



IOWA REINVESTMENT DISTRICT APPLICATION

City of Grinnell, Iowa



MARCH 14, 2014
CITY OF GRINNELL, IOWA

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Table 1, Acronyms and Abbreviations

<u>Acronym/Abbrev.</u>	<u>Description</u>
IRA	Iowa Reinvestment Act
RFA	Reinvestment Fund Account
GMRC	Grinnell Mutual Reinsurance Company

SECTION A – Project and Eligibility

Name of Project/District: Grinnell 2014 Iowa Reinvestment Act District

Date Submitted: March 14, 2014

Pre-application

Final application

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

Contact Name: Russell L. Behrens

Address: 927 Fourth Avenue City: Grinnell State: IA Zip: 50112

Telephone: (641) 236-2600 Email: RB ehrens@grinnelliowa.gov

Federal Identification Number: 42-6004734

Size of Proposed District: 24.36 acres

Are the parcels contiguous, physically connected? Yes

Please describe: The parcels are all connected using 60' of the public right-of-way as connectors for the three primary locations: Grinnell Mutual Reinsurance Company, Brownells, Inc. and the new hotel. All are located in south Grinnell near the intersection of Interstate 80 and Iowa Highway 146. The project area travels north from the three primary locations listed above to the location of the proposed water tower. This is necessary to keep the water tower away from the airport. A project area map and preliminary legal description is included in section A3 (area map) and in section A5 (preliminary legal description).

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

The project will include construction of a new \$12.2M Grinnell Mutual Reinsurance Company Conference Center, a new \$11.6M Brownells Experiential Center, and a new \$7.3M hotel. The City of Grinnell will also be completing \$4.2M in public improvements within the District including \$532,000 to extend a water main to Grinnell Mutual Reinsurance Company, \$1,750,000 to build water storage/water tower, \$775,000 for the expansion of the recreational trail system in the District, \$481,324 to install new traffic signals in the District, and \$750,000 in community entrance enhancements, signs, lighting, landscaping, and related aesthetic work. The total capital investment in the proposed Grinnell 2014 Iowa Reinvestment Act District is \$35,474,815.

Staff met with Poweshiek County Assessor Dotty Bates on February 25, 2014 to discuss property valuations. After reviewing the projects located in the reinvestment district, Bates determined that these developments would significantly benefit the associated properties.

The current Grinnell Mutual Reinsurance Company building has an assessed value of \$6,937,270. The assessor estimated that the new construction of the conference center will increase the assessed building value by \$5,950,000, bringing their new total assessed value after project completion to \$12,887,270. This does not include the new parking lot.

The Brownell's Experiential Center will add an additional \$3,520,000 in assessed value to the warehouse/office complex currently under construction (this value has not yet been assessed on the portion under construction). It should be noted that Brownells has not completed construction of any portion of their facility, does not occupy any portion of their new

building, and has not applied for a revenue stamp to perform retail sales at this new facility. The Brownells Experiential Center will be above and beyond the investment and construction currently in process, adding \$11.2M to the \$20M currently being invested for a total investment by Brownells of \$31.2M at their Grinnell location if the Grinnell IRA proposal is approved.

The construction of a new hotel will have an estimated assessed building value of \$3,905,000. The new hotel has been evaluated specifically as a Hampton Inn; however the brand may change as the project develops.

The Poweshiek County Assessor estimates that the projects listed above will increase the total taxable value by a combined total of \$13,375,000. The total assessed value for the City of Grinnell is \$490,240,636 and this project would result in a 2.7% increase in the city's total assessed value.

The assessor did not estimate values for the public infrastructure and enhancement improvements. All estimated assessed values are for buildings only and do not include land value. Taxable values were not estimated.

Following your description, please provide the following attachments:

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

Please see attached resolution in **Appendix A, Resolution Establishing Reinvestment District.**

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

Please see **Appendix B, Urban Renewal Zone Documentation** for verification.

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

Please see **Appendix C, Detailed Map of Reinvestment District** for documentation.

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

Please see **Appendix D, Names and Addresses of Parcel Owners** for documentation.

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

Please see **Appendix E, Legal Description of Boundaries** for documentation.

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

Please see **Appendix F, Substantially Benefited Real Property** for documentation.

Table 2, Estimated Increases in Property Values

Estimated Increases in Property Value		
	Total Capital Investment	Estimated Assessed Building Value
Grinnell Mutual Reinsurance Company	\$ 12,255,594	\$ 5,950,000
Brownells Experiential Center	\$ 11,600,000	\$ 3,520,000
New Hotel	\$ 7,330,897	\$ 3,905,000
Totals	\$ 31,186,491	\$ 13,375,000
Source: Poweshiek County Assessor		

SECTION B – District Plan

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

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

Proposed Projects	Total Cost
Grinnell Mutual Reinsurance Company Conference Center	\$12,255,594
Brownells Experiential Center	\$11,600,000
New Hotel	\$7,330,897
City of Grinnell Infrastructure	\$4,288,324
	\$35,474,815

2. Amount of State Assistance Needed **\$11,795,655**

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

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

Figure 1 and Figure 2 illustrate the amounts and rate at which the various projects within the proposed City of Grinnell Reinvestment District will accrue distributions from the Reinvestment Fund Account (RFA) over the 20-year planning horizon. Figure 1 illustrates this from a “percent of cumulative distribution” perspective. By design, the public infrastructure projects claim 100% of all expected IRA distributions for the years 2014-2017. Upon receiving the pre-determined amount early in the planning horizon, no additional distributions flow to the infrastructure projects for the duration of the time period. Beginning in 2018, funds are split at predetermined rates between the non-municipal projects.

Figure 2 demonstrates the amounts and timing of IRA distributions to projects from an actual dollar perspective. As shown, approximately \$1M will be distributed to the Grinnell Mutual Reinsurance Conference Center, \$1.6M to the Infrastructure projects, \$3.2M to the New Hotel, and \$6M to the Brownells Experiential Center.

Figure 1, Distribution of Reinvestment Act Funds- Percent of Available Funds

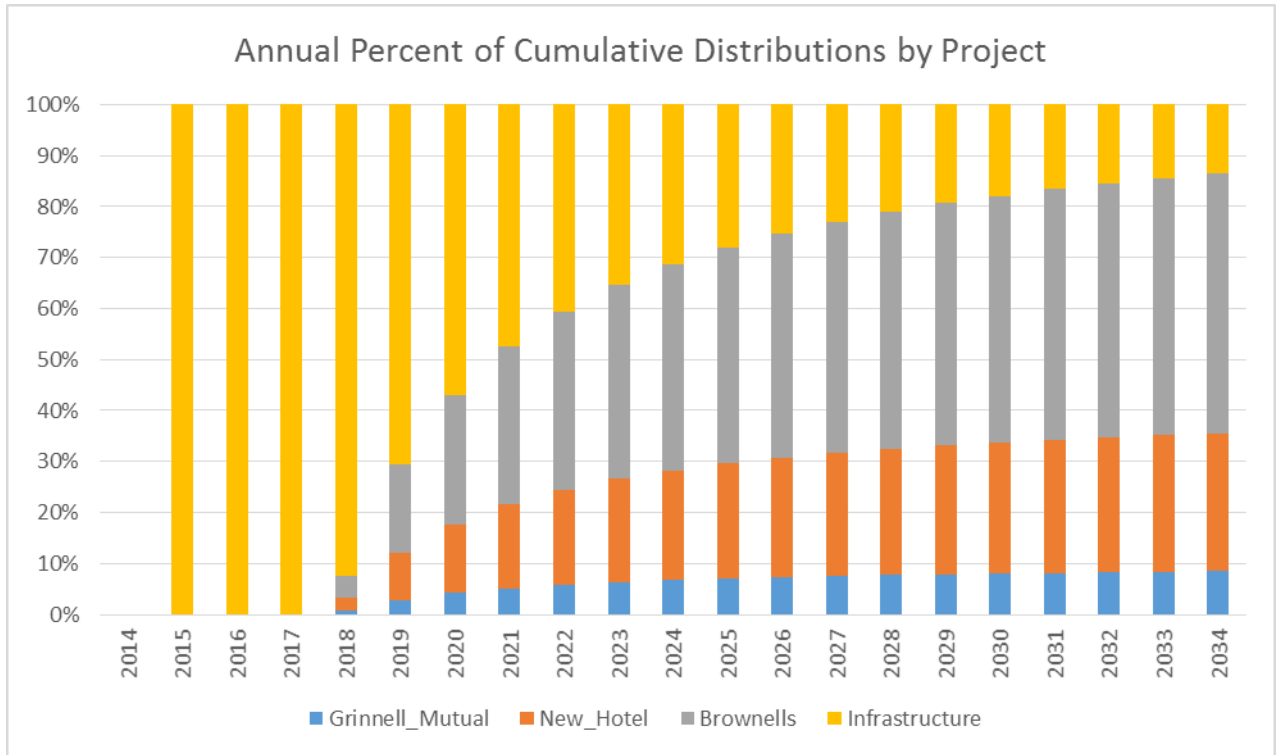
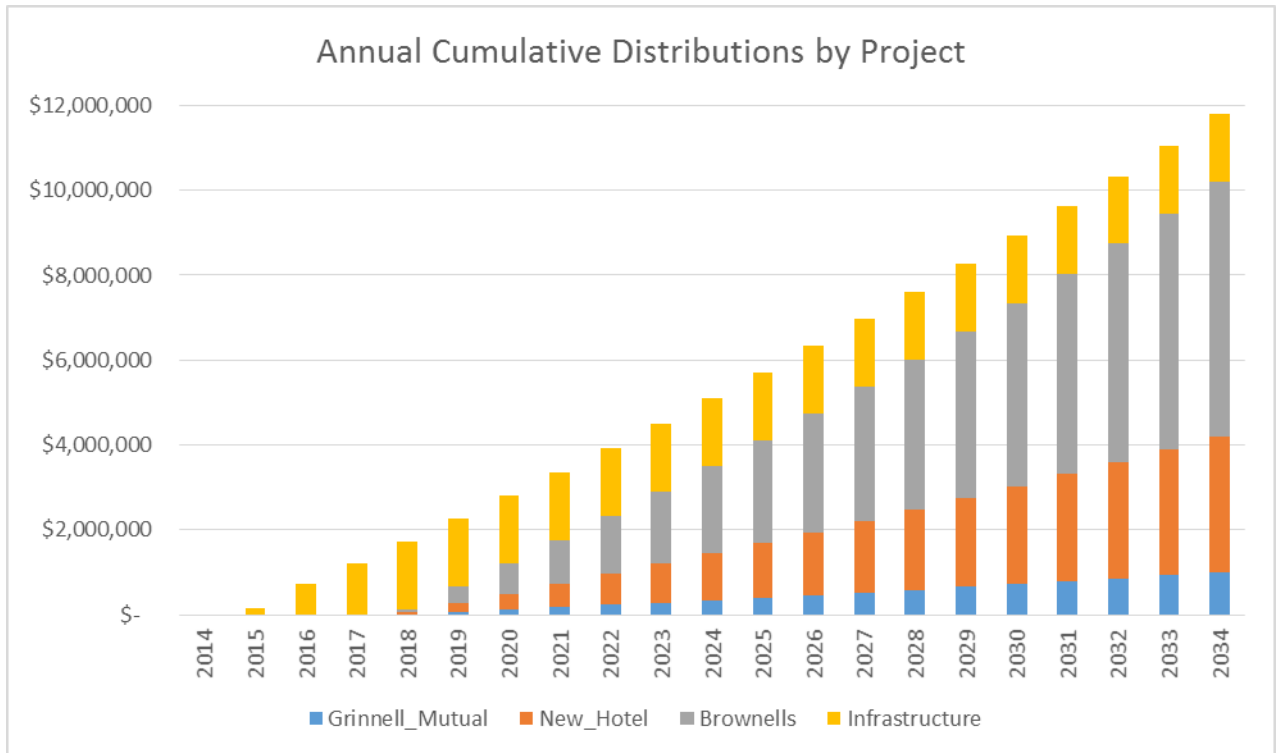


Figure 2, Cumulative Distribution of Reinvestment Act Funds



Grinnell Mutual Reinsurance Company Conference Center

GMRC plans to pay for the initial construction costs from existing capital reserves. The anticipated receipts from the district project will be used to replenish the capital reserves account. Ongoing operation of the facility will be partially

funded from operations income and receipts from non-company sponsored events held at the conference center. While GMRC does not currently anticipate a true financing gap in funding this project for internal use, making this facility available to outside groups and businesses will incur operational and staffing costs now and in the future that will be supplemented by Iowa Reinvestment Act funds. This will also provide a quality conference center to the region. Many event and conference centers are owned by municipal governments and operate at significant losses in many cases. The construction of this privately owned conference center that will be available to the public reduces the likelihood of a public conference center becoming a burden to tax payers.

In addition, paying for the construction costs from capital reserves will increase GMRC's expense ratio to earned premiums above its desired level of 30% or less. Funds received from the Iowa Reinvestment Fund will help to return the expense ratio to desired levels. The IRA assistance will allow the company to focus its capital reserves on growing its business and employment level.

Brownells Experiential Center

In 2013, Brownells began construction of a 215,139 square foot, \$20M facility that will house office, warehousing, retail and packing/shipping functionality. The new experiential center was originally proposed as new construction once the current facility was operational for 5 years. With the increased interest in the industry and the current company growth, Brownells. needed to accelerate the timeline on this facility to meet demand from its customer base. Given the recent financial investment for phase 1, and with the accelerated timeline for phase 2, the company is looking to the IRA funds to assist in funding the gap in finance. The total investment by Brownells in its Grinnell location if the Grinnell IRA proposal is approved will be \$31.2 million. Brownells. is in a significant growth phase and wants to use as much of its reserves as possible to develop its current offerings and acquire additional business. Without the IRA funds Brownells will not undertake this project and may have to slow expansion of the company. The retail area included as part of the Brownells Retail and Experiential Center will be larger and provide more product selection than the retail space planned in the original \$20M project.

New Hotel

With the addition of the GMRC Conference Center and Brownells Experiential Center, there will be an increased demand on hotel space in Grinnell. The land for the project has been secured and local investors have been put in place to develop and help with initial financing for this project. However, there remains a gap in the initial funding to begin construction. IRA funds are critical in moving this much needed project forward. The Grinnell community has been trying to develop this hotel project since 2006 and IRA funds are an absolute necessity to attract investors and make this project viable.

Infrastructure

There are multiple public infrastructure projects that will benefit from use of the IRA funds. Initially, the City will use bonds to pay for a portion the projects and the debt will be retired by IRA funds. The public infrastructure is being funded by a diverse source of funds including intergovernmental grants, voluntary special assessment, tax increment financing, cash reserves, and other sources. As is the case in many large scale public improvement projects, the City is pulling funds from many sources to make the improvements possible.

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

All charts are contained in each of the four project sections.

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

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

- Description and type of project (i.e. new lessor, new retail establishment, public improvement, etc.)
- Expected Timeline
- Detailed budget for the project
- Expected debt associated with each project
- Status of expected financing and financing gap
- Expected state hotel/motel tax and/or state sales tax projections over 20 years. (Provide assumptions and detail related to these projections.)
- Visual aids which enhance the understanding of the project
- Feasibility study conducted by an independent professional
 - Each project feasibility study should include the following, as well as any other pertinent information:
 - Projected annual gross revenues expected as a result of the proposed project
 - Detailed explanation of the economic impact expected as a result of the project
 - Estimate of the number of visitors or customers the project is expected to generate
 - A description of the unique characteristics of the project within the context of the “unique nature” (defined on page 2 of this application)

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

Assumptions and Sources of Variables

There are several key assumptions and variables used consistently for each project. Rather than restating them in each project section they are placed in this location in front of the individual project detail. The economic impact information presented for each project is specific to that project relative to Direct and Indirect impacts.

The Economic Impact Study in Section C will provide an overall analysis which includes Direct, Indirect and Induced impacts of the Grinnell Reinvestment District Project.

Construction Costs Subject to Sales/Use Tax

Since the projects included in this application are not at the stage where detail bid specifications have been completed, input from industry sources was used to estimate the portion of construction costs subject to state sales/use tax. Based on the input from two industry experts, 40% was used to calculate the portion of construction costs subject to sales/use tax.

- Chad Bunner Neumann Brothers Approximately 46% of the GMRC Conference Center construction costs will be subject to sales/use tax.
- Marc Gullickson Ryan Companies, Inc. Rule of Thumb: 40% of typical construction cost is subject to sales/use tax.

Inflation Factor

When projecting financial results over a period of 20 years it is imperative that inflation is included as a factor.

According to the Congressional Budget Office’s report “The Budget and Economic Outlook: Fiscal Years 2013 To 2023”,

the inflation rate for several indexes ranges from 1.9% to 2.3%. An inflation factor of 2.2% was used in the financial projections for this application.

Estimated New Employee State Income Tax

Since every individual’s tax status is different, information found in the Iowa 2011 Individual Income Tax Statistical Report (revised July 2013) was used. Table 3 below shows 10,852 returns (tax year 2011 filed in 2012) for Poweshiek County with a total tax liability of \$14,863,419. This represents an average annual tax payment of \$1,370 per return or 3.73% of Adjusted Gross Income. Since the new jobs added by this project and others in the reinvestment district will be average or above average pay positions a 4% rate multiplied by the salary estimates will be used to calculate the anticipated Iowa income tax contribution for the projects contained in the City of Grinnell Reinvestment District.

Table 3, 2011 Individual Income Tax Statistical Report – Table 10

TABLE 10 TOTAL PAY AND NO-PAY RETURNS BY COUNTY AGI AND TAX RESTRICTED TO POSITIVE VALUES						
County	Number of Taxpayers	Adjusted Gross Income	Taxable Income	Numbr of Personal Credits	Number of Dependent Credits	Tax Liability
MITCHELL	6,446	\$222,177,470	\$175,084,740	9,243	2,965	\$7,896,964
MONONA	5,239	\$184,745,781	\$140,441,461	7,735	2,267	\$6,823,069
MONROE	4,213	\$132,366,080	\$99,882,435	6,178	2,061	\$4,554,900
MONTGOMERY	6,085	\$190,636,533	\$146,982,119	8,705	2,796	\$6,844,099
MUSCATINE	25,655	\$914,245,606	\$695,736,428	35,017	13,295	\$34,222,736
O'BRIEN	9,048	\$323,835,585	\$251,443,814	12,594	4,076	\$12,308,087
OSCEOLA	3,814	\$126,883,333	\$100,925,561	5,328	1,917	\$4,546,603
PAGE	8,542	\$282,492,149	\$219,267,754	12,294	3,729	\$10,309,517
PALO ALTO	5,520	\$185,524,774	\$144,504,328	7,918	2,482	\$6,980,555
PLYMOUTH	15,375	\$647,352,271	\$498,302,587	21,085	7,615	\$24,331,683
POCAHONTAS	4,402	\$153,283,523	\$121,240,833	6,428	1,813	\$5,962,914
POLK	263,960	\$12,044,684,444	\$8,848,004,351	345,879	133,629	\$477,637,804
POTTAWATTAMIE	52,274	\$1,899,059,317	\$1,389,458,015	72,287	26,406	\$44,906,797
POWESHIEK	10,852	\$398,078,990	\$299,044,892	15,404	4,672	\$14,863,419
RINGGOLD	2,623	\$80,256,326	\$61,137,948	3,958	1,218	\$2,793,216
SAC	6,331	\$219,740,988	\$170,835,570	9,158	2,721	\$8,504,509
SCOTT	99,418	\$4,514,726,565	\$3,327,909,704	135,564	47,907	\$172,540,218
SHELBY	7,579	\$281,425,547	\$218,307,110	10,758	3,359	\$10,049,365
SIoux	19,411	\$805,354,903	\$608,027,613	26,362	11,565	\$29,894,863
STORY	47,122	\$1,956,396,295	\$1,458,687,665	61,005	18,420	\$75,790,995
TAMA	9,837	\$374,639,930	\$281,582,408	14,151	4,970	\$12,722,530
TAYLOR	3,392	\$104,030,454	\$82,232,092	5,061	1,621	\$3,591,277

(Continued)

IOWA DEPARTMENT OF REVENUE 2011 INDIVIDUAL INCOME TAX STATISTICAL REPORT

30

Independent Assessment of Application

In accordance with IEDA administrative rules, an independent review of the feasibility of each project included in the City of Grinnell’s Iowa Reinvestment District application has been completed. Additionally, an independent economic impact study for both local and state areas has been conducted. This work has been performed by Decision Innovation Solutions of Urbandale, Iowa. Please see Appendix G, Credentials of Feasibility and Economic Impact Study Authors for additional information on credentials and expertise in these areas.

B1 Grinnell Mutual Reinsurance Company Conference Center

B1.1 Description and Type of Project

Grinnell Mutual Reinsurance Company (GMRC) plans to construct a new conference center adjacent to their existing facility. This attraction will be a world-class, state-of-the-art conference center capable of hosting a variety of conferences, events and training & development functions. In addition, the center will be available for use by the City of Grinnell, non-profit organizations and other businesses in the reinvestment district and surrounding market area.

While some of the events will replace similar events held in other parts of the state, many of the events and activities will be added functions drawing participants from around Iowa and other states. These events will create economic activity in the area such as restaurant sales, hotel stays, fuel sales and more. This conference center is vitally important to the long term viability of GMRC as they work to recruit, train, retain and support a growing workforce, which currently is at 722 employees with projected growth to 827 employees by 2020 (Table 7). The success of GMRC is extremely important to east central Iowa.

Project Name: Grinnell Mutual Reinsurance Conference Center			
Funding Uses		Funding Sources	
Site Preparation	\$419,763.00	Business Capital Reserves	\$11,255,594.00
Building Acquisition	\$0.00	Iowa Reinvestment Act	\$1,000,000.00
Building Construction	\$8,999,225.00		
Building Remodeling			
Fixtures	\$2,500,000.00		
Architectural Design			
Engineering Design			
Construction Admin.			
Other	\$336,606.00		
Total Project Budget	\$12,255,594.00	Total Funding Sources	\$12,255,594.00

B1.2 Expected Timeline

GMRC is prepared to begin construction at the earliest date possible. For purposes of developing the financial projects for this project and all others within the district, a 15 May 2014 project approval date is assumed. Once construction begins the center will be operational within approximately 12 months. If this proposal is approved, this conference center will likely be the first project in Iowa completed using the Iowa Reinvestment Act program. It is anticipated that this project could be completed as early as May/June 2015.

B1.3 Detailed Budget for the Project

Details surrounding the budget and associated financial operations for the GMRC conference center can be found in Appendix H, Project Financials.

B1.4 Expected Debt Associated with Project

This project will be funded from existing capital reserves and cash flow and there will be no debt associated with the project. To replenish capital reserves and to aid in reducing GMRC's expense ratio to a pre-investment state, over the course of twenty years, ten percent of the City of Grinnell's RFA funds (up to a maximum total of \$1,000,000) will be disbursed to GMRC.

B1.5 Status of Expected Financing and Financing Gap

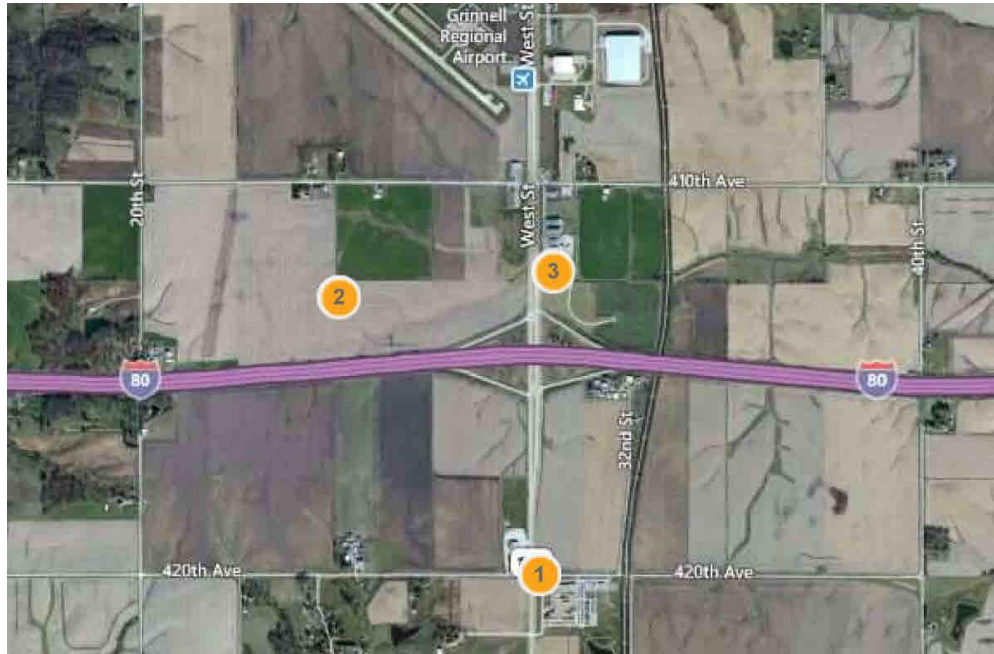
GMRC plans to pay for the initial construction costs from existing capital reserves. The anticipated receipts from the district project will be used to replenish the capital reserves account. Ongoing operation of the facility will be partially funded from operations income and receipts from non-company sponsored events held at the conference center. While GMRC does not currently anticipate a true financing gap in funding this project for internal use, making this facility available to outside groups and businesses will incur operational and staffing costs now and in the future that will be supplemented by Iowa Reinvestment Act funds. In addition, paying for the construction costs from capital reserves will increase GMRC's expense ratio to earned premiums above their desired level of 30% or less. Funds received from the Iowa Reinvestment Fund will help to return the expense ratio to desired levels.

B1.6 Hotel/Motel Tax and State Sales Tax Projections

Activities and events held at the new conference center will bring visitors into the community who will be staying at the proposed new hotel, which will also be within the City of Grinnell's Reinvestment District. Incremental hotel/motel tax revenue generated as a result of these increased hotel stays is accounted for in the New Hotel Section (B3). Since there are no events anticipated where GMRC will provide sales/use taxable food service, there is no expectation of sales tax receipts for consideration with regard to this Iowa Reinvestment District application.

B1.7 Visual Aids

Figure 3, Aerial Photo of Proposed City of Grinnell Reinvestment District Projects



The GMRC Conference Center is located south of Interstate 80 and east of Highway 146 (Site 1). The new conference center will be constructed adjacent to the existing structure on the south side of the existing building. The new construction site has been annexed into the City of Grinnell, has been included in the city's urban renewal area, and is located within the District Plan and meets all requirements pertaining to the creation of an Iowa Reinvestment District.

Figure 4, Location of New Conference Center

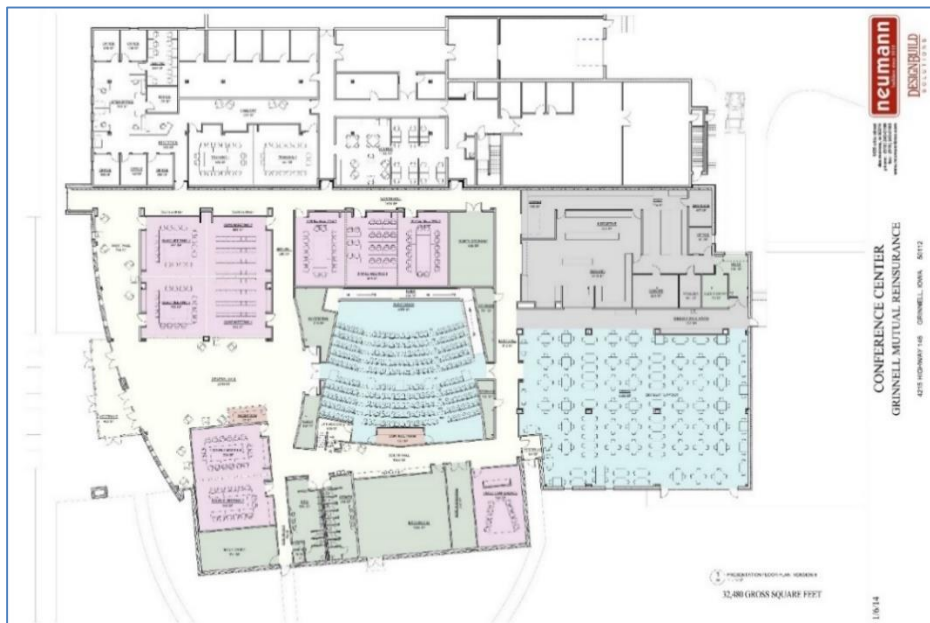


The GMRC Conference Center will be connected to the south side of the existing structure. There will be some modifications and remodeling of the existing structure. Because the modifications will be applied to a building in operation prior to the application approval date, the cost of the modifications to the existing structure are not included in the project budget. Further, these modifications to the existing structure are also excluded from the economic impact study for the City of Grinnell Reinvestment District.

Figure 5, Architectural Renderings



Figure 6, Conference Center Floor Plan



B1.8 Feasibility Study – GMRC Conference Center

This feasibility study was completed to evaluate the proposed construction of a conference and training center adjacent to the south of the existing GMRC headquarters. The construction will be funded from corporate capital reserves with a portion of those expenditures to be offset by future receipts from an RFA created on behalf of the City of Grinnell. Since the new conference center will be integrated into the overall operations of the company, the financial projections focus on capital expenditures during construction and cash requirements for operation of the facility offset by rental income from use of the facility by external groups. Grinnell does not have any conference or event space of this size or quality, so the GMRC conference center has no competition.

B1.8.I Projected Annual Gross Revenue

The majority of the events held in the new conference center will be company-sponsored events for its employees and agents. Based on projections prepared by individual departments within GMRC, the conference center will be utilized during normal business hours for approximately 165 days per year. The conference center will be available for outside events for approximately 34 days during normal business hours and occasional weekday evenings, Table 4. While these utilization estimates cover a one year period, minimal change in the mix of activities is expected. The City of Grinnell has no facilities similar to the GMRC Conference Center.

Table 4, Estimated Internal Use & Public Availability

Estimated Full Work Days - Public Availability			
Department	Full Days Used	Other Sessions Count	Estimated Full Day Equivalents
Audit Services	1	0	0
BIS	2	1	3
CLAIMS	8	8	24
CROP HAIL	2	0	0
DIRECT UW	24	1	3
GOVERNMENT AFFAIRS	4	0	0
HR	0	5	13
INVESTIGATIONS	8	0	0
REINSURANCE	29	0	0
LEGAL FINANCE, ADMIN SVC	0	0	0
TRAINING & DEVELOPMENT	9	11	33
	88	25	78
Annual Week Days (Less Holidays)	200		
Estimated Full Day Occupancy	165		
Potential Days of Availability	34		
Source: Department Events Summary			

The conference center will be available for use by other groups and businesses in the community for a rental fee which will generally not include GMRC-provided food service. In the majority of cases, the outside groups or businesses using the facility will be required to provide their own catering service. Based on the number of available days per year, an estimate has been prepared for rental fee income from non-company events. Table 5 summarizes the projected rental income derived from outside use of the conference center. Since the catering will be supplied by the renter there are no sales tax receipts projected to accrue to GMRC.

Sales tax income on meals served to employees are not counted in our estimates since the cafeteria is a current and ongoing operation.

Table 5, Estimated Gross Revenue

	20 Year Total	20 Year Average
Receipts		
Event Center Rental	\$ 437,169	\$ 21,858
Total Receipts	\$ 437,169	\$ 20,818
Source: Grinnell District Application Supporting Data		

Most of the economic benefit with regard to the new GMRC Conference Center will come from the direct and indirect economic activity in the market area from conference participants who are staying in the community for one or more nights. These benefits will be addressed in the next section.

B1.8.II Explanation of Economic Impact

A significant driver for GMRC’s desire to invest over \$12M in a new conference and training center is employee recruitment and retention. The demographics of the overall insurance industry work-force (especially for GMRC), indicate significant retirement of talent in the next five to ten years. Identifying and recruiting skilled replacements will be a major initiative for the company. A new state-of-the-art conference center will be a critical component in support of that initiative.

This project is a major commitment to the community and market area providing a stable source of jobs that pay well. It is important to stress that the new conference center will be supporting the recruitment, retention and training of all employees as the company grows from the current employment level of 722 employees to a projected 827 employees by the year 2020 (Table 7).

The direct economic impact will be the anticipated addition of three new positions, an increase in property valuation, and sales/use tax on construction materials. The indirect economic impacts are derived from anticipated employment growth enabled by the conference center, hotel stays and additional revenue from out of town participants in conferences and events held at the new facility.

Direct Economic Impact

The new conference center will require the immediate addition of staff in administration, maintenance and technology for a total of three new employees directly attributed to the project. Additional direct benefits are sales tax receipts on the taxable portion of construction inputs and an increase in property tax receipts. These direct benefits are shown in Table 6.

Table 6, Grinnell Mutual Reinsurance Company - Direct Economic Impact

Direct Economic Impact		
	Full Term Benefit	Description
Employment	\$ 79,200	Iowa State Income Tax (10 Years)
Property Taxes	\$ 4,200,870	Increase Property Tax Valuation
Sales Tax	\$ 384,134	Tax Rate Times (Furniture & Fixtures + 40% of Construction Costs)
Totals	\$ 4,664,205	
Source: Grinnell District Application Supporting Data		

Indirect Economic Impact

As mentioned earlier, the addition of the new conference center will enable the growth of the company. The following table shows an estimated addition of 105 new employees over the 20-year period. Of these 105 new employees, three

are directly attributed to the new conference center and the balance of 102 are included in the indirect economic impact estimate. Additional indirect economic benefits from the construction of the GMRC conference center are derived from the increased number of overnight visitors staying in local hotels and motels and an estimate of the amount of spending per day on meals and other purchases during their stay in the community. The projected number of visitors and per diem spending are shown in Table 10 in the following section B1.8.III.

