

March 3, 2017

Dave Gobin
Community Development Director
215 Sycamore Street
Muscatine, IA 52761-3840

Re: Muscatine Landing Mixed use Housing and Commercial Development

We are the previous developer of the local commercial properties known as Cedar Development and VM Investments. We have developed the Menards, Farm and Fleet on the south side of Highway 61. On the north side of Hwy 61 we have developed the ALDI's, Culvers, Hampton Inn & Suites, Trinity strip center and the retail strip center.

VM Investments with additional partners plan to develop the remaining commercial lot 3 of North Port Commons into a commercial building. The plan is to build a new strip building 50 feet by 140 feet to include a new convenience store with renewable fuels and bio diesel. Also planned in the building would be a tenant providing bar service and food operation similar to a Barrel House restaurant bar. This proposed development would have a minimum real estate tax value of \$1,100,000. (See attached site plans Exhibit 1)

We propose the construction of 400 feet of a City street (Lakeview Avenue) to extend north from North Port Drive built to city standards. This development will also require the extension of all city infrastructure of sanitary and storm sewers also to include city water mains. The purposes of these improvements are to facilitate the construction of up to 156 units of workforce development housing units. The planned real estate minimum assessment would be \$6,500,000. (See attached floor plans Exhibit 2).

Remaining in this development will be approximately 3.5 acres directly east of Hampton Inn and Suites. This lot is planned for an additional Hotel or a mixed use commercial building on main floor and office and apartments on top. This vacant ground will have a minimum real estate tax assessment value of \$300,000 until the hotel or the commercial project is completed. We expect the Hotel or commercial project to have a minimum assessed value of \$6,000,000.

We will have access from North Port Drive but in the future of the planned extension of University Avenue must be considered and planned. Our group is waiting for the Housing Demand Study as we plan additional multifamily and or townhouses on the remaining 19+ acres we own north of Hampton Inn.

We have worked closely and thoroughly with staff and contractors to obtain fairly close estimated cost for the improvements planned (exhibit 3). We will be creating essentially 970 feet of 33 wide foot roadways and 2750 linear feet of 5-foot sidewalks. We will also be generating 34 permanent jobs and another 45 – 60 construction jobs over the next few years.

Further, I have attached a few other projects we've done in Iowa in the last 5 years.

Because of the items delineated, we are requesting a development agreement that would rebate 100% of the tax increment for the first 3 years and 75% for the remaining 7 years of the agreement with a maximum cap of \$2,200,000.

