



# Indianapolis Parking System

Request for Qualifications

February 10, 2010

City of Indianapolis





## Disclaimer

This Request for Qualifications (“RFQ”) is based on information provided by the City of Indianapolis (the “City” or “Indianapolis”) and other Project Partners (as defined in Section 1.3). It is being delivered on behalf of the Project Partners by the City of Indianapolis and Morgan Stanley & Co. Incorporated (“Morgan Stanley”) to a number of parties who may be interested in a transaction with the Project Partners. The sole purpose of this RFQ is to assist the recipient in deciding whether to proceed with a further investigation of the Parking System (as defined in Section 1.1). This RFQ does not purport to be all-inclusive or to necessarily contain all the information that a prospective purchaser may desire in investigating the Parking System.

This RFQ has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used for only the purposes set forth above. None of the Project Partners or Morgan Stanley makes any express or implied representation or warranty as to the accuracy or completeness of the information contained herein or made available in connection with any further investigation of Parking System. Each of the Project Partners and Morgan Stanley expressly disclaims any and all liability which may be based on such information, errors therein or omissions therefrom. The Project Partners will only accept obligations in relation to any transaction that arise out of a definitive and binding transaction agreement. The recipient shall be entitled to rely solely on the representations and warranties made to it by the Project Partners in any final transaction agreement.

In furnishing this RFQ, none of the Project Partners or Morgan Stanley undertakes any obligation to provide the recipient with access to any additional information. The provision of this RFQ does not place any of the Project Partners or Morgan Stanley under any obligation to consider or accept any offer, irrespective of whether such offer is the only offer or one of a number of offers representing the most favorable transaction terms. This RFQ shall not be deemed an indication of the state of affairs of the Parking System or the Project Partners nor shall it constitute an indication that there has been no change in the business or affairs of the Parking System or the Project Partners since the date hereof.

Morgan Stanley is acting as exclusive financial adviser to the City in relation to the proposed transaction, will not regard any other person (whether a recipient of this RFQ or not) as a client in relation to the proposed transaction and will not be responsible to anyone other than the City for providing the protections afforded to clients of Morgan Stanley nor for providing advice to any such other person. Any person considering entering into the proposed transaction: (i) may not rely on this RFQ in determining any course of action in relation to the proposed transaction or otherwise; and (ii) must seek its own independent financial advice.

All communications, inquiries and requests for information relating to these materials should be addressed to Morgan Stanley. No members of the City or the Project Partners should be contacted directly.

**PLEASE NOTE THAT THE INDIANAPOLIS AIRPORT AUTHORITY AND ITS ASSETS WILL NOT BE INCLUDED IN ANY TRANSACTION CONTEMPLATED HEREIN. ANY TRANSACTION INVOLVING THE AUTHORITY OR ANY OF ITS ASSETS WILL BE SEPARATE FROM ANY TRANSACTION INVOLVING THE CITY OF INDIANAPOLIS, ITS PROJECT PARTNERS OR MORGAN STANLEY. PLEASE DO NOT CONTACT THE INDIANAPOLIS AIRPORT AUTHORITY REGARDING ANY TRANSACTION INVOLVING THE CITY OF INDIANAPOLIS OR THE PROJECT PARTNERS.**



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## SECTION 1

# Introduction



### 1.1 Transaction Overview

The City of Indianapolis (the “City” or “Indianapolis”) has engaged Morgan Stanley & Co. Incorporated (the “Advisor” or “Morgan Stanley”) as financial advisor to assist in the evaluation of a potential long-term concession arrangement (the “Concession”) of the City’s on-street parking meters (the “Metered Parking System”). The City is evaluating potential management agreements for a number of garages and surface lots (the “Management Agreements”) owned and/or operated by the Project Partners (as defined in Section 1.3). The parking assets that may be included in the Concession and the Management Agreements (collectively referred to as the “Parking System” or the “System”) consist of:

- 3,456 spaces of on-street, single-space meters
- 14,194 garage spaces
- 6,067 surface lot spaces

Indianapolis is the largest city in Indiana and the third largest city in the Midwest by population. It hosts numerous conventions and prominent sporting events and attracts a large number of visitors annually. The Parking System’s on- and off-street parking spaces are in close proximity to the City’s Convention Center, Circle Centre Mall and other prominent landmarks. The Metered Parking System, in particular, features a number of attractive infrastructure characteristics such as stable cash flows and high barriers to entry. The City’s metered parking spaces are located throughout the downtown area and do not compete with any other on-street metered parking.

The City seeks to accomplish the following key objectives with this transaction:

- Enhance coordination and efficient management of municipally owned parking operations around the City
- Optimize utilization of parking assets
- Increase quality of services for users
- Modernize outdated equipment
- Support economic development

The City recognizes that parking meter technology has progressed exponentially in the last decade. As technology has improved, it is necessary to bring Indianapolis’ outdated parking system into the twenty-first century. The City’s objective is to upgrade its parking technology by integrating state-of-the-art hardware, which will provide added convenience to its users. From



## 1.1 Transaction Overview (cont'd)

this improved technology, the City expects to realize greater efficiencies in regard to collections and enforcement. New technology will also play a critical role in improving safety and security standards for automobile and motorcycle parking. Additionally, this initiative will raise funds that will be invested in critical infrastructure projects within the City. The precise scope of the Concession will be defined subsequently in the process.

In addition to a potential Concession of the City's Metered Parking System, the Project Partners are contemplating, as a part of this competitive process, outsourcing the parking operations of a number of garages and surface lots through long-term Management Agreements. The garages and surface lots that may be included are described in Section 2. As described in further detail below, no final decisions have been made by the Project Partners that own and/or operate the garages and lots.



## 1.2 Overview of RFQ and Transaction Process

### Overview of Request for Qualification (“RFQ”)

This RFQ requires prospective bidders who meet the qualifications set forth herein (“Bidders”) to formally express their interest in bidding on a Concession of the Metered Parking System and/or Management Agreements for the garages and surface lots in the Parking System. Sections 2 of this RFQ provides an introductory description of the Parking System and detailed investment highlights of the Metered Parking System. Section 3 summarizes the required Bidder qualifications and relevant evaluation criteria and lists the RFQ submission requirements and procedures for those interested in bidding on the Concession and/or the Management Agreements. Please note that Bidders may elect to team with others but are not required to do so at this stage.

