



The logo for City Visions Associates features the words "CITY VISIONS" in a bold, black, sans-serif font, with "ASSOCIATES" in a smaller font below it. The text is set against a stylized, black silhouette of a city skyline with several buildings of varying heights.

October 30, 2009

Paul F. Smith, Real Estate Manager
City of Indianapolis – Real Estate Division
200 East Washington Street, suite 2301
Indianapolis, IN. 462054

Dear Mr. Smith:

On behalf of the City Properties Group and CityVisions Associates, we are pleased to respond to the Request for Information regarding the reuse of the Old City Hall property at 202 North Alabama Street in downtown Indianapolis. This striking architectural and historic gem is exactly the type of property we seek out as redevelopment projects, and nothing gives us more satisfaction than restoring these remarkable properties and transforming them through an appropriate mix of uses that dramatically activates such properties as new downtown destinations. We have no doubt that the Old City Hall building in conjunction with the adjoining parking lot can become such a renewed destination in downtown Indianapolis, with the public once again enjoying and celebrating this rich element of the City's heritage in a new and exciting manner.

We believe that such a significant property requires a development team with exceptional sensitivity to historic preservation combined with a strong expertise in the multi-layered financing and public/private partnerships critical for its successful redevelopment and long term sustainability. The City Properties Group is one of the region's foremost practitioners of sensitive historic preservation development, specializing in projects similar in size and scale to Old City Hall. Its projects have won numerous awards and accolades from preservation groups for their sensitivity, creativity of reuse, and catalytic impact in historic properties and historic districts. Even more significantly, City Properties Group is one of the most skilled

development entities in the nation in combining the use of creative and complex financing such as Historic Tax Credits and New Market Tax Credits as a means of rehabilitating historic structures in an economically viable manner, often through a mix of uses that re-energizes them with activity and vitality. The Henry Clay in Louisville – where our offices are located – is the latest illustration of this approach, and has recently been recognized as one of the nation's premier community development projects by the National Development Council. Both the Henry Clay and Glassworks, another innovative City Properties project, are properties that just a few years ago stood vacant and in disrepair, but are now instantly recognizable "brands" that evoke in the community all of the positive aspects of urban excitement and vibrancy.

CityVisions Associates, our planning, urban design and real estate consulting arm, adds to this development expertise with a strong track record of success in the creation of innovative public/private partnerships and downtown redevelopment strategies, designed to bring new life to downtown properties, downtown districts, and previously underserved markets. Projects in Louisville and Buffalo, in particular, that focus on determining the optimal mix of uses for the redevelopment of historic properties in an economically viable manner that add to the vitality of their context, have aspects similar to the property in Indianapolis. Our ability to assess and analyze such projects from both a public sector and private development perspective is, we believe, one of our greatest strengths.

You will see from our response that we have not, at this point in time, suggested a specific redevelopment program for the property. Our experience and understanding of these complex and often challenging redevelopment properties suggest caution and some degree of wariness in any initial reuse program "suggestions" prior to fully delving into the property and the market assessment of various uses. These projects need sufficient time and effort in the crafting of a development program that can successfully blend the physical restoration of the building, the space requirements of a variety of uses, and the appropriate economic structure and financial mechanisms that are likely to be needed.

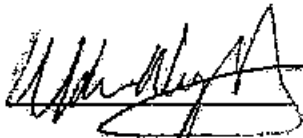
Rather, we have presented herein our approach to the property and examples of how we have approached similar projects, the mix of uses in these projects and why some may be attractive for inclusion as part of this property's redevelopment. As importantly, we explain how our approach strives to attain economically viable development objectives while at the same time attaining the community's objectives for its redevelopment and its impact on the surrounding urban context.

Our analysis of this project, should we be so designated, will begin utilizing the collective expertise of both City Properties Group and CityVisions Associates. We are fortunate that these entities encompass a range of necessary expertise for our initial assessment and analysis, including architectural, urban design, historic preservation, financial modeling, an

understanding of tax credit financing, construction management, and operating management. We are also fortunate that - given our previous and current experience in historic property rehabilitation and the use of both Historic and New Market Tax Credits - we have available an already assembled team of nationally recognized outside preservation, tax, legal and ~~accounting experts that can provide the necessary advice and counsel at appropriate times in~~ the pre-development process. In addition, we have relationships with a number of Indianapolis-based historic preservation, urban design and engineering firms that can be added to our team at the appropriate times as well, as work progresses.

