



CITY OF CEDAR RAPIDS

Iowa Reinvestment District Final
Application – 1st Amendment –
November 21, 2025



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SECTION A Project and Eligibility

Name of Project/District: Cedar Rapids Central Reinvestment District

Date Submitted: 02/11/22 **Pre-application** **Final application**

Applicant: (must be a municipality): City of Cedar Rapids, Iowa

Contact Name: Jef f Pomeranz

Address: 101 First ST SE **City:** Cedar Rapids **State:** IA **Zip:** 52401

Telephone: 319-389-1476 **Email:** J.Pomeranz@cedar-rapids.org

Federal Identification Number: 42-6004336

Size of Proposed District: 20.58 acres (no more than 75 acres)

Are the parcels contiguous, physically connected? Yes No

INTRODUCTION

Located in the geographic center of eastern Iowa, the City of Cedar Rapids comprises around 10% of Iowa's population. Importantly, the Cedar Rapids Metropolitan Statistical Area makes an out-sized contribution to Iowa's economy—producing a higher share of state GDP than its percentage of population and serving a center of high-quality jobs elevating average income levels in statewide. For these reasons, it is clear that growth trends in Cedar Rapids, especially as the second largest metro in Iowa, have a direct and consequential relationship to levels of prosperity and standard of living seen across the state.

Historically, Cedar Rapids serves as a growth hub in Iowa, and it has been the location of choice for many export-oriented industries, which make a substantial contribution to Iowa's industrial base. During the next decade, industrial employment in Cedar Rapids will increase at a rate of 7.6%—slightly ahead of statewide average growth in Iowa for the period from 2021 to 2030. In addition, four out of ten workers in Cedar Rapids are employed in target industries, as identified through the local economic development planning process. Those jobs pay 61% more than average wage and salary levels for the metro region. In 2021, total payroll for employees in Cedar Rapids target industries approaches \$3.5 billion.¹

¹ EMSI, Inc. 2021.1



However, direct action is always necessary to help sustain desirable growth trends. The fundamental conditions for long-term growth are already in place in Cedar Rapids – strong employment demand, consistent income gains, and increasing population:

- Since 2016, job postings in Cedar Rapids are up 63% across all titles
- Long-term population growth rate has shown gains up to 1.0% annually
- Total personal income is projected to increase 3.0% to 2030

The missing component in this growth picture is transformational development that seeks to leverage the assets and amenities present in Downtown Cedar Rapids to take economic opportunities to the next level. Catalytic projects of this type not only would provide a high return on investment, but they would do so with less risk as such concepts draw on assets already in place to reinforce their competitiveness. Strategies that leverage the fundamental drivers of growth and unique assets of Cedar Rapids, as presented here in the in the Cedar Rapids Central Reinvestment District proposal, have the potential to offer many spillover benefits in the long run across the local to statewide economy.

As evidenced by a significant concentration of existing industry, Cedar Rapids has proven to be a highly dynamic location for industrial development in the Midwest region. When the economy of Cedar Rapids outperforms the national baseline, the entire supply chain within the Iowa benefits. Many industries show measures of business activity many times greater than average levels seen in the U.S. economy:

- 146 times greater than national average in Breakfast Cereal Manufacturing
- 62 times greater than national average in Search, Detection, Guidance, Navigation, and Aeronautical Instrument Manufacturing
- 61 times greater than national average in Corn Processing
- 34 times greater than national average in Soybean Processing
- 28 times greater than national average in Direct Insurance Carriers
- 11 times greater than national average in Copper Rolling, Drawing, Extruding and Alloying⁵

But to help sustain and grow the global competitiveness of Cedar Rapids, there is no single priority more important than the ability to recruit talented workforce and to retain talent already located here. Maintaining and enhancing quality of life is, therefore, a critical component to any workforce acquisition strategy.

How well any local economic development process may be able to address critical workforce needs depends, in large part, on its ability to forward a compelling vision for why a location stands as a desirable place to live and work. From this perspective, transformative development concepts, which elevate the ability of Cedar Rapids and Iowa to compete nationally for workforce, are foundational to any effective program of economic revitalization.

² EMSI, Inc. 2021.1

³ EMSI

⁴ EMSI

⁵ EMSI



Because the Cedar Rapids Central Reinvestment District seeks to help position Cedar Rapids as a first choice for employers and employees nationwide, it represents a notable example of positive, direct action to support workforce attraction and retention statewide. It is only through cooperation across the public and private sectors, utilizing all available resources to grow competitiveness, that it becomes possible to realize a vision of progress elevating growth potential from the local to state level.

The advantages Cedar Rapids offers for business growth are many: The City serves as a principal commercial center in eastern Iowa, providing access to lodging, entertainment and shopping to residents and visitors alike. Furthermore, a growing local economy requires physical development to expand and nowhere is there a greater number of assets locally than in the Downtown Central Business District. The recreation potential on the Cedar River is exceptional, access to enhanced regional trail systems through the ConnectCR initiative, CBD arts & culture venues, proximity anchor employers, and activated retail and residential environment represent a winning combination for exceptional gains from district investment. The mix of projects put forward in the City's reinvestment district plan will increase visitors and spending Downtown, helping to create yet more new investment in the future.

Finally, the data and analysis compiled in support of the Cedar Rapids Central Reinvestment District proposal shows a high level of confidence in the feasibility and attractiveness of the proposed projects. City of Cedar Rapids staff and the individual real estate developers have worked hard to realize a vibrant, integrated and district growth concept. It is one that realizes highest and best use of priority development sites in the Downtown. Project completion will serve as driver the local and state economy, and the reinvestment district concept has broad stakeholders in the local economic development process. Investment and growth in the redevelopment district will offer many benefits to new and existing businesses as well as to a drive a new cycle of investment across any local boundaries.



A1

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.

Following your description, please provide the following attachments:

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.

CM
AUD FILE
CM001-21

RESOLUTION NO. 0163-02-22

**RESOLUTION APPROVING THE DISTRICT PLAN FOR THE PROPOSED
CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT AND DIRECTING
THE CITY MANAGER TO SUBMIT A FINAL APPLICATION TO THE IOWA
ECONOMIC DEVELOPMENT AUTHORITY FOR APPROVAL**

WHEREAS, in 2013, the Iowa Legislature enacted the "Iowa Reinvestment District Act" (the 'Act') which establishes a program administered by the Iowa Economic Development Authority ("IEDA") that allows certain state hotel and motel, and sales and use tax revenues to be reinvested in a designated reinvestment district; and

WHEREAS, Resolution 0195-02-21, passed by the City Council on February 9, 2021, approved the proposed district plan under the Iowa Reinvestment District Act for Cedar Rapids, and

WHEREAS, the Act and the administrative rules adopted by IEDA for the program require the submission of a pre-application for provisional approval of a proposed reinvestment district, and

WHEREAS, the City of Cedar Rapids received provisional approval of its pre-application on June 23, 2021, including a provisional maximum benefit amount of \$9 million, and

WHEREAS, the City staff, with the assistance of the independent economic consultants, have prepared, subject to City Council's approval, a final application for the proposed "Cedar Rapids Central Reinvestment District" (the "Reinvestment District"), and

WHEREAS, the final application shall be submitted within 12-months of the pre-application and acted upon by this City Council.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CEDAR RAPIDS, IOWA, AS FOLLOWS:

1. That the City of Cedar Rapids makes the following findings of fact in support of the proposed "Cedar Rapids Central Reinvestment District":
 - a. The City of Cedar Rapids intends to establish a reinvestment district in accordance with Act and administrative rules, which will be known as the "Cedar Rapids Central Reinvestment District."
 - b. The Reinvestment District is located in Downtown Cedar Rapids in the area depicted on Exhibit "A" attached hereto and is legally described on Exhibit "B" attached hereto.

- c. The Reinvestment District is located entirely within the Central Business and Consolidated Business Urban Renewal Areas within the City of Cedar Rapids.
- d. The area in the Reinvestment District is suitable for redevelopment, and each parcel location within said Reinvestment District will be directly and substantially benefited by development and redevelopment in said Reinvestment District.

- 2. That the District Plan for the proposed Reinvestment District is hereby approved for submittal.
- 3. The City Manager and City Clerk, or their designees, are authorized and directed to execute the final application and any other documents associated therewith and to do all those things reasonably necessary to effectuate this Resolution.
- 4. The City Manager is to submit to the IEDA the final application and supporting documents for review and consideration.

Passed this 8th day of February, 2022.

Voting: Council member Olson (Tyler) moved the adoption of the resolution; seconded by Council member Vanorny. Adopted, Ayes, Council members Hoeger, Loeffler, Olson (Tyler), Overland, Todd, Vanorny and Mayor O'Donnell.

Tiffany D. O'Donnell
Tiffany D. O'Donnell, Mayor

Attest:

Alissa Van Sloten
Alissa Van Sloten, City Clerk

EXHIBIT A: MAP OF CEDAR RAPIDS REINVESTMENT DISTRICT

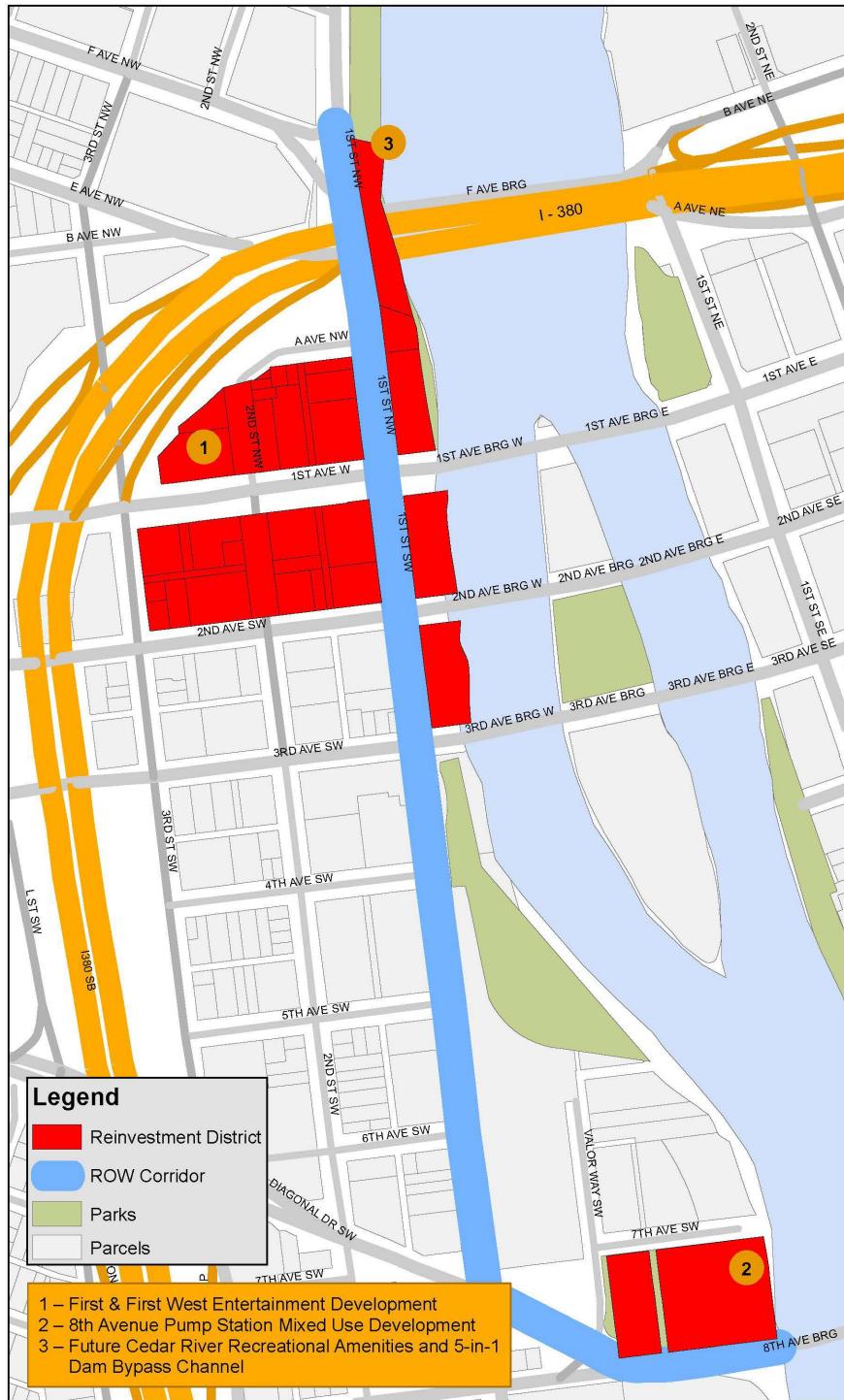


EXHIBIT B
LEGAL DESCRIPTION OF
CEDAR RAPIDS REINVESTMENT DISTRICT

Being those portions of Sections 21 and 28 in Township 83 North, Range 7 West of the 5th Principal Meridian, City of Cedar Rapids, Linn County, Iowa described as follows:

That portion of land located east of the east right-of-way line of 1st Street NW and 1st Street SW, north of the north right-of-way line of 3rd Avenue SW, west of the Cedar River, and south of a line being the easterly extension of the north right-of-way line of F Avenue NW, extended easterly to the Cedar River;

and;

Lots 1-10, inclusive, Block 2 of West Cedar Rapids, formerly Village or Town of Kingston including the 20 foot wide alley located in said Block 2, as was recorded as Parcel A, Plat of Survey No. 1878 in Book 8909, page 331, Linn County records, excepting therefrom that portion of said Lot 10 recorded as Parcel A, Plat of Survey No. 497 in Book 3499, page 343, Linn County Records;

and;

Parcel A of Plat of Survey No. 1877 recorded in Book 8909, page 330, Linn County Records;

and;

Lots 1, 2, 3, 7, 8, 9, 10, and the easterly 145 feet, more or less, of the 20 foot alley within Block 7 of West Cedar Rapids, formerly Village or Town of Kingston, lying southeasterly of the Iowa Department of Transportation right-of-way of Interstate 380;

and;

Lots 1-10, inclusive, Block 3 of West Cedar Rapids, formerly Village or Town of Kingston including the 20 foot wide alley located in said Block 3, as was recorded as Parcel A, Plat of Survey No. 1879 in Book 8909, page 332, Linn County records;

and;

Parcel B of Plat of Survey No. 1880 recorded in Book 8909, page 333, Linn County Records;

and;

Lots 1-10, inclusive, Block 6 of West Cedar Rapids, formerly Village or Town of Kingston including the 20 foot wide alley located in said Block 6, as was recorded as Parcel A, Plat of Survey No. 1880 in Book 8909, page 333, Linn County records;

and;

Lots 1-10, inclusive, Block 1 of Riverside Park Addition to Cedar Rapids, Lots 1-20, inclusive, Block 2 of said Riverside Park Addition, including the 20 foot wide alley located in said Block 2, and the 60 foot wide street between Lots 1-10, inclusive, of said Blocks 1 and 2 as shown on said Riverside Park Addition as Walnut Street;

and;



The entire 1st Street NW and 1st Street SW right-of-way bounded on the north by the north right-of-way line of F Avenue NW and bounded on the south by the north right-of-way line of Diagonal Drive SW;

and;

The entire Diagonal Drive SW right-of-way bounded on the west by the west right-of-way line of 1st Street SW and bounded on the east by the west side of the Cedar River;

and;

The entire 3rd Avenue SW right-of-way bounded on the west by the east right-of-way line of 1st Street SW and bounded on the east by the west side of the Cedar River;



A2

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



RESOLUTION NO. 41-1-97

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CEDAR RAPIDS,
IOWA ADOPTING THE AMENDED AND RESTATED URBAN RENEWAL PLAN
FOR THE CENTRAL URBAN RENEWAL AREA**

WHEREAS, the City Council for the City of Cedar Rapids, Iowa on February 9, 1966 adopted the R-13 Urban Renewal Area, as amended, and approved the Urban Renewal Plan for the said Urban Renewal Area as described below; and

WHEREAS, the R-13 Urban Renewal Area, as amended, includes and consists of the property legally described as follows:

Beginning at a point at the intersection of the easterly right-of-way line of Fifth Street SE and the southerly right-of-way line of Fifth Avenue SE being the Point of Beginning; thence

Southwesterly along said souther right-of-way line of the Fifth Avenue SE to a point of intersection with the easterly right-of-way line of Fourth Street SE; thence Southeasterly along said easterly right-of-way line of Fourth Street SE to a point of intersection with the southerly right-of-way line of Ninth Avenue SE; thence Southwesterly along said southerly right-of-way line of Ninth Avenue SE to a point of intersection with the east bank of the Cedar River; thence Northwesterly along the east bank of the Cedar River to the southerly right-of-way line of Eighth Avenue SE; thence Southwesterly along said southerly right-of-way line of Eighth Avenue SE to a point of intersection with the southerly right-of-way line of Diagonal Drive SW; thence Westerly along said southerly right-of-way line of Diagonal Drive SW to its intersection with the westerly right-of-way line of First Street SW; thence Northwesterly along said westerly right-of-way line of First Street SW to a point of intersection with the southerly right-of-way line Fourth Avenue SW; thence Westerly along said southerly right-of-way line of Fourth Avenue SW to a point of intersection with the westerly right-of-way line of Second Street SW; thence Northwesterly along said westerly right-of-way line of Second Street SW to a point of intersection with the northerly right-of-way line of Second Avenue SW; thence Northeasterly along said northerly right-of-way line of Second Avenue SW to a point of intersection with the westerly right-of-way line of the alley located between First Street SW and Second Street SW; thence Northwesterly along said westerly right-of-way line of the alley located between First Street SW and Second Street SW to a point of intersection with the southerly right-of-way line of vacated A Avenue NW; thence Westerly along said southerly right-of-way line of vacated A Avenue NW to a point of intersection with the easterly vacated right-of-way line of Second Street NW; thence Northwesterly along said easterly vacated right-of-way line of Second Street NW to a point of intersection with the southerly right-of-way line of E Avenue NW; thence Westerly along said southerly right-of-way line of E Avenue NW to a point of intersection with the westerly right-of-way line of Third Street NW; thence Northerly along said westerly right-of-way line of Third Street NW to a point of intersection with the northerly right-of-way line of I Avenue NW; thence Easterly along said northerly right-of-way line of I Avenue NW to a point of intersection with the westerly right-of-way line of First Street NW; thence Northerly along said westerly right-of-way line of First Street NW to a point of intersection with the southerly right-of-way line of the Chicago and Northwestern Railroad; thence Easterly along said southerly right-of-way line of the Chicago and Northwesterly Railroad to a point of intersection with the easterly bank of the Cedar River; thence Southerly along said easterly bank of the Cedar River to a point of intersection with the southerly right-of-way line of vacated D Avenue NE; thence Easterly along said southerly right-of-way line of vacated D Avenue NE to a point of intersection with the easterly property line of Lot 2 of Auditor's Plat No. 208; thence southerly and southeasterly along the easterly property lines of Fractional Blocks 14 and 15, Original Town to a point of intersection with the westerly extension of the northerly right-of-way line of the alley located one hundred and forty feet northerly of B Avenue NE; thence Northeasterly along the northerly right-of-way line of said alley located one hundred and forty feet northerly of B Avenue NE extended to a point of intersection with the easterly right-of-way line of Second Street NE; thence Southeasterly along said easterly right-of-way line of Second Street NE to a point of intersection



with the northerly right-of-way line of B Avenue NE; thence Northeasterly along said northerly right-of-way of B Avenue NE to a point of intersection with the easterly right-of-way line of Third Street NE; thence Southeasterly along said easterly right-of-way line of Third Street NE to the northerly right-of-way line of the alley first located one hundred and forty feet northerly of A Avenue NE; thence Northeasterly along said northerly right-of-way line of the alley first located one hundred and forty feet northerly of A Avenue NE to Fourth Street NE; thence Southeasterly along said easterly right-of-way line of Fourth Street NE to a point of intersection with the northerly alley right-of-way line first located one hundred and forty feet northerly of First Avenue East; thence Northeasterly along said northerly alley right-of-way line first located one hundred and forty feet northerly of First Avenue East to a point of intersection with the easterly right-of-way line Fifth Street NE; thence Southeasterly along said easterly right-of-way line of Fifth Street NE to the Point of Beginning; and

WHEREAS, the R-13 Urban Renewal Area shall now be known as the Central Urban Renewal Area; and

WHEREAS, it is recognized that it is desirable to restate and amend the Central Urban Renewal Plan to be in conformance with applicable Urban Renewal Law and to clarify the role and extent of Urban Renewal activities within the Central Urban Renewal Area; and

WHEREAS, the City Council authorized submittal of the proposed Amended and Restated Urban Renewal Plan for the Central Urban Renewal Area to the Planning Commission for review and recommendation as to its conformity with the general plan for development of the community as a whole, and

WHEREAS, the Planning Commission found that the proposed Amended and Restated Urban Renewal Plan for the Central Urban Renewal Area is in conformity with the general plan for the development of the City as a whole, as evidenced by its written report filed herewith and incorporated herein by this reference; and

WHEREAS, by Resolution Number 2605-12-96 adopted on December 11, 1996, this Council directed that a consultation be held with the designated representatives of all affected taxing entities to discuss the proposed Amended and Restated Urban Renewal Plan for the Central Urban Renewal Area and the division of revenue described therein, and that notice of said consultation and a copy of the proposed Amended and Restated Urban Renewal Plan for the Central Urban Renewal Area 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 none of the affected taxing entities attended said consultation and no written comments were filed regarding the proposed Amended and Restated Urban Renewal Plan for the Central Urban Renewal Area; and

WHEREAS, by said Resolution this Council also set a Public Hearing on the adoption of the proposed Amended and Restated Urban Renewal Plan for the Central Urban Renewal Area for this meeting of the Council, and due and proper notice of said Public Hearing was given, as provided by Law, by timely publication in the Cedar Rapids Gazette, which notice sets forth the time and place for this hearing and the nature and purpose thereof; and

WHEREAS, in accordance with said notice, all persons or organizations desiring to be heard on said proposed 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 said Public Hearing has been closed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cedar Rapids, Iowa as follows:

1. That the Amended and Restated Urban Renewal Plan for the Central Urban Renewal Area, attached hereto as Exhibit A and incorporated herewith by reference, be and the same is hereby approved and adopted as



the Urban Renewal Plan for the Central Urban Renewal Area and is hereby in all respects approved, and the City Clerk is hereby directed to file a certified copy of said Urban Renewal Plan for the Central Urban Renewal Area with the proceedings of this meeting with the County Recorder for Linn County.

2. That the Urban Renewal Plan for the Central Urban Renewal Area shall be in full force and effect from the date of this Resolution until the later of any date of termination set forth the Urban Renewal Plan for the Central Urban Renewal Area or the date on which payment of all obligations issued or advances made to carry out the purposes thereof shall be fully provided for. Said Urban Renewal Plan for the Central Urban Renewal Area shall be forthwith certified by the City Clerk and along with a copy of this Resolution, transmitted to the Recorder of Linn County, Iowa, to be filed and recorded in the manner provided by Law.

Passed this 8th day of January, 1997.

Voting: Council member Hughes moved the adoption of the resolution; seconded by Council member Munson. Adopted, Yeas, Council members Evans, Hughes, Munson and Thomas.

ATTEST:

Tom Keaveny MAYOR

Ann Oelinger CITY CLERK



EXHIBIT A

**CENTRAL URBAN RENEWAL AREA PLAN
(As Amended)**

Approved February 9, 1966

Amended June 27, 1979

Amended September 21, 1981

Amended February 10, 1982

Amended April 17, 1985

Amended December 7, 1988

Amended _____

**City of Cedar Rapids, Iowa
Department of Development
Sixth Floor - City Hall
50 Second Avenue Bridge
Cedar Rapids, Iowa 524101**

(319) 398-5041



CENTRAL AREA AMENDED AND RESTATED URBAN RENEWAL PLAN

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1.0 INTRODUCTION

This Amended and Restated Urban Renewal Plan for the Central Urban Renewal Area (formerly known as the Civic Center Urban Renewal Plan) has been developed to update provisions of the Civic Center Urban Renewal Plan related to State Law (Chapter 403, Code of Iowa) requirements for Urban Renewal Plans, clarify development objectives for the existing Urban Renewal Area, and enable the City to provide appropriate development incentives for economic development projects through the use of tax increment revenue.

The initial Civic Center Urban Renewal Plan was adopted by the City in 1966 and has been amended five times as follows:

Amendment #1	June 27, 1979 (Res. No. 1255-6-79)
Amendment #2	September 23, 1981 (Res. No. 1470-9-81)
Amendment #3	February 10, 1982 (Res. No. 185-2-82)
Amendment #4	April 17, 1985 (Res. No. 492-4-85)
Amendment #5	December 7, 1988 (Res. No. 2292-12-88)

The Amendments to the Plan have included expansion of the Urban Renewal Plan boundary and designation of the basis for base year assessed valuation for the purpose of collecting tax increment from the Urban Renewal Area (as amended). Map One shows the Consolidated Project Area consisting of the original R-13 project area, the Amendment A project area, and the Amendment B project area. All areas designated for Urban Renewal under the Consolidate Project Area were established under findings of blighted conditions as provided under State Urban Renewal Law. A legal description of the Consolidated Boundary of the Central (former Civic Center) Urban Renewal Plan Area is contained in Section 3.0 of this Plan.

As a part of this amendment and restatement of the Plan, the name of the Project Area is being changed to the Central Urban Renewal Area. This change reflects the expansion of urban renewal activities from "civic center" improvements to general central business district redevelopment and improvement activities.

In response to a national initiative, an Urban Renewal program for cities in Iowa was created during the mid-1950's. It was intended to give cities the power to deal with conditions of blight and deterioration. The enabling legislation (Chapter 403, Code of Iowa) acknowledged that the existence of such conditions inevitably led to a declining tax base, an increase in the cost of public services, and a long list of other negative impacts on the community.

The Urban Renewal Act was adopted in order to give cities the power necessary to help combat these problems and to offer local officials the opportunity to remove negative influences and replace them with more positive and productive land uses, programs, and approaches.

In 1985, the Iowa General Assembly expanded the scope of Urban Renewal. House File 494 was passed by the Legislature and signed by the Governor in order to allow the use of urban renewal to alleviate and prevent conditions of unemployment within a city. HF 494 authorizes City Councils to designate areas as "economic development areas" for commercial and industrial enterprises. The significance of this new addition to cities' powers under the Urban Renewal Act is the recognition of the importance of economic activity to a community's vitality and survivability.

Specifically, the legislation allows local City Councils to formulate a program for using public and private resources to encourage development and to help alleviate and prevent conditions of unemployment and underemployment. The City of Cedar Rapids has recognized that more can



be accomplished by taking an active role in the continued renewal of the central core area through participation in new development and the resulting mitigation of blighting conditions and creation of new employment within the downtown area.

In order to help achieve objectives of the Central Urban Renewal Area, this Amended and Restated Plan has been prepared in a manner that fulfills the requirements of Chapter 403, Code of Iowa. This Plan, as amended, can be utilized to help determine whether a specific development proposal is appropriate for City participation through construction of public improvements and/or direct incentives for the developer.

2.0 TAX INCREMENT DISTRICT

2.1 General Description of Tax Increment Financing

One of the most significant and widely-used powers given to city councils under the Urban Renewal Law is the authority to utilize "tax increment financing" (TIF). TIF enables a city to use the property tax dollars produced from new private development to pay for certain public improvements and to provide assistance for private development within an urban renewal area.

The Central Urban Renewal Area was originally designated in 1966 with provision for Tax Increment Financing of public improvements. City Ordinance No. 79-88, adopted December 21, 1988, establishes base year and base valuations for the original Civic Center Urban Renewal Area (R-13) and added project areas (R-13A and R-13B). Ordinance No. 79-88 is attached to the Plan for reference as Attachment No. 1.

Revenues generated from this project area can then be used to finance a variety of activities including construction of public improvements and direct assistance or payments to private persons or businesses for economic development purposes on such terms as may be determined by the City Council.

Affected taxing entities including the City of Cedar Rapids, Linn County, Cedar Rapids Community School District, and Kirkwood Community College will not collect any less tax money than had been previously realized under the previous base year valuations indicated in Ordinance No. 79-88, since property taxes levied by these local jurisdictions against the frozen base valuations continue to be distributed as before. In addition, once any City debt is paid off, property taxes produced from the increment, as well as from the frozen base, are distributed to the local jurisdictions.

This type of financing tool delays a local government's ability to immediately realize the direct tax benefits from new construction until public debt in the district is retired. On the other hand, tax increment financing may be used to promote development which either would not have otherwise occurred or which would have occurred within another jurisdiction. If new development does not take place, property values could stagnate or decrease and the city, county, and school district may receive less than they would have if the Plan were not implemented.

In addition, the urban renewal activities may work in conjunction with other available incentives, thus affording certain property tax relief and encouraging the development of new commercial, office, and residential facilities. The idea behind tax increment financing is that public involvement generates private investment which increases the taxable value of an area, and over time strengthens the tax base. This increased tax base is the long-term payback for the public's involvement.



2.2 Estimated Tax Increment Revenues

The use of tax increment funds will cause diversion of a portion of property taxes generated by new development within the Urban Renewal Area (as described in Section 2.1, above). To the extent that these funds are not available to the affected taxing agencies, there may be a fiscal impact to these agencies. It should be noted that adoption of this Plan amendment does not change the current provisions for the division of taxes within the Urban Renewal Area as provided under Ordinance 79-88.

At this time, the extent of future improvements and new development within the Central Urban Renewal Area is only generally known. As such, the amount and duration for additional or new use of incremental taxes for public participation in public improvements and/or private development can only be estimated at this time. However, the specific use and amount of incremental funds used by the City for Urban Renewal activities will be determined at the time specific development is proposed.

Upon adoption of this Plan amendment, the City will be authorized to finance Urban Renewal activities from a number of sources. Sources may include the City of Cedar Rapids, State of Iowa, County of Linn, the United States government, any public agency, property tax increments, interest income, City issued notes and bonds, or from any other available sources of financing which are legally available and do not conflict with the purposes of this Plan.

2.3 Extent of Tax Increment Bond Limitations

In the event that bonded indebtedness is necessary to carry out the objectives of the Plan for the Central Urban Renewal Area, such bonded indebtedness would be expected to be used for a variety of Urban Renewal activities including construction of public improvements and facilities, City participation in private development, and repayment of loans or advances for these activities that are made from other sources such as the City general fund. Section 7.0 hereof describes Urban Renewal project activities which are expected to involve the use of tax increment revenues to fund City costs. Such increment indebtedness used to fund project activities within the Urban Renewal Area, activities may be secured by tax increment revenues or paid from other sources and reimbursed from tax increment revenues. City bonded indebtedness as of December 1996 is \$155,420,000.

City Constitutional Debt Limitation:

Article XI, Section 3 of the Constitution of the State of Iowa limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the value, as shown by the last certified state and county tax list, of all taxable property within such county, municipality or other political subdivision. Based upon the current estimated actual value for fiscal year 1995/96 of \$ 4,900,000,000 (total actual value, less agricultural value which is not taxed for debt service) on all taxable property within the City of Cedar Rapids, the City is limited to \$ 245,000,000 of general obligation indebtedness.

3.0 DESCRIPTION OF THE CENTRAL URBAN RENEWAL AREA

The boundaries of the Central Urban Renewal Area is illustrated in Map One. The area consists of the traditional downtown business area located on both sides of the Red Cedar River generally between 1 Avenue NW and 9th Avenue SE. This area includes intense development with various land uses including professional offices, telecommunication facilities, governmental, judicial facilities, commercial uses, and light manufacturing uses. The boundary description for the project area that encompasses all amendments approved by the City Council of the City of Cedar Rapids to date consists of a tract of land situated in the City of Cedar Rapids, County of Linn, State of Iowa, and described as follows:



Beginning at a point at the intersection of the easterly right-of-way line of Fifth Street SE and the southerly right-of-way line of Fifth Avenue SE being the Point of Beginning; thence Southwesterly along said southerly right-of-way line of the Fifth Avenue SE to a point of intersection with the easterly right-of-way line of Fourth Street SE; thence Southeasterly along said easterly right-of-way line of Fourth Street SE to a point of intersection with the southerly right-of-way line of Ninth Avenue SE; thence Southwesterly along said southerly right-of-way line of Ninth Avenue SE to a point of intersection with the east bank of the Red Cedar River; thence Northwesterly along the east bank of the Cedar River to the southerly right-of-way line of Eighth Avenue SE; thence Southwesterly along said southerly right-of-way line of Eighth Avenue SE to a point of intersection with the southerly right-of-way line of Diagonal Drive SW; thence Westerly along said southerly right-of-way line of Diagonal Drive SW to its intersection with the westerly right-of-way line of First Street SW; thence Northwesterly along said westerly right-of-way line of First Street SW to a point of intersection with the southerly right-of-way line Fourth Avenue SW; thence Westerly along said southerly right-of-way line of Fourth Avenue SW to a point of intersection with the westerly right-of-way line of Second Street SW; thence Northwesterly along said westerly right-of-way line of Second Street SW to a point of intersection with the northerly right-of-way line of Second Avenue SW; thence Northeasterly along said northerly right-of-way line of Second Avenue SW to a point of intersection with the westerly right-of-way line of the alley located between First Street SW and Second Street SW; thence Northwesterly along said westerly right-of-way line of the alley located between First Street SW and Second Street SW to a point of intersection with the southerly right-of-way line of vacated A Avenue NW; thence Westerly along said southerly right-of-way line of vacated A Avenue NW to a point of intersection with the easterly vacated right-of-way line of Second Street NW; thence Northwesterly along said easterly vacated right-of-way line of Second Street NW to a point of intersection with the southerly right-of-way line of E Avenue NW; thence Westerly along said southerly right-of-way line of E Avenue NW to a point of intersection with the westerly right-of-way line of Third Street NW; thence Northerly along said westerly right-of-way line of Third Street NW to a point of intersection with the northerly right-of-way line of I Avenue NW; thence Easterly along said northerly right-of-way line of I Avenue NW to a point of intersection with the westerly right-of-way line of First Street NW; thence Northerly along said westerly right-of-way line of First Street NW to a point of intersection with the southerly right-of-way line of the Chicago and Northwestern Railroad; thence Easterly along said southerly right-of-way line of the Chicago and Northwestern Railroad to a point of intersection with the easterly bank of the Red Cedar River; thence Southerly along said easterly bank of the Red Cedar River to a point of intersection with the southerly right-of-way line of vacated D Avenue NE; thence Easterly along said southerly right-of-way line of vacated D Avenue NE to a point of intersection with the easterly property line of Lot 2 of Auditor's Plat No. 208; thence Southerly and southeasterly along the easterly property lines of Fractional Blocks 14 and 15, Original Town to a point of intersection with the westerly extension of the northerly right-of-way line of the alley located one hundred and forty feet northerly of B Avenue NE; thence Northeasterly along the northerly right-of-way line of said alley located one hundred and forty feet northerly of B Avenue NE extended to a point of intersection with the easterly right-of-way line of Second Street NE; thence Southeasterly along said easterly right-of-way line of Second Street NE to a point of intersection with the northerly right-of-way line of B Avenue NE; thence Northeasterly along said northerly right-of-way of B Avenue NE to a point of intersection with the easterly right-of-way line of Third Street NE; thence Southeasterly along said easterly right-of-way line of Third Street NE to the northerly right-of-way line of the alley first located one hundred and forty feet northerly of A Avenue NE; thence Northeasterly along said northerly right-of-way line of the alley first located one hundred and forty feet northerly of A Avenue NE to Fourth Street NE; thence Southeasterly along said easterly right-of-way line of Fourth Street NE to a point of intersection with the northerly alley right-of-way line first located one hundred and forty feet northerly of First Avenue East; thence Northeasterly along said northerly alley right-of-way line first located one hundred and forty feet northerly of First Avenue East to a point of intersection with the easterly right-of-way line Fifth Street NE; thence Southeasterly along said easterly right-of-way line of Fifth Street NE to the Point of Beginning.



4.0 BLIGHTED AREA DESIGNATION

The area included in the Central Urban Renewal Area is designated under applicable provisions of Chapter 403 of the Code of Iowa relating to blighted conditions. The Central Urban Renewal Area is appropriate for commercial, office, and residential development and is designated and suitable for such commercial, office, and residential development as described in Section 5.0, below.

5.0 LAND USE AND ZONING

This Amended and Restated Plan includes significant changes in that specific requirements and conditions relating to land development and use contained in the previous Urban Renewal Plan have been deleted. In place of the specific land uses and development standards contained in the previous Urban Renewal Plan, this Amended and Restated Plan relies on City zoning requirements and development policies already in place to provide guidance for development within the project area. This change also eliminates potential conflicts and inconsistencies between urban renewal requirements and general City development regulations.

Cedar Rapids has adopted a general plan as provided under Chapter 403.5, Code of Iowa, for the physical development of the City entitled the Regional Land Use Policy Plan (1994, as amended). The goals and objectives of this Amended and Restated Plan are consistent with the planning goals and land use policy statements with those identified and adopted as part of the planning process.

The area included in the Central Urban Renewal Area is designed as COMMERCIAL, HIGH DENSITY RESIDENTIAL, and PARK/OPEN SPACE by the Metropolitan Land Use Plan. The primary objective of the Plan for this area is to facilitate central area commercial, office, and urban residential development consistent with City development policies and regulations. The Central Urban Renewal Area contains several zoning Districts for Commercial, Commercial/Warehouse, and Industrial uses as indicated in Map Two (Existing Zoning).

This Amended and Restated Urban Renewal Plan is intended to be implemented in a manner consistent with adopted City development regulations and requirements. Adoption of the Amended Urban Renewal Plan does not relax or change such regulations or standards.

6.0 PROJECT AREA OBJECTIVES

This Amended and Restated Central Urban Renewal Plan is intended to promote the continuation of new development and improvement activities that have been achieved as a result of previously successful redevelopment efforts. In accordance with this intent, the Amended and Restated Central Urban Renewal Plan continues to enhance the viability of the central area of the City with the following primary objectives:

1. To contribute to a diversified, well-balanced economy providing for development of commercial, office, and residential facilities within the central business district and the resulting creation of new supporting job opportunities and strengthening the tax base.
2. To plan and provide for commercial, office, and residential development consistent with City land use and development policies and regulations.
3. To facilitate such commercial, office, and residential development through the use of appropriate and available incentives including various federal, state, and local sources as identified in Section 2.2 herein.



4. To stimulate, through public action and commitment, private investment in commercial, office, and residential development.
5. To help develop a sound economic base that will serve as the foundation for future growth and development within the central business district.
6. To facilitate development which is consistent with City development standards and policies which act to enhance and strengthen land use relationships within the central business district.
7. To provide open spaces, public areas, and public improvements which enhance the viability of the downtown area.
8. To reduce and mitigate blighting influences related to substandard buildings and conflicting land uses.

7.0 TYPE OF RENEWAL ACTIVITIES

Renewal activities are designed to provide opportunities, incentives, and sites for community economic purposes. As a renewal activity, the City may:

1. Undertake and carry out urban renewal projects through the execution of contracts and other instruments. Such urban renewal project activities may include property acquisition and clearance, relocation of businesses and tenants, construction of public improvements, and assistance for private and public rehabilitation of substandard structures.
2. Arrange for, or cause to be provided, the construction or repair of public infrastructure including streets, public utilities or other facilities in connection with development of the Urban Renewal Area.
3. Provide for the construction of specific site improvements including site grading and required utility relocations, to assist private development as deemed appropriate by the City Council, or to make grants to developers for the costs thereof.
4. Make loans or grants to private persons or businesses for economic development purposes on such terms as may be determined by the City Council payable from, or reimbursed through, tax increment revenues generated within the Urban Renewal Area.
5. Borrow money and to provide security therefore.
6. Make, or have made, surveys and plans necessary for the implementation of the Urban Renewal program or specific Urban Renewal projects.
7. Use tax increment financing to facilitate economically feasible and marketable development.
8. Use any or all other powers granted by Chapter 403 and Chapter 15A, Code of Iowa, to develop and provide for improved economic conditions for the City of Cedar Rapids and State of Iowa; including forgivable loans and issuance of bonds.

Potential projects which have been initially identified by the City for consideration and possible funding through tax increment financing include both public infrastructure improvements and direct private developer incentives through tax increment reimbursements. Such activities also may include, but not be limited to, agreements with property owners within the Central Urban



Renewal Area with respect to the payment by the City of annual grants to private developers from incremental tax revenues. The amount of such annual grants cannot be estimated at this time. However, annual grants will be based on the actual tax increment revenue generated by qualified improvements and compliance with conditions regarding job creation. Typically, the City will review participation on a case by case basis and provide annual grant payments for a portion of the tax increment revenue for up to 10 years.

8.0 PROJECT PARTICIPATION REVIEW AND USE OF TAX INCREMENT FINANCING

The City of Cedar Rapids will give consideration to the following conditions when determining whether or not to participate in a project:

1. A developer requests the participation of the City in the development process through the use of Tax Increment Financing.
2. A development agreement can be established which provides acceptable assurance to both the City and the developer that the project will be completed and that contingencies for default are adequately provided for.
3. The developer has a specific proposal which is found to be compatible with the Urban Renewal goals and is found to be in the best interest of the City of Cedar Rapids.
4. The developer can prove commitment and ability to complete the project.
5. That the proposed City participation is consistent with adopted criteria and guidelines.

With City Council approval, improvements may be provided at the request of developers. This option could be financed through tax increment financing methodology, or other state and federal incentive programs. In addition, the City may utilize other methods which are legally available to provide incentives for development.

9.0 PROPERTY ACQUISITION/DISPOSITION

The Central Urban Renewal Area is substantially developed at present and there is currently no identified potential for property acquisition as a renewal area activity. It is anticipated that revitalization and redevelopment of properties within the Urban Renewal Area will be undertaken by private developers. However, at such time as property acquisition and/or disposition is necessary to accomplish the objectives of this Plan, Urban Renewal powers will be carried out, without limitation, in accordance with the State of Iowa Urban Renewal law.

Any disposition of property within the Urban Renewal Area will be based on the following criteria:

1. Greatest benefit for the City as a whole and those areas within, and directly adjacent to, the Urban Renewal Area.
2. Compatibility with neighboring land uses, architecture, and design.
3. Conformance with the Urban Renewal Plan and the Zoning Ordinance.
4. Willingness of a developer to enter into an agreement with respect to payment of property taxes necessary to retire tax increment debt incurred by the City.
5. Any other conditions and criteria developed and adopted with respect to specific property dispositions.



10. RELOCATION

The need for relocation of businesses by the City is not anticipated. If, however, it becomes necessary for the City to become involved, and before a project is approved, a relocation plan will be developed and adopted that complies with Iowa State Law.

In the event that a situation arises where federal funds are used to support economic development projects which cause businesses to be relocated from existing structures within the Central Urban Renewal Area, those relocation activities are subject to the rules of the Uniform Relocation Assistance and Real Properties Act of 1970, as amended.

11.0 CENTRAL URBAN RENEWAL PLAN AMENDMENTS

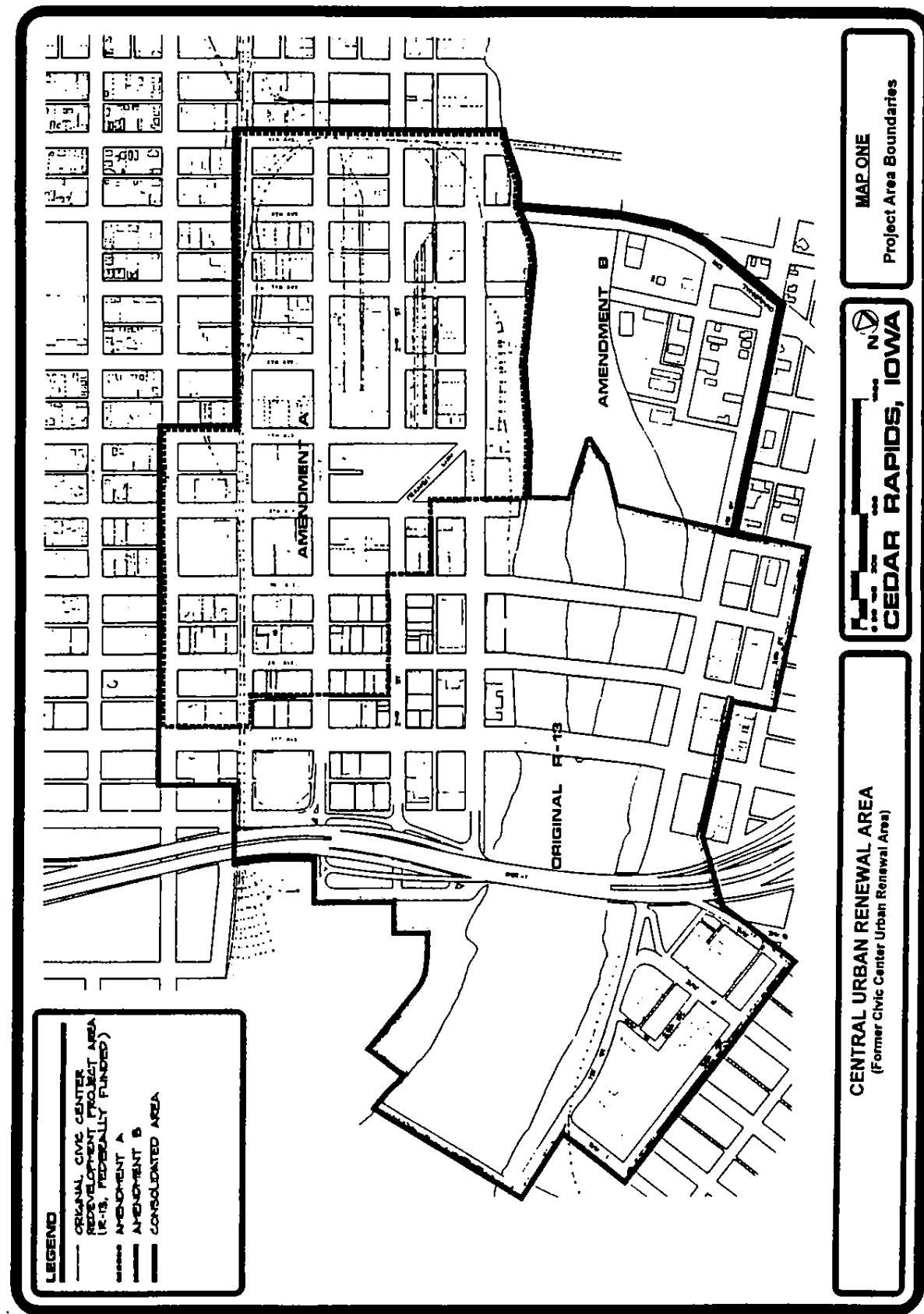
This Urban Renewal Plan may be amended from time to time to include change in the Project Area, to add or change land use controls and regulations, to modify goals or types of renewal activities, or to amend property acquisition and disposition guidelines.

