

Woodbury County Board of Supervisors

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06/28/16

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June 28, 2016

Ag Expo Learning Center Board:

The Woodbury County Board of Supervisors would like to thank you for your presentation on June 21, 2016 to our Board regarding the exciting opportunity of an Ag & Expo Learning Center. We understand that this unique and modern venue will celebrate the rich agricultural history and spirit of our region. It will also be an opportunity for major stakeholders—the City of Sioux City, Woodbury County, the Siouxland Chamber of Commerce, Western Iowa Tech Community College—and your Board to work together to leverage \$13.9 million of a State of Iowa Economic Development Authority's Reinvestment District estimated at approximately \$72 million.

The County is pleased to offer a direct contribution of **\$1.5 million** preferably from a schedule over a period of 10 years. The County may be open to the use in coordination with both parties legal counsel of tax increment financing. This represents an amount 6 times greater than the County has historically participated in because we recognize the synergy of entities working together in order to gain state participation for the powerful potential of this economic development project, which is anticipated to have eventual total earnings of \$1.49 - \$1.93 million annually and the potential creation of 60-70 jobs.

Hearing in several meetings that financing may be an issue--above and beyond a potential direct contribution--the County offers up to \$6.3 million in 2016 and \$3.7 million in 2017 as a "bank qualified," tax-exempt pass-through loan which incurs no obligation to taxpayers of the County but to the 501c3 itself (nor does this affect the County's bonding capacity). This would help with \$10 million in financing while assuming no risk to taxpayers.

In order to not tax for this amount and to mitigate any risk to taxpayers, the County's contribution is contingent upon the following parameters:

- The County will not own operational or managerial responsibility, nor would potential losses in future years encumber obligation to the County or its taxpayers.

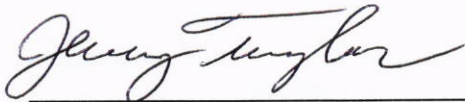
- As a key idea is the "Learning Center," allocation would be subject to \$250,000 WITCC funding and their educational participation.
- Other safeguards ensuring substantial completion and a timeline can be worked out in detail with legal counsel.

Enclosed please find the Memorandum of Understanding authorizing the Board Chairman to sign on Woodbury County's behalf.

We are very appreciative of the meetings that were conducted over the last several weeks in coordination with the Chamber of Commerce, representatives from City Council and Board of Supervisors, and your Board in order to bring together a shared understanding that will best work to see the project come to fruition.

We look forward to working with you in the near future, and wish you the very best on this exciting endeavor.

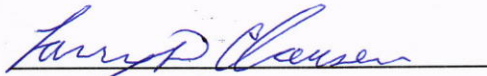
Sincerely,



Jeremy J. Taylor, Chairman



Jackie D. Smith, Member



Larry D. Clausen, Member



Mark A. Monson, Member



Matthew A. Ung Member