Table 7, Grinnell Mutual Reinsurance Company - Enabled Corporate Growth

Grinnell Mutual - Enabled Growth in Employment														
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		Change	IA State Tax
Premium Assumptions														
Premium Growth Est.	7.4%	5.0%	6.0%	8.0%	9.0%	8.0%	7.0%	6.0%	5.0%	5.0%	5.0%			
Written Premium (\$s in 000s)	\$ 515,327	\$ 541,093	\$ 573,559	\$ 619,444	\$ 675,194	\$ 729,209	\$ 780,254	\$ 827,069	\$ 868,422	\$ 911,844	\$ 957,436		\$ 442,109	
Earned Prem Growth Est.	9.8%	5.0%	6.0%	8.0%	9.0%	8.0%	7.0%	6.0%	5.0%	5.0%	5.0%			
Earned Premium (\$s in 000s)	\$ 439,440	\$ 461,412	\$ 489,097	\$ 528,224	\$ 575,765	\$ 621,826	\$ 665,354	\$ 705,275	\$ 740,539	\$ 777,566	\$ 816,444		\$ 377,004	
Talent Impact														
Operating Talent Growth Est.		2.0%	3.0%	5.0%	4.0%	3.0%	2.0%	1.0%	0.0%	0.0%	0.0%			
Talent Full Cost/Role Est.	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000			
Reinsurance	29	30	30	32	33	34	35	35	35	35	35		6	
Underwriting	161	164	169	178	185	190	194	196	196	196	196		35	
Claims	169	172	178	186	194	200	204	206	206	206	206		37	
Reinsurance Adjusters	40	41	42	44	46	47	48	49	49	49	49		9	
Crop Hail*	36	36	37	38	39	39	40	40	40	40	40		4	
BIS*	148	149	150	152	153	154	155	156	156	156	156		8	
Other Support*	139	140	141	143	144	145	146	146	146	146	146		7	
Total Projected Growth	722	732	747	772	794	810	821	827	827	827	827		105	
Projected Incremental Compensation	\$ 645,150	\$ 984,592	\$ 1,683,962	\$ 1,406,118	\$ 1,091,654	\$ 747,014	\$ 380,107	\$ -	\$ -	\$ -	\$ -		\$ 6,938,598	
Conference Center Support Staff (3)	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 198,000		\$ 1,980,000	\$ 79,200
Growth Driven Staff Additions	\$ 447,150	\$ 1,431,742	\$ 3,115,705	\$ 4,521,823	\$ 5,613,477	\$ 6,360,491	\$ 6,740,598	\$ 6,740,598	\$ 6,740,598	\$ 6,740,598	\$ 6,740,598		\$ 48,452,778	\$ 1,938,111
* Assumed supporting division growth of 25% of operating talent impact														
Source: D. Wingert, Conf Center Talent Impact														

Employees added to support business growth are considered part of the indirect benefit of the new conference center since they are not directly connected to the operation of the new facility. The hotel stays and per diem spending included in the indirect economic impact are attributed to new events and events moved to Grinnell from other locations.

Table 8, Grinnell Mutual Reinsurance Company - Indirect Economic Impact

Indirect Economic Impact		
	Full Term Benefit	Description
Employment	\$1,938,111	State Income Tax 103 Added Employees (10 Years)
Motel Stays - State	\$173,496	Hotel/Motel Tax
Motel Stays - City	\$242,896	Local Hotel/Motel Tax
Per Diem Spending	\$46,260	Sales Taxes On Overnight Visitor Spending
Totals	\$2,400,763	
Source: Department Events Summary & Conf Center Talent Impact		

Net Economic Impact

While all activity at the new GMRC conference center benefits the Grinnell market area, a portion of the overnight stays and per diem activity are attributed to events brought to Grinnell from other areas of the state. Table 10 in section B1.8.III provides detail on visitors of events brought to Grinnell. Therefore, the economic impact estimate has been adjusted by subtracting the activity from events brought to Grinnell from the total. This adjustment is shown in the following table.

Table 9, Net Economic Impact - GMRC Conference Center Project

Net Economic Impact		
	Amount	Description/Source
Total Direct Economic Impact	\$ 4,664,205	Table 6
Total Indirect Economic Impact	\$2,400,763	Table 8
Economic Impact - Existing Events Moved to Grinnell		
State Hotel/Motel	\$ (82,483)	Table 10, Move to Grinnell Room Revenue *.05
Local Hotel/Motel Tax	\$ (115,477)	Table 10, Move to Grinnell Room Revenue *.07
Sales Tax on Overnight Visitor Spending	\$ (18,327)	Table 10, Move to Grinnell Meal Revenue *.05
Net Economic Benefit	\$ 6,848,681	

B1.8.III Estimated Number of Visitors or Customers

GMRC currently reinsures over 250 mutual insurance companies and utilizes over 1,600 independent agents in Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, and Wisconsin. GMRC needs to ensure independent agents are very familiar with their product offerings as well as policy issuance and claims servicing processes. The conference center will be the key center for holding those update and training sessions.

Currently some of these update and training sessions are held in regional locations in other parts of Iowa. While moving these sessions to the new conference center will benefit the reinvestment district and local market area, the other Iowa locations will experience a negative economic impact. The following table identifies new versus transferred visitors to show the full economic benefit to the Grinnell market area and the net positive impact to the state’s economy. It is assumed that relocated update and training meetings previously held in areas outside of Iowa are new economic activity to both the State of Iowa and Poweshiek County.

Table 10, Visitor Count and Per Diem Spending

Projected Visitor Count and Per Diem Spending										
Year	Room Rate	Per Diem	Move to Grinnell				New			
			Overnight Count	Person Nights	Room Revenue	Meal Revenue	Overnight Count	Person Nights	Room Revenue	Meal Revenue
2015	\$91.98	\$20.44	179	309	28,422	6,316	213	363	33,389	7,420
2016	\$94.00	\$20.89	340	648	60,912	13,537	433	748	70,336	15,631
2017	\$96.07	\$21.35	357	680	65,328	14,518	441	772	74,190	16,488
2018	\$98.18	\$21.82	375	714	70,101	15,579	449	797	78,274	17,396
2019	\$100.34	\$22.30	394	750	75,255	16,725	458	823	82,605	18,358
2020	\$102.55	\$22.79	394	750	76,913	17,093	458	823	84,424	18,762
2021	\$104.81	\$23.29	394	750	78,608	17,468	458	823	86,285	19,173
2022	\$107.12	\$23.80	394	750	80,340	17,850	458	823	88,187	19,593
2023	\$109.48	\$24.32	394	750	82,110	18,240	458	823	90,129	20,021
2024	\$111.89	\$24.86	394	750	83,918	18,645	458	823	92,113	20,466
2025	\$114.35	\$25.41	394	750	85,763	19,058	458	823	94,139	20,919
2026	\$116.87	\$25.97	394	750	87,653	19,478	458	823	96,213	21,380
2027	\$119.44	\$26.54	394	750	89,580	19,905	458	823	98,329	21,849
2028	\$122.07	\$27.12	394	750	91,553	20,340	458	823	100,494	22,327
2029	\$124.76	\$27.72	394	750	93,570	20,790	458	823	102,709	22,820
2030	\$127.50	\$28.33	394	750	95,625	21,248	458	823	104,964	23,323
2031	\$130.31	\$28.95	394	750	97,733	21,713	458	823	107,278	23,833
2032	\$133.18	\$29.59	394	750	99,885	22,193	458	823	109,640	24,360
2033	\$136.11	\$30.24	394	750	102,083	22,680	458	823	112,053	24,895
2034	\$139.10	\$30.91	394	750	104,325	23,183	458	823	114,514	25,447
Source: Department Events Summary			7,555	14,351	1,649,672	366,555	8,869	15,853	1,820,265	404,461

The increase in visitors to the market area is equal to the overnight count for events moved to Grinnell added to the overnight count for new events. For example, the estimated number of visitors for 2016, the first full year of operation, is 773 (340+433). This is a conservative estimate since some of the events are held more than once per year. This is factored into the calculation for Person Nights. Over the 20 year project period the conference center will bring an estimated total of 16,424 visitors into the market area, utilizing an estimated 30,204 person nights in area hotels/motels.

B1.8.IV Description of the Unique Characteristics of the Project

GMRC is a well-established company with aggressive growth plans that is choosing to invest in and grow in Grinnell and Iowa. Events held at the Conference Center will support the new hotel project. Many of the conference attendees from out of town are likely to visit the Brownells retail and experiential center. There are very few examples of privately owned conference space of this size and quality in rural communities in Iowa or the Midwest. GMRC competes for employees with companies all over the Midwest and beyond, and this conference center is one more tool they can use to recruit and retain quality employees in this rural setting. The fact that this new conference center will play an important role in the retention, training and recruitment of 827 well paying insurance industry jobs in a rural community of 9,200 residents is certainly unique to Iowa.

The GMRC conference center and the other projects in the proposed City of Grinnell Reinvestment District represent a cooperative effort between community and business to draw potential employees to the area to work in a company that has been recognized as “Large Employer, IA Top Workplace in 2011, 2012, and 2013”. Ian Bullion, AVP of Human Resources, GMRC 2/21/2014.

B2 Brownells Retail and Experiential Center

B2.1 Description and Type of Project

Brownells, a company dedicated to Poweshiek County for 75 years, provides quality optics, range accessories, clothing, archery equipment, gunsmithing tools, gun parts and service to the firearms industry. The Brownells retail and experiential center are a key component to its future marketing strategy. This facility will offer individuals and groups an opportunity to experience, first hand, the products Brownells offers. This 17,600 square foot facility will offer attractions such as indoor firearm and archery shooting ranges, virtual laser experiences, classroom space, and an expanded retail center.

Project Name: Brownells Experiential Center			
Funding Uses		Funding Sources	
Site Preparation		Loan Proceeds	\$3,100,000.00
Building Acquisition		Equity Contribution	\$2,500,000.00
Building Construction	\$8,100,000.00	Iowa Reinvestment Act	\$6,000,000.00
Building Remodeling			
Fixtures	\$3,100,000.00		
Architectural Design	\$400,000.00		
Engineering Design			
Construction Admin.			
Other			
Total Project Budget	\$11,600,000.00	Total Funding Sources	\$11,600,000.00

B2.2 Expected Timeline

Construction is expected to begin on the Brownells retail center in late 2014 with the intent to be at least partly in operation by Christmas 2014. Construction on the Brownells experiential center is expected to be completed by the end of 2015.

B2.3 Detailed Budget for the Project

Details surrounding the budget and associated financial operations for the Brownells retail and experiential center can be found in Appendix H, Project Financials.

B2.4 Expected Debt Associated with Project

This project will be funded from a combination of existing capital reserves and long-term debt. To replenish capital reserves and to reduce long-term debt, over the course of twenty years, sixty percent or a maximum of \$6M of the City of Grinnell's RFA funds (up to a maximum total of \$6,000,000) will be disbursed to Brownells.

B2.5 Status of Expected Financing and Financing Gap

In 2012-13, Brownells started construction of a 215,139 square foot, \$20M facility that will house office, warehousing, retail and packing/shipping functionality. The new experiential center was originally proposed as the next phase of construction once the facility currently under construction was operational for five years. With the increased interest in the industry and current company growth, Brownells needed to accelerate the timeline on this facility to meet demand from its growing customer base. Given the recent financial investment for phase 1, and with the accelerated timeline for phase 2, the company is looking to the IRA funds to assist in funding the gap in finance. The additional investment of \$11.2M above and beyond the current \$20M will not be possible without the assistance of the IRA funds. Further, this experiential center is vital to the short and long term growth plans for Brownells.

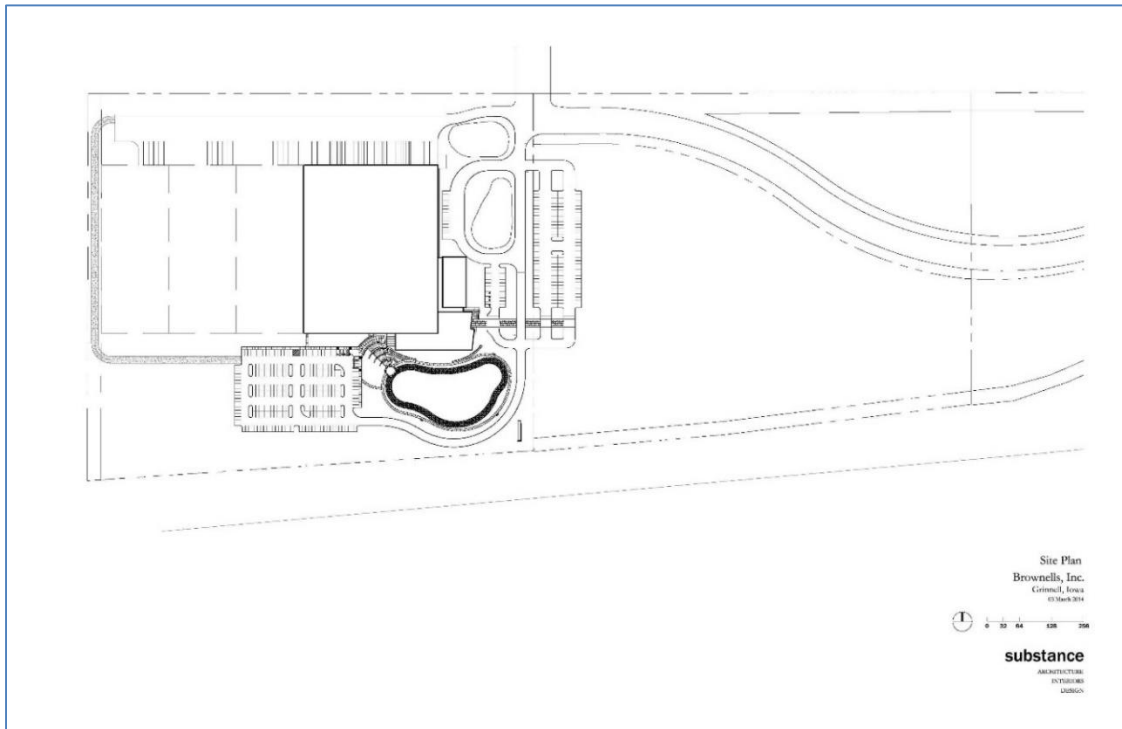
B2.6 Hotel/Motel Tax and State Sales Tax Projections

Activities and events held at the experiential center will bring visitors into the community who will be staying at the proposed new hotel, which will also be within the City of Grinnell's Reinvestment District. Incremental hotel/motel tax revenue generated as a result of these increased hotel stays is accounted for in the New Hotel Section (B3).

In terms of new sales tax receipts, the Brownells retail center is expected to be a significant driver of sales tax within the proposed reinvestment district. Over the course of the 20 year time period, we estimate that approximately \$10M in new sales tax will be generated.

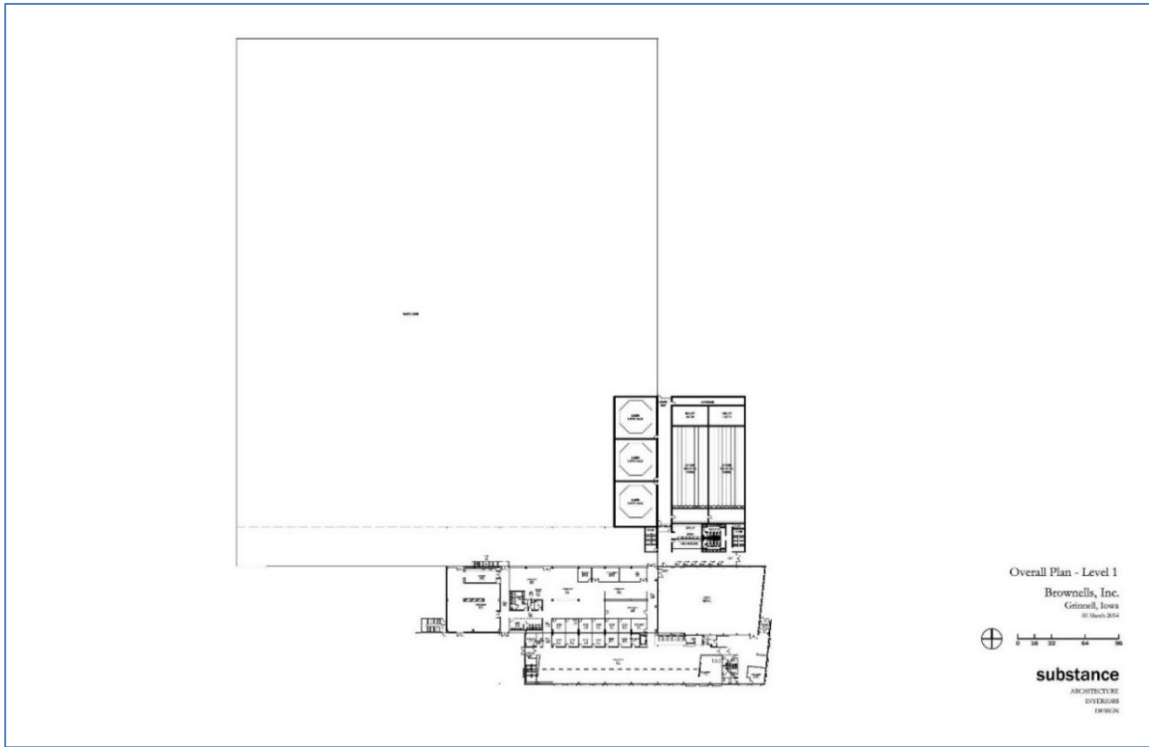
B2.7 Visual Aids

Figure 7, Brownells Retail & Experiential Center Site Plan



The retail facility and the experiential center will be located adjacent to a distribution center currently under construction.

Figure 8, Experiential Center, Level 1



The new ranges will include services for both firearms and archery.

Figure 9, Experiential Center, Level 2

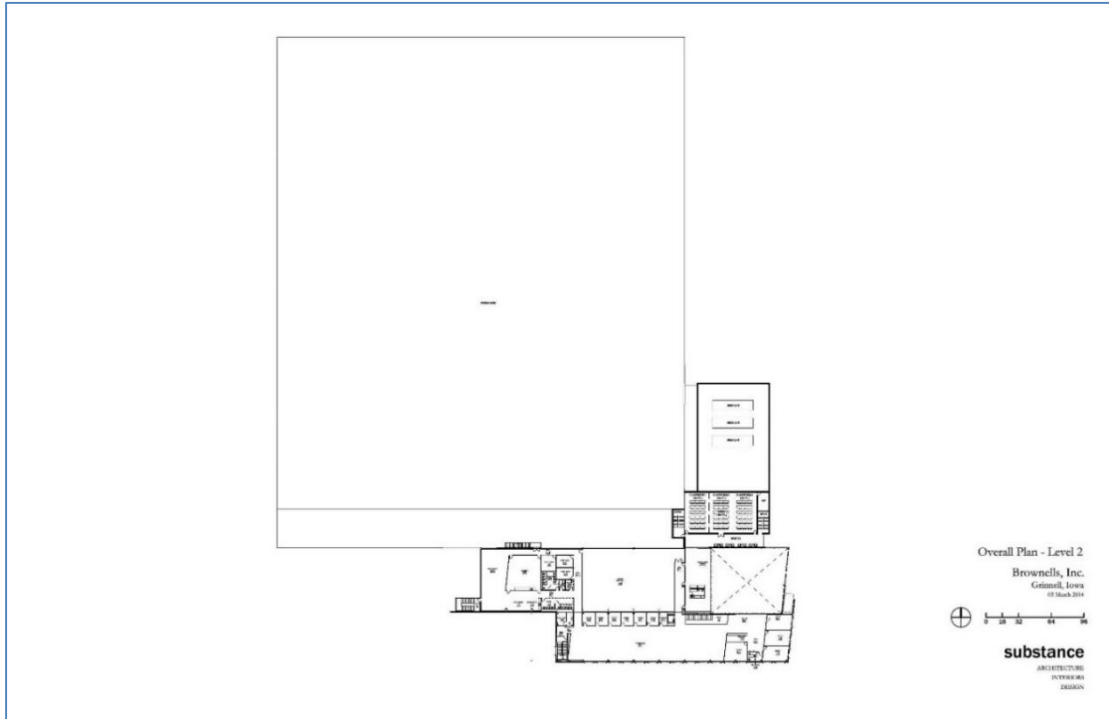


Figure 10, Floor Plans - Experiential Center, Level 1 & Level 2

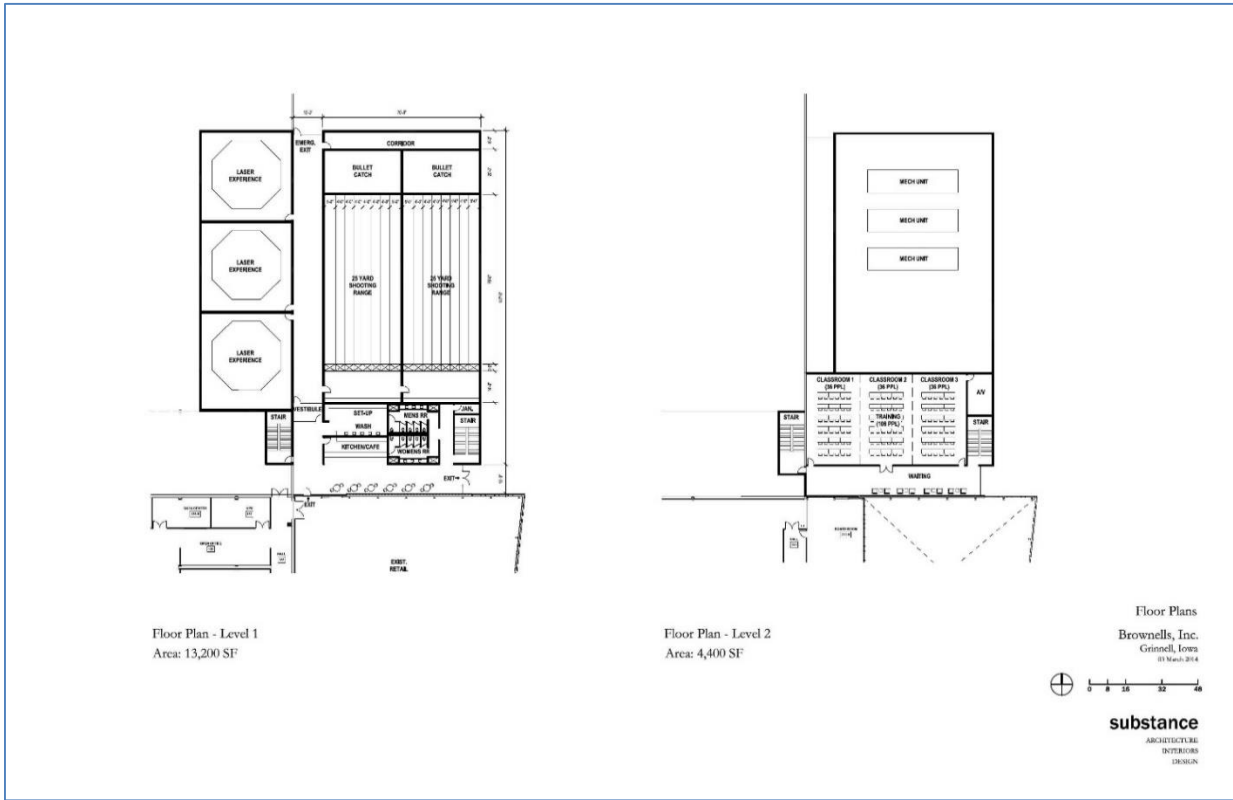
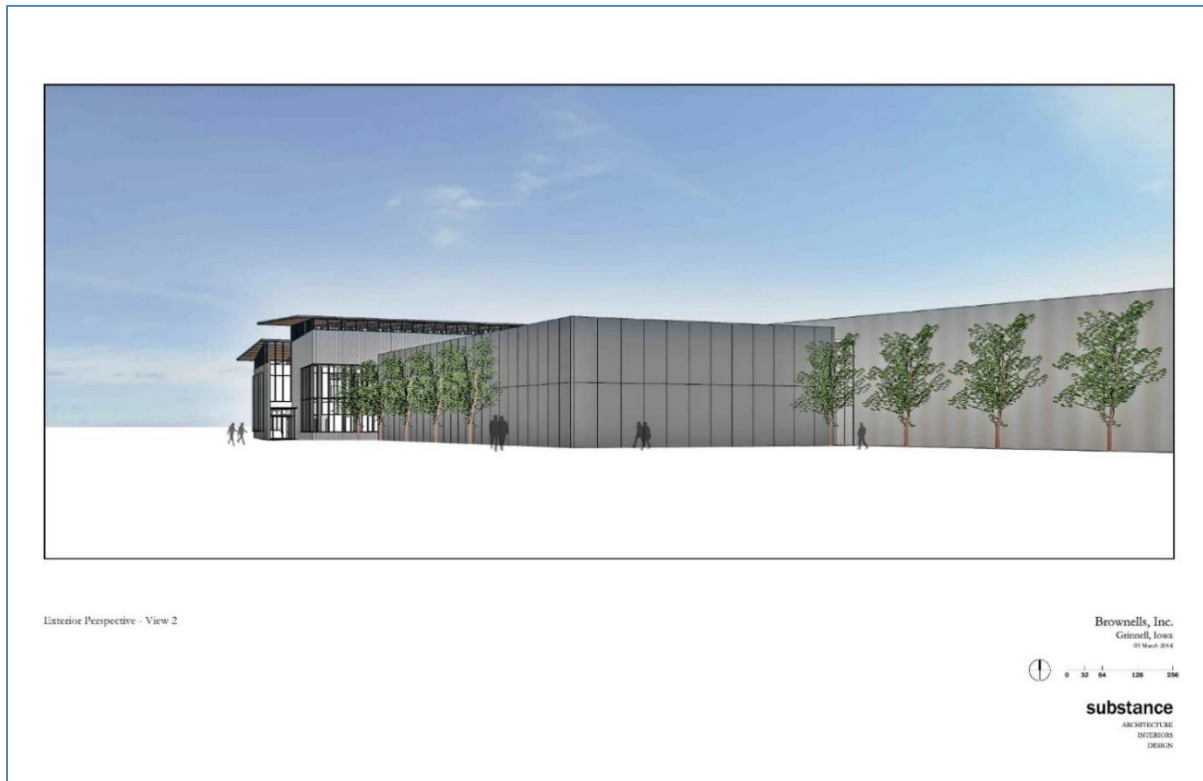


Figure 11, Exterior Perspective - View 1



Figure 12, Exterior Perspective - View 2



B2.8 Feasibility Study, Brownells Retail and Experiential Center

This feasibility study was completed to evaluate the proposed construction of a retail store and a unique state-of-the-art experiential center on a site adjacent to the east of the new Brownells warehouse and distribution center under construction. The new construction will be funded from capital reserves, loans and future proceeds from the Iowa Reinvestment Fund Account. The financial analysis includes a full series of pro forma income statements, cash flow statements and balance sheets covering 20 years from the application date.

B2.8.I Projected Annual Gross Revenue

The gross revenues for this project will be derived from two sources. The retail center will produce retail sales to individual consumers, military and law enforcement members and gunsmiths. The experiential center will generate revenues from the sale of time spent in firing ranges, simulations and training programs. Table 11 provides a summary of the gross revenue projected for this project.

Table 11, Brownells Projected Gross Revenue

Brownells Projected Gross Revenue			
Receipts	20 Year Total	20 Year Average*	
Experiential Center	\$ 25,804,657	\$ 1,290,233	
Retail	\$ 250,625,668	\$ 12,522,283	
Total	\$ 276,430,325	\$ 13,812,516	
* 2014 Not included in average calculation			
Source: Grinnell District Application Supporting Data			

The financial projection detail can be found in the Brownells worksheet included in the Excel workbook named Grinnell District Application Supporting Data Excel. The projections on expected use of the experiential center and the estimate of retail sales were developed by Brownells personnel based on their knowledge of previous retail sales and their understanding of the success of a similar facility in Texas. The financial projections indicate this project will be successful and will be a significant contributor to the reinvestment district fund.

B2.8.II Explanation of Economic Impact

The economic impact of this project can be categorized as direct economic impacts and indirect economic impacts.

Direct Economic Impact

The retail center will employ 15 full time employees. The experiential center will employ four full time employees. As mentioned in the Assumptions and Sources of Variables section at the beginning of Section B, the state individual income tax projected will use a 4% rate multiplied by the salary estimate in the financial projections for this project. The projected individual income taxes paid by new employees are included in the Direct Economic Impact calculation. Other direct economic benefits are sales tax collected on sales in the retail center, services sold in the experiential center and property taxes collected on the increases in property values.

Table 12, Brownells Direct Economic Impact

Direct Economic Impact		
	Full Term Benefit	Description
Employment	\$ 212,494	Individual State Income Tax
Property Tax	\$ 1,743,764	Property Tax on Increased Valuation
Sales Tax	\$ 16,585,819	Sales tax on retail sales and services
Sales Tax/Construction	\$ 278,400	Sales tax on 40% of construction cost
Total \$ 18,542,077		
Source: Grinnell District Application Supporting Data		

Indirect Economic Impact

Visitors to the retail center will be participants in activities at the experiential center or individuals coming to the area specifically to visit the Brownells retail center. The experiential center will bring in additional overnight visitors because they will actually offer programs requiring an overnight stay.

The experiential center will conduct one military/law enforcement training seminar per month with 30 participants for an annual total of 360 participants and one annual gunsmith job fair event with 100 participants totaling 460 annual overnight stays in area hotels/motels. The estimated spending for meals and other purchases is \$20 per stay. Table 13 summarizes the indirect economic impact of programs offered at the experiential center.

Table 13, Brownells Indirect Economic Impact

Indirect Economic Impact		
	Full Term Benefit	Description
State Hotel/Motel	\$ 55,876	State Hotel/Motel Tax on 360 Stays per year
Local Hotel/Motel	\$ 78,226	Local Hotel/Motel Tax on 360 Stays per year
Per Diem Spending	\$ 11,398	State Sales Tax on Perdiem Spending
Total	\$ 145,500	
Source: Grinnell District Application Supporting Data		

B2.8.III Estimated Number of Visitors or Customers

The visitor/customer estimate for the experiential center is based on expected activity supplied by Brownells executives from their research on similar facilities in other states. The center will have 16 operating lanes and they expect the average number of visitors per lane to be 1.5 visitors per hour for a total of 24 visitors per hour. Table 14 below includes an estimate of 249,600 visitors on an annual bases and almost five million visitors during the 20 year reinvestment district term.

Table 14, Visitor Estimate – Brownells Experiential Center

Experiential Center Visitor Estimate				
	M-F	Sat	Sun	Totals
Days	260	624	52	936
Hours	2,600	7,488	312	10,400
Visitors Per Hour	24	24	24	
Total Annual Estimate of Visitors	62,400	179,712	7,488	249,600
20 Year Estimated Total				4,992,000
Formula: 1.5 visitors/hr/lane 16 lanes, 10 hrs m-f, 12 sat, 6 sun				
Source: Brownells Senior Management				
Source: Grinnell District Application Supporting Data				

The current average retail sales ticket in the Montezuma retail center, as reported by Brownells, is \$140. This amount was raised each year over the 20 year period at the assumed inflation rate of 2.2%. The average ticket size over the 20 year period is \$175. The average annual retail sales divided by the average retail sales ticket produces an estimate of 71,556 customers/visitor per year. Using the same approach the total customer/visitor count for the retail center over the 20 year term is 1,432,147, (Table 15).

Table 15, Visitor Estimate - Retail Center

Retail Center Visitor Estimate					
Average Retail Sale*	Avg Annual Retail Sales	Annual Retail Visitors	20 Year Total Retail Sales	20 Year Total Retail Visitors	
\$ 175	\$ 12,522,283	71,556	\$ 250,625,668	1,432,147	
*Source: Brownells Senior Management (Current Average is \$140)					
Source: Grinnell District Application Supporting Data					

The Brownells project includes two separate but complementary operations. Customers visiting the retail center may also take advantage of the services offered by the experiential center. The same relationship applies in reverse with customers

of the experiential center also visiting the retail center. If the annual visitor/customer count for the retail center of 71,556 (Table 15) is subtracted from the annual visitor/customer count for the experiential center of 249,600 (Table 14) the conservative estimate would be 178,044 average visitors per year. Adding the two centers' estimated visitor/customer counts produces a high-side estimate of 320,556 visitor/customers per year. The actual count is likely to be somewhere in between those estimates on a year to year basis.

B2.8.IV Description of the Unique Characteristics of the Project

The Brownells experiential center is expected to qualify for at least a four-star rating from the National Sports Shooting Association (NSSF). The experiential center will be the only NSSF four-star facility in Iowa. The center will include a proprietary system providing multiple experiential options for customers. It will also include a state-of-the-art indoor air quality and emissions control system. To the best of the City's knowledge there is no other facility of this quality, design or scale in the Midwest. This project also supports Brownells' outdoor shooting range Big Springs.

The retail and experiential center will draw customers and visitors from the new GMRC conference center and the proposed new hotel. Participants in events at the conference center and customers staying at the new hotel will be able to enjoy a unique experience while visiting the experiential center and the retail store at the nearby Brownells location. Grinnell does not have any destination retailers capable of pulling customers and visitors from more than approximately 30 miles on a regular basis. Brownells' new retail and experiential center will be a significant destination retailer capable of pulling customers and visitors from outside of Iowa.