***Those interested in bidding on the Concession and/or the Management Agreements must respond to this RFQ no later than 5pm EST on March 15, 2010.***

Based on the RFQ submissions, a committee formed by the Project Partners will determine those Bidders that are qualified to bid on the Concession and/or the Management Agreements. Bidders may submit responses seeking qualification to bid on the Concession, the Management Agreements, or both; however, Bidders’ responses must specify for which Parking System assets they seek qualification. There will be no restriction as to the number of Bidders that may qualify under this pre-qualification process.

### Overview of Request for Information (“RFI”)

The Indianapolis Airport Authority (the “Airport Authority” or “Authority”) is interested in receiving feedback from firms with an interest in providing parking management services to the Authority, through either a short or long-term lease or other agreement structures. These assets are not part of the Parking System. While the Authority has not made any decision regarding the possible outsourcing of the management of its parking operations, the Authority has included a Request for Information (“RFI”) seeking information and feedback from potential partners regarding the Authority’s parking operations.

***Request for Information responses should be submitted by 5pm EST on March 26, 2010.***

### Overview of Bidding and Concession Process

After the Project Partners review the RFQ submissions, Bidders that the Project Partners deem qualified will sign a Confidentiality Agreement and receive a Confidential Information Memorandum providing additional



## 1.2 Overview of RFQ and Transaction Process (cont'd)

information about the Parking System and the bidding process. Qualified Bidders may be asked to submit preliminary, non-binding bids for evaluation. Qualified Bidders will also have the opportunity to conduct due diligence of the System through:

- i. access to a data room;
- ii. bidder meetings with the Project Partners;
- iii. presentations about the System; and
- iv. a review and discussion of the proposed system concession and lease agreement and related documents (the “Concession Agreement”) and the Management Agreements.

Following this process, Bidders will submit final, binding bids in accordance with procedures to be provided. Bidders may be required to comply with certain other requirements before submitting final bids.

The Project Partners reserve the right to reject any and all bids, to waive technical defects, irregularities or any informality in bids, and to accept or reject any part of any bid at their discretion. The Project Partners also reserve the right to postpone the date on which bids are required to be submitted, or to take any other action it may deem in its best interests.



## 1.3 Transaction Structure and Project Partners

### Metered Parking System Concession Description

The Concession of the Metered Parking System will likely be structured as a contractual relationship between the City and a private concessionaire (“Concessionaire”) in which the City shall grant certain operating, management and revenue collection rights to a Concessionaire for a specified period of time in exchange for an upfront payment and/or a periodic payment stream. The Concessionaire also shall assume certain obligations with respect to the operation, maintenance, management, and future development of the Metered Parking System, such as financing specified new fixed investments during the period and for providing certain services associated with the Metered Parking System among others.

### Management Agreements Description

The Management Agreements will likely be structured as a contractual agreement between the Project Partners and a private manager whereby the private manager receives a fee for operating the garages and lots. However, the Project Partners are interested in reviewing alternative business models so long as the private operator can demonstrate the economic benefits to the Project Partners. For example, a flat guarantee plus a percentage of net profits or other creative business models may be employed. Certain of the properties may require that the Management Agreements be qualified agreements under federal tax law due to the nature of the financing of the improvements on the property.

### Project Partners

*City of Indianapolis.* Indianapolis is the capital of Indiana. It is the largest city in Indiana and third largest city in the Midwest. Since its incorporation in 1821, the City has grown its economy tremendously, contributing to the fields of education, healthcare, and finance. Tourism plays a vital role in the City’s economy, as the City hosts numerous conventions and sporting events, including the famous Indianapolis 500, and is home to the professional football team Indianapolis Colts and professional basketball team Indiana Pacers. Indianapolis will also be home to Super Bowl XLVI in 2012. The United States Census Bureau estimated the City’s population at approximately 800,000 in 2008. Greater Indianapolis, which includes nearby counties such as Hamilton, is one of the fastest growing counties in the nation and has a total population of over 2,000,000.

Indianapolis has a consolidated city-county government, or “Unigov”. Under this system, many functions of the city and county governments are consolidated. The structure of Unigov includes an executive branch headed by the Mayor, who serves as the chief executive of both the City and Marion



### 1.3 Transaction Structure and Project Partners (cont'd)

County. The Mayor appoints city department heads and members of various boards and commissions. The legislative body for the city and county is the City-County Council, responsible for adopting budgets, levying taxes, and authorizing financial appropriations to fund city and county operations.

*The Indianapolis Local Public Improvement Bond Bank (the “Bond Bank”).* Created in 1985, the Bond Bank is governed by a five-member Board of Directors, each of whom is appointed by the Mayor of Indianapolis. The Bond Bank serves as conduit issuer for qualified entities and manages outstanding debt obligations for qualified entities. In addition, the Bond Bank supports and manages the operations of various City projects, including various City-owned parking facilities.

*Capital Improvements Board of Managers of Marion County, Indiana (the “CIB”).* The CIB is a municipal corporation of Marion County created in 1965 by the Indiana General Assembly and authorized by statute to finance, construct, equip, operate and maintain any capital facilities, which promote and serve the commercial, industrial and cultural interests of Indiana and its citizens. The CIB owns or operates the Indiana Convention Center, Lucas Oil Stadium, Conseco Fieldhouse, Victory Field, Virginia Avenue Parking Garage, and various parking lots, all of which are located in downtown Indianapolis.

*Health and Hospital Corporation of Marion County, Indiana (the “HHC”).* The HHC is also a municipal corporation with two service divisions: the Division of Public Health doing business as the Marion County Health Department and the Division of Public Hospitals doing business as Wishard Health Services. The HHC provides a full range of preventive and curative health services for the residents of Marion County, including indigent care. It also has a long-term care Enterprise Fund, which operates 29 nursing homes throughout Indiana as of the end of 2008. The HHC’s Board of Trustees levies its own taxes, adopts its own ordinances, and issues its own general obligation bonds subject to approval of the State of Indiana Department of Local Government Finance.

