

Iowa River Landing Reinvestment District
Coralville, Iowa

Economic Impact Analysis

SUBMITTED TO
City of Coralville

SUBMITTED BY
C.H. Johnson Consulting, Incorporated

FINAL
February 25, 2016



**JOHNSON
CONSULTING**

Experts in Convention, Hospitality,
Sport and Real Estate Consulting.

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TRANSMITTAL LETTER



February 25, 2016

Mr. Kelly Hayworth
City Administrator
City of Coralville
1512 7th Street
Coralville, Iowa 52241

RE: Economic Impact Analysis for Iowa River Landing Reinvestment District in Coralville, Iowa

Dear Mr. Hayworth:

C.H. Johnson Consulting, Inc. is pleased to submit this report to the City of Coralville regarding the proposed Iowa River Landing Reinvestment District in Coralville, Iowa that is applying for assistance from the State of Iowa through Iowa Reinvestment District Program per Iowa Reinvestment Act (IRA). Pursuant to our engagement, this report provides an assessment of the economic and fiscal impact of the proposed District and an estimate of the tax revenue amount that is allowed by IRA for Reinvestment District funding.

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 continued service.

Sincerely yours,

C.H. Johnson Consulting, Inc.

Charles H. Johnson IV, President
C.H. Johnson Consulting, Inc.

SECTION II

INTRODUCTION AND EXECUTIVE SUMMARY



INTRODUCTION AND EXECUTIVE SUMMARY

Johnson Consulting was retained by the City of Coralville to prepare an analysis of the impact that the proposed Iowa River Landing Reinvestment District in Coralville would have on the local economy. Our report will support and form part of the City of Coralville’s application under the State’s Reinvestment Districts Program to assist with the development of the proposed Iowa River Landing Reinvestment District.

OBJECTIVE OF STUDY

The economic impacts analysis from Johnson Consulting focuses on the proposed Iowa River Landing Reinvestment District in Coralville, Iowa. The main objective of this analysis is two-fold: (i) to show that the request for the Iowa Reinvestment Act (IRA)-allowed State incentive to support the overall District development is justified, and (ii) to illustrate the impact of the proposed District development to Coralville and Iowa.

PERFORMED TASKS

As experienced in many cities, establishing a special destination district is benefitting the host city’s community and economy on multiple fronts. To demonstrate how the proposed Iowa River Landing Reinvestment District will impact Coralville specifically, the following tasks are performed and documented in this report:

- Review of the project components and the reasonableness of the projections,
- Economic and fiscal impact analysis of the projects within the District,
- Estimating the potential amount to tax revenues from District-wide projects that will be available to support Reinvestment Districts Program as allowed by Iowa Reinvestment Act (IRA).

EXECUTIVE SUMMARY

A portion of tax revenues generated from the District that are allowed by IRA to support the development of the Iowa River Landing Reinvestment District is estimated to amount to \$32.8 million over 20 years (or \$61.3 million over 30 years). Based on our research and analyses, such assistance is more than justified, because from the Iowa Arena, two hotels, retail and restaurants alone the proposed projects within the District are estimated to generate annual economic and fiscal impact as shown in Table 2-1, below.



Table 2-1

Iowa River Landing Reinvestment District, Coralville, Iowa Summary of Economic and Fiscal Impact of District Projects* (in \$Million**)				
	Annual Impact		Total Impact	
	Year 5	Year 10	20-Year	30-Year
Economic Impact				
Direct Spending	\$36	\$43	\$788	\$1,470
Indirect Spending	12	14	262	489
Induced Spending	17	20	362	675
Total Spending	\$65	\$77	\$1,412	\$2,634
Increased Earnings	24	29	529	986
Increased Employment (FTE)	565	552	552***	552***
Fiscal Impact				
Sales Tax	\$1.9	\$2.2	\$39.7	\$73.4
Hotel/ Motel Tax	0.7	0.8	15.0	27.6
Excise Tax	0.5	0.6	10.7	19.7
Total	\$3.1	\$3.6	\$65.4	\$120.8
IRA-Allowed Tax Revenues	\$1.5	\$1.8	\$32.8	\$61.3
<i>*From Arena, hotels, retail and restaurants alone.</i>				
<i>**Except for employment, which is shown in number of full-time equivalent (FTE) jobs.</i>				
<i>***Employment figures are not additive. The jobs simply continue to the following year.</i>				
<i>Source: Johnson Consulting</i>				

As shown on the table, the annual impact is substantial and the accumulated amounts are significant. In a 20-year period, sales at the Arena, hotel, retail and restaurant projects within the District are estimated to generate approximately \$65.4 million from sales, hotel/ motel, and excise tax, combined. In 30 years, such revenue is expected to amount to approximately \$120.8 million.

Clearly, the projected economic and fiscal benefits of developing the District far outweigh the tax revenue amount that is allowed by IRA to help support its development.

SECTION III
ECONOMIC AND FISCAL IMPACTS ANALYSIS



ECONOMIC AND FISCAL IMPACT ANALYSIS

This section provides an economic and fiscal impact analysis of the proposed Iowa River Landing Reinvestment District in Coralville, Iowa, showing the District’s economic and fiscal benefits to the local economy. The impact analysis will also serve as the basis for estimating the portion of tax revenues that will be available to support Reinvestment District Program, as allowed by the Iowa Reinvestment Act (IRA).

DEFINITIONS AND RATES

ECONOMIC IMPACT ANALYSIS

Economic impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. It includes initial direct spending by visitors to the projects, at and outside the project sites, which then ripples throughout the economy and generates indirect spending, induced spending, increased earnings, and employment. For the purpose of this analysis, impact totals are discussed in terms of the Coralville economy. The levels of impacts are described as follows:

- **Direct Spending** – is an expression of the spending that occurs as a direct result of the events and activities that occur in the subject facility. For example, a hotel guest’s expenditures on hotel rooms, shopping, and meals 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 in the subject facility. For example, a hotel guest’s direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as an indirect spending.
- **Induced Spending** – represent 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 have more personal income as a result of the hotel guest’s visit. The amount of the increased income the waiter spends in the local economy is called an induced spending.
- **Total Spending** – is the sum of direct spending, indirect spending, and induced spending.
- **Increased Earnings** – measures increased employee and worker compensation related to the project being analyzed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expressed 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 generated as a result of the events occurring in the conference center. Employment impact is stated in a number of full-time equivalent jobs.

Indirect and Induced Spending, Increased Earnings, and Employment are estimated using a set of multiplier rates shown on Table 3-1 below.

Table 3-1

Iowa River Landing Reinvestment District, Coralville, Iowa Economic Impact Multipliers		
Impact	Multiplier	Base
Indirect Spending	0.33	of direct spending
Induced Spending	0.46	of direct spending
Increased Earnings	0.67	of direct spending
Increased Employment (FTE)	18.48	per \$1 million of direct spending

Source: *Implan, Johnson Consulting*

The multiplier rates mean that for every \$1.00 spent by people in Coralville, it results in an additional \$1.46 of value to the economy. Also, for every \$1 million spent result in 18.48 jobs in the market.

FISCAL IMPACT ANALYSIS

Fiscal impact analysis measures the estimated tax revenues resulting from direct spending occurring in certain activities, facilities, or events. For the Iowa River Landing Reinvestment District, fiscal impact analysis focuses on the following taxes:

1. **Sales Tax** – at 6 percent on food and beverage, parking, and other revenues, but NOT on rooms,
2. **Local Hotel/ Motel Tax** – at 7 percent on rooms, and
3. **Excise Tax** – at 5 percent on rooms.

Out of the taxes, the Iowa Reinvestment Act allows only some of it to be used for the Reinvestment District Program. Specific estimates on such amounts are presented in Section 4 of this report.

DEVELOPMENT PROGRAM

This analysis is based on Iowa River Landing Reinvestment District Concept Plan and Development Matrix prepared by JLG Architects. Table 3-2 summarizes the proposed projects within the District, corresponding to the Concept Plan shown on the following page. The estimated opening year for each of the project



components is provided by Iowa City/Coralville Area Convention and Visitors Bureau. The table also indicates the project components that are relevant for this Iowa Reinvestment Act (IRA)-focused impact analysis, i.e., categories of land uses within which spending activities are affected by sales tax, hotel/ motel tax, and excise tax. In the Iowa River Landing Reinvestment District, they include: Arena, hotels (H1 and H2), and retail and restaurants (R1 thru R5).

Table 3-2

Iowa River Landing Reinvestment District, Coralville, Iowa Development Matrix				
Project Component	Scheduled Opening	Construction Cost	Size/ Capacity	Total SF
Iowa Arena	Spring 2019	\$45,912,572	4,216 seats	na
IFSPI*	Spring 2019	\$17,597,542		70,000
Museum/ Retail	Spring 2019	\$9,000,000		
Museums**				25,000
Office				25,000
Retail (R1)				25,000
Drury Hotel (H1)	Summer 2018	\$34,000,000	185 rooms	76,000 ***
Staybridge Suites/ Mixed-Use	Spring 2019	\$23,000,000		
Hotel (H2)			120 rooms	49,000 ***
Retail (R2)				8,000
Parking Ramp	Summer 2018	\$18,000,000	750 spaces	na
Mixed-Use	Summer 2019	\$12,500,000 ***		
Parking				40,000
Retail (R3)				20,000
Residential Condominiums				60,000
Building C (Mixed-Use)	Summer 2016	\$15,000,000		
Parking				na
Retail (R4)				16,000
Townhomes			13 units	na
Condominiums			64 units	na
Building G (Mixed-Use)	Summer 2019	\$10,000,000		
Retail and Restaurant (R5)				17,080
Residential Space				51,240
Total		\$185,010,114		

*IFSPI = Iowa Fitness & Sports Performance Institute.

**Consisting of Antique Car Museum of Iowa and Johnson County Society Historical Museum.

***Estimated, based on available information.

Source: JLG Architects, Iowa City/Coralville Area CVB, Johnson Consulting

Figure 3-1



The Arena will have 4,216 fixed seats – with a capacity of 6,216 for concerts – and open in the spring of 2019. One of the hotels will be a 185-room Drury Hotel, and the second hotel will be a Staybridge Suites with 120 rooms. Retail and restaurants are distributed throughout the District in five locations, totaling 86,000 square feet.

While within the other land uses there may be some activities that are subject to sales tax, they are not occurring as the principal activities (e.g., in residential), and/or too many of the activity attributes are still unknown at this point (e.g., museum). Therefore, any additional sales tax revenue resulting from the other land uses will be over and above what’s estimated in this analysis.

IMPACT OF IOWA ARENA

Iowa River Landing Reinvestment District plan calls for a 4,216-seat Arena, to be located on 9th Street at the gateway to the District. The Arena will contain a single full-size sheet of ice to support the demands of the University of Iowa Club hockey team, the Iowa Ice Hawks and Iowa City/Coralville Youth Hockey teams,



the Blizzards. Developers are also targeting a possible USHL collaboration. It will have the flexibility to host a number of athletic events and tournaments, from wrestling and basketball to indoor football and soccer, in addition to concerts and special events such as graduation ceremonies. Its construction budget is estimated at \$45,912,572.

Our impact analysis of the Arena is based on the facility assessments prepared by Stafford Sports LLC. After reviewing the data and findings found within the Stafford Sports Proforma, Johnson Consulting is of the opinion that the demand and financial assumptions found within the report are reasonable and representative of an arena of this size in a similar size marketplace. Table 3-3 summarizes its projections of event demand and attendance in its full year upon opening.



