



AGENDA CITY COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

WEDNESDAY, DECEMBER 9, 2020

3:30 pm

**Electronic Meeting
ZOOM MEETING PLATFORM**

Electronic Meeting

(Pursuant to Iowa Code section 21.8)

An electronic meeting is being held because a meeting in person is impossible or impractical due to concerns for the health and safety of Commission members, staff and the public presented by COVID-19.

You can participate in the meeting and can comment on an agenda item by going to [https://zoom.us/meeting/register/tJcpf-2urjMpHNGLdz8LYq86RNsrRcRgvUyn](https://zoom.us/join/joinMeeting?meetingRef=93484608365) via the internet to visit the Zoom meeting's registration page and submit the required information

Once approved, you will receive an email message with a link to join the meeting. If you are asked for a meeting or webinar ID, enter the ID number found in the email. A meeting password may also be included in the email. Enter the password when prompted.

If you have no computer or smartphone, or a computer without a microphone, you may call in by telephone by dialing (312) 626-6799. When prompted, enter the meeting or webinar ID. The ID number for this meeting is: 934 8460 8365 .

Once connected, you may dial *9 to "raise your hand," letting the meeting host know you would like to speak. Providing comments in person is not an option.

AGENDA

1. Call to Order
2. Consider approval of minutes from the July 13, 2020 Economic Development Committee meeting
3. Discuss Tailwinds' proposal for historic preservation and redevelopment project on south side of 100 block of East College Street

4. Annual reports and consideration of budget requests from:
 - a. Englert Theater
 - b. FilmScene
 - c. Riverside Theatre
 - d. Entrepreneurial Development Center
5. Update: Small Business Resource Program, Erika Kubly
6. Update: Building Change program, Tracy Hightshoe
7. Staff time
8. Committee time
9. Other business

**MINUTES
CITY COUNCIL ECONOMIC DEVELOPMENT COMMITTEE
JULY 13, 2020
VIA ZOOM PLATFORM, 4:00 P.M.**

Members Present: Susan Mims, Mazahir Salih, John Thomas
Staff Present: Wendy Ford, Geoff Fruin, Eleanor Dilkes, Sarah Hektoen, Ashley Monroe, Rachel Kilburg
Others Present: Michael Sather, Brandon Smith, Josh Sherburne (Tailwinds), Kevin Monson Andrew Ballard (Neumann Monson)

RECOMMENDATIONS TO COUNCIL:

CALL MEETING TO ORDER:

The meeting was called to order at 4:04 P.M. Chairperson Mims welcomed everyone and asked those present to introduce themselves.

CONSIDER APPROVAL OF MINUTES FROM THE JANUARY 27, 2020, ECONOMIC DEVELOPMENT COMMITTEE MEETING:

Minutes from the January meeting were reviewed.

Salih moved to approve the minutes from the January 27, 2020, meeting as presented.

Thomas seconded the motion.

The motion carried 3-0.

Discuss Tailwinds' proposal for historic preservation and redevelopment project on south side of 100 block of East College Street:

Ford stated that it was last August that Tailwinds first came to the Economic Development Committee with a \$65 million project, for which they planned to request \$9 million in TIF from the City. At that time, Tailwinds was asked to refine their concept and to submit information supporting the project costs and the projected financials in order to determine a financial gap on the project. Ford noted since then, enough had changed from the initial concept that staff felt it would be a good to have Tailwinds explain the changes because, what had been a \$65 million project with a \$9 million TIF had changed to \$61 million project with a \$13.5 million TIF.

Brandon Smith with Tailwinds then joined the conversation to further clarify Tailwinds' proposal. He began by giving Members an overview of the project, noting its location on the 100 block of College Street downtown. He described the project, including the residential, commercial and retail, noting current and proposed tenants. He continued, further explaining where the changes came from and how they arrived at these numbers. Speaking to the goals of the original project, Smith noted the various aspects and what is contemplated, such as achieving landmark status for the ped mall facing buildings. Speaking to LEED platinum certification, Smith noted that they have been looking into achieving this in their project. The drop in overall project costs was attributed mainly to going to a steel structure versus concrete. The increase in space for Riverside Theatre also created some changes to the projected revenue stream.

Speaking directly to the TIF request and the public benefit of this ask, Smith noted the LEED platinum certification as a big positive. The project will include solar, a rain water management system, a green roof, electric vehicle charging stations, and an entryway garden area, to name a few. The Riverside Theatre portion of the project was addressed next, with Smith stating that the theatre's Board of Directors will be considering Tailwinds' letter of intent at their next meeting. Riverside is expected to occupy the entire third floor of the Crescent building, as well as the entire second floor, minus a storage area. The main floor will house the entryway, along with a ticket booth and kiosk. Smith described the historic preservation piece next, stating that the Historic Preservation Commission met in April to review the project. He added that three of the buildings were voted through without any problems, which allows them to move forward in this area. The affordable housing aspect was also addressed, with Smith stating that they do want to discuss this further with the Committee. He asked if there was a preference on providing the affordable with in certain portions of on-site, off-site and/or fee in lieu.

Smith then spoke to the timeline of this project, noting that they have been working on it for several years now. The first building was purchased in 2017, and since then they have been purchasing the remaining parcels. Looking ahead, Smith stated that they hope to get the financial review done by the City's third-party consultant and then move forward with a development agreement with the City, possibly having the TIF finalized in September. Wrapping up his presentation, Smith noted the local tenants that want to be a part of this project, as well as local contractors. He stated that their bank is also excited about the project, which helps the team keep the momentum going on this. Mims stated that she may have a conflict of interest regarding this and that she would need to discuss this with the City Attorney before contributing anything further, especially at the Council level. She asked the other Members to go ahead with any questions or comments. Thomas stated that his question would be in regards to the duration of the TIF. Ford responded, stating that she believes it would be between 17 and 20 years. Fruin also spoke to this, stating that they will have a more precise number after the analysis is performed. He did agree that it would be a longer time period than what they typically see. Thomas continued, stating that the project has gotten better in his view and that he believes the Riverside Theatre portion will be very valuable to the downtown. He also spoke to the LEED certification and how they might want to look at that when considering the financial picture. Regarding affordable housing, Thomas said that he would be in favor of exploring opportunities in the close-in neighborhoods. The Tailwinds team responded to Thomas' comments regarding LEED certification, noting that they have considered different levels. It was stated that this would be the first project in Iowa with LEED platinum for multi-family housing. Salih then spoke to the project, noting that it has many good aspects to it. She asked if the team could further speak to the affordable housing piece. She also asked why the increase in TIF at this point, adding that she would need to have more information before making a decision.

Fruin stated that the TIF policies adopted in late 2017 require a minimum of 15% affordable housing, for tenants at or below 60% of the area median income. He further explained what the policy entails and gave Members an example of a project – Augusta Place – where a combination of off-site and on-site affordable housing was accomplished. He asked Members for their thoughts on this. Mims asked if they would be needing a vote from the Committee today, and Fruin noted that a general consensus of the Members is all that is needed at this point, along with any concerns/comments they may have. Mims weighed then stated that she would be interested in looking at what the real differences are between the gold and platinum LEED certification and what it really means regarding features of the building. Regarding the affordable housing piece, she said would like to see a mixture of on-site, off-site, and potentially fee in lieu of. Thomas spoke to the affordable housing piece, as well, stating that he would like to see the real numbers before making any decisions. Salih noted that increasing the number of units downtown is one of their goals. She stated that she would like to know what the options are for

housing and what the developer can offer. The discussion turned back to the \$4 million increase in the TIF and how the LEED certification is affecting this number. Fruin further explained to Members how the certification works, and the Tailwinds team added further information regarding the point system. Smith then touched on Members' questions and concerns, trying to clarify further the increase in the TIF ask. Members stated that overall they are supportive of the project, but that further clarification of various aspects is needed. Fruin stated that staff will work with Tailwinds to get the information the Members have requested. He added that staff would like to go ahead and start the financial review with the consultant, and then begin to work with the City Attorney's office on the needed urban renewal amendments. Committee Members agreed that staff should move ahead with these steps at this point.

STAFF REPORT:

Ford noted that the urban renewal amendments are currently underway for the three industrial areas targeted for energy improvement projects. She also mentioned that they are getting ready to accept applications for the first-ever Climate Action at Work Awards. Winners will be announced at the virtual climate festival in September.

COMMITTEE TIME:

None.

OTHER BUSINESS:

None.

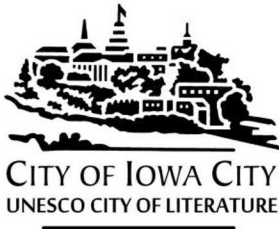
ADJOURNMENT:

**Thomas moved to adjourn the meeting at 5:10 P.M.
Salih seconded the motion.
Motion carried 3-0.**

**Council Economic Development Committee
ATTENDANCE RECORD
2020**

NAME	TERM EXP.	01/27/20	07/13/20																
Susan Mims	01/02/22	X	X																
Mazahir Salih	01/02/22	X	X																
John Thomas	01/02/22	X	X																

Key:
X = Present
O = Absent
O/E = Absent/Excused



CITY OF IOWA CITY MEMORANDUM

Date: December 7, 2020
To: Economic Development Committee
From: Wendy Ford, Economic Development Coordinator
Re: Tailwind Group Development

Introduction

The Tailwind Group has been working on a project for the south side of the 100 block of East College Street since they purchased their first building there in 2017. Now they own all the buildings from Martini's to what was most recently El Patron Restaurant, or 109 through 127 E. College Street.



The Tailwind Group is based in Mankato, Minnesota and specializes in the development, investment, acquisition, and management of properties across the country. They manage approximately 30 properties valued at more than \$500 million.

They envision an Iowa City project standing on five pillars of public benefit.

1. They would designate the Crescent Block and the Dooley Blocks as Local Historic Landmarks and make renovations and repairs to existing building exteriors and interior spaces (a third building in the project area, the College Block was listed on the National Register of Historic Places in 1973). Local Historic Landmark designation essentially guarantees the buildings will exist in perpetuity, maintaining a treasured character of the Ped Mall. Without this designation, developers would be free to demolish the buildings and by rights, rebuild any building that would comply with the zoning code.
2. They would activate a block of the ped mall by “right-sizing” large spaces to allow small businesses to economically occupy storefronts. The Crescent Block/Union Bar commercial space will be reduced by more than 50% by eliminating the rear half of the

building and separating the second-floor space that was a part of the bar. The first-floor space will become two smaller commercial spaces of approximately 1,700 square feet. The Dooley Block/Field House will also be reduced by 50% with the removal of the rear half of the building. The goal is to attract businesses that would be open both during the day and into the evening. For decades, this block of College Street was home to two of the largest college bars in the state. While business was brisk at night, lights were off, and doors were locked during the day making for an unnecessarily quiet section of the Ped Mall. The Union Bar was open until March and the old Field House bar had been shuttered for years because the space was simply too large. New tenants in the Union Bar building are not yet determined, though discussion is underway with at least one restaurant. Drinking establishments will not be allowed in this space. A Brewery/Restaurant is planned for the former Field House location.

3. In support of the effort to make Iowa City the Greatest Small City for the Arts, they would build a new home for Riverside Theatre with lobby area, seating, and a stage on third floor and offices, a shop and storage on the second floor of the Crescent Block, the former Union Bar building. The theater box office and entryway would be featured in the former Soap Opera store entry on the first floor. The third-floor state-of-the-art theater facility will evoke of those of larger metropolitan cities, where theaters find homes on upper floors of older buildings filled with character and charm. While the Developers' steeply discounted rent for the theater creates a greater financial gap in the project, city support for arts and cultural resources has great precedence. Capital expenses such as these are similar those the City has supported for the Englert, FilmScene, and PS1 and they help create the foundation for one of the strongest art scenes in the nation for a city of our size.
4. A significant part of the redevelopment would be the addition of a new 102-unit multi-family building to the south, or behind the existing buildings along the alley. To make way for the new building, portions of the old buildings would be demolished. The new building would be built to be LEED Gold certified and house apartments on nine floors over two floors of parking with a building height matching the hotel next door. Developers sought the attractive combination of a LEED Gold certified building and the preservation of the existing buildings to ensure future generations enjoy the historic nature of this block while providing highly energy efficient new housing in the city center. TIF policies require a minimum of LEED Silver certified with at least 8 points awarded for the LEED NC Optimize Energy Performance credit to ensure TIF projects help meet the city's carbon emission reduction goals.
5. Developers of housing granted TIF are required to provide 15% of the units as affordable housing at or below the 60% AMI level by one of three methods to help the City reach affordable housing goals. They can provide those units on site, off site, pay a fee in lieu or use a combination of these options to meet the requirement. Using feedback from the EDC, Tailwind has proposed to pay the fees in lieu, which for this project will amount to more than \$1.8 million. For the 102 units, the developer would be required to pay \$112,853 for each of the 16 required affordable units.

History/Background

In August 2019, The Tailwind Group first shared ideas they had for the redevelopment project with the Economic Development Committee (EDC) as a \$65 million project, for which they planned to request \$9 million in TIF from the City. Elements of the project included a proposed LEED Silver certification for the new building and an as-yet unresolved method of providing affordable housing. They received favorable comments from the EDC and were asked to refine their numbers, determine how they would incorporate the affordable housing requirement and prepare for the City's due diligence process substantiating the \$9 million need.

In July 2020, The Tailwind Group returned to the Committee having made many refinements to the project including a reduced total project cost of \$61 million and a higher \$13.5 million TIF request. Some costs had decreased -- the less expensive building material of steel versus concrete construction but more had increased. The developer had sensed the strong appeal for LEED certification and now proposed LEED Platinum for the new building. They had also designated more space with a more complete build out for the theater. Those costs coupled with the higher operations costs of providing discounted lease rates of more space to the nonprofit also added to the expense. The cost of providing the affordable housing component had also not been fully accounted for in the first presentation and still needed further refinement.

Since July, staff worked with the developer to address questions posed by EDC members. One concern was the hefty increase in cost from LEED Silver to LEED Platinum between the first and second presentations. Developers and their architects re-examined those costs and were able to reduce them significantly by going from Platinum to the now proposed LEED Gold certified, still exceeding TIF policy.

There had also been discussion about which method developers would use to comply with the Affordable Housing requirement. While one EDC member liked the idea of the developer providing a mix of on- and off-site affordable units, two others liked the idea of increasing affordable units in the near downtown, an idea that could be realized by using funds generated by fees in lieu. The Tailwind Group has since expressed a desire to use the fee-in-lieu option generating \$1,805,648 for the affordable housing fund. Should they have opted for it, alternative off-site units for this developer would have been located at their other Iowa City property, the Quarters, south of Highway 6 east.

Developers also shared ideas for the re-use of 111 E. College St. (former Sears/Field House). They had been working with local restaurateur and brewery operator, Jim Mondanaro on the expansion of the Reunion Brewery to this location. Incorporated into the space would be a five-vat brewery complementing Reunion's other two brewing locations. Most of the brewery/restaurant revenues would come from restaurant operations offering a full menu all day, every day. Hours of operation would begin before noon and close late on weekends ensuring an active street front. To facilitate the later hours proposed by the operator, staff is working with the Iowa City Downtown District on a proposal that would allow some eating establishments that meet

certain operating and management requirements to stay open past midnight. Such a proposal is expected to come before Council in January.

The use of first floor commercial space in the redevelopment includes a new tenant for 127 E. College (Martini's), a new tenant or tenants in the "right sized" space in the east half of the Crescent Block (Union Bar) which will not be drinking establishments, the return of Revival Clothing to 117 E. College, a possible new tenant for 115 E. College (Graze) and a new tenant in 109 E. College St. (El Patron). Four existing one-bedroom apartments will remain on second floor of 127 E. College, two one-bedroom apartments will remain on second floor at 115 E. College and four one-bedroom apartments will be built on the second floor of the 121 E. College.

Financial Analysis

In September, the City contracted with the non-profit National Development Council (NDC) to review and assist in the financial gap analysis of the proposed TIF project. Tom Jackson, an NDC Director, led the effort and a letter detailing his review follows. The "gap" is determined by review of total project costs minus permanent debt and equity sized to a reasonable return. Total project costs include acquisition, renovation costs, construction costs, and fees which are reviewed to ensure they are reasonable. After that, NDC does an analysis of a 20-year operating proforma challenging developers' assumptions and looking at how the amount of permanent debt is determined including lender underwriting criteria and whether returns to the developer are reasonable. Net operating income is evaluated, challenged if necessary and used to determine the fair market value, the key to determining loan maximization and taxable value.

In summary, total development costs for the project are \$54.4 million, permanent debt is \$35.8 million and required equity is \$11.6 million leaving a \$9 million gap to be filled with a loan, which would be supported by TIF rebates. The breakdown is further detailed in Mr. Jackson's letter, following this memo and the project description.

Proposed TIF funding

Guided by the NDC report, staff negotiated with the developer for a maximum of \$12.25 million in rebates over 15 years to service the gap loan they will need to get the project built. The first 8 years of rebates would be 100% of the tax increment created by the increase in value of the project properties (the tax increment is the total property taxes paid less current base taxes and protected levies). The final 7 years of rebates would be equal to 75% of the tax increment created by the increase in value.

The reduction in TIF rebates from 100% to 75% in year 9 means that 25% of the new property taxes will be added to the base taxes flowing to the city, county, and schools. It is also important to note that should the rebates fall short of \$12.25 million over 15 years, that risk is the developer's.