*State of Indiana (the “State” or “Indiana”).* Indiana has a total land area of 36,418 square miles, ranking as the 38<sup>th</sup> largest state in size. As of 2008, Indiana had a population of 6,376,792 people. A large percentage of Indiana’s income is derived from manufacturing, including production of steel, pharmaceutical and medical devices, automobiles, electrical equipments and transportation equipments. Indiana is home to many large public and



### 1.3 Transaction Structure and Project Partners (cont'd)

private companies, including corporate headquarters of pharmaceutical company Eli Lilly, health benefits company Wellpoint, Cummins Inc., a global power leader that designs, manufactures, distributes and services engines and related technologies, medical device company Cook Group and the Do It Best Corp hardware and building materials cooperative.

Additionally, please note that an affiliate of Simon Property Group ("Simon"), a large publicly-owned real estate company with its headquarters in downtown Indianapolis, and certain other corporations and third parties have ownership rights in an entity that has long-term management rights over the garages connected to or in close proximity with the Circle Centre Mall (collectively, the "Circle Centre Group"). Simon, on behalf of the Circle Centre Group, will review the responses to the RFQ and thereafter make a determination about the participation of the Circle Centre Group and any appropriate next steps regarding any new Management Agreements for the mall garages.



## SECTION 2

# Parking System Description



## 2.1 Metered Parking System Description

### Parking Meters

The City’s on-street parking meter facilities are owned by the City’s Department of Public Works and are currently operated by Denison Parking. The Parking System consists of 3,456 parking meters. The meters are all pole mounted single-space meters, the majority of which have electronic meter heads while some have mechanical meter heads. Approximately 3,294 meters are in the downtown area, and an additional 162 meters are located in Broad Ripple Village. On-street parking rates in Indianapolis have remained largely unchanged for over 20 years. Potential revenue upside could be derived from upgrading the equipments to increase flexibility of parking rates and ease of enforcement, and introducing more payment options such as credit card, smart card, and payment-by-phone options. Parking meter enforcement is currently outsourced to Denison Parking. As part of the Concession, the Concessionaire will receive all meters-related enforcement revenues. However, the City will retain control of all adjudication and ticket writing activities. Table 1 compares the size of Indianapolis’ Metered Parking System to that of metered parking systems in several other major U.S. cities.

**Table 1: City Metered Parking System Comparison**

Location	Metered Parking Spaces
Houston, TX	4,500
Indianapolis, IN	3,456
Detroit, MI	3,000
Phoenix, AZ	2,600
San Antonio, TX	2,100
San Jose, CA	2,300
Orlando, FL	2,200
Jacksonville, FL	1,700
Charlotte, NC	1,100

Source: Walker Parking Consultants

Exhibit 1 benchmarks Indianapolis’ one-hour parking meter rate against those for other U.S. cities of similar size and demographics.



## 2 PARKING SYSTEM DESCRIPTION

### 2.1 Metered Parking System Description (cont'd)

#### Exhibit 1: One-Hour Meter Rates

Parking Rate/Hour



Source Walker Parking Consultants Research

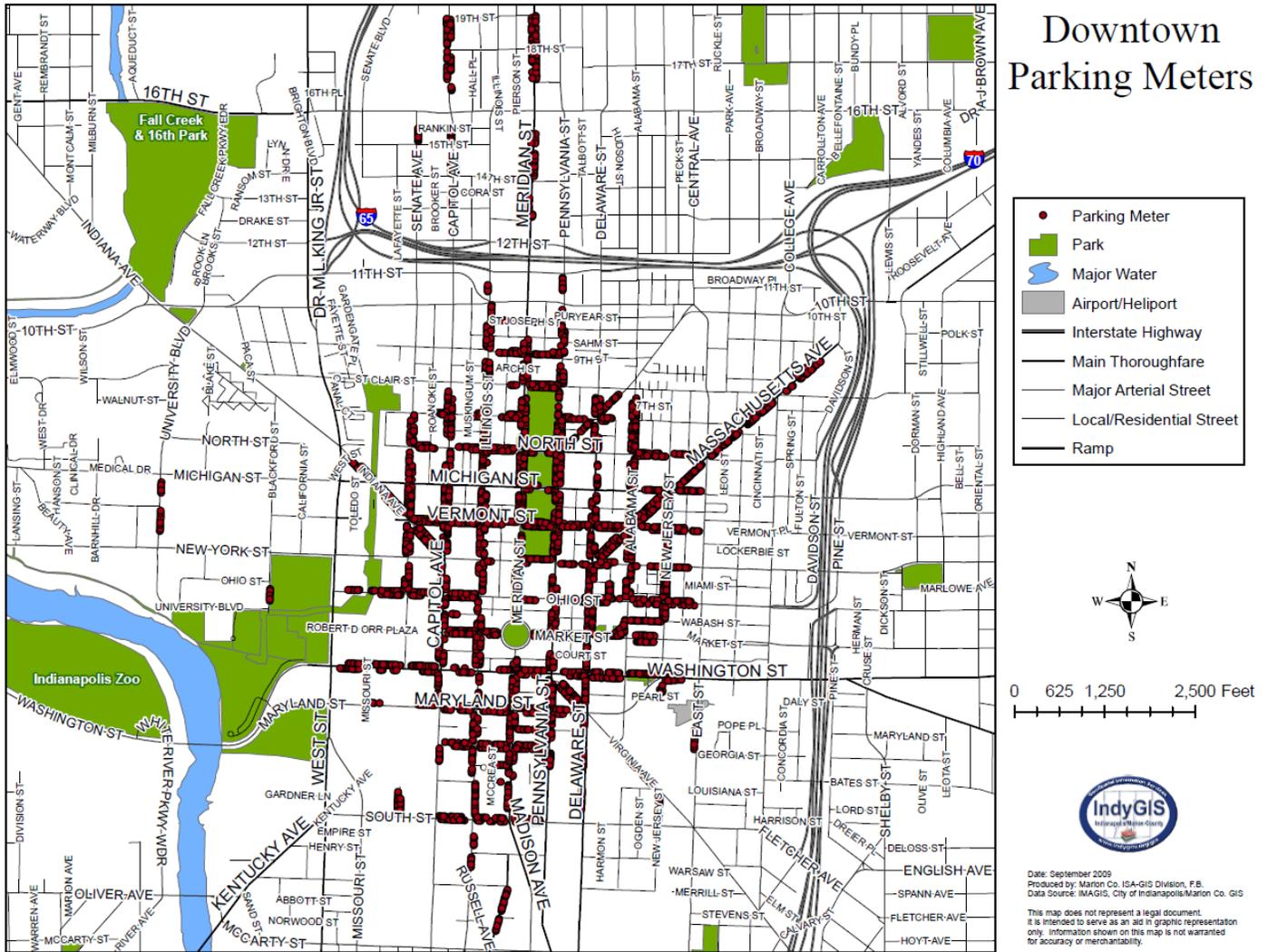
Exhibit 2 and 3 show the location of the City's parking meters included in the Metered Parking System.



