

WATERLOO OPPORTUNITY ZONE PROSPECTUS

A Platform for Action

Prepared by
VANDEWALLE & ASSOCIATES
in collaboration with
THE CITY OF WATERLOO



MARCH 2019

Based on the Accelerator for America Prospectus Template

Waterloo is a diverse city with a legacy of **entrepreneurship** and **innovative power**.

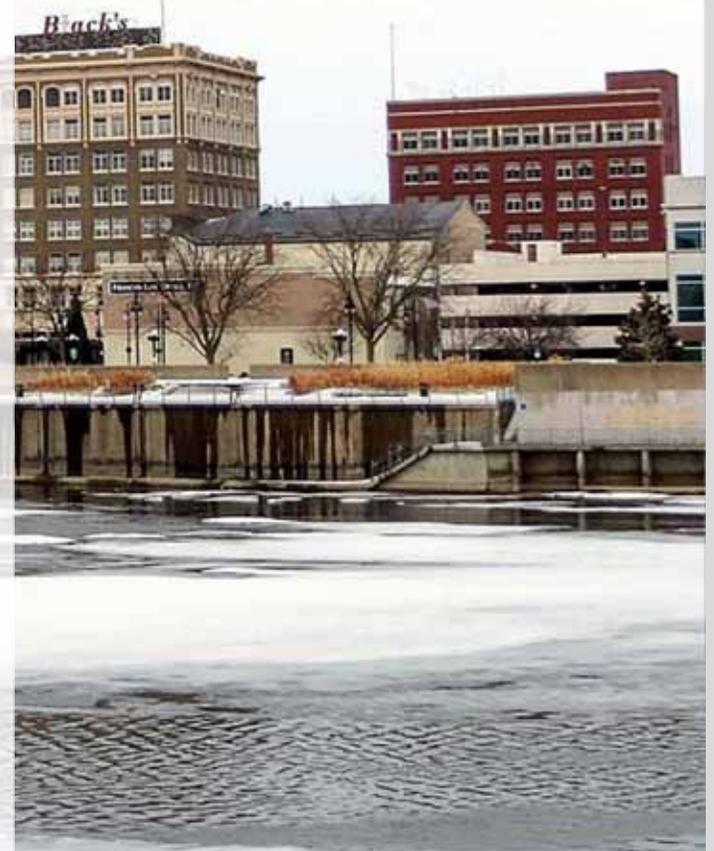
- ***Invests with impact***, a city of 68,146 residents leveraging \$100 million in downtown investment in the last 10 years.
- ***Growing and diversified economy***, with regional industry strengths in manufacturing, health care, trade and transportation, and business services.
- ***Successful public-private partnerships*** led to \$180 million in additional pledged investment.
- ***Proximity to University of Northern Iowa*** generates workforce training and applied manufacturing technology pipeline that includes high schools, higher education, and local businesses.
- ***The Cedar River*** is a regional destination for recreation and entertainment.
- ***Regional market strength*** – proven return on investment on real estate and new businesses
- ***Infrastructure ready for growth*** – low water and utility rates; high capacity available
- ***Vibrant*** new hotel and restaurant in walkable, historic downtown

MAYOR QUENTIN M. HART

(319) 291-4301

mayor@waterloo-ia.org

EXECUTIVE SUMMARY



WHY WATERLOO

Catalytic Investment

Be Part of the Investment Momentum

\$180M in Shovel-ready Projects

Impactful OZ Projects: Convention Center & Hotel, Multi-Story Residential, Desirable Infill Sites

Human Capital

Supply Chain Generating Businesses that Innovate

Businesses and Residents Choosing Walkable Downtown

Active Lifestyle Culture: Recreational River, Trails, Downtown Sportsplex

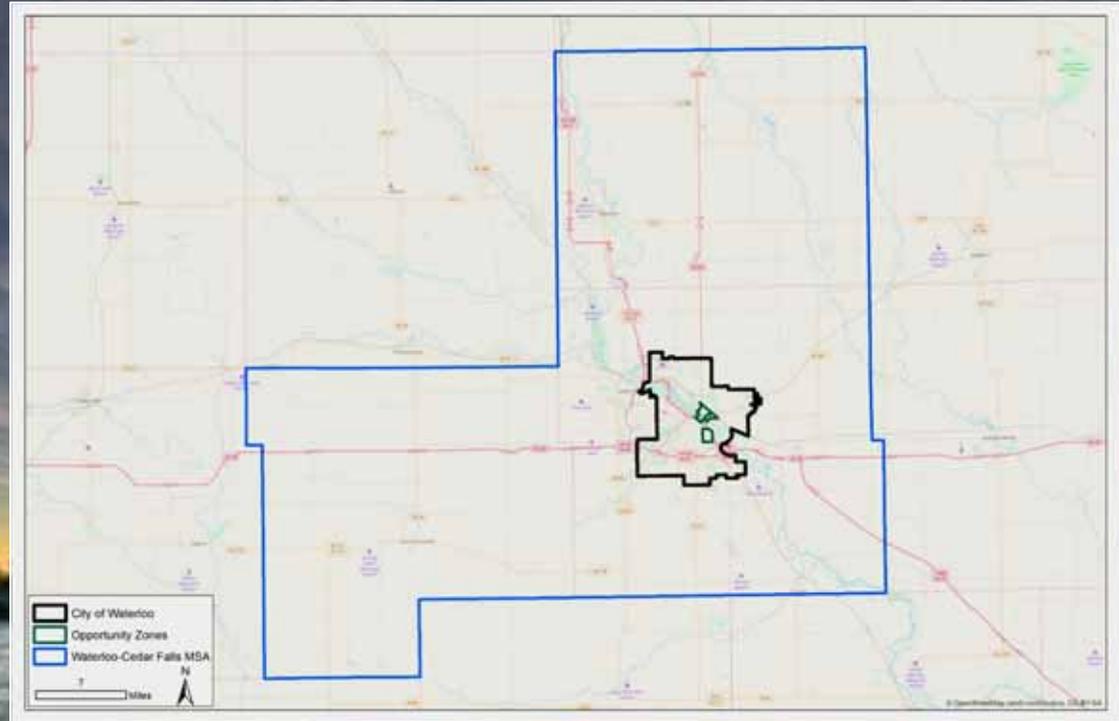
Quality of Life

Urban and Natural Recreational Assets

Professional Feeder League Sports: Blackhawks Hockey & Waterloo Bucks Baseball

Vibrant Business & Entertainment District

GEOGRAPHY OF WATERLOO OPPORTUNITY ZONES



	POPULATION 2010	POPULATION 2017	% CHANGE	SQ. MILES
MSA	167,819	170,055	1%	1,498
City of Waterloo	68,406	68,146	0%	63.2
Zones	7,155	6,780	-5%	1.84

