

November 3, 2015

City of Muscatine, Iowa
City Hall Council Chambers
215 Sycamore Street
Muscatine, IA 52761

RE: Muscatine Pointe

Dear Muscatine City Council Members,

We are pleased to present you with the opportunity to learn more about our proposed retail project called "Muscatine Pointe". As you'll see on the accompanying aerial / site plan the project is located directly north of Allsteel's Hwy 61 plant and south of Wal-Mart. It's our understanding the eastern portion of the land previously had a restaurant operating on it which unfortunately was lost to a fire and the western portion contains an older residential home which has been on the site for over thirty years. It's our opinion that the site appears blighted, unmaintained and underutilized, so we are excited to bring life back to this key stretch along Muscatine's major retail corridor of Highway 61. In addition, this property serves as the main entrance into Allsteel's plant which we understand to be Muscatine's largest employer and likely attracts many out of town visitors.

The initial project will consist of two retail buildings. The eastern building will be 6,898 square feet occupied by a Starbucks Coffee, Great Clips and Aspen Dental. All three companies will be new to Muscatine, although Starbucks does have a kiosk located in the Hy-Vee this will be their latest prototypical full café, corporately owned and managed, as opposed to the in-store version that is run by Hy-Vee. As you can see on the site plan the western building will contain a free standing retail building/restaurant. We are currently in negotiations with a national restaurant chain that would be new to market for Muscatine for this site. Both lots will provide for cross access and parking and will be aesthetically pleasing with brick, stone and stucco EIFS exterior appearance. As a side note its worth mentioning the pull of Starbucks on a regional level is very strong and brings legitimacy to Muscatine as it relates to drawing other national restaurants and retailers to a market; with most companies that we've talked to saying it "puts the market on the map".

We have worked extensively with City Staff to ensure our development meets City standards and have asked the City to consider a public/private partnership to help offset our project costs. We've asked for assistance in offsetting our costs by 5% through the use of a \$325,000 urban renewal / pay as you go property tax TIF. The agreement would allow for the reimbursement of incremental property taxes paid over the course of 6 years on a downward sliding scale. We've successfully structured the same agreements

Woodsonia

Real Estate Inc

in Iowa with the City of Altoona and Mason City. Our experience has proven this to be a wise investment for the City as the long term economic benefits and pay back take place quickly. Furthermore, retailers have become accustomed to paying lower rent in smaller markets which in turn requires partnerships like this to help bridge the gap as construction costs aren't lower in these communities. The projected economic benefits to the City are as follows:

PROPERTY TAX:

BASE VALUE: \$388,560
Estimated future value: \$2,287,160
Projected Increment: \$1,898,600
NEW PROPERTY TAX: \$64,015.67

SALES TAX

CURRENT SALES TAX ON SITE: \$0
Estimated future sales: \$4,000,000
State (6%) / County (1%): \$280,000

NEW EMPLOYMENT: As one of the provisions within the development agreement we've agreed with City Staff there will be a minimum of 40 jobs created. We estimate 8 of those positions will be salaried and the remaining would be full time hourly positions.

We have spoken with Muscatine's largest corporate citizen and adjacent property owner to the south of the project, HNI Corporation. We've included an email of support for the project from Gary Carlson, VP Community Relations. Allsteel believes the project cleans up a blighted area of Highway 61, provides additional restaurant/retail amenities for their team members and creates a more attractive entrance into their plant which is important for customers and guests that come to Muscatine visiting their facility.

We appreciate the opportunity to present you information about our new project called "Muscatine Pointe." We look forward to your questions and support of our exciting new development.

Sincerely,



Drew Snyder



Jeff Elliott

cc: DeWayne Mark Hopkins
Philip Fitzgerald
Michael Rehwaldt
Tom Spread
Bob Bynum
Jeanette Phillips
Scott Natvig
Osama Shihadeh

drew@woodsonia.net

From: Carlson, Gary (HNI Corp - MCR) <CarlsonG@hnicorp.com>
Sent: Tuesday, October 27, 2015 5:34 PM
To: drew@woodsonia.net
Cc: Stelzner, Glenn (HNI Corp)
Subject: Muscatine Pointe - retail project

