September 30, 2019

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 reports for the Iowa Reinvestment District for the period ending September 30, 2019.

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 new Hawkeye Community College Adult Learning Center is now completed, consisting of an $8 million three-story, 45,000 square foot building with capacity to serve 4,000 students. Single Speed Brewery, a $5.2 million renovation of the historic former Wonder Bread Bakery, is now operating. The Single Speed developer has partnered with others and has recently opened Verve Kombucha Kitchen & Bar in the Riverloop Expo Plaza. The Art Bloc, a 72 unit mixed residential and commercial development, is under construction on the riverfront near the Art Center.
The City of Waterloo was awarded a $1.2 million grant for the streetscaping of Jefferson and Commercial Streets from West 2nd Street Downtown to Westfield Avenue on the eastern edge of the IRD area. This $3.7 million total project will create a better pedestrian walking system from the main portions of the Downtown district to the TechWorks Campus, as well as adding additional parking in Downtown Waterloo.

The City continues to work with the Iowa Department of Transportation (IDOT) for the acquisition of excess land along Highway 218 to develop the Grand Crossing III project. The Grand Crossing I project won numerous awards for its design, and the Grand Crossing II project includes commercial space on the first floor contributing to positive development in this area of the community.

The City has made substantial progress toward the development of the Cedar Valley Marina on the Cedar River. Current plans are to create public improvements including landscaping, trail connections and levee alterations to create a pathway to the waterfront. Waterfront improvements will include concrete docking stations and kayak slips. Private development of $4 million is estimated which will include a mixed use residential building with first floor commercial space for operation of the Marina business.

The Reinvestment District project is serving as a catalyst for all of these new 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
Chief Financial Officer
City of Waterloo
715 Mulberry Street
Waterloo, IA 50703

cc: Noel Anderson, Community Planning & Development Director
    Wes James, Cedar Valley TechWorks
    Rodney Blackwell, FDP
    Jennifer Kakert, FDP
Reinvestment District 2019 Annual Report

Recipient: City of Waterloo 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 Kakert Phone # 563-324-9898
Title: CFO
Signature: jkakert@fdp-usa.com Date 10-1-2019

Authorized Signatory:
Name: Rodney Blackwell
Title: Manager
Signature: Date 10-1-2019
Iowa Reinvestment District
City: Waterloo
Contract Number: 15-RD-001
Project Update as of September 30, 2019

Schedule A:

Project 1:

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

Through the end of September 2019, the project had expended a total of $44,176,633 and has completed its planned owner spending other than warranty spending. During the 12 months since our last report, the spending was $4,777,060 including recording deferred developer fees of $4,596,838 that will be paid by the owner.

Funding:

<table>
<thead>
<tr>
<th>Source</th>
<th>Cumulative</th>
<th>Last 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Midwest Loan</td>
<td>$13,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>City of Waterloo Bond Issue 2</td>
<td>$9,249,196</td>
<td>$0</td>
</tr>
<tr>
<td>Dubuque Bank &amp; Trust Bridge Loan</td>
<td>$7,698,113</td>
<td>$0</td>
</tr>
<tr>
<td>City of Waterloo Bond Issue 3</td>
<td>$7,760,226</td>
<td>$0</td>
</tr>
<tr>
<td>Owner Spending</td>
<td>$6,469,098</td>
<td>$4,777,060</td>
</tr>
<tr>
<td>Total</td>
<td>$44,176,633</td>
<td>$4,777,060</td>
</tr>
</tbody>
</table>

Unspent funds remain on City of Waterloo Bond Issue 3 in the amount of $191,159.08 which has been earmarked for payment of warranty items.

The owner received the Brownfield tax credit $500,000, in October 2018, which was monetized and used to pay interest on bridge loan debt and final bills.

The Blue Iguana restaurant, a 6,000 sq. ft. Mexican restaurant located on the 1st floor of the Hotel, opened in November 2018. The Iron Horse Social Club, a 1,200 sq. ft. pub which is also located on the 1st floor of the Hotel, opened in February 2019. Attached are photos of the restaurant and pub.

The FDP Hotel Project won the Waterloo Historic Preservation Commission award for excellence in historic preservation.

Sales at the Hotel are up 34% year over year. On a recent weekend in September, the Hotel had guests from 18 states and Canada, and over 20 counties in Iowa.
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:  _Michelle Weidner___________ Phone #__(319) 291-4323____
Title: _Chief Financial Officer______________________________
Signature ____________________________ Date 10-1-19
E-Mail Address _michelle.weidner@waterloo-ia.org____________________

Authorized Signatory:
Name: _Quentin Hart_____________________________________
Title: _Mayor__________________________________________
Signature ____________________________ Date 10-1-19
Recipient: TechDocks - 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: [Name]
Phone #: [Phone]
Title:
Signature: ____________________________ Date ____________________________

E-Mail Address: ____________________________

Authorized Signatory:
Name: [Name]
Title: President, TechDocks
Signature: ____________________________ Date 10-1-19
Iowa Reinvestment District  
City: Waterloo  
Contract Number: 15-RD-001  

Project Update to IEDA as of September 30, 2019:  
Schedule A  

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

- A new passenger elevator was installed in the Tech 1 building, supporting current growth on floors 1-3, and allowing for future growth on upper floors.
- Productive Resources, a provider of engineering support services to Deere and other manufacturers, continues to grow, and has again expanded their presence at TechWorks. The company has hired another 15 engineers, adding furniture and workstations to their new 5,700 sq. ft. office space on 3rd floor.
- The University of Northern Iowa’s Additive Manufacturing & Design Center maintains 16,000 sq. ft. of 3-D printing, robot mold milling, and investment casting laboratory, along with professional offices and dedicated student engineering center space. The Additive Manufacturing & Design Center occupies the entire leasable 1st floor of the Tech 1 building. This year, additional equipment was added to the robotic mold milling cell, and additional investment casting printer equipment, and processing, has been added to the Center’s existing sand-printing, FDP (Fused Deposition Printer) and SLA (Stereolithography) plastic, DMLS (Direct Metal Laser Sintering) metal, and powdered metal binder jet printing capabilities.
- The Cedar Valley Makers continue to 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 sq. ft. of 3rd floor. Makerspace membership continues to grow, and with more than 50 paying members, the organization has provided community workshops and youth programming. This year, youth partnerships with the community schools, state university engineering contest teams, and First Lego League were conducted.

