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August 8, 2007

Greensburg Redevelopment Commission  
 314 West Washington Street  
 City Hall  
 Greensburg, IN 47240

Re: Lincoln Street and Freeland Road Projects

The attached schedules (listed below) present unaudited and limited financial information for the purpose of discussion and consideration by appropriate officers and officials of the Greensburg Redevelopment Commission. The purpose of this report is to provide preliminary information regarding the Lincoln Street and Freeland Road Projects. The use of these schedules should be restricted to this purpose as the information is subject to future revision and further reports.

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The schedules and underlying assumptions are based on information provided by the City of Greensburg and Decatur County. We have not examined or in any other manner verified the information. In the preparation of these schedules, assumptions were made as noted regarding certain future events. As in the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material.

*H. J. Umbaugh & Associates*

GREENSBURG REDEVELOPMENT COMMISSION

ESTIMATED AVAILABLE FUNDS  
(Unaudited)

Current Available Funds

Fund Balance @ July 30, 2007 (1)	\$ 4,990,795
Less: outstanding invoices (1)	(232,594)
Less: over collection of TIF Revenue (2)	<u>(3,216,476)</u>
Available funds	1,541,725

Projected Additional Funds:

Estimated 2007 TIF distributions (3)	494,150
Less: Reduction of 2007 TIF distribution (2)	(39,722)
Estimated 2008 TIF distributions (4)	400,000
Estimated 2009 TIF distributions (3)	<u>494,150</u>
Total available funds	<u>\$ 2,890,303</u>

- (1) Per Clerk Treasurer.
- (2) Based upon amounts approved by the DLGF and the Indiana State Auditor's Office.
- (3) Based upon preliminary estimates of 2007 tax rates.
- (4) Adjusted to reflect reimbursement of TIF revenue in 2007.

(Subject to the comments in the attached letter dated August 8, 2007 of Umbaugh.)

**GREENSBURG REDEVELOPMENT COMMISSION**

**ESTIMATED PROJECT COSTS AND FUNDING**

**(Per Consulting Engineer)**

<u>Project Costs</u>	<u>Base Bid No TE</u>	<u>All TE w/TE Award</u>	<u>TE Base Bid No TE Award (1)</u>
Lincoln Street:			
2009 Project Costs (2)	\$ 9,437,406	\$ 11,157,406	\$ 10,147,406
Less INDOT funds	<u>(3,634,920)</u>	<u>(4,634,920)</u>	<u>(3,634,920)</u>
* City's construction costs	5,802,486	6,522,486	6,512,486
* Freeland Road : Corridor Plan	<u>190,900</u>	<u>190,900</u>	<u>190,900</u>
* Total construction costs	5,993,386	6,713,386	6,703,386
Non-Construction Costs:			
Bond issuance costs	115,000	115,000	115,000
Underwriting fees @ 1.5%	67,500	80,250	80,100
Lease rental reserve	382,000	453,000	452,000
Capitalized interest @ 5.5% for 12 months	247,500	294,250	293,700
Project contingencies	<u>494,614</u>	<u>494,114</u>	<u>495,814</u>
 Total Project Costs	 <u>\$ 7,300,000</u>	 <u>\$ 8,150,000</u>	 <u>\$ 8,140,000</u>
 <u>Project Funding</u>			
Bond issue	\$ 4,500,000	\$ 5,350,000	\$ 5,340,000
Available funds on hand	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>
 Total project funding	 <u>\$ 7,300,000</u>	 <u>\$ 8,150,000</u>	 <u>\$ 8,140,000</u>

(1) Scenario that was moving forward before the project was put on hold.

(2) The costs shown above include an estimate of probable costs prepared in good faith and with reasonable care by HNTB less outstanding invoices of \$232,594. HNTB has no control over the cost of construction labor, or equipment, right-of-way acquisition or construction.

(Subject to the comments in the attached letter  
dated August 8, 2007 of Umbaugh.)

GREENSBURG REDEVELOPMENT COMMISSION

ESTIMATED ANNUAL DEBT SERVICE PAYMENTS

	Base Bid <u>No TE</u>	All TE <u>w/TE Award</u>	TE Base Bid <u>No TE Award</u>
Estimated Bond Principal	\$ 4,500,000	\$ 5,350,000	\$ 5,340,000
Assumed Interest Rate	5.50%	5.50%	5.50%
Assumed Bond Maturity	20	20	20
Estimated Annual Payment	\$ 376,557	\$ 447,684	\$ 446,848
Allowance for Trustee Fees	\$ 5,000	\$ 5,000	\$ 5,000
Estimated Annual Lease Rental	\$ 382,000	\$ 453,000	\$ 452,000

(Subject to the comments in the attached letter  
dated August 8, 2007 of Umbaugh.)