WATERLOO MOMENTUM



BY THE NUMBERS

- **Investing Impact:** \$100 million invested in Downtown Waterloo
- **Investment-Pipeline:** \$180 million investment planned
- **Corporate Leadership:** \$1.5 billion investment by John Deere Waterloo with pledged continued commitment
- **Strong Workforce:** national leader in heavy machinery advanced manufacturing, education/ knowledge creation, metalworking technology, and wood products



BY THE ASSETS

- **Riverfront Transformation:** Recreation of Cedar River from industrial use to community destination
- **Applied Education and Training:** University of Northern Iowa and Hawkeye Community College Downtown Facilities
- **Leadership with Integrity:** AA2 Bond Rating and government history with successful public-private partnerships



BY THE OPPORTUNITY ZONES

- **Core Strength:** 3 Opportunity Zone tracts located in the heart of Waterloo
- **Historic Downtown:** Continued Growth of new industries, venues, and businesses
- **Invest with Impact:** Investment in Waterloo Opportunity Zones will expand economic momentum and growth to vulnerable residents

OPPORTUNITY ZONE CONTACTS

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(319) 291-4301

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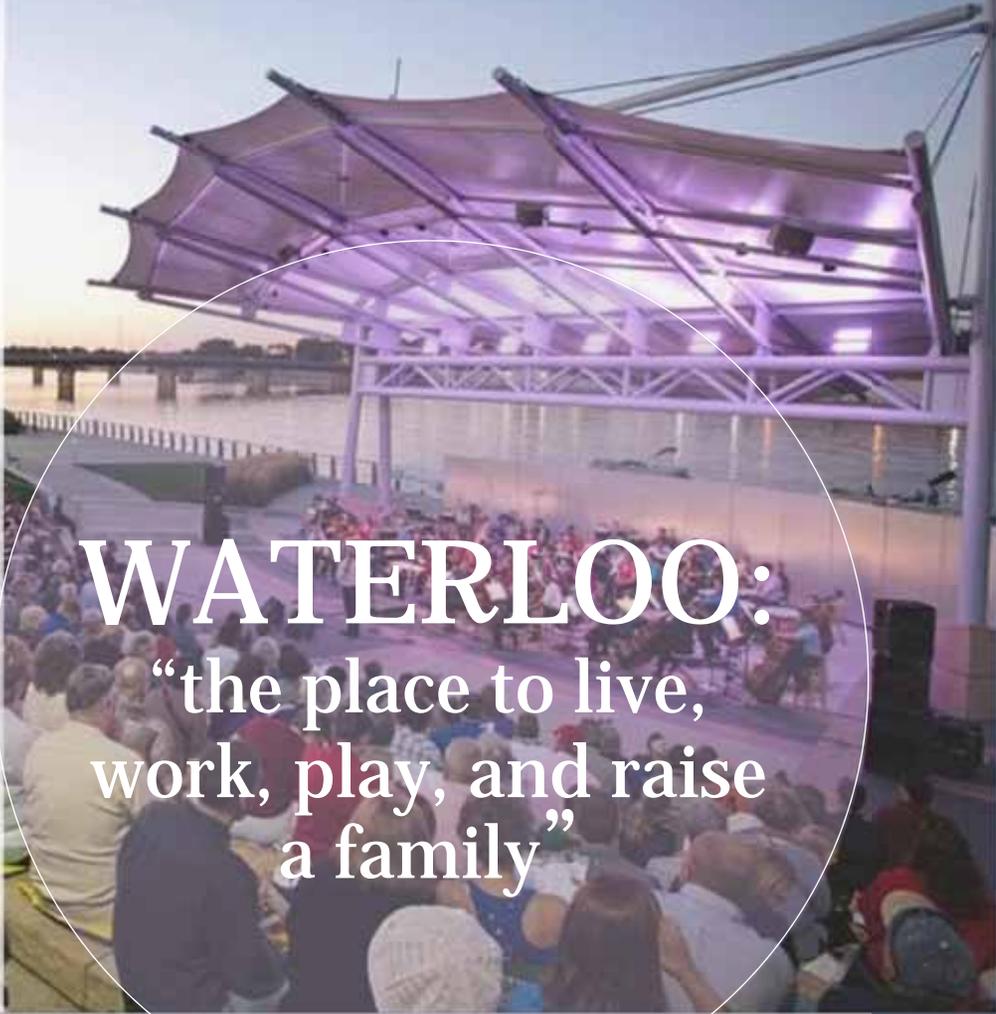
Waterloo, Iowa 50703

**WATERLOO ECONOMIC
DEVELOPMENT WEBSITE:**

www.waterlooida.org

DIRECT LINK TO WATERLOO PROSPECTUS:

www.cityofwaterlooia.com/OZprospectus



WATERLOO:
“the place to live,
work, play, and raise
a family”



WATERLOO BY THE NUMBERS

JOB GROWTH

2000-2010
+.9%

2011-2018
+2.2%

AVERAGE MONTHLY EARNINGS

2000-2010
+37%

2011-2017
+12%

TOTAL WAGES

2001-2010
+38%

2010-2017
+22%

WATERLOO METRO ECONOMY

EMPLOYEES UNDER AGE 29

2002-2010
-12%

2011-2015
-5%

UNEMPLOYMENT

2000-2010
6.6%

2011-2017
3.9%

A photograph of a multi-story brick building with many windows. A red sign on the roof reads "Black's". The building is set against a blue sky with light clouds. Four white rectangular callouts are overlaid on the image, each containing text about awards and rankings.

