

IOWA
CONVENTION &
ENTERTAINMENT
REINVESTMENT
DISTRICT

SECTION B DISTRICT PLAN





PROPOSED PROJECT WITHIN THE DISTRICT AND TOTAL CAPITAL INVESTMENT ASSOCIATED WITH THE PROJECT

IN THE CHART BELOW PLEASE LIST EACH PROPOSED PROJECT WITHIN THE DISTRICT AND TOTAL CAPITAL INVESTMENT ASSOCIATED WITH THE PROJECT. PLEASE PROVIDE A NAME FOR EACH PROJECT THAT CORRESPONDS WITH REFERENCES THROUGHOUT THE APPLICATION. ADD ADDITIONAL LINES AS NEEDED. NEW RETAIL ESTABLISHMENTS CANNOT EXCEED 50% OF THE TOTAL COST EXPECTED FOR THE DISTRICT. AT LEAST ONE PROJECT WITHIN THE DISTRICT MUST HAVE A CAPITAL INVESTMENT OF \$10 MILLION OR MORE.

PROPOSED PROJECTS	TOTAL COST*
Iowa Events Center Convnetion Hotel.	\$100,654,000
5th & Keo Parking and District Streetscapes.	\$6,800,000
Randolph Hotel.	\$19,100,000
420 Court.	\$26,563,000

**Costs shown are total project costs; the break-out of the capital construction costs can be found in the source/use tables for each project plan*



AMOUNT OF STATE ASSISTANCE NEEDED

\$39,413,000

Note: this amount cannot exceed 35% of the total cost proposed within the District and should be supported by expected tax revenues within the district over 20 years or less.



DESCRIPTION OF HOW THE STATE
ASSISTANCE WILL BE USED WITHIN
THE REINVESTMENT DISTRICT

PROVIDE A DESCRIPTION OF HOW THE STATE ASSISTANCE WILL BE USED WITHIN THE REINVESTMENT DISTRICT, AND IDENTIFY THE GAP IN FINANCING NEEDED TO COMPLETE THE PROPOSED PROJECTS IN THE DISTRICT.

State assistance from the Iowa Reinvestment Act will be used first towards filling the financing gap for the Iowa Events Center (IEC) convention hotel. Assistance will also be used to strengthen the public realm in the District, including reinvestment in the 5th and Keo parking structure which serves the IEC and convention hotel, skywalk improvements to a section connected to headquarter hotel and IEC, and streetscape improvements in the District that will help with pedestrian connectivity between the Iowa Events Center and other amenities in downtown.

Convention hotel are not possible without subsidies except in very large markets. This is a project that has been eyed by the community for nearly ten years with an unsuccessful attempt by Polk County and City of Des Moines to secure a developer to build a convention hotel in 2007. The hotel is planned to utilize up to \$36.4M of the IRA funds earned in the Reinvestment District. It will leverage approximately \$19M in loans and provide interest payments to securitize this source and provide a refinancing source for the short-term borrowings (EB-5 and private placement loan).

The 420 Court site has been the subject of three rounds of development proposal efforts, dating back to the late 1990's. Meanwhile, the downtown residential population has steadily grown along with a drumbeat citing a need for a downtown grocery store. Higher costs of urban development including structured parking and building types associated with higher densities create the financial gap for achieving the proposal for this key downtown site. The gap has been closed by utilizing New Market Tax Credits and TIF funding. Funding generated by the 420 Court and captured by this Reinvestment District will be utilized to close the funding gap on the hotel and for public improvements that enhance the District

The proposed public improvements associated with the 5th and Keo parking structure, support the proposed IEC convention hotel, increase the viability of visitors using other downtown businesses and attractions and generally improve the quality of life in downtown. A portion of this project is in the City's Capital Improvement Program and, following the precedent of other streetscape improvements in the City, private fund-raising is anticipated. The City will also utilize funding proceeds from the hotel and sales taxes generated from this Reinvestment District to fund these public projects.

The Randolph Hotel project has layered several funding sources, including a significant economic development grant (derived from tax increment financing) from the City of Des Moines to overcome its financial gap. Funding generated by this project from the Iowa Reinvestment Act will be used to support the hotel project and for public improvements proposed for the Iowa Convention and Entertainment Reinvestment District.



PROJECT PLANS

PROJECT DESCRIPTION: IOWA EVENTS CENTER CONVENTION HOTEL:

The Iowa Events Center Convention Hotel is a full-service 330-room, 235,000SF convention headquarters hotel for the Iowa Events Center (IEC). It will be located on the northeast corner 5th and Park Streets on the same block as the Iowa Events Center and connected to the skywalk system in downtown Des Moines. The site has been assembled by the Des Moines Redevelopment Corporation (DMRC) for the purpose of building a convention headquarter hotel and was sold to Polk County in 2014.

The 10-story hotel tower will be oriented north-south to provide views from the guestrooms to the downtown skyline to the west and easterly to the State Capitol and East Village. The facility includes ballrooms, meeting rooms, a full service restaurant and bar, pool, exercise facility, underground parking for approximately 120 cars and skywalk connections in addition to a variety of suites, executive rooms, and standard hotel rooms. Nearby public parking structures will provide the remainder of the hotel and ballroom/meeting room parking needs. This project includes streetscape and skywalk improvements on 5th and Center Streets to create better connections between existing parking structures, the Iowa Events Center, other downtown amenities, and the proposed hotel.

The IEC Convention Hotel enjoys broad community support. The City and Polk County have been working to bring forward a convention hotel project since the mid- 2000's. A developer solicitation process failed to produce a viable project in 2007. In 2012, the newly formed Des Moines Redevelopment Company (DMRC), a non-profit entity formed to acquire land or buildings in downtown Des Moines for re-development purposes, made its inaugural purchase, a site on the southwest corner of the IEC block for a convention headquarter hotel. The site is currently occupied by a vacant office building; site re-development will also assist with lowering the vacancy rate among downtown office space. The hotel site is ideally positioned to realize the hotel's potential for

providing adjacent rooms and visitor amenities, then connecting visitors with a memorable experience in downtown Des Moines.

The non-profit IEC Hotel Corporation is being formed by Polk County to own and operate the convention hotel. The community has worked collaboratively and extensively to identify funding sources for the hotel. As the group investigated ways to fund the project and reduce its costs, a non-profit ownership structure offered the best fit for this project. Private ownership required institutional investors seeking too high a rate of return. The non-profit structure allowed for the least expensive form of project financing and profits from the hotel can be returned back to the community, as opposed to a private entity. Omaha, Austin, Coralville, and Columbus, Ohio, are a few examples of cities that have non-profit ownership structures in place. A Board of Directors comprised of two appointees from the City and of five members of the County will direct the IEC Hotel Corporation

A number of significant economic benefits are expected to be derived from the addition of the IEC Convention Hotel. These are detailed in the economic impact section of this application (section C). In summary, the IEC Convention Hotel is expected to increase attendance at the Iowa Events Center by a third within five years, from approximately 463K to 614K attendees. At year 5 after opening, these attendees are projected to increase demand for hotel rooms by nearly 50,000 room nights, a quantity that exceeds the capacity of the IEC Convention Hotel, thus increasing demand for existing hotels in the Des Moines market by about 32,000 room nights. These additional hotel room nights at the IEC Convention Hotel alone are projected to generate \$25.63M in hotel and sales taxes that are eligible for capture by the Iowa Reinvestment Act (IRA). By the second year the proposed IEC Convention hotel is open, the economic impact created by the increased attendance at the IEC is projected to be \$42M, exceeding the amount of taxes captured under IRA over 20 years.

PROJECT DESCRIPTION: DISTRICT IMPROVEMENTS:

The ‘district improvements’ portion of this project proposes to reinvest in an existing infrastructure -- a parking structure, skywalks, and surrounding streetscapes -- to better connect it to the IEC and convention hotel. It aims to provide improved walkability in the general vicinity of the IEC and between the IEC and other parts of downtown. This project includes streetscape improvements in the District to create better pedestrian connections between the 5th and Keo Parking Structure and the other amenities of downtown, including the IEC and the proposed hotel.

The 5th and Keo Parking Structure was built in 1985 and has 620 public parking spaces. This parking structure is two blocks south of the IEC and has a skywalk connection to the IEC and to the proposed convention hotel. In a 2012 downtown parking study, analysis showed that this parking structure was significantly under utilized. In addition to continuing to provide public parking, the 5th & Keo Parking Structure will provide parking to convention hotel visitors.

When this parking structure was designed it was intended to blend into the existing office buildings surrounding it and was filled with primarily monthly parkers. Many of the companies that once occupied these office buildings have since moved and the needs for parking in this area have changed. With the new IEC Convention Hotel and the other proposed redevelopments in the area, use of this garage is shifting to more transient, or daily, type uses. The need for this garage to be clearly seen and visible is increasing. This project proposes to enhance the exterior of the structure for better wayfinding for cars and pedestrians. This project will also provide better interior wayfinding signage for patrons to get from their parking place to the skywalk or sidewalk level, following recommendations from the City’s 2010 Skywalk Master Plan.

Per the City’s 2010 Skywalk Master Plan, this project would address the heating concerns and other aesthetic elements in the skywalk corridors through the parking structure. Renovations to the existing stair towers are also needed to improve pedestrian connec-

tivity from the street level to the parking levels of this facility. New carpet and paint will be used to match that of the new convention center hotel to provide visual cues for connectivity for hotel parkers. Pedestrian wayfinding signs that match other signage in downtown would be added to help direct hotel guests and IEC visitors to other downtown amenities.

Streetscape improvements in the District include:

- ▷ Grand Avenue (3rd – 5th)
- ▷ Walnut Street (2nd – 5th)
- ▷ 5th Street (Watson Powell – Court)
- ▷ Center Street (5th - 7th)

The Grand Avenue streetscape aims to widen the sidewalk on the north side of the street and create bump-outs with permanent on-street parking by narrowing the roadway. This is an on-going effort that has been implemented with redevelopment and began with the construction of Wellmark near 13th Street in the western area of downtown, continuing 8 blocks to the east with the new downtown Wellmark YMCA. The work helps north-south pedestrian crossings by narrowing the dimension of roadway and should increase the viability of pedestrians moving between the Iowa Events Center and other areas of downtown. The section of Grand Avenue identified in this District Plan is particularly difficult to address, as near-term redevelopment of these blocks is unlikely. This project also includes phase 3 of the Walnut Street Streetscape between 5th Street and 2nd Avenue. The entire Walnut Street plan addresses 2nd-10th Streets; phase 1 is scheduled for 2016 construction at a \$4.8M project cost. Approximately half of the cost to implement the first phase was raised from private contributions by adjoining property owners. Phase 3 of the Walnut Street Streetscape includes reclaiming right-of-way for an “urban garden” along 5th Street, a section of 5th that will likely see increased pedestrian activity between the Iowa Events Center and other areas of downtown. The balance of streetscape improvements will go into 5th Avenue between the Iowa Events Center and Court Avenue, including replacement of streetlights with LED fixtures and landscaping.

IEC CONVENTION HOTEL

**see schedule of estimated capital stack for more detail

FUNDING USES

Site Preparation/Bldg Demo.	\$2,800,000
Site/Building Acquisition	\$3,200,000
Building Construction	\$61,750,000
Fixtures.....	\$13,155,000
Developer Fee	\$2,000,000
Other Development Costs	335,000
A/E Design fees.....	4,000,000
Construction Admin. .incl in 'construction & A/E'	
Financing Costs.....	\$5,819,289
Debt Reserves	\$5,744,581
Operating Reserves.....	\$1,850,000

Total Project Budget.....\$100,653,870

FUNDING SOURCES

Secured by non-hotel revenues

IRA Loan	
Parity IRA Loan	
Subordinate IRA Loan (Co guarantee)	
Subtotal.....	\$17,189,628

Cash Contributions

County Cash	
City TIF GO Bond	
City TIF Annual Appropriation GO Bond	
State Brownfield Grant	
Key Money	
Subtotal.....	\$22,950,000

Secured by hotel operating revenues

Sr lien first mortgage loan	
EB-5 subordinate lien loan	
Facility Fee Loan (Co guarantee)	
Subtotal.....	\$60,524,635

Total Funding Sources.....\$100,664,264



DISTRICT IMPROVEMENTS

FUNDING USES

Site Preparation	N/A
Building Acquisition	N/A
Building Construction	N/A
Building Remodeling	\$6,100,000
Developer Fee	N/A
Design and CA	\$700,000

Total Project Budget \$6,800,000.00

FUNDING SOURCES

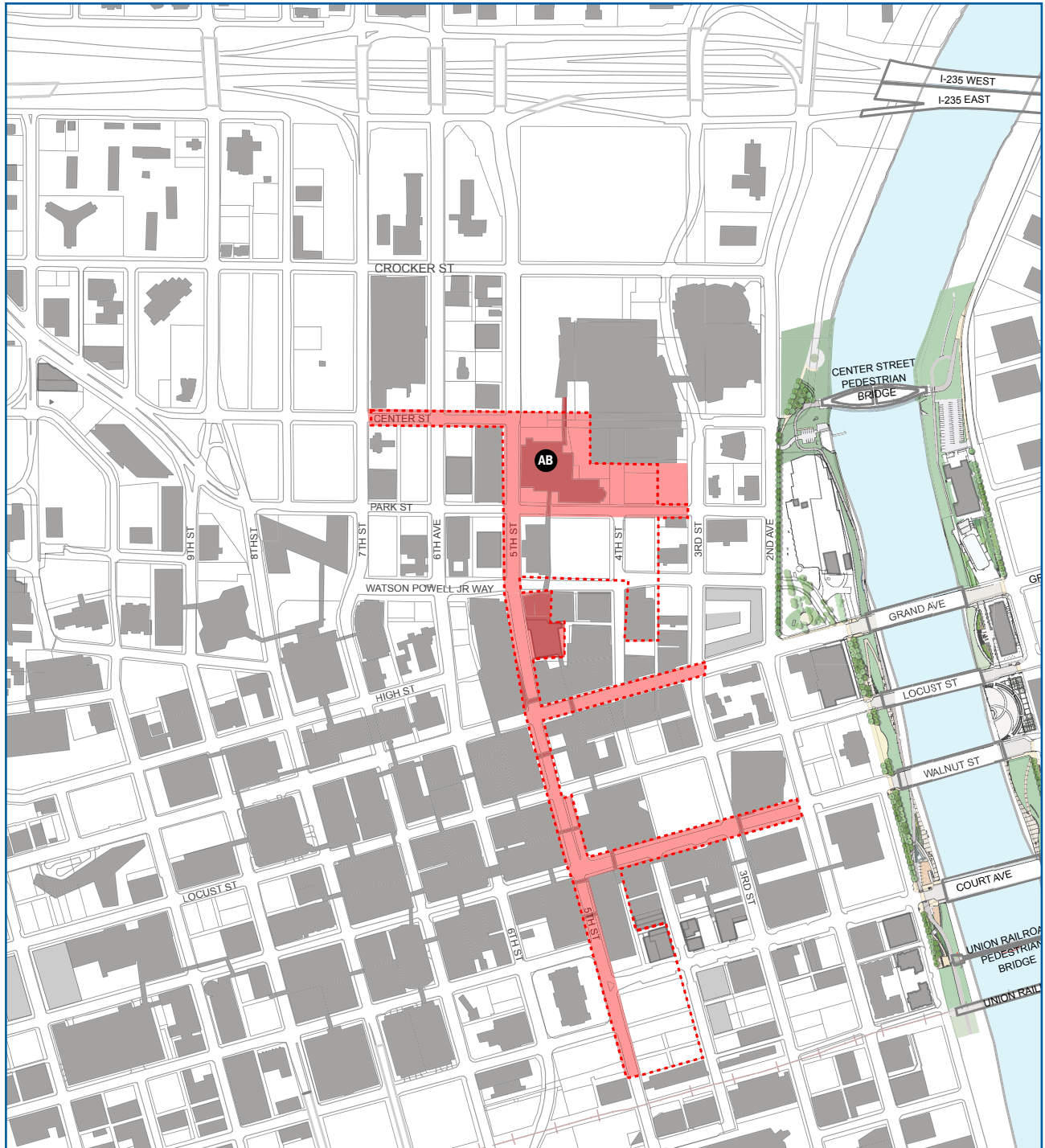
City CIP	\$150,000
future CIP and private contributions*	
	\$3,650,000
IRA **	\$3,000,000

Total Funding Sources \$6,800,000

* City typically works with nearby property owners to secure private contributions for streetscape projects; Phase 1 of the Walnut St project has secured approximate 50% of the \$4.8M project costs from adjoining owners.

**reflects additional \$3M request from IRA in final application.





Iowa Reinvestment Act
 Iowa Convention and Entertainment District
District Plan | Convention Hotel & District Improvements

Final Application
 4 February 2015

N.T.S.



PROJECT PLAN | IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS

DESCRIPTION AND TYPE OF PROJECT

The Iowa Events Center Hotel is a new 330-room full-service convention headquarters hotel.

EXPECTED TIMELINE

IRA Award	April 2015
Design	April-October 2015
Finalize financing	May-October 2015
City & County approvals/agreements	May-December 2015
Bid/Award	October-December 2015
Abate/Demo existing building	October-December 2015
Procurement	January-March 2016
Site Prep and Excavation	March-April 2016
Constructuion	May 2016 - January 2018
Substantial Completion	January 2018
Owner Move-in	January-March 2018
Grand Opening	March 2018

DETAILED BUDGET FOR THE PROJECT

See attachment for budget details

EXPECTED DEBT ASSOCIATED WITH EACH PROJECT

\$78 Million

STATUS OF EXPECTED FINANCING AND FINANCING GAP

The City of Des Moines and collaborating sponsors believe that, with finalization of IRA funds, there is no financing gap for the convention headquarters hotel. See attached outline explaining the status of each aspect of the project funding.

EXPECTED STATE HOTEL/MOTEL TAX AND/OR STATE SALES TAX PROJECTIONS OVER 20 YEARS

\$25.631 Million; see attachment excerpt from the Economic Impact Analysis for detail.

VISUAL AIDS WHICH ENHANCE THE UNDERSTANDING OF THE PROJECT

See attachment for images of the proposed IEC Convention hotel

FEASIBILITY STUDY CONDUCTED BY AN INDEPENDENT PROFESSIONAL

See attachment and section C for Economic Impact.

PROJECT PLAN | IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS

DESCRIPTION AND TYPE OF PROJECT

Public improvement of existing parking structure, existing skywalk system, and existing right-of-ways.

EXPECTED TIMELINE

The City will work with private developers to phase projects to coincide with available funding and logical sequencing of the private projects and their funding needs.

DETAILED BUDGET FOR THE PROJECT

See attached

EXPECTED DEBT ASSOCIATED WITH EACH PROJECT

is dependent upon finalization of IRA award and private fund-raising. CIP bonds will be issued to execute work identified in the project plan.

STATUS OF EXPECTED FINANCING AND FINANCING GAP

There is a modest amount of funding for this work that is currently in the City's 5-year CIP budget. The City anticipates a private fund-raising effort to aid in implementing the Walnut Street Streetscape. Should the IEDA Board award the opportunity to earn the additional funding that is projected in the updated economic impact study, the increased amount will be utilized to fund these public improvements and assist with closing the gap in needed funds.

EXPECTED STATE HOTEL/MOTEL TAX AND/OR STATE SALES TAX PROJECTIONS OVER 20 YEARS

None

VISUAL AIDS WHICH ENHANCE THE UNDERSTANDING OF THE PROJECT

See attached existing image of existing 5th and Keo Parking Structure, Walnut Street Streetscape plans, the "Making Grand grand" section of "What's Next, Downtown?" – the downtown plan completed in 2008, and an excerpt from the City's skywalk master plan.

FEASIBILITY STUDY CONDUCTED BY AN INDEPENDENT PROFESSIONAL

district improvement projects are included with the convention hotel

BUDGET FOR IEC CONVENTION HOTEL

Iowa Events Center Hotel

Development Cost Summary

February 24, 2015

		Total
Land Costs		
Land Costs	\$	3,200,000
Demolition & Site Prep	\$	2,800,000
Total Land Costs		\$ 6,000,000
Design Build Costs		
Construction - Base Design	\$	61,750,000
Architecture & Engineering	\$	4,000,000
Parking Garage (included in Base Design)	\$	-
FF&E	\$	7,285,000
OS&E	\$	2,970,000
Low Voltage/IT	\$	1,500,000
Food Service	\$	1,400,000
Total Design Build Costs		\$ 78,905,000
Development Costs and Services		
Appraisal	\$	20,000
Design (outside of DB contract)	\$	50,000
Developer Services	\$	2,000,000
Environmental Consult/Geotech	\$	50,000
Traffic Consultant	\$	25,000
SAC/WAC Connection Fees	\$	-
City Fees	\$	50,000
Legal (Sponsor)	\$	-
Franchise Fees	\$	125,000
Real Estate Taxes	\$	-
Survey	\$	15,000
Total Development Costs		\$ 2,335,000
Financing Costs		
Capitalized Interest	\$	1,375,103
Financing Fees	\$	1,678,161
Construction Interest	\$	2,766,026
Total Financing Costs		\$ 5,819,290
Development Fee		
Total		\$ -
Development Contingency		
Total		\$ -
Total Cost		\$ 93,059,290

BUDGET: DISTRICT IMPROVEMENTS

5th & Keo Parking Structure and District Streetscapes

Iowa Reinvestment Act application

5th and Keo Parking Structure

Street Lighting upgrades to LED lighting	\$13,000
Stairwell Renovation/Repair & skywalk-sidewalk Connectivity	\$200,000
Cladding and signage at 5 th and Watson Powell elevations	\$505,100
skywalk corridor mechanical, paint and carpet	\$90,000
Interior wayfinding signage upgrades	\$25,000
Bumpouts (NE corner and SE corner 5 th /WP, 3 at 5 th /Park)	\$125,000

Pedestrian Signage

Downtown Wayfinding Signage for IEC area x 2	\$6,000
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Grand Avenue Streetscape

Tree planter pits	\$21,000
Street Lighting upgrades to LED lighting	\$30,000
Bump-outs (3@ \$25,000 each (3 rd /Grand NE corner, 4 th /Grand NW corner, 5 th /Grand NE corner)	\$75,000

Walnut Street Streetscape

streetscape 5 th St – 2 nd Ave	3,577,900
5 th Street 'road diet' and urban garden (includes urban garden + making 5 th Street two way and upgrading signals)	1,400,000

5th Street Streetscape

Street Lighting upgrades to LED lighting	\$32,000
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Design and Coordination

\$700,000

FINANCING IEC CONVENTION HOTEL

Schedule of Estimated Capital Stack
Iowa Events Center Convention Hotel
Des Moines, Iowa
0% annual increase after stabilization option
No Inflation in NOI or expenses option

Uses of Funds			
Construction & Related Costs		Cost	Total
	Est. Construction Cost	61,750,000	
	Demolition & site prep	6,000,000	
	Est FF&E Cost	19,490,000	
	Total Construction		87,240,000
Operating Reserves	Operating Reserve	1,500,000	
	Working Capital	350,000	
	Total Operating Reserves		1,850,000
Debt Reserves	IRA	1,520,925	
	Facility Fee	455,047	
	Year 1 operating loss	1,300,000	
	Mortgage & EB-5	2,468,609	
	Total Operating Reserves		5,744,581
Capitalized Interest & Financing Fees	Capitalized Interest	1,375,103	
	Financing fees	1,678,161	
	Construction Interest	2,766,026	
	Total Operating Reserves		5,819,289
TOTAL USES OF FUNDS			100,653,870
Sources of Funds			
Secured by Non Hotel generated revenues		Income	Total
	THE IRA LOAN	4,000,000	
	The Parity IRA Loan	8,240,585	
	The Subordinate (County guaranteed) IRA loan	4,949,043	
	Total Secured by Non Hotel generated revenues		17,189,628
Cash contributions	County cash	6,000,000	
	City TIF GO Bond	9,000,000	
	City TIF Ann App GO Bond	5,200,000	
	Brownfield grant	1,000,000	
	Key Money	1,750,000	
	Total cash contribution		22,950,000
Secured by Hotel Operating Revenues	The Senior lien first mortgage loan	32,611,638	
	The EB-5 Subordinate lien loan	20,000,000	
	The Facility Fee loan (guaranteed by the County)	7,912,997	
	Total Secured by Hotel Operating Revenues		60,524,635
TOTAL SOURCES OF FUNDS			100,664,264

FINANCING IEC CONVENTION HOTEL

Financial Status

Capital Stack at Completion of Project (Developer self-finances during turn-key construction)

	<u>Income</u>	<u>Total</u>	<u>Status/Notes</u>
Secured by Non Hotel generated revenues			
Business Community Senior Lien IRA LOAN	4,000,000		Business community fundraising complete; City preliminary approval for backing business community loan – 2/23/15
Parity Senior Lien IRA Loan	8,240,585		Base case assumptions without inflation; 1.50x coverage on estimated income less Business Community IRA Loan. PV of IRA for hotel using those assumptions
Subordinate (County guaranteed) IRA loan	4,949,043		Base case assumptions without inflation. 1x coverage on estimated income. PV of IRA using those assumptions. Guaranteed by County (thus “Aaa” rating) County preliminary approval 2/23/15
Total Secured by Non Hotel generated revenues		17,189,628	
Cash contributions			
County cash	6,000,000		Utilized to purchase site; funds approved for demolition for full total
City TIF GO Bond	9,000,000		City preliminary approval – 2/23/15
City TIF Ann App GO Bond	5,200,000		City preliminary approval – 2/23/15
Brownfield grant	1,000,000		Submission planned for 1Q 2015
New Market Tax Credit	0		Researching potential allocation; initial indications are that, if there is interest, this source would net \$2.5-3M
Key Money	1,750,000		Estimate until hotel flag finalized
Total cash contribution		22,950,000	
Secured by Hotel Operating Revenues			
The Senior lien first mortgage loan *	32,611,638		Estimate based on current market standards for hotel lending (2x cash flow coverage / 75% loan to real estate value)
The EB-5 Subordinate lien loan	20,000,000		Preliminary term sheet received; City preliminary approval to guarantee \$5M req'd in terms – 2/23/15
The Facility Fee loan (County guaranteed)	7,912,997		3% facility use fee. Base case assumptions without inflation. 1x coverage on estimated income. PV of Facility Fee using those assumptions. Guaranteed by County (thus “Aaa” rating) County preliminary approval 2/23/15
Total Secured by Hotel Operating Revenues		60,524,635	
TOTAL SOURCES OF FUNDS		100,664,264	

*Builder is responsible for construction loan through completion of the project (as discussed herein). Builder has preliminary loan term sheet as of this submission. Builder Loan Term sheet contemplates that, if permanent long-term financing of the Senior lien first mortgage loan cannot be put in place at acquisition by the non profit, then the lender will end up holding the loan as long-term debt, subject to terms and conditions specified in their loan term sheet.

FINANCING IEC CONVENTION HOTEL: CITY COUNCIL RESOLUTION



Roll Call Number

15-0269

Agenda Item Number

II(A)

Date February 23, 2015

APPROVING PRELIMINARY TERMS OF AGREEMENT WITH IEC HOTEL CORPORATION FOR FINANCIAL ASSISTANCE FOR DEVELOPMENT OF A HEADQUARTERS HOTEL CONNECTED TO THE IOWA EVENTS CENTER AND APPROVING THE FINAL APPLICATION TO IOWA ECONOMIC DEVELOPMENT AUTHORITY FOR FUNDING FROM THE IOWA REINVESTMENT ACT FOR THE IOWA CONVENTION & ENTERTAINMENT REINVESTMENT DISTRICT

WHEREAS, in 2013 the Iowa Legislature enacted the Iowa Reinvestment Act which establishes a program administered by the Iowa Economic Development Authority ("IEDA") that allows certain state hotel and motel, and sales and use tax revenues to be "reinvested" in designated reinvestment district; and,

WHEREAS, the IEDA Board has announced that "[t]o the greatest extent possible, the board will fund projects in districts that are the most likely (1) to improve the quality of life of the municipality, the surrounding region, and the state as a whole; (2) to be unique to the municipality, the surrounding region, and the state as a whole; and (3) to substantially benefit the economy of the municipality, the surrounding region, and the state as a whole"; and,

WHEREAS, on March 10, 2014, by Roll Call No. 14-0383, the City Council approved the proposed Iowa Convention and Entertainment Reinvestment District (the "District") and the proposed preliminary plan for the District, and directed Office of Economic Development to seek provisional approval by the IEDA of the District and the preliminary District Plan; and,

WHEREAS, the IEDA has given provisional approval of the Iowa Convention and Entertainment Reinvestment District and the preliminary District Plan; and,

WHEREAS, the City's Office of Economic Development has prepared a final District Plan for the District which includes the development of a headquarters hotel at the Iowa Events Center, renovation of the Randolph Hotel, the redevelopment of 420 Court Avenue with a mixed use project including a Hy-Vee grocery store, renovation of the Fifth and Keo Parking Garage, and associated streetscape improvements that strengthen the connection between the Iowa Events Center and other places downtown as more fully described in the accompanying Council Communication; and,

WHEREAS, the City Manager has also negotiated preliminary terms of agreement with Polk County and IEC Hotel Corporation, a development entity created by Polk County, whereby the Corporation has agreed to acquire and redevelop the Polk County owned property at the northeast corner of 5th and Park Streets with a headquarters hotel with approximately 330 guest rooms, a full service restaurant, meeting and banquet facilities, and underground parking with approximately 100 spaces, and the City has agreed to provide financial assistance as more fully described in the accompanying Council Communication.

(continued)

FINANCING IEC CONVENTION HOTEL: CITY COUNCIL RESOLUTION



Roll Call Number

15-0269

Agenda Item Number

II(A)

Date February 23, 2015

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NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. The City Council hereby makes the following findings of fact in support of the proposed Iowa Convention and Entertainment Reinvestment District:
 - a) The City of Des Moines, an Iowa municipality, intends to establish by ordinance a reinvestment district to be known as the "Iowa Convention and Entertainment Reinvestment District" upon final approval of the District and the District Plan by the IEDA.
 - b) The District is located in the downtown core of the City of Des Moines as shown by Exhibit "A", and is legally described in Exhibit "B".
 - c) The District consists of contiguous parcels, and contains approximately 23.5 acres and is entirely within the boundaries of the City of Des Moines and the Metro Center Urban Renewal Area.
 - d) No part of the District is located within another existing or proposed reinvestment district.
 - e) The area in the District is suitable for redevelopment, and each parcel within the District will be directly and substantially benefited by development in the District.
2. The District Plan for the proposed Iowa Convention and Entertainment Reinvestment District is hereby approved, subject to such corrections and minor amendments as may be determined appropriate by the City staff and approved by the City Manager or his designee to comply with the Iowa laws and regulations regarding reinvestment districts.
3. The Office of Economic Development is hereby authorized and direct to submit an application to the IEDA seeking final approval of the proposed Iowa Convention and Entertainment Reinvestment District and the District Plan.
4. The preliminary terms of agreement for City assistance to IEC Hotel Corporation for the development of a headquarters hotel connected to the Iowa Events Center as provided in the accompanying Council Communication are hereby approved. The City Manager is hereby authorized and directed to proceed with negotiation of a final agreement with IEC Hotel Company and such other parties as may be appropriate to provide for the construction of the headquarters hotel and the provision of City assistance upon terms consistent with such preliminary terms.
5. All commitments for City financing for undertakings pursuant to the District Plan, including but not limited to the headquarters hotel, are subject to further review and

(continued)

FINANCING IEC CONVENTION HOTEL: CITY COUNCIL RESOLUTION

★ Roll Call Number
15-0269

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II (A)

Date February 23, 2015

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approval by the City Council after notice and any required hearings in conformance with the applicable laws and regulations.

6. The City's Office of Economic Development is hereby authorized and directed to initiate an amendment to the Metro Center Urban Renewal Plan to incorporate the undertakings proposed in the Iowa Convention and Entertainment Reinvestment District Plan.

(Council Communication No. 15- 094)

MOVED by Coleman to adopt, and to refer to the City Manager for review and recommendation regarding:

1. Skill set necessary for members of the non-profit board of IEC Hotel Corporation;
2. How the City's interests are protected, and if refinancing takes place, how taxpayer's are protected; and,
3. Strategy for the City to have a reserve or "nest egg", funded by available hotel/motel taxes for use in the event the City is required to fund a shortfall in the reinvestment district revenues.

FORM APPROVED:

Roger K. Brown
Roger K. Brown

Assistant City Attorney

U:\Rog Docs\Eco Dev\Reinvestment District\RC 15-02-23 Approve Final App.doc

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MOORE	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Diane Rauh City Clerk

RESOLUTION

MOVED by Brownell **SECONDED** by Hockensmith
that the following Resolution be adopted:

WHEREAS, the Iowa County of Polk (County) is the owner of the Iowa Events Center convention and entertainment complex; and

WHEREAS, the County is a party to a management agreement with Global Spectrum, L.P. (Global) to manage and operate the Iowa Events Center; and

WHEREAS, the County, the City of Des Moines, Global and various civic and community leaders are of the opinion that a full-service hotel and meeting space, sited adjacent to the Iowa Events Center, would promote economic development and enhance job creation within the City of Des Moines and County of Polk and lessen the burdens of government borne by the County including the burdens associated with the County's current ownership of the Iowa Events Center convention and entertainment complex; and

WHEREAS, in furtherance of developing the full-service hotel and meeting space the County desires to organize a nonprofit corporation, pursuant to Chapter 504 of the Code of Iowa and Section 501(c)(3) of the Internal Revenue Code (1986), for the purposes of financing the creation, acquisition and operation of the hotel with exempt debt issues on behalf of the County pursuant to Revenue Ruling 63-20 and Section 103(a) of the Internal Revenue Code (1986).

NOW, THEREFORE BE IT RESOLVED that the Polk County Board of Supervisors hereby takes the following action:

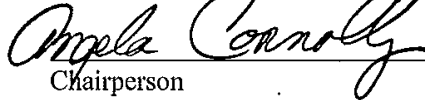
1. Authorizes the creation and organization of the IEC Hotel Corporation under the Revised Iowa Nonprofit Corporation Act, Chapter 504 of the Code of Iowa , and Section 501(c)(3) of the Internal Revenue Code (1986), and hereby approves the proposed Articles of Incorporation and By-Laws, in substantially the form as presented to the Board, and attached hereto as Exhibit A;
2. Appoints Gerard D. Neugent as the initial Director of IEC Hotel Corporation;

#2


FINANCING IEC CONVENTION HOTEL

3. Authorizes the Chair to sign Financial Services Agreement with IEC Hotel Corporation and Piper Jaffray & Co.;
4. Approves the payment of \$2,000.00 to pay invoice from the Belin McCormick Law firm for services rendered;
5. Authorizes the expenditure of \$10,000.00 to assist with the IEC Hotel Corporation's initial start up costs.

POLK COUNTY BOARD OF SUPERVISORS


Chairperson

SUBMITTED BY:


Mark F. Wandro
County Administrator

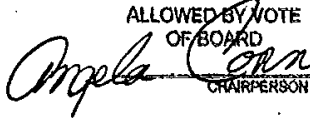
ROLL CALL FOR ALLOWANCE

Steve Van Oort	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay
Robert Brownell	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay
Tom Hockensmith	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay
John F. Mauro	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay
Angela Connolly	<input checked="" type="checkbox"/> Yea	<input type="checkbox"/> Nay

FEB 23 2015

ALLOWED BY VOTE OF BOARD

Yea 5 Nay 0
Resolution made by BD


CHAIRPERSON

**ARTICLES OF INCORPORATION
OF
IEC HOTEL CORPORATION**

TO THE SECRETARY OF STATE OF THE STATE OF IOWA:

The undersigned, acting as incorporator of a corporation (the “Corporation”) under the Revised Iowa Nonprofit Corporation Act, Chapter 504 of the Code of Iowa, adopts the following Articles of Incorporation for the corporation:

ARTICLE 1. NAME

The name of the Corporation is IEC Hotel Corporation. It is organized as a public benefit corporation under the Revised Iowa Nonprofit Corporation Act, Chapter 504 of the Code of Iowa (the “Act”).

ARTICLE 2. REGISTERED OFFICE AND AGENT

2(a) Registered Office.

The address of the Corporation’s initial registered office is:

666 Walnut, Suite 2000
Des Moines, Iowa 50309

2(b) Registered Agent.

The name and address of the Corporation’s initial registered agent is:

Steven E. Zumbach
666 Walnut, Suite 2000
Des Moines, Iowa 50309

ARTICLE 3. INCORPORATOR

The name and address of the incorporator is:

Gerard D. Neugent
5000 Westown Parkway, Suite 400
West Des Moines, Iowa 50266

ARTICLE 4. NO MEMBERS

The corporation shall have no members.

ARTICLE 5. CORPORATE EXISTENCE

- (1) The Corporation's formation has been approved by official action of Polk County, Iowa.
- (2) The corporate existence of the Corporation shall begin on the date the Certificate of Incorporation is issued by the Secretary of State of the State of Iowa and shall continue perpetually thereafter unless dissolved as provided by law.

ARTICLE 6. PURPOSES AND POWERS

6(a) General Purposes.

The Corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (the "Code") and which are essentially public in nature within the meaning of Revenue Ruling 63-20, 1963-1 C.B. 24.

6(b) Primary Purpose.

The primary purposes of the Corporation are:

- (1) To support Polk County, Iowa through the provision of charitable grants directly to Polk County, Iowa;
- (2) To promote economic development and enhance job creation within the City of Des Moines and Polk County, Iowa; and
- (3) To lessen the burdens of government borne by Polk County, Iowa, including the burdens associated with Polk County's current ownership of the Iowa Events Center convention and entertainment complex (the "Events Center").

In support of its primary purpose, the Corporation may support and develop or acquire a full-service hotel and meeting space (the "Hotel") to be sited adjacent to the Events Center and within the City of Des Moines, Iowa. The Corporation may finance the creation of the Hotel with exempt debt issues "on behalf of" Polk County, Iowa, within the meaning of Revenue Ruling 63-20 and Section 103(a) of the Code (the "Exempt Indebtedness"). At all times during the existence of the Corporation, Polk County, Iowa, shall have a "beneficial interest" in the Corporation within the meaning of Revenue Ruling 63-20 and, upon discharge of the Exempt Indebtedness, all assets of the Corporation shall be distributed to Polk County, Iowa, free of legal encumbrance.

6(c) Powers.

As a means of accomplishing the foregoing purposes, and except as otherwise provided herein or in the Bylaws of the Corporation, the Corporation shall have all of the general powers set forth in the Act, as amended from time to time. These general powers shall be exercised exclusively for the attainment of the charitable purposes of the Corporation as set forth in this Article.

ARTICLE 7. LIMITATIONS ON POWERS

7(a) No Private Benefit.

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any director or officer of the Corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes). No director or officer of the Corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

7(b) Propaganda and Lobbying Activities.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, except as otherwise may be permitted in Section 501(h) of the Code. The Corporation shall not participate in or intervene in (including the publishing or distributing of statements) in any political campaign on behalf of (or in opposition to) any candidate for public office.

7(c) Miscellaneous Activities/Limitations.

Notwithstanding any other provisions of these Articles,

- (1) The Corporation shall not conduct or carry on activities not permitted to be conducted or carried on by any organization exempt under Section 501(c)(3) of the Code, or by any organization, contributions to which are deductible under Section 170(b)(1)(A) and (c)(2) of the Code; and
- (2) If the Corporation issues Exempt Indebtedness for the construction and/or acquisition of the Hotel “on behalf of” Polk County, Iowa, and for all periods thereafter,
 - (A) Polk County, Iowa shall appoint or approve the appointment of at least 80 percent of the members of the Board of Directors of the Corporation and shall have the power to remove through judicial proceedings any member of the Board of Directors for cause and appoint a successor;
 - (B) No Exempt Indebtedness shall be issued until the adoption of a resolution by Polk County, Iowa, stating that it will accept unencumbered fee title to the property financed by the Exempt Indebtedness and any additions to that property when the Exempt Indebtedness is discharged;
 - (C) The Exempt Indebtedness original proceeds and investment proceeds shall be used exclusively to provide tangible real or tangible personal property as described in Revenue Procedure 82-26, 1982-1 CB 476;
 - (D) The Corporation shall have exclusive beneficial possession and use of a portion of the property financed by the Exempt Indebtedness and any additions to that

FINANCING IEC CONVENTION HOTEL: NON-PROFIT OWNERSHIP

property equivalent to 95 percent or more of its fair rental value for the life of the Exempt Indebtedness obligations;

- (E) The original Exempt Indebtedness indenture or other issuing documents:
 - (i) Shall provide that any other obligations issued by the Corporation either to make improvements to the property or to refund a prior issue of the Corporations obligations will be discharged no later than the latest maturity date of the original obligations (regardless of any earlier call date) and the maturity date of all the obligations issued by the Corporation, including the original obligations, may not be extended beyond the latest maturity date of the original obligations (regardless of any earlier call date); and
 - (ii) Shall include a grant to Polk County, Iowa, exercisable in the event of default, of an exclusive option to purchase the property financed by the Exempt Indebtedness and additions to that property for the amount of the outstanding indebtedness and accrued interest to the date of such default;
- (F) The Dissolution Upon Discharge provisions of the Article entitled “Dissolution Provisions” shall apply; and
- (G) The Corporation shall take no action and its directors and officers shall have no power inconsistent with the requirements of Revenue Ruling 63-20 for “on behalf of” issuers of Section 103(a) tax exempt obligations.