Given your objectives in the RFI process, it is clear that you understand the significance of this property and the care that needs to be taken to identify the proper reuse and redevelopment strategy in order to breathe new life into it and for it to once again serve as a significant asset for downtown Indianapolis. This is exactly the mission of the City Properties Group and CityVisions Associates, and we most certainly would welcome the opportunity to collaborate with you on achieving this mission for the Indianapolis Old City Hall property.

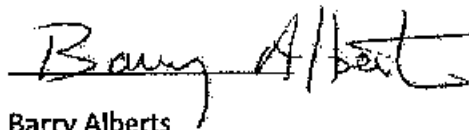
Sincerely,



William Weyland

Managing Partner

City Properties Group



Barry Alberts

Managing Partner

CityVisions Associates

REQUEST FOR INFORMATION

INDIANAPOLIS OLD CITY HALL

202 N. ALABAMA

I. Strategic Approach: Building Reuse (Ideas)

The strategic approach that City Properties Group (CPG) and CityVisions Associates (CVA) utilize in their historic preservation and mixed-use development projects is designed to result in dynamic, mixed-use “destinations” rather than simply renovated and reused properties. This is the approach that is envisioned for 202 N. Alabama, in combination with the adjacent State-owned parking lot. This approach is based upon a number of key considerations:

- The most vibrant and dynamic reuse of downtown properties of this size and scale result from a mix of complementary uses, rather than a single use
- A mix of uses results in activity and patronage from one use adding to the market for other uses in the building or within the project/district
- A project that has its own “brand” as a unique destination positively induces demand for all of the uses within the building
- Spaces in a historic building that may not be well laid out for one particular use, or cannot be altered due to the use of historic tax credits, may nonetheless work well for other uses
- The ability to access an adjacent property or parcel can provide usable space and/or infrastructure that could not otherwise be accommodated within the historic structure itself
- The ability to provide the public with access to the grandest spaces within the building while accommodating new uses enhances the uniqueness of the project and reinforces its quality as a downtown attraction or destination.

Due to the architectural character of the building, its significance in the history of Indianapolis, and its location within walking distance of many other downtown venues, we firmly believe that the property has the potential to once again serve as a distinguished and recognizable downtown landmark. However, to truly serve as a significant activity generator, the public must be able to experience and celebrate the building, as opposed to uses reserved primarily for private business activity. This should not necessarily assume public uses, but rather can often translate into private uses that allow the public access to its grandest spaces. These uses in our comparable projects often take the form of boutique hotels, events space, theaters, and retail spaces. Hotels and events spaces are excellent such uses for part of the properties, as they often generate more public access and activity than most “public” uses such as museums.

The ability for these uses to work in an integrated and complementary fashion is a key to their success, and inexperienced operators who tend to try to segregate these uses often fail to attain the desired synergies. We have substantial experience not only developing such spaces, but operating them as well. Last year, for example, the events spaces in our Henry Clay and Glassworks properties generated bookings for approximately 150 events attended by over 60,000 people.

The synergy with a hotel use also can be a positive asset for both public access and economic efficiency. The events-spaces and meeting rooms can also serve as assets for hotel use, particularly for boutique or limited service hotel models that do not commonly construct this kind of space. The availability of such space when needed, as well as the additional hotel usage generated by events such as weddings, reunions, concerts, etc. internally increases the hotel's market potential.

We also believe that housing is an important component of any downtown project, regardless of the number of units. All of our mixed-use projects have a strong residential component, and their market desirability has been exceptional, in large part due to its inclusion as part of a dynamic, mixed-use environment.

The availability of the adjacent State-owned parking lot is a key consideration. While the historic property can certainly provide dramatic lobby and gathering spaces, and some of the upper floors could be utilized for meeting and events space, as well as a combination of hotel and residential units, the building on its own would be challenging to redevelop with such a mix of uses completely within itself. The ability to utilize the adjacent parking lot for a potential new structure that would accommodate parking, systems infrastructure, and other elements of the uses found in 202, particularly additional hotel and residential units, vastly increases the marketability of use flexibility of 202.

This is exactly the approach taken in the Henry Clay project in Louisville, with a new hotel, residential units and parking being built adjacent to the historic building, with a variety of facilities and amenities of these uses found within the historic structure (see Section III).

