



**IOWA FINANCE
AUTHORITY**

**Iowa Finance Authority
June 19, 2018, 11:00 a.m.
Des Moines, Iowa**

**Board Meeting
Presentation Room
REVISED Tentative Agenda**

I. Facility Review

- Financial Review Report Regarding Facilities from Public Financial Management, Inc.

II. Adjournment

Items on the consent agenda may be removed from the consent agenda for separate consideration at the request of any Board member. Agenda items may be taken out of order at the discretion of the Board Chair.



Iowa Finance Authority

Third Party Review

All-in Costs for Facility Options

June 13, 2018

PFM Financial Advisors LLC

Jon Burmeister, Managing Director
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Iowa Finance Authority

Third Party Review

All-in Costs for Facility Options

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 Exhibits B-1 to B-8: Detailed Analysis of 15 Year All-in Costs

 Exhibits C-1 to C-8: Detailed Analysis of 20 Year All-in Costs



EXECUTIVE SUMMARY

Iowa Finance Authority

Third Party Review of All-in Costs for Facility Options

EXECUTIVE SUMMARY¹⁾²⁾³⁾

A. 10 Year All-In Costs for Facility Options⁴⁾		10 Year Totals
A1)	Renovation of Current Building without Addition	\$10,745,281
A2)	Renovation of Current Building with Addition	\$11,244,740
A3)	Lease in New Location	\$8,310,508

B. 15 Year All-In Costs for Facility Options⁴⁾		15 Year Totals
B1)	Renovation of Current Building without Addition	\$12,063,324
B2)	Renovation of Current Building with Addition	\$12,562,783
B3)	Lease in New Location	\$12,581,652

C. 20 Year All-In Costs for Facility Options⁴⁾		20 Year Totals
C1)	Renovation of Current Building without Addition	\$13,554,569
C2)	Renovation of Current Building with Addition	\$14,054,027
C3)	Lease in New Location	\$17,343,318

Notes:

- 1) The scope of PFM's analysis to determine all-in costs was limited to costs related to the operating, maintenance and capital expenditures for the facility options included herein.
- 2) Each option includes identified up-front capital costs, debt interest and issuance costs (where applicable), projected operating and maintenance ("O&M") costs for the term described and other costs as applicable. Whenever possible, growth rates, interest rates and other assumptions included in this analysis are the same for all scenarios.
- 3) PFM has based this analysis on the cost of capital identified in the Design Alliance report dated March 30, 2017 and on initial tenant improvements described in the Lease dated January 12, 2018. PFM has not independently verified the validity or accuracy of this information.
- 4) PFM's assumptions utilized to calculate costs are listed in the Notes section of each report.



SUMMARY OF 10, 15 & 20 YEAR ALL-IN COSTS

A. SUMMARY OF 10 YEAR COSTS.....2

- A1) 10 Year All-in Costs for Renovation of Existing Building without Addition
- A2) 10 Year All-in Costs for Renovation of Existing Building with Addition
- A3) 10 Year All-in Costs for Lease in New Location

B. SUMMARY OF 15 YEAR COSTS.....3

- B1) 15 Year All-in Costs for Renovation of Existing Building without Addition
- B2) 15 Year All-in Costs for Renovation of Existing Building with Addition
- B3) 15 Year All-in Costs for Lease in New Location

C. SUMMARY OF 20 YEAR COSTS.....4

- C1) 20 Year All-in Costs for Renovation of Existing Building without Addition
- C2) 20 Year All-in Costs for Renovation of Existing Building with Addition
- C3) 20 Year All-in Costs for Lease in New Location

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Third Party Review of All-in Costs for Facility Options

A. Summary of 10 Year All-In Costs For Facility Options

A1) 10 Year Costs for Renovation of Current Building without Addition	10 Year Total
<i>Design Alliance Cost Estimate for Renovation of 2015 Grand Ave ¹⁾</i>	\$7,068,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%) ²⁾</i>	\$1,482,215.63
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase) ³⁾</i>	\$2,194,610.69
<i>Additional Capital Needs by Year 10 ⁴⁾</i>	TBD
Total Cost	\$10,745,281.32

A2) 10 Year Costs for Renovation of Current Building with Addition	10 Year Total
<i>Design Alliance Cost Estimate for Renovation of & Addition to 2015 Grand Ave ¹⁾</i>	\$7,482,455.00
<i>Interest & Issuance Expense - Loan to Pay for Renovations (10 years at 3.25%) ²⁾</i>	\$1,567,674.38
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase) ³⁾</i>	\$2,194,610.69
<i>Additional Capital Needs by Year 10 ⁴⁾</i>	TBD
Total Cost	\$11,244,740.07

A2) 10 Year Costs for Lease Facility	10 Year Total
<i>10 Year Lease - Base Rent ⁵⁾</i>	\$4,468,283.76
<i>10 Year Lease - Additional Rent (Projection of 10 Year O&M +2.5% annually) ⁶⁾</i>	\$2,801,376.03
<i>Initial Tenant Improvements ⁷⁾</i>	\$1,576,441.54
<i>Interest & Issuance Expense - Loan to Pay for Initial Tenant Imprvmt. (10 years at 3.25%) ²⁾</i>	\$349,406.46
<i>Furniture for New Facility ⁸⁾</i>	\$875,000.00
<i>Net proceeds from the sale of 2015 Grand Ave ⁹⁾</i>	(\$1,760,000.00)
Total Cost	\$8,310,507.79

Notes:

- 1) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 2) Includes interest costs, based on PFM's estimated 10-year bank loan interest rate, plus issuance costs of \$20,000.
- 3) Estimated O&M costs are based on a 3 year average of actual O&M, increasing 2.5% annually (CPI as of April 2018).
- 4) Future capital needs should be considered in this analysis. However, no estimates are available at this time beyond those identified in the Design Alliance Report.
- 5) Based on the monthly rates for each lease period as stated in the Lease dated January 12, 2018.
- 6) Additional rent is calculated based on the original annual estimate provided in the Lease, increasing 2.5% annually based on CPI as of April 2018.
- 7) Initial tenant improvements as detailed in the Lease.
- 8) Based on an estimate provided by IFA staff.
- 9) Based on market estimate provided to IFA staff.

Iowa Finance Authority

Third Party Review of All-in Costs for Facility Options

B. Summary of 15 Year All-In Costs For Facility Options

B1) 15 Year Costs for Renovation of Current Building without Addition	15 Year Total
<i>Design Alliance Cost Estimate for Renovation of 2015 Grand Ave</i> ¹⁾	\$7,068,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%)</i> ²⁾	\$1,482,215.63
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase)</i> ³⁾	\$2,194,610.69
<i>Additional Capital Needs by Year 10</i> ⁴⁾	TBD
<i>+5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,318,042.79
<i>Additional Capital Needs by Year 15</i> ⁴⁾	TBD
Total Cost	\$12,063,324.12

B2) 15 Year Costs for Renovation of Current Building with Addition	15 Year Total
<i>Design Alliance Cost Estimate for Renovation of & Addition to 2015 Grand Ave</i> ¹⁾	\$7,482,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%)</i> ²⁾	\$1,567,674.38
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase)</i> ³⁾	\$2,194,610.69
<i>Additional Capital Needs by Year 10</i> ⁴⁾	TBD
<i>+5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,318,042.79
<i>Additional Capital Needs by Year 15</i> ⁴⁾	TBD
Total Cost	\$12,562,782.87

B2) 15 Year Costs for Lease Facility	15 Year Total
<i>10 Year Lease - Base Rent</i> ⁵⁾	\$4,468,283.76
<i>10 Year Lease - Additional Rent (Projection of 10 Year O&M +2.5% annually)</i> ⁶⁾	\$2,801,376.03
<i>5 Year Lease Extension - Base Rent</i> ⁵⁾	\$2,588,689.80
<i>5 Year Lease Extension - Additional Rent (Projection of 10 Year O&M +2.5% annually)</i> ⁶⁾	\$1,682,454.89
<i>Initial Tenant Improvements</i> ⁷⁾	\$1,576,441.54
<i>Interest & Issuance Expense - Loan to Pay for Initial Tenant Imprvmt. (10 years at 3.25%)</i> ²⁾	\$349,406.46
<i>Furniture for New Facility</i> ⁸⁾	\$875,000.00
<i>Net proceeds from the sale of 2015 Grand Ave</i> ⁹⁾	(\$1,760,000.00)
Total Cost	\$12,581,652.48

Notes:

- 1) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 2) Includes interest costs, based on PFM's estimated 10-year bank loan interest rate, plus issuance costs of \$20,000.
- 3) Estimated O&M costs are based on a 3 year average of actual O&M, increasing 2.5% annually (CPI as of April 2018).
- 4) Future capital needs should be considered in this analysis. However, no estimates are available at this time beyond those identified in the Design Alliance Report.
- 5) Based on the monthly rates for each lease period as stated in the Lease dated January 12, 2018.
- 6) Additional rent is calculated based on the original annual estimate provided in the Lease, increasing 2.5% annually based on CPI as of April 2018.
- 7) Initial tenant improvements as detailed in the Lease.
- 8) Based on an estimate provided by IFA staff.
- 9) Based on market estimate provided to IFA staff.

