

The Indianapolis Airport Authority is still taking proposals on how to best develop the area where bustling travelers once roamed before the new terminal was constructed.

# LAND(ING) PATTERN

## Indy Airport Acreage Converting to New Uses

By Matt Ottinger

Since the American West was settled, land acquisition has been a top priority. Yet, in a fairly unique undertaking, the Indianapolis International Airport determined it had too much.

Nearly two years ago, the Indianapolis Airport Authority (IAA) voted for a land use initiative to let go of 3,200 of its 9,000 acres – putting over 1,000 acres back on the tax rolls and setting the stage for further private development. The idea originated as a means to help surrounding communities (and talks are underway to potentially divest over 2,000 acres to the Hendricks County Parks Board and town of Plainfield for bat and wetland habitat conservation).

“Of all the land airports have purchased over the years through federal programs, they’ve kept 98% of it,” reveals Mario Rodriguez, IAA executive director. “In other words, this is something completely unique to this area. It’s very focused on putting this land back into productive and recreational use.”

### Going once!

The airport sold 334 acres in an auction last November, with buyers paying over \$3.2 million for tracts in both Marion and Hendricks counties.

“Airports nationwide are remarkably good at buying land, and remarkably bad at ever getting rid of unneeded land,” notes Joe Heerens, the IAA’s general counsel. “We’re one of the first airports to hold an auction and have this type of program.”

He adds, “It was an interesting mixture of buyers,” noting the

goals of the 12 purchasers include commercial and residential development, as well as mixed use and wildlife preservation.

The largest purchase made at the auction was the more than 140 acre mass known as the “former Speedway Airport” (although the entirety of the land now falls under the jurisdiction of the town of Avon). Hageman Group, a family-owned Indianapolis-based investor, seized the opportunity and hopes to develop the land to enhance economic development in the area.

“We’re looking at medium to small industrial (development),” explains Tom Dickey, managing director, real estate. “Once we got the property, we (visited Avon officials) to see what it is they wanted. They wanted commercial, which is a good match. (The Hendricks County Economic Development Partnership) believes they’ve missed several opportunities to land companies in the 20,000-25,000 square foot range, so they’ve asked us to bring in buildings that could accommodate that.”

Dickey adds that Hageman, which has traditionally focused on the agriculture sector, initially anticipated using its new purchase as farmland. That sentiment has changed, however.

“As we look at the market, we think there’s an opportunity to get started sooner than we were thinking,” he reports. “So we’ll be filing for a rezone of the property to a (Planned Unit Development), which allows flexible uses, this summer. We’ll also be working with the town to establish a TIF district. It will require a new public road to connect the Ronald Reagan Expressway (and a county road) ... so it will need some infrastructure support.”

The property currently includes the old runway, which will be repurposed in some manner.

"I think we'll use it as recycled concrete, so we'll tear it up on site and pulverize it so it can be compacted into building pads and road base," Dickey predicts.

## Park it

Exeter Property Group, which owns industrial distribution space in Central Indiana, maintains holdings in Park 100 and Park Fletcher in Indianapolis. In the auction, Exeter eyed the Lynhurst Drive Property, nearly 35 acres of partially wooded real estate in the airport's southeast corner, as a complement to its current tenants.

"We identified this land in South Lynhurst as a potential opportunity to expand the Park Fletcher Business Park. We'd call it Park Fletcher South and provide growth opportunities within Marion County for some of our existing tenants," explains Tom Theobald, an Exeter principal.

He points to easy access to interstates 70 and 465 as factors making it an attractive location for businesses.

"We are beginning to initiate the rezoning and entitlement process, and see if we can get the city of Indianapolis to agree with our ideas," Theobald notes. "As far as square footage of new buildings we could accommodate there, it's in the neighborhood of 400,000 square feet. (With that amount of space), you can create a lot of jobs."

Residential development is restricted on the land, although he clarifies, "We do have residential developments around the site, so we'll make sure whatever we develop of an industrial nature is suitable and beneficial for the residential neighborhoods."

Theobald reports the auction was a positive experience, and both the airport and its buyers appear optimistic about the outcomes.

Heerens agrees: "Over the last year, the community has reacted very favorably to our land use initiative and our implementation of this important program."

## Out with the old

Parcel 7, more commonly known to the public as the "old terminal," was not up for auction last fall. Rodriguez says the airport is taking a "thoughtful" approach with that land, which consists of nearly 130 acres of old parking lots along I-465.

In the past year, proposals have been considered, including bringing in a \$500 million sports medical complex, stadium and hotel. In addition, the owner of Rising Sun Casino Resort wanted to move some of its



The old Speedway Airport (tracts 10 and 11) and the Lynhurst Drive Property (tracts 26-29) accounted for over half of the 334 acres of airport land sold at auction last fall. Both the airport and the buyers expect the new uses to notably contribute to economic development efforts.



existing gaming tables and slot machines to the site (pending approval by the state Legislature), offering to build a \$650 million upscale retail center anchored by a casino. Neither came to fruition, however, and IAA is still considering options, with a strong emphasis on collecting public input. The airport has held public listening sessions for both businesses and the community.

"We're in the process of developing a new plan, and when we have that developed, we'll release it to the public," Rodriguez shares. "That plan will include how we'll move forward, how we'll accept proposals for it, and a tentative schedule of when we want to make decisions and hopefully make a selection and move forward again."

As of this writing, he says "it's too early to tell" what will ultimately become of the old terminal area.

"We want to make the best choices for the community, so it generates the maximum property taxes and creates a significant number of jobs," Rodriguez concludes. "Those are factors that are being considered as we move forward. We want to have a positive effect on the community around us."

NOTE: Airport officials are also currently working with the town of Fishers to divest nearly 220 acres around the Indianapolis Metropolitan Airport, which will likely be developed commercially to attract businesses and spur economic development.