VM Investments and the Development Group

David A Requet

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309-781-4950 direct

Example Projects



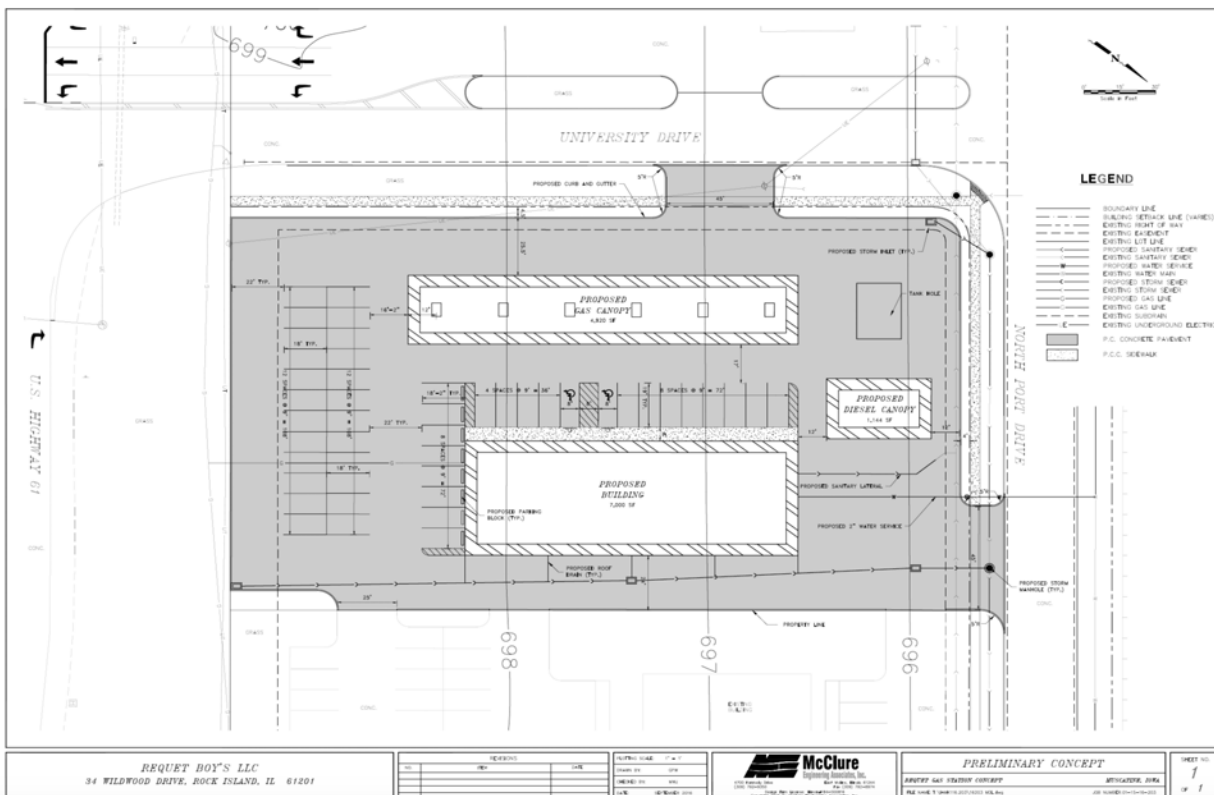
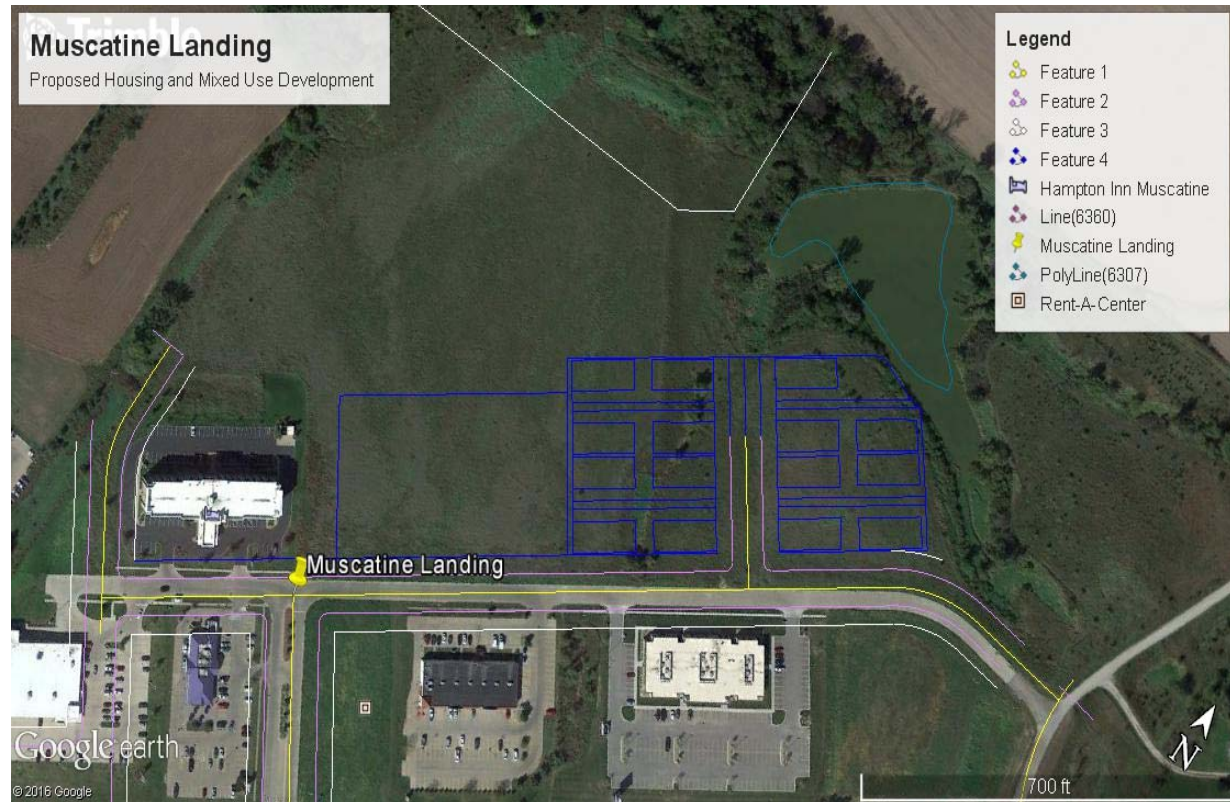
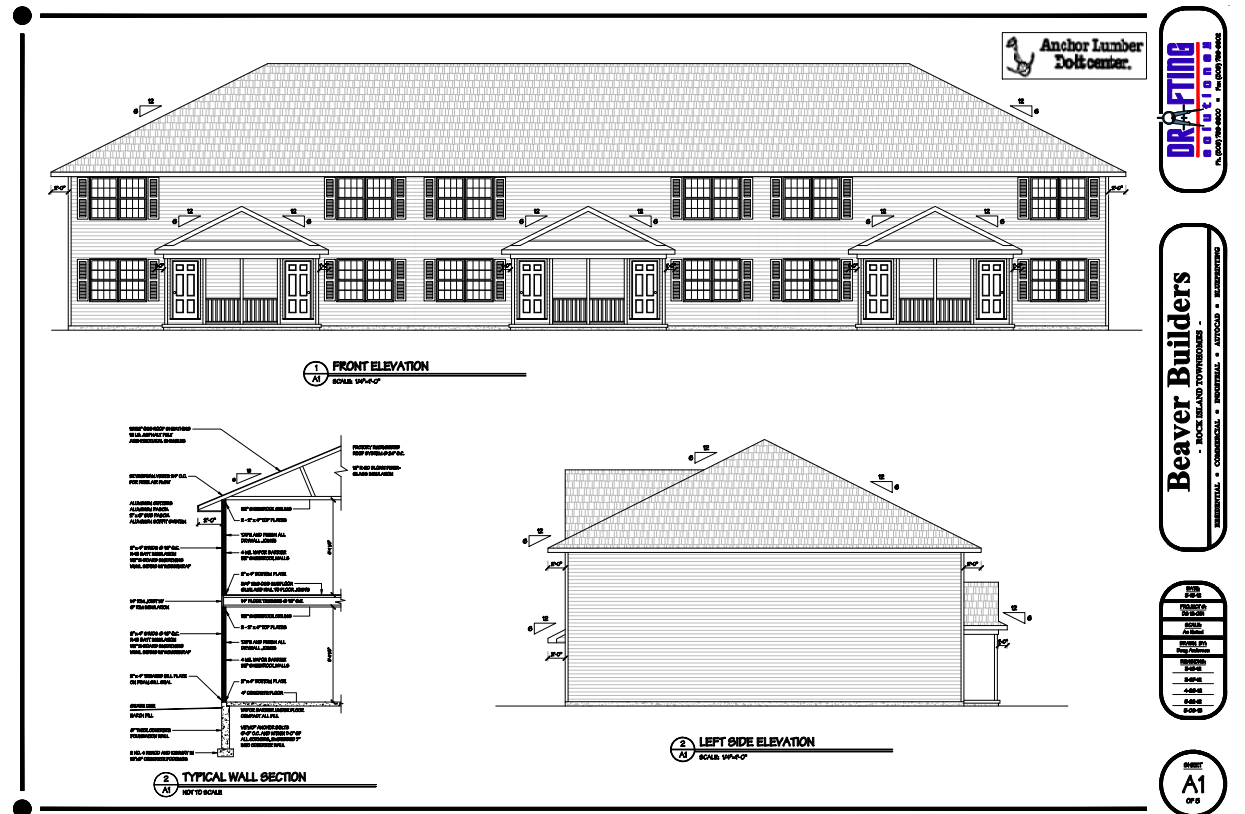