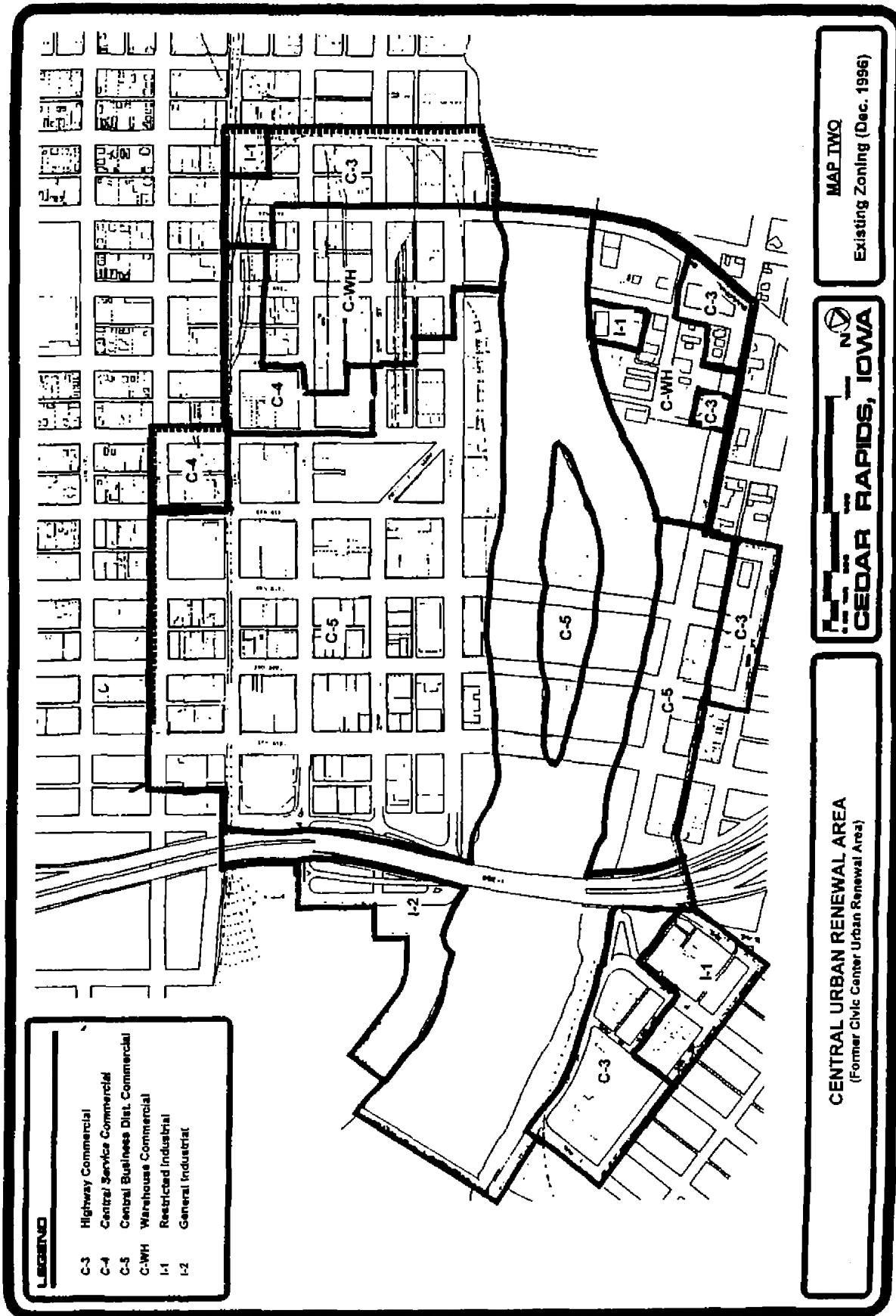
The City Council may amend this Plan by Resolution after holding a Public Hearing on the proposed change in accordance with applicable Iowa State law.

12.0 EFFECTIVE DATE

This Amended and Restated Central Urban Renewal Area Plan shall be deemed to be an Amendment and Restatement of the Civic Center Urban Renewal Plan and shall be effective upon the adoption of a City Council Resolution approving the said amended Urban Renewal Plan. Said Amended Plan shall remain in full force until amended or rescinded by the City Council.

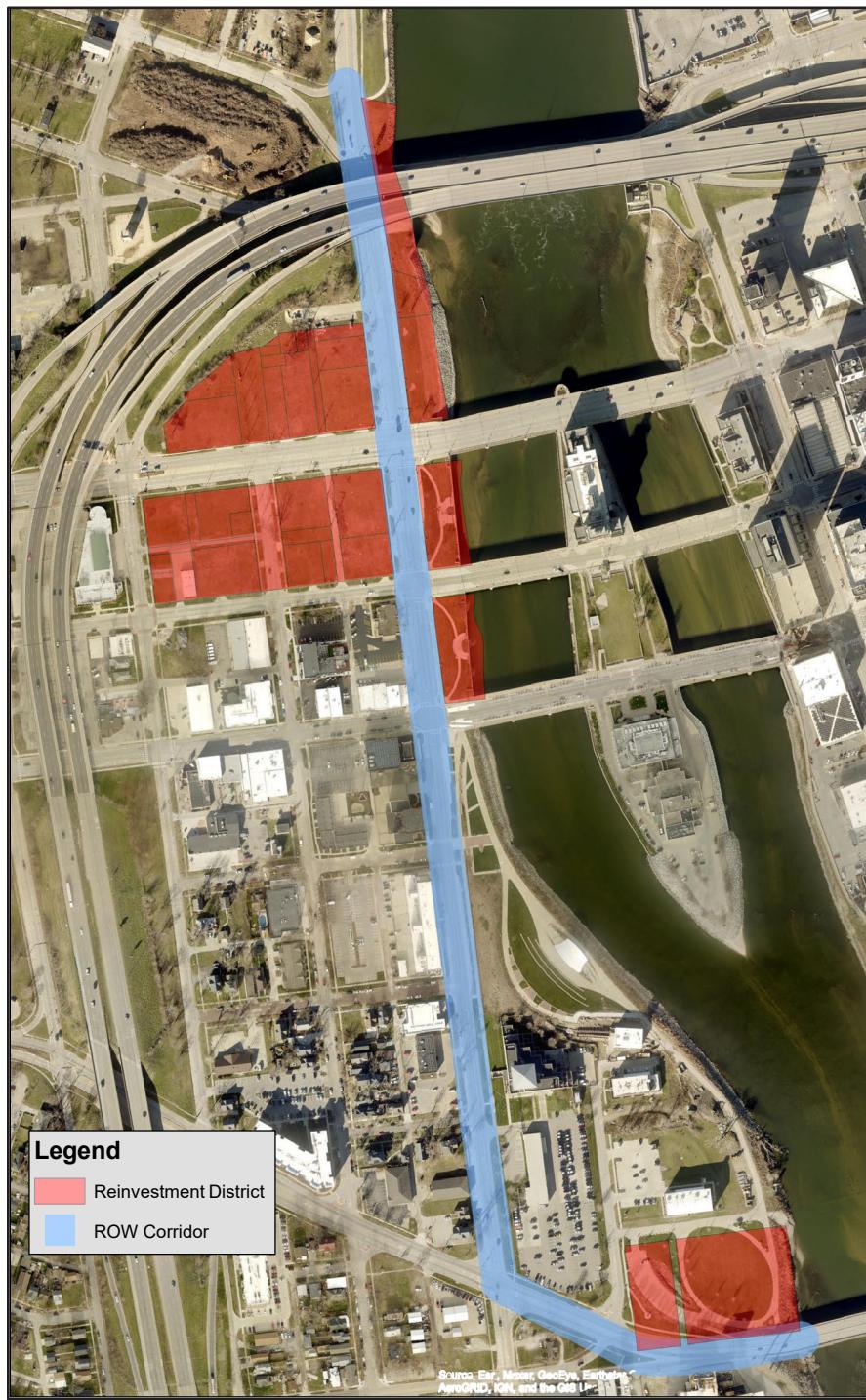






MAP SERIES FOR PROPOSED CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT

MAP 1. EXISTING CONDITIONS WITHIN PROPOSED REINVESTMENT DISTRICT BOUNDARIES



MAP 2. PROPOSED CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT BOUNDARIES

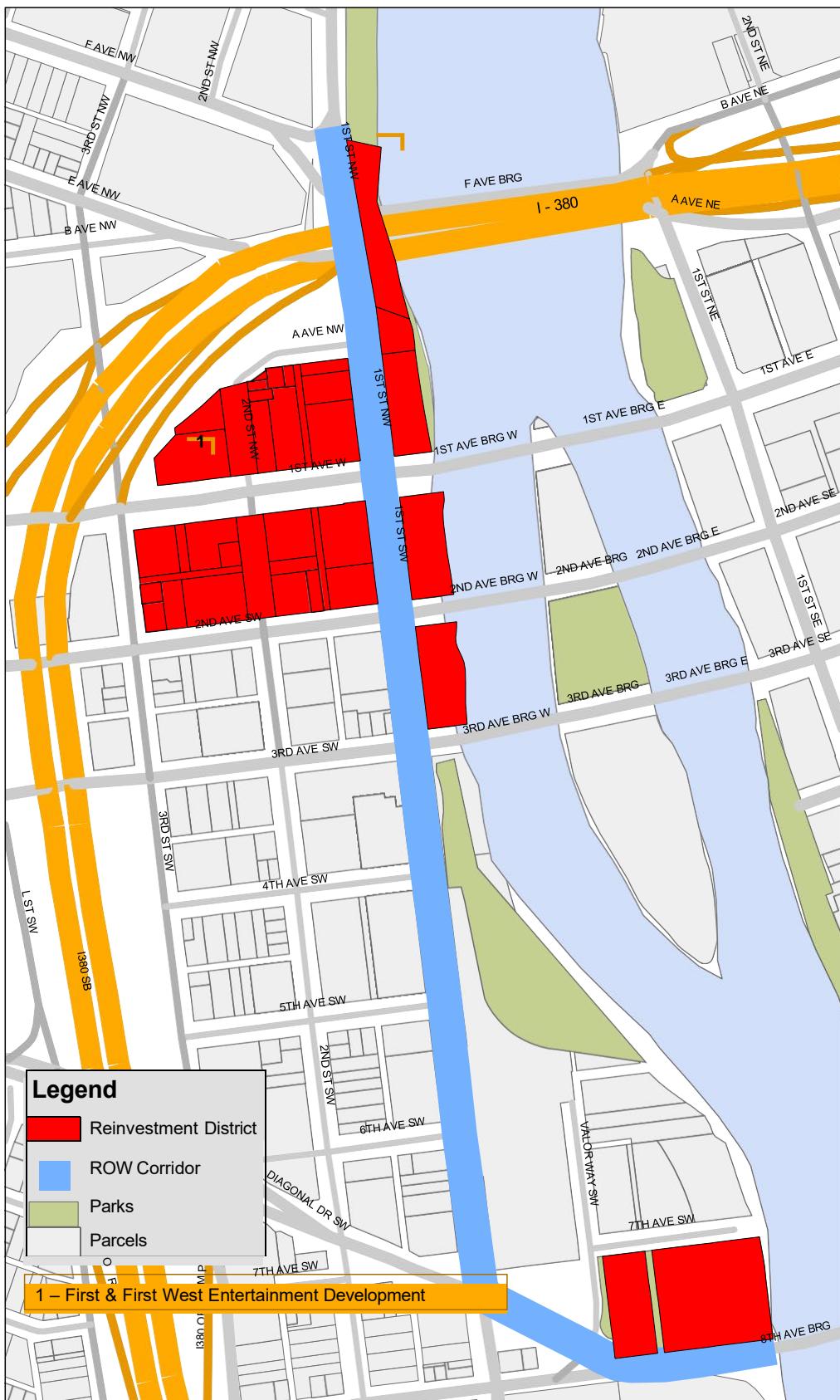


TABLE. PROPERTY OWNERSHIP AND ASSESSED VALUE CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT, 2020

PARCEL	DEED HOLDER	MAILING ADDRESS	CITY	ZIP	2021 ASSESSED VALUE
142823101300000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$156,800
142822800100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$31,400
142823101200000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$80,600
142823100100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$242,500
142823100700000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$20,000
142823200500000	NOVAK STEVEN W & JEAN M	4120 WINDFALL DR NW	CEDAR RAPIDS IA	52405-5297	\$18,500
142813100500000	ASPEN VENTURES LLC	PO BOX 3474	IOWA CITY IA	52244-0000	\$88,300
142822900100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$63,500
142828200100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$150,200
142822900300000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$224,400
142823101400000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$0
142823101500000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$40,400
142135100200000	CEDAR RAPIDS CITY OF	PO BOX 2148	CEDAR RAPIDS IA	52406-0000	\$263,500
142822800700000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-1205	\$159,500
142822801000000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$10,800
142823201100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$16,800
142815800300000	CEDAR RAPIDS CITY OF	PO BOX 2148	CEDAR RAPIDS IA	52406-0000	\$292,400
142820600100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$216,400
142822800200000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$11,300
142823000100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$249,600
142822800300000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$18,000

PARCEL	DEED HOLDER	MAILING ADDRESS	CITY	ZIP	2020 ASSESSED VALUE
142823201300000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$0
142822801300000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$33,500
142822600100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$53,000
142823200100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$134,800
142823200200000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$33,200
142823101100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$13,400
142823200600000	NOVAK STEVE & JEAN	4120 WINDFALL DR NW	CEDAR RAPIDS IA	52405-0000	\$101,900
142822801100000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$4,700
142823200300000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$134,400
142813100600000	ASPEN VENTURES LLC	PO BOX 3474	IOWA CITY IA	52244-0000	\$587,200
142823200800000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$80,600
142822800900000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$76,200
142823201200000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$0
142822800500000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$14,100
142822800800000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$235,000
142822801200000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$167,300
142820600200000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$287,600
142813100400000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$252,000
142823200400000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$10,600
142822800600000	CEDAR RAPIDS CITY OF	101 1ST ST SE	CEDAR RAPIDS IA	52401-0000	\$92,000
142820700100000	SHADOW RIVER LC	221 2ND AVE SE STE 400	CEDAR RAPIDS IA	52404-0000	\$5,724,700

Source: City of Cedar Rapids Assessor, 2022

A5

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

A.5 – LEGAL DESCRIPTION

Being those portions of Sections 21 and 28 in Township 83 North, Range 7 West of the 5th Principal Meridian, City of Cedar Rapids, Linn County, Iowa described as follows:

That portion of land located east of the east right-of-way line of 1st Street NW and 1st Street SW, north of the north right-of-way line of 3rd Avenue SW, west of the Cedar River, and south of a line being the easterly extension of the north right-of-way line of F Avenue NW, extended easterly to the Cedar River;

and;

Lots 1-10, inclusive, Block 2 of West Cedar Rapids, formerly Village or Town of Kingston including the 20 foot wide alley located in said Block 2, as was recorded as Parcel A, Plat of Survey No. 1878 in Book 8909, page 331, Linn County records, excepting therefrom that portion of said Lot 10 recorded as Parcel A, Plat of Survey No. 497 in Book 3499, page 343, Linn County Records;

and;

Parcel A of Plat of Survey No. 1877 recorded in Book 8909, page 330, Linn County Records;

and;

Lots 1, 2, 3, 7, 8, 9, 10, and the easterly 145 feet, more or less, of the 20 foot alley within Block 7 of West Cedar Rapids, formerly Village or Town of Kingston, lying southeasterly of the Iowa Department of Transportation right-of-way of Interstate 380;

and;

Lots 1-10, inclusive, Block 3 of West Cedar Rapids, formerly Village or Town of Kingston including the 20 foot wide alley located in said Block 3, as was recorded as Parcel A, Plat of Survey No. 1879 in Book 8909, page 332, Linn County records;

and;

Parcel B of Plat of Survey No. 1880 recorded in Book 8909, page 333, Linn County Records;

and;

Lots 1-10, inclusive, Block 6 of West Cedar Rapids, formerly Village or Town of Kingston including the 20 foot wide alley located in said Block 6, as was recorded as Parcel A, Plat of Survey No. 1880 in Book 8909, page 333, Linn County records;

and;

Lots 1-10, inclusive, Block 1 of Riverside Park Addition to Cedar Rapids, Lots 1-20, inclusive, Block 2 of said Riverside Park Addition, including the 20 foot wide alley located in said Block 2, and the 60 foot wide street between Lots 1-10, inclusive, of said Blocks 1 and 2 as shown on said Riverside Park Addition as Walnut Street;

and;

The entire 1st Street NW and 1st Street SW right-of-way bounded on the north by the north right-of-way line of F Avenue NW and bounded on the south by the north right-of-way line of Diagonal Drive SW;

and;

The entire Diagonal Drive SW right-of-way bounded on the west by the west right-of-way line of 1st Street SW and bounded on the east by the west side of the Cedar River;

and;

The entire 3rd Avenue SW right-of-way bounded on the west by the east right-of-way line of 1st Street SW and bounded on the east by the west side of the Cedar River;



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.

STATEMENT OF SUBSTANTIAL BENEFIT

Recent disaster events have had a measurable impact on growth trends in Cedar Rapids. In response, the City of Cedar Rapids engages in active, post-disaster recovery efforts through its local economic development process. Economic revitalization of the City's Central Business District (CBD) figures as an important part of a long-term strategy offset the adverse impacts of natural disaster. Specifically, implementation of the City's proposed reinvestment district plan will aim to realize highest and best use at priority redevelopment sites Downtown, while pursuing build-out over the shortest feasible project schedules. Using this approach, the intent is to influence conditions in the local economy to maximize local to regional benefits as measured in jobs and business growth.

The Cedar Rapids Central Reinvestment District Program consists of significant investment into under-utilized, development ready sites within the City' urban core. These specific sites are well served by infrastructure, utilities and access to City streets. Their central location and exceptional site readiness help to advance the Central Reinvestment District's action plan. The following list summarizes individual development sites:

- The 1st & 1st West project site comprises 7.7 acres generally west and south of the intersection of 1st Avenue and 1st ST SW in Downtown Cedar Rapids. The highly visible site, adjacent to I-830, has remained vacant since the 2008 Flood. Zoned for a range of intensive urban land uses (without height restriction), a community driven scoping process has determined that destination-style, master-planned development with amenities, creating a new attractions to downtown, while complementing existing development patterns, constitutes highest and best use. Estimated development cost for Kingston Landing development projects is around \$120 million, and construction on-site will include a sequence of three projects occurring in separate phases from 2023 to 2028. Planned uses include multifamily properties, townhomes, a boutique hotel, City owned parking ramp, bars and restaurants, retail as well access to riverfront and recreational amenities.

⁶ Note: Damage and destruction from the 2008 Flooding event resulted in an estimated \$5.4 billion in losses, affecting roughly 14% of the city's buildings and infrastructure. More recently, the U.S. COVID-19 outbreak has had an out-sized impact on the City's storefront retail, dining and tourism industries, which employs almost 5% of total Cedar Rapids workforce. A City study also estimates minimum documented losses to businesses from the August 2020 Midwest Derecho to exceed \$162 million.

The preceding list of site development will have a significant, positive impact on property values within the district upon build-out. To help determine the size such an impact, tax benefit analysis measured new property (ad valorem) tax revenue generation potential from build-out of project scenarios. Specifically, analysis for the Cedar Rapids Central Reinvestment District shows that the project will have a broadly positive fiscal impact – one that will generate benefits across all taxing authorities in Linn County.

Cedar Rapids has enjoyed tremendous success in business recruitment over the past 5-years. Since 2020, City incentive projects have helped to bring 878 new jobs to the Cedar Rapids economy, while retaining a further 809 FTE jobs. Furthermore, Cedar Rapids has received a total of eight High Quality Job (HQJ) awards from IEDA for expansions covering more than 900 jobs and representing state economic development assistance of more than \$13.6 million. Companies whose local operations are growing include BAE, Collins Aerospace, IFF, and International Paper. Those locating in Cedar Rapids for the first time include Sub Zero as well as large data center investments.

Since 2022, Cedar Rapids has averaged 220 new, direct jobs created on business attraction project annually. But the raw material for economic development successes are physical development that enhances the competitiveness of Cedar Rapids to draw additional higher-wage/higher skill employment. 1st & 1st West provide a strong base for employers to locate in new Class A Office space in Downtown Cedar Rapids with Samsung Electronics, Ryan Companies and Nyemaster already locating dozens of jobs in the development.

Analysis performed by CH Johnson forecasts total property tax revenue in Year 20 to \$6.7 million. That same forecast also holds that total fiscal impact from new development occurring in the district will reach \$184.2 million over the 20-year district planning period. More detail related to the property tax benefits of project development is available in the amended impact analysis contained in Section C.



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.)

TABLE 1. SUMMARY OF PROPOSED PROJECT INVESTMENT IN CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT

PROPOSED PROJECTS	TOTAL COST* **
Project I: 1st & 1st West-Phase 1-Mixed Use	\$82,779,355
Project II: 1st & 1st West-Phase 2-Public Plaza	\$24,343,454
Project IV: 1st & 1st West-Phase 3-Entertainment Center	\$55,000,000
TOTAL	\$162,122,809

* Reflects total project budget inclusive of hard and soft costs.

**24.8% of the total investment results from retail components

2. Amount of State Assistance Requested \$9.0 million

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.

The amount of assistance requested is consistent with the provisional award of \$9.0. Investment in the Cedar Rapids Central Reinvestment District will help catalyze near-term conditions for large-scale growth in the Downtown. The total fiscal impact associated with the proposed district program is \$184.2 million in gross tax revenues over the 20-year planning period. Other key highlights of district-led revitalization effort are as follows:

- 192 ongoing jobs (FTE) by Year 20.
- 239 temporary jobs and \$162.1 million in spending throughout the construction period.
- \$67.9 million in annual direct spending as a result of project development in Year 20.
- \$19.6 million in annual indirect and induced (household) spending in Year 20.
- \$14.3 million in annual employee payroll when build-out is complete in Year 20.

\$60.4 million in additional (new) sales tax and \$10.8 million in hotel/ motel taxes leveraged community-wide as a result of new economic growth in the district over a 20-year period.



- The Cedar Rapids Central Reinvestment District will generate \$15.9 million in new Iowa income tax revenues over 20 years

The district program represents a sizable investment of private capital into project development in Downtown Cedar Rapids. For this reason, state assistance delivered through the Cedar Rapids Central Reinvestment District will generate significant positive economic impact and fiscal impacts. For every dollar of state assistance provided as part of this funding request to the Reinvestment District in Cedar Rapids program, an additional \$4.58 in sales tax, hotel/motel tax, and excise tax is either generated outside the district in the Cedar Rapids community or separate from total revenues allowed by the IRA.

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.

The Reinvestment District dollars will be utilized to support public investment by the City to catalyze private investment within the district. The City has received a provisional award of \$9 million. That funding will be used to service debt, which will be incurred by the City, for projects identified in the application. The funding amounts are as follows:

Parking ramp @ 1st & 1st West	\$9,000,000
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Specifically, based on analysis prepared as part of this final application, the Reinvestment District dollars would be anticipated to be generated and realized over at least a ten-year period beginning in or after Fiscal Year 2024. These funds will be used to defray debt service on City bonds, which will be used to finance 100-percent of cost for projects the above referenced projects.

4. Project Plan Inventory

The Cedar Rapids Central Reinvestment District Program combines high priority, development ready sites with public improvements that will help to put the conditions in place for the long-term economic viability of the district program. In this way, the timing of public and private investment in the district will be coordinated in a parallel way for maximum impact. This section of the report covers individual project proposals in detail, providing a description of project types and needs as well as anticipated development timelines.



PROJECT I: 1ST & 1ST WEST PHASE I—MIXED-USE



ATTACHMENT B-1

Project Description: Project I at 1st & 1st West represents a major mixed-use, anchor development on the West side of the Cedar River. The project is located across three blocks on 7.7 acres of City-owned property in an area known as Kingston Village. The property was acquired by the City following the 2008 floods. The City Council has identified the redevelopment of this site as a strategic priority. In 2019, the City Council initiated a request for proposal (RFP) for the redevelopment of that site, and selected 1st & 1st LLC as the master developer for the property. The Cedar Rapids City Council has approved a Project Term Sheet and a Final Development Agreement is being prepared for execution with the City and Developer.

The property is bounded by I-380 to the west and the Cedar River to the east, which 1st Avenue, the City's "main street" spine running through the center. This area serves as an extension of the Cedar Rapids Central Business District. The development site will be subdivided into lots, which may be sold to individual investors or retained by the owner/developer Ahmann Companies.

The overarching objective of this redevelopment is to maintain an urban density consistent with the downtown business district, maximizing developable land area, while bringing walkable, pedestrian elements to the Kingston Village district through a pedestrian plaza area connected the development to the greenway running along the river and Riverfront Park. **Project I: 1st & 1st West —Phase 1—Mixed Use** is master-planned, destination-style mixed-use development.



The anticipated development schedule for this mixed use project is being anchored by two committed users - Big Grove Brewery and The Pickle Palace, a mixed-use pickle ball and restaurant venue. In addition, the developer has secured a hotel developer for a Marriot-branded boutique hotel. When complete, Project I will result in 100,042 square feet of combined commercial (retail/ entertainment and office) space, 114 residential units, and roughly 123 hotel rooms that will be the first step in transforming the west bank of the river into a vibrant and active urban center. Build-out is scheduled to be complete by the end of 2026 with operations to begin at that time as well.

TABLE B-1.1 PROJECT PLAN

PROJECT NAME:		PROJECT I: 1ST & 1ST WEST —PHASE 1—MIXED-USE	
Funding Uses		Funding Sources	
Site Preparation	\$0	Private Debt	\$60,284,234
Building Acquisition	0	Private Equity	\$20,495,121
Building Construction	\$72,560,979	Tenant-Funded Improvements	\$3,573,442
Building Remodeling	0		
Fixtures	0		
Architectural Design	\$4,484,000		
Engineering	\$1,681,500		
Construction Admin*	\$2,242,000		
Total Project Budget:	\$82,779,355	Total Funding Sources:	\$82,779,355

Tax Projections: Excluding local property tax, a total fiscal impact of \$3.8 million in Year 20 is estimated.

Project Benefit: Year 20 economic impacts are estimated to reach \$71.2 million in total spending, \$12.4 million in employee payroll and 135 FTE jobs. There is an additional \$4.7 million in sales, hotel and income tax generated of the life of the project.

Project Needs: Project I will constitute a major redevelopment in Downtown Cedar Rapids and signifies an important milestone in the community's recovery from the 2008 Flood. The City has adequate water, road, and utilities infrastructure available and in place for this development to serve project needs. The City of Cedar Rapids has made a commitment to fund a Citywide Flood protection system for a total cost up to \$750 million over 20-years. Project I at 1st & 1st West represents a near term and immediate economic benefit from the City's investment in flood control as part of a larger, coordinated post-disaster recovery strategy.

Project Timeline: The City of Cedar Rapids approved a development agreement for 1st & 1st West on April 12, 2022. Construction financing will close and construction will begin for Project I by October 31, 2022. All construction shall be complete no later than December 1, 2026, and operations will start by December 31, 2026.



TABLE B-1.2: PROJECT I—PROJECT-WIDE OPERATING PROJECTIONS

		CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA																				
		PROJECT I: 1ST & 1ST WEST —PHASE 1—MIXED USE																				
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
DEVELOPMENT SCHEDULE		<i>Total Built-Out</i>																				
Retail/Restaurants	90,542	SF	41,042	49,500																		
Office	9,500	SF		9,500																		
Housing	114	units		114																		
Hotel	123	rooms			123																	
Parking	680	spaces	320	130		230																
OPERATING REVENUE (\$000)																						
Retail/Restaurants			\$994	\$2,277	\$2,398	\$2,494	\$2,524	\$2,594	\$2,680	\$2,753	\$2,821	\$2,892	\$2,964	\$3,038	\$3,114	\$3,192	\$3,272	\$3,354	\$3,438	\$3,524	\$3,612	\$3,702
Office			0	241	254	267	274	281	288	295	302	310	318	326	334	342	351	359	368	378	387	397
Housing			0	616	650	686	703	725	751	778	798	818	838	859	881	903	925	948	972	996	1,021	1,047
Hotel			0	0	0	6,263	6,930	7,508	7,850	8,211	8,416	8,650	8,842	9,063	9,290	9,548	9,760	10,004	10,254	10,539	10,773	11,043
Parking			1,197	1,730	1,769	2,740	2,808	2,886	2,950	3,024	3,100	3,186	3,257	3,338	3,421	3,517	3,595	3,685	3,777	3,882	3,968	4,067
TOTAL			\$2,192	\$4,865	\$5,071	\$12,449	\$13,239	\$13,994	\$14,519	\$15,061	\$15,437	\$15,856	\$16,219	\$16,624	\$17,040	\$17,502	\$17,903	\$18,350	\$18,809	\$19,319	\$19,761	\$20,255
OPERATING EXPENSES (\$000)																						
Retail/Restaurants			\$711	\$1,608	\$1,648	\$1,689	\$1,731	\$1,775	\$1,819	\$1,864	\$1,911	\$1,959	\$2,008	\$2,058	\$2,109	\$2,162	\$2,216	\$2,272	\$2,328	\$2,387	\$2,446	\$2,507
Office			0	190	195	200	205	210	215	221	226	232	238	244	250	256	262	269	276	282	289	297
Housing			0	212	217	223	228	240	246	253	259	265	272	279	286	293	300	308	315	323	331	340
Hotel			0	0	0	3,982	4,395	4,751	4,963	5,185	5,315	5,462	5,584	5,723	5,866	6,029	6,163	6,317	6,475	6,655	6,803	6,973
Parking			539	779	796	1,233	1,264	1,299	1,328	1,361	1,395	1,434	1,465	1,502	1,540	1,582	1,618	1,658	1,699	1,747	1,786	1,830
TOTAL			\$1,250	\$2,788	\$2,856	\$7,326	\$7,823	\$8,275	\$8,571	\$8,883	\$9,106	\$9,352	\$9,566	\$9,806	\$10,051	\$10,323	\$10,560	\$10,824	\$11,094	\$11,394	\$11,656	\$11,947
NET OPERATING INCOME (\$000)																						
Retail/Restaurants			\$283	\$669	\$750	\$805	\$793	\$820	\$861	\$888	\$910	\$933	\$957	\$980	\$1,005	\$1,030	\$1,056	\$1,082	\$1,109	\$1,137	\$1,165	\$1,195
Office			0	51	59	67	69	71	73	74	76	78	80	82	84	86	88	91	93	95	98	100
Housing			0	405	433	463	475	485	505	526	539	552	566	580	595	610	625	641	657	673	690	707
Hotel			0	0	0	2,281	2,535	2,756	2,887	3,026	3,101	3,188	3,258	3,340	3,423	3,519	3,597	3,687	3,779	3,884	3,970	4,069
Parking			658	952	973	1,507	1,544	1,587	1,623	1,663	1,705	1,752	1,791	1,836	1,882	1,934	1,977	2,026	2,077	2,135	2,182	2,237
TOTAL			\$942	\$2,076	\$2,215	\$5,123	\$5,416	\$5,719	\$5,948	\$6,178	\$6,332	\$6,504	\$6,653	\$6,819	\$6,989	\$7,179	\$7,343	\$7,527	\$7,715	\$7,924	\$8,105	\$8,308

'Source: Johnson Consulting



TABLE B-1.3: PROJECT I—ESTIMATED ECONOMIC AND FISCAL IMPACT (\$MILLION)

CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA
PROJECT I: 1ST & 1ST WEST — PHASE 1 — MIXED USE

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
ECONOMIC IMPACT (\$M)																							
Direct Spending	<u>Multiplier</u>		\$7.9	\$24.1	\$25.3	\$31.2	\$32.2	\$33.1	\$34.2	\$35.3	\$36.2	\$37.1	\$38.0	\$39.0	\$39.9	\$40.9	\$41.9	\$43.0	\$44.1	\$45.2	\$46.3	\$47.5	
Indirect Spending	0.289		2.3	7.0	7.3	9.0	9.3	9.6	9.9	10.2	10.5	10.7	11.0	11.3	11.5	11.8	12.1	12.4	12.7	13.1	13.4	13.7	
Induced Spending	0.210		1.7	5.1	5.3	6.6	6.8	7.0	7.2	7.4	7.6	7.8	8.0	8.2	8.4	8.6	8.8	9.0	9.3	9.5	9.7	10.0	
TOTAL			\$11.8	\$36.1	\$37.9	\$46.8	\$48.2	\$49.6	\$51.3	\$52.9	\$54.2	\$55.6	\$57.0	\$58.4	\$59.9	\$61.4	\$62.9	\$64.5	\$66.1	\$67.8	\$69.4	\$71.2	
Increased Earnings	0.260	\$2.1	\$6.3	\$6.6	\$8.1	\$8.4	\$8.6	\$8.9	\$9.2	\$9.4	\$9.7	\$9.9	\$10.1	\$10.4	\$10.7	\$10.9	\$11.2	\$11.5	\$11.8	\$12.1	\$12.4	\$11.0	
Employment (FTE Jobs)	4.646	36	106	109	131	132	132	134	135	135	135	135	135	135	135	135	135	135	135	135	135	120	
FISCAL IMPACT (\$M)	<u>Rate</u>																						
Sales Tax	7.0%		\$0.6	\$1.6	\$1.7	\$1.8	\$1.8	\$1.9	\$1.9	\$2.0	\$2.0	\$2.1	\$2.1	\$2.2	\$2.3	\$2.3	\$2.4	\$2.4	\$2.5	\$2.5	\$2.6	\$2.7	
Hotel/Motel Tax	7.0%		0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	
State Excise (Hotel/Motel) Tax	5.0%		0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
Income Tax	6.9%		0.1	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	
Property Tax	4.176%		0.6	1.7	1.7	3.2	3.3	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	4.4	4.5	4.6	4.7	
TOTAL			\$1.3	\$3.7	\$3.8	\$6.0	\$6.2	\$6.3	\$6.5	\$6.7	\$6.9	\$7.1	\$7.2	\$7.4	\$7.6	\$7.8	\$8.0	\$8.2	\$8.4	\$8.6	\$8.8	\$9.0	
																						20 -YEAR TOTAL FISCAL IMPACT=	\$135.9

'Source: Johnson Consulting'

TABLE B-1.4: PROJECT I—ESTIMATED ANNUAL VISITATION

CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA
PROJECT I: 1ST & 1ST WEST — PHASE 1 — MIXED USE

Source: Johnson Consulting



TABLE B-1.5: PROJECT I—ESTIMATED TAX REVENUE

CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA PROJECT I: 1ST & 1ST WEST (PHASE 1) - MIXED USE ESTIMATED TAX REVENUES GENERATED WITHIN DISTRICT BOUNDARIES ONLY (\$MILLION)							
YEAR	SALES TAX (7%)*		LOCAL HOTEL/MOTEL TAX ON ROOMS	EXCEISE TAX ON ROOMS**	TOTAL	AVAILABLE TO REINVESTMENT PROGRAM AS ALLOWED BY IRA**	RETAINED BY JURISDICTIONS
	4.0%** (A)	3.0% (B)					
2023	\$0.298	\$0.224	\$0.000	\$0.000	\$0.522	\$0.298	\$0.224
2024	0.666	0.499	0.000	0.000	1.165	0.666	0.499
2025	0.699	0.524	0.000	0.000	1.223	0.699	0.524
2026	0.766	0.574	0.246	0.176	1.762	0.942	0.821
2027	0.777	0.583	0.278	0.199	1.836	0.976	0.861
2028	0.799	0.599	0.306	0.219	1.923	1.018	0.906
2029	0.824	0.618	0.323	0.231	1.995	1.055	0.941
2030	0.846	0.635	0.340	0.243	2.064	1.089	0.975
2031	0.867	0.650	0.349	0.249	2.116	1.116	0.999
2032	0.889	0.667	0.358	0.256	2.171	1.145	1.026
2033	0.911	0.683	0.366	0.262	2.223	1.173	1.050
2034	0.934	0.701	0.376	0.268	2.278	1.202	1.076
2035	0.957	0.718	0.385	0.275	2.335	1.232	1.103
2036	0.982	0.736	0.396	0.283	2.396	1.264	1.132
2037	1.006	0.754	0.404	0.289	2.454	1.295	1.159
2038	1.031	0.773	0.415	0.296	2.515	1.327	1.188
2039	1.057	0.793	0.425	0.304	2.578	1.360	1.218
2040	1.084	0.813	0.437	0.312	2.645	1.396	1.249
2041	1.110	0.833	0.446	0.319	2.708	1.429	1.279
2042	1.138	0.853	0.458	0.327	2.776	1.465	1.311
TOTAL THROUGH 2042	\$17.641	\$13.231	\$6.309	\$4.506	\$41.687	\$22.147	\$19.540

*Applied to general retail, food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 7 percent, of which 4 percent is allowed by IRA to be available for Iowa Reinvestment District Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

Source: Johnson Consulting



PROJECT II: 1ST & 1ST WEST PHASE 2—PUBLIC PLAZA



ATTACHMENT B-2

Project Description: Project II at 1st & 1st West 463-stall City-owned parking ramp, and final build-out of a public plaza area. In particular, the public plaza will provide a unique physical setting through high quality design for events and public gathering helping to define a unique sense of place for the development. The expected completion for this project is by the end of 2025.

TABLE B-2.1: PROJECT PLAN

PROJECT NAME:		PROJECT II: 1ST & 1ST WEST —PHASE 2—PUBLIC PLAZA	
Funding Uses		Funding Sources	
Site Preparation	\$1,218,428	Private Debt	\$3,748,454
Building Acquisition	\$948,000	Private Equity	\$300,000
Building Construction	\$19,086,000	NPV of TIF Rebate	\$1,000,000
Building Remodeling	0	Plaza Completion Grant (TIF)	\$1,500,000
		City of Cedar Rapids (TIF Bond)	\$17,800,000
Fixtures	0		
Architectural Design	\$1,651,214		
Engineering	\$619,205		
Construction Admin	\$825,607		
Total Project Budget:	\$24,348,454	Total Funding Sources:	\$24,348,454

**The City Council has authorized a 20-year, 85% TIF rebate for each respective building and a Plaza Completion Grant of \$1.5 million for the plaza area; this amount reflects the estimated NPV of the TIF for the buildings in this Phase of the project and proportional amount of the Plaza Completion Grant*

\$13,750,000 in total cost for the parking facility will be paid upfront by the City of Cedar Rapids, but \$6,000,000 in Reinvestment District Program Revenues will be utilized to help the City of Cedar Rapids cover the cost of debt.



Tax Projections: Excluding local property tax, a total fiscal impact of \$200,000 in Year 20 is estimated.

Project Benefit: Year 20 economic impacts are estimated to reach \$4.3 million in total spending, \$700,000 in employee payroll and 8 FTE jobs.

Project Needs: The public parking ramp is a critical element of this phase of the overall plan. The structured parking allows the all development projects at 1st & 1st West to maximize the urban density of the buildings, and all the public to assemble for events, activities and leisure within the heart of the Kingston Village neighborhood. The City is estimating the parking ramp will be approximately \$30,000 per stall. The debt is expected to be serviced, in part, by tax increments within the Central TIF. It is estimated the \$6,000,000 in Reinvestment District program revenue will also be utilized to cover the cost of debt service on construction of the public parking ramp.

Project Timeline: Construction financing will close for Project II by January 1, 2025. Following that date, construction for non-parking facility improvements will start by June 1, 2025. Design, financing and construction documents for the City owned parking facility will be executed by July 1, 2025. Central Park opened in 2024, and the public parking ramp is scheduled to open by December 31, 2025. All project improvements (public and private) shall be complete by December 1, 2026. Operations will start by December 31, 2026.

TABLE B-2.2: PROJECT II—PROJECT-WIDE OPERATING PROJECTIONS

		CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA PROJECT II: 1ST & 1ST WEST — PHASE 2—PUBLIC PLAZA																			
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
DEVELOPMENT SCHEDULE	Total Built-Out																				
Central Park		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parking	481 spaces	-	-	481	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPERATING REVENUE (\$000)																					
Retail/Restaurants		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hotel		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking		0	0	1,891	1,938	1,986	2,042	2,087	2,139	2,193	2,254	2,304	2,361	2,420	2,487	2,543	2,606	2,671	2,746	2,807	2,877
TOTAL		\$0	\$0	\$1,891	\$1,938	\$1,986	\$2,042	\$2,087	\$2,139	\$2,193	\$2,254	\$2,304	\$2,361	\$2,420	\$2,487	\$2,543	\$2,606	\$2,671	\$2,746	\$2,807	\$2,877
OPERATING EXPENSES (\$000)																					
Retail/Restaurants		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hotel		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking		0	0	851	872	894	919	939	963	987	1,014	1,037	1,063	1,089	1,119	1,144	1,173	1,202	1,236	1,263	1,295
TOTAL		\$0	\$0	\$851	\$872	\$894	\$919	\$939	\$963	\$987	\$1,014	\$1,037	\$1,063	\$1,089	\$1,119	\$1,144	\$1,173	\$1,202	\$1,236	\$1,263	\$1,295
NET OPERATING INCOME (\$000)																					
Retail/Restaurants		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hotel		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking		0	0	1,040	1,066	1,092	1,123	1,148\$	1,176	1,206	1,239	1,267	1,299	1,331	1,368	1,398	1,433	1,469	1,510	1,544	1,582
TOTAL		\$0	\$0	\$1,040	\$1,066	\$1,092	\$1,123	1,148\$	\$1,176	\$1,206	\$1,239	\$1,267	\$1,299	\$1,331	\$1,368	\$1,398	\$1,433	\$1,469	\$1,510	\$1,544	\$1,582

Source: Johnson Consulting

TABLE B-2.3: PROJECT II—ESTIMATED ECONOMIC AND FISCAL IMPACT (\$MILLION)

		CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA PROJECT II: 1ST & 1ST WEST—PHASE 2—PUBLIC PLAZA																			
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
ECONOMIC IMPACT (\$M)																					
Direct Spending	<i>Multiplier</i>	\$0.0	\$0.0	\$1.9	\$1.9	\$2.0	\$2.0	\$2.1	\$2.1	\$2.2	\$2.3	\$2.3	\$2.4	\$2.4	\$2.5	\$2.5	\$2.6	\$2.7	\$2.7	\$2.8	\$2.9
Indirect Spending	0.289	0.0	0.0	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8
Induced Spending	0.210	0.0	0.0	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6
TOTAL		\$0.0	\$0.0	\$2.8	\$2.9	\$3.0	\$3.1	\$3.1	\$3.2	\$3.3	\$3.4	\$3.5	\$3.5	\$3.6	\$3.7	\$3.8	\$3.9	\$4.0	\$4.1	\$4.2	\$4.3
Increased Earnings	0.260	\$0.0	\$0.0	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.7	\$0.7	\$0.7	\$0.7	\$0.7
Employment (FTE Jobs)	4.646	0	0	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
FISCAL IMPACT (\$M)																					
Sales Tax	<i>Rate</i>	7.0%	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
Hotel/Motel Tax	7.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Excise (Hotel/Motel) Tax	5.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Tax	6.9%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Tax	4.176%	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
TOTAL		\$0.0	\$0.0	\$0.4	\$0.4	\$0.5	\$0.6	\$0.7													
20 -YEAR TOTAL FISCAL IMPACT=																					\$9.7

Source: Johnson Consulting

TABLE B-2.4: PROJECT II—ESTIMATED ANNUAL VISITATION

		CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA PROJECT II: 1ST & 1ST WEST—PHASE 2—PUBLIC PLAZA																			
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Retail/Restaurants	- SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Office	- SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing	- units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hotel	- rooms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Parking	481 spaces	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Central Park	- SF	-	1,800	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	
TOTAL		-	1,800	3,600																	

Source: Johnson Consulting

TABLE B-2.5: PROJECT II—ESTIMATED TAX REVENUE

CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA PROJECT II: 1ST & 1ST WEST (PHASE 2) - PUBLIC PLAZA ESTIMATED TAX REVENUES GENERATED WITHIN DISTRICT BOUNDARIES ONLY (\$MILLION)							
YEAR	SALES TAX (7%)*		LOCAL HOTEL/MOTEL TAX ON ROOMS	EXCEISE TAX ON ROOMS**	TOTAL	AVAILABLE TO REINVESTMENT PROGRAM AS ALLOWED BY IRA**	RETAINED BY JURISDICTIONS
	4.0%** (A)	3.0% (B)					
2023	(\$0.007)	(\$0.005)	\$0.000	\$0.000	(\$0.013)	(\$0.007)	(\$0.005)
2024	(0.007)	(0.006)	0.000	0.000	(0.013)	(0.007)	(0.006)
2025	0.068	0.051	0.000	0.000	0.119	0.068	0.051
2026	0.070	0.052	0.000	0.000	0.122	0.070	0.052
2027	0.071	0.054	0.000	0.000	0.125	0.071	0.054
2028	0.073	0.055	0.000	0.000	0.129	0.073	0.055
2029	0.075	0.056	0.000	0.000	0.131	0.075	0.056
2030	0.077	0.058	0.000	0.000	0.135	0.077	0.058
2031	0.079	0.059	0.000	0.000	0.138	0.079	0.059
2032	0.081	0.061	0.000	0.000	0.142	0.081	0.061
2033	0.083	0.062	0.000	0.000	0.145	0.083	0.062
2034	0.085	0.064	0.000	0.000	0.149	0.085	0.064
2035	0.087	0.065	0.000	0.000	0.152	0.087	0.065
2036	0.090	0.067	0.000	0.000	0.157	0.090	0.067
2037	0.091	0.069	0.000	0.000	0.160	0.091	0.069
2038	0.094	0.070	0.000	0.000	0.164	0.094	0.070
2039	0.096	0.072	0.000	0.000	0.168	0.096	0.072
2040	0.099	0.074	0.000	0.000	0.173	0.099	0.074
2041	0.101	0.076	0.000	0.000	0.177	0.101	0.076
2042	0.104	0.078	0.000	0.000	0.181	0.104	0.078
TOTAL THROUGH 2042	\$1.509	\$1.132	\$0.000	\$0.000	\$2.641	\$1.509	\$1.132

*Applied to general retail, food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 7 percent, of which 4 percent is allowed by IRA to be available for Iowa Reinvestment District Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

Source: Johnson Consulting



PROJECT III: 1ST & 1ST WEST PHASE 3—ENTERTAINMENT CENTER



ATTACHMENT B-4

Project Description: Project III project consists of the build-out of the north parcel of the 1st & 1st West site. The project consists of mixed-use buildings which includes multi-family units, first- floor commercial space, condominium units, parking, and a family fun center. When complete, the Phase 3 Project will include over 38,000 square feet of commercial (retail/ entertainment) space and 65 residential units. This project will also tie into the City's Flood Control System along 1st Street SE. The City will be re-configureing 1st Street NW, adjacent to this site, which will incorporate a new streetscape, Flood Control System, which will be integrated into the road, and pedestrian connections to the 5-in-1 Dam Bypass Channel Project – a whitewater rafting amenity centrally located in Downtown Cedar Rapids. All uses included in this project will be compete and open by the end of 2028.



TABLE B-4.1: PROJECT PLAN

PROJECT NAME:		PROJECT IV: 1ST & 1ST WEST —PHASE 3—ENTERTAINMENT CENTER	
<i>Funding Uses</i>		<i>Funding Sources</i>	
Site Preparation	\$0	Private Debt	\$38,111,197
Building Acquisition	0	Private Equity	\$10,806,503
Building Construction	\$48,181,765	NPV of TIF Rebate	\$6,082,300
Building Remodeling	0		
Fixtures	0		
Architectural Design	\$3,636,393		
Engineering	\$1,363,647		
Construction Admin	\$1,818,195		
Total Project Budget:	\$55,000,000	Total Funding Sources:	55,000,000

**The City Council has authorized a 20-year, 85% TIF rebate for each respective building and a Plaza Completion Grant of \$1.5 million for the plaza area; this amount reflects the estimated NPV of the TIF for the buildings in this Phase of the project*

Tax Projections: Excluding local property tax, a total fiscal impact of \$900,000 in Year 20 is estimated.

Project Benefit: Year 20 economic impacts are estimated to reach \$26.3 million in total spending, \$4.3 million in employee payroll and 36 FTE jobs. There is an additional \$1.1 million in sales and hotel/motel excise tax generated annually by Year 20 of the district program.

Project Needs: The additional public parking planned for Phase 3 will play a beneficial role in Project III. Parking facility needs are still being studied by City staff, but the City-owned parking facility constructed as part of Project II will benefit Project III as part of the 1st & 1st West site.

Project Timeline: Construction financing for Project IV will close and construction will start by July 1, 2026. Execute design, financing and construction documents relating to any City owned parking facility by December 31, 2027. Construction shall be complete for all project improvements (public and private) by December 1, 2028. Operations will start by December 31, 2028.



CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA
PROJECT III: 1ST & 1ST WEST —PHASE 3—ENTERTAINMENT CENTER

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
DEVELOPMENT SCHEDULE		<i>Total Built-Out</i>																				
Retail/Restaurants	38,000	SF	-	-	-	-	28,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing	65	units	-	-	-	-	-	65	-	-	-	-	-	-	-	-	-	-	-	-	-	
Parking	381	spaces	-	-	-	-	-	303	78	-	-	-	-	-	-	-	-	-	-	-	-	
OPERATING REVENUE (\$000)																						
Retail/Restaurants			\$0	\$0	\$0	\$0	\$781	\$1,089	\$1,125	\$1,155	\$1,184	\$1,214	\$1,244	\$1,275	\$1,307	\$1,340	\$1,373	\$1,408	\$1,443	\$1,479	\$1,516	\$1,554
Office			0	0	0	0	0	414	428	444	455	466	478	490	502	515	528	541	554	568	582	597
Housing			0	0	0	0	1,251	1,617	1,653	1,694	1,737	1,785	1,825	1,870	1,917	1,970	2,014	2,064	2,116	2,175	2,223	2,279
Hotel			0	0	0	0	\$2,032	\$3,119	\$3,206	\$3,293	\$3,376	\$3,465	\$3,547	\$3,635	\$3,726	\$3,825	\$3,915	\$4,013	\$4,113	\$4,222	\$4,321	\$4,429
Parking			0	0	0	0																
TOTAL			\$0	\$0	\$0	\$0	\$535	\$745	\$763	\$782	\$802	\$822	\$843	\$864	\$885	\$907	\$930	\$953	\$977	\$1,002	\$1,027	\$1,052
OPERATING EXPENSES (\$000)							0	137	141	144	148	151	155	159	163	167	171	175	180	184	189	194
Retail/Restaurants			\$0	\$0	\$0	\$0	563	728	744	762	782	803	821	842	863	887	906	929	952	979	1,000	1,025
Office			0	0	0	0	\$1,098	\$1,610	\$1,648	\$1,689	\$1,731	\$1,777	\$1,819	\$1,864	\$1,911	\$1,961	\$2,008	\$2,058	\$2,109	\$2,165	\$2,216	\$2,271
Housing			0	0	0	0																
Hotel			0	0	0	0	\$245	\$344	\$361	\$373	\$382	\$392	\$401	\$411	\$422	\$432	\$443	\$454	\$466	\$477	\$489	\$501
Parking			0	0	0	0	0	276	288	300	307	315	323	331	339	348	356	365	374	384	393	403
TOTAL			\$0	\$0	\$0	\$0	688	889	909	932	955	982	1,004	1,029	1,054	1,084	1,108	1,135	1,164	1,196	1,223	1,253
NET OPERATING INCOME (\$000)							\$933	\$1,510	\$1,558	\$1,605	\$1,645	\$1,688	\$1,728	\$1,771	\$1,815	\$1,864	\$1,907	\$1,955	\$2,004	\$2,057	\$2,105	\$2,158
Retail/Restaurants			\$0	\$0	\$0	\$0	\$781	\$1,089	\$1,125	\$1,155	\$1,184	\$1,214	\$1,244	\$1,275	\$1,307	\$1,340	\$1,373	\$1,408	\$1,443	\$1,479	\$1,516	\$1,554
Office			0	0	0	0	0	414	428	444	455	466	478	490	502	515	528	541	554	568	582	597
Housing			0	0	0	0	1,251	1,617	1,653	1,694	1,737	1,785	1,825	1,870	1,917	1,970	2,014	2,064	2,116	2,175	2,223	2,279
Hotel			0	0	0	0	\$2,032	\$3,119	\$3,206	\$3,293	\$3,376	\$3,465	\$3,547	\$3,635	\$3,726	\$3,825	\$3,915	\$4,013	\$4,113	\$4,222	\$4,321	\$4,429
Parking			0	0	0	0																
TOTAL			\$0	\$0	\$0	\$0	\$535	\$745	\$763	\$782	\$802	\$822	\$843	\$864	\$885	\$907	\$930	\$953	\$977	\$1,002	\$1,027	\$1,052

Source: Johnson Consulting



CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA
PROJECT III: 1ST & 1ST WEST —PHASE 3—ENTERTAINMENT CENTER

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
ECONOMIC IMPACT (\$M)																						
Direct Spending	<i>Multiplier</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$6.5	\$12.3	\$12.7	\$13.0	\$13.4	\$13.7	\$14.0	\$14.4	\$14.7	\$15.1	\$15.5	\$15.9	\$16.3	\$16.7	\$17.1	\$17.5	
Indirect Spending	0.289	0.0	0.0	0.0	0.0	1.9	3.5	3.7	3.8	3.9	4.0	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.8	4.9	5.1	
Induced Spending	0.210	0.0	0.0	0.0	0.0	1.4	2.6	2.7	2.7	2.8	2.9	3.0	3.0	3.1	3.2	3.3	3.3	3.4	3.5	3.6	3.7	
TOTAL		\$0.0	\$0.0	\$0.0	\$0.0	\$9.8	\$18.4	\$19.0	\$19.5	\$20.0	\$20.5	\$21.0	\$21.6	\$22.1	\$22.7	\$23.2	\$23.8	\$24.4	\$25.0	\$25.6	\$26.3	
Increased Earnings	0.260	\$0.0	\$0.0	\$0.0	\$1.7	\$3.2	\$3.3	\$3.4	\$3.5	\$3.6	\$3.7	\$3.7	\$3.8	\$3.9	\$4.0	\$4.1	\$4.2	\$4.3	\$4.5	\$4.6	\$6.4	
Employment (FTE Jobs)	4.646	0	0	0	27	49	49	50	50	50	50	50	50	50	50	50	50	50	50	50	70	
FISCAL IMPACT (\$M)																						
Sales Tax	<i>Rate</i>	7.0%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5	\$0.9	\$0.9	\$0.9	\$1.0	\$1.0	\$1.0	\$1.0	\$1.1	\$1.1	\$1.1	\$1.1	\$1.2	\$1.2	\$1.2	
Hotel/Motel Tax	7.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
State Excise (Hotel/Motel) Tax	5.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Income Tax	6.9%	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
Property Tax	4.176%	0.0	0.0	0.0	0.0	0.5	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.5		
TOTAL		\$0.0	\$0.0	\$0.0	\$0.0	\$1.1	\$2.1	\$2.1	\$2.2	\$2.3	\$2.3	\$2.4	\$2.4	\$2.5	\$2.5	\$2.6	\$2.7	\$2.7	\$2.8	\$2.9	\$3.0	
20 -YEAR TOTAL FISCAL IMPACT=																					\$38.6	

Source: Johnson Consulting

TABLE B-4.4: PROJECT IV—ESTIMATED ANNUAL VISITATION

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	Total Built-Out		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA PROJECT III: 1ST & 1ST WEST —PHASE 3—ENTERTAINMENT CENTER																						
Retail/Restaurants	38,000 SF	-	-	-	-	8,315	11,329	11,406	11,437	11,437	11,437	11,437	11,437	11,437	11,437	11,437	11,437	11,437	11,437	11,437	11,437	
Office	- SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Housing	65 units	-	-	-	-	361	364	368	368	368	368	368	368	368	368	368	368	368	368	368	368	
Hotel	- rooms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Parking	381 spaces	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL		-	-	-	-	8,315	11,690	11,771	11,805													

Source: Johnson Consulting

TABLE B-4.5: PROJECT IV—ESTIMATED TAX REVENUE

**CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT - CEDAR RAPIDS, IOWA
PROJECT III: 1ST & 1ST WEST (PHASE 3) - ENTERTAINMENT CENTER
ESTIMATED TAX REVENUES GENERATED WITHIN DISTRICT BOUNDARIES ONLY (\$MILLION)**

YEAR	SALES TAX (7%)*		LOCAL HOTEL/MOTEL TAX ON ROOMS	EXCEISE TAX ON ROOMS**	TOTAL	AVAILABLE TO REINVESTMENT PROGRAM AS ALLOWED BY IRA**	RETAINED BY JURISDICTIONS
	4.0%** (A)	3.0% (B)					
2023	(\$0.007)	(\$0.005)	\$0.000	\$0.000	(\$0.013)	(\$0.007)	(\$0.005)
2024	(0.007)	(0.006)	0.000	0.000	(0.013)	(0.007)	(0.006)
2025	(0.008)	(0.006)	0.000	0.000	(0.013)	(0.008)	(0.006)
2026	(0.008)	(0.006)	0.000	0.000	(0.014)	(0.008)	(0.006)
2027	0.244	0.183	0.000	0.000	0.427	0.244	0.183
2028	0.338	0.254	0.000	0.000	0.592	0.338	0.254
2029	0.349	0.262	0.000	0.000	0.611	0.349	0.262
2030	0.358	0.269	0.000	0.000	0.627	0.358	0.269
2031	0.367	0.275	0.000	0.000	0.643	0.367	0.275
2032	0.377	0.282	0.000	0.000	0.659	0.377	0.282
2033	0.386	0.289	0.000	0.000	0.675	0.386	0.289
2034	0.395	0.297	0.000	0.000	0.692	0.395	0.297
2035	0.405	0.304	0.000	0.000	0.709	0.405	0.304
2036	0.416	0.312	0.000	0.000	0.727	0.416	0.312
2037	0.426	0.319	0.000	0.000	0.745	0.426	0.319
2038	0.437	0.327	0.000	0.000	0.764	0.437	0.327
2039	0.447	0.336	0.000	0.000	0.783	0.447	0.336
2040	0.459	0.344	0.000	0.000	0.803	0.459	0.344
2041	0.470	0.353	0.000	0.000	0.823	0.470	0.353
2042	0.482	0.361	0.000	0.000	0.843	0.482	0.361
TOTAL THROUGH 2042	\$6.326	\$4.745	\$0.000	\$0.000	\$11.071	\$6.326	\$4.745

*Applied to general retail, food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 7 percent, of which 4 percent is allowed by IRA to be available for Iowa Reinvestment District Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

'Source: Johnson Consulting



DISTRICT VISUAL INVENTORY



1st & 1st West Overview (Day)



1st & 1st West Overview (Night)



1st & 1st West Overview (Day)



1st & 1st West Overview (Night)





151 Lofts & 275 Lofts (Right)



1st & 1st West Overview (Night)





1st & 1st West Public Plaza (Day)



1st & 1st West Public Plaza (Night)

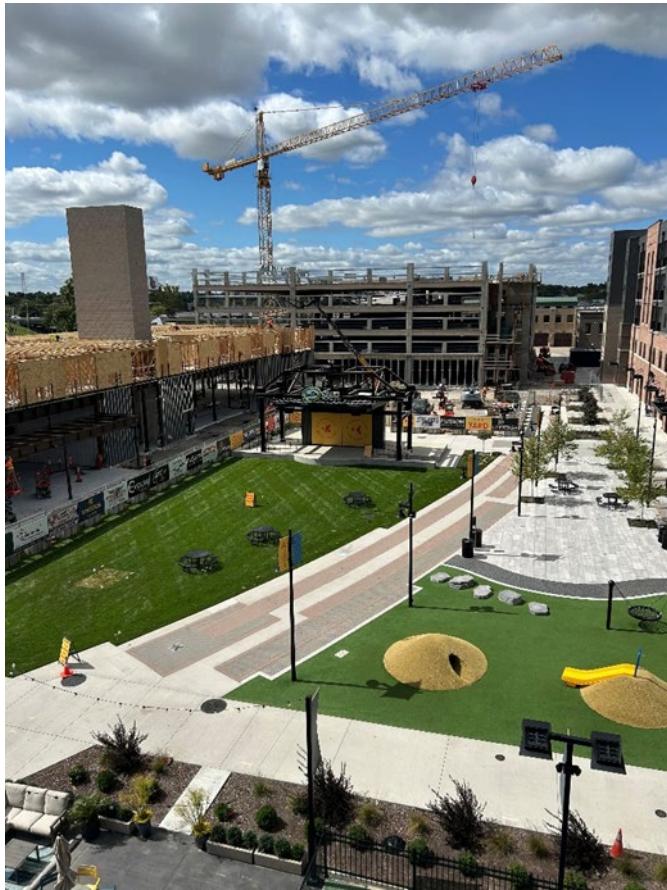


1st & 1st West Public Plaza (Night)

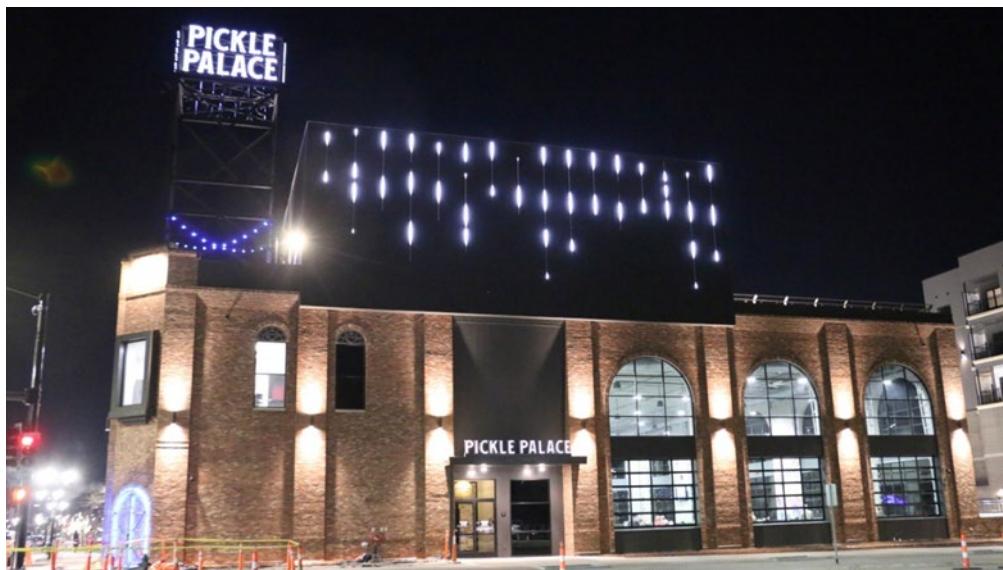


151 Lofts





AC Marriott (Left), The Yard (Center), Parking Ramp (Center Back), 275 Rentals (Right)



Pickle Palace (night)





Pickle Palace (day)



Big Grove

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.

C1. Economic Impact Study

As required by Iowa Reinvestment District Program administrative rule, an independent, professional economic impact and fiscal impact analysis has been conducted to validate district program assumptions. That report is attached as an [addendum to Section C](#).



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. Include a discussion about how the proposed district aligns with the community's larger economic development strategy. 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.

Following your response, please attach the following:

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



Figure. View of Public Plaza at 1st & 1st West



CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT



Figure 1: Downtown Cedar Rapids, 2020

Active, vibrant, and thriving downtowns are the heart of great cities. Downtown Cedar Rapids (**Figure 1**) is in an era of growth and renaissance following the disastrous flood of 2008 that left much of the area under roughly ten feet of water and caused \$2.4 billion in damage¹. Since that event, the city, business community, and residents have focused efforts to rebuild and re-imagine downtown as an inviting and unique urban neighborhood for entertainment, employment, education, and home to thousands more residents in the decades to come.

Community leaders and stakeholders envision the creation of the Cedar Rapids Central Reinvestment District (CRCRD) as a significant catalyst to the advancement of economic reinvestment efforts and will spur on further development in this dynamic downtown. Downtown Cedar Rapids is uniquely positioned as it sits on both banks of the Cedar River. Since the 2008 flood, the river has been viewed as a liability, but with construction of the new flood control system protecting downtown from future floods, the CRCRD presents the City an opportunity to catalyze redevelopment in the City's core, which will increase the attractiveness of the region by elevating tourism and entertainment, while maintaining connection to the Cedar River waterfront.

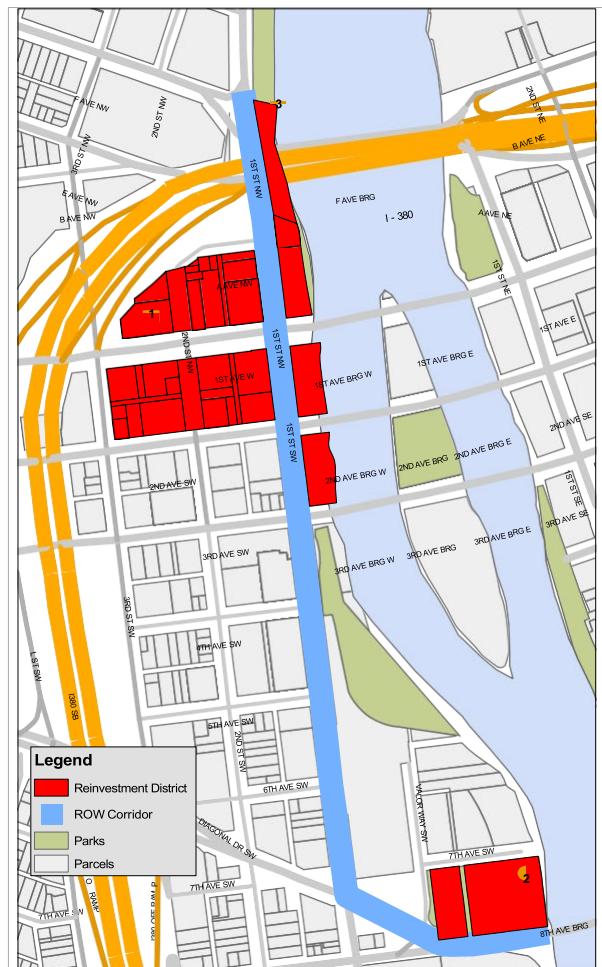


Figure 2: CRCRD Development Locations

⁷ Morelli, B.A. Eight Years After the Flood. The Gazette. June 12,2016. <https://www.thegazette.com/subject/news/government/eight-years-after-the-flood-20160612>.

The CRCRD has been modified since approval of the final application in 2022. While the 5-in-1 Dam Bypass Channel and 8th Avenue Mixed Use Pump Station remain planned improvements, new 8th Avenue Bridge Construction has deferred their respective development schedules past 2030. Thus, project mix in the CRCRD final application has pivoted to focus on 1st & 1st West. This project enjoys strong user commitments, offers compelling value propositions from an operations standpoint, has ongoing implementation for project timelines, and represents a shared vision for an urban destination developed through extensive public participation. 1st & 1st West also demonstrates a high level of site readiness. For all these reasons, there is a clear path to realizing project objectives. At build-out, projects will have a significant impact on the local and regional economy, and transform the aesthetics and perception of downtown Cedar Rapids for greater than local impact.

1st & 1st West creates many benefits at one location: it offers a concentration of higher-wage/higher-skill employment to support the Central Business District, helps meet housing demand for urban living, capitalizes on proximity to the Cedar River to promote tourism development connections and offers public amenities to support economic revitalization of the City's core as an entertainment district. Furthermore, the development is easily visible from I-380, which carries over fifty-thousand vehicles every day past the site. Such high visibility location provides a one-of-a-kind opportunity to not only have a positive impact on the aesthetics of downtown but also positively influence external perception of the region and state. The cumulative effect is to reinforce the view that downtown Cedar Rapids is continuing a transformation into a more attractive destination for entertainment, recreational activities, and urban quality of life simultaneously. Development is linked by continuous public right of way to attractive waterfront parkland and open space to form the overall CRCRD. (**Figure 2**) The 3-phases of 1st & 1st West Project constitute the City's Central Reinvestment District Development Program, which are outlined in the following pages.



Figure. View of 151 Lofts & 275 Lofts





Figure 3: 1st & 1st West Site Development Conceptual Visualization

1ST & 1ST WEST SITE

The 1st & 1st West development site is located between the west bank of the Cedar River along the First Avenue corridor and Interstate 380. Today, this site is roughly three blocks of cleared area that is prime for redevelopment following the 2008 flood. The concept behind 1st & 1st West site redevelopment will create community and entertainment spaces to draw metro residents and tourists from across Iowa and the Midwest to downtown Cedar Rapids. 1st & 1st West will serve as an activity center, providing an for a mix of land uses that connect jobs, housing and public open space around the Cedar River. Interspersed with the entertainment elements of 1st & 1st West are mixed use projects that will include retail, office, and residential space making this a true live, work, play development for downtown Cedar Rapids (Figures 3 and 4). Site buildout will add new units of much needed residential living space to the downtown area that will provide both a built-in customer base and help to create the vibrancy necessary in downtown to continue the transformational momentum experienced since 2008.

The 1st & 1st West site is scheduled to be improved in phases as three separate projects outlined in the Central Reinvestment District Development Program. The first phased project in the Development Program titled, **1st & 1st West Phase I – Mixed Use**, includes construction of an 17,780 sq. ft. Big Grove microbrewery and restaurant with a large outdoor patio overlooking the Cedar River, adjacent to the River Recreation project, with excellent views of the downtown skyline. This project also includes a 23,626 sq. ft. mixed-use development called the Pickle Palace. The Pickle Palace is planned to have amenities for adults and children that include pickleball, rooftop courts, a bar and grill, event space, games and a third-floor roof deck and bar. The River Recreation amenities will be visible from the roof deck and bar creating a unique opportunity to enjoy the amenities of the development and be a spectator of the outdoor recreation activities on and near the river.

The first phase project at the 1st & 1st West site will also bring two mixed-use structures including a combined 114 residential units, 90,542 sq. ft. of retail and restaurant space, and 9,500 square feet of office space. The final piece



of Phase I is a 66,000 sq. ft 5-story Boutique Hotel offering 123 rooms. The hotel will have entrances with access to both the street and the Phase II project's plaza as public gathering space and pedestrian walkway. Big Grove and Pickle Palace opened by January 2024, while the hotel will be complete by end of 2026.

The second project, **1st & 1st West Phase 2 – Public Plaza**, features a two-block outdoor gathering space in the center of the development that will be accessible from the residential and commercial space. This creates unique flexible outdoor space which will include outdoor recreation amenities and significant gathering space for large outdoor events. The public plaza corridor will connect the various commercial and residential mixed-use developments. City-owned parking ramp. The public plaza "Central Park" element of the development will be completed in 2025 and the parking ramp will be completed in 2024 as well.



Figure 4: 1st & 1st West Central Park

The third and final project, **1st & 1st West Phase 3 – Entertainment Center**, completes the project with additional entertainment space, mixed-use development. Entertainment Center will include space which can be customized for restaurants and retail. A mixed-use buildings included in Phase 3 will add a combined 65 housing units and 28,540 sq. ft. of mixed-use commercial space. All the projects in phase 3 are scheduled for completion in 2027, with the exception of one of the mixed-use buildings, which is scheduled for completion in 2028.

When Phase 3 project development is completed, the 1st & 1st West project plans to include over 38,000 square feet of mixed-use commercial space, 65 residential units, and significant public parking that will transform the west bank of the Cedar River. Total project costs are estimated to be just over \$162 million.

The 1st & 1st West projects sustainable design elements. Plans include the installation of green / vegetated roofs to minimize the urban heat island effect and to collect and slow rainwater run-off. The development is also planning to install solar panels for electricity generation. In the summer of 2020, much of Cedar Rapids was devastated by a derecho that damaged thousands of structures and an estimated 669,000 trees that made up the tree canopy across the metro region. The 1st & 1st West projects will include the installation of dozens of new trees that will provide an enjoyable place to spend time outside in downtown and assist in the 10-year ReLEaf Cedar Rapids plan to reforest the metro area as it recovers from the derecho.



BACKGROUND AND CONTEXT

Currently the City of Cedar Rapids, in conjunction with the U.S. Army Corps of Engineers, is constructing an approximate \$750 million Flood Control System (FCS) that will protect downtown Cedar Rapids and surrounding neighborhoods from future catastrophic flood events.

As an integral part of the overall FCS, a replacement 8th Avenue Bridge is to be constructed near the northwest quadrant of 8th Avenue SW, along the Cedar River. Today this area is an open green space on waterfront with parking for the Cedar River Trail and boat ramp access to the river. Along with the construction of the pump station at this location a new levee and a new cable stayed 8th Avenue Bridge (**Figure 5**)



Figure 5: 8th Avenue Cable Stay Bridge Concept

are to be constructed. Today, the 8th Avenue bridge's elevation is lower than the 100-year flood level which requires this main arterial roadway to be closed to traffic when flooding occurs. The bridge replacement will raise the elevation by 14 feet providing needed redundancy to the roadway network during future flood events. To capitalize on these flood protection projects a new public facility with co-location of commercial use will take place at the pump station site. The site is positioned between 7th and 8th Avenue SW, H Street SW, and the river.

In 2024, the City of Cedar Rapids was awarded \$56.4 million dollar Federal Highway Administration grant for 8th Avenue bridge replacement. As an integral part of the overall FCS, a large pump station is to be constructed near the northwest quadrant of 8th Avenue SW, the site will be used for staging and construction of the new 8th Avenue Bridge to be completed in 2030. (**Figure 6**). The site must remain clear for bridge construction through 2030. In addition, bridge construction will require a cofferdam in the riverway that will change Cedar River hydrological flow and characteristics temporarily.



Figure 6: 8th Avenue Bridge Replacement Location Map



RIVER RECREATION

The completion, by the City of Cedar Rapids, of the River Recreation Feasibility Study examining opportunities to improve river recreation in the heart of the city and reengage with the river as an asset in a meaningful way, has set this project up to have a big impact on downtown. Today, the approximate eight miles of the Cedar River that runs through the urban core of Cedar Rapids is largely inaccessible for recreation access. This study has conducted a thorough analysis of existing infrastructure and river conditions, opportunities to develop whitewater and other active recreational amenities on and near the



Figure 7: Cedar River in Cedar Rapids has tremendous recreation potential.

river and a market analysis to assess the need for kayak and river recreation facilities. The study recommends the construction of a bypass channel of the Cedar River around the western edge of the existing 5-in-1 dam under 1st Avenue. Now planned to be built after 2030, the bypass channel will also include a split off navigation channel that will include whitewater features which can be adjusted on-demand for more experienced river users all the way up to competition level rapids. The in-line channel would be relatively flat for easy access of kayakers, canoers, and other river users. What makes this river recreation amenity different from others in the state will be its ability to offer a range of experiences from recreation for first-time paddlers to competition level events. The topography, hydrology, and location of this stretch of the river in the heart of downtown create a unique recreational opportunity for Cedar Rapids.

Also, the City's Greenway Parks Plan outlines other recreational uses are recommended in close proximity to the in-river amenity and the 1st & 1st West projects to create an attraction for more than just the paddler in the family. Examples splash pad, ecological habitat and may include obstacle courses, artificial climbing walls, a skateboard park, and trail riding. The ability to offer a range of experiences through adjustable whitewater conditions and complimentary adventure

sports and outdoor activities will provide a unique experience and the ability to attract paddlers from large metro areas within a 250-mile radius.

Together these unique and catalytic development at 1st & 1st West creates the overall district (**Figure 8**) that will dramatically improve downtown and enhance this area as a regional attraction for people to live, work, and enjoy a dynamic urban environment that only Cedar Rapids can provide through linking housing, commercial, and jobs with the tourism potential afforded proximity to the Cedar River.



Figure 8: Conceptual Visualization of Complete CRCRD at Dusk





Figure 9: Historic Sinclair Packing Plant Along the Cedar River.

Source: Cedar Rapids Gazette.

CEDAR RAPIDS REINVESTMENT DISTRICT BACKGROUND AND CONTEXT

The City of Cedar Rapids traces its connection to the Cedar River back to its founding when the first settlers developed homes along the east bank of the river near what is today 1st Street and 1st Avenue. The city was officially incorporated in 1849 and began growing on both banks of the Cedar River.

Due to the City's location on the river and connectivity to rail transportation, several industries grew rapidly in the late 1800s and early 1900s including the Sinclair Packing Plant (Figure 8), one of the nation's largest at the time. Another of Cedar Rapids' long-standing industries was also founded in this early era that is still in operation today, Quaker Oats.

With 137,710 residents, the City of Cedar Rapids is the second largest city in Iowa and one of the economic engines of the state². Since its founding, Cedar Rapids has been a manufacturing hub for eastern Iowa processing

agricultural and food products. Some of these major manufacturers include Quaker Oats, Cargill, ADM, General Mills, Ingredion, and many others. In recent decades Cedar Rapids has expanded its economic base and become a center for aerospace and defense engineering at Collins Aerospace, energy industries at Alliant Energy, and freight and logistics at CRST.

While the Cedar River has been a focal point in the City's founding and development, it has also been a source of damage and loss for the community. In 2008 the Cedar River crested at 31.12 feet, more than 11 feet above the river's previous record height set in 1851. This event left more than 10 square miles of Cedar Rapids, including nearly 8,000 parcels, under water for weeks causing more than \$2.0 billion in damage³. In the years following the 2008 flood an estimated 1,300 homes⁴, businesses, and other structures were demolished, in some cases leaving entire blocks in and around

² US Census Bureau. Population Estimates. July 1, 2021. <https://www.census.gov/quickfactscedarrapidscityiowa>

³ Robinson, Dennis P. Regional Economic Impacts of the 2008 Cedar Rapids Flood. P. iii. May 17, 2010. <https://cms8.revize.com/revize/cedarrapids/Public%20Works/Flood%20Control%20System/Cedar%20Rapids%20RED%20Report.%205-17-10.pdf>.

⁴ City of Cedar Rapids. Flood of 2008 Facts and Statistics. http://www.cedar-rapids.org/discover_cedar_rapids/flood_of_2008/2008_flood_facts.php.



downtown empty. During the flood only one of the seven bridges crossing the Cedar River (I-380 bridge) was open to traffic, limiting access to hospitals and other emergency services around the city. At the time this flood was thought to be more than a 500-year event and changed the way Cedar Rapids thinks about flood risk and protection (**Figure 10**).

In 2016 a similar flood occurred in the Cedar River basin. Due to improvements in flood prediction modeling and river sensors upstream of Cedar Rapids the City was given several days' warning. With a massive outpouring of community, business, and government support temporary levees were constructed throughout the downtown area. This community effort averted another disaster similar to what had been experienced only eight years prior.

Through several recent natural disasters, the City of Cedar Rapids has proven to be an incredibly resilient community. Since the 2008 flood hundreds of millions of dollars have been invested in the recovery and redevelopment of downtown Cedar Rapids with revitalized core neighborhoods rapidly developing, like the New Bo District and Kingston Village. In partnership with the U.S. Army Corps of Engineers the City has started construction of a large-scale levee and flood control system that will protect downtown and the surrounding neighborhoods from flooding disasters in the future and protect the significant investment following the 2008 flood. The Cedar Rapids City Council adopted the Cedar River Flood Control System Master Plan in 2015. When complete, the flood control system (FCS) will protect both banks of the river and be approximately seven miles long consisting of a combination of levees, floodwalls, removable walls, gates, and pump stations. The net effect of the FCS will be to protect lives and property and allow sites such as the redevelopment of City owned parcels at 1st & 1st West to realize highest and best use.



Figure 10: Downtown Cedar Rapids 2008 Flood.

Source: US Army Corps of Engineers.



UNIQUENESS OF CEDAR RAPIDS CENTRAL REDEVELOPMENT DISTRICT

Long-term, post disaster recovery has characterized the recent history of Cedar Rapids. Nowhere have more new opportunities for growth, innovation, redevelopment, and re-imagining of the built environment occurred than in Downtown Cedar Rapids. The 2008 flood required the demolition of thousands of structures around downtown. Now that the FCS is being constructed, these vacant sites will be protected from future flooding events. Flood protection makes these blocks highly valuable areas for catalytic redevelopment. Post-disaster recovery presents a singular opportunity to turn short term economic losses into long-term benefits such as elevated incomes, jobs gains and significant appreciation of property values.

The defining feature of the Cedar Rapids Central Reinvestment District (CRCRD) is these specific conditions at 1st & 1st West permit investment that will define a once in a generation opportunity, which only to be possible in this one location, and will reach a transformative scale. The 2008 Flood has cleared the way and presented the city, and its development partners, dual 'clean slate' marquee blocks that are open for redevelopment in the heart of downtown and near the Cedar River. The potential of 1st & 1st West is to remake the Kingston Land area into a dynamic, vibrant and activated urban neighborhood offering significant amenities and public improvements that draw population into space defined by proximity to the Cedar River. The reinvestment district's development program will transform the perception of Cedar Rapids to the people in the nearly 50,000 vehicles that will drive past the district every day on I-380.

The Cedar Rapids Central Reinvestment District will build on the strength of Downtown as a concentrated center for arts, entertainment and urban amenities as outlined in the [Downtown Vision Plan](#). Recent talent attraction marketing research suggests urban amenities are a key factor in drawing individuals to live and work in the City. 1st & 1st West supplies a physical setting necessary for the public to interact with live performance. A total of 47 events have been held at the public plaza since 2024 with estimated attendance of more than 6,584. As such, the City has prioritized tourism development with specific connection to arts and culture. One example is the 2025 [Cedar Rapids Music Census](#), seeking to measure and grow space for music to enrich life in Cedar Rapids to differentiate quality of life locally. The Music Census action plan will provide the support services necessary to further activate Downtown through live performance and cultural events. 1st & 1st West provides important physical infrastructure expanding a network of venues across Downtown.



Figure 11: City of Cedar Rapids [planned greenway parks](#) in proximity to 1st & 1st West



The CRCRD can create such substantial, positive impacts because it is located at the center of the urban core of Cedar Rapids. With a workforce numbering over 138,000 persons, Cedar Rapids functions as the second largest jobs center in the State of Iowa. The Greater Cedar Rapids laborshed encompasses a total of 729,000 or just under half of Iowa's total workforce. Regularly, 53,779 workers commute to Cedar Rapids for total daytime population of just under 85,000. Not only is the workforce of Cedar Rapids highly concentrated, but it is also productive. Cedar Rapids contributes more to Iowa's GDP than its share of population, maintains a labor participation rate 33% higher than, and productivity 29% above, typical US levels. Investment into the Cedar Rapids economy serves as important driver of growth regionally, in Eastern Iowa, and statewide.

The CRCRD benefits from excellent existing infrastructure, easy interstate access, nearby amenities, and other developing projects in downtown. The CRCRD also serves as a focal point to advance implementation of City economic development strategy through effective tourism development. The project's land use mix blends housing, employment, and commercial use in a way that supports visitation and fosters tourism by proximity to the recreation potential of parks and trails along the Cedar River. Achieving highest and best use at 1st & 1st West creates physical development that will serve as a destination with an identifiable character through high quality design, while maintaining connection to recreation on public Cedar River waterfront. 1st & 1st West will bring investment that leverages this connection to create spillover benefits in employment and income. The long-term vision for the site will bring \$162 million in investment to Downtown Cedar Rapids.

Within urban regions, however, the concentration of jobs and assets is not evenly distributed. A [2022 Brookings Institution study](#) suggests dense clusters of assets or *activity centers*, which occupy 3% of urban land and account for over 40% of jobs, are necessary to see higher levels of overall economic output. The development at 1st & 1st West is set apart from other redevelopment projects by representing the model characteristics of a high impact activity center – walkable, integrated mix of land uses, proximity to fixed route transit and planned circulator trolley with projected ridership of 4,300 trips per day, incorporation of housing, accessible through a new 463 stall public parking ramp. In addition, the development offers arts, a plaza, shopping and recreation space to attract visitors and residents alike to activated public space. All design aspects and uses of the current project originated from an extensive public input process starting in 2019 as part of an overall approach to placemaking that sought create high quality development that benefited from river location and cannot be duplicated by other scenarios.

Moreover, according to 2023 data from the Iowa Department of Tourism, Linn County ranks third in Iowa overall in terms of tourism spending at just over \$480 million for a 6.6% share capture of total tourism activity statewide. Figures from VenuWorks, which operates the Cedar Rapids Tourism office showed in 2024 Cedar Rapids hosted 73 large scale booked events, had 29,366 room nights, and that sports tourism produced an ROI of \$1 to \$79 in direct spending attributable to visitation. Marketing of tourism events in Cedar Rapids produces significant increased awareness and visibility for the region and the State of Iowa. For example, Cedar Rapids Tourism had over 1.1 million page views, almost 13.5 million impressions and over 207,000 direct emails sent at a 39% open rate. 1st & 1st West brings strong potential to reinforce positive visitation and tourism development trends.

The value of tourism to the Cedar Rapids will only increase with the planned opening of the Cedar Crossing Casino by the end of 2026. According to an economic impact study submitted to the Iowa Racing and Gaming Commission, Cedar Crossing is expected to draw 1.1 million visitors annually, which will spur additional demand for the hotel, retail, entertainment and dining afforded by 1st & 1st West. Purchases from the Casino and spending by employees will generate an addition \$65.5 million



over ten years. The Casino will be located one block North of 1st & 1st West outside but adjacent to the reinvestment district on the other side of the I-380 highway overpass. The district program allows Cedar Rapids to help maximize indirect spending by Cedar Crossing to support Downtown revitalization and foster renewed growth in the Downtown. A free circulator trolley service is planned to begin in 2027 that will connect Cedar Crossing with 1st and 1st West as well as greater Kingston Village, Czech Village, New Bohemia and the Downtown Core on the east side of the river. It is anticipated that ridership will equal 4,300 trips per day, the system will include approximately 10 stops and priority will be given to linking tourism destination across the city center.

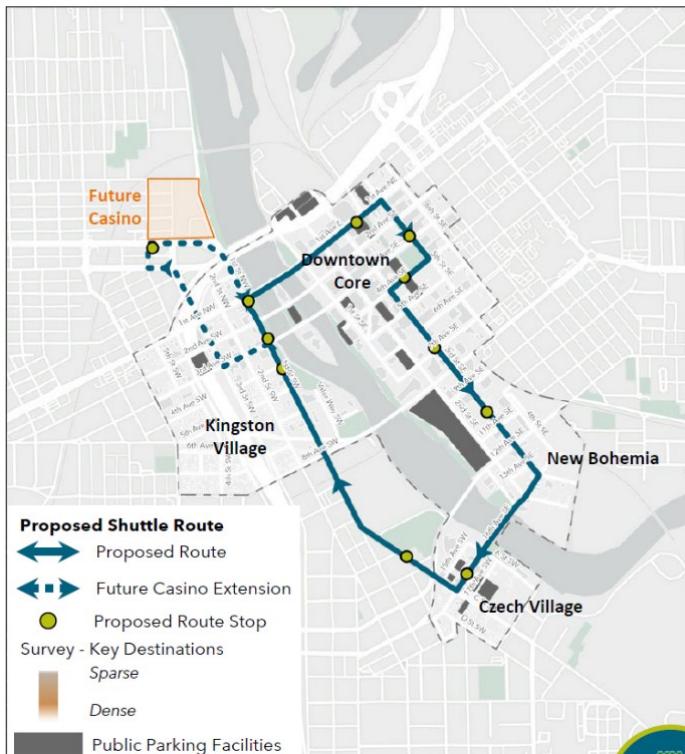


Figure. Illustration of potential route of circulator shuttle connecting 1st & 1st West to Cedar Crossing Casino

We see enormous potential draw of 1st and 1st West already reflected in development level visitation patterns. In the last 12-months through September 2025, Placer.ai location analytics show that 1st & 1st West has generated over 500,600 individual visits in the last year of operations. Average dwell time per visit was over 1.5 hours and the rate of visitation increased 33% year-over year. Within a 15-minute drive time of 1st & 1st West, there are 67,528 households with a median household income of \$81,546 annually. Assume only 5% of total household income is available as disposable income for retail consumption, then the development at 1st & 1st West has a total addressable market of \$275 million in primary trade area purchasing power for dining, recreation, hospitality, and retail sales.

Creating desirable, highly visible mixed-use development in central downtown location is essential to improve internal and external perception of Cedar Rapids as place to live and work. Local business retention survey data shows 3 out 4 Cedar Rapids businesses experience workforce challenges. In response, the Mayors of City of Cedar Rapids, Marion and Hiawatha began a joint talent attraction marketing initiative in 2023. Market research found a direct relationship between quality of life and prospects for how well the Greater Cedar Rapids region to grow regional labor supply. Having a Downtown perceived as fun, active and with varied commercial and recreational offerings is necessary to compete with other municipalities around the Midwest and nationally for qualified workers. In 2024, the Cedar Rapids Metro Economic Alliance launched a new joint talent attraction awareness campaign to grow workforce. Development like 1st & 1st West will help to position Cedar Rapids realize best possible outcomes for economic and population growth in the years ahead.



The 1st & 1st West site is located less than a five-minute walk from the Double Tree convention hotel and attached Alliant Energy PowerHouse (formerly U.S. Cellular Center) that is Cedar Rapids' 8,600 seat multipurpose arena that hosts dozens of concerts, sporting events, and conventions drawing thousands to downtown Cedar Rapids every year (**Figure 12**). The 1st & 1st West site and convention area will complement each other as each attracts visitors from around the country and the state to Cedar Rapids for business and entertainment purposes.

The CRCRD is also unique in its proximity and ability to connect to many of the City's great arts and cultural attractions. From the 'front door' of the future 1st & 1st West entertainment development, multiple cultural and arts venues are in a short walking distance. These arts and cultural attractions include the **Cedar Rapids Museum of Art** (home to the collection of one of Iowa's greatest artists, Grant Wood), **Paramount Theatre**, **Alliant PowerHouse Arena**, and **McGrath**

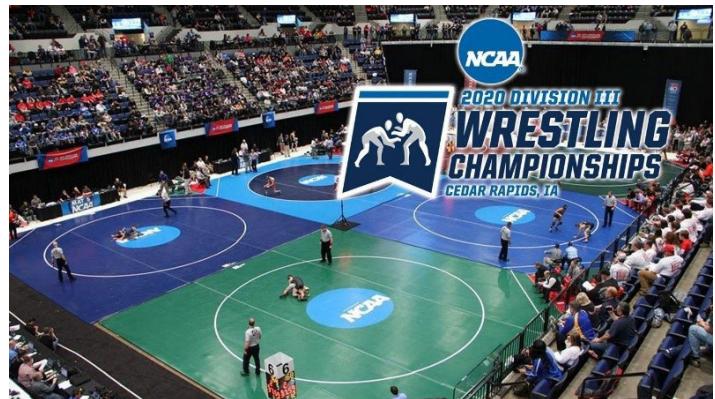


Figure 12: 2020 NCAA Division III Wrestling Championships
Source: <https://www.cortlandreddragons.com/news/2020/3/10/follow-the-ncaa-wrestling-championships-online-march-13-14.aspx>

Amphitheatre. From the 1st & 1st West site each of these landmark cultural amenities in the city are accessible in an easy ten-minute walk (**Figure 13**). The city has also invested in a dockless bike and scooter-share program that will allow visitors to the CRCRD to quickly and safely move throughout the district and points further away such as the

NewBo District, Czech Village and Cedar Lake areas. Along with excellent bicycle and pedestrian access, the CRCRD benefits from connectivity of multiple CR Transit bus routes operating throughout the downtown area.

The entirety of the CRCRD benefits from high visibility and efficient transportation access provided by I-380 that winds through downtown. The Paramount Site Highrise will redefine the skyline and the 1st & 1st West projects will benefit from its adjacency to the interstate and 1st Avenue, one of the major arterial roadways providing regional connectivity to downtown.

The CRCRD benefits from two projects associated with the FCS program. A new cable-stay bridge is planned to be constructed to replace the aging 8th Avenue Bridge, adjacent to

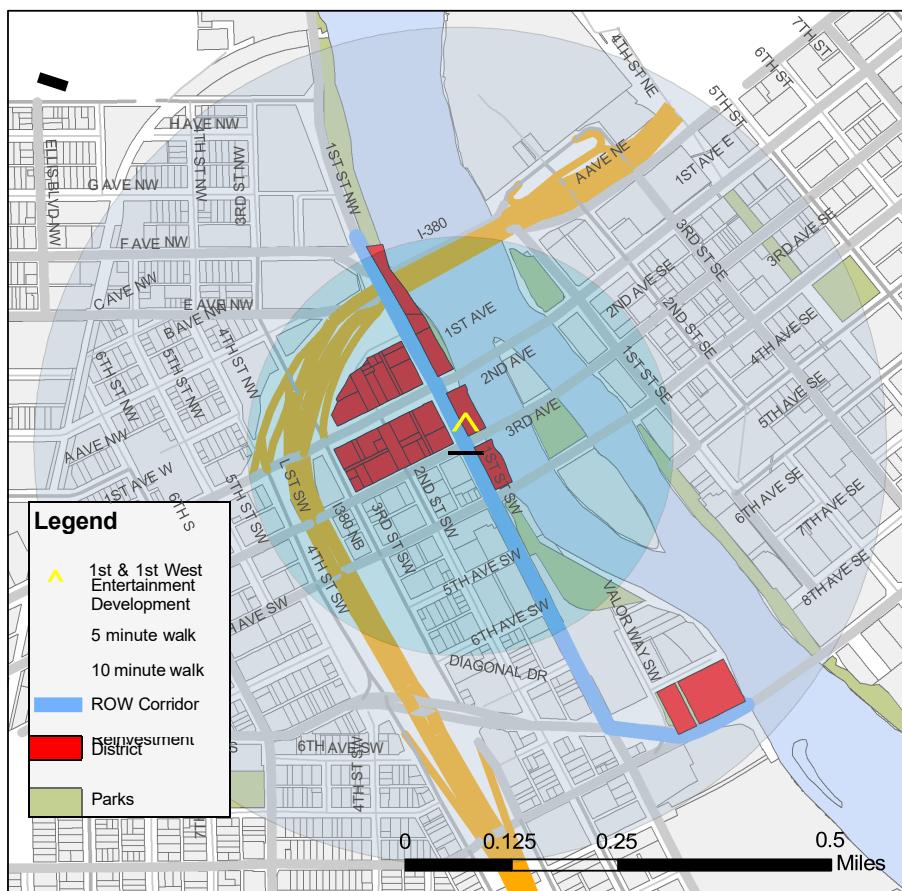


Figure 13: CRCRD Access to Cultural Amenities in 10-Minute Walk.



the 8th Avenue Pump Station. The bridge will provide additional access to 1st & 1st West site and provide needed redundancy to the transportation network in the event of another historic flood.

The second FCS project is known as ConnectCR, which will remediate Cedar Lake (located north of Downtown), into an urban park as well as the construction of a new iconic bicycle pedestrian bridge (**Figure 14**) over the Cedar River where a railroad bridge collapsed south of downtown in the 2008 flood. In 2023, half of out of area visitors, nearly 50,000 persons, used recreational trails.

The formation of the CRCRD will provide revenue to develop critical public space and attract users to various amenities planned in the City's Greenway Parks adjacent to 1st & 1st West. Sidewalks, multiuse trails, bike lanes and regional will reconnect residents and visitors from to open space adjacent to the Cedar River for both active and passive recreation. It will be possible for trail users to begin a journey from Cedar Lake in the north through the greenway and 1st & 1st West to Czech Village/NewBo further south. The City plans to explore development of improvements to enhance the value of the Cedar River for boat access and water-based recreation.

Cedar Rapids seeks to bring more tourists and visitors to downtown. The recreation study also recommends a number of compatible uses along the bank of the Cedar River in close proximity to the river amenities and 1st & 1st West. The study outline specific capital cost for the recommended alternatives. The market analysis estimated that the project could anticipate annual economic output of the project in a range of \$7.2 - \$15.5 million⁵ including both local and regional markets within a 250-mile radius of Cedar Rapids. But the inclusion of the Cedar River recreational water sports facility is another highly unique feature of the CRCRD that can only come to fruition in this location with these



Figure 14: Artist's Concept of Bike/Ped Bridge of Cedar River.

Source: ConnectCR.org

Regional Trails and Bikeways



Figure 15: Exhibit from Cedar Rapids Greenways Parks Plan Update (2024)

redevelopment projects. All future improvements

will be adjacent to the 1st & 1st West projects and have a synergistic relationship. The city and the proposed district would reclaim the Cedar River as a vital community asset for enjoyment and recreation and serve the region as another significant attraction supporting the continued economic growth of Cedar Rapids and the State. In addition to the proposed river recreation facility, revenue generated from the CRCRD would also support the creation of passive recreation space along the east and west banks of the Cedar River that will further reconnect the people of Cedar Rapids to their river and create a much-needed green space for residents and visitors to connect with nature in the middle of a thriving and attractive urban environment.

⁵ City of Cedar Rapids. River Recreation Feasibility Study. P. 5-37. 2020.



CEDAR RAPIDS CENTRAL REDEVELOPMENT DISTRICT ALIGNMENT WITH COMMUNITY VISION AND PLANS

In recent years a great deal of effort has been made to establish the vision for the future of all of Cedar Rapids, including a focus on revitalizing downtown. The CRCRD aligns closely with these past plans and works to advance the implementation of many of the recommendations emanating from these broadly supported community-based planning efforts.

In early 2021, the Cedar Rapids City Council adopted the latest update to the community's city-wide master plan, EnvisionCR. The comprehensive plan was developed around four central themes that underpin all elements of the plan.

- **Sustainability**—the ability to meet the need of present generations without compromising the ability of future generations to meet their needs by working toward a healthy environment, community, and economy.
- **Health**—Healthy places support resident's mental and physical health and in so doing, quickly attain a distinction as a place for families and young professional to call home.
- **Placemaking**—people often identify with one particular place within their city. Placemaking is about building memories through public spaces and activities associated with a destination like the riverfront, downtown, or a given neighborhood.
- **Efficiency**—Efficiency is about doing things in an optimal way, effectiveness is about doing the right task, completing goals, and achieving goals⁶.



Figure 16: EnvisionCR Comprehensive Plan for Cedar Rapids, 2021.

The CRCRD aligns with each of these four themes of the EnvisionCR plan. All developments proposed embrace sustainable design elements, will develop new green space and recreation opportunities to improve community health. The CRCRD also presents a rare and unique opportunity to create a new and revitalized urban neighborhood in the heart of downtown Cedar Rapids that will be a quality place for new residents and visitors to thrive, in an active and exciting urban environment.

An important component of the EnvisionCR plan was to promote sustainable development and redevelopment in the city. One of the key goals in the plan to support this was the encouragement of mixed-use and infill development. EnvisionCR specifically identified downtown as the heart of the city that is uniquely positioned for both infill and mixed-use development. The CRCRD, and associated projects will directly achieve this goal for the city and its citizens. When completed these projects will provide new urban housing options, retail, and a needed grocery store for the expanding number of residents living and working in downtown and, provide new community entertainment and recreation venues that will make downtown a great place to live, work, and play.