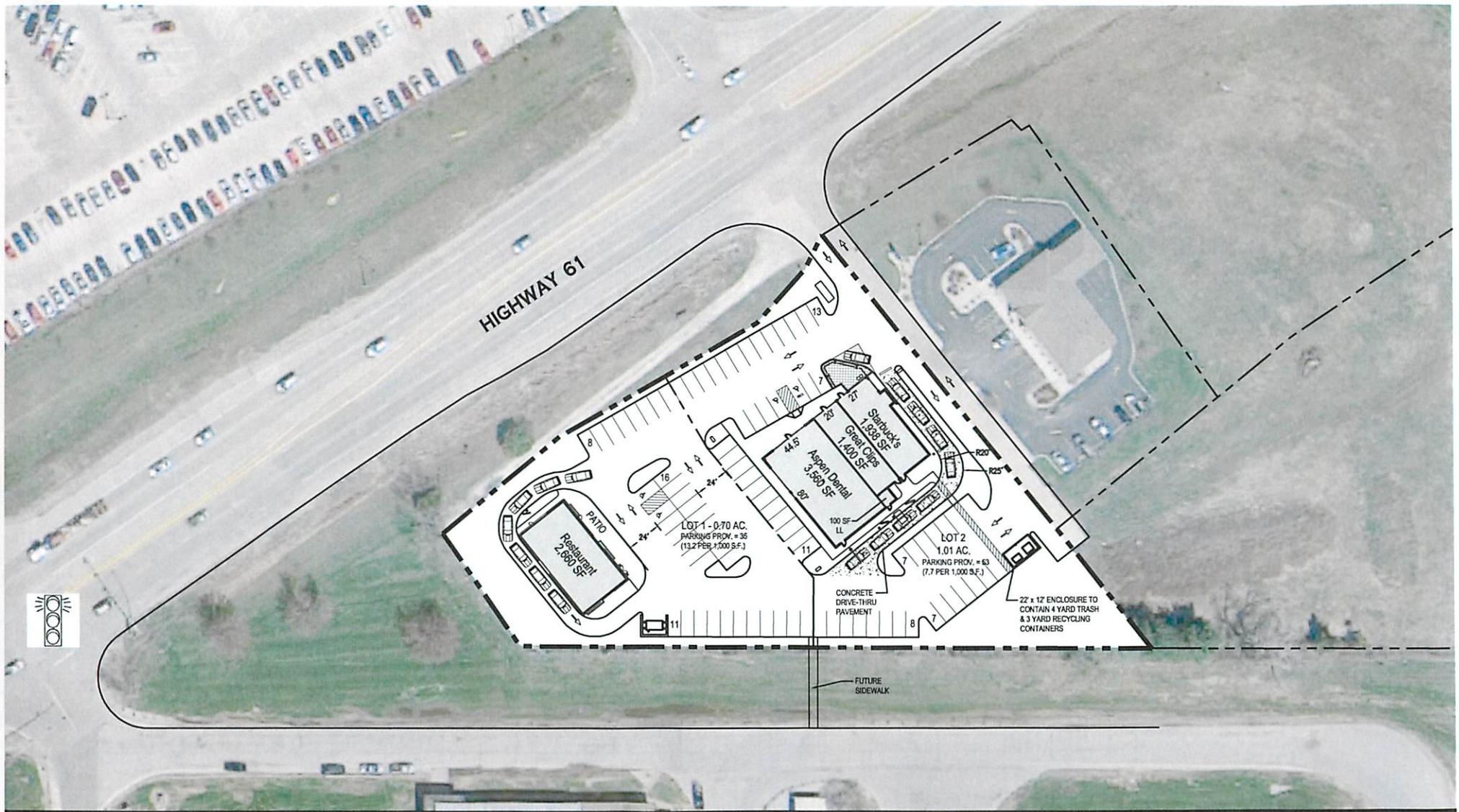
Drew,

HNI Corporation has no objections to your proposed Muscatine Pointe development based on the documents you provided us to review on October 23, 2015.

Your proposal would add retail value to the community. HNI supports your investment and development.

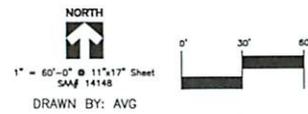
Gary

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HNI Corporation
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Fax: 614.891.1001
www.hnicorp.com