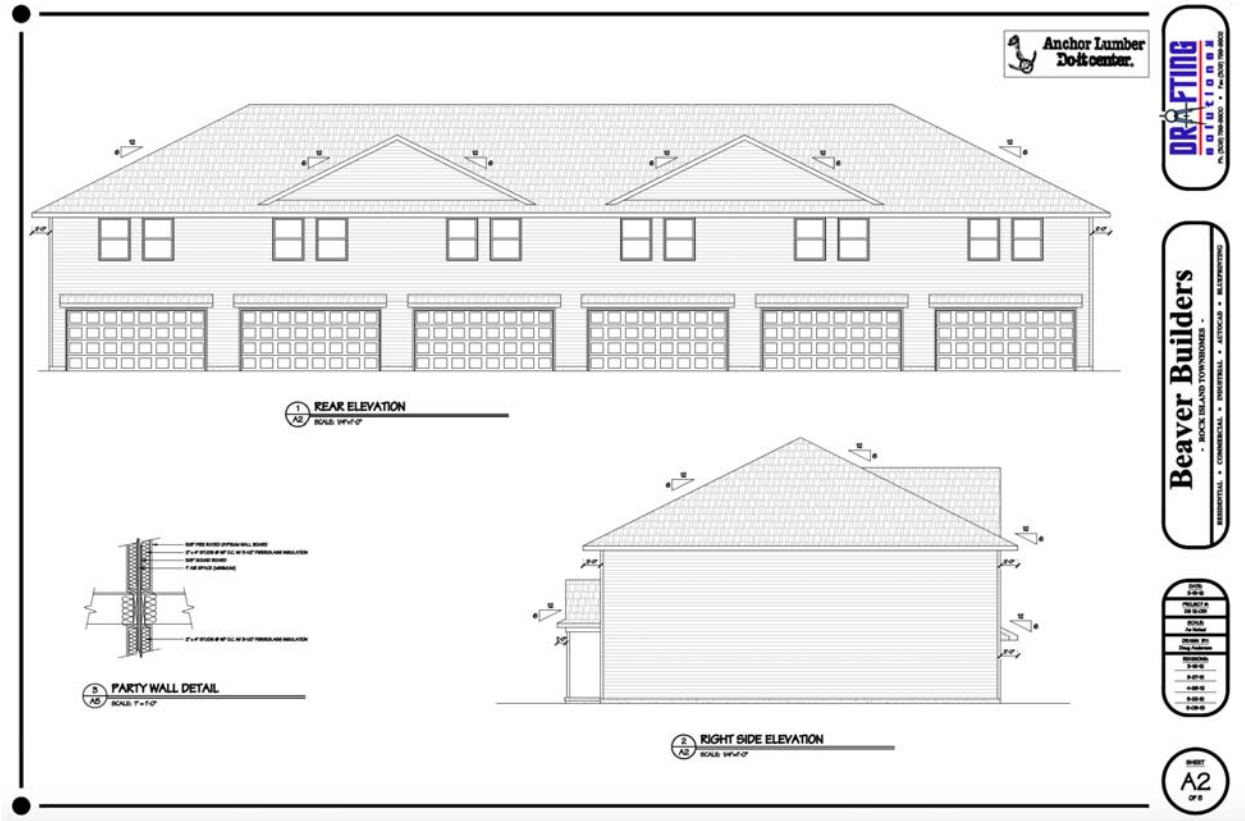
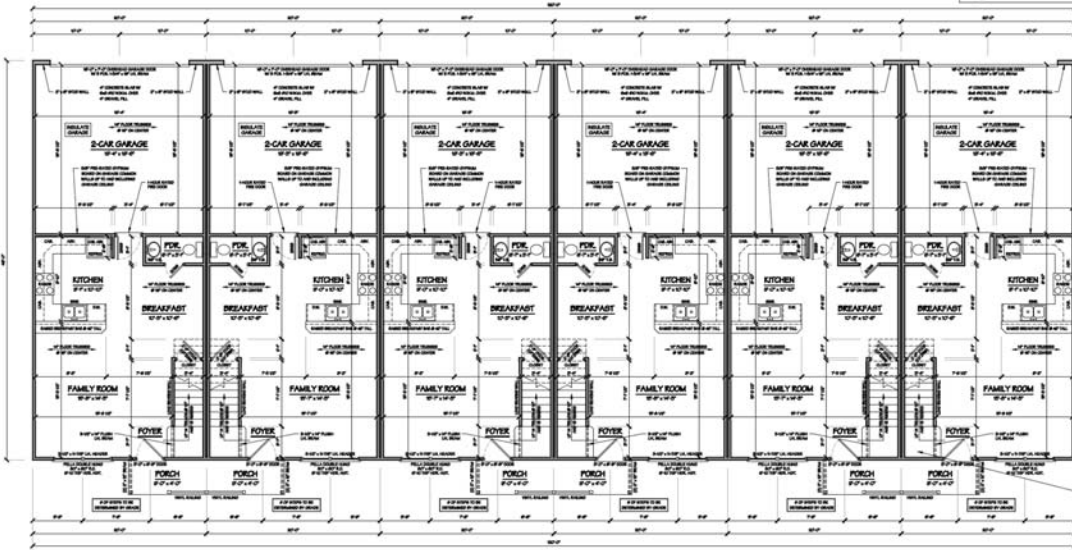
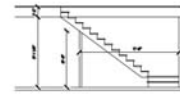