⁶ City of Cedar Rapids. EnvisionCR. P. 12. February, 2021. <https://cms8.revize.com/revize/cedarrapids/EnvisionCR%20Update,%20Adopted%2012.3.19.pdf>

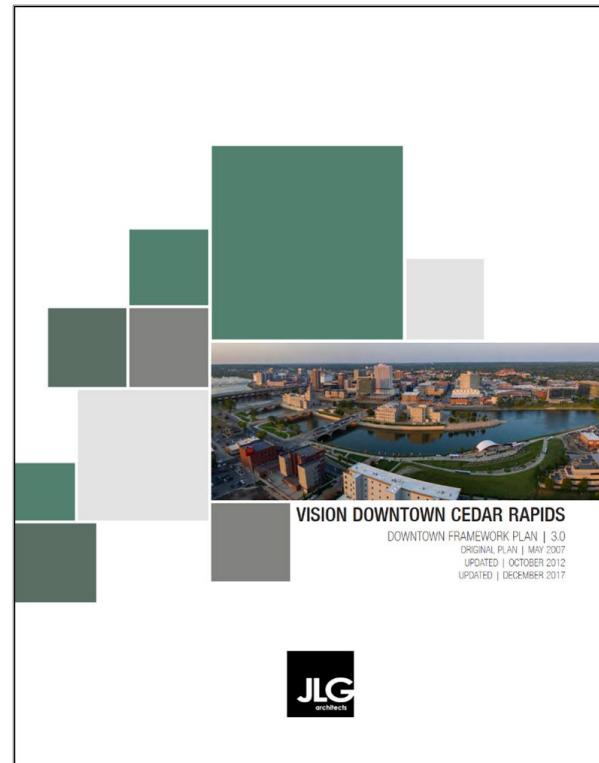
In 2023 the Cedar Rapids Economic Alliance updated its Vision Downtown Cedar Rapids plan to support the continued advancement safe, clean, entertaining, fun, lively, and vibrant downtown. The plan calls for development of *Opportunity Sites* which include the blocks comprising the 1st & 1st West site and states,

“Opportunity sites are areas where redevelopment or new development may occur during the 5-year life cycle of this plan and beyond as these sites are either currently underutilized were identified for redevelopment in the previous downtown planning effort or were identified through outreach with Downtown stakeholders.”⁷

1st & 1st West projects proposed as part of the CRCRD will achieve this vision established in the downtown plan and will bring a ‘postcard’ opportunity to downtown by providing new entertainment, retail, residential, and recreation opportunities to the western shore of the Cedar River. The CRCRD is linked by a common public rights-of-way as depicted previously. The downtown Vision Plan established a goal to improve several key connecting corridors throughout downtown. The priority corridors in the Vision Plan align with the CRCRD connective right-of-way and will support these enhancements.

Another critical plan relating to economic development in the downtown area is the Cedar Rapids Comprehensive Economic Development Strategy. This strategy document was completed by the City of Cedar Rapids in 2022. This action plan included a market assessment and major areas for the city to focus to advance the economic development of the city and region. One of the key strategies defined in the plan was to grow the workforce. Two specific actions to achieve this strategy were to create additional cultural events and gathering places throughout the city

and secondly, to support the development of expanded live/work environments. The overarching aim of these elements is to attract and retain young professionals by providing more urban living environments and more entertainment options for the city. The 1st & 1st West project will achieve these goals by constructing new residential units, public spaces for additional entertainment venues and more active nightlife with the addition of a new brewery all within steps of the banks of the Cedar River.



⁷Cedar Rapids Economic Alliance. Vision Downtown Cedar Rapids. P. 8 2023 <https://downtowncr.org/wp-content/uploads/2024/05/Downtown-Cedar-Rapids-Vision-Action-Plan-2024-FULL-web2.pdf>

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.

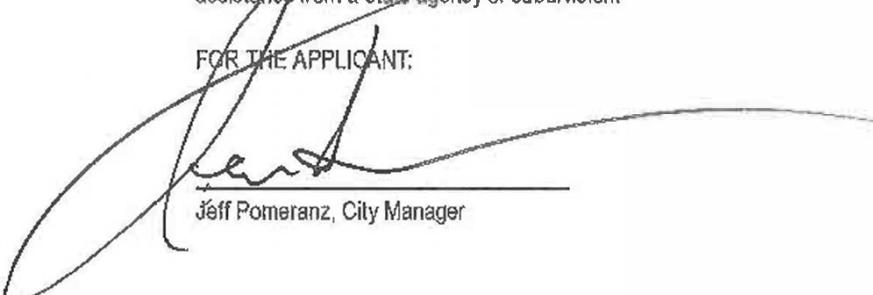
I understand that all information submitted to IEDA related to this application is subject to Iowa's Open Record Law (Iowa Code, Chapter 22).

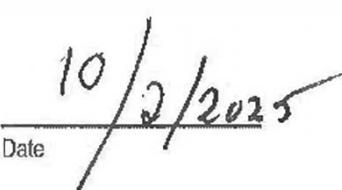
I understand that IEDA reserves the right to negotiate the financial assistance.

I understand this application is subject to final approval by IEDA.

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:


Jeff Pomeranz, City Manager


Date



ADDENDUM 1 Section B

Section 1 Introduction and Executive Summary | February 2022

Cedar Rapids Central Reinvestment District Feasibility Study – Cedar Rapids, IA

PAGE 1



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INTRODUCTION

Johnson Consulting was retained by the City of Cedar Rapids to provide a feasibility study and economic and fiscal impact assessment to support City's application under the State of Iowa's Reinvestment Act (IRA) Iowa Reinvestment District Program. Specifically, our engagement is comprised of 2 phases of work:

- **Phase 1: Feasibility Study** focusing on proposed projects on identified priority development sites and supplemental development within the Cedar Rapids Central Reinvestment District, as defined by the City.
- **Phase 2: Economic and Fiscal Impact Analysis** of all development within the proposed District, focusing on relevant metrics as required by the Reinvestment District Program.

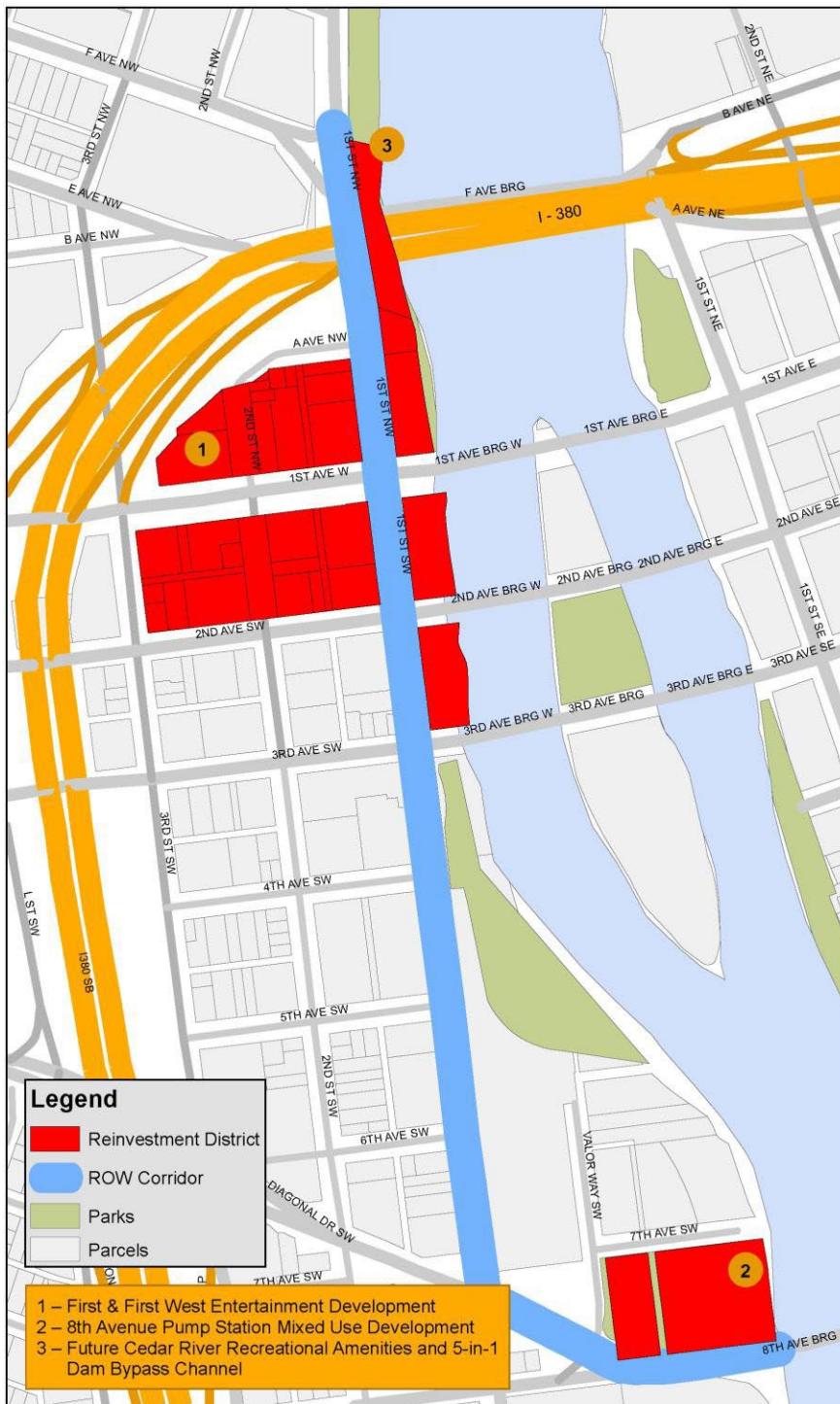
This report serves as Phase 1 and focuses on 2 priority development sites:

1. **First & First West Entertainment Development:** Major mixed-use development project comprising entertainment, retail, residential and hotel uses.
2. **8th Avenue Pump Station Mixed Use Development:** Proposed event-oriented facility with restaurant/ retail space.

In addition, the City has identified a number of sites along the Cedar River for enhanced passive and active recreation offerings. Future use of these sites may include public open space, as well as improvements to support a variety of water sports and activities. Specific areas of the Riverfront are identified within the Cedar Rapids Central Reinvestment District.

Figure 1 - 1 highlights the location of the priority development sites and riverfront recreation areas in downtown Cedar Rapids, IA.

Figure 1 - 1



Source: City of Cedar Rapids, Johnson Consulting

Figure 1 - 2 shows the preliminary proposed development programs for the priority development sites.

Figure 1 - 2

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Summary of Development Program										
Opening Year	Unit Count			Total SF					Development Cost (\$000)	
	Housing	Hotel	Parking	Retail/ Restaurants	Office	Housing	Hotel	Parking	Total	
Project I: 1st & 1st West (Phase 1) - Mixed Use										
Block #1 - B2 Big Grove Brewery	2023	-	-	100	11,624	-	-	-	-	11,624
Block #1 - B1 Mixed Use (Pickle Palace)	2023	-	-	220	38,000	-	-	-	-	38,000
Block #1 - B3 4-Story Mixed-Use	2023	36	-	49	-	9,500	28,000	-	-	37,500
Block #1 - B4 4-Story Residential	2023	36	-	48	9,500	-	28,000	-	-	37,500
Block #2 - B5 4-Story Mixed-Use	2024	24	-	-	8,000	-	24,000	-	-	32,000
Block #2 - B6 Mixed Use	2024	36	-	96	9,500	-	28,000	-	-	37,500
Block #2 - B7 5-Story Boutique Hotel	2024	-	100	100	-	-	-	69,147	-	69,147
Total		132	100	613	76,624	9,500	108,000	69,147	-	263,271
										\$56,050
Project II: 1st & 1st West (Phase 2) - Public Plaza										
Block #2 - 3-Story Residential Townhomes	2026	24	-	48	-	-	25,000	-	-	25,000
Block #2 - Parking Ramp #1 - City Owned	2026	-	-	-	-	-	-	159,120	159,120	13,805
Block #2 - Central Park	2025	-	-	18	-	-	-	-	-	2,205
Total		24	-	66	-	-	25,000	-	159,120	184,120
										\$20,640
Project III: 8th Avenue Mixed Use										
Festival Grounds	2027	-	-	-	7,470	-	-	-	-	7,470
Total		-	-	-	7,470	-	-	-	-	\$24,566
Project IV: 1st & 1st West (Phase 3) - Entertainment Center										
Block #3 - B9 Entertainment Center	2027	-	-	220	28,000	-	-	-	-	28,000
Block #3 - B10 - Parking Ramp #2 - City Owned	2027	-	-	-	-	-	-	159,120	159,120	14,085
Block #3 - B11 - Mixed Use	2027	20	-	78	9,770	-	22,044	-	-	31,814
Block #3 - B12 - Mixed Use	2028	45	-	166	18,770	-	59,322	-	-	78,092
Block #3 - Public Parking Available	2027	-	-	83	-	-	-	-	-	-
Total		65	-	547	56,540	-	81,366	-	159,120	297,026
										\$45,455
GRAND TOTAL	221	100	1,226	140,634	9,500	214,366	69,147	318,240	751,887	\$146,711

Source: City of Cedar Rapids, Developers, Concord Group, Johnson Consulting

STUDY OBJECTIVES

The key objectives of our study are to:

- A. Analyze key market characteristics as they relate to the potential to support the proposed projects on the identified priority development sites.
- B. Provide an independent review of the program and concepts prepared by the developers of the proposed projects and/ or the City, as appropriate.
- C. Assess the feasibility of the proposed projects.

METHODOLOGY

In order to complete the analysis required for Phase 1, Johnson Consulting performed the following tasks:

1. Reviewed materials developed by, or on behalf of, the City and developers in relation to the identified priority development sites.
2. Analyzed local market characteristics, based upon published sources of data and information.
3. Provided an independent assessment of the proposed product mix on the priority development sites.
4. Projected the market performance of the proposed projects over a 20-year period, in terms of absorption and pricing structure.

Phase 2 will provide economic and fiscal impact estimates associated with proposed development and activities within the Cedar Rapids Central Reinvestment District.

EXECUTIVE SUMMARY

The preliminary proposed development programs for the priority development sites, as well as supplemental development within the Cedar Rapids Central Reinvestment District, include a mix of land uses, as follows:

- **Retail:** 140,634 SF of retail and restaurants.
- **Office:** 9,500 SF.
- **Multi-Family Housing:** 221 multi-family housing units, predominantly rental units and a small number of for-sale condos.
- **Hotel:** 100 guest rooms.
- **Event/ Entertainment/ Recreation:** Various offerings on the priority development sites including event space and entertainment uses, along with passive and active recreation amenities along the Cedar Riverfront.

Based upon our assessment of key demographic and socioeconomic characteristics of Cedar Rapids, and trends in the retail, office, residential, hotel and event/ entertainment/ recreation markets, it is our opinion that the current program of land uses proposed for the Cedar Rapids Central Reinvestment District is reasonable and market-supportable. Figure 1 - 3 provides a summary of our assessment of the proposed land use program.

Figure 1 - 3

Summary of Assessment of Market Potential - Cedar Rapids Central Reinvestment District						
	Proposed Program**	Vacancy Rate*	5 Year Avg. Annual Absorption*	Other New Supply in the Market	Market Supportable	Observations
Retail/ Restaurants	140,634 SF	0.8%	3,400 SF	11,302 SF	✓	Significant retail spend leakage from local market area; New types of retailers will serve residents, workers and visitors; Restaurants will be important amenity for hotels and event/ entertainment offerings.
Office	9,500 SF	3.5%	88,100 SF	0 SF	✓	Small amount of office space will be supported by forecast employment growth in Downtown core.
Multi-Family Housing	221 units	9.8%	63 units	0 units	✓	Forecast population growth will support new housing and multi-family units, as proposed, will serve to diversify housing options in the local market.
Hotel	100 rooms	-	-	150 rooms	✓	New hotel will increase limited inventory of hotel rooms in Downtown; Fundamentals are forecast to improve prior to completion of proposed hotel.
Event / Entertainment and Recreation	Various event and entertainment offerings; Riverfront Recreation	-	-	-	✓	New event, entertainment and recreation facilities and amenities will complement existing offerings; Modest scale will support broader development within the District.

* Downtown Cedar Rapids Submarket

** Cedar Rapids Central Reinvestment District

Source: Johnson Consulting

Figure 1 - 4 summarizes the financial projections for all Projects proposed on the 2 priority development sites within the Cedar Rapids Central Reinvestment District. These projects are described in more detail in the balance of this Phase 1 report.

Figure 1 - 4

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa ALL PROJECTS Operating Projections (\$000)													
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042	
DEVELOPMENT SCHEDULE	<i>Total Built-Out</i>												
Project I: 1st & 1st West (Phase 1) - Mixed Use	263,271 SF	124,624	138,647	-	-	-	-	-	-	-	-	-	-
Project II: 1st & 1st West (Phase 2) - Public Plaza	184,120 SF	-	-	184,120	-	-	-	-	-	-	-	-	-
Project III: 8th Avenue Mixed Use	7,470 SF	-	-	-	7,470	-	-	-	-	-	-	-	-
Project IV: 1st & 1st West (Phase 3) - Entertainment Center	297,026 SF	-	-	-	218,934	78,092	-	-	-	-	-	-	-
Total		124,624	138,647	-	184,120	226,404	78,092	-	-	-	-	-	-
OPERATING REVENUE (\$000)													
Project I: 1st & 1st West (Phase 1) - Mixed Use	\$3,944	\$11,092	\$11,868	\$12,559	\$13,026	\$13,686	\$14,051	\$14,426	\$14,787	\$15,185	\$17,148	\$19,402	
Project II: 1st & 1st West (Phase 2) - Public Plaza	0	0	71	561	585	631	649	668	685	703	795	899	
Project III: 8th Avenue Mixed Use	0	0	0	0	207	213	221	227	233	239	270	305	
Project IV: 1st & 1st West (Phase 3) - Entertainment Center	0	0	0	0	2,879	4,881	5,027	5,167	5,296	5,436	6,142	6,949	
Total	\$3,944	\$11,092	\$11,938	\$13,121	\$16,696	\$19,411	\$19,948	\$20,489	\$21,001	\$21,562	\$24,355	\$27,555	
OPERATING EXPENSES (\$000)													
Project I: 1st & 1st West (Phase 1) - Mixed Use	\$2,158	\$6,344	\$6,746	\$7,126	\$7,408	\$7,747	\$7,925	\$8,123	\$8,326	\$8,551	\$9,656	\$10,925	
Project II: 1st & 1st West (Phase 2) - Public Plaza	0	0	32	217	225	242	248	254	260	267	302	341	
Project III: 8th Avenue Mixed Use	0	0	0	0	143	146	150	154	158	162	183	207	
Project IV: 1st & 1st West (Phase 3) - Entertainment Center	0	0	0	0	1,516	2,467	2,525	2,588	2,653	2,723	3,077	3,481	
Total	\$2,158	\$6,344	\$6,777	\$7,342	\$9,292	\$10,601	\$10,848	\$11,119	\$11,397	\$11,702	\$13,217	\$14,954	
NET OPERATING INCOME (\$000)													
Project I: 1st & 1st West (Phase 1) - Mixed Use	\$1,786	\$4,748	\$5,122	\$5,434	\$5,617	\$5,940	\$6,126	\$6,303	\$6,461	\$6,634	\$7,492	\$8,477	
Project II: 1st & 1st West (Phase 2) - Public Plaza	0	0	39	345	360	389	402	415	425	436	493	558	
Project III: 8th Avenue Mixed Use	0	0	0	0	64	66	71	73	75	77	87	99	
Project IV: 1st & 1st West (Phase 3) - Entertainment Center	0	0	0	0	1,363	2,415	2,502	2,579	2,643	2,713	3,065	3,468	
Total	\$1,786	\$4,748	\$5,161	\$5,778	\$7,404	\$8,810	\$9,100	\$9,370	\$9,604	\$9,860	\$11,137	\$12,601	

Source: Johnson Consulting

As shown, the proposed Projects within the District are projected to achieve a net operating income of \$1.8 million in 2023 (Year 1 of District operations), \$9.1 million in 2028 (Year 7 and earliest completion of full build-out), and to \$12.6 million in 2041 (Year 20).

MARKET ANALYSIS

In order to analyze the market opportunity for various project elements within the proposed Cedar Rapids Central Reinvestment District, Johnson Consulting conducted a detailed analysis of the demographic and economic conditions in the Cedar Rapids Metropolitan Statistical Area (“Metro Area”), relative to State and national averages.

While characteristics such as population, employment, education, and income are not strict predictors of project feasibility and impact potential, they provide insight into the general performance and trajectory of the market. In addition, a market’s civic leadership, proximity to other markets, transportation concentrations, and the location of competing and/or complementary amenities and attractions, directly influence the scale and quality development that can be supported within that particular market.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

The following analysis highlights key demographic and socio-economic characteristics of the Cedar Rapids Metro Area, which is comprised of 3 contiguous counties – Linn County, where the City of Cedar Rapids and the proposed Cedar Rapids Central Reinvestment District are located, Benton County and Jones County. The Metro Area represents a significant demand pool that can potentially be attracted to the various land uses within the proposed Cedar Rapids Central Reinvestment District.

POPULATION

The 2021 resident population of the Cedar Rapids Metro Area was nearly 280,000 persons. Since 2000, the population of the Metro Area has increased at an average annual rate of 0.7 percent, which is higher than the rate of growth reported throughout the State of Iowa (0.4 percent) and generally consistent with the rate of growth reported throughout the U.S. (0.8 percent). Figure 2 - 1 shows historic and current population trends in the Cedar Rapids Metro Area, Iowa and the U.S.

Figure 2 - 1

Historic and Current Population - Cedar Rapids, IA (2000-2021)				
	2000	2010	2021	CAGR*
United States	281,421,906	308,745,538	333,934,112	0.8%
Iowa	2,926,324	3,046,355	3,215,590	0.4%
Cedar Rapids Metro Area	237,230	257,940	277,500	0.7%

* Compounded Annual Growth Rate (2000-2021)

Source: Esri BAO, Johnson Consulting

Going forward, the population of the Cedar Rapids Metro Area is projected to further increase to close to 290,000 persons by 2026. This represents an average annual increase of 0.7 percent over 2021 and is again higher than the forecast rate of growth throughout the State of Iowa (0.5 percent per annum) and consistent with the U.S. growth rate (0.7 percent). Figure 2 - 2 shows current and forecast population growth within the various geographies.

Figure 2 - 2

Projected Population - Cedar Rapids, IA (2021-2026)			
	2021	2026	CAGR*
United States	333,934,112	345,887,495	0.7%
Iowa	3,215,590	3,299,250	0.5%
Cedar Rapids Metro Area	277,500	287,833	0.7%

* Compounded Annual Growth Rate (2021-2026)

Source: Esri BAO, Johnson Consulting

AGE CHARACTERISTICS

In 2021, the median age of the Cedar Rapids Metro Area residents was 39.2 years, which was generally consistent with the State of Iowa (39.4 years) and the U.S. as a whole (38.8 years). Going forward, the median age of residents of the Cedar Rapids Metro Area is expected to increase to 39.9 years by 2026, representing an increase of 1.8 percent over 2021 figures, which is slightly higher than the rate of growth forecast for the State of Iowa (1.5 percent) and consistent with the rate of growth forecast for the U.S. (1.8 percent). Figure 2 - 3 shows the median age characteristics of the Cedar Rapids Metro Area relative to the State of Iowa and the U.S.

Figure 2 - 3

Median Age - Cedar Rapids, IA (2010-2026)					
	2010	2021	2026	% Growth 2010-2021	% Growth 2021-2026
United States	37.1	38.8	39.5	4.6%	1.8%
Iowa	38.0	39.4	40.0	3.7%	1.5%
Cedar Rapids Metro Area	37.4	39.2	39.9	4.8%	1.8%

Source: Esri BAO, Johnson Consulting

EDUCATION

Residents of the Cedar Rapids Metro Area are well educated, with 45.2 percent of residents aged 25 years and older holding an Associate's degree or higher, which is higher than the State (41.6 percent) and national (42.3 percent) averages. Figure 2 - 4 provides a breakdown of educational attainment levels in the Metro Area, relative to State and national averages.

Figure 2 - 4

	United States		Iowa		Cedar Rapids Metro Area	
	No.	%	No.	%	No.	%
Less than High School	25,592,746	11.1%	158,340	7.2%	9,871	5.2%
High School Graduate	52,799,449	22.9%	595,976	27.1%	47,836	25.2%
GED/Alternative Credential	9,222,611	4.0%	85,768	3.9%	7,213	3.8%
Some College, No Degree	45,651,925	19.8%	446,432	20.3%	39,104	20.6%
Associate's Degree	20,059,179	8.7%	263,901	12.0%	25,247	13.3%
Bachelor's Degree	47,496,447	20.6%	439,835	20.0%	42,711	22.5%
Graduate Degree	29,973,486	13.0%	211,121	9.6%	17,844	9.4%
TOTAL	230,565,279		2,199,173		189,827	

Source: Esri BAO, Johnson Consulting

HOUSEHOLD INCOME

In 2021, the median household income in the Cedar Rapids Metro Area was \$62,548 per annum, which was slightly higher than that of Iowa (\$60,413 per annum) but slightly lower than the national average (\$64,730). By 2026, the median household income in the Cedar Rapids Metro Area is projected to increase to \$67,602 per annum, representing an average annual growth rate of 1.6 percent over 2021. This is consistent with the rate of growth forecast throughout the State (1.6 percent per annum) but lower than the projected rate of growth throughout the U.S. (2.4 percent per annum). Figure 2 - 5 shows the current and projected median household incomes within the defined geographies.

Figure 2 - 5

Median Household Income - Cedar Rapids, IA (2020-2026)			
	2021	2026	CAGR*
United States	\$64,730	\$72,932	2.4%
Iowa	\$60,413	\$65,307	1.6%
Cedar Rapids Metro Area	\$62,548	\$67,602	1.6%

* Compounded Annual Growth Rate (2021-2026)

Source: Esri BAO, Johnson Consulting

EMPLOYMENT

In 2020, the predominant industries of employment in the Cedar Rapids Metro Area were Trade, Transportation and Utilities (employing 22.4 percent of employed persons aged 16 years and older),, Manufacturing (14.4 percent), and Education and Health Services (14.3 percent), collectively employing close to 70,000 people. Between 2019 and 2020, all industries saw a decrease in employment, which is largely attributed to the ongoing pandemic. Figure 2 - 6 shows employment by industry in the Cedar Rapids Metro Area.

Figure 2 - 6

Non-Farm Employment by Industry - Cedar Rapids Metro Area, IA (2019-2020)			
Industry	2019	2020	Growth Rate 2019-2020
Natural Resources and Mining	693	629	(9.2%)
% of Total	0.5%	0.5%	
Construction	7,968	7,788	(2.3%)
% of Total	5.5%	5.8%	
Manufacturing	20,430	19,333	(5.4%)
% of Total	14.2%	14.4%	
Trade, Transportation, and Utilities	31,792	30,108	(5.3%)
% of Total	22.1%	22.4%	
Information	3,527	3,121	(11.5%)
% of Total	2.5%	2.3%	
Financial Activities	11,239	10,945	(2.6%)
% of Total	7.8%	8.1%	
Professional and Business Services	14,843	14,193	(4.4%)
% of Total	10.3%	10.5%	
Education and Health Services	20,075	19,329	(3.7%)
% of Total	14.0%	14.3%	
Leisure and Hospitality	12,279	9,952	(19.0%)
% of Total	8.5%	7.4%	
Other Services	4,128	3,594	(12.9%)
% of Total	2.9%	2.7%	
Government	16,652	15,712	(5.6%)
% of Total	11.6%	11.7%	
TOTAL	143,626	134,704	(6.2%)

Source: BLS, Johnson Consulting

UNEMPLOYMENT

Figure 2 - 7 shows the average annual unemployment rate for the Cedar Rapids Metro Area relative to State and national averages. In 2020, which is the most current annual data available, the unemployment rate in the Cedar Rapids Metro Area was 5.7 percent, which was slightly higher than the State unemployment rate (5.3 percent) but well below the national average (8.1 percent). This continues trends observed over the past decade, whereby the Metro Area's unemployment rate has generally tracked above the statewide unemployment rate but below the national rate, as is characteristic of blue collar economies.

Figure 2 - 7

Unemployment Rate* - Cedar Rapids, IA (2008-2020)			
	United States	Iowa	Cedar Rapids Metro Area
2008	5.8%	4.2%	4.1%
2009	9.3%	6.4%	6.2%
2010	9.6%	6.0%	6.0%
2011	8.9%	5.5%	5.7%
2012	8.1%	5.5%	5.2%
2013	7.4%	4.7%	5.0%
2014	6.2%	4.2%	4.4%
2015	5.3%	3.8%	3.8%
2016	4.9%	3.6%	3.7%
2017	4.4%	3.1%	3.4%
2018	3.9%	2.6%	2.9%
2019	3.7%	2.8%	3.0%
2020	8.1%	5.3%	5.7%

**Average Annual Rate (seasonally unadjusted)*

Sources: US Bureau of Labor Statistics, Johnson Consulting

MARKET ATTRIBUTES

LOCATION AND ACCESS

The strategic location of Cedar Rapids in Eastern Iowa, on the Cedar River, means that is accessible via various modes of transport:

- **AIR:** The Eastern Iowa Airport (CID) is located approximately 8 miles to the southwest of downtown Cedar Rapids. CID serves 1.3 million passengers annually, with non-stop flights to 14 destinations throughout the U.S. via American Airlines, Delta, Frontier Airlines, and United. The closest international airport is Des Moines International Airport (DSM), which is located 125 miles to the southwest of Cedar Rapids. DSM serves approximately 3 million passengers annually, via 6 airlines.
- **RAIL:** While Cedar Rapids does not have a passenger rail station, the City's economy was originally propelled by milling and meatpacking, and was later bolstered by a regional rail network, along with

the Cedar Riverland's rich agricultural land in the area, which made Cedar Rapids an attractive place for manufacturing and processing of foods and fuels, as well as other industrial enterprises.

- **BUS:** Cedar Rapids offers 12 intra-city bus routes, along with paratransit services, and an inter-city bus service between Downtown Cedar Rapids and Iowa City known as the "380 Express". Greyhound's Burlington Trailways stop is located adjacent to CID and provides connectivity with numerous destinations throughout the Midwest and Eastern states.
- **ROAD:** Interstate 380, a spur route off Interstate 80, converges with Highways 30 and 151 in Cedar Rapids, connecting the city to its regional neighbors of Waterloo to the northwest, Dubuque to the northeast, the Quad Cities to the southeast, Iowa City to the south, Ames to the west, and Des Moines to the southwest.
- **TRAILS:** The Cedar Rapids trail system is regarded as a community asset. The 24-mile network runs along the Cedar River and downtown Cedar Rapids, connecting with several of the City's 74 parks and recreation amenities.

EDUCATIONAL INSTITUTIONS

Cedar Rapids is home to two 4-year colleges – Coe College and Mount Mercy University. The Cedar Rapids Community School District, which is the largest in the Cedar Rapids Metro Area, comprises 4 high school, 6 middle schools, and 24 elementary schools.

CORPORATE PRESENCE

A strong corporate and business presence can be an important factor in the success of any real estate development, because local businesses offer support by attracting residents to the area and providing disposable income, through their requirement for meeting and event space, and through donations, advertising, and sponsorships opportunities, depending on the nature of the project. Figure 2 - 8 shows the largest employers in the Cedar Rapids Metro Area, indicating a diverse economy with large employees across a variety of industry sectors.

Figure 2 - 8

Major Employers - Cedar Rapids Metro Area (2020)		
Employer	Industry	Employment
Collins Aerospace	Aerospace Engineering	7,500+
The University of Iowa	Education	7,500+
Transamerica	Finance & Insurance	2,500+
Whirlpool	Appliance Manufacturing	2,500+
Nordstrom	Transportation & Warehousing	1,000+
ACT	Education	1,000+
Pearson	Education	1,000+
P&G	Manufacturing	1,000+
Quaker Oats	Food Manufacturing	500+
General Mills	Food Manufacturing	500+
Toyota	Automotive	500+
Geico	Finance & Insurance	500+
FPL	Utilities	500+
CRST	Transportation & Warehousing	500+
UFG Insurance	Finance & Insurance	500+
Wells Fargo	Finance & Insurance	500+
ADM	Food & Fuel Manufacturing	200+
International Paper	Paper Manufacturing	200+
Cargill	Food & Fuel Manufacturing	200+
PMX	Metal Manufacturing	200+
Raining Rose	Promotional Product Manufacturing	200+
Ingredion	Food Manufacturing	200+
Du Pont	Food & Fuel Manufacturing	200+
Kraft Heinz	Food Manufacturing	200+
Lesaffre Yeast Corporation	Food Manufacturing	200+
TreeHouse	Food Manufacturing	200+

Source: Cedar Rapids Metro Economic Alliance, Johnson Consulting

The greater Cedar Rapids and Iowa City areas are closely intertwined and have formally joined forces in the form of a regional economic development partnership known as “ICR Iowa,” which includes the Linn, Johnson, Benton, Cedar, Iowa, Jones, and Washington counties. ICR Iowa identifies several industries that anchor the local area including Insurance and Finance, Educational Technology and Services, Engineering and Automation, and Food and Bio-Processing, as well as Biotechnology and Medical Technology, which are significant growth industries in the region. These industries support a stable economy and growth industries will further diversify and bolster economic resilience.

IMPLICATIONS

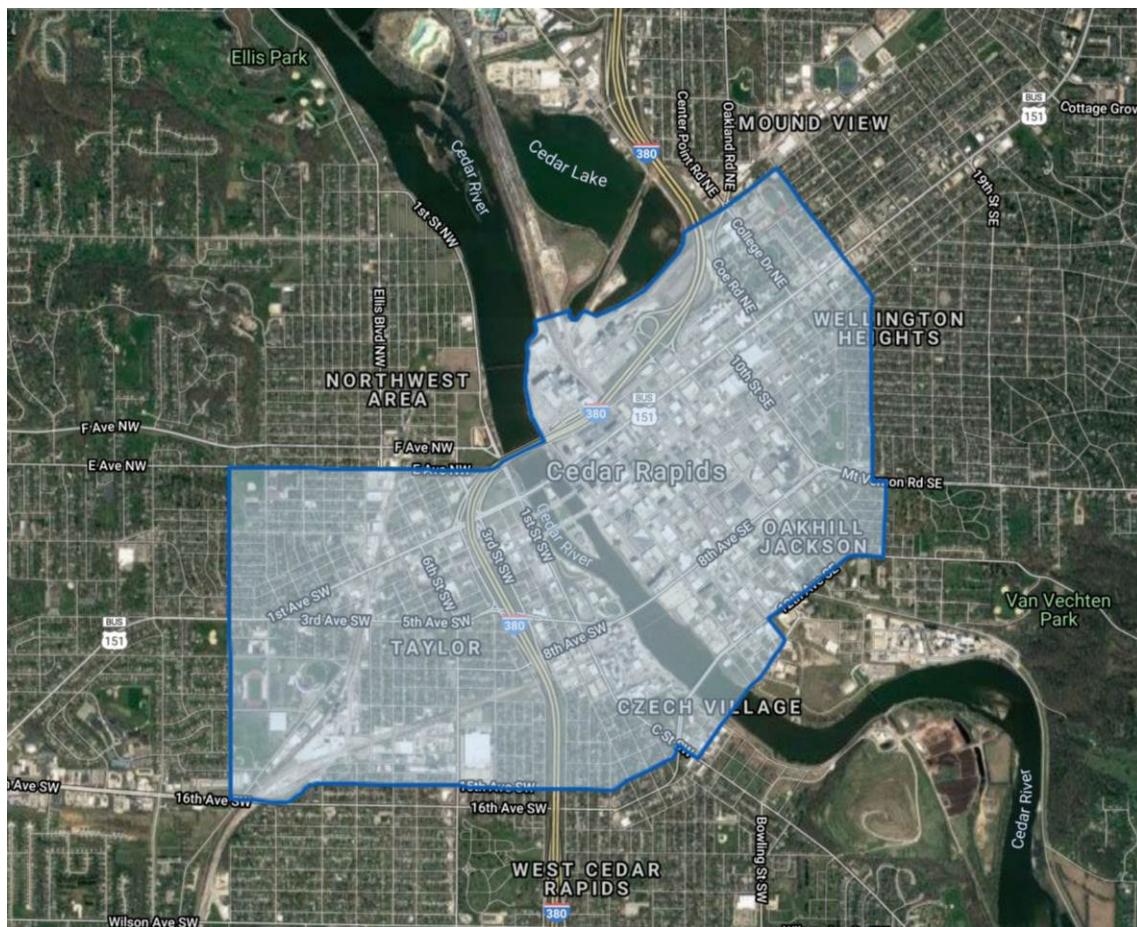
Cedar Rapids has many of the key demographic and socioeconomic conditions necessary to support various developments on the identified priority development sites and throughout the proposed Cedar Rapids Central Reinvestment District. These include a significant population base in Cedar Rapids and surrounding areas that is well educated, and a robust and diverse economy with concentrations in manufacturing, industrial, and transportation enterprises. The priority development sites are ideally located to enhance the image and draw of Downtown Cedar Rapids with the right mix of high-quality, unique amenities and activities.

MARKET TRENDS AND FEASIBILITY ASSESSMENT

The following analysis considers market fundamentals for land uses that are proposed on the identified priority development sites and throughout the proposed Cedar Rapids Central Reinvestment District. The analysis is based upon the most current sources of published data available at the time of this study (primarily CoStar, which maintains a database of commercial real estate information that is widely regarded in the industry, LoopNet, which is a sales database also maintained by CoStar, and Smith Travel Research, which is an independent hotel research firm whose statistics are widely used within the industry).

Figure 3 - 1 shows the Downtown Cedar Rapids submarket, as defined by CoStar and within which the proposed Cedar Rapids Central Reinvestment District is located.

Figure 3 - 1



Source: CoStar, Johnson Consulting

PROPOSED PROGRAM LAND USES

As described in the introduction to this report, the preliminary proposed development programs for the priority development sites, as well as supplemental development within the Cedar Rapids Central Reinvestment District, include a mix of land uses, as follows:

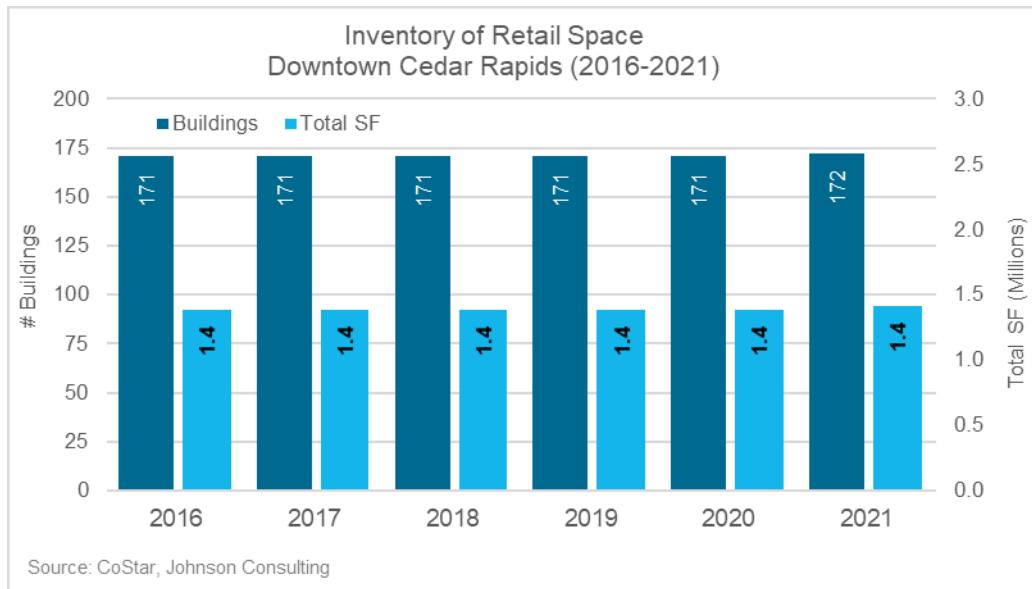
- **Retail:** 140,634 SF of retail and restaurants.
- **Office:** 9,500 SF.
- **Multi-Family Housing:** 221 multi-family housing units, predominantly rental units and a small number of for-sale condos.
- **Hotel:** 100 guest rooms.
- **Event/ Entertainment/ Recreation:** Various offerings on the priority development sites including event space and entertainment uses, along with passive and active recreation amenities along the Cedar Riverfront.

The following analysis provides an assessment of market support for these uses within the proposed District.

A. RETAIL/ RESTAURANTS

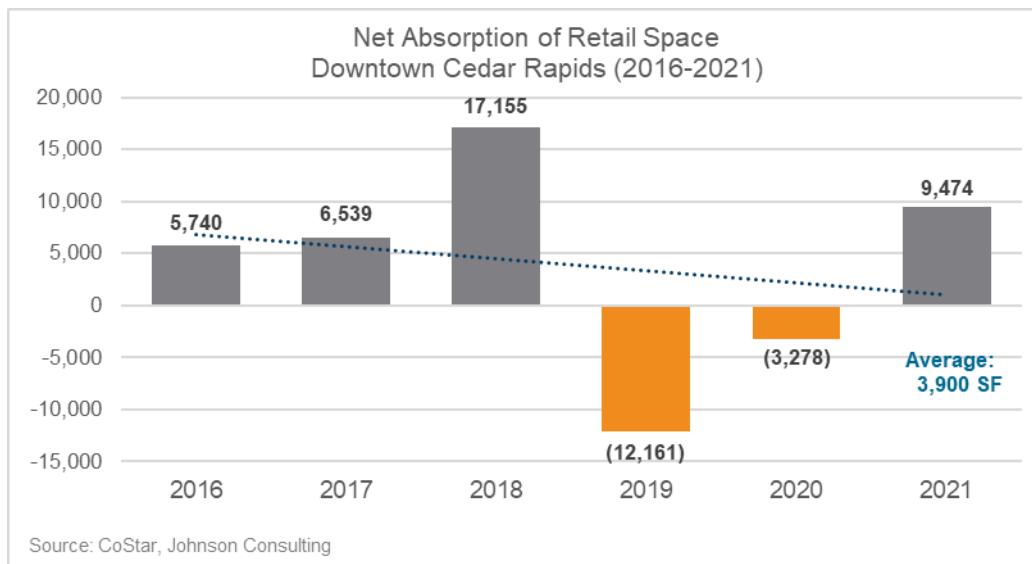
INVENTORY: The Downtown Cedar Rapids retail submarket is comprised of 172 retail properties totaling 1.4 million SF. Figure 3 - 2 shows the total retail space inventory in the submarket since 2016, indicating that the inventory has remained stable.

Figure 3 - 2

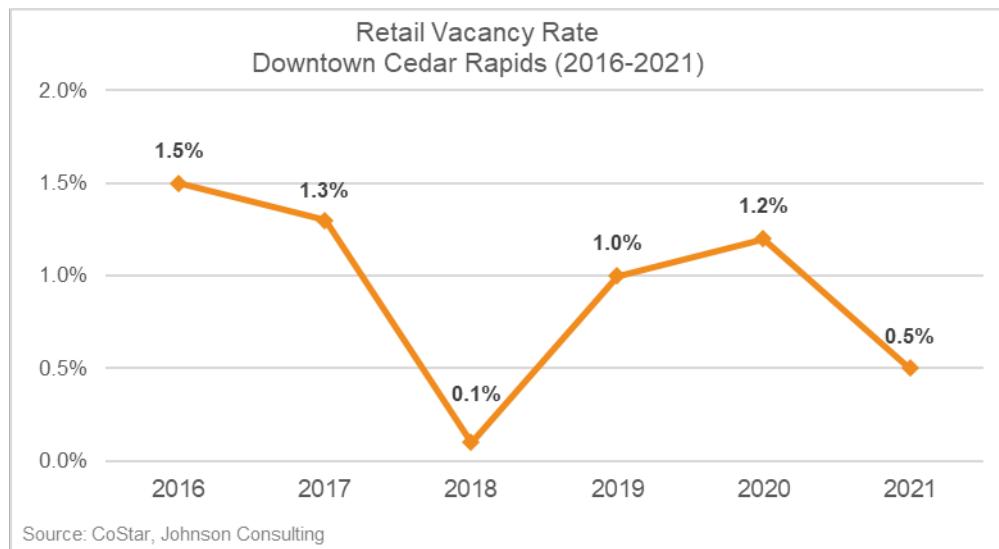


ABSORPTION: In 2021 the Downtown Cedar Rapids retail submarket recorded a positive net absorption of 9,474 SF (whereby net absorption is defined as occupied space less vacated space). This is in contrast to the period of 2019-2020, during which the submarket reported a negative net absorption each year. Overall, between 2016 and 2021, the Downtown Cedar Rapids retail submarket reported a positive net absorption of 3,900 SF per annum, as shown in Figure 3 - 3.

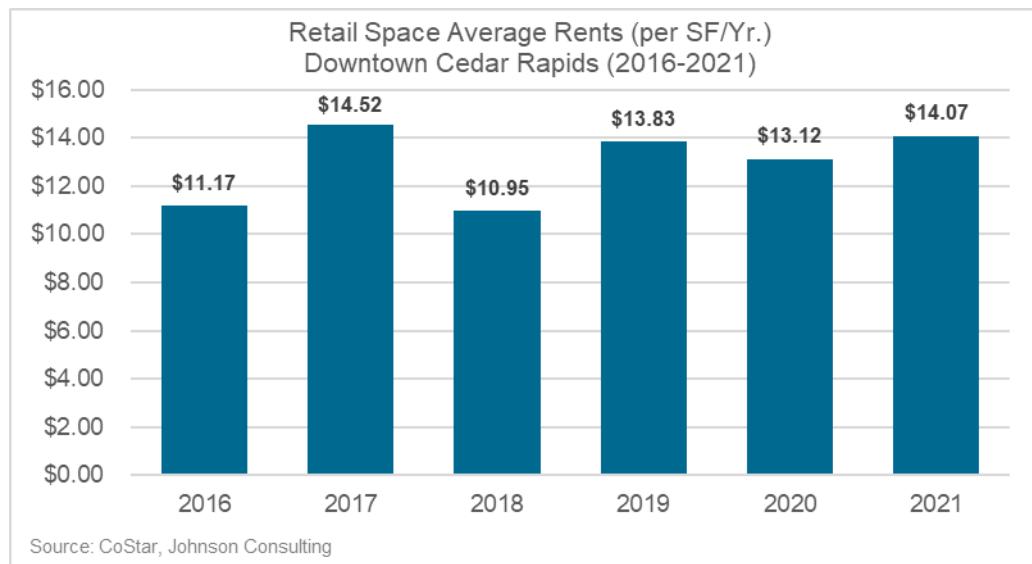
Figure 3 - 3



VACANCY: In recent years, the Downtown Cedar Rapids retail submarket has reported very low vacancies. In 2021 the vacancy rate was 0.5 percent, down from 1.2 percent in 2020. Figure 3 - 4 shows the vacancy rate in the Downtown Cedar Rapids retail submarket since 2016, across all retail classifications.

Figure 3 - 4

LEASE RATES: In 2021 the average (NNN) retail rent in the Downtown Cedar Rapids submarket increased to \$14.07 per SF per annum from \$13.12 per SF per annum in 2020. Generally speaking, retail rents have held steady despite the significant impact of the ongoing pandemic on the retail market. Since 2016, the submarket has reported an average annual increase in rents of 4.7 percent, as shown in Figure 3 - 5.

Figure 3 - 5

NEW INVENTORY AND PIPELINE DEVELOPMENT: Based upon data from LoopNet and CoStar, there is currently no retail space under construction in the Downtown Cedar Rapids submarket. Excluding the retail space that is proposed on the priority development sites within the proposed Cedar Rapids Central Reinvestment District, LoopNet indicates that there is 11,032 SF of retail space planned at 1445 1st Ave SE, none of which is pre-leased.

ASSESSMENT OF MARKET POTENTIAL: The Downtown Cedar Rapids retail submarket has reported extremely low vacancies, stable rents, and positive net absorption over recent years (with the exception of 2020). Downward pressure on vacancies reflects virtually no inventory growth over the past 5 years, with no additional inventory currently under construction in the submarket. The locational attributes of, and overall vision for, proposed development on the priority development sites within the Cedar Rapids Central Reinvestment District, suggest that retail uses would need to have a food-service orientation, convenience focus that supports District workers and residents, or offer unique goods or services to draw both transient visitors and local residents to Downtown. It is understood that tenant discussions, and in some cases negotiations, have already commenced between the developers of the proposed retail spaces within the District, with minimal speculative retail space proposed.

Figure 3 - 6 presents a gap analysis, based upon current retail spend potential and reported retail sales in the Downtown Cedar Rapids submarket, as well as a 20-minute drive time trade area to account for the relatively small resident base within the submarket but the draw of the downtown core. This analysis reflects data from ESRI that includes retail classifications per the National American Industry Classification System (NAICS).

