShop)

Iowa Advanced Manufacturing Center

Hawkeye Community College

Sustainable Construction Program

Shipment & Receiving

Assembly

Tenant Entry

Server Stairs Elevator

University of Northern Iowa

Metal Casting Center & Additive Manufacturing

Public Entry

Building Section

“Public Face” of Tech I

1

2

3

4

5

6

Offices

Workstation

Office

Workshop Area

Education

Meeting Space

Training & Education

Facilities

Offices

Tenant Entry

Revised: February 26, 2014

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B2: Project 2: TechWorks Commercial Outlots #1 & #2

1. Description and type of project (i.e. new lessor, new retail establishment, public improvement, etc.)

The TechWorks Outlots are intended for commercial and retail businesses that complement the TechWorks Campus mixed-use project. Outlot #1 will be a drive-thru coffee shop or family-friendly restaurant (estimated at 5,000 sq. ft.) that will complement visitors to the TechWorks Campus, John Deere Tractor & Engine Museum, and some of the adjacent workforce sites. Outlot #2 will be a 16,000 sq. ft. commercial building that will complement Project #1 and provide potential expansion space for the business-class hotel, corporate training space, or classroom space in the Tech 2 building.

2. Expected Timeline

The TechWorks Campus Outlots are expected to start redevelopment in 2017. Outlot #1, Mid-scale restaurant, is planned for 2017 and be completed in one year from the start date. Outlot #2, supportive commercial/office redevelopment is expected for redevelopment in 2018.

3. Detailed budget for the project

<table>
<thead>
<tr>
<th>Uses / Source</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TechWorks Outlot 1 - Riverfront Restaurant</strong></td>
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<tr>
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<tr>
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<td><strong>Outlot 2 - Commercial/Office</strong></td>
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</tr>
<tr>
<td>Construction Hard Costs</td>
<td>$1,152,000</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$128,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$1,280,000</td>
</tr>
<tr>
<td><strong>Project #2 Total</strong></td>
<td>$1,680,000</td>
</tr>
</tbody>
</table>

4. Expected debt associated with project

Based on expected costs, the expected debt for the project is approximately $830,000.

5. Status of expected financing and financing gap

Because these projects are expected to be funded from private sources and some TIF revenues, no IRA funds are requested for this project.
6. Expected state hotel/motel tax and/or state sales tax projections over 20 years. (Provide assumptions and detail related to these projections.)

The overall Project Area #2 is expected to produce $260,000 in annual state sales tax at full build-out. Over 20 years, these annual revenues add up to a cumulative level of over $4.5 million. Please see the attached spreadsheets, labeled B5 and B6 for assumptions and detail.

Project #2 is a contributing project to the proposed TechWorks Campus Reinvestment District, and is not planned to receive District funding. Revenues from Project #2 that would be captured could be used to support either Project #1 or Project #3, depending on project needs, timing, and project benefits determined by the project partners.

7. Visual aids which enhance the understanding of the project

Attachment B.2.1 TechWorks Bird’s Eye – Looking West

8. A feasibility study for the proposed TechWorks Campus Reinvestment District, including each project, was provided by Smart Solutions Group and is included in Attachment B.4.
Preliminary Conceptual Drawing Based on Current Plans. May be adjusted in final construction drawings.
B.3: Cedar River Marina – Boat Sales/Boat Storage/Fuel Sales/Riverfront Restaurant

1. Description and type of project (i.e. new lessor, new retail establishment, public improvement, etc.)

The City of Waterloo, Waterloo Development Corporation, and other partners have been working together to revitalize key reaches of the Cedar River. The Cedar River Recreational Boating Basin initiative combines efforts along the waterfront including the development of river-edge bicycle and pedestrian trails, a new boat launch at Hartman Reserve, upgrade of the City-run boathouse at Cedar River Park for rowing activities and fishing derbies, and development of a connection to Brinker Lake to support an expansion of power-boating activity. Projects that are part of the future conceptual vision for the Cedar River are shown in Attachment D.4. Activation of the riverfront will further support additional downtown amenities including Young Arena, the Cedar Valley SportsPlex, and the Riverloop Expo and Amphitheatre. The Cedar River Marina provides a missing piece in Waterloo’s river revitalization plans by providing new development that will further activate the river’s edge by offering boat sales, boat slip and pontoon rentals, fuel sales, and a river-themed restaurant/fisherman’s pub.

2. Expected Timeline

The Cedar River Marina project is expected to start development in 2019, following the completion of Project #1 and key Marina pre-development milestones. Partners will collaborate over a five-year period to achieve these milestones which include: 1) the identification of potential developers and operators, 2) completion of an RFP process, 3) development of detailed cost estimates, 4) development of detailed design/construction documents, 5) finalization of a financing strategy, and 6) procurement of funding.

<table>
<thead>
<tr>
<th>Pre-Development Milestones</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification of and Outreach for Potential Developers and Operators</td>
<td>1</td>
</tr>
<tr>
<td>Conduct RFP Process</td>
<td>2</td>
</tr>
<tr>
<td>Develop Detailed Cost Estimates</td>
<td>3</td>
</tr>
<tr>
<td>Develop Detailed Design/Construction Documents</td>
<td>4</td>
</tr>
<tr>
<td>Finalize Financing Strategy and Procure Financing</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development Implementation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial 20+/- Boat and Pontoon Slips, and Fueling Station Implementation</td>
<td>1</td>
</tr>
<tr>
<td>13,000 sq. ft. Commercial Marina Component Development</td>
<td>2</td>
</tr>
<tr>
<td>Restripping of Existing Parking Lot</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase 2 &amp; 3 (Optional TBD, depending on market demand)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>To be determined, potential for expansion if market demand exceeds Phase 1 infrastructure</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

PRE-DEVELOPMENT MILESTONES

DEVELOPMENT IMPLEMENTATION

PHASE 1

PHASE 2 & 3 (Optional TBD, depending on market demand)
Development implementation of the Cedar River Marina project is focused on construction for Phase 1, which consists of 20+/- rentable boat slips, a fueling station, and a ~13,000 sq. ft. commercial/retail building with a boat sales showroom and minor repair shop specializing in power boats, a marine supply center, and pontoon rental services (see Attachment B.3.1 for concept graphic). The existing parking lot would be restriped during this phase. Additional phases of the Cedar River Marina development are included in the vision for the Cedar River, but will be planned for only if market demand determines that project expansion is viable. Future phases could include additional boat slips and the establishment of a food/beverage establishment.