Brownells recently launched an archery line of products and will include archery lanes within the Experiential Center. According to a survey conducted by the Archery Trade Association, approximately 8% of US residents participated in archery in 2012. That's one out of every 12.5 people, a total of about 18.9 million. Breaking it down further, about 55% participated only in target archery, 35% took part in both target archery and bow hunting and just 10% were involved in bow hunting only. This survey only includes archers over the age of 18, but youth archery programs across the country are reporting expanded programs, full classes, waiting lists and back-ordered equipment. Similar growth is reported around the world. Among all sports shown on cable TV during the 2012 Olympics, archery was the most-watched. After receiving a significant boost from several pop culture sources, archery is poised to be a real growth sector and will help to diversify Brownells' product offering and expand its customer base.

The new experiential center will serve a very diverse group of customers including military, law enforcement, shooting sport enthusiasts, the sporting community, archers and those seeking instruction in safe fire arm handling. This experiential center is a great complement to Brownells' outdoor shooting range, Big Springs, located 12 miles south of Grinnell, and its bed and breakfast, The Linden House, in Lynnville, Iowa, about 10 miles south of Grinnell. The travel and tourism industry is slowest in Iowa during the winter months and that is when this experiential center will be most active. Finding high quality activities during the Iowa winter months can be very challenging and this provides an affordable, accessible, and family friendly experience in the heart of Iowa. If awarded IRA funds Brownells will invest a total of \$31.2M in their new facility that will include warehouse space, distribution facilities, quality offices, destination retail, a unique museum and indoor shooting for both gun and archery. The City believes its potential for growth is limited only by the available labor pool. The best part of all of this is that Brownells is a locally grown, family owned and philanthropic company with local decision making and owners that live in the community.

B3 New Hotel

B3.1 Description and Type of Project

The new hotel will accommodate business and leisure travelers to the area. The project is a new lessor to the area and is proposed to have 71 rooms.

Project Name: New Hotel			
Funding Uses		Funding Sources	
Site Preparation/Land	\$642,946.00	Cash Investment	\$1,790,117.00
Building Acquisition		Development Value	\$209,152.00
Building Construction	\$4,615,000.00	Land Value Left In	\$200,000.00
Building Remodeling		Iowa Reinvestment Act	\$3,197,702.00
Fixtures	\$938,856.00	Debt	\$1,933,926.00
Architectural Design	\$100,000.00		
Engineering Design	\$37,500.00		
Construction Admin.	\$30,000.00		
Franchise Fee, Financing, Development Fee, Other	\$966,595.00		
Total Project Budget	\$7,330,897.00	Total Funding Sources	\$7,330,897.00

B3.2 Expected Timeline

Expected completion date for the new hotel is Fall 2016.

B3.3 Detailed Budget for the Project

Details surrounding the budget and associated financial operations for the new hotel can be found in Appendix H, Project Financials.

B3.4 Expected Debt Associated with Project

Debt associated with the construction of the new hotel is expected to be \$6.2M. A portion of this debt will be retired as receipts from the Reinvestment Fund Account are disbursed to the new hotel.

B3.5 Status of Expected Financing and Financing Gap

With the addition of the GMRC Conference Center and Brownells Retail and Experiential Center, there is an increased demand on hotel space in Grinnell. The land for the project has been secured and local investors have been put in place to develop and help with initial financing for this project. However, there remains a gap in the initial funding to begin construction. IRA funds are critical in moving this much needed project forward.

B3.6 Hotel/Motel Tax and State Sales Tax Projections

Expected hotel/motel taxes derived from the new hotel are expected to be nearly \$1.8M over the course of the life of the City of Grinnell's reinvestment district.

B3.7 Visual Aids

Figure 13, Hotel Concept from Grinnell



Figure 14, Hotel Concept from Interstate 80



B3.8 Feasibility Study

This feasibility study was completed to evaluate the proposed construction of a 71 room new hotel on a site located west of Highway 146 and just north of the west bound onramp to Interstate 80. Based on a market demand study prepared in 2009 and updated in 2012 the market area can support the addition of an upscale hotel in the quality and price structure range offered by the new hotel. This new hotel will benefit from the increased traffic created by visitors to the Grinnell Mutual Reinsurance Company’s new conference center and the new Brownells retail and experiential facility.

B3.8.1 Projected Annual Gross Revenue

The new hotel is expected to begin operations in 2016. A conservative occupancy rate of 50% was used for the first year of operation. The second year occupancy rate is set at 54%. For the third year and following years an occupancy rate of 63% was used. Based on the latest quarterly report from Marcus & Millichap which included information provided by

Smith Travel Research, the national average occupancy rate rose in 2013 and is forecasted to be 63.2% in 2014. Based on the quality of the hotel, its location near an I-80 exit and the expected increase in visitors to the area it is reasonable to assume an average occupancy rate of 63%. Therefore, an occupancy rate of 63% was used for 2018 forward.

The other factor affecting gross revenue is the average rate. An average room rate of \$95.90 was used for the first year of operation. An inflation factor of 2.2% was used to establish the average room rate for the second and subsequent years of operation.

The following table summarizes the new hotel’s projected gross revenue for the project period.

Table 16, New Hotel Projected Gross Revenue

Projected Gross Revenue			
	Gross Revenue 2016	Gross Revenue 18 Yr Avg	Gross Revenue 18 Yr Total
Rooms	\$ 1,242,624	\$ 1,888,966	\$ 35,890,360
Rental & Other Income	\$ 25,915	\$ 54,288	\$ 1,031,479
Source: Grinnell District Application Supporting Data			

The financial statements developed for this project used a base line projection for occupancy rate and average room rate. Using this conservative estimate for revenues and assuming the funding gap of \$3.2M is covered by Iowa Reinvestment funds, the financial projections indicate the project will be successful and provide a reasonable return to the investors.

B3.8.II Explanation of Economic Impact

Since the new hotel will be completed sometime after the GMRC and Brownells projects are operational a significant drop in occupancy rates for existing lodging facilities is not anticipated. As a result, a net calculation for direct and indirect economic impact is not included. The assumption is the projected benefits from the new hotel are positive and will not be offset by any losses at existing facilities.

Direct Economic Impact

The overall direct economic impact as shown in Figure 24 is \$7.3 million. While the construction on this project will not start until after the commencement date, the sales taxes paid on construction and furniture & fixtures are included in the estimate of funds credited to the reinvestment account.

Table 17. Direct Economic Impact - New Hotel

Direct Economic Impact		
	Full Term Benefit	Description
Room Rentals / State	\$ 1,794,518	Room rentals times 5% state hotel/motel tax
Room Rentals / City	\$ 2,512,325	Room rentals times 7% city hotel/motel tax
Construction/Bldg	\$ 126,760	Sales Tax at 6% times 40% of construction costs
Constuction/Furniture & Fixtures	\$ 56,331	Sales Tax at 6% times full cost of furniture & Fixtures
Employment	\$ 215,790	State Individual Income Tax at 4% of estimated AGI
Property Taxes	\$ 2,613,596	Property taxes due to increased property values
Total	\$ 7,319,321	
Source: Grinnell District Application Supporting Data		

Indirect Economic Impact

The Economic Impact study presented in Section C provides detail information on Direct, Indirect and Induced impact. The impact shown in Table 18 is focused on local spending of overnight guests.

Table 18, Indirect Economic Impact-New Hotel

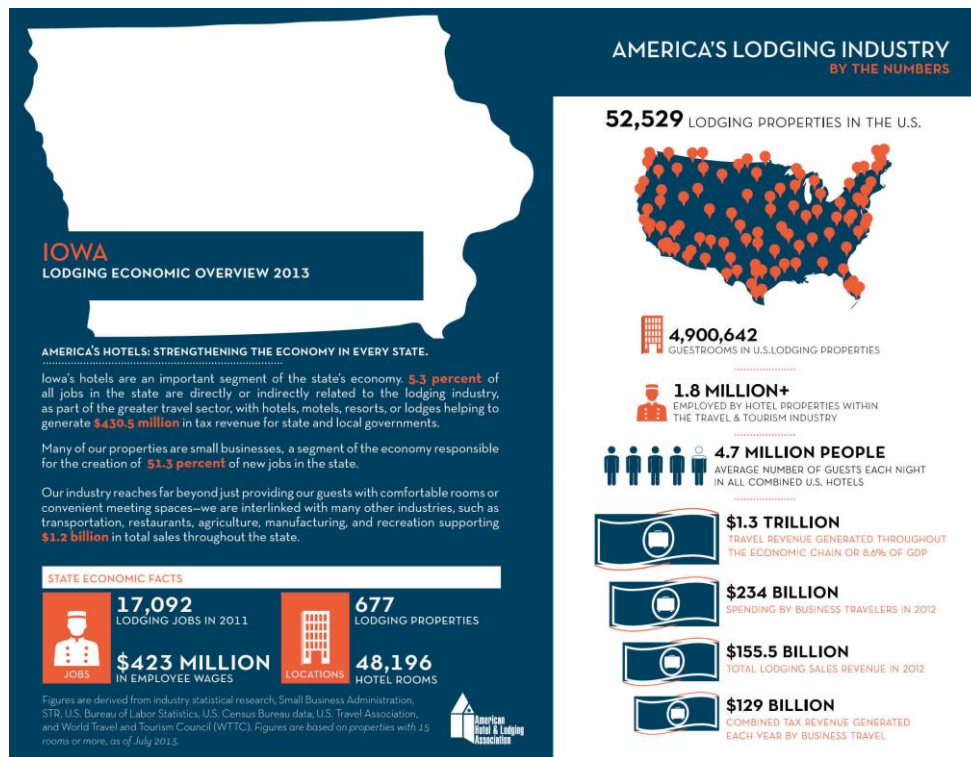
Indirect Economic Impact		
	Full Term Benefit	Description
Overnight Guest Spending	\$ 8,816,400	Purchases of food, fuel, services, and entertainment by guests (\$20 per guest)
Total	\$ 8,816,400	

Source: Grinnell District Application Supporting Data
 Source: B3.8.III Estimated Number of Visitors and Customers

B3.8.III Estimated Number of Visitors or Customers

It can be safely assumed that all of the customers staying at the new hotel will be visitors. According to the American Hotel & Lodging Association, in 2013, there were 4.9 million guest rooms available and the average number of guests per night was 4.7 million (Figure 15). Using an average occupancy rate of 63% we can estimate the average number of people per occupied room at 1.5 persons. The annual total room nights available at the new hotel will be 25,915. At an average occupancy rate of 63% there will be 16,326 occupied room nights with an average number of occupants at 1.5 people per room for a total of 24,490 visitors annually.

Figure 15, AHLA - US & Iowa 2013 Lodging Report



B3.8.I.V Description of the Unique Characteristics of the Project

The new hotel is a critical component of the Grinnell Reinvestment District project because it supports the plans of both Grinnell Mutual Reinsurance Company and Brownells by providing an upscale lodging choice for their visitors. Its location near the Interstate 80 west bound onramp provides visibility and access to attract travelers in both directions.

The major investors in this project are local business people with a strong commitment to advancements in the community's growth and quality of life.

This hotel will help Grinnell to compete for social events, business conferences, training events, and entertainment that it would otherwise have lost to other cities in the Midwest. Grinnell College has identified a need for additional hotel offerings and a higher quality facility for their alumni, parents, and business partners. This is very important as they work to recruit students, welcome alumni and donors, and host sporting and cultural events.

The hotel is an important element of this project and is necessary to support the projects proposed by both GMRC and Brownells. The proposed site is fully developed and graded, ready for construction to begin immediately. Grinnell has a very strong hotel industry currently and this will only improve that business sector. Grinnell collects \$300,000 annually from the 7% hotel/motel tax which would suggest gross receipts of approximately \$4.5 million (the 7% does not apply to all room rentals such as non-profits, government, military, etc.). This amount is higher than all Grinnell's peer cities. This is possible because of the demand for rooms generated by Grinnell College, proximity to Interstate 80, businesses like GMRC and Brownells, and aggressive marketing efforts.

B4 City of Grinnell Infrastructure

B4.1 Description and Type of Project

There are several public infrastructure projects in the reinvestment district. These projects include: Highway 146 traffic signalization; GMRC water main extension; community entrance enhancements; Grinnell Area Recreation Trail GMRC to Industrial Avenue and a new water tower to serve the significant commercial and industrial base in south Grinnell.

Site Preparation		Hotel Tax	\$150,000.00
Building Acquisition		Intergovernmental Grants	\$633,371.00
Building Construction	\$3,885,200.00	Iowa Reinvestment Act	\$1,597,953.00
Building Remodeling		Tax Increment Financing	\$375,000.00
Fixtures		Special Assessments	\$232,000.00
Architectural Design		Water Fees & Reserves	\$550,000.00
Engineering Design	\$403,124.00	Revenue Bonds	\$750,000.00
Construction Admin.			
Other			
Total Project Budget	\$4,288,324.00	Total Funding Sources	\$4,288,324.00

B4.2 Expected Timeline

The City of Grinnell intends to complete five public infrastructure projects which will be included within the proposed reinvestment district. Below are the five projects, including the expected completion dates:

- Highway 146 Traffic Signalization, Fall 2015
- GMRC Water Main Extension, Fall 2014
- Community Entrance Enhancements, Fall 2018
- Grinnell Area Recreation Trail from GMRC to Industrial Avenue, Fall 2017
- Water Storage South Grinnell, Fall 2016

B4.3 Detailed Budget for the Project

Details surrounding the budget (sources and uses of funds) for the infrastructure projects can be found in Appendix H, Project Financials.

B4.4 Expected Debt Associated with Project

There are multiple public infrastructure projects that will benefit from use of the IRA funds. Initially, the city will be using bonds to pay for a portion of the projects as shown above and a portion of the debt will be retired by IRA funds.

B4.5 Status of Expected Financing and Financing Gap

The expected gap for the infrastructure projects is approximately \$1.6M.

B4.6 Hotel/Motel Tax and State Sales Tax Projections

Because the City of Grinnell is tax-exempt, there are no anticipated sales and hotel/motel taxes expected for these projects.

B4.7 Visual Aids

Figure 16, Community Entrance Enhancements –I-80 & Highway 146



B4.8 Feasibility Study

This feasibility study was completed to evaluate a group of infrastructure projects proposed by the City of Grinnell to support the construction of a new conference center by Grinnell Mutual Reinsurance Company, a new retail center and experiential center by Brownells and a new hotel. Most of these individual projects will benefit the community in general and all are critical for enabling the development of the other three projects in the reinvestment district. The new water storage/water tower is critically important to provide water supply/fire suppression for the businesses in south Grinnell that directly employ more than 2,500 people at businesses such as Jeld-Wen Windows and Doors, GMRC, ASI Signage, HW Brand, United McGill, EPC, Brownells and several others.

B4.8.I Projected Annual Gross Revenue

These are municipal infrastructure projects designed to support development in the reinvestment district. Any revenue generated will be incremental. For instance, new water lines and a new water tower will not generate revenue directly but they will improve the existing municipal water system resulting in additional revenue from increased volumes. As a result, there are no revenue projections for this project.

B4.8.II Explanation of Economic Impact

Direct Economic Impact

The direct economic impact of these public works projects will be derived from construction activity. Detailed economic impact is provided in Section C. The Economic Impact Study projects full time equivalents of 35 employees spread over the four year construction period.

Table 19, Direct Economic Impact - Infrastructure

Direct Economic Impact		
	Benefit	Description
Employment	\$ 33,280	Iowa Individual Income Tax on construction crews
Total	\$ 33,280	
Source: Section C - Economic Impact Study		
Source: Grinnell infrastructure project summaries		

Indirect Economic Impact

Indirect economic impact will be derived from spending in the community by construction labor.

Table 20, Indirect Economic Impact - Infrastructure

Indirect Economic Impact		
	Benefit	Description
Construction Crew Spending	\$ 3,744	Per Diem Spending by construction crews
Total	\$ 3,744	
Source: Section C - Economic Impact Study		
Source: Grinnell infrastructure project summaries		

The following chart is a summary of the construction costs and timing of construction for each infrastructure project:

Table 21, Infrastructure Spending Timetable

Infrastructure Spending Plan					
	FY 2015	FY 2016	FY 2017	FY 2018	Project Totals
Grinnell Mutual Water Extension					\$532,000
Planning/Design/Engineering	\$70,000				
Construction/Maintenance	\$462,000				
Water Storage South Grinnell					\$1,750,000
Planning/Design/Engineering		\$50,000	\$50,000	\$50,000	
Construction/Maintenance			\$800,000	\$800,000	
GART GMRC to Industrial Avenue					\$775,000
Planning/Design/Engineering			\$75,000		
Construction/Maintenance			\$700,000		
I 80 & Highway 146 Interchange Signals					\$481,324
Planning/Design/Engineering	\$58,124				
Construction/Maintenance	\$423,200				
Community Entrance Enhancements at 146 and I80					\$750,000
Planning/Design/Engineering		\$50,000			
Construction/Maintenance		\$700,000			
Fiscal Year Totals	\$1,013,324	\$800,000	\$1,625,000	\$850,000	\$4,288,324

Source: City of Grinnell - Project Documents

B4.8.III Estimated Number of Visitors or Customers

Except for the Grinnell Area Recreational Trail (GART) extension, these projects will not directly attract visitors or customers to the reinvestment district. The number of additional visitors to the GART extension cannot reasonably be attributed to the fact the trail has been extended. It is reasonable to suggest that this recreation amenity will serve and support the hotels and their customers, as the trail will pass by more than 300 hotel rooms.

B4.8.IV Description of the Unique Characteristics of the Project

As shown in the timing of the chart of above, the preliminary planning has been completed on these infrastructure projects and they are all ready to go upon approval of this application. None of the other projects presented in this application will be delayed by the lack of supporting infrastructure from the community.

SECTION C – Economic Impact

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

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

Following your response, please attach the following:

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

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

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

Independent Assessment of Application

In accordance with IEDA administrative rules, an independent review of the feasibility of each project included in the City of Grinnell’s Iowa Reinvestment District application has been completed. Additionally, an independent economic impact study for both local and state areas has been conducted. This work has been performed by Decision Innovation Solutions of Urbandale, Iowa. Please see Appendix G, Credentials of Feasibility and Economic Impact Study Authors for additional information on credentials and expertise in these areas.

C1 Visual Aids

To better complement the economic impact studies and illustrate the impact of the projects within the City of Grinnell’s reinvestment district, visual aids pertaining to the economic impact studies are included throughout section C2.

C2 Economic Impact Study

The purpose of this section is to reasonably estimate the expected economic impact of the proposed projects¹ within the City of Grinnell’s application for an Iowa Reinvestment District. In order to complete this portion of the application, it is necessary to conduct the economic impact study at a local and state level. Completion of the economic impact study at the local (defined as Poweshiek County) and state levels allows for a more complete understanding of how potential intra-state shifts of economic activity affect the overall economic impact of the projects within the proposed Reinvestment District.

For example, of the four projects identified for inclusion in the City of Grinnell application, some of the economic activity in the GMRC project is merely a shift from other areas in Iowa to Grinnell. This shift is positive as it centralizes this activity at GMRC's long time location in Grinnell and supports their employee recruitment and retention efforts while also helping to support their plans to add 102 new employees over the next 5-6 years. From a local (county) perspective, this is

¹ GMRC Conference Center, Brownells Retail and Experiential Center, New Hotel, and City of Grinnell Infrastructure Projects

new activity to the local area, but serves to reduce economic activity in areas where it once was. While there is a spatial shift in economic activity from other parts of Iowa to Grinnell, the true difference in economic impact from one area to another depends upon the availability of required inputs in both areas. The area which is able to supply more required inputs locally will have a larger local impact than an area where many required inputs must be imported from outside the local area. For our purposes in estimating shifts in economic activity, we assume that the direct impacts (those impacts derived directly from the activity in question) are equal in all locations. Due to various locations and assumed differences in availability of required inputs, the total economic impact between locations will be in the indirect and induced effects of the activity in both locations.

Methodology

In order to adequately estimate the economic impact of the projects included in the City of Grinnell's Reinvestment District, we have adopted estimation methodology which conforms to the commonly accepted industry standard. This methodology has necessitated the use of the IMPLAN Economic Modeling System². This IMPLAN system is a well-regarded economic modeling system used in many industries for understanding the structure of and changes in an economy. The system relies heavily upon secondary government data sources (U.S. Census Bureau, U.S. Bureau of Economic Analysis, etc.), as well as the expertise of the software authors and consultants. Each year, a new IMPLAN dataset is released for each of Iowa's ZIP codes, counties, federal congressional districts, and state. For purposes of this analysis, we have used the 2012 dataset (latest available) for Poweshiek County (defined as local) and the State of Iowa.

To complete an economic impact study for the projects within the proposed reinvestment district, we have divided the activities associated with each project into one of two categories: 1) Construction and 2) Operations. Dividing activities into these two categories is appropriate because the effects of one (construction) are temporary in nature while the effects of the other (operations) are assumed to be ongoing and permanent. According to personal communication with the City of Grinnell and project representatives, we have ascertained that all four proposed projects will have construction impacts. Economic activity from operations is expected to occur in all but the City of Grinnell infrastructure projects.

Local versus State IMPLAN Modeling

Prior to discussing adopted methodology for estimating the economic impact from construction and operations of the projects, a point needs to be made with regard to differences in modeling methodology at both geographic scopes (state versus local). Because nearly all economic activity associated with the proposed reinvestment district will be new at both the county and state levels, there is not a need to repeat many of the details contained in the construction and operations methodology sections prior to discussing results from the state economic impact study. Therefore, the ensuing methodology discussion should be considered the methodology adopted for the local; the local methodology then serves as a basis for modifying and then conducting the state analysis. Methods for accounting for intra-state shifts in economic activity (derived from some GMRC activities) is addressed prior to discussing state level operations economic impacts.

Direct Construction Impacts

The economic impact associated with construction of the four projects is expected to occur over the course of five years (2014-2018) with the first project (Brownells Retail) projected to be in operation by Christmas 2014. Table 22 illustrates the expected timing and capital expenditures of construction for each of the projects. To ensure the correct industries have been modeled according to the various activities of the projects, we have used the lookup feature within the IMPLAN modeling system to assign the appropriate industrial sectors. To give the appropriate perspective, all future impacts have been discounted to current dollars (2014); default IMPLAN model assumptions were used to make this

² Please visit <http://implan.com/> for more information.

calculation. Because the sources and uses of funds supporting the construction and operation of these projects has previously been discussed, we would refer readers to the corresponding sections in Section B of this application for further information.

Table 22, Direct Construction Impacts

	2014	2015	2016	2017	2018	Total
Buildings						
GMRC	\$ 5,002,797	\$ 4,752,797	\$ -		\$ -	\$ 9,755,594
Hampton_Inn	\$ -	\$ -	\$ 5,281,652		\$ -	\$ 5,281,652
Brownells	\$ 2,100,000	\$ 6,000,000	\$ -		\$ -	\$ 8,100,000
Furnishings & Fixtures						\$ -
GMRC	\$ -	\$ 2,500,000	\$ -		\$ -	\$ 2,500,000
Hampton_Inn	\$ -	\$ -	\$ 938,856		\$ -	\$ 938,856
Brownells	\$ 2,500,000	\$ 1,000,000	\$ -		\$ -	\$ 3,500,000
City of Grinnell Infrastructure						\$ -
Highway 146 Traffic Signalization	\$ -	\$ 481,324	\$ -	\$ -	\$ -	\$ 481,324
GMRC Water Main Extension	\$ -	\$ 532,000	\$ -	\$ -	\$ -	\$ 532,000
Community Entrance Enhancements	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ 750,000
GART GMRC to Industrial Avenue	\$ -	\$ -	\$ -	\$ 775,000	\$ -	\$ 775,000
Water Storage South Grinnell	\$ -	\$ -	\$ 50,000	\$ 850,000	\$ 850,000	\$ 1,750,000
Total	\$ 9,602,797	\$ 15,266,121	\$ 7,020,508	\$ 1,625,000	\$ 850,000	\$ 34,364,426

Direct Operations Impacts

The operations for relevant projects (no assumed operations impacts for City of Grinnell infrastructure projects) are expected to commence according to the following schedule:

- Brownells Retail in late 2014.
- GMRC Conference Center in mid-2015.
- Brownells Experiential Center and expanded retail in late 2015.
- New Hotel in 2016.

When estimating the economic impact from operations for the above projects, we have used the entire period of the life of the reinvestment district (2014-2034) as our study period. Direct economic impact values (expected sales) from operations for all relevant projects have been entered into the IMPLAN modeling system as contained in Appendix I, IMPLAN Model Entries. To ensure the correct industries have been modeled according to the various activities of the projects, we have used the bridging feature within the IMPLAN modeling system to assign the appropriate industrial sectors for modeling the impact. As appropriate, all future impacts have been discounted to current dollars (2014); default IMPLAN model assumptions were used to make these calculations.

Multi-Year Operations Economics Impacts

When an economist endeavors to provide an accurate assessment of the estimated operations economic impacts from each of the projects in the reinvestment district, it is not appropriate to sum the impacts for each of the study years (2014-2034). Doing so can lead to severe overstatement errors in estimating the economic impact from a project and may lead to incomparability (and potentially less-than-optimal awarding of state funds) between competing reinvestment district applications. Rather, the correct method for presenting the operations results is accomplished by using figures for a single year (typically a year early in the analysis) of operations as this is where the actual jobs, output, earnings, etc. are initially created. Each subsequent year, the sales from a project support those jobs, output, and earnings. To account for the fact that all projects contained in the City of Grinnell’s Reinvestment District do not reach

full output until 2017 or 2018, we have chosen the year 2018 for presenting all economic impacts derived from operations for these projects. Doing so balances the need to provide a reasonable estimate of economic impacts from operations and the fact that the projects need sufficient time to reach expected operational status.

Adjustments to Local Area Direct Impacts

To account for intra-state movement of GMRC-derived economic activity, adjustments have been made to Poweshiek County hotel stays and meal purchases traced to meetings and events moved to GMRC's headquarters upon completion of the new conference and training center. The direct operations impacts used in the state level analysis can be found in Appendix I, IMPLAN Model Entries. Because all direct construction economic impacts are assumed to be new (to both the state and local areas) economic activity, all direct construction impacts entered in the local analysis are left unchanged for conducting the state level economic impact analysis within the reinvestment district.

C2.1 Financial Benefit to State and Municipality Economies

Because differing economic impact results are expected due to varying geographic scope between the local (Poweshiek County) and state levels, separate results are included for comparison. As one assesses the results of the economic impact studies at both levels, there are several items to be aware of. These items are discussed below.

Economic Impact Terminology

When estimating the economic impact of certain changes in a local economy, common terminology is used to communicate in a standard way. Common economic impact terms used throughout the industry include: Output (Sales), Employment (Jobs), Labor Income and Value-Added. Brief descriptions of these economic impact terms follow.

Output

Output refers to the total value of all of the output (production or sales) of a study area and/or industry within a study area. This is a gross number that does not make any deductions for the cost or origination of inputs that were used in the production process.

Jobs

Jobs represents an estimate of the number of positions (jobs) currently filled in an area and/or industry. The estimates provided in the results of this study originate with the databases of the IMPLAN input-output model. "Jobs" numbers include positions whether they are full-time or part time, so care must be used in making comparisons. "Jobs" does not count positions that are unfilled. All of the jobs in an area are generally referred to as "total jobs."

Labor Income

Labor Income refers to income from all sources that accrues to individuals as payment for personal employment (earnings or labor income), payment for ownership interests or capital provision (dividends, interest, and rents), or as transfer payments (payments to individuals for which nothing is offered in return).

Value-Added

Value-Added refers to that portion of the value of total output that was actually created by the economic activity in an area and/or industry. Total value-added for an area (industry) represents the value of the area's (industry's) total output minus the value of any inputs into the production process that were imported from other areas (industries). Key components of value-added are employee compensation (hired labor) and proprietor's income (self-employed), which collectively is called "labor income".

Direct, Indirect, and Induced Effects

When estimates of economic impact studies are reported, an analyst typically reports them in a standard format that includes summarizing results in terms outlined above. Further, these impacts are typically summarized according to the

source from which they are derived. The source of impacts generally fall under the classification of direct, indirect, or induced effects.

For example, when quantifying the economic impact of the construction of the new buildings which are a part of the City of Grinnell reinvestment district, the direct purchase of supplies and equipment to construct the building are known as *direct effects*. The suppliers and vendors used during the construction of the buildings purchase their respective inputs to support the construction of the buildings; these are known as *indirect effects*. Those who work in the construction of the buildings, as part of the operations of those who support the construction of the buildings (suppliers and vendors) then use their additional income to make household purchases; these are known as *household, or induced effects*. Taken together, the sum of direct, indirect and induced effects are known as total effects and accounts for the total multiplier effect present from the construction of buildings. All results contained in this report will summarize direct, indirect and induced effects according to this industry-accepted framework.

Impact of Geography on Results

The second item to consider is that due to the local study area being much smaller than the state study area, both in terms of geography and industrial diversification, the economic impact estimates are generally smaller than what would be expected at the state level. For instance, the ability of those constructing any of the three non-municipal projects to source sufficient audio/visual and computer equipment locally (defined as within Poweshiek County) may be difficult due to the lack of suitable manufacturers located within the county. To procure adequate equipment for a specific application, many of these requirements will be imported to the local area. On the other hand, the prospects of finding a local (to the State of Iowa) supplier of audio/visual and computer equipment are likely much better than within Poweshiek County. As a result, the total impacts at the state level are generally larger than what would be expected at the local level. This assessment generally holds true with all economic impact modeling at varying geographic scopes.

Public versus Private Economic Impact Entries and Results

The third item to consider when viewing economic impact results is the source of funding used to finance the projects, as well as how spending patterns vary between public and private entities. In order to undertake a public project such as those identified as part of the City of Grinnell Infrastructure projects, funds must either be taken from other areas within the municipal budget or taxes on local citizens must be raised. Similarly, the non-municipal projects must cut back in other budget areas or seek to pass higher costs to customers. With all projects contained in the City of Grinnell's reinvestment district, the assumption is that the funds to be invested will be going to an end use at least as productive (in terms of local economic activity) as their current use. However, the difference between public and private expenditures arises in how those funds are derived and spent. To account for this difference between public and private expenditures, we have adopted methodology suggested by IMPLAN personnel; all results pertaining to the City of Grinnell infrastructure projects are calculated with this alternative methodology.

Market Area (Poweshiek County) Economic Impact Results

Construction Impacts

As mentioned previously, the construction impacts are classified as the estimated impacts that are derived from the construction of the new buildings or public improvements which are a part of the reinvestment district. The economic impact estimates from this portion of the reinvestment district tend to be large, but temporary. Given reasonable estimates in terms of local availability of required labor and inputs, the following impacts would be expected during the construction of the projects. These projects are expected to be completed during the 2014-2016 timeframe.

GMRC

Table 23 displays the economic impact of constructing a new conference and training center in the City of Grinnell's reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$9.4M increase by \$2.7M in output (sales) to the local economy. This increase reflects an approximate 1.29 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.29 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the GMRC construction project, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.25-1.47. Jobs impacts from the construction of the GMRC conference and training center are expected to be nearly 94 jobs.

Table 23, GMRC Construction Impacts (Local)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	70.7	\$3,503,914	\$3,328,548	\$9,359,393
Indirect Effect	9.4	\$408,580	\$667,725	\$1,255,054
Induced Effect	13.7	\$466,671	\$911,312	\$1,483,668
Total Effect	93.7	\$4,379,166	\$4,907,585	\$12,098,115
Multiplier	1.33	1.25	1.47	1.29

Brownells

Table 24 displays the economic impact of constructing a retail location and experiential center in the City of Grinnell's reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$9.2M increase by \$2.7M in output (sales) to the local economy. This increase reflects an approximate 1.29 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.29 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income, and value-added. For the Brownells construction projects, multipliers for each of the economic impact measures (employment, labor income, value-added, and output) range from 1.25-1.47. Jobs impacts from the construction of the Brownells retail and experiential centers are expected to be approximately 92 jobs.

Table 24, Brownells Construction Impacts (Local)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	69.4	\$3,492,648	\$3,344,729	\$9,223,370
Indirect Effect	9.2	\$405,862	\$660,020	\$1,233,844
Induced Effect	13.6	\$464,837	\$907,695	\$1,477,792
Total Effect	92.2	\$4,363,348	\$4,912,444	\$11,935,007
Multiplier	1.33	1.25	1.47	1.29

New Hotel

Table 25 displays the economic impact of constructing a New Hotel in the City of Grinnell’s reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$5.1M increase by \$1.5M in output (sales) to the local economy. This increase reflects an approximate 1.29 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.29 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income, and value-added. For the new hotel construction project, multipliers for each of the economic impact measures (employment, labor income, value-added, and output) range from 1.25-1.48. Jobs impacts from the construction of the new hotel are expected to be approximately 53 jobs.

Table 25, New Hotel Construction Impacts (Local)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	39.9	\$1,927,211	\$1,827,913	\$5,147,603
Indirect Effect	5.2	\$224,699	\$367,325	\$690,753
Induced Effect	7.5	\$256,676	\$501,235	\$816,039
Total Effect	52.5	\$2,408,586	\$2,696,473	\$6,654,395
Multiplier	1.32	1.25	1.48	1.29

Infrastructure

Table 27 displays the economic impact of constructing several public works projects in the City of Grinnell’s reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$3.6M increase by \$1.1M in output (sales) to the local economy. This increase reflects an approximate 1.30 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.30 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income, and value-added. For the Infrastructure projects, multipliers for each of the economic impact measures (employment, labor income, value-added, and output) range from 1.29-1.51. Jobs impacts from the construction of the public works projects are expected to be approximately 35 jobs.

