

Memorandum

To: George Austin
CC:
From: Beitler Real Estate Services LLC
Date: 3/2/2016
Re: Judge Doyle Square Interview – March 9, 2016 Questions

Dear Mr. Austin,

In preparation for our presentation on March 9, 2016, below are the responses to the five questions outlined in your letter dated February 29, 2016.

1. Hotel – Describe the select services concept of the hotel, the food service capabilities for guests and in the meeting spaces, the EVEN brand sales structure and how the brand addresses the needs of Monona Terrace, and who will be the hotel operator.

- a. Select Services Concept

The RFP states that City desires a “... **urban mixed-use hotel product that is a national brand and has many full-service attributes without the full-service hotel cost. This type of hotel is designed for urban markets to meet the needs of today’s connected traveler. These hotels are focused on style, technology and engagement and feature innovative concepts in architecture and modern hotel design, and great dining and nightlife.**”

The EVEN Hotel is a select service brand of InterContinental Hotels Group (“IHG”) and directly responds to each of the RFP requirements above.

- b. Food Services Capabilities

As a select service brand, the standard EVEN food service includes a retail area for grab-and-go food options, hot and cold drinks. There is also a hotel bar area that features signature drinks using fresh herbs and organic liquors as well as wine ruvinets, bottled beer and standard drinks.

- c. EVEN Brand Sales Structure

The IHG Sales Team generates revenue for all brands by managing key business-to-business relationships in the transient and group markets. In 2014, the IHG worldwide sales team generated over \$5.4 billion in room revenue to all IHG branded hotels. There is a \$150 mm IHG capital commitment to build the EVEN brand platform and launch the brand throughout the nation, including the EVEN we have proposed in Madison, WI.

The IHG Reservation Channels are the world's first hotel computerized reservation system introduced in 1965. There are over 2,500 agents, 11 call centers worldwide and services in over 14 languages. IHG call centers handled 28 million guest contacts in 2014. IHG Central Reservations centers drove \$2.9 B in revenue in 2014 to all IHG branded hotels. Revenue delivery increased 10% over 2013.

The IHG Rewards Club has over 85 million members – largest in the hotel industry. IHG Rewards Club members deliver nearly 40% of total room revenue to IHG branded hotels. Members provide 22% more revenue per stay than non-members. Over a 30 year history, IHG established the first loyalty program in the world. In 2014, IHG Rewards Club contributed over \$7.5 billion to global system room revenue. IHG was voted 'Best Hotel Loyalty Program' in the World by readers of Global Traveler Magazine for the tenth consecutive year, 2005-14.

The brand website is a destination where consumers can learn how they can keep active, rest easy, eat well and accomplish more when they book a stay at EVEN Hotels as well as discover travel well tips. The IHG App creates a seamless experience for guests to both book and manage their stays at an EVEN Hotel, while also exploring all the wellness options the hotel and surrounding area have to offer. In addition to managing and maximizing their stays, they can take a hotel spotlight tour, access IHG's exclusive Travel Well Magazines to read and share current articles, search interactive City View Maps, rest easy with white noise playlist options and keep active with exclusive fitness videos enabling guests to maintain their wellness routine when they travel.

The EVEN Hotels brand offers a solution for capturing and storing unique stay-based guest preferences and interests to ensure their stay is personalized. IHG Rewards Members and Wellness Minded Travelers will have the ability to provide stay-based preferences through the IHG reservation flow.

d. Address Needs of Monona Terrace

Per **Exhibit A**, the banquet and meeting space of the hotel would be increased to provide an area of 19,545 square feet comprised of 15,635 square feet on Level 3 and 3,910 square feet on Level 2.

The standard food services would be expanded and the hotel kitchen would be modified to accommodate a food service program for the expanded banquet and meeting spaces.

e. Hotel Operator

The hotel operator will be identified after a selection process by Beitler which will include considering both IHG and third party operators. An important aspect of selecting a first class hotel operator will be considering other hotels currently operated in the area to ensure our hotel remains competitive with hotel pricing to encourage traffic to Monona Terrace and avoid a monopoly type condition in the market.

2. Hotel –Describe the room block commitment you’re prepared to make for Monona Terrace events.

The hotel design contains 252 hotel rooms. We agree to establish a room block commitment for Monona Terrace that is consistent with Monona’s specific room block requirement and compatible with the ongoing demands of the hotel in general.

3. Design – Discuss the building envelope and how the glass curtainwall of the buildings will impact glare, reflection, heat islands, maintenance/cleaning and bird collisions with the buildings.