Conformance with TIF Policies

The Developer has paid close attention to the TIF policies updated in November 2017 and summarized below:

1. Sustainability: New construction must be certified LEED Silver with 8 points from the energy optimization category.
 - a. The developer is building the new building to be LEED Gold certified and will earn at least 8 points from the energy optimization category.
2. Downtown building heights and character: Projects must indicate how the proposed project will help “to preserve and enhance the historic buildings and character of Downtown, while encouraging appropriate infill redevelopment with a mix of building uses.” For a proposed project which would be located on a street with a substantial number of buildings eligible for historic landmark designation, the tallest portion of the project must be stepped back from its street frontages far enough to produce “no significant impact” on the existing historic character of the street fronts when seen from the public right-of-way.
 - a. Every street facing building will be designated a Local Historic Landmark, maintaining the historic storefronts and buildings in perpetuity.
 - b. Existing building’s storefronts will be rehabilitated in a historically appropriate manner.
 - c. The new building will be set behind the old buildings far enough to either not be visible or have no significant impact on the historic character of those in front.
3. Projects must provide exceptional public benefit by going beyond what is required by other sections of the policy, and which advance the City’s vision of fostering a more inclusive, just, and sustainable city.
 - a. The developer is exceeding the sustainability policy by going with LEED Gold certified.
 - b. The developer is providing below market rate rent for a non-profit Iowa City cultural institution that will foster a greater diversity of downtown activity and patrons.
4. Affordable housing: TIF projects in any urban renewal area with a residential component must provide a minimum of 15% of the units as affordable to tenants at or below 60% AMI (area median income). Developers may be eligible to negotiate a fee-in-lieu of providing on site affordable housing, or to provide affordable housing elsewhere in the community, subject to the City’s sole discretion.
 - a. The developer proposes paying the fees in lieu which will amount to more than \$1.8 million to be used in a program to be presented with the 2021 Affordable Housing Plan.
5. Economic Justice: The City will not contract with or provide any economic development incentives to any person or entity who has participated in wage theft by violation of the Iowa Wage Payment Collection law, the Iowa Minimum Wage Act, the Federal Fair Labor Standards Act (FLSA) or any comparable state statute or local ordinance, which governs the payment of wages.

- a. This commitment will be confirmed and memorialized in the development agreement.

Procedural Steps

This project was amended into the City-University Project 1 Urban Renewal plan on October 6, 2020 enabling City Council to consider it for TIF financing.

The Historic Preservation Commission reviewed and conditionally approved an application for a Certificate of Appropriateness for demolition of rear structures, alteration of storefronts, rehabilitation of façades, and a new addition on November 12, 2020. The condition for granting the Certificate of Appropriateness was that the Historic Landmark Designation must first be completed.

The Historic Preservation Commission has reviewed the application for rezoning to Local Historic Landmark Designation, however, the developer has requested the third reading be deferred to January 5, 2021.

The Board of Adjustment will be considering a special exception for a reduction in required parking on Dec. 9, 2020.

Recommendation

Staff recommends EDC recommend proceeding to City Council for consideration of a Development Agreement for the project as described above.

EAST COLLEGE STREET DEVELOPMENT

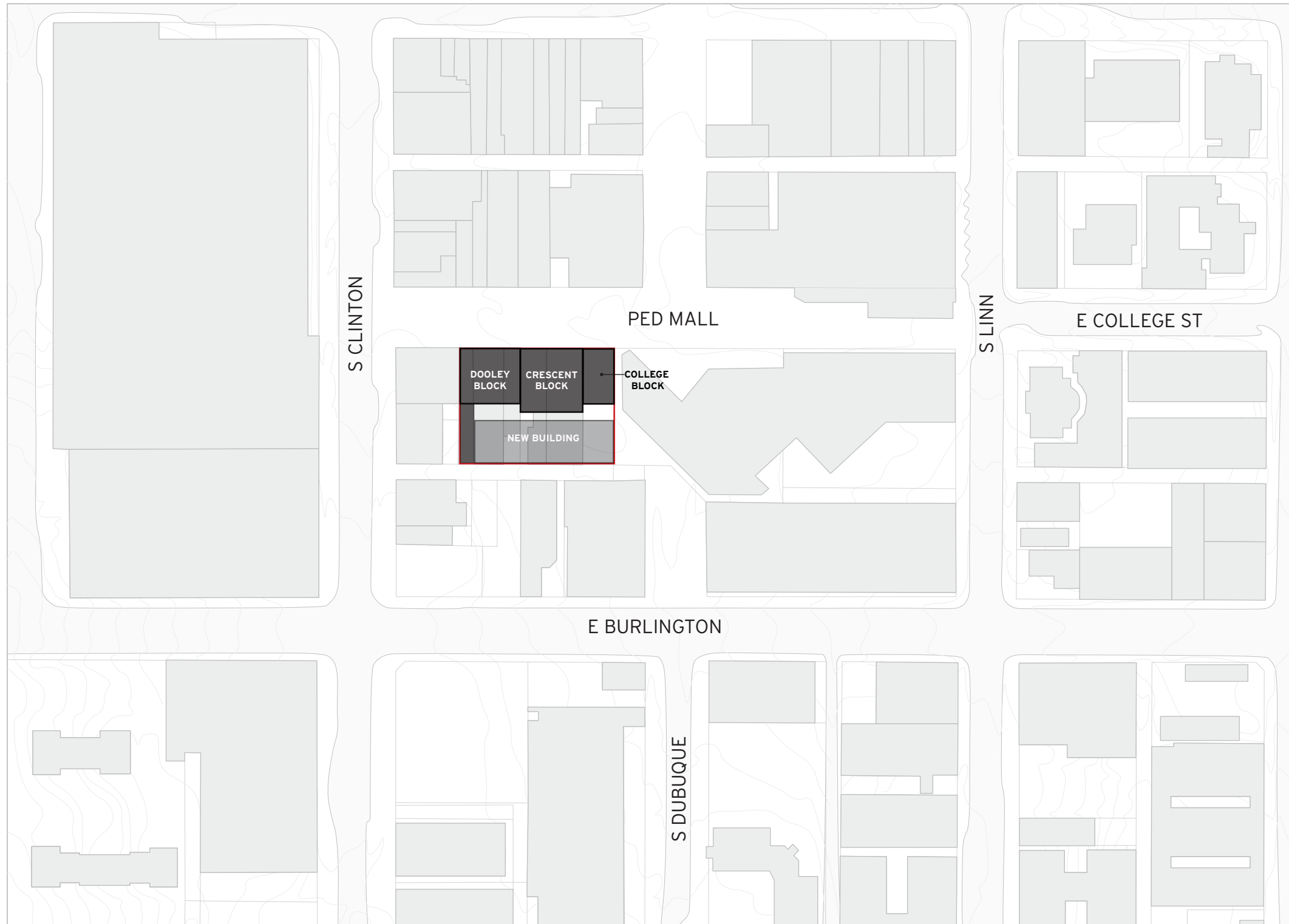
TIF APPLICATION SUPPLEMENT

TAILWIND GROUP

APRIL 30, 2020

CONTENTS

1. OVERVIEW
2. KEY OBJECTIVES
3. PED MALL FACADES
4. EXISTING & PROPOSED
5. NEW BUILDING IMPACT



Fulfill Master Plan Vision

Designate Local Historic
Landmarks

Activate Ped Mall with
Small Businesses

Provide Exceptional Public Benefit

Devote Crescent Block
3rd Floor to Non-profit
Arts Organization

Match New Building Height
to that of The Graduate

Promote Environmental Sustainability

Achieve LEED **Silver** *

Reuse Existing Buildings

Densify Downtown

** after exploring
LEED Silver &
Platinum, LEED
Gold was
ultimately decided
upon.*



1910



1933



1925



1965

NEUMANN MONSON ARCHITECTS

TAILWIND | EAST COLLEGE STREET DEVELOPMENT

18.114

APRIL, 2020

PED MALL FACADES

COLLEGE BLOCK CRESCENT BLOCK DOOLEY BLOCK



Return to Montgomery Ward era ground floor & 2nd floor configuration

Update entry for accessibility.

Conduct minor repairs to Sears & Roebuck era facade, including replacement of lost decorative elements

Proposed



Existing

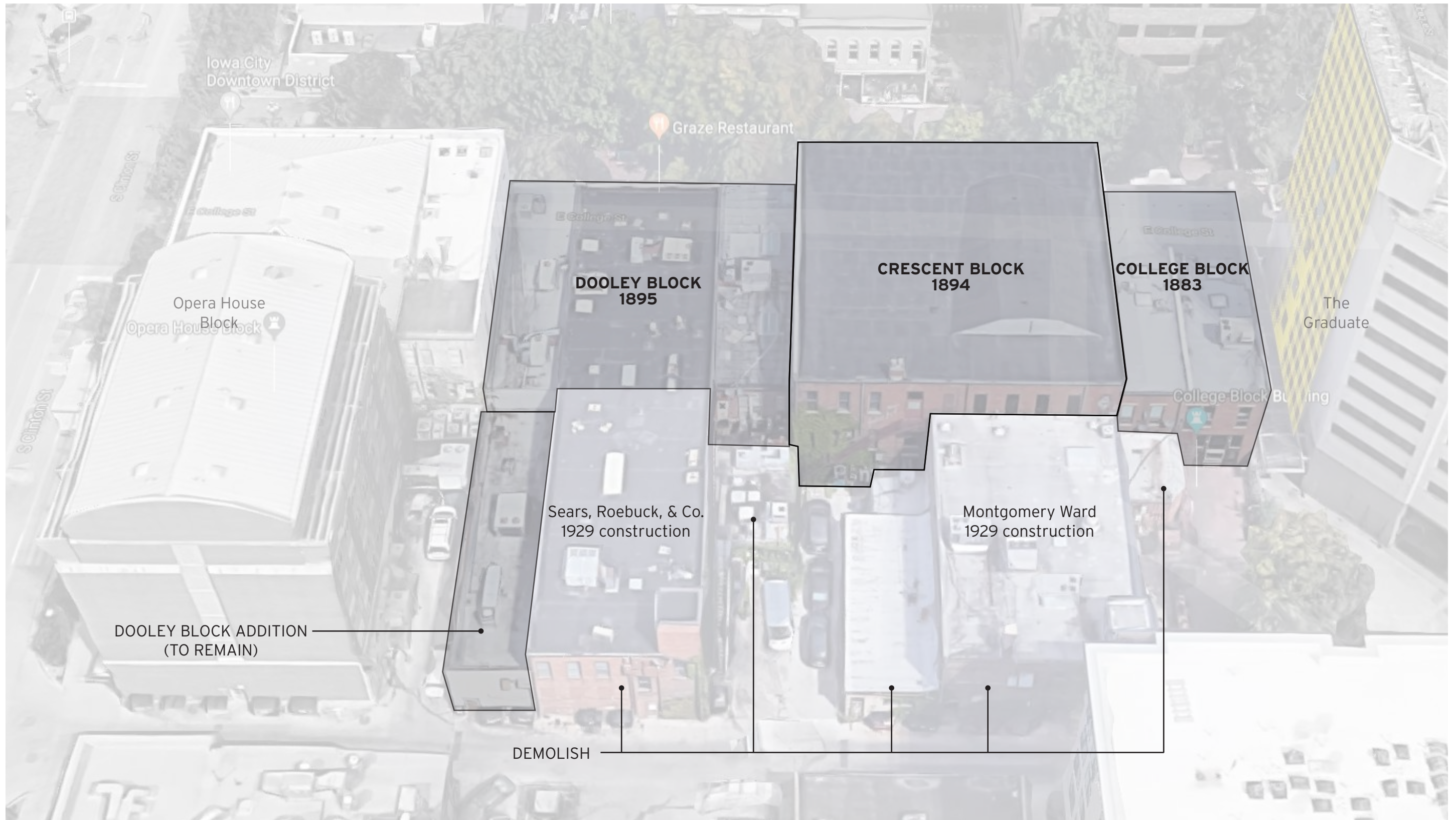
NEUMANN MONSON ARCHITECTS

TAILWIND | EAST COLLEGE STREET DEVELOPMENT

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APRIL, 2020

PED MALL FACADES



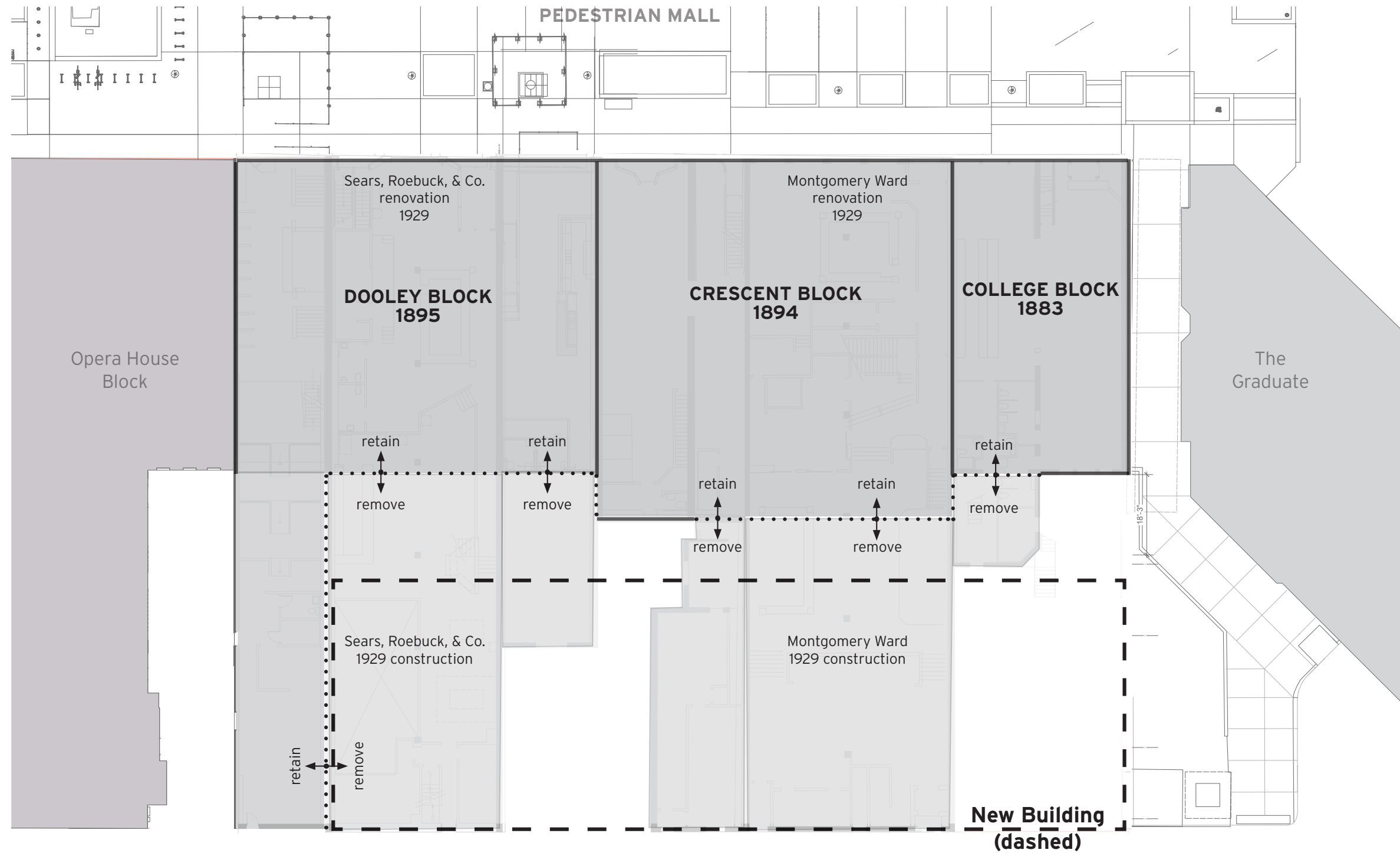
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TAILWIND | EAST COLLEGE STREET DEVELOPMENT

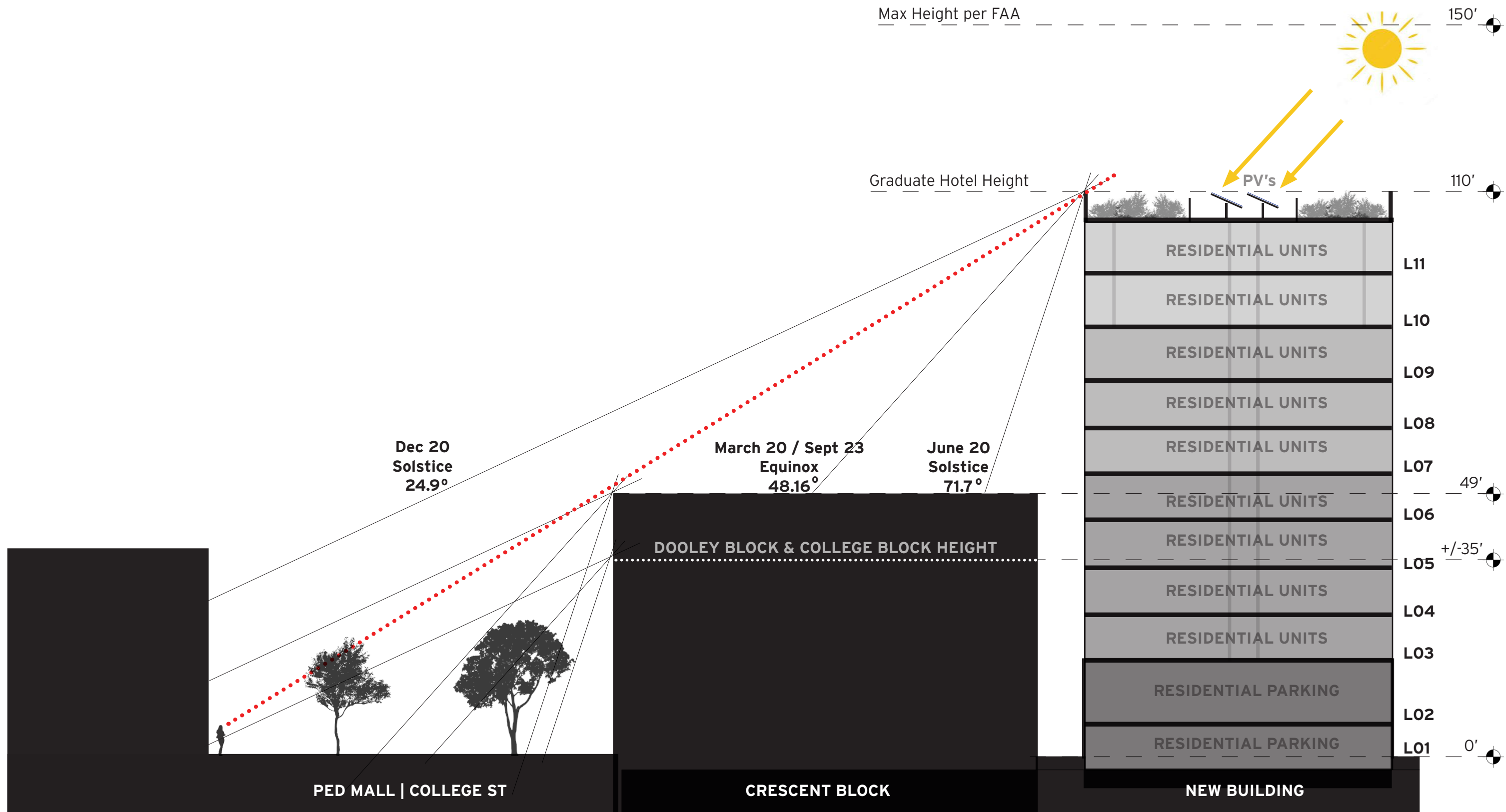
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APRIL, 2020

