

Pendleton I-69 Interchange

MASTER PLAN



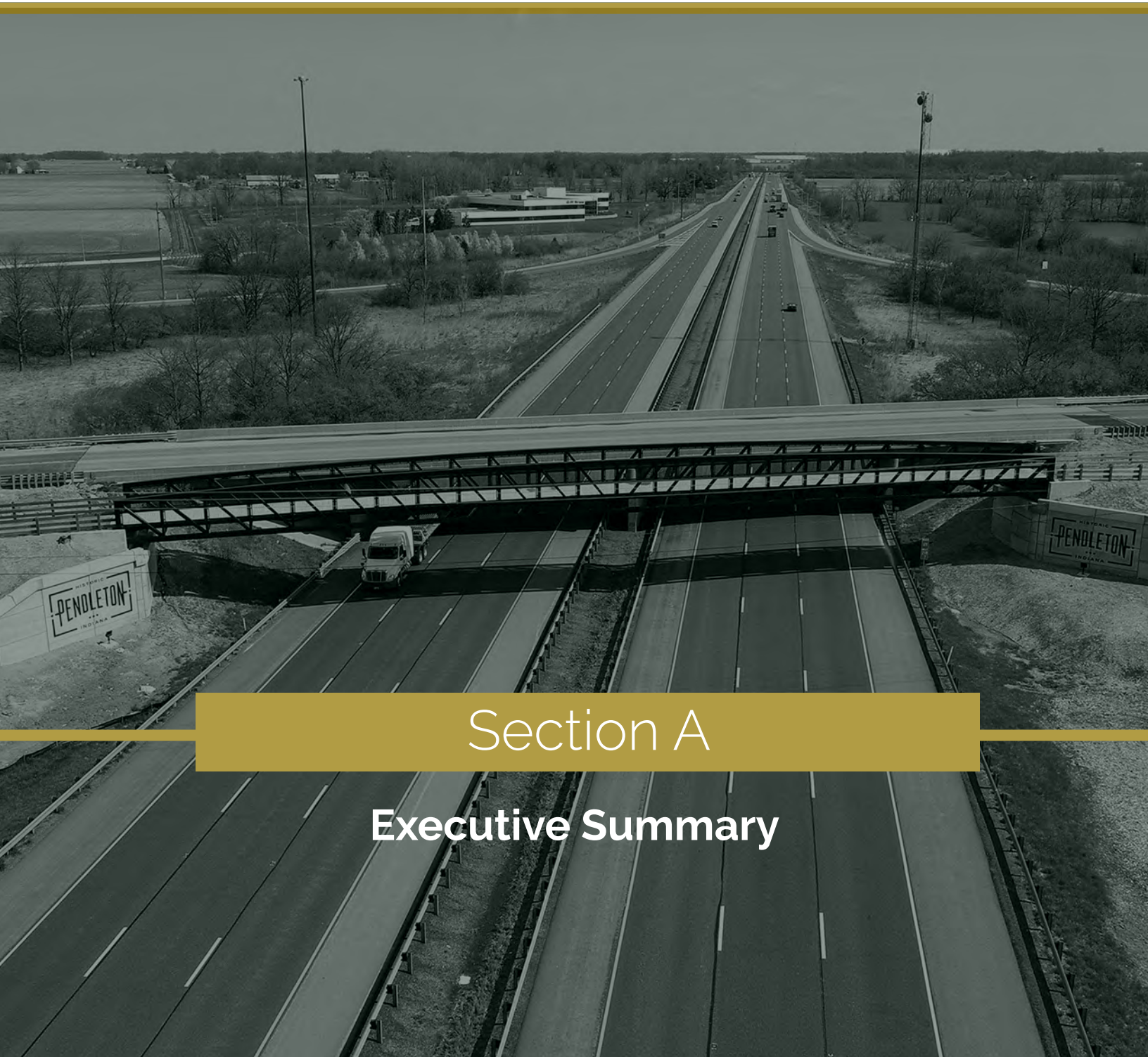
Kimley»Horn

AUGUST 2021

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Pendleton I-69 Interchange



Section A

Executive Summary

Introduction

This Interchange Master Plan will bring *strategically planned and measured growth* to Pendleton’s I-69 / SR 38 gateway entrance. This plan has been prepared to:

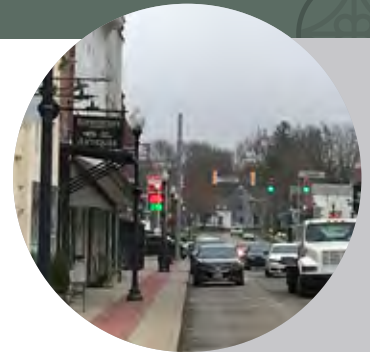
1. Provide the Town of Pendleton with a **market-based vision** for how the area will evolve.
2. Establish clarity on **future land uses** that will be met with support during entitlement phases of project progress.
3. Identify locations for **regional stormwater management systems** to facilitate development activities, maximize land use potential and provide opportunities for public park amenities within sustainable low impact developments.
4. Preserve a significant portion of the study area for a **landmark development district** as an overall strategy to attract methodical and measured growth in desired real estate sectors prior to encouraging additional commercial/retail development at the interchange.
5. Strategically attract desired types of development to further enhance Pendleton as a **premier community in which to live, work, and play**.

While the Town of Pendleton has grown modestly in recent years, maintaining a small-town charm and offering quality-of-life attributes, some challenges persist. Restrictive right-of-way along State Street and downtown traffic issues present ongoing challenges. Existing development at the Pendleton Business Park exhibits haphazard growth. A mobile home park with a number of homes in the floodplain sits prominently at the Fall Creek and State Street, the primary entrance into historic downtown Pendleton from I-69. Issues such as these and others are best addressed with strategic planning to build a better future for the town.

As growth and development continues its march northeast along I-69, the Town is poised to capture desired development in areas that are creatively planned and rise to Town standards. This plan will preserve and embellish Town assets while providing solutions to address existing challenges and issues that could compromise outcomes. The I-69 and SR 38 interchange presents an opportunity to capture regional growth momentum to enhance the Town for current and future residents, business owners, and workers.

When one considers Historic Pendleton’s beauty and character, its active and vibrant downtown, its walkable tree lined neighborhoods, its excellent schools, its signature and iconic Falls Park and the Falls of Fall Creek, and the ongoing restorations of historic downtown buildings with emerging merchant offerings, it becomes clear that Pendleton is a very unique and appealing community in central Indiana. The Town has numerous locations and opportunities for business development and operation centers. One can also raise their family here and provide their children with a valuable education, while having the privilege to enjoy convenient access to metropolitan Indianapolis attractions of professional sports, theater, symphonies, zoo, universities, auto racing, amateur sports, and more.

Pendleton is ripe for development activity, as it lies in the path of the expanding Indianapolis metropolitan region. Current challenges and lessons learned in the Pendleton Business Park of today have given rise to the need for this Interchange Schematic Master Plan to guide future development. This plan has been prepared to provide the Town with a tool to manage this coming development in the best interests of the entire community, while preserving and protecting the reasons Pendleton residents are passionate about their community.