GREENSBURG REDEVELOPMENT COMMISSION

PROJECTED ANNUAL CASH FLOW  
(Without Growth)

	2010	2011	2012	2013	2014	2015	2016
<u>Revenues</u>							
Tax increment - existing	\$ 443,100	\$ 443,100	\$ 443,100	\$ 443,100	\$ 443,100	\$ 443,100	\$ 443,100
TIF replacement levy	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>
Total projected revenues	<u>\$ 494,150</u>	<u>\$ 494,150</u>	<u>\$ 494,150</u>	<u>\$ 494,150</u>	<u>\$ 494,150</u>	<u>\$ 494,150</u>	<u>\$ 494,150</u>
<u>Lease Rental Payments:</u>							
Assuming \$4,500,000 bond issue	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000
Revenues remaining	\$ 112,150	\$ 112,150	\$ 112,150	\$ 112,150	\$ 112,150	\$ 112,150	\$ 112,150
Assuming \$5,350,000 bond issue	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000
Revenues remaining	\$ 41,150	\$ 41,150	\$ 41,150	\$ 41,150	\$ 41,150	\$ 41,150	\$ 41,150
Assuming \$5,340,000 bond issue	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000
Revenues remaining	\$ 42,150	\$ 42,150	\$ 42,150	\$ 42,150	\$ 42,150	\$ 42,150	\$ 42,150

(Subject to the comments in the attached letter dated August 8, 2007 of Umbaugh.)

GREENSBURG REDEVELOPMENT COMMISSION

PROJECTED ANNUAL CASH FLOW

(Assumes 5% Annual Growth)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Revenues</u>							
Tax increment - existing	\$ 312,944	\$ 338,591	\$ 365,520	\$ 393,796	\$ 423,486	\$ 454,661	\$ 487,394
TIF replacement levy	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>
Total projected revenues	<u>\$ 563,994</u>	<u>\$ 589,641</u>	<u>\$ 616,570</u>	<u>\$ 644,846</u>	<u>\$ 674,536</u>	<u>\$ 705,711</u>	<u>\$ 738,444</u>
<u>Lease Rental Payments:</u>							
Assuming \$4,500,000 bond issue	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000
Revenues remaining	\$ 181,994	\$ 207,641	\$ 234,570	\$ 262,846	\$ 292,536	\$ 323,711	\$ 356,444
Assuming \$5,350,000 bond issue	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000
Revenues remaining	\$ 110,994	\$ 136,641	\$ 163,570	\$ 191,846	\$ 221,536	\$ 252,711	\$ 285,444
Assuming \$5,340,000 bond issue	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000
Revenues remaining	\$ 111,994	\$ 137,641	\$ 164,570	\$ 192,846	\$ 222,536	\$ 253,711	\$ 286,444

(Subject to the comments in the attached letter dated August 8, 2007 of Umbaugh.)

GREENSBURG REDEVELOPMENT COMMISSION

**PROJECTED ANNUAL CASH FLOW**  
(Assumes 10% Annual Growth)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Revenues</u>							
Tax increment - existing	\$ 589,766	\$ 648,743	\$ 713,617	\$ 784,979	\$ 863,477	\$ 949,824	\$ 1,044,807
TIF replacement levy	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>	<u>51,050</u>
Total projected revenues	<u>\$ 640,816</u>	<u>\$ 699,793</u>	<u>\$ 764,667</u>	<u>\$ 836,029</u>	<u>\$ 914,527</u>	<u>\$ 1,000,874</u>	<u>\$ 1,095,857</u>
<u>Lease Rental Payments:</u>							
Assuming \$4,500,000 bond issue	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000	\$ 382,000
Revenues remaining	\$ 258,816	\$ 317,793	\$ 382,667	\$ 454,029	\$ 532,527	\$ 618,874	\$ 713,857
Assuming \$5,350,000 bond issue	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000	\$ 453,000
Revenues remaining	\$ 187,816	\$ 246,793	\$ 311,667	\$ 383,029	\$ 461,527	\$ 547,874	\$ 642,857
Assuming \$5,340,000 bond issue	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000	\$ 452,000
Revenues remaining	\$ 188,816	\$ 247,793	\$ 312,667	\$ 384,029	\$ 462,527	\$ 548,874	\$ 643,857

(Subject to the comments in the attached letter dated August 8, 2007 of Umbaugh.)

HNTB

**LINCOLN STREET RECONSTRUCTION PROJECT**

Date: 6/5/07

This is an estimate of the probable project costs moving forward (i.e. potential cost remaining)

Description:	Lincoln Street (First Street to SR 3) TE Base Bid Items No TE Award	Lincoln Street (First Street to SR 3) No TE	Lincoln Street (First Street to SR 3) All TE w/ TE Award
<b>Engineering &amp; Design:</b>	\$ 787,018	\$ 719,518	\$ 787,018
<b>Right-of-Way Acquisitions:</b>	\$ 1,113,500	\$ 1,113,500	\$ 1,113,500
<b>2009 Construction:</b>	\$ 8,471,650	\$ 7,828,150	\$ 9,486,400
<b>INDOT Federal Funding</b>	\$ 3,634,920	\$ 3,634,920	\$ 4,634,920
<b>Lincoln Street CITY's Costs <u>moving forward</u></b>	\$ 6,737,248	\$ 6,026,248	\$ 6,751,998