EXISTING - FROM SOUTH







NEUMANN MONSON ARCHITECTS

TAILWIND | EAST COLLEGE STREET DEVELOPMENT

18.114

APRIL, 2020

NEW BUILDING IMPACT

Iowa City
41.6611 N, 91.5302 W



1 View from Weatherdance Plaza

New building shown for massing purposes only



2 View from across E College

New building shown for massing purposes only



3 View from intersection with S Clinton

New building shown for massing purposes only



NEUMANN MONSON ARCHITECTS

TAILWIND | EAST COLLEGE STREET DEVELOPMENT

18.114

APRIL, 2020

NEW BUILDING IMPACT



NDC Headquarters

One Battery Park Place
21 Whitehall Street, Suite 710
New York, NY 10004
(212) 682-1106

MEMORANDUM

Date: December 4, 2020

To: Geoff Fruin, City Manager
City of Iowa City

From: Tom Jackson, Senior Director, National Development Council
Sheldon Bartel, Director, National Development Council

Cc: Wendy Ford, Economic Development Coordinator, City of Iowa City

RE: Review of Request for Financial Assistance for Tailwind East College Street Project

At your request, NDC has reviewed the materials submitted by the Tailwind Group (the “Developer”) in support of its request for gap financing in an amount up to \$12.25 million for a mixed-use development located at 109-127 East College Street in downtown Iowa City. The Tailwind East College Street Project (the “Project”) proposes to:

- Demolish the rear, south-facing portions of five of the buildings on the project site to accommodate the new construction of a 102-unit, student housing tower comprised of nine floors of residential units over two levels of structured parking.
- Rehabilitate the remaining portions of the historic, north-facing buildings on the pedestrian mall for continued retail/restaurant/office use and for ten (10) upper-level residential units.

NDC reviewed the Developer’s initial submissions to the City and both parties have exchanged questions and documents by video conference, email, and electronic transfer over the past nine weeks. The Developer has updated its assumptions and projections on the Project’s development costs and operating revenues and expenses with appropriate detail as additional information has become available, and in response to requests from NDC.

The Developer has provided the following documentation to support its request for rebates on some or all of the incremental property taxes projected to be paid by the Project (Tax

Increment Financing - or TIF - rebates) and NDC's analysis of the request:

- A Development Budget based on:
 - Architectural designs by Neumann Monson Architects of Iowa City. The designs are projected by the Developer to be fully complete by the second week of December 2020.
 - Detailed construction estimates provided by Knutson Construction of Iowa City with headquarters in Minneapolis, Minnesota. Knutson will serve as the General Contractor for the project.
 - Purchase and lease buyout agreements for the five property acquisitions that make up the Project site. An appraisal, prepared by Appraisal Associates Company of Cedar Rapids, Iowa, and dated February 11, 2020, was also provided for the building at 127 East College.
 - An allowance for the payment of a fee in lieu to the City's affordable housing fund in the amount \$115,000 for 16 units to comply with the City's 15% affordable unit requirement for projects requesting TIF assistance. The fee is adjusted to an amount above the current \$112,853 per unit requirement in anticipation of 2021/2022 adjustments to the fee.
- An appraisal report for the as-complete project with an effective date of valuation of August 20, 2020, prepared by CBRE of West Des Moines, Iowa.
- The Developer's 20-year proforma statement of annual operating revenues and expenses (the Proforma).
 - The as-complete appraisal substantially verifies the Developer's submitted revenue, expense, vacancy, and valuation assumptions.
 - Projected average commercial rents fall slightly below the appraiser's opinion of prevailing rates given plans to lease approximately 30% of available space to a non-profit at less than 50% of the market lease rate.
- A preliminary term sheet from GreenState Credit Union of North Liberty, Iowa, dated May 21, 2020, that outline rates, maturities, underwriting criteria, and other requirements for the construction, senior and gap debt.
- An analysis of current (base) property taxes and projected property tax estimates prepared by Ryan LLC of Chicago, Illinois, as well as appropriate records from the Johnson County Assessor.

While the design of the project is substantially complete and the provided construction estimates are detailed, final construction and rehabilitation costs have not been set in a guaranteed maximum price contract at this time. Likewise, final terms for the combination construction and permanent (senior) loan and the gap loan that would be supported by the requested TIF rebates have not been finalized. Finally, the Developer has indicated that additional discussions with Iowa's State Historical Preservation Office on eligibility for federal and state Rehabilitation Tax Credits (RTCs) are necessary and may involve some design changes on the mixed-use, pedestrian mall buildings.

Given the information available at this time, the project's sources and uses are projected as follows:

Total Project Costs	\$56,442,814
Sources	
Senior Bank Loan	\$35,800,000
Gap Loan (TIF Rebate Supported)	\$9,000,000
Required Developer Equity	\$11,642,814
Total Sources	\$56,442,814

To make the project economically feasible, the Developer has requested:

- A maximum of \$12.25 million in TIF rebates over a period of up to 15 years; with,
 - 100% of available increment (i.e., total property taxes paid less current base taxes and protected levies) in Years 1 through 8 of the Project's operations; and,
 - 75% of available increment for years 9 through 15.

NDC's analysis of the documentation, estimates and projections the Developer has presented for the Project to date, and NDC's projection of the property tax increment available for rebate, indicates that the requested gap financing assistance is reasonable for the following reasons:

- The amount of projected senior bank debt attracted to the deal has been maximized given the projected operating proforma, historically low interest rates, a reasonably long (30-year) amortization period, and assumed underwriting criteria (1.20 debt coverage ratio, 80% loan to value) that are favorable to the project.

- The loan amount is also favorably influenced by the appraisal report's strong capitalization rate of 5% for the Project's proposed mix of student housing, rental apartments, and commercial space.
- The proposed loan amount exceeds NDC's projection of debt capacity by just over \$800,000.
- The TIF rebate-supported gap loan, at \$9,000,000, is also maximized given the projected available increment, which falls short of covering the loan cost over 15 years.
- At \$11,642,814, the amount of developer financing (equity comprised of donated property and cash) required to meet the project's needs is impacted by, and supports projected returns, as follows:
 - The required equity is not significantly off-set by the budgeted developer fee of \$500,000, or approximately 1.1% of depreciable costs less acquisition.
 - The Developer has set the contingency at approximately 2.5% of construction costs, has not budgeted a soft cost contingency, and budgets less than one month of operating expenses and debt service for operating reserves. Both the contingency and reserve budgets will need to meet senior lender requirements, which may in turn require additional equity contributions.
 - Provides a cash-on-cash return (annual cash flow before taxes ÷ developer financing) of 1.74% in Year 1, which rises to 3.7% in year 8 before falling below 3.0% in Year 9 given the reduced TIF rebate percentage. These numbers provide slim margins in the early years of the project given risks of higher operating costs and lower occupancy rates and rents.
 - Provides an internal rate of return (IRR) of 6.09% assuming a sale of the property in Year 16. The IRR is calculated by combining and discounting the projected cash flow, tax, and appreciation benefits of the project.
 - An IRR of 6.09% is well below the desired returns of most investors looking to proceed with a project given predevelopment, construction, and operating risks. The historical strength of student housing projects does attract investors at rates of return below those for other types of projects.
 - The possibility of the need for additional equity if construction costs, contingency budgets, reserve requirements or financing costs rise would have the impact of lowering the Developer's IRR over the projected holding period.

- Faster escalation of the Project's valuation increases, currently averaged at 2% per year, would increase the amount of TIF rebate available. It would also increase the Developer's IRR and, as the percentage of rebate falls in Year 9, the City's collection of incremental taxes. Given NDC's conservative assumptions, the total rebates will fall short of the maximum of \$12.25 million by over \$2 million at the end of 15 years.
- The benefit of federal and state Rehabilitation Tax Credits (RTCs) is currently estimated at 35% of the maximum that would be available if all the historic building rehabilitation was eligible. This percentage is higher than the Developer's current estimate and may not be attainable given unresolved approvals and regulatory limits on building by building eligibility where the cost of rehabilitation is less than recent acquisition costs. Any success by the Developer in significantly exceeding the 35% estimate will increase the projected IRR substantially.

Conclusion: The documents, discussions and responses presented by the Developer in support of its request for a rebate of up to \$12.25 million of available incremental property tax payments, as outlined in more detail above, demonstrate that the requested assistance is reasonable. The assistance will help to avoid financing gaps that could make the Project economically unfeasible and unlikely to proceed and do not unduly enrich the Developer. If, prior to approval of any City assistance, Project costs or market conditions vary substantially from what the Developer has projected and NDC has reviewed, NDC will reexamine this evaluation as requested.



November 16, 2020

Economic Development Committee - City of Iowa City Council
Attn: Wendy Ford, Economic Development Coordinator
City of Iowa City
410 E. Washington Street,
Iowa City, Iowa 52240

Dear Council members Mims, Salih, and Thomas,

The ICDD would like to share our enthusiastic support for the East College Street Development proposal by the Tailwind Group. The project supports several high priority public benefits for the City in a creative approach to historic preservation and sustainability. At the same time, the project will finally address underutilized properties on the pedestrian mall and we believe, bring them back to life.

Specifically, the project meets the following City and ICDD strategic goals for downtown:

- It will provide a mix of new housing and renovated commercial and cultural uses that will add additional vitality to the downtown area, including 102 new housing units, 6 renovated commercial bays, and a non-profit arts organization;
- It permanently preserves the historic elements of the urban renewal era and honors the origins of these historic buildings;
- It provides a new community arts space for Riverside Theatre, enhancing its opportunity for success in a new location that strengthens the cultural draw of downtown;
- The development will meet exceptional environmental standards with a LEED Gold certification and adaptive reuse principles;
- Demonstrates positive City and private investment in the City center that strengthens walkability, sustainability, and a healthy tax base for the entire community; and finally
- Supports a catalytic opportunity for long term downtown business COVID recovery.

We recognize that the project's approval will depend heavily on the City's investment in the project by way of Tax Increment Financing (TIF). This project is a great candidate for TIF since:

- the public benefit to the City is high;
- the history of payback to the City on TIF investments downtown has been successful to date; and
- the City's investment will be the last dollars "in" to address a confirmed financial "gap."

As the City negotiates the final approval and staging of the project, the ICDD would like to advocate for a mandated communication plan between the general contractor and area ICDD businesses to ensure a

smooth construction process. The process utilized for the Washington Street and Ped Mall reconstruction was very productive and could be a model.

The project is planned to be staged along the alley behind the old Mill between the Graduate Hotel and Clinton Street, which is currently a busy thoroughfare for service delivery. To ensure deliveries, parking, and other business access, we recommend the project developer work with the ICDD to develop communication protocols. Further, we ask that all construction workers be required to park in public ramps and off of the construction site to free up as many parking opportunities for customers as possible. The number and duration of meter hood permits should be kept to a minimum.

Thank you for your consideration of these comments. We are extremely excited about this project, its approach to preservation, sustainability, activating the College Street section of the pedestrian mall to its fullest, and the mix of proposed uses. These are critical ingredients of vibrancy and successful public private partnerships. We hope you'll support the Tailwind Group move forward to City Council.

Sincerely,

Karen Kubby and Michelle Galvin

ICDD Legislative Committee co-chairs



November 23, 2020

Economic Development Committee – City of Iowa City Council
Attn: Wendy Ford, Economic Development Coordinator
410 E. Washington St.
Iowa City, IA 52240

Dear Council Members:

Think Iowa City, the Iowa City/Coralville Area Convention & Visitors Bureau, is excited and very supportive of the East College Street Development proposal by the Tailwind Group. The combination of historic preservation along College Street and the addition of urban living units with modern amenities is the kind of foreword creative visioning that separates Iowa City from the rest.

The opportunity for Riverside Theatre to move into the space creates an additional destination to anchor arts, culture, and placemaking within the Ped Mall. This may serve as a catalyst for additional activity to further serve Downtown Iowa City as a premier destination for entertainment and livelihood.

Thank you for continuing to explore projects and opportunities that increase the vibrancy of our community.

Warm regards,

A handwritten signature in black ink, appearing to read "Josh Schamberger". The signature is fluid and cursive, with a large loop at the end.

Josh Schamberger, President
Think Iowa City – The Iowa City/Coralville Area Convention & Visitors Bureau

Date: December 4, 2020
To: Economic Development Committee
From: Wendy Ford, Economic Development Coordinator
Re: Agenda item #4
 Annual updates and request for continued funding from Englert Theater, Film Scene, and Riverside Theatre and the Entrepreneurial Development Center

Introduction

The City has provided financial support for several organizations over the years that align with stated Strategic Planning Priorities. Each year, we invite the leadership of these organizations to provide an update on their operations and offer information supporting a request for continued financing. Today you will hear from 3 non-profit arts organizations and an entrepreneurial development organization.

History

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	Proposed 2022
Englert Theater & Mission Creek +	50,000 9,000	50,000 9,000	50,000 12,500	70,000 12,500	70,000 20,000	50,000 20,000	50,000 20,000	50,000 20,000	50,000 20,000	50,000 20,000
Film Scene & ReFocus Film Festival			35,000	25,000	15,000	25,000	25,000	25,000	25,000 7,000	25,000 7,000
Riverside Theatre	30,000	25,000	20,000	\$0	16,500	15,000	20,000	20,000	20,000	20,000
Entrepreneurial Development Ctr.			25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000

Highlights

Englert Theater is requesting \$50,000 for the operation of the theater and \$20,000 for its signature festivals for FY22 and a request for intent to budget the same amount for FY23 and 24. The City has supported the theater since it was purchased and renovated in 2004, saving Iowa City’s last historic theater. In 2009, the City began annual assistance in the amount of \$50,000. For two years, the City provided an additional \$20,000 in matching grants for capital improvements.

While nobody would call it serendipity, the timing of the pandemic and resultant closing of the theater was such that long-planned historic renovations could proceed without having to interrupt a full programming schedule. Construction and rehab include roof repair, interior brick work, façade and window preservation, second floor renovations and the full restoration of the iconic Englert marquee. The City’s commitment to the capital campaign for this project was \$1 million and will feature the complete restoration of the marquee.

The pandemic’s impact to revenues has required a reduction in staff, reduction in wages for remaining staff and other expenses, and focused the work of staff on efforts regarding Diversity,

Equity and Inclusion. The Englert strives to help Iowa City feel like a home for everyone who lives here. See *Inclusion Work* in the Englert report to follow.

Festivals operated by the Englert have gained national attention, enhancing Iowa City's position as a well-known creative hub of music, literary, and culinary arts. Both Mission Creek Festival and the Witching Hour have hosted thousands of people in multiple locations in and around downtown, featuring hundreds of performers, many of whom were Iowa-based. Mission Creek provides a venue for Iowa artists to be exposed to national attention and for nationally recognized artists to gain an Iowa audience while the Witching Hour, a relatively young festival, is dedicated to the creative process, exploration of the unknown and the presentation of new creative works. Between the two, the resulting coverage increases Iowa's presence in the national scene and Iowa City as the cultural center of the upper Midwest. For the festivals, the Englert is requesting the same amount, \$20,000, as recent years.

There is broad support from businesses and our non-profit community, local radio stations, media and the University of Iowa. Notably, local restaurants are very strong contributors, an indicator that these festivals are good for their bottom lines. With such broad community support, a growing program and increasing notoriety the festival's influence reaches well beyond our region.

In January 2019, the EDC approved a request to fund both Englert and Mission Creek at \$50,000 and \$20,000 respectively for FY21 with an intent to budget the same in FY22 and 23.

Film Scene, Iowa City's own independent downtown movie theater is requesting \$25,000 in funding for FY22 and requests the City budget \$30,000 in FY23. Since opening in late 2013, Film Scene has become a mainstay in the arts and culture scene in Iowa City. When the corporate theaters closed years ago, an entertainment void remained at a time when alcohol consumption downtown had become problematic. Film Scene opened in a historic building that had most recently been home to one of Iowa City's largest college bars.

Film Scene is struggling through the pandemic as are all arts entities. A new film festival, **ReFocus** was planned to happen this past year, but was cancelled due to the pandemic. Plans are to hold the festival post pandemic and Film Scene requests that the \$7,000 approved last year for the festival but never expended, be approved for FY22 if the festival can be held.

In October 2019, the EDC approved a request to fund Film Scene and the new Refocus Film Festival at the requested amounts for FY21 with an intent to budget the same in FY22 and 23.

Riverside Theatre (RT) is also requesting a continuation of last year's funding amount of \$20,000. The theater has been a staple of the cultural scene in Iowa City for more than 30 years. As the pandemic besieged the nation, RT had to consider a lease renewal with higher expenses at their longtime home in the Gilbert Street location and how to continue delivering live theater to its patrons. Simultaneously, the Tailwind Group presented an opportunity to become an anchor in the College Street redevelopment and plans began to take shape for a new home. Solving two problems at once, and currently "homeless" the new RT is in design development with Tailwind and virtually streaming live theater, keeping patrons safe while enjoying live theater.