Table 26, Infrastructure Construction Impacts (Local)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	24.7	\$1,283,383	\$1,258,577	\$3,649,666
Indirect Effect	4.6	\$191,483	\$299,277	\$540,705
Induced Effect	5.2	\$176,015	\$343,738	\$559,620
Total Effect	34.5	\$1,650,882	\$1,901,593	\$4,749,991
Multiplier	1.40	1.29	1.51	1.30

Total Construction Impacts

Table 27 displays the economic impact of constructing all projects in the City of Grinnell’s reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$27.4M increase by \$8.0M in output (sales) to the local economy. This increase reflects an approximate 1.29 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.29 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income, and value-added. For all construction projects in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added, and

output) range from 1.25-1.48. **Jobs impacts from all projects within the City of Grinnell reinvestment district are expected to be approximately 273 jobs.**

Table 27, Total Construction Impacts (Local)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	204.7	\$10,207,157	\$9,759,766	\$27,380,032
Indirect Effect	28.4	\$1,230,625	\$1,994,347	\$3,720,357
Induced Effect	39.9	\$1,364,199	\$2,663,981	\$4,337,118
Total Effect	273	\$12,801,981	\$14,418,094	\$35,437,507
Multiplier	1.33	1.25	1.48	1.29

Operations Impacts

As described previously, the operations impacts contained in this section are what would be expected in the year 2018. This represents the first year in which all non-municipal projects are expected to be at full capacity. Additionally, we have not included any impacts from operations for the City of Grinnell infrastructure projects.

GMRC

In order to fully capture the direct effects of operating GMRC’s conference and training center, we have assumed that a portion of insurance operations by GMRC can be traced to the three positions immediately created upon completion of the conference and training center. The effects of this assumption are reflected in Table 28.

Estimates of the economic impact of the maintenance and rental of GMRC’s conference and training center in the year 2018 are shown in Table 28. As shown, the successive rounds of economic activity derived from the rental of the conference and training center to outside groups of \$1.1M increase by \$0.1M in output (sales) to the local economy. This increase reflects an approximate 1.11 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.11 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the maintenance and rental of GMRC’s conference and training center in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.10-1.33.

Jobs impacts from the rental of GMRC’s conference and training center in the year 2018 in the City of Grinnell reinvestment district are expected to be approximately three jobs. Upon reaching full operational capacity, the rental of GMRC’s conference and training center is expected to support at least three jobs and \$1.1M in output indefinitely. As GMRC determines how to best use their conference and training center, these impacts have the potential to change from that outlined in Table 28.

Due to the comparatively low (to other Grinnell reinvestment district projects) annual sales derived from the rental of the conference and training center, large economic impacts from the rental of the conference and training center were not expected. However, because the operation of the conference and training center will be used extensively for both internal and external groups, there are significant economic impacts expected from local hotel stays (i.e., the new hotel when complete) and purchase of meals. These economic events have been captured within their respective local industries.

Table 28, GMRC Operations Impacts (Local)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	3	\$173,865	\$809,976	\$1,112,749
Indirect Effect	0.3	\$15,206	\$33,959	\$49,792
Induced Effect	0.7	\$22,569	\$44,056	\$71,731
Total Effect	4	\$211,639	\$887,992	\$1,234,272
Multiplier	1.33	1.22	1.10	1.11

Brownells

Estimates of the economic impact of the operation of the Brownells retail and experiential centers in the year 2018 are shown in Table 29. As shown, the successive rounds of economic activity derived from the operation of these two revenue sources of \$1.0M increase by \$0.3M in output (sales) to the local economy. This increase reflects an approximate 1.26 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.26 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the operation of the Brownells retail and experiential centers in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.23-1.50.

Jobs impacts from the Brownells retail and experiential centers in the year 2018 in the City of Grinnell reinvestment district are expected to be approximately 7.8 jobs. Upon reaching full operational capacity, the operation of the Brownells retail and experiential centers is expected to support at least 7.8 jobs and \$1.3M in output indefinitely. As Brownells experiences actual sales performance, these impacts have the potential to change from that outlined in Table 29.

Table 29, Brownells Operations Impacts (Local)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	5.2	\$401,598	\$694,008	\$1,028,407
Indirect Effect	1	\$38,390	\$62,094	\$103,844
Induced Effect	1.5	\$52,309	\$102,112	\$166,257
Total Effect	7.8	\$492,297	\$858,214	\$1,298,508
Multiplier	1.50	1.23	1.24	1.26

New Hotel

Estimates of the economic impact of the operation of the new hotel in the year 2018 are shown in Table 30. As shown, the successive rounds of economic activity derived from the operation of the new hotel of \$1.5M increase by \$0.5M in output (sales) to the local economy. This increase reflects an approximate 1.33 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.33 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the operation of the new hotel in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.24-2.01.

Jobs impacts from the new hotel in the year 2018 in the City of Grinnell reinvestment district are expected to be approximately 24 jobs. Upon reaching full operational capacity, the operation of the new hotel is expected to support at least 24 jobs and \$2.0M in output indefinitely. As the new hotel experiences actual sales performance, these impacts have the potential to change from that outlined in Table 30

Table 30, New Hotel Operations Impacts (Local)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	19.4	\$176,546	\$592,473	\$1,487,858
Indirect Effect	3.6	\$139,821	\$204,306	\$371,291
Induced Effect	1.1	\$37,773	\$73,749	\$120,071
Total Effect	24	\$354,140	\$870,528	\$1,979,221
Multiplier	1.24	2.01	1.47	1.33

Total Operations Impacts

Estimates of the economic impact of the operation for all non-municipal projects in 2018 are shown in Table 31. As shown, the successive rounds of economic activity derived from the operation of all projects of \$2.5M increase by \$0.8M in output (sales) to the local economy. This increase reflects an approximate 1.30 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.30 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the operation of the new hotel in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.29-1.46.

Jobs impacts from all projects in the year 2018 in the City of Grinnell reinvestment district are expected to be approximately 32 jobs. Upon reaching full operational capacity, the operation of all projects are expected to support at least 32 jobs and \$3.3M in output indefinitely. As all projects experience actual sales performance, these impacts have the potential to change from that outlined in Table 31.

Table 31, Total Operations Impacts (Local)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	25	\$584,052	\$1,307,347	\$2,547,687
Indirect Effect	4.6	\$179,367	\$268,268	\$478,384
Induced Effect	2.7	\$90,923	\$177,503	\$289,002
Total Effect	32.3	\$854,342	\$1,753,118	\$3,315,073
Multiplier	1.29	1.46	1.34	1.30

State of Iowa

Construction Impacts

As mentioned previously, the construction impacts are classified as the estimated impacts that are derived from the construction of the new buildings or public improvements which are a part of the reinvestment district. The economic impact estimates from this portion of the reinvestment district tend to be large, but temporary. Given reasonable estimates in terms of local availability of required labor and inputs, the following impacts would be expected during the construction of the projects. These projects are expected to be completed during the 2014-2016 timeframe.

GMRC

Table 32 displays the economic impact of constructing a new conference and training center in the City of Grinnell's reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$12.3M increase by \$7.4M in output (sales) to the local economy. This increase reflects an approximate 1.6 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.60 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the GMRC construction project, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.60-1.98. Jobs impacts from the construction of the GMRC conference and training center are expected to be nearly 131 jobs.

Table 32, GMRC Construction Impacts (State)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	75.9	\$4,195,730	\$4,360,184	\$12,325,187
Indirect Effect	24.2	\$1,320,768	\$2,003,350	\$3,683,986
Induced Effect	30.5	\$1,192,330	\$2,268,406	\$3,687,470
Total Effect	130.7	\$6,708,828	\$8,631,939	\$19,696,643
Multiplier	1.72	1.60	1.98	1.60

Brownells

Table 33 displays the economic impact of constructing a retail location and experiential center in the City of Grinnell's reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$11.5M increase by \$7.0M in output (sales) to the local economy. This increase reflects an approximate 1.61 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.61 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the Brownells construction projects, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.57-1.93. Jobs impacts from the construction of the Brownells retail and experiential centers are expected to be approximately 129 jobs.

Table 33, Brownells Construction Impacts (State)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	76.5	\$4,175,200	\$4,354,480	\$11,511,917
Indirect Effect	22.9	\$1,213,261	\$1,854,583	\$3,409,611
Induced Effect	29.8	\$1,164,369	\$2,215,227	\$3,601,012
Total Effect	129.1	\$6,552,830	\$8,424,290	\$18,522,540
Multiplier	1.69	1.57	1.93	1.61

New Hotel

Table 34 displays the economic impact of constructing a New Hotel in the City of Grinnell’s reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$6.1M increase by \$3.8M in output (sales) to the local economy. This increase reflects an approximate 1.63 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.63 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the new hotel construction project, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.59-2.01. Jobs impacts from the construction of the new hotel are expected to be approximately 70 jobs.

Table 34, New Hotel Construction Impacts (State)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	41.4	\$2,211,216	\$2,201,672	\$6,119,111
Indirect Effect	12.6	\$679,456	\$1,026,923	\$1,894,450
Induced Effect	16	\$624,457	\$1,188,016	\$1,931,222
Total Effect	70	\$3,515,128	\$4,416,610	\$9,944,783
Multiplier	1.69	1.59	2.01	1.63

Infrastructure

Table 35 displays the economic impact of constructing several public works projects in the City of Grinnell’s reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$3.7M increase by \$2.5M in output (sales) to the local economy. This increase reflects an approximate 1.68 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.68 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the GMRC construction project, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.64-2.07. Jobs impacts from the construction of the public works projects are expected to be approximately 43 jobs.

Table 35, Infrastructure Construction Impacts (State)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	23.8	\$1,383,270	\$1,360,625	\$3,656,951
Indirect Effect	9.1	\$477,003	\$692,323	\$1,252,894
Induced Effect	10.3	\$401,480	\$763,779	\$1,241,612
Total Effect	43.2	\$2,261,753	\$2,816,727	\$6,151,456
Multiplier	1.82	1.64	2.07	1.68

Total Construction Impacts

Table 36 displays the economic impact of constructing all projects in the City of Grinnell’s reinvestment district. These results are calculated at the local (county) level. As shown, the successive rounds of economic activity following the local direct purchases of \$33.6M increase by \$20.7M in output (sales) to the local economy. This increase reflects an approximate 1.62 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.62 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For all construction projects in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added and

output) range from 1.59-1.98. **Jobs impacts from all projects within the City of Grinnell reinvestment district are expected to be approximately 373 jobs.**

Table 36, Total Construction Impacts (State)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	217.6	\$11,965,416	\$12,276,960	\$33,613,166
Indirect Effect	68.7	\$3,690,487	\$5,577,178	\$10,240,940
Induced Effect	86.7	\$3,382,636	\$6,435,426	\$10,461,317
Total Effect	373	\$19,038,539	\$24,289,565	\$54,315,423
Multiplier	1.71	1.59	1.98	1.62

Operations Impacts

As described previously, the operations impacts contained in this section are what would be expected in the year 2018. This represents the first year in which all non-municipal projects are expected to be at full capacity. Additionally, we have not included any impacts from operations for the City of Grinnell infrastructure projects.

GMRC

In order to fully capture the direct effects of operating GMRC’s conference and training center, we have assumed that a portion of insurance operations by GMRC can be traced to the three positions immediately created upon completion of the conference and training center. The effects of this assumption are reflected in Table 37. For the operations economic impacts estimated at the state level for GMRC, these direct positions are not listed as three, but as 2.3 in the direct impacts. This is due to estimating the net effect of the intra-state shift of economic activity (hotel stays and meal purchases). In other words, by shifting economic activity from other areas within Iowa, 0.7 direct jobs are excluded from the analysis. The actual IMPLAN model entries illustrating the difference between operations impacts at the local and state level can be found in Appendix I, IMPLAN Model Entries.

Estimates of the economic impact of the maintenance and rental of GMRC’s conference and training center in the year 2018 are shown in Table 37. As shown, the successive rounds of economic activity derived from the rental of the conference and training center to outside groups of \$1.1M increase by \$0.4M in output (sales) to the local economy. This increase reflects an approximate 1.37 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.37 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the rental of GMRC’s conference and training center in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.33-2.26.

Jobs impacts from the rental of GMRC’s conference and training center in the year 2018 in the City of Grinnell reinvestment district are expected to be approximately 5 jobs. Upon reaching full operational capacity, the maintenance and rental of GMRC’s conference and training center is expected to support at least 5 jobs and \$1.5M in output indefinitely. As GMRC determines how to best use their conference and training center, these impacts have the potential to change from that outlined in Table 37.

Due to the comparatively low (to other Grinnell reinvestment district projects) annual sales derived from the rental of the conference and training center, large economic impacts from the rental of the conference and training center were not expected. However, because the operation of the conference and training center will be used extensively for both internal and external groups, there are significant economic impacts expected from local hotel stays (i.e., the new hotel when complete) and purchase of meals. These economic events have been captured within their respective local industries.

Table 37, GMRC Operations Impacts (State)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	2.3	\$213,923	\$840,471	\$1,127,607
Indirect Effect	1.3	\$71,600	\$157,972	\$224,115
Induced Effect	1.6	\$61,965	\$117,904	\$191,649
Total Effect	5.2	\$347,487	\$1,116,348	\$1,543,371
Multiplier	2.26	1.62	1.33	1.37

Brownells

Estimates of the economic impact of the operation of the Brownells retail and experiential centers in the year 2018 are shown in Table 38. As shown, the successive rounds of economic activity derived from the operation of these two revenue sources of \$5.2M increase by \$4.9M in output (sales) to the local economy. This increase reflects an approximate 1.94 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.94 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the operation of the Brownells retail and experiential centers in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.31-2.76.

Jobs impacts from the Brownells retail and experiential centers in the year 2018 in the City of Grinnell reinvestment district are expected to be approximately 62 jobs. Upon reaching full operational capacity, the operation of the Brownells retail and experiential centers is expected to support at least 62 jobs and \$10.1M in output indefinitely. As Brownells experiences actual sales performance, these impacts have the potential to change from that outlined in Table 38.

Table 38, Brownells Operations Impacts (State)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	22.5	\$5,156,116	\$8,117,430	\$5,185,427
Indirect Effect	8.8	\$386,601	\$728,172	\$1,172,623
Induced Effect	30.7	\$1,198,722	\$2,280,764	\$3,707,406
Total Effect	62	\$6,741,439	\$11,126,365	\$10,065,455
Multiplier	2.76	1.31	1.37	1.94

New Hotel

Estimates of the economic impact of the operation of the new hotel in the year 2018 are shown in Table 39. As shown, the successive rounds of economic activity derived from the operation the new hotel of \$1.4M increase by \$0.9M in output (sales) to the local economy. This increase reflects an approximate 1.64 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.64 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the operation of the new hotel in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.47-1.84.

Jobs impacts from the new hotel in the year 2018 in the City of Grinnell reinvestment district are expected to be approximately 23 jobs. Upon reaching full operational capacity, the operation of the new hotel is expected to support at least 23 jobs and \$2.3M in output indefinitely. As the new hotel experiences actual sales performance, these impacts have the potential to change from that outlined in Table 39.

Table 39, New Hotel Operations Impacts (State)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	15.6	\$361,785	\$697,848	\$1,425,935
Indirect Effect	4.3	\$185,408	\$304,215	\$539,362
Induced Effect	3	\$118,660	\$225,786	\$367,004
Total Effect	22.9	\$665,853	\$1,227,849	\$2,332,301
Multiplier	1.47	1.84	1.76	1.64

Total Operations Impacts

Estimates of the economic impact of the operation for all non-municipal projects in 2018 are shown in Table 40. As shown, the successive rounds of economic activity derived from the operation of all projects of \$7.7M increase by \$6.2M in output (sales) to the local economy. This increase reflects an approximate 1.80 multiplier. This multiplier can be interpreted as: every dollar of increased construction activity in the area is expected to lead to an additional \$0.80 in other areas of the local economy. Similar increases and multipliers are estimated for employment (jobs), labor income and value-added. For the operation of all non-municipal projects in the City of Grinnell reinvestment district, multipliers for each of the economic impact measures (employment, labor income, value-added and output) range from 1.35-2.23.

Jobs impacts from all projects in the year 2018 in the City of Grinnell reinvestment district are expected to be approximately 90 jobs. Upon reaching full operational capacity, the operation of all projects are expected to support at least 90 jobs and \$13.9M in output indefinitely. As all projects experience actual sales performance, these impacts have the potential to change from that outlined in Table 40.

Table 40, Total Operations Impacts (State)

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	40.5	\$5,731,824	\$9,655,749	\$7,738,968
Indirect Effect	14.4	\$643,609	\$1,190,359	\$1,936,100
Induced Effect	35.3	\$1,379,347	\$2,624,454	\$4,266,058
Total Effect	90.2	\$7,754,780	\$13,470,562	\$13,941,127
Multiplier	2.23	1.35	1.40	1.80

C2.2 Market Areas Impacted

As a result of the four projects included within the proposed City of Grinnell reinvestment district, large impacts are expected from both the construction and the continuing operations of the projects. Following are discussions on the market areas which are expected to be affected in a significant way for both the local and state study areas. Summaries are included both in terms of construction and operations economic impacts.

Local Study Area

Construction

Because of the nature of the construction (new non-residential buildings), large impacts from the total direct capital expenditures was expected. Referring to Table 41, during the first few years of the City of Grinnell’s reinvestment district, the total expenditure of \$22.8M in capital investment is expected to lead to the creation of a total of 194 jobs in two classifications of construction, which represents more than 70% of all jobs (273) created as a result of construction. Other top market areas impacted (in terms of employment) include Food Service and Drinking Places, Sign Manufacturing, and Medical Offices.

Table 41, Top Market Areas Affected by Construction (Local), Ranked by Employment

Market Area	Direct	Indirect	Induced	Total
Total	204.7	28.4	39.9	273.0
Construction of new nonresidential commercial and health care structures	173.7	-	-	173.7
Construction of other new nonresidential structures	20.5	-	-	20.5
Food services and drinking places	-	2.2	7.3	9.4
Sign manufacturing	8.9	0.2	0.1	9.1
Offices of physicians, dentists, and other health practitioners	-	-	4.9	4.9
Employment services	-	2.9	1.0	3.9
Wholesale trade businesses	0.1	2.6	1.1	3.8
Retail Stores - Food and beverage	-	0.6	2.2	2.7
Nursing and residential care facilities	-	-	2.7	2.7

Table 42 illustrates the top market areas affected in terms of Output (Sales). Because of the large expenditures in construction, both classifications of construction again top the list of affected market areas. Of the total impacts in terms of output (\$35.4M), \$25.9M is expected to be derived from the construction market areas. Other top market areas impacted include Sign Manufacturing, Wholesale Trade Businesses, and Monetary Authorities (financial institutions).

Table 42, Top Market Areas Affected by Construction (Local), Ranked by Output

Market Area	Direct	Indirect	Induced	Total
Total	\$ 27,380,032	\$ 3,720,357	\$ 4,337,118	\$35,437,507
Construction of new nonresidential commercial and health care structures	\$ 22,958,201	\$ -	\$ -	\$22,958,201
Construction of other new nonresidential structures	\$ 2,972,393	\$ -	\$ -	\$ 2,972,393
Sign manufacturing	\$ 1,200,006	\$ 24,590	\$ 8,122	\$ 1,232,719
Wholesale trade businesses	\$ 17,588	\$ 530,925	\$ 217,691	\$ 766,204
Monetary authorities and depository credit intermediation activities	\$ -	\$ 400,407	\$ 167,554	\$ 567,961
Food services and drinking places	\$ -	\$ 105,369	\$ 353,982	\$ 459,351
Offices of physicians, dentists, and other health practitioners	\$ -	\$ 1	\$ 450,307	\$ 450,308
Private hospitals	\$ -	\$ 1	\$ 335,448	\$ 335,449
Wood windows and doors and millwork manufacturing	\$ -	\$ 271,142	\$ 2,118	\$ 273,260

Operations

Due to the nature of the operations from the projects within the proposed City of Grinnell reinvestment district, expectations were that hotels and market areas reflecting the Brownells experiential center would be market areas

impacted in a significant way. As shown in Table 43, the top market areas impacted by operations of projects in the reinvestment district include Hotels and Motels, Other Amusement and Recreation Industries, Food Services and Drinking Places and Employment Services. The top two market areas impacted (Hotels and Motels, and Other Amusement and Recreation Industries) account for more than 75% of all jobs created and supported within the City of Grinnell’s reinvestment district.

Table 43, Top Market Areas Affected by Operations (Local), Ranked by Employment

Market Area	Direct	Indirect	Induced	Total
Total	25.0	4.6	2.7	32.3
Hotels and motels, including casino hotels	19.4	-	-	19.4
Other amusement and recreation industries	5.2	-	-	5.2
Food services and drinking places	0.3	1.0	0.5	1.8
Employment services	-	0.8	0.1	0.8
Maintenance and repair construction of nonresidential structures	-	0.4	-	0.4
Offices of physicians, dentists, and other health practitioners	-	-	0.3	0.3
Accounting, tax preparation, bookkeeping, and payroll services	-	0.3	-	0.3
Business support services	-	0.2	-	0.2
Nursing and residential care facilities	-	-	0.2	0.2

From an operations standpoint, market areas impacted in a significant way (in terms of output) by the projects within the proposed City of Grinnell’s reinvestment district include Hotels and Motels and Amusement and Recreation market areas (see Table 44). These two market areas account for more than 75% of all additional output created and supported in the reinvestment district. Other market areas impacted by operations include Food Services and Drinking Places, Maintenance and Repair Construction, and Electric Power Generation, Transmission, and Distribution.

Table 44, Top Market Areas Affected by Operations (Local), Ranked by Output

Market Area	Direct	Indirect	Induced	Total
Total	\$ 2,547,687	\$ 478,384	\$ 289,002	\$ 3,315,073
Hotels and motels, including casino hotels	\$ 1,487,858	\$ 321	\$ 141	\$ 1,488,320
Other amusement and recreation industries	\$ 1,028,407	\$ 150	\$ 394	\$ 1,028,951
Food services and drinking places	\$ 14,198	\$ 48,402	\$ 23,580	\$ 86,179
Maintenance and repair construction of nonresidential structures	\$ -	\$ 51,898	\$ 1,752	\$ 53,650
Electric power generation, transmission, and distribution	\$ -	\$ 46,423	\$ 5,858	\$ 52,282
Management of companies and enterprises	\$ -	\$ 31,020	\$ 1,153	\$ 32,173
Accounting, tax preparation, bookkeeping, and payroll services	\$ -	\$ 27,814	\$ 2,486	\$ 30,300
Offices of physicians, dentists, and other health practitioners	\$ -	\$ -	\$ 30,080	\$ 30,080
Employment services	\$ -	\$ 26,334	\$ 2,258	\$ 28,592

State Study Area

In general, economic impact estimates differ between varying sizes of study areas. For instance, the ability of those constructing projects to source sufficient construction materials or audio/visual and computer equipment at the state level is likely easier to accomplish due to a more diverse economy at the state level. As a result, the total impacts at the state level are generally larger than what would be expected at the local level. This assessment generally holds true with all economic impact modeling at varying geographic scopes.

Construction

Because of the nature of the construction (new non-residential buildings), large impacts from the total direct capital expenditures were expected. Referring to Table 45, during the first few years of the City of Grinnell’s reinvestment district, the total expenditure of \$22.8M in capital investment is expected to lead to the creation of a jobs representing about 50% of all jobs (373) created. Note that while the total jobs created at the state level is much higher (373 versus

273), the share of jobs derived from construction at the state level is smaller than at the local level. This supports the point mentioned previously that a more diverse economy is able to provide required inputs locally. Other top market areas impacted (in terms of employment) include Food Service and Drinking Places, Architectural, Engineering, and Related Services, and Wholesale Trade Businesses.

Table 45, Top Market Areas Affected by Construction (State), Ranked by Employment

Market Area	Direct	Indirect	Induced	Total
Total	217.6	68.7	86.7	373.0
Construction of new nonresidential commercial and health care structures	167.6	-	-	167.6
Construction of other new nonresidential structures	19.6	-	-	19.6
Food services and drinking places	-	3.1	10.7	13.9
Architectural, engineering, and related services	3.5	10.2	0.1	13.8
Wholesale trade businesses	0.1	6.5	2.8	9.4
Sign manufacturing	9.3	-	-	9.3
Custom architectural woodwork and millwork manufacturing	5.0	-	-	5.0
Employment services	-	3.5	1.4	4.9
Offices of physicians, dentists, and other health practitioners	-	-	4.7	4.7

Table 46 illustrates the top market areas affected in terms of Output (Sales). Because of the large expenditures in construction, both classifications of construction again top the list of affected market areas, albeit at a lower share of the total. Of the total impacts (in terms of output), 48% is expected to be derived from construction market areas. Other top market areas impacted include Electronic Computer Manufacturing, Wholesale Trade Businesses, and Architectural, Engineering, and Related Services.

Table 46, Top Market Areas Affected by Construction (State), Ranked by Output

Market Area	Direct	Indirect	Induced	Total
Total	\$ 33,613,166	\$ 10,240,940	\$ 10,461,317	\$ 54,315,423
Construction of new nonresidential commercial and health care structures	\$ 22,958,201	\$ -	\$ -	\$ 22,958,201
Construction of other new nonresidential structures	\$ 2,969,663	\$ -	\$ -	\$ 2,969,663
Electronic computer manufacturing	\$ 2,160,875	\$ 2,880	\$ 522	\$ 2,164,276
Wholesale trade businesses	\$ 27,477	\$ 1,283,627	\$ 543,572	\$ 1,854,676
Architectural, engineering, and related services	\$ 400,000	\$ 1,204,546	\$ 13,874	\$ 1,618,420
Other commercial and service industry machinery manufacturing	\$ 1,367,796	\$ 10,349	\$ 441	\$ 1,378,586
Monetary authorities and depository credit intermediation activities	\$ -	\$ 778,286	\$ 477,925	\$ 1,256,211
Sign manufacturing	\$ 1,200,000	\$ 5,045	\$ 993	\$ 1,206,038
Real estate establishments	\$ 51	\$ 287,743	\$ 538,446	\$ 826,240

Operations

Due to the nature of the operations from the projects within the proposed City of Grinnell reinvestment district, expectations were that hotels and market areas reflecting the Brownells experiential center would be market areas impacted in a significant way. As shown in Table 47, the top market areas impacted (in terms of jobs) by operations of projects in the reinvestment district include Sporting Goods Stores, Hotels and Motels, Food Services and Drinking Places, Other Amusement and Recreation industries, and Insurance Carriers. The top two market areas impacted (Sporting Goods Stores and Hotels and Motels) account for 37% of all jobs created and supported within the City of Grinnell's reinvestment district. While jobs created as a result of the projects within the proposed City of Grinnell reinvestment district is larger at the state level, jobs are more broadly distributed among industries present in the state economy.

Table 47, Top Market Areas Affected by Operations (State), Ranked by Employment

Market Area	Direct	Indirect	Induced	Total
Total	40.5	14.4	35.3	90.2
Retail Stores - Sporting goods, hobby, book and music	17.4	-	-	17.4
Hotels and motels, including casino hotels	15.6	-	-	15.7
Food services and drinking places	(0.3)	1.2	4.4	5.2
Other amusement and recreation industries	5.2	-	-	5.2
Insurance carriers	2.5	0.1	0.3	3.0
Real estate establishments	0.1	1.0	1.2	2.3
Offices of physicians, dentists, and other health practitioners	-	-	1.9	1.9
Private hospitals	-	-	1.8	1.8
Employment services	-	1.1	0.6	1.7

From an operations standpoint, market areas impacted in a significant way (in terms of output) by the projects within the proposed City of Grinnell’s reinvestment district include Sporting Goods Stores, Hotels and Motels and Insurance Carriers market areas (see Table 48). These three market areas account for more than 50% of all additional output created and supported in the reinvestment district. Other market areas impacted by operations include Amusement and Recreation and Real Estate Establishments market areas.

Table 48, Top Market Areas Affected by Operations (State), Ranked by Output

Market Area	Direct	Indirect	Induced	Total
Total	\$ 7,738,968	\$ 1,936,100	\$ 4,266,058	\$13,941,127
Retail Stores - Sporting goods, hobby, book and music	\$ 4,157,020	\$ 5,962	\$ 14,115	\$ 4,177,097
Hotels and motels, including casino hotels	\$ 1,425,935	\$ 1,796	\$ 3,025	\$ 1,430,756
Insurance carriers	\$ 1,124,581	\$ 66,078	\$ 116,546	\$ 1,307,204
Other amusement and recreation industries	\$ 1,028,407	\$ 902	\$ 5,813	\$ 1,035,123
Real estate establishments	\$ 17,224	\$ 173,700	\$ 220,872	\$ 411,796
Monetary authorities and depository credit intermediation activities	\$ -	\$ 110,860	\$ 194,709	\$ 305,570
Wholesale trade businesses	\$ -	\$ 52,648	\$ 222,395	\$ 275,043
Food services and drinking places	\$ (14,198)	\$ 59,970	\$ 227,420	\$ 273,192
Offices of physicians, dentists, and other health practitioners	\$ -	\$ 1	\$ 255,186	\$ 255,187

C2.3 Fiscal and Financial Impact on Business and Economic Development Projects

In previous sections, results have been presented which relate to the local economic impact on business activity in the community and state. Results contained in this section will deal with the fiscal impact on state and local governments.

Local Study Area

Construction

Table 49 summarizes the expected fiscal impacts to state and local governments from constructing the projects within the proposed City of Grinnell reinvestment district. As shown, many types of taxes are expected to accrue to local and state governments from these projects. The largest share of taxes are expected to come in the form of Tax on Production (\$637,902) and Import and Personal Tax (\$317,995). These taxes are expected to be collected from businesses and households because of increased economic activity within the local area.

Table 49, Fiscal Impacts (Local), Construction

Tax Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Dividends					\$336
Social Ins Tax- Employee Contribution	\$3,939	\$0			
Social Ins Tax- Employer Contribution	\$7,745				
Tax on Production and Imports: Sales Tax			\$303,059		
Tax on Production and Imports: Property Tax			\$297,761		
Tax on Production and Imports: Motor Vehicle Lic			\$14,172		
Tax on Production and Imports: Severance Tax			\$0		
Tax on Production and Imports: Other Taxes			\$18,703		
Tax on Production and Imports: S/L NonTaxes			\$4,207		
Corporate Profits Tax					\$4,107
Personal Tax: Income Tax				\$245,858	
Personal Tax: NonTaxes (Fines- Fees				\$31,983	
Personal Tax: Motor Vehicle License				\$26,289	
Personal Tax: Property Taxes				\$5,204	
Personal Tax: Other Tax (Fish/Hunt)				\$8,661	
Total State and Local Tax	\$11,684	\$0	\$637,902	\$317,995	\$4,443

Operations

Table 50 summarizes the expected fiscal impacts to state and local governments from the operations of the projects within the proposed City of Grinnell reinvestment district. As with the construction tax impacts, the largest share of taxes are expected to come in the form of Tax on Production (\$337,179) and Import and Personal Tax (\$20,998). These taxes are expected to be collected from businesses and households because of increased economic activity within the local area.

Table 50, Fiscal Impacts (Local), Operations

Tax Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Dividends					\$194
Social Ins Tax- Employee Contribution	\$285	\$0			
Social Ins Tax- Employer Contribution	\$560				
Tax on Production and Imports: Sales Tax			\$160,189		
Tax on Production and Imports: Property Tax			\$157,389		
Tax on Production and Imports: Motor Vehicle Lic			\$7,491		
Tax on Production and Imports: Severance Tax			\$0		
Tax on Production and Imports: Other Taxes			\$9,886		
Tax on Production and Imports: S/L NonTaxes			\$2,224		
Corporate Profits Tax					\$2,373
Personal Tax: Income Tax				\$16,235	
Personal Tax: NonTaxes (Fines- Fees				\$2,112	
Personal Tax: Motor Vehicle License				\$1,736	
Personal Tax: Property Taxes				\$344	
Personal Tax: Other Tax (Fish/Hunt)				\$572	
Total State and Local Tax	\$845	\$0	\$337,179	\$20,998	\$2,568

State Study Area

Construction

Table 51 summarizes the expected fiscal impacts to state and local governments from constructing the projects within the proposed City of Grinnell reinvestment district. As shown, many types of taxes are expected to accrue to local and state governments from these projects. The largest share of taxes are expected to come in the form of Tax on Production (\$1,152,076) and Import and Personal Tax (\$518,277). These taxes are expected to be collected from businesses and households because of increased economic activity within the state area.

Table 51, Fiscal Impacts (State), Construction

Tax Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Dividends					\$1,473
Social Ins Tax- Employee Contribution	\$10,902	\$0			
Social Ins Tax- Employer Contribution	\$21,434				
Tax on Production and Imports: Sales Tax			\$547,336		
Tax on Production and Imports: Property Tax			\$537,768		
Tax on Production and Imports: Motor Vehicle Lic			\$25,595		
Tax on Production and Imports: Severance Tax			\$0		
Tax on Production and Imports: Other Taxes			\$33,778		
Tax on Production and Imports: S/L NonTaxes			\$7,598		
Corporate Profits Tax					\$18,003
Personal Tax: Income Tax				\$400,707	
Personal Tax: NonTaxes (Fines- Fees				\$52,126	
Personal Tax: Motor Vehicle License				\$42,847	
Personal Tax: Property Taxes				\$8,482	
Personal Tax: Other Tax (Fish/Hunt)				\$14,116	
Total State and Local Tax	\$32,336	\$0	\$1,152,076	\$518,277	\$19,476

Operations

Table 52 summarizes the expected fiscal impacts to state and local governments from the operations of the projects within the proposed City of Grinnell reinvestment district. As with the construction tax impacts, the largest share of taxes are expected to come in the form of Tax on Production (\$1,629,808) and Import and Personal Tax (\$209,725). These taxes are expected to be collected from businesses and households because of increased economic activity within the state area.

