

From: Robin Anderson
To: Santizo, Alaina [IEDA]

Subject: RE: questions

Date: Tuesday, December 19, 2017 2:53:21 PM

I just returned to my office from a meeting with Steven VanSteenhuyse in which I appealed to him to make sure the City puts something in the Development Agreement with G8 that the hotel operator (at this point, Stoney Creek Hospitality) must commit to managing The Music Man Square as a conference center. This includes all aspects of operations—maintenance, marketing, conference set-up/tear-down, staffing, financial, etc. In essence, it would be the same model that Stoney Creek uses with Wright on the Park, Inc. for the operation of The Historic Park Inn Hotel.

I asked the City yesterday and today for a copy of the G8 development agreement, and was told it is not ready. The mayor has announced (over and over) that it is his intent to sign this agreement on December 28—just 8 short days away—especially considering the Christmas holiday and the weekend. Steven said that he understands the concerns and the importance of what The Music Man Square brings to this project. Getting this community asset on a path to financial sustainability is essential! NOT having the Development Agreement available for people to review prior to the mayor signing it is a PROBLEM. There is NOT an environment of trust in our community right now.

My quote in the email below is true—I don't think the citizens DO care who builds, owns, or manages the hotel. The hotel is simply the private investment that makes the rest of the project work. In fact, I am disappointed that G8/Stoney Creek brought their proposal forward as a means of stopping G8 from building his Courtyard by Marriott on property he optioned just south of the development district. Gatehouse was so bullish on the potential for increased meeting/conference/event business that they projected another hotel would be NEEDED in the downtown core. It would've been great to have both the Hyatt Place and the Courtyard downtown.

Context of my e-mail exchange: The Chamber Board (Steve Noto is the past chair and serves on the board) will be discussing the River City Renaissance Project tomorrow morning. The suggested action step is to send a letter to the new council (swearing in is Dec. 20) asking them to make sure ALL of the components of the Iowa Reinvestment Act project are retained. City staff has been consumed with nailing down the hotel development agreement—but this is only one aspect of the project. The only people who seem to be providing input for the Development Agreement are those who stand to gain from building the hotel. I will forward the e-mail that I sent to Steve as a courtesy so he can decide how he wants to participate in tomorrow morning's discussion.

3500 sq. ft. of conference space in the Courtyard is a threat to The Music Man Square. The meeting space in the Hyatt Place was similar to what you would find in a Super 8, etc. The Mason City Foundation had no objection to a couple of small rooms. 3500 sq ft of event space is a different story. Given the importance of The Music Man Square to the project, and the symbiotic relationship that will be necessary (and which was proposed by Gatehouse Capital), the Development Agreement needs to include the particulars of how the conference center will operate, etc.

I am hopeful that City Officials will do as you suggest and “tap the brakes” so we can make sure that everything that needs to be in the Development Agreement is in there to ensure the other components of the project (Performing Arts Pavilion, The Music Man Square conference center, connecting Skywalk, Meredith Willson Museum) don't disappear from the scope of the project.

Perhaps it is as simple as requiring G8 to have an agreement in place with The Mason City Foundation PRIOR to the City signing off on the Development Agreement.

Thanks for looping me in on this.

RA

From: Santizo, Alaina [IEDA] [mailto:Alaina.Santizo@IowaEDA.com]

Sent: Tuesday, December 19, 2017 1:52 PM

To: Robin Anderson <randerson@masoncityia.com>

Subject: FW: questions

Hi Robin,

I've been getting a lot of comments from the Mason City Foundation and Music Man Square. So, I

posed some comments and questions to the city, which they forwarded to Mr. Noto to respond to.

In his response, below, he references an email exchanged between the two of you. Could you

provide any context around this?

Thanks!

Alaina

From: Steven Noto [mailto:steve.noto@stoneycreekhoteis.com]

Sent: Tuesday, December 19, 2017 12:14 PM

To: Eric Bookmeyer <ebookmeyer@masoncity.net>; Santizo, Alaina [IEDA] <Alaina.Santizo@IowaEDA.com>

Cc: Steven Van Steenhuyse <svansteenhuyse@masoncity.net>; Kevin E. Jacobson <kjacobson@masoncity.net>; schickelatlarge@masoncity.net

Subject: Re: questions

Ms. Santizo,

I enjoyed meeting you last week, and want to thank you for keeping the dialog open on this project.