Table 3-3

Iowa River Landing Reinvestment District, Coralville, Iowa 4,216-seat Arena (Opening Spring 2019) Projected Attendance (Year 1)			
	# of Events	Avrg Paid Attendance	Annual Attendance
University of Iowa Events			
Women's Volleyball	16	2,000	32,000
Men's Gymnastics	0	0	0
Women's Gymnastics	5	1,500	7,500
Hawkeyes Hockey Club	13	700	9,100
SCOPE Concerts	2	4,500	9,000
Lecturers	2	500	1,000
Speakers	2	500	1,000
Commencements	4	4,000	16,000
Subtotal	44		75,600
USHL			
USHL Events	32	2,750	88,000
Miscellaneous Sporting Events			
Pro Wrestling	1	2,500	2,500
MMA/Boxing	1	1,500	1,500
Bullriding/Rodeo	2	3,000	6,000
Motor Sports	2	3,000	6,000
College Tourn-Wrestling	1	4,500	4,500
College Gymnastics	1	4,000	4,000
International Wrestling	1	5,000	5,000
Subtotal	9		29,500
Concerts/ Family Shows/ Community Events/ etc.			
Concerts			
Full	6	4,500	27,000
Small	2	1,850	3,700
Family Shows			
Disney Live	2	2,500	5,000
Circus	5	2,500	12,500
Globetrotters	1	3,500	3,500
Sesame St.	4	1,200	4,800
Miscellaneous	2	2,000	4,000
Civic / Community Events			
Religious	1	2,500	2,500
Meetings/Banquets	2	1,500	3,000
Community Events/ HS Graduations	6	2,000	12,000
Subtotal	31		78,000
Youth Sporting Events			
Scholastic Volleyball	3	2,500	7,500
Scholastic Basketball	3	2,500	7,500
Scholastic Wrestling	4	4,000	16,000
Cheerleading	3	2,000	6,000
Youth & Club Hockey	3	1,000	3,000
Subtotal	16		40,000
Total	132		311,100

Sources: Stafford Sports LLC

Table 3-4 summarizes its projections of ticket sales and other revenues related to activities in the Arena in Year 1 of operation. The table also shows the taxability of those revenues.

Table 3-4

Iowa River Landing Reinvestment District, Coralville, Iowa 4,216-seat Arena (Opening Spring 2019) Estimated Sales and Revenues (Year 1)				
Source	Projected Sales and Revenues	Sales Taxable? Y/N	Taxable Sales and Revenues	Non-Taxable Sales and Revenues
General Seating Gross Ticket Sales	\$314,093	Y	\$314,093	\$0
General Seating Gross Concession Revenue	350,868	Y	350,868	0
General Seating Gross Novelty Revenue	37,182	Y	37,182	0
Luxury Suite Leases	290,377	Y	290,377	0
Luxury Suite Gross Ticket Revenue	2,806	Y	2,806	0
Luxury Suite Gross Catering Revenue	4,019	Y	4,019	0
Luxury Suite Gross Novelty Revenue	287	Y	287	0
Loge Seat Premiums	141,509	Y	141,509	0
Loge Seat Gross Ticket Sales	22,373	Y	22,373	0
Loge Seat Concession Revenue	24,594	Y	24,594	0
Loge Seat Novelty Revenue	1,581	Y	1,581	0
Parking Revenue	447,539	Y	447,539	0
Advertising	260,000	N	0	260,000
Other Income	125,000	N	0	125,000
Facility Surcharge	419,000	N	0	419,000
Ice Rental	32,000	Y	32,000	0
Naming Rights	0	N	0	0
Total	\$2,473,228		\$1,669,228	\$804,000

Notes:

Projected sales are per Stafford Sports LLC. Scheduled opening: Spring 2019.

Source: Stafford Sports LLC, Johnson Consulting

The projected \$2.473 million of total sales and revenues reflect total direct spending within the Arena in Year 1 as compiled by Stafford Sports LLC. Of that amount, approximately \$1.669 million is taxable. Beyond Year 1, these figures are assumed to grow by 3 percent annually. Applying the multipliers previously shown in Table 3-1 to projected total sales and revenues of Arena, the following Table 3-5 shows the estimated indirect spending, induced spending, increased earnings, and employment impact of Arena. Table 3-5 also shows the estimated fiscal impact from the sales tax on the taxable sales figures.



Table 3-5

		Economic Impact						Fiscal Impact
		Direct Spending	Indirect Spending	Induced Spending	TOTAL Spending	Increased Earnings	Employment (in FTE)	Sales Tax
		A	B	C	D	E	F	G
Iowa River Landing Reinvestment District, Coralville, Iowa 4,216-seat Arena (Opening Spring 2019) Estimated Economic and Fiscal Benefits (in \$Millions*)								
Year 1	2019	\$1.2	\$0.4	\$0.6	\$2.2	\$0.8	21	\$0.050
	2	2.5	0.8	1.2	4.6	1.7	42	0.103
	3	2.6	0.9	1.2	4.7	1.8	42	0.106
	4	2.7	0.9	1.2	4.8	1.8	42	0.109
	5	2.8	0.9	1.3	5.0	1.9	42	0.113
	6	2.9	1.0	1.3	5.1	1.9	42	0.116
	7	3.0	1.0	1.4	5.3	2.0	42	0.120
	8	3.0	1.0	1.4	5.4	2.0	42	0.123
	9	3.1	1.0	1.4	5.6	2.1	42	0.127
	10	3.2	1.1	1.5	5.8	2.2	42	0.131
	11	3.3	1.1	1.5	6.0	2.2	42	0.135
	12	3.4	1.1	1.6	6.1	2.3	42	0.139
	13	3.5	1.2	1.6	6.3	2.4	42	0.143
	14	3.6	1.2	1.7	6.5	2.4	42	0.147
	15	3.7	1.2	1.7	6.7	2.5	42	0.151
	16	3.9	1.3	1.8	6.9	2.6	42	0.156
	17	4.0	1.3	1.8	7.1	2.7	42	0.161
	18	4.1	1.4	1.9	7.3	2.7	42	0.166
	19	4.2	1.4	1.9	7.5	2.8	42	0.171
	20	4.3	1.4	2.0	7.8	2.9	42	0.176
	21	4.5	1.5	2.1	8.0	3.0	42	0.181
	22	4.6	1.5	2.1	8.2	3.1	42	0.186
	23	4.7	1.6	2.2	8.5	3.2	42	0.192
	24	4.9	1.6	2.2	8.7	3.3	42	0.198
	25	5.0	1.7	2.3	9.0	3.4	42	0.204
	26	5.2	1.7	2.4	9.3	3.5	42	0.210
	27	5.3	1.8	2.4	9.6	3.6	42	0.216
	28	5.5	1.8	2.5	9.8	3.7	42	0.222
	29	5.7	1.9	2.6	10.1	3.8	42	0.229
	30	5.8	1.9	2.7	10.4	3.9	42	0.236
	31	6.0	2.0	2.8	10.8	4.0	42	0.243
Total in 20 Years		\$65.2	\$21.7	\$29.9	\$116.8	\$43.8	42***	\$2.641
Total in 30 Years		\$116.4	\$38.7	\$53.4	\$208.6	\$78.1	42***	\$4.715

Notes:

*Except for employment, which is shown in number of full-time equivalent (FTE) jobs.

**Reflecting a half-year operation.

***Employment is not additive. The jobs simply continue to the next year.

Source: Johnson Consulting



As shown on the table, the estimated economic impact of the Arena is substantial. Over 20 years, accumulated impact is estimated to amount to \$116.8 million of total spending and \$2.6 million of sales tax revenues; in 30 years, \$208.6 million of total spending and \$4.7 million of sales tax revenues. These spending activities are expected to support 42 full-time equivalent jobs annually.

IMPACT OF HOTELS

Iowa River Landing Reinvestment District planning calls for two hotels: a 185-room Drury Hotel and a 120-room Staybridge Suites, both scheduled to open in the summer of 2019.

REASONABLENESS OF ADDITIONAL HOTELS IN CORALVILLE

According to Smith Travel Research (STR), as of December 2015 there are 25 hotels/ motels within the Iowa City/Coralville area, offering a total of 2,490 rooms. In Coralville, there are 17 properties, offering a total of 1,747 rooms. The three largest hotels are 286-room Marriott Hotel and Conference Center, 169-room Heartland Inn, and 114-room Hampton Inn. Nearly two-thirds of the properties (11 out of 17) have less than 100 rooms. Meanwhile, Iowa City has seven hotels/ motels, the largest of which is 234-room Sheraton. Combined, they offer a total of 671 rooms. In nearby North Liberty, there is a 72-room Sleep Inn and Suites. Table 3-6 lists hotels/ motels in Iowa City/Coralville area.

Table 3-6

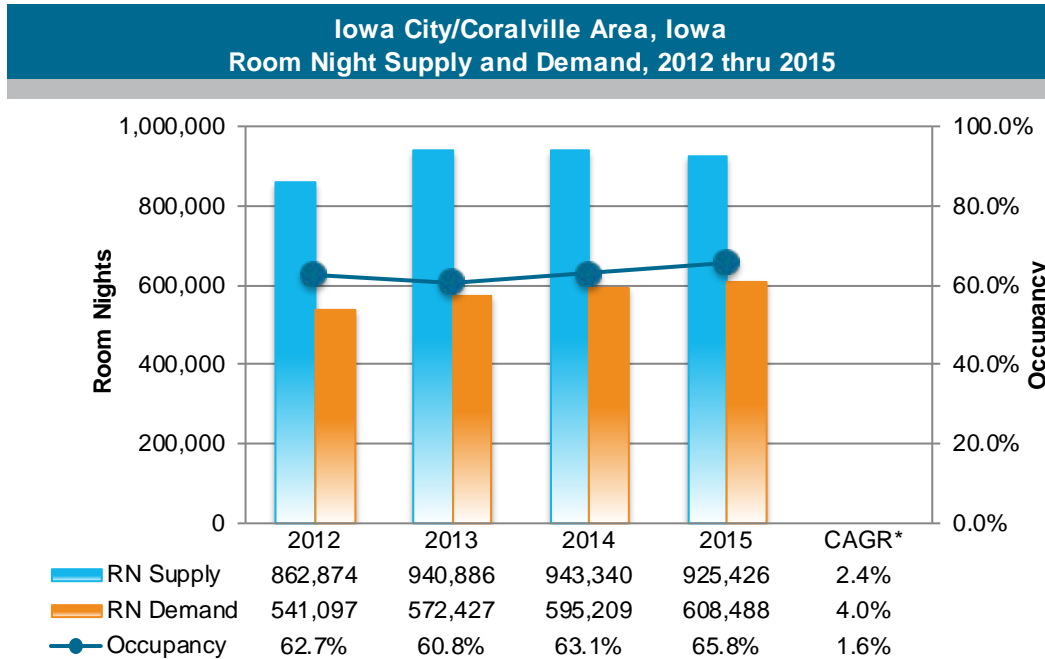
Iowa City/Coralville Area, Iowa		
List of Hotels in Iowa City/Coralville Area		
	Date Open	# of Rooms
Coralville		
1) Marriott Coralville Hotel & Conference Cent	Aug 2006	286
2) Heartland Inn	Jan 1990	169
3) Hampton Inn Iowa City Coralville	Dec 1995	114
4) Baymont Coralville	Apr 2000	103
5) Super 7 Motel	Mar 1974	102
6) Residence Inn Coralville	Jul 2012	100
7) Best Western Canterbury Inn & Suites	Jun 1972	98
8) Homewood Suites Coralville Iowa River La	Feb 2013	95
9) Radisson Hotel & Conference Center Cora	Jun 1974	95
10) Super 8 Coralville Iowa City Area	Dec 1985	84
11) Comfort Suites Coralville	Jun 2005	81
12) Holiday Inn Express & Suites Coralville	Sep 2000	80
13) AmericInn Coralville	Apr 2000	76
14) Country Inn & Suites Coralville	May 2004	76
15) MainStay Suites Coralville	Nov 2007	71
16) Comfort Inn & Suites Coralville	Apr 1992	62
17) Quality Inn Coralville	May 1989	55
Total Coralville		1,747
Iowa City		
18) Sheraton Hotel Iowa City	Jun 1984	234
19) Iowa House Hotel	Jun 1965	96
20) Hampton Inn Iowa City University Area	Nov 2012	93
21) Clarion Hotel Highlander Conference Cent	Jun 1973	90
22) Travelodge Iowa City	Jun 1966	76
23) Hotel Vetro	Feb 2006	54
24) Alexis Park Inn Luxury Suites & Extended St	Jun 1978	28
Total Iowa City		671
North Liberty		
25) Sleep Inn & Suites North Liberty	Aug 2007	72
Total North Liberty		72
TOTAL		2,490

Source: Smith Travel Research

Historical statistics of Iowa City/Coralville lodging market were also obtained from Smith Travel Research (STR), summarized in the following charts. Figure 3-2 shows the market-wide room night supply, demand, and occupancy rate, from 2012 thru 2015.