Exhibit 2

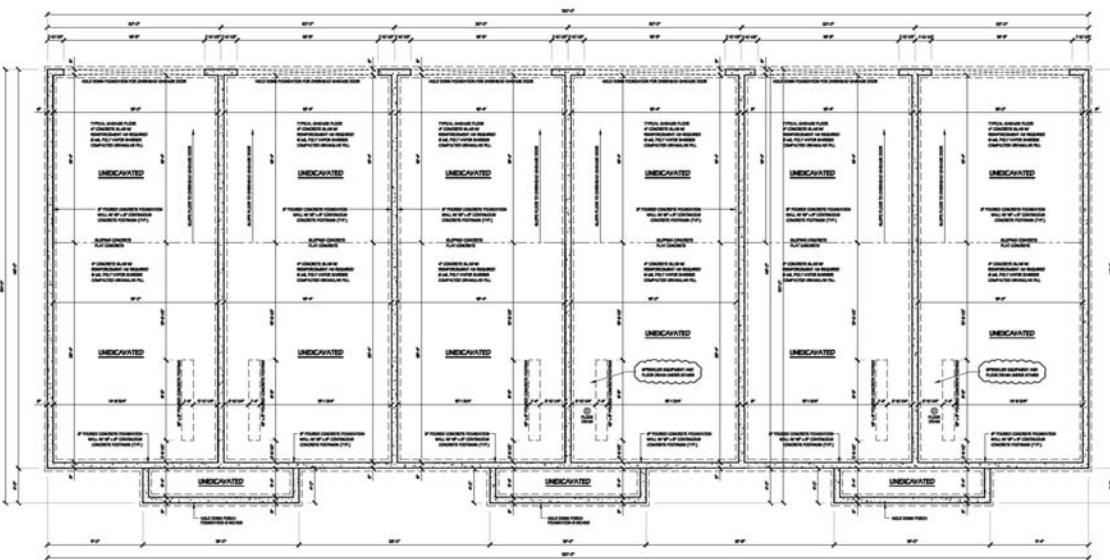




1 MAIN FLOOR PLAN
SCALE: 1/8"=1'-0"



2 STAIR SECTION
SCALE: 1/8"=1'-0"



1 FOUNDATION PLAN
SCALE: 1/8"=1'-0"

Proposed New TIF - Assumes \$6 Million Increment (Muscatine Landing)
10 Year Estimate (see assumptions below)
3/1/2017