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Third Party Review of All-in Costs for Facility Options

C. Summary of 20 Year Costs

C1) 20 Year Costs for Renovation of Current Building without Addition	20 Year Total
<i>Design Alliance Cost Estimate for Renovation of 2015 Grand Ave</i> ¹⁾	\$7,068,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%)</i> ²⁾	\$1,482,215.63
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase)</i> ³⁾	\$2,194,610.69
<i>Additional Capital Needs by Year 10</i> ⁴⁾	TBD
<i>+5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,318,042.79
<i>Additional Capital Needs by Year 15</i> ⁴⁾	TBD
<i>Add'l 5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,491,244.44
<i>Additional Capital Needs by Year 20</i> ⁴⁾	TBD
Total Cost	\$13,554,568.56

C2) 20 Year Costs for Renovation of Current Building with Addition	20 Year Total
<i>Design Alliance Cost Estimate for Renovation of & Addition to 2015 Grand Ave</i> ¹⁾	\$7,482,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%)</i> ²⁾	\$1,567,674.38
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase)</i> ³⁾	\$2,194,610.69
<i>Additional Capital Needs by Year 10</i> ⁴⁾	TBD
<i>+5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,318,042.79
<i>Additional Capital Needs by Year 15</i> ⁴⁾	TBD
<i>Add'l 5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,491,244.44
<i>Additional Capital Needs by Year 20</i> ⁴⁾	TBD
Total Cost	\$14,054,027.31

C2) 20 Year Costs for Lease Facility	20 Year Total
<i>10 Year Lease - Base Rent</i> ⁵⁾	\$4,468,283.76
<i>10 Year Lease - Additional Rent (Projection of O&M +2.5% annually)</i> ⁶⁾	\$2,801,376.03
<i>5 Year Lease Extension (15 Years) - Base Rent</i> ⁵⁾	\$2,588,689.80
<i>5 Year Lease Extension - Additional Rent (Projection of O&M +2.5% annually)</i> ⁶⁾	\$1,682,454.89
<i>Add'l 5 Year Lease Extension (20 Years) - Base Rent</i> ⁵⁾	\$2,858,122.68
<i>Add'l 5 Year Lease Extension - Additional Rent (Projection of O&M +2.5% annually)</i> ⁶⁾	\$1,903,543.28
<i>Initial Tenant Improvements</i> ⁷⁾	\$1,576,441.54
<i>Interest & Issuance Expense - Loan to Pay for Initial Tenant Imprvmt. (10 years at 3.25%)</i> ²⁾	\$349,406.46
<i>Furniture for New Facility</i> ⁸⁾	\$875,000.00
<i>Net proceeds from the sale of 2015 Grand Ave</i> ⁹⁾	(\$1,760,000.00)
Total Cost	\$17,343,318.44

Notes:

- 1) Based on high cost estimates in Design Alliance report to account for age of the report and cushion for unknown issues.
- 2) Includes interest costs, based on PFM's estimated 10-year bank loan interest rate, plus issuance costs of \$20,000.
- 3) Estimated O&M costs are based on a 3 year average of actual O&M, increasing 2.5% annually (CPI as of April 2018).
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EXHIBITS

- A. Exhibits A1-A8: Detailed Analysis of 10 Year All-in Costs
- B. Exhibits B1-B8: Detailed Analysis of 15 Year All-in Costs
- C. Exhibits C1-C8: Detailed Analysis of 20 Year All-in Costs

Third Party Review of All-in Costs for Facility Options

A. Summary of 10 Year All-In Costs For Facility Options

A1) 10 Year Costs for Renovation of Current Building without Addition	10 Year Total
<i>Design Alliance Cost Estimate for Renovation of 2015 Grand Ave ¹⁾</i>	\$7,068,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%) ²⁾</i>	\$1,482,215.63
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase) ³⁾</i>	\$2,194,610.69
<i>Additional Capital Needs by Year 10 ⁴⁾</i>	TBD
Total Cost	\$10,745,281.32

A2) 10 Year Costs for Renovation of Current Building with Addition	10 Year Total
<i>Design Alliance Cost Estimate for Renovation of & Addition to 2015 Grand Ave ¹⁾</i>	\$7,482,455.00
<i>Interest & Issuance Expense - Loan to Pay for Renovations (10 years at 3.25%) ²⁾</i>	\$1,567,674.38
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase) ³⁾</i>	\$2,194,610.69
<i>Additional Capital Needs by Year 10 ⁴⁾</i>	TBD
Total Cost	\$11,244,740.07

A2) 10 Year Costs for Lease Facility	10 Year Total
<i>10 Year Lease - Base Rent ⁵⁾</i>	\$4,468,283.76
<i>10 Year Lease - Additional Rent (Projection of 10 Year O&M +2.5% annually) ⁶⁾</i>	\$2,801,376.03
<i>Initial Tenant Improvements ⁷⁾</i>	\$1,576,441.54
<i>Interest & Issuance Expense - Loan to Pay for Initial Tenant Imprvmt. (10 years at 3.25%) ²⁾</i>	\$349,406.46
<i>Furniture for New Facility ⁸⁾</i>	\$875,000.00
<i>Net proceeds from the sale of 2015 Grand Ave ⁹⁾</i>	(\$1,760,000.00)
Total Cost	\$8,310,507.79

Notes:

- 1) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 2) Includes interest costs, based on PFM's estimated 10-year bank loan interest rate, plus issuance costs of \$20,000.
- 3) Estimated O&M costs are based on a 3 year average of actual O&M, increasing 2.5% annually (CPI as of April 2018).
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- 7) Initial tenant improvements as detailed in the Lease.
- 8) Based on an estimate provided by IFA staff.
- 9) Based on market estimate provided to IFA staff.

Iowa Finance Authority

Exhibit A-1

Third Party Review of All-in Costs for Facility Options

A1) Renovation of Current Building without Addition ¹⁾

One-Time Capital Costs for Renovation of 2015 Grand Ave (without Addition)		Low	High
Site Improvements	<i>Sidewalks, paving, signage & landscaping</i>	\$75,000	\$85,000
Building envelope restoration	<i>Tuckpointing, Sealants & Power Washing</i>	\$15,000	\$18,500
	<i>Window replacement (2,750 sf)</i>	\$63,400	\$68,500
	<i>Storefront entry modifications</i>	\$9,000	\$10,500
Interior Demolition	<i>Interior demolition</i>	\$25,000	\$30,000
Asbestos abatement	<i>Asbestos abatement</i>	\$19,500	\$21,000
IFA facility renovation (30,566 sf)	<i>Architectural</i>	\$1,833,960	\$2,292,450
	<i>Mechanical - With Fire Protection (+\$132,101)</i>	\$1,422,549	\$1,422,549
	<i>Electrical</i>	\$813,859	\$813,859
	<i>Technology Systems</i>	\$409,909	\$409,909
Add 2-3 Year inflationary rate - 6.5%		\$291,218	\$321,020
Add Construction contingency - 3.0%		\$140,614	\$155,168
Subtotal Construction Renovation		\$5,119,009	\$5,648,455
Building Furniture (\$5k to \$6k per employee)		\$610,000	\$720,000
Temporary Relocation Costs during renovations		\$700,000	\$700,000
TOTAL COST ESTIMATE FOR RENOVATION OF EXISTING BUILDING ²⁾³⁾		\$6,429,009	\$7,068,455

Notes:

- 1) PFM has based this analysis on the cost of capital identified in the Design Alliance report dated March 30, 2017. PFM has not independently verified the validity or accuracy of these reports.
- 2) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 3) This amount remains the same for all three term options - A1) 10 years, B1) 15 years and C1) 20 years.

Source: Design Alliance report dated March 30, 2017.

Project Note for Renovations (without Addition)

SOURCES & USES		
SOURCES		
Par Amount of Notes	7,089,000.00	
Accrued Interest		
Other Monies	0.00	0.6
Total Sources	7,089,000.00	1.6
USES		
Deposit to Construction Account	7,068,455.00	3.6
Deposit to Reserve Account		
Capitalized Interest Account	0.00	4.6
Municipal Bond Insurance		
Loan Origination Fee (\$0 per bond)	0.00	5.6
Costs of Issuance	20,000.00	
Accrued Interest		6.6
Rounding Amount	545.00	
Total Uses	7,089,000.00	7.6
ASSUMPTIONS		
Dated Date	11/1/2018	
Delivery Date	11/1/2018	10.6
First Interest Date	6/1/2019	
First Principal Date	12/1/2019	11.6
Last Principal Date	6/1/2029	12.6

DEBT SERVICE SCHEDULE					
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11-01-18					
06-01-19	0	3.25	134,395.63	134,395.63	134,395.63
12-01-19			115,196.25	115,196.25	
06-01-20	611,000	3.25	115,196.25	726,196.25	841,392.50
12-01-20			105,267.50	105,267.50	
06-01-21	631,000	3.25	105,267.50	736,267.50	841,535.00
12-01-21			95,013.75	95,013.75	
06-01-22	652,000	3.25	95,013.75	747,013.75	842,027.50
12-01-22			84,418.75	84,418.75	
06-01-23	673,000	3.25	84,418.75	757,418.75	841,837.50
12-01-23			73,482.50	73,482.50	
06-01-24	695,000	3.25	73,482.50	768,482.50	841,965.00
12-01-24			62,188.75	62,188.75	
06-01-25	717,000	3.25	62,188.75	779,188.75	841,377.50
12-01-25			50,537.50	50,537.50	
06-01-26	741,000	3.25	50,537.50	791,537.50	842,075.00
12-01-26			38,496.25	38,496.25	
06-01-27	765,000	3.25	38,496.25	803,496.25	841,992.50
12-01-27			26,065.00	26,065.00	
06-01-28	789,000	3.25	26,065.00	815,065.00	841,130.00
12-01-28			13,243.75	13,243.75	
06-01-29	815,000	3.25	13,243.75	828,243.75	841,487.50
12-01-29					
06-01-30		3.25			
12-01-30					
06-01-31		3.25			
12-01-31					
06-01-32		3.25			
12-01-32					
06-01-33		3.25			
12-01-33					
06-01-34					
			7,089,000	1,462,215.63	8,551,215.63
				8,551,215.63	8,551,215.63

Scale : Estimated Local Bank Interest Rate

TIC **3.2496%**
Average Life 6.347 Years

Interest & Issuance Expense	
Interest costs	\$1,462,215.63
Issuance costs	\$20,000.00
Total Debt Costs ¹⁾	\$1,482,215.63

Notes:

- 1) Assumes a 10 year bank note to pay for renovations without the addition as identified in the Design Alliance report.
- 2) This amount remains the same for all three term options - A3) 10 years, B3) 15 years and C3) 20 years.