Figure 3-2



*CAGR = *Compounded Annual Growth Rate from 2012 thru 2015*

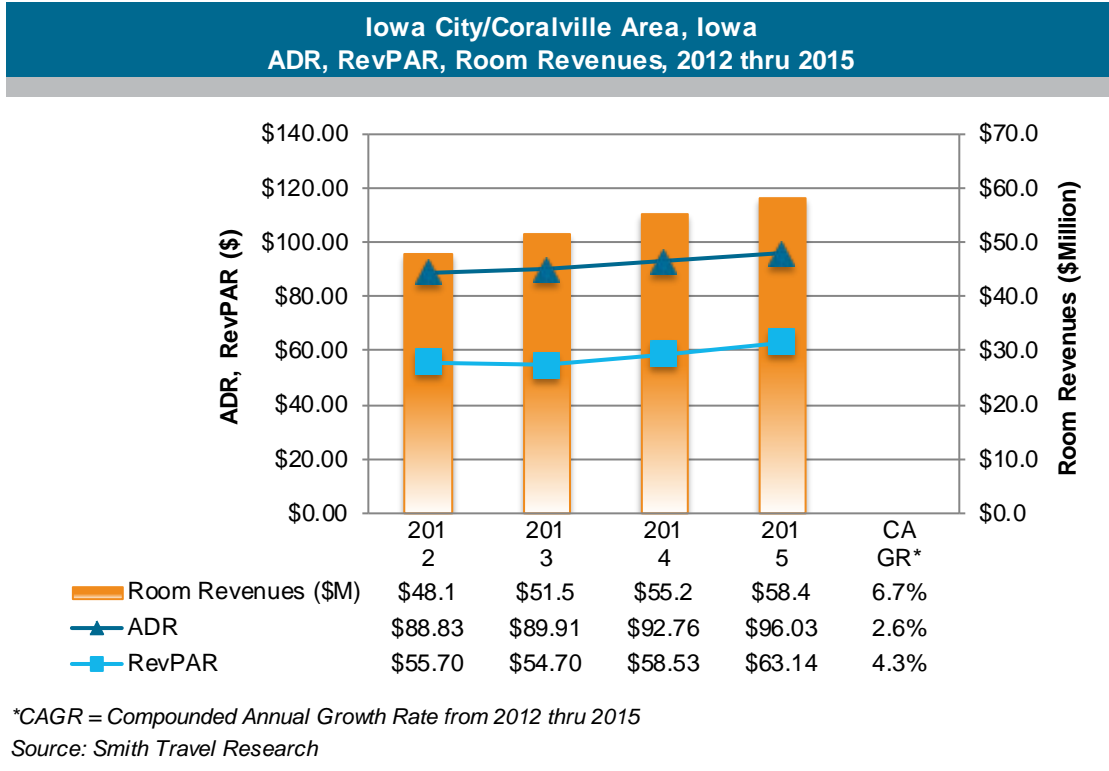
Source: *Smith Travel Research*

As shown on the chart, market-wide room night supply grew from over 862,000 in 2012 to over 925,000 in 2015, or by 2.4 percent, annually. Outpacing supply growth, room night demand grew from over 541,000 in 2012 to over 608,000 in 2015, or by 4.0 percent, annually. As a result, market-wide occupancy increased from 62.7 percent in 2012 to 65.8 percent in 2015.

Figure 3-3 shows average daily rate (ADR), revenue per available room (RevPAR), and room revenues during the same period.



Figure 3-3



The chart shows that Iowa City/Coralville lodging market enjoyed positive growth in recent years. Average daily rate increased from \$88.83 in 2012 to \$96.03 in 2015, or by 2.6 percent, annually. Revenue per available room increased from \$55.70 in 2012 to \$63.14 in 2015, or by 4.3 percent, annually. The resulting room revenues grew from \$48.1 million in 2012 to \$58.4 million in 2015, or by 6.7 percent, annually.

Current lodging inventory and recent lodging statistic trends in the Iowa City/Coralville market suggest that adding a 185-room Drury Hotel and a 120-room Staybridge Suites into the Coralville hotel inventory makes sense and is timely.

ASSUMPTIONS ON OCCUPANCY AND AVERAGE DAILY RATE

Table 3-7 shows the program and phasing of the two hotel developments within Iowa River Landing Reinvestment District, as provided by JLG Architects and Iowa City/Coralville Area CVB. The table also shows assumptions of occupancy and average daily rates (ADR).



Table 3-7

Iowa River Landing Reinvestment District, Coralville, Iowa Hotels Development Matrix and Assumptions					
	Size (Rooms)	Scheduled Opening	[Stabilized Year] Occupancy	GSA- Published Per Diem on Lodging for Coralville*	[Opening Year] ADR*
	A	B	C	D	E
Drury Hotel (H1)	185	Summer 2018	68%	\$89.00	\$99.00
Staybridge Suites/ Mixed-Use (H2)	120	Spring 2019	68%	\$89.00	\$99.00

Notes:
Hotel size is per JLG Architects.
Scheduled opening is per Iowa City/Coralville Area CVB.
Occupancy and ADR are estimates.
GSA = U.S. General Services Administration.
*Shown in today's dollar.
Source: JLG Architects, Iowa City/Coralville Area CVB, Johnson Consulting

Our projections assume the hotels will perform fairly well in comparison with the market-wide statistics. Occupancy is assumed at 68 percent in stabilized Year 3 (market-wide occupancy was 65.8 percent in 2015), and ADR is assumed to be \$10 higher than the per diem rate on lodging for Coralville, as published by the U.S. General Services Administration (market-wide ADR was \$96.03 in 2015). The assumptions for the hotel operating structures are based on revenue-expense-ratio largely seen in similarly sized hotels in comparable markets.

DIRECT SPENDING AT THE HOTELS

Table 3-8 and Table 3-9 show the operating projections of the two hotels, up to the total revenue line, which essentially reflects the amount of direct spending at the hotels.

Table 3-8

Iowa River Landing Reinvestment District, Coralville, Iowa Drury Hotel (H1) (Opening Summer 2018) Operating Revenue Projections										
	2018*	2019	2020	2021	2022	2023	2024	2025	2026	2027
1 Rooms	185	185	185	185	185	185	185	185	185	185
2 Occupancy	62.0%	65.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%
3 Average Rate	\$105.03	\$112.91	\$123.07	\$129.22	\$133.10	\$137.09	\$141.20	\$145.44	\$149.80	\$154.30
4 % ADR Growth		7.5%	9.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
5 RevPAR	\$65.12	\$73.39	\$83.69	\$87.87	\$90.51	\$93.22	\$96.02	\$98.90	\$101.87	\$104.92
Profit and Loss (\$000)										
Revenue										
6 Room Revenues	\$2,199	\$4,956	\$5,651	\$5,933	\$6,111	\$6,295	\$6,484	\$6,678	\$6,878	\$7,085
7 Hotel Food and Beverage	891	2,378	2,743	2,825	2,910	2,997	3,087	3,179	3,275	3,373
8 Telephone	2	3	3	3	3	3	3	4	4	4
9 Other Operated Departments	0	0	0	0	0	0	0	0	0	0
10 Parking & Transportation	160	336	350	350	350	361	372	383	394	406
11 Rentals and Other Income	32	70	75	77	80	82	85	87	90	92
12 Total Revenue	\$3,284	\$7,743	\$8,823	\$9,189	\$9,454	\$9,738	\$10,030	\$10,331	\$10,641	\$10,960

*Reflecting a half-year operation.

Source: Johnson Consulting, based on program by JLG Architects and scheduled opening by Iowa City/Coralville CVB.

Table 3-9

Iowa River Landing Reinvestment District, Coralville, Iowa Staybridge Suites/ Mixed-Use (H2) (Opening Spring 2019) Operating Revenue Projections										
	2019*	2020	2021	2022	2023	2024	2025	2026	2027	2028
1 Rooms	120	120	120	120	120	120	120	120	120	120
2 Occupancy	62.0%	65.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%
3 Average Rate	\$108.18	\$116.29	\$126.76	\$133.10	\$137.09	\$141.20	\$145.44	\$149.80	\$154.30	\$158.93
4 % ADR Growth		7.5%	9.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
5 RevPAR	\$67.07	\$75.59	\$86.20	\$90.51	\$93.22	\$96.02	\$98.90	\$101.87	\$104.92	\$108.07
Profit and Loss (\$000)										
Revenue										
6 Room Revenues	\$1,469	\$3,311	\$3,775	\$3,964	\$4,083	\$4,206	\$4,332	\$4,462	\$4,596	\$4,733
7 Hotel Food and Beverage	595	1,589	1,833	1,887	1,944	2,002	2,062	2,124	2,188	2,254
8 Telephone	1	2	2	2	2	2	2	2	2	3
9 Other Operated Departments	0	0	0	0	0	0	0	0	0	0
10 Parking & Transportation	107	225	234	234	234	241	248	256	263	271
11 Rentals and Other Income	22	47	50	52	53	55	56	58	60	62
12 Total Revenue	\$2,194	\$5,173	\$5,895	\$6,139	\$6,316	\$6,506	\$6,701	\$6,902	\$7,109	\$7,323

*Reflecting a half-year operation.

Source: Johnson Consulting, based on program by JLG Architects.

DIRECT SPENDING OUTSIDE OF HOTELS

Direct spending outside the hotels is derived from a few sources. According to Business Travel News, the 2014 Corporate Travel Index says per diems in Des Moines average \$276.30, which includes \$151.99 on lodging, \$44.98 on car rental, and \$79.33 on food. Coralville is not listed in BTN-CTI per diems. Based on the comparison of GSA-published per diems for Des Moines and Coralville (at \$160 and \$140 today, respectively), it can be assumed that corporate per diems for Coralville is \$246.49, including \$133.93 on lodging, \$44.98 on car rental, and \$67.58 on food.

However, it is unlikely that every hotel guest spends that much. Meanwhile, our projections reflect an average spending of \$152 per occupied room nights in Year 1, or \$148 today. This amount is already greater than travel per diems for Coralville according to U.S. General Administration Services, averaged at \$140 today, including \$89 for lodging, \$46 for meals, and \$5 for incidentals.

Assuming that corporate travel will make up one-third of the hotels' room night demand, this estimate assume that 33.3 percent of guests will spend Corporate Travel Index per diem amount, while the other 66.7 percent will spend \$25 per day, on average, outside the hotels.

Table 3-10 shows the calculation of economic impact of Drury Hotel from Year 1 through Year 10, showing the assumptions of average daily spending, where they were derived from, and the resulting economic impact.

Table 3-10

Iowa River Landing Reinvestment District, Coralville, Iowa Drury Hotel (H1) (Opening Summer 2018) Estimated Direct Spending In and Outside Hotel (\$Million)										
	2018*	2019	2020	2021	2022	2023	2024	2025	2026	2027
1 Base: Occupied Room Nights (1)	20,933	43,891	45,917	45,917	45,917	45,917	45,917	45,917	45,917	45,917
Direct Spending										
Inside Hotel (1)										
2 Room Revenues	\$2.2	\$5.0	\$5.7	\$5.9	\$6.1	\$6.3	\$6.5	\$6.7	\$6.9	\$7.1
3 Hotel Food and Beverage	0.9	2.4	2.7	2.8	2.9	3.0	3.1	3.2	3.3	3.4
4 All Others	0.2	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
5 Total Inside Hotel	\$3.3	\$7.7	\$8.8	\$9.2	\$9.5	\$9.7	\$10.0	\$10.3	\$10.6	\$11.0
Outside Hotel by Corporate Travellers (2)										
6 Food and Beverage	\$0.2	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.5	\$0.5	\$0.5
7 All Others	0.4	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.0
8 Subtotal	\$0.5	\$1.1	\$1.2	\$1.3	\$1.3	\$1.3	\$1.4	\$1.4	\$1.5	\$1.5
Outside Hotel by All Other Travellers (3)										
9 Food and Beverage	\$0.3	\$0.6	\$0.7	\$0.7	\$0.7	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8
10 All Others	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
11 Subtotal	\$0.4	\$0.8	\$0.9	\$0.9	\$0.9	\$0.9	\$1.0	\$1.0	\$1.0	\$1.1
12 Total Outside Hotel	\$0.9	\$1.9	\$2.1	\$2.1	\$2.2	\$2.3	\$2.3	\$2.4	\$2.5	\$2.6
Total Direct Spending										
13 Rooms	\$2.2	\$5.0	\$5.7	\$5.9	\$6.1	\$6.3	\$6.5	\$6.7	\$6.9	\$7.1
14 Food and Beverage	1.4	3.4	3.8	3.9	4.1	4.2	4.3	4.4	4.6	4.7
15 All Others	0.6	1.3	1.4	1.5	1.5	1.5	1.6	1.6	1.7	1.7
16 Total	\$4.2	\$9.7	\$10.9	\$11.3	\$11.7	\$12.0	\$12.4	\$12.7	\$13.1	\$13.5

Notes:

*Reflecting a half-year operation.