PURPOSE OF PLAN DEVELOPMENT

At the July 2020 Town of Pendleton Redevelopment Commission meeting, commissioners voted to engage the services of Kimley-Horn for master planning an area of approximately 2,350 acres of land situated in four quadrants bifurcated by Interstate 69 and State Road 38.

The Pendleton Redevelopment Commission seeks to be deliberate about managing private development activities within this study area for these primary reasons:

1

To encourage planned and prudent town growth based upon market research and planning principles:

Pendleton sits in the path of emerging development patterns around the Indianapolis metropolitan region. It is generally understood that portions of development within the Pendleton Business Park were not planned and executed as well as they might have been. The uses being proposed within this plan are the result of market-based research and Pendleton stakeholder input with clear intentions to limit uses to desired types shown. Departures from the use types will dilute the strength of the development, as evidenced by the Pendleton Business Park. When developers approach the Town with alternative uses to plan recommendations, it would be prudent to encourage them to seek other available sites in the Town that can meet their needs.

Strategic planning and design for currently undeveloped and under developed land, can be used to attract beneficial real estate investments that advance Pendleton's quality of life, increases available amenities, and brings higher paying jobs. This Interchange Master Plan takes a long-range view toward development potential at this location and recommends strategies for managing that development over time. Supporting the planning effort is a market analysis that provides guidance to Town officials regarding Pendleton's position on the regional marketplace. The market analysis report can be found in its entirety in the appendix.

2

To utilize a deliberate planning process to guide and facilitate desired development in a measured approach that does not compromise Historic Downtown Pendleton:

The Town of Pendleton boasts a traditional nineteenth-century downtown business district, notably listed on the National Register of Historic Places. Centered around State Street and Pendleton Avenue, downtown is home to a concentration of retail enterprises and office space, including locally owned restaurants, boutique and specialty shops, professional offices, and government facilities within the charm and appeal of predominantly turn-of-the-century historic architecture. A primary goal of this plan is to stage new development investments prudently, avoiding the pursuit of new mixed-use enterprises until proposed residential development is nearly built out maintaining and protecting the appeal and charm of historic Pendleton, downtown merchants, and dining venues.

Downtown has benefited from previous planning efforts. Town leadership commissioned the 2015 Pendleton Downtown Revitalization Plan to encourage public/private investments in historic resources; and to design civic investments to support the success of downtown merchants and the staging of downtown public events. This downtown plan led to the restoration of several downtown historic buildings, attracting new merchant offerings to downtown Pendleton.

The Town of Pendleton commissioned a community wide Bicycle and Pedestrian Master Plan in 2017 to identify quality of life improvements for Town resident's health and wellbeing. A review of that plan shows

connectivity corridors within the study area and beyond. The Pendleton Bicycle & Pedestrian Master Plan can be found in the appendix.

Pendleton has a history of successfully utilizing planning efforts to guide future Town investments to preserve and protect the Town’s appeal, while achieving desired outcomes. This Interchange Master Plan comes as development pressure mounts along the I-69 corridor. The plan lays out an implementation program to protect and preserve historic downtown merchants and stakeholders, while encouraging and promoting development that adds to the offerings already in place, without diminishing the same.

Historic Downtown Pendleton’s success remains fragile. Having noted the recent and productive efforts above, critically important civic investments within the 2015 Revitalization Plan are yet to be realized. Several of Pendleton’s downtown historic structures are dilapidated with most upper levels underutilized or vacant. This master plan recommends that Town leadership focus on completing the downtown catalyst projects and addressing historic structure needs prior to pursuing any new development in the Keystone Development District.

3

To encourage development in the study area to address market-based needs:

Market-based needs include strong demand for single-family housing as evidenced by current permitting activities and the market analysis (see appendix). Multi-family housing demand also has market traction, however somewhat less than single family residential. Multi-family housing is projected to absorb between 555 to 987 units over the next 15 years. Retail space demand is less predictable presently, due to pandemic precipitated vacancies and is expected to have a slower recovery than other real estate sectors. Office space presents moderate development opportunities with greater potential when combined with mixed use development and nearby dining, shopping, and experience venues. Industrial development is transitioning with robotics and technology driven business development opportunities that provide higher paying jobs in cleaner, more mechanized facilities. Advanced manufacturing is seen as a market sector opportunity for Pendleton, given metropolitan Indianapolis growing technology sector. Hospitality services will come later to Pendleton’s Gateway Interchange, likely when much of the area has been developed. Beneficial outcomes of these types of development will bring higher paying job opportunities, will attract new talent to live in new residences and will deliver desired development services and quality of life offerings for the benefit of the entire Pendleton community.

4

To increase local TIF revenues while preserving a significant portion of interchange area for a landmark project:

This Interchange Master Plan recommends that the Town set aside a significant portion of the study area for a landmark development district. As various development districts come online in all four quadrants, Town Tax Increment Financing (TIF) revenues will rise, allowing the Town to use these funds to further promote desired development with infrastructure investments and regional stormwater management. TIF funds can also be used to incentivize downtown historic building façade restorations and to fund recommendations of the 2015 Downtown Revitalization Plan for the benefit of downtown merchants and the enjoyment of all Pendleton residents. The Downtown Events Space, Pendleton Avenue Streetscape and Alleyway Enhancements, shown on pages D-1 and D-2 of the 2015 report, will bring new momentum and appeal to downtown (see Appendix for more information). This plan recommends that these downtown investments be made prior to approving any new commercial retail development within the Keystone Development District.

Once most of the Interchange Master Plan is nearing buildout, the Town may begin accepting development proposals for the Future Keystone Development District. One can learn more about the future potential of this district in the summary of the Northwest Quadrant Development District.



PUBLIC AND STAKEHOLDER ENGAGEMENT DURING MARKET ANALYSIS

Periodic project progress presentations were conducted at regularly scheduled Redevelopment Commission meetings to update the public and the commission on plan development. These meetings provided commission members opportunities to offer input and guidance on plan direction, market analysis guidance, preference input and primary objectives behind plan development. Meetings were also held with stakeholder groups to solicit input from nearby residents and those most interested in what types of development might have market traction.

On September 24, 2020, three virtual meetings were held to engage Pendleton stakeholders and seek their input on initial findings of the market analysis as well as plan development opportunities and challenges. A list of participants within each meeting can be found in the appendix.

STAKEHOLDER GROUPS THAT PARTICIPATED IN THE VIRTUAL MEETINGS INCLUDED:

- Commercial/Residential Real Estate Professionals
- Interchange Business Owners/Operators
- Residents and Pendleton business owners

The virtual meetings began with an introduction to the planning process by Kimley-Horn's planner, Ken Remenschneider. Ken introduced the various purposes for which the plan is being developed and the opportunities that a strategic development plan can bring to Pendleton. Jessica Rossi, Kimley-Horn's market analyst, then gave an overview of preliminary findings regarding Pendleton's demographics, surrounding area market metrics and the Town's current capacity to guide development in the future to achieve market success within various uses. A review of the concept development plan was then presented and discussed.