For more than 30 years, the theater has offered year-round programming and a run of Shakespeare in the Park on the Festival Stage in Lower City Park since 2000. For several years, Riverside has made the outdoor Shakespeare in the Park available to all at no charge. The City has a long history of helping to ensure this cultural asset remains strong. RT will continue to offer Shakespeare outdoors on the Festival Stage for free. The free outdoor event helps to build theater audience and awareness of the theatre's now full year of indoor productions. The public benefit of offering free theater on a public stage in lower City Park benefits parts of the community where theater is in accessible and doubles as a strategy to benefit RT's financial stability.

In January 2019, the EDC approved a request to fund Riverside Theatre at the requested amounts for FY21 and an intent to budget the same in FY22 and 23.

Entrepreneurial Development Center, Inc. more familiarly known as EDC, Inc. was founded 17 years ago with a mission to improve the economic vitality of the region through the creation and growth of high-impact, scalable entrepreneurial businesses. While based in Cedar Rapids, they serve businesses on both ends of the I-380 corridor and have success stories to tell of Iowa City businesses they have helped.

Their work focuses on enabling high potential businesses to grow and thrive. Curt Nelson, President and CEO, has developed a "recipe for business success" which EDC uses in guiding business growth. In the recipe, there are six ingredients: marketing, development, sales, operations, information technology and finance. EDC's approach is to ensure that clients have the right amount of each. They gain an understanding of the client's needs and provide expertise by building strategic networks for their clients. They are also well connected to financial resources for their clients.

Entrepreneurship continues to grow in the U.S. and cities that welcome entrepreneurs stand to gain new employers, new employees and the economic benefits they bring. Iowa City has spent the last several years building a community that fosters entrepreneurs. We assisted in getting the CoLab started and have followed that with strong support of MERGE. These operations have proven critical to early stage support to some very successful, highly scalable companies.

Fostering a culture of entrepreneurship takes a lot of effort from a lot of organizations -- ICAD, the UI Small Business Development Center, the City, the Chamber, regional collaborations and organizations such as EDC, Inc. to provide the support necessary to a healthy and growing entrepreneurial community.

The EDC is requesting continued funding in the amount of \$25,000 for FY22.

Recommendation

Staff recommends budgeting the requested amounts for FY22 and considering budget requests for FY23 and 24 as requested.



May 20, 2020

UPDATED: December 4, 2020

Economic Development Committee:

We are grateful for your continued support of The Englert Theatre. Your commitment to our organization enables us to contribute to the ongoing cultural, economic, and socially equitable evolution of Iowa City.

This report includes a request for continued funding, an update on Englert operations, as well as a statement re: our status during the Covid-19 crisis.

FY 2018-19 served as important building years as we continue to transform The Englert into a leading arts organization in our region and nation. FY 2020 began on such robust footing and promised to be a wonderful year, but, like other organizations in this area, we are fighting to secure our future in the midst of the economic fallout from the pandemic. We are cautiously optimistic that we will sustain through this difficult period and continue to serve as a beacon of community and shared cultural and economic prosperity in Iowa City.

Consistent with past commitments from the City of Iowa City, we request approval of a \$70,000 contribution (including \$50,000 general operational support and \$20,000 festival support) for FY 2022 and the following two years: 2023-2024. The City of Iowa City's financial support and sustained guidance has been essential to our growth and is as important as ever during this turbulent time.

Sincerely,

Andre Perry
Executive Director, The Englert Theatre

Contents

Operational Update

1. Mission
2. Programmatic Focus & Reach
3. Diversity & Inclusion Work
4. Historic Renovation Project

Englert Operational History

1. Historical Operations Overview FY 2011-2019 (plus chart)
2. Forecast FY 2020-21 (plus chart)
3. Operations During COVID-19

Operational Update

A. Mission

To inspire and activate positive community growth through the arts. This includes owning, maintaining, and operating The Englert--Iowa City's last historic theater--as a vital community arts space as well as expanding The Englert's programming vision and collaborative efforts beyond the walls of the theater through institutional efforts like Mission Creek Festival and Witching Hour and other projects that develop through vibrant partnerships.

B. Programmatic Focus & Reach

Vision & Values:

- + Our programming seeks a balance between familiar and unknown, emerging and established, and local and far-reaching artistry
- + We embrace the responsibility to feature a wide representation of thought, aesthetics, gender, ethnicity, and perspectives at our events. Voices from across the spectrum are seen and heard in our programming and on our stages.
- + Gender parity is mandatory in our fully-curated festival programming for Mission Creek & Witching Hour
- + We routinely invest in performances and events, particularly through our festivals, that reflect the values of the equitable and inclusive community that Iowa City sets as its vision: this is the cost of mission-based programming and this is why it is essential that cultural nonprofits exist in our town

Our typical annual programs include:

- + 50+ Englert-presented events at our historic theater
- + 50+ Rentals and collaborations with area partners
- + 60+ Englert-presented events at other venues in Iowa City
- + Plus these special events:
 - + Mission Creek Festival (music & literature)
 - + Witching Hour (multidisciplinary festival)
 - + Acting Out! (youth theater arts education)
 - + Iowa City Downtown Block Party (Englert books mainstage)
 - + North Liberty Blues & BBQ (Englert books mainstage)
- + Annually, our combined programming serves over 99,000 patrons

- + Annual economic impact: \$4,836,014

Outreach & Education Efforts:

- + Offering greatly reduced student pricing for a majority of our events (students--K-University--comprise 10-40% of the audience at those discounted events.)
- + Distributing ~1000 complimentary tickets/year to staff at 40 regional human service agencies via our LIFT program
- + Providing free rehearsal/performance space, strategic guidance, funding, and other support for local programming series that reflect underserved interests (ie, Writers of Color Reading Series, IC Speaks Performance Series.)
- + Ensuring representation of marginalized identities and gender parity in our two annual festival programs (Mission Creek and Witching Hour) which are fully curated in-house (ie, not influenced by market conditions like touring and routing); this process includes sharing programming duties with curators from marginalized groups within our community
- + Engaging ongoing conversations and relationships with local leaders of all ages, at our local university and in the community at-large, to learn about how our mission-based work can better serve a wider mix of people in our area

Audience:

- + 99,000+ patrons served across our city and region annually through all of our events
- + 60,000+ patrons served at our historic theater
- + 15,000+ community members welcomed via free admission and complimentary tickets

- + 46% from Iowa City
- + 8% from Cedar Rapids/Marion
- + 8% from Coralville
- + 5% from North Liberty
- + 3% from other parts of Johnson County
- + 21% from other parts of Iowa (outside of ICR Iowa)
- + 9% from out of state

C. Inclusion Work

Statement Regarding Diversity, Equity, & Inclusion in Our Community and in Our Work (Undergoing review and revision Dec 2020-Feb 2021)

A core question drives our work at the Englert: How can we contribute to making the Iowa City area a place where people feel like they are seen, are heard, and can thrive? Or put another way: how can the work we do help our community feel like a home for everybody who lives here?

We embrace our role as an arts organization in the systems of education, economics, justice, and culture. We understand that our work partially determines how welcoming, fair, and positively interconnected the residents of our town are. Diversity exists here in many forms--across ages, socioeconomic backgrounds, ranges of ability, and increasingly in representation of gender, race, and ethnicity--though we routinely question whether this place is truly equitable and inclusive to people of diverse perspectives, backgrounds, and experiences.

To better frame our responsibility to the community, the Englert instills a commitment to intentional inclusion in the core tenets of our organization, including:

- + Our administrative design and practices (for staff and board)
- + Our programmatic vision and guidelines
- + Our guiding documents (mission, vision, values)

We are working toward a vision that centers the voices of those living on the margins while embracing our own willingness to address our institutional and individual biases and prejudices.

Equity Action Plan (Undergoing review and revision Dec 2020-Feb 2021)

A major element of our ongoing work is to interrogate our successes and failures. Our Equity Action Plan ensures that we can match our stated values with actual outcomes and progress.

Administrative Goal

Write a “hiring practices” policy to serve as the road map for recruiting and hiring a more diverse workforce and board.

Guiding Documents Goal

Update mission statement and values statement to clearly reflect the organization’s commitment to diversity, equity, and inclusion as well as to acknowledge the land on which we do our work.

Programmatic Goal

Review and update (as needed) festival programming policies to clearly state our guidelines for gender parity, ethnic, and LGBTQIA+ representation on festival lineups.

D. Historic Renovation Project

The Englert is currently engaged in a historic preservation project that will help maintain one of Iowa City's most visible landmarks for future generations. This preservation project has received an important commitment of support from the City of Iowa City and our staff, board, and community is grateful.

Major construction on The Englert began on May 26th, 2020. Construction is expected to conclude by end-of-year 2020 with the fully-restored historic marquee being returned to facade the week of December 14th, 2020. Key elements of the project include: roof repair, interior brickwork, facade and window preservation, second-floor renovations, and a full restoration of the beautiful Englert marquee!

The historic preservation project at The Englert Theatre is part of a bigger arts campaign for Iowa City called Strengthen Grow Evolve which marks the first time two downtown nonprofit arts organizations (The Englert Theatre & FilmScene) have worked together toward a bigger vision: establishing Iowa City as the Greatest Small City for the Arts. The fundraising campaign went public on April 20, 2019 and its foundation was the \$1,000,000 commitment from The City of Iowa City.

As of December 4th, 2020, the campaign has secured \$5,110,917 in total commitments. Fundraising will publicly conclude at 11:59 p.m. on December 31st, 2020.

Englert Operational History

(see attached chart 1)

The historical financial review table (*see following page*) outlines income and expense information for FY 2011-2019. Key notes over the last nine years:

- + Positive growth in contributed income/community support (“Fundraising/Grants”)
- + Positive growth in programmatic activity (“Englert Events”)
- + Long-term view shows a “break-even” operation with year-to-year fluctuations +/- \$100K, which reflects:
 - + Tight and volatile margins of the live performance industry
 - + Costs of investment in mission-based programs (festivals, outreach, free events)
 - + Ongoing costs of maintaining a large, historic property

Englert Forecast FY 2020-2021

(see attached chart 2)

This table details our original FY 2020 budget, our revised forecast in response to the pandemic, and our budget plan for FY 2021. We have budgeted conservatively for FY 2021 and key changes are apparent:

- + 71% drop in revenue from FY 2019 to FY 2021 projection: \$1.8M down to \$538K
 - + Reflects the severity of losing live events/public engagement
- + 41% drop in personnel spend from FY 2019 to FY 2021 project: \$609K down to \$358K
 - + Reflects considerable restructuring, loss of key creative talent in our arts/culture/economic development/downtown workforce

Operations During Covid-19

As with our neighbors in downtown Iowa City, the disruption of the Covid-19 pandemic has created material challenges for our operations. We closed our doors on March 13 and cleared a busy schedule of community partnerships, Englert-presented shows, and our premier spring event, Mission Creek Festival. We project overall revenue to fall by 50% this year.

Here are some actions and updates re: our operation during the pandemic:

Grants & Loans

- + SBA-PPP loan: \$134K
- + SBA-EIDL loan: \$150K
- + NEA grant via the CARES Act: \$50K

- + Arts Midwest grant via Mellon Foundation: \$55K
- + Community Foundation of Johnson County: \$10K

Operational Adjustments

- + Seasonal staff was laid off in March
- + Wage and hour reductions instituted for remaining staff in June
- + Additional FT staff laid off in November
- + Smaller FT staff is likely in place for Q1-2 2021

- + We will open when all parties: government, medical advisors, community, and arts industries are ready. We are agile enough to “turn on” regular operations (present events) in a 4-week turnaround but, we have also come to terms with the prospect of no public events at the Englert for an extended period of time. We are planning for that potential future--*financially and programmatically*--with extreme focus

- + We have a full season of virtual programs planned for 2021 to continue delivering our mission

Advocacy

- + We joined the National Independent Venue Association (lobby for federal support in DC via Save Our Stages legislation); our executive director currently serves on the Diversity, Equity, and Inclusion task force
- + As a board member for the Iowa Arts Council, our executive director assisted with a direct pitch to the governor for funding support for cultural venues with remaining CARES Act funds (\$7M allocated week of December 4th, 2020)
- + We are in bi-weekly conversation with the Iowa and Plains (IA, KS, MO, NE, SD) Presenters groups
- + We are in bi-weekly conversation with the Iowa City Downtown Arts Alliance

Englet Civic Theatre, Inc.
Historical Financial Performance
Income Statement

	2011	2012	2013	2014	2015	2016	2017	2018	2019
PROFIT/LOSS STATEMENT									
Income									
Fundraising/Grants	\$ 162,249	\$ 189,663	\$ 249,319	\$ 234,750	\$ 242,446	\$ 273,648	\$ 281,845	\$ 316,883	\$ 295,267
SGE Support									74,961
Englert Events	472,224	711,111	867,286	737,081	773,791	756,694	701,268	1,067,924	1,047,418
Artist & Audience Outreach				20,686	36,044	4,933	-	-	-
Playbill Advertisting*	44,852	53,600	53,199	56,576	39,498	36,590	25,415	29,273	14,230
Rental Events	196,567	197,595	174,033	163,583	150,318	133,346	124,519	131,790	103,157
Mission Creek				206,732	221,300	250,185	322,908	219,011	187,197
Witching Hour					38,735	48,956	61,429	49,253	45,349
Other/Venue Fee	33,033	42,436	42,332	45,459	70,314	110,013	108,300	122,370	119,135
Total Income	\$ 908,925	\$ 1,194,405	\$ 1,386,168	\$ 1,464,867	\$ 1,572,446	\$ 1,614,365	\$ 1,625,684	\$ 1,936,504	\$ 1,886,714
Expenses									
Administration	50,850	56,560	48,359	58,495	57,499	63,418	57,418	64,406	59,146
Marketing	63,602	50,553	36,351	54,208	43,614	55,680	48,094	54,553	52,224
Building	81,925	80,698	86,895	77,502	66,255	80,389	76,901	91,269	75,522
Fundraising Expenses	8,298	10,068	19,737	33,097	27,331	23,984	29,831	33,622	35,083
Personnel	310,324	369,189	413,277	508,999	552,781	485,994	541,179	561,040	609,258
Englert Events	324,628	545,753	662,812	585,205	572,155	494,331	508,022	813,463	800,214
Artist & Audience Outreach				52,187	49,734	18,451	-	-	-
Playbill Advertisting	7,096	15,830	24,601	19,012	21,589	29,336	30,188	20,761	16,489
Rental Events	6,794	6,426	7,643	5,872	3,354	4,291	5,116	4,889	3,988
Mission Creek				179,195	204,649	209,083	329,117	203,645	202,661
Witching Hour					42,510	57,823	63,841	45,363	47,416
Non-Operating (Interest)	21,532	25,059	22,114	16,810	16,444	15,838	17,824	19,264	19,177
Total Expenses	\$ 875,049	\$ 1,160,136	\$ 1,321,790	\$ 1,590,582	\$ 1,657,915	\$ 1,538,618	\$ 1,707,531	\$ 1,912,275	\$ 1,921,178
Operating Profit/(Loss)	\$ 33,876	\$ 34,269	\$ 64,378	\$ (125,715)	\$ (85,469)	\$ 75,747	\$ (81,847)	\$ 24,229	\$ (34,464)
2011 Capital Campaign	69,153	48,200	32,100	26,200	16,450	-	-	-	-
Profit/(Loss)	\$ 103,029	\$ 82,469	\$ 96,478	\$ (99,515)	\$ (69,019)	\$ 75,747	\$ (81,847)	\$ 24,229	\$ (34,464)

**Englert Civic Theatre, Inc.
2021 Forecast Review RevE**

Income	2018 Actual	2019 Actual	Budget 2020	Fcst 2020	Fcst Change	Fcst Change %	Fcst 2021	Change	Change %
Contributed									
Friends	182,995	192,717	233,400	262,526	29,126	12%	207,683	(54,843)	-21%
Sponsorship	175,073	122,742	131,280	94,725	(36,555)	-28%	111,897	17,172	18%
Grants	27,500	26,000	31,000	103,000	72,000	232%	60,000	(43,000)	-42%
PPP Forgivability				121,050	121,050		-		
City of Iowa City	70,000	70,000	70,000	50,000	(20,000)	-29%	70,000	20,000	40%
Earned									
Events - Englert	1,060,423	892,336	747,438	197,853	(549,585)	-74%	18,000	(179,853)	-91%
Events - Mill Series	-	17,379	49,660	3,236	(46,424)	-93%	-	(3,236)	-100%
Events - Offsite	-	129,467	216,110	-	(216,110)	-100%	-	-	
Festivals	158,851	130,584	119,000	15,130	(103,870)	-87%	15,000	(130)	-1%
Rental Events	131,791	103,157	108,769	16,199	(92,570)	-85%	14,400	(1,799)	-11%
Production Mgmt	7,500	8,236	11,250	5,702	(5,548)	-49%	-	(5,702)	-100%
Venue Fees	122,371	119,135	136,000	32,638	(103,362)	-76%	41,300	8,662	27%
SGE Income	-	74,961	74,961	74,961	-	0%	-	(74,961)	-100%
Total Income	1,936,504	1,886,714	1,928,868	977,021	(951,847)	-50%	538,280	(317,691)	-33%
Expenses									
Administration	64,406	59,146	61,952	51,595	(10,357)	-17%	58,767	7,172	14%
Marketing	75,313	68,713	73,800	51,335	(22,465)	-30%	20,592	(30,743)	-60%
Building	91,269	75,522	75,000	67,088	(7,912)	-11%	71,414	4,326	6%
Fundraising	33,622	35,083	36,000	31,154	(4,846)	-13%	21,400	(9,754)	-31%
Personnel	561,040	609,258	649,620	487,511	(162,109)	-25%	357,634	(129,877)	-27%
Events - Englert	813,463	711,698	538,011	124,935	(413,076)	-77%	25,200	(99,735)	-80%
Events - Mill	-	13,153	37,941	2,834	(35,107)	-93%	-	(2,834)	-100%
Events - Offsite	-	75,362	176,550	1,500	(175,050)	-99%	-	(1,500)	-100%
Festivals	249,009	250,077	248,000	58,504	(189,496)	-76%	48,500	(10,004)	-17%
Rental Events	4,889	3,988	5,580	410	(5,170)	-93%	-	(410)	-100%
Non-Operating (Interest)	19,264	19,177	23,038	18,377	(4,661)	-20%	26,778	8,401	46%
Total Expenses	1,912,275	1,921,177	1,925,492	895,243	(1,030,249)	-54%	630,285	(264,958)	-30%
Profit/(Loss)	24,229	(34,464)	3,376	81,778	78,402		(92,005)	(173,783)	
Events Margin	246,960	238,968	260,706	71,820	(188,886)	-79%	(7,200)	(79,020)	-110%
Events % Margin	23%	23%	26%	36%			-40%		



FilmScene
+ ReFocus Film Festival
CITY FUNDING REQUEST
December 3, 2020



December 3, 2020

City of Iowa City Economic Development Committee,

Thank you for your consistent annual support of FilmScene and our mission to build community and enrich the cultural vitality of the Iowa City area through film that challenges, inspires, educates and entertains.