*Project # 2 - TechWorks Campus Outlots*

The City of Waterloo is working with TechWorks to acquire the out lots on the site, including the land behind the Courtyard by Marriott Hotel, the land between the Tech I building and the hotel, and the site for the new Marina development described below. This will allow the City to move ahead with design and platting of the area with infrastructure extensions for future projects.

The TechWorks out lots are intended for commercial and retail businesses that complement the TechWorks Campus mixed use project. With the Hotel now open and higher occupancy in the Tech I building, interest in development opportunities has increased. A developer with experience in the Cedar Valley has expressed interest in a conceptual project to be located on the TechWorks out lots. Initial discussions are underway for project funding and conceptual design sketches. More information will be available regarding this project as details are finalized.
Project # 3 – Cedar Valley Marina

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 partnered with Waterloo Development Corporation (WDC) to contract with AECOM Engineering for the design of public improvements on the Marina site. This project involves landscaping, trail connections, and levee alterations to create a pathway to the waterfront. The waterfront improvements will also include concrete docking stations and kayak slips for boats, canoes, and kayaks. The City of Waterloo has secured $459,000 in Metropolitan Planning Organization federal road enhancement funds for public improvements that will occur on the site. Private development is estimated at $4 million for a mixed use residential building on the site, with first floor commercial space for the operation of the Marina.
Iowa Reinvestment District  
City: Waterloo  
Contract Number: 15-RD-001  

Project update to IEDA as of September 30, 2019  

Cedar Valley TechWorks Expenses  

**Project # 1 - Building 1 - Cedar Valley TechWorks**  
- Replace freight elevator with new passenger elevator: $366,013.92  
- Install Building Security Cameras: $9,247.58  
- Install Building Access Control RFID Card System: $47,764.89  
- Roof Repair Work: $155,380.33  
- Grow Cedar Valley Offices Improvements: $479,591.00  
- UNI Building Improvements: $397,904.50  
- Productive Resources Offices Improvements: $95,000.00  

**Subtotal** $1,550,902.22  

**Project # 2 - TechWorks Campus Outlots - Cedar Valley TechWorks**  
- Architecture Fees - 292 Design Group: $123,302.56  
- Grant Assistance: $8,500.00  

**Subtotal** $131,802.56  

**Project # 3 - Cedar Valley Marina - City of Waterloo**  
- AECOM Design Services: $6,690.99  
- AECOM Design Services: $10,019.55  

**Subtotal** $16,710.54  

**Total** $1,699,415.32
Iowa Reinvestment District  
City: Waterloo  
Contract Number: 15-RD-001

Project update to IEDA as of September 30, 2019  
Schedule B

City of Waterloo Expenses

Project # 1 - Building 1 - Cedar Valley TechWorks

Payments to Developer for Economic Development Grant

/ 

From Bond Issue # 3

<table>
<thead>
<tr>
<th>Subtotal</th>
</tr>
</thead>
</table>

Other:

<table>
<thead>
<tr>
<th>Owner Spending</th>
<th>$4,777,060.00</th>
</tr>
</thead>
</table>

| Total Other 10/1/18 - 9/30/19 | $4,777,060.00 |

Bond Issuance Costs

<table>
<thead>
<tr>
<th>Subtotal</th>
</tr>
</thead>
</table>

Project # 3 - Cedar Valley Marina - City of Waterloo

<table>
<thead>
<tr>
<th>AECOM Design Services</th>
<th>8/5/2019</th>
<th>$6,690.95</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM Design Services</td>
<td>8/26/2019</td>
<td>10,019.55</td>
</tr>
</tbody>
</table>

| Total Other 10/1/18 - 9/30/19 | $16,710.54 |
|---------|----------------------|--------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------|
| Project 1: |
| Tech II Building | 46,722,972 | 8,000,000 | 5,997,965 | 25,278,003 | 8,123,605 | 4,777,060 | 44,176,633 |
| Tech I Building | 8,300,000 | 3,000,000 | 2,104,668 | | 1,550,902 | 3,655,570 |
| Miscellaneous Expenses - City | | | 47,407 | 77,765 | 47,143 | | 172,315 |
| Miscellaneous Expenses - Cedar Valley TechWorks | | | 67,164 | | | | 67,164 |
| Project 2: |
| Campus Commercial Outlots | 1,680,000 | | | | | | |
| Miscellaneous Expenses - Cedar Valley TechWorks | | | | | | | 131,803 |
| 131,803 |
| Project 3: |
| Cedar Valley Marina | 2,730,000 | 1,000,000 | | | | | |
| Miscellaneous Expenses - City | | | 9,035 | 8,964 | 5,001 | | 16,710 |
| Totals | 59,432,972 | 12,000,000 | 123,606 | 8,189,362 | 25,330,147 | 8,123,605 | 6,476,475 | 48,243,195 |