Valuations		
Estimated Value After Improvement	N/A	
Frozen Base	N/A	
Increment Estimates	\$ 6,000,000	(100% Value before rollback)
Tax Rate for Increment (Per \$1,000) (FY 17 Rate for Increment)	33.86847	Assumes \$5,000,000 is multi-residential; \$1,000,000 commercial
If 100% Rebate		
Incremental Taxes (Total Annual Estimate)	\$ 203,210.82	(Before rollback)
Rebate Percentage (See Actuals Below)	100.00%	
Rebate (At 100% - See Actuals Below)	\$ 203,210.82	(Before rollback)

- Assumptions for Preliminary Rebate Calculation Estimate (3-1-17):
1. Assumes project completed and on tax rolls as of 1-1-19 (based on that date the initial multi-residential rollback would be 71.25% for Year 1)
 2. The multi-residential rollback will decrease to the residential rate as of 1-1-22; residential rollback assumed to be 60% for this calculation.
 3. Assumes increment is \$6,000,000 at 100% valuation (actual incremental valuation may differ from this estimate).
 4. Assumes \$5,000,000 is taxed as multi-residential and \$1,000,000 as commercial.

Target \$XXX,XXX for 10 Years		Estimated Multi-Residential Portion (\$5,000,000)					Estimated Commercial Portion (\$1,000,000)					Rebates - Multi-Residential and Commercial								
		Increment at 100% of Assessed Value	Estimated TIF Tax Rate (per\$1,000)	Multi-Residential Rollback Factor	Rebate Percentage	Estimated Annual Rebate	Increment at 100% of Assessed Value	Estimated TIF Tax Rate (per\$1,000)	Commercial Rollback Factor	Rebate Percentage	Estimated Annual Rebate									
Year																				
1	\$	6,500,000	\$	33.86847	71.25%	100.00%	\$	156,853	\$	1,100,000	\$	33.86847	90.00%	100.00%	\$	33,530	\$	190,383		
2	\$	6,500,000		33.86847	67.50%	100.00%		148,598	\$	1,100,000		33.86847	90.00%	100.00%		33,530		182,128		
3	\$	6,500,000		33.86847	63.75%	100.00%		140,342	\$	1,100,000		33.86847	90.00%	100.00%		33,530		173,872		
4	\$	6,500,000		33.86847	60.00%	75.00%		99,065		7,000,000		33.86847	90.00%	75.00%		160,029		259,094		
5	\$	6,500,000		33.86847	60.00%	75.00%		99,065		7,000,000		33.86847	90.00%	75.00%		160,029		259,094		
6	\$	6,500,000		33.86847	60.00%	75.00%		99,065		7,000,000		33.86847	90.00%	75.00%		160,029		259,094		
7	\$	6,500,000		33.86847	60.00%	75.00%		99,065		7,000,000		33.86847	90.00%	75.00%		160,029		259,094		
8	\$	6,500,000		33.86847	60.00%	75.00%		99,065		7,000,000		33.86847	90.00%	75.00%		160,029		259,094		
9	\$	6,500,000		33.86847	60.00%	75.00%		99,065		7,000,000		33.86847	90.00%	75.00%		160,029		259,094		
10	\$	6,500,000		33.86847	60.00%	75.00%		99,065		7,000,000		33.86847	90.00%	75.00%		160,029		259,094		
11				33.86847	60.00%	75.00%		-				33.86847	90.00%	75.00%		-		-		
12				33.86847	60.00%	75.00%		-				33.86847	90.00%	75.00%		-		-		
13				33.86847	60.00%	75.00%		-				33.86847	90.00%	75.00%		-		-		
14				33.86847	60.00%	75.00%		-				33.86847	90.00%	75.00%		-		-		
15				33.86847	60.00%	75.00%		-				33.86847	90.00%	75.00%		-		-		
								\$	1,139,248								\$	1,220,793	\$	2,200,000
												Maximum Cap on the Project met								