Iowa Finance Authority

Exhibit A-3

Third Party Review of All-in Costs for Facility Options

A1) Renovation of Current Building without the Addition

A2) Renovation of Current Building with the Addition

Calculation of 10 Year Operating and Maintenance Expenditures for 2015 Grand Ave

Operating & Maintenance Expenses	FY 2015	FY 2016	FY 2017	Average
7100-055 UTILITIES EXPENSE	52,564	55,641	58,981	55,729
7100-058 INSURANCE EXPENSE	4,029	9,945	8,476	7,484
7100-059 BUILDING MAINTENANCE EXPENSE	130,586	134,382	104,744	123,237
Total Operating & Maintenance Expenses	187,179	199,968	172,201	186,449

Growth Rate (CPI as of April 2018): 2.50%

Year	Annual Cost ¹⁾²⁾
1 2019	\$195,888.24
2 2020	\$200,785.44
3 2021	\$205,805.08
4 2022	\$210,950.21
5 2023	\$216,223.96
6 2024	\$221,629.56
7 2025	\$227,170.30
8 2026	\$232,849.56
9 2027	\$238,670.79
10 2028	\$244,637.56

Ten Year O&M Estimate => **\$2,194,610.69**

Notes:

1) Based on a three-year average of actual utilities, insurance and building maintenance expenses.

2) PFM is using a growth rate of 2.5% annually, based on CPI as of April 2018.

Third Party Review of All-in Costs for Facility Options

A2. 10 Year Cost of Renovation WITH Addition

A2) Capital Costs for Renovation of Current Building with Addition ¹⁾		Low	High
Site Improvements	<i>Sidewalks, paving, signage & landscaping</i>	\$75,000	\$85,000
Building envelope restoration	<i>Tuckpointing, Sealants & Power Washing</i>	\$15,000	\$18,500
	<i>Window replacement (2,750 sf)</i>	\$63,400	\$68,500
	<i>Storefront entry modifications</i>	\$9,000	\$10,500
Interior Demolition	<i>Interior demolition</i>	\$25,000	\$30,000
Asbestos abatement	<i>Asbestos abatement</i>	\$19,500	\$21,000
IFA facility renovation (30,566 sf)	<i>Architectural</i>	\$1,833,960	\$2,292,450
	<i>Mechanical - With Fire Protection (+\$132,101)</i>	\$1,422,549	\$1,422,549
	<i>Electrical</i>	\$813,859	\$813,859
	<i>Technology Systems</i>	\$409,909	\$409,909
Add 2-3 Year inflationary rate - 6.5%		\$291,218	\$321,020
Add Construction contingency - 3.0%		\$140,614	\$155,168
Subtotal of Construction Renovation		\$5,119,009	\$5,648,455
Cost of Addition		\$380,000	\$414,000
Subtotal of Construction Renovation & Addition		\$5,499,009	\$6,062,455
Building Furniture (\$5k to \$6k per employee)		\$610,000	\$720,000
Temporary Relocation Costs during renovations		\$700,000	\$700,000
TOTAL COST ESTIMATE FOR RENO. & ADDITION TO EXISTING BUILDING ²⁾³⁾		\$6,809,009	\$7,482,455

Notes:

- 1) PFM has based this analysis on the cost of capital identified in the Design Alliance report dated March 30, 2017. PFM has not independently verified the validity or accuracy of these reports.
- 2) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 3) This amount remains the same for all three term options - 10 years, 15 years and 20 year.

Source: Design Alliance report dated March 30, 2017.

10 Year Project Note for Renovations (with the Addition)

SOURCES & USES	
SOURCES	
Par Amount of Notes	7,503,000.00
Accrued Interest	
Other Monies	0.00

Total Sources	7,503,000.00
USES	
Deposit to Construction Account	7,482,455.00
Deposit to Reserve Account	
Capitalized Interest Account	0.00
Municipal Bond Insurance	
Loan Origination Fee (\$0 per bond)	0.00
Costs of Issuance	20,000.00
Accrued Interest	
Rounding Amount	545.00

Total Uses	7,503,000.00
ASSUMPTIONS	
Dated Date	11/1/2018
Delivery Date	11/1/2018
First Interest Date	6/1/2019
First Principal Date	12/1/2019
Last Principal Date	6/1/2029

TIC **3.2496%**
 Average Life 6.347 Years

Interest & Issuance Expense	
Interest costs	\$1,547,674.38
Issuance costs	\$20,000.00
Total Debt Costs ¹⁾	\$1,567,674.38

Notes:

- 1) Assumes a 10 year bank note to pay for renovations with the addition as identified in the Design Alliance report.
- 2) This amount remains the same for all three term options - A2) 10 years, B2) 15 years and C2) 20 years.

DEBT SERVICE SCHEDULE							
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service		
11-01-18							
06-01-19	0	3.25	142,244.38	142,244.38	142,244.38		
12-01-19			121,923.75	121,923.75			
06-01-20	647,000	3.25	121,923.75	768,923.75	890,847.50		
12-01-20			111,410.00	111,410.00			
06-01-21	668,000	3.25	111,410.00	779,410.00	890,820.00		
12-01-21			100,555.00	100,555.00			
06-01-22	690,000	3.25	100,555.00	790,555.00	891,110.00		
12-01-22			89,342.50	89,342.50			
06-01-23	712,000	3.25	89,342.50	801,342.50	890,685.00		
12-01-23			77,772.50	77,772.50			
06-01-24	735,000	3.25	77,772.50	812,772.50	890,545.00		
12-01-24			65,828.75	65,828.75			
06-01-25	759,000	3.25	65,828.75	824,828.75	890,657.50		
12-01-25			53,495.00	53,495.00			
06-01-26	784,000	3.25	53,495.00	837,495.00	890,990.00		
12-01-26			40,755.00	40,755.00			
06-01-27	809,000	3.25	40,755.00	849,755.00	890,510.00		
12-01-27			27,608.75	27,608.75			
06-01-28	836,000	3.25	27,608.75	863,608.75	891,217.50		
12-01-28			14,023.75	14,023.75			
06-01-29	863,000	3.25	14,023.75	877,023.75	891,047.50		
12-01-29							
06-01-30		3.25					
12-01-30							
06-01-31		3.25					
12-01-31							
06-01-32		3.25					
12-01-32							
06-01-33		3.25					
12-01-33							
06-01-34							
				-----	-----	-----	-----
				7,503,000	1,547,674.38	9,050,674.38	9,050,674.38
Scale : Estimated Local Bank Interest Rate							

A3. 10 Year Cost of Lease in New Location

A3) Lease in a New Location

10 Year Lease		Monthly	Annually	10 Year Total
Base Rent per month ¹⁾	Months 0-4	\$0.00	\$0.00	
	Months 5-16	\$34,006.07	\$408,072.84	
	Months 17-28	\$34,686.19	\$416,234.28	
	Months 29-40	\$35,379.94	\$424,559.28	
	Months 41-52	\$36,087.51	\$433,050.12	
	Months 53-64	\$36,809.26	\$441,711.12	
	Months 65-76	\$37,545.45	\$450,545.40	
	Months 77-88	\$38,296.35	\$459,556.20	
	Months 89-100	\$39,062.28	\$468,747.36	
	Months 101-112	\$39,843.53	\$478,122.36	
	Months 113-124	\$40,640.40	\$487,684.80	
			10 Year Total =>	\$4,468,283.76
Additional Rent ²⁾	Initial Estimate \$5.76 per square foot (43,411 sf) Includes Operating Expenses for Building & Premises	2019 =>	\$250,047.36	\$2,801,376.03
Subtotal of Lease Costs				\$7,269,659.79

Growth Rate (CPI as of April 2018): 2.50%

Year	Annual Cost ²⁾³⁾
1 2019	\$250,047.36
2 2020	\$256,298.54
3 2021	\$262,706.01
4 2022	\$269,273.66
5 2023	\$276,005.50
6 2024	\$282,905.64
7 2025	\$289,978.28
8 2026	\$297,227.73
9 2027	\$304,658.43
10 2028	\$312,274.89
Ten Year O&M Estimate => \$2,801,376.03	

Notes:

- 1) Based on a monthly lease amounts by monthly period as listed in the Lease dated January 12, 2018.
- 2) Initial estimate for 2019 additional rent is based on estimate listed in the Lease dated January 12, 2018.
- 3) Annual growth rate of 2.5% applied, based on CPI as of April 2018.