NOTEWORTHY RESPONSES FROM PARTICIPANTS INCLUDED:

Master plan is needed to attract desired growth and development in the Town.

Buffering existing residential properties with park land and ponds is desirable.

Regional stormwater management plan will reserve more land for development and serve to attract the private investments being sought.

Developers expressed interest in doing business in Pendleton. The establishment of desired uses in designated areas that will be met with local support and approval will serve to increase developer interest in meeting local development needs.

Mobile home park is not seen as highest and best use for this State Street entrance into historic Pendleton. Proposed park land in the floodplain at this location is preferred.

Demand exists for executive homes and multi-family housing in Pendleton according to a local developer and preliminary findings of the market analysis. This is particularly true with planned Pendleton Parks that feature trails around lakes that also provide regional stormwater management to support development activities.

Residents west of the NW and SW quadrants expressed interest in the possibility that condominiums could be a transitional use between existing single-family residences and the Future Keystone Development District.

Community Sports and Wellness expressed interest in establishing the Health and Wellness District, which would provide active living senior housing with condos and/or duplexes to encourage Pendleton seniors to stay in town and access the wellness center and trails network.

Several participants expressed interest in landing a grocery store within the NW or SW quadrants to conveniently service single family home development.

The commission was praised for having the foresight to commission this planning study with a focus on pursuing housing, health and wellness and technology development prior to seeking development proposals for the Keystone Development District.

The Town was encouraged to consult with Fishers Mayor Fadness on attracting technology development as a priority for plan success.

A primary real estate stakeholder with holdings at the interchange indicated a strong preference that the Town does not allow any more warehouses or gas stations at this location, but rather seek development services that will continue to add to Pendleton's unique character and special charm.

CONCEPT PLAN AND MARKET ANALYSIS

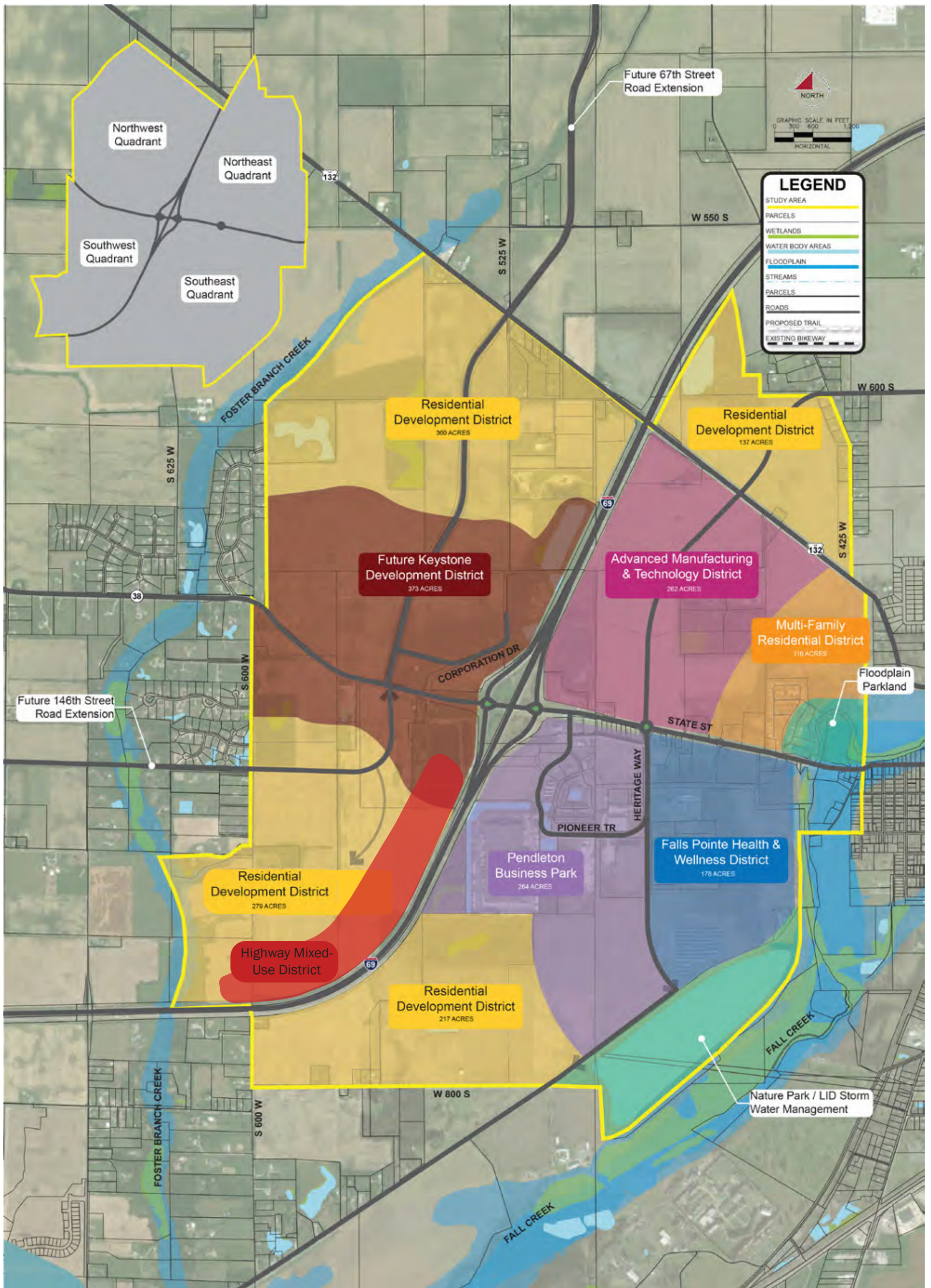
While the market analysis was being conducted, a concept plan was prepared to facilitate discussions during public hearings and stakeholder engagements. The plan shows various use types that have market traction for this location, including: expansion of the Pendleton Business Park; a Falls Pointe Health & Wellness District; four locations for Residential Development Districts of varying housing products; an Advanced Manufacturing and Technology District; Multi-Family Residential District; and a Future Keystone Development District.

The above stakeholder feedback was documented and considered during development and completion of the final market analysis report. Market recommendations for the Pendleton Interchange Master Plan include promoting a diversity of uses with these primary goals:

- Expand single-family executive housing and, on a more limited scale, multi-family housing development to meet existing residential demand
- Encourage and attract technology focused enterprises with higher paying jobs
- Attract health and wellness business enterprises while promoting active living with trail connectivity for personal health benefits
- Attract and retain talent within the Town of Pendleton with job creation and quality of life amenities
- Delay Keystone Development District until residential districts are near completion