Figure 3 - 6

Retail Market Spend Leakage and Supportable Space Assessment Downtown Cedar Rapids Submarket and Subject Site 20-Minute Drive Time Trade Area (2020)				
Retail Category*	Demand	Supply (Retail Sales)	Surplus/ Leakage	Supportable SF**
Downtown Cedar Rapids Submarket				
Grocery Stores	\$12,006,337	\$31,293,510	(\$19,287,173)	-
Specialty Food Stores	\$566,829	\$1,606,041	(\$1,039,212)	-
Beer, Wine and Liquor Stores	\$358,328	\$3,390,712	(\$3,032,384)	-
Health & Personal Care Stores	\$3,864,432	\$6,804,838	(\$2,940,406)	-
Clothing Stores	\$1,489,031	\$4,035,085	(\$2,546,054)	-
Shoe Stores	\$301,875	\$0	\$301,875	1,509
Jewelry, Luggage & Leather Goods Stores	\$501,229	\$143,795	\$357,434	1,787
Sporting Goods/ Hobby Stores	\$1,324,422	\$6,804,982	(\$5,480,560)	-
Book & Music Stores	\$293,267	\$326,937	(\$33,670)	-
Other General Merchandise Stores	\$2,088,018	\$1,656,379	\$431,639	2,158
Special Food Services	\$125,511	\$1,457,714	(\$1,332,203)	-
Drinking Places - Alcoholic Beverages	\$455,589	\$4,110,673	(\$3,655,084)	-
Restaurants/Other Eating Places	\$5,828,858	\$27,335,545	(\$21,506,687)	-
Total Supportable SF				5,455
20-Minute Drive Time Submarket				
Grocery Stores	\$52,918,546	\$96,287,771	(\$43,369,225)	-
Specialty Food Stores	\$24,992,642	\$9,658,487	\$15,334,155	76,671
Beer, Wine and Liquor Stores	\$16,988,740	\$8,640,654	\$8,348,086	41,740
Health & Personal Care Stores	\$175,989,453	\$252,060,664	(\$76,071,211)	-
Clothing Stores	\$69,394,110	\$76,443,521	(\$7,049,411)	-
Shoe Stores	\$14,176,905	\$14,092,663	\$84,242	421
Jewelry, Luggage & Leather Goods Stores	\$25,301,549	\$7,305,383	\$17,996,166	89,981
Sporting Goods/ Hobby Stores	\$62,721,540	\$77,633,578	(\$14,912,038)	-
Book & Music Stores	\$12,956,852	\$1,029,465	\$11,927,387	59,637
Other General Merchandise Stores	\$94,070,455	\$104,539,333	(\$10,468,878)	-
Special Food Services	\$5,895,359	\$4,767,676	\$1,127,683	5,638
Drinking Places - Alcoholic Beverages	\$22,815,922	\$21,947,212	\$868,710	4,344
Restaurants/Other Eating Places	\$271,602,446	\$271,758,204	(\$155,758)	-
Total Supportable SF				278,432

* Select categories from NAICS, based upon typical tenancies at Neighborhood Centers and Convenience/ Strip Centers.

Definitions of products sold at each category of retailer: 1) Grocery Stores - general line of food products; 2). Specialty Food Stores - specialized lines of food products; 3). Beer, Wine and Liquor Stores - packaged alcoholic beverages; 4). Health and Personal Care Stores - retail health and personal care merchandise from fixed point-of-sale locations. Establishments in this subsector are characterized principally by the products they retail, and some health and personal care stores may have specialized staff trained in dealing with the products. Staff may include pharmacists, opticians, and other professionals; 4). Clothing Stores - new clothing; 5). Shoe Stores - new footwear; 6). Jewelry, Luggage and Leather Goods Stores; 7). Sporting Goods/ Hobby Stores - retailing of new sporting goods, and may offer used goods and repair services; 8). Book and Music Stores new musical instruments, sheet music, and related supplies, new books; 9). Other General Merchandise Stores - new goods, such as apparel, automotive parts, dry goods, hardware, housewares or home furnishings, in stores other than department stores, warehouse clubs, superstores and supermarkets; 10). Special Food Services - providing food services at one or more of the following locations: the customer's location; a location designated by the customer; or from motorized vehicles or nonmotorized carts; 11). Drinking Places - Alcoholic Beverages - bars, taverns and nightclubs; 12). Restaurants/ Other Eating Places - one of the following: providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating; providing food services to patrons who generally order or select items (e.g., at a counter, in a buffet line) and pay before eating; or preparing and/or serving a specialty snack (e.g., ice cream, frozen yogurt, cookies) and/or nonalcoholic beverages (e.g., coffee, juices, sodas) for consumption on or near the premises.

** Assumes average retail sales per square foot of \$200

Source: ESRI, Johnson Consulting

As shown, based upon current demand and supply factors, the population of the Downtown Cedar Rapids submarket can support a nominal amount of additional retail space (5,455 SF). The broader trade area, however, experiences retail leakages across several categories of retail spend, including Specialty Food Stores, Beer, Wine and Liquor Stores, Shoe Stores, Jewelry, Luggage and Leather Goods Stores, Sporting Goods/ Hobby Stores, Book and Music Stores, Special Food Services, and Drinking Places. One overarching challenge as it relates to the feasibility of new retail space within the Downtown area is the lack of residential density. The area is predominantly commercial and therefore experiences reduced levels of activity on evenings and weekends. Notwithstanding this, various proposed land uses within the Cedar Rapids Central Reinvestment District will help to support additional retail space, which will be an important amenity for residents, workers and visitors alike.

Figure 3 - 7 summarizes our of market-driven demand for the proposed retail space within the District.

Figure 3 - 7

Retail: Assessment of Market Potential Downtown Cedar Rapids Submarket/ Cedar Rapids Central Reinvestment District						
Inventory*	Proposed Program**	Vacancy Rate*	5 Year Avg. Annual Absorption*	Demand Potential (see Note 1)	Other New Supply****	Market-Supportable
Retail/ Restaurants	1.4M SF	140,634 SF	0.8%	3,400 SF	278,432 SF	11,302 SF 

Note 1: Demand Potential

Supportable Retail Space*** 278,432 SF

* Downtown Cedar Rapids Submarket

** Cedar Rapids Central Reinvestment District

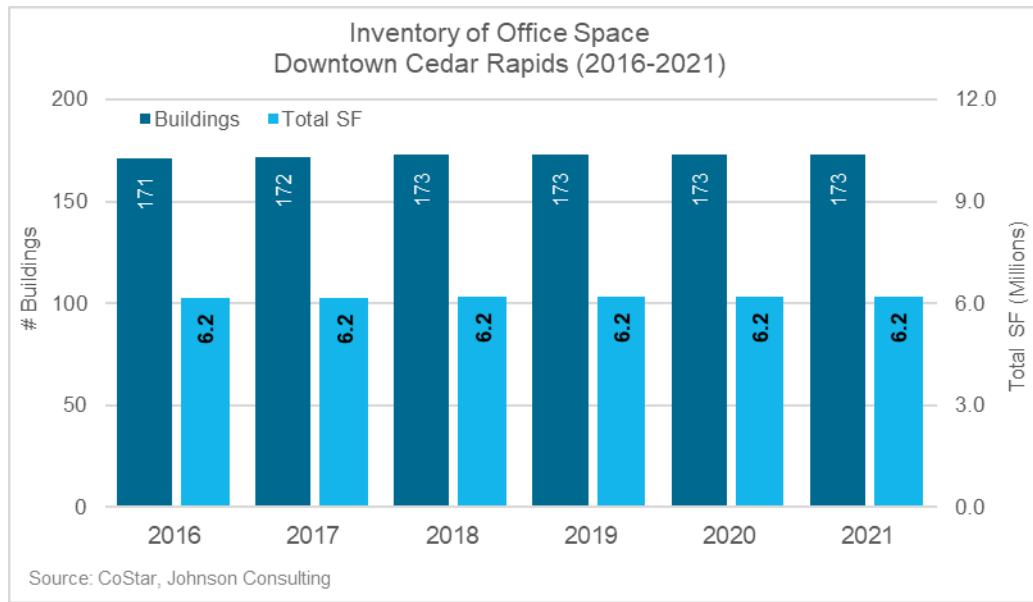
*** Reflects leakage analysis within 20-minute drive time trade area; Does not account for additional population growth within District or trade area

**** 11,302 SF in final planning phase

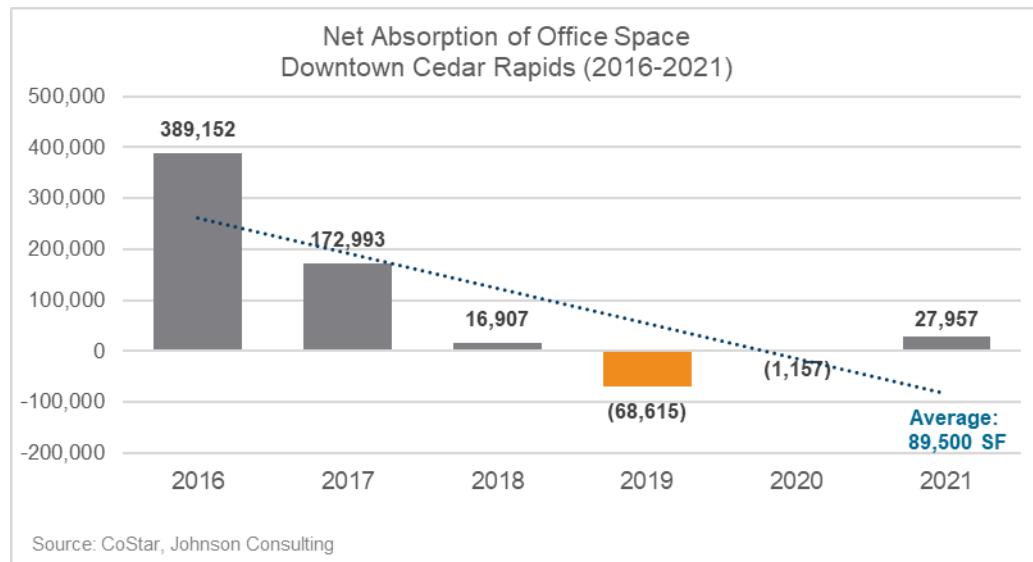
Source: CoStar, Esri BAO, City of Cedar Rapids, Developers, Johnson Consulting

B. OFFICE

INVENTORY: The Downtown Cedar Rapids office submarket is comprised of 173 buildings and 6.2 million SF of office space. Figure 3 - 8 shows the inventory of office space in the submarket since 2016, highlighting that the number of buildings and total inventory both increased at an average annual rate of 0.2 percent.

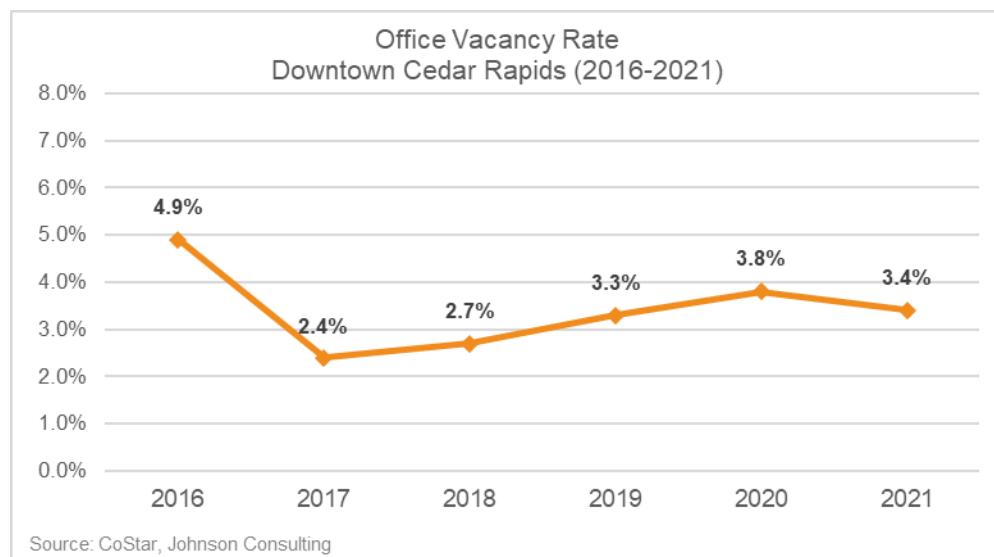
Figure 3 - 8

ABSORPTION: In 2021 the Downtown Cedar Rapids office submarket recorded a positive net absorption of 27,957 SF. This was in contrast to 2019 and 2020, when the submarket reported a negative net absorption of (68,615) SF and (1,157) SF, respectively. Overall, since 2016 the submarket has reported an average positive net absorption of 89,500 SF per annum, as shown in Figure 3 - 9.

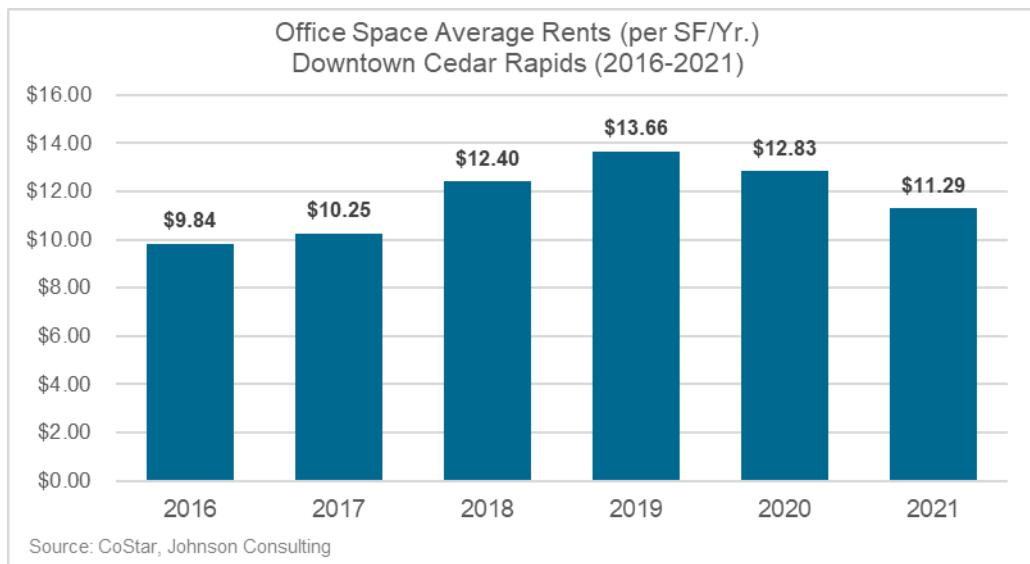
Figure 3 - 9

VACANCY: In 2021 the vacancy rate in the Downtown Cedar Rapids office submarket was 3.4 percent, down slightly from 3.8 percent in 2020 but remaining higher than the most recent low of 2.4 percent in 2017. Notwithstanding this, vacancy rates in the submarket remain well below the most recent peak of 4.9 percent reported in 2016. Figure 3 - 10 shows the vacancy rate in the Downtown Cedar Rapids office submarket between 2016 and 2021.

Figure 3 - 10



LEASE RATES: In 2021 the Downtown Cedar Rapids submarket reported an average base rent of \$11.29 per SF per annum, down from \$12.83 per SF per annum in 2020 and from the most recent peak of \$13.66 per SF per annum in 2018. Notwithstanding this, base rents have increased at an average rate of 2.8 percent since 2016, as shown in Figure 3 - 11.

Figure 3 - 11

NEW INVENTORY AND PIPELINE DEVELOPMENT: Based upon data from LoopNet and CoStar, there is currently no office space under construction or proposed in the Downtown Cedar Rapids submarket, excluding the office space that is proposed on the priority development sites within the proposed Cedar Rapids Central Reinvestment District.

ASSESSMENT OF MARKET POTENTIAL: The Downtown Cedar Rapids office submarket has low vacancies, relatively stable rents, and reported a positive net absorption trend over past 5 years, despite small gains in inventory. The proposed program of office space on the priority development sites within the Cedar Rapids Central Reinvestment District is relatively modest and at the time of this study, there is no additional inventory under construction or planned within the submarket. Figure 3 - 12 summarizes our assessment of market-driven demand for the proposed office space within the District.

Figure 3 - 12

Office: Assessment of Market Potential Downtown Cedar Rapids Submarket/ Cedar Rapids Central Reinvestment District							
	Inventory*	Proposed Program**	Vacancy Rate*	5 Year Avg. Annual Absorption*	Demand Potential (see Note 1)	Other New Supply	Market-Supportable
Office	6.2M SF	9,500 SF	3.5%	88,100 SF	186,596 SF	0 units	✓
Note 1: Demand Potential							
Daytime Employees (Est.) 2020		27,600 office workers					
Projected Annual Job Growth (Metro Area) 2020-2025		0.7 percent					
Projected Submarket Employees 2024		28,346 office workers					
SF per Office Worker		250 SF					
Demand Potential (2024)***		186,596 SF					

* Downtown Cedar Rapids Submarket

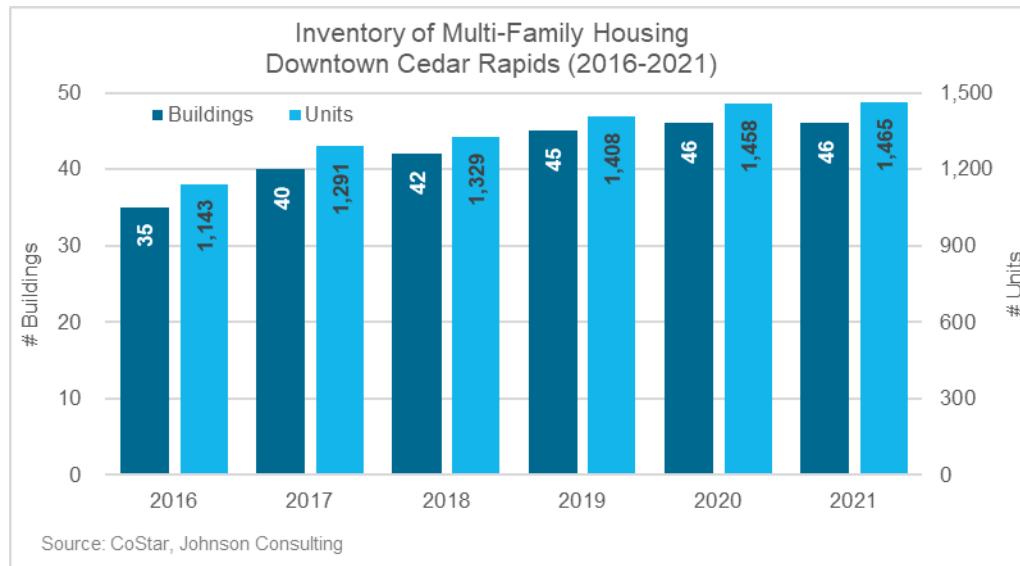
** Cedar Rapids Central Reinvestment District

*** 2024 represents year of completion of proposed office space within the Cedar Rapids Central Reinvestment District

Source: CoStar, Emsi (Q4 2020 Dataset), City of Cedar Rapids, Developers, Johnson Consulting

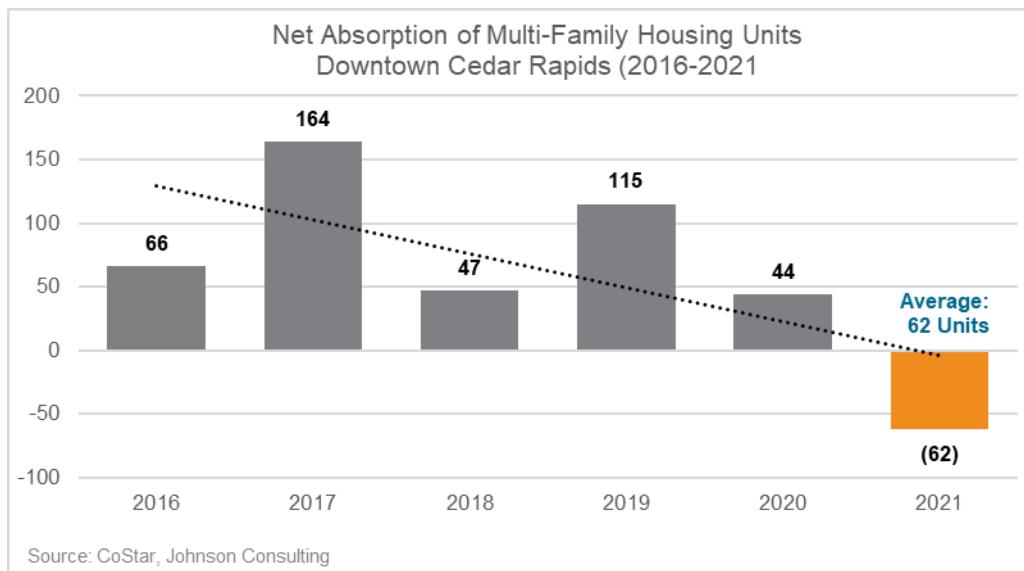
C. MULTI-FAMILY RESIDENTIAL

INVENTORY: The Downtown Cedar Rapids multi-family housing submarket is comprised of 46 multi-family residential buildings, totaling 1,465 units. Figure 3 - 13 shows the inventory of multi-family housing in the submarket since 2016, indicating that the number of buildings increasing at an average annual rate of 5.6 percent and the number of units increasing at an average annual rate of 5.1 percent.

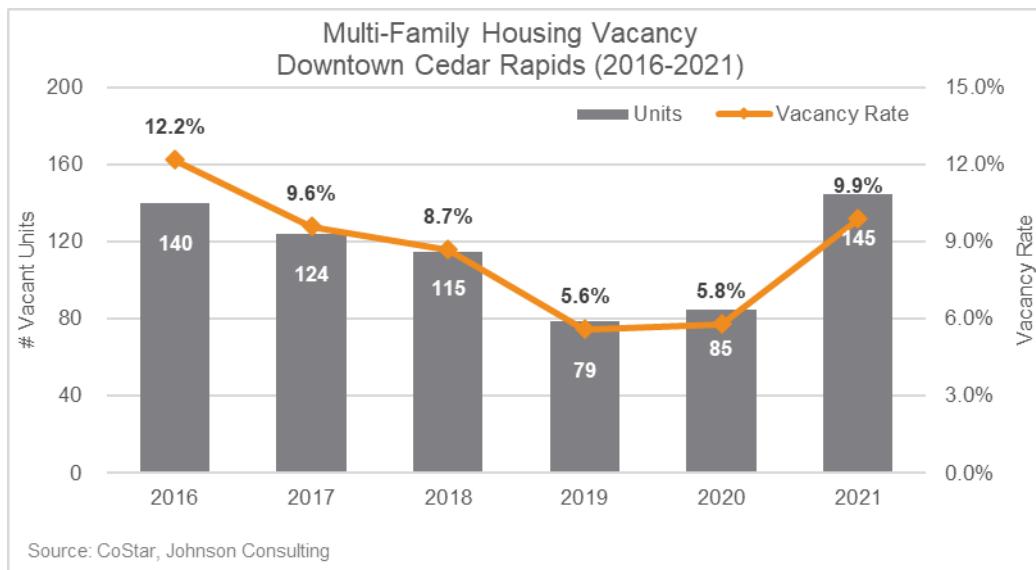
Figure 3 - 13

NET ABSORPTION: In 2021 the Downtown Cedar Rapids multi-family housing submarket reported a negative net absorption of (62) units. This was in contrast to the positive net absorption over recent years, with the submarket having reported an average net absorption of 62 units per annum since 2016, as shown in Figure 3 - 14.

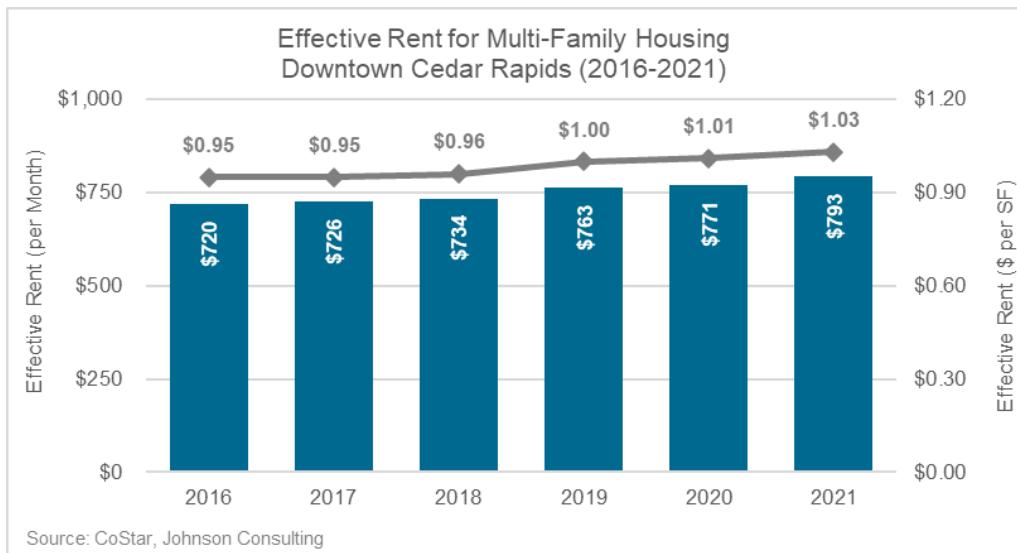
Figure 3 - 14



VACANCY: In 2021 the Downtown Cedar Rapids multi-family housing submarket reported a vacancy rate 9.9 percent or 145 units. This represented an increase over the 5.8 percent vacancy rate reported at the end of 2020 but remains below the most recent peak of 12.2 percent vacancy that occurred in 2016. This trend is shown in Figure 3 - 15.

Figure 3 - 15

RENTAL RATES: Since 2016, multi-family housing rents in the Downtown Cedar Rapids submarket have trended slightly upwards, increasing at an average annual rate of 1.8 percent and reaching \$793 per month in 2021. During the same period, the average rent per SF increased at a similar rate of 1.6 percent, reaching \$1.03 per SF in 2021. Figure 3 - 16 shows average rents in the Downtown Cedar Rapids multi-family housing submarket since 2016.

Figure 3 - 16

NEW INVENTORY AND PIPELINE DEVELOPMENT: Based upon data from LoopNet and CoStar, there are currently no multi-family apartment projects under construction or proposed in the Cedar Rapids submarket, excluding the residential units that are proposed on the priority development sites within the proposed Cedar Rapids Central Reinvestment District.

ASSESSMENT OF MARKET POTENTIAL: Nationally, the ongoing pandemic has had a negative impact on downtown housing markets. Notwithstanding this, fundamentals in the Downtown Cedar Rapids rental housing market remained sound through 2020, with decreasing vacancies, stable rents, and positive net absorption. Recent metrics indicate that demand has outpaced supply of new units, which has been minimal over recent years, and may be indicative of increasing demand for downtown living.

Taking into consideration forecast population growth and the absence of new inventory currently under construction in the submarket, it is our opinion that demand will return to pre-pandemic levels particularly as the new amenities as proposed are delivered and that there is adequate demand to support additional multi-family housing within the proposed Cedar Rapids Central Reinvestment District over the medium-term. Figure 3 - 17 summarizes our assessment of market-driven demand for the proposed multi-family apartments within the District.

Figure 3 - 17

Multi-Family Housing: Assessment of Market Potential Downtown Cedar Rapids Submarket/ Cedar Rapids Central Reinvestment District							
	Existing Inventory*	Proposed Program**	Vacancy Rate*	5 Year Avg. Annual Absorption*	Demand Potential (see Note 1)	Other New Supply	Market-Supportable
Multi-Family Housing	1,458 units	221 units	9.8%	63 units	299 units	0 units	✓

Note 1: Demand Potential

Population (2020) 9,291 persons
 Projected Population (2025) 9,757 persons
 Projected Annual Population Growth (2020-2025) 1.0 percent
 Projected Population Growth (2020-2027)*** 659 persons
 Av. HH Size 2.2 persons
 Demand Potential 299 units

* Downtown Cedar Rapids Submarket

** Cedar Rapids Central Reinvestment District

*** 2027 represents final year of completion of proposed housing units within the Cedar Rapids Central Reinvestment District

Source: CoStar, Esri BAO, City of Cedar Rapids, Developers, Johnson Consulting

D. HOTEL

INVENTORY: Based upon data from STR, the Cedar Rapids hotel market is comprised of 39 properties totaling 3,304 hotel rooms. The only hotel within the Downtown submarket area is the 267-room DoubleTree by Hilton that is attached to the Alliant Energy Powerhouse arena and convention center. The hotel

inventory has grown by 5 hotels totaling 428 rooms, since 2015. The complete hotel inventory for the Cedar Rapids market is shown in Figure 3 - 18.

Figure 3 - 18

Hotel Inventory - Cedar Rapids, IA** (2021)					
Hotel	Distance from Subject Site (Miles)	Chain Scale*	Year Opened	Guest Rooms	Meeting Space (SF)
DoubleTree by Hilton Hotel Cedar Rapids	0.2	Upscale	1979	267	68,822
Cedar Rapids Inn	2.2	Economy	1990	100	-
Economy Inn & Suites	2.2	Economy	1988	37	-
Quality Inn Cedar Rapids South	2.2	Midscale	1987	60	-
Aspen Inn	2.2	Economy	1993	42	-
Hampton Inn Cedar Rapids	2.3	Upper Midscale	1994	105	-
Super 8 Cedar Rapids	2.3	Economy	1985	62	-
Motel 6 Cedar Rapids - Airport	2.3	Economy	1977	100	-
SureStay Cedar Rapids	2.3	Economy	1987	98	240
Fairfield Inn & Suites Cedar Rapids	2.3	Upper Midscale	2012	92	-
Baymont Inn & Suites Cedar Rapids	2.4	Midscale	1995	57	-
Holiday Inn Express	2.4	Upper Midscale	1997	83	300
Budget Inn	2.4	Economy	1968	75	-
Econo Lodge Cedar Rapids	2.4	Economy	1981	50	-
Residence Inn Cedar Rapids South	2.4	Upscale	2016	95	460
Motel 6 Cedar Rapids	2.4	Economy	1976	48	-
Ramada Cedar Rapids	2.5	Midscale	1976	156	8,000
Rodeway Inn Cedar Rapids	2.9	Economy	1993	47	400
Tru by Hilton Cedar Rapids Westdale	3.1	Midscale	2017	82	-
Staybridge Suites Cedar Rapids North	3.3	Upscale	2001	82	765
Comfort Inn	3.4	Upper Midscale	1998	62	372
Residence Inn Cedar Rapids	3.5	Upscale	1996	66	290
Marriott Cedar Rapids	3.7	Upper Upscale	1988	220	16,628
Holiday Inn Express Cedar Rapids (Collins Rd)	3.7	Upper Midscale	1995	83	228
Hampton by Hilton	3.8	Upper Midscale	2009	103	576
Homewood Suites by Hilton Cedar Rapids North	3.8	Upscale	2010	95	648
La Quinta Inns & Suites Cedar Rapids***	3.8	Upper Midscale	1999	80	600
Quality Inn At Collins Road-Cedar Rapids	3.8	Midscale	1989	57	-
Days Inn & Suites Cedar Rapids	3.9	Economy	1996	90	792
Mainstay Suites Cedar Rapids	3.9	Midscale	2002	75	750
Quality Inn North Cedar Rapids	4.1	Midscale	1957	49	300
Best Western Plus	4.3	Upper Midscale	1968	106	9,180
The Hotel @ Kirkwood Center	5.1	Upper Upscale	2010	71	17,093
Hilton Garden Inn Cedar Rapids	5.3	Upscale	2021	100	3,823
AmericInn Lodge & Suites Cedar Rapids Airport	5.9	Midscale	2004	60	525
Avid Cedar Rapids South	5.9	Midscale	2020	79	-
Comfort Inn	5.9	Upper Midscale	2018	72	1,352
Country Inn & Suites Cedar Rapids Airport	6.0	Upper Midscale	1998	74	1,484
Ced Rel Motel	7.9	Economy	1961	24	-
Total				3,304	133,628

* Chain scale defined by Smith Travel Research (STR) whereby 1) Upscale are typically full-service hotel properties with a variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms or spas; 2) Upper Midscale, Midscale and Economy are typically limited-service properties that offer limited facilities and amenities, typically without a full-service restaurant; 3) Independent are properties that are not affiliated with a chain and are independently operated.

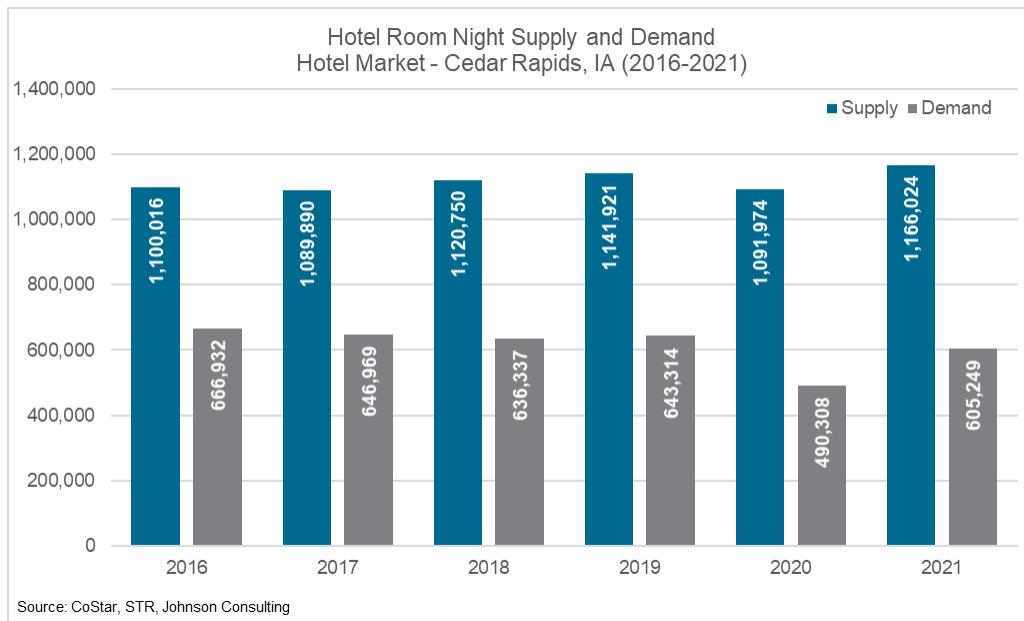
** City of Cedar Rapids

*** Temporarily closed for renovations

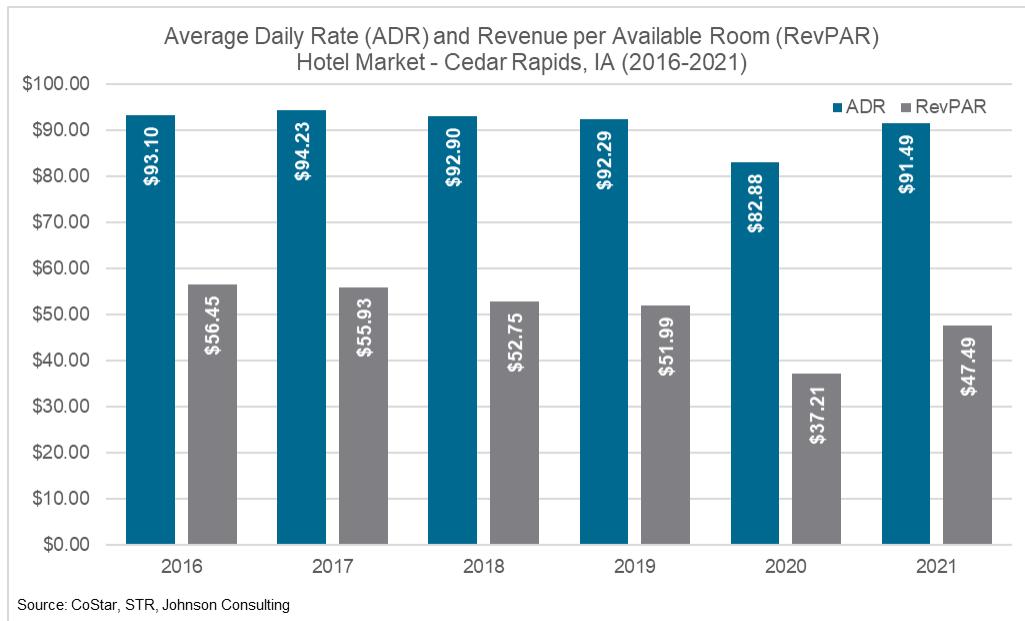
Source: CoStar, STR, Johnson Consulting

MARKET TRENDS: The following analysis relates to all hotel properties within the City of Cedar Rapids market. Figure 3 - 19 shows key supply and demand statistics for the market, indicating that supply totaled 1.1 million room nights in 2020, while demand totaled 490,308 room nights, impacted significantly by the ongoing COVID-19 pandemic. 2021 data indicates a slight uptick in supply totaling 1.17 million room nights and a greater increase in demand, totaling 605,249 room nights. In 2019, the market reported total supply of 1.1 million room nights and demand for 643,314 room nights. Overall, between 2016 and 2019, room night supply increased at an average annual rate of 1.3 percent, while room night demand contracted at an average annual rate of (1.2) percent. It is noted that demand is fairly steady throughout the calendar year, with slight upticks observed during the summer months (May through October).

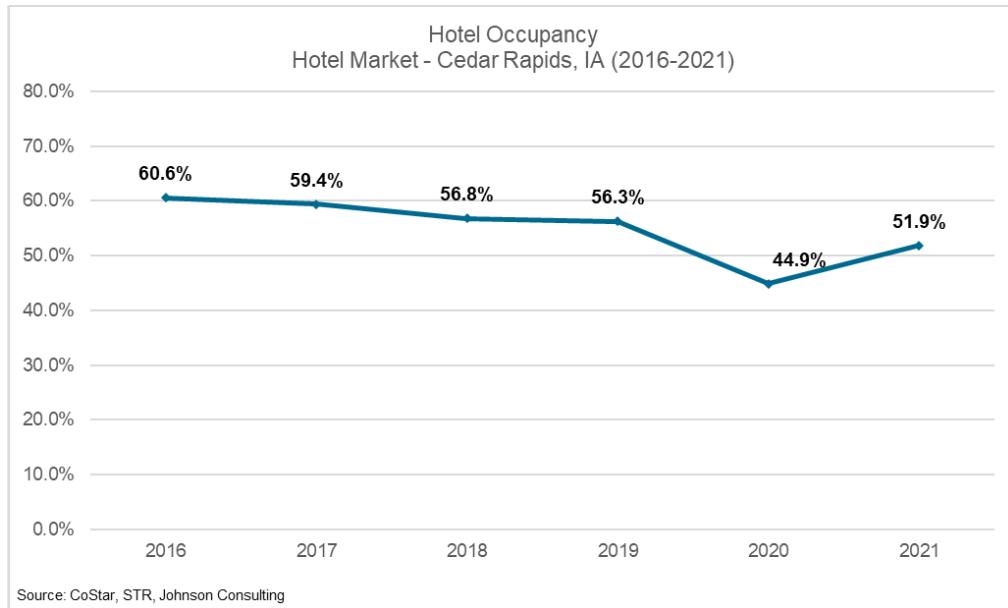
Figure 3 - 19



In 2020, the Cedar Rapids hotel market recorded an Average Daily Rate (ADR) of \$82.88 and Revenue per Available Room (RevPAR) of \$37.21. 2021 data indicates a significant improvement to an ADR of \$91.45 and a RevPAR of \$47.49. By comparison, in 2019 the market reported an ADR of \$92.29 and a RevPAR of \$51.99. Figure 3 - 20 shows ADR and RevPAR in the Cedar Rapids hotel market between 2016 and 2021.

Figure 3 - 20

In 2020, the Cedar Rapids hotel market recorded an occupancy of 44.9 percent, improving to 51.9 percent in 2021. This is in comparison to an occupancy of 56.3 percent in 2019 and is impacted significantly by the ongoing COVID-19 pandemic, although it is noted that occupancies have otherwise generally trended slightly downwards since 2016. Figure 3 - 21 shows occupancies in the Cedar Rapids hotel market since 2016, with an average occupancy of 58.3 percent reported between 2016 and 2019.

Figure 3 - 21

NEW INVENTORY AND PIPELINE DEVELOPMENT: There are currently 2 hotels listed as being in the final planning stages in Cedar Rapids – a 32-room MainStay Suites and a 40-room Sleep Inn located near the Westdale Mall, approximately 4 miles from Downtown. Data from CoStar and LoopNet also indicates a proposed 83-room Home2 Suites by Hilton close to the Westdale Mall, as well as a 79-room Holiday Inn Express adjacent to the Airport.

ASSESSMENT OF MARKET POTENTIAL: In recent years, the Downtown Cedar Rapids hotel submarket has been characterized by sound fundamentals, with slight upticks in both RevPAR and ADR reported between 2018 and 2019, alongside growth in supply. Hotel occupancy rates nationally, and worldwide, have plummeted due to the COVID-19 pandemic. While the American Hotel and Lodging Association projects that travel and hotel business will not return to 2019 levels until 2024, STR indicates that the Iowa hotel market, and similar less-business and travel-centric markets nationally, ended 2020 with occupancy rates close to normal seasonal lows.

The Cedar Rapids hotel market serves primarily business and government/military transient guests (accounting for nearly half of all hotel business), followed by leisure transient and group conference/meeting guests (each comprising approximately one quarter of hotel business), based upon data from Young Strategies, Inc. The Leisure transient business is anticipated to be the fastest to return, followed by business and government/military transient business, and lastly by group conference/meeting business in the wake of the COVID-19 pandemic. Given the proposed timing of hotel properties within the Cedar Rapids Central Reinvestment District, beginning in 2024, it is anticipated that market trends should be closely aligned with 2018 and 2019 performance metrics.

Figure 3 - 22 summarizes our assessment of market-driven potential for the proposed hotel rooms within the District.

Figure 3 - 22

Hotel: Assessment of Market Potential Downtown Cedar Rapids Submarket/ Cedar Rapids Central Reinvestment District					
	Existing Inventory*	Existing Inventory Downtown	Proposed Program**	Occupancy Rate*	Other New Supply in the Market***
Hotel	3,304 rooms	267 rooms	100 rooms	56.3%	150 rooms 

* City-wide 2019

** Cedar Rapids Central Reinvestment District

*** Includes projects in final planning

Source: STR, Costar, City of Cedar Rapids, Johnson Consulting

It is noted that higher quality hotels that are close to demand generators (business districts, interstates, event venues, etc.) have higher occupancy rates than the rest of the market. The proposed hotels in the Cedar Rapids Reinvestment District are strategically located near many of the market's largest demand generators, including the business concentration in Downtown Cedar Rapids, Interstate 380, the Alliant Energy Power House arena and convention center, Coe College and Mt. Mercy University, and St. Luke's and Mercy Medical Centers. The addition of 305 hotel rooms within the Cedar Rapids Central Reinvestment District will more than double the number of hotel rooms Downtown, as the only other existing downtown hotel is the 267-room DoubleTree by Hilton. The 100-room Hilton Garden Inn currently under construction on the city's northwest side will serve a different market segment than the proposed hotels Downtown.

E. EVENT/ ENTERTAINMENT/ RECREATION

INVENTORY: The Cedar Rapids market is primarily comprised of 19 event facilities totaling just over 199,000 SF of total event space, as shown in Figure 3 - 23. The largest venue is the Alliant Energy Power House, which is located In Downtown Cedar Rapids, while the Hawkeye Downs Speedway and Expo Center offers the largest contiguous event space.

Figure 3 - 23

Event Facility Inventory City of Cedar Rapids, IA (2020)				
Facility	Distance from City Center (miles)	Hotel Rooms On Site	Largest Event Space (SF)	Total Event Space (SF)
Veterans Memorial Building	0.1	0	10,000	18,500
Alliant Energy Powerhouse/ DoubleTree by Hilton	0.2	267	27,300	67,945
Cedar Rapids Museum of Art	0.3	0	3,000	5,340
Cedar Rapids Public Library	0.5	0	2,250	3,480
NewBo City Market	0.9	0	4,000	4,000
African American Museum of Iowa	0.9	0	1,000	1,000
National Czech & Slovak Museum & Library	1.2	0	3,600	6,300
Ramada Hotel & Conference Center	2.5	156	-	8,000
Comfort Inn & Suites Werner Ave	3.4	62	372	372
Hawkeye Downs Speedway & Expo Center	3.6	0	35,000	35,000
Cedar Rapids Marriott	3.7	220	11,174	17,537
Homewood Suites Cedar Rapids North	3.8	95	648	648
Hampton Inn & Suites Cedar Rapids North	3.8	103	576	576
Hotel at Kirkwood Center	5.1	71	7,454	16,959
Indian Creek Nature Center	5.8	0	2,250	4,680
Prairiewoods Franciscan Spirituality Center	5.9	0	1,102	2,055
AmericInn Lodge & Suites	5.9	60	650	650
Country Inn & Suites Cedar Rapids Airport	6	74	1,484	1,484
Cedar Ridge Winery & Distillery	10.5	0	3,000	4,500
TOTAL			199,026	

* If exact square footages were not available, an assumption of 15 square feet per person at maximum capacity was used to calculate

Source: Cedar Rapids Tourism, Relevant Facilities, Johnson Consulting

The inventory of event venues is supplemented by arts, sports, and entertainment venues, of which there are 11 major venues in the Cedar Rapids market. These venues include stadiums, arenas, amphitheaters, performing arts theaters, movie theaters, and other venues, as shown in Figure 3 - 24. It is noted that this inventory of venues and amenities is not intended to be exhaustive but rather highlights the diverse nature of key amenities in the local market.

Figure 3 - 24

Arts, Sports, & Entertainment Venue Inventory City of Cedar Rapids, IA (2020)		
Facility	Distance from City Center (miles)	Capacity
Paramount Theatre	0.2	1,700 seats
Theatre Cedar Rapids	0.2	500 seats
McGrath Amphitheatre	0.4	5,178 seats
Cedar Rapids Public Library - Whipple Auditorium	0.5	200 seats
Olympic South Side Theater	0.9	300 seats
IMON Ice Arena	1.4	3,850 seats
Veterans Memorial Stadium	1.5	5,300 seats
Collins Road Theatres	3.3	3 theaters
Hawkeye Downs Speedway	3.6	5,000 seats
Cedar Rapids Marcus Cinema	4.8	16 theaters
AMC Classic Cinema Cedar Rapids	5.3	12 theaters

Source: Johnson Consulting

ASSESSMENT OF MARKET POTENTIAL: The modest scale of proposed event and entertainment program elements on the priority development sites will not compete with existing facilities. Rather, new event and entertainment offerings will serve to complement the existing inventory of spaces and will drive demand to the projects themselves, as well as area hotels, retail premises and restaurants. Specifically, as it relates to the proposed 8th Avenue development, indoor event space will supplement and support activities at the adjacent McGrath Amphitheater, which is a valuable community asset.

As it relates to Riverfront recreation offerings, Crane Associates' River Recreation Feasibility Study (October 2020) recommends pursuing a design concept for a whitewater and water trail bypass to the 5 in 1 dam that runs beneath Interstate 380 as it spans the Cedar River in the heart of Downtown, allowing kayakers and other water recreationalists to pass through Downtown Cedar Rapids. While the primary purpose of the riverfront project will be to promote water recreation activities in Downtown, the Study also provides recommendations for supplemental activities to attract more local and regional visitors, including outdoor recreation amenities such as climbing walls, skate parks, and obstacle courses, as well as adjacent mixed-use development. Proposed development within the Cedar Rapids Central Reinvestment District is in congruence with the spirit embodied by the vision for the Riverfront and will help drive demand for riverfront recreation, while enjoying mutual beneficence from enhanced recreation offerings.

SUMMARY OF MARKET-SUPPORTABLE USES

Based upon the preceding analysis, it is our opinion that the current program of land uses proposed for the Cedar Rapids Central Reinvestment District is reasonable and market-supportable. Figure 3 - 25 provides a summary of our assessment of the proposed land use program.