WATERLOO BY THE RANKINGS

#9
**BEST JOB MARKET IN
AMERICA**

2018 - Zippia

2018
**SMALL BUSINESS
COMMUNITY OF THE
YEAR**

- SBA

2018
**GREENEST CITY
AWARD**

- Insurify

#9
**BEST PLACES TO
BUY A STARTER
HOME FOR
MILLENNIALS**

2019 - Realtor.com

WATERLOO EMPLOYMENT PROFILE

	2002 COUNT	2015 COUNT	2002-2015 GROWTH	2002-2015 % GROWTH
Manufacturing	10,617	13,517	2,900	27.3%
Health Care, Social Assistance & Educational Services	9,492	10,420	928	9.8%
Trade, Transportation & Warehousing	8,015	7,791	-224	-2.8%
Accommodation & Food Services	2,718	2,988	270	9.9%
Public Administration	2,224	2,194	-30	-1.3%
Professional & Business Services	1,523	1,788	265	17.4%
Construction, Mining & Utilities	1,728	1,476	-252	-14.6%
Finance & Insurance	2,159	1,406	-753	-34.9%
Information	676	328	-348	-51.5%

WATERLOO-METRO LARGEST NON-GOVERNMENTAL EMPLOYERS

EMPLOYER	TYPE OF BUSINESS	APPROX. NUMBER OF EMPLOYEES
John Deere Waterloo Operations	Manufacturing	5,000
Tyson Fresh Meats	Food Processing	2,900
Wheaton Franciscan Healthcare	Health Care	2,883
UnityPoint Health	Health Care	2,520
University of Northern Iowa	Higher Education	1,816
Hy-Vee Food Store	Grocery	1,733
Omega Cabinets, Ltd.	Manufacturing	994
VGM Group*	Diversified	941
Bertch Cabinet Manufacturing	Manufacturing	925
Hawkeye Community College*	Higher Education	773

*Source: Greater Cedar Valley Alliance & Chamber, Cedar Valley Fact Sheet, Spring 2018 *Received updated data from employer. 2019*

WATERLOO LEADERS AND PARTNERS

Successful **Public Private Partnership** led by the
City of Waterloo and Waterloo Development Corporation
with other key partners have leveraged almost
\$300 million in current and future projects



**JOHN DEERE
WATERLOO**



BLACK HAWK COUNTY
GAMING ASSOCIATION
HELPING THE CEDAR VALLEY PROSPER

ECONOMIC DEVELOPMENT STRATEGY/INITIATIVES

A black hawk is perched on a black metal balcony railing, looking out over a cityscape. The city features various buildings, including a prominent white building with a clock tower. A river flows through the city, and a bridge is visible in the distance. The sky is blue with some clouds.

INITIATIVES

- Enhancement of Downtown civic destinations
 - \$12M Hawkeye Community College Downtown Campus
 - \$30M Cedar Valley SportsPlex
 - \$15M outdoor Expo Grounds + RiverLoop Amphitheater
 - \$6M+ for Youth Pavilion
- Proven track record of executing complex financing tools – TIF, CURA, Gaming funding, Brownfields, State and Federal Grants, New Markets Tax Credits
- \$360 million in tourism, driven by Downtown and Riverfront destination investments



WATERLOO BY THE ASSETS



IN DOWNTOWN WATERLOO

Every **\$1**
Attracts **\$7**
More

SMALL CITY – BIG IMPACT: BIG RETURN ON INVESTMENT

- **\$180 million in new investment** in Downtown Waterloo
- \$100 million in planned **future investment**
- **Corporate leadership:** \$1.5 billion investment by John Deere in Cedar Valley facilities and products in 15 years
- **290 NEW housing** units
- Over 600 **NEW downtown residents**
- Total estimated **downtown spending** of \$1.7 million annually

WATERLOO TODAY

John Deere Advanced Manufacturing

2017 Former Deere structure renovated into Courtyard Marriott



2016 Urban Housing at former Grand Hotel Site



2017 Single Speed Brewery renovation of Hostess bakery



2012 Waterloo Riverloop Amphitheater



2015 John Deere Tractor and Engine Museum



2019 Hawkeye Community College



2011 Riverloop Public Market



2014 TechWorks Industrial Incubator



2009 Riverloop Expo Grounds completed



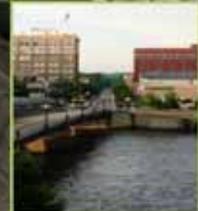
2008 Youth Pavilion completed



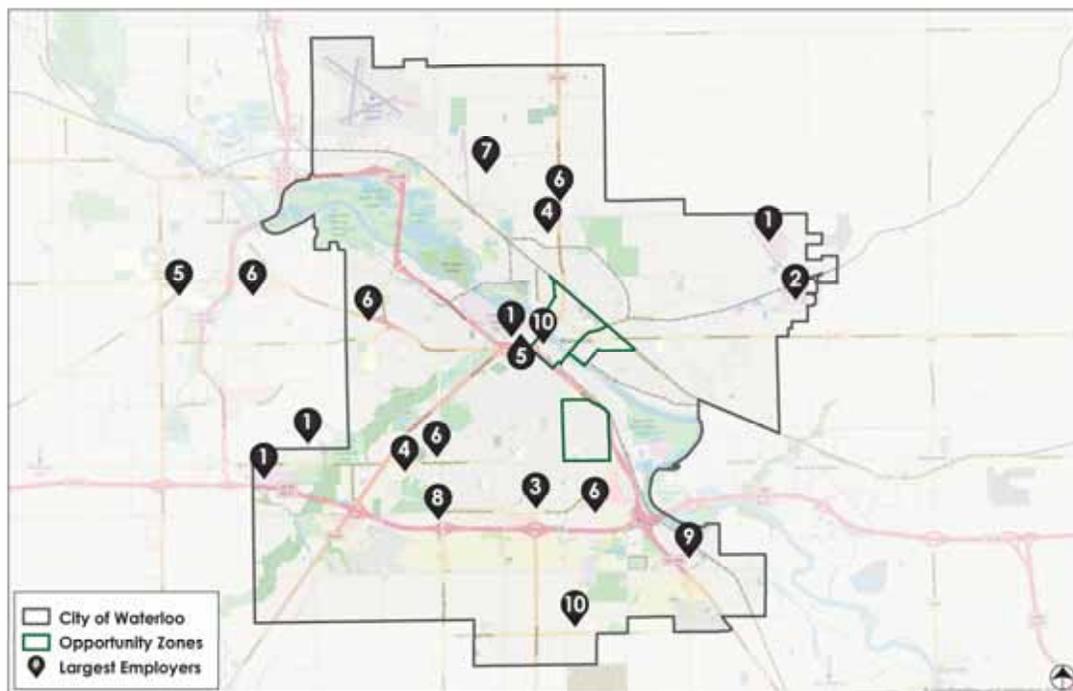
2014 Cedar Valley Sportsplex \$26M, 130,000 sq. ft. facility



