

**Answers for each group based on written responses.**

<b>Parking Questions</b>		
The garage (approximately 555 spaces) must continue to be used for parking with at least 35% (about 195 spaces) available for public daily parking.		
<i>City of Des Moines</i>	<i>Conley Group Response</i>	<i>Ruan Group Response</i>
Confirm you will meet this requirement.	Yes	Yes
How many more spaces do you anticipate reserving for daily in/out parking above the required 35%?	As many spaces as for daily users after reviewing project revenue stream. Will do day-to-day management to provide best parking availability for users.	As many spaces as for daily users as is possible. Will work on this issue with daily management of parking demand and use.
How many parking spaces will be reserved exclusively for the hotel?	Up to 200 spaces. Reserved parking for the hotel will be managed on a daily basis in conjunction with its projected occupancy rates.	About 100 spaces. Reserved parking for the hotel will be managed on a daily basis in conjunction with its projected occupancy rates.
What kinds of modifications do you anticipate making to the garage structure?	As would be indicated by a structural analysis.	Based on an independent architectural/engineering report, a new load bearing structure will be built immediately to support the new hotel.
During construction, how many parking spaces will be impacted?	Do not know exact number estimated to be 85-100 spaces, but will be minimized so spaces can produce revenue.	Do not know exact number but estimate 12 spaces/floor during a short construction period on each floor that will occur over time (and not all at once)
What will the street level look like? Will commercial uses be retained?	Upgrade appearance of the ground-level space. The drop-off lane on Grand Ave. will have bellman service. The 1 <sup>st</sup> floor lobby/greeting space area will assist in getting guests to the express elevator to their rooms. A high quality 5,000 sq. ft. restaurant will be added on the ground level. Additional services and retail will be added.	Will add a courtyard/plaza space on Grand Ave. side. Will have 6,000-sq. ft. hotel lobby on 1 <sup>st</sup> floor with drop-off lanes on Grand and 7 <sup>th</sup> . Retail in remaining east portion of 1 <sup>st</sup> floor and all of west portion of 1 <sup>st</sup> floor.

Who will operate the garage?	Conley Investment Group.	Will enter into an operating agreement with an experience garage operator such as Central Parking (Des Moines, IA.)
<b>Hotel Questions</b>		
<i>City of Des Moines</i>	<i>Conley Group Response</i>	<i>Ruan Group Response</i>
What is the size of the hotel?  Total Square Footage:  Number of rooms:	60,000 sq. ft.  165 rooms (16 rooms on first floor of hotel, 26 on 2 <sup>nd</sup> floor and 28 rooms per floor from 3 <sup>rd</sup> -6 <sup>th</sup> )	112,532 sq. ft.  170 rooms (17/floor)
Cost to construct and furnish?	\$12 million.	\$12.2 million for construction (includes structural changes)  \$1.9 million (est.) for furnishings, etc.
What amenities and services will be included as part of the hotel?	Kitchen in each room, free breakfast, free parking, newspaper, shoe shine stand, different size rooms with efficiencies, one and two bedroom suites, airport limo, exercise room, on-site laundry, security systems and kitchen stocking (??equipment)	Some meeting rooms, breakfast in lobby, indoor swimming pool with whirlpool, game room, exercise equipment, small bar, restaurant, guest laundry, limited room service for meals, newspapers, safe deposit boxes, dry-cleaning, airport van. car rental, express check in/check-out. Marriott Hotel services will be made available - full service health club, restaurants, bell staff, business service center with audiovisual equipment.
When will the hotel construction be completed (calculated from the date of property conveyance)?	Hotel will be open in about 36 months after conveyance. Intent is to fix/improve garage immediately.	Hotel will be open in 12-18months after conveyance, subject to weather and construction schedules. Intent is to begin construction on hotel support structure as quickly as possible; Ruan is willing to begin construction before conveyance if contract language can be worked out on this issue.
<b>Skywalk Questions</b>		
The property contains a ground level access to the skywalk as well as a skywalk corridor and a bridge connection that must be maintained as part of the property sale. As a condition of the		

property's sale, the buyer must enter a standard skywalk agreement with the City regarding the operations and maintenance.

