September 28, 2018

Lisa Connell, Project Manager – Compliance
Iowa Economic Development Authority
200 East Grand
Des Moines, IA  50309

RE: Iowa Reinvestment District Contract - Waterloo

Dear Ms. Connell,

We are pleased to provide the enclosed project report for the Iowa Reinvestment District for the period ending September 30, 2018.

Please find the following reports attached:

1. The Tech II Green Hotel/Corporate Training Center - The first report attached is provided by the developer, and includes the project narrative, expense report and signed certification.

2. The second report attached is provided by the Cedar Valley TechWorks and the City of Waterloo.

The Tech II Courtyard by Marriott Hotel opened in December 2017, dramatically improving the entrance to downtown Waterloo and the TechWorks campus. The first two phases of a three-phase housing project being constructed near the TechWorks Campus are complete, while the third phase is now being designed. The construction of the Hawkeye Community College Adult Education Learning Center is well underway, consisting of an $8 million three-story, 45,000 square foot building in the area. Single Speed Brewery, a $5.2 million renovation of the historic former Wonder Bread Bakery, is open. The Single Speed developer has partnered with others and will be opening Verve, a kombucha tea manufacturing facility and restaurant. The Reinvestment District project is serving as a catalyst for all of these developments.

We want to take this opportunity to again thank the Iowa Economic Development Authority for your continued support of this transformative project for Waterloo and the State of Iowa.
Please contact me with any questions you have.

Sincerely,

Michelle Weidner

Michelle Weidner, Chief Financial Officer
City of Waterloo
715 Mulberry Street
Waterloo, IA 50703

cc: Noel Anderson, Community Planning & Development Director
    Michelle Weidner, Chief Financial Officer
    Cary Darrah, Cedar Valley TechWorks
    Rodney Blackwell, FDP
    Jennifer Kakert, FDP
Reinvestment District 2018 Annual Report

Recipient: City of Waterloo – Contract 15-RD-001

Please provide the following:

a. The status of each project undertaken within the district in the previous twelve months, including whether construction has begun on any project in the district or when the start of construction is anticipated and a summary of developer spending on projects within the district.
b. An itemized list of expenditures from the municipality's reinvestment project fund in the previous twelve months that have been made related to each project being undertaken within the district.
c. The amount of the total project cost remaining for each project being undertaken within the district as of the date the report is submitted.
d. The amounts, types, and sources of funding used for each project described in paragraph “a”.
e. The amount of bonds issued or other indebtedness incurred for each project described in paragraph “a”, including information related to the rate of interest, length of term, costs of issuance, and net proceeds. The report shall also include the amounts and types of moneys to be used for payment of such bonds or indebtedness.

Information provided should be the most recent that is available.

CERTIFICATION OF ACCURACY:
I hereby certify that the information presented to the Iowa Economic Development Authority on the date indicated below is fully complete, true, and correct. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or subdivision, as provided in Iowa Code section 15A.3 and other applicable law.

I further depose that the signature below is my own proper signature and that I have the authority to submit this information on behalf of the Recipient.

Prepared By:
Name: Jennifer Kaker Phone # 515-324-9898
Title: CFO
Signature: Jennifer Kaker Date 9-27-18
E-Mail Address: jkaker@fdp-usa.com

Authorized Signatory:
Name: Rodney Backwell
Title: Managing Member
Signature: Date 9-28-18
Iowa Reinvestment District
City: Waterloo
Contract Number: 15-RD-001
Project Update as of September 30, 2018

Schedule A:

Project 1:

Tech 2 Mixed-Use Hotel, Corporate Training & Campuswide Project – FDP

Through the end of September 2018, the project had expended a total of $39,399,573, and has completed its owner projected spend other than final payments on the Deere TI. During the 12 months since our last report, the spending was $8,123,605.