1) Corresponds to the projected occupied room nights and revenue amounts shown in Table 3-6.

2) Assuming that 33.3% of demand is corporate, each guest additionally spending an equivalent of today's \$71 per day outside the Hotel.

3) Assuming that each of the other 66.7% of guests additionally spends an equivalent of today's \$25 per day outside the Hotel.

Source: Johnson Consulting.

As shown on the table, in Year 5, Drury Hotel is expected to generate approximately \$11.7 million of direct spending of hotel guests, both in and outside the hotel. In Year 10, such direct spending is estimated to amount to \$13.5 million.



Using the same methodology and assumptions, in Year 5, Staybridge Suites/Mixed-Use (H2) is expected to generate approximately \$7.8 million of direct spending of hotel guests, both in and outside the hotels. In Year 10, such direct spending is estimated to amount to \$9 million.

ECONOMIC IMPACT OF HOTELS

Table 3-11 shows the ripple effects of direct spending resulting from the two hotels combined, into indirect spending, induced spending, increased earnings, and employment, from Year 1 through Year 30.

Table 3-11

Iowa River Landing Reinvestment District, Coralville, Iowa Drury Hotel (H1) and Staybridge Suites/ Mixed-Use (H2) Estimated Economic Benefits (in \$Million*)									
		Direct Spending			Indirect Spending	Induced Spending	TOTAL Spending	Increased Earnings	Employment (in FTE)
		Hotel (H1)	Hotel (H2)	Total					
		A	B	C	D	E	F	G	H
Year 1	2018**	\$4.2	\$0.0	\$4.2	\$1.4	\$1.9	\$7.5	\$2.8	77
2	2019	9.7	2.8	12.5	4.1	5.7	22.3	8.4	223
3	2020	10.9	6.5	17.4	5.8	8.0	31.1	11.6	302
4	2021	11.3	7.3	18.6	6.2	8.5	33.3	12.5	314
5	2022	11.7	7.6	19.2	6.4	8.8	34.4	12.9	315
6	2023	12.0	7.8	19.8	6.6	9.1	35.5	13.3	315
7	2024	12.4	8.0	20.4	6.8	9.4	36.5	13.7	315
8	2025	12.7	8.3	21.0	7.0	9.6	37.6	14.1	315
9	2026	13.1	8.5	21.6	7.2	9.9	38.8	14.5	315
10	2027	13.5	8.8	22.3	7.4	10.2	39.9	14.9	315
11	2028	13.9	9.0	22.9	7.6	10.5	41.1	15.4	315
12	2029	14.3	9.3	23.6	7.9	10.8	42.3	15.9	315
13	2030	14.8	9.6	24.3	8.1	11.2	43.6	16.3	315
14	2031	15.2	9.9	25.1	8.3	11.5	44.9	16.8	315
15	2032	15.7	10.2	25.8	8.6	11.9	46.3	17.3	315
16	2033	16.1	10.5	26.6	8.8	12.2	47.7	17.8	315
17	2034	16.6	10.8	27.4	9.1	12.6	49.1	18.4	315
18	2035	17.1	11.1	28.2	9.4	13.0	50.6	18.9	315
19	2036	17.6	11.4	29.1	9.7	13.3	52.1	19.5	315
20	2037	18.2	11.8	29.9	10.0	13.7	53.6	20.1	315
21	2038	18.7	12.1	30.8	10.3	14.2	55.3	20.7	315
22	2039	19.3	12.5	31.8	10.6	14.6	56.9	21.3	315
23	2040	19.8	12.9	32.7	10.9	15.0	58.6	22.0	315
24	2041	20.4	13.3	33.7	11.2	15.5	60.4	22.6	315
25	2042	21.1	13.7	34.7	11.5	15.9	62.2	23.3	315
26	2043	21.7	14.1	35.8	11.9	16.4	64.1	24.0	315
27	2044	22.3	14.5	36.8	12.2	16.9	66.0	24.7	315
28	2045	23.0	14.9	37.9	12.6	17.4	68.0	25.4	315
29	2046	23.7	15.4	39.1	13.0	17.9	70.0	26.2	315
30	2047	24.4	15.8	40.2	13.4	18.5	72.1	27.0	315
Total in 20 Years		\$271.1	\$169.0	\$440.0	\$146.3	\$202.0	\$788.3	\$295.2	315***
Total in 30 Years		\$485.5	\$308.1	\$793.6	\$263.9	\$364.2	\$1,421.7	\$532.4	315***

Notes:

Column A corresponds exactly to Line 16 in Table 3-10.

Column B correspond to total direct spending estimates for Staybridge Suites/ Mixed-Use (H2).

Column D, E, G, and H are calculated by applying respective multiplier rates to Total Direct Spending in Column C.

*Except for employment, which is shown in number of full-time equivalent (FTE) jobs.

**Reflecting a half-year operation.

***Employment is not additive. The jobs simply continue to the next year.

Source: Johnson Consulting

As shown on the table, the estimated economic impact of the hotels is substantial. Over 20 years, total spending is estimated to amount to \$788.3 million; in 30 years, \$1.42 billion. These spending activities are expected to support 315 full-time equivalent jobs annually.

FISCAL IMPACT OF HOTELS

Fiscal impact is estimated by applying appropriate tax rates to the appropriate spending items (e.g., rooms, food and beverage, and all others). Table 3-12 shows fiscal impact calculations for the Drury Hotel from Year 1 through Year 10.

Table 3-12

Iowa River Landing Reinvestment District, Coralville, Iowa Drury Hotel (H1) (Opening Summer 2018) Estimated Tax Revenues Resulting from Total Direct Spending by Hotel Guests, In and Outside Hotel (\$Million)										
	2018*	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Direct Spending (1)										
1 Rooms	\$2.2	\$5.0	\$5.7	\$5.9	\$6.1	\$6.3	\$6.5	\$6.7	\$6.9	\$7.1
2 Food and Beverage	1.4	3.4	3.8	3.9	4.1	4.2	4.3	4.4	4.6	4.7
3 All Others	0.6	1.3	1.4	1.5	1.5	1.5	1.6	1.6	1.7	1.7
4 Total	\$4.2	\$9.7	\$10.9	\$11.3	\$11.7	\$12.0	\$12.4	\$12.7	\$13.1	\$13.5
Tax Revenues										
5 State Sales Tax (2)	\$0.119	\$0.283	\$0.315	\$0.324	\$0.333	\$0.343	\$0.353	\$0.364	\$0.375	\$0.386
6 Local Hotel/ Motel Tax (3)	0.154	0.347	0.396	0.415	0.428	0.441	0.454	0.467	0.481	0.496
7 Excise Tax on Rooms (3)	0.110	0.248	0.283	0.297	0.306	0.315	0.324	0.334	0.344	0.354
8 Total	\$0.382	\$0.878	\$0.993	\$1.036	\$1.066	\$1.098	\$1.131	\$1.165	\$1.200	\$1.236

Notes:

*Reflecting a half-year operation.

1) Total Direct Spending corresponds directly to Line 13 thru 16 in Table 3-10.

2) Sales Tax is calculated off food and beverage and all other revenues, and NOT applied to room revenues.

3) Local Hotel/ Motel Tax and Excise Tax are calculated off room revenues only.

Source: Johnson Consulting

Using the same methodology for calculating fiscal impact of Staybridge Suites, Table 3-13 shows fiscal impact calculations for the Staybridge Suites from Year 1 through Year 10.

Table 3 - 13

Iowa River Landing Reinvestment District, Coralville, Iowa Staybridge Suites/ Mixed-Use (H2) (Opening Spring 2019) Estimated Tax Revenues Resulting from Total Direct Spending by Hotel Guests, In and Outside Hotel (\$Million)										
	2019*	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Direct Spending (1)										
1 Rooms	\$1.5	\$3.3	\$3.8	\$4.0	\$4.1	\$4.2	\$4.3	\$4.5	\$4.6	\$4.7
2 Food and Beverage	0.9	2.3	2.6	2.6	2.7	2.8	2.9	3.0	3.1	3.1
3 All Others	0.4	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2
4 Total	\$2.8	\$6.5	\$7.3	\$7.6	\$7.8	\$8.0	\$8.3	\$8.5	\$8.8	\$9.0
Tax Revenues										
5 State Sales Tax (2)	\$0.079	\$0.189	\$0.210	\$0.216	\$0.222	\$0.229	\$0.236	\$0.243	\$0.250	\$0.258
6 Local Hotel/ Motel Tax (3)	0.103	0.232	0.264	0.277	0.286	0.294	0.303	0.312	0.322	0.331
7 Excise Tax on Rooms (3)	0.073	0.166	0.189	0.198	0.204	0.210	0.217	0.223	0.230	0.237
8 Total	\$0.256	\$0.586	\$0.663	\$0.692	\$0.712	\$0.734	\$0.756	\$0.778	\$0.802	\$0.826

Notes:

*Reflecting a half-year operation.

1) Total Direct Spending corresponds directly to Line 13 thru 16 in Table 4-3.

2) Sales Tax is calculated off food and beverage and all other revenues, and NOT applied to room revenues.

3) Local Hotel/ Motel Tax and Excise Tax are calculated off room revenues only.

Source: Johnson Consulting

Table 3-14 combines the estimated tax revenue of both hotels from Year 1 through Year 30.

Table 3-14

		Iowa River Landing Reinvestment District, Coralville, Iowa Drury Hotel (H1) and Staybridge Suites/ Mixed-Use (H2) Estimated Fiscal Benefits (in \$Million)			
		State Sales Tax	Hotel/ Motel Tax	Excise Tax	TOTAL
		A	B	C	D
Year 1	2018*	\$0.119	\$0.154	\$0.110	\$0.382
2	2019	0.362	0.450	0.321	1.133
3	2020	0.504	0.627	0.448	1.579
4	2021	0.534	0.680	0.485	1.699
5	2022	0.549	0.705	0.504	1.758
6	2023	0.565	0.726	0.519	1.810
7	2024	0.582	0.748	0.534	1.865
8	2025	0.599	0.771	0.550	1.921
9	2026	0.617	0.794	0.567	1.978
10	2027	0.636	0.818	0.584	2.038
11	2028	0.655	0.842	0.602	2.099
12	2029	0.675	0.867	0.620	2.162
13	2030	0.695	0.893	0.638	2.227
14	2031	0.716	0.920	0.657	2.293
15	2032	0.737	0.948	0.677	2.362
16	2033	0.759	0.976	0.697	2.433
17	2034	0.782	1.006	0.718	2.506
18	2035	0.806	1.036	0.740	2.581
19	2036	0.830	1.067	0.762	2.659
20	2037	0.855	1.099	0.785	2.738
21	2038	0.880	1.132	0.808	2.821
22	2039	0.907	1.166	0.833	2.905
23	2040	0.934	1.201	0.858	2.992
24	2041	0.962	1.237	0.883	3.082
25	2042	0.991	1.274	0.910	3.175
26	2043	1.021	1.312	0.937	3.270
27	2044	1.051	1.351	0.965	3.368
28	2045	1.083	1.392	0.994	3.469
29	2046	1.115	1.434	1.024	3.573
30	2047	1.149	1.477	1.055	3.680
Total in 20 Years		\$12.577	\$16.127	\$11.519	\$40.224
Total in 30 Years		\$22.669	\$29.102	\$20.787	\$72.558

Notes:

Column A reflects the sum of sales tax revenues of Drury Hotel (H1) (as shown in Line 5 of Table 3-12) and of Staybridge Suites/ Mixed-Use (H2).

Column B reflects the sum of hotel/ motel tax revenues of Hotel H1 (as shown in Line 6 of Table 3-12) and of Hotel H2.

Source: Johnson Consulting

As shown on the table, in 20 year period, direct spending by hotel guests, in and outside the hotels, is estimated to generate approximately \$40.2 million from sales, hotel/ motel, and excise tax, combined. In 30 years, such revenue is expected to amount to approximately \$72.6 million.

IMPACT OF RETAIL AND RESTAURANTS

Iowa River Landing Reinvestment District plan calls for 86,080 square feet of retail and restaurants, distributed throughout various locations. Table 3-15 shows the program and phasing of the commercial developments.

