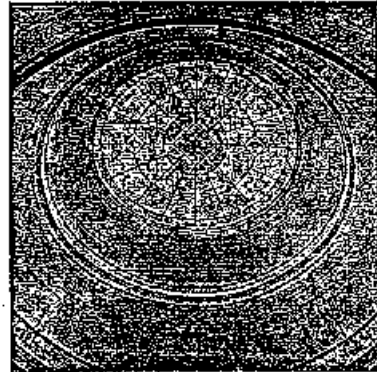
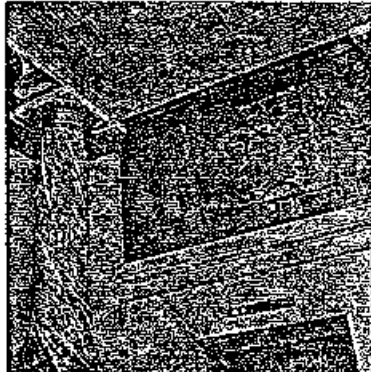
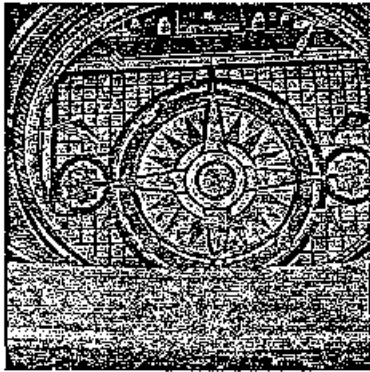
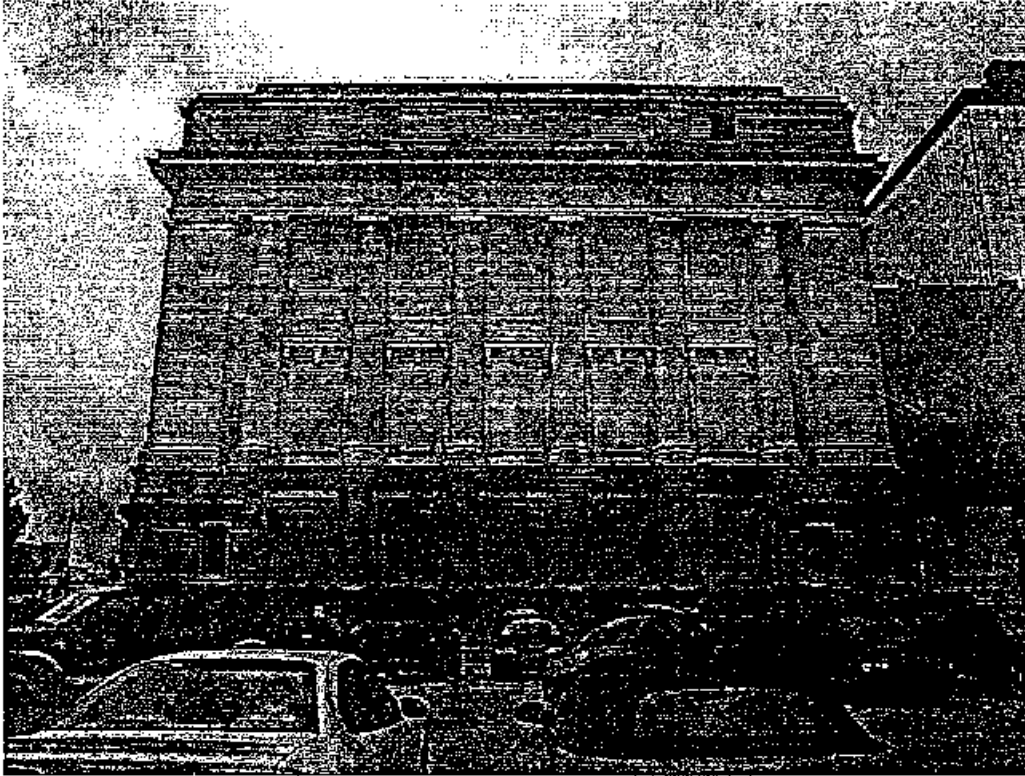


LETTER OF INTEREST FOR THE

REDEVELOPMENT OF OLD CITY HALL



Submitted by: Municipal Consultants, L.L.C.
8136 Castleton Road
Indianapolis, IN 46250
317.691.5059

October 30, 2009

INTRO

Municipal Consultants, LLC is seeking to partner with the City of Indianapolis to develop the Old City Hall Building located at 202 North Alabama for municipal use. Originally constructed in 1910, this building served as Indianapolis City Hall until 1962, when most city offices were relocated to the current City County Building.