Funding:

<table>
<thead>
<tr>
<th>Source</th>
<th>Cumulative</th>
<th>Last 12 Months</th>
</tr>
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<tbody>
<tr>
<td>First Midwest Loan</td>
<td>$13,000,000</td>
<td>$1,934,013</td>
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<tr>
<td>City of Waterloo Bond Issue 2</td>
<td>$9,249,196</td>
<td>$0</td>
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<tr>
<td>Dubuque Bank &amp; Trust Bridge Loan</td>
<td>$7,698,113</td>
<td>$198,113</td>
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<tr>
<td>City of Waterloo Bond Issue 3</td>
<td>$7,760,226</td>
<td>$4,641,075</td>
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<tr>
<td>Owner Spending</td>
<td>$1,692,038</td>
<td>$1,350,404</td>
</tr>
<tr>
<td>Total</td>
<td>$39,399,573</td>
<td>$8,123,605</td>
</tr>
</tbody>
</table>

Remaining to spend:

The project has unspent funds as of August of $5,093,892 of which $4,600,000 related to deferred developer fees and the remainder relates to Deere TI which will be expended shortly. The remaining sources for the spending are:

<table>
<thead>
<tr>
<th>Source</th>
<th>Remaining to Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Midwest Loan</td>
<td>$0</td>
</tr>
<tr>
<td>City of Waterloo Bond Issue 3</td>
<td>$239,387</td>
</tr>
<tr>
<td>Brownfield Tax Credit</td>
<td>$254,505</td>
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<tr>
<td>Subtotal</td>
<td>$493,892</td>
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<tr>
<td>Deferred Developer Fees</td>
<td>$4,600,000</td>
</tr>
<tr>
<td>Total</td>
<td>$5,093,892</td>
</tr>
</tbody>
</table>

The Courtyard by Marriott Waterloo Cedar Falls was completed in December 2017 and opened for business December 19, 2017. The owner required work and TI spending for the Deere Training center have been completed as of June 30, 2018 and Deere spending should begin soon. The Restaurant and Pub, will open in December 2018.
We received the state historic tax credit in August 2018 and repaid the bridge loan to Dubuque Bank & Trust. The owner is awaiting the Brownfield tax credit of $500,000 which was submitted in June 2018. Deferred developer fees will be paid by owner.

Attached are renderings of the restaurant and pub, as well as photos of the completed Courtyard by Marriott hotel.
Recipients: City of Waterloo – Contract 15-RD-001

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I further depose that the signature below is my own proper signature and that I have the authority to submit this information on behalf of the Recipient.

Prepared By:
Name: Michelle Weidner Phone #: (319) 291-4323
Title: Chief Financial Officer
Signature: Michelle Weidner Date: 9-28-18
E-Mail Address: michelle.weidner@waterloo-ia.org

Authorized Signatory:
Name: Quentin Hart
Title: Mayor
Signature: Quentin Hart Date: 9-28-18
Iowa Reinvestment District
City: Waterloo
Contract Number: 15-RD-301

Project Update to IEDA as of September 30, 2018:
Schedule A

Project #1 – Light Manufacturing, Industrial Incubator, Makerspace – Cedar Valley TechWorks

- Productive Resources, a midsized engineering services firm, leased an initial 500 square feet area while building out an additional 5,000 square feet area, to open the company’s new Waterloo Tech Center, located on the third floor of the building.
- The University of Northern Iowa’s Additive Manufacturing & Design Center expanded their footprint for the second year in a row, from 7,000 to 10,000, and now to 16,000 square feet and added new equipment including high resolution, large work area 3-D printers and a robot mold milling lab. With this expansion, the Additive Manufacturing & Design Center now occupies the full first floor of the Tech 1 building.
- The University of Northern Iowa’s Additive Manufacturing & Design Center continues to utilize a joint classroom constructed in partnership with Hawkeye Community College for student and professional activities.
- The Cedar Valley Makers operate the Cedar Valley Makerspace with the mission to promote collaborative learning, creative design, and manufacturing for people of all ages and skill levels, in 6,000 square feet of the Tech 1 building. Makerspace membership continues to grow, and with more than 50 paying members, the organization has provided community workshops and youth programming.
- TechWorks created a TechLabs concept, leasing space to a UNI graduate-led startup providing additive manufacturing design and prototyping services.

Project #2 - TechWorks Campus Outlots – Cedar Valley TechWorks

The TechWorks Outlots are intended for commercial and retail businesses that complement the TechWorks Campus mixed-use project. A local commercial realtor was engaged to reach developers and industries fitting the TechWorks Campus mission. With the Courtyard by Marriott hotel now open and more occupants in the TechWorks 1 building, there is more interest in the outlots. There is more interest in clustering sports activities in this area to complement the Cedar Valley SportsPlex and the Young Arena ice hockey facility. We anticipate development beginning to occur on the outlots during the next construction season.