Figure 3 - 25

Summary of Assessment of Market Potential - Cedar Rapids Central Reinvestment District						
	Proposed Program**	Vacancy Rate*	5 Year Avg. Annual Absorption*	Other New Supply in the Market	Market Supportable	Observations
Retail/ Restaurants	140,634 SF	0.8%	3,400 SF	11,302 SF	✓	Significant retail spend leakage from local market area; New types of retailers will serve residents, workers and visitors; Restaurants will be important amenity for hotels and event/ entertainment offerings.
Office	9,500 SF	3.5%	88,100 SF	0 SF	✓	Small amount of office space will be supported by forecast employment growth in Downtown core.
Multi-Family Housing	221 units	9.8%	63 units	0 units	✓	Forecast population growth will support new housing and multi-family units, as proposed, will serve to diversify housing options in the local market.
Hotel	100 rooms	-	-	150 rooms	✓	New hotel will increase limited inventory of hotel rooms in Downtown; Fundamentals are forecast to improve prior to completion of proposed hotel.
Event / Entertainment and Recreation	Various event and entertainment offerings; Riverfront Recreation	-	-	-	✓	New event, entertainment and recreation facilities and amenities will complement existing offerings; Modest scale will support broader development within the District.

* Downtown Cedar Rapids Submarket

** Cedar Rapids Central Reinvestment District

Source: Johnson Consulting

FINANCIAL ANALYSIS

This section presents projections of market performance of the proposed land uses within the Cedar Rapids Central Reinvestment District over a 20-year period. Also provided is an examination that determines whether the overall development program is financially feasible as a real estate business, providing redevelopment along the Riverfront in Downtown, lodging accommodations for overnight visitors, retail and office space for lease by commercial tenants, housing for rent by residential occupants, and parking, in which feasibility is measured by net operating income (or loss).

DEVELOPMENT PROGRAM

On each of the priority development sites there are various land uses of differing size and scale, proposed to be developed in multi-year phases. Figure 4 - 1 summarizes the development program, planned opening year, and construction cost estimates associated with each proposed development project, based on information provided by the developers of the respective projects and the City of Cedar Rapids.

Figure 4 - 1

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Summary of Development Program											
	Opening Year	Unit Count			Total SF					Development Cost (\$000)	
		Housing	Hotel	Parking	Retail/ Restaurants	Office	Housing	Hotel	Parking		
Project I: 1st & 1st West (Phase 1) - Mixed Use											
Block #1 - B2 Big Grove Brewery	2023	-	-	100	11,624	-	-	-	-	11,624	
Block #1 - B1 Mixed Use (Pickle Palace)	2023	-	-	220	38,000	-	-	-	-	38,000	
Block #1 - B3 4-Story Mixed-Use	2023	36	-	49	-	9,500	28,000	-	-	37,500	
Block #1 - B4 4-Story Residential	2023	36	-	48	9,500	-	28,000	-	-	37,500	
Block #2 - B5 4-Story Mixed-Use	2024	24	-	-	8,000	-	24,000	-	-	32,000	
Block #2 - B6 Mixed Use	2024	36	-	96	9,500	-	28,000	-	-	37,500	
Block #2 - B7 5-Story Boutique Hotel	2024	-	100	100	-	-	-	69,147	-	69,147	
Total		132	100	613	76,624	9,500	108,000	69,147	-	263,271	
										\$56,050	
Project II: 1st & 1st West (Phase 2) - Public Plaza											
Block #2 - 3-Story Residential Townhomes	2026	24	-	48	-	-	25,000	-	-	25,000	
Block #2 - Parking Ramp #1 - City Owned	2026	-	-	-	-	-	-	-	159,120	159,120	
Block #2 - Central Park	2025	-	-	18	-	-	-	-	-	2,205	
Total		24	-	66	-	-	25,000	-	159,120	184,120	
										\$20,640	
Project III: 8th Avenue Mixed Use											
Festival Grounds	2027	-	-	-	7,470	-	-	-	-	7,470	
Total		-	-	-	7,470	-	-	-	-	\$24,566	
Project IV: 1st & 1st West (Phase 3) - Entertainment Center											
Block #3 - B9 Entertainment Center	2027	-	-	220	28,000	-	-	-	-	28,000	
Block #3 - B10 - Parking Ramp #2 - City Owned	2027	-	-	-	-	-	-	-	159,120	159,120	
Block #3 - B11 - Mixed Use	2027	20	-	78	9,770	-	22,044	-	-	31,814	
Block #3 - B12 - Mixed Use	2028	45	-	166	18,770	-	59,322	-	-	78,092	
Block #3 - Public Parking Available	2027	-	-	83	-	-	-	-	-	-	
Total		65	-	547	56,540	-	81,366	-	159,120	297,026	
										\$45,455	
GRAND TOTAL		221	100	1,226	140,634	9,500	214,366	69,147	318,240	751,887	\$146,711

Source: City of Cedar Rapids, Developers, Concord Group, Johnson Consulting

Proposed projects on the priority development sites comprise a combined total of 751,887 SF of new retail, restaurant, office, residential and parking through 2028+. The combined construction cost is expected to be approximately \$146.7 million, based upon current estimates.

In addition to the 2 priority development sites, the City has identified a number of sites along the Cedar River for enhanced passive and active recreation offerings. Future use of these sites may include public open space, as well as improvements to support a variety of water sports and activities. Specific areas of the Riverfront are identified within the Cedar Rapids Central Reinvestment District. It is noted that this analysis does not specifically address the financial feasibility of Riverfront recreation as that was provided by Crane Associates' River Recreation Feasibility Study (October 2020).

FINANCIAL PROJECTIONS

The following analysis provides 20-year operating projections for all proposed retail, office, residential, hotel, and parking, by Project, on the 2 priority development sites. Projections are presented annually for Years 1 through 10 and then in 5-year increments through Year 20. All values are inflated at a conservative rate of 2.5 percent per annum.

PROJECT I: 1ST & 1ST WEST (PHASE 1) – MIXED USE

Project I: 1st & 1st West (Phase 1) – Mixed Use comprises 76,624 SF of retail/ restaurant space, 9,500 SF of office space, 132 residential housing units, a 100-room boutique hotel, and 613 parking spaces. Key assumptions are summarized as follows:

1. **RETAIL/ RESTAURANT VACANCY AND LEASE RATES:** An opening year retail/ restaurant vacancy rate of 10.0 percent is assumed, and a stabilized vacancy rate of 5.0 percent is applied in Year 3 of operations. This metric is intended to be conservative, as it is noted that the vacancy rate in the Downtown Cedar Rapids retail submarket was 0.8 percent based on 2021 YTD data (as of November). Lease rates are assumed to be \$14.00 per SF per annum in Year 1, reflecting reported lease rates in the Downtown Cedar Rapids retail submarket (\$13.50 per SF per annum in YTD 2021), inflated to Year 1, and accounting for the anticipated quality of the new development.
2. **OFFICE VACANCY AND LEASE RATES:** An opening year office vacancy rate of 10.0 percent is assumed, and a stabilized vacancy rate of 5.0 percent is applied in Year 3 of operations. This metric is intended to be conservative, as it is noted that the vacancy rate in the Downtown Cedar Rapids office submarket was 3.5 percent based on 2021 YTD data (as of November). Lease rates are assumed to be \$12.50 per SF per annum in Year 1, reflecting reported lease rates in the Downtown Cedar Rapids office submarket (\$11.29 per SF per annum in YTD 2021), inflated to Year 1, and accounting for the anticipated quality of the new development.
3. **RESIDENTIAL VACANCY AND LEASE RATES:** An opening year residential vacancy rate of 15.0 percent is assumed, and a stabilized vacancy rate of 10.0 percent is applied in Year 3 of operations. This metric is intended to be conservative, as it is noted that the vacancy rate in the Downtown Cedar Rapids residential submarket was 9.8 percent based on 2021 YTD data (as of November). Lease rates are assumed to be \$1.20 per SF per annum in Year 1, reflecting reported lease rates in the Downtown Cedar Rapids residential submarket (\$1.04 per SF per annum in YTD 2021), inflated to Year 1, and accounting for the anticipated quality of the new development. It is assumed that all residential housing will be for-rent to allow for a more accurate assessment of the likely net operating income (although it is understood that some for-sale condos may be developed).
4. **HOTEL OCCUPANCY AND AVERAGE DAILY RATE (ADR):** An opening year average occupancy rate of 55.0 percent is assumed, with a stabilized occupancy rate of 68.8 percent (assumed to be Year 5). The market-wide hotel occupancy rate in Cedar Rapids was 55.3 percent at the end of 2019. ADR is assumed to be \$142.50 per room night in Year 1, accounting for the anticipated quality and supporting amenities of the new development, as well as inflation.
5. **PARKING FEES:** A parking fee of \$10.00 per space per day is assumed for all parking. This rate takes into account that parking fees may vary depending on the type of users and tenants.

Figure 4 - 2 provides a 20-year operating proforma for Project I: 1st & 1st West (Phase 1) – Mixed Use within the proposed Cedar Rapids Central Reinvestment District.

Figure 4 - 2

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Project I: 1st & 1st West (Phase 1) - Mixed Use Project-wide Operating Projections												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
DEVELOPMENT SCHEDULE	<i>Total Built-Out</i>											
Retail/ Restaurants	76,624 SF	59,124	17,500	-	-	-	-	-	-	-	-	-
Office	9,500 SF	9,500	-	-	-	-	-	-	-	-	-	-
Housing	132 units	72	60	-	-	-	-	-	-	-	-	-
Hotel	100 rooms	-	100	-	-	-	-	-	-	-	-	-
Parking	613 spaces	417	196	-	-	-	-	-	-	-	-	-
OPERATING REVENUE (\$000)												
Retail/ Restaurants	\$1,433	\$1,944	\$2,047	\$2,110	\$2,121	\$2,183	\$2,265	\$2,329	\$2,388	\$2,447	\$2,769	\$3,133
Office	235	248	261	267	274	281	288	295	302	310	351	397
Housing	717	1,438	1,517	1,625	1,718	1,927	1,996	2,062	2,114	2,167	2,451	2,773
Hotel	0	5,106	5,634	6,087	6,382	6,694	6,842	7,013	7,189	7,389	8,337	9,432
Parking	1,560	2,357	2,409	2,470	2,531	2,602	2,660	2,726	2,794	2,872	3,240	3,666
Total	\$3,944	\$11,092	\$11,868	\$12,559	\$13,026	\$13,686	\$14,051	\$14,426	\$14,787	\$15,185	\$17,148	\$19,402
OPERATING EXPENSES (\$000)												
Retail/ Restaurants	\$1,024	\$1,361	\$1,395	\$1,429	\$1,465	\$1,502	\$1,539	\$1,578	\$1,617	\$1,658	\$1,875	\$2,122
Office	186	190	195	200	205	210	215	221	226	232	262	297
Housing	246	487	499	533	564	637	653	669	686	703	795	900
Hotel	0	3,246	3,573	3,852	4,035	4,227	4,321	4,429	4,540	4,666	5,265	5,956
Parking	702	1,061	1,084	1,111	1,139	1,171	1,197	1,227	1,257	1,292	1,458	1,650
Total	\$2,158	\$6,344	\$6,746	\$7,126	\$7,408	\$7,747	\$7,925	\$8,123	\$8,326	\$8,551	\$9,656	\$10,925
NET OPERATING INCOME (\$000)												
Retail/ Restaurants	\$408	\$583	\$652	\$681	\$656	\$681	\$725	\$752	\$770	\$790	\$894	\$1,011
Office	\$49	\$57	\$66	\$67	\$69	\$71	\$73	\$74	\$76	\$78	\$88	\$100
Housing	470	951	1,018	1,092	1,153	1,290	1,344	1,393	1,428	1,464	1,656	1,873
Hotel	0	1,860	2,061	2,235	2,347	2,467	2,522	2,585	2,649	2,723	3,072	3,476
Parking	858	1,296	1,325	1,358	1,392	1,431	1,463	1,499	1,537	1,580	1,782	2,016
Total	\$1,786	\$4,748	\$5,122	\$5,434	\$5,617	\$5,940	\$6,126	\$6,303	\$6,461	\$6,634	\$7,492	\$8,477

Source: Johnson Consulting

As shown, Project I: 1st & 1st West (Phase 1) – Mixed Use within the proposed Cedar Rapids Central Reinvestment District is projected to generate a net operating income of \$1.8 million in Year 1 (opening year). By Year 20, the net operating income is projected to be \$8.5 million.

PROJECT II: 1ST & 1ST WEST (PHASE 2) – PUBLIC PLAZA

Project II: 1st & 1st West (Phase 2) – Public Plaza comprises 24 residential housing units, 66 parking spaces, and a park. Key assumptions are summarized as follows:

- RESIDENTIAL VACANCY AND LEASE RATES:** Consistent with Project I: 1st & 1st West (Phase 1) – Mixed Use, for all residential housing units in Project II: 1st & 1st West (Phase 2) – Public Plaza, an opening year residential vacancy rate of 15.0 percent is assumed, and a stabilized vacancy rate of 10.0 percent is applied in Year 3 of operations. Lease rates are assumed to be \$1.20 per SF per annum in Year 1.
- PARKING FEES:** Consistent with Project I: 1st & 1st West (Phase 1) – Mixed Use, a parking fee of \$10.00 per space per day is assumed for all parking. This rate takes into account that parking fees may vary depending on the type of users and tenants.

Figure 4 - 3 provides a 20-year operating proforma for Project II: 1st & 1st West (Phase 2) – Public Plaza within the proposed Cedar Rapids Central Reinvestment District.

Figure 4 - 3

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa												
Project II: 1st & 1st West (Phase 2) - Public Plaza												
Project-wide Operating Projections												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
DEVELOPMENT SCHEDULE	<i>Total Built-Out</i>											
Housing	24 units	-	-	-	24	-	-	-	-	-	-	-
Parking	66 spaces	-	-	18	48	-	-	-	-	-	-	-
OPERATING REVENUE (\$000)												
Housing	\$0	\$0	\$0	\$295	\$312	\$350	\$363	\$375	\$384	\$394	\$446	\$504
Parking	0	0	71	266	273	280	286	294	301	309	349	395
Total	\$0	\$0	\$71	\$561	\$585	\$631	\$649	\$668	\$685	\$703	\$795	\$899
OPERATING EXPENSES (\$000)												
Housing	\$0	\$0	\$0	\$97	\$103	\$116	\$119	\$122	\$125	\$128	\$145	\$164
Parking	0	0	32	120	123	126	129	132	135	139	157	178
Total	\$0	\$0	\$32	\$217	\$225	\$242	\$248	\$254	\$260	\$267	\$302	\$341
NET OPERATING INCOME (\$000)												
Housing	\$0	\$0	\$0	\$199	\$210	\$235	\$244	\$253	\$260	\$266	\$301	\$341
Parking	0	0	39	146	150	154	157	161	165	170	192	217
Total	\$0	\$0	\$39	\$345	\$360	\$389	\$402	\$415	\$425	\$436	\$493	\$558

Source: Johnson Consulting

As shown, Project II: 1st & 1st West (Phase 2) – Public Plaza within the proposed Cedar Rapids Central Reinvestment District is projected to generate a net operating income of \$39,000 in Year 3 (opening year of the park and a small number of parking spaces). By Year 20, the net operating income is projected to be \$558,000.

PROJECT III: 8TH AVE MIXED USE

Project III: 8th Ave Mixed Use is a proposed 7,470 SF event-oriented facility with restaurant/ retail space.

Key assumptions are summarized as follows:

- 1. RETAIL/ RESTAURANT VACANCY AND LEASE RATES:** Consistent with Project I: 1st & 1st West (Phase 1) – Mixed Use, for all retail/ restaurant spaces in Project III: 8th Ave Mixed Use, an opening year retail/ restaurant vacancy rate of 10.0 percent is assumed, and a stabilized vacancy rate of 5.0 percent is applied in Year 3 of operations. Lease rates are assumed to be \$14.00 per SF per annum in Year 1.

Figure 4 - 4 provides a 20-year operating proforma for Project III: 8th Ave Mixed Use within the proposed Cedar Rapids Central Reinvestment District.

Figure 4 - 4

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Project III: 8th Avenue Mixed Use Project-wide Operating Projections												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
DEVELOPMENT SCHEDULE	<i>Total Built-Out</i>											
Retail/ Restaurants	7,470 SF	-	-	-	-	7,470	-	-	-	-	-	-
OPERATING REVENUE (\$000)												
Retail/ Restaurants	\$0	\$0	\$0	\$0	\$207	\$213	\$221	\$227	\$233	\$239	\$270	\$305
Total	\$0	\$0	\$0	\$0	\$207	\$213	\$221	\$227	\$233	\$239	\$270	\$305
OPERATING EXPENSES (\$000)												
Retail/ Restaurants	\$0	\$0	\$0	\$0	\$143	\$146	\$150	\$154	\$158	\$162	\$183	\$207
Total	\$0	\$0	\$0	\$0	\$143	\$146	\$150	\$154	\$158	\$162	\$183	\$207
NET OPERATING INCOME (\$000)												
Retail/ Restaurants	\$0	\$0	\$0	\$0	\$64	\$66	\$71	\$73	\$75	\$77	\$87	\$99
Total	\$0	\$0	\$0	\$0	\$64	\$66	\$71	\$73	\$75	\$77	\$87	\$99

Source: Johnson Consulting

As shown, Project III: 8th Ave Mixed Use within the proposed Cedar Rapids Central Reinvestment District is projected to generate a net operating income of \$65,000 in Year 5 (opening year). By Year 20, the net operating income is projected to be \$99,000.

PROJECT IV: 1ST & 1ST WEST (PHASE 3) – ENTERTAINMENT CENTER

Project IV: 1st & 1st West (Phase 3) - Entertainment Center comprises 56,540 SF of entertainment/ retail/ restaurant space, 65 residential housing units, and 547 parking spaces. Key assumptions are summarized as follows:

- RETAIL/ RESTAURANT VACANCY AND LEASE RATES:** Consistent with Project I: 1st & 1st West (Phase 1) - Mixed Use and Project III: 8th Ave Mixed Use, for all retail/ restaurant spaces in Project IV: 1st & 1st West (Phase 3) – Entertainment Center, an opening year retail/ restaurant vacancy rate of 10.0 percent is assumed, and a stabilized vacancy rate of 5.0 percent is applied in Year 3 of operations. Lease rates are assumed to be \$14.00 per SF per annum in Year 1.
- RESIDENTIAL VACANCY AND LEASE RATES:** Consistent with Project I: 1st & 1st West (Phase 1) – Mixed Use and Project II: 1st & 1st (Phase 2) – Public Plaza, for all residential housing units in Project IV: 1st & 1st West (Phase 3) – Entertainment Center, an opening year residential vacancy rate of 15.0 percent is assumed, and a stabilized vacancy rate of 10.0 percent is applied in Year 3 of operations. Lease rates are assumed to be \$1.20 per SF per annum in Year 1.
- PARKING FEES:** Consistent with Project I: 1st & 1st (Phase 1) – Mixed Use and Project II: 1st & 1st West (Phase 2) – Public Plaza, a parking fee of \$10.00 per space per day is assumed for all parking. This rate takes into account that parking fees may vary depending on the type of users and tenants.

Figure 4 - 5 provides a 20-year operating proforma for Project IV: 1st & 1st West (Phase 3) – Entertainment Center within the proposed Cedar Rapids Central Reinvestment District.

Figure 4 - 5

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Project IV: 1 st & 1 st West (Phase 3) - Entertainment Center Project-wide Operating Projections												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
DEVELOPMENT SCHEDULE	<i>Total Built-Out</i>											
Retail/ Restaurants	56,540 SF	-	-	-	37,770	18,770	-	-	-	-	-	-
Housing	65 units	-	-	-	20	45	-	-	-	-	-	-
Parking	547 spaces	-	-	-	381	166	-	-	-	-	-	-
OPERATING REVENUE (\$000)												
Retail/ Restaurants	\$0	\$0	\$0	\$0	\$1,045	\$1,611	\$1,671	\$1,719	\$1,762	\$1,806	\$2,043	\$2,312
Housing	0	0	0	0	260	949	983	1,015	1,041	1,067	1,207	1,366
Parking	0	0	0	0	1,573	2,322	2,373	2,433	2,493	2,563	2,892	3,272
Total	\$0	\$0	\$0	\$0	\$2,879	\$4,881	\$5,027	\$5,167	\$5,296	\$5,436	\$6,142	\$6,949
OPERATING EXPENSES (\$000)												
Retail/ Restaurants	\$0	\$0	\$0	\$0	\$722	\$1,108	\$1,136	\$1,164	\$1,193	\$1,223	\$1,384	\$1,566
Housing	0	0	0	0	86	314	322	330	338	346	392	443
Parking	0	0	0	0	708	1,045	1,068	1,095	1,122	1,153	1,301	1,472
Total	\$0	\$0	\$0	\$0	\$1,516	\$2,467	\$2,525	\$2,588	\$2,653	\$2,723	\$3,077	\$3,481
NET OPERATING INCOME (\$000)												
Retail/ Restaurants	\$0	\$0	\$0	\$0	\$323	\$503	\$535	\$555	\$569	\$583	\$659	\$746
Housing	0	0	0	0	175	635	662	686	703	721	815	923
Parking	0	0	0	0	865	1,277	1,305	1,338	1,371	1,410	1,590	1,799
Total	\$0	\$0	\$0	\$0	\$1,363	\$2,415	\$2,502	\$2,579	\$2,643	\$2,713	\$3,065	\$3,468

Source: Johnson Consulting

As shown, Project IV: 1st & 1st West (Phase 3) – Entertainment Center within the proposed Cedar Rapids Central Reinvestment District is projected to generate a net operating income of \$1.4 million in Year 5 (opening year). By Year 20, the net operating income is projected to be close to \$3.5 million.

ADDENDUM 2 Section C

Section 1 Introduction and Executive Summary | February 2022

Cedar Rapids Central Reinvestment District Impact Analysis – Cedar Rapids, IA

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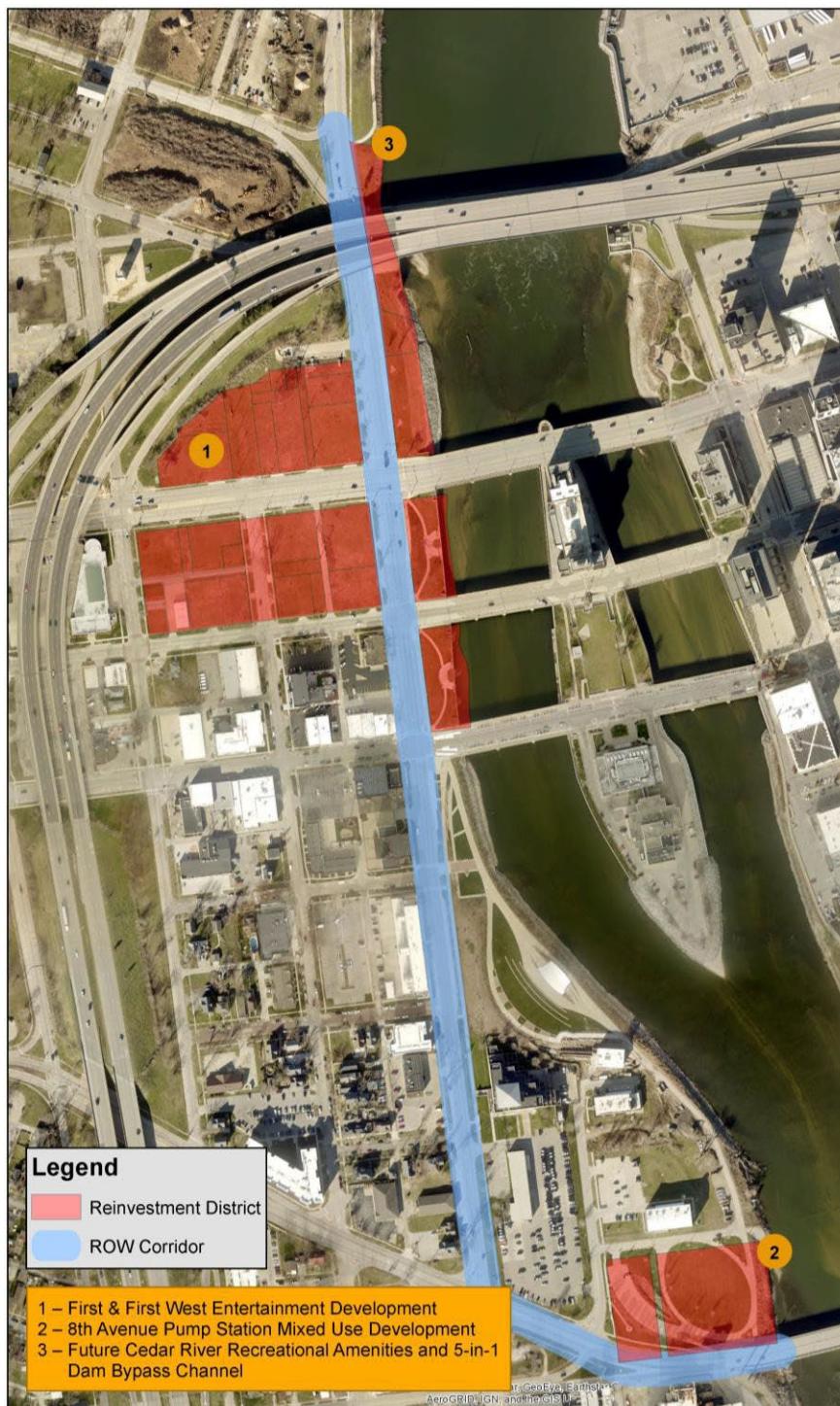
INTRODUCTION

Johnson Consulting was retained by the City of Cedar Rapids to provide a feasibility study and economic and fiscal impact assessment to support City's application under the State of Iowa's Reinvestment Act (IRA) Iowa Reinvestment District Program. Specifically, our engagement is comprised of 2 phases of work:

- **Phase 1: Feasibility Study** focusing on proposed projects on identified priority development sites and supplemental development within the Cedar Rapids Central Reinvestment District, as defined by the City.
- **Phase 2: Economic and Fiscal Impact Analysis** of all development within the proposed District, focusing on relevant metrics as required by the Reinvestment District Program.

This report serves as Phase 2 and provides estimates of the economic and fiscal impact of proposed development and activities within the Cedar Rapids Central Reinvestment District. Figure 1 - 1 shows the proposed District boundary.

Figure 1 - 1



Source: City of Cedar Rapids

REINVESTMENT DISTRICT PROGRAM

Following the model established in many states, and pursuant to the Iowa Reinvestment Act (IRA), via a competitive process, the Iowa Reinvestment District Program “provides for as much as a total of \$100 million in new tax revenues generated by revenue-generating projects in certain districts to be ‘reinvested’ within those districts.” To be eligible to compete for a portion of these funds, under the program, the potential district must meet the following requirements:

- The area must consist only of parcels of real property that the governing body of the municipality determines will be directly and substantially benefited by development in the potential district,
- The area must be in whole or in part either an economic development enterprise zone or an urban renewal area, designated under the Iowa Code, and
- The area must consist of contiguous parcels and must not exceed 75 acres in total (for projects approved after July 1, 2020).

Applicants are required to submit a district plan that must be approved by the governing body of the municipality and must clearly state the governing body’s intention to establish a district. Feasibility and economic impact analyses are also required, including:

- The amount of gross revenues expected to be collected in the district as a result of the potential project for each year that the district is in existence.
- Detailed explanation of the manner and extent to which the potential project will contribute to the economic development of the State and the municipality, including an analysis of the project’s economic impact.
- Estimate of the number of visitors or customers the potential project will generate during each year that the district exists.
- Description of the unique characteristics of the potential project.
- Detailed analysis of the financial benefit of the potential district to the economy of the State and the municipality.
- Identification of one or more projected market areas in which the district can reasonably be expected to have substantial economic impact.
- Assessment of the fiscal and financial impact of the potential district on businesses or on other economic development projects within the projected market area.

Additional conditions that must be met by the potential district include:

- The projects proposed to be undertaken in the district must be of a unique nature and must be likely to have a substantial beneficial impact on the economy of the State and the economy of the municipality. “Unique nature” is defined as “a quality or qualities of the projects to be developed in the district which, when considered in the entirety, will substantially distinguish the district’s projects from other existing or potential developments in the State.” Projects will be evaluated based on whether they will either: (i) permanently transform the aesthetics or infrastructure of a local community for the better, or (ii) contribute substantially more to the State’s economy or quality of life than other similar projects in the State.
- The potential funding sources for each potential project must be feasible.
- At least one of the projects proposed to be undertaken in the district must include a capital investment of at least \$10 million.
- The total amount of potential funding from new tax revenues to be remitted to the municipality from the fund for all potential projects in the potential district plan must not exceed 35 percent of the total cost of all potential projects in the potential district plan.
- The amount of potential capital investment within the potential district related to retail businesses in the potential district must not exceed 50 percent of the total capital investment for all potential projects in the proposed district plan.
- The applicant is not requesting a plan amendment to increase the maximum benefit amount for an already approved district.

STUDY OBJECTIVES

Pursuant to the requirements of the IRA application process, the key objectives of this study are to:

- A. Determine the amount of State sales and hotel/ motel tax revenues expected to be collected in the District, as a result of the projects on the priority development sites as identified in Phase 1 of this study, for each year that the District is in existence.
- B. Assess the manner and extent to which the projects will contribute to the economic development of the State and the municipality, including an analysis of the economic and fiscal impact of the proposed developments.
- C. Estimate of the number of visitors or customers the projects will attract during each year that the District exists.

METHODOLOGY

In order to determine how the proposed Cedar Rapids Central Reinvestment District will impact Cedar Rapids and the State of Iowa, and building upon the feasibility analysis conducted in Phase 1, Johnson Consulting performed the following tasks:

1. Performed an economic and fiscal impact analysis of the proposed District by its project components, using an IMPLAN input-output model specifically purchased from IMPLAN Group, LLC. IMPLAN is a nationally recognized model commonly used to estimate economic impacts. An input-output model analyzes the commodities and income that normally flow through the various sectors of the economy.
2. Calculated the tax revenues by jurisdiction over a 20-year time period, including a specific estimation of the potential tax revenues from the District that will be available to support the Reinvestment District Program as allowed by IRA.

EXECUTIVE SUMMARY

Figure 1 - 2 summarizes the estimated spending and impacts associated with the proposed Cedar Rapids Central Reinvestment District over a 20-year period. In Year 20, the annual economic impact of the proposed District is estimated to include \$106.7 million of total spending, \$18.5 million in increased earnings, and support 202 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$15.8 million in tax revenues to the state and local governments. Through the 20-year period of operations, the fiscal impact of the District (gross tax revenues) is projected to total \$233.1 million in tax revenues.

Figure 1 - 2

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa ALL PROJECTS Estimated Economic and Fiscal Impact (\$Million)													
		Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
DIRECT SPENDING (\$M)	<i>Total Built-Out</i>												
Project I: 1st & 1st West (Phase 1) - Mixed Use	263,271 SF	\$16.3	\$26.5	\$28.1	\$28.9	\$29.2	\$29.6	\$30.5	\$31.4	\$32.2	\$33.0	\$37.3	\$42.2
Project II: 1st & 1st West (Phase 2) - Public Plaza	184,120 SF	0.0	0.0	0.1	1.6	1.6	1.5	1.6	1.6	1.7	1.7	1.9	2.2
Project III: 8th Avenue Mixed Use	7,470 SF	0.0	0.0	0.0	0.0	1.4	1.4	1.5	1.5	1.6	1.6	1.8	2.1
Project IV: 1st & 1st West (Phase 3) - Entertainment Center	297,026 SF	0.0	0.0	0.0	0.0	9.8	17.3	17.9	18.4	18.9	19.3	21.9	24.7
Total		\$16.3	\$26.5	\$28.1	\$30.5	\$42.1	\$49.8	\$51.5	\$52.9	\$54.3	\$55.6	\$62.9	\$71.2
ECONOMIC IMPACT (\$M)	<i>Multipplier</i>												
Direct Spending	0.289	\$16.3	\$26.5	\$28.1	\$30.5	\$42.1	\$49.8	\$51.5	\$52.9	\$54.3	\$55.6	\$62.9	\$71.2
Indirect Spending		4.7	7.7	8.1	8.8	12.2	14.4	14.9	15.3	15.7	16.1	18.2	20.6
Induced Spending	0.210	3.4	5.6	5.9	6.4	8.9	10.5	10.8	11.1	11.4	11.7	13.2	15.0
Total Spending		\$24.4	\$39.8	\$42.2	\$45.8	\$63.1	\$74.7	\$77.2	\$79.4	\$81.3	\$83.4	\$94.3	\$106.7
Increased Earnings	0.260	\$4.2	\$6.9	\$7.3	\$7.9	\$10.9	\$13.0	\$13.4	\$13.8	\$14.1	\$14.5	\$16.4	\$18.5
Employment (FTE Jobs)	4,646	74	117	121	128	173	200	201	202	202	202	202	202
FISCAL IMPACT (\$M)	<i>Rate</i>												
Sales Tax	7.0%	\$1.0	\$1.5	\$1.6	\$1.8	\$2.6	\$3.1	\$3.2	\$3.3	\$3.4	\$3.4	\$3.9	\$4.4
Hotel/ Motel Tax	7.0%	-	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
State Excise (Hotel/ Motel) Tax	5.0%	-	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Income Tax	6.9%	0.3	0.4	0.5	0.5	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.1
Property Tax	4.176%	1.9	3.8	3.9	4.4	5.7	6.8	7.0	7.2	7.3	7.5	8.5	9.6
Total		\$3.3	\$6.2	\$6.4	\$7.0	\$9.4	\$11.2	\$11.5	\$11.8	\$12.1	\$12.4	\$14.0	\$15.8
20-Year Total Fiscal Impact =												\$233.1	

Source: Johnson Consulting

ESTIMATED TAX REVENUES ALLOWED FOR IRA FUNDING

Pursuant to the Reinvestment District Program, reinvestment districts may be eligible for 4 percent (of the 6 percent) Sales Tax revenues on new taxable sales and 5 percent of Excise Tax revenues on new hotel rooms. Figure 1 - 3 shows the total new sales and hotel/ motel tax revenues that are expected to be generated by activities within the District and presents a calculation of the portion that is eligible pursuant to the requirements of the Program, over a 20-year period.

Figure 1 - 3

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Estimated Tax Revenues Generated within District Boundaries only (\$Million)								
	Sales Tax (7%)*	Local Hotel/ Motel Tax on Rooms		Excise Tax on Rooms**		TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions
		4.0%**	3.0%	7.0%	5.0%			
		(A)	(B)	(C)	(D)	(E)	(F) = (A) + (D)	(G) = (E) - (F)
Year	2023	\$0.426	\$0.319	\$0.000	\$0.000	\$0.745	\$0.426	\$0.319
	2024	0.592	0.444	0.201	0.143	1.380	0.735	0.645
	2025	0.624	0.468	0.226	0.162	1.480	0.786	0.694
	2026	0.651	0.488	0.248	0.177	1.565	0.828	0.737
	2027	1.044	0.783	0.262	0.187	2.276	1.231	1.045
	2028	1.241	0.930	0.277	0.198	2.646	1.439	1.208
	2029	1.284	0.963	0.284	0.203	2.733	1.486	1.246
	2030	1.320	0.990	0.291	0.208	2.808	1.527	1.281
	2031	1.353	1.015	0.298	0.213	2.878	1.566	1.313
	2032	1.387	1.040	0.306	0.219	2.953	1.606	1.347
	2033	1.421	1.066	0.313	0.224	3.024	1.645	1.379
	2034	1.457	1.093	0.321	0.229	3.100	1.686	1.413
	2035	1.493	1.120	0.329	0.235	3.177	1.728	1.449
	2036	1.531	1.148	0.338	0.241	3.259	1.773	1.486
	2037	1.569	1.177	0.346	0.247	3.338	1.816	1.522
	2038	1.608	1.206	0.354	0.253	3.421	1.861	1.560
	2039	1.648	1.236	0.363	0.259	3.507	1.908	1.599
	2040	1.690	1.268	0.373	0.266	3.598	1.957	1.641
	2041	1.732	1.299	0.381	0.272	3.684	2.004	1.680
	2042	1.775	1.331	0.391	0.279	3.776	2.054	1.722
Total thru 2042		\$25.846	\$19.384	\$5.902	\$4.216	\$55.348	\$30.062	\$25.286

*Applied to general retail, food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 7 percent, of which 4 percent is allowed by IRA to be available for Iowa Reinvestment District Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

Source: Johnson Consulting

ELIGIBLE IRA FUNDING ALLOCATION

While the eligible sales and hotel/ motel tax amounts are projected to total \$30.1 million over 20 years, the Reinvestment District Program imposes a limit on funding whereby eligible funding cannot exceed 35 percent of the total cost of all proposed projects within the District plan. Based on the estimated construction cost of \$146.7 million (over a phased construction period), total funding potential is limited to \$51.3 million. This represents the upper limit of eligible funding for the Cedar Rapids Central Reinvestment District, and exceeds the eligible tax revenues, as shown in Figure 1 - 4.

Figure 1 - 4

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Eligible IRA Funding Allocation			
Eligible Tax Revenues			Allocation Amount (\$M)
Total Potential Allocation	<i>20-yr Total (\$M)</i>	<i>Max. Allocation per IRA</i>	
New Sales Tax ¹	\$45.2	57% ²	\$25.8
State Excise (Hotel/ Motel) Tax	\$4.2	100%	\$4.2
Total			\$30.1³
Max. Funding Allowance⁴ based on Project Cost	<i>Project Cost</i> \$146.7	<i>Max. %</i> 35%	\$51.3
Eligible Funding			\$30.1

1. Only new sales are eligible. New sales are those over the baseline sales amount prior to the District commencement.

2. Reflecting the 4% portion of the total 7% sales tax rate. Only 4% of new sales are allowed for funding.

3. The amount corresponds to the total shown in preceding table.

4. Total funding must not exceed 35% of total project cost

Source: City of Cedar Rapids, Relevant Developers, IRA, Johnson Consulting

IMPACT ANALYSIS

When construction of the proposed projects on the priority development sites is complete, retail/ restaurant and office space is leased and hotel rooms and residential units are occupied, various transactions occurring within the Cedar Rapids Central Reinvestment District will generate ongoing, annual economic and fiscal impacts to the local and regional economies. Initial transactions occurring within each project element will ‘ripple out’ and generate indirect spending, induced spending, increased earnings, and employment, as well as various tax revenues for the local economy.

DEFINITIONS

ECONOMIC IMPACT

Economic impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. The levels of impacts are defined as follows:

- **DIRECT SPENDING** – is an expression of the spending that occurs as a direct result of the project being developed. For example, expenditures by shoppers, diners, and other business patrons at the various retail premises on the subject site are direct spending.
- **INDIRECT SPENDING** – consists of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending at the project. For example, a shopper's direct expenditure on a retail purchase causes the store to purchase goods and other items from suppliers. The portion of these store purchases that come from within the local, regional, or state economies is counted as indirect spending.
- **INDUCED SPENDING** – represents changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the restaurant may spend more because he/she earns more. The amount of the increased income the waiter spends in the local economy is called induced spending.
- **INCREASED EARNINGS** – measures increased employee and worker compensation related to the project being developed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses how the employees of local businesses share in the increased outputs.
- **EMPLOYMENT** – measures the number of jobs supported in the study area related to the spending at the development. Employment impact is stated in the number of full-time equivalent jobs.

Indirect and induced spending, increased earnings, and employment are estimated using a set of multiplier rates shown in the Figure 2 - 1.

Figure 2 - 1

**Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa
Economic Impact Multipliers**

	Rate
Indirect Spending	0.297 per \$1 of direct spending
Induced Spending	0.206 per \$1 of direct spending
Increased Earnings	0.271 per \$1 of direct spending
Employment (FTE Jobs)	4.793 per \$1 million of direct spending

Source: Johnson Consulting

FISCAL IMPACT ANALYSIS

Fiscal impact analysis measures the estimated tax revenues resulting from direct spending on certain activities, facilities, or events. For this analysis, the fiscal impact estimates focus on major categories of tax revenues that are directly affected by a resident, worker or visitor's activity – sales tax, hotel/ motel tax or bed tax, rental car surcharge, corporate income tax, and property tax. The current applicable tax rates are summarized in Figure 2 - 2.

Figure 2 - 2

**Cedar Rapids Central Reinvestment District -
Cedar Rapids, Iowa
Applicable Tax Rates**

	Rates
Sales Tax	7.0%
Hotel/ Motel Tax	7.0%
State Excise (Hotel/ Motel) Tax	5.0%
Income Tax	6.9%*
Property Tax	4.176%

**Reflecting an effective rate*

Source: Iowa Department of Revenue, City of Cedar Rapids

IMPACT OF PROJECT I: 1ST & 1ST WEST (PHASE 1) – MIXED USE

Figure 2 - 3 summarizes the estimated spending and impacts associated Project I: 1st & 1st West (Phase 1) – Mixed Use, which is planned to comprise 76,624 SF of retail/ restaurant space, 9,500 SF of office space, 132 residential housing units, a 100-room boutique hotel, and 613 parking spaces, commencing in Year 1. As shown, in Year 20 the annual economic impact of Project I: 1st & 1st West (Phase 1) – Mixed Use is estimated to include \$63.3 million of total spending, \$11.0 million in increased earnings, and support 120 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$9.4 million in tax revenues to the state and local governments. Cumulatively, over a 20-year period, the fiscal impact of Project I: 1st & 1st West (Phase 1) – Mixed Use is projected to total \$148.4 million in tax revenues.

Figure 2 - 3

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Project I: 1st & 1st West (Phase 1) - Mixed Use Estimated Economic and Fiscal Impact (\$Million)													
		Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
ECONOMIC IMPACT (\$M)													
Direct Spending	<i>Multiplier</i>	\$16.3	\$26.5	\$28.1	\$28.9	\$29.2	\$29.6	\$30.5	\$31.4	\$32.2	\$33.0	\$37.3	\$42.2
Indirect Spending	0.289	4.7	7.7	8.1	8.3	8.4	8.5	8.8	9.1	9.3	9.5	10.8	12.2
Induced Spending	0.210	3.4	5.6	5.9	6.1	6.1	6.2	6.4	6.6	6.8	6.9	7.8	8.9
Total Spending		\$24.4	\$39.8	\$42.1	\$43.3	\$43.8	\$44.3	\$45.8	\$47.0	\$48.2	\$49.5	\$55.9	\$63.3
Increased Earnings	0.260	\$4.2	\$6.9	\$7.3	\$7.5	\$7.6	\$7.7	\$7.9	\$8.2	\$8.4	\$8.6	\$9.7	\$11.0
Employment (FTE Jobs)	4.646	74	117	121	122	120	118	119	120	120	120	120	120
FISCAL IMPACT (\$M)													
Sales Tax	<i>Rate</i>	7.0%	\$1.0	\$1.5	\$1.6	\$1.6	\$1.7	\$1.7	\$1.8	\$1.8	\$1.9	\$2.1	\$2.4
Hotel/ Motel Tax	7.0%	0.0	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
State Excise (Hotel/ Motel) Tax	5.0%	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Income Tax	6.9%	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7
Property Tax	4.176%	1.9	3.8	3.9	4.0	4.0	4.0	4.1	4.2	4.3	4.4	5.0	5.6
Total		\$3.3	\$6.2	\$6.4	\$6.5	\$6.6	\$6.6	\$6.8	\$7.0	\$7.2	\$7.4	\$8.3	\$9.4
Source: Johnson Consulting												20-Year Total Fiscal Impact = \$148.4	

IMPACT OF PROJECT II: 1ST & 1ST WEST (PHASE 2) – PUBLIC PLAZA

Figure 2 - 4 summarizes the estimated spending and impacts associated with Project II: 1st & 1st West (Phase 2) – Public Plaza, which is planned to comprise 24 residential housing units, and 66 parking spaces, commencing in Year 3. As shown, in Year 20 the annual economic impact of Project II: 1st & 1st West (Phase 2) – Public Plaza is estimated to include \$3.3 million of total spending, \$600,000 in increased earnings, and support 6 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$700,000 in tax revenues to the state and local governments. Over a 20-year period, the fiscal impact of Project II: 1st & 1st West (Phase 2) – Public Plaza is projected to total \$9.9 million in tax revenues.

Figure 2 - 4

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Project II: 1 st & 1 st West (Phase 2) - Public Plaza Estimated Economic and Fiscal Impact (\$Million)													
		Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
ECONOMIC IMPACT (\$M)													
Direct Spending	<i>Multiplier</i>	\$0.0	\$0.0	\$0.1	\$1.6	\$1.6	\$1.5	\$1.6	\$1.6	\$1.7	\$1.7	\$1.9	\$2.2
Indirect Spending		0.289	0.0	0.0	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.6	0.6
Induced Spending		0.210	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5
Total Spending		\$0.0	\$0.0	\$0.1	\$2.5	\$2.4	\$2.3	\$2.4	\$2.5	\$2.5	\$2.6	\$2.9	\$3.3
Increased Earnings		0.260	\$0.0	\$0.0	\$0.0	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.5	\$0.6
Employment (FTE Jobs)		4.646	0	0	0	7	7	6	6	6	6	6	6
FISCAL IMPACT (\$M)	<i>Rate</i>												
Sales Tax		7.0%	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2
Hotel/ Motel Tax		7.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Excise (Hotel/ Motel) Tax		5.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Tax		6.9%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Tax		4.176%	0.0	0.0	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Total		\$0.0	\$0.0	\$0.0	\$0.5	\$0.6	\$0.7						
20-Year Total Fiscal Impact =												\$9.9	

Source: Johnson Consulting

PROJECT III: IMPACT OF 8TH AVE MIXED USE

Figure 2 - 5 summarizes the estimated spending and impacts associated with Project III: 8th Ave Mixed Use, which will comprise 7,470 SF event-oriented facility with restaurant/ retail space, commencing in Year 5. As shown, in Year 20 the annual economic impact of Project III: 8th Ave Mixed Use is estimated to include \$3.1 million of total spending, \$500,000 in increased earnings, and support 6 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$300,000 in tax revenues to the state and local governments. Over a 20-year period, the fiscal impact of Project III: 8th Ave Mixed Use is projected to total \$4.2 million in tax revenues.

Figure 2 - 5

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa												
Project III: 8th Avenue Mixed Use												
Estimated Economic and Fiscal Impact (\$Million)												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
ECONOMIC IMPACT (\$M)												
Direct Spending	Multiplier	\$0.0	\$0.0	\$0.0	\$0.0	\$1.4	\$1.4	\$1.5	\$1.5	\$1.6	\$1.6	\$1.8
Indirect Spending	0.28905	0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.4	0.5	0.5	0.6
Induced Spending	0.21044	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Total Spending		\$0.0	\$0.0	\$0.0	\$0.0	\$2.1	\$2.2	\$2.2	\$2.3	\$2.4	\$2.4	\$2.7
Increased Earnings	0.26028	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.5
Employment (FTE Jobs)	4.64607	0	0	0	0	6	6	6	6	6	6	6
FISCAL IMPACT (\$M)	Rate											
Sales Tax	7.0%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Hotel/ Motel Tax	7.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Excise (Hotel/ Motel) Tax	5.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Tax	6.9%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Tax	4.176%	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total		\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.3	\$0.3

Source: Johnson Consulting

20-Year Total Fiscal Impact = **\$4.2**

PROJECT IV: 1ST & 1ST WEST (PHASE 3) – ENTERTAINMENT CENTER

Figure 2 - 6 summarizes the estimated spending and impacts associated with Project IV: 1st & 1st West (Phase 3) – Entertainment Center, which is planned to comprise 56,540 SF of entertainment/ retail/ restaurant space, 65 residential housing units, and 547 parking spaces, commencing in Year 5. As shown, in Year 20 the annual economic impact of Project IV: 1st & 1st West (Phase 3) – Entertainment Center is estimated to include \$37.1 million of total spending, \$6.4 million in increased earnings, and support 70 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$5.4 million in tax revenues to the state and local governments. Over a 20-year period, the fiscal impact of Project IV: 1st & 1st West (Phase 3) – Entertainment Center is projected to total \$70.5 million in tax revenues.