Another proposed development along the Cedar River is a new city pumping station to be located on the west side of W. Mullan Avenue. Slated for development in 2016/2017, this project is part of the DOT’s Highway 63 reconstruction project and will be in place by the time the Marina goes on-line. There will be close coordination with this project to encourage the inclusion of key access routes and infrastructure along the water. This investment will also be used to leverage additional funding for Marina development.

3. Detailed budget for the project

<table>
<thead>
<tr>
<th>Uses</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boat Sales/Fuel Sales/Boat Storage Building</td>
<td></td>
</tr>
<tr>
<td>Construction Hard Costs (Building), including</td>
<td>$1,950,000</td>
</tr>
<tr>
<td>design costs</td>
<td>Private financing (Phase 1)</td>
</tr>
<tr>
<td>Demo and Site Preparation</td>
<td>$80,160</td>
</tr>
<tr>
<td>Parking and Access</td>
<td>IRA from Project #3, includes project cost and debt service</td>
</tr>
<tr>
<td>Dock System (Phase 1)</td>
<td>$470,000</td>
</tr>
<tr>
<td>Landscaping Adjacent to Marina</td>
<td>$17,300</td>
</tr>
<tr>
<td>Soft Costs and Contingency for River Infrastructure (35%)</td>
<td>$202,636</td>
</tr>
<tr>
<td><strong>Subtotal, Phase 1</strong></td>
<td>$2,731,596</td>
</tr>
<tr>
<td></td>
<td>$2,730,000</td>
</tr>
</tbody>
</table>

*Project costs for planning purposes only, and rely on costs and market information from 2014.*
4. **Expected debt associated with each project**

The debt and financing structure of Project #3 will be determined during the pre-development period of the project. Based on expected costs, the debt for the overall project could range from $1,000,000 to $2,800,000, depending on the source of funding and the financing mechanism utilized by project partners.

5. **Status of expected financing and financing gap**

The Cedar Valley Marina has been identified as a priority and key opportunity in the Cedar River Plan, TechWorks Business Plan, and Waterloo’s downtown Master Plan. The City of Waterloo and its partners plan to identify a potential marina operator, and the Waterloo Development Corporation (WDC) will contribute funding based on Black Hawk County Gaming Association allocations (see Attachments B.3.2 and B.3.3). WDC has submitted an additional letter of support (Attachment B.3.2) detailing a commitment of $250,000 in funds to Phase 1. However, additional financing is needed to invest in the infrastructure to fully build-out the project. IRD funds would be utilized to fill this financing gap. Financing of the final $1 million of Iowa Reinvestment District allotment of funds will be determined during the pre-development stage of Project #3, the Cedar River Marina- Boat Sales/Fuel Sales/Boat Slips, planned for a project start of 2019.

6. **Expected state hotel/motel tax and/or state sales tax projections over 20 years. (Provide assumptions and detail related to these projections.)**

Project Area #3 is expected to produce $104,000 in annual state sales tax at full build-out. Over 20 years, these annual revenues add up to a cumulative level of $1.6 million over 20 years. Please see the attached spreadsheets, Attachments B5 and B6 for assumptions and detail.

Project #3 is expected to utilize this revenue potential through Iowa Reinvestment District funding. The exact debt structure, rates, and financing instruments will be determined by project partners.

7. **Visual aids which enhance the understanding of the project**

- Attachment B.3.1 Cedar River Marina, Phase 1 – Boat Sales/Fuel Sales/Boat Slips
- Attachment B.3.2 Waterloo Development Corporation Letter of Support and Commitment to Cedar River Marina
- Attachment B.3.3 Blackhawk County Gaming Board Association Letter of Funding Commitment to Support Waterloo Development Corporation River Renaissance Projects
- Attachment B.3.4 Additional letter from Waterloo Development Corporation to Commit $250,000 in Funding to Phase 1 of the Proposed Cedar River Marina

8. A feasibility study for the proposed TechWorks Campus Reinvestment District, including each project, was provided by Smart Solutions Group and is included in Attachment B.4.
Cedar Valley Marina
TechWorks Campus Reinvestment District
Waterloo, Iowa

Preliminary Conceptual Drawing Based on Current Plans.
May be adjusted in final construction drawings

Marina
~ 18 Boat rental slips
~ Fuel station
~ Pontoon boat rental
~ Marina building
~ Accessible via existing riverwalk
November 12, 2014

Iowa Economic Development Authority Board
Business Finance – Business Development Division
200 East Grand Avenue
Des Moines, IA 50309-1819

Dear IEDA Board Members,

On behalf of the Waterloo Development Corporation (WDC), I am writing to express my strong support for the City of Waterloo’s Cedar River Recreational Boating Basin, and specifically the Cedar River Marina at TechWorks, proposed as part of the City’s Iowa Reinvestment District proposal. WDC is committed to providing the partnership and financial match necessary to realize this valuable, river-activating, public amenity.

For over 10 years, working partnerships have developed between the City, Waterloo Development Corporation, and TechWorks with a focus on restoring the property tax base and dramatically increasing the City’s quality of life. These targeted efforts to rebuild Waterloo’s downtown core and riverfront have helped turn our downtown, which was increasingly blighted and vacated, into one that has inspired confidence in our community and created new civic amenities oriented around our local and regional assets such as agriculture, manufacturing, and the Cedar River.