Table 3-15

Iowa River Landing Reinvestment District, Coralville, Iowa Retail and Restaurants Development Matrix and Assumptions				
		Scheduled Opening	Total SF	Sales/ SF (2016-\$)
R1	Museum/ Retail	Spring 2019	25,000	\$250
R2	Staybridge Suites/ Mixed-Use	Spring 2019	8,000	\$200
R3	Mixed-Use	Summer 2019	20,000	\$200
R4	Building C (Mixed-Use)	Summer 2016	16,000	\$175
R5	Building G (Mixed-Use)	Summer 2019	17,080	\$175
Total			86,080	

Notes:

Program and square footage are per JLG Architects.

Scheduled opening is per Iowa City/Coralville Area CVB.

Sales per square foot are estimates.

Source: JLG Architects, Iowa City/Coralville Area CVB, Johnson Consulting

Table 3-16 shows the estimated annual sales at the commercial space in the Reinvestment District, which offer 86,080 square feet of retail and restaurants, combined. The assumptions for sales per square foot are estimated based on available market information. Compared to findings in Des Moines Downtown Retail Market Analysis completed by Gibbs Planning Group, Inc. in January 2013, the assumptions seem very much achievable for Coralville market. Brought to today's dollars, average sales of retail and restaurants across business types in Des Moines are \$424 per square foot. For full service restaurants (defined by the consumption of alcohol on premise), they are \$525 per square foot; while for limited service restaurants (with no consumption of alcohol on premise), they are \$330 per square foot. Therefore, no adjustments are made to the sales assumptions at \$150 to \$200 per square foot. The projections assume 3-percent annual inflation.



Table 3-16

Iowa River Landing Reinvestment District, Coralville, Iowa Retail and Restaurants Projected Operating Revenues (\$000)												
	Opening	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
1	R1 at Museum/ Retail	Spring 2019	\$0	\$0*	\$0	\$6,830	\$7,034	\$7,245	\$7,463	\$7,687	\$7,917	\$8,155
2	R2 at Staybridge Suites/ Mixed	Spring 2019	0	0*	0	1,748	1,801	1,855	1,910	1,968	2,027	2,088
3	R3 at Mixed-Use	Summer 2019	0	0	0	4,371	4,502	4,637	4,776	4,919	5,067	5,219
4	R4 at Building C (Mixed-Use)	Summer 2016	1,400*	2,884	2,971	3,060	3,151	3,246	3,343	3,444	3,547	3,653
5	R5 at Building G (Mixed-Use)	Summer 2019	0	0	0	3,266	3,364	3,465	3,569	3,676	3,786	3,900
6	Total		\$1,400	\$2,884	\$2,971	\$19,275	\$19,853	\$20,448	\$21,062	\$21,694	\$22,345	\$23,015

Notes:
*Reflecting a half-year operation.
Source: Johnson Consulting

As shown on the table, retail and restaurants at the District are estimated to generate \$19.8 million of sales in Year 5; \$23 million in Year 10. These sales figures essentially reflect direct spending. It is assumed that all sales are taxable.

Applying the same set of multipliers to projected sales figures, the following Table 3-17 shows the estimated indirect spending, induced spending, increased earnings, and employment impact of the District's retail and restaurants. Table 3-17 also shows the estimated fiscal impact from sales tax on those same sales figures.



Table 3-17

		Iowa River Landing Reinvestment District, Coralville, Iowa Retail and Restaurants Estimated Economic and Fiscal Benefits (in \$Million*)						Fiscal Impact	
		Economic Impact					Sales Tax		
		Direct Spending	Indirect Spending	Induced Spending	TOTAL Spending	Increased Earnings	Employment (in FTE)		
		A	B	C	D	E	F	G	
Year 1	2016	\$1.4	\$0.5	\$0.6	\$2.5	\$0.9	26	\$0.084	
	2	2017	2.9	1.0	1.3	5.2	1.9	48	0.173
	3	2018	3.0	1.0	1.4	5.3	2.0	45	0.178
	4	2019	19.3	6.4	8.8	34.5	12.9	266	1.156
	5	2020	19.9	6.6	9.1	35.6	13.3	248	1.191
	6	2021	20.4	6.8	9.4	36.6	13.7	232	1.227
	7	2022	21.1	7.0	9.7	37.7	14.1	217	1.264
	8	2023	21.7	7.2	10.0	38.9	14.6	202	1.302
	9	2024	22.3	7.4	10.3	40.0	15.0	202	1.341
	10	2025	23.0	7.7	10.6	41.2	15.4	202	1.381
	11	2026	23.7	7.9	10.9	42.5	15.9	202	1.422
	12	2027	24.4	8.1	11.2	43.7	16.4	202	1.465
	13	2028	25.1	8.4	11.5	45.1	16.9	202	1.509
	14	2029	25.9	8.6	11.9	46.4	17.4	202	1.554
	15	2030	26.7	8.9	12.2	47.8	17.9	202	1.601
	16	2031	27.5	9.1	12.6	49.2	18.4	202	1.649
	17	2032	28.3	9.4	13.0	50.7	19.0	202	1.698
	18	2033	29.2	9.7	13.4	52.2	19.6	202	1.749
	19	2034	30.0	10.0	13.8	53.8	20.1	202	1.802
	20	2035	30.9	10.3	14.2	55.4	20.8	202	1.856
	21	2036	31.9	10.6	14.6	57.1	21.4	202	1.911
	22	2037	32.8	10.9	15.1	58.8	22.0	202	1.969
	23	2038	33.8	11.2	15.5	60.5	22.7	202	2.028
	24	2039	34.8	11.6	16.0	62.4	23.4	202	2.089
	25	2040	35.9	11.9	16.5	64.2	24.1	202	2.151
	26	2041	36.9	12.3	17.0	66.2	24.8	202	2.216
	27	2042	38.0	12.6	17.5	68.1	25.5	202	2.282
	28	2043	39.2	13.0	18.0	70.2	26.3	202	2.351
	29	2044	40.4	13.4	18.5	72.3	27.1	202	2.421
	30	2045	41.6	13.8	19.1	74.5	27.9	202	2.494
Total in 20 Years		\$426.7	\$141.9	\$195.9	\$764.4	\$286.3	202**	\$25.602	
Total in 30 Years		\$791.9	\$263.3	\$363.5	\$1,418.7	\$531.3	202**	\$47.515	

Notes:

Column A corresponds exactly to Line 6 in Table 3-15.

Column G shows 6% percent of the same sales figures on Line 6 of Table 3-15.

*Except for employment, which is shown in number of full-time equivalent (FTE) jobs.

**Employment is not additive. The jobs simply continue to the next year.

Source: Johnson Consulting



As shown on the table, the estimated economic impact of retail and restaurants at the District is substantial. Over 20 years, accumulated impact is estimated to amount to \$764.4 million of total spending and \$25.6 million of sales tax revenues; in 30 years, \$1.42 billion of total spending and \$47.5 million of sales tax revenues. These spending activities are expected to support 202 full-time equivalent jobs annually.

COMBINED IMPACT OF DISTRICT PROJECTS

Table 3-18 shows the estimated economic impact of the Arena, hotels, and retail and restaurants in Iowa River Landing Reinvestment District, combined. To avoid double counting, sales at the Arena, retail, and restaurants are assumed to include spending by hotel guests outside of the hotels.

Table 3-18

Iowa River Landing Reinvestment District, Coralville, Iowa Arena, Hotels, Retail and Restaurants, Combined Estimated Economic Benefits (in \$Million*)										
		Direct Spending				Indirect Spending	Induced Spending	TOTAL Spending	Increased Earnings	Employment (in FTE)
		At Arena	At Hotels	At Retail and Restau- rants	Total					
		A	B	C	D	E	F	G	H	I
Year 1	2016	\$0.0	\$0.0	\$1.4	\$1.4	\$0.5	\$0.6	\$2.5	\$0.9	26
	2 2017	0.0	0.0	2.9	2.9	1.0	1.3	5.2	1.9	51
	3 2018	0.0	3.3	3.0	6.3	2.1	2.9	11.2	4.2	106
	4 2019	1.2	9.9	19.3	30.4	10.1	14.0	54.5	20.4	494
	5 2020	2.5	14.0	19.9	36.4	12.1	16.7	65.2	24.4	565
	6 2021	2.6	15.1	20.4	38.2	12.7	17.5	68.4	25.6	567
	7 2022	2.7	15.6	21.1	39.4	13.1	18.1	70.5	26.4	560
	8 2023	2.8	16.1	21.7	40.5	13.5	18.6	72.6	27.2	552
	9 2024	2.9	16.5	22.3	41.7	13.9	19.2	74.8	28.0	552
	10 2025	3.0	17.0	23.0	43.0	14.3	19.7	77.0	28.9	552
	11 2026	3.0	17.5	23.7	44.3	14.7	20.3	79.3	29.7	552
	12 2027	3.1	18.1	24.4	45.6	15.2	20.9	81.7	30.6	552
	13 2028	3.2	18.6	25.1	47.0	15.6	21.6	84.2	31.5	552
	14 2029	3.3	19.2	25.9	48.4	16.1	22.2	86.7	32.5	552
	15 2030	3.4	19.7	26.7	49.8	16.6	22.9	89.3	33.4	552
	16 2031	3.5	20.3	27.5	51.3	17.1	23.6	92.0	34.4	552
	17 2032	3.6	20.9	28.3	52.9	17.6	24.3	94.7	35.5	552
	18 2033	3.7	21.6	29.2	54.5	18.1	25.0	97.6	36.5	552
	19 2034	3.9	22.2	30.0	56.1	18.7	25.8	100.5	37.6	552
	20 2035	4.0	22.9	30.9	57.8	19.2	26.5	103.5	38.8	552
	21 2036	4.1	23.6	31.9	59.5	19.8	27.3	106.6	39.9	552
	22 2037	4.2	24.3	32.8	61.3	20.4	28.1	109.8	41.1	552
	23 2038	4.3	25.0	33.8	63.1	21.0	29.0	113.1	42.4	552
	24 2039	4.5	25.8	34.8	65.0	21.6	29.9	116.5	43.6	552
	25 2040	4.6	26.5	35.9	67.0	22.3	30.7	120.0	44.9	552
	26 2041	4.7	27.3	36.9	69.0	22.9	31.7	123.6	46.3	552
	27 2042	4.9	28.2	38.0	71.1	23.6	32.6	127.3	47.7	552
	28 2043	5.0	29.0	39.2	73.2	24.3	33.6	131.1	49.1	552
	29 2044	5.2	29.9	40.4	75.4	25.1	34.6	135.1	50.6	552
	30 2045	5.3	30.8	41.6	77.7	25.8	35.6	139.1	52.1	552
Total in 20 Years		\$52.6	\$308.6	\$426.7	\$787.9	\$262.0	\$361.7	\$1,411.6	\$528.7	552**
Total in 30 Years		\$99.4	\$578.9	\$791.9	\$1,470.3	\$488.9	\$674.9	\$2,634.0	\$986.5	552**

Notes:

Column A corresponds exactly to Column A in Table 3-5.

Column B reflects the sum of Line 5 in Table 3-10 and the corresponding line for the second hotel.

Column C corresponds exactly to Column A in Table 3-17.

Column E, F, H, and I are calculated by applying respective multiplier rates to Total Direct Spending in Column D.

*Except for employment, which is shown in number of full-time equivalent (FTE) jobs.

**Employment is not additive. The jobs simply continue to the next year.

Source: Johnson Consulting



As shown on the table, the estimated economic impact of the projects in Iowa River Landing Reinvestment District is substantial. Over 20 years, total spending is estimated to amount to \$1.4 billion; in 30 years, \$2.6 billion. These spending activities are expected to support 552 full-time equivalent jobs annually.

Table 3-19 shows the estimated fiscal impact of projects within District, combined.

