

REINVESTMENT DISTRICT CONTRACT

CITY: Muscatine
CONTRACT NUMBER: 15-RD-002
AWARD DATE: March 27, 2015
MAXIMUM AWARD AMOUNT: \$10,000,000
COMMENCEMENT DATE: July 1, 2017
TERMINATION DATE: July 1, 2037

This **REINVESTMENT DISTRICT CONTRACT** is made by and between the **Iowa Economic Development Authority ("IEDA" or "Authority")**, 200 East Grand Avenue, Des Moines, IA 50309 and the **City of Muscatine ("City")**, 215 Sycamore Street, Muscatine, IA 52761.

The City hereby acknowledges that, on the Award Date, the Iowa Economic Development Board ("Board") approved the City's application to establish a reinvestment district ("the District") pursuant to *Iowa Code* Chapter 15J, the "Iowa Reinvestment Act." The City's Reinvestment District Final Application ("Final Application"), including the detailed district plan describing the Projects to be completed ("District Plan"), as approved by the Board, is incorporated herein by reference as Exhibit A. Due to its size, Exhibit A will not be attached to this Agreement, but will be kept on file at Iowa Economic Development Authority ("IEDA"). Exhibit B, District Description and Allocation of Funds, and Exhibit C, City's Estimated Tax Revenue Projections, are attached hereto and incorporated herein by reference.

The City and IEDA agree to the following terms:

1. Definitions of words and phrases used herein, including but not limited to "Project", "State Hotel and Motel Tax", "State Sales Tax", "New Lessor", and "New Retail Establishment" and other applicable terms mean the same as in 261 IAC 200.
2. The date upon which the calculation of new State Sales Tax and new State Hotel and Motel Tax revenue shall begin ("Commencement Date") is **July 1, 2017**.
3. The City may adopt an ordinance establishing the District and shall notify the Director of the Iowa Department of Revenue ("IDR") of the Commencement Date no later than 30 days after the adoption of the ordinance. The ordinance shall include the information set out at *Iowa Code* section 15J.4(4).
4. The City shall not modify any Project described in the District Plan or add any Project to the District Plan without prior Board approval. If a requested plan amendment would reduce capital investment in the District or remove one or more of the projects originally approved for the District, the Board in its discretion may reduce, rescind, or otherwise modify the maximum benefit amount accordingly. In determining whether to approve a plan amendment that includes a modification to an existing Project or the addition of a new Project, the Board shall consider the scoring criteria in 261 IAC 200.6 as well as the amount of indebtedness incurred by the City in furtherance of the Project and the potential impact on covenants or other financial commitments

made in reliance on the projected receipt of State Sales Tax revenues or State Hotel and Motel Tax revenues by the City. If modification to or addition of a Project is approved, and the modification or addition changes financial information set out in the District Plan and any ordinance the City adopted to establish the District, the City shall amend the ordinance to reflect any changes to financial information.

5. The City shall assist the IDR in identifying New Retail Establishments in the District that are collecting State Sales Tax and new lessors in the District that are collecting State Hotel and Motel Tax. This process shall be ongoing until the City ceases to utilize State Sales Tax revenue or State Hotel and motel Tax revenue under Chapter 15J, or until the District is dissolved.

6. The maximum amount of State Sales Tax revenues and State Hotel and Motel Tax revenues that may be remitted to the City's reinvestment project fund created pursuant to *Iowa Code* section 15J.7 ("City's Fund") is \$10,000,000. A copy of the City's estimated new State Sales Tax revenues and estimated new State Hotel and Motel Tax revenues for the District is included as Exhibit C. Exhibit C is included for reference only. The amount of funds remitted to the City will be based on actual tax revenues within the District.

7. Following establishment of the District, the City may use moneys deposited in the City's Fund to fund the development of Projects included within the District Plan. The City shall use funds received in accordance with the District Plan, as summarized in Exhibit B, District Description and Allocation of Funds.

8. Following establishment of the District, the City shall, on or before October 1 of each year, submit a report to the Board detailing all of the following:

a. The status of each Project undertaken within the District in the previous twelve months.

b. An itemized list of expenditures from the City's Fund in the previous twelve months that have been made related to each Project undertaken within the District.

c. The amount of the total cost remaining for each Project undertaken within the District as of the date the report is submitted.

d. The amounts, types, and sources of funding used for each Project undertaken within the District in the previous twelve months.

e. The amount of bonds issued or other indebtedness incurred for each Project undertaken within the District in the previous twelve months, including information related to the rate of interest, length of term, costs of issuance, and net proceeds.

f. The amounts of types of moneys to be used for payment of bonds or indebtedness.

9. The City is bound by all statutes and rules that pertain to reinvestment districts.

10. The City acknowledges that failure to comply with any provision of this agreement, or with any of the statutory or administrative code provisions governing administration of the program, may constitute an event of default. Whether an act or omission constitutes an event of default and whether such an event of default has been or can be cured shall be determined by the IEDA in its sole discretion. An event of default may result in the modification, cessation, deferral, or termination of the benefits of the Reinvestment District Program. IEDA may provide notice of a material, uncured event of default to the Iowa Department of Revenue.

FOR IEDA:

FOR CITY:

BY:

BY:

Deborah V. Durham, Director

Signature

Typed Name and Title

Date

Date

Exhibit A

City's Reinvestment District Final Application (on file with IEDA)

EXHIBIT B
District Description and Allocation of Funds

Recipient: Muscatine
Contract Number: 15-RD-002
Award Date: March 27, 2015

Commencement Date: July 1, 2017
Termination Date: July 1, 2037

District Description: The Muscatine Reinvestment District includes the construction of a hotel, convention center and parking facility in downtown Muscatine.

Project	Project Description	Reinvestment Project Fund Allocation
Hotel Stanley and Conference Center		\$10,000,000 (100%)
TOTAL ALL PROJECTS		\$10,000,000

Note:

The Reinvestment Project Fund Allocation amounts are estimates based on the maximum award amount. Fund allocations shall be made in proportion to the allocation described in the District Plan approved by the Board and noted as percentages above.

Exhibit C
City's Estimated Tax Revenue Projections