ARTICLE 8. DISSOLUTION PROVISIONS

8(a) Dissolution Upon Discharge of the Exempt Indebtedness.

If the Corporation issues Exempt Indebtedness for the construction and/or acquisition of the Hotel “on behalf of” Polk County, Iowa, then upon the retirement of the Exempt Indebtedness the Board of Directors shall distribute all of the assets of the Corporation (after paying or making provisions for the payment of all of the liabilities of the Corporation) to Polk County, Iowa without any demand or further action of Polk County, Iowa and the Corporation shall be dissolved. In any such event, Polk County Iowa shall obtain full and unencumbered fee title of all the property financed by the Exempt Indebtedness.

8(b) Other Dissolutions.

If the Corporation does not issue Exempt Indebtedness as described in the preceding section, then upon the dissolution of the Corporation, the Board of Directors shall distribute all of the assets of the Corporation (after paying or making provisions for the payment of all of the liabilities of the Corporation) to Polk County, Iowa, and the Corporation shall be dissolved.

8(c) Court Order.

Any assets of the Corporation not disposed of or distributed by the Board of Directors shall be disposed of to Polk County, Iowa pursuant to an order of the Iowa District Court of Polk County District Court consistent with the requirements of this Article.

ARTICLE 9. LIMITATIONS ON PERSONAL LIABILITY

9(a) Corporate Debts.

Pursuant to Section 901 of the Act, a director, officer or employee of the corporation is not liable for the Corporation's debts or obligations.

9(b) Volunteer Liability.

Pursuant to Section 901 of the Act, a director, officer or other volunteer is not personally liable in that capacity to any person for any action taken or failure to take any action in the discharge of the person's duties except liability for any of the following:

- (1) The amount of any financial benefit to which the person is not entitled.
- (2) An intentional infliction of harm on the corporation.
- (3) A violation of the unlawful distribution provisions of Section 835 of the Act.
- (4) An intentional violation of criminal law.

9(c) Compensated Director Liability.

As permitted by Section 202(2)(d) of the Act, directors of the Corporation (whether or not they are compensated for their services) shall not be liable to the Corporation for money damages for any action taken, or any failure to take any action, as a director, except liability for any of the following:

- (1) The amount of any financial benefit received by a director to which the director is not entitled.
- (2) An intentional infliction of harm on the Corporation.
- (3) A violation of the unlawful distribution provisions of Section 835 of the Act.
- (4) An intentional violation of criminal law.

9(d) Expansion of Law.

If the Act is hereafter amended to authorize the further elimination or limitation of liability of the Corporation's directors, officers, employees and volunteers, then the liability of the Corporation's directors, officers, employees and volunteers shall, in addition to the limitation of personal liability provided for herein, be eliminated or limited to the extent of any such

amendment, automatically and without any further action, to the fullest extent then permitted by law.

9(e) No Retroactive Repeal.

Any repeal or modification of this Article shall be prospective only and shall not adversely affect the limitation on the personal liability or any other right of protection of a director, officer, employee or volunteer of the Corporation with respect to any state of facts existing at or prior to the time of any such repeal or modification.

ARTICLE 10. INDEMNIFICATION

10(a) Mandatory Indemnification.

As permitted by Section 202(2)(e) of the Act, the corporation shall be required to indemnify the Corporation's directors (whether or not they are compensated for their services) for liability to a person for any action taken, or any failure to take any action, as a director except liability for any of the following:

- (1) Receipt of a financial benefit to which the director is not entitled.
- (2) Intentional infliction of harm on the Corporation.
- (3) A violation of the unlawful distribution provisions of the Act.
- (4) Intentional violation of criminal law.

10(b) Additional Indemnification.

The corporation shall exercise all of its permissive indemnification powers under the Act to indemnify and advance expenses to its directors and officers to the fullest extent permitted by law.

10(c) Expansion of Law.

If the Act is hereafter amended to authorize broader indemnification, then the indemnification obligations of the corporation shall be deemed to be automatically amended without any further action to require the corporation to indemnify and advance expenses of its directors and officers to the fullest extent then permitted by law.

10(d) No Retroactive Repeal.

Any repeal or modification of this Article shall be prospective only and shall not adversely affect any indemnification obligations of the corporation with respect to any state of facts existing at or prior to the time of such repeal or modification.

ARTICLE 11. GOVERNMENTAL ACTION

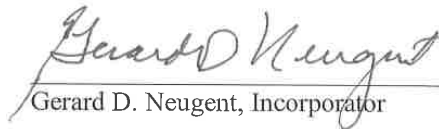
Where required herein, the action of the Board of Supervisors shall constitute the action of Polk County, Iowa, and the action of the City Council shall constitute the action of the City of Des Moines, Iowa.

ARTICLE 12. AMENDMENTS

These Articles of Incorporation may be amended at any time and from time to time by the Board of Directors as provided by the Act provided, however that:

- (1) Each amendment shall require the consent of Polk County, Iowa to be effective;
- (2) No amendment shall be adopted which disqualifies the corporation of exemption from Federal income taxation as an organization described in Section 501(c)(3) of the Code; and
- (3) If the Corporation issues Exempt Indebtedness for the construction and/or acquisition of the Hotel "on behalf of" Polk County, Iowa, no amendment shall be effective to the extent its application would be inconsistent with the requirements of Revenue Ruling 63-20 for "on behalf of" issuers of Section 103(a) tax exempt obligations.

Dated as of the 24th day of February, 2015.


Gerard D. Neugent, Incorporator

BELIN\10438\1000\art-iec hotel corporation-ver.003 (02074726).DOC

**BYLAWS
OF
IEC HOTEL CORPORATION**

As approved by the Board of Directors, effective
the 24th day of February, 2015.

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**BYLAWS
OF
IEC HOTEL CORPORATION**

ARTICLE 1. PURPOSES AND POWERS

1(a) General Purposes.

IEC Hotel Corporation (the “Corporation”) is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (the “Code”) and which are essentially public in nature within the meaning of Revenue Ruling 63-20, 1963-1 C.B. 24, each as set out in its Articles of Incorporation (the “Articles.”)

1(b) Primary Purpose.

The primary purposes of the Corporation are:

- (1) To support Polk County, Iowa through the provision of charitable grants directly to Polk County, Iowa;
- (2) To promote economic development and enhance job creation within the City of Des Moines and Polk County, Iowa; and
- (3) To lessen the burdens of government borne by Polk County, Iowa, including the burdens associated with Polk County’s current ownership of the Iowa Events Center convention and entertainment complex (the “Events Center”).

In support of its primary purpose, the Corporation may support and develop or acquire a full-service hotel and meeting space (the “Hotel”) to be sited adjacent to the Events Center and within the City of Des Moines, Iowa. The Corporation may finance the creation of the Hotel with exempt debt issues “on behalf of” Polk County, Iowa, within the meaning of Revenue Ruling 63-20 and Section 103(a) of the Code (the “Exempt Indebtedness”). At all times during the existence of the Corporation, Polk County, Iowa, shall have a “beneficial interest” in the Corporation within the meaning of Revenue Ruling 63-20 and, upon discharge of the Exempt Indebtedness, all assets of the Corporation shall be distributed to Polk County, Iowa, free of legal encumbrance.

1(c) Powers.

As a means of accomplishing the foregoing purposes, and except as otherwise provided herein or in the Bylaws of the Corporation, the Corporation shall have all of the general powers set forth in the Act, as amended from time to time. These general powers shall be exercised exclusively for the attainment of the charitable purposes of the Corporation as set forth in this Article.

ARTICLE 2. LIMITATIONS ON POWERS

2(a) No Private Benefit.

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any director or officer of the Corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes). No director or officer of the Corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

2(b) Propaganda and Lobbying Activities.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, except as otherwise may be permitted in Section 501(h) of the Code. The Corporation shall not participate in or intervene in (including the publishing or distributing of statements) in any political campaign on behalf of (or in opposition to) any candidate for public office.

2(c) Impermissible Activities.

Notwithstanding any other provisions of these Bylaws,

- (1) The Corporation shall not conduct or carry on activities not permitted to be conducted or carried on by any organization exempt under Section 501(c)(3) of the Code, or by any organization, contributions to which are deductible under Section 170(b)(1)(A) and (c)(2) of the Code; and
- (2) If the Corporation issues Exempt Indebtedness for the construction and/or acquisition of the Hotel “on behalf of” Polk County, Iowa, and for all periods thereafter, the Corporation shall take no action and its directors and officers shall have no power inconsistent with the requirements of Revenue Ruling 63-20 for “on behalf of” issuers of Section 103(a) tax exempt obligations.

ARTICLE 3. OFFICES

3(a) Principal Office.

The principal office of the Corporation in the State of Iowa shall be located within Polk County, Iowa. The Corporation may have such other offices, either within or without the State of Iowa as the Board of Directors may designate or as the business of the Corporation may require from time to time.

3(b) Registered Office.

The registered office of the Corporation is the office of the Corporation’s registered agent in the State of Iowa.

ARTICLE 4. BOARD OF DIRECTORS

4(a) General Powers.

The business and affairs of the Corporation, including the control and disposition of its property and funds, shall be managed by its Board of Directors. The Board of Directors shall have sole authority to establish methods of contributions, accept or reject contributions, or to provide for any other restrictions, qualifications or levels relating to contributions which it in its sole discretion deems necessary, subject to applicable legal requirements.

In accepting gifts, bequests, and devises it is the intention that the directors will manage the affairs in such a manner so as to comply with the meaning of the terms and limitations of the Articles of Incorporation and these Bylaws so that such actions will not jeopardize the Federal income tax exemption of the Corporation pursuant to the provisions of Section 501(c)(3) of the Code.

4(b) Number, Tenure and Qualifications.

The initial director is Gerard D. Neugent, who has been appointed by Polk County, Iowa. The Corporation shall be governed by up to SEVEN directors as follows:

- (1) Up to FIVE directors (including the initial director) shall be appointed by, and serve at the pleasure of, Polk County, Iowa; and
- (2) Up to TWO directors shall be appointed by, and serve at the pleasure of, the City of Des Moines, Iowa, provided, however, that such City-appointed directors shall also be subject to the approval of Polk County, Iowa.

Each Board Member shall serve until resignation or removal or until the earlier expiration of any specified term designated by the appointing body. Each vacancy of a Board Member shall be filled pursuant to this section.

4(c) For Cause Removal and Appointment.

Notwithstanding the foregoing, Polk County, Iowa, shall have the power, exercisable upon Petition and Order of the Iowa District Court, to remove any director for cause and appoint such director's successor.

4(d) Regular Meetings.

A regular meeting of the Board of Directors shall be held no less frequently than annually. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Iowa, for the holding of additional regular meetings without other notice than such resolution.

4(e) Special Meetings.

Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the directors. The person or persons authorized to call special meetings of the

FINANCING IEC CONVENTION HOTEL: NON-PROFIT OWNERSHIP

Board of Directors may fix any place, either within or without the State of Iowa, as the place for holding any special meeting of the Board of Directors called by them.

4(f) Notice.

Notice of any special meeting shall be given at least seven (7) days previously thereto by written notice delivered personally or mailed to each director at his or her personal or business address or by such other means as provided for under law, including the use of an electronic notice. Any director may waive notice of any meeting, and the attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4(g) Open Meetings.

Each official meeting of the Board of Directors shall be open to the public consistent with the requirements of Iowa Code Chapter 21 with respect to governmental bodies.

4(h) Quorum.

A majority of the number of directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting without further notice.

4(i) Presumption of Assent.

A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

4(j) Informal Action by Directors.

Any action required to be taken at a meeting of the directors, or any other action which may be taken at a meeting of the directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. For purposes hereof, facsimile signatures shall be adequate to show consent.

4(k) Compensation.

Directors shall serve without compensation. However, to the extent deemed necessary by the Corporation, the Corporation may retain the services of a director other than in his or her capacity as a director and the director may be compensated for services so rendered as the Board of Directors may from time to time deem appropriate.

ARTICLE 5. OFFICERS

5(a) Officers Appointment and Term of Office.

The officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer. They shall be elected annually at the first meeting of the Board of Directors held after the beginning of the fiscal year. Each officer shall hold office until his or her successor shall have been duly appointed and shall have qualified or until his or her death or resignation.

5(b) Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled in accordance with the provisions of these Bylaws with respect to the original appointment to such office.

5(c) President.

The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He or she shall, when present, preside at all meetings of the Board of Directors. He or she may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5(d) Vice President.

In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

5(e) Secretary.

The Secretary shall:

- (1) keep the minutes of the Board of Directors' meetings in one or more books provided for that purpose;
- (2) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- (3) be custodian of the corporate records;

FINANCING IEC CONVENTION HOTEL: NON-PROFIT OWNERSHIP

- (4) keep a register of the post office address of each member of the Board of Directors which shall be furnished to the Secretary by such member; and
- (5) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

5(f) Treasurer.

The Treasurer shall:

- (1) have charge and custody of and be responsible for all funds and property of the Corporation;
- (2) receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws;
- (3) compile and distribute annually to each director a report of the activities of the Corporation, including a statement of receipts and expenditures; and
- (4) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors.

The Treasurer may be required to give a bond at the expense of the Corporation for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.

5(g) Resignation.

Any officer may at any time resign by serving written notice thereof on the Board of Directors. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and, unless otherwise specified therein, acceptance thereof shall not be necessary to make it effective.

5(h) Removal.

Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby. Any officer holding the position of President, Vice-President, Secretary or Treasurer shall automatically be removed if the individual holding the subject office is no longer a member of the Association's Board of Directors due to death, resignation or removal.

5(i) Assistants and Acting Officers.

The Board of Directors or any officer, duly authorized by the Board of Directors, may appoint any person to act as assistant to any officer, or to perform the duties of such officer whenever it is impractical for such officer to act personally, and such assistant or acting officer may perform

all the duties of the office to which appointed as assistant, except as such power may otherwise be defined or restricted by the Board or the appointing officer.

5(j) Salaries.

The President, Vice-President, Secretary and Treasurer shall serve without compensation, except that reasonable expenses shall be paid. However, to the extent deemed necessary by the Corporation, the Corporation may retain the services of the President, Vice-President, Secretary and Treasurer other than in their capacity as such officers and they may be compensated for services so rendered as the Board of Directors may from time to time deem appropriate.

ARTICLE 6. COMMITTEES OF THE BOARD OF DIRECTORS

6(a) General.

The President, with the Board of Directors' concurrence, may establish and appoint standing and special committees as shall be deemed desirable for the endeavors of the Corporation. A standing or special committee shall limit its activities to the accomplishment of those tasks for which it was appointed and shall have no powers, except those specifically conferred by action of the Board of Directors. Upon the completion of the task(s) assigned to any special committee, the special committee shall be discharged.

6(b) Committee Membership.

Persons who are not directors or officers of the Corporation may be appointed to serve on standing or special committees. All standing or special committee members shall serve at the pleasure of the Board of Directors. The Board of Directors shall review and reappoint persons to membership on all standing and special committees at the Board of Directors' annual meeting.

6(c) Reports.

Except as otherwise provided in the Board of Directors' resolution approving the establishment and appointment of a standing or special committee, all committees shall maintain written minutes of their meetings which shall be available to the Board of Directors. Each committee shall report in writing to the Board of Directors as necessary and shall, at a minimum, submit a written report of the committee's activities at the Board of Directors' annual meeting.

6(d) Meetings.

All committees shall meet at such time and place as designated by the chairperson of the committee and as often as necessary to accomplish their duties.

ARTICLE 7. INDEMNIFICATION

In addition to the indemnifications required of the Corporation pursuant to the Corporation's Articles of Incorporation, the corporation shall have the power, in the discretion of the Board of Directors, to indemnify, advance defense expenses to and provide liability insurance for its directors, officers, employees, committee members, agents and volunteers to the fullest extent allowed by the Revised Iowa Nonprofit Corporation Act, as amended from time to time. It is

FINANCING IEC CONVENTION HOTEL: NON-PROFIT OWNERSHIP

hereby acknowledged that those serving as directors, officers, employees, committee members, agents and volunteers of the Corporation have agreed to serve in their respective capacities in part upon reliance on this provision and in reliance on the limitation of liability and indemnification provisions set forth in the corporation's Articles of Incorporation.

ARTICLE 8. CONTRACTS, LOANS, CHECKS AND DEPOSITS

8(a) Contracts.

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

8(b) Loans.

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. The Corporation shall make no loan to any officer or director of the Corporation.

8(c) Checks, Drafts, etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by the Treasurer or such other officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

8(d) Deposits.

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE 9. WAIVER OF NOTICE

Whenever any notice is required to be given to any member or director of the Corporation under the provisions of the Articles of Incorporation or under the provisions of the Revised Iowa Nonprofit Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. For purposes hereof, facsimile signatures shall be adequate to show consent for such waiver.

ARTICLE 10. FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January in each year and end on the last day of December in the following year.

FINANCING IEC CONVENTION HOTEL: NON-PROFIT OWNERSHIP

ARTICLE 11. SEAL

The Corporation shall have no corporate seal.

ARTICLE 12. GOVERNMENTAL ACTION

Where required herein, the action of the Board of Supervisors shall constitute the action of Polk County, Iowa, and the action of the City Council shall constitute the action of the City of Des Moines, Iowa.

ARTICLE 13. AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority vote of all members of the Board of Directors at any regular or special meeting of the Board of Directors, Act provided, however that:

- (1) Each amendment shall require the consent of Polk County, Iowa to be effective;
- (2) No amendment shall be adopted which disqualifies the corporation of exemption from Federal income taxation as an organization described in Section 501(c)(3) of the Code; and
- (3) If the Corporation issues Exempt Indebtedness for the construction and/or acquisition of the Hotel “on behalf of” Polk County, Iowa, no amendment shall be effective to the extent its application would be inconsistent with the requirements of Revenue Ruling 63-20 for “on behalf of” issuers of Section 103(a) tax exempt obligations.

CERTIFICATION

These Bylaws were duly approved and adopted by Gerard D. Neugent, as initial director, on February 24, 2015, to be effective immediately.

IEC HOTEL CORPORATION

By _____
Gerard D. Neugent, Initial Director

BELIN\J0438\1000\byl-iec hotel corporation-wer.003 (02074722).DOC

FINANCING LETTER OF INTEREST: IEC CONVENTION HOTEL



February 23, 2015

City of Des Moines
Attn: Matt Anderson
Assistant City Manager
400 Robert D. Ray Drive
Des Moines, IA 50309

Dear Matt:

I am writing on behalf of the Des Moines metro area business community in support of the Iowa Events Center Convention Hotel Project. This project has been a collaboration between the State of Iowa, Polk County, City of Des Moines, and the local business community. It is one of the top five goals for the Greater Des Moines Partnership in 2015.

The Des Moines Metro has a long successful history of public private partnerships, and this hotel project is another example of this combined effort. These projects, as you know, are complicated and difficult to put together and complete. Without this partnership, it would not have come together.

To further demonstrate the importance of this project to our state and region, the local business community is participating financially in the amount of \$4 million. We fully understand the positive impact it will have on Iowa, and are enthusiastic about seeing it through to fruition.

Sincerely,

Gerard D. Neugent
Chairman, Greater Des Moines Partnership

PROJECTED HOTEL/MOTEL + SALES TAX: IEC CONVENTION HOTEL

Table 4-12

Iowa Events Center Headquarters Hotel, Des Moines, Iowa Estimated Sales Tax Revenues Generated within the Headquarters Hotel Site only (\$Million)								
		Sales Tax (6%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions
		4.0%**	2.0%	7.0%	5.0%			
		(A)	(B)	(C)	(D)	(E)	(F) = (A) + (D)	(G) = (E) - (F)
Year 1	2018	\$0.204	\$0.102	\$0.722	\$0.515	\$1.542	\$0.719	\$0.823
2	2019	0.273	0.136	0.849	0.606	1.864	0.879	0.985
3	2020	0.315	0.158	0.983	0.702	2.159	1.018	1.141
4	2021	0.323	0.161	1.030	0.736	2.250	1.059	1.191
5	2022	0.332	0.166	1.061	0.758	2.316	1.089	1.227
6	2023	0.342	0.171	1.093	0.780	2.385	1.122	1.263
7	2024	0.352	0.176	1.125	0.804	2.457	1.156	1.301
8	2025	0.362	0.181	1.159	0.828	2.531	1.190	1.340
9	2026	0.373	0.187	1.194	0.853	2.607	1.226	1.381
10	2027	0.384	0.192	1.230	0.878	2.685	1.263	1.422
11	2028	0.396	0.198	1.267	0.905	2.765	1.301	1.465
12	2029	0.408	0.204	1.305	0.932	2.848	1.340	1.509
13	2030	0.420	0.210	1.344	0.960	2.934	1.380	1.554
14	2031	0.433	0.216	1.384	0.989	3.022	1.421	1.600
15	2032	0.446	0.223	1.426	1.018	3.112	1.464	1.648
16	2033	0.459	0.229	1.468	1.049	3.206	1.508	1.698
17	2034	0.473	0.236	1.512	1.080	3.302	1.553	1.749
18	2035	0.487	0.243	1.558	1.113	3.401	1.600	1.801
19	2036	0.502	0.251	1.605	1.146	3.503	1.648	1.855
20	2037	0.517	0.258	1.653	1.181	3.608	1.697	1.911
21	2038	0.532	0.266	1.702	1.216	3.716	1.748	1.968
22	2039	0.548	0.274	1.753	1.252	3.828	1.800	2.027
23	2040	0.564	0.282	1.806	1.290	3.943	1.854	2.088
24	2041	0.581	0.291	1.860	1.329	4.061	1.910	2.151
25	2042	0.599	0.299	1.916	1.369	4.183	1.967	2.215
26	2043	0.617	0.308	1.973	1.410	4.308	2.026	2.282
27	2044	0.635	0.318	2.033	1.452	4.437	2.087	2.350
28	2045	0.654	0.327	2.094	1.495	4.571	2.150	2.421
29	2046	0.674	0.337	2.156	1.540	4.708	2.214	2.493
30	2047	0.694	0.347	2.221	1.587	4.849	2.281	2.568
Total in 20 Years		\$7.798	\$3.899	\$24.966	\$17.833	\$54.496	\$25.631	\$28.865
Total in 30 Years		\$13.898	\$6.949	\$44.481	\$31.772	\$97.100	\$45.670	\$51.430

*Applied to food and beverage, parking, and other revenues, but NOT applied to rooms.

Total tax rate is 6 percent, of which 4 percent is allowed by IRA to be available for District Reinvestment Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

Source: Johnson Consulting

PROJECTED HOTEL/MOTEL + SALES TAX ASSUMPTIONS: IEC CONVENTION HOTEL

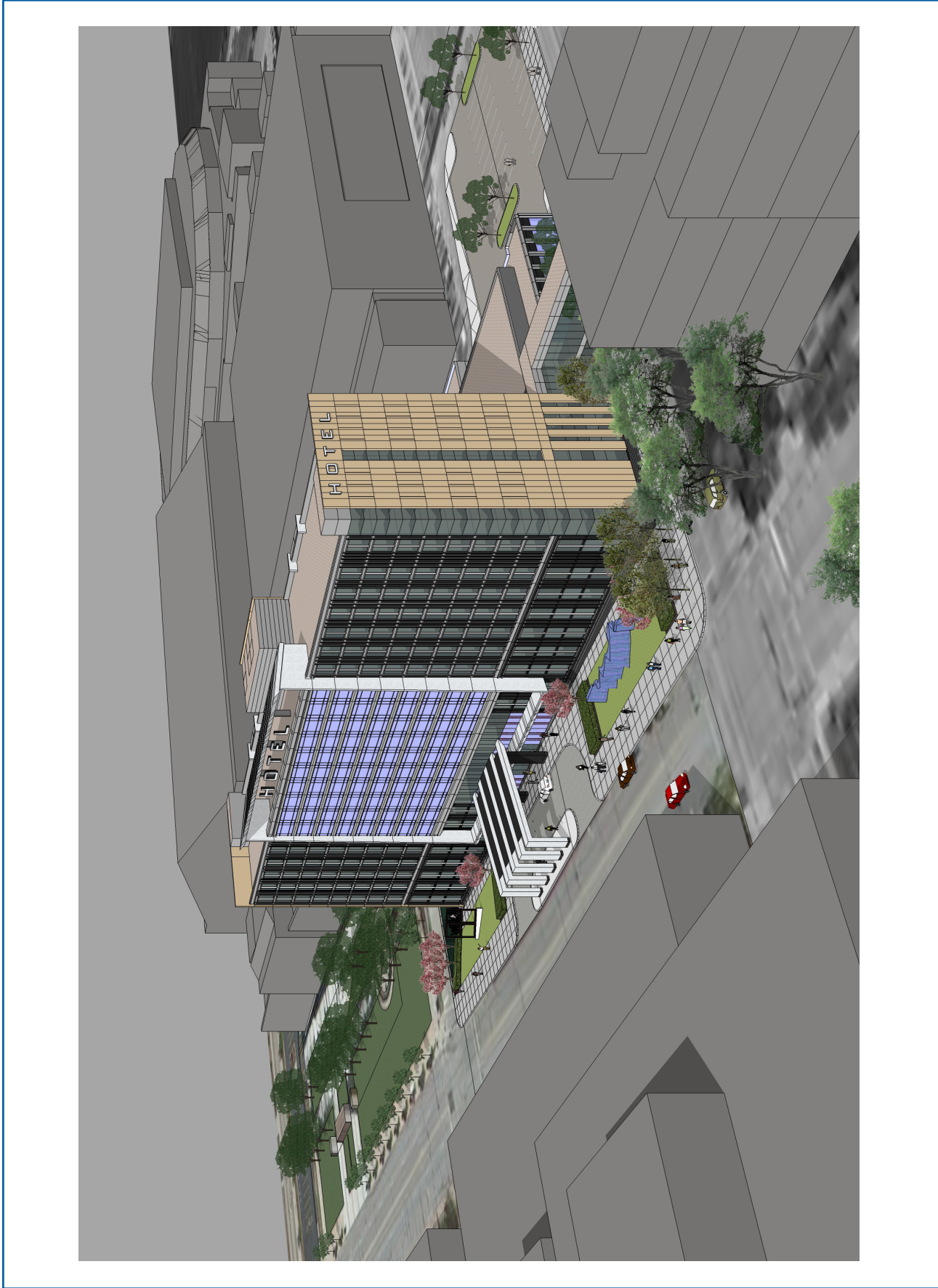
Des Moines Convention Center Hotel - Steel Studs
Feasibility Model - Five Year Proforma

	Year 1 = March 2016 - 2017				
	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Rooms	330				
Rooms Available	120,450	120,450	120,450	120,450	120,450
Rooms Occupied	75,944	83,111	87,808	87,808	87,808
Percent Occupancy	63.1%	69.0%	72.9%	72.9%	72.9%
Average Daily Rate	\$135.74	\$145.89	\$159.65	\$167.63	\$172.66
Revenue per Available Room	\$ 85.58	\$ 100.66	\$ 116.38	\$ 122.20	\$ 125.87
Departmental Revenues					
Rooms	10,308,601	12,124,991	14,018,555	14,719,483	15,161,067
Food & Beverage	4,176,905	5,817,735	6,805,124	7,009,278	7,219,556
Parking	751,843	822,794	869,300	869,300	869,300
Rentals/Other	159,482	175,430	180,693	186,114	191,697
Total Revenue	15,396,831	18,940,950	21,873,672	22,784,174	23,441,620
Departmental Expenses					
Rooms	2,278,201	2,558,373	2,761,655	2,840,860	2,910,925
Food & Beverage	3,654,792	4,363,301	4,763,587	4,906,494	5,053,689
Parking	263,145	287,978	304,255	304,255	304,255
Rentals/Other	205,732	224,550	212,314	244,740	253,040
Total Department Expenses	6,401,869	7,434,203	8,041,811	8,296,349	8,521,909
Departmental Income	8,994,962	11,506,747	13,831,861	14,487,825	14,919,711
Undistributed Operating Expenses					
Utilities	631,270	643,992	656,210	683,525	703,249
Maintenance & Repair	692,857	719,756	743,705	751,878	773,573
Franchise Fees	800,635	1,117,516	1,465,536	1,526,540	1,570,589
Other Marketing Expenses	1,185,556	1,269,044	1,356,168	1,389,835	1,429,939
Administrative & General	1,447,302	1,572,099	1,662,399	1,731,597	1,781,563
Total Undistributed Expenses	4,757,621	5,322,407	5,884,018	6,083,374	6,258,913
Income Before Management Fees (GOP)	4,237,341	6,184,340	7,947,843	8,404,451	8,660,798
Management Fees	461,905	568,228	656,210	683,525	703,249
Income Before Fixed Charges	3,775,436	5,616,112	7,291,633	7,720,925	7,957,550
Fixed Expenses					
Property Taxes	461,905	852,343	1,093,684	1,367,050	1,406,497
Insurance - Property	138,571	126,336	131,242	136,705	140,650
Reserve for Replacement	307,937	568,228	874,947	911,367	937,665
IRA (Income)	(718,959)	(878,888)	(1,015,132)	(1,058,562)	(1,089,275)
TIF (Income)	(346,429)	(639,257)	(820,263)	(1,025,288)	(1,054,873)
Total Fixed Charges	(156,975)	28,762	264,477	331,273	340,663
Income Before Debt Service (NOI)	3,932,411	5,587,349	7,027,155	7,389,653	7,616,886
Unlevered IRR	6.0%	(96,355,064)	29%	32%	32%
Debt Service	5,460,908	6,759,385	6,759,385	6,759,385	6,759,385
Net Cash Flow	(1,528,497)	(1,172,036)	267,770	630,267	857,501
Levered IRR	46.4%	0	(1,528,497)	630,267	9,196,070
Debt Coverage Ratio		0.72	1.04	1.09	1.13
Cash-on -Cash Return		4.1%	7.3%	7.7%	7.9%
Value @ 8% cap (4% reserves)	49,462,937	70,410,228	88,713,947	93,282,367	96,148,665



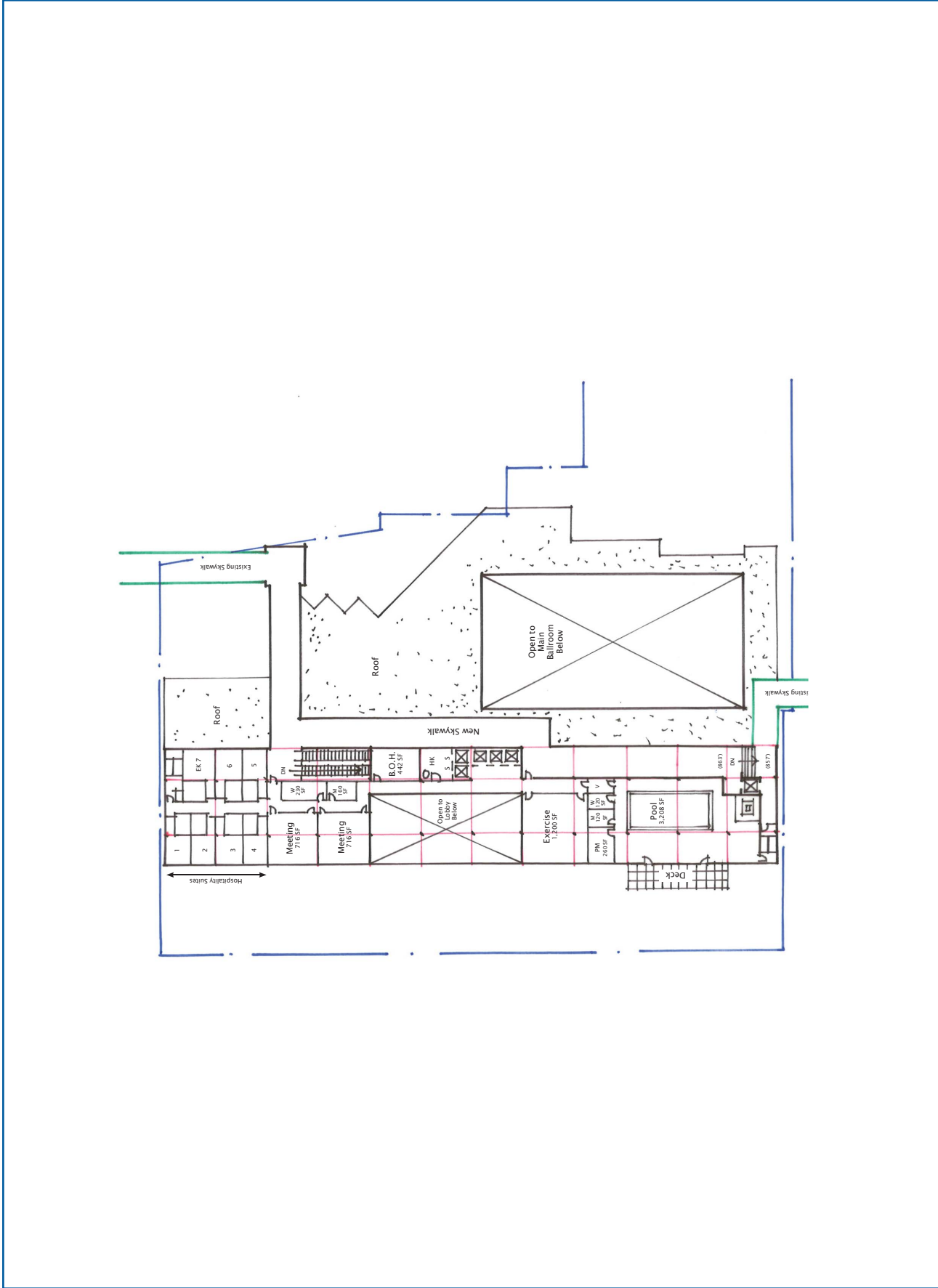
DES MOINES CONVENTION HOTEL
Des Moines, Iowa

VISUAL: IEC CONVENTION HOTEL

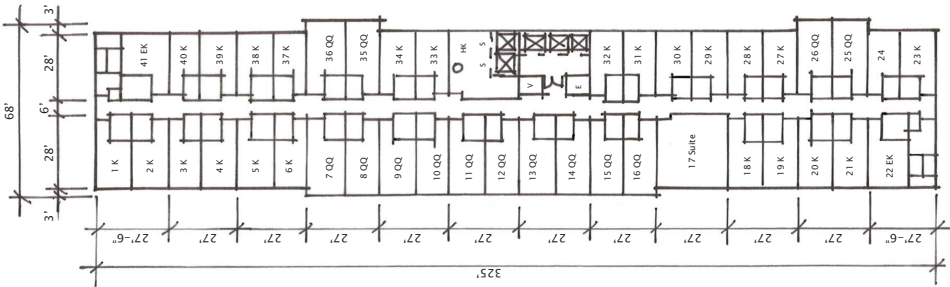


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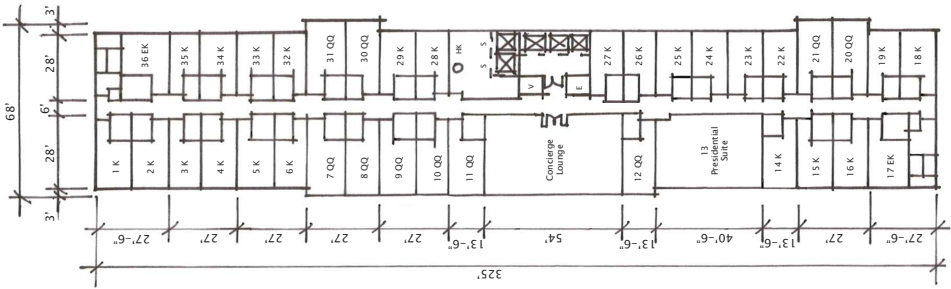
VISUAL: IEC CONVENTION HOTEL



VISUAL: IEC CONVENTION HOTEL



VISUAL: IEC CONVENTION HOTEL



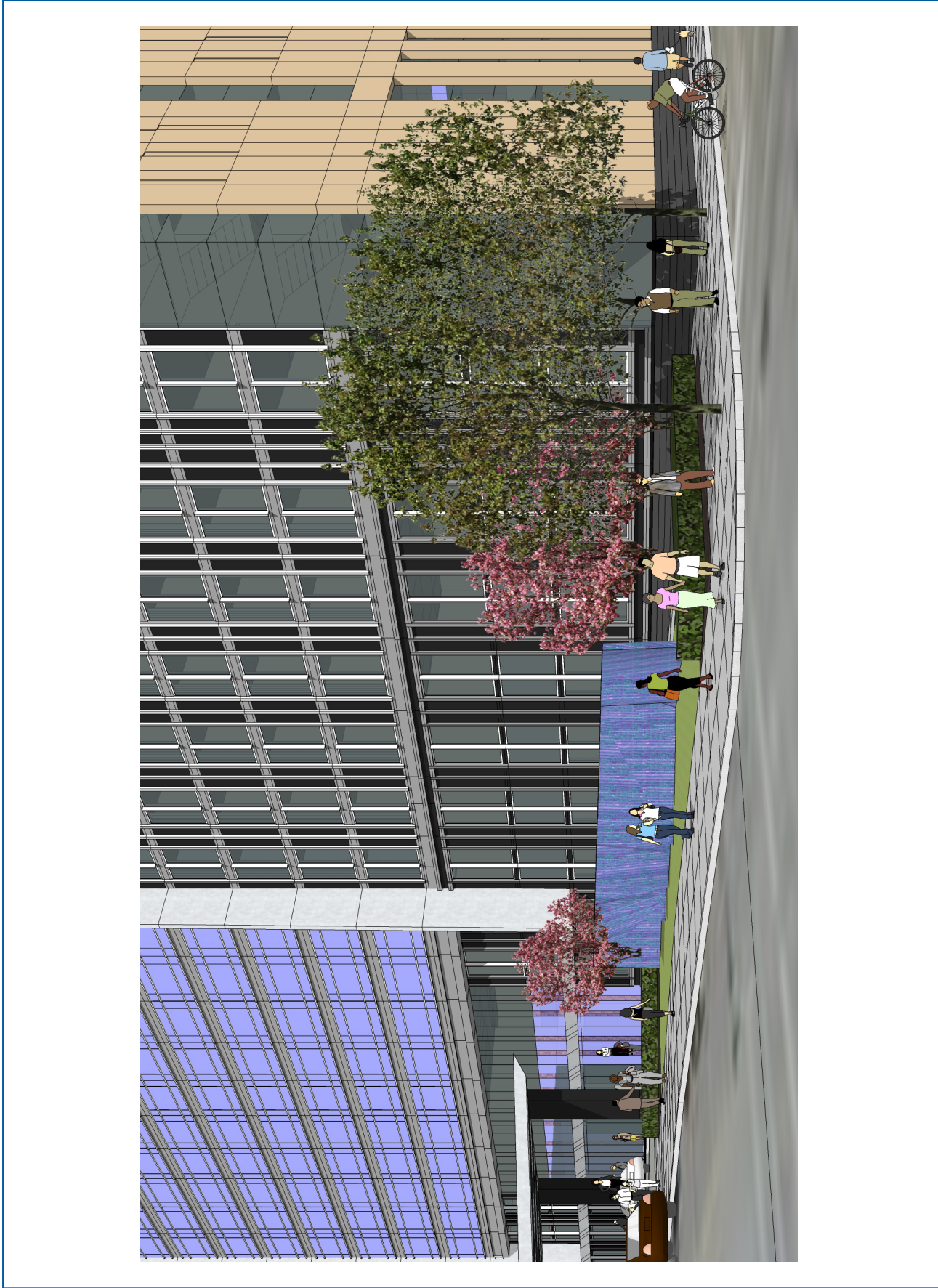
VISUAL: IEC CONVENTION HOTEL



VISUAL: IEC CONVENTION HOTEL



VISUAL: IEC CONVENTION HOTEL



VISUAL: CURRENT 5TH & KEO PARKING GARAGE



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: WALNUT STREET STREETScape PLAN

Introduction/ Preface



Postcard from Andrea Hauer's Private Collection / Circa 1909

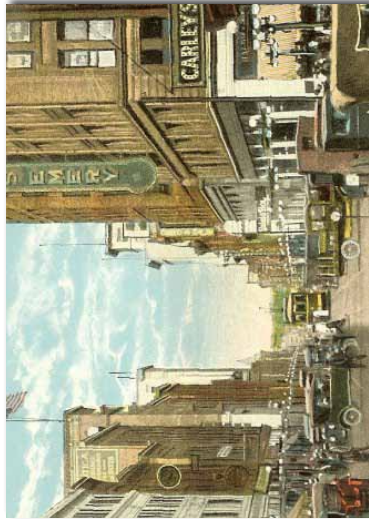
WALNUT STREET REVITALIZATION

Some say that success occurs when preparation meets opportunity. The City of Des Moines recognized an incredible opportunity to re-think and provide a new vision for a portion of Walnut Street when Des Moines Area Transit's (DART) bus transfer function relocated their central station facility. This programmatic shift, combined with the failing and tired infrastructure of Walnut Street, offered a chance for the City to plan and prepare for success - something this district hasn't seen, from a retail perspective, since the glory days of the 50's and 60's. The City of Des Moines plans to encourage redevelopment by authoring a grand vision for the Walnut Street District, one with new retail stores and restaurants, that leverages the City's infrastructure assets and offers both a connection through, and a destination to, a new Walnut Street.