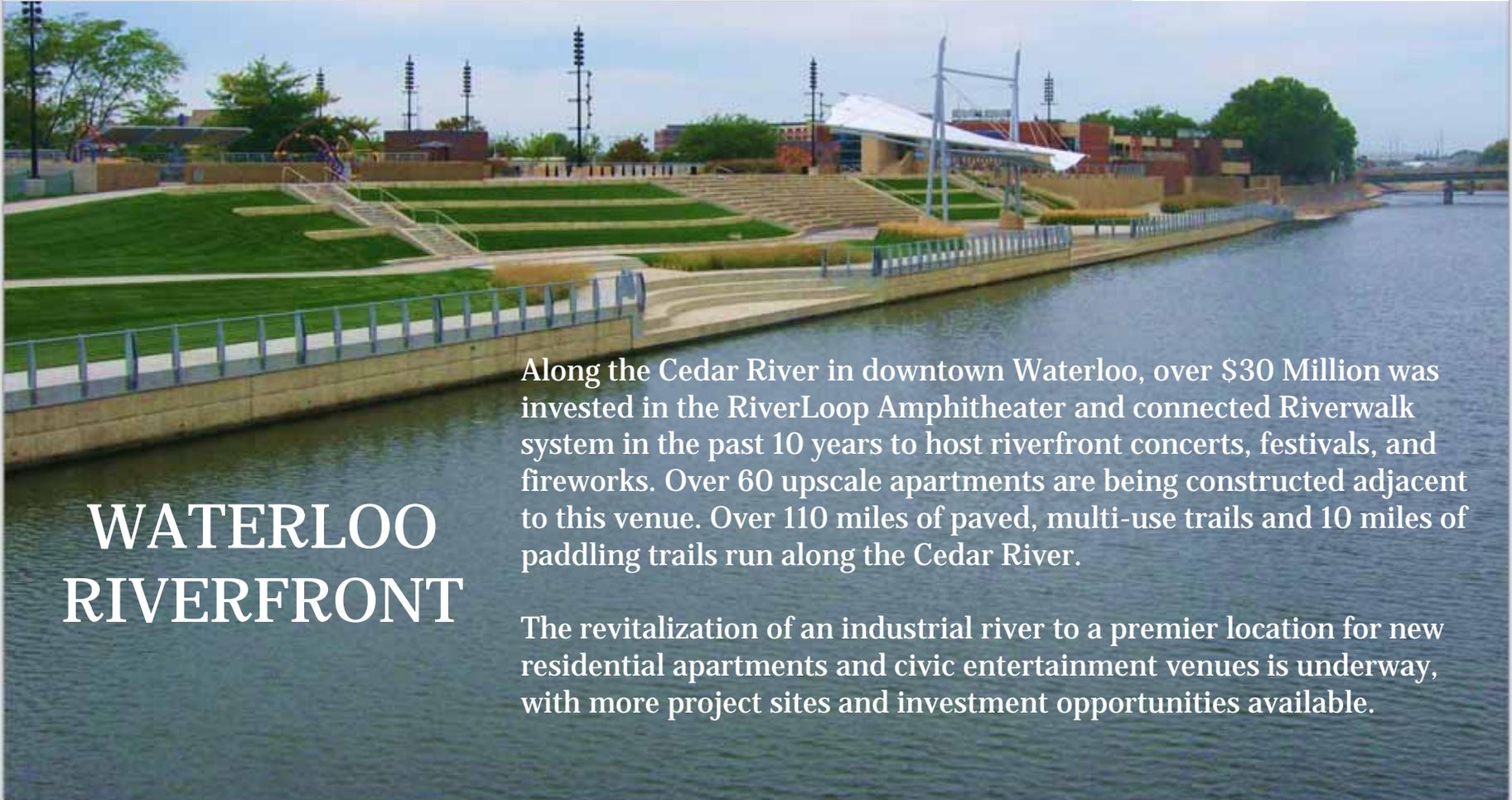
2010 Waterloo Riverloop completed



LARGEST EMPLOYERS



1. John Deere Waterloo Operations
2. Tyson Fresh Meats
3. MercyOne Healthcare
4. UnityPoint Health
5. University of Northern Iowa
6. Hy-Vee Food Stores
7. Omega Cabinets, Ltd.
8. VGM Group
9. Bertch Cabinet Manufacturing
10. Hawkeye Community College



WATERLOO RIVERFRONT

Along the Cedar River in downtown Waterloo, over \$30 Million was invested in the RiverLoop Amphitheater and connected Riverwalk system in the past 10 years to host riverfront concerts, festivals, and fireworks. Over 60 upscale apartments are being constructed adjacent to this venue. Over 110 miles of paved, multi-use trails and 10 miles of paddling trails run along the Cedar River.

The revitalization of an industrial river to a premier location for new residential apartments and civic entertainment venues is underway, with more project sites and investment opportunities available.