## 2 PARKING SYSTEM DESCRIPTION

### 2.1 Metered Parking System Description (cont'd)

**Exhibit 2: Map of Downtown Parking Meters**

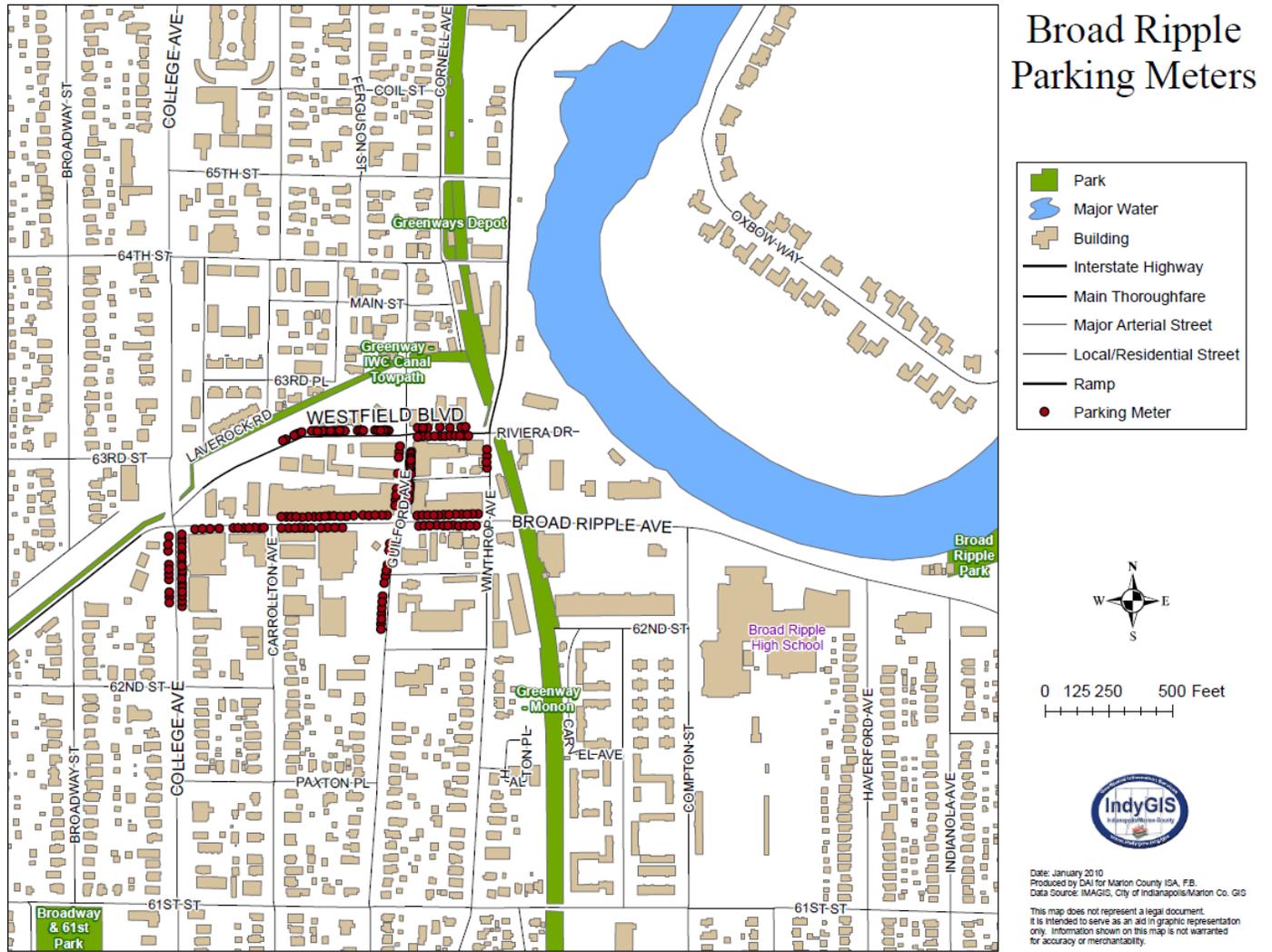


Source: City of Indianapolis/Marion County GeoSpatial Information Services



## 2.1 Metered Parking System Description (cont'd)

Exhibit 3: Map of Parking Meters Outside Downtown Area



Source: City of Indianapolis/Marion County GeoSpatial Information Services

### Potential Parking Meter Expansion

The City is evaluating the possibility of expanding its parking meter operations. Any additional parking meters to be initially included in the Concession will be disclosed to the qualified Bidders during the due-diligence process. The Concession Agreement will include provisions relating to the



## 2.1 Metered Parking System Description (cont'd)

City's ability to add or remove meters from the metered parking operations included in the Concession (with appropriate economic adjustment mechanisms).