WDC plays a strong private sector leadership role in Waterloo, and our members know the importance of leveraging public and private investment to build tax base, create jobs, and attract and retain a talented workforce to our downtown. Together, with state and local support, we’ve invested millions of dollars for civic amenities such as the RiverLoop Expo and Amphitheater, Young Arena and Youth Pavilion, and the Waterloo Center for the Arts. We are currently working on connecting neighborhoods to these amenities, activating the riverfront, and bringing more jobs to downtown Waterloo.

The proposed Cedar River Marina is a key asset in our planned Recreational Boating Basin on the Cedar River, and one of our top three priority projects. Support from the Iowa Economic Development Agency through the IRD program will help advance this initiative and support our goals to better connect and align core revitalization within the community and along the waterfront. WDC is willing to commit an allocation of our Black Hawk County Gaming Board funds to the development of the Marina project. Combined with IRD funds and City support, we feel this investment will help ensure that the initiatives
we have envisioned can be advanced in a timely and impactful manner, enabling our community to realize our vision for Waterloo as an economically and culturally vibrant waterfront City.

Thank you for considering our project for this unique planning opportunity. Please contact me if you’d like to discuss our work in the community or our commitment of resources further.

Sincerely,

Daniel B. Watters
President
November 17, 2014

Iowa Economic Development Authority
Business Finance/Business Development Division
200 East Grand Avenue
Des Moines, Iowa 50309-1819

Dear IEDA IRD Grant Review Commission Members:

The Black Hawk County Gaming Association (BHCGA) is the designated license holder for gaming in our county. We receive and disburse the charitable portion of the adjusted gross revenue (AGR) from The Isle Casino and Hotel in Waterloo. We are very proud of our contribution to the quality of life improvements, property tax relief and support of non-profit and educational institutions in the six counties we serve. In the seven years since we began awarding grants we have distributed over $31 million to eligible applicants. These monies have leveraged at least another $60 million in other funding for well over 300 worthy projects in our cities, towns and counties.

In addition, the BHCGA has a formal agreement with the Waterloo Development Corporation (WDC) whereby the WDC receives 25% of our weekly revenues for use on downtown Waterloo improvement projects which have been specifically designated as “Riverfront Renaissance” projects in the same formal agreement. These monies are separate from those highlighted above. We have worked with the WDC and the City of Waterloo as true partners in the many projects already completed or underway, and we intend to maintain that partnership under the agreement.

One of the specified projects from the beginning of our relationship with the WDC has been the building of a Cedar River marina. Now that the marina is one of the three initiatives of the Cedar Valley Tech Works (CVTW) Iowa Reinvestment District (IRD) application we wish to state our full support for the proposed IRD project, and to assure your review board that we fully intend to honor our formal agreement with the WDC by continuing the 25% of our revenues to them for use in their prioritized project list.

Thank you for your interest in Waterloo, especially in regards to this unique and game changing plan for our community’s continued resurgence.

Sincerely,

Tim Hurley, Chairman
Black Hawk County Gaming Association Board of Directors
January 13, 2015

City of Waterloo, IA
Cedar Valley Tech Works
Attn: Mayor Buck Clark and Mr. Steve Dust

Dear Mayor Clark and Mr. Dust:

In November 2014, the Waterloo Development Corporation (WDC) board of directors prioritized and committed to funding a portion of the marina project costs using revenues from our agreement with the Black Hawk County Gaming Association. The timing for the WDC funding was placed in Phase 3 of the marina project, which is an integral part of the Cedar Valley Tech Works’ (CVTW) application for Iowa Reinvestment District funding.

WDC was recently asked to consider moving a portion of our funding commitment to Phase 1 of the marina project. The WDC executive committee met on January 13, 2015 to discuss the request from CVTW. The request to move $250,000 of our commitment from Phase 3 to Phase 1 was approved by the executive committee. The executive committee also approved placing this request on the agenda for the next scheduled full board meeting, which will be held on January 27, 2015. We will support the request at that time, and expect that it will meet with full board approval. We will acknowledge such action from the full board by letter to you immediately following.

Sincerely,

[Signature]
Daniel B. Watters
WDC President
Executive Committee Co-Chair
TechWorks
Feasibility Study

West Des Moines, Iowa
515.224.2033
www.smartsolutionsgroup.net
Background

The Waterloo Reinvestment District #1 is a mixed use project that includes a museum, business incubator, light manufacturing space, research and development space, training and education facilities, innovation centers, hotel, restaurants, commercial/office space, and a marina. The District will serve as a destination for visitors, workers, and business suppliers and customers. Corporations, small businesses, and entrepreneurs will be drawn to TechWorks because of its facilities and programs for advanced manufacturing. A wide range of opportunities will be offered that are unmatched in the State of Iowa. In addition, TechWorks is part of a larger economic development strategy that builds on the City of Waterloo’s existing downtown assets.

TechWorks has three distinct project areas:

1. TechWorks Campus – John Deere Tractor & Engine Museum, John Deere Training Center, business-class hotel, business incubator, space for light manufacturing and research and development, Iowa Advanced Manufacturing Center, Metal Casting Center, and Hawkeye Community College’s Advanced Manufacturing programs

2. TechWorks Outlots #1 & #2 – Commercial/office space and midscale restaurant

3. TechWorks Marina – Marina with boat sales, boat storage, fuel sales, and restaurant

The primary focus of TechWorks is Advanced Manufacturing. The Waterloo area has a strong manufacturing heritage and a commitment to manufacturing excellence. Today, the Manufacturing Industry still remains very strong in Black Hawk County. According to Economic Modeling Specialists Int’l (EMSI), Manufacturing is the leading industry in the County’s economy:

- #1 in industry employment in 2014
- #1 in industry Gross Regional Product (GRP) in 2013
- #2 in industry job growth from 2004 to 2014
- #2 in Earnings per Worker in 2014

While Manufacturing has struggled nationally in recent years, this industry in Black Hawk County has had outstanding performance. The following exhibit shows that Black Hawk County compares favorably with the State of Iowa and the Nation on key economic factors for the Manufacturing Industry:

Exhibit 1: Manufacturing Industry Performance

<table>
<thead>
<tr>
<th>Manufacturing Factors</th>
<th>Black Hawk County</th>
<th>State of Iowa</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Region’s Total Employment</td>
<td>19%</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>% of Region’s Gross Regional Product (GRP)</td>
<td>31%</td>
<td>17%</td>
<td>11%</td>
</tr>
<tr>
<td>% Growth in Employment 2004-2014</td>
<td>11%</td>
<td>(3%)</td>
<td>(15%)</td>
</tr>
</tbody>
</table>
The Gross Revenues for each of the uses in TechWorks, excluding the hotel rooms, room service, and catering, were based on the usable space and the sales square foot. For the projection of Gross Revenues for this project, Vandewalle & Associates was the source of the information on the square foot usage and Econsult Corporation was the source of the sales per square foot information, which was adjusted by Vandewalle & Associates based on their experience in the Midwest market. The Gross Revenues for the hotel rooms, room service, and catering were based on data from PKF Hospitality Research.

To test the validity of the Gross Revenue estimates that were produced from the usable space and the sales per square foot assumptions, research was conducted by Smart Solutions Group to assess the market opportunity for each of the different uses of the space in TechWorks by using information available from Economic Modeling Specialists Int’l (EMSI) and Environmental Systems Research Institute (ESRI), two of the leading economic analysis and database companies. In addition, Internet searches were conducted to find additional information on the market potential for each of the uses of the space in TechWorks. The following summarizes the findings for three of the retail uses:

- **Hotels**: According to EMSI, there are 27 hotels and motels in Black Hawk County with a total of 499 jobs. Based on national employment and population statistics for this industry, EMSI estimates that there should be 805 jobs in the hotel industry in Black Hawk County. Therefore, hotel industry employment in Black Hawk County is nearly 40% below the national standard, which shows that this industry is significantly underserved in this market. The hotel on the Campus will be an upscale business-class hotel and there are no other hotels in the area in this classification. The hotel will be in a convenient location for business people visiting companies in TechWorks and Waterloo.

- **Restaurants**: ESRI estimates 9,565 people, who live within a 15-minute drive of the TechWorks Campus, have dined at a fine dining restaurant in the latest month reported. The Market Potential Index is a measure of the likelihood of the adults in a specific trade area to exhibit certain consumer behavior purchasing patterns compared to the entire nation. ESRI reports fine dining within a 15-minute drive to TechWorks has an MPI of 90, which is 10% below national average and indicates the potential need for additional fine dining in the Waterloo area. The TechWorks tenants and visitors will find it very convenient to dine at the restaurants in the District.

- **Marina**: The proposed TechWorks Marina will be the only marina on the Cedar River in Black Hawk County. There are two boat dealers in Black Hawk County, and they have less than 10 employees in total. Based on national statistics, EMSI estimates that current employment in the Boat Dealer Industry is over 60% below expectation for a county the size of Black Hawk. The adjacent restaurant will draw both boaters as well as others in the Waterloo area looking for a gathering space and a place to enjoy a meal along the river. In addition, the Marina will bring additional activity to downtown Waterloo.

The only business incubator in Black Hawk County is the University of Northern Iowa’s Innovation Incubator, which is located in Cedar Falls. The Innovation Incubator offers aspiring entrepreneurs office space, use of business equipment and services, and consulting support for their technology tenants. The Innovation Incubator currently has 8 tenants and 19 innovative companies have graduated from the Incubator program and have moved to other locations. The TechWorks incubator will be significantly different than the Innovation Incubator because it is focused on advanced manufacturing and it will have light manufacturing and R&D space available. Plus, entrepreneurs in the incubator can take advantage of other components on the TechWorks Campus such as the Iowa Advanced Manufacturing Center, the Metal Casting Center, and education programs available from Hawkeye Community College.
Based on our research, Smart Solutions Group finds the sales per square foot factors used to project revenues are reasonable. Using the square foot usage and sales per square foot, the **projected annual revenues for TechWorks are $13,721,000** as shown in the following exhibit.

**Exhibit 2: Projected Annual Revenues**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Retail Square Footage</th>
<th>Sales per Square Foot</th>
<th>Projected Annual Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Service Restaurant – food</td>
<td>3,810</td>
<td>$500</td>
<td>$1,905,000</td>
</tr>
<tr>
<td>Full Service Restaurant – bar</td>
<td>1,540</td>
<td>$800</td>
<td>$1,232,000</td>
</tr>
<tr>
<td>Limited Service Restaurant</td>
<td>1,720</td>
<td>$350</td>
<td>$602,000</td>
</tr>
<tr>
<td>Catering to TechWorks Campus from Full Service Restaurant</td>
<td>2,940</td>
<td>$300</td>
<td>$882,000</td>
</tr>
<tr>
<td>Outlots #1 &amp; #2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restaurant</td>
<td>5,000</td>
<td>$500</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Commercial/Office Space</td>
<td>16,000</td>
<td>$250</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Marina</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine Retail &amp; Service</td>
<td>3,000</td>
<td>$100</td>
<td>$300,000</td>
</tr>
<tr>
<td>Showroom &amp; Boat Sales</td>
<td>10,000</td>
<td>$150</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Restaurant</td>
<td>4,000</td>
<td>$200</td>
<td>$800,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$13,721,000</strong></td>
</tr>
</tbody>
</table>

Exhibit 3 shows the annual Gross Revenues projected for the Hotel’s food, bar, and catering from the full service restaurant to meetings and events on the Campus to be $7,272,846.

**Exhibit 3: Projected Annual Gross Revenues**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Number</th>
<th>Projected Annual Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Rooms</td>
<td>156</td>
<td></td>
</tr>
<tr>
<td>Avg. Sales per Room per night</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Avg. Daily Room Rate</td>
<td>$125*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$5,694,000</strong></td>
</tr>
<tr>
<td>Hotel Room Service</td>
<td>156</td>
<td></td>
</tr>
<tr>
<td>Avg. Sales per Room per Year</td>
<td>$866</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$135,096</strong></td>
</tr>
<tr>
<td>In-house Catering</td>
<td>275</td>
<td></td>
</tr>
<tr>
<td>Avg. Sales per Seat</td>
<td>$35</td>
<td></td>
</tr>
<tr>
<td>Bookings per Week</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Occupied Weeks per Year</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$1,443,750</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$7,272,846</strong></td>
</tr>
</tbody>
</table>
Based on the projected Hotel revenues and the other revenues that are based on square footage, total annual Gross Revenues for this project are projected to be $20,993,846.