II. Strategic Approach: Public/Private Partnership

An approach that looks at the 202 N. Alabama property and the adjacent State-owned parking lot as a significant "anchor" for its surrounding urban fabric, and a new destination for downtown Indianapolis, requires that the City (and State) consider itself as an active and involved partner in the development of such an approach. This suggests that the City would work side-by-side with the development entity (as opposed to on opposite sides of a negotiating table) in determining the various assets that each partner can contribute towards reaching this collective goal. Our approach suggests that the City first designate a preferred development entity, and provide the time necessary to evaluate the project's programmatic elements and assemble a viable and realistic development financing package. We would

suggest that this period of time be a minimum of 12 months, with a preferred time frame of 18 months, especially if the State-owned property is not a given.

During this period of time, discussions will be ongoing with the City as to the structure of the lease or sale of the property, critical streetscape or infrastructure improvements, the potential for public uses within the two properties, sustainability objectives, other potential public attractions, etc. Our experience with Glassworks and the Henry Clay in particular (a property that the City owned for 17 years, standing vacant until redeveloped by City Properties Group) is that the City's participation throughout the development process as an active partner was critical. Here again, the goal was not only to redevelop these properties, but to have them then serve as a stimulant for greater activity in that part of downtown and as a catalyst for further development and investment. In this sense, the project was considered a private development with major public purpose goals.

In this way, at the end of the preferred development period, the result is not a new proposal to be responded to, but a partnership that has been nurtured and crafted throughout that period of time, and a project that would then be ready to advance to the implementation stage.

III. Experience

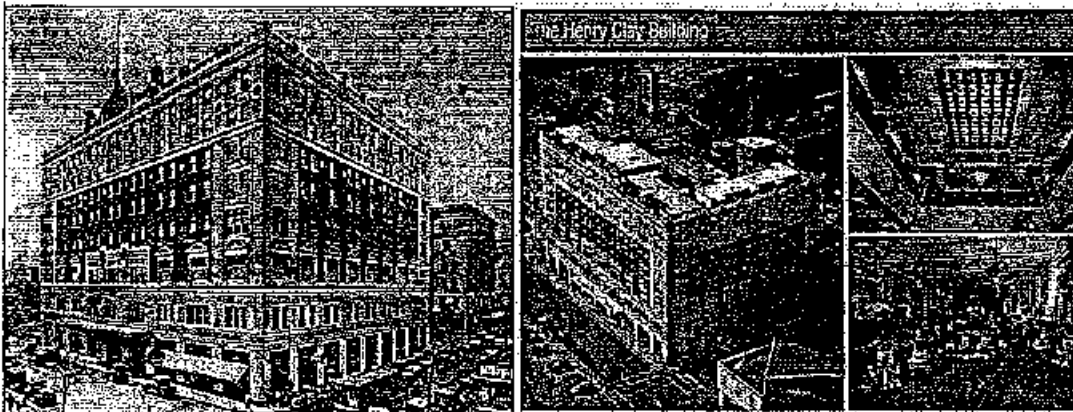
The City Properties Group and CityVisions Associates bring a wealth of experience and expertise to mixed-use projects of a similar size and scale of 202 N. Alabama, often combining sensitive historic preservation and new construction in innovative and cost efficient synergies. The major individuals who will be working on this project are Bill Weyland and Barry Alberts.

Bill Weyland is the Managing Partner of the City Properties Group, where he has established himself as the designer and developer of some of the region's most innovative and creative urban developments. His studies in Rome as part of his degree program gave him an understanding of the complex dynamics of urban life, and with it an appreciation that the mix of urban uses infuses successful places with their creativity, energy, and ultimately their market success. This understanding has become the core value of his design practice and his acclaimed urban development projects over the course of a twenty five year practice. His development projects span a range of residential, commercial, institutional and cultural developments, with a particular focus on mixed-use and historic preservation projects. Among these are the Kentucky Opera Building, the Hillerich and Bradsby Museum and Factory, the Glassworks Lofts, the Henry Clay Building, and Gateway Tower. Mr. Weyland has most recently been named the developer of the homeownership component of the Liberty Green Hope VI development. Mr. Weyland's work has been recognized on numerous occasions, with honors ranging from the Preservation Alliance Award for Design excellence, the Ida Lee Willis Award for Preservation, the IREM award of Excellence for neighborhood impact, the Forbes National Innovation Award for Business and the Arts.