<i>City of Des Moines</i>	<i>Conley Group Response</i>	<i>Ruan Group Response</i>
Confirm you will enter into the skywalk agreement with the City.	Yes	Yes
What changes do you anticipate making to the skywalk portion of the project? Will the Grand Ave. skywalk bridge be accessible and/or open during construction?	Upgrading skywalk portion of project. Intention to maintain operations of skywalk as much as possible. Temporary closure of parts of the skywalk may be needed when elevators are being installed, etc.	Temporary closure of parts of the skywalk may be needed when elevators are being installed, etc.

### Development Team Questions

<i>City of Des Moines</i>	<i>Conley Group Response</i>	<i>Ruan Group Response</i>
Who are the development team members? [Provide name, address and phone of each] What is their experience in developing and operating similar facilities? [Provide list of comparable projects with project sq. ft., # rooms, location, dates when involved and how involved with project.]	<p><i>Unless otherwise noted, persons and companies are from Des Moines area.</i></p> <p><i>Developer:</i> The Conley Investment Group composed of George Cataldo, Brian Williams and Robert Conley</p> <p><i>Architect:</i> Kevin White, Baldwin White</p> <p><i>Contractor:</i> Neumann Brothers</p> <p><i>Hotel Management:</i> Holley Hotel Management (not known where from)</p>	<p><i>Unless otherwise noted, persons and companies are from Des Moines area.</i></p> <p><i>Developer:</i> City Center Corporation, John Ruan III, president</p> <p><i>Architect:</i> Kenneth Kendall, Kendall Artiaga</p> <p><i>Contractor:</i> Will bid project</p> <p><i>Hotel Management:</i> William Scott, general manager for the downtown Marriott and with Marriott for the past 28 years as well for the Courtyard Inns in Clive and Quad Cities. Information on other management team members is included showing extensive experience Marriott.</p>
What hotel entity will you be working with? What is your team's experience in working with this company? When will you be able to	<p><i>Hotel Franchisor:</i> Holiday Inn for a Staybridge franchise</p> <p><i>Team's Experience:</i> Holley Hotels has operated multiple</p>	<p><i>Hotel Franchisor:</i> Marriott Corp. for a Courtyard Inn franchise</p> <p><i>Team's Experience:</i> Have operated a Marriott hotel in downtown Des Moines</p>

<p>secure an operating agreement with a hotel franchisor? (If possible, submit letter verifying agreement)</p>	<p>Holiday Inns for the past 10 years.</p> <p><i>Operating Agreement:</i> The Conley Group has right of first refusal in their master franchise agreement; Conley has stated that franchise will go to him within 60 days upon his submission of the \$10,000 franchise fee to Holiday Inn-Staybridge.</p>	<p>for over 20 years.</p> <p><i>Operating Agreement:</i> Team is in process of negotiating process for operating agreement. It is anticipated that a satisfactory operating agreement will be secured within the next 60 days.</p>
<p>How will you finance this project? What is your timeframe to finalize your financing? (If available, submit letter verifying financial commitments)</p>	<p><i>How finance project:</i> West Bank indicates in a letter dated January 13, 2000 that the borrower, Robert J. Conley, has the financial capacity to undertake this transaction. Conley stated a combination of cash and bank loans will be used for the project.</p>	<p><i>How finance project:</i> Have received significant local interest in financing this project. Do not anticipate any problems in obtaining financing.</p>

### Project Revenue Questions

<i>City of Des Moines</i>	<i>Conley Group Response</i>	<i>Ruan Group Response</i>
<p>Confirm the \$3.7 million purchase price is acceptable.</p>	<p>Yes.</p>	<p>Yes.</p>
<p>What is your projected annual gross revenue or other appropriate basis on which the hotel/motel tax is calculated?</p>	<p>\$3.6 million</p>	<p>About \$4.1-4.5 million in first year</p>
<p>What is your best estimate of the</p>	<p>\$10 million (estimated)</p>	<p>\$10 million</p>

building permit value for this project?		
Are you willing to enter into a minimum assessment agreement?	Yes, subject to how term is defined and what the assessment amount would be.	Yes
Is tax abatement necessary for this project?	No	No
<b>Other</b>		

The January 3, 2000 Council Communication on this project described several timing issues related to the refinancing of the City’s parking system; the bond issuance schedule requires the City to be prepared to enter into a sales contract for this property by mid-April.

