

Oelwein Event Center Corporation
Request for City of Oelwein Investment in Event Center Project
Potential Sources of Funding

1. Local Option Sales Tax
 - a. Based on projected economic impact, the effect on LOST should be \$14,700 per year by Year 3
 - b. Propose \$10,000 per year for 5 years
 - c. Total of \$50,000
2. Economic Development Funds
 - a. The funds invested now will eventually be returned via increased tax revenue going forward
 - b. Payments to begin in 2023
 - c. Propose \$40,000 per year for 5 years
 - d. Total of \$200,000
3. Hotel/Motel Tax
 - a. The funds invested now will eventually be returned by future revenue
 - b. By Year 3, it is projected the tax generated will have increased by \$16,100 per year due to events held in town and their impact
 - c. Propose \$40,000 per year for 5 years, to begin in 2023
 - d. Total of \$200,000
4. Waiver of Building Permit Fees
 - a. This waiver was provided to East Penn when they were building their plant several years ago
 - b. Estimated cost of permit is \$30,000
 - c. This is not a cash outlay for the City
5. Parking Lot Improvements
 - a. It is estimated that to improve the two city parking lots closest to the proposed event center (north of Buds and Blossoms and West of Midwest Auto) would cost \$80,000
 - b. Propose the City also improve the lots owned by the OECC to the north and east of the building
 - c. Estimated cost for the OECC lots would be \$40,000
 - d. Fundable through Franchise Tax
 - e. This would be an "in-kind" donation by the city

Summary:

Cash Investments

LOST Funds	\$50,000	\$10,000/year
Economic Development Funds:	\$200,000	\$40,000/year
Hotel/Motel Funds:	\$200,000	\$40,000/year

In-Kind Investments

Permit Fee Waiver	\$30,000 (est.)
Parking Lot Renovation	\$120,000 (est)

Notes:

1. After the City's annual contribution is complete, it will realize \$90,000 per year in usable revenue going forward.
2. Look at this proposal as a "loan". Investing today will provide a return of investment **and** future benefits.