Barry Alberts is the Managing Partner of CityVisions Associates, a consulting firm specializing in urban planning/design, real estate development and public/private partnerships with a focus on the creation of mixed-use destinations and place-making. Current projects include the creation of a development plan for the rehabilitation of a 400,000 square foot H.H. Richardson-designed former sanitarium in Buffalo, NY, the creation of a new downtown arts and entertainment district in Owensboro, Ky., a market assessment and redevelopment strategy for a downtown Pittsburgh neighborhood, and an urban design and connectivity program for Louisville's new 22,000 seat multi-purpose arena. Prior to the creation of CityVisions Associates, Mr. Alberts served as the Executive Director of the Downtown Development Corporation (DDC), the development entity responsible for the long-term economic health and vitality of downtown Louisville. Mr. Alberts also created the award-winning Downtown Housing Assistance Fund; spearheaded the dramatic revitalization of West Main Street, cited by APA with a Great Streets of America award; the Fourth Street Live urban entertainment project; and was the Project Manager for the critically acclaimed Muhammad Ali Center.

Relevant Projects

The Henry Clay, Louisville, Kentucky



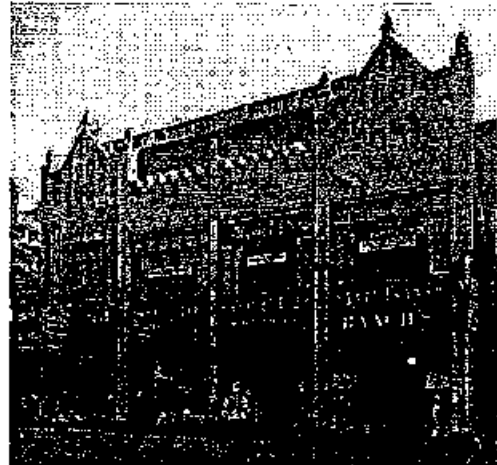
The Henry Clay Commons, developed around the Renovated Henry Clay Building, the Wright-Taylor Building and a key corner at 4th and Chestnut Streets, provides a unique urban experience at the heart of the Entertainment District in downtown Louisville. These properties offer residential condominiums and apartments, a boutique hotel, retail stores, a theater, restaurants, a music venue, and catered event spaces with grand ballrooms restored to their original stunning beauty.

The Henry Clay is a unique presence in downtown Louisville; originally designed in 1924 as a Lodge for the Order of the Elks, the building remains as one of the finest examples of the neo-classic revival style that grew in popularity during the 1920s. It then operated as the Henry Clay Hotel for almost 40 years

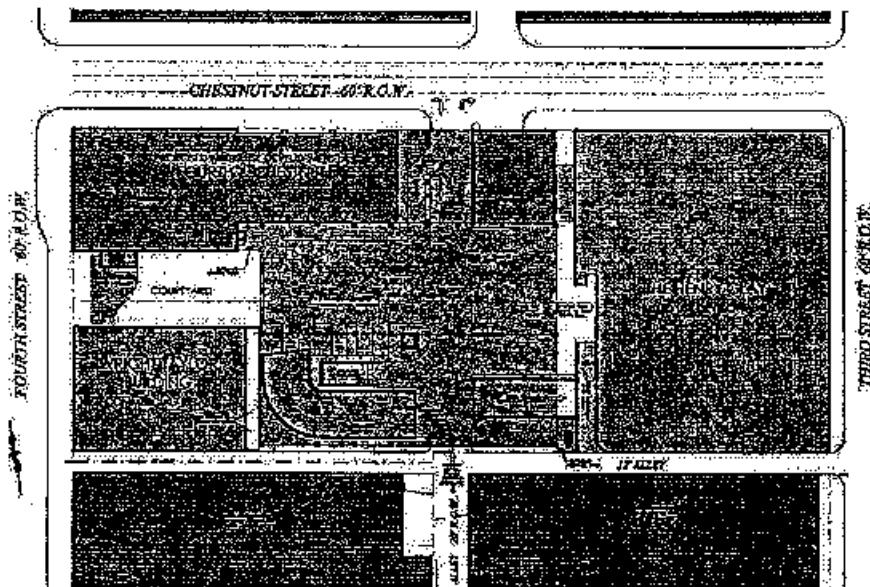
until the YWCA moved in until 1988 when they expanded and relocated their operations. The building was then purchased by the City of Louisville, but it remained empty and deteriorating until it was renovated by CITY Properties Group and opened in 2006.