In 1964, the State of Indiana began preparation to utilize the building as the Indiana State Museum. The museum occupied the structure until 2002, when they moved to a new location in White River State Park. Since that time, the building housed the temporary Marion County Central Library, until the completion of the new library on St. Clair Street. Since 2007 the building has been vacant and the city continues to expend financial resources to maintain the building.

Municipal Consultants, LLC commissioned a study which explored the feasibility of renovating this building to once again provide quality leasable office space. This study was performed by **Beam, Longest and Neff, L.L.C.**, **RATIO Architects, Inc.** and **L'Acquis Consulting Engineers**, and included site visits to the building to evaluate the condition of the architectural features, fixtures and finishes and the mechanical/electrical/plumbing systems as they currently exist. Based on these field investigations and condition analyses, recommendations have been created for both the architecture and the MEP systems.

The study outlines ways in which sustainable design elements could be incorporated into the building, existing and proposed floor plans, and some representative layouts for future spaces. The study also addresses costs associated with potential improvements for complete tenant build out.

STRATEGIC APPROACH

The approach prescribed by Municipal Consultants, LLC, in accordance with the previously described feasibility study, seeks to accomplish a number of the City's goals for the building.

a. Ensure a sustainable long term use for the property that respects the historical integrity and character of the existing structure.

First, the approach would include Municipal Consultants, LLC becoming the owner of the property located at 202 North Alabama, Indianapolis. This ownership could return the property to the tax rolls, as well as remove the city's current obligations for maintaining an unoccupied BCDG. This provides additional immediate revenues to the city. Additionally, construction improvements performed on the building would facilitate the creation of leasable municipal office space with parking in close proximity. All improvements performed would maintain the historical integrity and significance of the structure, while allowing for sustainable design elements to be incorporated, with the possible goal of seeking LEED certification upon project completion.

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Old City Hall



b. Promote local job creation both short and long term.

This approach would provide local job creation in both the short and long term. Various skilled trades, architects, engineers, and laborers would perform work on the project throughout the construction phase.

Long term job creation in the downtown area would be created through providing leasable office space for municipal employees or businesses to occupy, subsequent building maintenance would also require additional labor resources, and there would be a significant tangential impact upon increasing traffic to adjacent businesses throughout the work week.

c. Promote long-term economic development opportunities.

Municipal Consultants approach facilitates additional redevelopment in the near east side of Indianapolis. In recent years significant capital expenditures have been made in the area to encourage the creation and expansion of a thriving neighborhood with live and work possibilities. This project would compliment these other recent expenditures and would provide new job opportunities, new municipal leasable office space that would continue to improve the near east side of the city, and encourage broader awareness of the principles of sustainability that the city has recently stressed.

d. Contribute to the enhancement of the overall cultural spirit of the Downtown Indianapolis Community.

Municipal Consultants, LLC provides the city with a team of industry experts that clearly understand and identify the City's goals in encouraging investment and redevelopment in the downtown area.

The project area is immediately adjacent to the recently completed Cultural Trail, and one of the benefits of the redevelopment of the Old City Hall would be the increase in pedestrian traffic on the trail, as well as the increased revenue and traffic provided to local businesses in the area.

Additionally, Municipal Consultants understands the City's aggressive efforts to encourage environmentally conscious principles to be incorporated into the daily lives of Indianapolis residents, through the recent creation of the Indianapolis Office of Sustainability. This redevelopment project would include significant construction improvements that were performed in accordance with the goal of achieving LEED certification for the project. Also, the additional leased office space would encourage more pedestrian traffic in the downtown area, thus implementing a core principle of CPTED.