WATERLOO ACCESSIBILITY

WATERLOO REGIONAL AIRPORT (ALO)

- Daily flights to and from Chicago (ORD) with connections anywhere in the world
- \$3.5 million in improvements to runways, taxiways, and parking areas

HIGHWAY ACCESS

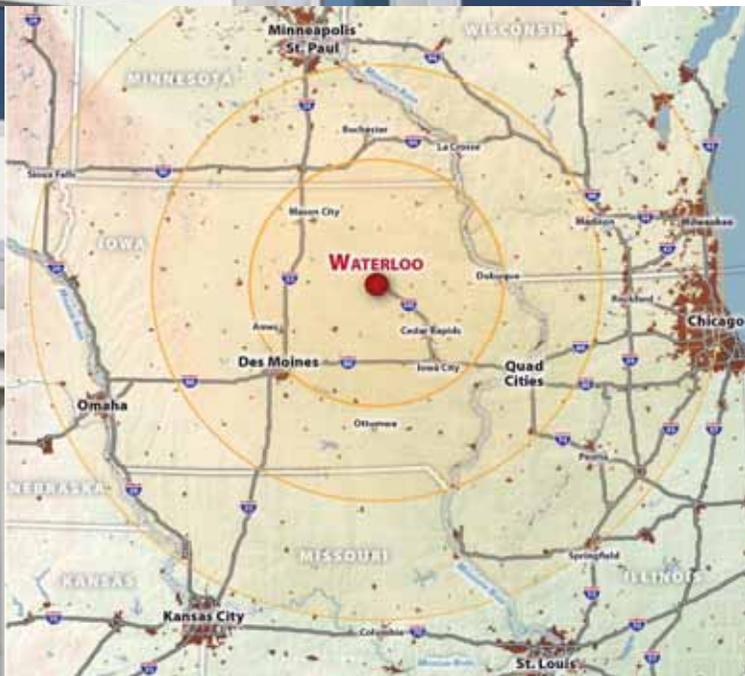
- Crossroads of US/Iowa Hwy 218 and 63 and 20, providing access to 5 major metropolitan areas and employment centers within 5 hours

RAIL ASSETS

- Transloading service with 3 major railroads (INR, CN, UP)

AFFORDABLE UTILITIES WITH CAPACITY TO GROW

- Lowest combined water and sewer rates in the state
- Redundant, low cost electricity with 70% in renewable wind energy





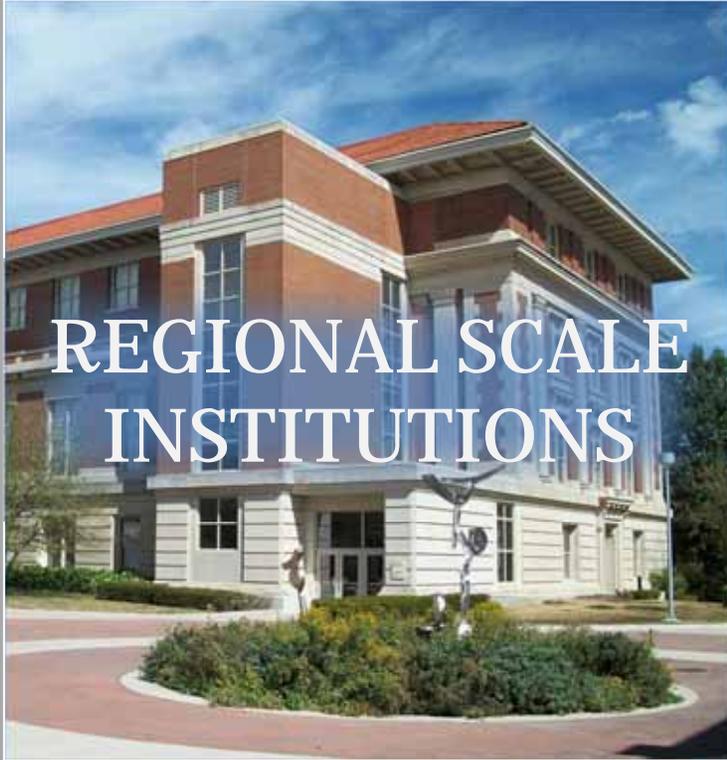
ENTREPRENEURSHIP

- Legacy of innovation in manufacturing, tech, ag, and food processing
- High-tech supply chain supports John Deere manufacturing and seeds innovation
- Millennial entrepreneurs launching successful investment and projects in Downtown Waterloo
- 32 businesses opened downtown in 2018
- 2018 SBA Small Business Community of the Year



- Gorgeously renovated **\$40M** Marriott Courtyard hotel in historic John Deere Manufacturing space
- Attracts **59,000 visitors** to the Cedar Valley region annually
- Active **Cedar Valley Makerspace**
- North America's largest 3D sand printing additive manufacturing facility
- **John Deere Tractor & Engine Museum**
- Adjacent to John Deere Waterloo Works Advanced Manufacturing Operations





UNIVERSITY OF NORTHERN IOWA



- 12,000 students
- 160 majors, minors, and areas of study
- \$3.3M R&D expenditures
- Money Magazine's "2018 Best Colleges for Your Money"
- Enhanced STEM internships, co-funded by state-level partnership
- Essential workforce/training pipeline to local/regional businesses

HEALTH CARE SYSTEM + WORKFORCE TRAINING

- Unity Point Hospital & Clinics
- Allen College (Unity Point affiliate) - provides training and higher education programs for nursing and health science for 300+ students
- MercyOne Hospital & Clinics





**UNIVERSITY OF
NORTHERN IOWA
METAL CASTING CENTER**

- **A national leader** in foundry research, applied technology, and technical business assistance
- **Education for a Vital Industry:** More than **90%** of manufactured durable goods contain metal castings
- **Hands on Learning with Industry Partners**
- **Superior Resources:** The MCC Additive Manufacturing Center is home to North America's largest 3D Printer