Today's visitors to the Henry Clay enjoy a return to elegance and grandeur provided by this unique building from the 1920's era reborn. Newly finished, the Henry Clay has quickly risen to the top of the list as "the place" to hold an event in Louisville, boasting a "Historic Setting with Modern Amenities" and inhabiting a prominent corner near the Theater District and 4th Street Live.

The Wright-Taylor Building features two stories of space in Tudor Revival Style executed in glazed architectural terra cotta facade. The subtle color changes in the green hue of the building's facade are accented by a multicolored band of shields, each adorned with diagonal banners and flanked by griffins, as well as violet, mustard, and green shades adorning each gable. The profusion of color calls attention to the storefront of this living piece of Louisville's history on old Theater Row. The Wright-Taylor, originally constructed in 1928 to house small commercial businesses, will now be anchored by a new downtown music venue.



The property located at 4th and Chestnut streets fills out the block. While currently a surface parking lot, the site will soon break ground on a new mixed use building, directly tied to the Henry Clay Building. The planned development will complete the corner presence with a mixed use boutique hotel and a mixture of restaurants, a fitness facility, parking garage, and residential condominiums.

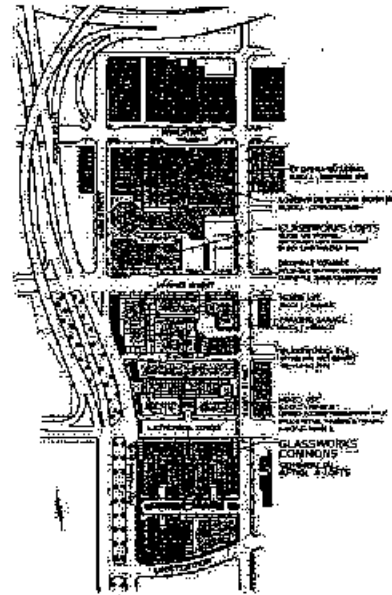
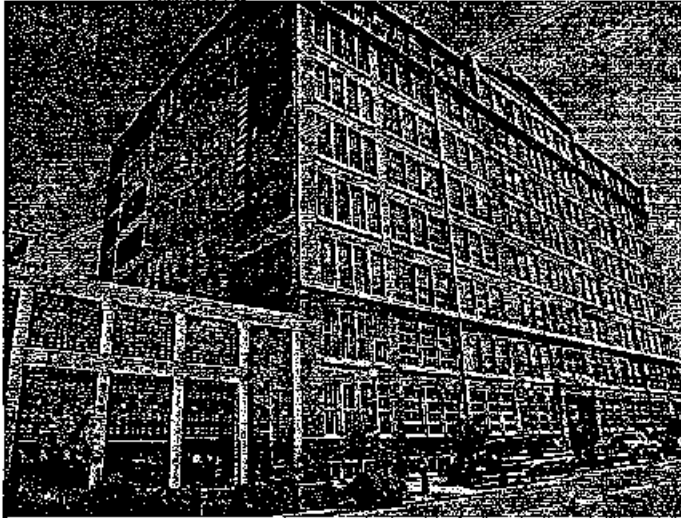


SEPTEMBER 2006

A MIXED-USE DEVELOPMENT
CLAY COMMONS
 FOURTH & CHESTNUT STREETS
 DOWNTOWN LOUISVILLE, KY 40202

CITY
 PROPERTIES GROUP
 311 E. 4th St., Suite 200, Louisville, KY 40202
 Phone: 502.582.1111 Fax: 502.582.1112

The Glassworks District, Louisville, KY.



The Glassworks District, a conglomeration of mixed use urban buildings, is a downtown neighborhood encompassing 3 city blocks anchoring the West End of downtown Louisville's Central Business District. This vibrant community features a mix of glass art studios, galleries, restaurants, live music and other events, retail and office space, as well as urban lofts with stellar city views. The location allows for an engaging downtown live/work/play lifestyle, within walking distance of the Central Business District as well as many cultural amenities such as the Louisville Slugger and Bat Museum, the Kentucky Center for the Arts, the Frazier International History Museum, the Muhammad Ali Center, 21c Museum Hotel, 4th street live, the theatre district, the Ohio River, banks, retail stores, and much more.