This report summarizes the process and conclusions of an eight-month long planning effort by the City of Des Moines, Downtown Community Alliance, numerous stakeholders and the Confluence + Genus consultant team.

PROJECT BACKGROUND

The City of Des Moines retained the Confluence + Genus team to prepare schematic design and cost estimates for streetscape renovation along Walnut Street from 2nd Avenue to 10th Street, and to provide recommendations to



Postcard from Andrea Hauer's Private Collection / Circa 1925

reconstruct the street according to the preferred option identified in the functional programming report and with consideration of recommendations made in the 2011 design workshop.

The Downtown Community Alliance (DCA) initiated a study of Walnut Street from 2nd Avenue to 10th Street in mid-2011. This study was prompted by several factors, including the rise in vacancies along Walnut Street and the future elimination of the transit mall function on Walnut Street that has been in operation since the mid-1980's. This study resulted in a functional programming report. This report, which included input from the City of Des Moines, key downtown property owners, businesses and other stakeholders, identified the preferred arrangement of programmatic elements for Walnut Street. Among a number of programmatic recommendations for elements typical to streetscape (auto/pedestrian configuration, parking, sidewalk), the functional program also calls for a blending of public and private spaces aimed to enrich and enliven urban activity along Walnut Street.

In late 2011, a planning and design workshop for Walnut Street was conducted by DCA with Agrest + Gandelson Architects. The workshop resulted in a vision for Walnut Street that coincides with the program recommendations and has provided a general guide for design of the streetscape.



Circa 1955 Postcard from Andrea Hauer's Private Collection / Circa 1955

THE CITY'S CHALLENGE

- Repair and renovate the failing street and sidewalks.
- Provide streetscape improvements to create a framework for reinvestment.
- Attract new development (retail, restaurant, and residential).
- Maintain existing success in East Village, Court Avenue and Gateway West.
- Restore the image of Walnut Street as a vibrant commercial district.

THE VISION

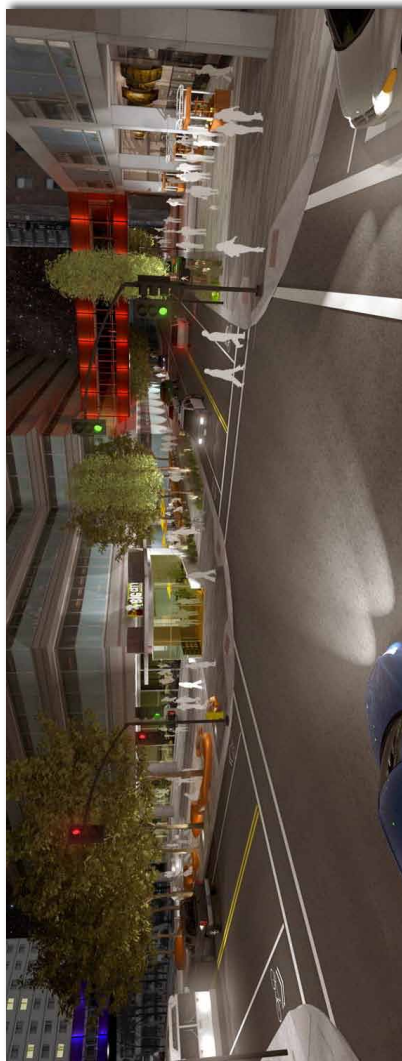
The Walnut Street District must provide a successful system of layers; including pedestrian circulation, multi-modal transportation, urban gardens and open space, memorable destinations, celebrating the arts and a return to parking and retail. The team must create a framework for redevelopment where the Walnut Street District becomes THE place to shop, THE place to be seen, and THE place that welcomes a whole new generation of shopper, visitor and investor.

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: WALNUT STREET STREETScape PLAN

Final Design



Looking east on the corner of 5th and Walnut. Streets during the day



Looking east on the corner of 5th and Walnut. Streets at night

DESIGN STATEMENTS

Walnut Street will be:

- The only two-way east/west vehicular connection through downtown Des Moines.
- The link from the Western Gateway to the Principal Riverwalk.
- A clean, inviting and engaging pedestrian-oriented district.
- A home to street vendors, pop-up retail and food carts.
- Highly maintained.

Walnut Street should be:

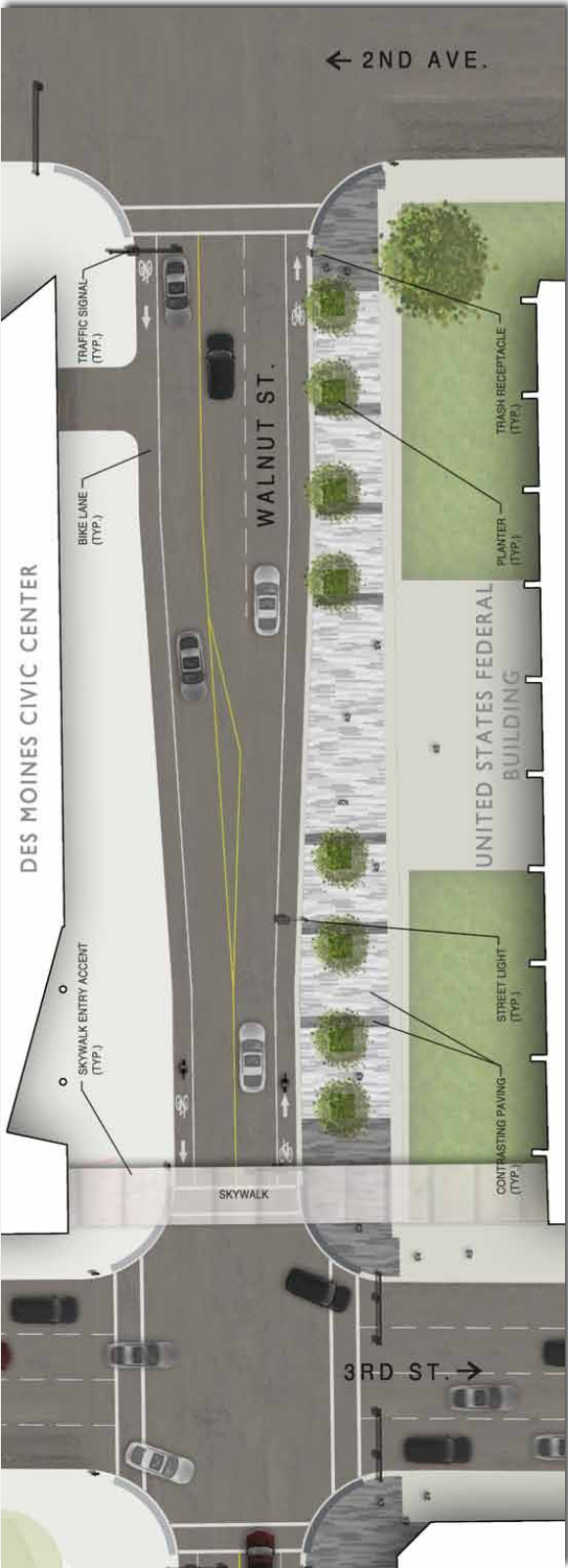
- A bustling retail center with a regional draw.
- A unique canvas for light art and urban media installations.
- 1,000 feet of continuous shopping/dining on both sides of the street.
- Branded and collectively marketed as a district.
- Well programmed and managed.
- A key component that brings additional development to downtown Des Moines.
- Refreshed every ten years with new site furnishings, street overlay, and new exhibits.

Walnut Street could be:

- The place to see and be seen.
- A model development for other communities to covet.
- An economic windfall for the adjacent property owners and the City of Des Moines.
- The 'magnificent' quarter mile.

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: WALNUT STREET STREETScape PLAN

Final Design



Walnut Street Revitalization | November 2013

BLOCK-BY-BLOCK ANALYSIS

2nd to 3rd Street

This block is the Walnut Street connection to the Principal Riverwalk project and the Civic Center. The team has recommended that Walnut be narrowed to one lane in each direction as part of this project. Due to the double turn lane entering off 2nd Street, the eastern portion of the street needs to accept two lanes of traffic. The block also has designated bike lanes in each direction to allow bike traffic to flow freely and safely.

Due to security purposes, the Federal Building to the south is opposed to on-street parking that adjoins their property. The existing trees are alive and doing well, and there is no need to remove them from this location.

The east façade of the Civic Center is the first opportunity to introduce the concept of light art and urban media. The blank east-facing façade would serve as an excellent introduction to Walnut Street and will be visible from East Village and the Iowa State Capitol.

The skywalk connection at the northeast corner of 3rd and Walnut Streets is the most visible vertical access point within the corridor. The plan suggests working with the Civic Center to emphasize this connection with signage and lighting. Continued coordination with the Cowles Commons design team is warranted.

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS:
WALNUT STREET STREETScape PLAN

Final Design



3rd to 4th Street

The cross section of the street remains the same as the 2nd Street block, with the designated bike lanes on either side of the street. The south side of the street will have on-street parking with stalls dedicated as drop-off for "The Plaza." Bike parking is introduced to the south side of this block with a proposed B-Cycle station located to the east of 4th Street.

The north side of this block is occupied by Cowles Commons. The final plan complements the Cowles Commons streetscape plan that includes a light art component anticipated to be the highlight of the street. The urban media pieces recommended in this plan are intended to work with this installation.

The south side of the street provides an opportunity to keep existing trees. The

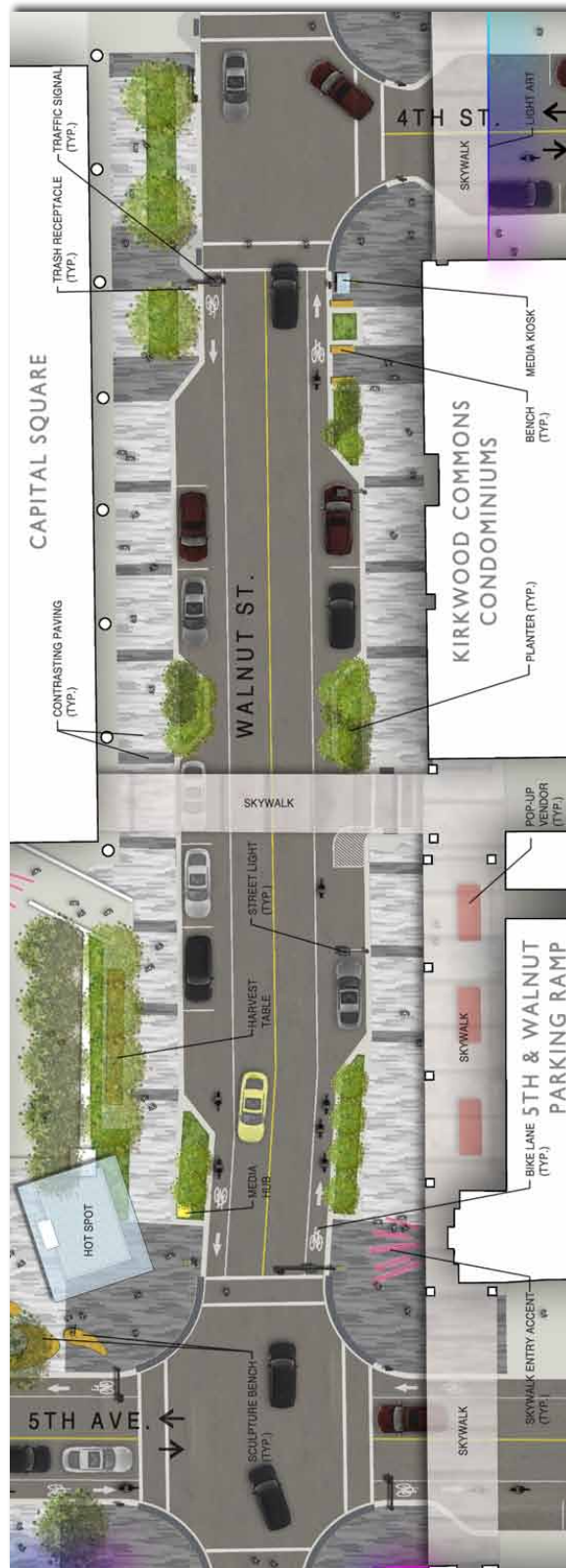
plan proposes to keep the trees in the mid-block and supplement the corners with additional tree plantings that begin to establish the landscape framework proposed. The plan also suggests the adjacent plaza development add trees to the front walkway to give this area additional shade.

4th Street is a unique street that is terminated at the south end by the Science Center and the north end by the Capital Square development. During the design process, several options were considered that terminated this view down 4th Street. With the proximity to Cowles Commons and the potential obstructed view of the Capital Square retail as concerns, a lighter landscape was selected to terminate the view. Ultimately, the plans were scaled back for the north side of the street and recommendations were made to keep four of the existing Locust trees and preserve the view underneath.

The south side of the skywalk that crosses 4th Street is highly visible from the south and could serve as an excellent identity/connection to Walnut Street. Therefore, a light art/urban media piece is recommended at the south facade, which will enhance the connection to Court Avenue and the future developments anticipated to the south.

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: WALNUT STREET STREETScape PLAN

Final Design



Walnut Street Revitalization | November 2013

4th to 5th Street

The 5th Street intersection is the transition point for many improvements on Walnut Street, to include:

- The bike lane transitions from designated lanes from 2nd Street to 5th Street to shared lanes from 5th Street to 10th Street.
- 5th Street will be returned to two-way traffic with designated bike lanes on either side.
- The lane changes allow for the re-purposing of two drive lanes into an urban garden space.
- 4th Street to 5th Street is the east threshold to the retail core district identified in Robert Gibbs' report.

- The west side of 5th Street will introduce the gates that can be closed for events.

- The first of several hi-tech media hydrants are located within this block.

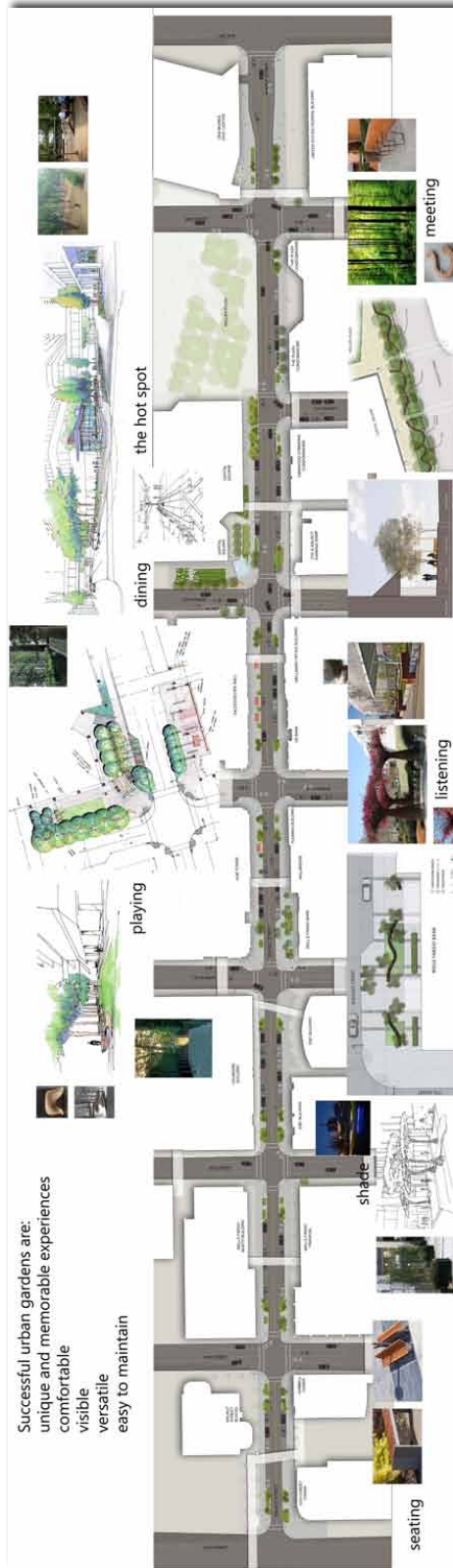
This block is currently home to Big City Burger that has a nice outdoor plaza. The 5th Street urban plaza will compliment this existing restaurant and the entire development.

The south side of the street is currently home to a public parking garage and frontage covered by the Skywalk above. This covered space is an excellent location for pop-up retail, vendor carts and street performers alike. The parking garage is scheduled to be demolished in the next few years and should be a re-development site soon thereafter.

The importance of the 4th Street connection is emphasized with the placement of another touch screen kiosk on the southwest corner of 4th and Walnut Streets. It will supplement the light art and allow pedestrians a glimpse of what is happening downtown in digital form.

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: WALNUT STREET STREETScape PLAN

Schematic Design



URBAN GARDENS

Walnut Street's dense, urban collection of buildings and hardscape sidewalks will be enhanced by strategically locating urban gardens that provide:

- Green relief to the urban environment.
- Places to meet and congregate.
- Unique destinations with diverse activities.

These small scale, intensely developed, well defined spaces are much different than existing expansive greenspaces in the downtown, such as the Pappajohn Sculpture Park, Cowles Commons, the World Food Prize Gardens and the Principal Riverwalk. The two proposed urban gardens along Walnut Street clearly interrupt the pedestrian experience with groves of shade trees and trellis as well as unique seating, activities and experiences while still being integrated within the linear urban streetscape. They efficiently utilize additional, available space due to building setbacks and the reconfiguration of 5th Street. Visible from as far east as 3rd Street and as far west as 8th Street, these urban gardens provide a sense of orientation and enticing destinations to explore.

Located at the northeast corner of 5th and Walnut Streets, this strategically located urban garden emphasizes opportunities for urban play, meeting and dining. This crossroads location is where diverse urban destinations such as the Civic Center/Cowles Commons and Court Avenue are potentially linked with each other, along with a more flexible 5th Street corridor linking with the Iowa Events Center district and Walnut Street's emerging retail, entertainment, residential and employment corridor.

The existing northbound lane of 5th Street, located between a row of mature Honeylocust and Capital Square's west facade, will be vacated as a more efficient two-way 5th Street is created west of the row of Honeylocust. This provides additional space for the urban garden while also providing flexible continuous access from I-235 to Martin Luther King Boulevard and beyond.

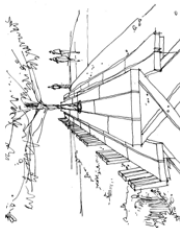
A winding, sinuous, smoothly carved wood bench (using native and/or repurposed Iowa materials) is proposed to wrap around the existing row of Honeylocust to provide unique and flexible seating overlooking a lawn court. With opportunities to manage and program the lawn court by adjacent restaurants, the lawn court can encourage adults and children to play bocce ball and other lawn sports,

which provides a unique and desirable opportunity in an urban setting. To the north of the lawn court is proposed a grove of Birch, Black Alder and/or Quaking Aspen with a playful cluster of wood platforms of various sizes and heights. These platforms can encourage informal and improvised "performances", playful activities and a place to sit, meet, greet and observe.

At the corner of 5th Street and Walnut Streets this urban garden features a gathering place structure that extends street activity to all twelve months, regardless of weather. The "hotspot" is a glass enclosed shelter that can be rented for special events including catered parties, merchandising sales events, corporate meetings and other activities for groups of ten to twenty-five people. Financing and operations of this facility is an opportunity for an efficient public/private partnership, to provide a unique urban amenity at a critical crossroads on the Walnut Street corridor.

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: WALNUT STREET STREETScape PLAN

Schematic Design



Adjacent to the “hotspot” and parallel to Walnut Street, is an extended harvest table gathering place, built under and around a row of existing Honeylocust. The table provides additional, informal outdoor seating and dining space for nearby restaurants while facilitating interaction among groups of established and new found friends. On both sides of the harvest table, urban garden plots are provided for dense plantings of vegetables and flowers adaptable to urban conditions and accessible to the public.

At the southeast corner of Walnut Street and 7th Street is an area where a more generous building setback creates an opportunity for a second urban garden. Located at the heart of potential retail activity on Walnut Street, this proposed urban garden provides a strategic opportunity to create an informal, small scale gathering place with unique features.

The space is located over private, underground parking associated with adjacent buildings. Design concepts respond to this condition by utilizing lighter weight metal trellis canopies with climbing vines to create a green urban garden with shade and a sense of place. Undulating carved wood benches, similar to those proposed for the 5th Street urban garden, create flexible seating opportunities while connecting the trellis canopies into a cohesive, singular space. These benches also provide a unique urban experience by integrating lighting and sound effects that are continually changing, adding to the unique space and time nature of the urban experience.

The trellis canopy’s overhead structure provides plant material, shade and a more friendly, personal scale space adjacent to the soaring facade of the adjacent building. Green relief to the dense urban core of the Walnut Street corridor is further enhanced by introducing lawn panels (either specially engineered mown grass or next generation artificial turf) and green walls with climbing vines. Using technology similar to the trellis canopies, the green walls add to the impact of this green oasis while providing highly visible, green and potentially flowering vertical walls to this urban garden. Design research will continue to explore appropriate choices for effective, climbing vine species including Boston Ivy, Clematis and other options.

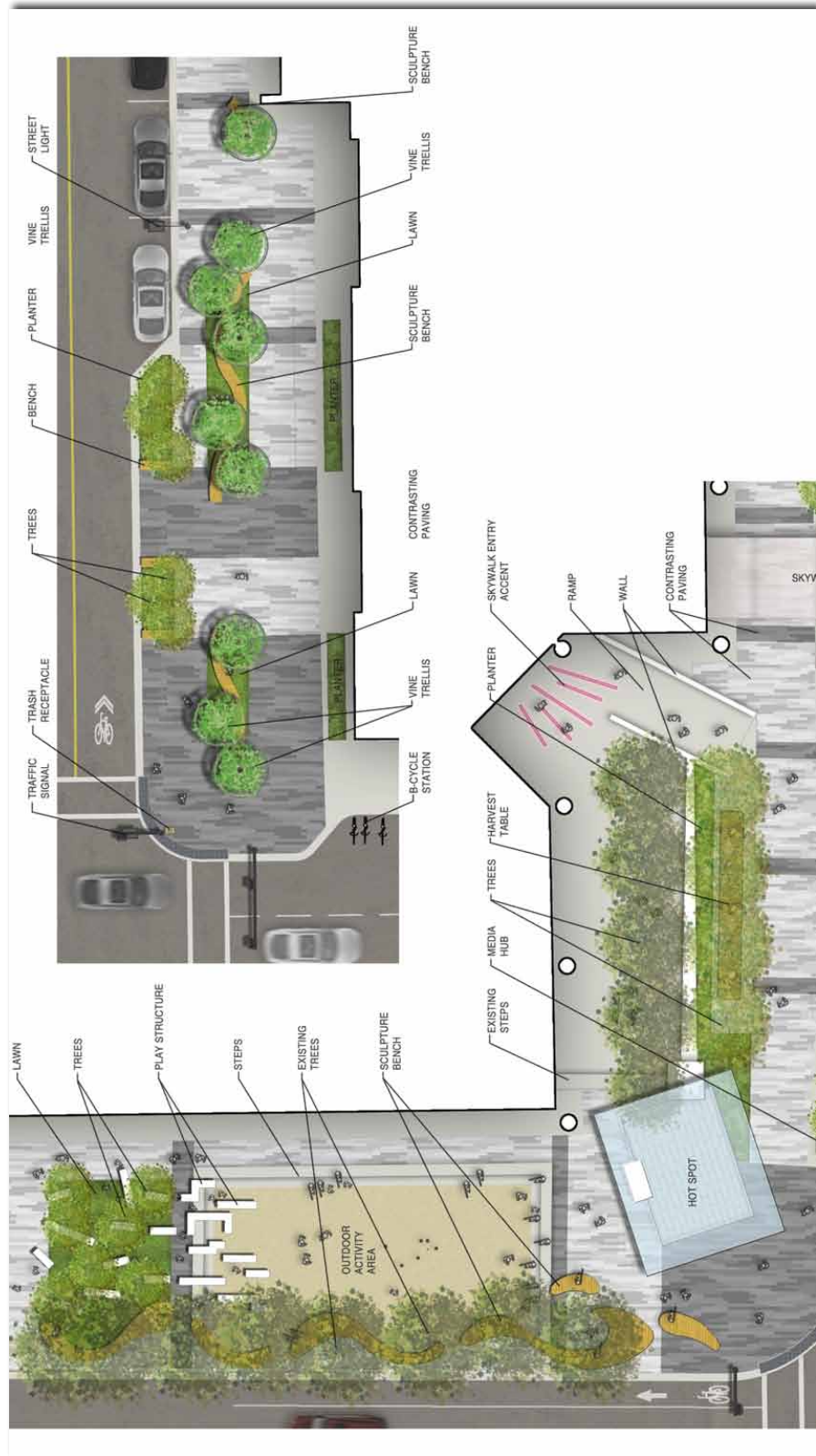


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Walnut Street Revitalization | November 2013

Schematic Design | Page 29



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: WALNUT STREET STREETScape PLAN

Schematic Design



BLOCK THOUGHTS

The block diagrams (left) were used to communicate the design program to stakeholders and committee members during the planning process. These diagrams were developed to show big picture design ideas on a block-by-block basis, and illustrate the proposed design as a series of elements. These diagrams assist in understanding how the corridor is linked together through different layers of design.



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: WALNUT STREET STREETScape PLAN

Cost Opinion / Analysis (Base Project Cost)

BASE PROJECT COST

10TH - 9TH \$1,477,500	9TH - 8TH \$1,403,000	8TH - 7TH \$1,593,600	7TH - 6TH \$1,650,600	6TH - 5TH \$1,532,775	5TH - 4TH \$1,433,200	4TH - 3RD \$1,145,875	3RD - 2ND \$998,800
PHASE 2 \$2,880,500		PHASE 1 \$4,777,000		PHASE 3 \$3,577,900			

Value engineering items (not included in base estimate):

- 5th Street Urban Garden
- 7th Street Urban Garden
- Informational Kiosk and Connections
- Consistent Cafe Railings
- Skywalk Pavement lighting
- Wifi throughout the corridor
- Brick Paver Crosswalks
- Digital Road Closure signage
- Contingency adjusted from 15% to 10%

DOWNTOWN DES MOINES SKYWALK SYSTEM IMPROVEMENT STUDY REPORT

JULY 2010



Prepared by: RDG Planning & Design
in Coordination with the Des Moines Skywalk Association
and the City of Des Moines

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

OVERVIEW - IMPROVEMENTS STUDY

The Downtown Des Moines Skywalk Improvement Study is a great example of the community's continued investment and commitment toward downtown Des Moines. The "What's Next Downtown" effort completed in 2008 recommended the skywalks be included in a more holistic and systemic view of pedestrian movements within downtown.

Another catalyst for this study was the deteriorating condition of the skywalk signage and wayfinding system. Over the years, the signage has lacked necessary attention and new signage systems and technologies are now available.

The six month process, beginning in February 2010, was conducted and delivered via four primary work elements. These work elements were not mutually exclusive and services overlapped at various times throughout the process.

1. **Condition Assessment:**

Signage System, Skywalk Enclosure, Structural Inspection and Mechanical Assessment

2. **Coordination and Public Involvement:**

Project Advisory Committee Meetings, Stakeholder Meetings and Public Open Houses

3. **Conceptual Design – Signage & Wayfinding:**

Signage & Graphics Alternatives & Concepts, Prototypes and Final Report

4. **Conceptual Design – Vertical Access Connection:**

Architectural and Signage Concepts, Preliminary Location Map and Final Report

Skywalk governance, ownership and authority was determined to be a critical component of the future of the skywalk system, although beyond the scope of this study. The City of Des Moines is currently advancing this subject with various organizations and groups.

DOWNTOWN DES MOINES SKYWALK SYSTEM IMPROVEMENT STUDY COMMITTEES

Providing input and guidance, two committees participated in the Skywalk Improvement Study process:

Carol Washburn

Des Moines Register

TECHNICAL COMMITTEE

- Specific Design Guidance
- Met every two weeks for a Technical Committee meeting and as part of the Policy Committee

POLICY COMMITTEE

- Overall Project Guidance
- Met once every four weeks

TECHNICAL COMMITTEE MEMBERS

Pam Cooksey	City of Des Moines
Erin Olson–Douglas	City of Des Moines
Matt Anderson	City of Des Moines
Mike Berry	City of Des Moines
Larry McDowell	City of Des Moines
Gary Fox	City of Des Moines
Amy Lego	Downtown Community Alliance
Vicki Comegys	Convention & Visitors Bureau
Harold Capps	Skywalk Assoc. (EMC)
Bret VandeLune	Polk County
Elizabeth Presutti	DART
Sue Elliott	Polk County
Michael Corey	Des Moines Register

POLICY COMMITTEE MEMBERS

Frank Cownie	City of Des Moines Mayor
Rick Clark	City of Des Moines
Christine Hensley	Des Moines City Council
Chris Coleman	Des Moines City Council
Larry Hulse	City of Des Moines
Jay Byers	Downtown Community Alliance
Jon Kurth	Skywalk Assoc. (Wells Fargo)
John Bergman	Skywalk Assoc. (Terrus)
Ryan Squier	Skywalk Assoc. (Nationwide)
Ron Romig	Skywalk Assoc. (Ruan)
Douglas Woodley	Skywalk Assoc.(Principal)
Angela Connolly	Polk County
Ron Olson	Polk County
Lisa Moody–Tunks	Polk County
Lisa Maas	Downtown Chamber Board
Davis Sanders	RDG Planning & Design
Todd Garner	Substance Architecture

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

THE PROCESS

The six month process of conducting the Downtown Des Moines Skywalk System Improvement Study included the following milestones:

FEBRUARY

- 1 – Kickoff Meeting
- 16 – Technical Committee Meeting

MARCH

- 2 – Policy Committee Meeting
- 15 – Online Public Survey Started
- 16 – Technical Committee Meeting
- 24 – Online Public Survey Complete

APRIL

- 27 – Policy Committee Meeting

MAY

- 11 – Signage Mock-up and Survey
- 11 – Technical Committee Meeting

JUNE

- 1 – Final Technical Committee Meeting
- 8 – Final Policy Committee Meeting

JULY

- Delivery of Final Report

WORK ELEMENTS (W.E.)

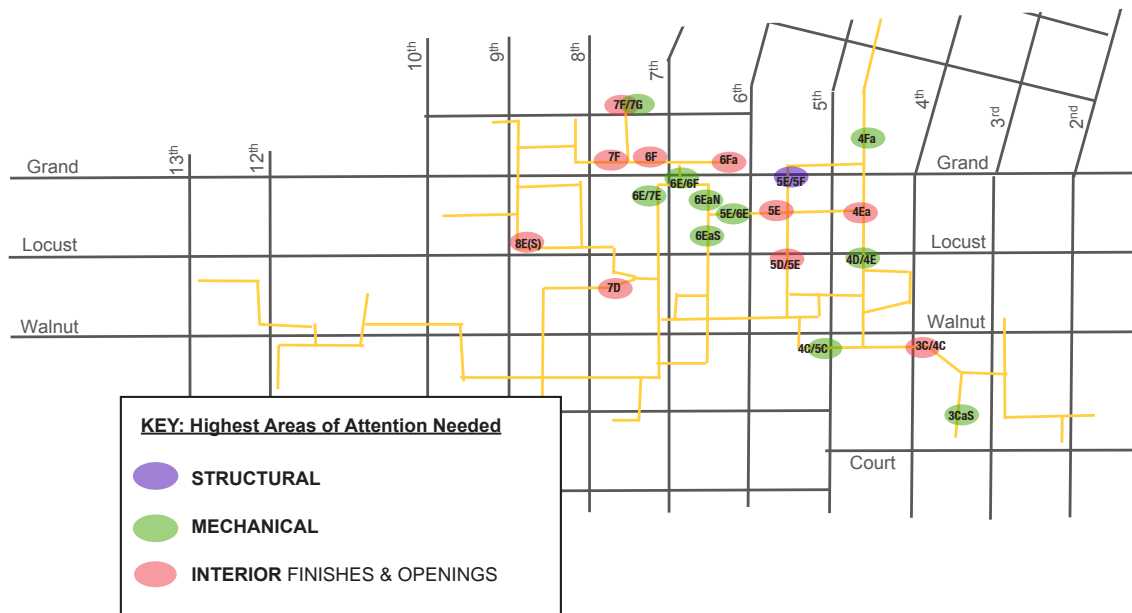
Each of the four work elements of the study resulted in detailed information and recommendations. Below is a summary of some of these details.

W.E. #1: CONDITIONS ASSESSMENT

The Conditions Assessment provides an overview of the current condition of the Des Moines Skywalk System and established a rating system for use in planning for capital investment and ongoing maintenance. The detailed interactive assessment document exists in an electronic format and includes:

1. **Structural Assessment**
2. **Mechanical Assessment**
3. **Interior Finishes & Openings Assessment**

Below is a condition assessment map with various segments of the Skywalk System identified. Based on the rating system, these locations have the greatest room for improvement and are identified as the **Highest Areas of Attention Needed**.



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

W.E. #2: PUBLIC INVOLVEMENT

Engaging Skywalk System users and the general public in the process, the study focused on identifying usage, desires and opportunities for improvement. Public and user groups participating in the study included businesses, property owners, downtown residents, employers and employees, walkers, new visitors, concert-goers, and shoppers.

ONLINE PUBLIC SURVEY

Nearly 3,000 users participated in an online public survey conducted in March 2010 through a combination of on-site survey distribution within the Skywalk System and dissemination through downtown businesses. The full results of this survey are included in the Appendix of this report.

SIGNAGE MOCK-UP AND SURVEY

A signage mock-up and survey were conducted in May 2010 in the Kaleidoscope Mall (4th and Walnut) in a high-traffic location near the Food Court escalator. This mock-up included an interactive kiosk, static signage and a survey conducted on-site. This survey was intended to confirm or deny the overall ease of use, functionality, features, effective communication, and appropriate graphics. The design was refined based on this feedback.

MEDIA COVERAGE

As a result of these efforts, local media took interest in the project. The Downtown Des Moines Skywalk Improvement Study was featured in the Des Moines Register on April 5, 2010 and highlighted in several local evening news programs on May 11, 2010.



W.E. #3: SIGNAGE AND WAYFINDING

TYPES OF SIGNS AND SYSTEMS

The detailed report recommends implementing the following sign system components:

Overhead

- Navigation through system
- Names your current location
- Provides orientation within system

Maps/Directories

- View of entire system
- Displays current location in the system
- Shows access points
- Amenities
- Building/tenant index

Vertical Access Signs

- Clear access point to/from street level and skywalk
- Visible/recognizable from a distance
- Consistent throughout system

Street Crossing Signs

- Represents current street/bridge crossing
- Provides orientation within system

Directional Signs

- In areas where a standard vertical access sign is visible

Informational Signs

- For use with all secondary, non-wayfinding signs
- No Smoking
- “Doors to remain unlocked...”
- Restrooms



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

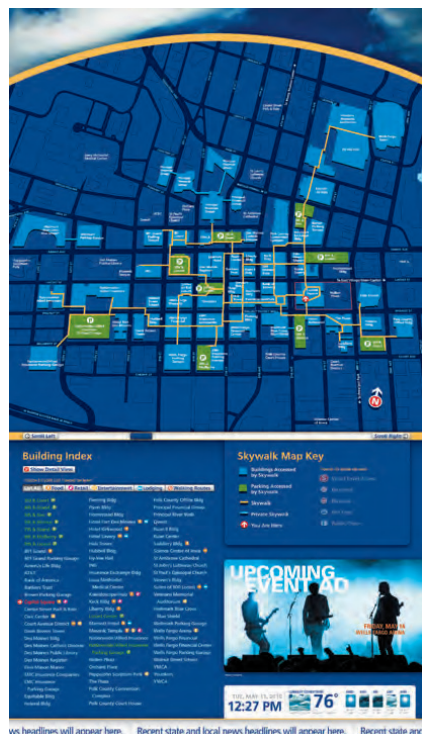
W.E. #3: SIGNAGE AND WAYFINDING (CONTINUED)

DIGITAL SIGNAGE AND TECHNOLOGY

“Make the information dynamic and interactive.” This message was voiced over and over during public and steering committee meetings. The digital signage and technology solution focuses not only dynamics and inter-activity, but on the ease of deployment, flexibility of the solution, ease of management and overall value.

Network connectivity would allow live RSS Feeds for weather and headline news and promote time-sensitive community events and emergency notifications. A web interface will update templates, schedule content and revise the playlist. Display and player agnostics, in addition to a stable software platform, should support powerful, yet easy to use, content management and provide the ability to streamline the approval process.

The Skywalk directories, as shown below, are proposed as interactive touchscreens that can be tailored to the user's needs and adjusted to fit the specifics of each geographic



W.E. #4: VERTICAL CONNECTIONS

location.

This report defines a set of goals and potential locations for vertical connections to help create an integrated two-level pedestrian system in our urban core. To determine effective methods of integrating the skywalk and sidewalk into an easily accessible two-level pedestrian system, each potential location was evaluated based on the following factors:

1. **Equal Distribution** — at least one connection visible within the skywalk at each block of the current system (ideally visible from both the skywalk and from grade).
2. **Ease of Conversion** — existing connections that can be readily opened up for visibility from both the skywalk and from grade.
3. **Priority through maximum value** — maximize value by concentrating effort and resources in locations where mechanical, structural, cosmetic, and signage issues have been identified.
4. **Pedestrian Traffic** — maximize access through the use of vertical connections located in the highest traffic areas.
5. **Universal and Emergency Access** — develop a holistic system for universal and emergency access beginning



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

W.E. #4: VERTICAL CONNECTIONS (CONTINUED)

with the new or converted vertical access points. The existing points of potential vertical connection are extremely varied, driving a need for a strong and consistent form of identity. A layered solution that can be used in various combinations, depending on the specific location's conditions, incorporates three methods of identity:

1. An external red lighting symbol
2. Red internal lighting
3. The new red skywalk symbol "Circle S"

The following thirteen potential locations were identified to create an effective two-level pedestrian system with at least one point of quality access in nearly all blocks currently connected to the skywalk system.