### 2.2 Metered Parking Investment Highlights

The City believes that the Metered Parking System presents a highly attractive investment opportunity given its locations within the City, potential for parking rate/technology improvements, and favorable infrastructure characteristics. While the Metered Parking System is a significant source of stable cash flows to the City, the City believes that a Concession will maximize the financial return from the Metered Parking System because a private concessionaire may be able to derive substantially more economic value from the assets while providing excellent service for Metered Parking System customers.

Highlights of the Metered Parking System include:

- *Strong Operating Locale in Indianapolis:* Indianapolis is the largest city in Indiana and the third largest city in the Midwest. The United States Census estimated the City's population at approximately 800,000 in 2008. Greater Indianapolis, which includes nearby counties such as Hamilton, one of the fastest growing counties in the nation, has a total population of approximately 2,000,000. The area's economy encompasses a wide range of industries, including manufacturing, education and healthcare. In addition, the attractiveness of Indianapolis as a sports and convention center brings a large number of visitors to the City annually.
- *Metered Parking System Scale and Infrastructure Characteristics:* The Concession involves a system comprised of around 3,500 parking spaces. This system of on-street parking spaces has limited market risk and high barriers to entry. The Metered Parking System does not currently compete with any other on-street metered parking, and the parking rates are currently below those charged by off-street parking garages and lots.
- *Metered Parking System Expansion:* The City is evaluating the potential of expanding the current parking meter operations in the initial Concession. The Concession Agreement will include provisions relating to future changes that the City may make to the composition of the parking meters.
- *Stable Cash Flow Generation:* Parking meter revenue and EBITDA increased steadily since 2000. Parking meter revenues increased to \$4.3 million in 2008 from \$3.5 million in 2000. The compounded annual growth rate for the System's parking meter revenues from 2000 to 2008 was 2.6%. EBITDA margins from parking meter operations have consistently averaged above 70% between 2000 and 2008, except in



## 2.2 Metered Parking Investment Highlights (cont'd)

2007, when expenses for various downtown infrastructure projects were moved to the Parking Meter Fund.

- *Parking Rates Upside Potential.* An independent study on parking rates shows that current meter rates are well below those of comparable U.S. cities. On-street meter rates have remained unchanged for over 20 years and are also well below local market rates.
- *Near-Term Capital Expenditures:* The Concession Agreement will provide opportunities for the Concessionaire to invest in efficient, state-of-the-art parking meter technology and maintenance capital expenditures during the term of the Concession.



## 2.3 Metered Parking System Financial Information

The table below summarizes the historical revenue and expense information for the Metered Parking System.

**Table 2: Historical Metered Parking System Financial Summary**

\$'000s	2000	2001	2002	2003	2004	2005	2006	2007	2008
Operating Revenue	\$3,499	\$3,368	\$3,506	\$3,383	\$3,341	\$3,601	\$3,786	\$4,243	\$4,294
<i>% Growth</i>		(3.7%)	4.1%	(3.5%)	(1.2%)	7.8%	5.2%	12.1%	1.2%
Operating Expenses	932	964	1,048	1,004	873	1,037	1,050	2,280 <sup>(1)</sup>	898
<i>% Growth</i>		3.4%	8.7%	(4.2%)	(13.0%)	18.7%	1.2%	117.2%	(60.6%)
EBITDA	2,567	2,405	2,459	2,379	2,468	2,564	2,737	1,963	3,396
<i>% Margin</i>	73.4%	71.4%	70.1%	70.3%	73.9%	71.2%	72.3%	46.3%	79.1%

Notes:

1) The increase in Meters' 2007 expenses is due to including \$1,249,000 of downtown crew expenses for various downtown infrastructure projects to the Parking Meter Fund and thus does not reflect true operating expenses for parking meters.



### 2.4 Parking System Garages & Lots

#### Parking System Garages

*Virginia Avenue Garage.* The CIB's Virginia Avenue Garage is a 2,482-car multi-story parking facility that is connected to the Fieldhouse by an elevated, enclosed pedestrian walkway. It is currently operated by Denison Parking, a private parking operator based in Indianapolis. Denison Parking manages the parking operations of the Virginia Avenue Garage for the CIB under a separate operating agreement. The Virginia Avenue Garage opened along with the Fieldhouse in late 1999. Monthly daytime parking is predominantly used by employees of the adjacent Wellpoint (formerly Anthem, Inc.) corporate complex.

*Circle Block Garage.* The Circle Area Community Development Corporation owns the Circle Block Garage. This garage is managed and operated by REI Real Estate Services. The Circle Block Garage is a 375-car garage with retail operations on the first level.

*Square 74 Garage.* The City owns the Square 74 Garage, known as the World of Wonders Garage. The Square 74 Garage, managed by the Circle Centre Mall, LLC and operated by Denison Parking, is a 1,500-car garage constructed through a design/build contract right before the Circle Centre Mall opened in 1995. It has retail operations on the first level and a crosswalk to the Circle Centre Mall on the fourth level.

*Square 66 Garage.* This garage, known as the Moon Garage, is owned by the City, managed by the Circle Centre Mall, LLC and operated by Denison Parking. This garage has spaces for 735 cars and is located directly under the Circle Centre Mall.

*Square 75 Garage.* This 560-car garage is also located under the Circle Centre Mall and is referred to as the Sun Garage. This garage is owned by the City, managed by the Circle Centre Mall, LLC and operated by Denison Parking.

*Claypool Court Garage.* The Claypool Court Garage is a multi-level 594-car garage equipped with Amano ticket spitters and Amano auto-pay stations. This garage is owned and managed by Court Street Associates, Inc., a Simon affiliate, and operated by Denison Parking. This garage is connected to the Embassy Suites hotel.

*Washington Street Garage.* The Washington Street Garage is an eight-story parking structure with a capacity of 2,921 spaces. The garage is located one street north of the Indiana Convention Center and one street west of Indiana State Capitol. It will also be connected to the new JW Marriott hotel being built across the street from the garage. Also, the Washington Street Garage is a major parking facility for Victory Field and the White River State Park.



## 2.4 Parking System Garages & Lots (cont'd)

Parking equipment at the Washington Street Garage includes Federal APD gates, ticket spitters, and passport controllers.