Table 52, Fiscal Impacts (State), Operations

Tax Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Dividends					\$1,447
Social Ins Tax- Employee Contribution	\$4,835	\$0			
Social Ins Tax- Employer Contribution	\$9,506				
Tax on Production and Imports: Sales Tax			\$774,300		
Tax on Production and Imports: Property Tax			\$760,765		
Tax on Production and Imports: Motor Vehicle Lic			\$36,209		
Tax on Production and Imports: Severance Tax			\$0		
Tax on Production and Imports: Other Taxes			\$47,785		
Tax on Production and Imports: S/L NonTaxes			\$10,749		
Corporate Profits Tax					\$17,688
Personal Tax: Income Tax				\$162,149	
Personal Tax: NonTaxes (Fines- Fees				\$21,093	
Personal Tax: Motor Vehicle License				\$17,338	
Personal Tax: Property Taxes				\$3,432	
Personal Tax: Other Tax (Fish/Hunt)				\$5,712	
Total State and Local Tax	\$14,341	\$0	\$1,629,808	\$209,725	\$19,136

SECTION D – Unique in Nature

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

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

I-80 brings nearly 30,000 vehicles per day past Grinnell. As Grinnell exists today, the city’s best assets are in the Central Business District three miles north of the Interstate. Yet, city limits extend past the Interstate and much of the city’s industry and commerce are in south Grinnell near the I-80 and Iowa Highway 146 interchange. The area has been targeted by the City for the past 10 years in order to improve the business environment and the aesthetics, but there is still much to be done. Like many rural communities in Iowa and the United States, Grinnell is fighting an uphill battle against the out-migration of youth, lack of investment capital, lack of high-paying jobs, and several other challenges. The intersection as it is today does little to draw people off the interstate and into the community. It is imperative that the city capitalizes on the strengths that it does have, such as its close proximity to I-80. Grinnell is very fortunate to have two \$10M plus projects and a hotel that are being developed at this location. These projects will be a catalyst for additional development and will create a complete experience as residents and visitors alike take the Grinnell exit off I-80. These initial projects will transform the current intersection and change the aesthetics of the area. No study can adequately describe how this area will reshape Grinnell.

As demonstrated below, each project in the district is unique on its own. Yet, what truly distinguishes this area is that each of these projects complements the others and, in fact, is stronger because of the others. It is rare to have the opportunity to make such a strong impact in such a concentrated area.

Grinnell Mutual Reinsurance Conference Center

As the second largest employer in the county and a 105 year history of being headquartered in Grinnell, Grinnell Mutual Reinsurance Company (GMRC) is a key player in the economic growth for Grinnell and all of Poweshiek County. In order to stay competitive in its industry and to sufficiently train both new and current employees, the company is building a new conference and training center that will have more technology and capabilities than any other facility in the county. This is a key component to building a comprehensive campus; the overall campus of GMRC currently includes a fitness center, free medical clinic, lactation rooms, and employee and family wellness activities. Future plans for the campus include, a park, walking trail (connected to the Grinnell Area Recreational Trail) and new conference center.

The new conference center will have significant square footage dedicated to training and development of internal employees and employees of member mutuals and agents. At present, training space is limited and there are many competing priorities for that space. The conference center will be a significant draw supporting the company's talent acquisition strategy/model in recruitment, retention, and employee development. GMRC has been one of “Iowa’s Top Workplaces” in 2011, 2012, and 2013 and looks to continue that in to the future by providing these added amenities to employees.

Additional development goals will be made attainable with the addition of the conference center. As stated above, the conference center will be used to support the talent acquisition strategy/model. GMRC plans on utilizing the conference center to expand its internship program, increase developmental opportunities for existing employees, and provide more continuing education opportunities. As stated by GMRC's AVP of Human Resources, Ian Bullion, "we will not be able to accomplish this without the conference center." The conference center will also be a huge draw within the talent acquisition model for "new" employees. Those prospective employees will see and experience how dedicated GMRC is to their future development.

GMRC's normal gross attrition (voluntary/involuntary) is historically 8% - thus it is replacing approximately 60 employees per year due to attrition. The company's ten year growth plan is to move from \$510,000,000 in premium to \$1,000,000,000 in premium. At present the average age is 46.61 and 27% (178 employees) of employees are of retirement age (between 55 and 65). In ten years that number will increase to 316 employees or 47% of its workforce or an increase of 78%. In order for GMRC to recruit and train replacement staff and additional employees needed to grow its premium 100%, the new conference center is an "imperative".

In Poweshiek County, there is not a facility available for public use that has the capabilities of this conference center. When not in use for internal company functions, the conference center will be available for use by the City of Grinnell, non-profit organizations and other businesses in the reinvestment district and surrounding market area. Grinnell Mutual is committed to the community and this is just one more way they are able to provide resources for other organizations. Its record of philanthropy and community support is substantial and consistent.

This project has gone from a concept in August of 2013 to design/development in December 2013. The board finalized and approved all design work and financing in December 2013. The company is ready to begin construction as soon as possible. This demonstrates the company's readiness to move forward with the project and its commitment to Grinnell and Iowa.

Brownells Experiential Center

Brownells has been dedicated to the Poweshiek County community for 75 years. The company continues to grow, expand and provide jobs for the people in the community and beyond. Currently, it is one of the top 10 employers in Poweshiek County and with this expansion it will continue to add a variety of jobs, both entry and skilled. This facility will be the first destination retail facility in Grinnell capable of drawing customers and visitors from across Iowa and beyond.

There is no facility similar in design, scale, scope, quality, or operation to the proposed Brownells Experiential Center in Iowa and there are only a handful in the United States. This facility will have a design and specific equipment contained in only two other facilities in the United States. Once the facility is constructed, Brownells will apply with the National Shooting Sports Foundation (NSSF) to become at least a four-star shooting facility. According to the NSSF's website, "The NSSF has developed a Five Star rating system for shooting ranges. The rating system is based on our vision of a well-managed, customer-oriented facility that is a strong competitor in the recreation marketplace. There are six categories in the NSSF Five Star Rating System: Appearance, Management, Customer/Member Focus, Customer/Member Development, Community Relations and Amenities." The Brownells facility will apply for at least a four-star rating by the NSSF. Currently, the closest shooting facility with a four or five-star rating is in Missouri. The closest indoor range is also located in Missouri. The shooting range ratings chart has a complete list of four and five-star facilities in North America. In addition to the facility in Grinnell, Brownells also own an outdoor facility, Big Springs, located twelve miles south of Grinnell, giving the company the flexibility to host indoor and outdoor events. There are only three other five-star and two other four-star facilities that provide both indoor and outdoor shooting ranges in the United States.

Table 53, NSSF - Five Star Ranges

NSSF Five Star Ranges					
Range	Location	Indoor	Outdoor	Private	Public
Selwood Farm	AL		x		x
Ben Avery Shooting Facility	AZ		x		x
Scottsdale Gun Club	AZ	x			x
Tucson Trap & Skeet Club	AZ		x		x
Blucore Shooting Center	CO	x			x
Centennial Gun Club	CO	x			x
Florida Firearms Academy	FL	x			x
Indian River County Public Shooting Range	FL		x		x
Nexus Shooting	FL	x			x
Okeechobee Shooting Sports, LLC	FL		x		x
Shooters World, LLC	FL	x			x
Norcross Gun Club and Range	GA	x			x
Sandy Springs Gun Club and Range	GA	x			x
Center Target Sports, Inc.	ID	x			x
Centerfire Shooting Sports	KS	x			x
Flint Oak Hunting Resort	KS		x		x
Ravenwood Lodge	KS		x		x
The Gun Guys	KS	x			x
Action Impact	MI	x			x
Top Gun Shooting Sports, Inc.	MI	x			x
Bill's Gun Shop & Range	MN	x			x
Bill's Gun Shop & Range North	MN	x			x
Metro Shooting Supplies	MO	x			x
The Sound of Freedom USA, LLC	MO	x			x
Top Gun Shooting Sports	MO	x	x		x
Ultimate Defense Firing Range & Training Center	MO	x			x
Point Blank Range	NC	x			x
The Range at Lake Norman	NC	x			x
Clark County Shooting Complex	NV		x		x
Gun Garage	NV	x			x
Black Wing Shooting Center	OH	x	x		x
Vandalia Range & Armory	OH	x			x
H&H Shooting Sports Complex	OK	x	x		x
Pocono Pistol Club LLC	PA	x			x
Tripoli's Triggers	PA	x			x
Nashville Armory	TN	x			x
Elm Fork Clay Sports, Inc.	TX		x		x
Shoot Smart (Fort Worth)	TX	x			x
Shoot Smart (Grand Prairie)	TX	x			x
The Arms Room, LLC	TX	x			x
Colonial Shooting Academy	VA	x			x
West Coast Armory Indoor Range	WA	x		x	
Bill's Gun Shop & Range	WI	x			x
Milford Hills Hunt Club	WI		x		x
Source: NSSF web site, www.nssf.org					

Table 54, NSSF - Four Star Ranges

NSSF Four Star Ranges					
Range	Location	Indoor	Outdoor	Private	Public
The Edge Group	AB	x			x
Rio Salado Sportsman’s Club-Usery Mountain	AZ	x	x		x
American Police Hall of Fame Shooting Center	FL	x			x
Arizona Shooting Range & Emporium	FL	x			x
Markham Park Target Range	FL		x		x
Deer Creek Archery	MD	x			x
Jay Henges Shooting Range & Outdoor Ed Center	MO		x		x
Deep River Sporting Clays & Shooting School	NC		x		x
Oregon Firearms Academy, LLC	OR		x		x
Factoryville Sportsman Club	PA	x	x	x	
ATP Gun Shop & Range	SC	x	x		x
A Place to Shoot	TX		x		x
Texas Thunder Range	TX	x			x
Milwaukee Casting Club	WI		x		x
Source: NSSF web site, www.nssf.org					

The facility will aid the training of law enforcement officers from all over Iowa. In addition to the obvious benefits of firearms training, there is adequate classroom space to teach all aspects of law enforcement operations. Brownells has a long history of partnering with law enforcement to provide training, quality products, and philanthropy. Brownells also has a long and significant history with the military and plans to use this facility to build upon and strengthen that relationship. The facility will also serve shooting enthusiasts and the sporting community all year, but will be especially useful November through March. This facility will teach and promote safety first and foremost. The facility will provide both functional training and year around entertainment and fun for all ages and backgrounds. Iowa's tourism industry struggles in the winter months and that is when this facility will be at its best.

In addition to the ratings system by NSSF, the Brownells facility will incorporate safety and trainings exercises that are currently not available at the Law Enforcement Academy in Johnston. The technology in this center will be state-of-the-art and only offered at two other facilities in the country, both of which are private clubs in Texas. The facility will accommodate all groups, large or small, and any skill level. One of the biggest draws of this facility is its availability to law enforcement and military service personnel. Space has been allocated not only for the shooting ranges and laser experience, but also for classrooms where patrons can learn from their experiences. Courses will also be available to the public.

Brownells recently launched a line of archery products and will include archery lanes within the Experiential Center. This is a rapidly increasing sport that will attract not only local groups but regional archery clubs. This industry is seeing unprecedented growth due to a boost from popular culture. This is also a great fit for Brownells as the crossover between archery techs and gunsmiths is over 60%, making it a logical progression of its business.

One other element of the Experiential Center is the laser experience. These simulators will provide a variety of realistic scenarios and simulations. Up to this point these type of simulators have had limited availability to the general public. The fully immersive, multi-screen simulators will provide 180 and 300 degree simulations that will test speed, judgment, and gun handling mechanics. These simulations will allow patrons to learn from experience in how to make quick and accurate decisions safely.

New Hotel

The new hotel will be a new amenity to the area. The new hotel has been studied as a Hampton Inn, part of the Hilton Brand Hotel network, which prides itself on providing real value and a great hotel experience for both the business and leisure traveler. The hotel investors are not tied to the brand, but intend to secure a brand that is known for a higher quality

of service. While there are several hotels in Grinnell currently, there is not a hotel that addresses the needs beyond those of the budget-conscious traveler. Several studies completed have shown the need for this type hotel for entities such as Grinnell College, Grinnell's other major employers and visitors to the area. These studies were conducted prior to the knowledge of both the GMRC Conference Center and the addition of the Brownells Experiential Center, and it is expected that these projects will create even more of a demand for a high-quality hotel.

There are many groups, events and conventions that have had an interest in hosting an event in Grinnell. However, the Chamber of Commerce in Grinnell has had difficulty landing them here due to lack of bed count for the area. This would increase the bed count from 290 to 361 and make Grinnell a destination for additional tourism events.

The City of Grinnell along with various other investment partners have been working since 2006 to construct a new hotel that would better serve the business and visitor needs of the Grinnell community. Public-private partnerships have been extremely beneficial to development in Grinnell. The City has worked closely with a private investment group to develop a new hotel, from the completion of studies to ensuring land availability. There is investment interest in the project, and as the GMRC and Brownells developments come to fruition, there is a more pressing need to move forward on the project. Such a project is a key element in the overall development and growth of Grinnell. Outside of the reinvestment district, this hotel would be supported and utilized by many companies in the community. The IRA will be the catalyst necessary to finally build this needed facility.

City of Grinnell Infrastructure

The City of Grinnell and its development partners have been working aggressively for the past 10 years to improve the business environment and aesthetics at I-80 and Highway 146. With nearly 10,000 vehicles per day at this location, expected to increase to 14,000 vehicles per day due to new developments, this is the main gateway to the community. As business and industry expand toward the Interstate it is important for the City to invest in community entrance and visibility enhancements, but also in infrastructure to make this a viable location for such expansion. These infrastructure projects include a new water tower, additional water mains, traffic signals, significant streetscaping, and an extended bike trail.

Currently Grinnell has 300,000 gallons of elevated storage and one million gallons of ground storage that is equal to the community's average daily use. The 1989 "Stanley Engineering Water Modeling Report" indicated that the city needs some type of additional water storage, and this is supported by the 2010 Veenstra & Kimm water distribution system report. As expansion continues in south Grinnell this item will be necessary to meet fire flow needs and provide reliability for the water distribution system. Due to the anticipated commercial and industrial growth both experienced and anticipated for south Grinnell, this is a very high priority for the Grinnell City Council. Based on the City's previous Insurance Services Office (ISO) rating and assessment, it is anticipated that this new water tower will play the lead role in lowering the ISO rating from a 5 to a 4 which lowers insurance premiums for residents and especially for large commercial and industrial businesses.

The impact of additional storage on the water system will be beneficial. Reliability will be improved and this will be a tremendous improvement to the ability to flow water to fires. The new storage facility should have a useful life in excess of 50 years. The city's current elevated water storage was built in 1927.

In December of 2013, the City of Grinnell worked with Shive-Hattery Engineers to complete a Traffic Signal Study for the Lang Creek and 146 intersection and the I-80 east bound intersection. These signals will greatly improve safety and allow for more efficient flow of traffic. Highway 146 is a divided four lane roadway at this location with a posted speed limit of 55 MPH. There are 9,600 vehicles per day at this location. The peak hours of traffic are 7-8 am and 4-5 pm due in large part the growing commercial and industrial presence in the area. The City of Grinnell and the Iowa DOT have been partnering to improve safety in this area, partly due to accidents that have resulted in two deaths and several injuries in this area.

Although the city limits extend south of I-80, there currently is not much at the interstate that draws people off to visit. New signs and streetscaping both on and off the Interstate will create a unique first impression of Grinnell as visitors drive on I-80. These efforts will also create a more intentional entrance to the city for visitors to Brownells, Grinnell College, GMRC and other businesses and attractions in town. This is an opportunity to market the community to approximately 16 million people (11 million vehicles x 1.5 passengers per vehicle) that drive by Grinnell on I-80 annually.

The Grinnell City Council has long known that the intersection of I-80 and 146 needed attention, this was supported and highlighted by an intensive 3-day visioning process in October of 2013 that further showed how important that entrance is to Grinnell residents, organizations and businesses. During that time, RDG Planning & Design met with over 300 individuals in order to understand Grinnell's identity and then manifest what they found into designs for several community projects, including the enhancements at I-80 and 146. It is important to the city that Grinnell is a comprehensive experience and that projects are not completed exclusively of one another. This approach involves a great deal of effort to ensure that while Grinnell at the intersection of I-80 and 146 might have a different feel from Grinnell downtown, they still feel as though they are part of the same place.

In August 2007 the City of Grinnell Parks and Recreation Board worked with Imagine Grinnell, a local quality of life organization to prepare both a Master Parks Improvement Plan and the Imagine Grinnell Trails Plan. Both of these plans are in the implementation stages. This phase of the trail project will build the trail from the south side of the I-80 interchange from Grinnell Mutual Reinsurance Company (2,500') and north from Stage Coach Road to Industrial Avenue (6,800'). This segment of the trail connects the residential portions of the community where the trail exists today to the large employers in the south part of Grinnell. The trail passes Jeld-Wen Windows and Doors, ASI Signage, Engineered Plastic Components, Grinnell Mutual Reinsurance, United McGill, HW Brand and several other large employers. It is also an important segment in the overall plan to connect to Jacob Krumm Nature Preserve. Upon completion of this trail segment, the community will have access to a trail that travels nearly 12 miles from Rock Creek State Park in Jasper County through Grinnell, ending at the second largest employer in Grinnell, Grinnell Mutual Reinsurance Company. Even though this project is called a "recreational trail," it will also serve as a transportation trail for users to commute to and from work via trail rather than by car.

Although Storm Water Management is not a specific public improvement, it is important to mention in relation to developments in the district. The Highway 146/Brownells Business Park Grading and Storm Water Management Plan was completed on June 26, 2013 in an effort to examine the impacts of development at the I-80 and Highway 146 interchange. This provides assurance that the development is conscious of the impacts on water quality and impacts on neighbors. It also provides measures that must be followed by each project to minimize the negative impacts any project might have on water volumes and water quality. This not only shows that the city is ready and prepared, it demonstrates that the entire site is accurately graded and ready for development immediately. This further demonstrates Grinnell's readiness and ability to implement this project without negative impacts.

SUMMARY - Scoring Criteria

We believe that this application and proposal meet all the administrative rules for the Iowa Reinvestment Districts Program. The project has the strong support of the Grinnell City Council and the community, largely due to the significant private local investments being made by GMRC, Brownells and the new hotel group. This project has been discussed thoroughly in public and in the local media without a single negative remark or comment.

We offer the following project summary using the IRA Scoring Criteria and Plan Evaluation as an outline.

There are several **unique** aspects of this project. This IRA project in Grinnell will permanently transform the aesthetics and infrastructure of the community for the better and substantially contribute to the state's economy in a positive way as

demonstrated throughout the application. The Brownells Experiential Center is the core of this proposal and also the most unique aspect. There is no other facility comparable to this in Iowa, and furthermore there are only two others that can match the design, quality, and scale in all of the United States. Brownells is also a retail destination and experience capable of pulling customers and visitors from across Iowa, the Midwest and beyond. Retail establishments with this type of pulling power are very rare.

The **economic impact** of this proposal is substantial, supported by an Independent Economic Assessment completed by Decision Innovation Solutions of Urbandale, Iowa. The total capital investment of \$34,364,426 will support the jobs currently in place at Brownells and GMRC, result in the creation of 240 jobs directly, 32 jobs indirectly, and 43 existing jobs supported and retained locally. The Grinnell City Council believes so strongly that this project will have a powerful economic impact that it has taken the risk of investing \$35,000 to have an independent consultant prepare the economic impact and feasibility studies, plus another \$30,000 in staff time and resources to develop the project and prepare the IRA application.

The **feasibility** of the projects contained in this IRA application and proposal is demonstrated and supported by the Independent Feasibility study completed for each project by Decision Innovation Solutions of Urbandale, Iowa. The feasibility of the project is apparent if one considers that 70% of the project funding is coming from two of the most dynamic and financially stable businesses in Iowa, Grinnell Mutual Reinsurance Company and Brownells.

The **capital investment** in the Grinnell IRA project will be \$35,416,185. It is a rare opportunity for a town of 9,200 residents to have a collection of projects assembled in one proposal that will invest that much capital in the community. \$35,416,185 is equivalent to \$3,850 per resident. To put that in perspective, a city of 200,000 residents would need a project with a total investment of \$770,000,000 to match the per capita investment of the Grinnell project. This project is even more extraordinary based on the fact that it has two separate but complementary projects that each exceed \$10 million in capital investment.

In regard to **funding leverage**, the Grinnell IRA proposal is not requesting the maximum 35% of the total cost of all proposed projects in the proposed district plan. The maximum we would be allowed to request is \$12,027,549 and we are only requesting \$11,795,655. It is well known that attracting investment capital to Iowa is very difficult and this problem is only magnified when trying to attract investment capital to small rural communities. This is a significant reason we are required to ask for an amount near the maximum of 35%.

A significant portion of this project has a **non-retail focus**. Of the total capital investment of \$34,416,185, we estimate that only \$2.9M is retail. The \$2.9M equals 25% of Brownells' total \$11.6M investment. The balance of the investment is utilized for the Experiential Center. Only 8% of the total capital investment is utilized for the development of retail space.

There are several **additional factors** that should be considered when evaluating this proposal. First, this project is ready to begin as soon as approval is obtained. We believe this pre-application will require only minor modifications to be submitted as a final application and assuming the pre-application is approved, work on those minor modifications will begin immediately. The **readiness** of this project is further demonstrated by the amount of planning and development work that has been completed for the projects associated with this proposal, such as:

- Grinnell Visioning Plan, January 2014 (specifically addresses the entrance enhancements).
- Grinnell Water Model Study (specifically addresses the water tower and water main extension).
- Imagine Grinnell Trails Plan / Park Improvement Plan 2007 (addresses the trail extension).
- Grading and Storm Water Management Plan 2012 (addresses the management of storm water in the project area).
- Iowa Highway 146 Traffic Signal Study December 2013 (addresses the traffic signals and funding).
- Hotel Market Demand Studies 2009 and updated 2012 (supports construction of the new hotel).
- GMRC Board of Directors has authorized their management team to prepare plans and specification.

- The properties are developed with all utilities in place or in process.
- The locations are zoned properly and contained in an urban renewal area within the city limits.

We believe this project also helps attain **geographic diversity** for the IRA program. There are several requirements of the IRA that will make geographic diversity very challenging, especially rural diversity. It is rare that a small rural community has an investment of \$10M. At this point, no one knows how many applications will be received, but we suspect most applications will come from large urban areas and towns with populations over 15,000. Not only is this project located in a city of less than 10,000 residents, but it is located in an area removed from large urban areas by 50+ miles. Grinnell does not have any other IRA districts or 'sales tax TIF districts' such as the one that was approved for the Iowa Speedway. The **funding need** for this project is substantial. We have been working on the development of a higher quality hotel option at the intersection of Iowa Highway 146 and I80 actively since 2006. Without the IRA funding we will probably still be working on it in 2026. The hotel is necessary to support the investment being made by GMRC. The Brownells Experiential Center is unlikely to happen in the near future without this funding, if at all. The public infrastructure improvements will be greatly delayed, some are necessary in the near term. For example, future economic growth in south Grinnell is in jeopardy until we can improve our water distribution system in that area.

We believe the scale and scope of this project are unique especially if our rural location and modest population are considered.

Following your response, please attach the following:

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

Visual Aids have been presented in prior sections.

SECTION E – Certification and Release of Information

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

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

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

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

I hereby certify that all representations, warranties, or statements made or furnished to IEDA in connection with this application are true and correct in all material respect. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or subdivision.

FOR THE APPLICANT:

[Name, Title] Signature

Date

Appendix A, Resolution Establishing Reinvestment District

RESOLUTION NO. 2014-32

A RESOLUTION AUTHORIZING THE ESTABLISHMENT OF AN IOWA REINVESTMENT DISTRICT FOR THE CITY OF GRINNELL

WHEREAS the City Council of the city of Grinnell desires to create and establish an Iowa Reinvestment District, and

WHEREAS the City Council of city of Grinnell has amended their Urban Renewal Plan to include the proposed Reinvestment District; and

WHEREAS the city of Grinnell has found the area to be suitable for development; and

NOW, THEREFORE BE IT RESOLVED BY THE CITY OF GRINNELL, IOWA:

Section 1: The City of Grinnell does hereby approve the establishment of an Iowa Reinvestment District within the Grinnell Urban Renewal Plan.

Approved this 3rd day of March, 2014.



GORDON R. CANFIELD, MAYOR

ATTEST: 

P. KAY CMELIK, CITY CLERK



Appendix B, Urban Renewal Zone Documentation

File No. 0271
 BK 0944 PG: 0312
 Recorded: 02/20/2014 at 10:50 AM
 Fee Amt: \$197.00 Auditor:
 Revenue Tax: \$0.00 Stamp# 0
 Poweshiek County Iowa
 Dianna Longhenry, Recorder

RESOLUTION NO. 2014-21

RESOLUTION DETERMINING AN AREA OF THE CITY TO BE A BLIGHTED AND ECONOMIC DEVELOPMENT AREA, AND THAT THE REHABILITATION, CONSERVATION, REDEVELOPMENT, DEVELOPMENT, OR A COMBINATION THEREOF, OF SUCH AREA IS NECESSARY IN THE INTEREST OF THE PUBLIC HEALTH, SAFETY OR WELFARE OF THE RESIDENTS OF THE CITY; DESIGNATING SUCH AREA AS APPROPRIATE FOR URBAN RENEWAL PROJECTS; AND ADOPTING AMENDMENT NO. 6 TO THE GRINNELL URBAN RENEWAL PLAN

Type of Document: RESOLUTION ADOPTING AMENDMENT NO. 6 TO THE GRINNELL URBAN RENEWAL PLAN (INCLUDING AMENDMENT NO. 6 LABELED AS EXHIBIT 1 AND ATTACHED TO THE RESOLUTION)

Return Document to: P. Kay Cmelik
 City Clerk/Finance Director
 927 - 4th Avenue
 Grinnell, Iowa 50112

Preparer Information: Patricia J. Martin
 Ahlers & Cooney, P.C.
 100 Court Ave, Ste.#600
 Des Moines, IA 50309
 (515) 243-7611

Taxpayer Information: N/A

GRANTORS: N/A

GRANTEES: N/A

LEGAL DESCRIPTION: See Resolution, pages 1-2, 12

WHEREAS, by Resolution No. 1687 adopted March 21, 1994, this Council found and determined that certain areas located within the City are eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the Grinnell Urban Renewal Plan (the "Plan") for the Grinnell Urban Renewal Plan Area (the "Grinnell Urban Renewal Area" or "Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Poweshiek County; and

WHEREAS, by Resolution No. 2759 adopted March 21, 2005, this City Council approved and adopted an Amendment No. 1 to the Plan; and

WHEREAS, by Resolution No. 3008 adopted September 18, 2006, this City Council approved and adopted an Amendment No. 2 to the Plan; and

WHEREAS, by Resolution No. 3573, adopted October 19, 2009, this City Council approved and adopted an Amendment No. 3 to the Plan; and

WHEREAS, by Resolution No. 2012-05, adopted January 17, 2012, this City Council approved and adopted an Amendment No. 4 to the Plan; and

WHEREAS, by Resolution No. 2012-103, adopted October 15, 2012, this City Council approved and adopted an Amendment No. 5 to the Plan; and

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

ORIGINAL PROJECT AREA

Beginning at the intersection of Pearl Street and 6th Avenue; then east on 6th Avenue to the alley between Broad Street and Park Street; then south along the alley right-of-way to 5th Avenue; then east on 5th Avenue to

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High Street; then south on High Street to 3rd Avenue; then east on 3rd Avenue to Penrose Street; then north on Penrose Street to 6th Avenue; then east on 6th Avenue to Oak Street; then south on Oak Street to 4th Avenue; then west on 4th Avenue to Maple Street; then south on Maple Street to the corporate limits; then following the corporate limits around the southeast, the south, and the southwest sides of the City until it intersects with the Iowa Interstate Railroad right-of-way; then northeast along the Iowa Interstate Railroad right-of-way to Pearl Street; then north on Pearl Street to the point of beginning.

AMENDMENT NO. 1 AREA

(Lang Creek Crossing East Side of 146) That part of the Northwest Quarter of Section 33, Township 80 North, Range 16 West of the 5th P.M., City of Grinnell, Poweshiek County, Iowa more particularly described as follows:

Commencing as a point of reference at the Southwest corner of the Northwest Quarter of said Section 33;

thence North 00°32'00" West 1321.58 feet along the West line of said Northwest Quarter (assumed bearing for purposes of this description only) to a point of intersection with the North line of the Southwest Quarter of the Northwest Quarter of said Section 33;

thence North 89°52'00" East 153.77 feet along the North line of the Southwest Quarter of the Northwest Quarter of said Section 33 to a point of intersection with the East Right-Of-Way line of State Highway No. 146, said point being the Point of Beginning;

thence South 00°40'30" East 305.69 feet along the East Right-of-Way line of State Highway No. 146;

thence South 38°24'41" East 63.48 feet along the Northerly Right-of-Way line of Interstate Route No.80, as shown on the plans for Project No. I-80-5(13)178, to a point 70.00 feet in perpendicular distance from the Edge of Slab of Ramp "A";

thence South 60°44'24" East 759.73 feet along said Northerly Right-of-Way line to a point 100.00 feet in perpendicular distance from the Edge of Slab of Ramp "A";

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thence South 64°57'24" East 378.49 feet along said Northerly Right-of-Way line to a point 75.00 feet in perpendicular distance from and concentric with the Edge of Slab of Ramp "A";

thence South 88°57'59" East 129.47 feet along said Northerly Right-of-Way line to a point of intersection with the East line of the Southwest Quarter of the Northwest Quarter of said Section 33, said point being 180.00 feet in perpendicular distance from the centerline of Interstate Route No.80;

thence South 85°33'30" East 368.89 feet along said Northerly Right-of-Way line and parallel with the centerline of Interstate Route No.80 to a point of intersection with the Westerly Right-of-Way line of the Union Pacific Railroad, (formerly Minneapolis-Saint Louis Railroad) said point being 180.00 feet in perpendicular distance from the centerline of Interstate Route No.80;

thence North 09°55'26" East 0.91 feet along said Westerly Right-of-Way line;

thence Northeasterly 99.56 feet along said Westerly Right-of-Way line on a clothoid spiral curve, concave Westerly, having a theta angle of 00°30'08" and whose 99.56 foot chord bears North 09°45'27" East;

thence Northeasterly 826.75 feet along said Westerly Right-of-Way line on a 5679.65 foot radius circular curve, concave Westerly, whose 826.02 foot chord bears North 05°15'14" East to a point of intersection with the North line of the Southeast Quarter of the Northwest Quarter of said Section 33;

thence South 89°52'00" West 468.62 feet along the North line of the Southeast Quarter of the Northwest Quarter of said Section 33 to a point of intersection with the East line of the Southwest Quarter of the Northwest Quarter of said Section 33;

thence continuing South 89°52'00" West 1170.18 feet along the North line of the Southwest Quarter of the Northwest Quarter of said Section 33 to the Point of Beginning. Said parcel contains 26.47 acres more or less.

(Lang Creek Crossing – West Side of Highway 146) That portion of the Southeast 1/4 of the Northeast 1/4 of Section 32, Township 80 North, Range 16 West of the 5th PM, City of Grinnell, Poweshiek County, Iowa, lying west of the west right-of-way line of State Highway 146 and north of

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the northerly right-of-way line of I-80, being more particularly described as follows:

Beginning at the point-of-intersection of said west right-of-way line with the north line of the said Southeast 1/4;

thence along said west right-of-way line, South 00°08'30" East (assumed bearings for this description), for a distance of 306.00 feet to the point-of-intersection with said northerly right-of-way line;

thence along said northerly right-of-way line, South 40°29'40" West, for a distance of 260.02 feet;

thence continuing along said northerly right-of-way line, South 66°55'30" West, for a distance of 878.20 feet;

thence continuing along said northerly right-of-way line, being the arc of a curve to the right for an arc distance of 171.54 feet, with a radius of 1076.00 feet, whose chord bears South 71°29'32" West, for a distance of 171.36 feet, and with a central angle of 09°08'04";

thence continuing along said northerly right-of-way line, South 84°21'05" West, for a distance of 150 feet, more or less, to the point-of-intersection with the west line of said Southeast 1/4;

thence northerly along the west line of said Southeast 1/4, for a distance of 914 feet, more or less, to the northwest corner of said Southeast 1/4;

thence easterly along the north line of said Southeast 1/4, for a distance of 1287 feet, more or less, to the Point-of-Beginning.

Containing 20.5 Acres, more or less.

AMENDMENT NO. 2 AREA

Lot A in the North Half of the Northeast Quarter of Section Twenty, Township Eighty North, Range Sixteen West of the 5th P.M., according to the Plat thereof appearing of record in Plat Book D at Page 171, excepting therefrom Parcel A in said Lot A according to the Plat thereof appearing of record in Survey Book 7 at Page 1 and supplemented in Affidavit recorded in Book 574 at Page 305.