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Old City Hall



e. Incorporate Environmentally Friendly elements into the redevelopment to create a more sustainable facility.

The city recently established the Office of Sustainability which has demonstrated significant successes in its short existence. The improvements to the Old City Hall would be performed in accordance with the goal of broadening awareness and encouraging engagement and citizen involvement in sustainable principles.

The project team includes industry experts with demonstrated success in LEED certified redevelopment and new construction. The previously performed feasibility study identifies a number of design elements that could be incorporated to achieve this goal.

f. Generate Direct or Indirect Long Term Revenue for the City of Indianapolis.

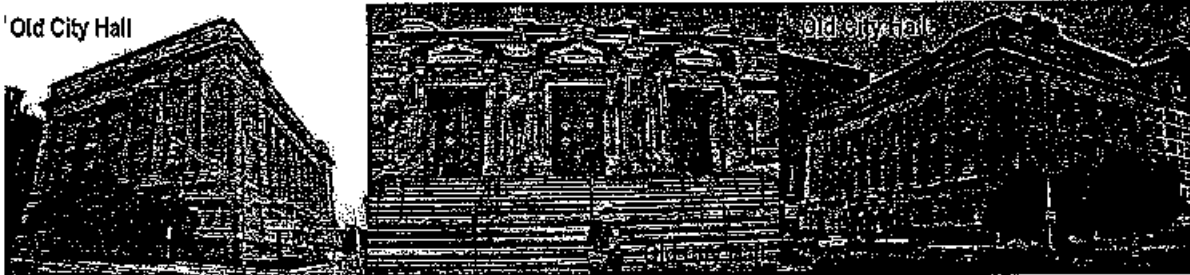
Under Municipal Consultants' proposal, the City of Indianapolis would derive direct and indirect economic benefit. The capital investment made by the private sector to redevelop the property would create high-paying jobs for Hoosier employees, as well as create additional tax revenue for the City. This investment infusion comes at a critical time, as the local economy is suffering as construction projects have decreased considerably in recent months.

Additionally, the City would realize direct cost savings by transferring ownership of the Old City Hall Building to a private owner. Municipal Consultants would be responsible for operating and maintaining the building which is currently being serviced by the City of Indianapolis. The instant cost savings would be substantial.

One potential reuse could include the consolidation of economic development and related municipal offices and housing those respective employees in the Old City Hall Building. **The building could be transformed into an economic development hub that would serve as a key component in the marketing process.** Currently, companies who consider relocating their headquarters to Indianapolis must go to the City County Building to meet with local government officials. The building, once redeveloped, could be a much more effective sales and recruitment venue to engage in those discussions.

Finally, as part of the due diligence process performed by Municipal Consultants we have identified alternative and creative funding mechanisms that could significantly reduce the overall financial obligation for project redevelopment.

Old City Hall



STAFF EXPERIENCE

Municipal Consultants have developed a team for this redevelopment project that includes industry experts in each required field and demonstrated success in achieving the goals as set forth in the City's request.

Project Lead

Municipal Consultants, LLC - As the primary partner MC will engage the City in contractual issues and coordinate financing and management of the project.



Key Staff - Tom Longest

Civil and Structural Engineering

Beam, Longest and Neff, L.L.C.

BLN is a 65 year old Indianapolis headquartered civil engineering firm led by James and Thomas Longest. This multi-discipline firm provides industry experts and LEED certified personnel that have demonstrated award winning engineering services as a provider for the City of Indianapolis on various projects.



Key Staff – James Longest, President
Richard Butwin, PE, Director and Project Manager

Architecture

Ratio Architects

RATIO will provide architectural design services for the renovation. RATIO has a demonstrated track record of success throughout the Midwest, and boasts one of the most prestigious historic preservation and sustainability design teams in the nation.



Key Staff – William Brown, President
Scott Pannicke, Historic Preservation Specialist



Mechanical and Electrical Engineering

L'Acquis Consulting Engineers (LACE) WBE, MBE

LACE is a leader in the mechanical and electrical engineering arena and will be a key element in the renovation of these systems. Their team of experts was involved in the drafting of the feasibility study performed on the building and provides existing knowledge and recommendations that can accelerate the project schedule.