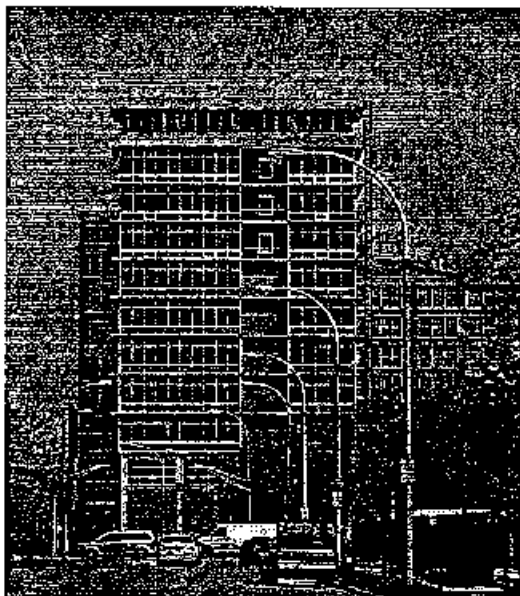
The Glassworks Building is the center of this exciting development. Located in the renovated Snead Manufacturing Building, originally built in 1909, it was widely regarded as a relic of the past with little reuse potential, and was once slated for demolition. It has now been reborn, blossoming into a multi-use facility featuring residential lofts, office space, a jazz and blues club, as well as glass arts facilities in a variety of forms, including a working glass hot shop. Glassworks has transformed the West Market Area into a community as dynamic and colorful as the glass art produced in the building.



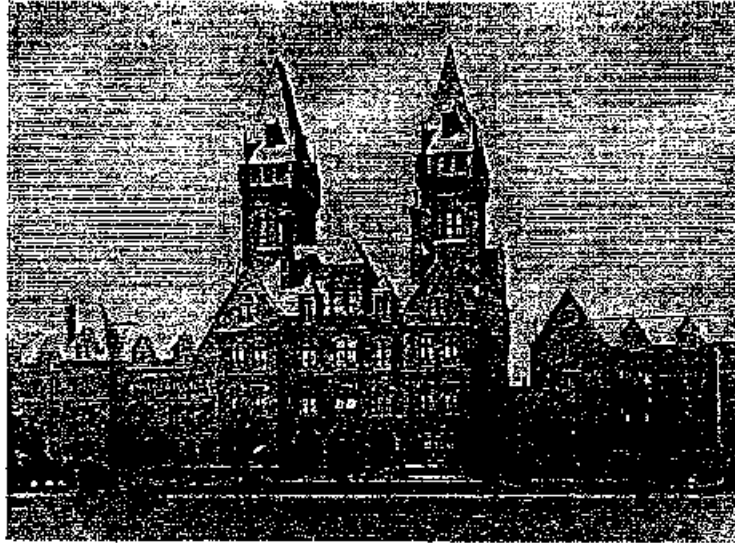
The 214 Building, an early 20th century five story masonry building that has survived many uses, including its use as a Goodwill facility as well as a prison, has been transformed into 30,000 square feet of mixed-use office and residential condominiums. The building's unique character of exposed brick and heavy timber construction combined with modern amenities creates a unique urban character in the heart of the city.