Project #3 – Marina – Cedar Valley TechWorks and City of Waterloo

The Cedar Valley Marina has been identified as a priority in the Cedar River Plan, Techworks Business Plan, and Waterloo’s downtown Master Plan. The City has made great strides toward the development of a marina on the Cedar River riverfront. Working in partnership with the Cedar Valley TechWorks, the Lot 6 and 7 location is being planned for a marina setup, due to the flow of the Cedar River and an area that will physically work as a “landing” area on the river itself. Current plans indicate the creation of a cove on the riverfront side of the level, with trail connections to the land side of the levee. We are investigating where best to locate amenities such as docks and
Iowa Reinvestment District
City: Waterloo
Contract Number: 15-RD-001
Page 2 of 2

kayak chutes in this area that will be approved by the Iowa Department of Natural Resources and the Army Corps of Engineers.

On the land side of the levee, we are working to finalize plans with a developer for a commercial building that can house the marina elements envisioned, such as kayak rentals, canoe rentals and boat and fishing equipment. The City is currently negotiating with a developer for the site to construct and create the marina setup. The city is also taking steps to qualify the public improvements for federal enhancement funds that we previously programmed for a connection from Brinker Lake to the Cedar River. That would provide approximately $545,000 in funding for the marina development that will be combined with the Waterloo Development Corporation’s commitment of $250,000. Construction could potentially be underway in 2019.
Iowa Reinvestment District
City: Waterloo
Contract Number: 15-RD-001

Project update to IEDA as of September 30, 2018
Schedule B

City of Waterloo Expenses

Project # 1 - TechWorks

Payments to Developer for Economic Development Grant

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<th>Date</th>
<th>Amount</th>
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<td>10/23/2017</td>
<td>1,275,614.85</td>
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<td>12/4/2017</td>
<td>644,399.40</td>
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<td>2/2/2018</td>
<td>1,224,328.68</td>
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<td>5/29/2018</td>
<td>465,550.96</td>
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From Bond Issue # 3

Subtotal

3,609,893.89

Other:

Subtotal

Total Other 10/1/17 - 5/30/18

---

Bond Issuance Costs

Subtotal

Total Other 10/1/17 - 5/30/18

---

Project # 3 - Marina

Environmental Assistance Contract - Impact7G

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<td>11/21/2016</td>
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<td>1/3/2017</td>
<td>223.60</td>
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Total Other 10/1/16 - 9/30/17

5,001.10
Iowa Reinvestment District  
City of Waterloo - Contract 15-RD-001  
Project Budget Summary  
Cumulative Through September 30, 2018

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<tr>
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<td>IRD Proceeds</td>
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<td>Tech II Building</td>
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<td>5,997,965</td>
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<td>8,123,605</td>
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<td>Tech I Building</td>
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<td>3,000,000</td>
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<td>Miscellaneous Expenses - City</td>
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<td>47,407</td>
<td>77,765</td>
<td>47,143</td>
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<td><strong>Project 2:</strong></td>
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<td>Campus Commercial Outlots</td>
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<td><strong>Project 3:</strong></td>
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<td>Marina - Phase I</td>
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<td>Miscellaneous Expenses - City</td>
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<td>8,964</td>
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<td>17,999</td>
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<td><strong>Totals</strong></td>
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<td>59,432,972</td>
<td>12,000,000</td>
<td>123,606</td>
<td>8,189,362</td>
<td>41,766,720</td>
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</table>
Downtown Sports Cluster
- Multiple sports/recreation facilities
- Sports training and fitness center
- Ice hockey and dek hockey
- Wrestling
- Soccer
- Hospitality

Boating and Paddling Recreation Cluster
- Power boats and paddling
- Cycling trails
- Cattle Congress events
- Proposed camping area

Civic and Community Facilities Cluster
- Baseball facilities
- Boathouse facilities, rowing, and river access
- Picnic and play areas
- Basketball
- Volleyball
- Disc golf
- Skatepark

Riverfront Stadium
- Expo Grounds
- Hotel
- National Cattle Congress
- Cedar Valley Sports Center
- TechWorks Hotel
- SingleSpeed Brewing Co.
- Convention Center
- Cedar Valley Lakes Trail
- Sergeant Road Trail
- Trolley Trail
- South Riverside Trail
- 218 Trail
- Martin Luther King Drive Trail
- Cedar Valley Lakes Trail
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Cedar Valley Family Sports & Recreation Clusters
Waterloo, Iowa

Revised: July 13, 2018
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