Source: Lease dated January 12, 2018.

Iowa Finance Authority

Exhibit A-7

Third Party Review of All-in Costs for Facility Options

A3. 10 Year Cost of Lease

A3) Lease in a New Location

Initial Tenant Improvements (One-time Costs) ¹⁾

Category	Cost
General Conditions	\$214,065
Demolition	\$50,000
Concrete	\$0
Masonry	\$0
Metals	\$0
Carpentry	\$188,927
Fireproofing	\$11,500
Doors & Windows	\$73,033
Finishes	\$470,294
Specialties	\$9,592
Equipment	\$45,803
Furnishings	\$6,790
Special Construction	\$0
Conveying Systems	\$0
Mechanical	\$275,420
Electrical	\$141,785
Subtotal	\$1,487,209
Hubbell Construction Fee (6%)	\$89,233
TOTAL TENANT IMPROVEMENTS	\$1,576,442

Notes:

1) Based on amounts listed in the Lease dated January 12, 2018.

Source: Lease dated January 12, 2018.

10 Year Project Note for Lease - Initial Tenant Improvements

SOURCES & USES	
SOURCES	
Par Amount of Notes	1,597,000.00
Accrued Interest	
Other Monies	0.00

Total Sources	1,597,000.00
USES	
Deposit to Construction Account	1,576,441.54
Deposit to Reserve Account	
Capitalized Interest Account	0.00
Municipal Bond Insurance	
Loan Origination Fee (\$0 per bond)	0.00
Costs of Issuance	20,000.00
Accrued Interest	
Rounding Amount	558.46

Total Uses	1,597,000.00
ASSUMPTIONS	
Dated Date	11/1/2018
Delivery Date	11/1/2018
First Interest Date	6/1/2019
First Principal Date	12/1/2019
Last Principal Date	6/1/2029

TIC **3.2496%**
Average Life 6.347 Years

Interest & Issuance Expense	
Interest costs	\$329,406.46
Issuance costs	\$20,000.00
Total Debt Costs ¹⁾²⁾	\$349,406.46

Notes:

- 1) Assumes a 10 year bank note to pay for initial tenant improvements as identified in the Lease.
- 2) This amount remains the same for all three term options - A3) 10 years, B3) 15 years and C3) 20 years.

DEBT SERVICE SCHEDULE					
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11-01-18					
06-01-19	0	3.25	30,276.46	30,276.46	30,276.46
12-01-19			25,951.25	25,951.25	
06-01-20	138,000	3.25	25,951.25	163,951.25	189,902.50
12-01-20			23,708.75	23,708.75	
06-01-21	142,000	3.25	23,708.75	165,708.75	189,417.50
12-01-21			21,401.25	21,401.25	
06-01-22	147,000	3.25	21,401.25	168,401.25	189,802.50
12-01-22			19,012.50	19,012.50	
06-01-23	152,000	3.25	19,012.50	171,012.50	190,025.00
12-01-23			16,542.50	16,542.50	
06-01-24	156,000	3.25	16,542.50	172,542.50	189,085.00
12-01-24			14,007.50	14,007.50	
06-01-25	161,000	3.25	14,007.50	175,007.50	189,015.00
12-01-25			11,391.25	11,391.25	
06-01-26	167,000	3.25	11,391.25	178,391.25	189,782.50
12-01-26			8,677.50	8,677.50	
06-01-27	172,000	3.25	8,677.50	180,677.50	189,355.00
12-01-27			5,882.50	5,882.50	
06-01-28	178,000	3.25	5,882.50	183,882.50	189,765.00
12-01-28			2,990.00	2,990.00	
06-01-29	184,000	3.25	2,990.00	186,990.00	189,980.00
12-01-29					
06-01-30		3.25			
12-01-30					
06-01-31		3.25			
12-01-31					
06-01-32		3.25			
12-01-32					
06-01-33		3.25			
12-01-33					
06-01-34					
-----			-----	-----	-----
	1,597,000		329,406.46	1,926,406.46	1,926,406.46
Scale : Estimated Local Bank Interest Rate					

Iowa Finance Authority

Exhibit B

Third Party Review of All-in Costs for Facility Options

B. Summary of 15 Year All-In Costs For Facility Options

B1) 15 Year Costs for Renovation of Current Building without Addition	15 Year Total
<i>Design Alliance Cost Estimate for Renovation of 2015 Grand Ave</i> ¹⁾	\$7,068,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%)</i> ²⁾	\$1,482,215.63
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase)</i> ³⁾	\$2,194,610.69
<i>Additional Capital Needs by Year 10</i> ⁴⁾	TBD
<i>+5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,318,042.79
<i>Additional Capital Needs by Year 15</i> ⁴⁾	TBD
Total Cost	\$12,063,324.12

B2) 15 Year Costs for Renovation of Current Building with Addition	15 Year Total
<i>Design Alliance Cost Estimate for Renovation of & Addition to 2015 Grand Ave</i> ¹⁾	\$7,482,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%)</i> ²⁾	\$1,567,674.38
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase)</i> ³⁾	\$2,194,610.69
<i>Additional Capital Needs by Year 10</i> ⁴⁾	TBD
<i>+5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,318,042.79
<i>Additional Capital Needs by Year 15</i> ⁴⁾	TBD
Total Cost	\$12,562,782.87

B2) 15 Year Costs for Lease Facility	15 Year Total
<i>10 Year Lease - Base Rent</i> ⁵⁾	\$4,468,283.76
<i>10 Year Lease - Additional Rent (Projection of 10 Year O&M +2.5% annually)</i> ⁶⁾	\$2,801,376.03
<i>5 Year Lease Extension - Base Rent</i> ⁵⁾	\$2,588,689.80
<i>5 Year Lease Extension - Additional Rent (Projection of 10 Year O&M +2.5% annually)</i> ⁶⁾	\$1,682,454.89
<i>Initial Tenant Improvements</i> ⁷⁾	\$1,576,441.54
<i>Interest & Issuance Expense - Loan to Pay for Initial Tenant Imprvmt. (10 years at 3.25%)</i> ²⁾	\$349,406.46
<i>Furniture for New Facility</i> ⁸⁾	\$875,000.00
<i>Net proceeds from the sale of 2015 Grand Ave</i> ⁹⁾	(\$1,760,000.00)
Total Cost	\$12,581,652.48

Notes:

- 1) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 2) Includes interest costs, based on PFM's estimated 10-year bank loan interest rate, plus issuance costs of \$20,000.
- 3) Estimated O&M costs are based on a 3 year average of actual O&M, increasing 2.5% annually (CPI as of April 2018).
- 4) Future capital needs should be considered in this analysis. However, no estimates are available at this time beyond those identified in the Design Alliance Report.
- 5) Based on the monthly rates for each lease period as stated in the Lease dated January 12, 2018.
- 6) Additional rent is calculated based on the original annual estimate provided in the Lease, increasing 2.5% annually based on CPI as of April 2018.
- 7) Initial tenant improvements as detailed in the Lease.
- 8) Based on an estimate provided by IFA staff.
- 9) Based on market estimate provided to IFA staff.

Iowa Finance Authority

Exhibit B-1

Third Party Review of All-in Costs for Facility Options

B1) Renovation of Current Building without Addition ¹⁾			
One-Time Capital Costs for Renovation of 2015 Grand Ave (without Addition)		Low	High
Site Improvements	<i>Sidewalks, paving, signage & landscaping</i>	\$75,000	\$85,000
Building envelope restoration	<i>Tuckpointing, Sealants & Power Washing</i>	\$15,000	\$18,500
	<i>Window replacement (2,750 sf)</i>	\$63,400	\$68,500
	<i>Storefront entry modifications</i>	\$9,000	\$10,500
Interior Demolition	<i>Interior demolition</i>	\$25,000	\$30,000
Asbestos abatement	<i>Asbestos abatement</i>	\$19,500	\$21,000
IFA facility renovation (30,566 sf)	<i>Architectural</i>	\$1,833,960	\$2,292,450
	<i>Mechanical - With Fire Protection (+\$132,101)</i>	\$1,422,549	\$1,422,549
	<i>Electrical</i>	\$813,859	\$813,859
	<i>Technology Systems</i>	\$409,909	\$409,909
Add 2-3 Year inflationary rate - 6.5%		\$291,218	\$321,020
Add Construction contingency - 3.0%		\$140,614	\$155,168
Subtotal Construction Renovation		\$5,119,009	\$5,648,455
Building Furniture (\$5k to \$6k per employee)		\$610,000	\$720,000
Temporary Relocation Costs during renovations		\$700,000	\$700,000
TOTAL COST ESTIMATE FOR RENOVATION OF EXISTING BUILDING ²⁾³⁾		\$6,429,009	\$7,068,455

Notes:

- 1) PFM has based this analysis on the cost of capital identified in the Design Alliance report dated March 30, 2017. PFM has not independently verified the validity or accuracy of these reports.
- 2) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 3) This amount remains the same for all three term options - A1) 10 years, B1) 15 years and C1) 20 years.

Source: Design Alliance report dated March 30, 2017.