I can address several of your questions directly.

I guess I'd first say that listening to heresy from a few that may have a different opinion is hardly an indication of the mood, tone, or enthusiasm of our entire community. That's certainly not what I've experienced since G8 submitted their bid, in fact its been a relief to numerous distinguished members of our community. Our Chamber Exec Director, Robin Anderson even made the following statement to me in an email this past weekend-

" I can honestly say the citizens don't care who builds, owns, or manages the hotel. It is all the other stuff they care about...and all the other stuff that is going to contribute to the quality of life and sense of place."

I would think that statement, and the letters of support from Music Man foundation, Representative Steckman, and Speaker Upmeyer would be given more consideration then someone with skinned knees.

So no I don't think its time to hit the brakes, I think its time to get this project moving.

As to the conference space- yes the G8 plan contains meeting space in the hotel. This is a requirement of Marriott as is it a requirement of Hyatt. I'll draw your attention to the attached PDF which is page 45 from the Gatehouse PSDA. It is their 1st Floor drawing showing public spaces, fitness, lobby, rooms, etc.

But it also contains meeting space- Center Left of page. Two large rooms which appear to be dividable allowing multiple events to occur at one time. Hence this shouldn't be a new development for your or your board, both hotel plans have it, so lets move on.

As to Music Man Square- I don't really understand your question. Do we intend to follow the same path with the Museum, and improvements to make Music Man Square a convention facility- Yes.

Are we going to copy the Gatehouse MOU - Absolutely Not. Why? its not our intellectual

property, and we have a pretty good track record of doing things our own way. When we met with the board one thing was made very clear. Several of them stated they haven't been included in the process at a level that they were comfortable with, and so that's where we are starting. Is there a lot to get accomplished- yes, but the board is now included in the process, with a local management team, local architects-who designed the building, and local construction management team, that built the building.

As to Stoney Creek - We operate 15 properties in 5 states, with over 600 employees and manage over \$200 million in assets. These properties range in size but average about 140 rooms with over 15,000 square feet of conference space. Our largest property just opened in Broken Arrow, OK with 177 rooms, and over 40,000 sq ft of conference space. 13 of these 15 properties were designed and built by us, 1 a purchase and renovation, and locally- the Historic Park Inn in which we helped facilitate the renovation and FF&E process. I personally operate the Historic Park Inn, which for each of the last 5 years has attracted visitors from all 50 states, and in that time frame visitors from 57 countries. We understand marketing in large markets, niche markets, regional markets, etc. We are ready for the challenge.

Should you have any further questions, please feel free to contact me.

Respectfully,

Steven M Noto

Executive Vice President, Chief Financial Officer

Stoney Creek Hospitality

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On Tue, Dec 19, 2017 at 8:01 AM, Eric Bookmeyer <ebookmeyer@masoncity.net> wrote:
Mr. Noto,

Can you review and address?

Thanks,

Eric

From: Santizo, Alaina [IEDA] [Alaina.Santizo@IowaEDA.com]

Sent: Monday, December 18, 2017 11:40 AM

To: Steven Van Steenhuyse; Kevin E. Jacobson

Cc: Council Member Bill Schickel; Eric Bookmeyer

Subject: questions

Steven,

I have been receiving more contacts from Mason City concerned about the change in developers.

These claims state that the public support is eroding from the project. I have asked those that

called, to follow up in writing to me. Has the city received written public comment related to this?

Could you please share it with me?

One person pointed out that the new G8 plan includes conference space in the hotel, in addition

to the conference space located at the Music Man Square (current facility). Is this true?

What collaboration has occurred between city officials, G8 officials and the Mason City Foundation and/or Music Man Square? It was my understanding that multiple meetings went on

over time between these entities and Gatehouse previously. Can this simply be replicated with

G8? How does the marketing capacity of Stoney Creek Hospitality compare with the previously

proposed Aimbridge Hospitality?

I really appreciate your efforts and thank you for keeping the discussion on Friday so cordial. I

would also reiterate that while time is important, we are most interested in a good project for Mason City. I know there are plans for approvals next week. If tapping the breaks to make sure

there is broad buy in for moving forward makes sense, this will not jeopardize the

Reinvestment

District application.

Alaina Santizo | Senior Project Manager

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