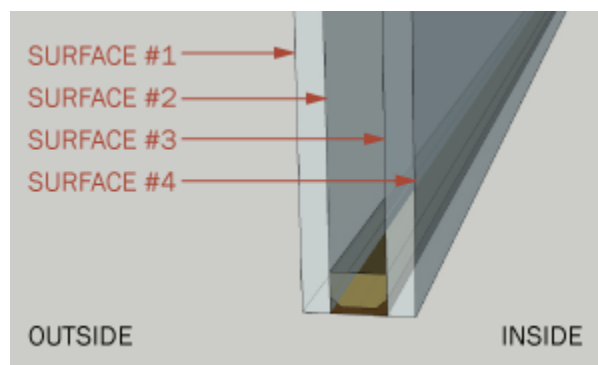
- a. Building Envelope

The envelope for all of the buildings is ceiling to floor insulated dual pane glass. Each pane will be joined together with silicone creating a smooth seamless surface. There will be no metal mullions connecting the glass panels. All floors will be concrete as well as the structure. At the ground floor level, doors will be both revolving and side open panel fire doors. The store fronts will be ceiling to floor clear vision glass. In the Apartment Building(s) and Hotel, there will be operable windows; however, there will not be any indoor or outdoor balconies. No clear stories are anticipated nor skylights. The interior will be comprised of drywall and wood door materials.

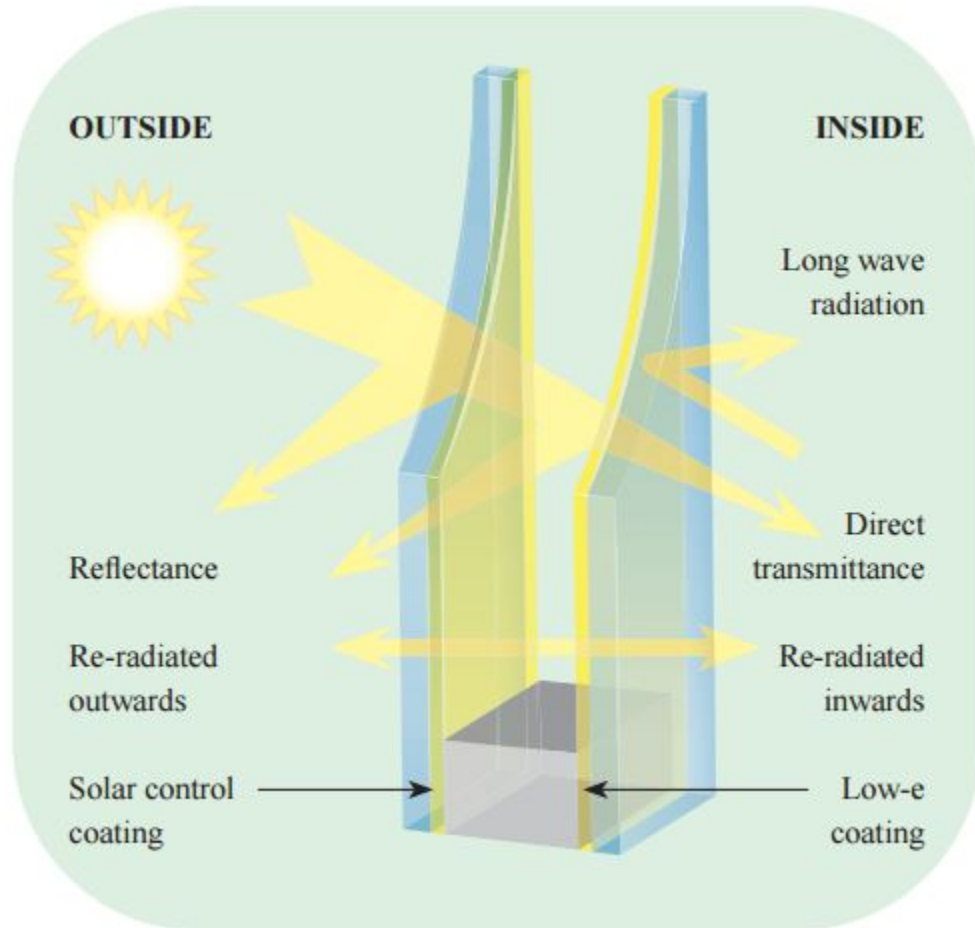
- b. Glare Impact / Reflection

Glass technology for commercial buildings has advanced significantly with the advent of the “sandwich” or “dual pane” insulated glass window. The insulating benefits between the two panes of glass as well as the various options that can be provided through internal coatings have made the use of insulated glass a major component of modern buildings.

As can be seen in the attached rendering, there are four sides to a dual pane of glass. Side 1 is the outdoor surface. Side 2 is the first inside surface or back side of the outside pane. Side 3 is the inside face of the inside pane. And side 4 is the side facing the inside of the space which is the opposite side of the outside surface. The glass pane is vacuum sealed to prevent moisture from entering the “sandwich” portion of the glass.



By putting a solar control coating on the number 2 surface of the glass and putting a Low e / reflective coating on the number 3 surface of the glass, the amount of heat and reflectivity can be controlled and regulated. As a result, dual pane insulated glass has become the most desirable building material for commercial buildings due to its superior insulating benefits over stone and other building materials.