Note: See appendix for entire market analysis report

CONCEPT PLAN I-69 AT SR 38



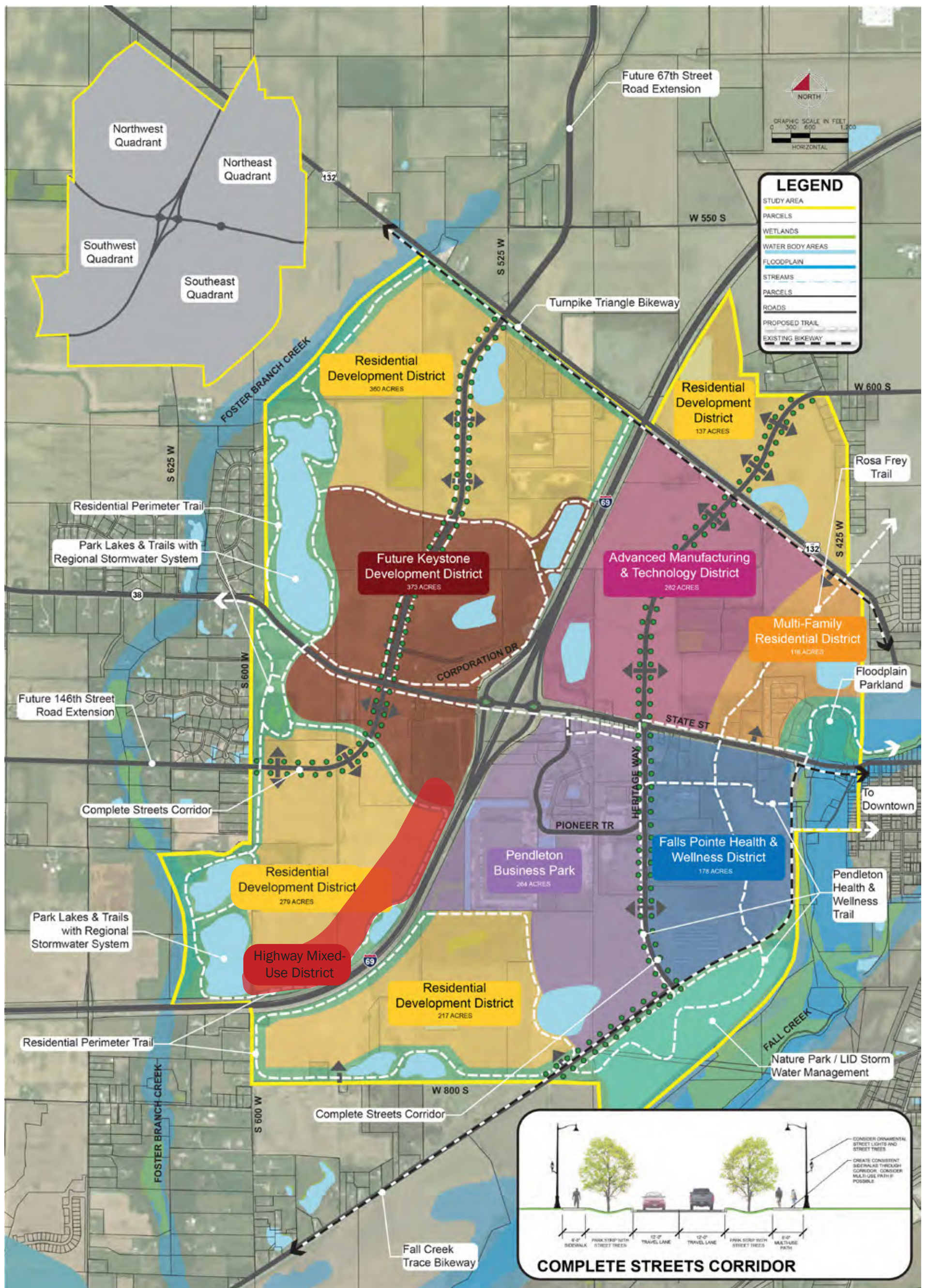
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Section B

Schematic Master Plan

INTERCHANGE SCHEMATIC MASTER PLAN I-69 AT SR 38



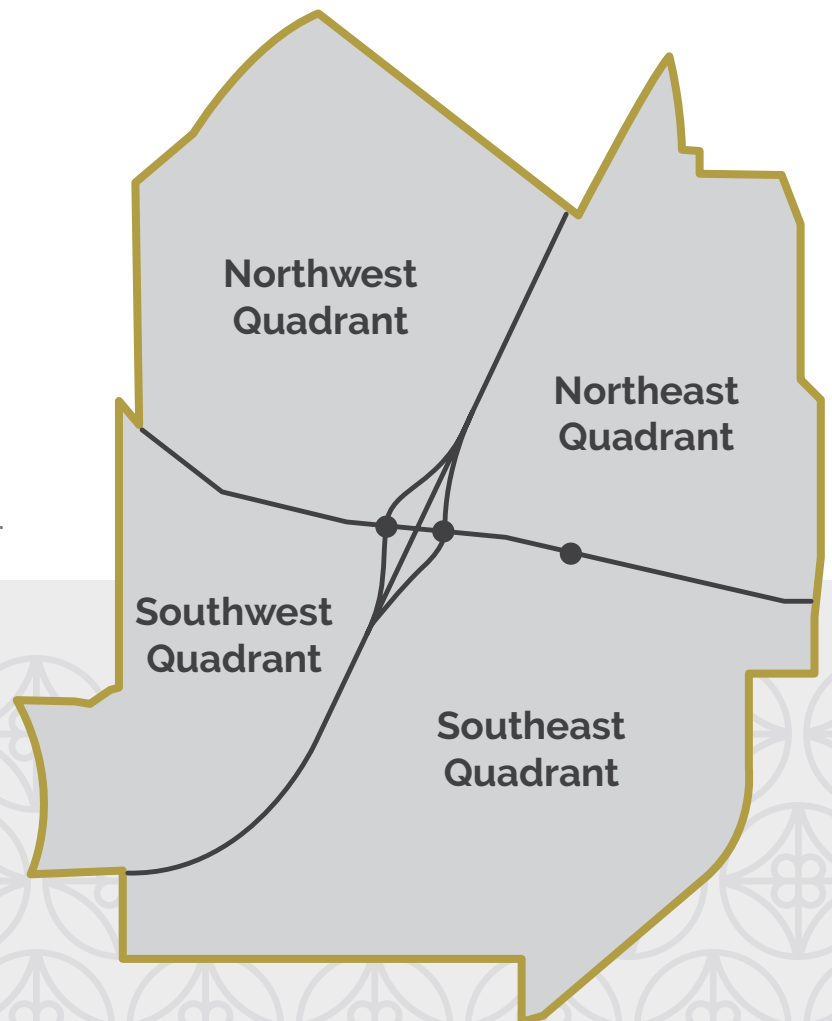
INTERCHANGE SCHEMATIC MASTER PLAN I-69 AT SR 38

Just a mere 16 miles from the corporate limits of Indianapolis, the Schematic Master Plan for development at exit 219 in Pendleton is a long-range view of real estate investment potential at this location, as the metro area expands northeast. Utilizing information gleaned from the market analysis and local stakeholder engagement, this master plan will guide development of Pendleton's Gateway Interchange over the next 20 years. Key components of this plan are:

- A balanced approach to viable land uses based upon current market needs
- Provisions for regional stormwater management facilities with developer and town partnerships to maximize land development potential and incentivize real estate investments
- Critically needed connectivity for traffic access and land development needs
- A complete streets approach to infrastructure planning and design to accommodate multiple forms of transportation
- Trails and park land serving as buffers to adjacent residences, while also providing regional stormwater management

STUDY AREA QUADRANTS AND DEVELOPMENT DISTRICTS

The 2,350 acres of land under study at Exit 219 have been divided into four development quadrants separated by State Road 38 and Interstate 69. Each quadrant has been further divided into Development Districts that are programmed for specific types of market uses. This Pendleton Interchange Schematic Master Plan for development has been prepared based upon market analysis recommendations, existing land uses, existing drainage patterns, future drainage requirements and existing/future utility services in the area. Most of the proposed development uses have market traction in the near term, with the Keystone Development District coming later, once most other development districts are underway or nearing completion. A review of development recommendations per quadrant follows.