*Senate Avenue Garage.* The Senate Avenue Garage is a seven-story parking structure with entrances and exits on both New York Street and Senate Avenue. It is directly north of the Indiana State Office building. The Senate Avenue Garage has 2,684 spaces and employs federal APD gates, proximity card readers, and ticket spitters.

*HHC Garage.* The HHC garage will be adjacent to the Wishard Memorial Hospital and outpatient buildings that are all part of the \$754 million complex to be built between 10<sup>th</sup> and Michigan streets on the Indiana University-Purdue University Indianapolis campus downtown. Construction for the HHC garage will start in the second half of 2010, targeting completion and operation in the fall of 2011. The new parking garage will have 2,343 spaces, 616 of which will be for public and visitor use. The HHC has already released bid specifications to potential construction contractors for its parking structure.

Table 3 below provides a description of some of the garages included in the Parking System. The inclusion of the garages in this RFQ for possible long-term management does not mean that any final decisions have been made by any of the owners of the garages at this time. Rather, the owners and/or current managers have expressed an interest in the possible outsourcing of the management of the garages to a single manager in order to take advantage of operating efficiencies and other synergies.

**Table 3: Garage Parking Summary Information**

Garage Name	City-owned				Simon-owned
	Circle Block Garage	Square 74 Garage	Square 66 Garage	Square 75 Garage	Claypool Court Garage
Location	25 N. Illinois Street	Circle Centre Mall 100 S. Illinois Street	26 W. Georgia	48 W. Maryland	33 N. Capitol
No. of Spaces	375	1,500	735	560	594
Structure Type	Cast-in-place Concrete	Precast Concrete, Brick	Cast-in-Place	Cast-in-Place	Cast-in-Place
No. of Levels	6	8	2 (Below Grade)	2 (Below Grade)	11
Current Hours	Monday -Friday: 6:30am-12:30am Saturday: 12pm-2:30am Sunday: 12pm-12:30am	24 Hours	Monday-Friday: 8am-12am Saturday: 8am-12am Sunday: 10am-9pm	Monday-Friday: 8am-2am Saturday: 8am-2am Sunday: 10am-12:30am	24 Hours



## 2.4 Parking System Garages & Lots (cont'd)

Name	State-owned		
	Washington Street Garage	Senate Avenue Garage	CIB Virginia Avenue Garage
Location	401 W. Washington Street	220 N. Senate Avenue	155 S. Delaware Street
No. of Spaces	2,921	2,684	2,482
Structure Type	Cast-in-place Concrete	Cast-in-place Concrete	Cast-in-place Concrete
No. of Levels	8	7	5
Current Hours	24 hours	Public Parking: 5am-7pm State Employees: 24 hours	Monday-Friday: 6am-12am

### Parking System Surface Lots

The Parking System includes three surface lots managed by Denison Parking, a surface lot owned by the State and a number of surface lots to be constructed by the HHC. CIB Lot #3, CIB Lot #5, and CIB South Lot are paved surface lots with barrier gates that are automatically operated through the use of proximity card readers. Automated payment stations at CIB Lot #3 and CIB South Lot accept both cash and credit card payments, while special event parking at CIB Lot #5 is operated through manual cash collection. The State surface lot is also a paved lot and has two gated access points, one off of New York Street and one off of Capitol Avenue. The HHC surface lots will host a total of 1,493 spaces, all of which will be available for public use. Construction for the HHC surface lots is scheduled for the second quarter of 2013. New surface lots will open along with the new HHC hospital in late 2013 or early 2014.

**The Concessionaire will not be responsible for the construction of the new HHC parking garage and surface lots.**

Table 4 provides a description of certain of the surface lots included in the Parking System for purposes of this RFQ.

**Table 4: Surface Lot Parking Summary Information**

Lot Name	CIB Lot #3	CIB Lot #5	CIB South Lot	State Surface Lot
Location	307 S. Missouri	201 S. Delaware Street	500 S. Capital Avenue	200 N. Senate Avenue
No. of Spaces	292	2,195	1,550	537
Surface Type	Paved	Paved	Paved	Paved
Current Hours	24 Hours	24 Hours	24 Hours	24 Hours for State employees