Project Note for Renovations (without Addition)

SOURCES & USES	
SOURCES	
Par Amount of Notes	7,089,000.00
Accrued Interest	
Other Monies	0.00
<hr/>	
Total Sources	7,089,000.00
USES	
Deposit to Construction Account	7,068,455.00
Deposit to Reserve Account	
Capitalized Interest Account	0.00
Municipal Bond Insurance	
Loan Origination Fee (\$0 per bond)	0.00
Costs of Issuance	20,000.00
Accrued Interest	
Rounding Amount	545.00
<hr/>	
Total Uses	7,089,000.00
ASSUMPTIONS	
Dated Date	11/1/2018
Delivery Date	11/1/2018
First Interest Date	6/1/2019
First Principal Date	12/1/2019
Last Principal Date	6/1/2029

TIC **3.2496%**
 Average Life 6.347 Years

Interest & Issuance Expense	
Interest costs	\$1,462,215.63
Issuance costs	\$20,000.00
Total Debt Costs ¹⁾	\$1,482,215.63

DEBT SERVICE SCHEDULE							
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service		
11-01-18							
06-01-19	0	3.25	134,395.63	134,395.63	134,395.63		
12-01-19			115,196.25	115,196.25			
06-01-20	611,000	3.25	115,196.25	726,196.25	841,392.50		
12-01-20			105,267.50	105,267.50			
06-01-21	631,000	3.25	105,267.50	736,267.50	841,535.00		
12-01-21			95,013.75	95,013.75			
06-01-22	652,000	3.25	95,013.75	747,013.75	842,027.50		
12-01-22			84,418.75	84,418.75			
06-01-23	673,000	3.25	84,418.75	757,418.75	841,837.50		
12-01-23			73,482.50	73,482.50			
06-01-24	695,000	3.25	73,482.50	768,482.50	841,965.00		
12-01-24			62,188.75	62,188.75			
06-01-25	717,000	3.25	62,188.75	779,188.75	841,377.50		
12-01-25			50,537.50	50,537.50			
06-01-26	741,000	3.25	50,537.50	791,537.50	842,075.00		
12-01-26			38,496.25	38,496.25			
06-01-27	765,000	3.25	38,496.25	803,496.25	841,992.50		
12-01-27			26,065.00	26,065.00			
06-01-28	789,000	3.25	26,065.00	815,065.00	841,130.00		
12-01-28			13,243.75	13,243.75			
06-01-29	815,000	3.25	13,243.75	828,243.75	841,487.50		
12-01-29							
06-01-30		3.25					
12-01-30							
06-01-31		3.25					
12-01-31							
06-01-32		3.25					
12-01-32							
06-01-33		3.25					
12-01-33							
06-01-34							
				<hr/>			
	7,089,000		1,462,215.63	8,551,215.63	8,551,215.63		
Scale : Estimated Local Bank Interest Rate							

Notes:

- 1) Assumes a 10 year bank note to pay for renovations without the addition as identified in the Design Alliance report.
- 2) This amount remains the same for all three term options - A3) 10 years, B3) 15 years and C3) 20 years.

Iowa Finance Authority

Exhibit B-3

Third Party Review of All-in Costs for Facility Options

B1) Renovation of Current Building without the Addition

B2) Renovation of Current Building with the Addition

Calculation of 15 Years of Operating and Maintenance Expenditures for 2015 Grand Ave

6.8% (13.9%)

Operating & Maintenance Expenses	FY 2015	FY 2016	FY 2017	Average
7100-055 UTILITIES EXPENSE	52,564	55,641	58,981	55,729
7100-058 INSURANCE EXPENSE	4,029	9,945	8,476	7,484
7100-059 BUILDING MAINTENANCE EXPENSE	130,586	134,382	104,744	123,237
Total Operating & Maintenance Expenses	187,179	199,968	172,201	186,449

Growth Rate (CPI as of April 2018): 2.50%

Year	Annual Cost	Year	Annual Cost		
1	2019	\$195,888.24	11	2029	\$250,753.50
2	2020	\$200,785.44	12	2030	\$257,022.34
3	2021	\$205,805.08	13	2031	\$263,447.90
4	2022	\$210,950.21	14	2032	\$270,034.10
5	2023	\$216,223.96	15	2033	\$276,784.95
6	2024	\$221,629.56	15 Year O&M Est. =>		\$1,318,042.79
7	2025	\$227,170.30			
8	2026	\$232,849.56			
9	2027	\$238,670.79			
10	2028	\$244,637.56			
10 Year O&M Est. =>		\$2,194,610.69			

Notes:

- 1) Based on a three-year average of actual utilities, insurance and building maintenance expenses.
- 2) PFM is using a growth rate of 2.5% annually, based on CPI as of April 2018.

Iowa Finance Authority

Exhibit B-4

Third Party Review of All-in Costs for Facility Options

B2. 15 Year Cost of Renovation WITH Addition

B2) Capital Costs for Renovation of Current Building with Addition ¹⁾		Low	High
Site Improvements	<i>Sidewalks, paving, signage & landscaping</i>	\$75,000	\$85,000
Building envelope restoration	<i>Tuckpointing, Sealants & Power Washing</i>	\$15,000	\$18,500
	<i>Window replacement (2,750 sf)</i>	\$63,400	\$68,500
	<i>Storefront entry modifications</i>	\$9,000	\$10,500
Interior Demolition	<i>Interior demolition</i>	\$25,000	\$30,000
Asbestos abatement	<i>Asbestos abatement</i>	\$19,500	\$21,000
IFA facility renovation (30,566 sf)	<i>Architectural</i>	\$1,833,960	\$2,292,450
	<i>Mechanical - With Fire Protection (+\$132,101)</i>	\$1,422,549	\$1,422,549
	<i>Electrical</i>	\$813,859	\$813,859
	<i>Technology Systems</i>	\$409,909	\$409,909
Add 2-3 Year inflationary rate - 6.5%		\$291,218	\$321,020
Add Construction contingency - 3.0%		\$140,614	\$155,168
Subtotal of Construction Renovation		\$5,119,009	\$5,648,455
Cost of Addition		\$380,000	\$414,000
Subtotal of Construction Renovation & Addition		\$5,499,009	\$6,062,455
Building Furniture (\$5k to \$6k per employee)		\$610,000	\$720,000
Temporary Relocation Costs during renovations		\$700,000	\$700,000
TOTAL COST ESTIMATE FOR RENO. & ADDITION TO EXISTING BUILDING ²⁾³⁾		\$6,809,009	\$7,482,455

Notes:

- 1) PFM has based this analysis on the cost of capital identified in the Design Alliance report dated March 30, 2017. PFM has not independently verified the validity or accuracy of these reports.
- 2) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 3) This amount remains the same for all three term options - 10 years, 15 years and 20 year.

Source: Design Alliance report dated March 30, 2017.

Iowa Finance Authority

Third Party Review of All-in Costs for Facility Options

B3. 15 Year Cost of Lease

B3) 15 Year Lease in a New Location (43,411 sq ft)

10 Year Lease		Monthly	Annually	10 Year Total
<i>Base Rent per month</i>	<i>Months 0-4</i>	\$0.00	\$0.00	
	<i>Months 5-16</i>	\$34,006.07	\$408,072.84	
	<i>Months 17-28</i>	\$34,686.19	\$416,234.28	
	<i>Months 29-40</i>	\$35,379.94	\$424,559.28	
	<i>Months 41-52</i>	\$36,087.51	\$433,050.12	
	<i>Months 53-64</i>	\$36,809.26	\$441,711.12	
	<i>Months 65-76</i>	\$37,545.45	\$450,545.40	
	<i>Months 77-88</i>	\$38,296.35	\$459,556.20	
	<i>Months 89-100</i>	\$39,062.28	\$468,747.36	
	<i>Months 101-112</i>	\$39,843.53	\$478,122.36	
	<i>Months 113-124</i>	\$40,640.40	\$487,684.80	
				10 Year Total =>

5 Year Lease Extension		Monthly	Annually	5 Year Ext.
<i>Base Rent per month</i>	<i>Months 125-136</i>	\$41,453.21	\$497,438.52	
	<i>Months 137-148</i>	\$42,282.27	\$507,387.24	
	<i>Months 149-160</i>	\$43,127.92	\$517,535.04	
	<i>Months 161-172</i>	\$43,990.47	\$527,885.64	
	<i>Months 173-184</i>	\$44,870.28	\$538,443.36	
			5 Year Ext. Total =>	\$2,588,689.80

<i>Additional Rent per month</i>	<i>Initial Estimate \$5.76 per square foot (43,411 sf)</i>	10 Years O&M=>	\$2,801,376.03
	<i>Includes Operating Expenses for Building & Premises</i>	+5 Years O&M =>	\$1,682,454.89

Subtotal of Lease Costs	\$11,540,804.48
--------------------------------	------------------------

2019 => **\$250,047.36**

Growth Rate (CPI as of April 2018): **2.50%**

Year	Annual Cost	Year	Annual Cost
1 2019	\$250,047.36	11 2019	\$320,081.76
2 2020	\$256,298.54	12 2020	\$328,083.80
3 2021	\$262,706.01	13 2021	\$336,285.90
4 2022	\$269,273.66	14 2022	\$344,693.05
5 2023	\$276,005.50	15 2023	\$353,310.37
6 2024	\$282,905.64	16 2024	\$0.00
7 2025	\$289,978.28	17 2025	\$0.00
8 2026	\$297,227.73	18 2026	\$0.00
9 2027	\$304,658.43	19 2027	\$0.00
10 2028	\$312,274.89	20 2028	\$0.00
10 Year O&M Est =>		\$2,801,376.03	
		+5 Year O&M Est =>	
		\$1,682,454.89	

Notes:

- 1) Based on a monthly lease amounts by monthly period as listed in the Lease dated January 12, 2018.
- 2) Initial estimate for 2019 additional rent is based on estimate listed in the Lease dated January 12, 2018.
- 3) Annual growth rate of 2.5% applied, based on CPI as of April 2018.