**Economic Impact**

According to information provided by Vandewalle & Associates, the total capital investment in the District will total $69,124,000. The following exhibit summarizes the capital investment by the three major project areas.

### Exhibit 4: Capital Investment

<table>
<thead>
<tr>
<th>Square Feet of Construction</th>
<th>Capital Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard Costs</td>
<td></td>
</tr>
<tr>
<td>Campus</td>
<td>347,640</td>
</tr>
<tr>
<td>Outlots</td>
<td>21,000</td>
</tr>
<tr>
<td>Marina</td>
<td>17,000</td>
</tr>
<tr>
<td><strong>Soft Costs</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

The construction of the District will support temporary economic impacts - construction employment, workers' earnings, and economic output in the City of Waterloo, Cedar Valley Region, and the State of Iowa. The temporary employment estimates for the construction are based on assumptions provided by Vandewalle & Associates. Smart Solutions Group finds these estimates to be reasonable. The temporary construction employment is based on an estimated 25% of the hard costs being attributed to labor costs at an average cost of $45,000 per worker. Based on this approach 268 construction job-years would be needed to develop the District. No estimates were made of any spinoff activity or indirect or induced effects related to the temporary construction activity.

The temporary construction activity will support 268 construction job-years and a total of $12.1 million in workers’ earnings.

The permanent activity from the operations in the District will provide direct economic impact on the City of Waterloo and indirect and induced impacts throughout the Waterloo metropolitan area, the Cedar Valley Region, and the State of Iowa. The economic impacts of the ongoing activities in the District were based on the estimated employment of the TechWorks tenants and an economic impact model developed by the Bureau of Economic Analysis (BEA).

The basis for the economic impact analysis is the projected employment in the District. Employment estimates that were based on information on prospective tenants and industry employment per foot as provided by Vandewalle & Associates. It was assumed that 80% of the gross floor space would be leasable. The employment estimates were reviewed by Smart Solutions Group, and were found to be reasonable. Exhibit 5 shows an estimated 365 employees would work in the District.

This direct employment data was then used with the BEA economic impact model to determine direct as well as indirect and induced impacts on:

- Employment
- Workers’ Earnings - wages, salaries, employer provided benefits, and proprietors’ income
• Economic Output - gross output, which is the sum of intermediate inputs and final use
• Value Added - the value of gross output minus intermediate inputs

Exhibit 5: Estimated Direct Employment in the District

<table>
<thead>
<tr>
<th></th>
<th>Total Usable Square Feet</th>
<th>Square Feet per Employee</th>
<th>Estimated Direct Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Campus</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light Manufacturing</td>
<td>62,256</td>
<td>3,600</td>
<td>51.9</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>41,504</td>
<td>1,500</td>
<td>55.4</td>
</tr>
<tr>
<td>Business Incubation</td>
<td>20,752</td>
<td>1,000</td>
<td>20.8</td>
</tr>
<tr>
<td>Office</td>
<td>15,800</td>
<td>500</td>
<td>31.6</td>
</tr>
<tr>
<td>Restaurant, Bar, Banquet, &amp; Catering</td>
<td>10,010</td>
<td>200</td>
<td>50.1</td>
</tr>
<tr>
<td>Hotel</td>
<td>141,190</td>
<td>2,000</td>
<td>70.6</td>
</tr>
<tr>
<td>Museum</td>
<td>12,000</td>
<td>1,250</td>
<td>9.6</td>
</tr>
<tr>
<td><strong>Outlots</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restaurant</td>
<td>5,600</td>
<td>200</td>
<td>28.0</td>
</tr>
<tr>
<td>Commercial/Office</td>
<td>12,800</td>
<td>600</td>
<td>21.3</td>
</tr>
<tr>
<td><strong>Marina</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine Retail &amp; Service</td>
<td>2,400</td>
<td>550</td>
<td>4.4</td>
</tr>
<tr>
<td>Showroom &amp; Boat Sales</td>
<td>8,000</td>
<td>1,500</td>
<td>5.3</td>
</tr>
<tr>
<td>Restaurant</td>
<td>3,200</td>
<td>200</td>
<td>16.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>365.0</td>
</tr>
</tbody>
</table>

The following exhibit shows the District’s direct, indirect and induced, and total for these four economic impact factors for the State of Iowa on an annual basis.

Exhibit 6: Direct and Indirect & Induced Jobs

<table>
<thead>
<tr>
<th></th>
<th>Direct</th>
<th>Indirect &amp; Induced</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>365.0</td>
<td>197.1</td>
<td>562.1</td>
</tr>
<tr>
<td>Workers’ Earnings</td>
<td>$11,890,704</td>
<td>$7,111,593</td>
<td>$19,002,297</td>
</tr>
<tr>
<td>Economic Output</td>
<td>$36,957,779</td>
<td>$27,164,608</td>
<td>$64,122,387</td>
</tr>
<tr>
<td>Value Added</td>
<td>$35,114,724</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To summarize, TechWorks would be annually responsible for 562 Jobs, $19.0 million in Earnings, and $64.1 million of Economic Output of which Value Added in the State of Iowa being $35.1 million.
In addition to the impacts listed above, sales tax and hotel room tax revenues would be generated in the District. The following exhibit shows the tax revenues collected over the next 20 years by businesses in the District, would be $59 million, not adjusted for inflation.