Your support has provided stability for our organization to grow on a yearly basis, with our operational budget growing from \$454k in our first full year (2014) to \$1.03M in 2019 with the opening of FilmScene at The Chauncey.

Now our arts organization, and others, are reeling from the effects of the COVID-19 pandemic. Our already lean operations have become leaner and our lights are dim. But we are resilient. And we will recover and aid in the recovery of the many small businesses who benefit from regular moviegoing.

FilmScene has a tremendous effect on our local economy. In addition to direct spending at our theaters, based on data from the 2018 Americans for the Arts Audience Spending survey, FilmScene moviegoers have an average impact of \$31.47 on the surrounding economy. That's \$236k per month, or \$2.8M per year once we can resume normal operations.

Your support will help us return to normal operations.

This year has also been a year of reflection in our country, and arts organizations seek to be leaders as we seek a more just society that serves every citizen of our community. Through virtual and in person engagements, our organization will continue and expand our work in these initiatives:

- Resuming high school film programming at City High, West High and Liberty High.
- Regular year-round screenings as part of Reel Representation, a series spotlighting underrepresented perspectives of female and non-binary artists.
- Broadening engagement and impact of our African Diaspora committee of community members, connecting films featuring Black lives and from Black filmmakers with the Iowa City community.
- Continued accessibility efforts, resuming our dedicated screenings in partnership with Systems Unlimited, continuing our Open Captions program to serve the deaf and hard of hearing community, and providing assistive listening technology at all screens.
- Honoring 100% of scholarship requests for our summer animation camps, mid-year animation workshops and FilmScene 101 adult film literacy courses.
- Free outdoor screenings, curated in conjunction with community partners, to begin in Chauncey Swan Park, providing safe and accessible family entertainment.



In 2020 FilmScene had hoped to launch its newest and largest initiative: the inaugural ReFocus Film Festival, with the intent of creating a film festival based on adaptation, specifically designed for our City of Literature. Those plans were postponed due to public health challenges. Given the continued uncertainty of the pandemic, it is unclear whether the festival will launch in 2021 or 2022. However, we are confident that when it does, it will have an additional positive impact on our community of 2,000+ ticket buyers in its first year.

Between 2016 and 2019, FilmScene showed an annual profit of \$20,000, a reflection of community enthusiasm and thoughtful administration. However, the pandemic response of 2020, and the forecast for 2021 show a very different picture, anticipating consecutive six-figure losses. These losses will be addressed through low interest debt financing from an SBA Economic Injury Disaster Loan, until normal business resumes and we continue to seek support to lessen this debt impact.

Consistent with the City of Iowa City's past support of our organization and commitments made in the previous fiscal year, and in recognition of our growing budget and impact, FilmScene is requesting maintain its current \$25,000 annual contribution for operational support in 2021, with a \$5,000 increase in 2022 reflecting our increased economic activity and added costs to expand and enhance our equity work.

In addition, as we seek to capitalize on Iowa City's unique ability to host a regional film festival of import, we request that last year's \$7,000 contribution towards ReFocus Film Festival, which was declined by FilmScene due to the pandemic, again be allocated contingent on our ability to launch the festival, whether that be 2021 or 2022.

These are challenging times for us all. As our community seeks to recover, the arts are not only an important part of our civic identity but an essential part of the economy—inextricably tied to a vibrant downtown district. Your support has a tremendous compounding effect.

We are deeply appreciative of the City of Iowa City's continued advice, encouragement and financial support for FilmScene and the arts in Iowa City.

With gratitude,

A handwritten signature in black ink, appearing to read "Andrew Sherburne". The signature is fluid and cursive.

Andrew Sherburne,
FilmScene Cofounder and Executive Director



Contents

Financial and Growth Review — FilmScene

1. Multi-Year Financial History and Forecast
2. Engagement Growth

ReFocus Festival Report

1. Festival Intent
2. First Year Budget



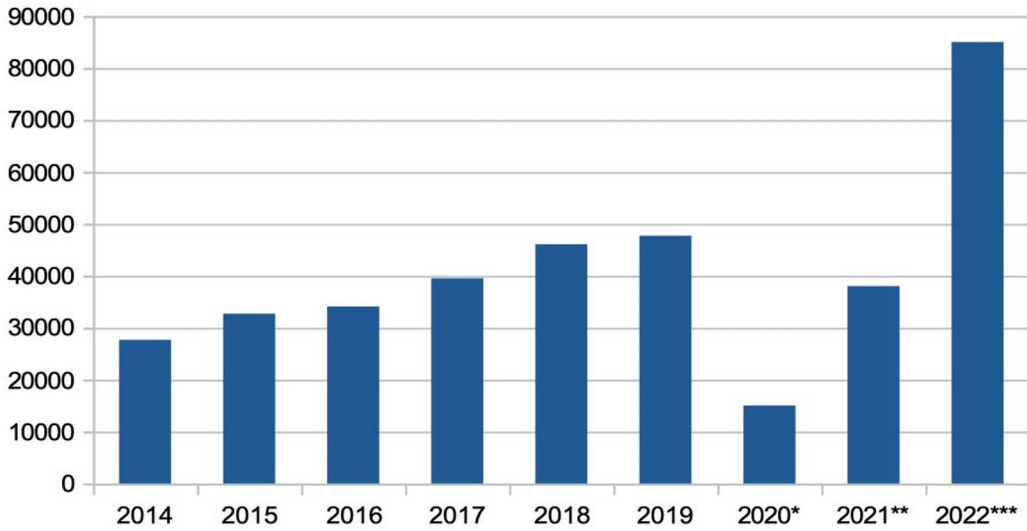
FilmScene Annual Financial History and Forecast 2016-2021

	Filmscene						
	2016	2017	2018	2019	%	Fcst 2020	Fcst 2021
Income							
Contributed							
Memberships & Donations	186,711	194,294	220,311	267,834	27%	194,511	239,374
Sponsorships	47,145	56,848	60,100	71,674	7%	36,836	39,125
Grants	-	4,224	22,500	24,763	2%	116,084	36,000
PPP Forgivability	-	-	-	-		97,020	
City of Iowa City	15,000	25,000	25,000	25,000	3%	25,000	25,000
Subtotal	248,856	280,366	327,911	389,271	39%	469,450	339,499
	37%	37%	37%	39%		63%	33%
Earned							
Events/Box Office	246,520	286,535	350,154	378,395	38%	126,105	467,001
Concessions	147,426	163,169	187,765	200,108	20%	100,470	168,985
Rentals	14,239	12,189	23,956	14,943	2%	40,789	42,850
Venue Fees	6,618	6,023	7,925	12,115	1%	4,022	8,273
SGE Income	-	-	-	-		-	-
Subtotal	414,802	467,916	569,800	605,562	61%	271,385	687,110
Total Income	663,658	748,282	897,711	994,832		740,836	1,026,608
Expenses							
Administration	53,292	53,713	58,694	75,026	7%	74,040	83,483
Marketing	39,580	40,150	43,269	58,253	6%	36,827	45,250
Building/Rent	90,517	92,708	93,303	131,828	13%	190,106	254,139
Fundraising	3,785	5,796	9,101	9,642	1%	2,651	10,000
Personnel	291,278	312,677	349,744	459,155	44%	422,974	510,954
Performance/Film	141,501	149,039	184,435	224,858	22%	86,887	265,848
Concessions	52,412	55,505	65,271	75,277	7%	36,328	52,019
Non-Operating (Interest)	4,355	161	-	-		2,031	16,350
Total Expenses	676,719	709,748	803,817	1,034,038		851,844	1,238,043
Profit/(Loss)	(13,061)	38,534	93,894	(39,206)		(111,008)	(211,435)
Balance Sheet							
Current Assets (1)	28,710	48,088	193,507	98,727		389,047	177,612
Long Term Assets	97,467	81,993	96,706	1,636,885		1,984,684	2,184,684
Total Assets	126,177	130,081	290,213	1,735,612		2,373,731	2,362,296
Current Liabilities (2)	57,059	46,324	77,427	85,520		42,770	40,000
EIDL, SBA	-	-	-	-		510,000	498,000
Long Term Liabilities	-	-	-	-		-	-
Total Liabilities	57,059	46,324	77,427	85,520		552,770	538,000
Equity	69,119	83,757	212,786	1,650,093		1,820,961	1,824,296
Total Liabilities Plus Equity	126,177	130,081	290,213	1,735,612		2,373,731	2,362,296
Liquidity (1)-(2)	(28,348)	1,764	116,080	13,207		346,277	137,612



FilmScene Engagement Growth

Attendance

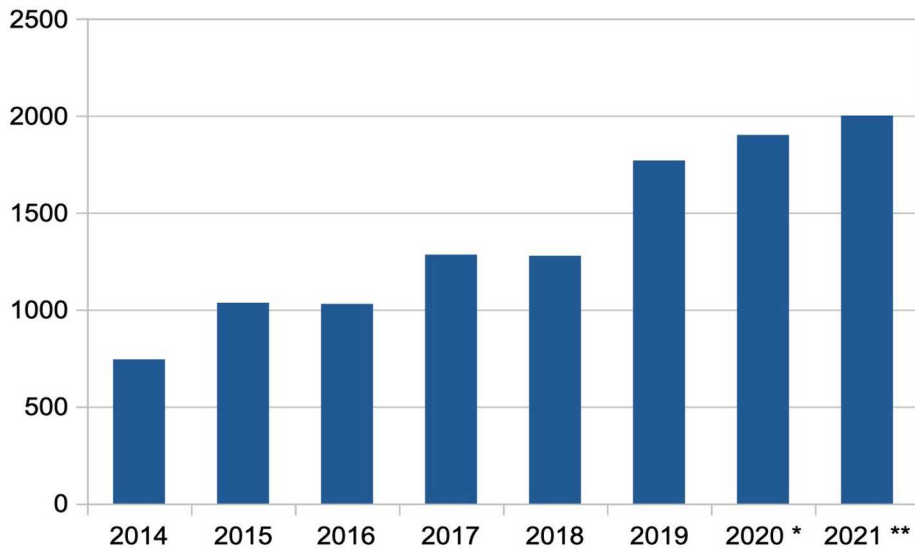


* 2020 covers the period 1/1/2020 through 3/15/2020

** 2021 estimates phased resumption of operations

*** 2022 estimates return to regular operations

Membership



* 2020 actual through 11/30/2020

** 2021 estimated



REFOCUS

FILM FESTIVAL

YEAR ONE

Possible dates: September 2021

Anticipated attendance: 1,000 unique attendees / 2,000+ admissions

Description: The ReFocus Film Festival is a two-day festival that celebrates the art of adaptation. Through thoughtfully curated short and feature film programming, multidisciplinary performances by local artists, and opportunities to make personal and professional connections, ReFocus brings to Iowa City a vibrant, wholly unique annual festival that spotlights source material—literature, journalism, photography, comedy, podcasts and more—and presents its evolution of voice, perspective and medium. At ReFocus, lenses shift and stories are retold.

Mission: As an annual film festival, ReFocus exists to celebrate the art of adaptation, and explores the transformation of source materials into new forms, told by new voices. ReFocus is a home for storytellers of all kinds, an immersive experience for visiting filmmakers and local artists alike to leave their mark on the audience in new ways.

Vision: ReFocus strives to be the only festival in the country dedicated to the art of adaptation, and one that is uniquely Iowa City. By embracing our rich literary and artistic communities and our ever-growing cinematic scene, ReFocus balances its programming by spotlighting local artists alongside visitors to our town, a city of literature and the greatest small city for the arts.



REFOCUS

FILM FESTIVAL

This budget is in addition to FilmScene's regular operations

ReFocus Draft Budget	1st Year	2nd Year	3rd Year
Revenue			
Ticket sales	\$11,358	\$12,494	\$20,444
Pass sales	\$7,500	\$11,250	\$16,500
Concessions	\$8,000	\$12,000	\$16,000
Other revenue	\$1,000	\$2,000	\$5,000
Sponsorship	\$10,000	\$15,000	\$20,000
Additional grant funding	\$5,000	\$7,500	\$10,000
City of Iowa City request	\$7,000	\$9,000	\$12,000
SGE campaign support	\$25,000	\$15,000	\$10,000
Film entries	\$0	\$6,000	\$8,000
TOTAL REVENUE	\$74,858	\$90,244	\$117,944
Expenses			
Programming & engagement	\$12,000	\$15,000	\$20,000
Festival staff	\$16,000	\$22,000	\$32,000
Marketing & outreach	\$5,000	\$7,500	\$10,000
Infrastructure (signage, tech)	\$10,000	\$4,000	\$2,000
Administrative staff	\$20,000	\$25,000	\$30,000
Artist travel & hospitality	\$10,000	\$15,000	\$20,000
Other expenses (merch, printing)	\$5,000	\$7,000	\$9,000
Documentation & photography	\$2,500	\$3,000	\$3,500
TOTAL EXPENSES	\$80,500	\$98,500	\$126,500
NET / (LOSS)	(\$5,642)	(\$8,256)	(\$8,556)
In-kind asks	\$10,000	\$15,000	\$20,000
NET / (LOSS) after in-kind	\$4,358	\$6,744	\$11,444



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November 17, 2020

Wendy Ford
Economic Development Coordinator
City of Iowa City
410 E. Washington St.
Iowa City, IA 52240

Dear Wendy,

Thanks so much for taking the time to meet with our Managing Artistic Director, Adam Knight and me last week to discuss Riverside Theatre's operations and needs in the coming season.

We would like to request that the City consider \$20,000 in funding for Riverside Theatre for its FY 2022 budget.

This support will help sustain Riverside Theatre through its full-year season in a new location in addition to providing financial cornerstone for an expanded Free Shakespeare in Lower City Park. Riverside Theatre remains committed to increasing diversity and gender parity through not only representation onstage but the voices and stories we share. It is our fervent belief that accessible, inclusive theatre is an example of what makes Iowa City a vibrant and livable community.

The attached pages briefly describe our current and upcoming plans.

Thank you for facilitating this request. We're grateful for the City's longtime support of Riverside Theatre.

If you have any questions or would like to meet again to review specifics, please don't hesitate to let us know.

Sincerely,

A handwritten signature in black ink that reads "Kate Markham". The signature is fluid and cursive, written over a light blue horizontal line.

Kate Markham
Development Director
Riverside Theatre

RIVERSIDE THEATRE

Funding Request November 2020

EXECUTIVE SUMMARY

Riverside Theatre is requesting renewed support from the City of Iowa City in the amount of \$20,000 for the City's upcoming FY2022. This amount matches the amounts requested and granted for the last three fiscal years, which we hope the City will continue to see as a meaningful investment as Riverside helps lead the way out of this pandemic.

As we grapple with the profound human loss of the last several months, we also acknowledge the financial strain the pandemic has brought to our community and our own organization. Not only did Riverside cancel three productions and our flagship summer programming Free Shakespeare, which had been slated for an expanded run; we also lost our home of 30 years on Gilbert Street. Earned income dropped by 77% from the same period last year.

Riverside responded with an ambitious slate of virtual productions for fall -- and look forward to a renewed focus on free programming in spring and summer. All while paving the way towards a new permanent home (we hope) in the Crescent Block Building in Fall 2021.

City funding for FY 2022 will help sustain Riverside Theatre through its full-year season in a new location in addition to providing financial cornerstone for Free Shakespeare in Lower City Park, where we expect to serve more than 5,000 patrons this summer. Providing professional productions of Shakespeare free for all is a notable example of what makes Iowa City such a vibrant and accessible community.

Riverside is currently celebrating its 40th Anniversary Season. Although this season looks different than seasons in the past, our commitment to telling serious-minded stories remains firm. Riverside is unique in that, unlike other performing arts venues in Iowa City, we employ well over half of all artists locally -- more than 90% in our last full season. Riverside's vision is not only to be a home for great theatre -- but to contribute to the cultural energy and ecosystem that is making Iowa City the Greatest Small City for the Arts.

2019-20 SEASON HIGHLIGHTS

Attendance Summary

- Five full productions at Gilbert Street Theatre, serving 4,811 patrons plus 3 high school student performances, a total of 64 performances.
- 13% increase in attendance from prior year (comparing first five productions Sept-March).

Increased Press Coverage

- Front page coverage in the Iowa City Press-Citizen, “Go Iowa City” (Press Citizen), “Hoopla” (The Gazette), the Daily Iowan, and Iowa Source
- Winner: 2020 Best Theatre Company, 2020 Best Theatrical Production “The Agitators” (Little Village Best of the CRANDIC)

Unique, Quality Programming

- Regional premiere of “The Agitators” by Mat Smart
- World Premiere of “Feast” by Megan Gogerty
- Three playwrights in attendance: Megan Gogerty, Mat Smart, and David Lee Nelson
- Partnerships with Iowa City Book Festival, Witching Hour, Holden Comprehensive Cancer Center, Iowa Writers House, Johnson County League of Women Voters, and Women’s Suffrage Centennial Commission.
- “30 Days of Shakespeare” in April – free Shakespeare monologues released daily, garnering 7,200 views and employing 30 artists at the start of the pandemic.