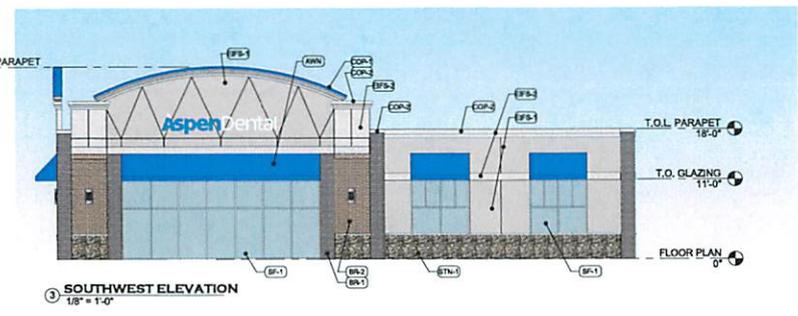
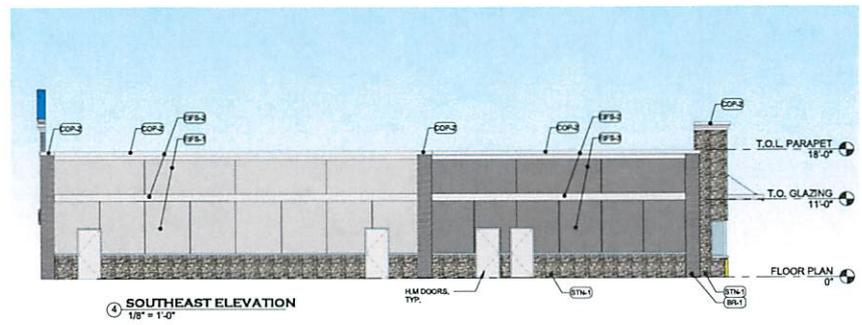
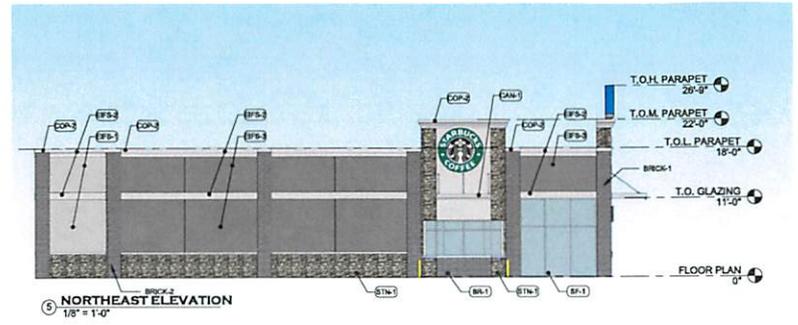
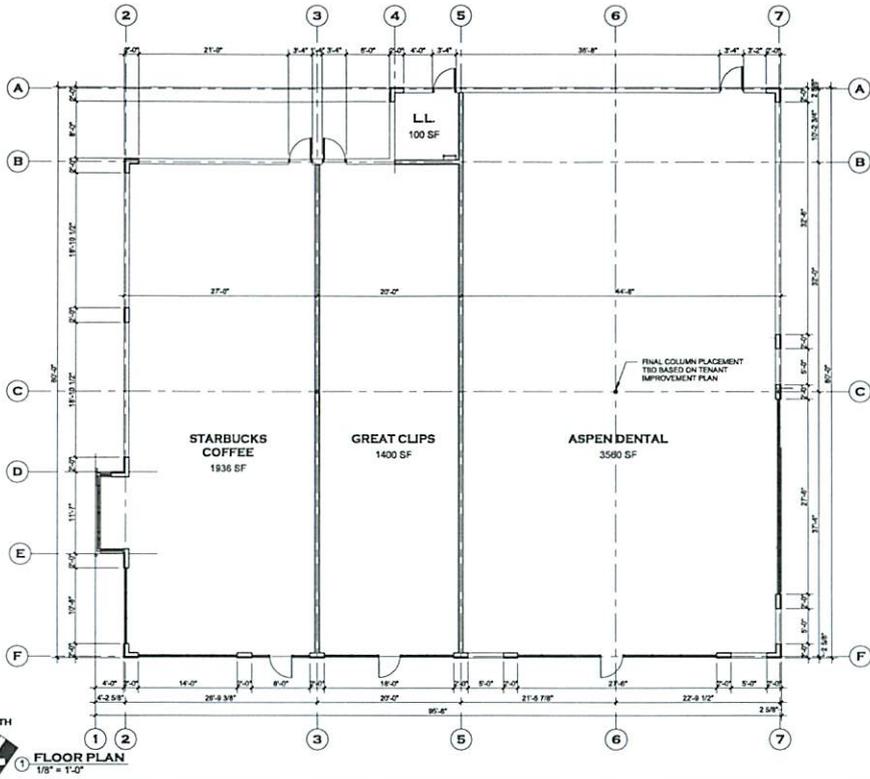


