

**Iowa Economic Development Authority  
Due Diligence Committee  
Meeting Minutes  
February 16, 2018  
9:00 a.m.**

**Committee Members Present:**

Chris Murray	Dan White	Lisa Hull	Jennifer Cooper
David Bernstein			

**Board Members Present:**

Bruce Lehrman	Doane Chilcoat	Dawn Ainger
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**Ex-Officio Members Present:**

Representative Zach Nunn	Mike Richards
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**IEDA Staff Present:**

Debi Durham	Rita Grimm	Terry Roberson	Alaina Santizo
Paul Stueckradt	Jenny Klein	Vicky Clinkscales	Katie Rockey
Jackie Barnes	Kanan Kappelman	Maicie Pohlman	Brooke Miller

**Others Present:**

Steve Shupp, Alliant Energy	Dan McDonald, Greater Dubuque Development
Kevin Hardy, Des Moines Register	Elizabeth Allison, Mason City Foundation
Steven Van Steenhuyse, City of Mason City	Chad Schreck, North Iowa Corridor
Joshua Masson, Mason City	Maureen Miller, Clinton Area Chamber of Commerce
Stacie LoVan, Greater Des Moines Partnership	Bill Schickel, City of Mason City
Robin Anderson, Mason City Chamber of Commerce	Loni Dirksen, Mason City
Andy Sokolovich, Clinton Regional Dev. Corp.	Lindsey James, Mason City
Brian Pauly, City of Mason City	Gary Schmit, Henkel Construction
Kevin Jacobson, Mason City	Steve Noto, HPI

**COMMITTEE CHAIR**

- Welcome and Introductions  
Due Diligence Chair Jennifer Cooper called to order the meeting of the Due Diligence Committee (DDC) at 9:05 a.m.
- Roll Call  
A quorum of the Committee was established with the following Committee members present:  
Jennifer Cooper, Chris Murray, Dan White, Lisa Hull and David Bernstein  
Other Board members present: Dawn Ainger, Doane Chilcoat and Bruce Lehrman  
Ex-Officio members present: Representative Zach Nunn and Mike Richards

**Approval of Minutes – January 19, 2018 DDC Meeting**

**MOTION:** Chris Murray moved that the DDC approve the minutes of the January 19, 2018 DDC meeting, seconded by David Bernstein Motion carried unanimously.

**Approval of Agenda**

**MOTION:** Lisa Hull moved that the DDC approve the agenda, seconded by David Bernstein. Motion carried unanimously.

**Public Comment Period**

No comments were made.

**Compliance**

**120 Day Report**

**Cargill, Inc.** – 60 day extension

**K2W Precision, Inc.** – 60 day extension

**Zoetis, Inc. and Subsidiaries** – 30 day extension

**MOTION:** David Bernstein moved that the DDC recommend that the Economic Development Authority Board approve extensions of the contract execution deadline as recommended by Staff, seconded by Chris Murray. Motion carried unanimously.

## **Compliance Report**

### **Ag Processing, Inc. – Request to Amend Award Budget**

**MOTION:** Chris Murray moved that the DDC recommend that the Economic Development Authority Board amend the total budget from \$128,000,000 to \$115,356,857 with no change to amounts awarded, seconded by Lisa Hull. Motion carried unanimously.

### **The Toro Company – Request to Change Project Status**

**MOTION:** David Bernstein moved that the DDC recommend that the Economic Development Authority Board approve rescission of the default and reinstate the project with in compliance status, seconded by Lisa Hull. Motion carried unanimously.

### **K2W Precision, Inc. – Request to Amend Job Pledge and Tax Credit Benefits**

**MOTION:** Chris Murray moved that the DDC recommend that the Economic Development Authority Board reduce the job pledge from 9 to 5 FTEs and reduce Investment Tax Credits awarded from \$103,200 to \$60,000, seconded by David Bernstein. Motion carried unanimously.

### **Outcomes Incorporated – Request to Extend Project Completion Date**

**MOTION:** Chris Murray moved that the DDC recommend that the Economic Development Authority Board extend the Project Completion Date from August 31, 2017 to December 31, 2017, seconded by David Bernstein. Motion carried unanimously.

### **Precision Tank & Equipment Co. – Request to Extend Project Completion Date**

**MOTION:** Lisa Hull moved that the DDC recommend that the Economic Development Authority Board extend the Project Completion Date from June 30, 2017 to June 30, 2018, seconded by Chris Murray. Motion carried unanimously.