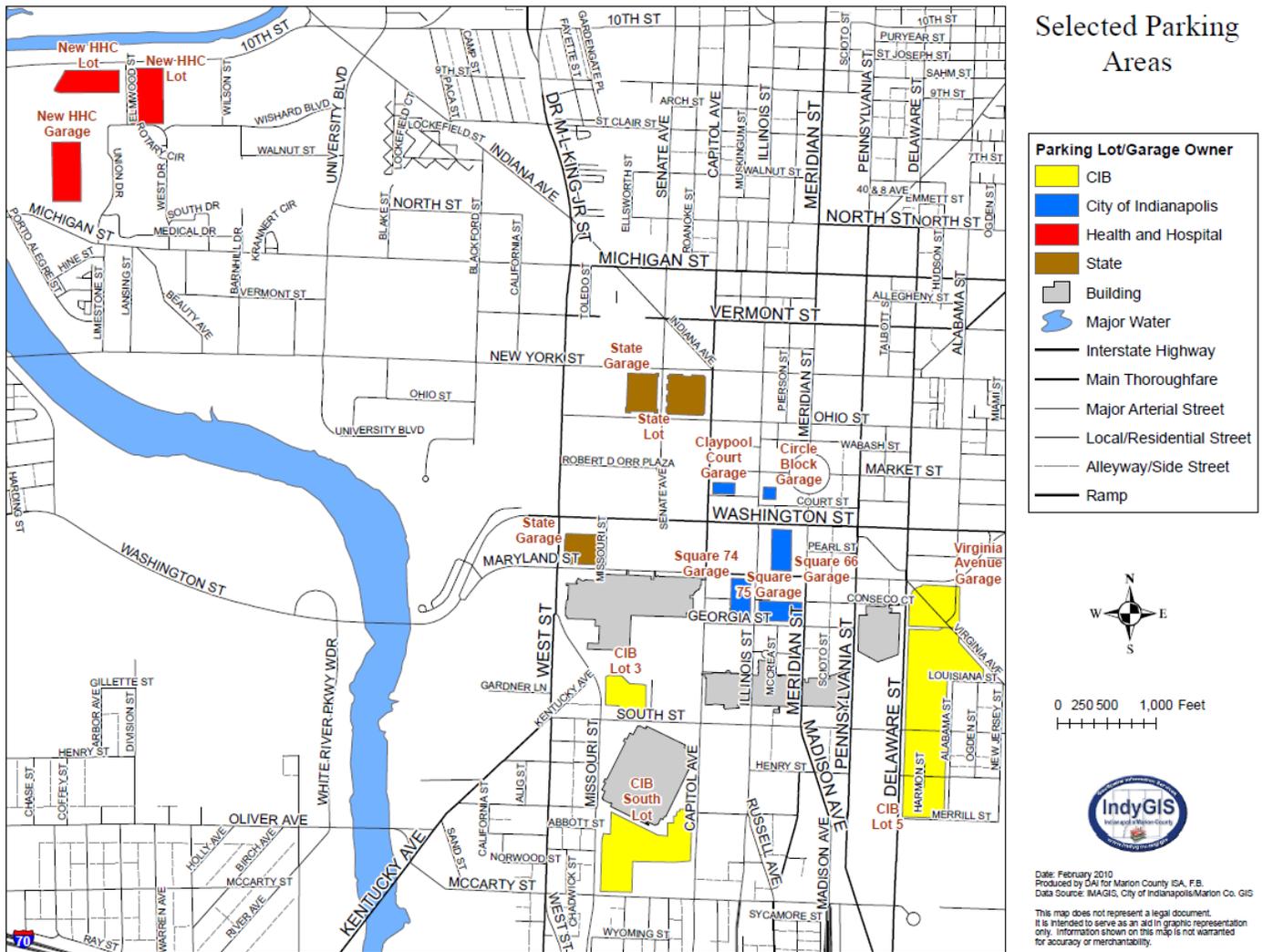


## 2 PARKING SYSTEM DESCRIPTION

### 2.4 Parking System Garages & Lots (cont'd)

Exhibit 4 shows the location of the garages and surface lots included in the Parking System.

**Exhibit 4: Map of Garages and Surface Lots in the Parking System**



Source City of Indianapolis/Marion County GeoSpatial Information Services



## 2.4 Parking System Garages & Lots (cont'd)

### **Additional Parking Assets**

The Project Partners are contemplating the possibility of adding more off-street parking assets to the Management Agreements. Any additional garages or surface lots to be included in the Management Agreements will be disclosed to the qualified Bidders.



### SECTION 3

## RFQ Submission Requirements and Procedures



### 3.1 Bidder Qualification Requirements and Evaluation Criteria

This RFQ is open to prospective Bidders who seek qualification to bid on either the Concession of the Metered Parking System and/or Management Agreements for the garages and surface lots in the Parking System. Qualification will be based on a determination by the Project Partners that the Bidder meets the requirements highlighted below. Upon receipt, all RFQ submissions will be reviewed for completeness in accordance with the submission requirements highlighted in Section 3.2 of this RFQ.

At the end of this completeness review, the Project Partners will assess each Bidder's qualifications in the areas of technical capability and financial capability with respect to the standards set forth in this RFQ. There will be no requirement on Bidders to form a team with others and no restriction as to the number of Bidders that may qualify to bid on the Concession and/or the Management Agreements. Qualified Bidders may be encouraged to form a team at a later stage if they do not propose a team member, and the Project Partners reserve the right to provide recommendations regarding team composition. Other changes in the composition of a Bidder, if the Bidder is comprised of more than one entity (e.g., joint venture, partnership, etc.) ("Bidder Member"), are subject to the prior consent of the Project Partners.

#### Technical Capability

The evaluation of technical capabilities will address whether the RFQ submission adequately responds to the technical capability requirements of the Concession and/or the Management Agreements. The Project Partners will particularly focus on the following areas of expertise:

- Operation and maintenance
- Customer service
- Undertake required capital improvements; and
- Safety and security

#### Financial Capability

The evaluation of financial capabilities will address whether the RFQ submission adequately responds to the financial capability requirements of the Concession. The City will particularly focus on the following areas:

- Financial capability to fund all payments due under the Concession arrangements and to maintain and upgrade the Metered Parking System; and
- Ability to secure all necessary financing without any contingencies.



## 3.2 RFQ Submission Requirements and Procedures

### Overview of Requirements

Prospective Bidders that anticipate responding to this RFQ shall indicate their intention as soon as possible by providing contact information via e-mail to the representative of the Advisor listed below. RFQ submissions should comply with the format provided under “Format and Required Information for RFQ Submission” in Section 3.3. Additional information not specifically related to the Concession and the Management Contract or this RFQ should not be included. ***All questions or requests for information regarding this RFQ should be directed only to the representative of the Advisor as listed below. Questions regarding the RFQ should be submitted no later than 5pm EST on Wednesday, March 10, 2010. Please DO NOT contact any other officials or related parties of the Project Partners.***

Mr. Don Devendorf  
Vice President

Morgan Stanley & Co. Incorporated

Phone: 212-761-7644

Don.Devendorf@morganstanley.com

### No Liability for Costs

The Project Partners and Morgan Stanley are not responsible for costs or damages incurred by Bidders, members of a Bidder, subcontractors, or other interested parties in connection with the solicitation process, including but not limited to costs associated with preparing responses, qualifications, and proposals and participating in any conferences, oral presentations, or negotiations.

### Modification and Termination Rights

The Project Partners reserve the right to modify or terminate the solicitation at any stage if the Project Partners determine such action to be in their best interests. The receipt of proposals or other documents at any stage of either the RFQ or the bidding process will in no way obligate the Project Partners to enter into any contract of any kind with any party.