Key Staff - Ross Maue, Executive Vice President, Mechanical
Barry Simpson, Electrical Engineering Manager

Construction Management

Keystone Construction

Led by Ersal Ozdemir, Keystone Construction will provide construction management on the redevelopment. Keystone is an Indianapolis based expert in construction management on redevelopment and build-out of historically significant structures. Additionally, Keystone has demonstrated success in the inclusion of LEED and sustainable design elements on recent projects.



Key Staff - Ersal Ozdemir, CEO

Financial Services

Old National Bank

Founded in 1834 in Evansville, Ind., Old National is the largest financial institution headquartered in the Hoosier state. With total assets of \$8.0 billion, more than 170 banking centers and 3,000-plus associates in Indiana, Kentucky and Illinois, Old National approaches each client relationship with the passion and individual attention that has made the company a community banking leader for 175 years.



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Old City Hall



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Old National Bank meets the regulatory definition of "well-capitalized" and was rated the 28th top performing bank in the nation for 2008 by Bank Director magazine. A top-50 agribusiness lender, Old National has no sub-prime mortgage business and is committed to sound, conservative community banking and lending. In addition to retail and commercial banking, Old National provides investment, wealth management and cash management services, and owns one of the largest independent insurance agencies headquartered in Indiana.

Key Staff - Len Devashier, Senior Vice President

Legal Services

Bose McKinney and Evans

Bose McKinney & Evans LLP is a business law firm, headquartered in Indianapolis, Indiana, serving both publicly held and privately held businesses, governmental entities and high-growth industries.

**BOSE
McKINNEY
& EVANS LLP**
ATTORNEYS AT LAW

Our clients include Fortune 100 companies, international manufacturers, national and regional financial institutions, sports teams, university-incubated start-ups, media, utilities, cities and schools, to name a few. We strive to build strong relationships with our clients as key business advisors, to exceed expectations in the quality of our work, to be knowledgeable about our clients' businesses and sectors, to be responsive to service needs and to continually seek to improve the delivery of client services. The firm has more than 54 years of experience in 33 different industry areas and 14 practice groups.

**Key Staff - R. J. McConnell
Dennis Otten**



IDEAS

In proposing solutions to the potential occupants of this redeveloped space its important to understand the current economic and real estate climate and identify potential suitors for the property.

The downtown office space market currently has significant available square footage, thus competition on the market could be extremely price competitive and potentially difficult to achieve. Additionally, due to the current recession the list of potential employers interested in expanding or relocating in this new space may be limited.

In conducting a preliminary analysis of potential tenants, Municipal Consultants did identify the City of Indianapolis has various needs for improved and expanded space. Recent news stories and published reports have detailed space constraints and safety issues related to the courts, prosecutor, and criminal justice system in Marion County. Additionally, the City could consider the strategic consolidation of various departmental offices in this new space.

Those departments could provide more efficient and aesthetically pleasing office space for economic development, DMD, Sustainability, Planning, Historic Preservation Commission, Community Development, and other executive staff. This new, state of the art sustainable building could provide the city with a key asset in encouraging economic development in the City.

The Old City Hall building was originally designed and constructed to provide municipal office space. It is the stated goal of Municipal Consultants to return the building to its original purpose of providing leasable downtown office space with adjacent parking in a thriving downtown district.

VALUE ADDED BENEFITS

The solution provided by Municipal Consultants provides numerous value added benefits to the City of Indianapolis.

- The building, if owned by a private developer, could return to the tax rolls and generates revenue for the city.
- The redevelopment would return an underutilized asset in the downtown business district to a viable use and return the building to its original intent.