Exhibit 7: 20 Year Tax Revenues

<table>
<thead>
<tr>
<th></th>
<th>20-Year Tax Revenue (not adjusted for inflation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Iowa</td>
<td>$43,337,422</td>
</tr>
<tr>
<td>City of Waterloo</td>
<td>$13,685,047</td>
</tr>
<tr>
<td>Local Tax Levies not Subject to TIF</td>
<td>$2,030,667</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$59,053,136</strong></td>
</tr>
</tbody>
</table>

The next 3 exhibits show the economic impact information for each of the three distinct project areas - TechWorks Campus, TechWorks Outlots, and TechWorks Marina.

Exhibit 8: Economic Impact of the TechWorks Campus

<table>
<thead>
<tr>
<th>TechWorks Campus</th>
<th>Direct Jobs</th>
<th>Indirect &amp; Induced Jobs</th>
<th>Total Jobs</th>
<th>Projected Annual Revenues Subject to Hotel or Sales Tax</th>
<th>Tax Revenues Collected over 20 Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel - rooms, room service, in-house catering</td>
<td>70.6</td>
<td>23.1</td>
<td>93.7</td>
<td>$7,272,846</td>
<td>State of Iowa $10,523,038</td>
<td>City of Waterloo 48,538,904</td>
</tr>
<tr>
<td>Full Service Restaurant</td>
<td>6.5</td>
<td>1.8</td>
<td>8.3</td>
<td>$602,000</td>
<td>State of Iowa $4,601,690</td>
<td>City of Waterloo 882,333</td>
</tr>
<tr>
<td>Catering to TechWorks</td>
<td>9.6</td>
<td>2.6</td>
<td>12.2</td>
<td>$882,000</td>
<td>State of Iowa $1,295,036</td>
<td>City of Waterloo 174,268</td>
</tr>
<tr>
<td>Incubator, Light Manufacturing, R&amp;D, Office</td>
<td>159.7</td>
<td>132.2</td>
<td>291.9</td>
<td>*</td>
<td>State of Iowa $14,047,858</td>
<td>City of Waterloo 334,767</td>
</tr>
<tr>
<td>Museum</td>
<td>9.6</td>
<td>3.1</td>
<td>12.7</td>
<td>*</td>
<td>$382,201</td>
<td>$774,210</td>
</tr>
</tbody>
</table>

Total 290.0 172.2 462.2 $11,893,846 $31,732,156 $11,082,177 $1,834,861 $44,649,194

* No taxable revenues
Given the Cedar Valley Region’s commitment to manufacturing excellence as well as the resources available at TechWorks, it is likely that successful companies will emerge as spinoffs from TechWorks. Future jobs will be created by graduates of the business incubator and by businesses that launch successful new products that were developed in TechWorks’ light manufacturing space, research and development space, and innovation centers. The impact of those potential business successes are not included as part of this economic impact analysis.

To provide insights on the possible impact of job creation by spinoffs from TechWorks, an Input/Output Model from Economic Modeling Specialists Int’l (EMSI) was used. To give an idea of the possible impact of the spinoffs, a scenario was created that assumes 100 new jobs in Farm Machinery & Equipment Manufacturing Industry will be created by spinoffs and the average earnings per worker are $50,000 (which is nearly $20,500 below this industry’s earning in the Waterloo metropolitan area), the following shows the annual impacts:

- 214 new jobs – 100 direct and 114 indirect and induced
- $10.7 million in earnings
- $53.8 million in sales
In addition, there would be state and local tax revenues that would be generated by these spinoffs. The success of the businesses served by TechWorks’ facilities and programs could have a significant impact on the future economies of the Waterloo area and the State of Iowa.

**Estimated Number of Visitors and Customers**

TechWorks is expected to attract a wide variety of people: local shoppers and diners; farmers; boaters; tourists; business travelers; convention, meeting and workshop attendees; workers and students receiving education and training; aspiring entrepreneurs, and others.

To determine the number of visitors and customers to all the TechWorks project areas, an estimate was made based on a percentage of the visitors and customers for each of the target geographical market segments that are expected to visit/use the overall Waterloo Reinvestment District. **It is estimated that over 270,000 people will experience TechWorks each year and just over 75% of the visitors will be Iowa residents.**

<table>
<thead>
<tr>
<th>Market Segment</th>
<th>Population*</th>
<th>% Experiencing TechWorks**</th>
<th>No. of People Experiencing TechWorks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Waterloo Area</td>
<td>118,109</td>
<td>25.000%</td>
<td>29,527</td>
</tr>
<tr>
<td>State of Iowa</td>
<td>2,967,207</td>
<td>6.000%</td>
<td>178,032</td>
</tr>
<tr>
<td>Midwest Region</td>
<td>26,001,202</td>
<td>0.250%</td>
<td>65,003</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>29,086,518</strong></td>
<td><strong>0.937%</strong></td>
<td><strong>272,562</strong></td>
</tr>
</tbody>
</table>

* Source: ESRI  
** Source: Vandewalle & Associates

**Unique Characteristics of the Project**

The scope of the TechWorks Campus and the proposed Waterloo Reinvestment District are unparalleled in the State of Iowa. This mixed-use “destination” development offers a museum that provides a history of manufacturing innovation in the Waterloo area, business development and training in advanced manufacturing, space for light manufacturing and research & development, two technology centers, an upscale business-class hotel, restaurants and entertainment, marina, and shopping. This development will serve the City of Waterloo, the Cedar Valley Region, and the State if Iowa, while attracting new global business opportunities that raise the State’s international reputation as a leader in advanced manufacturing innovation.

TechWorks is located at the intersection of Waterloo’s downtown riverfront, Deere & Company’s Drive Train Operations facility, and the interchange of U.S Highway 63 and U.S. 218 Expressway. This is an ideal location for a redevelopment project that will permanently transform the infrastructure and economy of downtown Waterloo. TechWorks is highly accessible to the underemployed workforce in the surrounding urban neighborhoods as well as to area residents, companies, and visitors to Waterloo.