Figure 2 - 6

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Project IV: 1st & 1st West (Phase 3) - Entertainment Center Estimated Economic and Fiscal Impact (\$Million)													
		Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
ECONOMIC IMPACT (\$M)													
Direct Spending	<i>Multiplier</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$9.8	\$17.3	\$17.9	\$18.4	\$18.9	\$19.3	\$21.9	\$24.7
Indirect Spending		0.289	0.0	0.0	0.0	2.8	5.0	5.2	5.3	5.4	5.6	6.3	7.1
Induced Spending		0.210	0.0	0.0	0.0	2.1	3.6	3.8	3.9	4.0	4.1	4.6	5.2
Total Spending		\$0.0	\$0.0	\$0.0	\$0.0	\$14.7	\$25.9	\$26.8	\$27.6	\$28.3	\$29.0	\$32.8	\$37.1
Increased Earnings		0.260	\$0.0	\$0.0	\$0.0	\$2.6	\$4.5	\$4.7	\$4.8	\$4.9	\$5.0	\$5.7	\$6.4
Employment (FTE Jobs)		4.646	0	0	0	40	69	70	70	70	70	70	70
FISCAL IMPACT (\$M)	<i>Rate</i>												
Sales Tax		7.0%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.7	\$1.2	\$1.3	\$1.3	\$1.4	\$1.5	\$1.7
Hotel/ Motel Tax		7.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Excise (Hotel/ Motel) Tax		5.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Tax		6.9%	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Property Tax		4.176%	0.0	0.0	0.0	0.0	1.2	2.4	2.4	2.5	2.5	2.6	2.9
Total			\$0.0	\$0.0	\$0.0	\$0.0	\$2.0	\$3.8	\$3.9	\$4.0	\$4.1	\$4.2	\$4.8
Source: Johnson Consulting												20-Year Total Fiscal Impact = \$70.5	

TOTAL IMPACT OF DISTRICT

Figure 2 - 7 summarizes the estimated spending and impacts associated with the proposed Cedar Rapids Central Reinvestment District over a 20-year period. In Year 20, the annual economic impact of the proposed District is estimated to include \$106.7 million of total spending, \$18.5 million in increased earnings, and support 202 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$15.8 million in tax revenues to the state and local governments. Through the 20-year period of operations, the fiscal impact of the District (gross tax revenues) is projected to total \$233.1 million in tax revenues.

Figure 2 - 7

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa ALL PROJECTS														
		Estimated Economic and Fiscal Impact (\$Million)												
		Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042	
DIRECT SPENDING (\$M)		<i>Total Built-Out</i>												
Project I: 1st & 1st West (Phase 1) - Mixed Use		263,271 SF	\$16.3	\$26.5	\$28.1	\$28.9	\$29.2	\$29.6	\$30.5	\$31.4	\$32.2	\$33.0	\$37.3	\$42.2
Project II: 1st & 1st West (Phase 2) - Public Plaza		184,120 SF	0.0	0.0	0.1	1.6	1.6	1.5	1.6	1.6	1.7	1.7	1.9	2.2
Project III: 8th Avenue Mixed Use		7,470 SF	0.0	0.0	0.0	0.0	1.4	1.4	1.5	1.5	1.6	1.6	1.8	2.1
Project IV: 1st & 1st West (Phase 3) - Entertainment Center		297,026 SF	0.0	0.0	0.0	0.0	9.8	17.3	17.9	18.4	18.9	19.3	21.9	24.7
Total			\$16.3	\$26.5	\$28.1	\$30.5	\$42.1	\$49.8	\$51.5	\$52.9	\$54.3	\$55.6	\$62.9	\$71.2
ECONOMIC IMPACT (\$M)		<i>Multiplier</i>												
Direct Spending		0.289	\$16.3	\$26.5	\$28.1	\$30.5	\$42.1	\$49.8	\$51.5	\$52.9	\$54.3	\$55.6	\$62.9	\$71.2
Indirect Spending		0.210	4.7	7.7	8.1	8.8	12.2	14.4	14.9	15.3	15.7	16.1	18.2	20.6
Induced Spending			3.4	5.6	5.9	6.4	8.9	10.5	10.8	11.1	11.4	11.7	13.2	15.0
Total Spending			\$24.4	\$39.8	\$42.2	\$45.8	\$63.1	\$74.7	\$77.2	\$79.4	\$81.3	\$83.4	\$94.3	\$106.7
Increased Earnings		0.260	\$4.2	\$6.9	\$7.3	\$7.9	\$10.9	\$13.0	\$13.4	\$13.8	\$14.1	\$14.5	\$16.4	\$18.5
Employment (FTE Jobs)		4,646	74	117	121	128	173	200	201	202	202	202	202	202
FISCAL IMPACT (\$M)		<i>Rate</i>												
Sales Tax		7.0%	\$1.0	\$1.5	\$1.6	\$1.8	\$2.6	\$3.1	\$3.2	\$3.3	\$3.4	\$3.4	\$3.9	\$4.4
Hotel/ Motel Tax		7.0%	-	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
State Excise (Hotel/ Motel) Tax		5.0%	-	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Income Tax		6.9%	0.3	0.4	0.5	0.5	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.1
Property Tax		4.176%	1.9	3.8	3.9	4.4	5.7	6.8	7.0	7.2	7.3	7.5	8.5	9.6
Total			\$3.3	\$6.2	\$6.4	\$7.0	\$9.4	\$11.2	\$11.5	\$11.8	\$12.1	\$12.4	\$14.0	\$15.8
Source: Johnson Consulting													20-Year Total Fiscal Impact = \$233.1	

ONE-TIME IMPACT OF CONSTRUCTION

The construction of the various components of the proposed District will create a one-time influx of spending to the market, thereby resulting in a one-time economic and fiscal impact. Figure 2 - 8 shows the estimated construction impact, reflecting an estimated construction cost of \$146.7 million for all phases through Year 5. As shown, over the multi-phased construction period (assumed to start in 2022), the fiscal impact of the construction of all projects within the District is estimated to total \$9.3 million in tax revenues.

Figure 2 - 8

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa ALL PROJECTS									
Estimated Economic and Fiscal Impact from Construction (\$Million)									
	2022	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	TOTAL		
CONSTRUCTION SPENDING									
Project I: 1st & 1st West (Phase 1) - Mixed Use	\$62.0	\$21.0	\$4.1	\$16.6	\$17.8	\$6.8	\$128.4		
Project II: 1st & 1st West (Phase 2) - Public Plaza	0.0	0.0	0.0	1.8	2.3	1.1	5.2		
Project III: 8th Avenue Mixed Use	0.0	0.0	0.0	0.0	0.5	0.1	0.7		
Project IV: 1st & 1st West (Phase 3) - Entertainment Center	0.0	0.0	0.0	0.0	7.2	5.3	12.5		
Total	\$62.0	\$21.0	\$4.2	\$18.4	\$27.8	\$13.4	\$146.7		
DETAILED BREAKDOWN									
Spending on Labor (Wages)	55.0%	\$34.1	\$11.5	\$2.3	\$10.1	\$15.3	\$7.4	\$80.7	
# of Construction Jobs	\$30,000	1,082	357	69	298	440	206	2,452	
Spending on Material	45.0%	\$27.9	\$9.4	\$1.9	\$8.3	\$12.5	\$6.0	\$66.0	
Direct Material Spending in Cedar Rapids	80.0%	\$22.3	\$7.5	\$1.5	\$6.6	\$10.0	\$4.8	\$52.8	
ECONOMIC IMPACT (\$M)									
Direct Spending	<i>Multiplier</i>	\$22.3	\$7.5	\$1.5	\$6.6	\$10.0	\$4.8	\$52.8	
Indirect Spending	0.258	5.8	1.9	0.4	1.7	2.6	1.2	13.6	
Induced Spending	0.196	4.4	1.5	0.3	1.3	2.0	0.9	10.4	
Total Spending		\$32.5	\$11.0	\$2.2	\$9.6	\$14.6	\$7.0	\$76.8	
Increased Earnings	0.216	\$4.8	\$1.6	\$0.3	\$1.4	\$2.2	\$1.0	\$11.4	
Employment (FTE Jobs)	4.524	96	32	6	26	39	18	218	
FISCAL IMPACT (\$M)									
Sales Tax	<i>Rate</i>	7.0%	\$1.6	\$0.5	\$0.1	\$0.5	\$0.7	\$0.3	\$3.7
Hotel/ Motel Tax		7.0%	-	-	-	-	-	-	-
State Excise (Hotel/ Motel) Tax		5.0%	-	-	-	-	-	-	-
Income Tax		6.9%	2.3	0.8	0.2	0.7	1.1	0.5	5.6
Property Tax		4.176%	-	-	-	-	-	-	-
Total			\$3.9	\$1.3	\$0.3	\$1.2	\$1.8	\$0.8	\$9.3

Source: Johnson Consulting

VISITATION ESTIMATES

Figure 2 - 9 provides estimates of visitation to the proposed projects on the priority development sites within the Cedar Rapids Central Reinvestment District. As shown, by Year 20, the District is projected to attract approximately 56,020 unique visitors, accounting for the notion that a portion of visitors may visit several destinations within the District in a single trip. It is noted that these visitation estimates do not include visitation to the Riverfront area, which were provided in Crane Associates' River Recreation Feasibility Study (October 2020).

Figure 2 - 9

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa ALL PROJECTS												
Estimated Annual Visitation												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
Project I: 1st & 1st West (Phase 1) - Mixed Use	19,764	49,233	52,075	53,865	54,660	55,883	56,000	56,060	56,060	56,146	56,060	56,060
Project II: 1st & 1st West (Phase 2) - Public Plaza	-	-	-	157	152	137	138	139	139	139	139	139
Project III: 8th Avenue Mixed Use	-	-	-	-	1,530	1,536	1,555	1,561	1,561	1,561	1,561	1,561
Project IV: 1st & 1st West (Phase 3) - Entertainment Center	-	-	-	-	7,870	12,070	12,220	12,265	12,265	12,265	12,265	12,265
Total	19,764	49,233	52,075	54,022	64,212	69,626	69,914	70,025	70,025	70,111	70,025	70,025
Possible % Overlap	20%	(3,953)	(9,847)	(10,415)	(10,804)	(12,842)	(13,925)	(13,983)	(14,005)	(14,022)	(14,005)	(14,005)
Total Unique Visitors	15,811	39,386	41,660	43,217	51,369	55,701	55,931	56,020	56,020	56,089	56,020	56,020

Source: Johnson Consulting

IRA ELIGIBILITY ASSESSMENT

Pursuant to the IRA Districts Program, reinvestment districts may be eligible for a portion of new State sales and excise (hotel/ motel) tax revenues that are generated within the district boundaries, as follows:

- 4 percent (of the total 7 percent) Sales Tax on food and beverage, parking, and other revenues, but NOT on hotel guest rooms, and;
- 5 percent Excise (hotel/ motel) Tax on guest rooms.

The term “new” refers to the revenues over and above an established baseline amount from the 12-month period prior to the District commencement.

ESTIMATED BASELINE SALES WITHIN DISTRICT

There is currently 2,646 SF of leased retail space within the District, and no hotels or lodging facilities. In the absence of actual receipts of historical sales, the baseline sales amount at the existing retail premises is estimated by assuming annual sales of \$200 per SF, resulting in \$529,000 of baseline sales.

ESTIMATED NEW SALES AND THE RESULTING TAX REVENUES

Figure 2 - 10 shows the estimated new sales and resulting tax revenues generated within the District.

Figure 2 - 10

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa ALL PROJECTS Estimated Total and New Taxable Sales Amounts and Tax Revenues within District Boundaries Only (\$Million)												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
Taxable Sales Amounts*												
1 Project I: 1st & 1st West (Phase 1) - Mixed Use		\$11.2	\$15.4	\$16.1	\$16.6	\$16.7	\$17.2	\$17.8	\$18.3	\$18.8	\$19.3	\$21.8
2 Project II: 1st & 1st West (Phase 2) - Public Plaza		0.0	0.0	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
3 Project III: 8th Avenue Mixed Use		0.0	0.0	0.0	0.0	1.3	1.4	1.4	1.5	1.5	1.5	2.0
4 Project IV: 1st & 1st West (Phase 3) - Entertainment Center		0.0	0.0	0.0	0.0	8.3	12.7	13.2	13.6	13.9	14.3	16.1
5 Total		\$11.2	\$15.4	\$16.2	\$16.9	\$26.7	\$31.6	\$32.7	\$33.6	\$34.5	\$35.4	\$40.0
6 Less Baseline Sales Amounts	\$0.529 / year	\$0.5	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.7	\$0.7	\$0.9
7 New Taxable Sales Amounts		\$10.6	\$14.8	\$15.6	\$16.3	\$26.1	\$31.0	\$32.1	\$33.0	\$33.8	\$34.7	\$39.2
8 Taxable Room Revenues from Hotel**		\$0.0	\$2.9	\$3.2	\$3.5	\$3.7	\$4.0	\$4.1	\$4.2	\$4.3	\$4.4	\$4.9
9 New Tax Revenues												\$5.6
10 Sales Tax	7.0% of Line 7	\$0.7	\$1.0	\$1.1	\$1.1	\$1.8	\$2.2	\$2.2	\$2.3	\$2.4	\$2.4	\$2.7
11 Hotel/ Motel Tax	7.0% of Line 8	0.0	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4
12 State Excise (Hotel/ Motel) Tax	5.0% of Line 8	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
13 Total		\$0.7	\$1.4	\$1.5	\$1.6	\$2.3	\$2.6	\$2.7	\$2.8	\$2.9	\$3.0	\$3.8

*Excluding room revenues, which is shown separately in Line 8.

**All room revenues are new, because there is no existing hotel within the District boundaries.

Source: Johnson Consulting

As shown, sales and hotel/ motel tax revenues resulting from new sales within the District are projected to amount to \$700,000 in Year 1 and growing to \$3.8 million in Year 20.

ESTIMATED TAX REVENUES ALLOWED FOR IRA FUNDING

As stated previously, pursuant to the Reinvestment District Program, reinvestment districts may be eligible for 4 percent (of the 6 percent) Sales Tax revenues on new taxable sales and 5 percent of Excise Tax revenues on new hotel rooms. Figure 2 - 11 shows the total new sales and hotel/ motel tax revenues that are expected to be generated by activities within the District and presents a calculation of the portion that is eligible pursuant to the requirements of the Program, over a 20-year period.

Figure 2 - 11

Year	Sales Tax (7%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions
	4.0%**	3.0%					
	(A)	(B)					
2023	\$0.426	\$0.319	\$0.000	\$0.000	\$0.745	\$0.426	\$0.319
2024	0.592	0.444	0.201	0.143	1.380	0.735	0.645
2025	0.624	0.468	0.226	0.162	1.480	0.786	0.694
2026	0.651	0.488	0.248	0.177	1.565	0.828	0.737
2027	1.044	0.783	0.262	0.187	2.276	1.231	1.045
2028	1.241	0.930	0.277	0.198	2.646	1.439	1.208
2029	1.284	0.963	0.284	0.203	2.733	1.486	1.246
2030	1.320	0.990	0.291	0.208	2.808	1.527	1.281
2031	1.353	1.015	0.298	0.213	2.878	1.566	1.313
2032	1.387	1.040	0.306	0.219	2.953	1.606	1.347
2033	1.421	1.066	0.313	0.224	3.024	1.645	1.379
2034	1.457	1.093	0.321	0.229	3.100	1.686	1.413
2035	1.493	1.120	0.329	0.235	3.177	1.728	1.449
2036	1.531	1.148	0.338	0.241	3.259	1.773	1.486
2037	1.569	1.177	0.346	0.247	3.338	1.816	1.522
2038	1.608	1.206	0.354	0.253	3.421	1.861	1.560
2039	1.648	1.236	0.363	0.259	3.507	1.908	1.599
2040	1.690	1.268	0.373	0.266	3.598	1.957	1.641
2041	1.732	1.299	0.381	0.272	3.684	2.004	1.680
2042	1.775	1.331	0.391	0.279	3.776	2.054	1.722
Total thru 2042	\$25.846	\$19.384	\$5.902	\$4.216	\$55.348	\$30.062	\$25.286

*Applied to general retail, food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 7 percent, of which 4 percent is allowed by IRA to be available for Iowa Reinvestment District Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

Source: Johnson Consulting

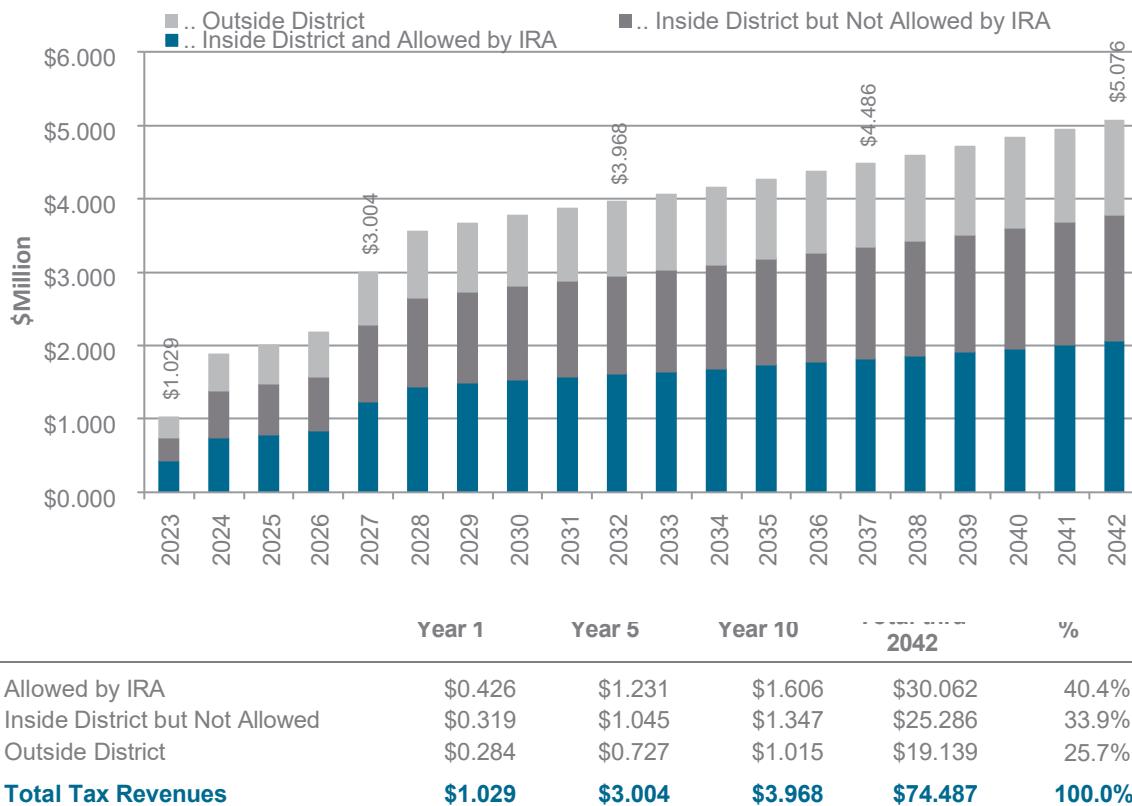
As shown, the Cedar Rapids Central Reinvestment District is expected to generate approximately \$55.4 million in 20 years from sales tax, hotel/ motel tax, and excise taxes, combined. The portion of eligible State taxes amounts to \$30.1 million in 20 years – approximately 54.3 percent of total sales, hotel/ motel, and excise tax collections from within the District boundaries.

Figure 2 - 12 provides a comparison of total sales and hotel/ motel tax revenues resulting from direct spending by District visitors and the portion, highlighting the eligible portion pursuant to the Reinvestment District Program, and also taking into account tax revenues outside of the District.

Figure 2 - 12

**Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa
Comparison of Tax Revenues and the Portion Allowed by IRA for Reinvestment
District Program (\$Million)**

Estimated Tax Revenues Resulting from Direct Spending...



Source: Johnson Consulting

The chart shows that the eligible tax revenues amounting to \$30.1 million over 20 years, are approximately 40.4 percent of the total sales and hotel/ motel tax collections from inside and outside of the District (totaling \$74.5 million in 20 years). This indicates that the State and local jurisdictions still retain 59.6 percent of total sales and hotel/ motel tax collections.

ELIGIBLE IRA FUNDING ALLOCATION

While the eligible sales and hotel/ motel tax amounts are projected to total \$30.1 million over 20 years, the Reinvestment District Program imposes a limit on funding whereby eligible funding cannot exceed 35 percent of the total cost of all proposed projects within the District plan. Based on the estimated construction cost of \$146.7 million (over a phased construction period), total funding potential is limited to \$51.3 million. This represents the upper limit of eligible funding for the Cedar Rapids Central Reinvestment District, and exceeds the eligible tax revenues, as shown in Figure 2 - 13.

Figure 2 - 13

Cedar Rapids Central Reinvestment District - Cedar Rapids, Iowa Eligible IRA Funding Allocation

Eligible Tax Revenues		Allocation Amount (\$M)
Total Potential Allocation	<u>20-yr Total (\$M)</u>	<u>Max. Allocat- ion per IRA</u>
New Sales Tax ¹	\$45.2	57% ²
State Excise (Hotel/ Motel) Tax	\$4.2	100%
Total		\$30.1 ³
Max. Funding Allowance⁴ based on Project Cost	<u>Project Cost</u> \$146.7	<u>Max. %</u> 35%
Eligible Funding		\$30.1

1. Only new sales are eligible. New sales are those over the baseline sales amount prior to the District commencement.

2. Reflecting the 4% portion of the total 7% sales tax rate. Only 4% of new sales are allowed for funding.

3. The amount corresponds to the total shown in preceding table.

4. Total funding must not exceed 35% of total project cost

Source: City of Cedar Rapids, Relevant Developers, IRA, Johnson Consulting

ADDENDUM 3 Letters of Support



February 7, 2022

Mayor Tiffany O'Donnell
Cedar Rapids City Hall
101 First St. SE
Cedar Rapids, IA 52401

Dear Mayor O'Donnell:

Iowa employers' top issue is competing for talent and retaining their existing workforce. Maintaining and enhancing quality of life is a critical component to any workforce strategy. Success in our local and regional efforts to address critical workforce needs depends on our ability to articulate a compelling vision of why Cedar Rapids is an awesome place to live and work.

As this region's economic development organization, the Cedar Rapids Metro Economic Alliance fully supports the transformative development concepts that will elevate the ability of Cedar Rapids and Iowa to compete nationally for workforce. It is only through cooperation across the public and private sectors, using all available resources for greater competitiveness, that we will realize the vision of progress detailed in this final application stage for the City's proposed reinvestment district plan.

The City of Cedar Rapids serves as a principal commercial center in eastern Iowa, providing access to lodging, entertainment and shopping to residents and visitors alike. Moreover, a growing local economy requires physical development to expand, and nowhere is there a greater number of assets locally than in the Cedar Rapids Downtown District.

The regional economy would immediately and impactfully benefit from additional downtown hotel rooms to help satisfy demand that massively outstrips current supply. Similarly, recreation potential on the Cedar River, access to enhanced regional trail systems through the ConnectCR initiative, arts & culture venues, proximity to anchor employers, and activated retail and residential environment all represent a winning combination for exceptional gains from district investment. We have no doubt that the mix of projects put forward in the City's reinvestment district plan will increase visitors and spending Downtown.

We have a high level of confidence in the feasibility and attractiveness of the proposed projects. This vibrant, integrated and high-quality growth concept will serve as a driver of the local and state economy.

We are proud to support the City of Cedar Rapids' Iowa Reinvestment District proposal and encourage your favorable consideration.

Thank you,

A handwritten signature in black ink that reads "Doug Neumann".

Doug Neumann
Executive Director
Cedar Rapids Metro Economic Alliance

VISION:

TO BE THE TOP
ECONOMIC GROWTH
REGION IN THE
COUNTRY.

MISSION:

TO SERVE AS THE
CATALYST FOR
ECONOMIC DIVERSITY,
GROWTH AND
PROSPERITY FOR OUR
REGION.

VALUES:

WE VALUE OUR
MEMBERS AND
STRIVE TO EXCEED
THEIR EXPECTATIONS.

WE EMBRACE
INNOVATION IN
OUR WORK.

WE FOCUS ON
COLLABORATIVE
RELATIONSHIPS IN
EVERYTHING WE DO.

WE ARE
COMMITTED TO A
HIGH-PERFORMANCE
CULTURE, CENTERED
ON CORE
COMPETENCIES.



February 7, 2022

Mayor Tiffany O'Donnell
City of Cedar Rapids
101 First Street SE
Cedar Rapids, Iowa 52241

Dear Mayor O'Donnell:

Please accept this letter of support for the City of Cedar Rapids application to participate in the Iowa Reinvestment District Program.

I am the Executive Director for VenuWorks of Cedar Rapids L.L.C., a private company currently under contract with the City of Cedar Rapids for the management and operation of the Cedar Rapids Tourism Office. The Tourism Office is the destination marketing organization for the Cedar Rapids area, with a mission to "market the Cedar Rapids area as a destination for tourism, conventions, meetings, sports events and special events through the active solicitation of tournament directors, convention and meeting planners, and through engagement with leisure travelers. The Tourism Office shall attract events to the Cedar Rapids area that will continue to be the economic driver for hotels, restaurants and local businesses."

These are exciting times in Cedar Rapids! The transformative mixed-use projects proposed for the downtown district, including new hotels planned for 3rd Street and 3rd Avenue as well as the construction of the First and First West entertainment complex, will play a major role in forming a walkable hub of activity around the existing Alliant Energy PowerHouse. I believe that these developments will greatly aid the Tourism Office efforts to attract more events, tournaments, conventions and meetings to downtown Cedar Rapids.

The Alliant Energy PowerHouse, formerly the U.S. Cellular Center, is the second largest convention and events center in the state of Iowa. The 471,227 square foot complex consists of an 8,000-seat arena, the attached Doubletree by Hilton hotel, and a convention center featuring 81,779 square feet of exhibit space, 12,359 square feet of ballroom space and 19,383 square feet of meeting room space. Renovated in 2013, this convention center is at the very heart of a collective vision to transform downtown Cedar Rapids. Community leaders and urban planners view the complex as the anchor and catalyst for the area's urban renewal.

The Cedar Rapids Tourism Office regularly receives RFP's for national sporting tournaments and conventions that would fit well in the Alliant Energy PowerHouse convention center and arena, but many proposals have minimum requirements for hotel rooms within walking distance of the convention site that exceed the capacity of the 267 room Doubletree by Hilton hotel, which is currently the only downtown hotel property. The construction of additional hotels within walking distance of the convention center will allow for the booking of larger size meetings and conventions which in turn will drive more traffic into downtown amenities.

The First and First West entertainment project has the ability to become a large attractor to the downtown district, providing a reason for meeting planners and leisure travelers to prioritize booking in Cedar Rapids over other similarly sized markets across the country, and for participants at these events to continue to drive the economic growth of the area.

According to the Travel Federation of Iowa, tourism is “about more than places to visit; it’s jobs, economic growth, quality of life, and revenue generation.” Across the State, tourism has been a proven economic driver for Iowa generating more than \$8.5 billion in revenue and generated \$507.1 million in state tax revenues. In Cedar Rapids, the downtown Alliant Energy PowerHouse complex hosts around 350,000 patrons annually. These hotel stays and attendance at conventions, meetings, concerts and other entertainment result in over \$200 million in direct consumer spending annually in downtown Cedar Rapids. An increase in activity and bookings at the downtown complex as a result of these new attractors will ultimately drive more spending in downtown lodging, transportation, restaurants, retail and entertainment.

VenuWorks and the Cedar Rapids Tourism Office believe that the addition of these projects downtown will create a center of activity that will substantially increase the quality of life in Cedar Rapids, and likewise benefit the community. I wholeheartedly support the City of Cedar Rapids application to participate in the Iowa Reinvestment District Program.

My very best regards,



Michael Silva
Executive Director, VenuWorks of Cedar Rapids L.L.C.
370 First Avenue NE
Cedar Rapids, Iowa 52401
m.silva@creventslive.com

Proudly managing:



CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT AMENDMENT ECONOMIC & FISCAL IMPACT ANALYSIS

SUBMITTED TO
City of Cedar Rapids

SUBMITTED BY
Johnson Consulting

DATE
October 2025



October 2, 2025

Mr. David Connolly
Economic Development Program Manager
City of Cedar Rapids
d.connolly@cedar-rapids.org

Re: Cedar Rapids Central Reinvestment District Amendment – Impact Analysis

Dear David,

Johnson Consulting is pleased to submit this report regarding the proposed amendment to the Cedar Rapids Central Reinvestment District. Pursuant to our engagement, this report provides an economic and fiscal impact analysis of the proposed District, including specific calculations to support City's application under the State of Iowa's Reinvestment Act (IRA) Iowa Reinvestment District Program.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

C.H. Johnson Consulting, Inc.

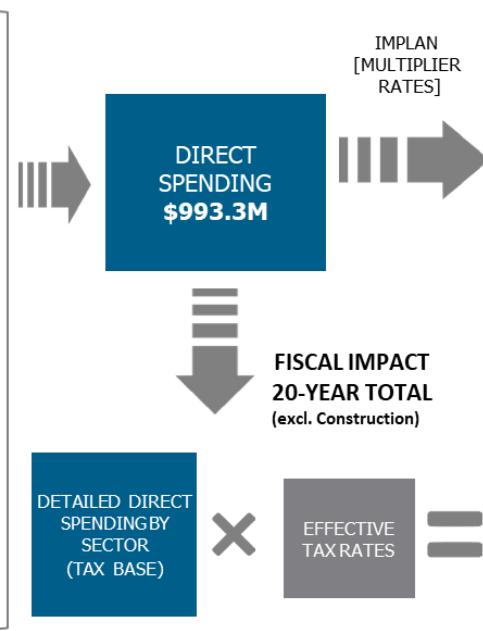
C.H. JOHNSON CONSULTING, INC.

EXECUTIVE SUMMARY

CEDAR RAPIDS CENTRAL REINVESTMENT DISTRICT AMENDMENT ECONOMIC AND FISCAL IMPACT ANALYSIS EXECUTIVE SUMMARY OCTOBER 2025

DISTRICT PROGRAM ELEMENTS

1. PROJECT I: 1ST & 1ST WEST (PHASE 1) - MIXED USE
 - RESIDENTIAL (114 UNITS)
 - HOTEL (123 KEYS)
 - RETAIL/ RESTAURANTS (90K SF)
 - OFFICE (9.5K SF)
 - PARKING (599 SPACES)
2. PROJECT II: 1ST & 1ST WEST (PHASE 2) – PUBLIC PLAZA
 - CENTRAL PARK
 - PARKING (481 SPACES, INCL. 463 SPACES IN CITY-OWNED PARKING RAMP)
3. PROJECT III: 1ST & 1ST WEST (PHASE 3) – ENTERTAINMENT CENTER
 - RETAIL/ RESTAURANTS (38K SF)
 - RESIDENTIAL (65 UNITS)
 - PARKING (381 SPACES)



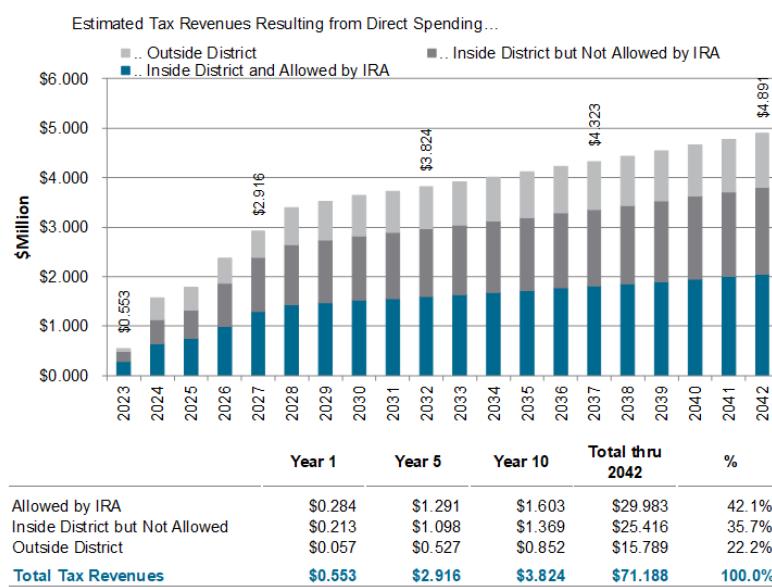
ECONOMIC IMPACT 20-YEAR TOTAL

- INDIRECT SPENDING \$287.1M
- INDUCED SPENDING \$209.0M
- INCREASED EARNINGS \$258.6M
- EMPLOYMENT
 - 239 Construction Jobs
 - 192 Ongoing Jobs

SUMMARY

The Cedar Rapids Central Reinvestment District Amendment will play a critical role in enhancing the long-term attractiveness and success of the Cedar Rapids market. Each proposed program element will contribute to this overall success in a variety of ways and the overall impact will be immense. Johnson Consulting conducted a detailed feasibility assessment of the District and concluded that the program is market-driven and market-supportable.

Cedar Rapids Central Reinvestment District Amendment Comparison of Tax Revenues and the Portion Allowed by IRA for Reinvestment District Program (\$Million)



Source: Johnson Consulting

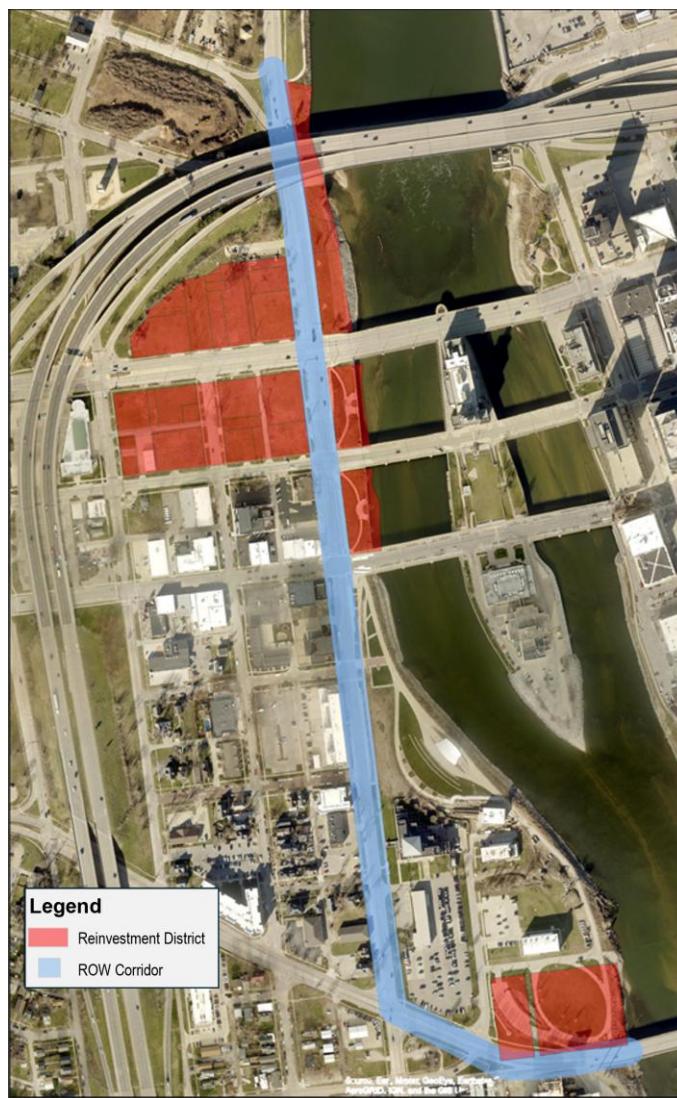
INTRODUCTION

Johnson Consulting was retained by the City of Cedar Rapids to provide an economic and fiscal impact assessment of a proposed amendment to the Cedar Rapids Central Reinvestment District in downtown Cedar Rapids. This report will support the City of Cedar Rapids' application under the State of Iowa's Reinvestment Act (IRA) Iowa Reinvestment District Program to amend the Cedar Rapids Center Reinvestment District, specifically by quantifying the economic and fiscal impact associated with proposed development within the Amended District.

PROPOSED DISTRICT AMENDMENT

Figure 1 shows the proposed amended District boundary, which is unchanged from the existing District boundary.

Figure 1



Source: City of Cedar Rapids

Figure 2 provides a summary of the proposed development program within the Amended District.

Figure 2

Cedar Rapids Central Reinvestment District Amendment Summary of Development Program										
	Opening Year	Unit Count			Total SF					Development Cost (\$'000)
		Housing	Hotel	Parking	Retail/ Restaurants	Office	Housing	Hotel	Parking	
Project I: 1st & 1st West (Phase 1) - Mixed Use										
Block #1 - B2 Big Grove Brewery	2023	-	-	100	17,780	-	-	-	-	17,780 \$6,068
Block #1 - B1 Mixed Use (Pickle Palace)	2023	-	-	220	23,262	-	-	-	-	23,262 19,042
Block #1 - B3 & B4 151 Lofts	2024	63	-	70	29,500	9,500	28,000	-	-	67,000 20,044
Block #2 - B5 & B6 275 Lofts	2024	51	-	60	20,000	-	19,000	-	-	39,000 12,040
Block #2 - B7 5-Story Boutique Hotel	2026	-	123	230	-	-	-	66,000	-	66,000 25,585
Total		114	123	680	90,542	9,500	47,000	66,000	-	213,042 \$82,779
Project II: 1st & 1st West (Phase 2) - Public Plaza										
Block #2 - Parking Ramp #1 - City Owned	2025	-	-	463	-	-	-	-	159,120	159,120 17,800
Block #2 - Central Park	2025	-	-	18	-	-	-	-	-	- 6,548
Total		-	-	481	-	-	-	-	159,120	159,120 \$24,343
Project III: 1st & 1st West (Phase 3) - Entertainment Center										
Block #3 - B9 Entertainment Center	2027	-	-	220	28,000	-	-	-	-	28,000 \$40,000
Block #3 - B11 & B12 - Mixed Use	2028	65	-	78	10,000	-	28,889	-	-	38,889 15,000
Block #3 - Public Parking Available	2027	-	-	83	-	-	-	-	-	-
Total		65	-	381	38,000	-	28,889	-	-	66,889 \$55,000
GRAND TOTAL		179	123	1,542	128,542	9,500	75,889	66,000	159,120	439,051 \$162,123

Source: City of Cedar Rapids, Developers, Concord Group, Johnson Consulting

REINVESTMENT DISTRICT PROGRAM

Following the model established in many states, and pursuant to the Iowa Reinvestment Act (IRA), via a competitive process, the Iowa Reinvestment District Program “provides for as much as a total of \$100 million in new tax revenues generated by revenue-generating projects in certain districts to be ‘reinvested’ within those districts.” To be eligible to compete for a portion of these funds, under the program, the potential district must meet the following requirements:

- The area must consist only of parcels of real property that the governing body of the municipality determines will be directly and substantially benefited by development in the potential district,
- The area must be in whole or in part either an economic development enterprise zone or an urban renewal area, designated under the Iowa Code, and
- The area must consist of contiguous parcels and must not exceed 125 acres in total (for projects approved after July 1, 2020).

Applicants are required to submit a district plan that must be approved by the governing body of the municipality and must clearly state the governing body's intention to establish a district. Feasibility and economic impact analyses are also required, including:

- The amount of gross revenues expected to be collected in the district as a result of the potential project for each year that the district is in existence.
- Detailed explanation of the manner and extent to which the potential project will contribute to the economic development of the State and the municipality, including an analysis of the project's economic impact.
- Estimate of the number of visitors or customers the potential project will generate during each year that the district exists.
- Description of the unique characteristics of the potential project.
- Detailed analysis of the financial benefit of the potential district to the economy of the State and the municipality.
- Identification of one or more projected market areas in which the district can reasonably be expected to have substantial economic impact.
- Assessment of the fiscal and financial impact of the potential district on businesses or on other economic development projects within the projected market area.

Additional conditions that must be met by the potential district include:

- The projects proposed to be undertaken in the district must be of a unique nature and must be likely to have a substantial beneficial impact on the economy of the State and the economy of the municipality. "Unique nature" is defined as "a quality or qualities of the projects to be developed in the district which, when considered in the entirety, will substantially distinguish the district's projects from other existing or potential developments in the State." Projects will be evaluated based on whether they will either: (i) permanently transform the aesthetics or infrastructure of a local community for the better, or (ii) contribute substantially more to the State's economy or quality of life than other similar projects in the State.
- The potential funding sources for each potential project must be feasible.
- At least one of the projects proposed to be undertaken in the district must include a capital investment of at least \$10 million.
- The total amount of potential funding from new tax revenues to be remitted to the municipality from the fund for all potential projects in the potential district plan must not exceed 35 percent of the total cost of all potential projects in the potential district plan.
- The amount of potential capital investment within the potential district related to retail businesses in the potential district must not exceed 50 percent of the total capital investment for all potential projects in the proposed district plan.
- The applicant is not requesting a plan amendment to increase the maximum benefit amount for an already approved district.

STUDY OBJECTIVES

Pursuant to the requirements of the IRA application process, the key objectives of this study are to:

- A. Determine the amount of State sales and hotel/ motel tax revenues expected to be collected in the Amended District, as a result of the projects on the priority development sites, for each year that the Amended District is in existence.
- B. Assess the manner and extent to which the projects will contribute to the economic development of the State and the municipality, including an analysis of the economic and fiscal impact of the proposed developments.
- C. Estimate of the number of visitors or customers the projects will attract during each year that the Amended District exists.

METHODOLOGY

In order to determine how the amended Cedar Rapids Central Reinvestment District will impact Cedar Rapids and the State of Iowa, Johnson Consulting performed the following tasks:

1. Performed an economic and fiscal impact analysis of the proposed Amended District by its project components, using an IMPLAN input-output model specifically purchased from IMPLAN Group, LLC. IMPLAN is a nationally recognized model commonly used to estimate economic impacts. An input-output model analyzes the commodities and income that normally flow through the various sectors of the economy.
2. Calculated the tax revenues by jurisdiction over a 20-year time period, including a specific estimation of the potential tax revenues from the Amended District that will be available to support the Reinvestment District Program as allowed by IRA.

IMPACT ANALYSIS

When construction of the proposed projects is complete, retail/ restaurant and office space is leased and hotel rooms and residential units are occupied, various transactions occurring within the Cedar Rapids Central Reinvestment District Amendment will generate ongoing, annual economic and fiscal impacts to the local and regional economies. Initial transactions occurring within each project element will 'ripple out' and generate indirect spending, induced spending, increased earnings, and employment, as well as various tax revenues for the local economy.

DEFINITIONS

ECONOMIC IMPACT

Economic impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. The levels of impacts are defined as follows:

- **DIRECT SPENDING** – is an expression of the spending that occurs as a direct result of the project being developed. For example, expenditures by shoppers, diners, and other business patrons at the various retail premises on the subject site are direct spending.
- **INDIRECT SPENDING** – consists of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending at the project. For example, a shopper's direct expenditure on a retail purchase causes the store to purchase goods and other items from suppliers. The portion of these store purchases that come from within the local, regional, or state economies is counted as indirect spending.
- **INDUCED SPENDING** – represents changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the restaurant may spend more because he/she earns more. The amount of the increased income the waiter spends in the local economy is called induced spending.
- **INCREASED EARNINGS** – measures increased employee and worker compensation related to the project being developed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses how the employees of local businesses share in the increased outputs.
- **EMPLOYMENT** – measures the number of jobs supported in the study area related to the spending at the development. Employment impact is stated in the number of full-time equivalent jobs.

Indirect and induced spending, increased earnings, and employment are estimated using a set of multiplier rates shown in the Figure 3.

Figure 3

Cedar Rapids Central Reinvestment District Amendment Economic Impact Multipliers	
	Rate
Indirect Spending	0.289 per \$1 of direct spending
Induced Spending	0.210 per \$1 of direct spending
Increased Earnings	0.260 per \$1 of direct spending
Employment (FTE Jobs)	4.646 per \$1 million of direct spending

Source: Johnson Consulting

FISCAL IMPACT ANALYSIS

Fiscal impact analysis measures the estimated tax revenues resulting from direct spending on certain activities, facilities, or events. For this analysis, the fiscal impact estimates focus on major categories of tax revenues that are directly affected by a resident, worker or visitor's activity – sales tax, hotel/ motel tax or bed tax, rental car surcharge, corporate income tax, and property tax. The current applicable tax rates are summarized in Figure 4.

Figure 4

**Cedar Rapids Central Reinvestment District
Amendment
Applicable Tax Rates**

Rates	
Sales Tax	7.0%
Hotel/ Motel Tax	7.0%
State Excise (Hotel/ Motel) Tax	5.0%
Income Tax	6.9%*
Property Tax	4.176%

*Reflecting an effective rate

Source: Iowa Department of Revenue, City of Cedar Rapids

IMPACT OF PROJECT I: 1ST & 1ST WEST (PHASE 1) – MIXED USE

Figure 5 summarizes the estimated spending and impacts associated Project I: 1ST & 1ST West (Phase 1) – Mixed Use, which is planned to comprise 90,542 SF of retail/ restaurant space, 9,500 SF of office space, 114 residential housing units, a 123-room boutique hotel, and 599 parking spaces, commencing in Year 1. As shown, in Year 20 the annual economic impact of Project I: 1ST & 1ST West (Phase 1) – Mixed Use is estimated to include \$71.2 million of total spending, \$12.4 million in increased earnings, and support 135 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$9.0 million in tax revenues to the state and local governments. Cumulatively, over a 20-year period, the fiscal impact of Project I: 1ST & 1ST West (Phase 1) – Mixed Use is projected to total \$135.9 million in tax revenues.

Figure 5

Cedar Rapids Central Reinvestment District Amendment Project I: 1 ST & 1 ST West (Phase 1) - Mixed Use Estimated Economic and Fiscal Impact (\$Million)													
		Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
ECONOMIC IMPACT (\$M)													
Direct Spending	<i>Multiplier</i>	\$7.9	\$24.1	\$25.3	\$31.2	\$32.2	\$33.1	\$34.2	\$35.3	\$36.2	\$37.1	\$41.9	\$47.5
Indirect Spending	0.289	2.3	7.0	7.3	9.0	9.3	9.6	9.9	10.2	10.5	10.7	12.1	13.7
Induced Spending	0.210	1.7	5.1	5.3	6.6	6.8	7.0	7.2	7.4	7.6	7.8	8.8	10.0
Total Spending		\$11.8	\$36.1	\$37.9	\$46.8	\$48.2	\$49.6	\$51.3	\$52.9	\$54.2	\$55.6	\$62.9	\$71.2
Increased Earnings	0.260	\$2.1	\$6.3	\$6.6	\$8.1	\$8.4	\$8.6	\$8.9	\$9.2	\$9.4	\$9.7	\$10.9	\$12.4
Employment (FTE Jobs)	4.646	36	106	109	131	132	132	134	135	135	135	135	135
FISCAL IMPACT (\$M)	<i>Rate</i>												
Sales Tax	7.0%	\$0.6	\$1.6	\$1.7	\$1.8	\$1.8	\$1.9	\$1.9	\$2.0	\$2.0	\$2.1	\$2.4	\$2.7
Hotel/ Motel Tax	7.0%	0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5
State Excise (Hotel/ Motel) Tax	5.0%	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Income Tax	6.9%	0.1	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.8
Property Tax	4.176%	0.6	1.9	1.9	3.2	3.3	3.3	3.4	3.5	3.6	3.7	4.2	4.7
Total		\$1.3	\$3.9	\$4.0	\$6.0	\$6.2	\$6.3	\$6.5	\$6.7	\$6.9	\$7.1	\$8.0	\$9.0
Source: Johnson Consulting												20-Year Total Fiscal Impact = \$135.9	

IMPACT OF PROJECT II: 1ST & 1ST WEST (PHASE 2) – PUBLIC PLAZA

Figure 6 summarizes the estimated spending and impacts associated with Project II: 1st & 1st West (Phase 2) – Public Plaza, which is planned to comprise a park and 463 parking spaces, commencing in Year 3. As shown, in Year 20 the annual economic impact of Project II: 1st & 1st West (Phase 2) – Public Plaza is estimated to include \$4.3 million of total spending, \$700,000 in increased earnings, and support 8 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$700,000 in tax revenues to the state and local governments. Over a 20-year period, the fiscal impact of Project II: 1st & 1st West (Phase 2) – Public Plaza is projected to total \$9.7 million in tax revenues.

Figure 6

Cedar Rapids Central Reinvestment District Amendment Project II: 1st & 1st West (Phase 2) - Public Plaza Estimated Economic and Fiscal Impact (\$Million)													
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042	
ECONOMIC IMPACT (\$M)													
Direct Spending	<i>Multiplier</i>	\$0.0	\$0.0	\$1.9	\$1.9	\$2.0	\$2.0	\$2.1	\$2.1	\$2.2	\$2.3	\$2.5	\$2.9
Indirect Spending	0.289	0.0	0.0	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.8
Induced Spending	0.210	0.0	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6
Total Spending		\$0.0	\$0.0	\$2.8	\$2.9	\$3.0	\$3.1	\$3.1	\$3.2	\$3.3	\$3.4	\$3.8	\$4.3
Increased Earnings	0.260	\$0.0	\$0.0	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.6	\$0.6	\$0.6	\$0.7	\$0.7
Employment (FTE Jobs)	4.646	0	0	8	8	8	8	8	8	8	8	8	8
FISCAL IMPACT (\$M)													
Sales Tax	7.0%	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	\$0.2	\$0.2
Hotel/ Motel Tax	7.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Excise (Hotel/ Motel) Tax	5.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Tax	6.9%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Tax	4.176%	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5
Total		\$0.0	\$0.0	\$0.4	\$0.4	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.6	\$0.7	
20-Year Total Fiscal Impact =												\$9.7	

Source: Johnson Consulting

PROJECT III: 1ST & 1ST WEST (PHASE 3) – ENTERTAINMENT CENTER

Figure 7 summarizes the estimated spending and impacts associated with Project III: 1st & 1st West (Phase 3) – Entertainment Center, which is planned to comprise 38,000 SF of entertainment/ retail/ restaurant space, 65 residential units, and 83 parking spaces, commencing in Year 5. As shown, in Year 20 the annual economic impact of Project III: 1st & 1st West (Phase 3) – Entertainment Center is estimated to include \$26.3 million of total spending, \$4.6 million in increased earnings, and support 50 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$3.0 million in tax revenues to the state and local governments. Over a 20-year period, the fiscal impact of Project III: 1st & 1st West (Phase 3) – Entertainment Center is projected to total \$38.6 million in tax revenues.