Federal and State energy codes have recently become more stringent in an effort to reduce the amount of radiant heat that can be introduced into a space. Clear glass allows the greatest amount of radiant and varying degrees of reflective glass prevent radiant light from entering the space. By varying the amounts of surface coatings on the number 2 surface and number 3 surface of the dual pane glass, a comfortable balance can be achieved between viewing the glass from the outside as well as looking out through the glass from the inside.

c. Heat Islands

Heat Islands result when much of the square footage of a city is made up of paved roads and dark rooftops and increase the temperature by 2-5 degrees during the day and up to 20 degrees at night. The result can mean increased ground level ozone formation, warm storm water runoff and increase the opportunity for heat exhaustion.

The existing blacktop on Block 88 and garage deck on Block 105 currently contribute to the Heat Island effect and our project will reduce the Heat Island effect through five specific design solutions:

- 1) Have Less Paved Areas: The center of the plaza will showcase a public water feature. This large area of water will be absorbing the heat normally emitted by asphalt.
- 2) Use Permeable and Reflective Surfaces: The material around the plaza will not be concrete but instead be permeable pavers which are both more attractive in appearance and reduce heat gain.
- 3) Use Lighter Colored Material on Rooftops: The roof membranes of the building roofs will be white instead of black.
- 4) Provide Green Roof Systems or Roof Decks to Deflect Sun from Surfaces: The buildings on both Block 88 and Block 105 will have green roofs and the outdoor amenity levels will also be green and landscaped.
- 5) Shading: At ground level there will be newly planted trees along with a pedestrian canopy for the entire length of each building sheltering pedestrians from the sun and rain.

On an typical summer day, Chicago City Hall green roof measured almost 80F (40C) cooler than the conventional roof



Source: *Reducing Urban Heat Islands: Compendium of Strategies*

Burnham-Moores Center, MSRE
Program, University of San Diego

d. Maintenance / Cleaning

The maintenance of the private portions of the project shall be privately maintained (hotel, apartment building(s)) and the public portions of the project shall be maintained by the City (public parking facility and public plaza/fountain).

e. Bird Collisions

While birds exist naturally in urban areas and are adpt at living in cities, most migratory bird species are unable to adapt to living in cities. In order to reduce the negative effects cities have on migratory birds, there are several bird-friendly development concepts our project will implement which include:

- 1) Angles Glass: Angling glass panels helps indicate to birds that they are solid objects and not exact mirrored reflections of the surrounding area. The curved nature of our glass buildings results in a constant change in glass angulation breaking up any reflections that would draw birds toward the glass and help identify the buildings as solid objects to be avoided.
- 2) Building Overhangs: At the base of each building there is an overhang which will provide shade and shelter from the elements for pedestrians and simultaneously help block ground floor lighting from building lobbies and retail areas.
- 3) Directed Lighting: The design does not call for any decorative, advertising or event lighting. All outdoor light fixtures will project lighting downward to minimize direct upward light.
- 4) Reduced Interior Light Pollution: Unlike office buildings that operate with high intensity work lighting at night, the apartment and hotel buildings use less intense lighting. Apartment and hotel users will have their blinds drawn at night for privacy purposes which will reduce or otherwise eliminate the adverse effects of interior light pollution that would normally disorient migrating birds.
- 5) Rooftop Sanctuary: What we are initiating as a strong bird strike preventative measure is a plan that has not been done before in Madison. We are landscaping the roofs of all three buildings with green roofs to resemble a park where there will be varying heights of plantings and available water. By creating this bird refuge/sanctuary, we can attract birds to the top of the buildings and away from the lower areas of the buildings; thus preventing their accidently flying down into the canyon of the streetscape and colliding with our and neighboring buildings.



Green Roof Sanctuary – Jacob Jarvis Center New York City

Our design aspects will ensure our project is ahead of the curve when it comes to reducing bird collisions and benefit both our project and the existing buildings in the neighborhood.

4. Parking – Discuss your willingness to place some of your parking below grade and how that would impact your financing plan.
We will provide an Option “B” (Below Grade) that will place the public parking requirement of the RFP in a below grade condition. The details of this Option will be outlined during our presentation.
5. Labor Peace – Describe your position on labor peace for the hotel component and your willingness to agree to the 9/30/15 provisions adopted language on labor peace.
The Negotiating Team Report to the BOE dated 2/15/16 concluded the following regarding Labor Peace:

“The City Attorney’s Office believes a labor peace agreement for the operation of the hotel can’t be required as a condition of the Beitler team since there aren’t any public funds being invested in the private portion of the project.”

We will retain a qualified hotel operator that will operate the hotel in a first-class manner and who will agree to negotiate in good faith with labor to establish a mutually agreeable peace agreement.