Two historic buildings that originally were used to manufacture two-cylinder John Deere Waterloo Boy tractors will be reused and have been named “Tech 1” and “Tech 2” in the TechWorks Campus. These
buildings will combine the history of manufacturing excellence with today’s innovative advanced manufacturing technologies. The John Deere Tractor & Engine Museum will also be located on this site and it will present the history of innovation in tractors and engines in the Waterloo area. The authenticity of the Museum on its historical site is a unique attraction for area and Iowa residents as well as out-of-state residents by capitalizing on the tractor and engine manufacturing history with a factory tour of today’s John Deere Waterloo Works and reputation as a globally-recognized American manufacturing icon. The projects and activities related to John Deere at TechWorks represents a unique opportunity to showcase downtown Waterloo to domestic and international business travelers, as well as a growing skilled workforce that will utilize the John Deere Corporate Training Center, which will be located in Tech 2 building on the TechWorks Campus.

Given the strength of the Manufacturing Industry in Black Hawk County, Waterloo is uniquely positioned to leverage the history and strength in Manufacturing on the TechWorks Campus.

The Iowa Innovation Corporation’s strategic economic development initiative, the Iowa Advanced Manufacturing Center (I-AM Center), will be located in the Tech 1 building. The I-AM Center will introduce and showcase industrial product and process design, materials, prototyping, fabrication, assembly, logistics solutions to drive Iowa’s manufacturers to be more globally competitive. The University of Northern Iowa’s Metal Casting Center (MCC) is a partner in this initiative and the MCC’s 3D printing and digital manufacturing capabilities are unique in the Midwest. Hawkeye Community College (HCC) will operate a branch campus in TechWorks offering programs in advanced manufacturing. HCC, MCC, and I-AM Center will partner to bring companies, students, and researchers together to learn, solve, and build innovative solutions for some of advanced manufacturing’s most pressing needs.

The business incubator on the TechWorks Campus will focus on advanced manufacturing and will have space available for light manufacturing and R&D. Entrepreneurs in the incubator will be able to easily take advantage of the resources that are available from the I-AM Center, Metal Casting Center, and Hawkeye Community College. Many of the businesses in the incubator would not have the financial resources to purchase the machinery and equipment that will be available to them at the I-AM Center and MCC, which will be a significant advantage in developing their new products and processes.

The proposed hotel is designed to LEED standards. This upscale business-class hotel will offer casual and fine dining as well as the capability to cater and host banquets, weddings, and other events. Currently, downtown Waterloo does not have enough rooms to support its convention center and other regional events and this new hotel would solve this problem.

The TechWorks Marina offers a site on the Cedar River for boat sales, fuel sales, boat storage, and riverfront dining that is not available anywhere else in the region. The Marina leverages over $7.3 million of investment from the Vision Iowa Program, which was allocated to downtown riverfront projects such as construction for an inflatable bladder dam on the Cedar River, an outdoor amphitheater, a plaza, and a river-walk trail. Additional work is underway in the region to connect Brinker Lake with the Cedar River and to provide more access for power boating and paddling trails for increased river-based recreation. The potential Iowa Reinvestment funds could serve as a catalyst for this key site and function within the underutilized Cedar River waterfront for an attractive setting for business or pleasure.

With increased demand among young professionals and empty nesters for downtown housing, dining, entertainment, nightlife, and other amenities, TechWorks supports other restaurant and retail operations in the 4th Street downtown core and builds on the momentum of other new and upcoming downtown developments such as the adjacent $20 million SportsPlex, which opened in January 2014, and the addition of 70 upscale housing units planned in 2015. TechWorks is a consummate urban infill development.
that revitalizes a vacant waterfront site by providing value from an aesthetic, environmental, and economic perspective, in a way that no other destination in Iowa can provide.

The long term economic development impact of the businesses that were nurtured by TechWorks is an unique feature of this project. It is expected that there will be incubator graduates that build successful businesses that will create more jobs and generate more sales revenues. In addition, businesses that use the Iowa Advanced Manufacturing Center and the Metal Casting Center will develop new products and advanced manufacturing processes that will generate more sales revenues and improve manufacturing efficiencies. Graduates of Hawkeye Community College’s programs in Advanced Manufacturing will be an excellent source of skilled talent for companies in the City of Waterloo, the Cedar Valley Region, and the State of Iowa. Therefore, TechWorks will contribute to the long-term economy of the Waterloo area and the State of Iowa.

**Smart Solutions Group**

This Feasibility Study was developed by Smart Solutions Group (SSG). Founded in 2001, SSG is an economic development consulting firm that has provided services to over 400 clients across the United States. SSG offers a wide range of services to help communities, regions, and states grow their economies by providing strategic planning, marketing strategies and programs, workforce planning and development, feasibility studies, economic impact analyses, target marketing studies, and organizational design and structure.
## Estimated Sales and Room Tax Revenue Projections


Disclaimer: All projections are estimates for planning purposes only.

### Use: TechWorks Campus (see attached map)

<table>
<thead>
<tr>
<th>Project Area 1 - TechWorks Campus (see attached map)</th>
<th>Retail Sq Footage</th>
<th>Sales PSF</th>
<th>Gross Revenue</th>
<th>State Sales Tax*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming TRD (IAC Business Services and User Fees, product showcases, industrial incubator)</td>
<td>0</td>
<td>0</td>
<td>$0</td>
<td>4.0%</td>
</tr>
<tr>
<td>Tech 2 (see attached map) - Full Service Restaurant #1 - dining room and outdoor seating</td>
<td>3,810</td>
<td>600</td>
<td>$2,286,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Tech 1 Full Service Restaurant #1 - bar area</td>
<td>1,540</td>
<td>800</td>
<td>$1,232,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Tech 2 Limited Service Restaurant #2</td>
<td>1,730</td>
<td>300</td>
<td>$519,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Tech 2 Green Hotel - Retail Sales</td>
<td>156</td>
<td>91</td>
<td>$135,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Tech 2 Green Hotel - Room Service and Incidentals</td>
<td>156</td>
<td>300</td>
<td>$45,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Business Class Hotel</td>
<td>156</td>
<td>600</td>
<td>$93,000</td>
<td>5.0%</td>
</tr>
<tr>
<td>In-house Catering (within Hotel, from Restaurant #1)</td>
<td>275</td>
<td>7,000</td>
<td>$1,943,750</td>
<td>4.0%</td>
</tr>
<tr>
<td>Campus-related Catering (from Restaurant #1)</td>
<td>2,940</td>
<td>300</td>
<td>$882,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Project Area 1 Sales and Room Tax Total</td>
<td>$0</td>
<td>$284,700</td>
<td>$532,694</td>
<td></td>
</tr>
</tbody>
</table>