Veteran's Auditorium
Polk County Convention Complex
Locust Mall
Financial Center/Walgreens Building
Nine City Parking Ramps

CELEBRATORY ACCESS

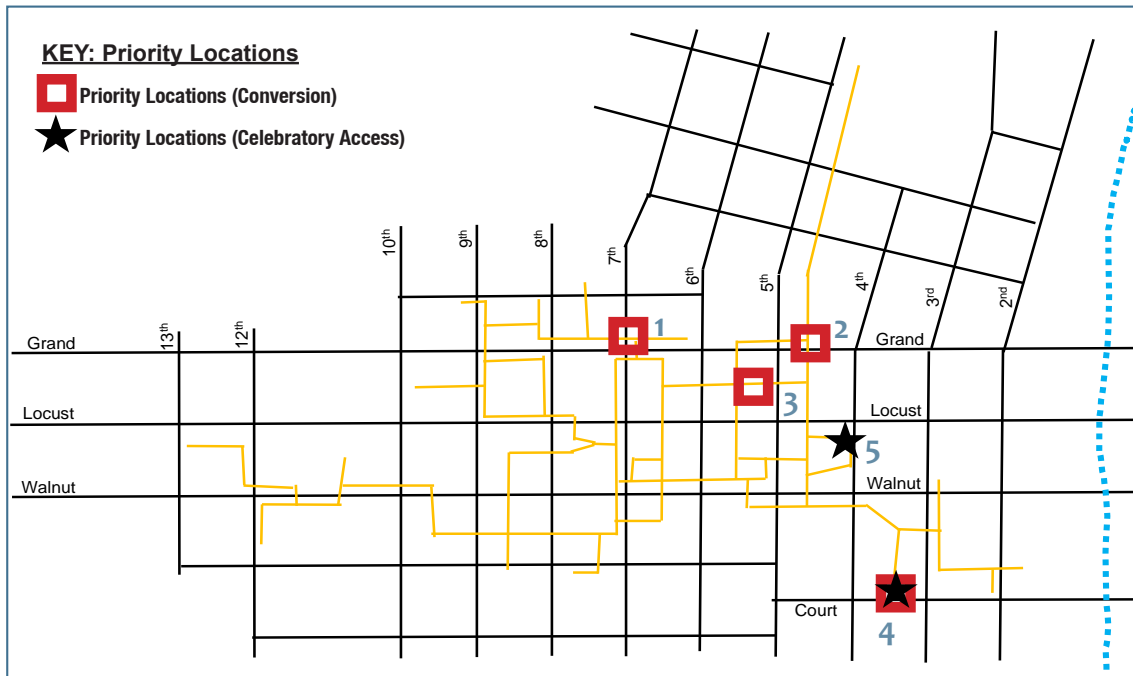
High-identity, critical points of at-grade connection that should

be accentuated within that system include the Des Moines Public Library/Pappajohn Sculpture Park, Nollen Plaza, Court Avenue District, the Principal Riverwalk, and the proposed Transit Hub. These are all unique civic conditions that should be celebrated by creating vertical connections that highlight both the special at-grade amenity, as well as its celebratory connection to and from the skywalk system. These landmark locations would become iconic symbols of the two-level pedestrian system.

PRIORITIES

The following are high-priority location for initial investment consideration:

1. The **7th and Grand Parking Ramp** is an example that incorporates a new stair to supplement the location's existing strengths.
2. The **4th and Grand Parking Ramp** example activates the existing stair and opens it to the skywalk.
3. The **Keck City Center Parking Ramp** already has an open stair connection and could be easily converted.
4. The **Court Avenue District** location could be readily converted to a celebratory location with a new grand stairway into the existing alleyway.
5. The **Nollen Plaza** location could become an iconic identity for the celebratory type of skywalk-sidewalk integration.



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

NEXT STEPS

Prioritize

This study provides data and recommendations for three key Skywalk related considerations. By overlaying and discussing these three (conditions, signage, & vertical access), a holistic prioritization can be determined.

Budget/Funding

The following funding opportunities were identified during this study and should be considered and explored more fully:

1. Advertising (directory ad space)
2. Safety (directory emergency notification)
3. Health (enhanced pedestrian walking system)
4. Business (improvements = association fees)
5. Transportation (directory transit information)
6. Partnerships (directory content)

SIGNAGE & WAYFINDING COSTS

The Skywalk signage and wayfinding system can be implemented holistically with one comprehensive effort, or an iterative process can be utilized. The following four scenarios represent a conceptual framework to guide planning for the next phase of this project.

All of these scenarios identify two major categories of investment. The first is referred to as the "Initial Investment" and includes items necessary to design, plan, fabricate, purchase, and install the system. The second is referred to as the "Ongoing Investment" and includes anticipated maintenance and operations of the system.

SCENARIO ONE..... \$501,865
SCENARIO TWO.....\$937, 760
SCENARIO THREE.....\$1,258,160
SCENARIO FOUR.....\$1,512,440

		Unit Price	Scenario One		Scenario Two		Scenario Three		Scenario Four					
			Qty		Qty		Qty		Qty					
INITIAL INVESTMENT														
Hard Equipment Costs														
Overhead Cabinets Retrofit	\$	500	104	\$	52,000	104	\$	52,000	104	\$	52,000			
Overhead Inserts	\$	75	208	\$	15,600	208	\$	15,600	208	\$	15,600			
Directory Inserts (only if old cabinets used)	\$	75	47	\$	3,525	0	\$	0	0	\$	-			
Street Crossing Cabinet & 2 Inserts	\$	500	47	\$	23,500	47	\$	23,500	47	\$	23,500			
Vertical Access Sign Cabinet & 2 Inserts	\$	1,300	106	\$	137,800	106	\$	137,800	106	\$	137,800			
Miscellaneous Signs	\$	50	200	\$	10,000	200	\$	10,000	200	\$	10,000			
Kiosk Directory Body	\$	3,500	0	\$	-	47	\$	164,500	47	\$	164,500			
Kiosk Directory Static Cabinet and Insert	\$	900	0	\$	-	47	\$	42,300	22	\$	19,800			
Kiosk Directory Touchscreen	\$	3,500	0	\$	-	0	\$	-	25	\$	87,500			
Kiosk Directory Player & Mount	\$	1,750	0	\$	-	0	\$	-	25	\$	43,750			
Total Hard Equipment Costs				\$	242,425		\$	445,700		\$	554,450			
											\$	650,150		
Soft Equipment Costs														
Equipment Installation (50% of Cost)				\$	121,213		\$	222,850		\$	277,225		\$	325,075
Kiosk Player Software License	\$	900	0	\$	-	0	\$	-	25	\$	22,500	47	\$	42,300
Cellular Connection Costs per Player	\$	400	0	\$	-	0	\$	-	25	\$	10,000	47	\$	18,800
Overhead Content Development	\$	15,000	1	\$	15,000	1	\$	15,000	1	\$	15,000	1	\$	15,000
Kiosk Directory Content Development	\$	35,000	0.5	\$	17,500	1	\$	35,000	1	\$	35,000	1	\$	35,000
Kiosk Directory Content Creation/Production	\$	15,000	0	\$	-	1	\$	15,000	1	\$	15,000	1	\$	15,000
Total "Initial" Soft Equipment Costs				\$	153,713		\$	287,850		\$	374,725		\$	451,175
Design & Administration Fees														
Design, Documentation, Admin Fees (20% of hard & soft costs)				\$	79,228		\$	146,710		\$	185,835		\$	220,265
TOTAL INITIAL INVESTMENT				\$	475,365		\$	880,260		\$	1,115,010		\$	1,321,590
ONGOING INVESTMENT														
"Ongoing - Annual" Hard Equipment Costs														
Kiosk Directory Static Content Updating	\$	11,200	1	\$	11,200	1	\$	11,200	0.5	\$	5,600	0	\$	-
Kiosk Directory Touchscreen Replacements	\$	1,000	0	\$	-	0	\$	-	25	\$	25,000	47	\$	47,000
Overhead Insert Replacements	\$	7,800	1	\$	7,800	1	\$	7,800	1	\$	7,800	1	\$	7,800
Damage Repair & Maintenance Fund	\$	30,000	0.25	\$	7,500	0.5	\$	15,000	0.75	\$	22,500	1	\$	30,000
Total "Ongoing - Annual" Hard Equipment Costs				\$	26,500		\$	34,000		\$	60,900		\$	84,800
"Ongoing - Annual" Soft Equipment Costs														
Kiosk Directory On-Site Maintenance	\$	500	0	\$	-	47	\$	23,500	47	\$	23,500	47	\$	23,500
Kiosk Player Software License Renewal	\$	150	0	\$	-	0	\$	-	25	\$	3,750	47	\$	7,050
Kiosk Hosting	\$	1,000	0	\$	-	0	\$	-	25	\$	25,000	47	\$	47,000
Cellular Airtime Costs per Player	\$	500	0	\$	-	0	\$	-	25	\$	12,500	47	\$	23,500
Content Management	\$	30,000	0	\$	-	0	\$	-	1	\$	30,000	1	\$	30,000
Subtotal				\$	-		\$	23,500		\$	94,750		\$	131,050
Volume Discount (approximately 30%)	\$	25,000	0	\$	-	0	\$	-	0.5	\$	12,500	1	\$	25,000
Total "Ongoing - Annual" Soft Equipment Costs				\$	-		\$	23,500		\$	82,250		\$	106,050
TOTAL ANNUAL ONGOING INVESTMENT				\$	26,500		\$	57,500		\$	143,150		\$	190,850
TOTAL (Initial & One year of Annual)				\$	501,865		\$	937,760		\$	1,258,160		\$	1,512,440

DES MOINES SKYWALK SYSTEM VERTICAL CONNECTION SYSTEM

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS:
SKYWALK MASTER PLAN

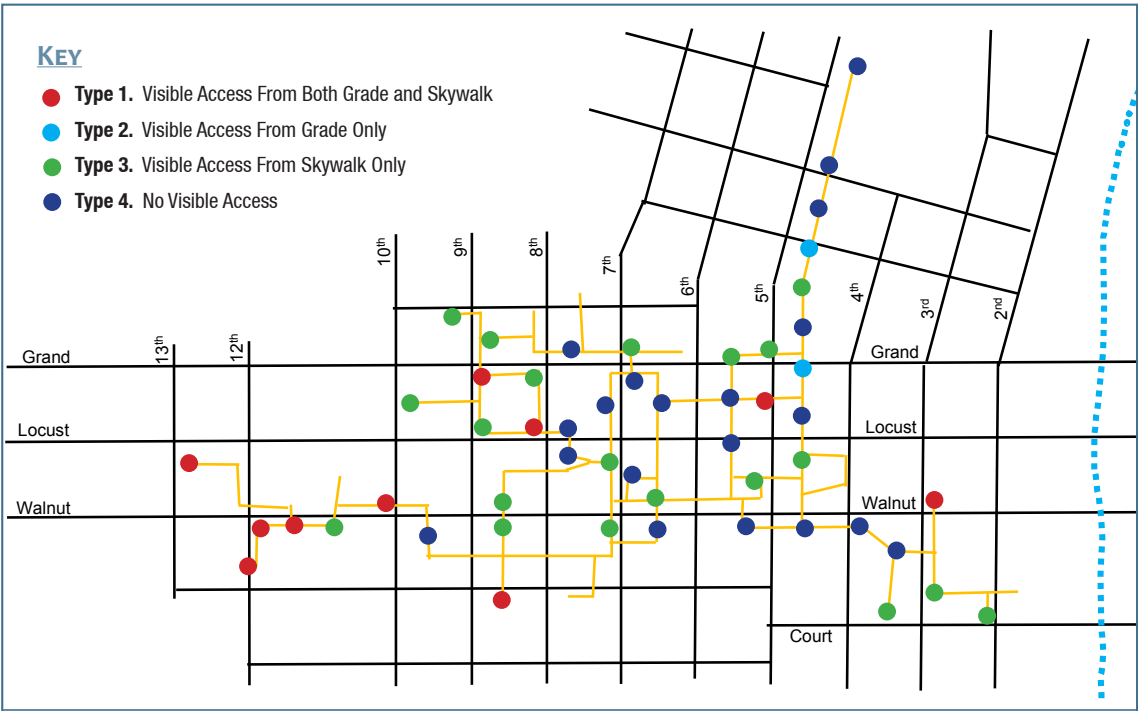
ANALYSIS OF EXISTING CONDITIONS

The Des Moines skywalk system has been successful because it was initially conceived as a holistic and coordinated system; not surprisingly, the development of the system was more directly focused on the unique new skywalk level itself and less on its integration with the rest of the urban infrastructure. Although it added an effective new pedestrian layer to the city, it deactivated and generally ignored the traditional and critical at-grade urban condition, which is the lifeblood of vibrant cities.

The goal of this vertical connection analysis is to determine effective methods of integrating the skywalk and sidewalk into an easily accessible two-level pedestrian system that actually attracts users and helps activate the city.

This report will analyze and evaluate the existing conditions at both the sidewalk and the skywalk level to help determine the standards and potential locations for vertical connections, as well as identify possible new high-identity opportunities to celebrate access. It will identify methods of accentuating these locations to maximize their effectiveness, and it will show examples for how and where to begin prioritizing the implementation process.

The graphic below depicts the locations of existing vertical connections between the sidewalk and skywalk levels.



SKYWALK VISIBILITY

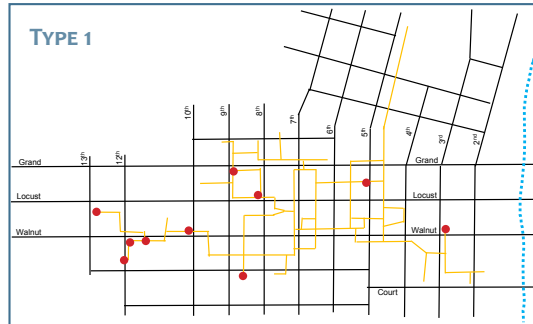
The existing vertical connections between the sidewalk and skywalk levels fall into four primary categories as identified here.

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TYPE 1. VISIBLE ACCESS FROM BOTH GRADE AND SKYWALK



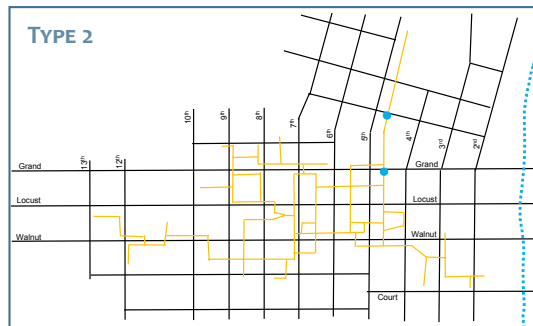
This is the optimum condition. Pedestrians can readily see how they traverse from one level to the other, which maximizes the connection between levels and helps create an integrated two-level pedestrian system.



TYPE 2. VISIBLE ACCESS FROM GRADE ONLY



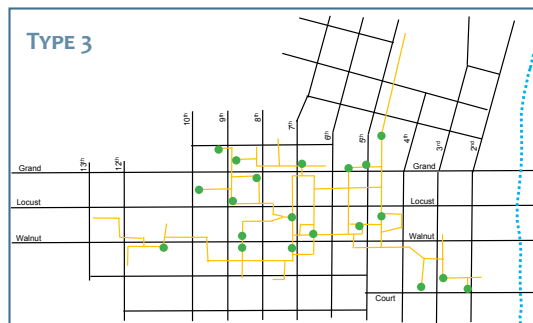
This condition is the most infrequent of the current conditions and has strong potential for conversion to Type 1 access. Pedestrians can readily see how they traverse from grade up to a particular skywalk, but the visible access from the skywalk back to grade is currently obscured.



TYPE 3. VISIBLE ACCESS FROM SKYWALK ONLY



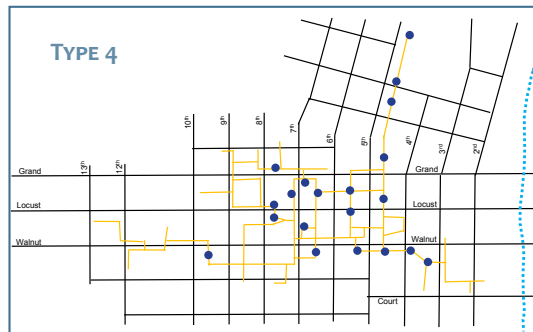
This condition is the most frequent of the three types of visible connections. Pedestrians can readily see how they traverse from a particular skywalk to grade. This condition often occurs within existing building lobbies where pedestrians can see the at-grade exit of the building from the skywalk level. Unfortunately, from grade at the exterior the building entry is not necessarily perceived as an access point to the skywalk system.



TYPE 4. NO VISIBLE ACCESS



Unfortunately, this is the most prominent condition and is the primary cause for the isolation of the two levels of pedestrian flow. The skywalk system has no defined exit system of its own and uses the enclosed exit stairs of the existing buildings to afford exiting to grade. Most often these are required building exits within enclosed shafts that do not allow visual access in their standard condition. Only the most prevalent of this type has been identified.



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

SYSTEMIC ACCESS THROUGH CONVERSION

The most optimum condition in developing a two-level pedestrian system is Type 1, where visual and physical access between the two levels is obvious. To help maximize this optimum condition, we have begun to identify places where Type 2 and Type 3 connections can be readily converted into Type 1 connections. Many of the Type 3 conditions are within existing building lobbies and are not readily convertible, but they can still serve as reasonable points of vertical connection, since the skywalk level does become visible upon entering the building. The few Type 2 connections should be convertible to Type 1. Type 4 connections have negligible potential for conversion.

Multiple factors will help determine which of the existing vertical connections would be the most effective to convert into Type 1 connections. Each potential location has been evaluated based on the following factors.

1. EQUAL DISTRIBUTION

A goal for the two-level pedestrian system would be to have at least one Type 1 or Type 3 connection within each block of the skywalk system as it currently exists. This goal appears achievable through the conversion of the Type 2 and some of the Type 3 connections into Type 1 connections.

2. EASE OF CONVERSION

Since the skywalk system has no vertical connectors of its own and relies on the vertical connections of the buildings it serves to provide vertical access, it is critical to identify locations where those existing connections can be readily opened up to meet Type 1 standards or where there is sufficient space available to create Type 1 standards by adding to the existing condition.

3. PRIORITY

Many factors are being analyzed as part of this study, including mechanical, structural, cosmetic, and signage issues. Various locations have been identified with significant needs in one or more of those areas. Those general locations may also be prime candidates for a vertical connection conversion to help maximize the potential value gained by concentrating effort and resources.

4. PEDESTRIAN TRAFFIC

A past study has identified pedestrian traffic counts for the various skywalk intersections. The data is several years old, but there is a significant variation in the recorded pedestrian traffic flow within the skywalks. Access could be maximized through the use of vertical connections that are located in the highest traffic areas. Unfortunately, comparable data does not exist for street-level pedestrian traffic, which could be helpful if it was available.

5. UNIVERSAL AND EMERGENCY ACCESS

The current skywalk system does not have specific standards for the frequency of universal or emergency access. The existing special access points that are available to the skywalk system are typically embedded within the existing building systems and are often inaccessible during standard skywalk hours. New or converted vertical access points could begin to develop a holistic system for universal and emergency access.

IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

METHODS OF IDENTIFICATION

The existing points of potential vertical connection are extremely varied, ranging from city parking garage stairwells to grand building lobbies with cascading stairways. Even though clear visual access is the most critical factor in enhancing the connections, it is also important for the vertical connections to have a strong and consistent form of identity, particularly with the wide variety of architectural expressions and materials at the various locations.

To deal with the broad range of conditions, we have developed a layered solution that incorporates three methods of identity:

1. An external lighting symbol
2. Internal lighting
3. A specific “S” signage icon, symbolizing connection to both “S”kywalk and “S”idewalk

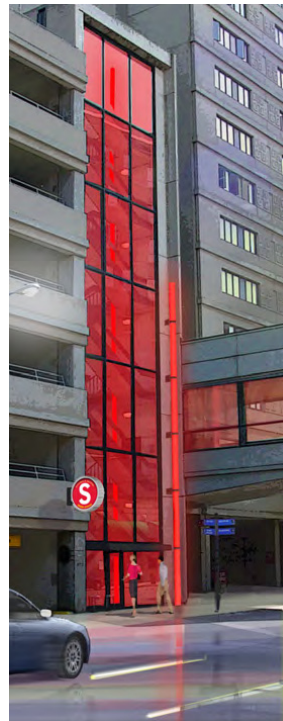
All three methods incorporate the aggressive color of red as a key factor in their dominant and powerful identity. The methods can be used together in various combinations, depending on the specific conditions.



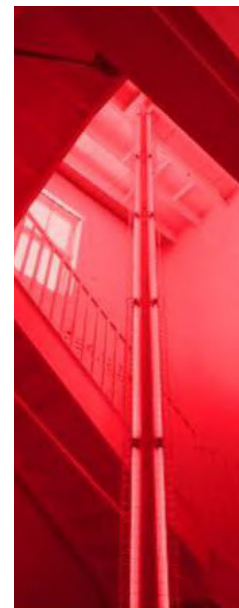
METHOD OF IDENTITY: SIGNAGE ICON SYMBOLIZING
“S”KYWALK AND “S”IDEWALK



METHOD OF IDENTITY: EXTERNAL LIGHTING SYMBOL



METHOD OF IDENTITY: INTERNAL LIGHTING

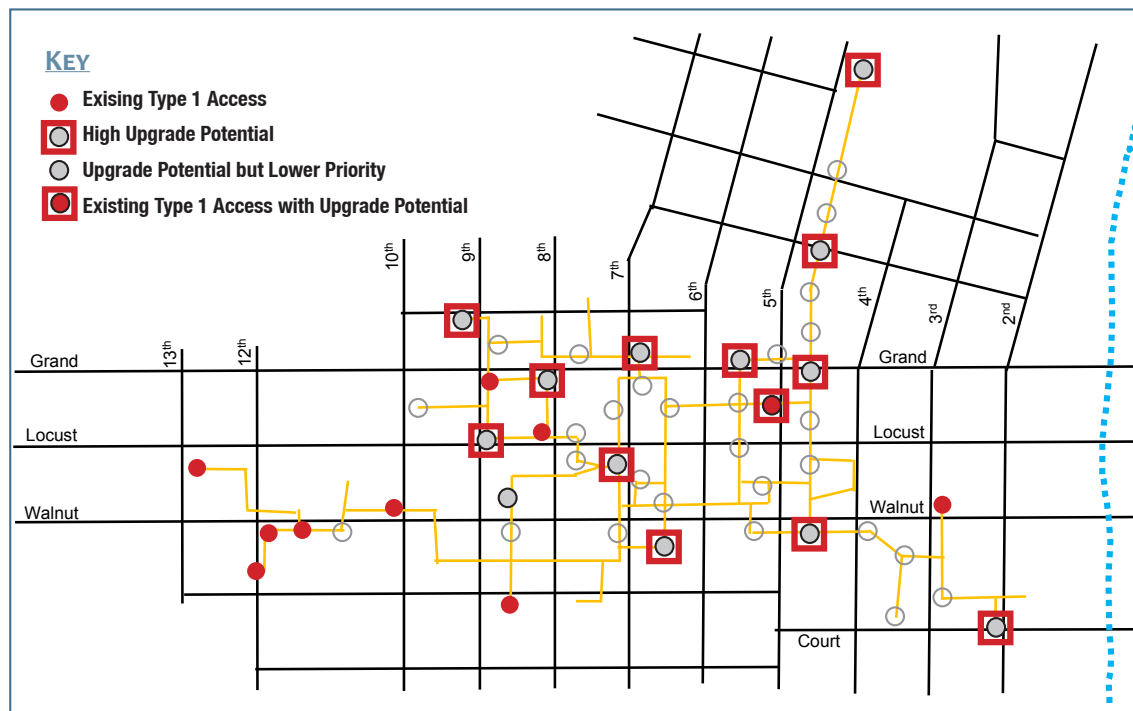


IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

CONVERSION LOCATIONS

Because their current condition favorably addresses the conversion evaluation factors, most of the existing vertical connections with Type 1 conversion potential are located within city parking garages. This predominant type of location could also take maximum advantage of all three methods of identity. The bold and unique lighting expressions would create a strong identity even within the very modest and utilitarian existing conditions. Other locations that are more directly and positively influenced by the openness of their visual connection and the high quality of their architectural setting may only need to use the “S” sign to create a sufficient identity for vertical connection. Each location would need to be evaluated to determine the most appropriate response.

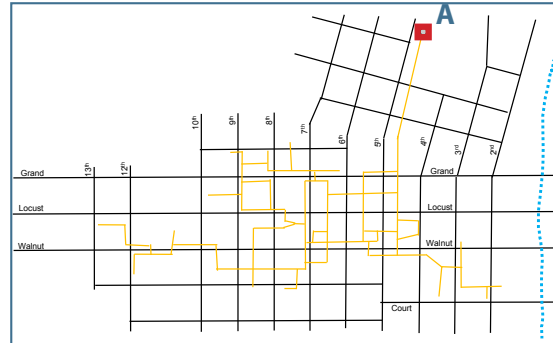
Through the application of our defined standards, we have identified thirteen potential locations to convert existing vertical connections to Type 1 or Type 3 access. These locations, supplemented with other existing Type 1 and Type 3 points of access, would create an effective two-level pedestrian system with at least one point of quality access in nearly all blocks currently connected to the skywalk system.



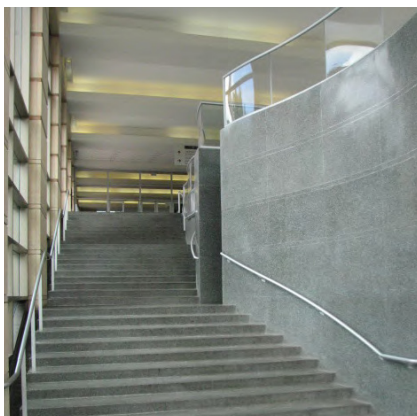
IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

A. VETERAN'S AUDITORIUM (TYPE 1- ENHANCED)*

The grand two-story lobby at the southeast corner of Veteran's Auditorium was originally designed to access drop-off traffic from Center Street to the south. Since then the street has been lowered and converted into an access drive for the adjacent service area of the complex. This diminished the effectiveness of the lobby as a drop-off point and pedestrian entry. To reactivate this major architectural entry for both skywalk and building complex access, the site to the west would need to be modified to entice access, and a lift could be added at the interior to create universal access. This location could potentially be enhanced by both internal and external feature lighting.



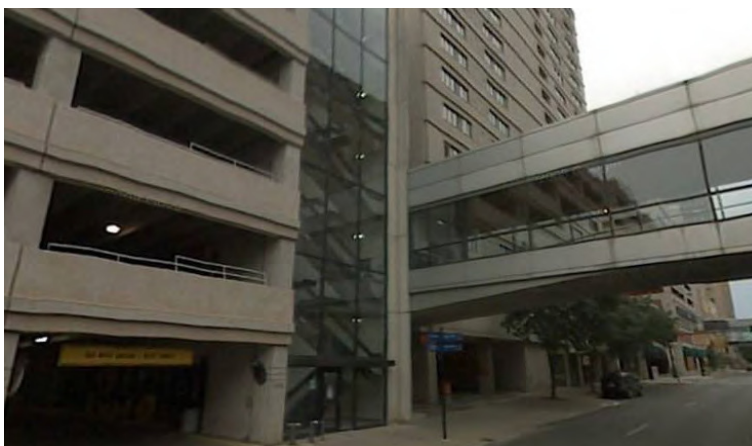
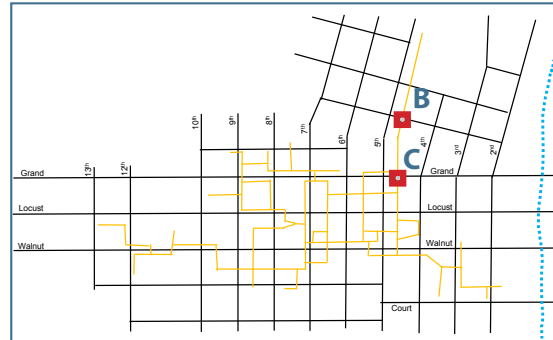
** This location has the potential for universal and emergency access during standard skywalk hours.*



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: SKYWALK MASTER PLAN

B. 5TH AND KEO PARKING RAMP (TYPE 2 TO TYPE 1)

This Type 2 connection would require maximizing the visual opening from the skywalk level to the adjacent exit stair for the parking garage. A glass separation and glass door would need to remain to address thermal transfer from the unheated stair. This glazed stair location would be enhanced by both internal and external feature lighting. Code implications for the exit stair would have to be evaluated.



C. 4TH AND GRAND PARKING RAMP (TYPE 2 TO TYPE 1)

Same as B.



IOWA EVENTS CENTER (IEC) CONVENTION HOTEL AND DISTRICT IMPROVEMENTS: GRAND AVENUE STREETScape

Grand Avenue: a Grand Opportunity

Grand Avenue is an opportunity to initiate the incremental, public-private collaboration strategy that is needed to accomplish the sweeping, ambitious improvements to downtown's sidewalk environment and pedestrian realm.

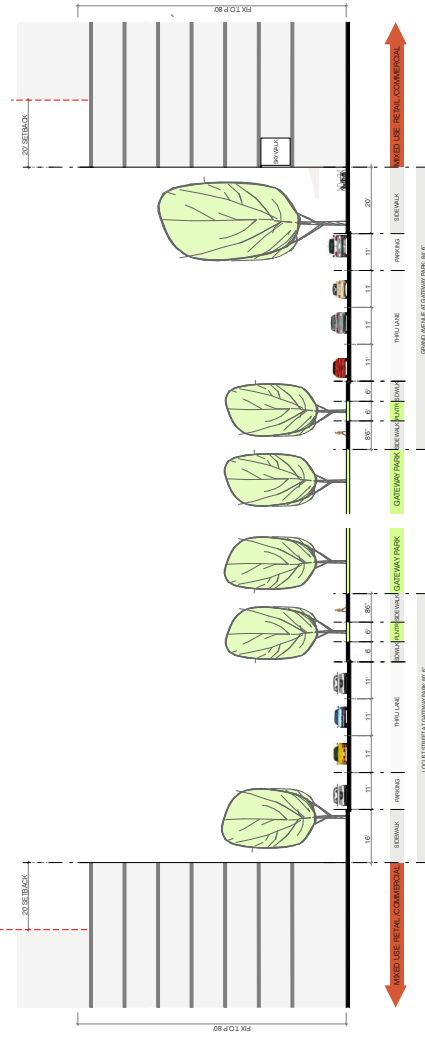
As the only street that stretches through the entire east-west length of downtown and several miles beyond to communities to the east and west of downtown, the street merits treatment fitting of its name. Grand Avenue serves as a one-way pair to Locust Street west of the Des Moines River to 17th Street and as a two-way street east of the River. In its role as a one-way pair, Grand Avenue has a 5-lane roadway, whereas Locust Street moves east-bound traffic in 4 lanes. To improve the quality of the sidewalk experience along Grand Avenue, the width of the lane on the north side of this broad street. This modification would accomplish a number of challenges:

- remedy the uncomfortably narrow sidewalks at various locations along Grand Avenue
- facilitate connection between north and south sides of Grand Avenue
- provide safer north-south crossing across Grand Avenue

Many blocks on the north side of Grand Avenue on the east and west sides of the River face redevelopment and/or re-investment in the coming years. With clear planning and direction in-place, this initiative could be accomplished for the entire stretch of the downtown section of Grand Avenue through incremental investment during the course of redevelopment.



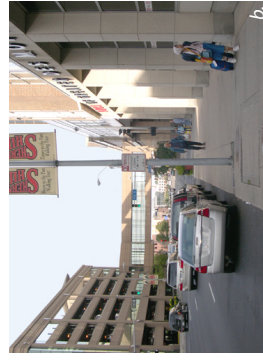
Grand Avenue is a major street in the metropolitan area. It stretches through downtown, extending east to the State Highlands and west past the Des Moines Art Center and into the western suburbs.



section through Gateway Park looking west with the existing roadway section on the left and the proposed Grand Avenue section on the right. The proposal includes a wider sidewalk and narrower roadway on Grand Avenue



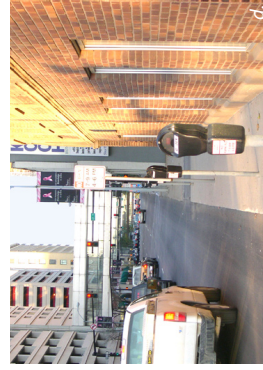
a. looking east at Grand Avenue and 12th Street, existing conditions along Grand Avenue (photos west to east / left to right):



b. looking west at Grand Avenue and 8th Street,



c. looking west at Grand Avenue and 5th Street,



d. looking west at Grand Avenue and 3rd Street,

PROJECT DESCRIPTION:

This project renovates three adjoining National Register of Historic Places buildings on the north-west corner of Court Avenue and Fourth Street. The Randolph Hotel, anchoring the corner of 4th Street and Court Avenue, is currently an 8-story vacant building. The Earle & Le Bosquet, directly to the west is currently a 4-story vacant warehouse building fronting Court Avenue. The Youngerman Block building, directly to the north of the Randolph Hotel and faces 4th Street, is a 3-story vacant building. This proposal converts the upper stories of the three buildings into 55 market-rate apartments with the first floors providing approximately 8,000 SF of commercial space designed to accommodate restaurant and retail tenants.

As Court Avenue has flourished as an entertainment district, visitor destination and residential neighborhood in recent years, these three derelict buildings have been a hindrance to development and investment on the western end of Court Avenue as well as significant safety hazards; none of the buildings are sprinklered for fire protection.

The proposal is a historic renovation that restores them in a sensitive and sensible manner providing the opportunity for new life in the historic buildings and improving surrounding pedestrian environment. This, in turn, encourages redevelopment on nearby under-utilized parcels.

This project is at a highly visible linchpin location that impacts many other properties.

▷ It retains and greatly improves these buildings, providing a major historic component to the Court Avenue area.

▷ Overall, Court Avenue and the 4th Street corridor linking Walnut Street to the Science Center gets a large boost with this new investment on a large site that has physically deteriorated significantly over the years.

▷ With the significant investment and much-improved appearance of these structures, there will be a positive impact with enhanced marketability on the City- and County-owned sites to the south.

The developer, Randolph Apartments Limited Partnership (George Sherman and Associates from Minneapolis, Minnesota), has a history of executing complicated historic conversion projects such as this in other Midwest markets. He has successfully completed over 300 housing units and commercial space in four downtown Des Moines projects in the past ten years.

RANDOLPH HOTEL YOUNGERMAN BUILDING, AND EARLE & LEBOSQUAIT BUILDING

FUNDING USES

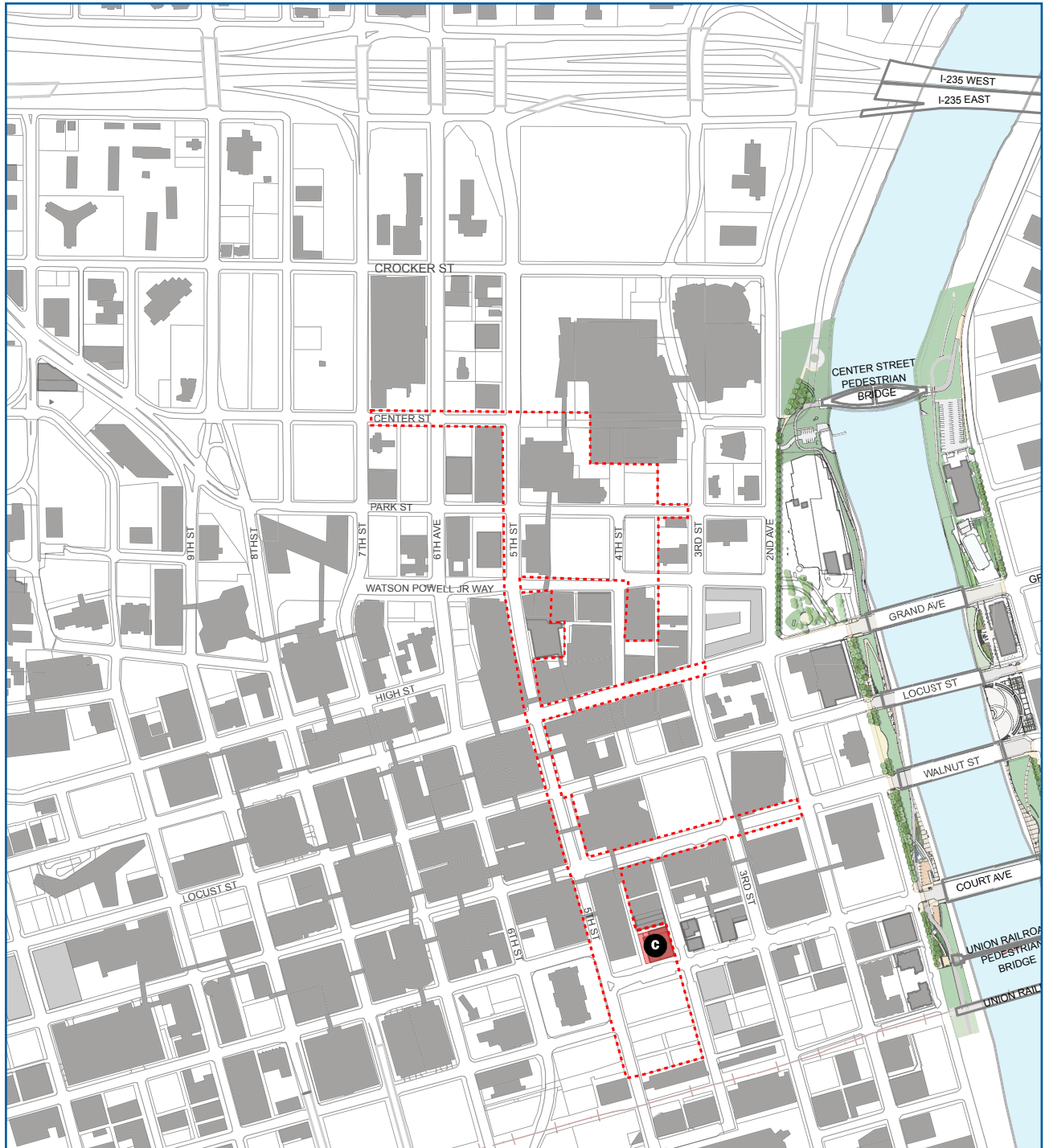
Site Preparation	N/A
Building Acquisition	\$1,675,000
Building Construction	N/A
Building Remodeling	\$12,622,425
Developer Fee	\$2,105,000
Architectural Design.	\$279,100
Engineering Design.	\$50,000
Construction Admin.	incl in architectural
Other - soft costs	\$2,354,910

Total Project Budget \$19,086,435

FUNDING SOURCES

Developer Equity	\$1,929,115
1st Mortgage.	\$5,680,000
2nd Mortgage	\$835,000
3rd Mortgage	\$2,690,000
Federal HRTC Equity	\$3,138,265
State HRTC Equity	\$3,962,455
HEZ Tax Credit Equity.	\$677,600
HEZ Sales Tax Rebate	\$174,000

Total Project Sources. \$19,086,435



Iowa Reinvestment Act
Iowa Convention and Entertainment District
District Plan | Randolph Hotel

Final Application
4 February 2015

N.T.S.



PROJECT PLAN | RANDOLPH HOTEL

DESCRIPTION AND TYPE OF PROJECT

New lessor in mixed use historic renovation and conversion project

EXPECTED TIMELINE

Environmental remediation was started in February 2015 with construction anticipated to start when the two months of remediation is completed. Project completion is planned for early 2016.

DETAILED BUDGET FOR THE PROJECT

The total project cost is estimated at \$19 Million. See budget detail on Source/Use table and construction budget attached.

EXPECTED DEBT ASSOCIATED WITH EACH PROJECT

Project financing will be provided from a variety of sources including State of Iowa and federal historic tax credits, and State of Iowa Housing Enterprise Zone credits.

STATUS OF EXPECTED FINANCING AND FINANCING GAP

All sources of funding have been approved.

A \$2.6 million gap between costs to undertake project and funding has been identified for the project. The higher costs are due in large part to the historic level of renovations and the overall poor condition of the structures.

Financing for the gap will be provided with City of Des Moines economic development assistance grants funded from tax increment revenues from the Metro Center Urban Renewal Area. Payments will be made for nine years with the first payment to begin at the time when the City issues the Certificate of Completion which is anticipated to be 1Q 2016; the remaining eight annual payments will start on July 1, 2016. The payments are based on an existing \$2.6 million gap; the annual payment will increase annually by \$25,000 starting from a base payment of \$200,000. Based on cost of borrowing at a 4.5% interest rate, the sum of the City's payments (approximately \$3.4 million over nine years) totals a net present value of \$2.6 million.

EXPECTED STATE HOTEL/MOTEL TAX AND/OR STATE SALES TAX PROJECTIONS OVER 20 YEARS

\$3,984,000; see attachment excerpt from the Economic Impact Analysis for detail.

VISUAL AIDS WHICH ENHANCE THE UNDERSTANDING OF THE PROJECT

See attached images of the proposed renovation and conversion of the Randolph Hotel, Youngerman Building, and the Earle & LeBosquait Building

FEASIBILITY STUDY CONDUCTED BY AN INDEPENDENT PROFESSIONAL

See attached "City of Des Moines Downtown Retail Market Analysis" conducted in 2013 by the Gibbs Planning Group, Inc.