Table 3-19

Iowa River Landing Reinvestment District, Coralville, Iowa Arena, Hotels, Retail and Restaurants, Combined Estimated Fiscal Benefits (in \$Million)					
		State Sales Tax	Hotel/ Motel Tax	Excise Tax	TOTAL
		<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
Year 1	2017	\$0.084	\$0.000	\$0.000	\$0.084
	2 2018	0.292	0.154	0.110	0.556
	3 2019	0.590	0.450	0.321	1.361
	4 2020	1.767	0.627	0.448	2.842
	5 2021	1.835	0.680	0.485	3.000
	6 2022	1.889	0.705	0.504	3.098
	7 2023	1.945	0.726	0.519	3.190
	8 2024	2.003	0.748	0.534	3.286
	9 2025	2.063	0.771	0.550	3.385
	10 2026	2.125	0.794	0.567	3.486
	11 2027	2.189	0.818	0.584	3.591
	12 2028	2.255	0.842	0.602	3.698
	13 2029	2.322	0.867	0.620	3.809
	14 2030	2.392	0.893	0.638	3.924
	15 2031	2.464	0.920	0.657	4.041
	16 2032	2.538	0.948	0.677	4.163
	17 2033	2.614	0.976	0.697	4.287
	18 2034	2.692	1.006	0.718	4.416
	19 2035	2.773	1.036	0.740	4.548
	20 2036	2.856	1.067	0.762	4.685
	21 2037	2.942	1.099	0.785	4.825
	22 2038	3.030	1.132	0.808	4.970
	23 2039	3.121	1.166	0.833	5.119
	24 2040	3.215	1.201	0.858	5.273
	25 2041	3.311	1.237	0.883	5.431
	26 2042	3.410	1.274	0.910	5.594
	27 2043	3.513	1.312	0.937	5.762
	28 2044	3.618	1.351	0.965	5.935
	29 2045	3.727	1.392	0.994	6.113
	30 2046	3.838	1.434	1.024	6.296
	31 2047	3.954	1.477	1.055	6.485
Total in 20 Years		\$39.687	\$15.028	\$10.734	\$65.450
Total in 30 Years		\$73.411	\$27.625	\$19.732	\$120.768

Notes:

Column A reflects the sum of Column G in Table 3-5, Column A in Table 3-14, and Column G in Table 3-17.

Column B corresponds exactly to Column B in Table 3-14.

Column C corresponds exactly to Column C in Table 3-14.

Source: Johnson Consulting



As shown on the table, in a 20-year period, sales at projects within District, combined are estimated to generate approximately \$65.5 million from sales, hotel/ motel, and excise tax, combined. In 30 years, such revenue is expected to amount to approximately \$120.8 million.

OVERALL ECONOMIC AND FISCAL BENEFITS

The preceding analyses demonstrate that the benefit of the projects within Iowa River Landing Reinvestment District is significant. From the Arena, hotels, retail and restaurants alone, the District is estimated to generate annual economic and fiscal impact as shown in Table 3-20.

Table 3-20

Iowa River Landing Reinvestment District, Coralville, Iowa Summary of Economic and Fiscal Impact of District Projects* (in \$Million**)				
	Annual Impact		Total Impact	
	Year 5	Year 10	20-Year	30-Year
Economic Impact				
Direct Spending	\$36	\$43	\$788	\$1,470
Indirect Spending	12	14	262	489
Induced Spending	17	20	362	675
Total Spending	\$65	\$77	\$1,412	\$2,634
Increased Earnings	24	29	529	986
Increased Employment (FTE)	565	552	552***	552***
Fiscal Impact				
Sales Tax	\$1.9	\$2.2	\$39.7	\$73.4
Hotel/ Motel Tax	0.7	0.8	15.0	27.6
Excise Tax	0.5	0.6	10.7	19.7
Total	\$3.1	\$3.6	\$65.4	\$120.8
IRA-Allowed Tax Revenues	\$1.5	\$1.8	\$32.8	\$61.3
*From Arena, hotels, retail and restaurants alone.				
**Except for employment, which is shown in number of full-time equivalent (FTE) jobs.				
***Employment figures are not additive. The jobs simply continue to the following year.				
Source: Johnson Consulting				

As summarized in the table, while the annual impact is already substantial, the accumulated amounts are huge. In a 20-year period, sales at the Arena, hotel, retail and restaurant projects within the District are estimated to generate approximately \$65.4 million from sales, hotel/ motel, and excise tax, combined. In 30 years, such revenue is expected to amount to approximately \$120.8 million.

Outside the Arena, hotels, retail and restaurants, there may be some activities that are also subject to sales tax, but they are not occurring as the principal activities (e.g., in residential), and/or too many of the activity attributes are still unknown at this point (e.g., museum). Therefore, any additional sales tax revenue resulting from those other land uses will be over and above what is summarized in Table 3-20.

SECTION IV

IRA-ALLOWED TAX REVENUES FOR REINVESTMENT DISTRICT FUNDING



IRA-ALLOWED TAX REVENUES FOR DISTRICT FUNDING

This subsection provides an estimate of the portion of sales tax revenues that is allowed by Iowa Reinvestment Act (IRA) to be available to support District Reinvestment Program. The estimate is based on the impact analysis described in Section 3.

According to the Iowa Reinvestment Act, out of the 6-percent Sales tax, 7-percent Hotel/ Motel tax, and 5-percent Excise tax, only some are allowed to be used for Reinvestment District Program:

- 4 percent Sales tax on food and beverage, parking, and other revenues, but NOT on rooms, and
- 5 percent Excise Tax on rooms.

IRA-ALLOWED TAX REVENUES GENERATED BY THE ARENA

Table 4-1 shows the estimated sales tax revenues from the Arena site only. The table also shows the portion that is allowed by the Iowa Reinvestment Act to be used for Reinvestment District Program.



Table 4-1

Iowa River Landing Reinvestment District, Coralville, Iowa 4,216-seat Arena (Opening Spring 2019) Estimated Sales Tax Revenues Generated within the Iowa Arena Site only (in \$Million)								
		Sales Tax (6%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions
		4.0%**	2.0%	7.0%	5.0%			
		A	B	C	D			
Year 1	2019***	0.033	0.017	na	na	0.050	0.033	0.017
2	2020	0.069	0.034	na	na	0.103	0.069	0.034
3	2021	0.071	0.035	na	na	0.106	0.071	0.035
4	2022	0.073	0.036	na	na	0.109	0.073	0.036
5	2023	0.075	0.038	na	na	0.113	0.075	0.038
6	2024	0.077	0.039	na	na	0.116	0.077	0.039
7	2025	0.080	0.040	na	na	0.120	0.080	0.040
8	2026	0.082	0.041	na	na	0.123	0.082	0.041
9	2027	0.085	0.042	na	na	0.127	0.085	0.042
10	2028	0.087	0.044	na	na	0.131	0.087	0.044
11	2029	0.090	0.045	na	na	0.135	0.090	0.045
12	2030	0.092	0.046	na	na	0.139	0.092	0.046
13	2031	0.095	0.048	na	na	0.143	0.095	0.048
14	2032	0.098	0.049	na	na	0.147	0.098	0.049
15	2033	0.101	0.050	na	na	0.151	0.101	0.050
16	2034	0.104	0.052	na	na	0.156	0.104	0.052
17	2035	0.107	0.054	na	na	0.161	0.107	0.054
18	2036	0.110	0.055	na	na	0.166	0.110	0.055
19	2037	0.114	0.057	na	na	0.171	0.114	0.057
20	2038	0.117	0.059	na	na	0.176	0.117	0.059
21	2039	0.121	0.060	na	na	0.181	0.121	0.060
22	2040	0.124	0.062	na	na	0.186	0.124	0.062
23	2041	0.128	0.064	na	na	0.192	0.128	0.064
24	2042	0.132	0.066	na	na	0.198	0.132	0.066
25	2043	0.136	0.068	na	na	0.204	0.136	0.068
26	2044	0.140	0.070	na	na	0.210	0.140	0.070
27	2045	0.144	0.072	na	na	0.216	0.144	0.072
28	2046	0.148	0.074	na	na	0.222	0.148	0.074
29	2047	0.153	0.076	na	na	0.229	0.153	0.076
30	2048	0.157	0.079	na	na	0.236	0.157	0.079
31	2049	0.162	0.081	na	na	0.243	0.162	0.081
Total in 20 Years		\$1.761	\$0.880	na	na	\$2.641	\$1.761	\$0.880
Total in 30 Years		\$3.143	\$1.572	na	na	\$4.715	\$3.143	\$1.572

*Corresponds exactly to Column G in Table 3-5 (Section 3), broken down into two parts.

Total tax rate is 6 percent, of which 4 percent is allowed by IRA to be available for Reinvestment District Program.

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

***Reflecting a half-year operation.

Source: Johnson Consulting

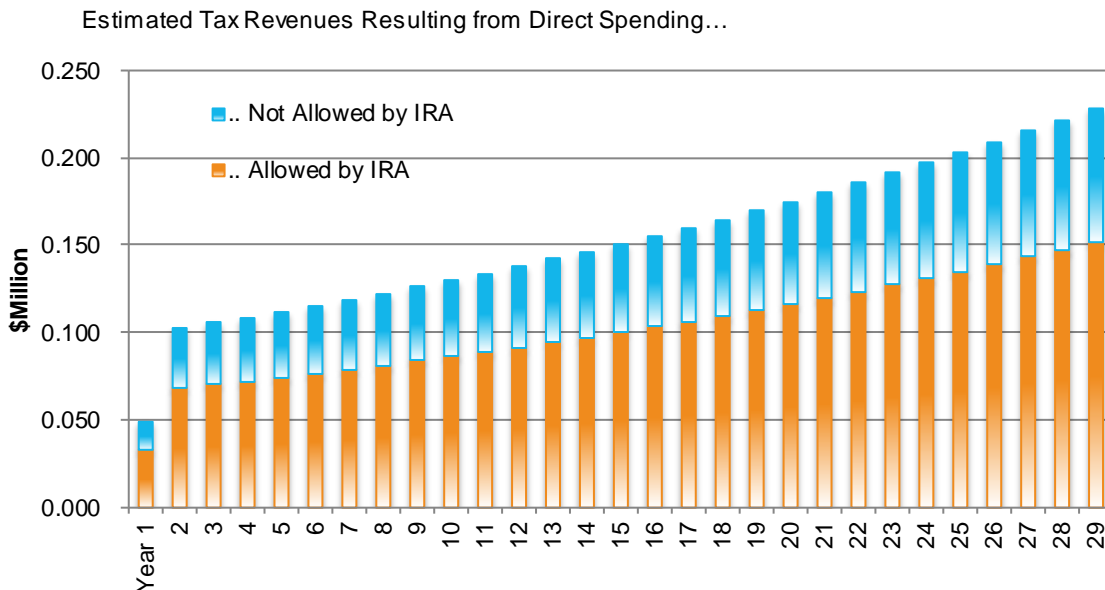


As shown on the table, the Arena is expected to generate approximately \$2.6 million in 20 years from sales tax; and approximately \$4.7 million in 30 years. The portion of taxes allowed by IRA to be used for the Reinvestment District Program is estimated to amount to \$1.8 million in 20 years, or \$3.1 million in 30 years.

Figure 4-1 shows the comparison of total sales tax revenues resulting from sales within the Arena, and the portion that is allowed by IRA to support Reinvestment District Program.

Figure 4-1

**Iowa River Landing Reinvestment District, Coralville, Iowa
4,216-seat Arena (Opening Spring 2019)
Comparison of Sales Tax Revenues and the Portion Allowed by IRA for Reinvestment
District Program (in \$Million)**



	Year 5	Year 10	20-Year Total	30-Year Total	%
Allowed by IRA	\$0.075	\$0.087	\$1.761	\$3.143	67%
Not Allowed by IRA	0.038	0.044	0.880	1.572	33%
Total Tax Revenues	\$0.113	\$0.131	\$2.641	\$4.715	100%

Source: Johnson Consulting

The chart shows that the amounts allowed by IRA to be available to support the Reinvestment District Program represent approximately two-thirds of the total sales tax collections. The State and local jurisdictions still retain one-third of total sales tax collections.



IRA-ALLOWED TAX REVENUES GENERATED BY THE HOTELS

Table 4-2 shows the estimated sales tax revenues from the hotel sites only. The table also shows the portion that is allowed by the Iowa Reinvestment Act to be used for the Reinvestment District Program.