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MUSCATINE POINTE
 SITE CONCEPT #9
 MUSCATINE, IOWA
 AUGUST 31, 2015



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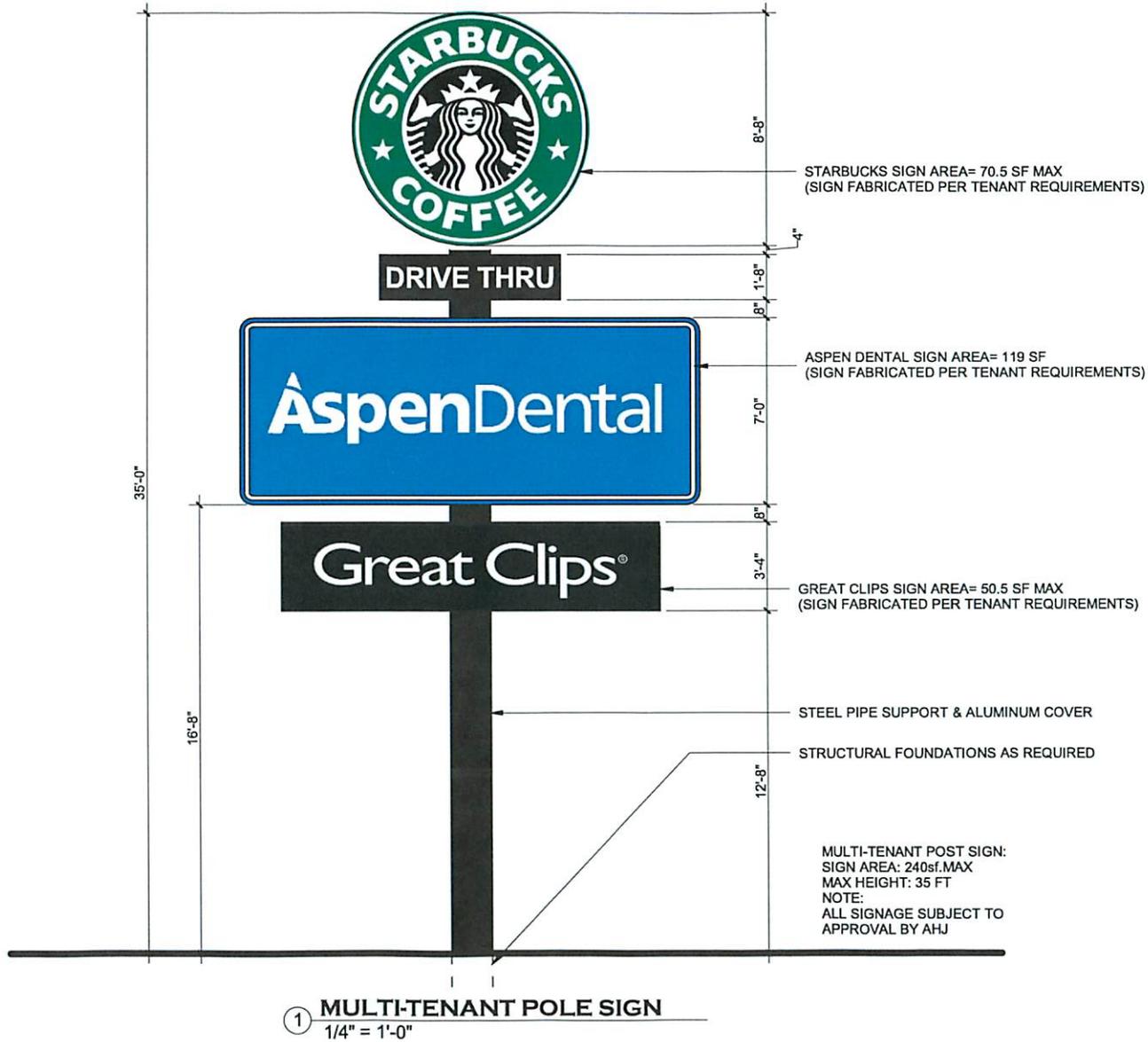
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MUSCATINE POINTE
LOT 2, HWY 61
MUSCATINE, IOWA
09/16/2015

1/8" = 1'-0" @ 34"x36" Sheet
Half Scale @ 11"x17" Sheet
JOB NO. 14148

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EXHIBIT "E"
TENANT'S SIGNAGE



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① PERSPECTIVE TO SOUTH FROM HIGHWAY 61
NOT TO SCALE

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MUSCATINE POINTE
LOT 2, HWY 61
MUSCATINE, IOWA

06/30/15

NORTH
↓
NOT TO SCALE @ 24"X36" Sheet
Half Scale @ 11"X17" Sheet
JOB NO. 14148

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