Figure 7

Cedar Rapids Central Reinvestment District Amendment Project III: 1 st & 1 st West (Phase 3) - Entertainment Center Estimated Economic and Fiscal Impact (\$Million)												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
ECONOMIC IMPACT (\$M)												
Direct Spending	<i>Multiplier</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$6.5	\$12.3	\$12.7	\$13.0	\$13.4	\$13.7	\$15.5
Indirect Spending		0.289	0.0	0.0	0.0	1.9	3.5	3.7	3.8	3.9	4.0	4.5
Induced Spending		0.210	0.0	0.0	0.0	1.4	2.6	2.7	2.7	2.8	2.9	3.3
Total Spending		\$0.0	\$0.0	\$0.0	\$0.0	\$9.8	\$18.4	\$19.0	\$19.5	\$20.0	\$20.5	\$23.2
Increased Earnings		0.260	\$0.0	\$0.0	\$0.0	\$1.7	\$3.2	\$3.3	\$3.4	\$3.5	\$3.6	\$4.0
Employment (FTE Jobs)		4.846	0	0	0	27	49	49	50	50	50	50
FISCAL IMPACT (\$M)												
Sales Tax	<i>Rate</i>	7.0%	\$0.0	\$0.0	\$0.0	\$0.5	\$0.9	\$0.9	\$0.9	\$1.0	\$1.1	\$1.2
Hotel/ Motel Tax		7.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Excise (Hotel/ Motel) Tax		5.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Tax		6.9%	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Property Tax		4.176%	0.0	0.0	0.0	0.0	0.5	1.1	1.1	1.1	1.2	1.3
Total		\$0.0	\$0.0	\$0.0	\$0.0	\$1.1	\$2.1	\$2.1	\$2.2	\$2.3	\$2.3	\$2.6
20-Year Total Fiscal Impact =												\$38.6

Source: Johnson Consulting

TOTAL IMPACT OF DISTRICT

Figure 8 summarizes the estimated spending and impacts associated with the proposed Cedar Rapids Central Reinvestment District Amendment over a 20-year period. In Year 20, the annual economic impact of the proposed District Amendment is estimated to include \$101.8 million of total spending, \$17.7 million in increased earnings, and support 192 full-time equivalent jobs. In the same year, the annual fiscal impact is projected to include \$12.6 million in tax revenues to the state and local governments. Through the 20-year period of operations, the fiscal impact of the Amended District (gross tax revenues) is projected to total \$184.2 million in tax revenues.

Figure 8

Cedar Rapids Central Reinvestment District Amendment ALL PROJECTS Estimated Economic and Fiscal Impact (\$Million)													
		Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
DIRECT SPENDING (\$M)	<i>Total Built-Out</i>												
Project I: 1st & 1st West (Phase 1) - Mixed Use	213,042 SF	\$7.9	\$24.1	\$25.3	\$31.2	\$32.2	\$33.1	\$34.2	\$35.3	\$36.2	\$37.1	\$41.9	\$47.5
Project II: 1st & 1st West (Phase 2) - Public Plaza	159,120 SF	0.0	0.0	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.5	2.9
Project III: 1st & 1st West (Phase 3) - Entertainment Center	66,889 SF	0.0	0.0	0.0	0.0	6.5	12.3	12.7	13.0	13.4	13.7	15.5	17.5
Total		\$7.9	\$24.1	\$27.2	\$33.1	\$40.7	\$47.4	\$49.0	\$50.5	\$51.7	\$53.0	\$60.0	\$67.9
ECONOMIC IMPACT (\$M)	<i>Multipplier</i>												
Direct Spending	0.289	\$7.9	\$24.1	\$27.2	\$33.1	\$40.7	\$47.4	\$49.0	\$50.5	\$51.7	\$53.0	\$60.0	\$67.9
Indirect Spending	2.3	2.3	7.0	7.9	9.6	11.8	13.7	14.1	14.6	15.0	15.3	17.3	19.6
Induced Spending	0.210	1.7	5.1	5.7	7.0	8.6	10.0	10.3	10.6	10.9	11.2	12.6	14.3
Total Spending		\$11.8	\$36.1	\$40.8	\$49.7	\$61.0	\$71.0	\$73.4	\$75.7	\$77.6	\$79.5	\$89.9	\$101.8
Increased Earnings	0.260	\$2.1	\$6.3	\$7.1	\$8.6	\$10.6	\$12.3	\$12.7	\$13.1	\$13.5	\$13.8	\$15.6	\$17.7
Employment (FTE Jobs)	4,646	36	106	117	140	167	190	191	192	192	193	192	192
FISCAL IMPACT (\$M)	<i>Rate</i>												
Sales Tax	7.0%	\$0.6	\$1.6	\$1.8	\$1.9	\$2.4	\$2.9	\$3.0	\$3.1	\$3.1	\$3.2	\$3.6	\$4.1
Hotel/ Motel Tax	7.0%	-	-	-	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5
State Excise (Hotel/ Motel) Tax	5.0%	-	-	-	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Income Tax	6.9%	0.1	0.4	0.4	0.5	0.7	0.8	0.8	0.8	0.8	0.8	1.0	1.1
Property Tax	4.176%	0.6	1.9	2.2	3.5	4.1	4.7	4.8	5.0	5.1	5.2	5.9	6.7
Total		\$1.3	\$3.9	\$4.5	\$6.4	\$7.7	\$8.9	\$9.1	\$9.4	\$9.6	\$9.9	\$11.2	\$12.6
20-Year Total Fiscal Impact =												\$184.2	

Source: Johnson Consulting

ONE-TIME IMPACT OF CONSTRUCTION

The construction of the various components of the proposed District Amendment will create a one-time influx of spending to the market, thereby resulting in a one-time economic and fiscal impact. Figure 9 shows the estimated construction impact, reflecting an estimated construction cost of \$162.1 million for all phases through Year 6. As shown, over the multi-phased construction period (assumed to start in 2022), the fiscal impact of the construction of all projects within the Amended District is estimated to total \$10.2 million in tax revenues.

Figure 9

Cedar Rapids Central Reinvestment District Amendment ALL PROJECTS								
Estimated Economic and Fiscal Impact from Construction (\$Million)								
	2022	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	TOTAL
CONSTRUCTION SPENDING								
Project I: 1st & 1st West (Phase 1) - Mixed Use	\$12.6	\$12.6	\$23.5	\$22.7	\$11.3	\$0.0	\$0.0	\$82.8
Project II: 1st & 1st West (Phase 2) - Public Plaza	0.0	2.3	1.6	6.8	6.8	6.8	0.0	24.3
Project III: 1st & 1st West (Phase 3) - Entertainment Center	0.0	0.2	2.0	13.2	13.2	13.2	13.2	55.0
Total	\$12.6	\$15.0	\$27.2	\$42.7	\$31.4	\$20.0	\$13.2	\$162.1
DETAILED BREAKDOWN								
Spending on Labor (Wages)	55.0%	\$6.9	\$8.3	\$14.9	\$23.5	\$17.3	\$11.0	\$7.3
# of Construction Jobs	\$30,000	220	256	451	692	496	309	199
Spending on Material	45.0%	\$5.7	\$6.8	\$12.2	\$19.2	\$14.1	\$9.0	\$5.9
Direct Material Spending in Cedar Rapids	80.0%	\$4.5	\$5.4	\$9.8	\$15.4	\$11.3	\$7.2	\$4.8
ECONOMIC IMPACT (\$M)								
Direct Spending	<i>Multiplier</i>	\$4.5	\$5.4	\$9.8	\$15.4	\$11.3	\$7.2	\$4.8
Indirect Spending	0.289	1.3	1.6	2.8	4.4	3.3	2.1	1.4
Induced Spending	0.210	1.0	1.1	2.1	3.2	2.4	1.5	1.0
Total Spending		\$6.8	\$8.1	\$14.7	\$23.1	\$16.9	\$10.8	\$7.1
Increased Earnings	0.260	\$1.2	\$1.4	\$2.5	\$4.0	\$2.9	\$1.9	\$1.2
Employment (FTE Jobs)	4.646	20	23	41	63	45	28	18
FISCAL IMPACT (\$M)								
Sales Tax	7.0%	\$0.3	\$0.4	\$0.7	\$1.1	\$0.8	\$0.5	\$0.3
Hotel/ Motel Tax	7.0%	-	-	-	-	-	-	-
State Excise (Hotel/ Motel) Tax	5.0%	-	-	-	-	-	-	-
Income Tax	6.9%	0.5	0.6	1.0	1.6	1.2	0.8	0.5
Property Tax	4.176%	-	-	-	-	-	-	-
Total		\$0.8	\$0.9	\$1.7	\$2.7	\$2.0	\$1.3	\$0.8
\$10.2								

Source: Johnson Consulting

VISITATION ESTIMATES

Figure 10 provides estimates of visitation to the proposed projects on the priority development sites within the Cedar Rapids Central Reinvestment District Amendment. As shown, by Year 20, the Amended District is projected to attract approximately 71,950 unique visitors, accounting for the notion that a portion of visitors may visit several destinations within the Amended District in a single trip. It is noted that these estimates conservatively maintain visitation levels to Project II: 1st & 1st West (Phase 2) – Public Plaza at actual visitation estimates reported since Central Park opened in July 2024.

Figure 10

Cedar Rapids Central Reinvestment District Amendment ALL PROJECTS Estimated Annual Visitation												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
Project I: 1st & 1st West (Phase 1) - Mixed Use	11,700	34,434	35,321	66,813	69,260	71,568	73,056	74,533	74,533	74,533	74,533	74,533
Project II: 1st & 1st West (Phase 2) - Public Plaza	-	1,800	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Project III: 1st & 1st West (Phase 3) - Entertainment Center	-	-	-	-	8,315	11,690	11,771	11,805	11,805	11,805	11,805	11,805
Total	11,700	36,234	38,921	70,413	81,175	86,858	88,427	89,938	89,938	89,938	89,938	89,938
Possible % Overlap	20%	(2,340)	(7,247)	(7,784)	(14,083)	(16,235)	(17,372)	(17,685)	(17,988)	(17,988)	(17,988)	(17,988)
Total Unique Visitors		9,360	28,987	31,137	56,331	64,940	69,487	70,742	71,950	71,950	71,950	71,950

Source: Johnson Consulting

IRA ELIGIBILITY ASSESSMENT

Pursuant to the IRA Districts Program, reinvestment districts may be eligible for a portion of new State sales and excise (hotel/ motel) tax revenues that are generated within the district boundaries, as follows:

- 4 percent (of the total 7 percent) Sales Tax on food and beverage, parking, and other revenues, but NOT on hotel guest rooms, and;
- 5 percent Excise (hotel/ motel) Tax on guest rooms.

The term “new” refers to the revenues over and above an established baseline amount from the 12-month period prior to the District commencement.

ESTIMATED BASELINE SALES WITHIN DISTRICT

There is currently 2,646 SF of leased retail space within the District, and no hotels or lodging facilities. In the absence of actual receipts of historical sales, the baseline sales amount at the existing retail premises is estimated by assuming annual sales of \$200 per SF, resulting in \$529,000 of baseline sales.

ESTIMATED NEW SALES AND THE RESULTING TAX REVENUES

Figure 11 shows the estimated new sales and resulting tax revenues generated within the Amended District.

Figure 11

Cedar Rapids Central Reinvestment District Amendment ALL PROJECTS												
Estimated Total and New Taxable Sales Amounts and Tax Revenues within District Boundaries Only (\$Million)												
	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 15 2037	Year 20 2042
Taxable Sales Amounts*												
1 Project I: 1st & 1st West (Phase 1) - Mixed Use	\$7.6	\$16.8	\$17.7	\$19.3	\$19.6	\$20.2	\$20.8	\$21.4	\$21.9	\$22.5	\$25.4	\$28.7
2 Project II: 1st & 1st West (Phase 2) - Public Plaza	0.0	0.0	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.5	2.9
3 Project III: 1st & 1st West (Phase 3) - Entertainment Center	0.0	0.0	0.0	0.0	6.3	8.7	8.9	9.2	9.4	9.6	10.9	12.3
4 Total	\$7.6	\$16.8	\$19.6	\$21.3	\$27.9	\$30.9	\$31.8	\$32.7	\$33.5	\$34.4	\$38.8	\$44.0
5 Less Baseline Sales Amounts	\$0.529 / year	\$0.5	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.7	\$0.7	\$0.8	\$0.9
6 New Taxable Sales Amounts	\$7.1	\$16.3	\$19.0	\$20.7	\$27.3	\$30.3	\$31.2	\$32.0	\$32.8	\$33.7	\$38.1	\$43.1
7 Taxable Room Revenues from Hotel**	\$0.0	\$0.0	\$0.0	\$3.5	\$4.0	\$4.4	\$4.6	\$4.9	\$5.0	\$5.1	\$5.8	\$6.5
8 New Tax Revenues												
9 Sales Tax	7.0% of Line 6	\$0.5	\$1.1	\$1.3	\$1.4	\$1.9	\$2.1	\$2.2	\$2.3	\$2.4	\$2.7	\$3.0
10 Hotel/ Motel Tax	7.0% of Line 7	0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.5
11 State Excise (Hotel/ Motel) Tax	5.0% of Line 7	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
12 Total	\$0.5	\$1.1	\$1.3	\$1.9	\$2.4	\$2.6	\$2.7	\$2.8	\$2.9	\$3.0	\$3.4	\$3.8

*Excluding room revenues, which is shown separately in Line 8.

**All room revenues are new, because there is no existing hotel within the District boundaries.

Source: Johnson Consulting

As shown, sales and hotel/ motel tax revenues resulting from new sales within the Amended District are projected to amount to \$500,000 in Year 1 and growing to \$3.8 million in Year 20.

ESTIMATED TAX REVENUES ALLOWED FOR IRA FUNDING

As stated previously, pursuant to the Reinvestment District Program, reinvestment districts may be eligible for 4 percent (of the 6 percent) Sales Tax revenues on new taxable sales and 5 percent of Excise Tax revenues on new hotel rooms. Figure 15 shows the total new sales and hotel/ motel tax revenues that are expected to be generated by activities within Project I: 1st & 1st West (Phase 1) – Mixed Use and presents a calculation of the portion that is eligible pursuant to the requirements of the Program, over a 20-year period.

Figure 12

Cedar Rapids Central Reinvestment District Amendment								
Project I: 1st & 1st West (Phase 1) - Mixed Use								
Estimated Tax Revenues Generated within District Boundaries only (\$Million)								
Year	Sales Tax (7%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions	
	4.0%**	3.0%				5.0%		
	(A)	(B)	(C)	(D)	(E)	(F) = (A) + (D)	(G) = (E) - (F)	
2023	\$0.298	\$0.224	\$0.000	\$0.000	\$0.522	\$0.298	\$0.224	
2024	0.666	0.499	0.000	0.000	1.165	0.666	0.499	
2025	0.699	0.524	0.000	0.000	1.223	0.699	0.524	
2026	0.766	0.574	0.246	0.176	1.762	0.942	0.821	
2027	0.777	0.583	0.278	0.199	1.836	0.976	0.861	
2028	0.799	0.599	0.306	0.219	1.923	1.018	0.906	
2029	0.824	0.618	0.323	0.231	1.995	1.055	0.941	
2030	0.846	0.635	0.340	0.243	2.064	1.089	0.975	
2031	0.867	0.650	0.349	0.249	2.116	1.116	0.999	
2032	0.889	0.667	0.358	0.256	2.171	1.145	1.026	
2033	0.911	0.683	0.366	0.262	2.223	1.173	1.050	
2034	0.934	0.701	0.376	0.268	2.278	1.202	1.076	
2035	0.957	0.718	0.385	0.275	2.335	1.232	1.103	
2036	0.982	0.736	0.396	0.283	2.396	1.264	1.132	
2037	1.006	0.754	0.404	0.289	2.454	1.295	1.159	
2038	1.031	0.773	0.415	0.296	2.515	1.327	1.188	
2039	1.057	0.793	0.425	0.304	2.578	1.360	1.218	
2040	1.084	0.813	0.437	0.312	2.645	1.396	1.249	
2041	1.110	0.833	0.446	0.319	2.708	1.429	1.279	
2042	1.138	0.853	0.458	0.327	2.776	1.465	1.311	
Total thru 2042	\$17.641	\$13.231	\$6.309	\$4.506	\$41.687	\$22.147	\$19.540	

*Applied to general retail, food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 7 percent, of which 4 percent is allowed by IRA to be available for Iowa Reinvestment District Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

Source: Johnson Consulting

As shown, Project I: 1st & 1st West (Phase 1) – Mixed Use is expected to generate approximately \$41.7 million in 20 years from sales tax, hotel/ motel tax, and excise taxes, combined. The portion of eligible State taxes amounts to \$22.1 million in 20 years – approximately 53.1 percent of total sales, hotel/ motel, and excise tax collections from within the Amended District boundaries.

Figure 13 shows the total new sales and hotel/ motel tax revenues that are expected to be generated by activities within Project II: 1st & 1st West (Phase 2) – Public Plaza and presents a calculation of the portion that is eligible pursuant to the requirements of the Program, over a 20-year period.

Figure 13

Cedar Rapids Central Reinvestment District Amendment								
Project II: 1st & 1st West (Phase 2) - Public Plaza								
Estimated Tax Revenues Generated within District Boundaries only (\$Million)								
Year	Sales Tax (7%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions	
	4.0%**	3.0%				5.0%		
	(A)	(B)	(C)	(D)	(E)	(F) = (A) + (D)	(G) = (E) - (F)	
2023	(\$0.007)	(\$0.005)	\$0.000	\$0.000	(\$0.013)	(\$0.007)	(\$0.005)	
2024	(0.007)	(0.006)	0.000	0.000	(0.013)	(0.007)	(0.006)	
2025	0.068	0.051	0.000	0.000	0.119	0.068	0.051	
2026	0.070	0.052	0.000	0.000	0.122	0.070	0.052	
2027	0.071	0.054	0.000	0.000	0.125	0.071	0.054	
2028	0.073	0.055	0.000	0.000	0.129	0.073	0.055	
2029	0.075	0.056	0.000	0.000	0.131	0.075	0.056	
2030	0.077	0.058	0.000	0.000	0.135	0.077	0.058	
2031	0.079	0.059	0.000	0.000	0.138	0.079	0.059	
2032	0.081	0.061	0.000	0.000	0.142	0.081	0.061	
2033	0.083	0.062	0.000	0.000	0.145	0.083	0.062	
2034	0.085	0.064	0.000	0.000	0.149	0.085	0.064	
2035	0.087	0.065	0.000	0.000	0.152	0.087	0.065	
2036	0.090	0.067	0.000	0.000	0.157	0.090	0.067	
2037	0.091	0.069	0.000	0.000	0.160	0.091	0.069	
2038	0.094	0.070	0.000	0.000	0.164	0.094	0.070	
2039	0.096	0.072	0.000	0.000	0.168	0.096	0.072	
2040	0.099	0.074	0.000	0.000	0.173	0.099	0.074	
2041	0.101	0.076	0.000	0.000	0.177	0.101	0.076	
2042	0.104	0.078	0.000	0.000	0.181	0.104	0.078	
Total thru 2042	\$1.509	\$1.132	\$0.000	\$0.000	\$2.641	\$1.509	\$1.132	

*Applied to general retail, food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 7 percent, of which 4 percent is allowed by IRA to be available for Iowa Reinvestment District Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

Source: Johnson Consulting

As shown, Project II: 1st & 1st West (Phase 2) – Public Plaza is expected to generate approximately \$2.6 million in 20 years from sales tax, hotel/ motel tax, and excise taxes, combined. The portion of eligible State taxes amounts to \$1.5 million in 20 years – approximately 57.1 percent of total sales, hotel/ motel, and excise tax collections from within the Amended District boundaries.

Figure 14 shows the total new sales and hotel/ motel tax revenues that are expected to be generated by activities within Project III: 1st & 1st West (Phase 3) – Entertainment Center and presents a calculation of the portion that is eligible pursuant to the requirements of the Program, over a 20-year period.

Figure 14

Cedar Rapids Central Reinvestment District Amendment								
Project III: 1st & 1st West (Phase 3) - Entertainment Center								
Estimated Tax Revenues Generated within District Boundaries only (\$Million)								
Year	Sales Tax (7%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions	
	4.0%**	3.0%				5.0%		
	(A)	(B)	(C)	(D)	(E)	(F) = (A) + (D)	(G) = (E) - (F)	
2023	(\$0.007)	(\$0.005)	\$0.000	\$0.000	(\$0.013)	(\$0.007)	(\$0.005)	
2024	(0.007)	(0.006)	0.000	0.000	(0.013)	(0.007)	(0.006)	
2025	(0.008)	(0.006)	0.000	0.000	(0.013)	(0.008)	(0.006)	
2026	(0.008)	(0.006)	0.000	0.000	(0.014)	(0.008)	(0.006)	
2027	0.244	0.183	0.000	0.000	0.427	0.244	0.183	
2028	0.338	0.254	0.000	0.000	0.592	0.338	0.254	
2029	0.349	0.262	0.000	0.000	0.611	0.349	0.262	
2030	0.358	0.269	0.000	0.000	0.627	0.358	0.269	
2031	0.367	0.275	0.000	0.000	0.643	0.367	0.275	
2032	0.377	0.282	0.000	0.000	0.659	0.377	0.282	
2033	0.386	0.289	0.000	0.000	0.675	0.386	0.289	
2034	0.395	0.297	0.000	0.000	0.692	0.395	0.297	
2035	0.405	0.304	0.000	0.000	0.709	0.405	0.304	
2036	0.416	0.312	0.000	0.000	0.727	0.416	0.312	
2037	0.426	0.319	0.000	0.000	0.745	0.426	0.319	
2038	0.437	0.327	0.000	0.000	0.764	0.437	0.327	
2039	0.447	0.336	0.000	0.000	0.783	0.447	0.336	
2040	0.459	0.344	0.000	0.000	0.803	0.459	0.344	
2041	0.470	0.353	0.000	0.000	0.823	0.470	0.353	
2042	0.482	0.361	0.000	0.000	0.843	0.482	0.361	
Total thru 2042	\$6.326	\$4.745	\$0.000	\$0.000	\$11.071	\$6.326	\$4.745	

*Applied to general retail, food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 7 percent, of which 4 percent is allowed by IRA to be available for Iowa Reinvestment District Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

Source: Johnson Consulting

As shown, Project III: 1st & 1st West (Phase 3) – Entertainment Center is expected to generate approximately \$11.1 million in 20 years from sales tax, hotel/ motel tax, and excise taxes, combined. The portion of eligible State taxes amounts to \$6.3 million in 20 years – approximately 57.1 percent of total sales, hotel/ motel, and excise tax collections from within the Amended District boundaries.

Figure 15 shows the total new sales and hotel/ motel tax revenues that are expected to be generated by all projects and activities within the Amended District and presents a calculation of the portion that is eligible pursuant to the requirements of the Program, over a 20-year period.

Figure 15

Cedar Rapids Central Reinvestment District Amendment Estimated Tax Revenues Generated within District Boundaries only (\$Million)								
Year	Sales Tax (7%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions	
	4.0%**	3.0%					(A)	(B)
	(A)	(B)	(C)	(D)	(E)	(F) = (A) + (D)	(G) = (E) - (F)	
2023	\$0.284	\$0.213	\$0.000	\$0.000	\$0.496	\$0.284	\$0.213	
2024	0.651	0.488	0.000	0.000	1.139	0.651	0.488	
2025	0.760	0.570	0.000	0.000	1.329	0.760	0.570	
2026	0.828	0.621	0.246	0.176	1.870	1.003	0.867	
2027	1.093	0.819	0.278	0.199	2.389	1.291	1.098	
2028	1.211	0.908	0.306	0.219	2.644	1.430	1.214	
2029	1.248	0.936	0.323	0.231	2.737	1.479	1.259	
2030	1.281	0.961	0.340	0.243	2.826	1.524	1.301	
2031	1.313	0.985	0.349	0.249	2.896	1.563	1.334	
2032	1.347	1.010	0.358	0.256	2.972	1.603	1.369	
2033	1.380	1.035	0.366	0.262	3.043	1.642	1.401	
2034	1.414	1.061	0.376	0.268	3.119	1.683	1.436	
2035	1.450	1.087	0.385	0.275	3.197	1.725	1.472	
2036	1.487	1.115	0.396	0.283	3.280	1.770	1.511	
2037	1.523	1.142	0.404	0.289	3.359	1.812	1.547	
2038	1.561	1.171	0.415	0.296	3.443	1.857	1.586	
2039	1.600	1.200	0.425	0.304	3.529	1.904	1.625	
2040	1.641	1.231	0.437	0.312	3.621	1.953	1.668	
2041	1.681	1.261	0.446	0.319	3.708	2.000	1.707	
2042	1.723	1.293	0.458	0.327	3.800	2.050	1.750	
Total thru 2042	\$25.477	\$19.108	\$6.309	\$4.506	\$55.400	\$29.983	\$25.416	

*Applied to general retail, food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 7 percent, of which 4 percent is allowed by IRA to be available for Iowa Reinvestment District Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

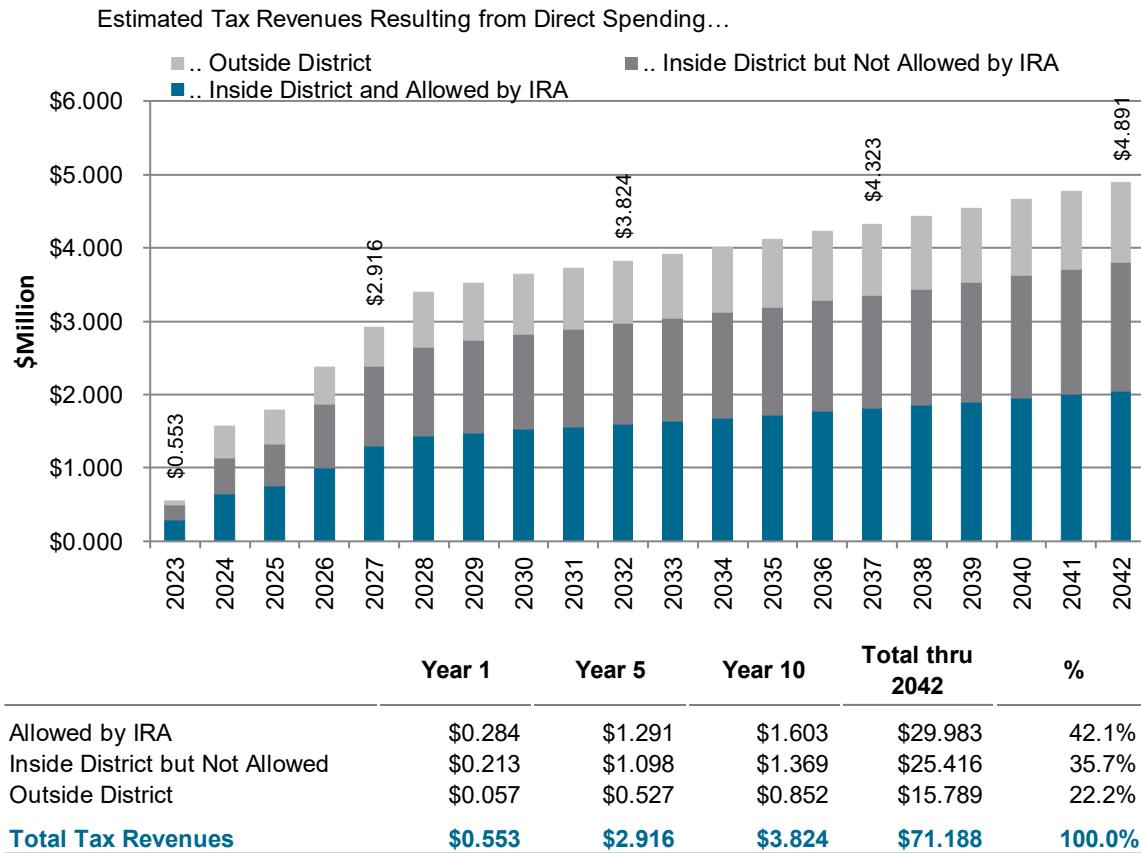
Source: Johnson Consulting

As shown, the Cedar Rapids Central Reinvestment District Amendment is expected to generate approximately \$55.4 million in 20 years from sales tax, hotel/ motel tax, and excise taxes, combined. The portion of eligible State taxes amounts to \$29.98 million in 20 years – approximately 54.1 percent of total sales, hotel/ motel, and excise tax collections from within the Amended District boundaries.

Figure 16 provides a comparison of total sales and hotel/ motel tax revenues resulting from direct spending by Amended District visitors and the portion, highlighting the eligible portion pursuant to the Reinvestment District Program, and also taking into account tax revenues outside of the Amended District.

Figure 16

Cedar Rapids Central Reinvestment District Amendment
Comparison of Tax Revenues and the Portion Allowed by IRA for Reinvestment
District Program (\$Million)



Source: Johnson Consulting

The chart shows that the eligible tax revenues amounting to \$29.98 million over 20 years, are approximately 42.1 percent of the total sales and hotel/ motel tax collections from inside and outside of the Amended District (totaling \$71.19 million in 20 years). This indicates that the State and local jurisdictions still retain 57.9 percent of total sales and hotel/ motel tax collections.

ELIGIBLE IRA FUNDING ALLOCATION

While the eligible sales and hotel/ motel tax amounts are projected to total \$28.98 million over 20 years, the Reinvestment District Program imposes a limit on funding whereby eligible funding cannot exceed 35 percent of the total cost of all proposed projects within the Amended District plan. Based on the estimated construction cost of \$162.1 million (over a phased construction period), total funding potential is limited to \$56.7 million. This represents the upper limit of eligible funding for the Cedar Rapids Central Reinvestment District Amendment, and exceeds the eligible tax revenues, as shown in Figure 17.

Figure 17

Cedar Rapids Central Reinvestment District Amendment Eligible IRA Funding Allocation

Eligible Tax Revenues		Allocation Amount (\$M)
Total Potential Allocation	<i>20-yr Total (\$M)</i>	<i>Max. Allocat- tion per IRA</i>
New Sales Tax ¹	\$44.6	57% ²
State Excise (Hotel/ Motel) Tax	\$4.5	100%
Total		\$29.98³
Max. Funding Allowance⁴ based on Project Cost	<i>Project Cost</i>	<i>Max. %</i>
	\$162.1	35%
Eligible Funding		\$29.98

1. Only new sales are eligible. New sales are those over the baseline sales amount prior to the District commencement.

2. Reflecting the 4% portion of the total 7% sales tax rate. Only 4% of new sales are allowed for funding.

3. The amount corresponds to the total shown in preceding table.

4. Total funding must not exceed 35% of total project cost

Source: City of Cedar Rapids, Relevant Developers, IRA, Johnson Consulting

Mayor Tiffany O'Donnell
City of Cedar Rapids 101 First ST SE
Cedar Rapids, IA 52241

RE: EDC Letter of Support

Mayor O'Donnell,

As an economic development organization serving the Cedar Rapids community, we are certainly attuned to the need for Iowa employers to be able to hire and retain top talent. Key to this capability is continually enhancing the quality of life in our communities. Success depends on our ability to promote a compelling vision for why Cedar Rapids, Iowa, is a desirable place to live and work.

We agree that the time is right for transformative development concepts which will elevate the ability of Cedar Rapids and Iowa to compete nationally for workforce. Because the Cedar Rapids Iowa Reinvestment District seeks to help position Cedar Rapids as a first choice for employers and employees, it represents a notable example of positive, direct action to support workforce attraction and retention. Cooperation across the public and private sectors will allow us to realize the vision of the City's proposed reinvestment district plan.

The City of Cedar Rapids serves as a principal commercial center in eastern Iowa, providing access to lodging, entertainment and shopping to residents and visitors alike. A growing local economy like ours requires physical development to expand and nowhere is there a greater number of assets locally than in the Cedar Rapids Central Business District. We feel recreation potential on the Cedar River, access to enhanced regional trail systems through the ConnectCR initiative, CBD arts & culture venues, proximity to anchor employers, and activated retail and residential environments represent a winning combination for exceptional gains from district investment. The mix of projects put forward in the City's reinvestment district plan will increase visitors and spending in Downtown. Therefore, we are pleased to offer our strong support to the City of Cedar Rapids' Iowa Reinvestment District final application.

City of Cedar Rapids staff and the individual real estate developers have worked diligently to realize a vibrant, integrated and high-quality growth concept that will drive the local and state economy. Investment and growth in the redevelopment district will offer many benefits to new and existing businesses as well as drive a new cycle of investment across local boundaries.

We urge your careful and full consideration of the merits of this proposal.

Sincerely,



Curtis R. Nelson
President & CEO



The New Bohemian Innovation Collaborative
415 12th Ave SE, Cedar Rapids, IA 52401
www.newbo.co

Mayor O'Donnell,

The New Bohemian Innovation Collaborative (NewBoCo) is a 501(c)(3) organization located in Cedar Rapids, Iowa. Our programming supports entrepreneurship, innovation, and tech education to help Iowans become more resilient and thrive in a changing economy. One of the critical problems we address is Iowa's technical workforce crisis. In our state, there are over 5,700 open computing jobs per month, but last year, our universities only graduated approximately 679 computer science majors. All across our state, employers struggle to fill these technical positions, and right now, with unemployment climbing throughout the state, many Iowans are in need of new career opportunities. One of the many ways we address this crisis is by offering educational programs to retrain adults and educate children about STEM opportunities. A vast majority of the 100+ adults we've worked with come from low-income backgrounds, and many of the tens of thousands of students we support come from high-needs and/or rural school districts.

However, our work alone will never be enough to create and sustain a thriving workforce in our region. While we can retrain hundreds of adults to have highly in-demand tech skills, we rely on support from many partners to retain them in our state. Maintaining and enhancing quality of life locally is a critical component to any workforce development strategy. Success in our efforts to address critical workforce needs depends in large part on communicating a compelling vision for why Iowa stands as a desirable place to live and work. After all, exporting our technical talent to other states will do little to support NewBoCo's mission of accelerating world-changing ideas, from Iowa.

For this reason, we support the City of Cedar Rapids' Iowa Reinvestment District final application. This plan will help position Cedar Rapids as a desirable choice for employers and employees nationwide, and it represents a great example of positive, direct action to support workforce attraction and retention statewide. The City of Cedar Rapids staff and the individual real estate developers have worked hard to create a vibrant, high-quality growth concept that will help boost our local and state economy and will support retaining technical talent created through NewBoCo programming. We strongly believe in the spirit of collaboration behind this project, and we look forward to seeing it come to life in our region.

We urge your careful and full consideration of the merits of this proposal.

Thank you,

A handwritten signature in blue ink, appearing to read "Aaron Horn".

Aaron Horn
Executive Director
NewBoCo



PHYSICIANS' CLINIC
of Iowa, P.C.
Together in health.

Administration

202 10th Street SE | Cedar Rapids, IA 52403

Phone: (319) 247-3010 | Fax: (319) 399-2036

www.pcsoftowa.com

February 8, 2022

Mayor Tiffany O'Donnell
City of Cedar Rapids
101 First ST SE
Cedar Rapids, IA 52401

The Honorable Mayor O'Donnell:

I am writing this letter in reference to the City of Cedar Rapids' proposed Iowa Reinvestment District Plan. I wish to add PCI's support to the vision for growth and development presented in the final application. Construction and operation of the facilities identified in this document will measurably benefit the Cedar Rapids economy by bringing more visitors, employees and residents into the City's Central Business District.

A growing market in Cedar Rapids is vital to the success of our company. Wages added to payrolls, sustaining a high density of jobs and increased household spending concentrated in the downtown area will have many spillover benefits for all businesses within the greater Cedar Rapids region. Reinvestment district development will have a positive effect on business conditions in the region and state only adding to the many good reasons to choose Cedar Rapids, Iowa as a place to live and work.

PCI feels the proposed reinvestment district represents catalytic growth, which is capable of advancing next level growth, while having a positive effect on the business climate statewide. For all of these reasons, PCI enthusiastically supports this proposal.

Sincerely,



Eric Dalton
Chief Executive Officer

400 Collins Rd NE
Cedar Rapids, IA 52498
Phone: 319-295-5607
Email: phil.jasper@collins.com
www.collinsaerospace.com



Phil Jasper
President
Mission Systems

February 1, 2022

Mayor Tiffany O'Donnell
City of Cedar Rapids
101 First Street SE
Cedar Rapids, IA 52241

Dear Mayor O'Donnell,

I am sending this letter in reference to the City of Cedar Rapids' proposed Iowa Reinvestment District Plan. Collins Aerospace would like to add our support to the vision for growth and development of the City's Central Business District (CBD) presented in the final application.

Like many communities, Cedar Rapids has witnessed the evolution of its downtown over the past fifty years to encompass not only office and retail businesses but housing, hotels, restaurants and entertainment venues. The Flood of 2008 accelerated efforts to enhance the downtown area and redevelop property for exciting new uses. Construction and operation of the First and First West property will prove transformative as demonstrated by the final application document, and it will measurably benefit the Cedar Rapids economy by attracting more visitors, employees and residents to the CBD.

A growing market in Cedar Rapids is vital to the success of Collins. Although our campus is located outside the CBD, we know that sustaining a high density of jobs and increased household spending in the downtown will have spillover benefits for all businesses within the greater Cedar Rapids region. We believe development in the reinvestment district will add to the growing number of reasons for people to choose Cedar Rapids as a place to live and work.

We know you will see proposals from communities across the state for this program. However, we believe the City of Cedar Rapids' proposed reinvestment district includes projects capable of advancing next level growth that will have a positive effect on the business climate and economy statewide. As one of the largest employers in our city and state, we enthusiastically support this proposal.

Regards,

A handwritten signature in black ink, appearing to read "Phil Jasper".

Phil Jasper

December 31, 2020

Mayor Tiffany O'Donnell
City of Cedar Rapids
101 First ST SE
Cedar Rapids, IA 52401

The Honorable Mayor O'Donnell:

I am writing this letter in reference to the City of Cedar Rapids' proposed Iowa Reinvestment District Plan. I wish to add CRST's support to the vision for growth and development presented in the final application. Construction and operation of the facilities identified in this document will measurably benefit the Cedar Rapids economy by bringing more visitors, employees and residents into the City's Central Business District.

A growing market in Cedar Rapids is vital to the success of our company. Wages added to payrolls, sustaining a high density of jobs and increased household spending concentrated in the downtown area will have many spillover benefits for all businesses within the greater Cedar Rapids region. Reinvestment district development will have a positive effect on business conditions in the region and state only adding to the many good reasons to choose Cedar Rapids, Iowa as a place to live and work.

CRST feels the proposed reinvestment district represents catalytic growth, which is capable of advancing next level growth, while having a positive effect on the business climate statewide. For all of these reasons, CRST enthusiastically supports this proposal.

Sincerely,



Hugh B. Ekberg, President and CEO

DELIVERING PROMISES AND DRIVING SUCCESS



THE TRANSPORTATION SOLUTION



February 15, 2022

Mayor O'Donnell
City of Cedar Rapids
101 First Street SE
Cedar Rapids, IA 52401

We are very excited to work in collaboration with 1st & 1st, LLC and the City of Cedar Rapids to implement the master plan for the Kingston Landing development in Downtown Cedar Rapids. I write to encourage you to emphasize our strong commitment to this project and to encourage the Iowa Economic Development Authority (IEDA) to take every opportunity to help utilize this unique asset to its full potential. Project development at the 1st & 1st West project site will offer great benefits to the local economy in Cedar Rapids as well as statewide. The effort is transformative in scope, compelling in purpose and we are proud to participate in a rare opportunity for such large-scale, positive change.

Specifically, I would like to express my wholehearted support for the Kingston Landing development at 1st Avenue and 1st Street in Cedar Rapids. Redevelopment of the site through private retail and commercial development could bring new employment and revitalized economic activity throughout the region. I believe that this master plan has a vision that will benefit the entire Cedar Rapids area in enriching the economic, physical, mental, and social well-being of those living and visiting here.

This letter of support also serves to express my interest and willingness to participate in the development. I am committed fully and have started the design and development process for Big Grove Brewery. This 12,000 sq ft project will contribute to an already successful and growing craft beer scene in Cedar Rapids, while furthering efforts to make the state of Iowa a craft beer destination. We opened our first location in Solon, IA in 2013, followed by an expansion to our production facility and taproom in Iowa City, in 2017. Since the opening of Iowa City, we have expanded our brewing capacity 4 times, and are currently looking to expand our production capacity once again with our 3rd location opening in Des Moines this June 2022 with hopes that the 4th location will follow and open in Cedar Rapids in 2023. With this growth in production, we have become one of the largest craft breweries in Iowa and we are hoping to continue this growth in the future. Lastly, Big Grove Cedar Rapids will employ approximately 75 - 100 people, both full and part-time. We look forward to actively engaging with the people of Cedar Rapids, both inside and outside our walls, and the opportunities to engage with and support the vibrant downtown that already exists.

I have the lending in motion and am willing to supply a letter of support. I am hoping to break ground in Summer 2022 and anticipate opening for business in 2023.

In closing I want to say thank you for this opportunity to continue to be involved in this groundbreaking project. Opportunities like the Iowa Reinvestment District Program that foster private-private partnership are vitally important to maintaining the competitive position of our state but also elevating quality of life for all residents both current and future.

Warm Regards,

Matthew Swanson
Co-Founder and CEO

February 15, 2022

1st & 1st, LLC
c/o Grit Family Office
427 1st Street SE #100
Cedar Rapids, IA 52401

RE: Financing for 1st & 1st, LLC

1st & 1st, LLC

Farmers State Bank is pleased to be involved in the financing for the land acquisition and development of the approximately 8 acre parcel of land owned by the City of Cedar Rapids designated First & First West. We are also excited about future plans for property and desire to be involved with future financing for the mixed use and commercial buildings.

If you have any questions or concerns please contact the undersigned at 319-730-6899.

Sincerely,



Greg Christensen
Senior Vice President

Main Bank
1240 8th Ave.
Marion, IA 52302

Collins Road Square
1380 Twixt Town Rd.
Marion, IA 52302

Edgewood Plaza Mall
399 Edgewood Rd. NW
Cedar Rapids, IA 52405

Van Buren Village
2755 Edgewood Rd. SW
Cedar Rapids, IA 52404

Hiawatha Office
175 Center Point Rd.
Hiawatha, IA 52233

Alburnett Office
117 N. Main Ave.
Alburnett, IA 52202



www.kinseth.com

February 11, 2022

Mayor O'Donnell
City of Cedar Rapids
101 First Street SE
Cedar Rapids, IA 52401

We are very excited to work in collaboration with 1st & 1st, LLC and the City of Cedar Rapids to implement the master plan for the Kingston Landing development in Downtown Cedar Rapids. I write to encourage you to emphasize our strong commitment to this project and to encourage the Iowa Economic Development Authority (IEDA) to take every opportunity to help utilize this unique asset to its full potential. Project development at the pt & pt West project site will offer great benefits to the local economy in Cedar Rapids as well as statewide. The effort is transformative in scope, compelling in purpose and we are proud to participate in a rare opportunity for such large-scale, positive change.

Specifically, I would like to express my wholehearted support for the Kingston Landing development at 1st Avenue and 1st Street in Cedar Rapids. Redevelopment of the site through private retail and commercial development could bring new employment and revitalized economic activity throughout the region. I believe that this master plan has vision that will benefit the entire Cedar Rapids area in enriching the economic, physical, mental, and social well-being of those living and visiting here.

This letter of support also serves to express my interest and willingness to participate in the development. I am committed fully and have started the design and development process for a unique boutique hotel development. This 60,000 sq ft hospitality project will be Cedar Rapids' first boutique hotel. The offering will be a new high energy and hip hotel experience not currently found in Cedar Rapids. I have the lending in motion and am willing to supply a letter of support. I am hoping to break ground in Spring 2023 and anticipate opening for business in early 2024.

In closing I want to say thank you for this opportunity to continue to be involved in this groundbreaking project. Opportunities like the Iowa Reinvestment District Program that foster private-private partnership are vitally important to maintaining the competitive position of our state but also elevating quality of life for all residents both current and future.

Warm Regards,

A handwritten signature in black ink, appearing to read 'Ben Kinseth'.

Ben Kinseth
Kinseth Hospitality Companies

Construction Office: 808 Hwy 18 East | Clear Lake, IA 50428 | (641) 357-4550 | info@kinseth.com | www.kinseth.com

Management Office: 801 E 2nd Ave, Suite 200 | Coralville, IA 52241 | (319) 499-5101 | info@kinseth.com | www.kinseth.com

City of Cedar Rapids
Attn: Mayor O'Donnell
1011st Street SE
Cedar Rapids, IA 52401

February 11, 2022

RE: Kingston Landing- 1st & 1st LLC

We are very excited to work in collaboration with 1st & 1st LLC and the City of Cedar Rapids to implement the master plan for the Kingston Landing development in Downtown Cedar Rapids.

I write to encourage you to emphasize our strong commitment to this project and to encourage the Iowa Economic Development Authority (/EDA) to take every opportunity to help utilize this unique asset to its full potential. Project development at the 1st & 1st West project site will offer great benefits to the local economy in Cedar Rapids as well as statewide. The effort is transformative in scope, compelling in purpose and we are proud to participate in a rare opportunity for such large-scale, positive change.

Specifically, I would like to express my wholehearted support for the Kingston Landing development at 1st Avenue and 1st Street in Cedar Rapids. Redevelopment of the site through private retail and commercial development could bring new employment and revitalized economic activity throughout the region. I believe this master plan has a vision that will benefit the entire Cedar Rapids area by enriching the economic, physical, mental, and social well-being of those living and visiting here.

This letter of support also serves to express my interest and willingness to participate in the development. I am committed fully and have started the design and development process for the Pickle Palace. This 40,000 ft² project will offer indoor and outdoor dining, indoor and outdoor pickle ball courts, large rooftop bar, golf simulator and miniature bowling. Pickle Palace will provide a fun, upbeat atmosphere for all ages. I have the lending in motion and am willing to supply a letter of support. I am hoping to break ground in Spring 2022 and anticipate opening for business in early 2023.

In closing, I want to say thank you for this opportunity to continue to be involved in this groundbreaking project. Opportunities like the Iowa Reinvestment District Program that foster private-private partnership are vitally important to maintaining the competitive position of our state, but also elevating quality of life for all residents both current and future.

Sincerely,



Grae2
6001st Street SE
Unit3W
Cedar Rapids, IA 52401

February 17, 2022

Mayor O'Donnell
City of Cedar Rapids
101 First Street SE
Cedar Rapids, IA 52401

We are excited to work in collaboration with the City of Cedar Rapids and the continued revitalization of the downtown area. Our team has led over \$75,000,000 of reinvestment in these areas over the last decade and we are committed to getting Kingston Landing started this summer. We are grateful for the Iowa Economic Development Authorities' consideration of the request to provide financial support through the Iowa Reinvestment District Program. The Kingston Landing project will offer many benefits to the local economy as it continues to push through headwinds created by the 2020 derecho and Covid. We are proud to take the leadership role in such a large-scale, positive change to the community.

Kingston Landing will be anchored by Big Grove Brewery, A large indoor outdoor Pickle Ball Facility, and a multi-story hotel. The development will also draw additional restaurant and retail operations, along with office and residential space. The design creates a large, central green space that can be used by all residents and patrons of the district and will be capable of hosting many different types of outdoor events for the public.

Along with Big Grove Brewery and The Pickle Palace, our team is finalizing plans for a large-scale mixed-use building that will possess a beautiful industrial chic look. This prominent structure will line first avenue and it's slated to be a 5 story, 90,000 sf building that includes+- 18,000 sf of commercial space on the first floor and 80 high quality, multi-family units on floors 2-5. The current schedule is to break ground on all three of these buildings this Summer with completion of the first buildings in the Summer of 2023.

Opportunities like the Iowa Reinvestment District Program that foster public-private partnerships are vitally important to maintainin the competitive position of our state while elevating quality of life for many residents throughout the community.

Best Regards,
Joe Ahmann
President
Ahmann Companies Inc.
Manager
i5t & Pt, LLC Development Team

