



May 12, 2015

Dear Waterloo City Councilmembers:

I am writing you asking for your support for an existing business to invest in the former Wonder Bread Bakery Building in downtown Waterloo.

As you know, the former Wonder Bread Bakery Building is now owned by the city of Waterloo. The building was purchased after Hostess, the owner and operator of the bakery, filed for bankruptcy and ended its operations, causing the loss of sixty-five jobs from the Waterloo economy. Until recently, there were no existing plans for reuse of the building.

SingleSpeed Brewing Company is currently located in downtown Cedar Falls and is looking to use the building for a brewing facility to expand distribution of its products beyond the Waterloo/Cedar Falls area to all of Iowa, Minnesota and Wisconsin. Dave Morgan, President of Mulligans and Founder of SingleSpeed, has chosen the Wonder Bread Bakery Building as his preferred location for the expansion, bringing with it jobs and business presence to Waterloo and creating a unique opportunity to capitalize on the rich history and unique character of the building.

SingleSpeed's plan includes a brewing facility, a taproom and the potential for other related businesses to operate within the space. He has outlined a plan for financing and development of the business expansion. The business would bring fifty jobs at the start of operations in 2016 and an estimated seventy-five jobs by the end of 2017. Utilizing a historic building also brings opportunities for increased tourism dollars, increased hotel stays and increased attractiveness for other business and residential development adjacent to the facility. Given that U.S. craft beer sales increased by 17.6% from 2013 to 2014, such a fast-growing industry can clearly bring jobs and income to our city.

What is the cost of such benefits to the city of Waterloo? By simply handing over the building to SingleSpeed Brewing Company, without investing any cash or other funding, the above project and benefits can be realized.

A more important secondary question remains: if we do not pursue the SingleSpeed project, what happens instead? Based upon previous development efforts, the following is a likely, and very costly, scenario:

- 1) Demolishing the historic Wonder Bread Building, at a cost of several hundred thousand dollars.
- 2) Creating an alternative development using tax dollars for investment – for example, another recent proposed project in downtown Waterloo in 2013 would have cost \$10 million dollars and required a hefty \$3 million in tax dollars (in cash). The project never happened and the same is possible for any future new construction.
- 3) Additional costs from restructuring the area surrounding the Wonder Bread space for other uses, including new construction.

Finally, and most importantly, Waterloo has a chance to both preserve its history and develop a new and exciting path of redevelopment. Waterloo needs the courage and the vision to imagine that such unique opportunities are not only possible but also deserved. This is why I am asking for your support of the SingleSpeed Brewing Company project.

In closing, Waterloo's creative past does well to outline a path for the future. One of John Deere's early business partners once criticized him for making too many revisions to his product designs, saying farmers would not care and would buy anything. Deere replied, "They haven't got to take what we make and somebody else will beat us, and we will lose our trade." In short, we must treat Waterloo's future in the same way. We must dream big, think creatively and work hard to achieve the future that is possible.

Respectfully,

{Name Here}