### **Industry People Group, Inc., dba BirdDogHR (15-DF-TC-049) – Request for Mutual Termination of Contract**

**MOTION:** Chris Murray moved that the DDC recommend that the Economic Development Authority Board approve mutual termination of the contract and repayment of all loans and tax credits claimed, seconded by David Bernstein. Motion carried unanimously.

### **Industry People Group, Inc., dba BirdDogHR (16-IAFUND-003) – Request for Mutual Termination of Contract**

**MOTION:** Chris Murray moved that the DDC recommend that the Economic Development Authority Board approve mutual termination of the contract and repayment of the loan, seconded by David Bernstein. Motion carried unanimously.

## **Closed Session – 9:15 a.m.**

**MOTION:** David Bernstein moved that the DDC and the Economic Development Authority Board, if a quorum of the Board is present, go into closed session pursuant to *Iowa Code* sections 21.5(1)a, 15.118, 22.7.6 and 22.7.8 to review and discuss records IEDA is required to treat as confidential under Iowa law. This includes confidential business and financial information about applicants and industrial prospects with which the Authority is currently negotiating. It is necessary that counsel and IEDA staff assisting the Committee attend the meeting due to their special knowledge relating to the subject matter or their roles in ensuring compliance with the Open Meetings Act. Chris Murray seconded. Motion carried unanimously.

A verbal attendance was taken of the DDC members: Jennifer Cooper, Chris Murray, Dan White, David Bernstein and Lisa Hull

A verbal attendance was taken of the Economic Development Authority Board members: Bruce Lehrman, Dawn Ainger and Doane Chilcoat

A verbal attendance was taken of the Economic Development Authority Ex-Officio members: Representative Zach Nunn and Mike Richards

A verbal attendance was taken of IEDA staff present during the closed session: Debi Durham, Rita Grimm, Jackie Barnes, Jenny Klein, Alaina Santizo, Vicky Clinkscales, Paul Stueckrad, Katie Rockey, Terry Roberson, Maicie Pohlman, Brooke Miller and Kanan Kappelman

**Open Session - 9:30 a.m.**

**MOTION:** David Bernstein moved that the DDC move out of closed session at 9:30 a.m., seconded by Chris Murray. Motion carried unanimously.

**Financial Assistance Applications**

**Archer Daniels Midland Company – Clinton**

**MOTION:** Lisa Hull moved that the DDC recommend that the Economic Development Authority Board approve a maximum award of \$7,000,000 in Investment Tax Credits and \$1,257,000 in Sales, Service and Use Tax Refund contingent on approval of application sponsorship and local match by the City of Clinton, seconded by Chris Murray. Motion carried unanimously.

**Ex-officio Board member Rob Denson entered the meeting at 9:35 a.m.**

**Michael Foods Egg Products Company – Norwalk**

**MOTION:** David Bernstein moved that the DDC recommend that the Economic Development Authority Board approve a maximum award of \$3,400,000 in Investment Tax Credits and \$492,450 in Sales, Service and Use Tax Refund, seconded by Chris Murray. Motion carried unanimously.

**Mason City Downtown Reinvestment District**

**MOTION:** Chris Murray moved, seconded by David Bernstein, that the DDC recommend that the Economic Development Authority Board approve a maximum benefit amount of \$9,162,600 as described in the Mason City Downtown Reinvestment District plan submitted to the IEDA Board and establish January 1, 2020 as the commencement date, contingent on all of the following:

- Provide weekly updates to IEDA staff until construction has started on the Downtown Hotel project
- By May 18, 2018, submit to IEDA documentation that acceptable construction financing has been secured for the Downtown Hotel, and a copy of the fully executed Purchase, Sale and Development Agreement between the Mason City Foundation and City of Mason City for the development of the Music Man Square Conference Center and Meredith Willson Museum
- By December 31, 2018, submit to IEDA a copy of the fully executed performance and payment bond for the Downtown Hotel and documentation that financing for the hotel project has closed
- By December 31, 2018, submit to IEDA documentation that construction of the South Delaware Avenue Skyway has started and documentation that construction financing has closed, and lease agreements have been executed for the Sports/Entertainment/Retail Complex. Motion carried unanimously.

**Other Business**

The March DDC meeting will be held on Friday, March 23, 2018.

**Adjournment**

There being no further business at the meeting of the DDC,

**MOTION:** David Bernstein moved that the DDC adjourn, seconded by Chris Murray. Motion carried unanimously. Meeting adjourned at 9:46 a.m.

Jackie Barnes  
Board Administrator

Jennifer Cooper  
Due Diligence Committee Chair