**DOWNTOWN
EDUCATION AND
TRAINING**

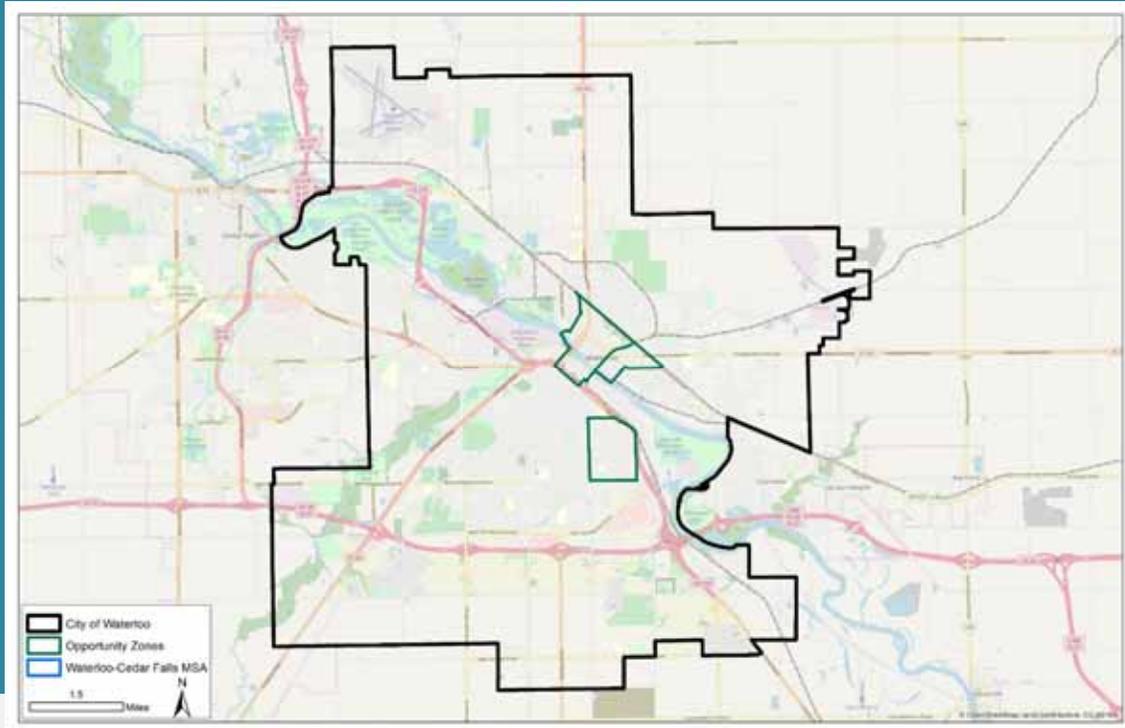
**HAWKEYE
COMMUNITY COLLEGE
VAN G. MILLER ADULT LEARNING
CENTER**

- **\$11.8M downtown** campus opened 2019
- Center for **education and workforce training** opportunities
- Brand new **45,000 square foot building** that includes learning and student support services
- Capacity to serve **4,000 students**



WATERLOO BY THE OPPORTUNITY ZONES

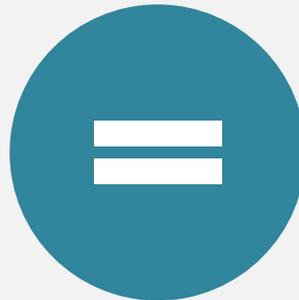
OPPORTUNITY ZONES OVERVIEW



3 OPPORTUNITY ZONE TRACTS

13 WATERLOO TRACTS

23% OF ALL TRACTS



6,780 OPPORTUNITY ZONE POPULATION

68,146 WATERLOO POPULATION

9% TOTAL POPULATION

ZONE TYPOLOGY*: Mixed Jobs/Residential

OPPORTUNITY ZONE JOBS

2015: 4,641

2010: 5,290

-12% change

TOP 3 INDUSTRIES

1. Public Administration (41%)
2. Accommodation and Food Services (8%)
3. Other Services (non-Public Administration) (8%)