CURRENT 2020-2021 SEASON

Achievements during Covid

- Maintained all salaried positions despite pandemic cutbacks
- Maintained at least 75% of artist compensation from prior year
- Continued to expand parity and diversity in all roles and positions
- “Will Power” educational tour reimaged as virtual series in spring

Fall Virtual Programming

- Five full productions streamed virtually for ticketed patrons (36 artists, 72% local)
- “Walking the Wire” – 22 monologues free to the public created exclusively for RT (32 Artists, 55% local)
- Partnership with MirrorBox Theatre in Cedar Rapids for free virtual readings of new plays by BIPOC writers (17 artists, 59% local)

- Pop-up installation in holiday market featuring video loop of “30 Days of Shakespeare” and “Walking the Wire” monologues

Planned Expansion of Free Shakespeare in Lower City Park

- This summer RT plans to present “The Winter’s Tale” and “Twelfth Night” for six weeks in July and August. Should Covid restrictions remain in place, we will pivot this programming to additional free content on the Festival Stage for smaller audiences and cast sizes.
- We believe that great theatre needs to be accessible. There are over 31,000 families in Johnson County and almost 24% have annual household incomes of less than \$50,000 (ACS 2017). Free Shakespeare provides opportunities throughout the summer for families to experience professional theatre without worrying about the cost of a ticket or hiring a sitter.
- Riverside will add FOUR weeks of performances (15 additional performances), which we anticipate will add 3,500 attendees (increase of 200%). Along with this expansion, we will increase advertising and outreach to schools, rec centers, retirement communities, and neighborhood organizations to reach more facets of the community who might not regularly attend the theatre. Adding additional weeks will also mitigate the risk of losing an entire weekend of performances in the case of inclement weather and/or potential capacity restrictions because of COVID.

2021-22 SEASON PLANS

New Crescent Block Theatre

Riverside is in the planning stages for a full season in a new home in the Crescent Block Building downtown, pending City approval. Highlights of this new space and new programming include:

- A space fully accessible for both artists and patrons
- Iowa premiere of “The Great Immensity”, a celebrated devised work about the international climate summit in Paris.
- Cabaret and Music series highlighting local performers and partnerships
- Continued blend of new works alongside modern classics, with an emphasis on bringing timely and underrepresented voices to the stage

Festival Stage

The Festival Stage in Lower City Park will become the home for two full productions each summer. We are also looking to add programming to this space in Fall 2021 depending on construction progress downtown and pandemic recommendations for indoor gatherings.

EQUITY, DIVERSITY, INCLUSION

In October 2020, the Festival Stage along with other areas of Lower City Park were spray-painted with hate speech. This was a violation of what our theatre stands for. Riverside believes that Black Lives Matter and strives to be a home of love, creativity, and inclusion that brings people together.

As a Core Member of the National New Play Network, we signed on to one of the most expansive diversity and inclusion initiatives in our industry. Riverside's own 2020-23 Strategic Plan sets a goal of *expanding the types of stories we tell -- and who gets to tell them*.

Consistent with that goal, Riverside has increased BIPOC representation in play selection and artists onstage and off. Our recent "Walking the Wire" monologue series featured 32% BIPOC artists and our reading partnership with Mirrorbox Theatre featured two new plays by women of color this fall.

BUDGET SUMMARY

See attached.

CONCLUSION

A year ago, Riverside presented to the City a vision for a more sustainable and expansive theatre organization. Despite the pandemic, that vision is being realized. Riverside has increased its audience base, maintained diversity on and off stage, and pivoted to virtual programming, all while reaffirming our mission and vision for the years to come. With expanded programming in Lower City Park coupled with a new cultural space in the heart of downtown that will be a nationwide model for theatres of our size, Riverside is uniquely poised to help in the transition from this pandemic. Our vision is one in which great theatre is accessible to all and helps feed a vibrant cultural and economic ecosystem, all while inspiring long-overdue dialogues that will contribute to meaningful progress. Riverside Theatre is incredibly grateful for the City's continued partnership and willingness to consider funding to support this vision.

**Riverside Theatre
2021 Budget Review
Summary**

INCOME	FY 2017	FY 2018	FY 2019	FY 2020*	FY 2021 Budget	\$ Variance vs. PY	% Variance vs. PY
Earned Income:							
Ticket Sales							
Subscription	55,220	58,457	43,973	47,106	30,000	(17,106)	-36%
General	138,221	107,143	99,217	70,584	-	(70,584)	-100%
Subtotal Ticket Sales	193,441	165,600	143,190	117,690	30,000	(87,690)	-75%
Advertising Revenue	9,035	7,080	6,595	5,915	-	(5,915)	-100%
Concessions	8,235	9,513	8,454	5,254	14,300	9,046	172%
Education	-	-	1,200	1,225	-	(1,225)	-100%
Rentals	600	3,920	1,250	1,180	-	(1,180)	-100%
Other	2,582	2,143	2,795	3,009	500	(2,509)	-83%
Total Earned Income	213,893	188,256	163,484	134,272	44,800	(89,472)	-67%
Contributed Income:							
Contributions							
Individuals	86,923	99,983	137,002	150,062	135,797	(14,265)	-10%
Business/Organizations	34,761	35,100	27,584	13,651	49,750	36,099	264%
Grants	63,860	86,349	70,541	47,500	122,480	74,980	158%
Events/Raffle	33,687	15,090	13,135	4,675	15,800	11,125	238%
Tickets	8,625		3,600	-	-	-	n/a
Other	2,275	992	-	-	-	-	n/a
Total Contributed Income	230,130	237,514	251,862	215,888	323,827	107,939	50%
TOTAL INCOME	444,023	425,770	415,346	350,160	368,627	18,467	5%
EXPENSES							
Artistic	157,363	161,546	148,432	113,343	146,108	32,765	29%
Production	35,180	39,376	67,039	31,530	36,141	4,611	15%
Education	2,989	4,466	3,157	668	7,750	7,082	
Marketing	50,346	34,814	24,147	19,474	23,500	4,026	21%
Patron Services	46,010	37,314	36,145	30,967	14,364	(16,603)	-54%
Administration	53,047	52,269	53,871	47,836	47,211	(625)	-1%
Development	39,229	35,017	41,200	40,250	43,239	2,989	7%
Facility	75,405	71,448	73,490	70,425	27,594	(42,831)	-61%
TOTAL EXPENSE	459,567	436,249	447,480	354,493	345,906	(8,587)	-2%
NET INCOME	(15,545)	(10,479)	(32,134)	(4,333)	22,721	27,054	

* Preliminary numbers subject to audit adjustments

NOTE: Fiscal Year is September - August

RIVERSIDE THEATRE

STRATEGIC PLAN
2020 - 2023

STRATEGIC PLANNING PROCESS

In February of 2019, the Riverside Theatre Board of Directors voted to approve a motion to engage in a formal strategic planning process. The motion included the approval of an ad hoc Strategic Planning Committee, as well as an approval to use the consulting services provided by the Larned A. Waterman Iowa Nonprofit Resource Center.

From February to July, the five-member Strategic Planning Committee held more than a dozen meetings. The first several months of meetings were focused on urgent fundraising efforts that were necessary for the organization's short-term financial stability. The short-term fundraising objective was achieved. Throughout the spring and summer months, committee members gathered and reviewed internal data and external reports, as well as the strategic plans of private and public organizations such as the Iowa City Downtown District, the City of Iowa City, the Iowa Arts Council, and beyond.

In July and August, online surveys were distributed to the board, staff, and volunteers. The surveys focused on culture, communication, board experience, employee

experience, and employee engagement, as well as the organization's strengths, weaknesses, opportunities, and threats. The results of the surveys were compiled, analyzed, discussed, and used to prepare for an all-day strategic planning session.

On September 21, the board and the producing artistic director participated in an all-day strategic planning session, with staff members joining for part of the day. The session focused on updating the mission, vision, and values of the organizations, as well as clarifying and coalescing around a set of goals. Participants separated into groups to begin drafting action plans focused on the outcomes, objectives, and indicators necessary to achieve the stated goals.

The members of the Strategic Planning Committee were Lois Cox, Cynthia Schmidt, Carolyn Russell Wallace, & Derek Willard (Board of Directors); and Adam Knight (Producing Artistic Director). Paul Thelen (Larned A. Waterman Iowa Nonprofit Resource Center) facilitated discussions.

MILESTONES

- 1981** Riverside Theatre was founded by Ron Clark, Jody Hovland, and Bruce Wheaton.
- 1982** The company's first play, THE EXERCISE, opened in January 1982 and ran for two weeks at Old Brick with a total budget of just \$100. For the next eight years, Riverside continued to rent space at Old Brick, but as company size and performance schedules grew, it looked for a permanent space.
- 1990** RT signed a lease, gutted a former beer distribution warehouse on Gilbert Street, built a stage, hung lights, and laid carpet, all within 15-week period, while rehearsing for the season's opening production. With less than \$50,000 – and the assistance of volunteers, donated skills and materials – Riverside converted the space into a 3,200 square-foot theatre with a 118-seat house and a proscenium stage.
- 2000** The inaugural Riverside Theatre Shakespeare Festival took place in June 2000, in a new, permanent, 472-seat outdoor Globe-inspired amphitheater in Lower City park built by the City of Iowa City specifically for Riverside Theatre (The Riverside Festival Stage). TWELFTH NIGHT was the first play. To fund the initial four years of summer season costs, Riverside raised over \$500,000.
- 2008** Severe flooding in the region disrupted summer programming; the plays were performed at City High.
- 2012** Summer programming rebranded as Riverside Theatre in the Park.

SUMMERS SINCE THE FLOOD

- 2013 - 2014** Controlled flooding made the parking lot in lower City park inaccessible and all programming was moved indoors (to West High in 2013, RT's Gilbert St. theatre in 2014).
- 2015** RT chose to program indoors at Gilbert St.
- 2016** Two plays were produced outdoors.
- 2017** One play was produced outdoors and one indoors.
- 2018** Riverside programs one Shakespeare play in the Park each summer and makes it FREE for all patrons going forward.

- 2015-2016** Sam Osheroff hired as RT's 2nd Artistic Director. Founders Clark and Hovland retired.
- 2016-2018** Sean Christopher Lewis hired as RT's next Artistic Director (interim).
- 2018-2019** Adam Knight hired as RT's permanent Producing Artistic Director.

SPRING 2020 COVID-19 pandemic shuts down theatres and businesses across the country.

SUMMER 2020 Riverside announces it is leaving its longtime downtown home on Gilbert Street and beginning search for new permanent home. RT announces 40 th Anniversary season featuring a combination of virtual performances in various venues.

MISSION OF RIVERSIDE THEATRE

REVISED MISSION STATEMENT

A great city deserves serious theatre: Theatre that sparks discourse, builds community, delights, inspires, breaks down barriers, and explores the complexities of the human spirit. Riverside Theatre strengthens the cultural fabric of Iowa City through intimate, engaging productions from classics to new works, fostering a deeper appreciation for the dramatic arts.

PREVIOUS MISSION STATEMENT

To foster appreciation of the dramatic arts.

COMMENT

We decided on several “why’s” for this mission statement, which includes many descriptions of how staff and board view what Riverside is already doing. The first sentence highlights Riverside’s place in the Iowa City ecosystem. The next sentence outlines what serious theatre does. The final sentence goes further in outlining the effects of serious theatre on our community and on individuals, while keeping extant our original mission language. In short, this revised mission is about the power of theatre and how it can change our community for the better.



VISION OF RIVERSIDE THEATRE

NEW VISION STATEMENT

A theatre of passionate professionals helping to build an inclusive, world class cultural city.

COMMENT

A succinct vision statement. One item that came up in staff and board surveys as well as the strategic sessions was the importance of the “professional” distinction in what Riverside does and how it employs artists. “Inclusive” speaks to the need for change, outreach, and that art belongs to everybody, not to the exclusive few. Another focus was the desire for Riverside to align more closely to organizations solidifying Iowa City’s strong cultural reputation. Englert and FilmScene’s Strengthen-Grow-Evolve campaign has branded Iowa City “The Greatest Small City for the Arts.” Iowa City is also consistently on lists of the best small arts towns in the United States and is a UNESCO City of Literature. Thus, part of this vision statement is “helping to build”, which acknowledges the hard work of many other leaders in the community -- and that Riverside has a part to play.



RIVERSIDE'S VALUES

EXCELLENCE

Delivering high-quality art and programming, from vital classics to new works.

COMMUNITY

Creating diverse and supportive networks of people and ideas through shared experiences.

INTEGRITY

Adhering to the highest standards of ethics, stewardship, and public trust.

INCLUSION

Fostering environments where people and ideas are welcomed, considered seriously, and treated with dignity. Rethinking old systems and norms.

INSPIRATION

Fostering art that asks big questions and sparks creativity in artists and audiences.



STRATEGIC GOALS

EXPAND THE TYPES OF STORIES WE TELL — AND WHO GETS TO TELL THEM.

Growing the canon: new and contemporary works alongside vital classics each season.
Rethinking casting. Highlighting underserved viewpoints.

EXPERIENCES THAT CONNECT AUDIENCES TO PLAYS AND ARTISTS BEYOND THE STAGE.

Theatre as a gathering place. Talkbacks. Backstage experiences. Ways to connect before the lights go down and after the lights come up.

ARTISTIC AND CULTURAL LEADERSHIP IN IOWA CITY.

What does it mean to be a flagship professional theatre? Acknowledging Riverside's unique role in our community and joining with other organizations and leaders to affect positive change.

CULTIVATE AND CAPTIVATE DIVERSE, ENTHUSIASTIC, AND LOYAL AUDIENCES.

Solidifying existing relationships while reaching new patrons. Engaging them. Letting them know their investment matters.

DIVERSE AND SUSTAINABLE SOURCES OF REVENUE AND SUPPORT.

Envisioning an organization that can survive shocks through multiple income streams and a broad community of supporters.

STRATEGIC GOALS

EXPAND THE TYPES OF STORIES WE TELL — AND WHO GETS TO TELL THEM.

Growing the canon: new and contemporary works alongside vital classics each season.

Rethinking casting. Highlighting underserved viewpoints.

EXPECTED SHORT-TERM OUTCOMES:

- ↑ Artist awareness/motivation
- ↑ Knowledge of what attracts artists
- ↑ Audience knowledge of artistic quality
- ↑ Distinction locally
- Establish artistic advisory committee

EXPECTED MID-TERM OUTCOMES:

- ↑ Professionalism
- ↑ Attendance of younger patrons
- ↑ Artist auditions/applications
- ↑ Artist sponsors
- ↑ World premieres
- Partnership with diversity-minded institution

EXPECTED LONG-TERM OUTCOMES:

- ↑ Regional brand as nationally recognized theatre
- ↑ National brand as high-quality new play theatre
- ↑ Second productions of new plays
- ↑ New play commissions

OBJECTIVES

Increase plays by and for women, LGBTQ+, and BIPOC artists

Increase gender-inclusive and color-conscious casting

Accessible spaces for all artists

Be a known launching place for soon-to-be nationally recognized writers and artists

Continue and expand Free Shakespeare programming each summer

STRATEGIC GOALS

EXPERIENCES THAT CONNECT AUDIENCES TO PLAYS AND ARTISTS BEYOND THE STAGE.

Theatre as a gathering place. Talkbacks. Backstage experiences. Ways to connect before the lights go down and after the lights come up.

EXPECTED SHORT-TERM OUTCOMES

- Establish a Riverside membership program
- ↑ Student awareness in programs
- ↑ Volunteer involvement
- ↑ Corridor partnerships
- ↑ Educational partnerships

EXPECTED MID-TERM OUTCOMES

- ↑ Artist (acting, directing, design) outreach/interaction
- ↑ Special events and talkbacks

EXPECTED LONG-TERM OUTCOMES

- Being a Riverside patron meaning much more than buying a ticket to a show.
- Increased engagement and participation in a creative community.

OBJECTIVES

- Expand student engagement and depth of participation in educational outreach with Will Power and other programming.
- Expand activities that facilitate artist and audience interaction and dialogue.
- Curate “behind the scenes” and other in person and virtual experiences.

STRATEGIC GOALS

ARTISTIC AND CULTURAL LEADERSHIP IN IOWA CITY

What does it mean to be a flagship professional theatre? Acknowledging Riverside's unique role in our community and joining with other organizations and leaders to affect positive change.

EXPECTED SHORT-TERM OUTCOMES

- ↑ Awareness of RT activities
- ↑ Collaborations/partnerships
- ↑ Engagement with state and local leaders

EXPECTED MID-TERM OUTCOMES

- ↑ Shared programming
- ↑ Business sponsorships
- ↑ Media engagement
- ↑ Collaborative campaigns

EXPECTED LONG-TERM OUTCOMES

- RT as community hub
- I.C. is known for its great theatre with public policies supportive of art and artists

OBJECTIVES

Create, build, and maintain collaborations with peers, public entities, media, and businesses that advance arts and culture in Iowa City and the greater Corridor.

Open Riverside's doors to more than just theatre. (Riverside's artistic and cultural influence reaches beyond core programming.)

Maintain a professional company adhering to national standards and in communion with organizations such as the National New Play Network and Actors' Equity Association.

STRATEGIC GOALS

CULTIVATE AND CAPTIVATE DIVERSE, ENTHUSIASTIC, AND LOYAL AUDIENCES

Solidifying existing relationships while reaching new patrons. Engaging them. Letting them know their investment matters.