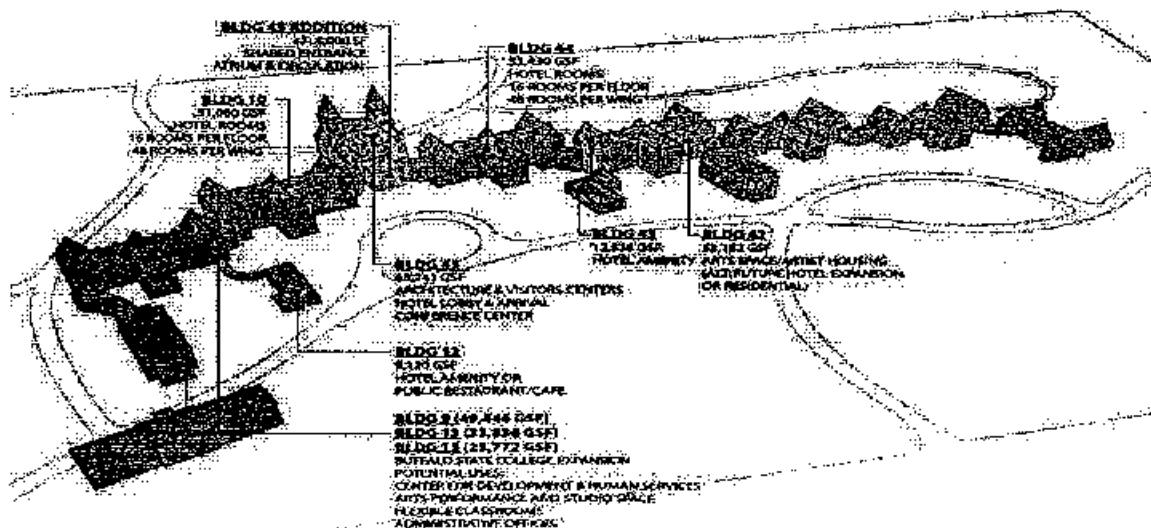
Our latest phase, **Gateway Towers**, contains residential/office/retail spaces. Taking advantage of the prominent location at 9th and Market, the 12 story glass towers offers both easy access to the heart of downtown and panorama city vistas. The building is the corporate headquarters of ZirMed, the rapidly growing medical billing firm, as well as a destination restaurant, a parking garage, and condominiums with unparalleled views.



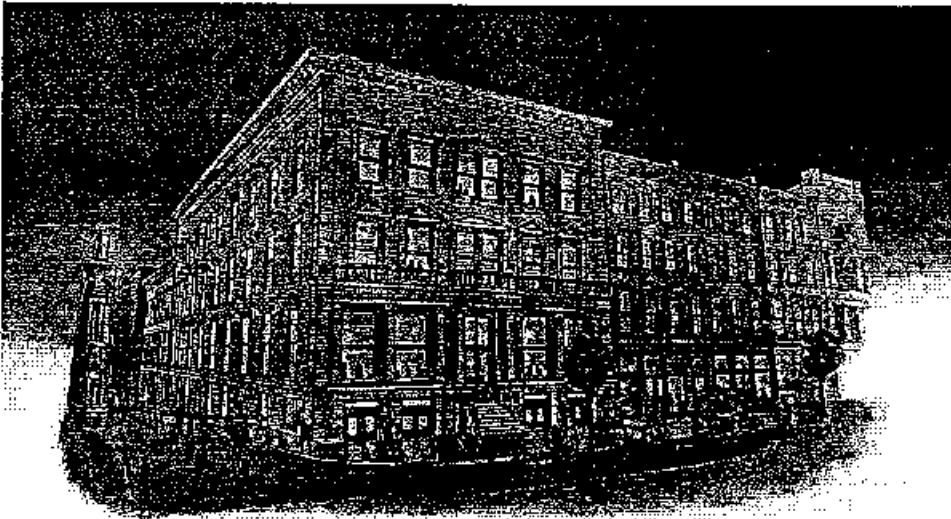
Richardson Olmsted Complex, Buffalo, NY.



CityVisions Associates is currently creating a redevelopment program for the restoration and reuse of the extraordinary Richardson Olmsted Complex in Buffalo, New York. The historic former mental hospital - designed in the 1870s in a partnership between noted architect H. H. Richardson and renowned landscape architect Frederick Law Olmsted – incorporated the most modern ideas of its time in psychiatric treatment. The redevelopment program will transform the property into a hub of new, economically viable uses that will complement its location in the heart of Buffalo’s burgeoning arts and cultural district. Proposed uses for the initial phase of the redevelopment include a boutique hotel, conference center, architectural visitor center, artists’ studios and housing, market rate housing, and academic space for Buffalo State College.



Whiskey Row, Louisville, KY.



Whiskey Row Lofts is an \$18 million, 100,000 sf project located adjacent to the new downtown arena. Two historic Main Street buildings, formerly home to L&N Railroad headquarters and some of Louisville's famous bourbons, will be converted into a mixed-use project. The Whiskey Row Lofts development will anchor the entertainment and residential aspects of the new downtown arena district. The development will include a vibrant mix of restaurants and entertainment venues, offices, apartments and live/work opportunities, offering entertainment and employment opportunities for Louisville residents and visitors. Special event spaces in the building, including one on the top floor, will provide one-of-a-kind opportunities for business and social gatherings.

