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The Plaza at Market Square

By Tammy Lieber

Reinventing Market Square

One of the Midwest's largest apartment developers hopes to make its mark on downtown Indianapolis, and it's bringing along a member of the Lilly family to assist.

Flaherty & Collins Properties' bid calls for an all-rental complex with 284 one- and two-bedroom apartments and eight three-bedroom town homes ranging from 644 square feet to 2,253 square feet and \$805 to \$2,800 per month. Twenty percent of the apartments would be designated as affordable housing. The units would be in two identical six-story buildings framing an open plaza, which would remain under city ownership. The buildings would have 87,208 square feet of retail space on the ground floor.

Floors two through four of the buildings would contain 450 parking spaces for the complex's residents.

In an April response to questions from the city, CEO David Flaherty said the company could convert the apartments to condominiums after seven to 10 years, using existing renters as a primary base of buyers.

"You can lease apartments a lot quicker than you can sell condos, at least in this market," Flaherty said. For that reason, he said, Flaherty & Collins' bid is less risky for the city than some others. "There's not the risk that something gets proposed and not get built."

Locally, Flaherty & Collins has developed mostly suburban complexes, but has increasingly been bidding on urban reuse projects around the country, Flaherty said.

The company recently was selected to build a 240-unit high-rise complex in Covington, Ky., across the Ohio River from Cincinnati. The company chose six-story buildings on its MSA bid, but could easily change to a high-rise design if the city asks it to, Flaherty said.

The design panel said the buildings are "too repetitive" and that the complex looks "suburban and out of context for this site." One panelist liked the "animated, multi-use" center plaza.

The relative conservativeness of the bid may not have impressed the design panel, but it promises a quicker turnaround time than other bids, with the project finished in about two years. After that, the team would consider acquiring the Bank One parking garage and operations center.

Flaherty & Collins' team includes Charles B. Montgomery Sr., former executive director of the now-defunct Martin Luther King Community Development Corp. Montgomery's organization completed several affordable-housing developments on the north side, including Ravenbrook Apartments at 38th Street and Central Avenue.

The biggest name on Flaherty & Collins' bid, however, belongs to Eli "Ted" Lilly II, a local investor and great-great grandson of the founder of Eli Lilly and Co. Lilly has partnered with David Flaherty and Jerry Collins on various deals since 1985, according to information submitted with the bid.

Lilly has pledged up to \$5 million on the partnership's MSA bid, a promise backed up in the bid by a letter from National City Bank proposing a loan for that amount secured by Lilly's personal assets.

Flaherty & Collins also submitted quotes from National City and LaSalle Bank for construction loans of \$38 million and \$40.2

million, respectively. The group also provided the city with a letter from Maryland-based ESIC Realty Partners Inc. for a \$4.4 million mezzanine loan.

IBJ asked four local registered architects not affiliated with any of the six bids to weigh in on the proposed designs. Using information submitted in the bids and the city's reuse guidelines for the site, the panel members scored each bid in five categories: public open space and streetscape; density; building forms and scale; building character and materials; and urban context.

Panel members were asked to evaluate the design appropriateness of the bids. They were not asked to evaluate the bidders' financial ability or the project's financial feasibility, two aspects that DMD Director Maury Plambeck said are as important as design in the city's selection process. For those reasons and others, the opinions of panel members might not mirror the city's eventual bid selection.

The panelists' scores were averaged to come up with a final design score of between 0 and 50. Those scores appear with the profiles. Comments in the profiles are from the panelists' evaluation sheets.

The panelists are:

-- Jim Lingenfelter, vice president, Indianapolis office, URS Corp. Lingenfelter has 24 years of experience in the field, 15 of them with San Francisco-based URS Corp. His projects, which have received several local design awards, include the program definition phase for the new midfield terminal at Indianapolis International Airport and renovation of Mozingo Place Housing at 10th and Rural streets into affordable housing. He has participated in a committee studying, in part, the MSA site.

-- Robert W. Snyder, senior vice president, and Andrew J. Lane, architect, BSA Life Structures. Snyder and Lane have worked on several commercial and institutional projects at BSA, the city's largest architectural firm. Snyder, a BSA principal, has 24 years of architectural experience, the last 16 at BSA. This spring, Snyder and BSA held a design review of the MSA bids with the firm's architects.

-- Brett M. Thrasher, principal, Scala Architecture and Urban Design. Thrasher left local firm Tabula Rasa Architects to start Scala in 2002. Before that, he worked at locally based CSO Architects Engineers and Interiors for four years. He has 16 years of industry experience and teaches architectural presentation at IUPUI. He has participated in several significant downtown projects in Cincinnati; Columbus, Ohio; and Crawfordsville.

The Plaza at Market Square

Design Score = 15

Developer: Flaherty & Collins Properties

Details: 284 apartments, eight rental town homes, 87,208 square feet retail/commercial space, 1.25 acres open space

Density: 73 dwelling units per acre (fourth-highest)

Equity partners: Eli Lilly II, 45 percent; Flaherty & Collins Inc. executives David M. Flaherty, Jerry K. Collins, James A. Crossin, David B. Anderson, Gordon Benner and Brian L. Ploss, 44 percent; Charles B. Montgomery Sr., executive director, Affordable Housing Partners Inc., 10 percent; Bryan Chandler, principal, NAI Olympia Partners, 1 percent

Non-equity partners: Fugleberg Koch Architects, Winter Park, Fla.; Ratio Architects; SCA Consulting Engineers, Houston; Shiel Sexton construction; Davis & Associates construction

Project cost: \$49 million (lowest)

Private investment: \$4.8 million equity, \$38 million construction financing

Public investment: \$5.9 million for land acquisition, site preparation and public plaza

**All people and entities are local unless noted.*