### Use: TechWorks Outlots (see attached map)

<table>
<thead>
<tr>
<th>Project Area 2 - TechWorks Outlots (see attached map)</th>
<th>Retail Sq Footage</th>
<th>Sales PSF</th>
<th>Gross Revenue</th>
<th>State Sales Tax*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlot #1 - Full Service Restaurant</td>
<td>6,000</td>
<td>500</td>
<td>$2,500,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Outlot #2 - Commercial Services/Retail</td>
<td>16,000</td>
<td>250</td>
<td>$4,000,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Project Area 2 Sales and Room Tax Total</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

### Use: TechWorks Marina District (see attached map)

<table>
<thead>
<tr>
<th>Project Area 3 - TechWorks Marina District (see attached map)</th>
<th>Retail Sq Footage</th>
<th>Sales PSF</th>
<th>Gross Revenue</th>
<th>State Sales Tax*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial/Marine Boat Showroom</td>
<td>10,000</td>
<td>150</td>
<td>$1,500,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Commercial/Marine Minor Repair, Marine Supply Sales, Fuel Sales</td>
<td>3,000</td>
<td>100</td>
<td>$300,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Fisherman's Pub &amp; Restaurant</td>
<td>4,000</td>
<td>200</td>
<td>$800,000</td>
<td>4.0%</td>
</tr>
<tr>
<td>Project Area 3 Sales and Room Tax Total</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

### Estimated Projections for Total Sales and Room Tax

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$284,700</td>
<td>$532,694</td>
<td>$532,694</td>
<td>$532,694</td>
<td>$532,694</td>
<td>$532,694</td>
<td>$532,694</td>
<td>$532,694</td>
<td>$532,694</td>
<td>$532,694</td>
</tr>
</tbody>
</table>

---

1. State sales tax is 6%, of which 4% is available for district planning. 1% is allocated for school infrastructure.
2. 5% of the sales tax subject to the state hotel/motel tax is allocated for the IRD program. A $10/night room rate increase incorporated into tax calculations in 2020, after expected market stabilization.
4. Assumes 3 bookings per week at full capacity for 50 weeks per year. $50 per seat estimated by Vandewalle & Associates will be updated as more detailed data for banquet/catering centers becomes available. Kitchen usage for catering estimated at PSF average for limited service restaurants and food services.
5. Campus-related event catering includes John Deere Tractor & Engine Museum, WaterlooWorks, John Deere Training Center, and Tech 1 events
6. Comparable property research is underway by Vandewalle & Associates for Marina square footage, uses and sales data, and will be updated as data becomes available.
## Estimated Cumulative Sales and Room Tax Revenue

Projections developed for TechWorks Campus Reinvestment District  
Date: November 7, 2014

<table>
<thead>
<tr>
<th>Use</th>
<th>Estimated 20 Year Cumulative IRD Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Area 1 - TechWorks Campus (see attached map)</strong></td>
<td></td>
</tr>
<tr>
<td>Tech 1 (see attached map)</td>
<td></td>
</tr>
<tr>
<td>Programming TBD (IAMC Business Services and User Fees)</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Tech 2 (see attached map)</strong></td>
<td></td>
</tr>
<tr>
<td>Tech 2 Full Service Restaurant #1 - dining room and outdoor seating</td>
<td>$1,447,800</td>
</tr>
<tr>
<td>Tech 2 Full Service Restaurant #1 - bar area</td>
<td>$936,320</td>
</tr>
<tr>
<td>Tech 2 Limited Service Restaurant #2</td>
<td>$457,520</td>
</tr>
<tr>
<td><strong>Tech 2 Event Catering</strong></td>
<td></td>
</tr>
<tr>
<td>In-house Catering (within Hotel, from Restaurant #1)</td>
<td>$1,097,250</td>
</tr>
<tr>
<td>Campurs-related Catering (from Restaurant #1)</td>
<td>$670,320</td>
</tr>
<tr>
<td>Green Hotel Room Tax</td>
<td>$6,058,416</td>
</tr>
<tr>
<td>Tech 2 Green Hotel - Room Service and Incidentals</td>
<td>$102,673</td>
</tr>
<tr>
<td><strong>Estimated Project Area 1 Sales and Room Tax Total</strong></td>
<td>$10,770,299</td>
</tr>
<tr>
<td><strong>Project Area 2 - TechWorks Outlots (see attached map)</strong></td>
<td></td>
</tr>
<tr>
<td>Outlot #1 - Full Service Restaurant</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>Outlot #2 - Commercial Services/Retail</td>
<td>$2,720,000</td>
</tr>
<tr>
<td><strong>Estimated Project Area 2 Sales Tax Total</strong></td>
<td>$4,520,000</td>
</tr>
<tr>
<td><strong>Project Area 3 - TechWorks Marina District (see attached map)</strong></td>
<td></td>
</tr>
<tr>
<td>Commercial/Marina: Boat Sales Showroom</td>
<td>$960,000</td>
</tr>
<tr>
<td>Commercial/Marina: Minor Repair, Marine Supply Sales, Fuel Sales</td>
<td>$192,000</td>
</tr>
<tr>
<td>Fisherman’s Pub Bar &amp; Restaurant</td>
<td>$448,000</td>
</tr>
<tr>
<td><strong>Estimated Project Area 3 Sales Tax Total</strong></td>
<td>$1,600,000</td>
</tr>
<tr>
<td><strong>Estimated Total Sales and Room Tax</strong></td>
<td>$16,890,299</td>
</tr>
</tbody>
</table>