IV. Financial Structure

It is imperative to recognize that each project of this type is unique, and therefore requires that a unique financial structure be crafted that responds to the specific needs of that particular project. A cookie-cutter approach cannot nor should not be taken. With that as an overall caveat, nonetheless, we can illustrate the *types* of financial mechanisms and tools that CPG/CVA utilizes in its approach to these historic preservation and urban redevelopment projects. First and foremost among these is the use of tax credits, both historic tax credits and more recently New Markets Tax Credits (NMTC). Projects such as the 202 N. Alabama property are more often than not economically challenging, with significant financing gaps to be addressed before both investors and lenders can be attracted and engaged. The use of these tax credits is one of the first things we look at to reduce such gaps. While the use of these tax credits, particularly the NMTC, can be difficult –and onerous in terms of outside fees – for those with little experience in their use, CPG has become one of the nation’s most experienced users of such credits, especially on mid-sized redevelopment projects. We are currently working on three separate projects that will utilize both sets of credits to help make the project economically viable and attract investors.

In addition, the fact that both properties are publicly owned is an enormous advantage as well. The cost of land assembly in urban situations often makes project economics unworkable, and we shy away from projects where acquisition of property is required. The ability to enter into some type of equitable land sale or lease from the public owners is likely to be a major prerequisite in this project. Other types of layering that often are included in our financial packages include infrastructure/streetscape funds, retail or small business loan programs (for tenants), TIF funds if available, and incentives for downtown housing unit development (e.g. Louisville Downtown Housing Fund).

While at this time we cannot forecast the magnitude of these elements, or which of them will be necessary, as stated earlier we consider the development a true partnership with the City, and as we build our financial model we will share this with the City and discuss a variety of options that might be used to fill specific gaps. We do know, however, that we will begin with an assumption that efforts to utilize and maximize the value of the Historic and New Market Tax Credits will be a high priority.

V. Value-Added Benefits

We have attempted to provide the preceding information in such a manner so that the value added benefits of our expertise and our approach to the project have been infused throughout the course of the discussion. We believe that there are many development entities that can rehabilitate and renovate a historic property; some of these can also do so in an economically viable manner. There are also likely to be one or more uses that may be able to be accommodated in the existing building. We have a distinguished record in achieving all of these. However, our true calling is our ability to transform these properties into vibrant, urban activity generators, where the result is more than merely a reused historic space, but a great urban *place*. We would urge you to assess the responses to this RFI in terms of how the various approaches serve to have a larger impact on downtown Indianapolis than merely to redevelop one historic building.

Our approach is to leverage the asset of this beautiful building, along with the asset of the adjoining parking lot, and transform it into a new anchor for this sector of downtown Indianapolis. While we do not yet know the details of the suggested reuse program or the financing package, we do understand and can demonstrate a proven approach on how to do this, and we believe this is far more valuable to the City at this point in time than the submission of a hypothetical program. The market assessment of potential uses, the financial viability of them, the renovation costs, operational costs and responsibilities, and the goals of the City will all affect the structure of the ultimate program. The value of our input herein, we strongly believe, is 1) our conclusion that, given our experience and expertise, we fully believe that the potential exists for a viable and unique mixed-use redevelopment project; 2) our structured approach to moving forward with the City as an Integrated partner with the development entity; and 3) our desire and our ability to the have project serve as a new anchor and catalytic development, where the whole is far greater than the individual parts.

VI. State-Owned Parking Lot

As indicated previously, we believe that the inclusion of the adjacent State-owned parking lot is a critical component of the project, and should be included as part of the project boundary. The approach suggested herein at this point does not separate the uses to be contained in any new structure on this site from those proposed for the 202 N. Alabama property, and in fact it is likely that under the most effective and efficient scenario, elements of one or more uses may be located in both buildings.

However, we do understand that the ultimate development program must be able to separate the development of the vacant parcel from the redevelopment of 202 N. Alabama, unless these parcels can be combined under one ownership. This is not dissimilar from our current development program for the second phase of the Henry Clay project in Louisville. Under the pre-development time frame suggested herein, such a separated development program for the State-owned parking lot will ultimately be developed, with the understanding that a separate agreement with the State would be necessary as well.