SE QUADRANT DEVELOPMENT DISTRICTS

The SE Quadrant is the most developed of all four quadrants at Exit 219 and includes recommendations for: a limited expansion of the Pendleton Business Park; a Residential Development District and the Falls Pointe Health & Wellness District that includes a nature park with trails that also serves as a low impact development storm water management facility.



Pendleton Business Park

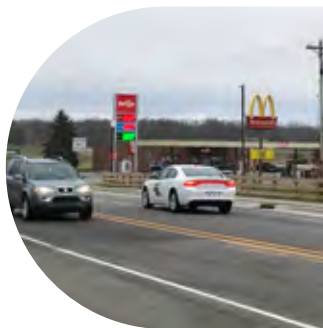
The Pendleton Business Park is nearing buildout at the time of this report. This development plan calls for expanding the Pendleton Business Park south to Fall Creek Drive on land west of South Heritage Way. The Town should seek to attract business enterprises to the business park that will employ a work force with elevated expertise and talent. Recognizing the Town's desire to control the amount of additional distribution facilities development, this expansion area for additional business park development is being limited to a total of 264 acres, over half of which is currently built out. A storm water management pond is shown near Fall Creek Drive to accommodate future development in this area. Additionally, the Town has invested resources in studying stormwater management in this area and will partner with development interests to implement the low impact development storm water management facilities within the context of a nature park with trails.

Falls Pointe Health & Wellness District

Building upon the success of the new Pendleton Community Sports & Wellness facility, this district will encourage health and wellness development such as medical office buildings, active living amenities and satellite hospital operations. This district will also provide for trail connectivity to the Community Sports & Wellness Center; the Residential District; the nature park; to downtown; and throughout all four quadrants. The Town has interest in partnering with development interests to implement the low impact development storm water management facilities within the context of a nature park with trails.

Residential Development District

The Town has a need for active adult residential development that appeals to empty nesters as well as young professionals seeking proximity to the Community Sports and Wellness Center, Historic Downtown Pendleton, as well as existing and coming offerings at the interchange. This residential district is intended to serve this local housing need with a variety of product types, which may include single family homes, condominiums, fourplexes and duplexes. The residents will have convenient active living trail access to neighborhood paths; the nature park; the Sports & Wellness Center; medical office buildings; satellite hospital operations, and downtown Pendleton. A combination of stormwater management ponds and a perimeter trail with shade trees will provide a buffer from adjacent uses. Where the perimeter trail is next to the interstate, more densely planted, larger stature shade trees will add to the buffering of I-69.



NE QUADRANT DEVELOPMENT DISTRICTS

The NE Quadrant will solve a variety of local issues in this area:

- Provide a north/south traffic connection beginning at State Street, heading north as Heritage Way, crossing Old State Road 132, and tying into county road W 600 S to head east to Pendleton Avenue
- Remove mobile housing units from the Fall Creek floodplain
- Convert floodplain into park land and improve the bridge crossing transition into Historic Downtown Pendleton
- Replace the Pendleton Mobile Home Park with apartments that can meet this established local market need
- Target the majority of the NE Quadrant for advanced manufacturing and technology-oriented businesses to attract talent and higher paying jobs to the community



Advanced Manufacturing & Technology District “Where Trades Meet Tech”

The technology sector in central Indiana is alive and growing. Multiple tech-oriented development corporations and Not-For-Profits are supporting this sector’s growth through programs focused on technology awards, diversity and inclusion in tech, stem workforce development and training, technology business skills development, women in tech, podcasts, and a tech talent pipeline facilitator. Pendleton is just 15 minutes from the Launch Fishers and the Indiana IoT Lab, one of the metropolitan region’s technology hotbeds. This plan recommends collaborating with Fishers leadership and the broader Indy

technology sector to develop the Advanced Manufacturing and Technology District’s program for encouraging technology-oriented manufacturing, entrepreneurship, and tech research and development. Key organizations that can advise and support the Town’s efforts to attract technology investments in this district include: 16 Tech Community Corporation; TechPoint; Be Nimble; Indiana Technology and Innovation; Powderkeg; TMAP; and Eleven Fifty Academy.

The Town of Pendleton can augment this district’s development in these ways:

- Encourage and facilitate new investments in technology-oriented business operations
- Provide expedited development approvals
- Attract a satellite Eleven Fifty Academy technology site for coding education
- Establish a technology focused co-working space within a Town of Pendleton innovation hub to foster entrepreneurial activities with 5G Wi-Fi throughout the district

This plan recommends that the Town consider investigating the potential to enter a Public Private Partnership (PPP) to entice more economic development. Enabled through Indiana statute, the program utilizes a build, operate and transfer (BOT) approach to construction. The private developer assumes all upfront risk by building the facility, operating it till the Town is satisfied with the outcomes, and then transferring the facility to the Town. This tool can be used to launch Pendleton’s Advanced Manufacturing and Technology District by constructing a technology hub incubator to market early-stage technology and advanced manufacturing companies with space to lease within an entrepreneurial environment. The advantage: The Town would be providing immediately available space to emerging technology firms as

NE QUADRANT DEVELOPMENT DISTRICTS



they gain traction in the marketplace, rather than waiting more than a year to acquire land and have a building constructed. Plus, data shows that companies that are born in a community, tend to stay in the community. So, in a sense, the incubator is “raising” the companies that will emerge from the incubator to build their operations center in this District, bringing good paying jobs to Pendleton and increasing Tax Increment Financing revenue for the Town.

Multi-Family Housing

The State Road 38 bridge over Fall Creek is a transition point from the study area leading into Historic Pendleton. The Pendleton Mobile Home Park is a highly visible component of that transition to downtown. Over twenty-five mobile homes are situated in the floodplain at this location, with some residing in the floodway, posing unnecessary risk to residents. It is common for communities to remove housing from floodplain land and convert that land into community parks. This approach eliminates personal property loss and allows floodwaters to occupy the floodplain freely, when needed. This plan recommends converting this land to apartments to meet an established local housing need. At the same time, the plan recommends converting the floodplain into park land to enhance the Fall Creek bridge gateway into Historic Pendleton with trail connectivity through the proposed park.

Residential Development District

This master plan proposes the addition of single-family residential development in the northernmost area of the NE Quadrant. This proposed use will provide a compatible transition from the existing single-family residences along S 425 W and W 600 S. The development will also provide a desired street connection to W 600 S leading to an intersection with North Pendleton Avenue. Other roadway improvements associated with the NE Quadrant will include enhancements to Old State Road 132 to provide safety measures for users of the Turnpike Triangle Bikeway. A combination of stormwater management ponds and a perimeter trail with shade trees will provide a buffer between this residential development and adjacent uses.



