

Ales, PC
1101 West 9th Street, #202
Davenport, Iowa 52804

February 12, 2020

City Council
Muscatine, Iowa

Re: Steamboat Development

Dear Council Members,

As many of you know, I am a Muscatine native and am relocating to a farm near Wild Cat Den where I grew up. I developed Cottage Grove in 2000, redeveloped the Welch Hotel in 2006 and expect to complete the Oak Park project this year. It is with great pleasure and excitement that I inform you of our latest proposed development in Muscatine, Steamboat.

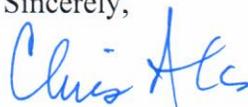
Originally proposed by a competitor in 2018, Oak Park was approved by the Iowa Finance Authority (IFA) ahead of Steamboat. However, we believe Steamboat will compete favorably with other projects throughout the state under IFA's latest Qualified Allocation Plan (QAP), the document that sets forth their scoring of applications. While we are not requesting Project Based Vouchers, we believe Tax Increment Financing is necessary to secure IFA's approval and as such request a TIF rebate of 70% for 15 years, similar to what was approved for Oak Park.

The Steamboat site plan will generally follow that previously approved by the City. The project will include 42-43 apartments with no age restrictions and average monthly rent of \$725, with tenants paying their own gas and electric as well as sewer and water. Income restrictions will range from 30 or 40% of the area median income to market rate, with several of the income restricted units rented to individuals with incomes as high as 80% of the area median income.

Our application to IFA is due March 11, 2020. We are committed to this site, believing it is consistent with the State's program as well as the City's Comprehensive Plan and recent market studies. Accordingly, we respectfully request you approve our request for TIF.

As always, please feel free to contact me with any questions or concerns regarding this or any other matter.

Sincerely,



Chris Ales, CPA