EXPECTED SHORT-TERM OUTCOMES

- ↑ Awareness of RT activities
- ↑ Audience interaction
- ↑ Volunteer involvement
- ↑ Corridor partnerships
- ↑ Recognition of loyal patrons

EXPECTED MID-TERM OUTCOMES

- ↑ Participation from new patrons
depth of interaction and new
- ↑ Experiences with longtime patrons
audience diversity
- ↑ Patron services staff
- ↑ Address long term facilities
needs downtown

EXPECTED LONG-TERM OUTCOMES

Sustainable and diverse audience
base across seasons

OBJECTIVES

Increased understanding of current audiences. Identify members, single-ticket buyers, and first-time patrons and how best to serve them.

Expand marketing and promotional resources, including targeted marketing for each play.

Improve audience experience within our theatres.

STRATEGIC GOALS

DIVERSE AND SUSTAINABLE SOURCES OF REVENUE AND SUPPORT

Envisioning an organization that can survive shocks through multiple income streams and a broad community of supporters.

EXPECTED SHORT-TERM OUTCOMES

- ↑ Awareness of need
- ↑ Motivation to give
- ↑ Knowledge of theatre's purpose and positive role in community

EXPECTED MID-TERM OUTCOMES

- ↑ New/sustaining/legacy patrons
- ↑ Overall attendance
- ↑ Grant opportunities
- ↑ Product revenue
- ↑ Rental events

EXPECTED LONG-TERM OUTCOMES

- Endowment
- Investment Income
- Product Line

OBJECTIVES

Increased awareness of our audiences, patrons, and funding opportunities.

Increase development dollars and grants, donor base, and the ways in which donors can give.

Increase earned revenue as a percentage of total revenue (35% in 2018-19) through increased number of events, curated concessions, and rental opportunities.



WHAT: Fiscal 2020 City of Iowa City Report

TO: Wendy / City Council

DATE: December 1, 2020

Let me start by thanking you all for your support in 2020, which marked the 5th year of such support and EDC's 17th year supporting Iowa's entrepreneurs and legacy businesses. Since your first investment in 2015, you have invested roughly \$130,000 in our operations, which helped us leverage over \$3.4 million in additional support over the same time. For that we, and those we support, are truly grateful.

EDC was founded and has remained in the ICR corridor, while serving nearly 1,100 business across the state, who have in turn created over \$3.2 billion in positive economic impact. The collective impact, which is primarily based in Eastern Iowa, is shown in the attached report.

Below is the 2020 City of Iowa City Impact Report, I hope you will enjoy reading the information. I have also included our 2020 Mid-year Stakeholder Report for your review.

We look forward to another productive year in 2021 and thank you for your continued support.

Sincerely,

Curtis Nelson
President & CEO

EDC Impact

City of Iowa City

2020 marks EDC's 17th year assisting high impact Iowa businesses. Founded in the ICR corridor, EDC has served over 1,100 businesses in Iowa, which in turn have created over \$3.2 billion of improved economic impact.

Program to date stats for EDC state-wide as of 12/31/19:

Impact	Program to Date
Capital raised / deployed	\$585 M
Increased Revenue	\$2B
New jobs	Approx. 2,800
Average wage	\$60,000
Increased Payroll	\$593M
Businesses supported	1,085
Total Impact	\$3.2B +

Iowa City has been, and continues to be, a strong supporter of EDC and the businesses we serve in the process. Since inception, we have provided support for 111 start-ups and later-stage businesses directly within the City of Iowa City.

Assisted from start-up:

- Pear Deck
- Mask of Wellness
- TLA M.D.
(Dr. David Krupp)
- Tutor Universe
- Latent wireless
- Graze Analytics
- Breads from Anna
- Radiology Protocols
- Atlas Ergonomics

Assisted from early-stage:

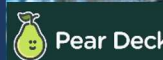
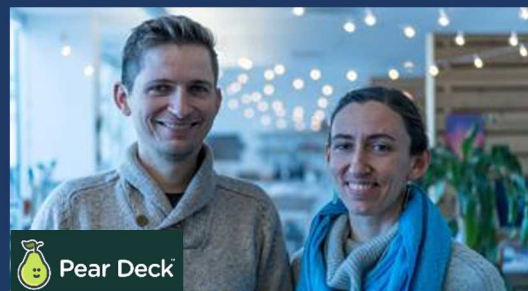
- Cardio Strong
- Cyber Anatomy (VIVED)
- Foundations in Learning

Assisted from later-stage:

- Meta Communications
- Optical Mechanics
- Oasis Falafel
- Luerkens Labs
- Lionne Designs
- Quadro vodka



"The EDC has been a key supporter of me and my startup, Graze Analytics. Not only are they a talented and hard-working group of people, they are a joy to work with. Over the last year, they have helped me and my startup grow in many ways such as: product strategy sessions, raising capital, refining our business plan, making financial projections, and networking. I feel very lucky to have had to the opportunity to work with the EDC, and I am very excited to continue working with them into the future." Daniel Machabuzo, founder.



Pear Deck is an early-stage Ed-Tech company based in Iowa City that provides a teaching tool that supports instructional best practices, significantly improving student engagement and teacher efficacy. Co-Founders, Riley and Michal Eynon-Lynch are former teachers who have devoted their entrepreneurial careers to developing products and tools that improve the educational experience for both teachers and students.

In March of this year, with the global impact of the COVID-19 pandemic, Pear Deck reacted immediately, offering a no-charge opportunity for schools globally to use their product for the balance of the school year. From mid-March to the end of May, the company onboarded more than 400,000 new teachers around the globe who were scrambling to engage their students from home. Instead of halting development, Pear Deck immediately invested in creating several new features specifically designed to help teachers and students better engage remotely, which has proven to be crucial as the start to the 2020-21 school year saw many districts going all online or offering hybrid learning models.

EDC has worked hands-on with the Pear Deck team since the company launched in 2014. Support has encompassed everything from finance and capital raising to marketing and sales assistance. "EDC has been a value to us from the very beginning and has touched on almost every part of our business. EDC differs from other business resources in the scope of their expertise, their ability to engage hands-on rather than simply advise, and the clear dedication they show for each company they assist," said Riley Eynon-Lynch, Co-Founder and CEO. "Our leadership team is working with them weekly as we navigate both the challenges and opportunities the COVID-19 pandemic has presented."

"We believe that student success starts with great teaching and meaningful student engagement, which has become even more challenging with increased distance learning," said Michal Eynon-Lynch, Co-Founder and President. "The EDC is a trusted advisor in helping us balance growth and opportunity with ensuring that we continue to deliver on our mission to help teachers create powerful, meaningful engagement for every student every day no matter who they are, no matter if they're physically in the room or not."

"When you combine gifted founders, who are willing to engage the support needed with a world-class product and business opportunity, you have the ability to create something very special. Pear Deck is changing learning methodology and effectiveness on a global scale and Iowa should be incredibly proud," said Curt Nelson, President & CEO at EDC.

Collectively, the Iowa City businesses supported by EDC created the following economic impact:

Impact	2019	Program to Date
Capital raised & deployed	\$2,100,000	\$23,063,162
Private vs Public ratio	\$2,100,000 (Private) vs. \$0 (Public)	\$19,979,000 (Private) vs. \$3,084,162 (Public)
Increased business revenue	\$11,120,000	\$104,049,174
New jobs created	31	309
Average wage	\$63,150	\$55,301
New payroll added	\$2,646,840	\$54,469,400
New businesses started	2	17
Total impact	\$15,866,840	\$181,581,736

Event Type	2019	Program to Date	Total Attendance
Networking	1	33	2,136
Lunch & Learns	0	66	1,988
Consumer Goods Founders Group Meetings	5	38	412

Founded in Iowa City, Mask of Wellness Goes National

One of EDC’s entrepreneur clients, David C. Krupp, M.D., a physician in Iowa City together with co-founder Robbie Schwenker, PharmD, a community pharmacist, developed ‘Mask of Wellness’, a free initiative to provide resources for businesses to operate in a safe manner amidst the COVID-19 pandemic. This grass roots effort was launched in Iowa City in May and the program is now expanding nationwide to promote social, physical, and economic wellness. Businesses can sign up and self-certify at www.maskofwellness.com, pledging that they will take three simple actions to maintain the safety of employees and customers of their establishments:

1. Masks are worn in all areas of the work environment.
2. Hygiene is practiced, both for hands and surfaces.
3. Signs of illness are recognized and screened for.

EDC is part of a volunteer team that Dr. Krupp has assembled to develop and promote the initiative. EDC has helped with website content development, press outreach as well as outreach to various Chambers of Commerce and national organizations. The team has already signed on hundreds of Eastern Iowa businesses as well as Chambers of Commerce and Departments of Health in communities such as Ames, Clear Lake, Mason City, Dubuque and the MedQuarter in Cedar Rapids. Additionally, businesses in Nevada, California, Utah, Oklahoma, Mississippi, Florida, Michigan, and many other states have self-certified.

“Our mission is simple: to keep people safe and enable our economy to open. We believe that our collaborative efforts will play a role in preventing COVID-19 recurrent episodes with impact upon all elements of society. The steps to take are so very simple and it all starts with the Mask of Wellness,” said Dr. Krupp. “I am grateful to have the EDC team help me launch this important initiative. I am humbled by the efforts of this grassroots team while I am simultaneously working on the frontlines in the ER.”

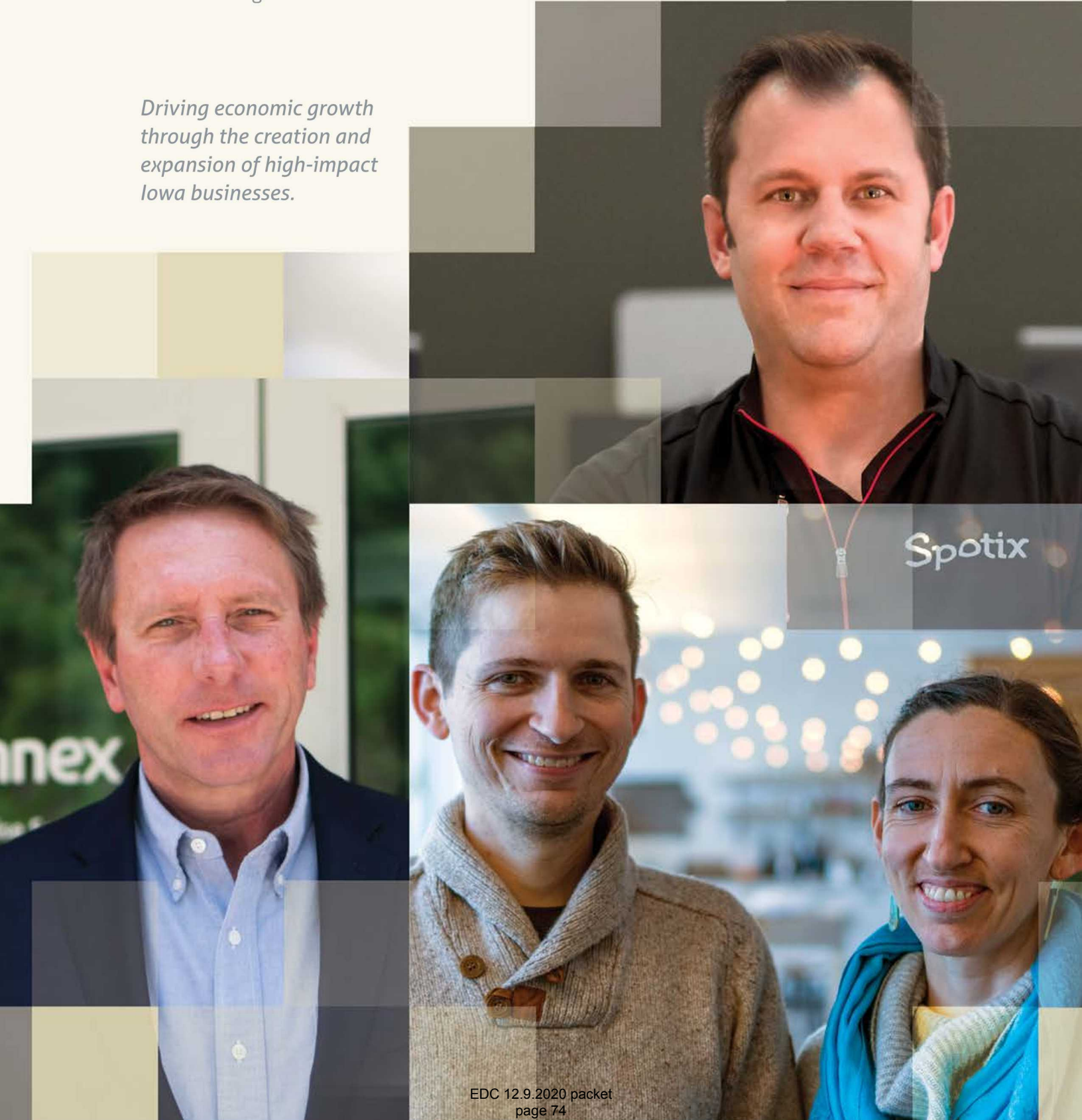




Accelerating Iowa Business

2020 Mid-Year Stakeholder Report

Driving economic growth through the creation and expansion of high-impact Iowa businesses.





EDC Mid-Year Stakeholder Report 2020

Dear EDC Stakeholder,

EDC marks its 17th anniversary helping Iowa’s entrepreneurs and I am proud to serve as the organization’s current Board Chair. In my career as a CFO/COO, I began with a small company that grew substantially over the years. I have deep roots in entrepreneurial enterprise and my background is in alignment with EDC’s mission to drive economic growth through the creation and expansion of high-impact Iowa businesses. This year, the need for EDC’s assistance is more significant than ever. As the pandemic made its way to Iowa, the EDC team quickly began outreach to current and past EDC clients. In addition, as EDC did in the Flood of 2008, it opened its doors (“virtually”) to all area businesses (including “Main Street” type businesses) to help them navigate the myriad of funding options and connect them to resources for their impacted businesses.

EDC also immediately crafted a daily newsletter, for over 4,000 recipients, to provide a single point of reference in a user-friendly format including:

- Daily consolidated updates on all Federal, State and local support programs with associated links
- An “Ask a Question” button that allowed any question to be asked with EDC following up immediately, providing the information needed or referring to the proper resource
- A positive news and information section to provide some balance to the onslaught of negative news
- A weekend edition that contained games and events that quarantined families could do to pass the time together

Perhaps most importantly, the EDC team continued to do the work as it always does, providing “in-the-trenches” support to Iowa businesses, helping them quickly assess their situations, develop contingency budgets and develop strategic plans for what they offered, or would need to offer, in the wake of the pandemic.

This Mid-Year Report includes two mini case studies that highlight the success stories of Pear Deck and Spotix—both companies experiencing growth despite the challenging COVID marketplace. In this report, you will also gain perspectives from various business owners on how the pandemic has affected their businesses short-term and their strategies longer-term.

Thank you for your continued support of EDC—the work the team does is more critical than ever and will help our businesses leverage their strengths and position themselves for growth, even in a COVID marketplace. Without your support, the EDC team could not do this important work with Iowa’s high-impact businesses.

Sincerely,

Jim Haddad
Haddad Consulting Services
EDC Board Chair

The EDC team continued to do the work as it always does, providing “in-the-trenches” support to Iowa businesses



Mask of Wellness



Cedar Ridge



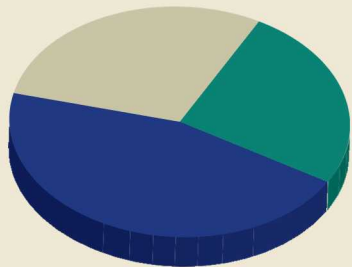
MobileDemand

July 2020 – In the first six months of 2020:

Active Clients

So far in 2020, EDC has attracted two new clients with the total number of clients under current support numbering 31.

- 8 are long-term area businesses seeking growth or restructuring assistance.
- 14 are early-stage businesses seeking growth and capital assistance.
- 9 are pre-revenue businesses seeking assistance with their business models, teams and startup capital.



■ Early-Stage Businesses
■ Start-ups or Pre-Revenue Businesses
■ Well-Established Area Businesses

Taking Defensive and Offensive Approaches to Pandemic Recovery

By Curt Nelson, President & CEO, EDC, Inc.



As businesses reacted to the pandemic, most (and rightly so) reacted defensively at first; making sure to adjust operations and manage cash as required to get through to the new normal. The very next thing that needed to happen is that every business should have gone into the offensive strategic planning mode to identify required actions and new opportunities; both near and long-term with the understanding that the world as they knew it on March 1, was going to be forever changed. While some businesses will wait out the quarantine and reopen or ramp up with little apparent impact, the impact to their customers, employees and suppliers will be evident over time. Other businesses will be forever changed by immediate impact that ranges from closure to exponential growth. Opportunity is born from chaos and change, and 2020, for all of its idiosyncrasies, is going to be in the top 10 of historical global opportunity creators.

Actions to be taken:

Required near term (for the product or service currently provided) – take out instead of dine in, web sales instead of in-store, web meeting instead of in person, remote workforce instead of in office, i.e. how to keep the business operating as it has been, and doing so in a fiscally responsible manner.

Required long term (for the product or service currently provided) – remote workforce tools and processes, reduction in office or retail space, refinement of on-line presence, database of key contacts, updated insurance policies, new cleaning / sanitary guidelines, etc.

Strategic short term – new products or services in immediate need within your core competency – like Cedar Ridge or Simply Soothing (Bug Soother) immediately producing hand sanitizer or others that started manufacturing PPE.

Strategic long term – will some of the strategic short-term decisions fit in the long term? What changes to current products and services will be required to be relevant long term? What new products or services could be added around new needs? What should be deleted as needs will diminish? What should be changed when it comes to sales and distribution channels? What can be done to increase market share while competitors remain in a defensive mode?

The lists above can certainly be expanded, but the critical takeaway is that success goes to those who seize opportunity. 2020 is likely to dwarf any previous year when it comes to opportunity and related innovation. The challenge for everyone in business is to make sure they position their company to take maximum advantage of the evolving marketplace—for the prosperity of the business, employees and families depending on them.

EDC thanks our stakeholders for their generous support of Iowa's entrepreneurs.