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AMENDMENT NO. 3 AREA

Beginning at the intersection of Pearl Street and 4th Avenue; then west on 4th Avenue to the intersection of 4th Avenue extended and the corporate limits; then north along the northwest corporate limits to the intersection of the corporate limits and 8th Avenue extended; then east on 8th Avenue to the intersection of 8th Avenue & Sunset Street; then north on Sunset Street to the intersection of Sunset Street and 13th Avenue; then east on 13th Avenue to a point 165.88' west of the intersection of 13th Avenue & Prairie Street; then south to a point 165.32' west of the east intersection of Prairie Street & 11th Avenue; then west on 11th Avenue to the intersection of 11th Avenue & Sunset Street; then south on Sunset Street to the intersection of Sunset Street & 8th Avenue; then east on 8th Avenue to the intersection of 8th Avenue & Spencer Street; then south on Spencer Street to a point 190' north of the intersection of Spencer Street & 6th Avenue; then east to a point 190' north of the intersection of Spring Street & 6th Avenue; then south on Spring Street to the intersection of Spring Street & 6th Avenue; then west on 6th Avenue to the intersection of 6th Avenue & Pearl Street; then south on Pearl Street to the point of beginning.

AMENDMENT NO. 4 AREA

That part of the Southeast Quarter of Section 20, Township 80 North, Range 16 West of the 5th P.M., Poweshiek County, Iowa, described as follows: Commencing at the East Quarter Corner of said Section 20; thence South 00 degrees 27 minutes 22 seconds East, 552.00 feet along the East line of the Southeast Quarter of said Section 20; thence South 89 degrees 32 minutes 38 seconds West, 62.92 feet to the West Right-of-Way (ROW) line of Iowa Highway 146 and the Point of Beginning; thence South 00 degrees 28 minutes 08 seconds West, 420.52 feet along said ROW; thence South 89 degrees 33 minutes 38 seconds West, 3.20 feet continuing along said ROW; thence South 00 degrees 27 minutes 22 seconds East, 246.80 feet continuing along said ROW; thence South 48 degrees 38 minutes 08 seconds West, 68.70 feet continuing along ROW; thence South 00 degrees 41 minutes 38 seconds West, 255.00 feet continuing along said ROW; thence South 06 degrees 08 minutes 22 seconds East, 93.25 feet continuing along said ROW; thence South 89 degrees 32 minutes 38 seconds West, 1028.21 feet; thence North 00 degrees 27 minutes 22 seconds West, 1060.00 feet; thence North 89 degrees 32 minutes 38 seconds East, 1086.00 feet to the Point of Beginning, containing 25.79 acres.

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AND

Parcel A in Lot A of the North Half of the Northeast Quarter of Section Twenty, Township Eighty North, Range Sixteen West of the 5th P.M., according to the Plat thereof appearing of record in Survey Book 7 at Page 1.

AND

That part of Lot D in the North Half of the Northeast Quarter of Section Twenty, Township Eighty North, Range Sixteen West of the 5th P.M., according to the Plat thereof appearing of record in Plat Book D at page 171, described as: the South 175 Feet of the North 633.2 Feet of the West 175 Feet of the East 208 Feet, excepting therefrom those parcels conveyed to the State of Iowa in Book 233 at pages 667 and 675.

AND

Lot D in the North Half of the Northeast Quarter of Section 20, Township 80 North, Range 16 West of the 5th P.M., according to the Plat recorded in Book D, at page 171, except the West 1,427', except the South 66', except the South 175' of the North 633.2' of the West 175' of the East 208' and except those portions thereof conveyed to the State of Iowa in Book 233 at pages 667 and 675.

AND

A strip of land 66' wide along the south side of Lot D in the North Half of the Northeast Quarter of Section 20, Township 80 North, Range 16 West of the 5th P.M., according to the Plat recorded in Book D, at page 171, except the west 1,427' of Lot D and except those portions thereof conveyed to the State of Iowa in Book 233 at pages 667 and 675.

AND

The East One Hundred Thirty-seven Rods of the North Fifty-five Rods of the South Half of the Northeast Quarter of Section Twenty, Township Eighty North, Range Sixteen West of the 5th P.M., subject to Easement to the State of Iowa appearing of record in Book 233 at Page 647.

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Parcel I in the East Half of the Southwest Quarter of Section Twenty-one, Township Eighty North, Range Sixteen, West of the 5th P.M., according to the Plat thereof appearing of record in Survey Book 7 at Page 130

The 100' Union Pacific Railroad Right-Of-Way West of and Lying Adjacent to Parcel "I": A Parcel of Land Lying Within the Southeast Quarter of the Southwest Quarter of Section 21, Township 80 North, Range 16 West of the 5th P.M., Poweshiek County, Iowa, and the North 50' of Pinder Avenue Right-Of-Way

The West Half (W1/2) of the Northeast Quarter (NE1/4) and all that part of the Northwest Quarter (NW1/4) lying East of the Union Pacific Railroad Company Right-of-Way, in Section Twenty-eight, Township Eighty North, Range Sixteen West of the 5th P.M., and all of the adjacent Union Pacific Railroad Company right-of-way, all of the Pinder Avenue right-of-way adjacent to this parcel except the North 50', and the East Half (E1/2) of the 37th Street right-of-way adjacent to this parcel, excepting therefrom:

1. Lot One (1) in the West Half (W1/2) of the Northeast Quarter (NE 1/4) thereof, according to the Plat thereof appearing of record in Plat Book E at Page 275

2. Parcel A in the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4) thereof, according to the Plat thereof appearing of record in Survey Book 9 at Page 246

AND INCLUDING

Parcel C located in the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4) of Section Twenty-eight, Township Eighty North, Range Sixteen West of the 5th P.M., according to the Plat thereof appearing of record in Survey Book 13 at Page 475.

The Grinnell Urban Renewal Area includes the full right-of-way of all streets forming the boundary of the Area.

AMENDMENT NO. 5 AREA

Southwest Quarter of the Northeast Quarter (SW1/4 NE1/4) of Section Thirty-two (32), Township Eighty (80) North, Range Sixteen (16) West of the 5th P.M., except that portion thereof conveyed to the State of Iowa for road purposes;

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and

South Half of the East Half of the Northwest Quarter (S1/2 E1/2 NW1/4) of Section Thirty-two (32), Township Eighty (80) North, Range Sixteen (16) West of the 5th P.M., except that portion thereof conveyed to the State of Iowa for road purposes.

WHEREAS, a proposed Amendment No. 6 to the Grinnell Urban Renewal Plan for the area described below has been prepared, which proposed Amendment No. 6 has been on file in the office of the City Clerk and which is incorporated herein by reference, the purpose of which is to add additional land to the Urban Renewal Area and to add and/or confirm the list of proposed projects to be undertaken within the Urban Renewal Area; and

WHEREAS, some of the land to be added is proposed to be part of a proposed Reinvestment District which may include an experiential center, event center, hotel, restaurants, and other facilities; and

WHEREAS, this proposed Amendment No. 6 to the Urban Renewal Area adds land, as follows:

AMENDMENT NO. 6 AREA

The West Fractional Half of the Northwest Quarter of Section Four (4), in Township Seventy-nine (79) North, Range Sixteen (16) West of the Fifth P.M., in Poweshiek County, Iowa; subject to the Right of Way of the Minneapolis and St. Louis Railway Company, and the Right of Way of the Iowa Southern Utilities Company of Delaware for a transmission line over said real estate as acquired by easement recorded in Book 163, page 386, and subject to the Right of Way of the State of Iowa for a public highway, Except for Lot 1 in the NW 1/4 - NW 1/4 of Section Four (4), in Township Seventy-nine (79) North, Range Sixteen (16) West of the Fifth P.M. and

Lot 1 in the NW 1/4 - NW 1/4 of Section Four (4), in Township Seventy-nine (79) North, Range Sixteen (16) West of the Fifth P.M.

and

PARCEL "B" OF LOT 2 OF THE NORTHEAST QUARTER (NE1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION THIRTY-TWO

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law, by timely publication in the Grinnell Herald Register, which notice set forth the time and place for this hearing and the nature and purpose thereof; and

WHEREAS, in accordance with the notice, all persons or organizations desiring to be heard on the proposed Amendment No. 6 to the Grinnell Urban Renewal Plan, both for and against, have been given an opportunity to be heard with respect thereto and due consideration has been given to all comments and views expressed to this Council in connection therewith and the public hearing has been closed.

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

Section 1. That the findings and conclusions set forth or contained in Amendment No. 6 concerning the area of the City of Grinnell, State of Iowa, described in the preamble hereof, be and the same are hereby ratified and confirmed in all respects as the findings of this Council for this area.

Section 2. This Council further finds:

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

B. The Plan, as amended, and Amendment No. 6 to the Grinnell Urban Renewal Plan conform to the general plan for the development of the City as a whole; and

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

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

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

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(32), TOWNSHIP EIGHTY (80) NORTH, RANGE SIXTEEN (16) WEST OF THE 5TH PRINCIPAL MERIDIAN, POWESHIEK COUNTY, IOWA; FURTHER MORE DESCRIBED AS THE EAST ONE-HALF OF SAID LOT TWO (2) AS DESIGNATED ON PLAT RECORDED IN SUBDIVISION BOOK "D", PAGE 466 IN THE OFFICE OF THE COUNTY RECORDER OF POWESHIEK COUNTY, IA.; SAID PARCEL CONTAINING 12.386 ACRES INCLUDING 0.323 ACRES ROAD RIGHT-OF-WAY. SURVEY FOR PARCEL "B" IS RECORDED IN BOOK 6, PAGE 63 OF THE POWESHIEK COUNTY RECORDERS OFFICE.

And all adjacent right of way to the above area, including the entire Right of Way of Highway 146.

WHEREAS, this Area is within two miles, but outside the corporate limits, of the City, and the City has entered into a joint agreement with Poweshiek County to allow the City to operate within the Area; and

WHEREAS, the proposed urban renewal area includes land classified as agricultural land and written permission of the current owners has been obtained; and

WHEREAS, it is desirable that the Urban Renewal Area be redeveloped as part of the activities in the proposed Amendment No. 6 to the Grinnell Urban Renewal Plan known as the "Grinnell Urban Renewal Plan"; and

WHEREAS, by resolution adopted on January 20, 2014, this Council directed that a consultation be held with the designated representatives of all affected taxing entities to discuss the proposed Amendment No. 6 to the Grinnell Urban Renewal Plan and the division of revenue described therein, and that notice of the consultation and a copy of the proposed Amendment No. 6 to the Grinnell Urban Renewal Plan be sent to all affected taxing entities; and

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

WHEREAS, by resolution this Council also set a public hearing on the adoption of the proposed Amendment No. 6 to the Grinnell Urban Renewal Plan for this meeting of the Council, and due and proper notice of the public hearing was given, as provided by

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B. That conditions of blight in the municipality and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime, so as to constitute a menace to the public health, safety, morals, or welfare.

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

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

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

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

Section 4. That Amendment No. 6 to the Grinnell Urban Renewal Plan of the City of Grinnell, State of Iowa, attached hereto as Exhibit 1 and incorporated herein by reference, be and the same is hereby approved and adopted as "Amendment No. 6 to the Grinnell Urban Renewal Plan for the City of Grinnell, State of Iowa"; Amendment No. 6 to the Grinnell Urban Renewal Plan of the City of Grinnell, State of Iowa, is hereby in all respects approved; and the City Clerk is hereby directed to file a certified copy of Amendment No. 6 with the proceedings of this meeting.

Section 5. That, notwithstanding any resolution, ordinance, plan, amendment or any other document, the original Grinnell Urban Renewal Plan, and the Plan as amended, shall be in full force and effect from the date of this Resolution until the Council amends or repeals the Amendment. The proposed Amendment No. 6 to the Grinnell Urban Renewal Plan shall be forthwith certified by the City Clerk, along with a copy of this

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Exhibit 1

Resolution, to the Recorder for Poweshiek County, Iowa, to be filed and recorded in the manner provided by law.

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

PASSED AND APPROVED this 17th day of February, 2014.

David R. Loupold
Mayor

ATTEST:

Steph Smith
City Clerk

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

AMENDMENT #6

GRINNELL

URBAN RENEWAL PLAN

CITY OF GRINNELL, IOWA

Original Area Adopted – 1994
Amendment #1 - 2005
Amendment #2 - 2006
Amendment #3 - 2009
Amendment #4 - 2012
Amendment #5 - 2012
Amendment #6 - 2014

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**AMENDMENT #6
to
GRINNELL
URBAN RENEWAL PLAN
CITY OF GRINNELL, IOWA**

The Grinnell Urban Renewal Plan ("Plan") for the Grinnell Urban Renewal Area ("Area" or "Urban Renewal Area"), adopted by the City of Grinnell ("City") in 1994, and amended in 2005, 2006, 2009, and twice in 2012, is being further amended to add additional land to the Urban Renewal Area and to add and/or confirm the list of proposed projects to be undertaken by this Amendment No. 6 within the Urban Renewal Area ("Amendment #6," "Amendment No. 6" or "Amendment").

The Original Area and each amendment area are referred to as subareas in this Amendment. The subareas make up the Urban Renewal Area.

The "base valuation" of the Original Area and each of the amendment areas will remain unchanged by this Amendment. The overall base value of the Urban Renewal Area, after adoption of this Amendment, will be determined by adding all of the base valuations of the subareas together.

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

DESCRIPTION OF THE URBAN RENEWAL AREA

The legal description of the property being added to the Grinnell Urban Renewal Area is attached hereto as Exhibit "A." A map of the entire Grinnell Urban Renewal Area, including the Amendment No. 6 Area, is attached hereto as Exhibit "B".

AREA DESIGNATION

The Urban Renewal Area continues to be an economic development area that is appropriate for the promotion of commercial and industrial development and low and moderate income housing, as well as appropriate for blight remediation.

AREA OBJECTIVES

In addition to the objectives previously identified in the Grinnell Urban Renewal Plan, as amended, the objectives are as follows:

- to support the goals and objectives of projects within a Reinvestment District, which is the subject of the City's pending application to the Iowa Economic Development Authority. Even if the Reinvestment District is not approved, the facilities proposed

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in the Area are anticipated to utilize tax increment revenue as incentives to developers or to reimburse the City for urban renewal project costs.

TYPES OF RENEWAL ACTIVITIES

- No changes are made by this Amendment. The City will be encouraging businesses receiving TIF benefits to utilize some of the proceeds to provide incentives to employ City residents or encourage employees to establish residency in the community. We believe that employees that reside in the community are better employees as they do not have long commutes to work and are more readily available for call back. We can develop a stronger workforce if employees have quality and stable housing available to them in close proximity to their employment. See also Development Agreements below.

PROPOSED URBAN RENEWAL PROJECTS (Amendment No. 6)

The following list of Urban Renewal Projects may contain projects previously proposed in the Grinnell Urban Renewal Plan, as previously amended. The Proposed Urban Renewal Projects under this Amendment have been updated to modify descriptions, delete projects, add projects, and update projected costs that may be reimbursed from incremental tax revenues. All project dates are estimated and many projects may occur over a number of years.

- Iowa Reinvestment District Project.** The Iowa Reinvestment Act allows municipalities in Iowa to designate up to 25 acres as a Reinvestment District, contingent upon the Reinvestment District being within an Urban Renewal Area. Within the District, the municipality may capture the State of Iowa's share of the 5% hotel/motel tax (5 cents) and 2/3 of the state sales tax (4 cents) for up to 20 years. The Reinvestment District will include 25 acres in south Grinnell centered largely at the north side of the Iowa Highway 146 and Interstate 80 intersection. Because the Iowa Reinvestment Act requires a Reinvestment District to be in an urban renewal area, the City is adding land to the Area that is proposed for part of the Reinvestment District in the Grinnell Urban Renewal Plan (see description of the Amendment No. 6 Area). Some of the Reinvestment District is already in the Area. Regardless of whether or not the Reinvestment District is approved by the Iowa Economic Development Authority many of the projects that make up the proposed Reinvestment District may require tax increment financing. The proposed projects will include the Brownells Experiential Center; a new hotel facility; the Grinnell Mutual Reinsurance Company Business Event Center; a possible restaurant(s); a convenience/fuel store; retail establishments; and a variety of public improvements. The rationale for using tax increment financing for the proposed projects that are further described below is that the construction of such facilities will provide a number of economic benefits to the City and community, such as: increase the tax base; serve as an incentive for increased retail, tourism and commercial development; and promote increased jobs and related business activities, such as service businesses and home building and related businesses.

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- A. **Brownells Experiential Center:** Brownells corporate expansion project consists of the construction of an approximately 80,000 square foot experiential center in approximately 2015-16. Brownells' investment in this facility is anticipated to be a minimum of \$10 million. It is estimated the taxable value of the property will increase by \$10 million. The facility is expected to generate approximately \$15 million annually in retail sales. It will also house shooting ranges, outdoor and sport shooting displays, training center, and other amenities for their customers and employees. It is possible that the City could offer up to a ten year property tax rebate of the incremental taxes (Economic Development Grants) with a value not to exceed \$3,100,000.
- B. **New Hotel:** The developer's investment in a new hotel is expected to be a minimum of \$7 million, will likely have 70 to 80 rooms, and result in the retention and creation of jobs. Construction is expected to take place in 2015-16. Gross receipts from this new hotel are estimated to be \$1,800,000 to \$2,000,000 annually generating hotel/motel tax revenues for the Reinvestment District of \$90,000 to \$100,000 annually. It is possible that the City could offer up to a ten year property tax rebate of the incremental taxes with a value not to exceed \$1,240,000.
- C. **Grinnell Mutual Reinsurance Company Event Center:** Grinnell Mutual Reinsurance Company (GMRC) is projecting that this facility will require an investment of more than \$10 million to construct, equip and furnish. This facility will not generate significant retail sales or hotel revenues directly, however events at the facility will generate hotel sales and retail sales off premise. A preliminary estimate of the assessed value of the new event center is \$4 million. The City has tentatively offered GMRC a three year 100% property tax abatement on the new event center and may additionally offer a property tax rebate of the incremental taxes with a value of not to exceed \$620,000. The City may also reimburse GMRC for costs incurred by GMRC to purchase the Grinnell Mutual Reinsurance Company water account from Poweshiek Rural Water Association in order to transition to City water service, in an amount up to \$100,000.
- D. **Restaurant:** Although no restaurant is currently identified as a part of the Reinvestment District, there is a strong possibility for one to join as the site is well suited for this type of business and the potential benefits are substantial. It is estimated that the restaurant developer would invest approximately \$2 million to build and open the restaurant, likely generating \$1 million annually in retail sales. It is possible the City could provide a property tax rebate of the incremental taxes of not to exceed \$310,000.
- E. **Convenience Store:** Although no specific store is currently identified as a part of this Reinvestment District, it is a strong possibility for one to join as the site is well suited for this type of business and the potential benefits are substantial. It is estimated that the developer of a new convenience store

would invest approximately \$2 million to build and open the store, with the potential to generate \$1 million annually in taxable retail sales (does not include fuel). The City may consider providing a property tax rebate of the incremental taxes up to \$310,000.

- F. **Public Infrastructure Improvements:** The primary public improvements that may be included as a part of the Reinvestment District include a new water tower - \$2 million, traffic signals - \$200,000, roadway lighting - \$400,000, signs - \$250,000, landscaping - \$200,000, trails and sidewalks - \$500,000, street improvements - \$500,000, water system improvements - \$1,000,000, sanitary sewer system improvements - \$500,000, storm sewer improvements - \$250,000, and related work. Total: \$5.9 M.

II. **Public Improvement/Development Agreement/Blight Remediation Projects.**

Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
Community Place Making and Identity – the City has been working with RDG Planning and Design for several months to develop improved street corridors, signs, lighting, trails, and related community betterment. The written plan is referenced here and all items in the plan may be undertaken within the Urban Renewal Area. The bulk of this funding would go towards enhancing the Iowa Highway 146 Corridor from I-80 to US Highway 6. This is the primary commercial and industrial corridor into the community. The purpose is to create an inviting environment for business investment, visitors, and shoppers. The amount is split relatively evenly between signs (\$750,000), landscaping (\$750,000), lighting (\$750,000) and pedestrian facilities (\$750,000).	2014-20	Not to exceed \$3 million	These projects jointly create an environment that promotes business investment and creates an atmosphere that is welcoming to the workforce, shoppers, and visitors to the community. It is similar to marketing for the community and the businesses in particular.

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Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
Completion of the Central Business District Reconstruction – The final phase of this work is planned for 2016 or 2017. This will include at least 8 blocks of complete reconstruction of all public infrastructure and replacement of some private water and sewer lines. The funding will be spent on Phase 5 (Phase 4 is being completed in 2014 and bonds already issued) for streets - \$3.5 million, water distribution - \$1 million, sewer collection - \$1 million, and storm sewer - \$500,000. The professional fees are included into the costs above.	2012-17	Not to exceed \$6 million	The Central Business District is the core of our retail and service businesses which provide support to all other business and industry in the community. The CBD is also a primary visitor destination and a favorite social location for our workforce and residents. Enhancement of this area promotes economic development throughout the City.
Assistance to buildings in the Grinnell Central Business Historic District and Central Business District. The City intends to aid building owners with building improvement and rehabilitation. One example is a project with T.L. Baker Company to construct new residences on the upper floors of his buildings and improve commercial space on the lower levels. These funds will likely be spent equally on building facade restorations and interior improvements with funds directed to the owners in the form of rebates.	2014-20	Not to exceed \$600,000	This is an economic development project to encourage creation and retention of residences and businesses in this area. This project promotes economic development by allowing more people to live and shop in the CBD, provides much needed housing for our workforce, supports the vitality of the CBD, and improves spaces for business activity.

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Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
Iowa Highway 146 South Federal Aid Improvements. This would largely be the local match (20% - \$200,000) of the federal aid funding and a portion of the local match for the Brownells RISE grant (\$100,000).	2014-15	Not to exceed \$300,000	To promote commercial/industrial/retail development by providing quality transportation facilities to these businesses and their customers. These improvements also greatly improve safety as our workforce travels to and from work.
Water system improvements near Stagecoach and Iowa Highway 146. These improvements are necessary to complete the water loop in the industrial park area and provide reliable water supply for consumption and fire suppression.	2014-15	Not to exceed \$1 million	To promote commercial/industrial/retail development by providing reliable water supply for consumption and fire suppression. Without these improvements, additional business expansion is not practical.
GART Underpass at US Highway 6. These funds will be used to cover the local match on the federal grants that have been secured. The addition of this recreational trail is an early step to improve the RC Industries property which is one of the most blighted properties in Grinnell. This will also improve the safety for both vehicles and pedestrians on this highway. Improving commerce in this area is a priority and investments in quality of life amenities can be a catalyst for improvements.	2014-15	Not to exceed \$200,000	This project is occurring almost entirely on the blighted property known locally as RC Industries. This portion of US Highway 6 through Grinnell is also in need of improvement. There is a smattering of retail activity and additional amenities like a recreational trail will help support retail and commercial businesses in the area.

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Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
Veterans' Memorial Building improvements and Central Park improvements. The funds may be used to rehabilitate this community center/Veterans' Memorial.	2014-15	Not to exceed \$500,000	To promote commercial and retail as the hub of social and promotional activities of the Central Business District An improved facility has the potential to attract customers to the CBD and attract social events. This facility supports downtown retail by providing a venue for weddings and social events, business meetings, restrooms, and has the potential to serve as a tourist draw.
Iowa Transportation Museum Campus – The blight remediation and rehabilitation of this historic property is underway and will continue in the coming years. There is a proposal to convert the west and east buildings into 70+ loft apartment units at an estimated cost of \$6+ million. This housing is targeting low to middle income families. This may include moving city offices into this facility (ITM portion). The funds would be used to help rehabilitate the dilapidated buildings or to help acquire the building from the ITM Board.	2014-15	Not to exceed \$1 million	This project would be primarily to eliminate slum and blight. This property has been a largely vacant industrial site for over 20 years and only recently has improvements begun to move forward. There is much work remaining. The project will also be an economic development project as this will provide much needed workforce housing and the ITM will host events and attract visitors. Moving city offices creates efficiency for the city and then makes the community center available for other economic development possibilities.

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Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
Water Tower in South Grinnell – This has been a long identified need in the southern part of Grinnell. The City recently increased water rates by 35% to help provide funding for this and other projects. The funds would be spent to design and construct the new water tower to serve the water supply and fire suppression needs of the commercial and industrial customers in south Grinnell.	2014-15	Not to exceed \$1 million	Will promote economic development by supporting water for the expansion of large industrial and commercial operations. This project is necessary to provide a reliable source and supply of water for consumption and fire suppression.
Community Center – This public building is in need of significant repairs, particularly the mechanical system. The future ownership of this building is uncertain at present. The two most probable options are for the building to be utilized as a boutique hotel or housing with portions being used for event and other quasi-public and possibly even other commercial uses. The funds will be used in conjunction with other sources (historic tax credits, grants, private investment, etc.) to update and renovate the space into more vibrant and appealing options.	2014-15	Not to exceed \$2 million	This is a blight remediation project and a project that supports retail and commercial development. In addition, there are several large spaces (theatre, senior area, and gymnasium) that are highly underutilized and create a financial burden to the City. This project supports retail and commercial development by improving vitality by either allowing people to live in apartments or short stay hotel rooms. It will also provide venues for events, social gatherings, and office/retail/commercial space.
Expenses related to maintenance and improvement of the Grinnell Regional Airport. These funds will be used for taxiway extensions, apron improvements, and building construction.	2014-15	Not to exceed \$75,000	The primary purposes of the airport are to serve the agricultural sector which is critical to the economic success of the community and to serve all businesses in the area.

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Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
The ongoing care and maintenance of the Grinnell Central Business District that includes beautification measures and general maintenance of pavement, lights, decorative features and public infrastructure. The funds are used for beautification and enhancements to improve the experience and environment for consumers.	2014-15	Not to exceed \$20,000 annually or \$60,000 total	These enhancements are a combination of marketing and creating a welcoming environment for consumers, visitors and residents to improve the vitality of the CBD.
Development of a comprehensive way finding program for the community to encourage development within the City by providing new signage and other "way finding" resources in the City. This program will utilize these funds to install signs that allow visitors to easily find destinations and is also part of an overall marketing strategy to improve the business environment in the community.	2014-16	\$100,000	This effort supports the retail and service industries that are located in the CBD in particular. It also supports businesses that rely on tourism and consumer traffic that may only occasionally need their goods and services.

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Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
Development Agreements – The City, at its sole discretion, expects to enter consider requests for development agreements for projects consistent with this Plan that will encourage retail development in the following areas: the Central Business District, the area near the Iowa Highway 146 and U.S. Highway 6 adjacent to the Central Business District, the Wal-Mart area, and the Iowa Highway 146 and Interstate 80 interchange area. The City also hopes to enter into development agreements that will encourage commercial or industrial development at appropriate locations anywhere within the Area. Such Agreements are unknown at this time, but based on past history, and dependent on development opportunities and climate, the City expects to consider a broad range of incentives as authorized by this Plan, including but not limited to land, loans, grants, tax rebates, public infrastructure assistance, and other incentives.	2014-2020	Not to exceed \$7 million.	These rebates often support small to medium size businesses that are creating new jobs in the community. These agreements have also been used to support destination retailers and projects that preserve buildings with local significance that often house businesses.

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Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
11 th Avenue Former Iowa Telecom property – This 12 acre site was formerly the GTE, Iowa Telecom, and Windstream property. Verizon Wireless was the last remaining tenant and closed their operations September 2012 in Grinnell. Demolition of the building on this property has been estimated at \$300,000 and redevelopment costs have been projected at \$700,000 or more to provide infrastructure to the interior of this property. Of the \$700,000, \$400,000 is estimated for streets, \$150,000 for water, and \$150,000 for sewer (or incentives to a developer for the same).	2014-16	Not to exceed \$1 million	Blight remediation. The entire facility is vacant. It has been very challenging to find new tenants for this space due to its large size and location in a residential area removed from any other commercial or industrial areas. The City believes improving this blighted area will help improve the neighborhood.
Redevelopment of Willow Court	2014-16	Not to exceed \$1 million	This is a severely blighted residential area that has been used as a mobile trailer park. The owner has been investigating the possibility of improving the park and including new residential homes of 1,000 to 1,300 square feet. The City is researching the possibility of making the units highly energy efficient and putting the entire parcel on a shared geo thermal loop and solar array. The park has been a serious hindrance to other properties in the area and has spread its blight to surrounding properties.

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Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
RC Industries Redevelopment – Redevelopment of this 32 acre property that has a large abandoned manufacturing facility that is in very poor condition. The funds may be used for building demolition, contamination remediation, site grading, utilities, streets, lighting, marketing, etc.	2014-15	Not to exceed \$1 million	This project is primarily eliminating slum and blight but will also promote economic development. The site could be redeveloped into a small (1-5 acre) parcel industrial/commercial park supporting between 10-20 businesses. Our current industrial park has large lots and covenants that do not support small businesses.
General blight remediation and neighborhood revitalization – the city may utilize TIF revenue to purchase, rehabilitate, demolish, or otherwise improve blighted residences. These funds will be used to purchase and improve blighted properties.	2014-20	Not to exceed \$500,000	There have been many instances in the community where the "broken window" theory has been proven. One or two blighted properties can start to have immediate negative impacts on a neighborhood. Removing this blight prevents further decline and often results in expanded housing options for the workforce.
Small grants (micro loans) to fund improvements to buildings located in the Central Business District. These projects have historically included building facades 90% of the time and will from time to time address an issue related to access or safety.	2014-15	Not to exceed \$100,000	Maintaining quality buildings in the CBD is vital to the long term economic health of our community.

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Project Description	Date (Est.)	Estimated cost to be reimbursed by tax increment financing	Rationale
8 th Avenue from Highway 146 to Sunset – The project will likely involve complete removal and reconstruction of the street surface. There may need to be some storm sewer improvements and sub drains. There appears to be very little sanitary sewer or water distribution work necessary on this street segment. We will improve or add sidewalks where appropriate.	2015	\$260,000-\$300,000 (City's estimated local match for state grant)	This project promotes economic development because 8 th Avenue is heavily traveled and is a significant east-west travel corridor. This is also an important segment of the on-street bike route. The street has a traffic count of approximately 1,000 vehicles average daily.

III. Planning, non-project engineering fees, administrative costs, attorney fees and related costs to support urban renewal projects (engineering costs related to projects is included in the total cost in the table above).

Project	Date	Estimated cost
Planning, non-project engineering fees, administrative costs, attorney fees and related costs include, but are not limited to, fees and costs associated with plan administration; membership fees to the county economic development corporation; staff expenses for work completed on economic development and elimination of slum and blight.	2014-15	Not to exceed \$70,000 annually or a total of \$210,000

DEBT

1.	January 1, 2013 constitutional debt limit:	\$24,794,115
2.	Outstanding general obligation debt:	\$18,195,146
3.	Maximum proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for the Proposed Urban Renewal Projects (Amendment No. 6) has not yet been determined. The estimated project costs included in this Amendment are estimates only and the City expects to incur these costs over a number of years. At no time will the City exceed its constitutional debt limit. The City Council will	

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consider each project proposal on a case-by-case basis to determine if it is in the City's best interest to participate before approving any urban renewal project or expense. Subject to the foregoing, it is estimated that the cost of the Proposed Urban Renewal Projects as described above will be approximately as follows:	\$27,000,000 to \$38,800,000
--	------------------------------

DEVELOPMENT AGREEMENTS

The City may require part of any Economic Development Grants of property tax rebates to be used by the developer (business) to provide incentives to employ City residents or encourage employees to establish residency in the community, such as down payment assistance, first month rent, etc.

PROPERTY ACQUISITION/DISPOSITION

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

DEVELOPMENT PLAN

Grinnell has a general plan for the physical development of the City, as a whole, outlined in the City's Comprehensive Plan.

The goals, objectives, and proposed urban renewal projects identified in the Plan, as amended, are consistent with the City's Comprehensive Plan, last updated in 2004.

AGREEMENT TO INCLUDE AGRICULTURAL LAND

Because the area being added to the Urban Renewal Area by this Amendment contains land that is defined as "agricultural land" by Iowa Code Section 403.17(3), the City and property owner have entered into an agreement in which the property owner agrees to allow the City to include real property defined as "agricultural land" in the Urban Renewal Area. The Agreement is attached as Exhibit "C."

URBAN RENEWAL PLAN AMENDMENTS

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

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

EFFECTIVE PERIOD

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This Urban Renewal Plan Amendment #6 will become effective upon its adoption by the City Council. Notwithstanding anything to the contrary in the Urban Renewal Plan, any prior amendment, resolution, or document, the Urban Renewal Plan shall remain in effect until terminated by the City Council, and the use of incremental property tax revenues, or the "division of revenue," as those words are used in Chapter 403 of the Code of Iowa, will be consistent with Chapter 403 of the Iowa Code.

The Grinnell Urban Renewal Area is designated as both blighted and economic development (commercial and industrial). Notwithstanding any language in prior Amendments, Plan, ordinances or resolutions, the use of incremental taxes shall continue for such periods as allowed by Iowa Code.

REPEALER

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

SEVERABILITY CLAUSE

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

PUBLIC BUILDING ANALYSIS

Certain of the proposed urban renewal projects identified in this Amendment involve public buildings. Further description and information is provided below. If these projects are ultimately approved by the City, the City intends to finance some of the costs through tax increment financing (advances or borrowing). The City may decide to borrow funds or issue general obligation bonds and abate a part of the principal and interest payments from incremental tax revenues within the Area, if available. Specifically, under these circumstances, Iowa law requires an analysis of alternative development options and funding for the projects and reasons why such options would be less feasible than the use of incremental tax revenues for the project.