OPPORTUNITY ZONE RESIDENTS

2017: 3,257

2010: 3,529

-8% change; 100s of units coming online in 2018-2019

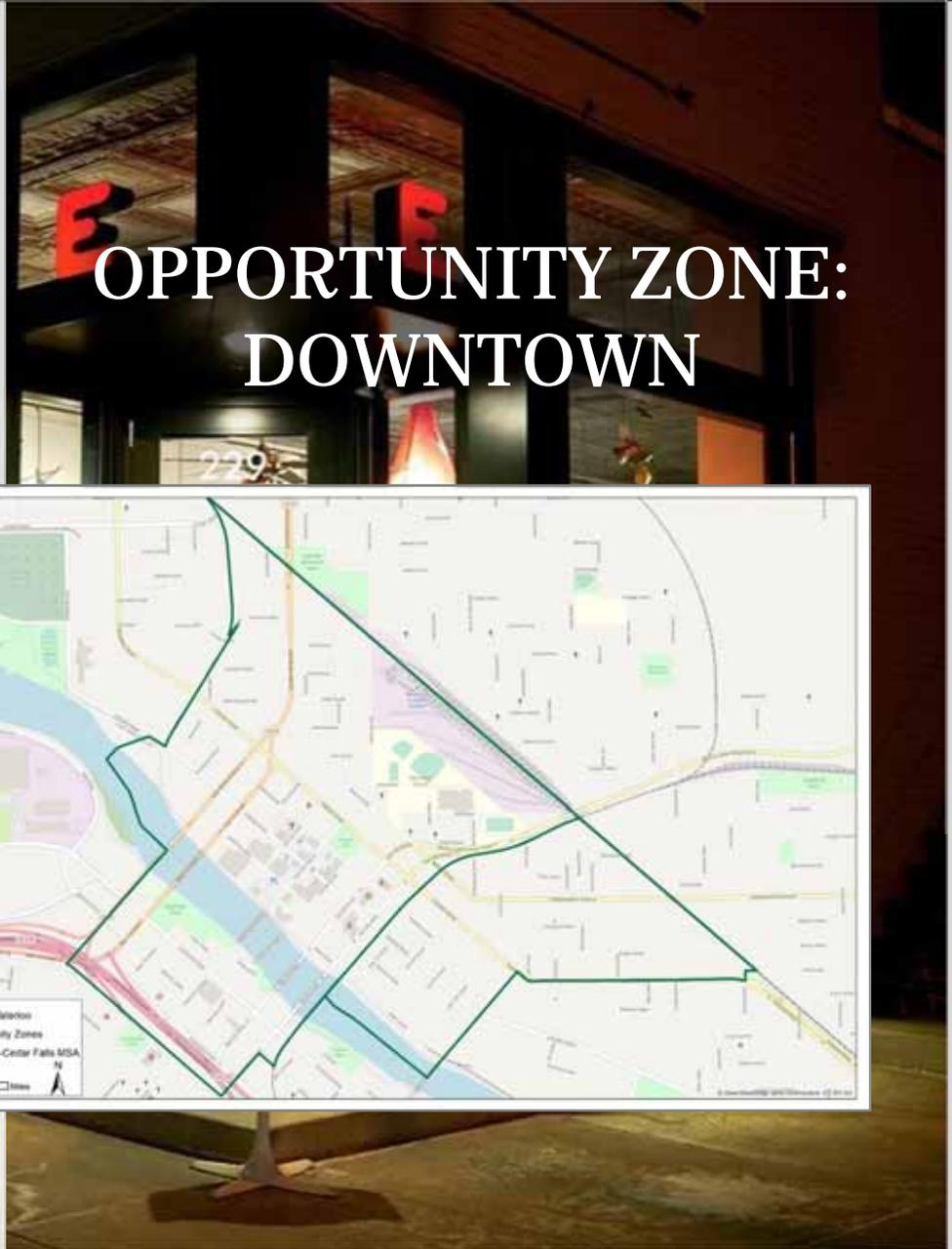
RESIDENTIAL VACANCY RATE

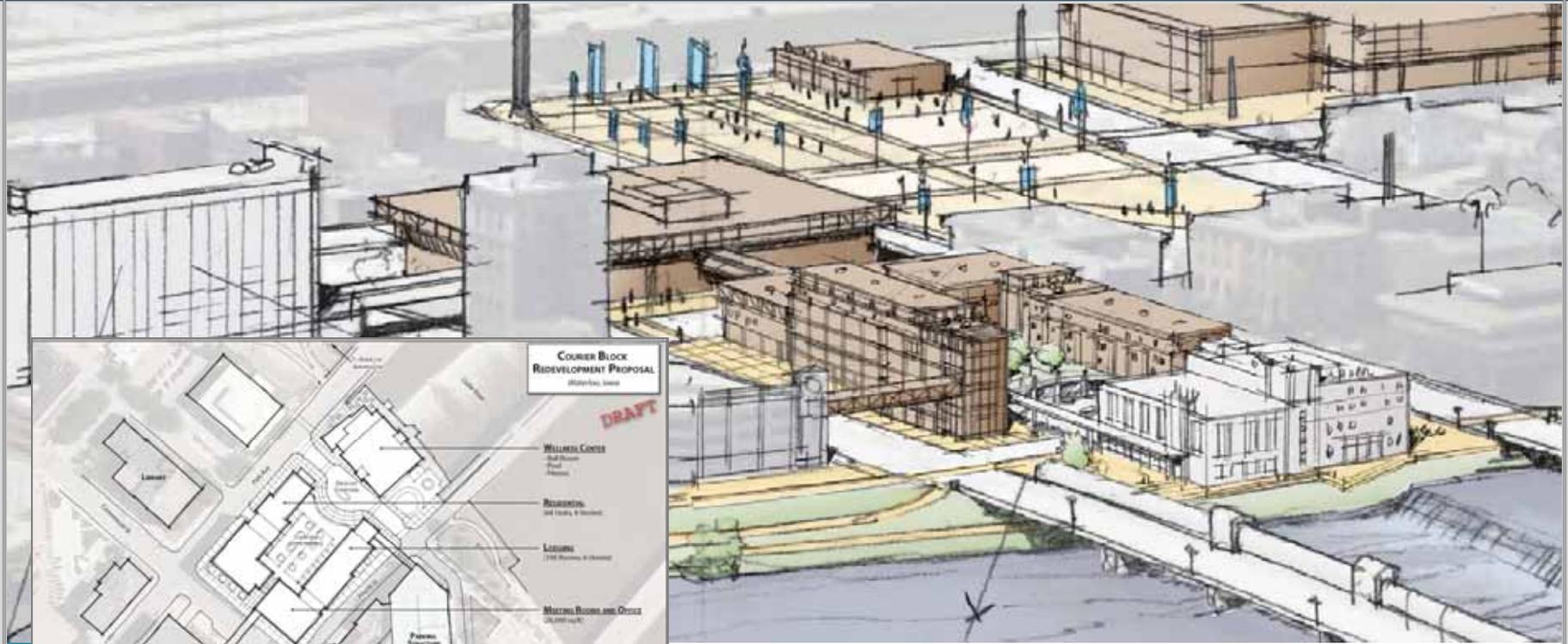
2014: 7%

COMMERCIAL VACANCY RATE

2014: 12%

*Typology Methodology in Appendix





CONVENTION CENTER REMODEL/EXPANSION + HOSPITALITY

ASSETS

- One block from Cedar River
- Award-winning Expo Grounds for indoor/outdoor events
- Adjacent to 556 spaces in parking structure
- Walkable to 4th Street entertainment and restaurants

OPPORTUNITIES

- Renovate and expand active ***Five Sullivan Brothers Convention Center***
- Renovate Ramada convention hotel
- Develop adjacent infill site for additional hotel space and multi-story residential
- Renovate historic Cedar River Plaza building for commercial use



DOWNTOWN/MAIN STREET COMMERCIAL & ENTERTAINMENT

ASSETS

- Prime investment area given proven track record of success
- Competitive incentives available
- Adjacent to impressive amenities, such as SingleSpeed Brewery, Cedar Valley SportsPlex, RiverLoop Amphitheater, Expo Grounds, and Dan Gable Wrestling Museum