CONSTRUCTION BUDGET: RANDOLPH HOTEL

RAU CONSTRUCTION COMPANY

December 29, 2014

Detailed Recapitulation of Cost

Randolph Building
Des Moines, IA

Description	Randolph Des Moines Base Bid	VE Amounts	VE Item #	VE TOTALS 4/28/2014	100 % Plans Bids 6/4/2014	over (under)	110% Plans Bids 42,002	over(under)
General Conditions	507,208			507,208	507,208	-	507,208	-
Demolition	364,870			364,870	364,870	-	518,470	153,600
Site utilities	1			1	1	-	1	-
Sidewalk Valut - Sidewalks	-			-	-	-	-	-
City Street Scape	21,541			21,541	21,561	20	16,792	(4,769)
Asphalt patch	24,786			24,786	24,786	-	25,789	1,003
Excavation & Machines	75,800			75,800	75,800	-	76,600	800
Re Steel	23,551			23,551	18,551	(5,000)	18,551	-
Cut & Repair Struct	54,620			54,620	54,620	-	62,426	7,806
Repair Beams	-			-	-	-	-	-
New Deck & flatwork	-			-	-	-	-	-
New Footings	144,655	(62,690)	15,19	81,965	81,965	-	125,953	43,988
New Flatwork	48,414	(14,256)	28	34,158	34,158	-	61,910	27,752
Conc. Topping	53,062			53,062	53,062	-	59,700	6,638
Soil Stabilization	-			-	-	-	87,280	87,280
Brick Cleaning / Interior repairs	-			-	-	-	-	-
Brick Pavers	28,813	(13,406)	29	15,407	15,407	-	16,618	1,211
Masonry Block	426,533	(59,879)	16,26,1a	366,654	366,654	-	383,654	16,800
Historic Restoration & Clean	326,466			326,466	326,466	-	338,000	11,534
Marble & Terrazzo	-			-	-	-	-	-
Structural & Misc. Steel	490,200	(77,227)	17,27,33	412,973	412,973	-	403,108	(9,865)
Balconies	-			-	-	-	-	-
Rough Carpentry	439,419	(69,415)	18,1a, 4a	370,004	370,004	-	370,004	-
Finish Carpentry	85,404			85,404	85,404	-	85,404	-
Finish Trim	45,000			45,000	45,000	-	45,000	-
Waterproofing	3,587			3,587	3,587	-	3,587	-
Building Caulking	-			-	-	-	-	-
Residential Caulking	-			-	-	-	-	-
Roofing	179,500			179,500	179,500	-	190,300	10,800
Sheet metal	119,033			119,033	136,340	17,307	181,125	44,785
Roof accessories	-			-	-	-	-	-
Insulation	-			-	-	-	-	-
HM Frames & Hardware	518,100	(219,552)	43,11a	298,548	298,548	-	318,565	20,017
Wd Doors	-			-	-	-	-	-
Wood Windows	78,010			78,010	78,010	-	78,010	-
Alum Windows	397,809	(66,012)	26	329,797	329,797	-	379,797	50,000
Storefront & OH Doors	115,710	(31,000)	38	84,710	84,710	-	145,020	60,310
Mirrors	300			300	300	-	0	(300)
Lath & Plaster repairs	-			-	-	-	-	-
Historic Plaster	-			-	-	-	-	-
Drywall	985,038			985,038	1,014,538	29,500	1,067,134	52,596
Cornice	125,001	(125,001)	33	-	-	-	-	-
Acoustical	-			-	-	-	-	-
Terrazzo	28,512	(18,512)	39	10,000	10,000	-	10,000	-
Ceramic & Special Flooring	139,525	(139,525)	44	-	-	-	-	-
Carpet & Resil. Floor	255,652	(9,831)	44	245,821	245,821	-	245,821	-
Conc. Floor Finish	-			-	-	-	-	-
Floor patch and repairs	-			-	-	-	-	-
Painting	335,717			335,717	335,717	-	335,717	-
Signs	-			-	-	-	-	-
Fire Exlg	6,344			6,344	6,344	-	6,344	-
Mail boxes	4,853			4,853	4,853	-	4,853	-
Toilet accessories	22,966			22,966	33,025	10,059	33,205	180
Accessories - Med Cabinets	18,586			18,586	18,586	-	19,340	754
Closet Shelves	-			-	-	-	-	754
Awnings	-			-	-	-	-	754
Dock Lift	-			-	-	-	-	-

VISUAL: CONSTRUCTION BUDGET

<div> <div>December 29, 2014</div> <div> RAU CONSTRUCTION COMPANY Detailed Recapitulation of Cost </div> </div>								
<div> <div>Randolph Building</div> <div>Des Moines, IA</div> </div>								
Description	Randolph Des Moines Base Bid	VE Amounts	VE Item #	VE TOTALS 4/28/2014	100 % Plans Bids 6/4/2014	over (under)	110% Plans Bids 42,002	over(under)
Millwork	-			-	-	-	-	-
Counter tops	26,590			26,590	26,590	-	26,590	-
Vanity tops	-			-	-	-	-	-
Manufactured Cabinets	138,527	(32,793)	42	105,734	105,734	-	127,916	22,182
Install cabinets	55,000			55,000	55,000	-	55,000	-
Appliances	101,449	(15,006)	48,14a	86,443	86,443	-	109,597	23,154
Blinds	16,870			16,870	16,870	-	16,872	2
Construction Lift	-			-	-	-	-	-
Lift Operator	14,400			14,400	14,400	-	14,400	-
Elevators	268,297	(65,910)	15	202,387	202,387	-	210,908	8,521
Fire Sprinklers	275,353	(19,744)	4a	255,609	255,609	-	263,079	7,470
Plumbing	2,186,464	(78,080)	8,9,10,12	2,108,384	2,108,384	-	2,122,154	13,770
HVAC	-			-	-	-	-	-
Electrical	951,325			951,325	951,325	-	963,570	12,245
Security Systems	-			-	-	-	-	-
Sub Total	10,528,861	(1,119,639)		9,409,222	9,461,108	51,886	10,131,372	670,264
Sales Tax	20,000			20,000	20,000	-	20,000	-
Rounding	4			4	-	(4)	0	-
First floor historic renovate existing	-			-	-	-	0	-
Permits	41,951			41,951	41,951	-	41,951	-
Other fees, permits, street closing	5,000			5,000	5,000	-	5,000	-
Contractor Fee	10,595,816	(1,119,639)		9,476,177	9,528,059	51,882	10,198,323	670,264
Bond	631,471	(129,429)		502,042	504,791	2,749	540,301	35,510
	60,317			60,317	59,181	(1,136)	61,190	2,009
TOTAL OF THE ABOVE	11,287,604	(1,249,068)		10,038,536	10,092,031	53,495	10,799,814	707,783
Accepted Alternates								
Alternate 1: Acousti-mat					48,172			
Alternate 2: Soil Stabilization					90,758			
Alternate 3: Fencing					13,616			
Alternate 5: Floating Vanities					7,173			
Alternate 10: 8' mechanical doors					12,979			
Alternate 15: Street lighting					11,235			
Total of Alternates					183,933			
June 9, 2014 Bid with Accepted Alternates					10,092,031			
					10,275,964		10,799,814	523,850

VISUAL: RANDOLPH HOTEL

Hotel Randolph Postcard



HOTEL RANDOLPH — A BOSS HOTEL — DES MOINES, IOWA

VISUAL: RANDOLPH HOTEL

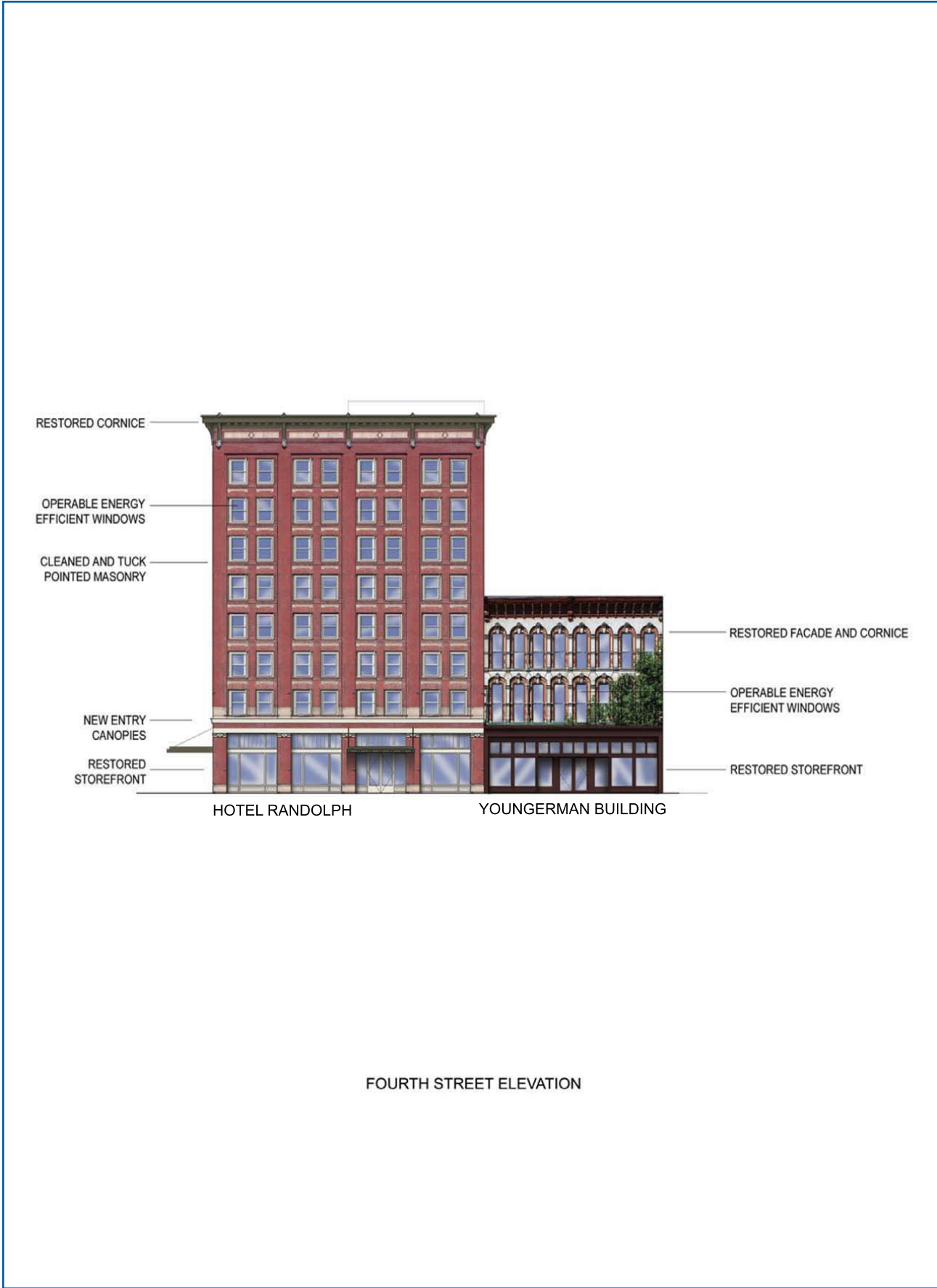


VISUAL: RANDOLPH HOTEL



COURT AVENUE ELEVATION

VISUAL: RANDOLPH HOTEL

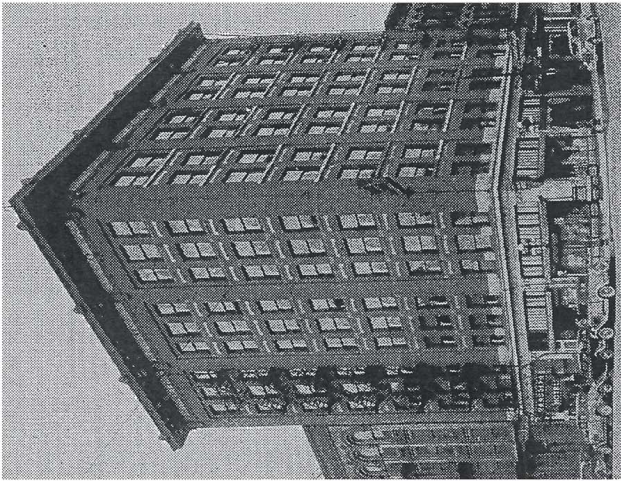
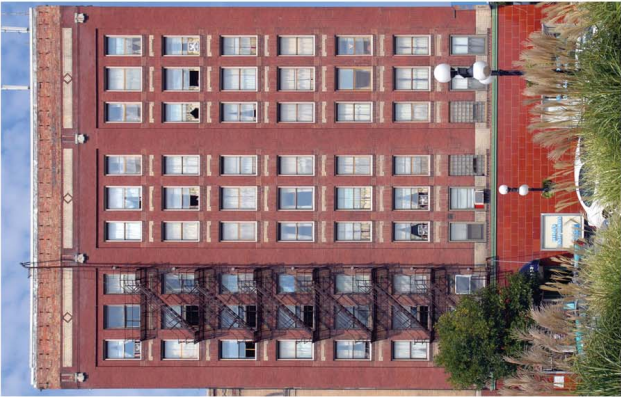
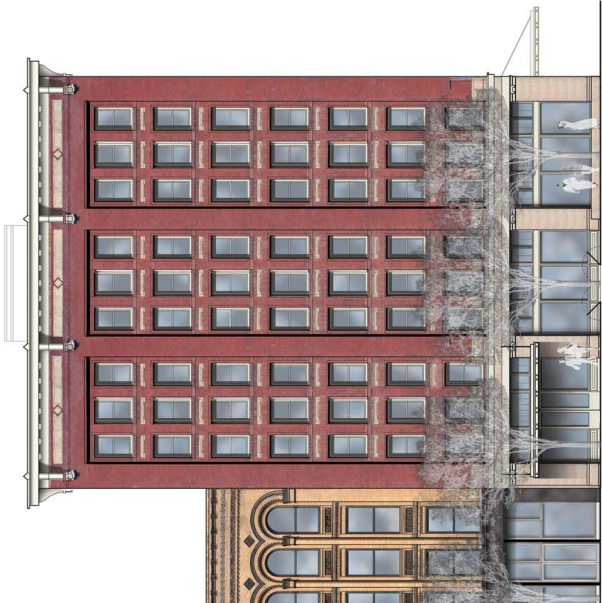


VISUAL: RANDOLPH HOTEL

substance
ARCHITECTURE
INTERIORS
DESIGN

305 FIFTH AVENUE, SUITE 300
DES MOINES, IA 50319
P 515.263.4077
F 515.263.4072

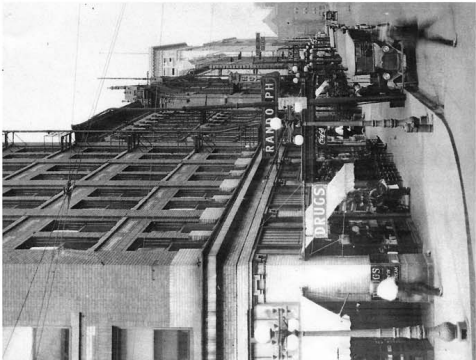
HOTEL RANDOLPH
202 4th STREET
DES MOINES, IA



VISUAL: RANDOLPH HOTEL

substance
ARCHITECTURAL
INTERIORS
DESIGN
505 FIFTH AVENUE, SUITE 800
DES MOINES, IOWA 50309
P 515.263.4497
F 515.263.4492

HOTEL RANDOLPH
202 4th STREET
DES MOINES, IA

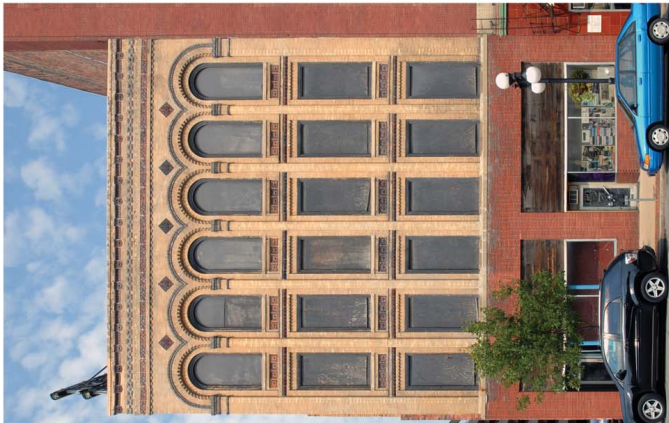
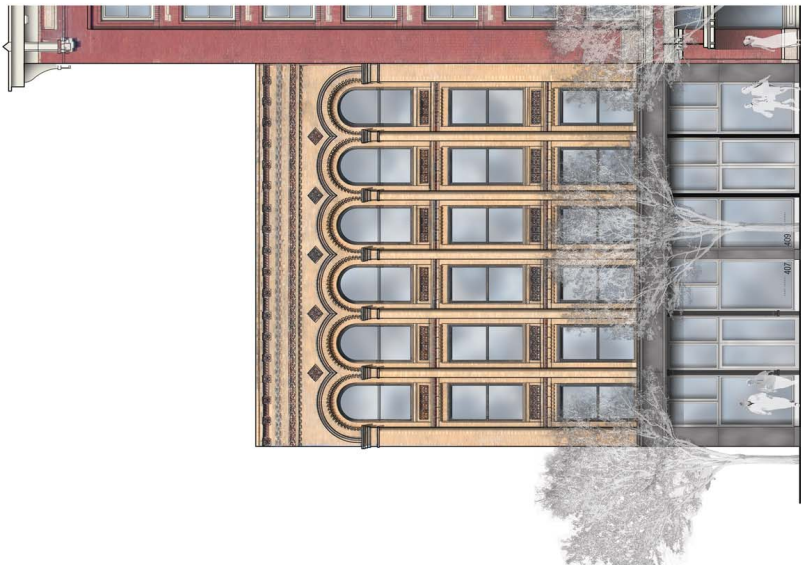


VISUAL: RANDOLPH HOTEL

substance
ARCHITECTURE
INTERIORS
DESIGN

305 FIFTH AVENUE, SUITE 800
DES MOINES, IA 50319
P 515.263.4407
F 515.263.4402

EARLE & LeBOSSQUET BLOCK
407-409 COURT AVENUE
DES MOINES, IA



STREET LEVEL FLOOR PLAN

UNIT TYPE 1 100 SF

UNIT TYPE 2 100 SF

UNIT TYPE 3 100 SF

UNIT TYPE 4 100 SF

UNIT TYPE 5 100 SF

UNIT TYPE 6 100 SF

UNIT TYPE 7 100 SF

UNIT TYPE 8 100 SF

UNIT TYPE 9 100 SF

UNIT TYPE 10 100 SF

UNIT TYPE 11 100 SF

UNIT TYPE 12 100 SF

UNIT TYPE 13 100 SF

UNIT TYPE 14 100 SF

UNIT TYPE 15 100 SF

UNIT TYPE 16 100 SF

UNIT TYPE 17 100 SF

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UNIT TYPE 76 100 SF

UNIT TYPE 77 100 SF

UNIT TYPE 78 100 SF

UNIT TYPE 79 100 SF

UNIT TYPE 80 100 SF

UNIT TYPE 81 100 SF

UNIT TYPE 82 100 SF

UNIT TYPE 83 100 SF

UNIT TYPE 84 100 SF

UNIT TYPE 85 100 SF

UNIT TYPE 86 100 SF

UNIT TYPE 87 100 SF

UNIT TYPE 88 100 SF

UNIT TYPE 89 100 SF

UNIT TYPE 90 100 SF

UNIT TYPE 91 100 SF

UNIT TYPE 92 100 SF

UNIT TYPE 93 100 SF

UNIT TYPE 94 100 SF

UNIT TYPE 95 100 SF

UNIT TYPE 96 100 SF

UNIT TYPE 97 100 SF

UNIT TYPE 98 100 SF

UNIT TYPE 99 100 SF

UNIT TYPE 100 100 SF

PROJECTED SALES TAX: RANDOLPH HOTEL

Table 4-13

Randolph Hotel, Des Moines, Iowa Estimated Sales Tax Revenues Generated within the Randolph Hotel Site only (\$Million)

		Sales Tax (6%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions
		4.0%**	2.0%	7.0%	5.0%			
		(A)	(B)	(C)	(D)	(E)	(F) = (A) + (D)	(G) = (E) - (F)
Year 1	2018	\$0.148	\$0.074	na	na	\$0.222	\$0.148	\$0.074
	2019	0.153	0.076	na	na	0.229	0.153	0.076
	2020	0.157	0.079	na	na	0.236	0.157	0.079
	2021	0.162	0.081	na	na	0.243	0.162	0.081
	2022	0.167	0.083	na	na	0.250	0.167	0.083
	2023	0.172	0.086	na	na	0.258	0.172	0.086
	2024	0.177	0.089	na	na	0.266	0.177	0.089
	2025	0.182	0.091	na	na	0.274	0.182	0.091
	2026	0.188	0.094	na	na	0.282	0.188	0.094
	2027	0.193	0.097	na	na	0.290	0.193	0.097
	2028	0.199	0.100	na	na	0.299	0.199	0.100
	2029	0.205	0.103	na	na	0.308	0.205	0.103
	2030	0.211	0.106	na	na	0.317	0.211	0.106
	2031	0.218	0.109	na	na	0.327	0.218	0.109
	2032	0.224	0.112	na	na	0.336	0.224	0.112
	2033	0.231	0.115	na	na	0.346	0.231	0.115
	2034	0.238	0.119	na	na	0.357	0.238	0.119
	2035	0.245	0.123	na	na	0.368	0.245	0.123
	2036	0.252	0.126	na	na	0.379	0.252	0.126
	2037	0.260	0.130	na	na	0.390	0.260	0.130
	2038	0.268	0.134	na	na	0.402	0.268	0.134
	2039	0.276	0.138	na	na	0.414	0.276	0.138
	2040	0.284	0.142	na	na	0.426	0.284	0.142
	2041	0.293	0.146	na	na	0.439	0.293	0.146
	2042	0.301	0.151	na	na	0.452	0.301	0.151
	2043	0.310	0.155	na	na	0.466	0.310	0.155
	2044	0.320	0.160	na	na	0.480	0.320	0.160
	2045	0.329	0.165	na	na	0.494	0.329	0.165
	2046	0.339	0.170	na	na	0.509	0.339	0.170
	2047	0.349	0.175	na	na	0.524	0.349	0.175
Total in 20 Years		\$3.984	\$1.992	na	na	\$5.976	\$3.984	\$1.992
Total in 30 Years		\$7.054	\$3.527	na	na	\$10.580	\$7.054	\$3.527

*Applied to Randolph Hotel's sales figures (Line 1 of Table 4-7).

Total tax rate is 6 percent, of which 4 percent is allowed by IRA to be available for District Reinvestment Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

Source: Johnson Consulting

City of Des Moines
Downtown Retail Market Analysis



Prepared for:
City of Des Moines

Prepared by:
Gibbs Planning Group, Inc.

21 January 2013



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INTRODUCTION

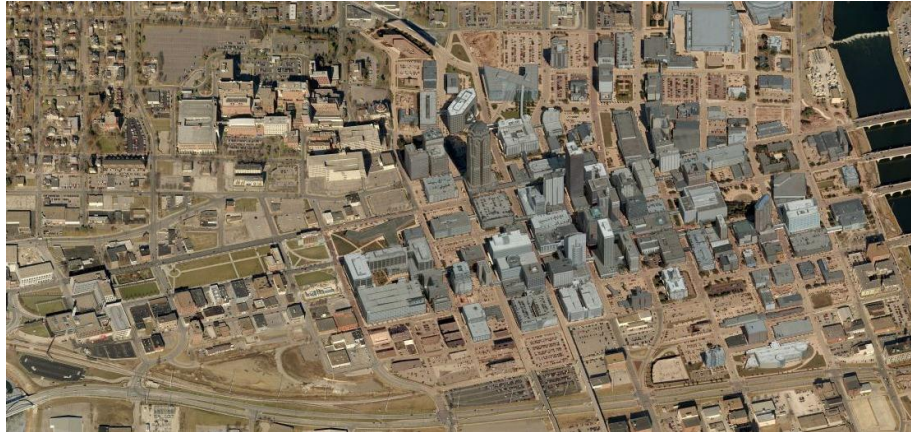


Figure 1: Aerial photo of downtown Des Moines looking north.

Executive Summary

This study finds that downtown Des Moines can presently support an additional 226,800 square feet (sf) of retail and restaurant development, generating over \$87.2 million in new sales. By 2017, the study area can expand to 238,100 sf of new commercial growth, generating \$91.6 million in sales. The demand could partially be absorbed by existing businesses, or with the opening of 75 to 125 new restaurants and retailers.

The downtown Des Moines commercial area is underserving its consumer base, both residents and employees. The greatest categories of supportable retail growth are full and limited restaurants, department stores, apparel & shoe stores, grocery stores, and health & personal care stores. Although there is strong retail competition to the west and northwest, daytime employee expenditure will supplement evening and weekend residential consumer expenditure, creating the base for community-scale retailers to enter the market, or expand their local presence.

Des Moines is located in the southern central region of Iowa between Cedar Rapids, Iowa in the east and Omaha, Nebraska in the west. Highway 69, Interstate 235, and the Des Moines River define the downtown study area. The existing retail is limited to mostly neighborhood goods and services, but exceptional freeway and local artery access, along with significant consumer expenditure leakage from the trade areas, offers potential to expand the scale to include community and regional retailers.

Although the retail vacancy rate (11.2 percent) is still greater than twice the rate from the historic lows of 2007 (4.7 percent), it is trending downward from the 2010 peak of 11.7 percent. Average asking retail lease rates, at \$14.25 per sf triple net, are also down 30 percent from the 2007 highs of \$20.25 per sf triple net; however, households are projected to grow at the annual rate of .79 percent and household income will expand annually by 3.0 percent, increasing the number of consumers and their buying power.

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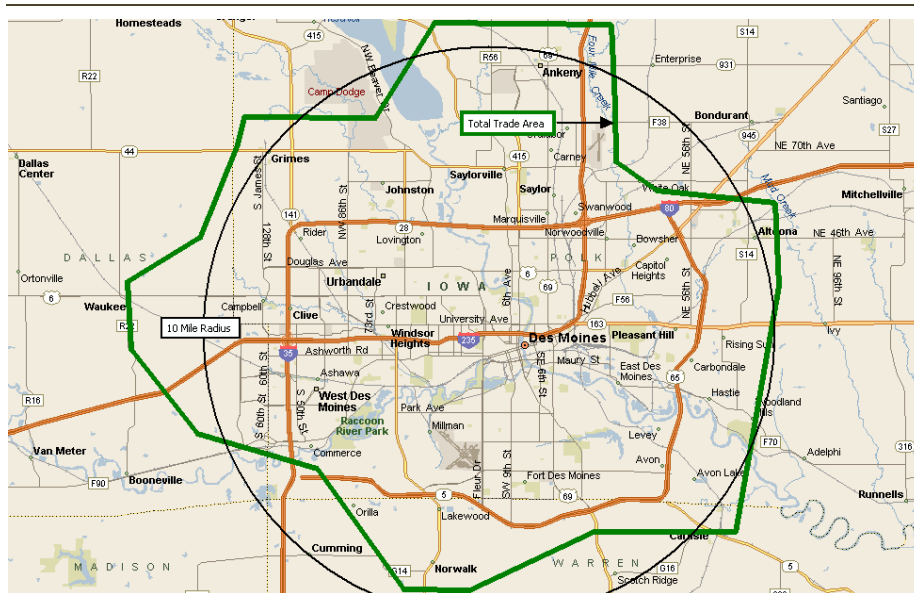


Figure 2: Interstates 35 and 80 provide access into the total trade area from all direction. Interstate 235 runs into the Des Moines downtown area.

This study further finds that the downtown has a total trade area population of 468,600 persons, increasing to 503,600 persons by 2017. The projected annual growth rate is 1.45 percent, slightly exceeding both the state and national levels. Average household income in the total trade area is \$72,900, higher than both the state and national averages. The district's per capita income (\$29,200) is also more than the state and national levels. The total trade area has a labor base of 323,800 employees,

The supportable 2012 retail stretches across the spectrum of retail categories including:

- 42,200 sf Limited-Service Restaurants
- 32,300 sf Apparel, Shoes, & Accessories
- 31,400 sf Department Stores
- 31,200 sf Groceries & Specialty Food
- 30,400 sf Full-Service Restaurants
- 15,700 sf Health & Personal Care
- 11,500 sf Furniture & Home Furnishings
- 7,300 sf Sporting Goods, Hobby, Books & Music
- 6,700 sf Office Supplies & Gifts
- 6,100 sf Electronics, Appliances, & Computers
- 3,900 sf General Merchandise
- 3,200 sf Jewelry, Luggage & Leather Goods
- 2,800 sf Hardware, Lawn & Garden Supplies
- 1,600 sf Miscellaneous Retailers

226,800 sf Total Supportable Retail

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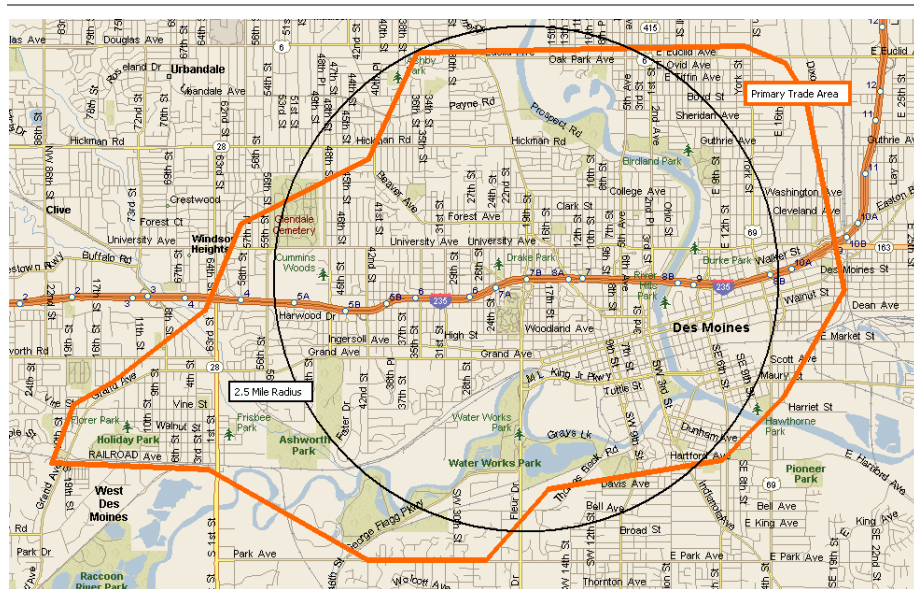


Figure 3: Consumers in the primary trade area account for 70 to 80 percent of the business generated in the study area.

Background

Gibbs Planning Group Inc. (GPG), has been retained by the City of Des Moines, Iowa to conduct a retail feasibility analysis for the general downtown Des Moines commercial area, including, but not limited to the Walnut Street shopping district. The study area is located along Walnut Street in the central business district between Martin Luther King Junior Parkway and the Des Moines River.

At the heart of the study area is the Kaleidoscope at the Hub, a shopping center which has helped establish downtown Des Moines as a viable retail corridor for the growing population of daytime office workers. With nearly all of the Des Moines metro area's major shopping centers located in the west and northwest of the city, there is a major retail void in the Central Business District (CBD). The office market in downtown Des Moines has a 27 percent vacancy rate, slightly higher than the overall Greater Des Moines rate of 20.3 percent.

The consumer base in Des Moines is growing as employees and residents continue to move into the area. Strong and sustainable retail growth is attainable with the 5.1 percent local and state unemployment level, one of the best in the nation, which continues to decrease.

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL



Figure 4: A sophisticated network of skywalks connects buildings in downtown Des Moines, making the city very accessible, even in the winter.

The following issues are addressed by GPG in this study:

- What is the existing and planned retail market in the downtown Des Moines study and trade areas?
- What are the primary and total trade areas for the study area?
- What are the population, demographic and lifestyle characteristics in the trade areas, currently and projected for 2017?
- What is the current and projected growth for retail expenditures, now and for the next five years?
- How much additional retail square footage is supportable in the downtown Des Moines study area and what retail uses should be encouraged? What sales volumes can development achieve in or near the study area?

Methodology

To address the above issues, GPG conducted a detailed evaluation of most major existing shopping centers and retail concentrations in and surrounding the defined study area, including the primary and secondary trade areas. This evaluation was conducted during the week of October 29, 2012. During this evaluation, GPG visited and evaluated most major and planned retail concentrations in the area.

GPG also visited the area during the daytime, as well as the evening, to gain a qualitative understanding of the retail gravitational patterns and traffic patterns throughout the study area. GPG then defined a trade area that would serve the retail in the study area based on the field evaluation, geographical and topographical considerations, traffic access/flow in the area, relative retail strengths and weakness of the competition, concentrations of daytime employment, and the retail gravitation in the market, as well as our experience defining trade areas for similar markets. Population, consumer expenditure and demographic characteristics of trade area residents were collected by census tracts from the U.S. Bureau of the Census, U.S. Bureau of Labor Statistics, InfoUSA, ESRI, CCIM, STDB,CBRE, Claritas, and COSTAR, and updated based on information gathered from local planning sources.



Figure 5: The downtown Des Moines streetscape has maintained a main street appeal, even though it has grown into a sizable city.

Finally, based on the projected consumer expenditure capture (demand), in the downtown Des Moines trade area, of the gross consumer expenditure by retail category less the current existing retail sales (supply) by retail category, GPG projects the potential net consumer expenditure (gap) available to support new development. The projected net consumer expenditure capture is based on household expenditure and demographic characteristics of the primary and total trade areas, existing and planned retail competition, traffic and retail gravitational patterns, and GPG's qualitative assessment of the Des Moines study area. Net potential captured consumer expenditure (gap) is equated to potential retail development square footage with the help of retail sales per square foot data provided by Dollars and Cents of Shopping Centers (Urban Land Institute and International Council of Shopping Centers), qualitatively adjusted to fit the urbanism of the Des Moines study area.

For the purposes of this study, GPG has assumed the following:

- Other major community retail centers may be planned or proposed, but only the existing retail is considered for this study. The quality of the existing retail trade in the study area is projected to remain constant. Gains in future average retail sales per sf reflect higher sales per sf in newly developed retail and selected increases in sales per sf by individual retail categories.
- No major regional retail centers will be developed within the trade area of this study through 2017 for the purposes of this study.
- The downtown Des Moines study area is properly zoned to support infill and redevelopment projects with current and innovative standards, and the existing infrastructure (water, sewer, arterial roadways, etc.) can support additional commercial development.
- Annual population growth for the total trade area is estimated to be 1.45 percent throughout the five-year period of this study.
- Employment distribution is projected to remain constant, without a spike or decline in employment by NAICS categories.

-
- The projected lease and vacancy rate model is based on our proprietary econometric model of the relationship between changes in employment and changes in vacancy and lease rates. Data was gathered from the U.S. Census Bureau, Experian, ESRI, CBRE, COSTAR Group, Inc., LOOPNET, and local brokerage services.
 - The region's economy will continue at normal or above normal ranges of employment, inflation, retail demand, and growth.
 - Any new construction in the Des Moines study area will be planned, designed, built, and managed to the best practices of the American Planning Association, the Congress for New Urbanism, the International Council of Shopping Centers, and the Urban Land Institute.
 - Parking for new development projects or businesses will meet or exceed the industry standards. GPG has noted that the existing parking is apparently adequate for present amounts of commercial, but additional parking may be necessary if the existing vacancies become occupied or new higher sales businesses deploy in the study area.
 - Visibility of any new retail is also assumed to be very good, with signage as required to assure easy visibility of the retailers.
 - Infill or redevelopment projects in the study area will open with sustainable amounts of retail and anchor tenants, at planned intervals and per industry standards.

Trade Area

Based on GPG's field evaluation, the existing retail hubs, population clusters, highway access, and the retail gravitation in the market, as well as our experience defining trade areas for similar communities throughout the United States, GPG determined that consumers in the Des Moines trade areas generate demand to support a wide variety of additional neighborhood and community scale retailers. This potential will continue to grow over the next five years, sustained by an annual population growth rate of 1.45 percent and household income growth of 3.95 percent.

The primary trade area is the consumer market where the Downtown Des Moines study area has a significant competitive advantage, because of access, design, lack of competition, and traffic and commute patterns. This competitive advantage equates to a potential domination of the capture of consumer expenditure by the retailers in the study area. The total trade area is the consumer market, which provides some capture of consumer expenditure, but the study area does not hold the position of supremacy in this market as it does in the primary trade area.

GPG defined a primary trade area by topography, vehicular access, strength of retail competition, and residential growth patterns instead of standardized "drive-times". Consumers inside of the primary trade area will account for 70 to 80 percent of the total sales captured by retailers in the Downtown Des Moines study area. Due to the strong retail gravitational pull of the northwest shopping corridor, limited population density, and intensive agriculture just outside the central urban area, GPG finds that the primary trade area centers on the downtown, while being slightly elongated along the Interstate 235 axis.

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

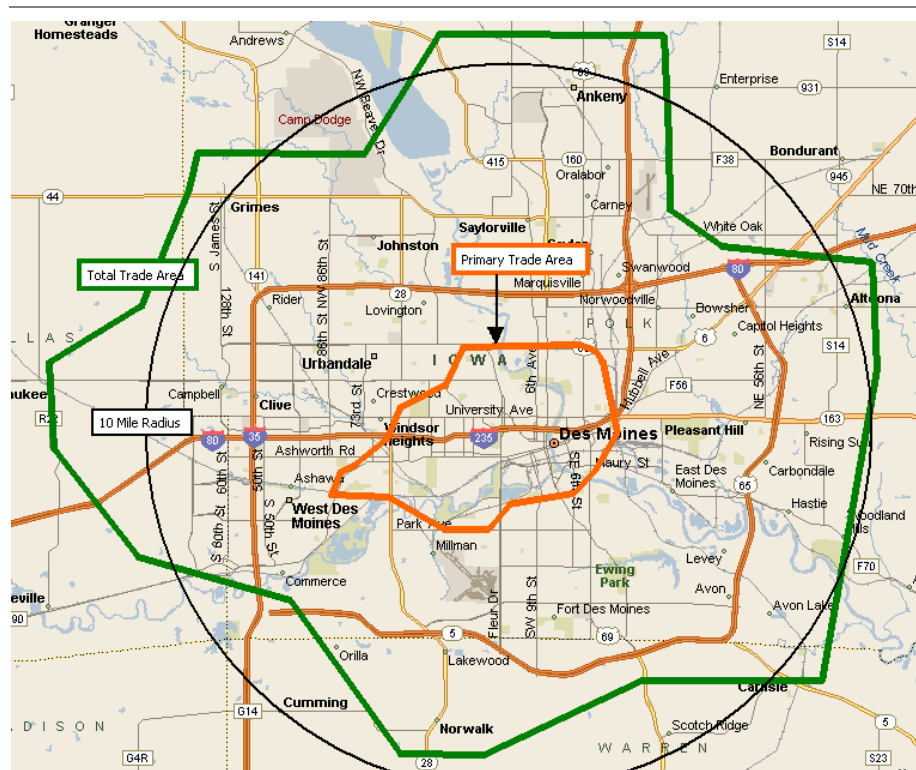


Figure 6: The downtown Des Moines primary trade area is inside the orange line, and the green line delineates the total trade area.

The following borders approximately delineate the primary trade area:

- Intersection of Grand Avenue & Railroad Avenue in the west
- Park Avenue in the south
- I-235, East University Avenue, & Easton Boulevard Junction in the east
- Euclid Avenue in the north.

Demographic Characteristics

Using data from ESRI (Environmental Systems Research Institute) and the United States Census Bureau, GPG obtained the population and demographic characteristics, present (2012) and projected for 2017, for the defined trade areas, as well as national and statewide statistics.

Downtown Des Moines' total trade area estimated 2012 population is 468,600 persons, which will grow to 503,600 by 2017, a 7.4 percent projected increase over the total five-year period (2012-2017). This annual growth rate is slightly greater than both the state level of 2.8 percent and the national level of 3.4 percent.

The number of households in the total trade area is estimated at 185,900 holding 2.47 persons-per-household, and is projected to increase to 199,100 by 2017, a seven percent total increase over the five-year period of 2012-2017. A small increase in persons-per-household, from 2.47 to

2.49 over the next five years, is the cause of the imbalance in the percent gain of population over households. Approximately 64.2 percent of households are owner-occupied, a number that will increase by 0.8 percent in 2017. An increase in owner-occupied and rental housing is causing the projected vacant housing units statistic to decrease from 6.6 percent in 2012 to 6.3 percent in 2017.

Table 1: Demographic Comparisons

Characteristics	Primary Trade Area	Total Trade Area	Iowa	U.S.
2012 Population	88,000	468,600	3,085,300	313,129,000
2017 Population	92,500	503,600	3,172,600	323,986,000
2012-2017 Projected Annual Growth Rate	1.00%	1.45%	0.56%	0.68%
Persons Per Household 2012	2.31	2.47	2.42	2.58
2012 Median Household Income	\$37,000	\$55,300	\$47,300	\$50,100
2012 Per Capita Income	\$22,200	\$29,200	\$24,750	\$26,400
% Households w. incomes \$75,000 or higher	20.6%	36.7%	27.4%	31.5%
% White	69.6%	84.8%	91.1%	71.9%
% Hispanic	14.0%	7.6%	5.2%	16.9%
Median Age	32.4	34.4	38.4	37.3

Table 1: This side-by-side table compares and contrasts primary and total trade area demographic statistics with those of Iowa and the United States.