Alternative development and funding options for these projects are for the City to go through a process that would result in the issuance of general obligation bonds to fund each project. This option is less feasible than the use of TIF funds because there would be no contribution of tax increment revenues from the school and County. Because the urban renewal projects listed below will benefit County residents and school patrons, the use of tax increment is the most appropriate funding mechanism because it is fair for the school district and the County to share in the costs for the projects. Each project, as demonstrated from the analysis for each below, demonstrates regional benefits to both the County and school district. The City also intends to consider the use of other funding sources such as state, federal and/or local grants,

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The City has been a significant project partner with the Iowa Transportation Museum on the reconstruction of this blighted and historic property. The project has preserved significant and sizable historic buildings that otherwise were certain to be demolished. The property will now house the transportation museum and serve as a meeting and event space. The unique building design and environment has made it a favorite for small weddings and social gatherings. The transportation museum is also starting to gain traction in visitors and exhibit quality. The balance of the property that is currently unimproved will be purchased by a highly qualified residential and commercial development company that is working to convert the unimproved space to approximately 80 residential lofts. Once the Iowa Transportation Museum Board of Directors sells this unimproved property it will relieve them of substantial expense and generate revenue to bolster their exhibits. This property will add immensely to the vitality of the Central Business District. The Iowa Transportation Museum, like many museums, lives hand to mouth. It may be necessary for the City to assume ownership of the improved building due to federal grant restrictions.

The Iowa Transportation Museum Campus is a powerful community asset. First, the 80 loft apartments are critical to help accommodate our expanding workforce. Our weakest housing sector is our rentals, especially quality rentals near the Central Business District. Demand for these types of units has been high. Maintaining or increasing our population is critical to the school system and to our business community. The museum also provides excellent education opportunities for children and adults alike. There have been a number of education seminars and children's learning events held at the facility in the past. The facility also hosts a number of other community events such as the Greater Poweshiek Community Foundation annual gathering and community forums for the Grinnell-Newburg schools. This project has greatly reduced the blight in this neighborhood and at the same time served as a powerful economic development project.

For all the above projects, issuing general obligation bonds that would be paid only with the City's debt levy or advancing City-only funds is less feasible than the use of TIF funds because there would be no contribution of tax increment revenues from the school and County. As a result of the proposed urban renewal projects benefiting County residents and school patrons, the use of tax increment is the most appropriate funding mechanism because it is fair for the school district and the County to share in the costs for the projects. The projects demonstrate regional benefit to both the County and school.

For all of the aforementioned reasons, the tax increment revenue funding alternative option (reimbursement of city advances or general obligation debt abated by incremental tax revenues) is the most fair and equitable mechanism for funding all or a portion of the proposed projects; alternative options for funding of these urban renewal projects are less feasible than the use of incremental tax revenues.

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utility revenues, user fees, private donations, general obligations notes or bonds, local option sales tax revenues, and hotel-motel revenues as may be applicable to the projects.

The Veteran's Memorial Building facility has been underutilized for many years, but it has the potential to be an asset in the Central Business District. It could serve as a public meeting space, youth center, office complex, or any number of other uses. It is currently vacant and the interior has been removed due to asbestos containing materials. The facility has served as the location of the County Veteran's Affairs Office, the Mid Iowa Community Action Agency, driver's license station, and a number of other regional not-for-profit functions. The City uses the space only infrequently for large group meetings. Because county organizations frequently use and are located within this building, it is fair and rational that this building be supported by tax increment. The current and potential uses of this building stretch beyond the city limits and provide benefits to both the school district and the County. This holds true should the building be removed and a quality veterans' memorial be constructed.

The primary purpose of the Grinnell Regional Airport is to serve the needs of the regional business and agricultural community. The airport serves business both in Grinnell and within 15+ miles. Some of the most frequent users of the airport are located outside of Grinnell. These buildings are of no direct benefit to the City operations and serve only the needs of the airport. Having an operational airport provides great incentives to residents and businesses across Poweshiek County. An airport is a necessity for larger businesses who have out-of-state clients and customers. An airport is an asset that attracts and retains business, thus improving the economic activity of the area. Increased economic activity provides increased employment opportunities which sustain the population of mid-sized communities, which in turn benefits the school and the County.

The building of a new water tower provides direct regional benefit to the community. Increased water supply is a prerequisite to large industrial and commercial operations. Increased business opportunities, as previously mentioned, provide opportunities for expansion in mid-sized communities. There is currently a lack of adequate water supply because the south industrial area is two or three miles from the city's only elevated water tower. This tower only has a capacity of 300,000 gallons. The creation of a new water tower will greatly improve water pressure and supply for fire suppression. Without being able to provide an adequate water facility for businesses who wish to expand or relocate to the area, populations will decrease. Sustaining the population requires attracting employers and employees to the area, which ultimately benefits both the school and the County.

Improvements to the blighted Community Center building are expected to attract and retain citizens in the community and school district by providing event space, gym, retail, educational, offices and other compatible uses and space. Recreational improvements improve the quality of life within small communities and attract employers and potential employees to the area. Increased employment opportunities are necessary to sustain the population of mid-sized communities, thus benefitting the school and County. The area described above will be available for use by residents outside of the city limits. The Community Center will attract visitors from other areas for special events who will also have opportunities to stay in hotels and spend money within Poweshiek County. Thus, the above improvements will benefit the school and County.

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EXHIBIT "A"

LEGAL DESCRIPTION OF AMENDMENT #6

The West Fractional Half of the Northwest Quarter of Section Four (4), in Township Seventy-nine (79) North, Range Sixteen (16) West of the Fifth P.M., in Poweshiek County, Iowa; subject to the Right of Way of the Minneapolis and St. Louis Railway Company, and the Right of Way of the Iowa Southern Utilities Company of Delaware for a transmission line over said real estate as acquired by easement recorded in Book 163, page 386, and subject to the Right of Way of the State of Iowa for a public highway. Except for Lot 1 in the NW ¼ - NW ¼ of Section Four (4), in Township Seventy-nine (79) North, Range Sixteen (16) West of the Fifth P.M.

and

Lot 1 in the NW ¼ - NW ¼ of Section Four (4), in Township Seventy-nine (79) North, Range Sixteen (16) West of the Fifth P.M.

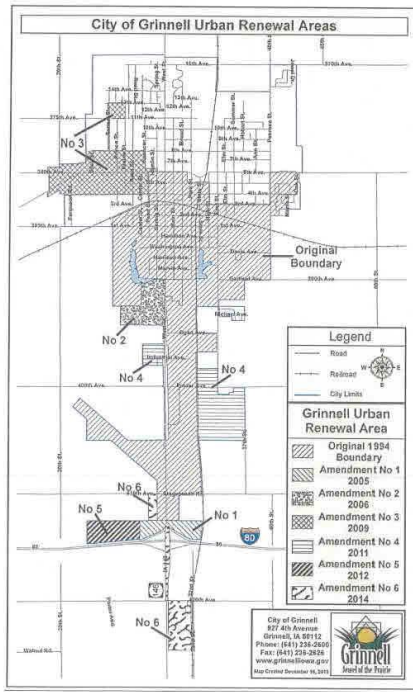
and

PARCEL "B" OF LOT 2 OF THE NORTHEAST QUARTER (NE1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION THIRTY-TWO (32), TOWNSHIP EIGHTY (80) NORTH, RANGE SIXTEEN (16) WEST OF THE 5TH PRINCIPAL MERIDIAN, POWESHIEK COUNTY, IOWA; FURTHER MORE DESCRIBED AS THE EAST ONE-HALF OF SAID LOT TWO (2) AS DESIGNATED ON PLAT RECORDED IN SUBDIVISION BOOK "D", PAGE 466 IN THE OFFICE OF THE COUNTY RECORDER OF POWESHIEK COUNTY, IA.; SAID PARCEL CONTAINING 12.386 ACRES INCLUDING 0.323 ACRES ROAD RIGHT-OF-WAY. SURVEY FOR PARCEL "B" IS RECORDED IN BOOK 6, PAGE 63 OF THE POWESHIEK COUNTY RECORDERS OFFICE.

And all adjacent right of way to the above area, including the entire Right of Way of Highway 146.

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EXHIBIT "B"
MAP OF GRINNELL URA showing Amendment Nos. 1, 2, 3, 4, 5 and 6.



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EXHIBIT "C"

AGRICULTURAL LAND CONSENT

AGREEMENT TO INCLUDE AGRICULTURAL LAND
IN AN URBAN RENEWAL AREA

This Agreement made and entered into by and between the City of Grinnell (hereinafter called "City"), and the undersigned property owners in said Grinnell, Iowa (hereinafter called "Property Owners")

WITNESSETH:

WHEREAS, the City proposes to amend the Grinnell Urban Renewal Plan under Iowa Code Chapter 403 by the adoption of Amendment No. 6 to said Plan and proceed with activities authorized under that Chapter in the Grinnell Urban Renewal Area, including, but not limited to the division of revenue under Iowa Code Section 403.19; and

WHEREAS, the legal description for the property to be included within the proposed Amendment No. 6 to the Grinnell Urban Renewal Area is attached as Exhibit A; and

WHEREAS, the undersigned property owner(s) own(s) agricultural land as defined by Iowa Code Section 403.17(3) within the proposed Amendment No. 5 to the Grinnell Urban Renewal Area.

NOW, THEREFORE, be it agreed among the parties hereto as follows:

1. The undersigned property owner(s) agree(s) that the City may include all real property owned by the undersigned property owner(s) in the proposed Grinnell Urban Renewal Area, described in Exhibit A, including any portions which may be defined as "Agricultural Land" under the provisions of Iowa Code 403.17(3).
2. The undersigned property owner(s) further authorize(s) the governing body of the City to pass any resolution or ordinance necessary to designate said property as an urban renewal area under Iowa Code Chapter 403, and to proceed with activities authorized under said Chapter.

DATED this 11th day of February, 2014.

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Presented to the City Council on the 11th day of February, 2014,
approved by the City Council on the 11th day of February, 2014.

[Signature]
Clerk

[Signature]
Mayor

Owner's Name: Grinnell Mutual Reinsurance Company
By: *[Signature]*
Date: 2/11/14
Witness: *[Signature]*

Owner's Name: _____
By: _____
Date: _____
Witness: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF AMENDMENT #6

The West Fractional Half of the Northwest Quarter of Section Four (4), in Township Seventy-nine (79) North, Range Sixteen (16) West of the Fifth P.M., in Poweshiek County, Iowa; subject to the Right of Way of the Minneapolis and St. Louis Railway Company, and the Right of Way of the Iowa Southern Utilities Company of Delaware for a transmission line over said real estate as acquired by easement recorded in Book 163, page 386, and subject to the Right of Way of the State of Iowa for a public highway. Except for Lot 1 in the NW ¼ - NW ¼ of Section Four (4), in Township Seventy-nine (79) North, Range Sixteen (16) West of the Fifth P.M.

and

Lot 1 in the NW ¼ - NW ¼ of Section Four (4), in Township Seventy-nine (79) North, Range Sixteen (16) West of the Fifth P.M.

and

PARCEL "B" OF LOT 2 OF THE NORTHEAST QUARTER (NE1/4) OF THE NORTHEAST QUARTER (NE1/4) OF SECTION THIRTY-TWO (32), TOWNSHIP EIGHTY (80) NORTH, RANGE SIXTEEN (16) WEST OF THE 5TH PRINCIPAL MERIDIAN, POWESHIEK COUNTY, IOWA; FURTHER MORE DESCRIBED AS THE EAST ONE-HALF OF SAID LOT TWO (2) AS DESIGNATED ON PLAT RECORDED IN SUBDIVISION BOOK "D", PAGE 466 IN THE OFFICE OF THE COUNTY RECORDER OF POWESHIEK COUNTY, IA.; SAID PARCEL CONTAINING 12.386 ACRES INCLUDING 0.323 ACRES ROAD RIGHT-OF-WAY. SURVEY FOR PARCEL "B" IS RECORDED IN BOOK 6, PAGE 63 OF THE POWESHIEK COUNTY RECORDERS OFFICE.

And all adjacent right of way to the above area, including the entire Right of Way of Highway 146.

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EXHIBIT D
JOINT CITY-COUNTY AGREEMENT

WHEREAS, the City of Grinnell, State of Iowa, (the "City") desires to amend the Grinnell Urban Renewal Plan to include property within two miles, but outside the corporate limits, of the City, State of Iowa, for the purpose of participating in urban renewal projects; and

WHEREAS, the City Council of the City, State of Iowa, has reviewed the Amendment No. 6 to the Grinnell Urban Renewal Plan for said area and has determined that amendment of the area and completion of the projects proposed in the amendment are in the best interests of the City, State of Iowa; and

WHEREAS, because the land proposed to be added is outside the city limits, Iowa Code Section 403.17(4) requires a "joint agreement" between the City and the County before the City can proceed with said projects.

NOW THEREFORE, THE CITY OF GRINNELL, STATE OF IOWA, AND POWESHIEK COUNTY, STATE OF IOWA, AGREE AS FOLLOWS:

1. The Board of Supervisors of Poweshiek County, State of Iowa, hereby agrees and authorizes the City, State of Iowa, to proceed with the amendment of an urban renewal area as described in Amendment No. 6 to the Grinnell Urban Renewal Plan, and the undertaking of urban renewal projects therein within two miles, but outside the corporate limits, of the City and approves the undertaking of urban renewal projects within said area.
2. This "joint agreement" is intended to meet the requirements of Iowa Code Chapter 403.17(4) with respect to the amendment of an urban renewal area in Poweshiek County, State of Iowa, to include land within two miles, but outside the corporate limits, of the City, State of Iowa.
3. This Joint Agreement has been duly authorized by the governing bodies of the City, State of Iowa, and Poweshiek County, State of Iowa.

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PASSED AND APPROVED this 13 day of February, 2014.

POWESHIEK COUNTY, STATE OF IOWA

Frank White
Chairperson,
Board of Supervisors

ATTEST:

Diana Dawley
Diana Dawley, County Auditor

STATE OF IOWA)
) SS
COUNTY OF POWESHIEK)

On this 13th day of February, 2014, before me a Notary Public in and for the State of Iowa, personally appeared Frank E. White and Diana Dawley, to me personally known, who being duly sworn did say that they are the Chairperson of the Board of Supervisors and Auditor, respectively, of Poweshiek County, State of Iowa, a political subdivision, and that the seal affixed to the foregoing instrument is the seal of said political subdivision, and that said instrument was signed and sealed on behalf of said political subdivision by authority and resolution of its Board of Supervisors and said Chairperson and Auditor acknowledged said instrument to be the free act and deed of said political subdivision by it voluntarily executed.

Melissa Elander
Notary Public in and for Poweshiek
County, Iowa



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PASSED AND APPROVED this 13th day of February, 2014.

CITY OF GRINNELL, STATE OF IOWA

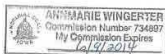
Gordon R. Canfield
Gordon R. Canfield, Mayor

ATTEST:

P. Kay Cmelik
P. Kay Cmelik, City Clerk

STATE OF IOWA)
) SS
COUNTY OF POWESHIEK)

On this 13th day of February, 2014, before me a Notary Public in and for said County, personally appeared Gordon R. Canfield and P. Kay Cmelik to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Grinnell, State of Iowa, a Municipal Corporation, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipal Corporation, and that said instrument was signed and sealed on behalf of said Municipal Corporation by authority and resolution of its City Council, and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipal Corporation by it voluntarily executed.



AnnMarie Wingerter
Notary Public in and for Poweshiek
County, Iowa

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Appendix C, Detailed Map of Reinvestment District



Appendix D, Names and Addresses of Parcel Owners

See Appendix C

Appendix E, Legal Description of Boundaries

City of Grinnell 2014 Iowa Reinvestment Act District

A parcel of land described as follows:

Beginning at the NW corner of Section 28, Township 80, Range 16 West of the 5th PM, Poweshiek County, Iowa; thence North 30'; thence East 1,660' on a line running parallel to the section line to a point on the East Right-of-Way (ROW) line of the Union Pacific Railroad; thence North along the East ROW line of the Union Pacific Railroad to a point 130' North; thence East 100'; thence South 100'; thence West 90'; thence South 90' to a point 30' South of the section line; thence West 1,540' on a line parallel to the section line to the East ROW line of Highway 146; thence South 10,660' along the East ROW line of Highway 146; thence East 10' to a point located 10' East of the East ROW line of Highway 146; thence South 455' on a parallel line 10' East of the East ROW line of Highway 146; thence East 443'; thence South 175'; thence West 270'; thence North 165'; thence West 183' to the East ROW line of Highway 148; thence North 455'; thence West 60' to a point located 60' West of the East ROW line of Highway 146; thence North 4,341' on a parallel line 60' West of the East ROW line of Highway 146; thence West 3,204' along the South ROW line of Lang Creek Avenue; thence West 135'; thence South 412'; thence East 43'; thence South 258'; thence West 155'; thence North 258'; thence East 105'; thence North 422'; thence East 150'; thence North 50'; thence East 1832' on a parallel line 60' North of the South ROW line of Lang Creek Avenue; thence North 145'; thence West 76'; thence North 100'; thence East 200'; thence South 100'; thence West 114'; thence South 142'; thence East 1,362' on a parallel line 60' North of the South ROW line of Lang Creek Avenue to a point 60' West of the East ROW line of Highway 146; thence North 6,355' on a parallel line 60' West of the East ROW line of Highway 146 to the point of beginning.

All dimensions are approximate.

Appendix F, Substantially Benefited Real Property



Poweshiek County Assessor
Dotty L. Bates, ICA
P.O. Box 516
Montezuma, IA 50171
Phone 641-623-5445
Fax 641-623-2363
Email: assessor@poweshiekcouny.org
Website: www.iowaassessors.com

March 13, 2014

Laura Manatt, laura@powl80.com
Lucy Thoms, lthoms@grinnelliowa.gov

Re: New Construction Projects for Grinnell Reinvestment

In review of the proposed projects I have arrived at the following estimations of assessed value that will be added due to the new construction. Please keep in mind that these are just a rough estimate of increased value. In reviewing information it appears the proposed projects will be unique in quality and design and will not be comparable to any existing local sites so I have made assumptions in my estimations.

It is my understanding that the new construction will be eligible for the Urban Renewal Tax Abatement and may not be fully taxable for a number of years. These estimates do not take that into consideration and would instead reflect an estimation of full assessed value added. The values indicated would be representative of building value only and would not include land value.

NEW HOTEL – 71 ROOM FACILITY - \$3,905,000

GRINNELL MUTUAL REINSURANCE – 34,000 sq ft CONFERENCE & LEARNING CENTER - \$5,950,000


BROWNELLS – 17,600 sq ft MIXED USED RETAIL/TRAINING/SHOOTING RANGE - \$3,520,000

Please let me know if you have any questions or need any further information.

Sincerely,


Dotty Bates
Poweshiek County Assessor

Appendix G, Credentials of Feasibility and Economic Impact Study Authors

 Decision Innovation Solutions	Decision Innovation Solutions 3315 109 th Street, Suite B Urbandale, IA 50322 www.decision-innovation.com
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About Us

Decision Innovation Solutions (DIS) is an economic research and analysis firm based in Urbandale, Iowa with clients in 8 states. Specific areas of expertise are Policy Analysis, Feasibility & Due Diligence, Economic Impact, and Spatial & Time Series Analysis.

What We Do

DIS conducts comprehensive feasibility and due diligence planning for businesses and organizations. . We identify the strengths and weaknesses of the available options and provide detailed feasibility studies and business plans to capitalize on the venture's strengths and mitigate its weaknesses.

Decision Innovation Solutions (DIS) helps community, rural and agricultural organizations and industries evaluate their economic contributions. DIS works with businesses in evaluating their community impact for grant applications, tax subsidies and to improve community relations.

DIS uses proprietary modeling to study the links among industries and quantify their contributions to the overall economy. First existing economic relationships are assessed and then a variety of tools are used to evaluate the expansion or contraction of specific economic activities.

Project Contributors

Spencer N. Parkinson, Executive Director
spence@decision-innovation.com

Education

International MBA , Food and Agribusiness Utah State University / Royal Agricultural College	Fall 2005 Logan, Utah; Cirencester, England
Bachelor of Science , Accounting and Economics Utah State University, Graduated Cum Laude	Spring 2004 Logan, Utah

Experience

Lead team member on Economic Impact and Economic Contribution studies for projects in agriculture, environment, energy, and public works. Recognized expert in the use of IMPLAN software and data to model economic impacts.

Merlin R. Siefken, Independent Contractor, Business Development Manager

merlin@decision-innovation.com

Education

The University of Nebraska, Lincoln, NE BS in Mechanized Agriculture with Business Administration Minor Graduated: 4 June 1967	University of North Carolina at Chapel Hill, NC AFSA Executive Development Program 1989, 1990
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Experience

35 years' experience in sales, finance and business operations with Deere & Company. Represented Deere on Iowa Department of Economic Development Marketing Advisory Committee. Chaired team developing feasibility study and business plan for creation of new Deere entity, John Deere Financial. Author of feasibility studies in biofuels, value added agriculture and wind energy.

Appendix H, Project Financials

Grinnell Mutual Reinsurance Company Income Statement (GMRC)

	2014	2015	2016	2017	2018	2019	2020	2031	2032	2033	2034
Receipts											
Event Center Rental		\$ 9,000	\$ 18,396	\$ 18,801	\$ 19,214	\$ 19,637	\$ 20,069	\$ 25,497	\$ 26,058	\$ 26,631	\$ 27,217
Total Receipts	\$ -	\$ 9,000	\$ 18,396	\$ 18,801	\$ 19,214	\$ 19,637	\$ 20,069	\$ 25,497	\$ 26,058	\$ 26,631	\$ 27,217
Operating Expenses											
Utilities		\$ 30,000	\$ 60,000	\$ 61,320	\$ 62,669	\$ 64,048	\$ 65,457	\$ 83,160	\$ 84,990	\$ 86,859	\$ 88,770
Insurance		\$ 25,000	\$ 50,000	\$ 51,100	\$ 52,224	\$ 53,373	\$ 54,547	\$ 69,300	\$ 70,825	\$ 72,383	\$ 73,975
Labor, Including Admin		\$ 97,500	\$ 195,000	\$ 199,290	\$ 203,674	\$ 208,155	\$ 212,735	\$ 270,270	\$ 276,216	\$ 282,293	\$ 288,503
Maintenance		\$ 32,000	\$ 32,704	\$ 33,423	\$ 34,159	\$ 34,910	\$ 35,651	\$ 44,352	\$ 45,328	\$ 46,325	\$ 47,344
Food Service (internal)											
Total Administrative & Operating Expenses	\$ -	\$ 152,500	\$ 337,000	\$ 344,414	\$ 351,991	\$ 359,735	\$ 367,649	\$ 467,082	\$ 477,358	\$ 487,860	\$ 498,593
Gross Operating Profit	\$ -	\$ (143,500)	\$ (318,604)	\$ (325,613)	\$ (332,777)	\$ (340,098)	\$ (347,580)	\$ (441,585)	\$ (451,300)	\$ (461,229)	\$ (471,376)
Interest Expense		\$ 50,000									
Capital Loan Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Opportunity Cost	\$ -	\$ -	\$ -	\$ -	\$ (1,172)	\$ (3,773)	\$ (6,431)	\$ (39,829)	\$ (43,281)	\$ (45,000)	\$ (45,000)
Operating Loan Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ (1,172)	\$ (3,773)	\$ (6,431)	\$ (39,829)	\$ (43,281)	\$ (45,000)	\$ (45,000)
Total Depreciation Expense	\$ 128,277	\$ 750,143	\$ 750,143	\$ 750,143	\$ 750,143	\$ 750,143	\$ 250,143	\$ 250,143	\$ 250,143	\$ 250,143	\$ 250,143
Property Taxes		\$ 86,483	\$ 176,772	\$ 180,661	\$ 184,635	\$ 188,697	\$ 192,849	\$ 245,006	\$ 250,396	\$ 255,905	\$ 261,535
Total Expenses	\$ 128,277	\$ 989,127	\$ 1,263,915	\$ 1,275,218	\$ 1,285,598	\$ 1,294,803	\$ 804,210	\$ 922,402	\$ 934,616	\$ 948,908	\$ 965,271
Net Income Before Taxes	\$ (128,277)	\$ (980,127)	\$ (1,245,519)	\$ (1,256,417)	\$ (1,266,383)	\$ (1,275,165)	\$ (784,141)	\$ (896,905)	\$ (908,559)	\$ (922,277)	\$ (938,054)

Cash Flow Statement (GMRC)

	2014	2015	2016	2017	2018	2019	2020	2031	2032	2033	2034
Inflows											
Beginning Cash	\$ -	\$ 9,997,203	\$ 2,514,423	\$ 2,019,047	\$ 1,538,818	\$ 1,080,379	\$ 614,429	\$ -	\$ -	\$ -	\$ -
Net Cash Income	\$ (128,277)	\$ (980,127)	\$ (1,245,519)	\$ (1,256,417)	\$ (1,266,383)	\$ (1,275,165)	\$ (784,141)	\$ (896,905)	\$ (908,559)	\$ (922,277)	\$ (938,054)
GMRC Transfer	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 560,310	\$ 570,062	\$ 620,214	\$ 672,133
Iowa Reinvestment Act Fund Receipts	\$ -	\$ -	\$ -	\$ 26,045	\$ 57,801	\$ 59,072	\$ 60,372	\$ 76,700	\$ 38,201	\$ -	\$ -
Depreciation Adjustment	\$ 128,277	\$ 750,143	\$ 750,143	\$ 750,143	\$ 750,143	\$ 750,143	\$ 250,143	\$ 250,143	\$ 250,143	\$ 250,143	\$ 250,143
Adjusted Cash	\$ 15,000,000	\$ 9,767,220	\$ 2,019,047	\$ 1,538,818	\$ 1,080,379	\$ 614,429	\$ 140,804	\$ (9,752)	\$ (50,152)	\$ (51,920)	\$ (15,777)
Outflows											
Repayment of Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of Operating Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 560,310	\$ 570,062	\$ 620,214	\$ 672,133
Buildings	\$ 5,002,797	\$ 4,752,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Furnishings & Fixtures	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Expenditures	\$ 5,002,797	\$ 7,252,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 560,310	\$ 570,062	\$ 620,214	\$ 672,133
Ending Cash Before Borrowing	\$ 9,997,203	\$ 2,514,423	\$ 2,019,047	\$ 1,538,818	\$ 1,080,379	\$ 614,429	\$ 140,804	\$ (570,062)	\$ (620,214)	\$ (672,133)	\$ (687,910)
Cash Flow Deficit Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 570,062	\$ 620,214	\$ 672,133	\$ 687,910
Ending Cash Balance	\$ 9,997,203	\$ 2,514,423	\$ 2,019,047	\$ 1,538,818	\$ 1,080,379	\$ 614,429	\$ 140,804	\$ -	\$ -	\$ -	\$ -

Brownells

Income Statement (Brownells)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Receipts											
Experiential Center	\$ -	\$ 283,000	\$ 849,000	\$ 1,132,000	\$ 1,156,904	\$ 1,182,356	\$ 1,208,368	\$ 1,535,179	\$ 1,568,953	\$ 1,603,470	\$ 1,638,746
Retail	\$ 180,000	\$ 6,937,500	\$ 9,750,000	\$ 10,725,000	\$ 10,960,950	\$ 11,202,091	\$ 11,448,537	\$ 14,544,870	\$ 14,864,857	\$ 15,191,884	\$ 15,526,105
Total Receipts	\$ 180,000	\$ 7,220,500	\$ 10,599,000	\$ 11,857,000	\$ 12,117,854	\$ 12,384,447	\$ 12,656,905	\$ 16,080,049	\$ 16,433,810	\$ 16,795,354	\$ 17,164,851
Retail Cost of Sales											
Materials	\$ 118,800	\$ 4,578,750	\$ 6,435,000	\$ 7,078,500	\$ 7,234,227	\$ 7,393,380	\$ 7,556,034	\$ 9,599,614	\$ 9,810,806	\$ 10,026,643	\$ 10,247,230
Direct Labor	\$ 50,000	\$ 980,000	\$ 1,001,560	\$ 1,023,594	\$ 1,046,113	\$ 1,069,128	\$ 1,092,649	\$ 1,388,163	\$ 1,418,702	\$ 1,449,914	\$ 1,481,812
Total Cost of Sales	\$ 168,800	\$ 5,558,750	\$ 7,436,560	\$ 8,102,094	\$ 8,280,340	\$ 8,462,508	\$ 8,648,683	\$ 10,987,777	\$ 11,229,508	\$ 11,476,557	\$ 11,729,042
Operating Expenses											
Utilities	\$ 11,167	\$ 134,000	\$ 136,948	\$ 139,961	\$ 143,040	\$ 146,187	\$ 149,403	\$ 189,810	\$ 193,986	\$ 198,254	\$ 202,615
Insurance	\$ 50	\$ 600	\$ 613	\$ 627	\$ 640	\$ 655	\$ 669	\$ 850	\$ 869	\$ 888	\$ 907
Labor, Including Admin	\$ 17,800	\$ 213,600	\$ 218,299	\$ 223,102	\$ 228,010	\$ 233,026	\$ 238,153	\$ 302,563	\$ 309,219	\$ 316,022	\$ 322,975
Maintenance	\$ 1,192	\$ 14,300	\$ 14,615	\$ 14,936	\$ 15,265	\$ 15,601	\$ 15,944	\$ 20,256	\$ 20,701	\$ 21,157	\$ 21,622
Other (Marketing Expense)	\$ 49,141	\$ 589,688	\$ 828,750	\$ 911,625	\$ 931,681	\$ 952,178	\$ 973,126	\$ 1,236,314	\$ 1,263,513	\$ 1,291,310	\$ 1,319,719
Total Operating Expenses	\$ 79,349	\$ 952,188	\$ 1,199,225	\$ 1,290,250	\$ 1,318,636	\$ 1,347,646	\$ 1,377,294	\$ 1,749,793	\$ 1,788,288	\$ 1,827,630	\$ 1,867,838
Gross Operating Profit	\$ (68,149)	\$ 709,563	\$ 1,963,215	\$ 2,464,655	\$ 2,518,878	\$ 2,574,293	\$ 2,630,927	\$ 3,342,479	\$ 3,416,014	\$ 3,491,166	\$ 3,567,972
Other Expenses											
Insurance	\$ 1,800	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200
Interest	\$ -	\$ 205,000	\$ 298,800	\$ 289,266	\$ 279,256	\$ 268,744	\$ 257,708	\$ 93,071	\$ 73,250	\$ 52,439	\$ 30,587
Total Other Expenses	\$ 1,800	\$ 212,200	\$ 306,000	\$ 296,466	\$ 286,456	\$ 275,944	\$ 264,908	\$ 100,271	\$ 80,450	\$ 59,639	\$ 37,787
Total Depreciation/Amortization Expense	\$ 553,846	\$ 907,692	\$ 913,613	\$ 927,420	\$ 949,333	\$ 478,748	\$ 315,130	\$ 621,389	\$ 641,630	\$ 661,201	\$ 680,201
Property Taxes		\$ 70,349	\$ 71,897	\$ 73,479	\$ 75,095	\$ 76,747	\$ 78,436	\$ 99,649	\$ 101,842	\$ 104,082	\$ 106,372
Total Expenses	\$ 803,795	\$ 7,701,179	\$ 9,927,295	\$ 10,689,710	\$ 10,909,860	\$ 10,641,594	\$ 10,684,450	\$ 13,558,879	\$ 13,841,718	\$ 14,129,110	\$ 14,421,240
Net Income Before Taxes	\$ (623,795)	\$ (480,679)	\$ 671,705	\$ 1,167,290	\$ 1,207,994	\$ 1,742,853	\$ 1,972,454	\$ 2,521,170	\$ 2,592,092	\$ 2,666,244	\$ 2,743,612

Cash Flow Statement (Brownells)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Inflows											
Beginning Cash	\$ 4,000,000	\$ 3,430,051	\$ -	\$ 98,105	\$ 1,923,564	\$ 3,848,462	\$ 6,014,569	\$ 32,351,817	\$ 35,049,409	\$ 37,808,352	\$ 40,630,887
Loan Proceeds	\$ 4,100,000	\$ 2,000,000									
Net Cash Income	\$ (623,795)	\$ (480,679)	\$ 671,705	\$ 1,167,290	\$ 1,207,994	\$ 1,742,853	\$ 1,972,454	\$ 2,521,170	\$ 2,592,092	\$ 2,666,244	\$ 2,743,612
Iowa Reinvestment Act Fund Receipts	\$ -	\$ -	\$ -	\$ -	\$ 87,358	\$ 312,318	\$ 319,189	\$ 405,516	\$ 414,437	\$ 423,555	\$ 432,873
Depreciation Adjustment	\$ 553,846	\$ 907,692	\$ 913,613	\$ 927,420	\$ 949,333	\$ 478,748	\$ 315,130	\$ 621,389	\$ 641,630	\$ 661,201	\$ 680,201
Adjusted Cash	\$ 8,030,051	\$ 5,857,064	\$ 1,585,318	\$ 2,192,815	\$ 4,168,248	\$ 6,382,381	\$ 8,621,341	\$ 35,899,892	\$ 38,697,568	\$ 41,559,351	\$ 44,487,573
Outflows											
Repayment of Principal	\$ -	\$ 123,995	\$ 190,680	\$ 200,213	\$ 210,224	\$ 220,735	\$ 231,772	\$ 396,409	\$ 416,229	\$ 437,041	\$ 458,893
Repayment of Operating Loan	\$ -	\$ -	\$ 1,266,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	\$ 2,100,000	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Furnishings & Fixtures	\$ 2,500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement	\$ -	\$ -	\$ 29,602	\$ 69,038	\$ 109,562	\$ 147,077	\$ 181,907	\$ 454,074	\$ 472,987	\$ 491,423	\$ 509,462
Corporate Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Expenditures	\$ 4,600,000	\$ 7,123,995	\$ 1,487,212	\$ 269,251	\$ 319,786	\$ 367,813	\$ 413,679	\$ 850,483	\$ 889,216	\$ 928,464	\$ 968,355
Ending Cash Before Borrowing	\$ 3,430,051	\$ (1,266,931)	\$ 98,105	\$ 1,923,564	\$ 3,848,462	\$ 6,014,569	\$ 8,207,662	\$ 35,049,409	\$ 37,808,352	\$ 40,630,887	\$ 43,519,218
Cash Flow Deficit Borrowing	\$ -	\$ 1,266,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	\$ 3,430,051	\$ -	\$ 98,105	\$ 1,923,564	\$ 3,848,462	\$ 6,014,569	\$ 8,207,662	\$ 35,049,409	\$ 37,808,352	\$ 40,630,887	\$ 43,519,218