Table 4-2

Iowa River Landing Reinvestment District, Coralville, Iowa Drury Hotel (H1) and Staybridge Suites/ Mixed-Use (H2) Estimated Sales Tax Revenues Generated within the Hotels only (in \$Million)								
		Sales Tax (6%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions
		4.0%**	2.0%	7.0%	5.0%			
		A	B	C	D			
Year 1	2018***	0.043	0.022	0.154	0.110	0.329	0.153	0.176
2	2019	0.140	0.070	0.450	0.321	0.982	0.462	0.520
3	2020	0.201	0.101	0.627	0.448	1.377	0.649	0.728
4	2021	0.215	0.108	0.680	0.485	1.488	0.700	0.787
5	2022	0.221	0.110	0.705	0.504	1.540	0.725	0.816
6	2023	0.227	0.114	0.726	0.519	1.586	0.746	0.840
7	2024	0.234	0.117	0.748	0.534	1.634	0.768	0.865
8	2025	0.241	0.120	0.771	0.550	1.683	0.791	0.891
9	2026	0.248	0.124	0.794	0.567	1.733	0.815	0.918
10	2027	0.256	0.128	0.818	0.584	1.785	0.840	0.945
11	2028	0.263	0.132	0.842	0.602	1.839	0.865	0.974
12	2029	0.271	0.136	0.867	0.620	1.894	0.891	1.003
13	2030	0.279	0.140	0.893	0.638	1.951	0.917	1.033
14	2031	0.288	0.144	0.920	0.657	2.009	0.945	1.064
15	2032	0.296	0.148	0.948	0.677	2.069	0.973	1.096
16	2033	0.305	0.153	0.976	0.697	2.131	1.003	1.129
17	2034	0.314	0.157	1.006	0.718	2.195	1.033	1.163
18	2035	0.324	0.162	1.036	0.740	2.261	1.064	1.198
19	2036	0.333	0.167	1.067	0.762	2.329	1.095	1.234
20	2037	0.343	0.172	1.099	0.785	2.399	1.128	1.271
21	2038	0.354	0.177	1.132	0.808	2.471	1.162	1.309
22	2039	0.364	0.182	1.166	0.833	2.545	1.197	1.348
23	2040	0.375	0.188	1.201	0.858	2.621	1.233	1.388
24	2041	0.387	0.193	1.237	0.883	2.700	1.270	1.430
25	2042	0.398	0.199	1.274	0.910	2.781	1.308	1.473
26	2043	0.410	0.205	1.312	0.937	2.864	1.347	1.517
27	2044	0.422	0.211	1.351	0.965	2.950	1.388	1.563
28	2045	0.435	0.218	1.392	0.994	3.039	1.429	1.609
29	2046	0.448	0.224	1.434	1.024	3.130	1.472	1.658
30	2047	0.462	0.231	1.477	1.055	3.224	1.516	1.708
Total in 20 Years		\$5.044	\$2.522	\$16.127	\$11.519	\$35.213	\$16.563	\$18.649
Total in 30 Years		\$9.099	\$4.550	\$29.102	\$20.787	\$63.538	\$29.886	\$33.652

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

Total tax rate is 6 percent, of which 4 percent is allowed by IRA to be available for District Reinvestment Program.

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

***Reflecting a half-year operation.

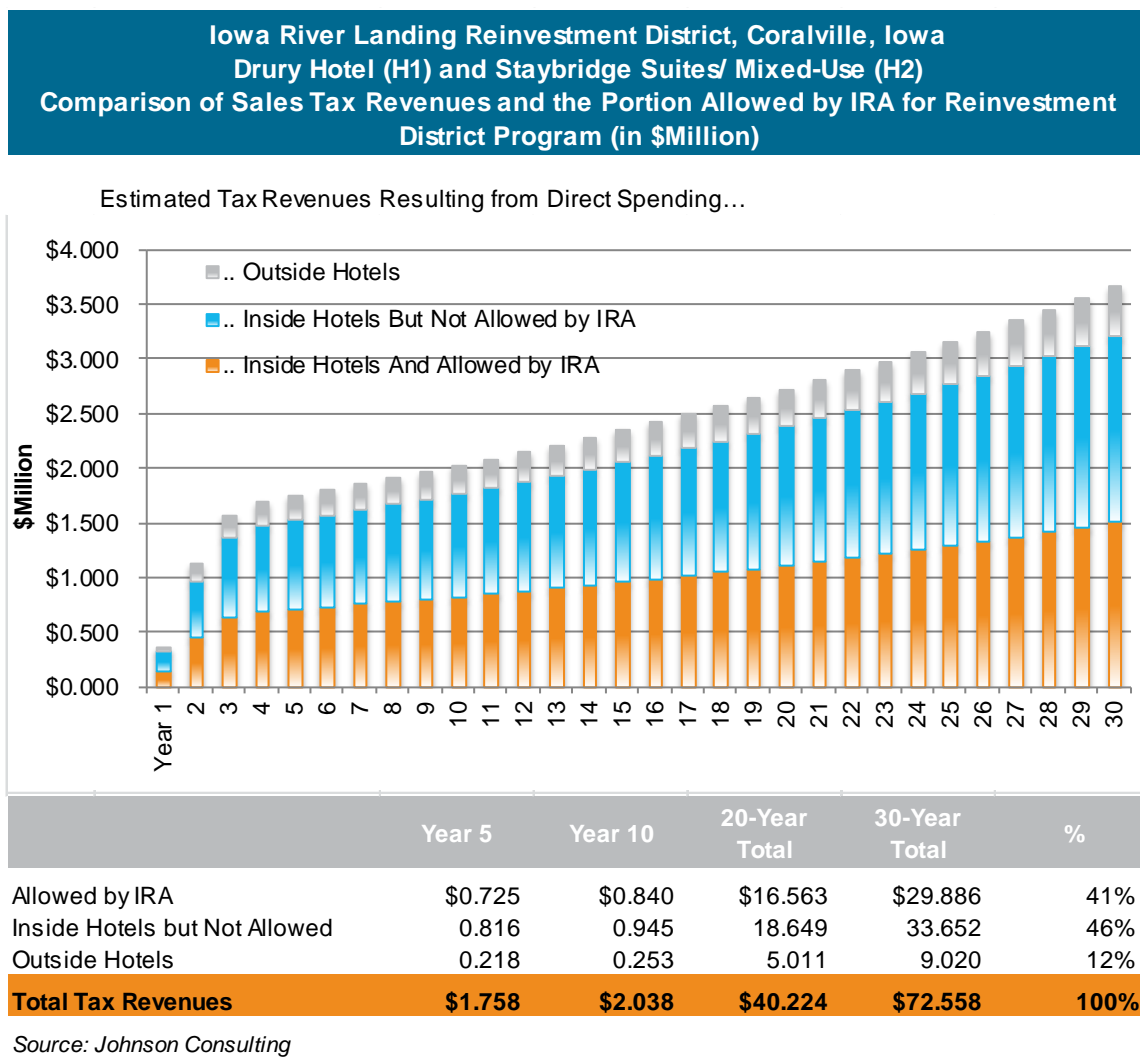
Source: Johnson Consulting



As shown on the table, the hotels is expected to generate approximately \$35.2 million in 20 years from sales tax, hotel/ motel tax, and excise tax, combined; or approximately \$63.5 million in 30 years. The portion of taxes allowed by IRA to be used for the Reinvestment District Program is estimated to amount to \$16.6 million in 20 years, or \$29.9 million in 30 years – less than half of total collections.

Figure 4-2 shows the comparison of total sales tax revenues resulting from direct spending by hotel guests and the portion that is allowed by IRA to support the Reinvestment District Program.

Figure 4-2



The chart shows that the amounts allowed by IRA to be available to support the Reinvestment District Program are only 41 percent of the total sales tax collections. The State and local jurisdictions still retain close to 60 percent of total sales tax collections.



IRA-ALLOWED TAX REVENUES GENERATED AT RETAIL AND RESTAURANTS

Table 4-3 shows the estimated sales tax revenues from the District's retail and restaurants. The table also shows the portion that is allowed by the Iowa Reinvestment Act to be used for the Reinvestment District Program.

Table 4-3

Iowa River Landing Reinvestment District, Coralville, Iowa Retail and Restaurants Estimated Sales Tax Revenues Generated within the Retail and Restaurants Site only (in \$Million)									
		Sales Tax (6%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions	
		4.0%**	2.0%	7.0%	5.0%				
		A	B	C	D				E
Year 1	2016	\$0.056	\$0.028	na	na	\$0.084	\$0.056	\$0.028	
	2	2017	0.115	0.058	na	na	0.173	0.115	0.058
	3	2018	0.119	0.059	na	na	0.178	0.119	0.059
	4	2019	0.771	0.385	na	na	1.156	0.771	0.385
	5	2020	0.794	0.397	na	na	1.191	0.794	0.397
	6	2021	0.818	0.409	na	na	1.227	0.818	0.409
	7	2022	0.842	0.421	na	na	1.264	0.842	0.421
	8	2023	0.868	0.434	na	na	1.302	0.868	0.434
	9	2024	0.894	0.447	na	na	1.341	0.894	0.447
	10	2025	0.921	0.460	na	na	1.381	0.921	0.460
	11	2026	0.948	0.474	na	na	1.422	0.948	0.474
	12	2027	0.977	0.488	na	na	1.465	0.977	0.488
	13	2028	1.006	0.503	na	na	1.509	1.006	0.503
	14	2029	1.036	0.518	na	na	1.554	1.036	0.518
	15	2030	1.067	0.534	na	na	1.601	1.067	0.534
	16	2031	1.099	0.550	na	na	1.649	1.099	0.550
	17	2032	1.132	0.566	na	na	1.698	1.132	0.566
	18	2033	1.166	0.583	na	na	1.749	1.166	0.583
	19	2034	1.201	0.601	na	na	1.802	1.201	0.601
	20	2035	1.237	0.619	na	na	1.856	1.237	0.619
	21	2036	1.274	0.637	na	na	1.911	1.274	0.637
	22	2037	1.313	0.656	na	na	1.969	1.313	0.656
	23	2038	1.352	0.676	na	na	2.028	1.352	0.676
	24	2039	1.392	0.696	na	na	2.089	1.392	0.696
	25	2040	1.434	0.717	na	na	2.151	1.434	0.717
	26	2041	1.477	0.739	na	na	2.216	1.477	0.739
	27	2042	1.522	0.761	na	na	2.282	1.522	0.761
	28	2043	1.567	0.784	na	na	2.351	1.567	0.784
	29	2044	1.614	0.807	na	na	2.421	1.614	0.807
	30	2045	1.663	0.831	na	na	2.494	1.663	0.831
Total in 20 Years		\$17.068	\$8.534	na	na	\$25.602	\$17.068	\$8.534	
Total in 30 Years		\$31.677	\$15.838	na	na	\$47.515	\$31.677	\$15.838	

*Corresponds exactly to Column G in Table 3-16, broken down into two parts.

Total tax rate is 6 percent, of which 4 percent is allowed by IRA to be available for District Reinvestment Program.