NW QUADRANT DEVELOPMENT DISTRICTS

The NW Quadrant, at over 630 acres, is the largest quadrant in the study area. Plans currently under development will eventually connect this area to the north along a new road alignment tying into to 67th Street in Anderson. When that roadway is built, this quadrant will be the most accessible quadrant of all four, furthering its potential for a keystone development sometime in the future. The market analysis has identified a need for single family executive style homes being planned for the north half of the quadrant. This plan also recommends regional stormwater management to be implemented within a newly planned park with trails and located near Foster Branch. The Town will partner with private development interests to implement regional drainage facilities that are to be used as public parks. The Pendleton Parks Lake and Trails will also serve the community by providing a park land buffer between existing executive home sites and proposed development in the NW Quadrant.



Residential Development District

The market analysis indicates that executive style single family homes will have market traction at this location. The addition of neighborhood trails that connect to the park, the Keystone Development District, and to downtown, will increase the appeal of this area for higher end residential development. The plan proposes that the larger homes and larger lots be concentrated between the proposed arterial street and Foster Branch/new park, with slightly smaller lots and slightly smaller homes east of proposed street. A tree-lined greenway is proposed to be developed around the entire perimeter of this residential district leading to the newly proposed Pendleton Park Lakes and Trails, which also serves as the regional stormwater management facility. A combination of stormwater management ponds and this perimeter trail with shade trees will provide a buffer between this residential development and adjacent uses. Where the perimeter trail is next to the interstate, more densely planted, larger stature shade trees will add to the buffering of I-69.

NW QUADRANT DEVELOPMENT DISTRICTS



Future Keystone Development District

This development district is being reserved for future private real estate investments of a significant nature. Given the convenient access and prominent visibility of this area, this district is a placeholder for future development, one that will become a keystone destination further into the future. Various development options will present themselves when a majority of the Interchange Master Plan development districts are nearing completion. It will be the duty of the Town to turn down mediocre Keystone District development proposals until a truly significant opportunity presents itself, one that will bring substantial value to the interchange and the Pendleton community as a whole. This deliberate approach to land development will increase the attention, appeal, and attraction of this keystone development district to regional and national development interests. When this development is completed, the Town will benefit once again with increased Tax Increment Financing revenues from this more intensely developed district.

A development of this scale will warrant an experienced master development entity with a proven track record at managing a destination development program. Preliminary program requirements should include condominiums, apartments, office, and commercial retail components supported with structured parking. Potential proposals for the Town's consideration will vary and may include:

- National corporate headquarters
- Destination development amenity attraction
- Sports-oriented commercial enterprise venue
- Themed amusement park
- Technology infused conference center
- Outdoor challenge sports

Regardless of the development offerings, all proposals for development should be comprehensive in nature and be required to deliver a mixed-use housing/commercial/retail investment within a live, work, and play environment.

Holding out for a keystone development that ultimately becomes a destination will pay dividends to the entire Pendleton community. Strategic planning for TIF district allocation areas will allow Pendleton to capture larger revenue streams from the Keystone Development District. These funds can then be used to further public infrastructure needs to promote private development within the study areas as well as downtown and elsewhere in the community.

SW QUADRANT DEVELOPMENT DISTRICTS

The SW Quadrant will become a prime development site with the extension of 146th Street into the Keystone Development District. Frontage along SR 38 will support the Keystone Development District north of SR 38. Assorted housing styles and other potential light commercial uses are planned in the remaining area remaining area with regional stormwater management near Foster Branch. The Town will partner with private development interests to implement regional drainage facilities that are to be used as public parks. The Pendleton Parks Lake and Trails will also serve the community by providing a park land buffer to proposed development in the SW Quadrant.

Highway Mixed Use District

The SW Quadrant also has the opportunity to allow for some denser, non-residential uses along the I-69 curve. While these uses, such as offices, hotels, flex space, retirement living or medical services could be located throughout the residential areas so long as they fit the character of the housing style, as denser uses, they are more typical along highway frontage. These uses would not be geared towards heavy truck traffic or heavy industrial uses, and would blend well with the surrounding styles of residential living, and be interconnected with the southern Keystone Development District.



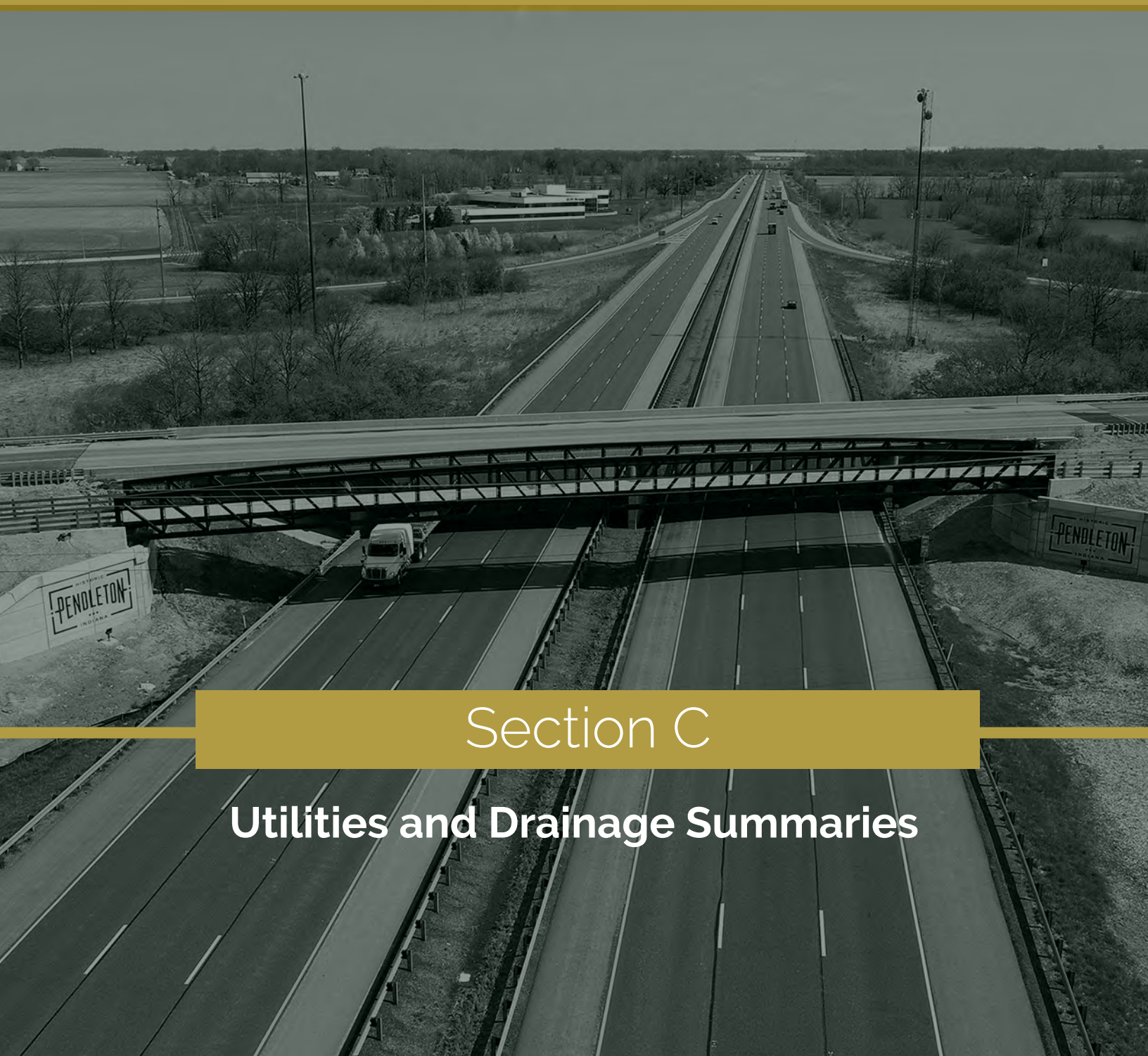
Future Keystone Development District State Road 38 Frontage Development