Balance Sheet (Brownells)

ASSETS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash	\$ 3,430,051	\$ -	\$ 98,105	\$ 1,923,564	\$ 3,848,462	\$ 6,014,569	\$ 8,207,662	\$ 35,049,409	\$ 37,808,352	\$ 40,630,887	\$ 43,519,218
Buildings											
Beginning Balance	\$ 2,100,000	\$ 8,100,000	\$ 8,100,000	\$ 8,100,000	\$ 8,100,000	\$ 8,100,000	\$ 8,100,000	\$ 8,100,000	\$ 8,100,000	\$ 8,100,000	\$ 8,100,000
Accumulated Depreciation	\$ 53,846	\$ 261,538	\$ 469,231	\$ 676,923	\$ 884,615	\$ 1,092,308	\$ 1,300,000	\$ 3,584,615	\$ 3,792,308	\$ 4,000,000	\$ 4,207,692
Ending Balance	\$ 2,046,154	\$ 7,838,462	\$ 7,630,769	\$ 7,423,077	\$ 7,215,385	\$ 7,007,692	\$ 6,800,000	\$ 4,515,385	\$ 4,307,692	\$ 4,100,000	\$ 3,892,308
Land											
Beginning Balance	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Appreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Furnishings & Fixtures											
Beginning Balance	\$ 2,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Accumulated Depreciation	\$ 500,000	\$ 1,200,000	\$ 1,900,000	\$ 2,600,000	\$ 3,300,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Ending Balance	\$ 2,000,000	\$ 2,300,000	\$ 1,600,000	\$ 900,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scheduled Capital Improvements											
Beginning Balance	\$ -	\$ -	\$ 29,602	\$ 98,640	\$ 208,202	\$ 355,279	\$ 537,186	\$ 4,311,586	\$ 4,784,572	\$ 5,275,995	\$ 5,785,458
Accumulated Depreciation	\$ -	\$ -	\$ 5,920	\$ 25,648	\$ 67,289	\$ 138,345	\$ 245,782	\$ 3,443,069	\$ 3,877,007	\$ 4,330,516	\$ 4,803,025
Ending Balance	\$ -	\$ -	\$ 23,682	\$ 72,991	\$ 140,913	\$ 216,935	\$ 291,405	\$ 868,516	\$ 907,566	\$ 945,480	\$ 982,433
Total Assets	\$ 7,576,205	\$ 10,238,462	\$ 9,452,556	\$ 10,419,633	\$ 11,504,760	\$ 13,339,196	\$ 15,399,067	\$ 40,533,310	\$ 43,123,610	\$ 45,776,367	\$ 48,493,959
LIABILITIES											
Current Liabilities											
Operating Loan	\$ -	\$ 1,266,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	\$ -	\$ 1,266,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Liabilities											
Loan 1											
Beginning Loan Value	\$ -	\$ 4,100,000	\$ 3,976,005	\$ 3,845,811	\$ 3,709,107	\$ 3,565,568	\$ 3,414,852	\$ 1,166,599	\$ 895,934	\$ 611,736	\$ 313,328
Ending Value	\$ -	\$ 3,976,005	\$ 3,845,811	\$ 3,709,107	\$ 3,565,568	\$ 3,414,852	\$ 3,256,599	\$ 895,934	\$ 611,736	\$ 313,328	\$ 0
Loan 2											
Beginning Loan Value	\$ -	\$ -	\$ 2,000,000	\$ 1,939,515	\$ 1,876,005	\$ 1,809,320	\$ 1,739,301	\$ 694,817	\$ 569,072	\$ 437,041	\$ 298,408
Ending Value	\$ -	\$ -	\$ 1,939,515	\$ 1,876,005	\$ 1,809,320	\$ 1,739,301	\$ 1,665,781	\$ 569,072	\$ 437,041	\$ 298,408	\$ 152,843
Total Long-Term Liabilities	\$ -	\$ 3,976,005	\$ 5,785,326	\$ 5,585,112	\$ 5,374,888	\$ 5,154,153	\$ 4,922,381	\$ 1,465,006	\$ 1,048,777	\$ 611,736	\$ 152,843
Total Liabilities	\$ -	\$ 5,242,936	\$ 5,785,326	\$ 5,585,112	\$ 5,374,888	\$ 5,154,153	\$ 4,922,381	\$ 1,465,006	\$ 1,048,777	\$ 611,736	\$ 152,843
Equity											
Beginning Equity	\$ 8,200,000	\$ 5,476,205	\$ 2,995,525	\$ 3,667,230	\$ 4,921,878	\$ 6,442,190	\$ 8,504,232	\$ 36,547,134	\$ 39,482,741	\$ 42,498,387	\$ 45,597,504
Retained Earnings	\$ (623,795)	\$ (480,679)	\$ 671,705	\$ 1,167,290	\$ 1,207,994	\$ 1,742,853	\$ 1,972,454	\$ 2,521,170	\$ 2,592,092	\$ 2,666,244	\$ 2,743,612
Corporate Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Equity	\$ 7,576,205	\$ 4,995,525	\$ 3,667,230	\$ 4,834,520	\$ 6,129,872	\$ 8,185,043	\$ 10,476,686	\$ 39,068,304	\$ 42,074,833	\$ 45,164,631	\$ 48,341,116

New Hotel Income Statement (New Hotel)

	2014	2015	2016	2017	2018	2019	2020	2031	2032	2033	2034
Receipts											
Rooms	\$ -	\$ -	\$ 1,242,624	\$ 1,371,559	\$ 1,635,355	\$ 1,671,333	\$ 1,708,103	\$ 2,170,070	\$ 2,217,812	\$ 2,266,604	\$ 2,316,469
Rental & Other Income	\$ -	\$ -	\$ 25,915	\$ 33,586	\$ 48,979	\$ 58,775	\$ 58,775	\$ 61,847	\$ 63,208	\$ 64,598	\$ 66,019
Total Receipts	\$ -	\$ -	\$ 1,268,539	\$ 1,405,145	\$ 1,684,334	\$ 1,730,108	\$ 1,766,878	\$ 2,231,917	\$ 2,281,020	\$ 2,331,202	\$ 2,382,488
Cost of Sales											
Rooms Payroll & Related	\$ -	\$ -	\$ 198,820	\$ 216,392	\$ 254,335	\$ 254,326	\$ 256,197	\$ 323,628	\$ 330,748	\$ 338,024	\$ 345,461
Rooms Other	\$ -	\$ -	\$ 111,836	\$ 123,879	\$ 148,493	\$ 152,528	\$ 155,770	\$ 196,769	\$ 201,098	\$ 205,522	\$ 210,043
Rental & Other Income	\$ -	\$ -	\$ 6,479	\$ 8,397	\$ 12,245	\$ 14,694	\$ 14,694	\$ 15,462	\$ 15,802	\$ 16,150	\$ 16,505
Total Cost of Sales	\$ -	\$ -	\$ 317,135	\$ 348,668	\$ 415,072	\$ 421,548	\$ 426,661	\$ 535,858	\$ 547,647	\$ 559,695	\$ 572,009
Operating Expenses											
Admin & General	\$ -	\$ -	\$ 107,826	\$ 116,627	\$ 134,747	\$ 134,948	\$ 132,516	\$ 167,394	\$ 171,076	\$ 174,840	\$ 178,687
Marketing	\$ -	\$ -	\$ 69,770	\$ 74,473	\$ 84,217	\$ 86,505	\$ 88,344	\$ 111,596	\$ 114,051	\$ 116,560	\$ 119,124
Franchise Fees	\$ -	\$ -	\$ 86,261	\$ 95,550	\$ 114,535	\$ 117,648	\$ 120,148	\$ 151,771	\$ 155,110	\$ 158,522	\$ 162,010
Energy	\$ -	\$ -	\$ 50,742	\$ 56,206	\$ 67,374	\$ 69,205	\$ 70,676	\$ 89,277	\$ 91,242	\$ 93,249	\$ 95,300
Property Operations & Maint.	\$ -	\$ -	\$ 25,371	\$ 35,129	\$ 50,530	\$ 60,554	\$ 70,675	\$ 89,277	\$ 91,241	\$ 93,248	\$ 95,300
Mgmt Fees	\$ -	\$ -	\$ 38,056	\$ 42,154	\$ 50,530	\$ 51,903	\$ 53,006	\$ 66,957	\$ 68,430	\$ 69,936	\$ 71,474
Total Operating Expenses	\$ -	\$ -	\$ 378,026	\$ 420,139	\$ 501,932	\$ 520,763	\$ 535,365	\$ 676,272	\$ 691,150	\$ 706,355	\$ 721,895
Gross Operating Profit	\$ -	\$ -	\$ 573,378	\$ 636,338	\$ 767,330	\$ 787,797	\$ 804,852	\$ 1,019,787	\$ 1,042,222	\$ 1,065,151	\$ 1,088,585
Other Expenses											
Insurance	\$ -	\$ -	\$ 12,685	\$ 14,051	\$ 16,843	\$ 17,301	\$ 17,668	\$ 22,318	\$ 22,809	\$ 23,311	\$ 23,824
Interest	\$ -	\$ -	\$ -	\$ 256,581	\$ 248,822	\$ 240,674	\$ 232,119	\$ 104,502	\$ 89,139	\$ 73,007	\$ 56,068
Total Other Expenses	\$ -	\$ -	\$ 12,685	\$ 270,632	\$ 265,665	\$ 257,975	\$ 249,787	\$ 126,821	\$ 111,948	\$ 96,318	\$ 79,892
Total Depreciation/Amortization Expense	\$ -	\$ -	\$ 323,198	\$ 324,213	\$ 326,250	\$ 329,432	\$ 333,679	\$ 191,294	\$ 194,259	\$ 197,115	\$ 199,878
Property Taxes	\$ -	\$ -	\$ -	\$ 119,914	\$ 122,552	\$ 125,248	\$ 128,003	\$ 162,623	\$ 166,201	\$ 169,857	\$ 173,594
Total Expenses	\$ -	\$ -	\$ 1,031,044	\$ 1,483,566	\$ 1,631,472	\$ 1,654,966	\$ 1,673,495	\$ 1,692,868	\$ 1,711,204	\$ 1,729,341	\$ 1,747,268
Net Income Before Taxes	\$ -	\$ -	\$ 237,495	\$ (78,421)	\$ 52,863	\$ 75,142	\$ 93,382	\$ 539,050	\$ 569,815	\$ 601,861	\$ 635,220

Cash Flow Statement (New Hotel)

	2014	2015	2016	2017	2018	2019	2020	2031	2032	2033	2034
Inflows											
Beginning Cash	\$ -	\$ 2,199,269	\$ 2,199,269	\$ 1,671,082	\$ 1,756,606	\$ 2,009,368	\$ 2,394,214	\$ 7,587,922	\$ 8,166,409	\$ 8,765,291	\$ 9,385,156
Loan Proceeds			\$ 5,131,628								
Net Cash Income	\$ -	\$ -	\$ 237,495	\$ (78,421)	\$ 52,863	\$ 75,142	\$ 93,382	\$ 539,050	\$ 569,815	\$ 601,861	\$ 635,220
Iowa Reinvestment Act Fund Receipts	\$ -	\$ -	\$ -	\$ -	\$ 46,789	\$ 167,279	\$ 170,960	\$ 217,197	\$ 221,975	\$ 226,858	\$ 231,849
Depreciation Adjustment	\$ -	\$ -	\$ 323,198	\$ 324,213	\$ 326,250	\$ 329,432	\$ 333,679	\$ 191,294	\$ 194,259	\$ 197,115	\$ 199,878
Adjusted Cash	\$ -	\$ 2,199,269	\$ 7,891,590	\$ 1,916,874	\$ 2,182,509	\$ 2,581,221	\$ 2,992,235	\$ 8,535,462	\$ 9,152,458	\$ 9,791,126	\$ 10,452,104
Outflows											
Repayment of Principal	\$ -	\$ -	\$ -	\$ 155,194	\$ 162,953	\$ 171,101	\$ 179,656	\$ 307,273	\$ 322,637	\$ 338,768	\$ 355,707
Repayment of Operating Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ 5,281,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Furnishings & Fixtures	\$ -	\$ -	\$ 938,856	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement	\$ -	\$ -	\$ -	\$ 5,074	\$ 10,187	\$ 15,906	\$ 21,236	\$ 61,780	\$ 64,530	\$ 67,201	\$ 69,806
Corporate Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Expenditures	\$ -	\$ -	\$ 6,220,508	\$ 160,268	\$ 173,141	\$ 187,007	\$ 200,892	\$ 369,053	\$ 387,167	\$ 405,969	\$ 425,513
Ending Cash Before Borrowing	\$ -	\$ 2,199,269	\$ 1,671,082	\$ 1,756,606	\$ 2,009,368	\$ 2,394,214	\$ 2,791,343	\$ 8,166,409	\$ 8,765,291	\$ 9,385,156	\$ 10,026,591
Cash Flow Deficit Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	\$ -	\$ 2,199,269	\$ 1,671,082	\$ 1,756,606	\$ 2,009,368	\$ 2,394,214	\$ 2,791,343	\$ 8,166,409	\$ 8,765,291	\$ 9,385,156	\$ 10,026,591

Balance Sheet (New Hotel)

ASSETS	2014	2015	2016	2017	2018	2019	2020	2031	2032	2033	2034
Cash	\$ -	\$ 2,199,269	\$ 1,671,082	\$ 1,756,606	\$ 2,009,368	\$ 2,394,214	\$ 2,791,343	\$ 8,166,409	\$ 8,765,291	\$ 9,385,156	\$ 10,026,591
Buildings											
Beginning Balance	\$ -	\$ -	\$ 5,281,652	\$ 5,281,652	\$ 5,281,652	\$ 5,281,652	\$ 5,281,652	\$ 5,281,652	\$ 5,281,652	\$ 5,281,652	\$ 5,281,652
Accumulated Depreciation	\$ -	\$ -	\$ 135,427	\$ 270,854	\$ 406,281	\$ 541,708	\$ 677,135	\$ 2,166,832	\$ 2,302,259	\$ 2,437,686	\$ 2,573,113
Ending Balance	\$ -	\$ -	\$ 5,146,225	\$ 5,010,798	\$ 4,875,371	\$ 4,739,944	\$ 4,604,517	\$ 3,114,820	\$ 2,979,393	\$ 2,843,966	\$ 2,708,539
Land											
Beginning Balance	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946
Appreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946	\$ 642,946
Furnishings & Fixtures											
Beginning Balance	\$ -	\$ -	\$ 938,856	\$ 938,856	\$ 938,856	\$ 938,856	\$ 938,856	\$ 938,856	\$ 938,856	\$ 938,856	\$ 938,856
Accumulated Depreciation	\$ -	\$ -	\$ 187,771	\$ 375,542	\$ 563,314	\$ 751,085	\$ 938,856	\$ 938,856	\$ 938,856	\$ 938,856	\$ 938,856
Ending Balance	\$ -	\$ -	\$ 751,085	\$ 563,314	\$ 375,542	\$ 187,771	\$ -	\$ -	\$ -	\$ -	\$ -
Scheduled Capital Improvements											
Beginning Balance	\$ -	\$ -	\$ -	\$ 5,074	\$ 15,261	\$ 31,167	\$ 52,403	\$ 551,785	\$ 616,315	\$ 683,516	\$ 753,322
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ 1,015	\$ 4,067	\$ 10,301	\$ 20,781	\$ 434,018	\$ 492,849	\$ 554,537	\$ 618,989
Ending Balance	\$ -	\$ -	\$ -	\$ 4,059	\$ 11,194	\$ 20,867	\$ 31,622	\$ 117,767	\$ 123,466	\$ 128,979	\$ 134,333
Total Assets	\$ 642,946	\$ 2,842,215	\$ 8,211,338	\$ 7,977,723	\$ 7,914,422	\$ 7,985,743	\$ 8,070,428	\$ 12,041,943	\$ 12,511,096	\$ 13,001,047	\$ 13,512,410
LIABILITIES											
Current Liabilities											
Operating Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Liabilities											
Beginning Loan Value	\$ -	\$ -	\$ 5,131,628	\$ 5,131,628	\$ 4,976,434	\$ 4,813,481	\$ 4,642,380	\$ 2,090,044	\$ 1,782,771	\$ 1,460,134	\$ 1,121,366
Ending Value	\$ -	\$ -	\$ 5,131,628	\$ 4,976,434	\$ 4,813,481	\$ 4,642,380	\$ 4,462,724	\$ 1,782,771	\$ 1,460,134	\$ 1,121,366	\$ 765,659
Total Long-Term Liabilities	\$ -	\$ -	\$ 5,131,628	\$ 4,976,434	\$ 4,813,481	\$ 4,642,380	\$ 4,462,724	\$ 1,782,771	\$ 1,460,134	\$ 1,121,366	\$ 765,659
Total Liabilities	\$ -	\$ -	\$ 5,131,628	\$ 4,976,434	\$ 4,813,481	\$ 4,642,380	\$ 4,462,724	\$ 1,782,771	\$ 1,460,134	\$ 1,121,366	\$ 765,659
Equity											
Beginning Equity	\$ 642,946	\$ 2,842,215	\$ 2,842,215	\$ 3,079,710	\$ 3,048,078	\$ 3,268,220	\$ 3,514,322	\$ 9,720,122	\$ 10,481,147	\$ 11,277,821	\$ 12,111,531
Retained Earnings	\$ -	\$ -	\$ 237,495	\$ (78,421)	\$ 52,863	\$ 75,142	\$ 93,382	\$ 539,050	\$ 569,815	\$ 601,861	\$ 635,220
Corporate Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Equity	\$ 642,946	\$ 2,842,215	\$ 3,079,710	\$ 3,001,289	\$ 3,100,941	\$ 3,343,363	\$ 3,607,705	\$ 10,259,172	\$ 11,050,962	\$ 11,879,682	\$ 12,746,751

City of Grinnell Infrastructure Projects Sources and Uses of Funds

	2014	2015	2016	2017	2018
Highway 146 Traffic Signalization					
Expenditures					
Planning/Design/Engineering	\$ -	\$ 58,124	\$ -	\$ -	\$ -
Construction/Maintenance	\$ -	\$ 423,200	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ 481,324	\$ -	\$ -	\$ -
Funding Sources					
Intergovernmental Grants	\$ -	\$ 232,760	\$ -	\$ -	\$ -
Iowa Reinvestment Act (Budgeted)	\$ -	\$ 248,564	\$ -	\$ -	\$ -
Iowa Reinvestment Act (Estimated)	\$ -	\$ 138,750	\$ 109,814	\$ -	\$ -
Total Funding	\$ -	\$ 481,324	\$ -	\$ -	\$ -
GMRC Water Main Extension					
Expenditures					
Planning/Design/Engineering	\$ -	\$ 70,000	\$ -	\$ -	\$ -
Construction/Maintenance	\$ -	\$ 462,000	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ 532,000	\$ -	\$ -	\$ -
Funding Sources					
Special Assessments	\$ -	\$ 232,000	\$ -	\$ -	\$ -
Water Fees/Reserves	\$ -	\$ 300,000	\$ -	\$ -	\$ -
Total Funding	\$ -	\$ 532,000	\$ -	\$ -	\$ -
Community Entrance Enhancements					
Expenditures					
Planning/Design/Engineering	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Construction/Maintenance	\$ -	\$ -	\$ 700,000	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ 750,000	\$ -	\$ -
Funding Sources					
Hotel Tax	\$ -	\$ -	\$ 100,000	\$ -	\$ -
Intergovernmental Grants	\$ -	\$ -	\$ 50,611	\$ -	\$ -
Iowa Reinvestment Act (Budgeted)	\$ -	\$ -	\$ 399,389	\$ -	\$ -
Iowa Reinvestment Act (Estimated)	\$ -	\$ -	\$ 399,389	\$ -	\$ -
Tax Increment Financing	\$ -	\$ -	\$ 200,000	\$ -	\$ -
Total Funding	\$ -	\$ -	\$ 750,000	\$ -	\$ -
GART GMRC to Industrial Avenue					
Expenditures					
Planning/Design/Engineering	\$ -	\$ -	\$ -	\$ 75,000	\$ -
Construction/Maintenance	\$ -	\$ -	\$ -	\$ 700,000	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ 775,000	\$ -
Funding Sources					
Hotel Tax	\$ -	\$ -	\$ -	\$ 50,000	\$ -
Intergovernmental Grants	\$ -	\$ -	\$ -	\$ 350,000	\$ -
Iowa Reinvestment Act (Budgeted)	\$ -	\$ -	\$ -	\$ 250,000	\$ -
Iowa Reinvestment Act (Estimated)	\$ -	\$ -	\$ -	\$ 250,000	\$ -
Tax Increment Financing	\$ -	\$ -	\$ -	\$ 125,000	\$ -
Total Funding	\$ -	\$ -	\$ -	\$ 775,000	\$ -
Water Storage South Grinnell					
Expenditures					
Planning/Design/Engineering	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
Construction/Maintenance	\$ -	\$ -	\$ -	\$ 800,000	\$ 800,000
Total Expenditures	\$ -	\$ -	\$ 50,000	\$ 850,000	\$ 850,000
Funding Sources					
Iowa Reinvestment Act (Budgeted)	\$ -	\$ -	\$ -	\$ -	\$ 700,000
Iowa Reinvestment Act (Estimated)	\$ -	\$ -	\$ -	\$ -	\$ 700,000
Revenue Bonds	\$ -	\$ -	\$ -	\$ 750,000	\$ -
Tax Increment Financing	\$ -	\$ -	\$ 50,000	\$ -	\$ -
Water Fees/Reserves	\$ -	\$ -	\$ -	\$ 250,000	\$ -
Total Funding	\$ -	\$ -	\$ 50,000	\$ 1,000,000	\$ 700,000

Appendix I, IMPLAN Model Entries

Local and State Direct Construction Impacts

IMPLAN Entries							
Buildings (Construction)							
GMRC	Total	IMPLAN Sector	2014	2015	2016	2017	2018
Base Building	\$ 8,186,095	34	\$ 4,197,937	\$ 3,988,158	\$ -	\$ -	\$ -
Cafeteria	\$ 1,199,569	34	\$ 615,155	\$ 584,414	\$ -	\$ -	\$ -
Backup Generator	\$ 336,606	267	\$ 336,606	\$ -	\$ -	\$ -	\$ -
Landscaping	\$ 33,324	388	\$ -	\$ 33,324	\$ -	\$ -	\$ -
Hampton_Inn	\$ 5,281,652	34	\$ -	\$ -	\$ 5,281,652	\$ -	\$ -
Brownells	\$ 8,100,000	34	\$ 2,100,000	\$ 6,000,000	\$ -	\$ -	\$ -
Furnishings & Fixtures (Construction)							
GMRC	Total	IMPLAN Sector	2014	2015	2016	2017	2018
AV technology/software and equipment	\$ 1,100,000	234		\$ 1,100,000			
Kitchen Equipment	\$ 580,000	213		\$ 580,000			
Computers	\$ 220,000	234		\$ 220,000			
Furniture	\$ 600,000	301		\$ 600,000			
Hampton_Inn	\$ 938,856						
AV technology/software and equipment	\$ 469,428	234			\$ 469,428		
Flooring and wall finishes	\$ 234,714	154			\$ 234,714		
Fixtures	\$ 234,714	260			\$ 234,714		
Brownells	\$ 3,500,000						
Store Design	\$ 400,000	369	\$ 400,000				
Kiosks and product displays	\$ 800,000	314	\$ 800,000				
Point of sale software/hardware	\$ 200,000	234	\$ 200,000				
AV technology/software and equipment	\$ 200,000	234	\$ 200,000				
Digital and taxidermy displays and lighting	\$ 400,000	314	\$ 400,000				
Flooring and wall finishes	\$ 200,000	154	\$ 200,000				
Furniture and additional Fixtures	\$ 200,000	260	\$ 200,000				
Security system	\$ 100,000	239	\$ 100,000				
Range equipment for 16 lanes	\$ 800,000	213		\$ 800,000			
Additional furnishings for shooter check-in, safety, security	\$ 150,000	301		\$ 150,000			
Furniture and additional fixtures	\$ 50,000	260		\$ 50,000			

Local Direct Operations Impacts

Project	2014	2015	2016	2017	2018
GMRC, Conference Center Rental	\$ -	\$ 9,000	\$ 18,396	\$ 18,801	\$ 19,214
GMRC, Local Meal Expenditures	\$ -	\$ 6,316	\$ 13,537	\$ 14,518	\$ 15,579
GMRC Direct Employment	\$ -	\$ 1,170,000	\$ 1,195,740	\$ 1,222,046	\$ 1,248,931
Hampton Inn	\$ -	\$ -	\$ 1,268,539	\$ 1,405,145	\$ 1,684,334
Brownells, Experiential	\$ -	\$ 283,000	\$ 849,000	\$ 1,132,000	\$ 1,156,904
Brownells, Retail	\$ 180,000	\$ 6,937,500	\$ 9,750,000	\$ 10,725,000	\$ 10,960,950

State Direct Operations Impacts

Project	2014	2015	2016	2017	2018
GMRC, Conference Center Rental	\$ -	\$ 9,000	\$ 18,396	\$ 18,801	\$ 19,214
GMRC Direct Employment	\$ -	\$ 1,170,000	\$ 1,195,740	\$ 1,222,046	\$ 1,248,931
Exclusion of Relocated Impacts (GMRC), Hotel Stays	\$ -	\$ (28,422)	\$ (60,912)	\$ (65,328)	\$ (70,101)
Exclusion of Relocated Impacts (GMRC), Local Meal Expenditures	\$ -	\$ (6,316)	\$ (13,537)	\$ (14,518)	\$ (15,579)
Hampton Inn	\$ -	\$ -	\$ 1,268,539	\$ 1,405,145	\$ 1,684,334
Brownells, Experiential	\$ -	\$ 283,000	\$ 849,000	\$ 1,132,000	\$ 1,156,904
Brownells, Retail	\$ 180,000	\$ 6,937,500	\$ 9,750,000	\$ 10,725,000	\$ 10,960,950

The Voice of Iowa's Police Chiefs



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March 6, 2014

Mrs. Alaina Santizo
Iowa Economic Development Authority
Program Manager, Iowa Reinvestment Act
200 East Grand Avenue
Des Moines, Iowa 50309

Re: Grinnell's Iowa Reinvestment Act Project – Brownells Experiential Center

Dear Mrs. Santizo:

Please accept this letter of support from the Iowa Police Chief's Association in regard to the Iowa Reinvestment Act proposal submitted by the city of Grinnell. At the core of this project is the proposed Brownell's Experiential Center, which will be a tremendous asset to the law enforcement community. The new shooting and training facility is unlike anything available in the Midwest.

Brownells, Inc. is one of the strongest supporters of law enforcement agencies in the nation and has been a longtime supporter of our organization. Their outdoor shooting range, Big Springs, located south of Grinnell has been significantly utilized by law enforcement agencies and the construction of an all-weather indoor shooting and training facility would be a valuable resource for law enforcement.

We believe this unique facility will also be utilized by law enforcement agencies across the Midwest and beyond. The Brownells Experiential center, along with the Grinnell Mutual Reinsurance Conference Center and new hotel, combine to create a project that will provide invaluable training opportunities for all law enforcement organizations. Another advantage is the ease of access immediately off Interstate 80 and Iowa Highway 146 located nearly in the center of Iowa. This site is also easily accessed by larger urban markets outside Iowa such as Chicago, Madison, Minneapolis, Omaha, Kansas City, and St. Louis.

We respectfully request your approval of this project in Grinnell, which will allow Brownells, Inc. to move forward with the development and construction of this shooting and training facility.

Respectfully,

Jeremy P. Logan, President
Iowa Police Chiefs Association



March 13, 2014

Russ Behrens, City Manager
City of Grinnell
927 4th Avenue
Grinnell, IA 50112

Mr. Behrens:

Iowa Valley Community College District is proud to support the development planned for potential award of Iowa Reinvestment District funds. This development makes the best use of the I-80 access to our community and adds valuable retail and recreational opportunities for Grinnell and surrounding Poweshiek communities.

Iowa Valley Continuing Education's partnership with Brownells and Grinnell Mutual began before 2000. Since that time we have provided a variety of training opportunities for their employees in the areas of basic computers, call center customer service, strategic planning, managerial and team trainings. Both Brownells and Grinnell Mutual Reinsurance have accessed economic development funds through the partnership with Iowa Valley.

Additionally, Iowa Valley Grinnell has work with Brownells to develop a regional gunsmith training program [Associate of Applied Sciences] that opened in August 2013. The program is unique in Iowa and designed to supply trained gunsmiths to industry and retail in firearms manufacturing, post market conversions and repairs, armories, and retail outlets in Iowa and nearby states. This program draws students from Iowa and the Midwest, and provides ample expertise to meeting the labor needs.

We appreciate the opportunity to support this project with City of Grinnell and partners on this project.

Sincerely,

A handwritten signature in cursive script that reads "M. Nickle".

MaryAnne Nickle M. Ed.
Dean
Iowa Valley Grinnell

phone 641-236-0513 • toll-free 800-756-0513 • fax 641-236-0036

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info@powi80.com
www.powi80.com

March 12, 2014

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

Dear Iowa Economic Development Authority;

On behalf of Poweshiek Iowa Development (Pow I-80), I am writing to express our support of the City of Grinnell's Iowa Reinvestment Act Application. Pow I-80 has been diligently working with the City of Grinnell on this project and other projects to grow the community.

As a stakeholder in the community, we are in strong support of the visioning and planning that have gone in to these projects. Funding from the Iowa Reinvestment Act will be crucial in spurring immediate development at this exit. These projects are critical to the economic development and growth of the Grinnell Community, and will help the City attract new and grow existing businesses. Jobs created in the Reinvestment District will also impact the communities throughout the county by bringing an increased number of people with jobs to the area.

In addition to job growth these projects will enhance the community's image to guests, students, and aid in attracting new students and residents to the workforce by showing it is an ever-changing vibrant small community with many opportunities. When you are approaching Grinnell on the Interstate today, it is difficult to tell what Grinnell has to offer. This development will showcase not only the vibrancy of the community, but also provide a more welcoming entrance allowing for travelers to get off the exit and explore Grinnell.

The City of Grinnell infrastructure projects are key to developing this area. Without the upgrades in water lines and the new water tower, it would not be possible for the community to continue to grow our industry. The current demands on the system do not allow for growth of major industry. The bike trail also provides a unique feature to make Grinnell a bike to work community that encourages health and exercise for its residents.

This project is critical to the City of Grinnell. The Iowa Economic Development Authority's funding is essential to keep these projects moving forward and will impact the other community development projects now and in the future. The development of this new business park will support entrepreneurial development, enhance the community's image to guests and students, and aid in attracting new residents and workforce.

Please support the City of Grinnell's Iowa Reinvestment Act Application. Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Laura Manatt".

Laura Manatt
Executive Director



March 10, 2014

To Whom It May Concern:

On behalf of the Grinnell Area Chamber of Commerce and Visitors Bureau, I am writing to express our support of the City of Grinnell's Iowa Reinvestment District application. Grinnell's proposal includes investments that will have a significant economic impact and transform the gateway to our community.

The Brownells Experiential Center will be a state-of-the-art facility that will attract visitors from across the U.S. Brownells is a new employer in Grinnell and we support all of their efforts to grow their company, which brings added jobs and investment to our community. This center is one-of-a-kind and will add a unique attraction to our state.

Grinnell Mutual Reinsurance Company's new conference center is another project that is a testament to Grinnell's growing business community. Their new conference center will provide world-class meeting facilities for both Grinnell Mutual and community organizations. Our city does not have the venue capacity, nor upper mid-scale hotel rooms critical in meeting current demand for conference space, and growing the economy through tourism.

We support the City of Grinnell's infrastructure projects, especially the plans to beautify the gateway to our community with new entrance features. An extraordinary amount of thought and planning has gone into the concept for our gateway. The project will beautify the entrance to Grinnell.

Grinnell is positioned as an ideal event destination by its central and easily accessible location in the State of Iowa. Grinnell is approximately one hour's drive from three of Iowa's major population centers – Iowa City, Cedar Rapids, and Des Moines, and is roughly equidistant between Dubuque and Council Bluffs. Nearly 1.3 million people live within 70 miles of Grinnell making it a logical choice for statewide conventions, meetings, and sporting events. The addition of a new high-quality hotel and conference center will allow us to be competitive in attracting conventions and conferences. Projects like this are nearly impossible to develop in rural small cities without creative financing tools like the Iowa Reinvestment Act. Rural communities are important contributors to Iowa's economy. Investment in those places helps make Iowa interesting and unique by complementing our more urban counterparts, and offering variety and diversity to prospective visitors and residents.

All of these projects will have a tremendous economic impact in our community. Please support the City of Grinnell's Iowa Reinvestment District application. Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Angela", written in black ink.

Angela Harrington, President/CEO
Grinnell Chamber of Commerce
Grinnell Convention & Visitors Bureau