As shown in Table 1, the median household income (\$55,300) in the trade area is more than the state and national levels. The average household income by census tract map found in the appendix of this report depicts divergent incomes in the primary trade area, lower incomes in the center, and higher incomes around the perimeter.

The median age of 34.4 years is younger than the state (38.4) and national (37.3) levels. This median age statistic has remained constant since the 2010 Census. The statistic is projected to continue to rise slowly to 34.8 by 2017.




The Des Moines employment base is concentrated in the Services (35.9 percent), Retail Trade (19.6 percent), and Finance/Insurance/Real Estate (16.8 percent) industries.

Persons-per-household in the total trade area (2.47) is greater than the state average, but less than the national average. This level reflects the diverse households within the area, accounting for many families, as well as a large number of young singles.

Tapestry Lifestyles

ESRI has developed Tapestry Lifestyles, which is an attempt to create 65 classifications, or lifestyle segments, that help determine purchasing patterns. These segments are broken down to the U.S. Census Block Group level throughout the United States and used by many national retailers to help determine future potential locations. The following Table 2 details the top Tapestry Lifestyles found in the total trade area.

Table 2: Tapestry Lifestyles

Lifestyle	Trade Area Statistics	Short Description
 <p>Up and Coming Families</p>	<p>Population 69,800</p> <p>Median HH Income \$69,500</p> <p>Downtown Des Moines Study Area Market Share 4.0%</p> <p>National Market Share 3.5%</p>	<p>Residents of these neighborhoods are young, affluent families with younger children. With an annual household growth rate of 4.56 percent, Up and Coming Families represents Tapestry Segmentation's second highest household growth market, with a mix of Generation Xers and Baby Boomers with a median age of 32.6 years. Ninety-one percent of households earn income from wages and salaries. Although half of the households have children, they also have working parents.</p> <p>Family and home dictate the products these residents buy. Many are beginning or expanding their families, so baby equipment, children's clothing, and toys are essential purchases. Because many are first-time homeowners, basic household furniture and lawn fertilizer, weed control, and insecticide products are important. They eat out at family restaurants, especially on the weekends, and buy fast food at the drive-through or for takeout.</p>
 <p>Rustbelt Traditions</p>	<p>Population 58,400</p> <p>Median HH Income \$42,300</p> <p>Downtown Des Moines Study Area Market Share 12.7%</p> <p>National Market Share 2.8%</p>	<p>These neighborhoods are primarily a mix of married-couple families, single parents, and singles who live alone. With a population of 8.4 million, this segment is one of Tapestry Segmentation's largest. The median age is 35.9 years. Half of the employed residents work in white-collar jobs.</p> <p>These residents stick close to home; for years, they have lived, worked, shopped, and played in the same area. Not tempted by fads, they stick to familiar products and services. They will spend money on their families, yard maintenance, and home improvements. They're frugal and shop for bargains at Sam's Club, JCPenny, and Kmart.</p>
 <p>Enterprising Professionals</p>	<p>Population 33,500</p> <p>Median HH Income \$63,800</p> <p>Downtown Des Moines Study Area Market Share 7.9%</p> <p>National Market Share 1.7%</p>	<p>Young, educated, single, married, working professionals, residents of Enterprising Professionals neighborhoods have a median age of 32.8 years. Forty-three percent of the households are singles who live alone or share housing with roommates, and 43 percent are married couple families. Ninety percent of the households earn income from wages and salaries; 39 percent receive income from investments. These working professionals are employed in various jobs, especially in management, finance, computer, sales, and office/administrative support.</p> <p>They are young and mobile with growing consumer clout. They eat out at Cheesecake Factory and Chili's Grill and Bar. They shop for groceries at stores such as Publix and Albertson's.</p>

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL



Lifestyle	Trade Area Statistics	Short Description
 <p>Boomburbs</p>	<p>Population 33,000</p> <p>Median HH Income \$104,400</p> <p>Downtown Des Moines Study Area Market Share 5.9%</p> <p>National Market Share 2.3%</p>	<p>The newest additions to the suburbs, these communities are home to busy, affluent young families. Both the neighborhoods and the families are growing. Boomburbs is the fastest-growing market in the United States; the population has been growing at a rate of 4.51 percent annually since 2000. It is also home to one of the highest concentrations of young families with children. They work primarily in management, professional, and sales occupations.</p> <p>Boomburbs is the top segment for buying household furnishings, toys and games, men's business and casual clothes, big-screen TVs, cars, and trees. This is also the top market to own big-screen TVs, DVD players, digital camcorders, video game systems, and scanners. Residents own laptop computers, all kinds of software, and two or more cell phones. They go online frequently to buy flowers and tickets to sports events, trade and track their investments, do their banking, and make travel plans. Personal computer use by children younger than 18 years is the highest of all the Tapestry segments. They will readily spend more than \$250 a year on high-end sports equipment and buy family DVDs for their collections.</p>
 <p>In Style</p>	<p>Population 23,200</p> <p>Median HH Income \$65,400</p> <p>Downtown Des Moines Study Area Market Share 5.4%</p> <p>National Market Share 2.5%</p>	<p>In Style residents live in the suburbs but prefer the city lifestyle. Professional couples predominate. Married-couple families represent 54 percent of households. Households without children (married couples without children, single-person, shared, and other family types), comprise more than two-thirds of all households. This count is increasing. The population is slightly older, with a median age of 40.5 years. Wages and salaries provide income for 84 percent of the households; 47 percent also receive some form of investment income.</p> <p>Residents stay fit by exercising, eating a healthy diet to control their weight, buying low-fat foods, and taking vitamins. They attend live musical performances and gamble at casinos. They take domestic vacations to hike, golf, and go backpacking. They read magazines, listen to news-talk radio, and watch professional sports events and golf on TV.</p>

Table 2: The top five Tapestry Lifestyle groups profiled above portray a cluster of young families with children, and young single professionals in the total trade area.

The trade area's most common tapestry lifestyle group is "Up and Coming Families", representing 14 percent of all households. In the suburban outskirts of mid-sized metropolitan areas with populations higher than 250,000, approximately half of the Up and Coming Families households are located in the South, the other half in the West and Midwest. Most residents live in new single-family housing; more than half of the housing units were built in the last 10 years. Living

farther out from urban centers allows many to find the space for an affordable home in which to raise their families.

Beginning their careers, residents of Up and Coming Families are earning above-average incomes. The median household income is \$69,520, higher than the national median. Nearly two-thirds of the residents aged 25 years and older have attended college; more than one in five holds a bachelor's degree. Ninety-one percent of households earn income from wages and salaries.

Tapestry Lifestyles Segmentation

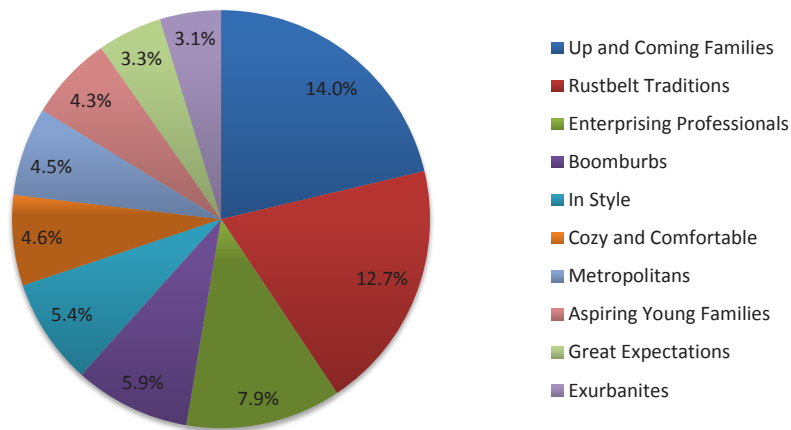


Figure 7: This pie chart shows the relative proportions of the top ten Tapestry Lifestyle segments found in the Downtown Des Moines total trade area.

Family and home dictate the products these residents buy. Many are beginning or expanding their families, so baby equipment, children's clothing, and toys are essential purchases. Because many are first-time homeowners, basic household furniture and lawn fertilizer, weed control, and insecticide products are important. Car loans and mortgage payments are major household budget items. They are most likely to own or lease an SUV or a minivan. They eat out at family restaurants, especially on the weekends, and buy fast food at the drive-through or for takeout.

They play softball, take the kids to the zoo, and visit theme parks (generally Sea World or Disney World) where they make good use of their digital camera or camcorder. They rent comedy, family, and action/adventure DVDs. Cable station favorites include Country Music Channel, ESPN news, The Learning Channel, and the Disney Channel. They listen to country, soft rock, and contemporary hit radio.

Employment Base

The employment picture found in the downtown study area reflects a services, retail and finance/insurance/real estate sector foundation, with additional elevated levels in government, manufacturing, and construction. The services sector accounts for 35.9 percent of employment found in the trade area.

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

As shown in Table 3 below, the bulges in the services, retail and finance/insurance/real estate sectors are at the expense of jobs in the agriculture & mining, utility, and communication sectors. Under-representation in these segments of the economy explains the lower levels of blue-collar employment found in the trade area.

Table 3: Employment in the Primary Trade Area by Sector

Sector	Primary Trade Area	Total Trade Area	Iowa	U.S.
Agriculture and Mining	0.3%	0.8%	1.8%	1.6%
Construction	2.6%	5.1%	4.6%	4.7%
Manufacturing	4.2%	5.2%	11.7%	9.0%
Transportation	1.2%	2.9%	3.5%	3.0%
Communication	0.8%	0.8%	1.0%	1.0%
Utility	0.6%	0.3%	0.6%	0.6%
Wholesale Trade	2.1%	4.4%	5.4%	4.8%
Retail Trade	8.9%	19.6%	19.5%	20.8%
Finance, Insurance and Real Estate	24.0%	16.8%	7.9%	6.9%
Services	40.7%	35.9%	36.9%	40.2%
Government	14.2%	7.7%	6.6%	6.6%
Other	0.4%	0.5%	0.7%	0.8%

Table 3: Construction, Finance/Insurance/Real Estate, and Government sector employment in the downtown Des Moines total trade area are greater than state or national levels.

Daytime employment plays a large role in supporting downtown retail. The Central Business District (CBD) is estimated to have over 84,000 employees, with nearly 87,000 employees within a five-minute drive time from its center. The mix of CBD employees is similar to that of the total trade area, with service sector employment being the leader at 33,800 jobs. Health Care makes up the majority of service sector employment. The Iowa Health System's four hospitals and headquarters, as well as a branch of the Mercy Health Network, are located in the Des Moines CBD and contribute a total of 16,400 jobs.

Finance/Insurance/Real Estate (FIRE) is the second leading sector of employment in the CBD at 26,000 employees. Des Moines is a major hub of insurance company headquarters, including the Principal Financial Group, EMC Insurance Group, Allied Insurance, Wellmark Blue Cross and Blue Shield of Iowa, Aviva USA, Holmes Murphy, and American Republic Insurance Company. The Government sector is the third largest job creator with 15,400 employees working in the state, county, and municipal government. The FIRE, Health Care, and Government sectors, heavily weighted in favor of white-collar positions, make up 66.6 percent of the jobs in the CBD.

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Table 4: Office Worker Employment by Industry Sector

Employment Sector	5 minute Drive-time	10 minute Drive-time	15 minute Drive-time
Agriculture & Mining	100	604	2,012
Construction	1,874	4,381	14,029
Manufacturing	2,925	8,677	15,041
Transportation	907	3,110	7,775
Communication	722	1,418	2,270
Utility	261	625	1,066
Wholesale Trade	1,353	5,733	11,793
Retail Trade	4,222	22,608	57,995
Home Improvement	191	1,105	3,302
General Merchandise Stores	95	2,077	5,745
Food Stores	356	3,148	8,199
Auto Dealers, Gas Stations, Auto Aftermarket	170	2,248	6,346
Apparel & Accessory Stores	71	688	2,448
Furniture & Home Furnishings	159	660	2,303
Eating & Drinking Places	2,367	7,659	18,656
Miscellaneous Retail	813	5,023	10,996
Finance, Insurance, & Real Estate	26,000	34,425	48,855
Banks, Savings, & Lending Institutions	2,907	5,131	9,988
Securities Brokers	9,356	10,178	11,299
Insurance Carriers & Agents	11,680	14,859	19,940
Real Estate, Holding, Other Investment	2,056	4,257	7,627
Services	32,793	61,735	104,435
Hotels & Lodging	966	1,176	3,538
Automotive Services	308	1,071	2,752
Motion Pictures & Amusements	560	2,153	7,469
Health Services	16,450	21,877	28,720
Legal Services	1,854	2,494	2,991
Education Institutions & Libraries	1,918	7,934	13,846
Other Services	10,737	25,030	45,118
Government	15,465	17,309	23,177
Other	305	797	1,420
Total Employment	86,927	161,424	289,866

Table 4: Existing Employment-Jobs by type: Retail Trade, Services, Finance/Insurance/Real Estate, and Government are the main sources of employment in Des Moines. * Note, figures represent actual jobs, and do not include residents who work elsewhere.

Consumer expenditure from daytime employment compliments that captured in the evenings and on weekends by households in the trade area. "Office-Worker Retail Spending in a Digital Age," published by the International Council of Shopping Centers in 2012, provides insight into the impact of downtown employment. Weekly office worker expenditure is estimated at \$175. Weekly non-office worker expenditure is estimated at 37 percent of office workers. Non-office workers are estimated to have slightly less disposable income, to have multiple work locations including at home, and typically are on the road more during their work week. Retail purchases (general merchandise, apparel, home furnishings, electronics, grocery, and convenience items) make up the majority of the office worker dollars, at \$116 per week. Restaurant expenditures (full service,

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Gibbs Planning Group, Inc.
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limited service, and drinking places) account for the balance at \$59 per week. Annualized, each office worker expends \$9,100 before, during, and after work.

Table 5: Downtown Des Moines Worker Expenditure

	Weekly Expenditure	Annual Expenditure	% Capture	Office Worker Expenditure	Non-Office Worker Expenditure	Total Expenditure
				45,100	38,900	
Prepared Food & Beverage						
Limited & Full Service Restaurants	\$43	\$2,236	75.0%	\$75,632,700	\$65,235,300	\$140,868,000
Drinking Places	\$16	\$832	25.0%	\$9,380,800	\$8,091,200	\$17,472,000
Retail Goods						
General Merchandise, Apparel, Home Furnishings, Electronics	\$68	\$3,536	20.0%	\$31,894,720	\$27,510,080	\$59,404,800
Grocery	\$29	\$1,508	15.0%	\$10,188,090	\$8,787,510	\$18,975,600
Convenience Items	\$19	\$988	33.0%	\$14,704,404	\$12,682,956	\$27,387,360
Total	\$175	\$9,100		\$141,800,714	\$122,307,046	\$264,107,760

Table 5: Employees in Des Moines's CBD expend over \$264 million dollars annually.

The annual impact of the workers in downtown Des Moines is: \$158.3 million in Prepared Food and Beverage establishments, \$105.7 million in Retail Goods sales, \$18.9 million is Grocery purchases, and \$27.3 million in Convenience Items, totaling \$264 million in captured consumer expenditure. Detailed results follow in Table 5.

Further research including focus groups is recommended to fully understand the existing policies and physical conditions that are limiting daytime worker shopping and dining.

TRADE AREA CHARACTERISTICS

Location

The downtown Des Moines primary trade area is constrained by a combination of strong retail competition to the west, northwest, and south. The West Des Moines retail corridor is anchored in the west by the Jordan Creek Town Center enclosed mall and lifestyle center, and in the northwest by the Valley West Mall and Merle Hay Mall.

Access

Due to its geographic location, Des Moines and the primary trade area can be accessed via three points: Interstate 35 draws traffic into the Des Moines area from the north and south; Interstate 235 runs from the junction of Interstate 35 and Interstate 80 in West Des Moines to the separation of the same interstates in Ankeny; and Interstate 80 connects traffic from the east and west. The geography of the primary trade area allows ease of use due to the highways creating a loop around Des Moines, and I-235 running right into the central business district.

High traffic volumes seen in Table 6 depict the impact of the office employment in downtown Des Moines. The heaviest volumes are all concentrated within the downtown loop created by I-235 running through the CBD and the joint I-35/80 in the north. The traffic counts in the area are provided by Esri, and measured in terms of Average Daily Traffic Volume (two-way).

Table 6: Traffic Counts

Location	Traffic Count
I-235 & 56 th Street	107,000
I-35, I-235 & University Avenue Interchange	104,500
I-235 & Martin Luther King Jr. Parkway	101,300
I-35/80 & Hickman Road	100,800
I-35/80 & Iowa Highway 415/NW 2 nd Street	94,900
I-235 & 86 th Street/22 nd Street	94,500
I-35/80 & Iowa Highway 141/Urbandale Dr. Interchange	86,900
I-235 & 50 th Street	78,300
I-235 between E 6 th Street & US Highway 69/SE 14 th St.	74,000
I-35, I-235, & I-80 Interchange	71,500

Table 6: The traffic chart shows heaviest traffic in the northern loop running through downtown Des Moines, caused by most workers commuting from neighboring communities to the CBD for employment.

Other Shopping Areas

As part of GPG's field evaluation, the neighborhood, community, and regional shopping centers near the Des Moines study area were visited to assess their retail appeal, strength of tenant mix, general maintenance, and accessibility. In addition to the onsite inspection of the most significant competing shopping concentrations to the study area, GPG used information from the International Council of Shopping Centers.

Table 7: Existing Regional and Community Centers

Map Designation	Retail Center Name	Map Designation	Retail Center Name
1	Merle Hay Mall	4	Southridge Mall
2	Valley West Mall	5	The Kaleidoscope at the Hub
3	Jordan Creek Town Center	6	Grand Avenue Corridor

Table 7: There are five regional shopping concentrations competing with the Downtown Des Moines study area.

The strongest competition to the downtown Des Moines study area lies 3 miles west along the West Des Moines shopping corridor. This area consists of regional, community, and neighborhood scale retail concentrations. This sprawling assemblage of destination shopping is anchored by the Jordan Creek Town Center mall and lifestyle center to the west at E.P. True and Jordan Parkway. Running west from downtown Des Moines is the neighborhood shopping area along Ingersoll Avenue. This retail corridor terminates near the Valley West Mall directly west of the CBD, and just south of the Merle Hay Mall. Southridge mall is the outlying mall to the south.

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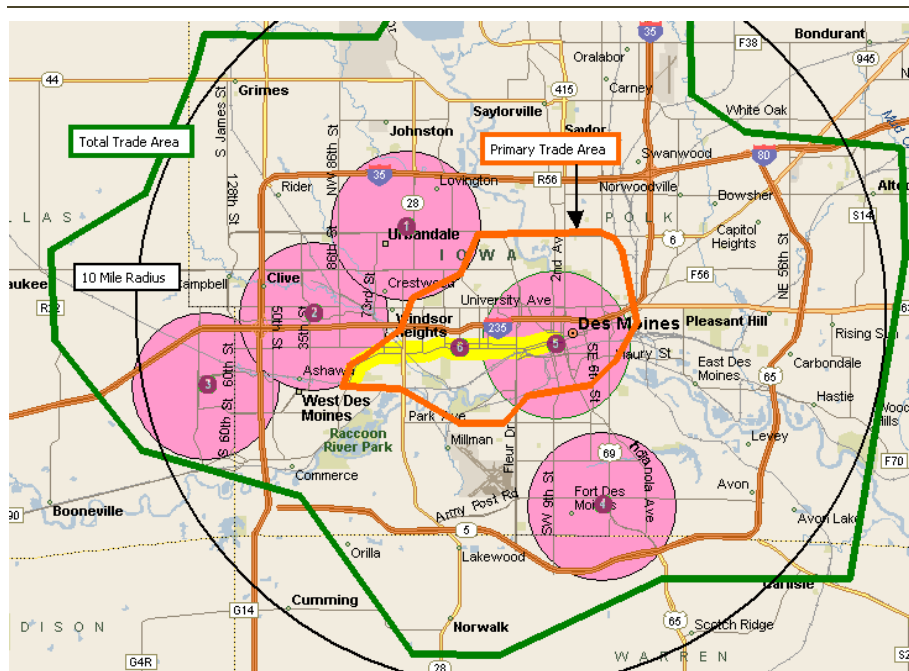


Figure 8: Regional and community retail location map. Almost all of the city's shopping centers are located west of the downtown, close to higher income centers. Regional shopping malls are marked with pink rings and neighborhood shopping areas are indicated with yellow.



Figure 9: Entrance to the Merle Hay Mall in northwest Des Moines, Iowa's oldest mall and containing 1.2 million sf of retail space.

Merle Hay Mall: Merle Hay Mall is an enclosed super-regional shopping mall located at Douglas Avenue and Merle Hay Road in northwest Des Moines. Opened in 1959, it is Iowa's oldest regional shopping mall, and formerly the largest until 2004, featuring 1,200,000 sf of retail and restaurant space. Merle Hay Mall is anchored by Kohl's, Sear's, Target, and Younker's. There are approximately 95 inline tenants, with notable stores including Victoria's Secret, Old Navy, Staples, Foot Locker, and Aeropostale; Applebee's, IHOP, and Starbucks are featured restaurants. The mall is a draw for all types of shoppers, and residents throughout the Des Moines area.



Figure10: Valley West Mall in West Des Moines, an enclosed shopping mall with nearly 860,000 sf of retail.

Valley West Mall: Located just off I-235 at the intersection of Valley West Drive and University Avenue in West Des Moines, Valley West Mall is an enclosed super-regional shopping mall featuring over 115 stores and 859,400 sf of leasable retail and restaurant space. Valley West features the only Von Maur and JCPenney in the Des Moines area, as well as Youngkers, as the mall's anchors. The mall also includes stores for a variety of shoppers, including Banana Republic, Gap, Limited, American Eagle, Sunglass Hut, Sephora, Helzberg Diamonds, and Journey's. There are also a number of limited service restaurants such as Noodles & Co., Sbarro, Chipotle, and Panda Express. Valley West Mall is a popular shopping destination for locals and tourists alike, drawing an average of 40,000 shoppers a day at its peak in the early 2000's.



Figure11: Jordan Creek Town Center in West Des Moines, Iowa is Greater Des Moines' premiere shopping destination with 2 million sf of restaurants, retail, and entertainment.

Jordan Creek Town Center: Newly constructed in 2004, Jordan Creek Town Center in West Des Moines is Iowa's largest shopping complex featuring over 140 stores, 25 restaurants, and 2,000,000 sf of retail and restaurants. The Town Center has a unique layout that includes a two-level enclosed shopping center anchored by Youngkers, Dillard's, and Scheels All Sports, as well as notable tenants such as Apple, Coach, Express, Godiva, Nike Factory, and Tommy Hilfiger; a "Lake District" with a hotel, amphitheater, and several restaurants including Bravo! Cucina Italiana, Fleming's Steakhouse, and Joe's Crab Shack; as well as an open air shopping area called "the Village," which contains both retailers and restaurants alike, such as Buffalo Wild Wings, Bed Bath & Beyond, Costco, DSW, and Old Navy. Since its inception, Jordan Creek has become Des Moines' premiere shopping destination, and a continuing draw to all shoppers in the area.



Figure 12: Southridge Mall in southern Des Moines, Iowa. Southridge is undergoing reconstruction into an open-air shopping center.

Southridge Mall: Located at East Army Post Road and Southeast 14th Street, Southridge Mall is formerly an enclosed shopping mall that is undergoing reconstruction into an open-air shopping center. Southridge contains 573,400 sf of retail and restaurant space, anchored by Sears, Target, and Younkers. Retail offerings include Toys “R” Us, Petco, Hy-Vee, Foot Locker, GNC, Rue 21, Kay Jewelers, and Us. Southridge mall is a draw to residents of Des Moines and areas to its south and east.



Figure 13: Kaleidoscope at the Hub in the Des Moines CBD. (right) Skywalks link the buildings of downtown Des Moines to one another, and to the Kaleidoscope.

Kaleidoscope at the Hub: Kaleidoscope at the Hub is an indoor mall located between 5th and 7th Streets along Walnut Street in downtown Des Moines. The Kaleidoscope offers 160,000 sf of retail, services, and restaurants, including Burger King, Happy Sushi, the Stadium Store, Stan and Son Shoe Shine and Repair, Cali Nails & Tanning, and many more. Because of its location and easy accessibility through Des Moines’ skywalk system, the Kaleidoscope is very popular among the 84,000 workers in the Des Moines CBD.



Figure 14: Neighborhood shopping corridor along Ingersoll Avenue, adjacent to Grand Avenue, in Des Moines.

Grand Avenue Shopping Corridor: The Grand Avenue shopping Corridor is located along Grand Avenue and adjacent streets, such as Ingersoll Avenue, running from 5th Street in the Des Moines CBD to Rail Road Avenue near West Des Moines. Grand Avenue is a neighborhood shopping area that offers a variety of local retail, restaurants, services, and entertainment, as well as brand names such as Dahl's Foods, Caribou Coffee, and McDonald's. The corridor is a draw to residents and workers nearby.

SUMMARY OF FINDINGS

This study finds that the downtown Des Moines area is not meeting its market potential and has the opportunity to expand its goods and services. This study finds that up to 226,800 sf of additional retail space is presently supportable in the downtown study area. This new retail can potentially capture an additional \$87.2 million of expenditure in 2012, growing to \$91.6 million by 2017.

The demographics of the total trade area show a population base of 468,600, which will grow to 503,600 by 2017, and an annual growth rate of 1.45 percent. Only 33.1 percent hold some level of a college degree. The persons-per-household is 2.47, and median age is a young 34.4 years old.

There are over 84,000 employees in the CBD, 66.6 percent of which are concentrated in the FIRE, Health Care and Government sectors. These daytime consumers expend over \$264 million annually, with the restaurant sector leading at almost \$158.3 million per year.

Household incomes (\$55,300) in the total trade area are higher than the state and national averages. The per-capita income (\$29,200) is also higher than the state and national levels. Employment in the downtown Des Moines total trade area favors the Service, Retail Trade, and Finance/Insurance/Real Estate sectors, while being weak in the Utility, Communication, Agriculture & Mining, and "Other" categories.

Tapestry lifestyles in the market reflect a majority base of "Up and Coming Families" households. Family is central to Up and Coming Family neighborhoods. Eighty percent of the households are families, and half of the households have children. The comparatively low median age of 32.6 years reflects the high proportion of children, and is the youngest of the affluent family markets.

Supportable 2011 Retail and Potential Tenants

- **72,600 sf Food & Restaurant:** The potential expenditure capture in this category lies in the Full Service Restaurant and Limited Service Restaurant group. Full service restaurants differ from limited service restaurants by the consumption of alcohol on premise. These restaurants would want to position themselves near the downtown office workers, to take advantage of traffic generated there.
- **32,300 sf Apparel & Shoes:** A broad mix of apparel, favoring women's apparel. Possible apparel retail includes Calypso, Rainbow Apparel, Anne Fountaine, Betsey Johnson, Urban Outfitters, Buffalo Exchange, American Eagle Outfitters, Gymboree, and Great Outdoor Clothing. Potential shoe stores are Bakers Footwear Group Inc., Boot Barn, Browns Shoe Fit Company, Famous Footwear, Foot Locker Inc., Naturalizer Retail, Red Wing Shoe Co., Sports 4 U, Surefoot LLC, or World Class Footwear Inc.
- **31,400 sf Department & Discount Department Stores:** Discount Department Stores make up approximately 50 percent of the new growth in this category in the United States. Discount Department Stores differ from Department Stores by having a single bank of cash registers near the entrance/exit of the store, instead of cash registers on the sales floor in each department. Potential retailers include Macy's, Dillard's, Bloomingdale's, Target, Kohl's, or Nordstrom.
- **31,200 sf Food & Beverage Stores:** Most of this supportable square footage is concentrated into the Grocery Store class. A traditional supermarket or multiple ethnic markets would work well in this less than 10,000 sf size. Possible retailers include Andronico's Market, Cost Less Food Company, Edible Arrangements LLC, Fresh Organics Inc., Gelson's Market, Koshan Inc., Penzeys Spices, Popcornopolis or Savory Spice Shop Inc.
- **15,700 sf Health Care & Personal Services:** Drug Stores make up this class of retail potential. Possible retailers include Walgreen's Pharmacies, Medicine Shoppe International, Inc., Pharmaca Integrative Pharmacy, Inc., or Haller's Pharmacy & Medical Supply. Pharmacies now require drive thru windows, so it is likely that this space will need new development.
- **11,500 sf Furniture & Home Furnishings:** There is demand to support an 11,500 sf furniture store. Potential retailers include Arizona Leather Company, Bellini Furniture, Direct Buy, Inc., Home Consignment Center, Jennifer Convertibles Inc., Ortho Mattress Inc., Room & Board, or Urban Home.
- **7,300 sf Sporting Goods, Books, & Music Stores:** This retail group is spearheaded by the Book & Music subcategory. Sporting Goods make up the remainder of the retail potential. Prospective retailers include: Barnes & Noble Inc., Books Inc. Crown Books, Half Price Books, Records & Magazines Inc., LifeWay Christian Stores, Nebraska Books Co., The Book Rack, Archiver's Inc., Hobby People, CD Warehouse Inc., Beverly Fabrics Inc., or Utrecht Art Supplies.
- **6,100 sf Electronics, Appliances, & Computer retail:** The majority of the supportable retail square footage in this category is found in the General Electronics retail sector. Potential retailers include Appliance Recycling Centers of America Inc., Howard's Appliances Inc., Aaron's Inc., Sears Holdings Corp., Al & Ed's Autosound, Car Toys Inc., Computer

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Renaissance, Fry's Electronics, Micro Electronics Inc., Radio Shack Corp., Storables, or The Container Store.

- **3,200 sf Jewelry, Luggage, and Leather Good Stores:** Feasible tenants are Arizona Leather Company, Edwards Luggage, Rogers Jewelry Co., Robbins Bros. Jewelry Inc., Shane Co., Sterling Jewelers Inc., Western Stone & Metal, or the Zales Corp.
- **2,800 sf Hardware, Lawn & Garden Store:** The potential demand in this retail group is split between a Lawn & Garden Store and a Hardware Supply Store. Possible retailers include: Green Valley Garden Supply, Gro More Garden Supply, or Western Sierra Nursery.
- **1,600 sf Miscellaneous Retail:** Miscellaneous retail includes video stores, pet supplies, and tobacco supplies. Possible retailers are Best Friend Pet Care Inc., Centinela Pet Supplies, Petsense Inc., Smoker Friendly International, PetSmart Inc., The Cigarette Store Corp., Tinder Box International Ltd., Wild Birds Unlimited, Hollywood Entertainment Corp., or a kiosk video vendor.

Table 8: Supportable Retail Table

Business Type	Gross 2012 Demand	Estimated 2012 Sales	Est. Sales/sf	Estimated Supp. sf	No. of Stores
Retail Stores					
Apparel	\$45,779,578	\$8,465,558	\$355/sf	23,847 sf	15-19
Books & Music	\$23,708,074	\$1,575,088	\$288/sf	5,469 sf	4-5
Department	\$84,218,987	\$9,740,035	\$310/sf	31,419 sf	1-2
Electronics	\$49,866,475	\$3,950,718	\$644/sf	6,135 sf	4-5
Furniture	\$13,869,931	\$2,009,184	\$310/sf	6,481 sf	2-3
Garden Supplies	\$3,042,015	\$460,806	\$364/sf	1,266 sf	1
General Merc.	\$88,793,310	\$1,075,145	\$275/sf	3,910 sf	2-3
Gifts & Office Supp.	\$36,106,473	\$2,371,882	\$350/sf	6,777 sf	4-5
Grocery	\$217,646,863	\$11,517,093	\$410/sf	28,090 sf	1-3
Hardware Supplies	\$22,479,778	\$575,480	\$365/sf	1,577 sf	1
Health & Personal Care	\$62,256,830	\$8,552,784	\$545/sf	15,693 sf	10-13
Home Furnishings	\$13,605,068	\$1,942,425	\$385/sf	5,045 sf	3-4
Jewelry	\$20,557,672	\$2,074,221	\$635/sf	3,266 sf	2-3
Misc. Retailers	\$16,881,530	\$397,905	\$240/sf	1,658 sf	1
Shoe Stores	\$13,004,748	\$3,624,014	\$425/sf	8,527 sf	6-7
Specialty Food	\$1,474,833	\$1,017,988	\$325/sf	3,132 sf	2-3
Sporting Goods	\$15,184,857	\$591,794	\$315/sf	1,879 sf	1-2
Retailer Totals	\$728,477,024	\$59,942,119	\$385/sf	154,172 sf	60-80
Restaurants					
Full-Service Restaurant	\$115,433,605	\$14,589,500	\$480/sf	30,395 sf	5-15
Limited-Service Restaurant	\$113,639,373	\$12,761,935	\$302/sf	42,258 sf	10-30
Restaurant Totals	\$229,072,978	\$27,351,435	\$391/sf	72,653 sf	15-45
Retail & Restaurant Totals	\$957,550,002	\$87,293,554	\$388/sf	226,825 sf	75-125

Table 8: Sales stated in constant 2012 dollars.

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Rationale

The rationale for the findings in this study follows:

- **Existing retail infrastructure development:** Downtown Des Moines has transformed itself many times in the last century, from a traditional main street retail center to a pedestrian focused retail center, to an office space concentrated district, and now perhaps back to a traditional main street retail center. Although there is limited retail now, the access, parking, daytime employment, and consumer base exists to support new, conversion, or infill retail development.
- **Strong daytime employment base in CBD:** Des Moines has over 84,000 employees in the CBD, and an additional 3,000 within a five-minute drive from the center of the CBD. These daytime consumers supplement the evening and weekend residential consumer base with an additional \$264 million in expenditure.
- **Demographic growth:** Although average and median household incomes are modest, the encouraging annual growth rate in population and incomes will favorably affect new retail development. Regardless of disposable income levels, the growing base of population households in the primary study area needs daily goods.
- **Single site critical mass development:** The Des Moines downtown district's potential availability of a large single site development, assembled by private developers through market transactions or with help from City redevelopment assistance, could attract new retailers to the market.
- **Access to surrounding neighborhoods:** Although the downtown is surrounded by state highways, local access is not significantly impeded by limited highway crossings or egress ramps. Convenience to surrounding neighborhoods will appeal to numerous modern retailers.

Limits of Study

The findings of this study represent GPG's best estimates for the amounts and types of retail projects that should be supportable in the study area. Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by GPG independent research effort, general knowledge of the industry, and consultations with the client and its representatives. This study is designed as objective third party research and GPG does not recommend that any or all of the supportable retail be developed in the study area.

No responsibility is assumed for inaccuracies in reporting by the client, its agent and representatives, or in any other data source used in preparing or presenting this study. This report is based on information that was current as of October 29, 2012, and GPG has not undertaken any update of its research effort since such date.

This report may contain prospective financial information, estimates, or opinions that represent GPG's view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted.

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Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by GPG that any of the projected values or results contained in this study will be achieved.

This study should not be the sole basis for programming, planning, designing, financing, or development of any commercial center. This study is for the use of the City of Des Moines for general planning purposes only, and is void for other site locations or developers.