Source: Lease dated January 12, 2018.

Iowa Finance Authority

Exhibit B-7

Third Party Review of All-in Costs for Facility Options

B3. 15 Year Cost of Lease

B3) Lease in a New Location

Initial Tenant Improvements (One-time Costs) ¹⁾

Category	Cost
General Conditions	\$214,065.00
Demolition	\$50,000.00
Concrete	\$0.00
Masonry	\$0.00
Metals	\$0.00
Carpentry	\$188,927.00
Fireproofing	\$11,500.00
Doors & Windows	\$73,033.00
Finishes	\$470,294.00
Specialties	\$9,592.00
Equipment	\$45,803.00
Furnishings	\$6,790.00
Special Construction	\$0.00
Conveying Systems	\$0.00
Mechanical	\$275,420.00
Electrical	\$141,785.00
Subtotal	\$1,487,209.00
Hubbell Construction Fee (6%)	\$89,232.54
TOTAL TENANT IMPROVEMENTS	\$1,576,441.54

Notes:

1) Based on amounts listed in the Lease dated January 12, 2018.

Source: Lease dated January 12, 2018.

10 Year Project Note for Lease Initial Tenant Improvements

SOURCES & USES	
SOURCES	
Par Amount of Notes	1,597,000.00
Accrued Interest	
Other Monies	0.00

Total Sources	1,597,000.00
USES	
Deposit to Construction Account	1,576,441.54
Deposit to Reserve Account	
Capitalized Interest Account	0.00
Municipal Bond Insurance	
Loan Origination Fee (\$0 per bond)	0.00
Costs of Issuance	20,000.00
Accrued Interest	
Rounding Amount	558.46

Total Uses	1,597,000.00
ASSUMPTIONS	
Dated Date	11/1/2018
Delivery Date	11/1/2018
First Interest Date	6/1/2019
First Principal Date	12/1/2019
Last Principal Date	6/1/2029

TIC **3.2496%**
 Average Life 6.347 Years

Interest & Issuance Expense	
Interest costs	\$329,406.46
Issuance costs	\$20,000.00
Total Debt Costs ¹⁾	\$349,406.46

Notes:

- 1) Assumes a 10 year bank note to pay for initial tenant improvements as identified in the Lease.
- 2) This amount remains the same for all three term options - A3) 10 years, B3) 15 years and C3) 20 years.

DEBT SERVICE SCHEDULE					
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11-01-18					
06-01-19	0	3.25	30,276.46	30,276.46	30,276.46
12-01-19			25,951.25	25,951.25	
06-01-20	138,000	3.25	25,951.25	163,951.25	189,902.50
12-01-20			23,708.75	23,708.75	
06-01-21	142,000	3.25	23,708.75	165,708.75	189,417.50
12-01-21			21,401.25	21,401.25	
06-01-22	147,000	3.25	21,401.25	168,401.25	189,802.50
12-01-22			19,012.50	19,012.50	
06-01-23	152,000	3.25	19,012.50	171,012.50	190,025.00
12-01-23			16,542.50	16,542.50	
06-01-24	156,000	3.25	16,542.50	172,542.50	189,085.00
12-01-24			14,007.50	14,007.50	
06-01-25	161,000	3.25	14,007.50	175,007.50	189,015.00
12-01-25			11,391.25	11,391.25	
06-01-26	167,000	3.25	11,391.25	178,391.25	189,782.50
12-01-26			8,677.50	8,677.50	
06-01-27	172,000	3.25	8,677.50	180,677.50	189,355.00
12-01-27			5,882.50	5,882.50	
06-01-28	178,000	3.25	5,882.50	183,882.50	189,765.00
12-01-28			2,990.00	2,990.00	
06-01-29	184,000	3.25	2,990.00	186,990.00	189,980.00
12-01-29					
06-01-30		3.25			
12-01-30					
06-01-31		3.25			
12-01-31					
06-01-32		3.25			
12-01-32					
06-01-33		3.25			
12-01-33					
06-01-34					
-----			-----		
	1,597,000		329,406.46	1,926,406.46	1,926,406.46
Scale : Estimated Local Bank Interest Rate					

Iowa Finance Authority

Third Party Review of All-in Costs for Facility Options

Exhibit C

C. Summary of 20 Year Costs

C1) 20 Year Costs for Renovation of Current Building without Addition	20 Year Total
<i>Design Alliance Cost Estimate for Renovation of 2015 Grand Ave</i> ¹⁾	\$7,068,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%)</i> ²⁾	\$1,482,215.63
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase)</i> ³⁾	\$2,194,610.69
<i>Additional Capital Needs by Year 10</i> ⁴⁾	TBD
<i>+5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,318,042.79
<i>Additional Capital Needs by Year 15</i> ⁴⁾	TBD
<i>Add'l 5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,491,244.44
<i>Additional Capital Needs by Year 20</i> ⁴⁾	TBD
Total Cost	\$13,554,568.56

C2) 20 Year Costs for Renovation of Current Building with Addition	20 Year Total
<i>Design Alliance Cost Estimate for Renovation of & Addition to 2015 Grand Ave</i> ¹⁾	\$7,482,455.00
<i>Interest & Issuance Expense for Loan to Pay for Renovations (10 years at 3.25%)</i> ²⁾	\$1,567,674.38
<i>Estimated Cost of Operating and Maintenance (2.5% annual increase)</i> ³⁾	\$2,194,610.69
<i>Additional Capital Needs by Year 10</i> ⁴⁾	TBD
<i>+5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,318,042.79
<i>Additional Capital Needs by Year 15</i> ⁴⁾	TBD
<i>Add'l 5 Years Operating & Maintenance Costs (2.5% annual increase)</i> ³⁾	\$1,491,244.44
<i>Additional Capital Needs by Year 20</i> ⁴⁾	TBD
Total Cost	\$14,054,027.31

C2) 20 Year Costs for Lease Facility	20 Year Total
<i>10 Year Lease - Base Rent</i> ⁵⁾	\$4,468,283.76
<i>10 Year Lease - Additional Rent (Projection of O&M +2.5% annually)</i> ⁶⁾	\$2,801,376.03
<i>5 Year Lease Extension (15 Years) - Base Rent</i> ⁵⁾	\$2,588,689.80
<i>5 Year Lease Extension - Additional Rent (Projection of O&M +2.5% annually)</i> ⁶⁾	\$1,682,454.89
<i>Add'l 5 Year Lease Extension (20 Years) - Base Rent</i> ⁵⁾	\$2,858,122.68
<i>Add'l 5 Year Lease Extension - Additional Rent (Projection of O&M +2.5% annually)</i> ⁶⁾	\$1,903,543.28
<i>Initial Tenant Improvements</i> ⁷⁾	\$1,576,441.54
<i>Interest & Issuance Expense - Loan to Pay for Initial Tenant Imprvmt. (10 years at 3.25%)</i> ²⁾	\$349,406.46
<i>Furniture for New Facility</i> ⁸⁾	\$875,000.00
<i>Net proceeds from the sale of 2015 Grand Ave</i> ⁹⁾	(\$1,760,000.00)
Total Cost	\$17,343,318.44

Notes:

- 1) Based on high cost estimates in Design Alliance report to account for age of the report and cushion for unknown issues.
- 2) Includes interest costs, based on PFM's estimated 10-year bank loan interest rate, plus issuance costs of \$20,000.
- 3) Estimated O&M costs are based on a 3 year average of actual O&M, increasing 2.5% annually (CPI as of April 2018).
- 4) Future capital needs should be considered in this analysis. However, no estimates are available at this time beyond those identified in the Design Alliance Report.
- 5) Based on the monthly rates for each lease period as stated in the Lease dated January 12, 2018.
- 6) Additional rent is calculated based on the original annual estimate provided in the Lease, increasing 2.5% annually based on CPI as of April 2018.
- 7) Initial tenant improvements as detailed in the Lease.
- 8) Based on an estimate provided by IFA staff.
- 9) Based on market estimate provided to IFA staff.

Iowa Finance Authority

Exhibit C-1

Third Party Review of All-in Costs for Facility Options

C1) Renovation of Current Building without Addition ¹⁾

One-Time Capital Costs for Renovation of 2015 Grand Ave (without Addition)		Low	High
Site Improvements	<i>Sidewalks, paving, signage & landscaping</i>	\$75,000	\$85,000
Building envelope restoration	<i>Tuckpointing, Sealants & Power Washing</i>	\$15,000	\$18,500
	<i>Window replacement (2,750 sf)</i>	\$63,400	\$68,500
	<i>Storefront entry modifications</i>	\$9,000	\$10,500
Interior Demolition	<i>Interior demolition</i>	\$25,000	\$30,000
Asbestos abatement	<i>Asbestos abatement</i>	\$19,500	\$21,000
IFA facility renovation (30,566 sf)	<i>Architectural</i>	\$1,833,960	\$2,292,450
	<i>Mechanical - With Fire Protection (+\$132,101)</i>	\$1,422,549	\$1,422,549
	<i>Electrical</i>	\$813,859	\$813,859
	<i>Technology Systems</i>	\$409,909	\$409,909
Add 2-3 Year inflationary rate - 6.5%		\$291,218	\$321,020
Add Construction contingency - 3.0%		\$140,614	\$155,168
Subtotal Construction Renovation		\$5,119,009	\$5,648,455
Building Furniture (\$5k to \$6k per employee)		\$610,000	\$720,000
Temporary Relocation Costs during renovations		\$700,000	\$700,000
TOTAL COST ESTIMATE FOR RENOVATION OF EXISTING BUILDING ²⁾³⁾		\$6,429,009	\$7,068,455

Notes:

- 1) PFM has based this analysis on the cost of capital identified in the Design Alliance report dated March 30, 2017. PFM has not independently verified the validity or accuracy of these reports.
- 2) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 3) This amount remains the same for all three term options - A1) 10 years, B1) 15 years and C1) 20 years.

