



February 26, 2021

City of Johnston
Attn: Adam Plagge
6221 Merle Hay Rd.
Johnston, IA 50131

Re: Johnston Town Center – Mixed-Use Building

Dear Adam,

Hansen Real Estate continues to pursue key tenants to bring into the Johnston Town Center development. Our goal and desire to seek local businesses who are invested in the Johnston Community, or who want to be invested in the growth here remain. We continue to seek breweries, tap rooms, restaurants, and other business types that will add to the creative mix this development requires.

Although it may not be happening as quickly as some would hope - we are making progress!

In an effort to show our continued commitment to the Johnston Town Center project, and the community we call Home, we are willing to proceed with the two-story mixed-use building (approx. 13,500 sq. ft) on a speculative basis, with Hansen at-risk, under the following conditions necessary due to the ongoing Covid-19 impacts to the retail, restaurant and entertainment industries.

- Land purchase price of \$10/sf
- 100% TIF tax rate increment rebates until building is 75% occupied. Then 75% TIF tax rate increment rebates for 10 years when 75% occupancy is achieved. Maximum TIF rebate duration of twelve years or less.
- No Entertainment CAMs for (3) three years beginning at Certificate of Occupancy due to proportional burden this would place on the initial building(s)
- Maintenance CAMs for the first three years will be based on the buildings occupied square footage and calculated as a percentage of the full Town Center buildout estimated at 167,881 sq. ft.
- City will collaborate with developer on updates or revisions to the design guidelines if issues arise.
- City shall incrementally install previously designed brick pavers, sidewalks, and landscaping that was removed from the original project scope simultaneous to construction of adjacent commercial building(s) to connect commercial building(s) to The Yard and Merle Hay Road and NW 62nd Ave. intersection.
- City shall design and install any foundations for the wood trellis structure that is on the City owned parcel at the intersection of NW 62nd Ave and Merle Hay Road simultaneous to construction of the second commercial building at the intersection.
- The City shall attempt to coordinate with Hansen the City's construction of the trellis and signage simultaneous to construction of the second commercial building at the



intersection and shall construct the trellis and signage as soon as tax increment financing for the project becomes available.

- No restrictions on Tenant Mix or uses as long as tenants meet the terms of the JTC guidelines.

Future Town Center building incentives will be determined in the context of the Town Center Master Development Agreement with additional consideration given to the state of the post Covid market conditions at time of proposed construction.

It's our goal, assuming you are agreeable to the above conditions, to move forward immediately with the design team and to commence construction in July 2021.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Troy W. Hansen', is written over a blue circular stamp or seal. The signature is fluid and cursive.

Troy W. Hansen