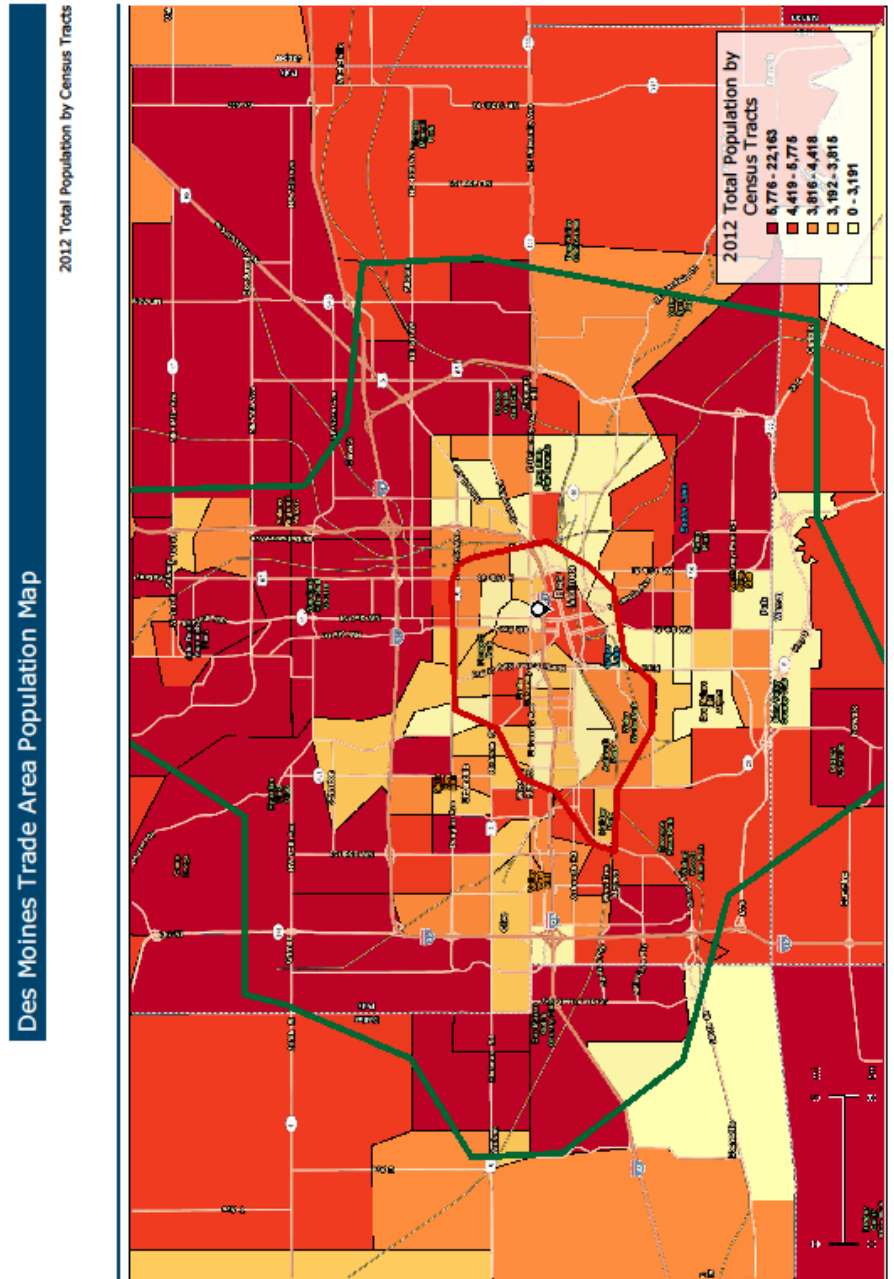
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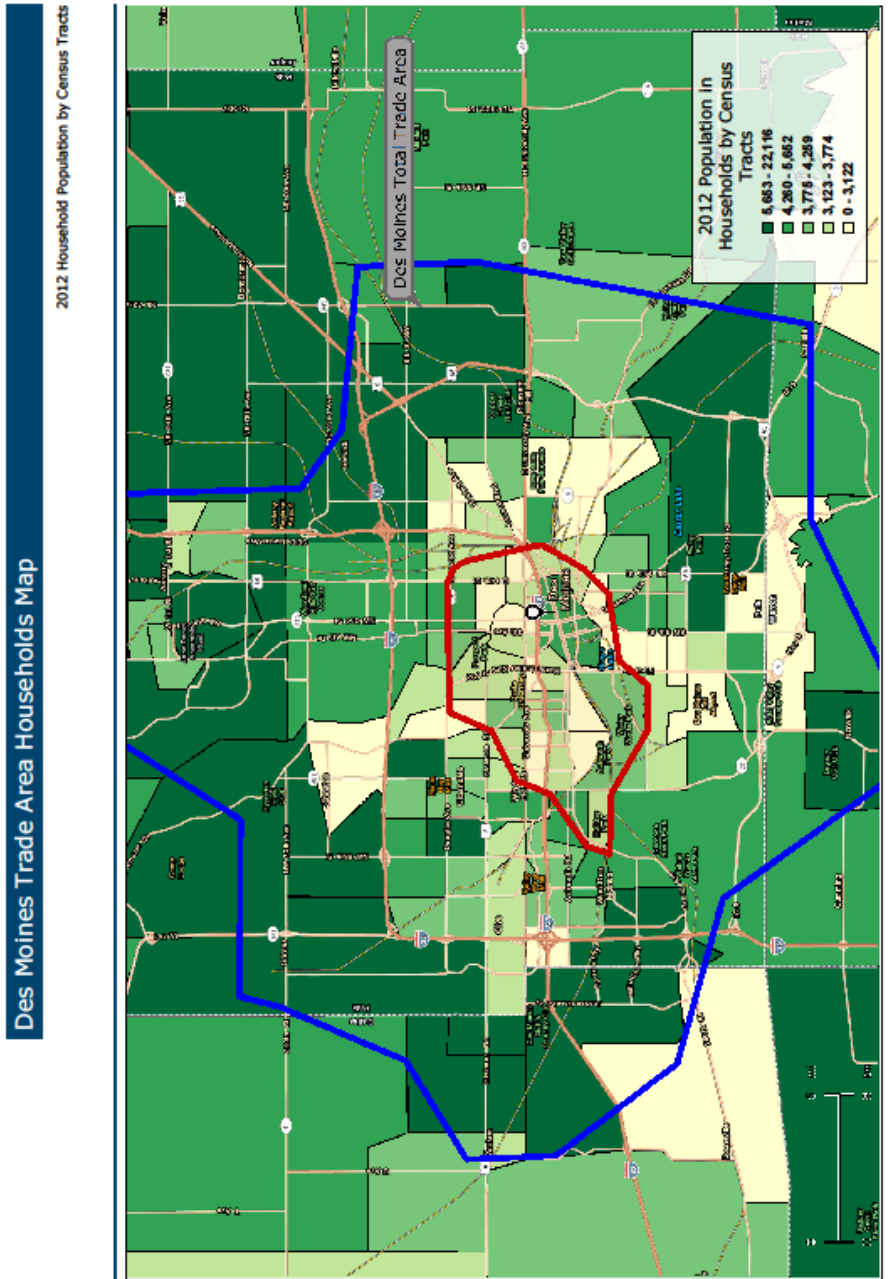
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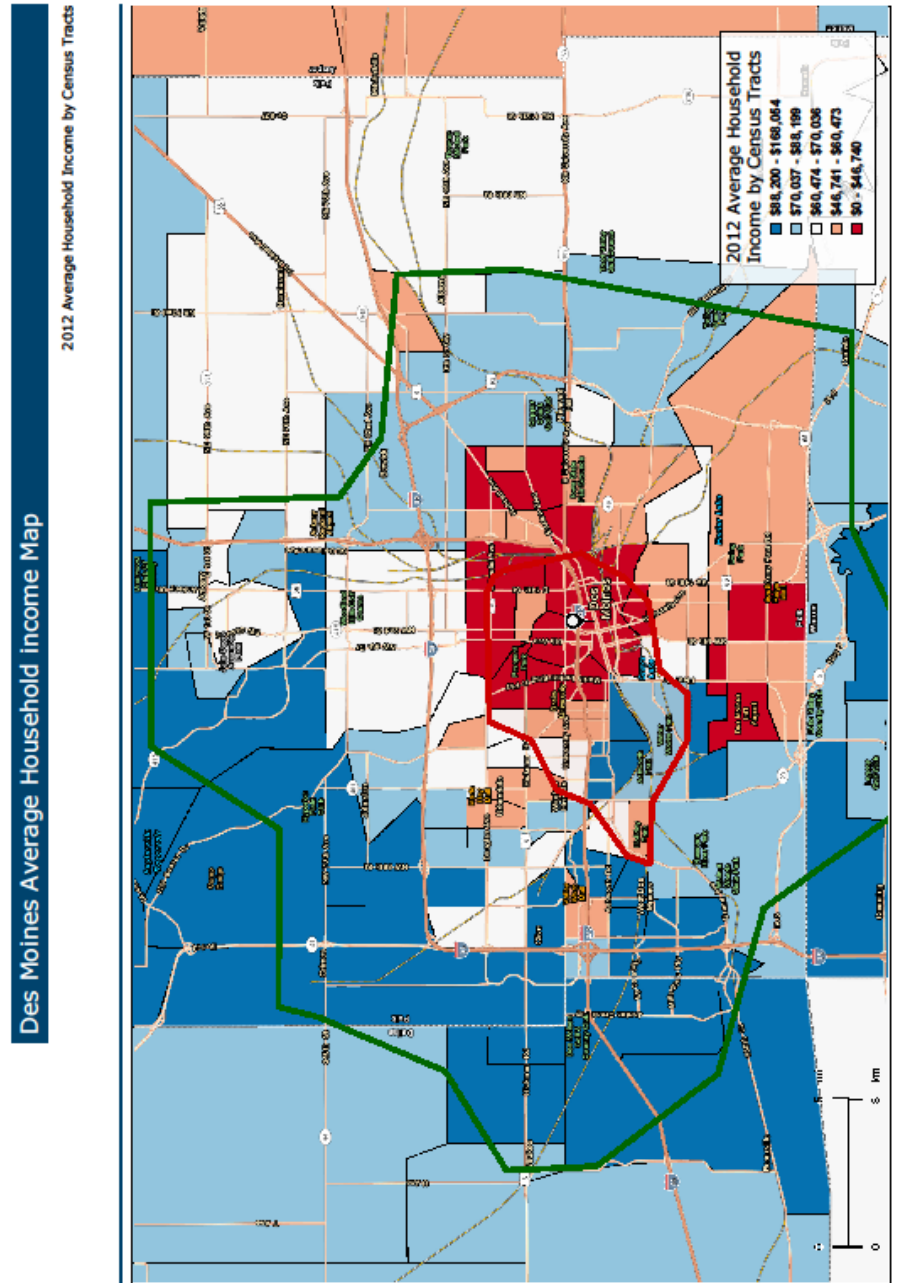
Supportable Retail Table

Business Type	Gross 2012 Demand	Estimated 2012 Sales	Estimated Sales \$/sf	Estimated Supp. \$/sf	No. of Stores	Possible Retailers
Apparel	\$45,779,578	\$8,465,558	\$355/sf	23,847 sf	15-19	Calypso, Rainbow Apparel, Anne Fountaine, Betsey Johnson, Urban Outfitters, Buffalo Exchange, American Eagle Outfitters, Gymboree, and Great Outdoor Clothing.
Books & Music	\$23,708,074	\$1,575,088	\$288/sf	5,469 sf	4-5	Barnes & Noble Inc., Books Inc. Crown Books, Half Price Books, Records & Magazines Inc., LifeWay Christian Stores, Nebraska Books Co., The Book Rack, Archiver's Inc., Hobby People, CD Warehouse Inc., Beverly Fabrics Inc., or Utrecht Art Supplies
Department	\$84,218,987	\$9,740,035	\$310/sf	31,419 sf	1-2	Macy's, Dillard's, Bloomingdale's, Target, Kohl's, or Nordstrom
Electronics	\$49,866,475	\$3,950,718	\$644/sf	6,135 sf	4-5	Appliance Recycling Centers of America Inc., Howard's Appliances Inc., Aaron's Inc., Sears Holdings Corp., Al & Ed's Autosound, Car Toys Inc., Computer Renaissance, Fry's Electronics, Micro Electronics Inc., Radio Shack Corp., Storables, The Container Store
Furniture	\$13,869,931	\$2,009,184	\$310/sf	6,481 sf	2-3	
Garden Supplies	\$3,042,015	\$460,806	\$364/sf	1,266 sf	1	Green Valey Garden Supply, Gro More Garden Supply, Western Sierra Nursey
General Merchandise	\$88,793,310	\$1,075,145	\$275/sf	3,910 sf	2-3	
Gifts & Office Supplies	\$36,106,473	\$2,371,882	\$350/sf	6,777 sf	4-5	
Grocery	\$217,646,863	\$11,517,093	\$410/sf	28,090 sf	1-3	Andronico's Market, Cost Less Food Company, Edible Arrangements LLC, Fresh Organics Inc., Gelson's Market, Koshan Inc., Penzeys Spices, Popcomopolis or Savory Spice Shop Inc.
Hardware Supplies	\$22,479,778	\$575,480	\$365/sf	1,577 sf	1	
Health & Personal Care	\$62,256,830	\$8,552,784	\$545/sf	15,693 sf	10-13	Walgreen's Pharmacies, Medicine Shoppe International, Inc., Pharmaca Integrative Pharmacy, Inc., or Haller's Pharmacy & Medical Supply
Home Furnishings	\$13,605,068	\$1,942,425	\$385/sf	5,045 sf	3-4	Arizona Leather Company, Bellini Furniture, Direct Buy, Inc., Home Consignment Center, Jennifer Convertibles Inc., Ortho Mattress Inc., Room & Board, or Urban Home
Jewelry	\$20,557,672	\$2,074,221	\$635/sf	3,266 sf	2-3	Rogers Jewelry Co., Robbins Bros. Jewelry Inc., Shane Co., Sterling Jewelers Inc., Western Stone & Metal, or the Zales Corp.
Misc. Retailers	\$16,881,530	\$397,905	\$240/sf	1,658 sf	1	Best Friend Pet Care Inc., Centinela Pet Supplies, Petsense Inc., Smoker Friendly International, PetSmart Inc., The Cigarette Store Corp., Tinder Box International Ltd., Wild Birds Unlimited, Hollywood Entertainment Corp.
Shoe Stores	\$13,004,748	\$3,624,014	\$425/sf	8,527 sf	6-7	Bakers Footwear Group Inc., Boot Barn, Browns Shoe Fit Company, Famous Footwear, Foot Locker Inc., Naturalizer Retail, Red Wing Shoe Co., Sports 4 U, Surefoot LLC, or World Class Footwear Inc.
Specialty Food	\$1,474,833	\$1,017,988	\$325/sf	3,132 sf	2-3	
Sporting Goods	\$15,184,857	\$591,794	\$315/sf	1,879 sf	1-2	
Retailer Totals	\$728,477,024	\$59,942,119	\$385/sf	154,172 sf	60-80	
Full-Service Restaurant	\$115,433,605	\$14,589,500	\$480/sf	30,395 sf	5-15	
Limited-Service Restaurant	\$113,639,373	\$12,761,935	\$302/sf	42,258 sf	10-30	
Restaurant Totals	\$229,072,978	\$27,351,435	\$391/sf	72,653 sf	15-45	
COMBINED TOTAL	\$957,550,002	\$87,293,554	\$388/sf	226,825 sf	75-125	

Table 8: Sales stated in constant 2012 dollars.







FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Business Summary

Des Moines Primary Trade Area
Area: 25.66 Square Miles

Data for all businesses in area

Total Businesses:	5,051
Total Employees:	115,437
Total Residential Population:	87,464
Employee/Residential Population Ratio:	132

by SIC Codes	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture & Mining	74	15%	347	0.3%
Construction	271	5.4%	2,995	2.6%
Manufacturing	149	3.0%	4,846	4.2%
Transportation	80	16%	1,383	12%
Communication	40	0.8%	915	0.8%
Utility	13	0.3%	642	0.6%
Wholesale Trade	188	3.7%	2,453	2.1%
Retail Trade Summary	859	17.0%	10,306	8.9%
Home Improvement	48	10%	520	0.5%
General Merchandise Stores	15	0.3%	149	0.1%
Food Stores	80	16%	1,807	1.6%
Auto Dealers, Gas Stations, Auto Aftermarket	62	12%	844	0.7%
Apparel & Accessory Stores	37	0.7%	176	0.2%
Furniture & Home Furnishings	67	1.3%	294	0.3%
Eating & Drinking Places	317	6.3%	4,382	3.8%
Miscellaneous Retail	232	4.6%	2,134	1.8%
Finance, Insurance, Real Estate Summary	553	11.0%	27,730	24.0%
Banks, Savings & Lending Institutions	134	2.7%	3,194	2.8%
Securities Brokers	82	1.6%	9,854	8.5%
Insurance Carriers & Agents	123	2.4%	12,164	10.5%
Real Estate, Holding, Other Investment Offices	214	4.2%	2,519	2.2%
Services Summary	2,255	44.7%	46,933	40.7%
Hotels & Lodging	18	0.4%	996	0.9%
Automotive Services	110	2.2%	520	0.5%
Motion Pictures & Amusements	133	2.6%	916	0.8%
Health Services	350	6.9%	20,208	17.5%
Legal Services	175	3.5%	2,125	1.8%
Education Institutions & Libraries	149	3.0%	5,866	5.1%
Other Services	1,319	26.1%	16,303	14.1%
Government	430	8.5%	16,412	14.2%
Other	137	2.7%	475	0.4%
Totals	5,051	100%	115,437	100%

Source: Business data provided by Infogroup, Omaha NE Copyright 2012, all rights reserved. Esri forecasts for 2011

Business Summary

Des Moines Primary Trade Area
Area: 25.66 Square Miles

by NAICS Codes	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	9	0.2%	30	0.0%
Mining	1	0.0%	2	0.0%
Utilities	4	0.1%	299	0.3%
Construction	313	6.2%	3,204	2.8%
Manufacturing	132	2.6%	2,687	2.3%
Wholesale Trade	183	3.6%	2,384	2.1%
Retail Trade	522	10.3%	5,824	5.0%
Motor Vehicle & Parts Dealers	48	10%	787	0.7%
Furniture & Home Furnishings Stores	22	0.4%	112	0.1%
Electronics & Appliance Stores	35	0.7%	159	0.1%
Bldg Material & Garden Equipment & Supplies Dealers	47	0.9%	515	0.4%
Food & Beverage Stores	73	14%	1,750	1.5%
Health & Personal Care Stores	46	0.9%	741	0.6%
Gasoline Stations	14	0.3%	56	0.0%
Clothing & Clothing Accessories Stores	48	10%	250	0.2%
Sport Goods, Hobby, Book, & Music Stores	41	0.8%	279	0.2%
General Merchandise Stores	15	0.3%	149	0.1%
Miscellaneous Store Retailers	119	2.4%	665	0.6%
Nonstore Retailers	14	0.3%	359	0.3%
Transportation & Warehousing	72	14%	1,268	1.1%
Information	127	2.5%	3,665	3.2%
Finance & Insurance	350	6.9%	25,251	21.9%
Central Bank/Credit Intermediation & Related Activities	136	2.7%	3,196	2.8%
Securities, Commodity Contracts & Other Financial	89	18%	9,877	8.6%
Insurance Carriers & Related Activities; Funds, Trusts & Other	126	2.5%	12,178	10.5%
Real Estate, Rental & Leasing	243	4.8%	1,500	1.3%
Professional, Scientific & Tech Services	525	10.4%	6,998	6.1%
Legal Services	179	3.5%	2,140	1.9%
Management of Companies & Enterprises	7	0.1%	1,171	1.0%
Administrative & Support & Waste Management & Remediation	196	3.9%	3,151	2.7%
Educational Services	153	3.0%	5,676	4.9%
Health Care & Social Assistance	521	10.3%	24,104	20.9%
Arts, Entertainment & Recreation	86	1.7%	972	0.8%
Accommodation & Food Services	340	6.7%	5,429	4.7%
Accommodation	18	0.4%	996	0.9%
Food Services & Drinking Places	321	6.4%	4,434	3.8%
Other Services (except Public Administration)	693	13.7%	4,816	4.2%
Automotive Repair & Maintenance	90	1.8%	364	0.3%
Public Administration	432	8.5%	16,467	14.3%
Unclassified Establishments	141	2.8%	540	0.5%
Total	5,051	100%	115,437	100%

Source: Business data provided by Infogroup, Omaha NE Copyright 2012, all rights reserved. Esri forecasts for 2011.

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Demographic and Income Profile

Des Moines Primary Trade Area
Area: 25.66 Square Miles

Summary	Census 2010	2012	2017				
Population	86,884	88,076	92,557				
Households	35,347	35,991	37,768				
Families	17,978	18,056	18,729				
Average Household Size	2.32	2.31	2.32				
Owner Occupied Housing Units	18,570	18,431	19,234				
Renter Occupied Housing Units	16,777	17,560	18,534				
Median Age	32.2	32.4	32.9				
Trends: 2012 - 2017 Annual Rate	Area	State	National				
Population	1.00%	0.56%	0.68%				
Households	0.97%	0.66%	0.74%				
Families	0.73%	0.55%	0.72%				
Owner HHs	0.86%	0.66%	0.91%				
Median Household Income	3.17%	2.96%	2.55%				
Households by Income	2012		2017				
	Number	Percent	Number	Percent			
	<\$15,000	6,983	19.4%	7,346	19.5%		
	\$15,000 - \$24,999	5,795	16.1%	4,782	12.7%		
	\$25,000 - \$34,999	4,099	11.4%	3,660	9.7%		
	\$35,000 - \$49,999	5,956	16.5%	4,919	13.0%		
	\$50,000 - \$74,999	5,734	15.9%	6,634	17.6%		
	\$75,000 - \$99,999	2,915	8.1%	4,420	11.7%		
	\$100,000 - \$149,999	2,859	7.9%	3,771	10.0%		
	\$150,000 - \$199,999	899	2.5%	1,324	3.5%		
	\$200,000+	751	2.1%	912	2.4%		
	Median Household Income	\$37,075		\$43,341			
	Average Household Income	\$52,527		\$60,970			
Per Capita Income	\$22,192		\$25,587				
Population by Age	Census 2010		2012		2017		
	Number	Percent	Number	Percent	Number	Percent	
	0 - 4	6,643	7.6%	6,702	7.6%	7,057	7.6%
	5 - 9	5,561	6.4%	5,597	6.4%	5,872	6.3%
	10 - 14	5,256	6.0%	5,233	5.9%	5,558	6.0%
	15 - 19	6,320	7.3%	6,162	7.0%	6,222	6.7%
	20 - 24	8,538	9.8%	8,787	10.0%	8,589	9.3%
	25 - 34	14,806	17.0%	15,215	17.3%	16,142	17.4%
	35 - 44	10,804	12.4%	10,618	12.1%	10,932	11.8%
	45 - 54	11,062	12.7%	10,884	12.4%	10,640	11.5%
	55 - 64	8,816	10.1%	9,332	10.6%	10,293	11.1%
	65 - 74	4,175	4.8%	4,516	5.1%	5,728	6.2%
	75 - 84	3,003	3.5%	3,033	3.4%	3,345	3.6%
85+	1,900	2.2%	1,997	2.3%	2,180	2.4%	
Race and Ethnicity	Census 2010		2012		2017		
	Number	Percent	Number	Percent	Number	Percent	
	White Alone	60,850	70.0%	61,342	69.6%	63,401	68.5%
	Black Alone	12,910	14.9%	13,095	14.9%	13,912	15.0%
	American Indian Alone	449	0.5%	487	0.6%	562	0.6%
	Asian Alone	4,227	4.9%	4,339	4.9%	4,723	5.1%
	Pacific Islander Alone	97	0.1%	92	0.1%	86	0.1%
	Some Other Race Alone	5,165	5.9%	5,435	6.2%	6,197	6.7%
	Two or More Races	3,186	3.7%	3,287	3.7%	3,677	4.0%
	Hispanic Origin (Any Race)	11,659	13.4%	12,329	14.0%	14,565	15.7%
	Data Note: Income is expressed in current dollars.						
	Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.						

Data Note: Income is expressed in current dollars.

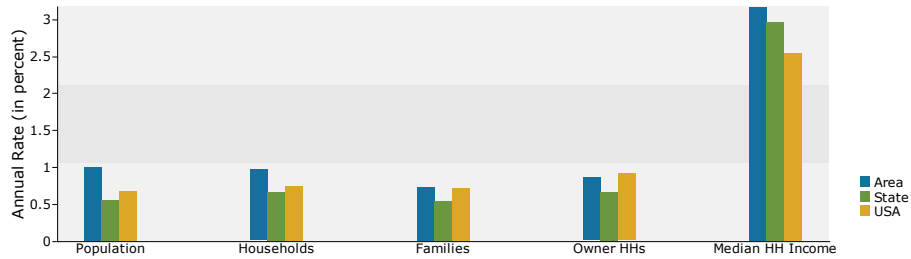
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

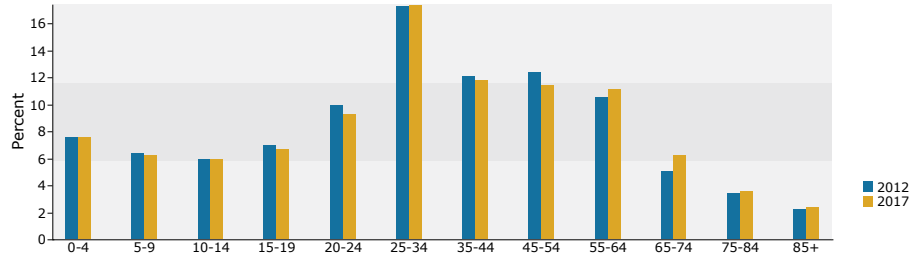
Demographic and Income Profile

Des Moines Primary Trade Area
Area: 25.66 Square Miles

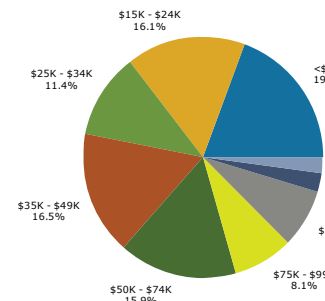
Trends 2012-2017



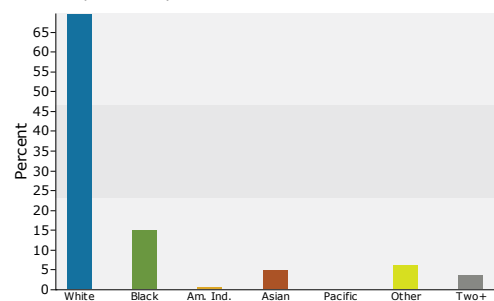
Population by Age



2012 Household Income



2012 Population by Race



2012 Percent Hispanic Origin: 14.0%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

Business Summary

Des Moines **Total Trade Area**
Area: 301.97 Square Miles

Data for all businesses in area

Total Businesses:	18,634
Total Employees:	323,886
Total Residential Population:	458,643
Employee/Residential Population Ratio:	0.71

by SIC Codes	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture & Mining	417	2.2%	2,498	0.8%
Construction	1,397	7.5%	16,374	5.1%
Manufacturing	560	3.0%	16,785	5.2%
Transportation	434	2.3%	9,396	2.9%
Communication	153	0.8%	2,518	0.8%
Utility	50	0.3%	1,091	0.3%
Wholesale Trade	885	4.7%	14,284	4.4%
Retail Trade Summary	3,722	20.0%	63,532	19.6%
Home Improvement	240	13%	3,814	12%
General Merchandise Stores	95	0.5%	6,061	1.9%
Food Stores	323	1.7%	8,833	2.7%
Auto Dealers, Gas Stations, Auto Aftermarket	399	2.1%	7,177	2.2%
Apparel & Accessory Stores	274	1.5%	2,547	0.8%
Furniture & Home Furnishings	324	1.7%	2,605	0.8%
Eating & Drinking Places	1,142	6.1%	20,838	6.4%
Miscellaneous Retail	926	5.0%	11,657	3.6%
Finance, Insurance, Real Estate Summary	2,302	12.4%	54,498	16.8%
Banks, Savings & Lending Institutions	576	3.1%	11,450	3.5%
Securities Brokers	298	1.6%	11,759	3.6%
Insurance Carriers & Agents	560	3.0%	21,972	6.8%
Real Estate, Holding, Other Investment Offices	867	4.7%	9,316	2.9%
Services Summary	7,559	40.6%	116,380	35.9%
Hotels & Lodging	133	0.7%	3,766	1.2%
Automotive Services	490	2.6%	2,909	0.9%
Motion Pictures & Amusements	596	3.2%	8,163	2.5%
Health Services	1,065	5.7%	30,710	9.5%
Legal Services	333	1.8%	3,061	0.9%
Education Institutions & Libraries	409	2.2%	18,148	5.6%
Other Services	4,533	24.3%	49,624	15.3%
Government	725	3.9%	24,932	7.7%
Other	431	2.3%	1,600	0.5%
Totals	18,634	100%	323,886	100%

Source: Business data provided by Infogroup, Omaha NE Copyright 2012, all rights reserved. Esri forecasts for 2011.

Business Summary

Des Moines **Total Trade Area**
Area: 301.97 Square Miles

by NAICS Codes	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	77	0.4%	478	0.1%
Mining	10	0.1%	128	0.0%
Utilities	13	0.1%	452	0.1%
Construction	1,541	8.3%	17,308	5.3%
Manufacturing	575	3.1%	14,899	4.6%
Wholesale Trade	864	4.6%	14,029	4.3%
Retail Trade	2,489	13.4%	42,148	13.0%
Motor Vehicle & Parts Dealers	327	18%	6,481	2.0%
Furniture & Home Furnishings Stores	121	0.6%	1,176	0.4%
Electronics & Appliance Stores	165	0.8%	1,124	0.3%
Bldg Material & Garden Equipment & Supplies Dealers	232	12%	3,793	12%
Food & Beverage Stores	273	15%	8,551	2.6%
Health & Personal Care Stores	255	14%	3,744	12%
Gasoline Stations	72	0.4%	696	0.2%
Clothing & Clothing Accessories Stores	330	18%	2,904	0.9%
Sport Goods, Hobby, Book, & Music Stores	174	0.9%	2,199	0.7%
General Merchandise Stores	95	0.5%	6,061	19%
Miscellaneous Store Retailers	393	2.1%	3,462	1.1%
Nonstore Retailers	62	0.3%	1,956	0.6%
Transportation & Warehousing	345	19%	8,407	2.6%
Information	375	2.0%	7,763	2.4%
Finance & Insurance	1,477	7.9%	45,675	14.1%
Central Bank/Credit Intermediation & Related Activities	583	3.1%	11,453	3.5%
Securities, Commodity Contracts & Other Financial	315	17%	11,827	3.7%
Insurance Carriers & Related Activities; Funds, Trusts & Other	579	3.1%	22,395	6.9%
Real Estate, Rental & Leasing	1,056	5.7%	8,238	2.5%
Professional, Scientific & Tech Services	1,617	8.7%	19,476	6.0%
Legal Services	352	19%	3,231	10%
Management of Companies & Enterprises	35	0.2%	1,442	0.4%
Administrative & Support & Waste Management & Remediation	856	4.6%	10,721	3.3%
Educational Services	481	2.6%	18,224	5.6%
Health Care & Social Assistance	1,521	8.2%	39,576	12.2%
Arts, Entertainment & Recreation	351	19%	7,611	2.4%
Accommodation & Food Services	1,293	6.9%	24,766	7.6%
Accommodation	133	0.7%	3,766	12%
Food Services & Drinking Places	1,160	6.2%	21,000	6.5%
Other Services (except Public Administration)	2,483	13.3%	15,725	4.9%
Automotive Repair & Maintenance	398	2.1%	2,139	0.7%
Public Administration	727	3.9%	24,987	7.7%
Unclassified Establishments	447	2.4%	1,834	0.6%
Total	18,634	100%	323,886	100%

Source: Business data provided by Infogroup, Omaha NE Copyright 2012, all rights reserved. Esri forecasts for 2011.

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Demographic and Income Profile

Des Moines **Total Trade Area**
Area: 301.97 Square Miles

Summary	Census 2010	2012	2017				
Population	456,477	468,639	503,680				
Households	180,614	185,976	199,100				
Families	115,055	117,567	125,309				
Average Household Size	2.48	2.47	2.49				
Owner Occupied Housing Units	125,423	127,559	137,260				
Renter Occupied Housing Units	55,191	58,417	61,840				
Median Age	34.4	34.4	34.8				
Trends: 2012 - 2017 Annual Rate	Area	State	National				
Population	1.45%	0.56%	0.68%				
Households	1.37%	0.66%	0.74%				
Families	1.28%	0.55%	0.72%				
Owner HHs	1.48%	0.66%	0.91%				
Median Household Income	3.95%	2.96%	2.55%				
Households by Income	2012		2017				
	Number	Percent	Number	Percent			
	<\$15,000	19,265	10.4%	19,183	9.6%		
	\$15,000 - \$24,999	18,832	10.1%	14,549	7.3%		
	\$25,000 - \$34,999	16,932	9.1%	13,542	6.8%		
	\$35,000 - \$49,999	27,679	14.9%	22,631	11.4%		
	\$50,000 - \$74,999	35,260	19.0%	38,853	19.5%		
	\$75,000 - \$99,999	25,024	13.5%	35,207	17.7%		
	\$100,000 - \$149,999	27,268	14.7%	34,028	17.1%		
	\$150,000 - \$199,999	8,694	4.7%	12,625	6.3%		
	\$200,000+	7,022	3.8%	8,482	4.3%		
	Median Household Income	\$55,357		\$67,187			
	Average Household Income	\$72,950		\$84,530			
	Per Capita Income	\$29,209		\$33,664			
Population by Age	Census 2010		2012		2017		
	Number	Percent	Number	Percent	Number	Percent	
	0 - 4	35,559	7.8%	36,442	7.8%	39,325	7.8%
	5 - 9	33,454	7.3%	34,188	7.3%	36,749	7.3%
	10 - 14	31,615	6.9%	31,950	6.8%	34,720	6.9%
	15 - 19	28,840	6.3%	28,217	6.0%	28,871	5.7%
	20 - 24	30,084	6.6%	31,305	6.7%	30,760	6.1%
	25 - 34	73,109	16.0%	76,328	16.3%	82,654	16.4%
	35 - 44	64,443	14.1%	64,440	13.8%	67,917	13.5%
	45 - 54	62,542	13.7%	62,219	13.3%	61,875	12.3%
	55 - 64	48,549	10.6%	52,006	11.1%	58,328	11.6%
	65 - 74	25,695	5.6%	28,158	6.0%	36,292	7.2%
	75 - 84	15,642	3.4%	15,965	3.4%	17,917	3.6%
	85+	6,945	1.5%	7,421	1.6%	8,272	1.6%
Race and Ethnicity	Census 2010		2012		2017		
	Number	Percent	Number	Percent	Number	Percent	
	White Alone	388,105	85.0%	397,185	84.8%	421,876	83.8%
	Black Alone	26,348	5.8%	27,111	5.8%	30,022	6.0%
	American Indian Alone	1,406	0.3%	1,589	0.3%	1,940	0.4%
	Asian Alone	16,605	3.6%	17,549	3.7%	20,597	4.1%
	Pacific Islander Alone	261	0.1%	260	0.1%	265	0.1%
	Some Other Race Alone	12,864	2.8%	13,572	2.9%	15,793	3.1%
	Two or More Races	10,888	2.4%	11,373	2.4%	13,187	2.6%
	Hispanic Origin (Any Race)	33,620	7.4%	35,775	7.6%	43,510	8.6%

Data Note : Income is expressed in current dollars.

Source : U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

Data Note: Income is expressed in current dollars.

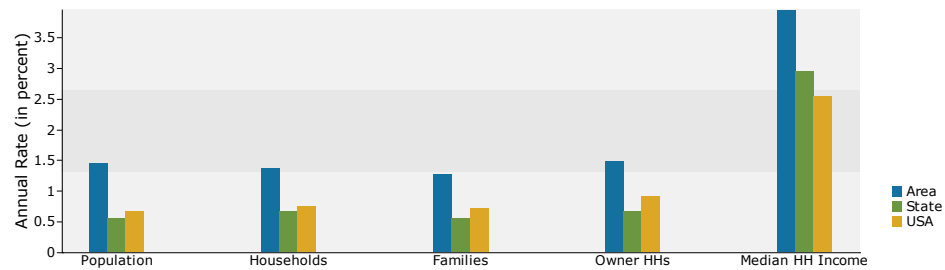
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

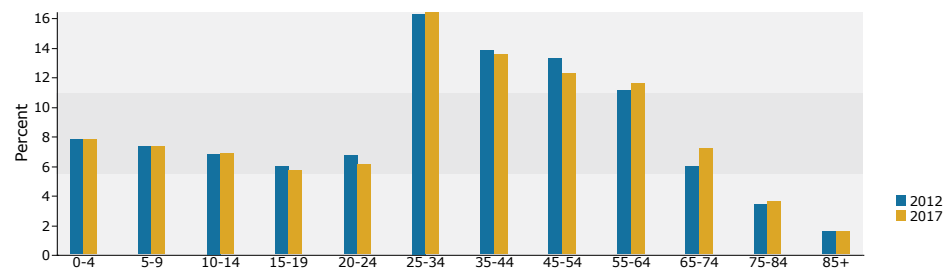
Demographic and Income Profile

Des Moines **Total Trade Area**
Area: 301.97 Square Miles

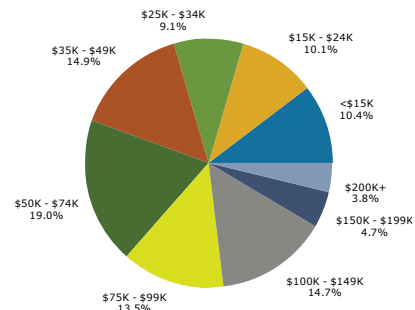
Trends 2012-2017



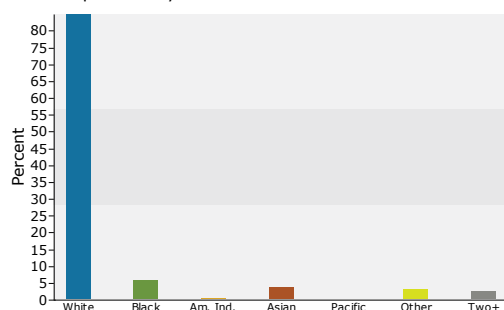
Population by Age



2012 Household Income



2012 Population by Race



2012 Percent Hispanic Origin: 7.6%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Demographic and Income Profile

Iowa

Geography: State

Summary	Census 2010	2012	2017
Population	3,046,355	3,085,316	3,172,673
Households	1,221,576	1,234,351	1,275,647
Families	790,034	792,155	814,133
Average Household Size	2.41	2.42	2.41
Owner Occupied Housing Units	880,635	882,146	911,635
Renter Occupied Housing Units	340,941	352,205	364,012
Median Age	38.0	38.4	38.9
Trends: 2012 - 2017 Annual Rate	Area	State	National
Population	0.56%	0.56%	0.68%
Households	0.66%	0.66%	0.74%
Families	0.55%	0.55%	0.72%
Owner HHs	0.66%	0.66%	0.91%
Median Household Income	2.96%	2.96%	2.55%
Households by Income			
	2012		2017
	Number	Percent	Number Percent
<\$15,000	158,328	12.8%	154,739 12.1%
\$15,000 - \$24,999	147,856	12.0%	116,182 9.1%
\$25,000 - \$34,999	137,311	11.1%	113,689 8.9%
\$35,000 - \$49,999	200,718	16.3%	176,446 13.8%
\$50,000 - \$74,999	251,787	20.4%	282,952 22.2%
\$75,000 - \$99,999	148,471	12.0%	196,259 15.4%
\$100,000 - \$149,999	131,118	10.6%	159,706 12.5%
\$150,000 - \$199,999	31,857	2.6%	44,737 3.5%
\$200,000+	26,898	2.2%	30,930 2.4%
Median Household Income	\$47,344		\$54,786
Average Household Income	\$60,914		\$69,023
Per Capita Income	\$24,750		\$28,134
Population by Age			
	Census 2010		2012
	Number	Percent	Number Percent
0 - 4	202,123	6.6%	203,675 6.6%
5 - 9	200,646	6.6%	201,545 6.5%
10 - 14	200,904	6.6%	199,727 6.5%
15 - 19	216,837	7.1%	209,652 6.8%
20 - 24	213,350	7.0%	218,933 7.1%
25 - 34	382,583	12.6%	393,204 12.7%
35 - 44	364,548	12.0%	358,855 11.6%
45 - 54	439,726	14.4%	431,533 14.0%
55 - 64	372,750	12.2%	393,285 12.7%
65 - 74	224,656	7.4%	242,042 7.8%
75 - 84	153,574	5.0%	154,278 5.0%
85+	74,658	2.5%	78,587 2.5%
Race and Ethnicity			
	Census 2010		2012
	Number	Percent	Number Percent
White Alone	2,781,561	91.3%	2,809,591 91.1%
Black Alone	89,148	2.9%	91,475 3.0%
American Indian Alone	11,084	0.4%	11,529 0.4%
Asian Alone	53,094	1.7%	55,692 1.8%
Pacific Islander Alone	2,003	0.1%	2,038 0.1%
Some Other Race Alone	56,132	1.8%	59,599 1.9%
Two or More Races	53,333	1.8%	55,392 1.8%
Hispanic Origin (Any Race)	151,544	5.0%	161,550 5.2%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

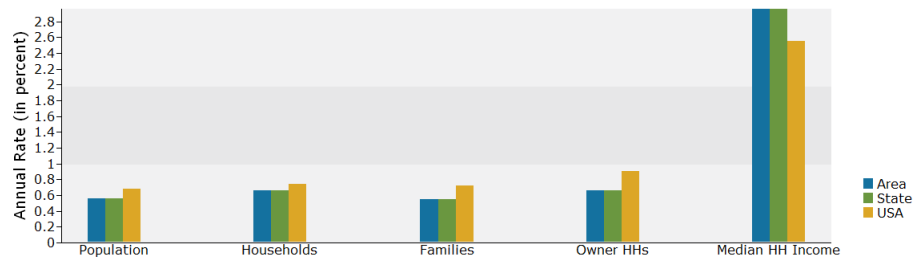
FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Demographic and Income Profile

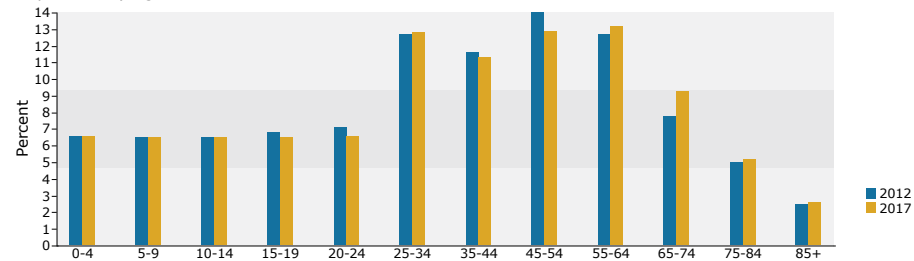
Iowa

Geography: State

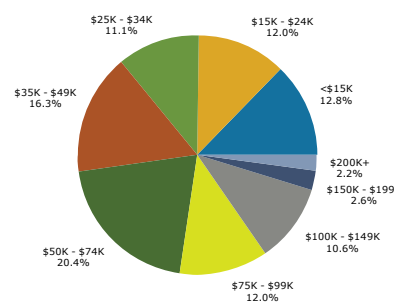
Trends 2012-2017



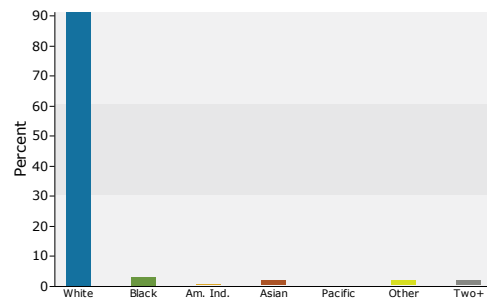
Population by Age



2012 Household Income



2012 Population by Race



2012 Percent Hispanic Origin: 5.2%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2012 and 2017.

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Tapestry Segmentation Area Profile

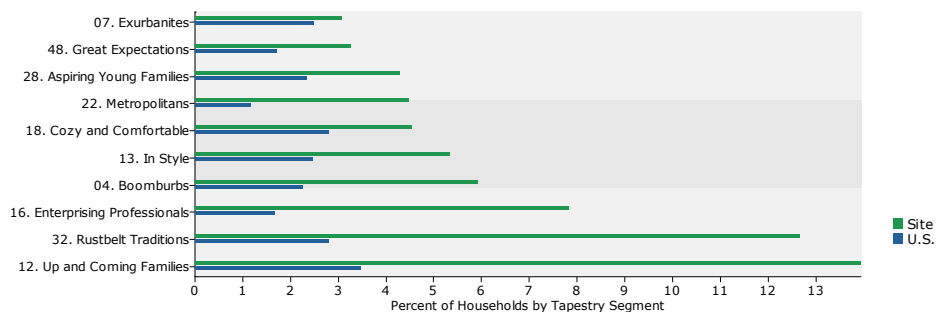
Des Moines **Total Trade Area**
Area: 301.97 Square Miles

Top Twenty Tapestry

Tapestry descriptions can be found [here](#)

Rank	Tapestry Segment	Households		U.S. Households		Index
		Percent	Cumulative Percent	Percent	Cumulative Percent	
1	12. Up and Coming Families	14.0%	14.0%	3.5%	3.5%	398
2	32. Rustbelt Traditions	12.7%	26.6%	2.8%	6.3%	451
3	16. Enterprising Professionals	7.9%	34.5%	1.7%	8.0%	463
4	04. Boomburbs	5.9%	40.4%	2.3%	10.3%	260
5	13. In Style	5.4%	45.8%	2.5%	12.8%	216
	Subtotal	45.8%		12.8%		
6	18. Cozy and Comfortable	4.6%	50.4%	2.8%	15.6%	162
7	22. Metropolitans	4.5%	54.9%	1.2%	16.8%	380
8	28. Aspiring Young Families	4.3%	59.2%	2.4%	19.2%	183
9	48. Great Expectations	3.3%	62.5%	1.7%	20.9%	189
10	07. Exurbanites	3.1%	65.6%	2.5%	23.4%	123
	Subtotal	19.8%		10.6%		
11	52. Inner City Tenants	3.0%	68.5%	1.5%	24.9%	195
12	36. Old and Newcomers	2.9%	71.4%	1.9%	26.9%	149
13	29. Rustbelt Retirees	2.9%	74.3%	2.1%	28.9%	139
14	39. Young and Restless	2.7%	77.0%	1.4%	30.3%	189
15	53. Home Town	2.5%	79.5%	1.4%	31.8%	172
	Subtotal	13.9%		8.4%		
16	60. City Dimensions	2.1%	81.6%	0.9%	32.7%	245
17	41. Crossroads	1.9%	83.5%	1.5%	34.2%	127
18	65. Social Security Set	1.9%	85.4%	0.6%	34.8%	291
19	30. Retirement Communities	1.6%	87.1%	1.5%	36.3%	113
20	33. Midlife Junction	1.6%	88.7%	2.5%	38.8%	66
	Subtotal	9.2%		7.0%		
	Total	88.7%		38.8%		229

Top Ten Tapestry Segments Site vs. U.S.