This area is being held in reserve and will be developed as an integral part of the future Keystone Development District in the NW Quadrant. Development expectations for this area are anticipated to be focused on commercial retail development that supports the larger Keystone Development District in the NW Quadrant.

Residential Development District

The SW Quadrant is viable for a mix of townhomes, condos, multi-family and single-family residential homes that would be denser near the interstate and less dense as you approached the Foster Branch neighborhoods. The market analysis indicates that executive style single family homes will have market traction at this location. Neighborhood trails that connect to the park, the Keystone Development District, and to downtown, will increase the appeal of this area for higher end residential development. A tree lined greenway is proposed to be developed around the entire perimeter of this residential district leading to the newly proposed Pendleton Parks Lakes and Trails, which also serves as the regional stormwater management facility for this quadrant. The Pendleton Parks Lake and Trails will also serve the community by providing a park land buffer between existing executive home sites and proposed development in the SW Quadrant.

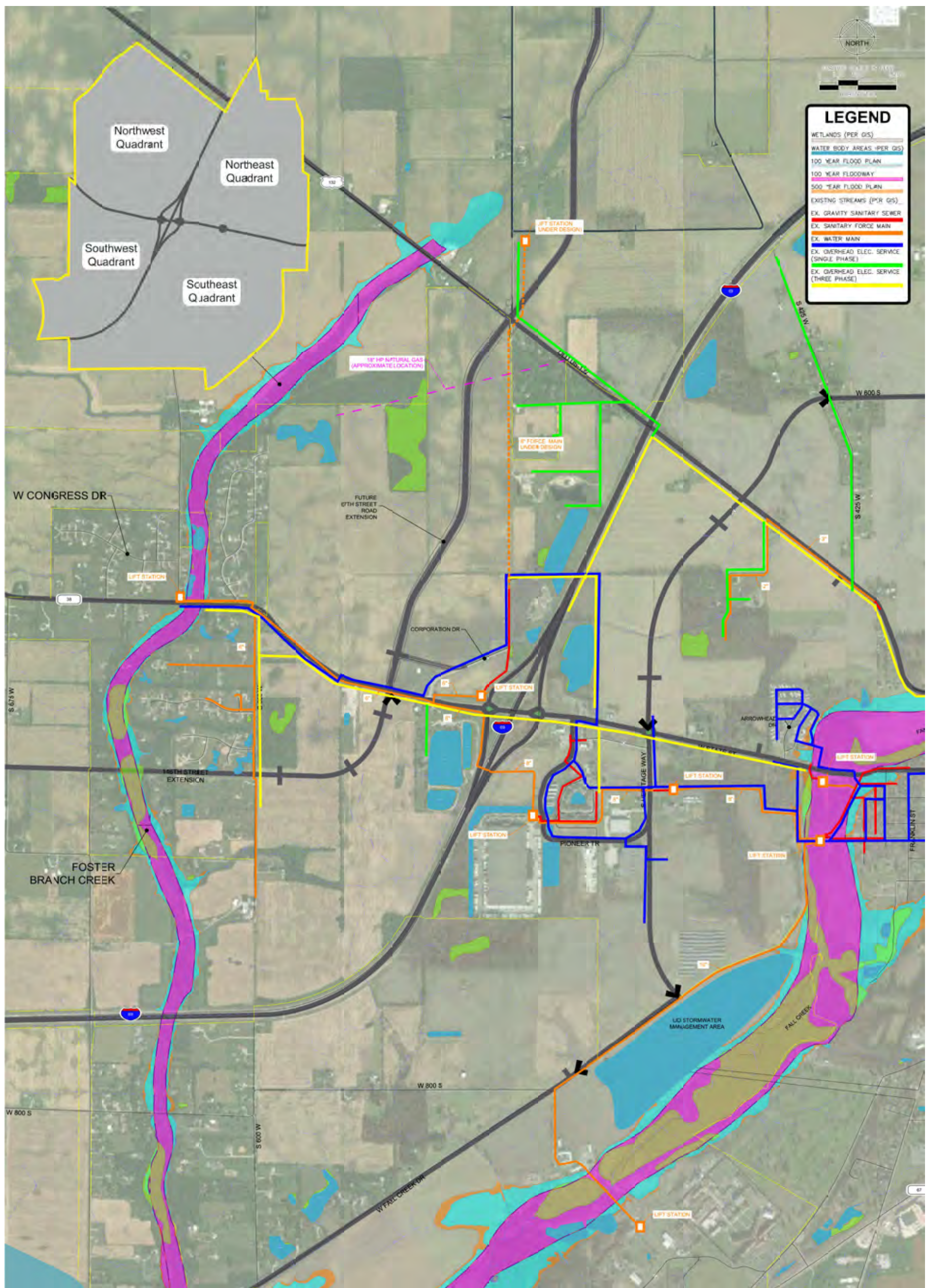
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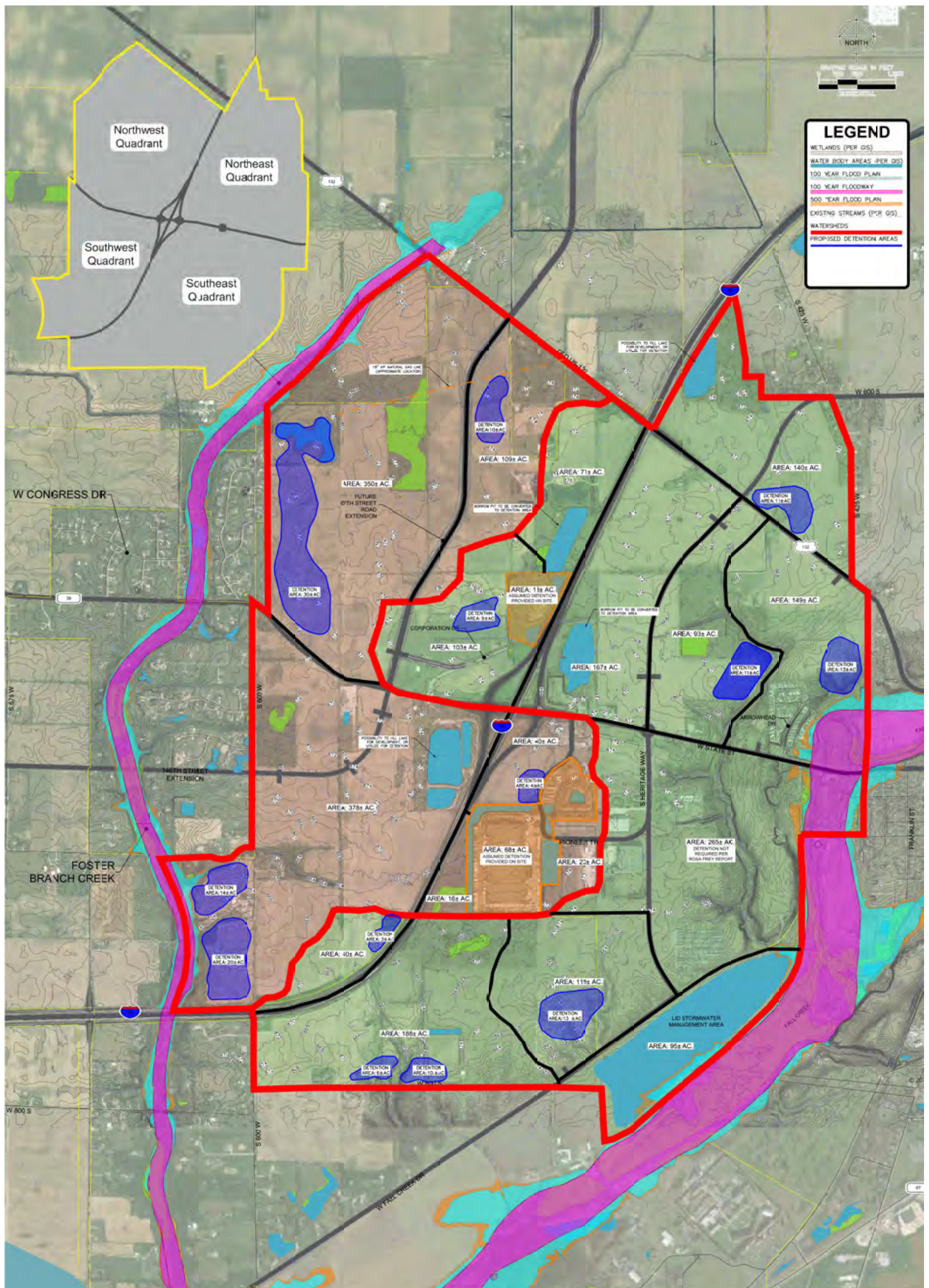
Section C