If the Council imposes any of the following as a condition to being selected the developer for this property,

<i>City of Des Moines</i>	<i>Conley Group Response</i>	<i>Ruan Group Response</i>
Are you willing to meet this schedule which indicates execution of a sales contract by mid-April?	Yes	Yes
In terms of meeting this schedule, what due diligence have you undertaken to-date? (Specify)	None provided	<ul style="list-style-type: none"> <li>Plan design review by Marriott</li> <li>Architectural/engineering study to determine parking ramp structure capabilities</li> <li>Market study and feasibility analysis for Marriott</li> <li>Currently negotiating for operating agreement for facility</li> <li>Architectural schematic drawings</li> </ul>
What is your schedule to have the other due	<ul style="list-style-type: none"> <li>Need structural</li> </ul>	<ul style="list-style-type: none"> <li>Will need to undertake standard environmental Phase I, and as needed, Phase II studies of property</li> </ul>

<p>diligence items completed? (specify)</p>	<p>report to determine what is needed for hotel project.</p> <ul style="list-style-type: none"> <li>All due diligence items to be completed within 45 days of being named developer.</li> </ul>	<ul style="list-style-type: none"> <li>Lender will require project appraisal.</li> </ul>
<p><i>City of Des Moines</i></p>	<p><i>Conley Group Response</i></p>	<p><i>Ruan Group Response</i></p>
<p>Are you willing to provide a non-refundable good faith deposit of \$50,000 (which will be applied to the purchase price) on or by February 1, 2000?</p>	<p>Yes</p>	<p>Yes, subject to executing a development agreement with the City.</p>
<p>Are you willing to make an initial downpayment about \$1.3 million (the estimated bond defeasance amount) at the time of the contract execution in April and then pay the remainder of the purchase price upon conveyance?</p>	<p>Yes, provided \$1.3 million in held in escrow until conveyance.</p>	<p>Yes. Would like to work out a way to begin construction work at that time of initial payment and willing to consider letting the City retain parking revenues from the date of contract execution in April to June 30, 2000, the end of the fiscal year</p>
<p>The Council has typically required a reversion clause if the property is not developed as</p>	<p>Understand the property is being sold in "as-is" condition. If a significant problem is found in the structure after its</p>	<p>Yes</p>

<p>required by the contract. If the Council requires a reverter clause, is this acceptable to you?</p>	<p>conveyance, a reversion clause could concern the financial lenders.</p>	
<p>The City Council requested that each bidder describe how their project will bring synergy to the downtown. Examples of synergy included how this project will support and enhance the downtown. Describe how you believe your project will add synergy to the downtown.</p>	<ul style="list-style-type: none"> <li>• Extended stay option provides a lodging market currently not being served in downtown (but is being served in the suburbs)</li> <li>• Will be part of a national 1-800 reservation system</li> <li>• Building will be attractive addition to the downtown</li> <li>• Project will compliment the existing business and hotel core</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a more attractive bid package with different room types and rates for large meetings and conventions</li> <li>• Be able to provide the needed 300+ rooms often required to bid for conventions</li> <li>• Will be part of a national 1-800 reservation system</li> <li>• Allows Marriott to maintain and share its very experienced staff between the two facilities while adding 50 new jobs.</li> <li>• Serves business traveler 'leakage' that is currently routed to western suburbs when downtown facilities are full.</li> <li>• Provides more market for other downtown businesses to serve</li> </ul>