### 3.3 Format and Required Information for RFQ Submission

All RFQ submissions should follow the format outlined below

- 1) Cover Page (to include identification of all Bidder Members)
- 2) Cover Letter (2 pages maximum)
- 3) Table of Contents
- 4) Executive Summary (Optional)
- 5) Bidding Assets: Bidders should specifically state the asset(s) for which they are seeking qualification
- 6) Bidder Information
  - a) Description of Bidder: Provide a description of the Bidder, including a description of all Bidder Members and the anticipated legal relationship (governance and capital structure) among the members (e.g., partners, shareholders, client-consultants, subcontractors, etc.) as appropriate. All equity investors should be identified
  - b) Roles of Bidder Members and Key Personnel: Briefly outline the roles of the Bidder Members and key personnel. In doing so, please ensure that all the requirements as detailed in Section 3.1 are addressed
  - c) Operator: Specifically identify the entity or entities that will act as operator of the Parking System under the proposed Concession and/or Management Agreements. Bidders may employ different operators for the Concession and the Management Agreements
  - d) Contact Person: Provide a single contact person for all future communication between the Advisor and the Bidder. Please identify the contact person's name, title, organization, address, telephone number, fax number, and email address
  - e) Controlling Interest: Identify the individuals or companies who hold a major or controlling interest in each Bidder Member
  - f) Expected Advisors: Identify the companies and individuals who are expected to act as legal, financial, or other advisors for the Bidder
  - g) Comparable Projects: Provide a list of comparable projects in which Bidder Members have participated. Bidders should specify how these comparable projects relate to the proposed Concession and/or Management Agreements



### 3.3 Format and Required Information for RFQ Submission (cont'd)

- h) References: Provide a list of Bidder Member References. These references should be able to describe the relevant qualifications and capabilities of Bidder Members seeking to take a leading role in the operation and maintenance of the Parking System
- 7) Technical Capability: Bidders should address the following areas with respect to technical capability
  - a) Operations and Maintenance Expertise: Bidders must provide evidence demonstrating their ability to operate and maintain a Parking System of this nature and scope. Specifically, the Bidder should have
    - i) substantial urban parking facility maintenance and operation experience
    - ii) advanced knowledge of parking facilities maintenance, repair, construction, and practical application of equipment and materials in parking facility operations
    - iii) demonstrated understanding in parking facility aging behavior to assess and determine the applicability of remedial maintenance action
    - iv) all the capabilities necessary to successfully operate and maintain the Parking System including routine maintenance, operations management, parking fee management and operations, administration, marketing and public relations, and parking operations
  - b) Customer Service: Bidders must demonstrate their commitment to achieving the highest standards of customer service and satisfaction. Specifically, the Bidder must highlight its experience and qualifications providing excellent customer service to the public. Bidders may at their option include additional information concerning their experience in maintaining productive ongoing relationships with government entities, similar to the relationship that the winning private concessionaire will have with the Project Partners
  - c) Safety and Security: Bidders must demonstrate their ability to address and resolve safety and security issues. Specifically, the Bidder should have
    - i) knowledge of parking and public safety and security techniques and methodologies
    - ii) experience in emergency response support; and



### 3.3 Format and Required Information for RFQ Submission (cont'd)

- iii) expertise in relevant parking engineering standards, specifications, policies, practices, and processes
- d) Capital Improvements: Bidders must demonstrate their ability to efficiently undertake required capital improvements to the Parking System assets during the term of the Concession Agreement and/or Management Agreements
- 8) Financial Capability: Bidder should address the following areas with respect to financial capability
  - a) Financial Ability: Bidders must demonstrate their financial ability to fund all required payments and to maintain the Metered Parking System for the term of the Concession. To demonstrate sufficient financial capacity, Bidder Members must provide copies of audited financial statements for the past three years, together with any other relevant financial information. If audited financial statements cannot be provided, Bidder Members should provide enough financial information to demonstrate that they have the financial resources to successfully execute a project of this nature and scope
  - b) Ability to Secure Financing: Bidders must provide specific evidence demonstrating their ability to raise financing for a project of this nature and scope. Specific factors that will be assessed include
    - i) Capability of raising debt and equity in the current capital market
    - ii) The number and size of past relevant transactions; and
    - iii) Specific experiences on past relevant transactions



## 3.4 RFQ Submission Instructions and Next Steps

### RFQ Submission Instructions

Copies of the RFQ submission should be delivered to both the Project Partners and Morgan Stanley at the addresses shown below no later than 5pm EST on March 15, 2010. RFQ submissions to the Project Partners may not be submitted via facsimile machine.

Please deliver **six hard copies and one electronic copy of your RFQ submission** to:

Michael Huber  
Director of Enterprise Development  
Office of the Mayor  
City-County Building Suite 2501  
200 E. Washington Street  
Indianapolis, IN 46204  
mhuber@indy.gov

Please also deliver **one hard copy and one electronic copy of your RFQ submission** to:

Don Devendorf  
Vice President  
Morgan Stanley & Co. Incorporated  
1585 Broadway, Floor 33  
New York, NY 10023  
Don.Devendorf@morganstanley.com

### Post RFQ Process

Prospective Bidders who are deemed qualified by the Project Partners, in their sole discretion, will be asked to participate in further due diligence as described in Section 1 and to ultimately provide final and binding proposals to the Project Partners for the Parking System. The approximate timing for the process will be as follows:



### 3.4 RFQ Submission Instructions and Next Steps (cont'd)

**Table 5: Timing for Process**

<b>Key Next Step</b>	<b>Expected Timing</b>
RFQ Submittal	March 15
Sign Confidentiality Agreements with Qualified Bidders	March 22
Due Diligence Process	April-June
Receive Final and Binding Proposals	End of June

To the extent that the Project Partners accept a proposal, it is anticipated that the financial close will be soon thereafter.

More details will follow the March 15 submittal. Bidders should be prepared to react quickly to meet this timetable.

The Project Partners reserve the right to modify or terminate this solicitation at any stage if the Project Partners determine this action to be in their best interests. The receipt of proposals or other documents at any stage of either the RFQ or the bidding process will in no way obligate the Project Partners to enter into any agreement of any kind with any party. For the avoidance of doubt, each of the Project Partners will have final decision-making authority regarding their relevant parking assets and appropriate next steps following the submission of responses by the Bidders to this RFQ.