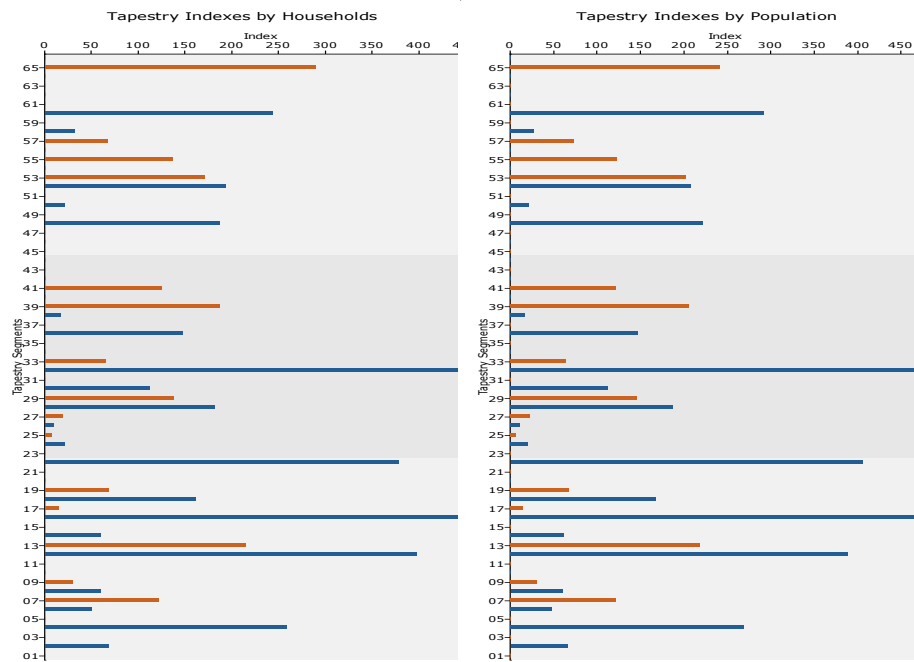
Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or population in the area, by Tapestry segment, to the percent of households or population in the United States, by segment. An index of 100 is the US average.

Source: Esri

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Tapestry Segmentation Area Profile

Des Moines **Total Trade Area**
Area: 301.97 Square Miles



Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or population in the area, by Tapestry segment, to the percent of households or population in the United States, by segment. An index of 100 is the US average.

Source: Esri

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Tapestry Segmentation Area Profile

Des Moines **Total Trade Area**
Area: 301.97 Square Miles

Tapestry LifeMode	2010 Households			2010 Population		
	Number	Percent	Index	Number	Percent	Index
Total:	181,673	100.0%		458,643	100.0%	
L1. High Society	21,150	11.6%	91	60,674	13.2%	94
01 Top Rung	0	0.0%	0	0	0.0%	0
02 Suburban Splendor	2,230	1.2%	70	6,135	1.3%	67
03 Connoisseurs	0	0.0%	0	0	0.0%	0
04 Boomburbs	10,791	5.9%	260	33,067	7.2%	270
05 Wealthy Seaboard Suburbs	0	0.0%	0	0	0.0%	0
06 Sophisticated Squires	2,517	1.4%	51	6,997	1.5%	49
07 Exurbanites	5,612	3.1%	123	14,475	3.2%	123
L2. Upscale Avenues	34,011	18.7%	135	82,878	18.1%	131
09 Urban Chic	755	0.4%	31	1,783	0.4%	32
10 Pleasant- Ville	0	0.0%	0	0	0.0%	0
11 Pacific Heights	0	0.0%	0	0	0.0%	0
13 In Style	9,737	5.4%	216	23,249	5.1%	220
16 Enterprising Professionals	14,282	7.9%	463	33,561	7.3%	496
17 Green Acres	940	0.5%	16	2,508	0.5%	16
18 Cozy and Comfortable	8,297	4.6%	162	21,777	4.7%	170
L3. Metropolis	8,196	4.5%	86	18,479	4.0%	77
20 City Lights	0	0.0%	0	0	0.0%	0
22 Metropolitans	8,196	4.5%	380	18,479	4.0%	407
45 City Strivers	0	0.0%	0	0	0.0%	0
51 Metro City Edge	0	0.0%	0	0	0.0%	0
54 Urban Rows	0	0.0%	0	0	0.0%	0
62 Modest Income Homes	0	0.0%	0	0	0.0%	0
L4. Solo Acts	11,771	6.5%	95	23,646	5.2%	101
08 Laptops and Lattes	1,134	0.6%	61	2,074	0.5%	62
23 Trendsetters	0	0.0%	0	0	0.0%	0
27 Metro Renters	486	0.3%	20	950	0.2%	24
36 Old and Newcomers	5,257	2.9%	149	10,318	2.2%	149
39 Young and Restless	4,894	2.7%	189	10,304	2.2%	207
L5. Senior Styles	16,271	9.0%	73	34,541	7.5%	73
14 Prosperous Empty Nesters	2,026	1.1%	61	4,931	1.1%	64
15 Silver and Gold	0	0.0%	0	0	0.0%	0
29 Rustbelt Retirees	5,221	2.9%	139	12,552	2.7%	147
30 Retirement Communities	2,984	1.6%	113	5,798	1.3%	114
43 The Elders	0	0.0%	0	0	0.0%	0
49 Senior Sun Seekers	0	0.0%	0	0	0.0%	0
50 Heartland Communities	882	0.5%	23	1,990	0.4%	23
57 Simple Living	1,727	1.0%	68	4,007	0.9%	75
65 Social Security Set	3,431	1.9%	291	5,263	1.1%	243
L6. Scholars & Patriots	2,022	1.1%	77	4,277	0.9%	52
40 Military Proximity	0	0.0%	0	0	0.0%	0
55 College Towns	2,022	1.1%	138	4,277	0.9%	124
63 Dorms to Diplomas	0	0.0%	0	0	0.0%	0

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or population in the area, by Tapestry segment, to the percent of households or population in the United States, by segment. An index of 100 is the US average.

Source: Esri

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Tapestry Segmentation Area Profile

Des Moines **Total Trade Area**
Area: 301.97 Square Miles

Tapestry LifeMode	2010 Households			2010 Population		
	Number	Percent	Index	Number	Percent	Index
Total:	181,673	100.0%		458,643	100.0%	
L7. High Hopes	13,820	7.6%	186	35,530	7.7%	203
28 Aspiring Young Families	7,849	4.3%	183	19,643	4.3%	189
48 Great Expectations	5,971	3.3%	189	15,887	3.5%	224
L8. Global Roots	10,259	5.6%	69	29,151	6.4%	65
35 International Marketplace	0	0.0%	0	0	0.0%	0
38 Industrious Urban Fringe	523	0.3%	19	1,742	0.4%	19
44 Urban Melting Pot	0	0.0%	0	0	0.0%	0
47 Las Casas	0	0.0%	0	0	0.0%	0
52 Inner City Tenants	5,361	3.0%	195	13,682	3.0%	210
58 NeWest Residents	527	0.3%	33	1,572	0.3%	28
60 City Dimensions	3,848	2.1%	245	12,155	2.7%	293
61 High Rise Renters	0	0.0%	0	0	0.0%	0
L9. Family Portrait	27,828	15.3%	194	76,710	16.7%	180
12 Up and Coming Families	25,354	14.0%	398	69,823	15.2%	390
19 Milk and Cookies	2,474	1.4%	69	6,887	1.5%	69
21 Urban Villages	0	0.0%	0	0	0.0%	0
59 Southwestern Families	0	0.0%	0	0	0.0%	0
64 City Commons	0	0.0%	0	0	0.0%	0
L10. Traditional Living	27,088	14.9%	171	67,520	14.7%	178
24 Main Street, USA	1,086	0.6%	23	2,534	0.6%	22
32 Rustbelt Traditions	23,052	12.7%	451	58,449	12.7%	479
33 Midlife Junction	2,950	1.6%	66	6,537	1.4%	65
34 Family Foundations	0	0.0%	0	0	0.0%	0
L11. Factories & Farms	5,003	2.8%	29	14,129	3.1%	33
25 Salt of the Earth	466	0.3%	9	1,159	0.3%	9
37 Prairie Living	0	0.0%	0	0	0.0%	0
42 Southern Satellites	0	0.0%	0	0	0.0%	0
53 Home Town	4,537	2.5%	172	12,970	2.8%	204
56 Rural Bypasses	0	0.0%	0	0	0.0%	0
L12. American Quilt	4,254	2.3%	25	11,108	2.4%	26
26 Midland Crowd	756	0.4%	11	2,140	0.5%	12
31 Rural Resort Dwellers	0	0.0%	0	0	0.0%	0
41 Crossroads	3,498	1.9%	127	8,968	2.0%	123
46 Rooted Rural	0	0.0%	0	0	0.0%	0
66 Unclassified	0	0.0%	0	0	0.0%	0

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or population in the area, by Tapestry segment, to the percent of households or population in the United States, by segment. An index of 100 is the US average.

Source: Esri

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Tapestry Segmentation Area Profile

Des Moines **Total Trade Area**
Area: 301.97 Square Miles

Tapestry Urbanization	2010 Households			2010 Population		
	Number	Percent	Index	Number	Percent	Index
Total:	181,673	100.0%		458,643	100.0%	
U1. Principal Urban Centers	1,620	0.9%	11	3,024	0.7%	9
08 Laptops and Lattes	1,134	0.6%	61	2,074	0.5%	62
11 Pacific Heights	0	0.0%	0	0	0.0%	0
20 City Lights	0	0.0%	0	0	0.0%	0
21 Urban Villages	0	0.0%	0	0	0.0%	0
23 Trendsetters	0	0.0%	0	0	0.0%	0
27 Metro Renters	486	0.3%	20	950	0.2%	24
35 International Marketplace	0	0.0%	0	0	0.0%	0
44 Urban Melting Pot	0	0.0%	0	0	0.0%	0
U2. Principal Urban Centers	3,958	2.2%	46	6,835	1.5%	27
45 City Strivers	0	0.0%	0	0	0.0%	0
47 Las Casas	0	0.0%	0	0	0.0%	0
54 Urban Rows	0	0.0%	0	0	0.0%	0
58 NeWest Residents	527	0.3%	33	1,572	0.3%	28
61 High Rise Renters	0	0.0%	0	0	0.0%	0
64 City Commons	0	0.0%	0	0	0.0%	0
65 Social Security Set	3,431	1.9%	291	5,263	1.1%	243
U3. Metro Cities I	25,707	14.2%	125	60,710	13.2%	116
01 Top Rung	0	0.0%	0	0	0.0%	0
03 Connoisseurs	0	0.0%	0	0	0.0%	0
05 Wealthy Seaboard Suburbs	0	0.0%	0	0	0.0%	0
09 Urban Chic	755	0.4%	31	1,783	0.4%	32
10 Pleasant-Ville	0	0.0%	0	0	0.0%	0
16 Enterprising Professionals	14,282	7.9%	463	33,561	7.3%	496
19 Milk and Cookies	2,474	1.4%	69	6,887	1.5%	69
22 Metropolitans	8,196	4.5%	380	18,479	4.0%	407
U4. Metro Cities II	30,193	16.6%	153	71,900	15.7%	159
28 Aspiring Young Families	7,849	4.3%	183	19,643	4.3%	189
30 Retirement Communities	2,984	1.6%	113	5,798	1.3%	114
34 Family Foundations	0	0.0%	0	0	0.0%	0
36 Old and Newcomers	5,257	2.9%	149	10,318	2.2%	149
39 Young and Restless	4,894	2.7%	189	10,304	2.2%	207
52 Inner City Tenants	5,361	3.0%	195	13,682	3.0%	210
60 City Dimensions	3,848	2.1%	245	12,155	2.7%	293
63 Dorms to Diplomas	0	0.0%	0	0	0.0%	0
U5. Urban Outskirts I	41,423	22.8%	208	111,679	24.3%	214
04 Boomburbs	10,791	5.9%	260	33,067	7.2%	270
24 Main Street, USA	1,086	0.6%	23	2,534	0.6%	22
32 Rustbelt Traditions	23,052	12.7%	451	58,449	12.7%	479
38 Industrious Urban Fringe	523	0.3%	19	1,742	0.4%	19
48 Great Expectations	5,971	3.3%	189	15,887	3.5%	224

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FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Tapestry Segmentation Area Profile

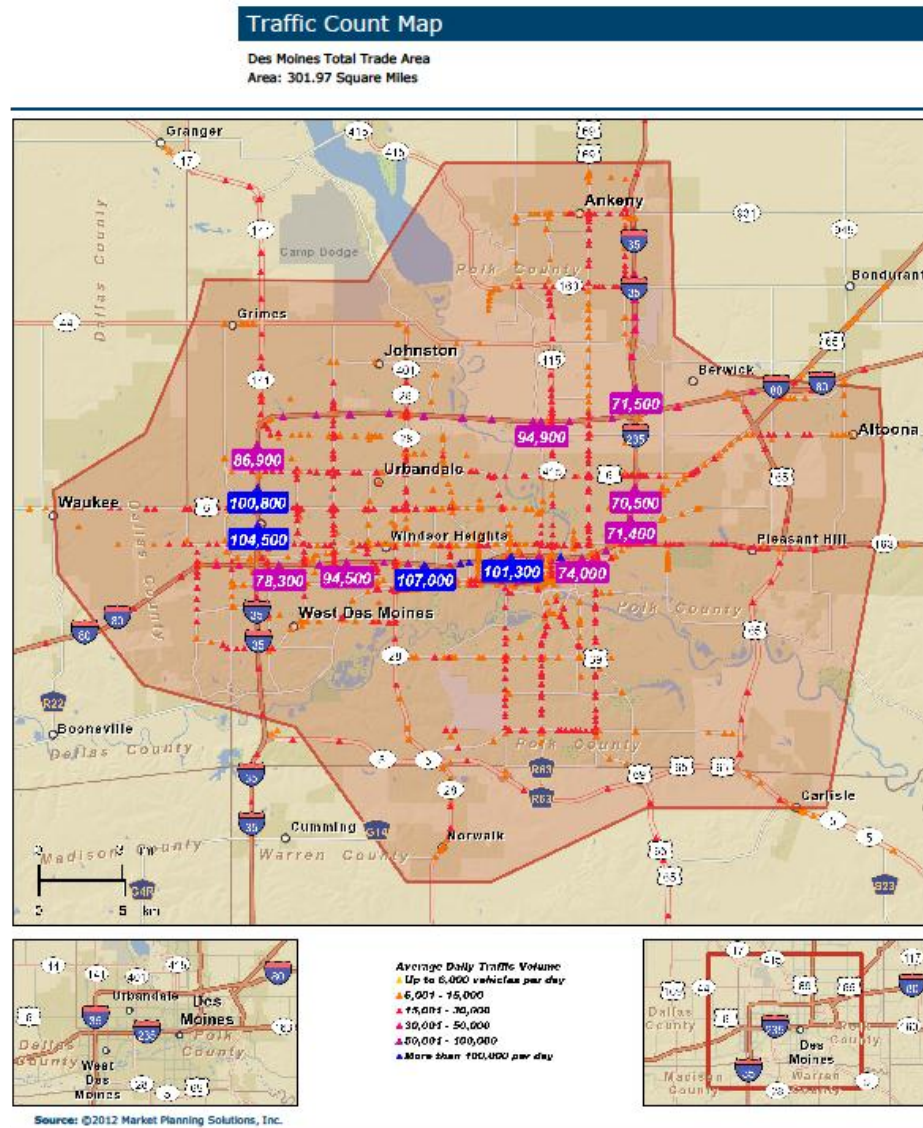
Des Moines **Total Trade Area**
Area: 301.97 Square Miles

Tapestry Urbanization	2010 Households			2010 Population		
	Number	Percent	Index	Number	Percent	Index
Total:	131,673	100.0%		458,643	100.0%	
U6. Urban Outskirts II	3,749	2.1%	40	8,284	1.8%	34
51 Metro City Edge	0	0.0%	0	0	0.0%	0
55 College Towns	2,022	1.1%	138	4,277	0.9%	124
57 Simple Living	1,727	1.0%	68	4,007	0.9%	75
59 Southwestern Families	0	0.0%	0	0	0.0%	0
62 Modest Income Homes	0	0.0%	0	0	0.0%	0
U7. Suburban Periphery I	47,476	26.1%	166	125,610	27.4%	168
02 Suburban Splendor	2,230	1.2%	70	6,135	1.3%	67
06 Sophisticated Squires	2,517	1.4%	51	6,997	1.5%	49
07 Exurbanites	5,612	3.1%	123	14,475	3.2%	123
12 Up and Coming Families	25,354	14.0%	398	69,823	15.2%	390
13 In Style	9,737	5.4%	216	23,249	5.1%	220
14 Prosperous Empty Nesters	2,026	1.1%	61	4,931	1.1%	64
15 Silver and Gold	0	0.0%	0	0	0.0%	0
U8. Suburban Periphery II	21,005	11.6%	120	53,836	11.7%	130
18 Cozy and Comfortable	8,297	4.6%	162	21,777	4.7%	170
29 Rustbelt Retirees	5,221	2.9%	139	12,552	2.7%	147
33 Midlife Junction	2,950	1.6%	66	6,537	1.4%	65
40 Military Proximity	0	0.0%	0	0	0.0%	0
43 The Elders	0	0.0%	0	0	0.0%	0
53 Home Town	4,537	2.5%	172	12,970	2.8%	204
U9. Small Towns	4,380	2.4%	50	10,958	2.4%	53
41 Crossroads	3,498	1.9%	127	8,968	2.0%	123
49 Senior Sun Seekers	0	0.0%	0	0	0.0%	0
50 Heartland Communities	882	0.5%	23	1,990	0.4%	23
U10. Rural I	2,162	1.2%	10	5,807	1.3%	11
17 Green Acres	940	0.5%	16	2,508	0.5%	16
25 Salt of the Earth	466	0.3%	9	1,159	0.3%	9
26 Midland Crowd	756	0.4%	11	2,140	0.5%	12
31 Rural Resort Dwellers	0	0.0%	0	0	0.0%	0
U11. Rural II	0	0.0%	0	0	0.0%	0
37 Prairie Living	0	0.0%	0	0	0.0%	0
42 Southern Satellites	0	0.0%	0	0	0.0%	0
46 Rooted Rural	0	0.0%	0	0	0.0%	0
56 Rural Bypasses	0	0.0%	0	0	0.0%	0
66 Unclassified	0	0.0%	0	0	0.0%	0

Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or population in the area, by Tapestry segment, to the percent of households or population in the United States, by segment. An index of 100 is the US average.

Source: Esri

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL



FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Large Non-Government Employers, Greater Des Moines Region

Employer Name	Main Locations	Product or Service	Employees
Wells Fargo & Co.	Des Moines, West Des Moines	Financial services	12,900
Mercy Medical Center - Des Moines including Mercy Medical Center - West Lakes and Mercy Franklin Center	Des Moines, West Des Moines	Healthcare	6,900
Principal Financial Group	Des Moines	Financial services	6,547
Iowa Health - Des Moines including Methodist, Lutheran, Blank Children's, and Methodist West hospitals plus Iowa Health Home Care	Des Moines, West Des Moines	Healthcare	5,005
Nationwide/Allied Insurance	Des Moines	Insurance	4,395
DuPont Pioneer	Johnston	Crop inputs for worldwide agribusiness	3,165
John Deere companies	Ankeny, Johnston	Agricultural machinery, GPS/Ag equipment software, consumer financial services	3,100
JBS Swift	Marshalltown	Pork processing and packaging	2,300
Hy-Vee Food Stores Inc.	West Des Moines	Retail grocery and drugstore chain	2,200
Kum & Go	West Des Moines	Convenience store chain	1,820
Marsh	Urbandale	Insurance	1,800
UPS	Des Moines	Logistics and distribution, transportation and freight, customers brokerage	1,700
Walmark Inc.	Des Moines	Health insurance, Medicare PDP/POsupplement, dental, flex, FSA/HRA	1,516
Firestone Agricultural Tire Company	Des Moines	Agricultural tires	1,500
HP Enterprise Services	Des Moines	Global technology services	1,500
Aviva USA	Des Moines	Financial services	1,400
YMCA of Greater Des Moines	Des Moines, West Des Moines, Waukee, Ankeny, Grimes	Non-profit youth development, health and fitness centers	1,300
Emerson Process Management - Fisher Division	Marshalltown	Control valves and systems - divisional headquarters	1,200
CDS Global	Des Moines	Magazine and product fulfillment, data capture, direct marketing services	1,100
EMC Insurance Companies	Des Moines	Insurance	1,100
FBL Financial Group Inc.	West Des Moines	Insurance and investments	1,057
Casey's General Store, Inc.	Ankeny	Gasoline, prepared food, fountain items, groceries, other merchandise	1,050
Lennox Manufacturing, Inc.	Marshalltown	Heating, air conditioners	1,030
CenturyLink	Des Moines	Telecommunications	1,023
Meredith Corporation	Des Moines	Magazine, book publishing, TV, integrated marketing, interactive media	1,000
Truist Financial	Perry	Processor and marketer of chicken, beef, and pork	1,000
Prairie Meadows Racetrack and Casino	Altoona	Slot machine and table game casino, live horse racing, entertainment	973
MidAmerican Energy Company	Des Moines	Energy services	955
Dahl's Foods	Des Moines	Retail food markets	900
Drake University	Des Moines	Higher education	900
ING Life Insurance & Annuity Co.	Des Moines	Insurance and financial services	750
Mediacom Communications Corp.	Des Moines	Long-distance phone service, internet, television	715
Ultimate Nursing Services	Waukee	Home care services for infants, children, young adults and adults	672
American Enterprise Mutual Holding	Des Moines	Insurance	600

FEASIBILITY STUDY: RANDOLPH HOTEL RETAIL

Citi Cards, a division of Citigroup	Unbandale	Credit card operations center	600
DeeZee Manufacturing	Des Moines	Manufacturing of truck accessories	600
ADP (Automatic Data Processing)	West Des Moines	Payroll processing, HR systems, related	550
The Willem Group Inc.	Clive	Automated dispensing and controlled access equipment manufacture and design	550
Pine Ridge Farms LLC	Des Moines	Pork products	540
Universal Pediatric Services	Waukee	Home health care for children, young adults and adults throughout the Midwest	520
GuidOne Insurance	West Des Moines	Property and casualty insurance	509
Titan Tire Corporation	Des Moines	Manufacture of agricultural and off road tires	500

Information obtained from sources deemed to be reliable: OneSource Information Service; Des Moines Business Record 2012 Book of Lists; Greater Des Moines Partnership; news clippings; Marshall County and Jasper County economic development groups; and company-provided information. The list is updated frequently as changes are identified and is not to be construed as a complete profile.

8/22/2012

 The Greater Des Moines Partnership
700 Locust Street, Suite 100
Des Moines, IA 50309
515.286.4350 Fax 515.286.4505
www.desmoinespartnership.com

Whatever you do, do more of it in Des Moines. **DES MOINES. DO MORE.**

PROJECT PLAN | 420 COURT AVENUE

PROJECT DESCRIPTION:

The 420 Court Avenue project will redevelop a 2.3 acre City-owned parking lot located in the Court Avenue area downtown into apartments and a grocery store. The City solicited development concepts for this site in early January 2014. In February 2014, the City received five concepts and selected the conceptual proposal offered by Hy-Vee and Knapp Properties. The 108,000 sf development includes a 35,000 square feet, full-service, 24-hour Hy-Vee store with a Market Grille full-service restaurant and coffee shop, 81 market-rate apartments and a combination of surface and structured parking. A linear park is shown on the south end of the property, immediately north of the former Rock Island Railroad depot and currently used as offices. Hy-Vee projects that it will provide full-time employment for about 75 people, including 12-15 managerial positions, and part-time employment for 128 people.

The developers – Hy-Vee Grocery and Knapp Properties – are long-time Iowa businesses with extensive experience in housing and commercial development. A downtown Des Moines grocery store is a part of Hy-Vee's expansion plan, after actively reviewing potential downtown sites since 2011. Per their joint venture proposal for the site accepted by City Council, this project is one of five development projects Knapp slated for 2014; Hy-Vee has an annual capital budget of \$300M and has been eyeing a grocery store in downtown Des Moines for several years. Hy-Vee has recently worked on a variety of new stores to fit into urban settings with smaller sites than their traditional suburban stores. This will be its first mixed use full-service grocery store in a dense urban setting and views the Court Avenue project as a potential model for other urban grocery stores in Iowa and the Midwest.

The project is working its way through development approvals. Urban Design Review Board recommended final approval of the design on February 3, 2015. City Council approved the financial incentives and began the land conveyance process on February 23, 2015. Construction is planned to begin in spring 2015, with opening planned for mid-2016.

420 COURT

FUNDING USES

Site Preparation	in 'construction'
Land Acquisition	270,000
Building Construction	\$23,289,861
Developer Fee	in 'soft costs'
Architectural Design	in 'soft costs'
Engineering Design	in 'soft costs'
Construction Admin.	incl in soft costs/const.
Other - soft costs	\$2,802,858

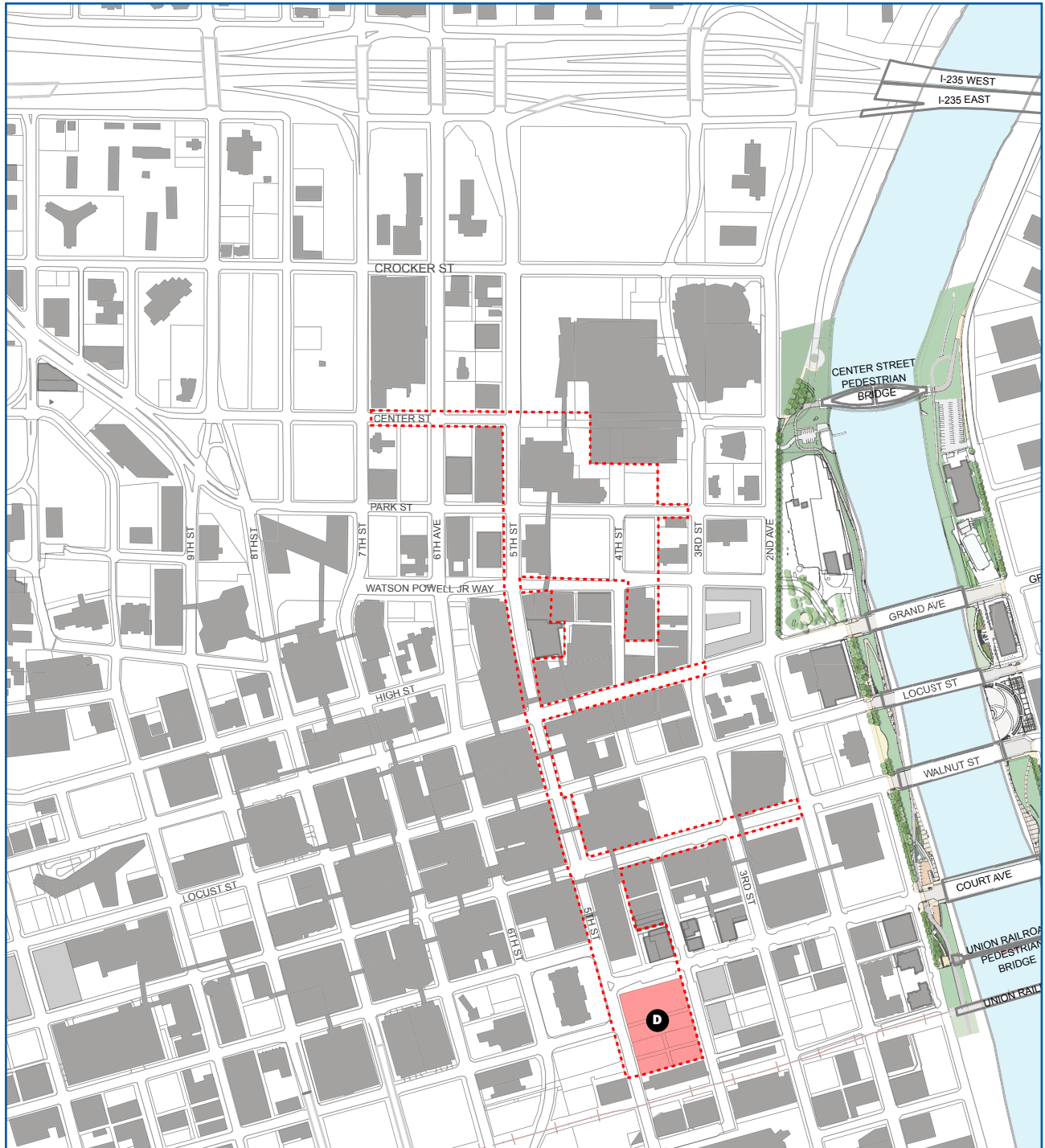
Total Project Budget	\$26,562,719
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FUNDING SOURCES

Workforce Tax Credit*	\$1,000,000
New Market Tax Credit	\$2,600,000
Mortgage	\$14,000,000
Developer Equity	\$8,962,719

Total Project Sources	\$26,562,719
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* application submitted February 4, 2014



Iowa Reinvestment Act
Iowa Convention and Entertainment District
District Plan | 420 Court

Final Application
4 February 2015

N.T.S.



PROJECT PLAN | 420 COURT AVENUE

DESCRIPTION AND TYPE OF PROJECT

New construction with new lessor

EXPECTED TIMELINE

Finalize design and approvals	March-April 2015
Land Acquisition	April 2015
Construction start	May 2015
Project opening	mid-2016

DETAILED BUDGET FOR THE PROJECT

see attached

EXPECTED DEBT ASSOCIATED WITH EACH PROJECT

\$14M

STATUS OF EXPECTED FINANCING AND FINANCING GAP

Knapp Properties and Hy-Vee are established entities in central Iowa, with extensive portfolios in real estate and grocery stores, respectively. Collectively, they have financing capacity to secure the proposed mortgage and execute the project. The financing gap has been addressed by a combination of city discount on the land sale and award of new market tax credits. If awarded funding from the Workforce Housing tax credit program, the financial gap for this project has been closed. TIF incentives have been approved a gap in the operating performa.

EXPECTED STATE HOTEL/MOTEL TAX AND/OR STATE SALES TAX PROJECTIONS OVER 20 YEARS.

\$9,798,000; see attached excerpt from the Economic Impact Analysis for detail.

VISUAL AIDS WHICH ENHANCE THE UNDERSTANDING OF THE PROJECT

See attached excerpts from submission to recent City of Des Moines Urban Design Review Board for final design Review

FEASIBILITY STUDY CONDUCTED BY AN INDEPENDENT PROFESSIONAL

See “City of Des Moines Downtown Retail Market Analysis” conducted in 2013 by the Gibbs Planning Group, Inc. immediately preceding this project plan.



CONSTRUCTION BUDGET: 420 COURT

SUMMARY OF COST ESTIMATE prepared by STECKER-HARMSSEN, INC.

PAGE 1

PROJECT: **420 COURT AVE. RVSD VE MIXED USE BUILDING**
OWNER: **KNAPP PROPERTIES/HY-VEE**
ARCHITECT **OPN ARCHITECTS**

LOCATION: **DES MOINES, IOWA**
DATE: **AUGUST 19, 2014**
STATUS: **CONCEPTUAL**

DESCRIPTION OF WORK	TOTAL
SITE PREPARATION	373,346
SITework	1,853,855
PARKING RAMP	3,273,573
BUILDING STRUCTURE	2,924,759
BUILDING ENCLOSURE	5,563,482
VERTICAL TRANSPORTATION	443,205
GROCERY STORE/RESTAURANT SHELL - FINISH OUT	705,892
APARTMENT FLOORS - FINISH OUT	4,115,571
MECHANICAL	2,848,599
ELECTRICAL	1,387,576
FURNISHINGS & EQUIPMENT	
COST ESTIMATE TOTAL	\$23,489,858

PROJECTED SALES TAX: 420 COURT

Table 4-14

420 Court, Des Moines, Iowa Estimated Sales Tax Revenues Generated within the 420 Court Site only (\$Million)

		Sales Tax (6%)*		Local Hotel/ Motel Tax on Rooms	Excise Tax on Rooms**	TOTAL	Available to Reinvestment Program as Allowed by IRA**	Retained by Jurisdictions
		4.0%**	2.0%	7.0%	5.0%			
		(A)	(B)	(C)	(D)	(E)	(F) = (A) + (D)	(G) = (E) - (F)
Year 1	2018	\$0.365	\$0.182	na	na	\$0.547	\$0.365	\$0.182
2	2019	0.376	0.188	na	na	0.563	0.376	0.188
3	2020	0.387	0.193	na	na	0.580	0.387	0.193
4	2021	0.398	0.199	na	na	0.598	0.398	0.199
5	2022	0.410	0.205	na	na	0.616	0.410	0.205
6	2023	0.423	0.211	na	na	0.634	0.423	0.211
7	2024	0.435	0.218	na	na	0.653	0.435	0.218
8	2025	0.448	0.224	na	na	0.673	0.448	0.224
9	2026	0.462	0.231	na	na	0.693	0.462	0.231
10	2027	0.476	0.238	na	na	0.714	0.476	0.238
11	2028	0.490	0.245	na	na	0.735	0.490	0.245
12	2029	0.505	0.252	na	na	0.757	0.505	0.252
13	2030	0.520	0.260	na	na	0.780	0.520	0.260
14	2031	0.535	0.268	na	na	0.803	0.535	0.268
15	2032	0.552	0.276	na	na	0.827	0.552	0.276
16	2033	0.568	0.284	na	na	0.852	0.568	0.284
17	2034	0.585	0.293	na	na	0.878	0.585	0.293
18	2035	0.603	0.301	na	na	0.904	0.603	0.301
19	2036	0.621	0.310	na	na	0.931	0.621	0.310
20	2037	0.639	0.320	na	na	0.959	0.639	0.320
21	2038	0.659	0.329	na	na	0.988	0.659	0.329
22	2039	0.678	0.339	na	na	1.018	0.678	0.339
23	2040	0.699	0.349	na	na	1.048	0.699	0.349
24	2041	0.720	0.360	na	na	1.079	0.720	0.360
25	2042	0.741	0.371	na	na	1.112	0.741	0.371
26	2043	0.763	0.382	na	na	1.145	0.763	0.382
27	2044	0.786	0.393	na	na	1.180	0.786	0.393
28	2045	0.810	0.405	na	na	1.215	0.810	0.405
29	2046	0.834	0.417	na	na	1.251	0.834	0.417
30	2047	0.859	0.430	na	na	1.289	0.859	0.430
Total in 20 Years		\$9.798	\$4.899	na	na	\$14.697	\$9.798	\$4.899
Total in 30 Years		\$17.348	\$8.674	na	na	\$26.022	\$17.348	\$8.674

*Applied to 420 Court's taxable retail and restaurant sales figures (Line 9 of Table 4-7).

Total tax rate is 6 percent, of which 4 percent is allowed by IRA to be available for District Reinvestment Program.

**These tax revenues are available for District Reinvestment Program, as allowed by IRA.

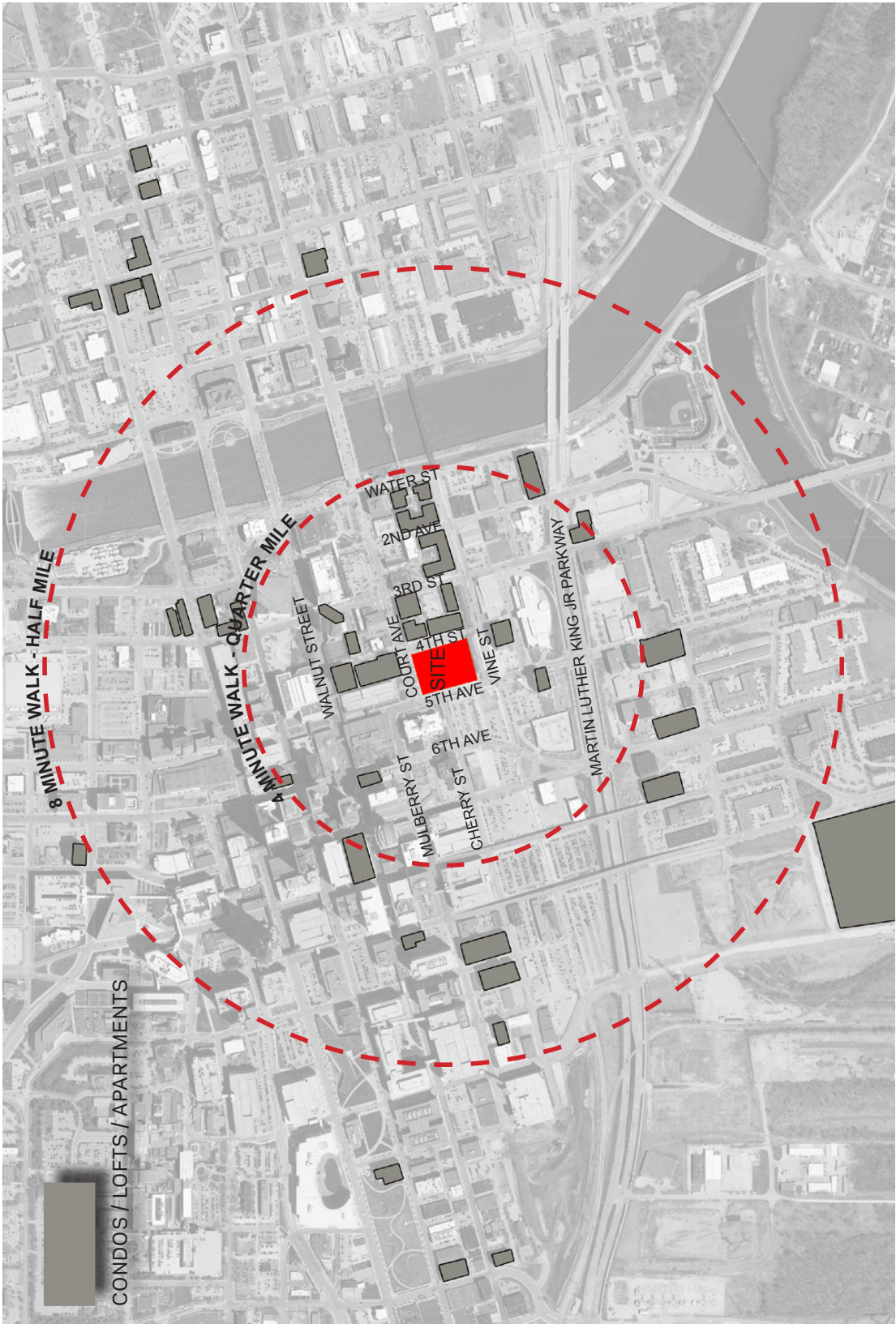
Source: Johnson Consulting

VISUAL: 420 COURT



VIEW TOWARD COURTHOUSE

FROM COURT AVE



Today, apartments along Court Avenue have a Walk Score of 65 or 'Somewhat Walkable' (www.walkscore.com). The proposed project will significantly increase the convenience and appeal of urban living for the 8,000 residents and 70,000 workers in the downtown area.

WALKABILITY DIAGRAM





AXONOMETRIC FROM NE

AERIAL VIEW FROM NORTH EAST





COURT AVENUE STREET LEVEL VIEW



TRANSPARENT CORNER

FROM 5TH AVE AND COURT AVE INTERSECTION

LOOKING EAST DOWN COURT AVENUE