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Old City Hall



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- A redevelopment strategy could free up space within the CCB to allow for expansion and consolidation of various city and county departments and agencies.
- The building is in close proximity to the CCB making it easy for City employees and constituents to access both facilities.
- There are surface and garage parking lots in the near vicinity that can provide for parking needs of employees and customers.
- The splendor of the decorative historic architecture is appropriate for today's needs.
- Provides an opportunity to develop office space that meets the needs of both public and private sector tenants.
- Provides state of the art technology and security integrated into office space while providing flexibility for future changes.
- Provides an opportunity to improve the local climate through the incorporation of sustainable and LEED design elements.
- Facilitates increased pedestrian traffic on the new Indianapolis Cultural Trail.
- Provides an additional project for city to reinforce the importance and success of the recently created Office of Sustainability.
- Continues the redevelopment of the near eastside of Indianapolis, a stated goal of the Ballard administration.
- Provides an opportunity for the public to again enjoy the beautiful interior of this historic structure.

Old City Hall



FINANCIAL STRUCTURE

Funding Mechanism

The traditional financing obtained would be secured primarily by lease-rental payments received by Municipal Consultants under a long-term lease agreement with the City to occupy and use the Building. Aside from the long-term lease arrangement with the City, Municipal Consultants would not be seeking tax-increment financing, property tax abatements or other incentives from the City for the financing of the acquisition and renovation of the Building.

Municipal Consultants has identified sources of alternative financing that could provide long-term benefits to all parties to the agreement. By utilizing these potential funds, the interest and cost of financing is exempt for purposes of federal income taxation and thereby has a lower overall cost of borrowing than traditional taxable debt. In the event the city chooses to explore this option further, Municipal Consultants anticipates that the overall costs of financing the acquisition and renovation of the Building could be reduced which would be reflected in lease payments due from the City for the use and occupancy of the Building.

Lease Agreement

Under either financing option, the security for the debt would be derived primarily from a long-term lease agreement between the City and Municipal Consultants for the use and occupancy of the Building. The actual lease-rental terms, including rental payments, term of the lease, option to purchase and other factors, would be dependent in many respects upon the financing option chosen, the then current market conditions and the long-term needs of the City for the use and occupancy of the Building. As with the process for financing, Municipal Consultants' financial consultants would coordinate with the City on completing the legal requirements necessary to obtain approval of the lease. These requirements would include compliance with the provisions of all Indiana code such as holding a public hearing on the lease agreement and publishing notice of the signed lease agreement. These proceedings could run concurrently with all of the required approvals for funding.

STATE OWNED PARKING LOT

Pursuant to a successful redevelopment of this site, Municipal Consultants believes that a solution to any parking challenges must be addressed. It is the aim of Municipal Consultants to work with the City of Indianapolis and State of Indiana to negotiate a solution to meet this need.

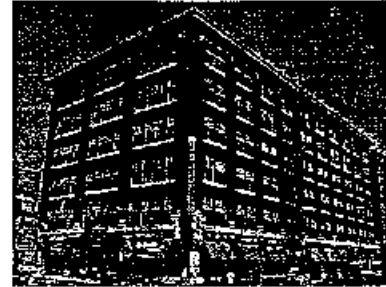
Old City Hall



RELEVANT PROJECT EXPERIENCE

Six over Meridian—141 South Meridian Street, Indianapolis, IN

The project is a seven story steel/concrete/wood building which includes a one-story underground garage. The top three floors are luxury condos and the first three floors are retail. It's located in the heart of downtown Indianapolis.



The Majestic Building—47 S. Pennsylvania Street, Indianapolis, IN

The Majestic was the city's first steel-framed skyscraper built in 1895 and is currently the corporate headquarters for Keystone Construction Corporation. Recent interior renovations and design improvements have made this building more than just a historical high rise, but a great place to work and entertain.

Jackson Square—233 McCrea Street, Indianapolis, IN

General construction services for this 12 story office building located in downtown Indianapolis.



Buskirk-Chumley Theater—Bloomington, IN

Listed in the National Register of Historic Places, the Buskirk-Chumley Theater was built in 1922 as a movie and vaudeville theater. In 1995, the theater was donated to Bloomington Area Arts Council for use as a performing arts center. In 2006, the Buskirk-Chumley Theater played host to more than 260 public performances, making it one of the busiest community theaters in the country. RATIO is creating a master plan for the theater's exterior rehabilitation. As part of the process, the historic preservation team will conduct an assessment of existing conditions, determining sources moisture, performing infrared roof moisture survey, and examining exterior masonry materials and existing doors and windows.

Old City Hall