Source: Design Alliance report dated March 30, 2017.

Project Note for Renovations (without the Addition)

SOURCES & USES	
SOURCES	
Par Amount of Notes	7,089,000.00
Accrued Interest	
Other Monies	0.00

Total Sources	7,089,000.00
USES	
Deposit to Construction Account	7,068,455.00
Deposit to Reserve Account	
Capitalized Interest Account	0.00
Municipal Bond Insurance	
Loan Origination Fee (\$0 per bond)	0.00
Costs of Issuance	20,000.00
Accrued Interest	
Rounding Amount	545.00

Total Uses	7,089,000.00
ASSUMPTIONS	
Dated Date	11/1/2018
Delivery Date	11/1/2018
First Interest Date	6/1/2019
First Principal Date	12/1/2019
Last Principal Date	6/1/2029

TIC 3.2496%
Average Life 6.347 Years

Interest & Issuance Expense	
Interest costs	\$1,462,215.63
Issuance costs	\$20,000.00
Total Debt Costs ¹⁾	\$1,482,215.63

DEBT SERVICE SCHEDULE					
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11-01-18					
06-01-19	0	3.25	134,395.63	134,395.63	134,395.63
12-01-19			115,196.25	115,196.25	
06-01-20	611,000	3.25	115,196.25	726,196.25	841,392.50
12-01-20			105,267.50	105,267.50	
06-01-21	631,000	3.25	105,267.50	736,267.50	841,535.00
12-01-21			95,013.75	95,013.75	
06-01-22	652,000	3.25	95,013.75	747,013.75	842,027.50
12-01-22			84,418.75	84,418.75	
06-01-23	673,000	3.25	84,418.75	757,418.75	841,837.50
12-01-23			73,482.50	73,482.50	
06-01-24	695,000	3.25	73,482.50	768,482.50	841,965.00
12-01-24			62,188.75	62,188.75	
06-01-25	717,000	3.25	62,188.75	779,188.75	841,377.50
12-01-25			50,537.50	50,537.50	
06-01-26	741,000	3.25	50,537.50	791,537.50	842,075.00
12-01-26			38,496.25	38,496.25	
06-01-27	765,000	3.25	38,496.25	803,496.25	841,992.50
12-01-27			26,065.00	26,065.00	
06-01-28	789,000	3.25	26,065.00	815,065.00	841,130.00
12-01-28			13,243.75	13,243.75	
06-01-29	815,000	3.25	13,243.75	828,243.75	841,487.50
12-01-29					
06-01-30		3.25			
12-01-30					
06-01-31		3.25			
12-01-31					
06-01-32		3.25			
12-01-32					
06-01-33		3.25			
12-01-33					
06-01-34					
-----			-----	-----	-----
	7,089,000		1,462,215.63	8,551,215.63	8,551,215.63

Scale : Estimated Local Bank Interest Rate

Notes:

- 1) Assumes a 10 year bank note to pay for renovations without the addition as identified in the Design Alliance report.
- 2) This amount remains the same for all three term options - A3) 10 years, B3) 15 years and C3) 20 years.

C1) Renovation of Current Building without the Addition

C2) Renovation of Current Building with the Addition

Calculation of 20 Year Operating and Maintenance Expenditures for 2015 Grand Ave

6.8% (13.9%)

Operating & Maintenance Expenses	FY 2015	FY 2016	FY 2017	Average
7100-055 UTILITIES EXPENSE	52,564	55,641	58,981	55,729
7100-058 INSURANCE EXPENSE	4,029	9,945	8,476	7,484
7100-059 BUILDING MAINTENANCE EXPENSE	130,586	134,382	104,744	123,237
Total Operating & Maintenance Expenses	187,179	199,968	172,201	186,449

Growth Rate (CPI as of April 2018): 2.50%

Year	Annual Cost
1 2019	\$195,888.24
2 2020	\$200,785.44
3 2021	\$205,805.08
4 2022	\$210,950.21
5 2023	\$216,223.96
6 2024	\$221,629.56
7 2025	\$227,170.30
8 2026	\$232,849.56
9 2027	\$238,670.79
10 2028	\$244,637.56
10 Year O&M Est. =>	\$2,194,610.69

Year	Annual Cost
11 2029	\$250,753.50
12 2030	\$257,022.34
13 2031	\$263,447.90
14 2032	\$270,034.10
15 2033	\$276,784.95
15 Year O&M Est. =>	\$1,318,042.79
16 2034	\$283,704.57
17 2035	\$290,797.19
18 2036	\$298,067.12
19 2037	\$305,518.80
20 2038	\$313,156.77
20 Year O&M Est. =>	\$1,491,244.44

Notes:

- 1) Based on a three-year average of actual utilities, insurance and building maintenance expenses.
- 2) PFM is using a growth rate of 2.5% annually, based on CPI as of April 2018.

Third Party Review of All-in Costs for Facility Options

C2. 20 Year Cost of Renovation WITH Addition

C2) Capital Costs for Renovation of Current Building with Addition ¹⁾		Low	High
Site Improvements	<i>Sidewalks, paving, signage & landscaping</i>	\$75,000	\$85,000
Building envelope restoration	<i>Tuckpointing, Sealants & Power Washing</i>	\$15,000	\$18,500
	<i>Window replacement (2,750 sf)</i>	\$63,400	\$68,500
	<i>Storefront entry modifications</i>	\$9,000	\$10,500
Interior Demolition	<i>Interior demolition</i>	\$25,000	\$30,000
Asbestos abatement	<i>Asbestos abatement</i>	\$19,500	\$21,000
IFA facility renovation (30,566 sf)	<i>Architectural</i>	\$1,833,960	\$2,292,450
	<i>Mechanical - With Fire Protection (+\$132,101)</i>	\$1,422,549	\$1,422,549
	<i>Electrical</i>	\$813,859	\$813,859
	<i>Technology Systems</i>	\$409,909	\$409,909
Add 2-3 Year inflationary rate - 6.5%		\$291,218	\$321,020
Add Construction contingency - 3.0%		\$140,614	\$155,168
Subtotal of Construction Renovation		\$5,119,009	\$5,648,455
Cost of Addition		\$380,000	\$414,000
Subtotal of Construction Renovation & Addition		\$5,499,009	\$6,062,455
Building Furniture (\$5k to \$6k per employee)		\$610,000	\$720,000
Temporary Relocation Costs during renovations		\$700,000	\$700,000
TOTAL COST ESTIMATE FOR RENO. & ADDITION TO EXISTING BUILDING ²⁾³⁾		\$6,809,009	\$7,482,455

Notes:

- 1) PFM has based this analysis on the cost of capital identified in the Design Alliance report dated March 30, 2017. PFM has not independently verified the validity or accuracy of these reports.
- 2) PFM is utilizing the high cost estimates from the Design Alliance report to account for additional time between the report and bid letting, and to provide additional cushion for unknown issues that may arise during renovation due to the age and condition of the building.
- 3) This amount remains the same for all three term options - 10 years, 15 years and 20 year.

Source: Design Alliance report dated March 30, 2017.

SOURCES & USES	
SOURCES	
Par Amount of Notes	7,503,000.00
Accrued Interest	
Other Monies	0.00

Total Sources	7,503,000.00
USES	
Deposit to Construction Account	7,482,455.00
Deposit to Reserve Account	
Capitalized Interest Account	0.00
Municipal Bond Insurance	
Loan Origination Fee (\$0 per bond)	0.00
Costs of Issuance	20,000.00
Accrued Interest	
Rounding Amount	545.00

Total Uses	7,503,000.00
ASSUMPTIONS	
Dated Date	11/1/2018
Delivery Date	11/1/2018
First Interest Date	6/1/2019
First Principal Date	12/1/2019
Last Principal Date	6/1/2029

TIC 3.2496%
 Average Life 6.347 Years

Interest & Issuance Expense	
Interest costs	\$1,547,674.38
Issuance costs	\$20,000.00
Total Debt Costs ¹⁾	\$1,567,674.38

Notes:

- 1) Assumes a 10 year bank note to pay for renovations with the addition as identified in the Design Alliance report.
- 2) This amount remains the same for all three term options - A2) 10 years, B2) 15 years and C2) 20 years.