LEADER LEVEL





Client Case Study

Client: Michal Eynon-Lynch and Riley Eynon-Lynch, Co-Founders

Location: Iowa City

Product: Pear Deck was founded by educators to help teachers engage every student, every day

Year Founded: 2014

Business Stage when came to EDC: Startup

Current Business Stage: Early Stage

Website: www.peardeck.com

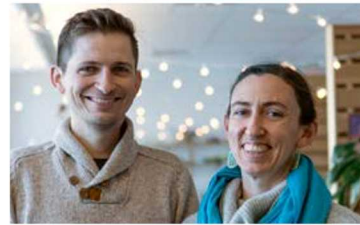
Founded by Riley and Michal Eynon-Lynch, Anthony Showalter and Dan Sweeney, Pear Deck is an early-stage Ed-Tech company that provides a teaching tool that significantly improves student engagement. Riley and Michal are former teachers who have devoted their entrepreneurial careers to developing products and tools that improve the educational experience for both teachers and students. Ultimately improving the end learning experience, Pear Deck has quickly become a favorite engagement tool in more than one-third of schools nationwide and is cultivating nearly one million moments of student engagement during each school day.

On track for record growth in 2020, the Pear Deck team watched closely as COVID-19 began to affect schools in Asia. In February, Pear Deck began offering free access to its student engagement tool to Asian educators through June 30, 2020. As the COVID-19 pandemic made its way to the US, Pear Deck saw usage completely fall off as schools closed and moved to remote learning. As K-12 educators quickly adjusted and sought resources for teaching remotely, Pear Deck stepped up to expand free access worldwide. From mid-March to the end of the school year, the company on-boarded more than 400,000 new teachers across the globe who were scrambling to engage their students from home. Instead of halting development, Pear Deck took this

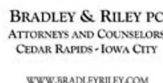
opportunity to further invest and create several new features specifically designed to help teachers work remotely.

The company received PPP funding through the CARES act, allowing them to retain employees despite increasing uncertainties and is confident that Pear Deck will play an important role in the 'new normal' for education. "We're not a massive company; we're a small team of passionate people made up of former teachers and parents who are navigating the challenges of remote work and remote learning right alongside our educator customers. We may not know what the future of education looks like, but rest assured that our commitment to partnering with schools to help teachers deliver powerful learning moments will not waver. Our team will continue to innovate and respond to emerging needs," said Riley Eynon-Lynch, Co-Founder and CEO.

"EDC has been a value to us from the very beginning and has touched on almost every part of our business. EDC's direct, hands-on approach has been crucial to our scaling business. EDC differs from other business resources in the scope of their expertise and how dedicated they are to each company that they're helping," said Eynon-Lynch. "We continue to consult with them as we navigate both the challenges and opportunities the COVID-19 pandemic has presented."



CHAMPION LEVEL





Client Case Study

Client: Scott Ramspott, Founder and Aaron Verhorevoort, President

Location: North Liberty

Product: Hearth, patio and BBQ products

Year Founded: 2011

Business Stage when came to EDC: Early

Current Business Stage: Mature

Website: www.spotix.com



Scott Ramspott, Founder

Spotix, Inc. is a leading on-line retailer and wholesaler of hearth, patio and barbecue products. Founder, Scott Ramspott, started the North Liberty-based company in 2011 after serving as a manufacturer’s sales rep in the patio and hearth industry. As he called on his dealer clients, he noted that they were starting to successfully sell products on-line. He then approached the manufacturers himself about providing a superior on-line shopping experience for the product category and Spotix was launched.

Shortly after Ramspott founded Spotix, he hired Aaron Verhorevoort as President to run the day-to-day operations of the growing business. The company’s sales are primarily direct to consumer but over the years, Spotix has seen growth in the contractor and commercial markets as patio and hearth products are often extensions of new construction or remodeling projects.

EDC was introduced to Ramspott and his team in 2015. Initially, EDC engaged to assess the Spotix team, help develop an organizational chart, advise on the company’s business plan and help with forecasting and a financial plan, including guidance on the business plan needed to secure funding for building a new 35,306 square foot facility.

“Up to the point that we met EDC, we did not have access to a business resource like it. They were instantly able to provide relevant insight to our team,” said Verhorevoort. “Recently, we have valued the ability to hire Julie Zielinski as a fractional VP of Marketing to literally step into the company and fully immerse herself in our business. This has been critical as we navigated COVID-19 and evaluated our market landscape.”

While many businesses have been adversely affected by COVID-19, Verhorevoort said that Spotix has seen a significant lift in its sales. “Around March 16th we started contingency planning—what if sales are down 20% or 30%—we were planning for worst case scenario. However, we’ve actually grown sales, some weeks being up over 100% year over year. Consumers have been home and investing in their backyards and grills. They are not shopping brick and mortar as much. The pandemic has caused what is likely a lasting shift in consumer buying habits toward shopping on-line. Our job going forward is to continue to monitor the post-pandemic marketplace, determine how to preserve the lift in sales and provide the best customer experience.”

“We’ve actually grown sales up to 100% year over year.”

PARTNER LEVEL



Mask of Wellness: An Iowa Doctor's Mission to Protect Health and Wealth

David C. Krupp, M.D., a physician in Iowa City and Co-Founder Robbie Schwenker, PharmD, a community pharmacist, developed 'Mask of Wellness', a free initiative to provide resources for businesses to operate in a safe manner amidst the COVID-19 pandemic. This grass roots effort was launched in Iowa City, IA in May and the program is now expanding nationwide to promote social, physical, and economic wellness. Businesses can sign up and self-certify at www.maskofwellness.com, pledging that they will take three simple actions to maintain the safety of employees and customers of their establishments:

1. Masks are worn in all shared areas of the work environment by employees
2. Personal / Surface / Distancing Hygiene
3. Daily Health Certification— Primary COVID-19 symptoms recognized and screened

The 'Mask of Wellness' program is provided to businesses at no cost. Once they self-certify, businesses can download a free toolkit with engaging 'Mask of Wellness' graphics, content, and materials to promote the safety steps they are taking to operate as a 'Covid-Conscious' business. In turn, this provides comfort and confidence to customers and employees while improving the health, wealth, and wellness of our communities.

EDC is part of a volunteer team that Dr. Krupp has assembled to develop and promote the initiative. EDC has helped with website content development, press outreach as well as connection to various Chambers of Commerce and national organizations.

"Our message from the start has been focused on bringing about a positive change through choice thus avoiding the resurgences that cause impact on wellness and resultant restrictions and mandates. Our mission is simple: to keep

people safe while enabling our economy/ society to function. We believe that our collaborative efforts will play a role in preventing COVID-19 recurrent episodes with impact upon all elements of our well-being. Through the choice of our own actions, we can change the narrative. If we all assume we have asymptomatic COVID-19 and take a respectful 'Covid-Conscious' mindset we will shut down this pandemic," said Dr. Krupp.

The team has already signed on hundreds of Eastern Iowa businesses with support from numerous Chambers of Commerce and Departments of Health in communities such as Ames, Clear Lake, Mason City, Dubuque, and the MedQuarter in Cedar Rapids. In addition to extensive media coverage in Iowa, Dr. Krupp has been featured on the podcast, 'Stand Up with Pete Dominick' as well as on NPR's 'River to River' show. "I am grateful to have the EDC team help me propel this important movement. I am humbled by the efforts of the members of this grassroots team while I am simultaneously working on the frontlines in the ER. I look forward to aligning with key partners to help us fuel the momentum. This empowered method is spreading rapidly with only a small grassroots team. Why? Because the philosophical approach works and will impact the pandemic. We have accepted the challenge to help spread this concept faster than the pandemic," said Dr. Krupp.



"Our mission is simple: to keep people safe and enable our economy to open."

COLLABORATOR LEVEL





Jeff Quint

“As the COVID-19 pandemic made its way to Iowa, our business was affected in multiple ways. Firstly, our tasting room, kitchen and event center had to close for two months, essentially shutting down our entire retail division. This left about 25 of our staff with nothing to do. Luckily, we immediately committed to producing sanitizer and reallocated this whole team to its production during this time period. Aside from the immediate revenue this generated, we worked with Steve Shriver and the EcoLips team to help the community by handing out thousands of bottles of sanitizer to area citizens that couldn’t get it elsewhere. Demand for the sanitizer began to slow about the same time our retail facilities were allowed to reopen.

So, now we are learning how to manage our local retail and restaurant operation in the midst of all this chaos. We’ve been very fortunate to keep the whole team safe and fully employed throughout this pandemic. But this year looks nothing like what we had planned and we’re now completely rebuilding our plans and budgets for the second half of the year. We’re hoping that, by next year, we’ll return to some semblance of normalcy. Meanwhile, we’re so grateful to have a team here that was willing to do whatever it took and also for such a loyal customer base that kept our brand strong throughout this dilemma.”

Jeff Quint, Founder, Cedar Ridge Distillery



Freda Sojka

“Typically, March and April are ramp up months for our retailers—they are starting to order Bug Soother inventory for the start of summer bug season. Early on, it appeared that we were going to be affected a great deal this year, because retail stores were at half or less business and the retailers were reluctant to stock too much. But now, orders are starting to come through. We just recently sent pallets of product to Walgreens, Menards and Walmart the same week. People are still going outdoors, even if not to the usual events and crowded areas.

When we were slow with our Bug Soother line, we shifted to bottling hand sanitizer to fill a need in the state. It made sense as we had the advantage of a large inventory of bottles and sprayers as well as the equipment to bottle. Even though it was challenging to get materials and stay competitive, the sanitizer did help us short-term to keep staff busy and generate some cash. However, the demand for it has slowed way down, which actually has worked out because we needed to shift focus back to our core product. Overall, we have been lucky to have our core business rebound the way it has.”

Freda Sojka, Founder, Simply Soothing

MEMBER LEVEL



GRAY VENTURE PARTNERS



Robert Becker
Angela & Dennis Jordan



Matt Miller

“At MobileDemand, we have worked tirelessly to develop innovative products that improve productivity for our customers. As the pandemic unfolded, we saw the impact it was having on the industries we serve and throughout, MobileDemand was up and running to provide critical products to healthcare and retail customers. Our products are helping with virtual patient communication, paperless check-in, streamlined health checks and curbside ordering and pick-up. The pandemic has changed how some of our customers are doing business and MobileDemand has solutions to help them navigate these changes seamlessly.

Throughout this challenging time, we have also been able to give back as an organization. Early on, we donated 300 healthcare iPad cases to Harbor-UCLA Medical Center in California to help facilitate safe patient-family and patient-medical staff communication. Additionally, we leveraged our supplier connections in China to purchase much needed PPE for our own community. We donated 50,000 surgical masks and 5,000 face shields to Corridor-area hospitals and healthcare providers as well as regional Catholic churches to help them open up. We are pleased to be able to support our local community and nation where we can throughout this pandemic.”

Matt Miller, President, MobileDemand



Jeri Frank

“We started the year with a solid plan and good sales momentum. While the pandemic environment is certainly challenging, it has highlighted the need for the use of a solid tool to monitor and track a real estate owner’s portfolio. With an overwhelming amount of businesses shut down due to COVID-19, it has become critical for real estate owners to track which tenants are impacted by the pandemic or which loans have been moved to interest only. Knowing the amount of rent that will be delayed or perhaps, unfortunately, lost is critical not only for cash flow monitoring but most importantly when having conversations with lenders and investors about potential deferred loan payments. Additionally, our application helps owners and investors stay actively informed

and up to date on debt, equity, and risk across all projects. We have ramped up marketing and sales efforts and invested in our team that is dedicated to full-service on-boarding. Our goal is to get in front of our market to help them navigate through this challenging time with ease and armed with information critical to their survival.”

Jeri Frank, Co-Founder and CEO, STRATAFOLIO

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Iowa City Small Business Resource Program

Small business assistance for income eligible businesses with **five or fewer** owners and employees

Small business assistance provided

- The Small Business Resource Program (SBRP) will provide loans up to \$10,000 with 0% interest for up to 60 months. The loan must be at least equally matched with a business loan or cash on hand to invest in the business. For example, if approved for a \$9,000 SBRP loan, the applicant must either obtain a business loan for at least \$9,000 or have cash on hand to invest \$9,000 into their business.
- Minimum SBRP loan amount is \$5,000.
- With loan approval, applicants will be awarded up to \$5,000 in reimbursable grant funds for technical assistance with website development, payroll services and/or accounting and tax services.



How to qualify

- Business must be located in Iowa City. If a home based business, the home must be located in Iowa City.
- The owner(s) must be income eligible. Income is based on income from all adult members of the household.

Household Size <i>Effective 7/1/2020</i>	Income Limit
1	\$54,950
2	\$62,800
3	\$70,650
4	\$78,500

For more information, email neighborhoods@iowa-city.org or call **319-356-5230**.

Apply online Interested businesses may apply at icgov.org/financialassistance.



Date: November 23, 2020
To: City Council Economic Development Committee
From: Tracy Hightshoe, Neighborhood and Development Services Director
Wendy Ford, Economic Development Coordinator
Re: Building Change Program

In FY13 the City initiated the Building Change Program as a redevelopment strategy in the Downtown District to assist property and business owners rehabilitate the commercial facades of their properties to create a positive visual impact, stimulate private investment and complement other economic development efforts. The program also assisted with other Council goals such as preserving and reinvesting in historic structures, improving energy efficiency, supporting our Climate Action efforts and increasing property values. The funds were targeted for façade improvements, accessibility, safety and energy efficiency improvements. The City provided grants from 30-50% for improvements as well as partnered with Hills Bank & Trust, MidWestOne Bank and GreenState Credit Union to provide 0% interest loans for eligible projects.

These programs assisted 20 properties in the Downtown District, generating a reinvestment of over \$1.45 million in our older, downtown commercial properties. The total investment was even greater as many of the projects also made significant improvements to the building or its interior outside of the grant's scope, such as Target and the Grossix building. City general funds and Community Development Block Grant funds provided \$413,025 in grants and \$67,870 in 0% interest loans were made available through our community lending partners. All loans are repaid, and all projects completed.

The City has used façade grants to encourage reinvestment in other Iowa City neighborhoods as well. A redevelopment strategy for the Towncrest neighborhood was developed in 2013 that included a façade grant program that assisted four properties. Incentives also included a new streetscape and financial assistance to develop new medical offices and a Low-Income Housing Tax Credit Project for senior housing. In addition, the City has provided two façade grants in Riverfront Crossings. In the near future, the City Council will be reviewing a pending proposal for a tax abatement area along Highways 1 & 6 that could provide similar opportunities for property owners and businesses along these corridors.

There is no additional funding for the Building Change Program currently. A table highlighting the projects and investments is below for your review as well as some of the photos highlighting the before and after photos of the projects.

Building Change Grant Summary

Year	Grant type	Project	Grant	Total project costs
FY13	40% grant	138 S. Clinton St. (Active Endeavors)	\$ 16,000.00	\$ 40,000.00
FY13	40% grant	118 E. Washington St. (Bo James)	\$ 39,940.00	\$ 99,850.00
FY13	40% grant	215 E. Washington St. (Quintons)	\$ 27,733.00	\$ 69,332.00
FY13	30% grant	30 S. Clinton St. (Grossix Building)	\$ 43,629.00	\$ 145,430.00
FY13	30% grant	32 S. Clinton St. (Pancheros)	\$ 19,857.00	\$ 66,190.00
FY13	30% grant	218 E. Washington St. (Chait Galleries)	\$ 8,028.00	\$ 26,760.00
FY13	30% grant	13 S. Linn St. (Yacht Club)	\$ 12,930.00	\$ 43,100.00
			\$ 168,117.00	\$ 490,662.00
FY14	40% grant	127 Iowa Ave. (Former Atlas Restaurant)	\$ 47,502.00	\$ 118,755.00
		FY14 Subtotal	\$ 47,502.00	\$ 118,755.00
FY15	30% grant	132 E. Washington St. (Former Cold Stone Bldg)	\$ 17,100.00	\$ 57,000.00
FY15	30% grant	12 S. Dubuque St. (Sports Column)	\$ 12,690.00	\$ 42,300.00
FY15	30% grant	127 E. College St. (Martinis)	\$ 23,705.00	\$ 79,017.00
FY15	30% grant	132 S. Clinton St. (Yotopia)	\$ 3,581.40	\$ 11,937.00
FY15	30% grant	22 S. Clinton St. (Airliner/Austin Burke)	\$ 19,647.00	\$ 65,490.00
		FY15 Subtotal	\$ 76,723.40	\$ 255,744.00
FY20	50% grant	16 S. Clinton St. (MacDonald Optical)	\$ 20,683.00	\$ 250,000.00
FY20	50% grant	113 E. Washington St.* (Target)	\$ 80,375.00	\$ 160,750.00
FY20	50% grant	119-123 E. Washington* (Kresge Bldg -3 store fronts)	\$ 19,625.00	\$ 40,000.00
		FY15 Subtotal	\$ 120,683.00	\$ 450,750.00
* These 2 projects were approved to split \$100K between them; uneven split approved.				
GRAND TOTALS			\$ 413,025.40	\$ 1,315,911.00

Building Change Loan Summary (Partnership with Hills, MidWestOne & GreenState)

2/17/2015	0% Int	111 S. Dubuque St. (Former Forbidden Planet)	\$ 3,604.00	\$ 7,208.00
12/1/2014	0% Int	206 N. Linn St. (Oasis Falafel)	\$ 4,265.75	\$ 8,531.50
11/28/2015	0% Int	112 E. Washington St. (Former Whitey's bldg)	\$ 30,000.00	\$ 60,000.00
12/16/2015	0% Int	225 S. Linn St. (Bread Garden)	\$ 30,000.00	\$ 60,000.00
		Loan Total	\$ 67,869.75	\$ 135,739.50
		Combined Total	\$ 480,895.15	\$ 1,451,650.50

Project Highlights

Bo James Building

Before



After



Target Building

Before



After



Active Endeavors – Energy Efficiency Project



Pancheros

After