OPPORTUNITIES

- Historic Black's Building renovation for commercial/hotel use
- New construction multi-family apartments (60-70 units) + commercial across from Single Speed Brewery
- Renovation of unique, historic building stock for apartments or commercial uses
- Catalytic infill site adjacent to substantial parking structure
- Small business investment opportunities

WALNUT NEIGHBORHOOD REVITALIZATION

ASSETS

- Active community leadership & support
- Current momentum with single-family housing reinvestment
- Community centers, schools, and non-profits anchored here

OPPORTUNITIES

- All-In Grocers – community-supported solution for local food desert
- Chicago Central & Pacific Railroad yard relocation and redevelopment
- Neighborhood housing reinvestment



INVESTMENT OPPORTUNITY

HIGH IMPACT PROJECT
IN PROGRESS

ALL-IN GROCERS:

\$7.2M – 24,500 sq. ft. Full-Service Commercial Grocery Store, Restaurant, and Community Center

WHERE:

- Historic Walnut Neighborhood, A center of African American & Civil Right History, recovering from 50 years of neglect & blight
- Part of the Restore Walnut Neighborhood Restoration Project (2016)
- Engaged public/private partnerships
- Historic homes restored, new home built, new businesses established



PARTNERSHIP:

- Rodney Anderson- minority developer & entrepreneur
- Development agreement in place with city

INCENTIVE PACKAGE (TO DATE):

- \$1.8 million in grants, property tax breaks and land donations from the city
- TIF – Tax Incremental Finance District

OPPORTUNITY ZONE INVESTMENT:

\$1.5 Million investment

\$1.5 Million return

- 80-90 new jobs, becoming area's largest employer
- Eliminates Food Desert
- Creates New Community Space
- Ignites Local Business Climate
- Supports Community-Led Investment & Development

RIVERFRONT REVITALIZATION

ASSETS

- \$40M investment in riverfront assets, parks, and riverwalks
- Established success of new downtown apartments
- Crosstown access through Riverloop bridge system
- Iconic upgraded 4th Street bridge

OPPORTUNITIES

- Art Bloc 60 units multi-story residential
- Riverfront housing sites from 7th to 11th (north side of river)
- Key infill sites for multi-story residential, corporate, and commercial redevelopment
- Whitewater kayak course leveraging upgraded dams





LIVE-WORK NEIGHBORHOOD

ASSETS

- Cedar River riverfront sites available
- Ripe for reinvestment, adjacent to areas where redevelopment has occurred
- Includes active community partners in historic Rath neighborhood
- Access via riverfront trails and Riverloop bridge system

OPPORTUNITIES

- Commercial infill sites that radiate out from river, follow urban corridors, and connect to Main Street District
- Riverfront housing sites from 7th to 11th (south side of river)
- Additional neighborhood housing reinvestment
- Small business investment opportunities

OPPORTUNITY ZONE: LA PORTE ROAD REVITALIZATION



ZONE TYPOLOGY*: Residential

OPPORTUNITY ZONE JOBS

2015: 542

2010: 818

-34% change

TOP 3 INDUSTRIES

1. Accommodation and Food Services (28%)
2. Educational Services (18%)
3. Administration & Support, Waste Management and Remediation (17%)

OPPORTUNITY ZONE RESIDENTS

2017: 3,523

2010: 3,626

-3% change

RESIDENTIAL VACANCY RATE

2014: 1%

COMMERCIAL VACANCY RATE

2014: 6%

*Typology Methodology in Appendix

An aerial photograph of a commercial corridor along La Porte Road. The road curves through a landscape of green trees and various commercial buildings, including a large red-roofed warehouse. The text 'LA PORTE ROAD COMMERCIAL REINVESTMENT' is overlaid in white, serif font on the left side of the image.

LA PORTE ROAD COMMERCIAL REINVESTMENT

ASSETS

- Direct access to Interstate 380 (Cedar Rapids/Iowa City) and Highway 218
- \$10M+ planned investment in corridor
- Adjacent to Crossroads Mall area

OPPORTUNITIES

- Commercial redevelopment sites along La Porte Road
- Supporting development to Cadillac Bowling/Laser Tag Center, adding indoor recreational uses to commercial corridor

OPPORTUNITY ZONES SOCIO-ECONOMIC PROFILE

	Black	Hispanic	Foreign Born	Poverty	Median Household Income	% Bachelors +	% Some College	% No High School Degree	% Under 18	% Over 65	Unemployment (Dec. 2018)
Black Hawk County	9%	4%	5.4%	16%	\$26,528	28%	32%	9%	22%	15%	2.8%
Waterloo	16%	6%	7.0%	17%	\$26,544	44%	32%	12%	24%	15%	2.6%
Opportunity Zones	18%	13%	10.0%	25%	\$21,574	15%	28%	18%	25%	14%	N/A
Iowa	3%	6%	5.0%	12%	\$30,002	28%	33%	8%	23%	16%	2.4%
United States	13%	18%	13.0%	15%	\$28,776	31%	29%	13%	23%	38%	3.9%



DIRECT LINK TO WATERLOO PROSPECTUS:
www.cityofwaterlooiowa.com/OZprospectus

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APPENDIX

TYOLOGY METHODOLOGY AND SOURCES

METHODOLOGY

- Utilized the Longitudinal Employer-Household Dynamics (LEHD) data via OnTheMap application aggregated to the census tract level.
- Calculated the ratio of jobs in the census tract to residents in the census tract

TYOLOGIES

- Tier 1 Job Centers: >10 jobs to residents ratio
- Tier 2 Job Centers: 2-10 jobs to residents ratio
- Mixed Jobs/Residential: .5-2 jobs to residents ratio
- Residential: <.5 jobs to residential ratio

DATA SOURCES

Unless otherwise noted

- US Census, 2010 Decennial Census
- US Census, American Community Survey 2013-2017 5-year Estimates
- US Census, Longitudinal Employer-Household Dynamics (LEHD)
- US Bureau of Labor Statistics, Local Area Unemployment Statistics

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