Project Note for Renovations (with the Addition)

DEBT SERVICE SCHEDULE						
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service	
11-01-18						
06-01-19	0	3.25	142,244.38	142,244.38	142,244.38	
12-01-19			121,923.75	121,923.75		
06-01-20	647,000	3.25	121,923.75	768,923.75	890,847.50	
12-01-20			111,410.00	111,410.00		
06-01-21	668,000	3.25	111,410.00	779,410.00	890,820.00	
12-01-21			100,555.00	100,555.00		
06-01-22	690,000	3.25	100,555.00	790,555.00	891,110.00	
12-01-22			89,342.50	89,342.50		
06-01-23	712,000	3.25	89,342.50	801,342.50	890,685.00	
12-01-23			77,772.50	77,772.50		
06-01-24	735,000	3.25	77,772.50	812,772.50	890,545.00	
12-01-24			65,828.75	65,828.75		
06-01-25	759,000	3.25	65,828.75	824,828.75	890,657.50	
12-01-25			53,495.00	53,495.00		
06-01-26	784,000	3.25	53,495.00	837,495.00	890,990.00	
12-01-26			40,755.00	40,755.00		
06-01-27	809,000	3.25	40,755.00	849,755.00	890,510.00	
12-01-27			27,608.75	27,608.75		
06-01-28	836,000	3.25	27,608.75	863,608.75	891,217.50	
12-01-28			14,023.75	14,023.75		
06-01-29	863,000	3.25	14,023.75	877,023.75	891,047.50	
12-01-29						
06-01-30		3.25				
12-01-30						
06-01-31		3.25				
12-01-31						
06-01-32		3.25				
12-01-32						
06-01-33		3.25				
12-01-33						
06-01-34						
			-----	-----	-----	-----
			7,503,000	1,547,674	9,050,674	9,050,674
Scale : Estimated Local Bank Interest Rate						

C3. 20 Year Cost of Lease

C3) 20 Year Lease in a New Location (43,411 sq ft)

10 Year Lease

		Monthly	Annually	10 Year Total
<i>Base Rent per month</i>	<i>Months 0-4</i>	\$ -	\$ -	
	<i>Months 5-16</i>	\$ 34,006.07	\$ 408,072.84	
	<i>Months 17-28</i>	\$ 34,686.19	\$ 416,234.28	
	<i>Months 29-40</i>	\$ 35,379.94	\$ 424,559.28	
	<i>Months 41-52</i>	\$ 36,087.51	\$ 433,050.12	
	<i>Months 53-64</i>	\$ 36,809.26	\$ 441,711.12	
	<i>Months 65-76</i>	\$ 37,545.45	\$ 450,545.40	
	<i>Months 77-88</i>	\$ 38,296.35	\$ 459,556.20	
	<i>Months 89-100</i>	\$ 39,062.28	\$ 468,747.36	
	<i>Months 101-112</i>	\$ 39,843.53	\$ 478,122.36	
	<i>Months 113-124</i>	\$ 40,640.40	\$ 487,684.80	
10 Year Total =>				\$ 4,468,283.76

5 Year Lease Extension

		Monthly	Annually	5 Year Ext.
<i>Base Rent per month</i>	<i>Months 125-136</i>	\$ 41,453.21	\$ 497,438.52	
	<i>Months 137-148</i>	\$ 42,282.27	\$ 507,387.24	
	<i>Months 149-160</i>	\$ 43,127.92	\$ 517,535.04	
	<i>Months 161-172</i>	\$ 43,990.47	\$ 527,885.64	
	<i>Months 173-184</i>	\$ 44,870.28	\$ 538,443.36	
5 Year Ext. Total =>				\$ 2,588,689.80

Addn'l 5 Year Lease Extension

		Monthly	Annually	5 Year Ext.
<i>Base Rent per month</i>	<i>Months 185-196</i>	\$ 45,767.69	\$ 549,212.28	
	<i>Months 197-208</i>	\$ 46,683.04	\$ 560,196.48	
	<i>Months 209-220</i>	\$ 47,616.70	\$ 571,400.40	
	<i>Months 221-232</i>	\$ 48,569.04	\$ 582,828.48	
	<i>Months 233-242</i>	\$ 49,540.42	\$ 594,485.04	
5 Year Ext. Total =>				\$ 2,858,122.68

Additional Rent per month

<i>Initial Estimate \$5.76 per square foot (43,411 sf)</i>	10 Years O&M=>	\$2,801,376.03
<i>Includes Operating Expenses for Building & Premises</i>	+5 Years O&M =>	\$1,682,454.89
	+Add'l 5 Years O&M =>	\$1,903,543.28

Subtotal of 20 Year Lease Costs	\$ 16,302,470.44
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2019 => **\$250,047.36**

Growth Rate (CPI as of April 2018): **2.50%**

Year	Annual Cost	Year	Annual Cost
1 2019	\$250,047.36	11 2019	\$320,081.76
2 2020	\$256,298.54	12 2020	\$328,083.80
3 2021	\$262,706.01	13 2021	\$336,285.90
4 2022	\$269,273.66	14 2022	\$344,693.05
5 2023	\$276,005.50	15 2023	\$353,310.37
6 2024	\$282,905.64	+5 Year O&M Est => \$1,682,454.89	
7 2025	\$289,978.28	16 2024	\$362,143.13
8 2026	\$297,227.73	17 2025	\$371,196.71
9 2027	\$304,658.43	18 2026	\$380,476.63
10 2028	\$312,274.89	19 2027	\$389,988.54
10 Year O&M Est => \$2,801,376.03		20 2028	\$399,738.26
		+Add'l 5 Year O&M Est => \$1,903,543.28	

Notes:

- 1) Based on a monthly lease amounts by monthly period as listed in the Lease dated January 12, 2018.
- 2) Initial estimate for 2019 additional rent is based on estimate listed in the Lease dated January 12, 2018.
- 3) Annual growth rate of 2.5% applied, based on CPI as of April 2018.

Source: Lease dated January 12, 2018.

Iowa Finance Authority

Exhibit C-7

Third Party Review of All-in Costs for Facility Options

C3. 20 Year Cost of Lease

C3) Lease in a New Location

Initial Tenant Improvements (One-time Costs) ¹⁾

Category	Cost
General Conditions	\$ 214,065
Demolition	\$ 50,000
Concrete	\$ -
Masonry	\$ -
Metals	\$ -
Carpentry	\$ 188,927
Fireproofing	\$ 11,500
Doors & Windows	\$ 73,033
Finishes	\$ 470,294
Specialties	\$ 9,592
Equipment	\$ 45,803
Furnishings	\$ 6,790
Special Construction	\$ -
Conveying Systems	\$ -
Mechanical	\$ 275,420
Electrical	\$ 141,785
Subtotal	\$ 1,487,209
Hubbell Construction Fee (6%)	\$ 89,233
TOTAL TENANT IMPROVEMENTS	\$ 1,576,442

Notes:

1) Based on amounts listed in the Lease dated January 12, 2018.

Source: Lease dated January 12, 2018.

10 Year Project Note for Lease Initial Tenant Improvements

SOURCES & USES	
SOURCES	
Par Amount of Notes	1,597,000.00
Accrued Interest	
Other Monies	0.00

Total Sources	1,597,000.00
USES	
Deposit to Construction Account	1,576,441.54
Deposit to Reserve Account	
Capitalized Interest Account	0.00
Municipal Bond Insurance	
Loan Origination Fee (\$0 per bond)	0.00
Costs of Issuance	20,000.00
Accrued Interest	
Rounding Amount	558.46

Total Uses	1,597,000.00
ASSUMPTIONS	
Dated Date	11/1/2018
Delivery Date	11/1/2018
First Interest Date	6/1/2019
First Principal Date	12/1/2019
Last Principal Date	6/1/2029

TIC **3.2496%**
 Average Life 6.347 Years

Interest & Issuance Expense	
Interest costs	\$329,406.46
Issuance costs	\$20,000.00
Total Debt Costs ¹⁾	\$349,406.46

Notes:

- 1) Assumes a 10 year bank note to pay for initial tenant improvements as identified in the Lease.
- 2) This amount remains the same for all three term options - A3) 10 years, B3) 15 years and C3) 20 years.

DEBT SERVICE SCHEDULE					
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11-01-18					
06-01-19	0	3.25	30,276.46	30,276.46	30,276.46
12-01-19			25,951.25	25,951.25	
06-01-20	138,000	3.25	25,951.25	163,951.25	189,902.50
12-01-20			23,708.75	23,708.75	
06-01-21	142,000	3.25	23,708.75	165,708.75	189,417.50
12-01-21			21,401.25	21,401.25	
06-01-22	147,000	3.25	21,401.25	168,401.25	189,802.50
12-01-22			19,012.50	19,012.50	
06-01-23	152,000	3.25	19,012.50	171,012.50	190,025.00
12-01-23			16,542.50	16,542.50	
06-01-24	156,000	3.25	16,542.50	172,542.50	189,085.00
12-01-24			14,007.50	14,007.50	
06-01-25	161,000	3.25	14,007.50	175,007.50	189,015.00
12-01-25			11,391.25	11,391.25	
06-01-26	167,000	3.25	11,391.25	178,391.25	189,782.50
12-01-26			8,677.50	8,677.50	
06-01-27	172,000	3.25	8,677.50	180,677.50	189,355.00
12-01-27			5,882.50	5,882.50	
06-01-28	178,000	3.25	5,882.50	183,882.50	189,765.00
12-01-28			2,990.00	2,990.00	
06-01-29	184,000	3.25	2,990.00	186,990.00	189,980.00
12-01-29					
06-01-30		3.25			
12-01-30					
06-01-31		3.25			
12-01-31					
06-01-32		3.25			
12-01-32					
06-01-33		3.25			
12-01-33					
06-01-34					
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	1,597,000		329,406.46	1,926,406.46	1,926,406.46
Scale : Estimated Local Bank Interest Rate					