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

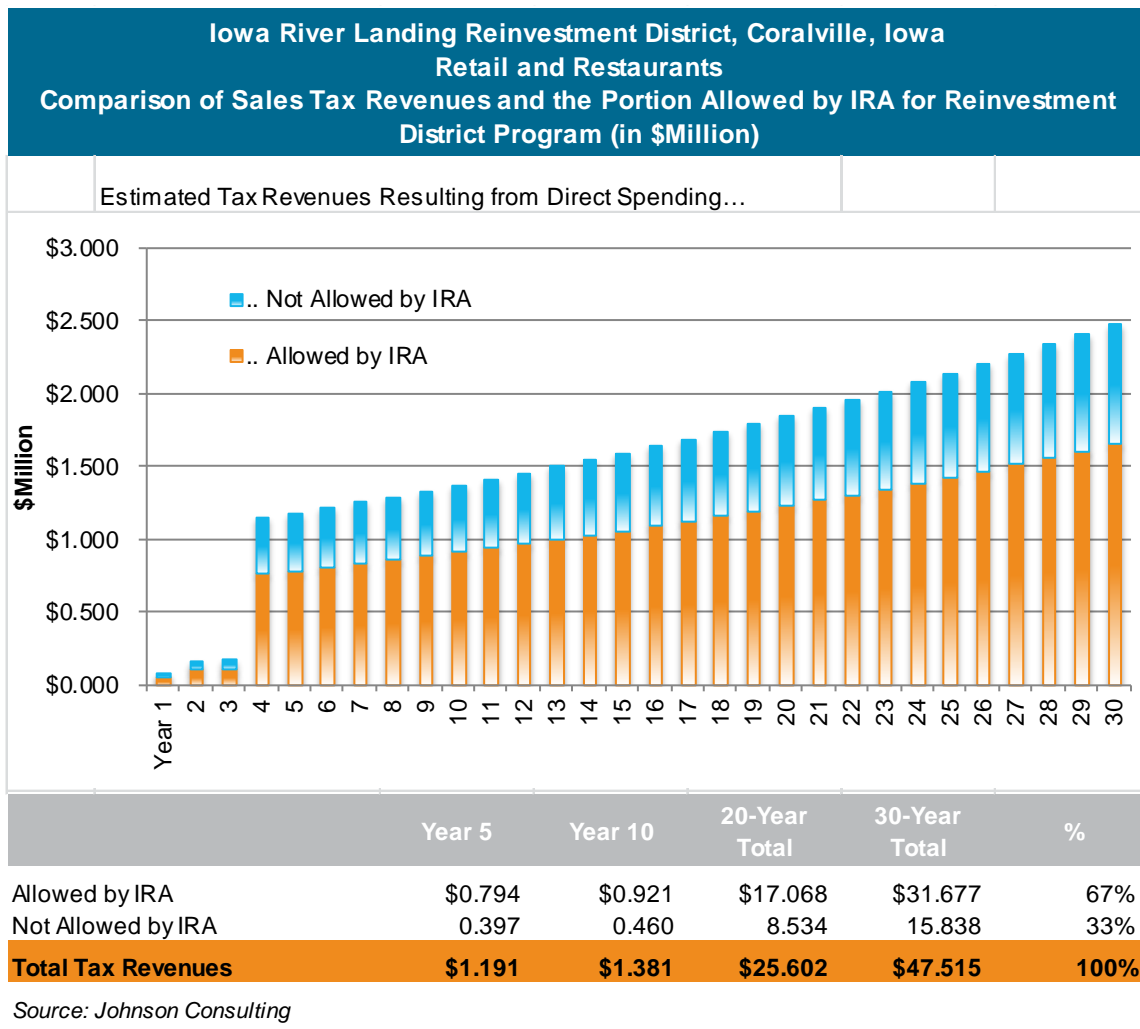
Source: Johnson Consulting



As shown on the table, retail and restaurant at the District are expected to generate approximately \$25.6 million in 20 years from sales tax; or approximately \$47.5 million in 30 years. The portion of taxes allowed by IRA to be used for Reinvestment District Program is estimated to amount to \$17.1 million in 20 years, or \$31.7 million in 30 years.

Figure 4-3 shows the comparison of total sales tax revenues resulting from sales at the District retail and restaurants, and the portion that is allowed by IRA to support the Reinvestment District Program.

Figure 4-3



The chart shows that the amounts allowed by IRA to be available to support the Reinvestment District Program represent two-thirds of the total sales tax collections. The State and local jurisdictions still retain one-third of total sales tax collections.



COMBINED IRA-ALLOWED TAX REVENUES

Table 4-4 shows the estimated sales tax revenues from the Arena, hotel, retail and restaurant projects within the District. The table also shows the portion that is allowed by the Iowa Reinvestment Act to be used for the Reinvestment District Program.



Table 4-4

Iowa River Landing Reinvestment District, Coralville, Iowa Arena, Hotels, Retail and Restaurants, Combined Estimated Sales Tax Revenues Generated by Projects within District only (in \$Million)								
		Sales Tax (6%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions
		4.0%**	2.0%	7.0%	5.0%			
		A	B	C	D			
Year 1	2016	\$0.056	\$0.028	\$0.000	\$0.000	\$0.084	\$0.056	\$0.028
	2	0.115	0.058	0.000	0.000	0.173	0.115	0.058
	3	0.162	0.081	0.154	0.110	0.507	0.272	0.235
	4	0.945	0.472	0.450	0.321	2.188	1.266	0.922
	5	1.064	0.532	0.627	0.448	2.672	1.512	1.159
	6	1.104	0.552	0.680	0.485	2.821	1.589	1.232
	7	1.136	0.568	0.705	0.504	2.913	1.640	1.273
	8	1.170	0.585	0.726	0.519	3.000	1.689	1.311
	9	1.205	0.603	0.748	0.534	3.090	1.740	1.351
	10	1.241	0.621	0.771	0.550	3.183	1.792	1.391
	11	1.278	0.639	0.794	0.567	3.278	1.845	1.433
	12	1.317	0.658	0.818	0.584	3.377	1.901	1.476
	13	1.356	0.678	0.842	0.602	3.478	1.958	1.520
	14	1.397	0.698	0.867	0.620	3.583	2.017	1.566
	15	1.439	0.719	0.893	0.638	3.690	2.077	1.613
	16	1.482	0.741	0.920	0.657	3.801	2.139	1.661
	17	1.527	0.763	0.948	0.677	3.915	2.204	1.711
	18	1.572	0.786	0.976	0.697	4.032	2.270	1.762
	19	1.619	0.810	1.006	0.718	4.153	2.338	1.815
	20	1.668	0.834	1.036	0.740	4.278	2.408	1.870
	21	1.718	0.859	1.067	0.762	4.406	2.480	1.926
	22	1.770	0.885	1.099	0.785	4.538	2.555	1.984
	23	1.823	0.911	1.132	0.808	4.674	2.631	2.043
	24	1.877	0.939	1.166	0.833	4.815	2.710	2.104
	25	1.934	0.967	1.201	0.858	4.959	2.791	2.168
	26	1.992	0.996	1.237	0.883	5.108	2.875	2.233
	27	2.052	1.026	1.274	0.910	5.261	2.961	2.300
	28	2.113	1.057	1.312	0.937	5.419	3.050	2.369
	29	2.176	1.088	1.351	0.965	5.581	3.142	2.440
	30	2.242	1.121	1.392	0.994	5.749	3.236	2.513
	31	2.309	1.155	1.434	1.024	5.921	3.333	2.588
	32	2.378	1.189	1.477	1.055	6.099	3.433	2.666
Total in 20 Years		\$22.855	\$11.427	\$13.961	\$9.972	\$58.216	\$32.827	\$25.389
Total in 30 Years		\$42.551	\$21.276	\$26.191	\$18.708	\$108.726	\$61.259	\$47.467

*Applied to food and beverage, parking, and other revenues, but NOT rooms on Hotels, and taxable sales at Arena, retail, and restaurants. Total tax rate is 6 percent, of which 4 percent is allowed by IRA to be available for District Reinvestment Program.

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

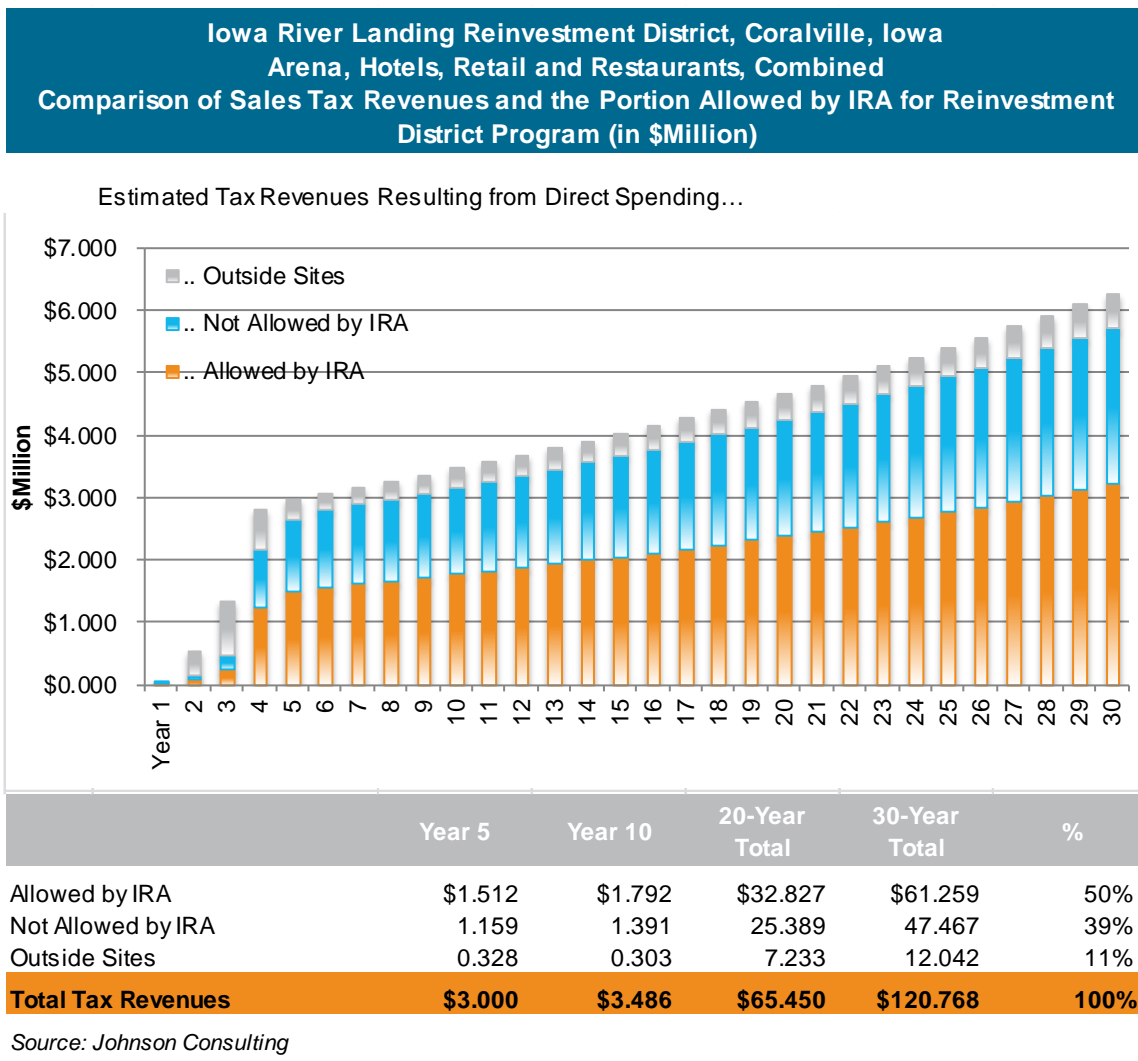
Source: Johnson Consulting



As shown on the table, District-wide projects are expected to generate approximately \$58.2 million in 20 years from sales tax, hotel/ motel tax, and excise tax, combined; or approximately \$108.7 million in 30 years. The portion of taxes allowed by IRA to be used for the District Reinvestment Program is estimated to amount to \$25.4 million in 20 years, or \$47.5 million in 30 years.

Figure 4-4 shows the comparison of total sales tax revenues resulting from sales at District-wide projects, and the portion that is allowed by IRA to support the Reinvestment District Program.

Figure 4-4



The chart shows that the amounts allowed by IRA to be available to support the Reinvestment District Program are 50 percent of the total sales tax collections. The State and local jurisdictions retain 50 percent of total sales tax collections.



OVERALL ECONOMIC AND FISCAL BENEFITS

Table 4-5 shows the amount allowed by IRA to help support the Reinvestment District (estimated at \$32.8 million over 20 years or \$61.3 million over 30 years) in comparison to the overall economic and fiscal impact of the Arena, hotels, retail and restaurants alone the District.

Table 4-5

Iowa River Landing Reinvestment District, Coralville, Iowa Summary of Economic and Fiscal Impact of District Projects* (in \$Million**)				
	Annual Impact		Total Impact	
	Year 5	Year 10	20-Year	30-Year
Economic Impact				
Direct Spending	\$36	\$43	\$788	\$1,470
Indirect Spending	12	14	262	489
Induced Spending	17	20	362	675
Total Spending	\$65	\$77	\$1,412	\$2,634
Increased Earnings	24	29	529	986
Increased Employment (FTE)	565	552	552***	552***
Fiscal Impact				
Sales Tax	\$1.9	\$2.2	\$39.7	\$73.4
Hotel/ Motel Tax	0.7	0.8	15.0	27.6
Excise Tax	0.5	0.6	10.7	19.7
Total	\$3.1	\$3.6	\$65.4	\$120.8
IRA-Allowed Tax Revenues	\$1.5	\$1.8	\$32.8	\$61.3
*From Arena, hotels, retail and restaurants alone.				
**Except for employment, which is shown in number of full-time equivalent (FTE) jobs.				
***Employment figures are not additive. The jobs simply continue to the following year.				
Source: Johnson Consulting				

The table clearly shows that the projected economic and fiscal benefits of developing the District far outweigh the tax revenue amount that is allowed by IRA to help support its development.