Utilities and Drainage Summaries

OVERALL EXISTING UTILITY PLAN



CONCEPTUAL DRAINAGE PLAN





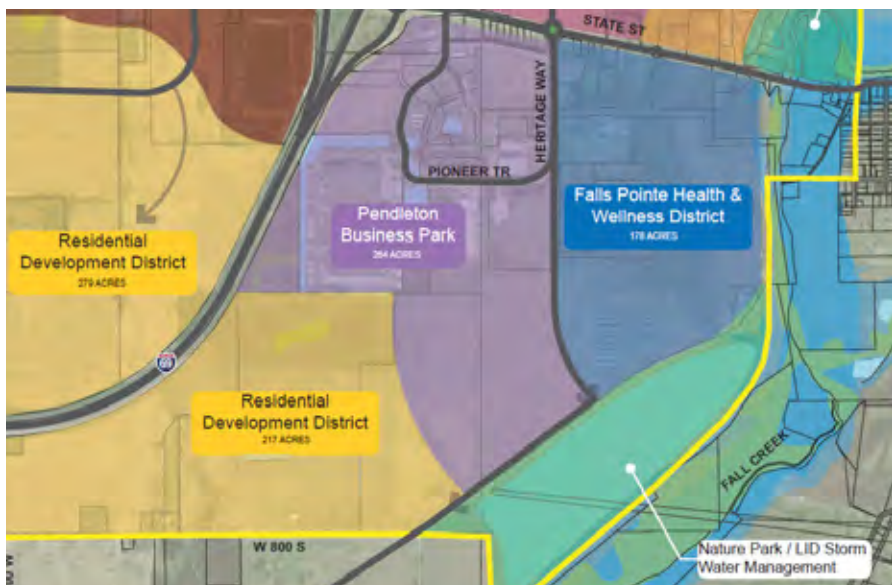
SOUTHEAST QUADRANT

Existing Utilities

Existing water main can be found along much of Heritage Way, within the existing developments within the center of the quadrant and extending east, eventually crossing Fall Creek. Overhead 3-Phase electric service is located along State Street to the north of the Quadrant. Sanitary force main and lift stations are located throughout the center of the quadrant within the existing developments and extends along the southern border of the quadrant, eventually crossing Fall Creek. All utility connections, extensions and upgrades should be coordinated with the utility providers for future development.

Drainage Summary

Stormwater detention basins have been placed within the drainage sheds outlined in the attached exhibit. The basins are located within the low points of the quadrant and have been schematically designed to detain the future developments and are intended to be shared master detention facilities serving all future development within the quadrant. This type of design allows individual developments to share on-site detention facility costs while also expanding gross development potential. The conceptual stormwater detention basins have been assumed to be wet ponds that can store 4' above the normal pool at an approximate size of 0.33 acre-feet/acre which would provide adequate storage to meet the local stormwater design standards. Most of this quadrant will eventually discharge east to Fall Creek, with a small portion draining west across I-69 eventually discharging to Foster Branch Creek. The existing development located on the southeast corner of I-69 and State Street was assumed to have stormwater detention already provided. The eastern portion of this quadrant outlined in the attached exhibit has been programmed for stormwater management within the proposed Low Impact Design (LID) stormwater management area to the south along Fall Creek.



NORTHEAST QUADRANT

Existing Utilities

Existing water main can be found along the western portion of the quadrant as well as along Heritage Way extending just beyond State Street. Overhead 3-Phase electric service is located around the quadrant along I-69, OLD-US 32, and State Street. Sanitary force main is located on the NE corner of the quadrant and an existing lift station is located on the south side of State Street near Fall Creek. All utility connections, extensions and upgrades should be coordinated with the utility providers for future development.

Drainage Summary

Stormwater detention basins have been placed within the drainage sheds outlined in the attached exhibit. The basins are located within the low points of the quadrant and have been schematically designed to detain the future developments and are intended to be shared master detention facilities serving all future development within the quadrant. This type of design allows individual developments to share on-site detention facility costs while also expanding gross development potential. The conceptual stormwater detention basins have been assumed to be wet ponds that can store 4' above the normal pool at an approximate size of 0.33 acre-feet / acre which would provide adequate storage to meet the local stormwater design standards. An existing borrow pit located on the northeast corner of I-69 and State Street has been assumed to be converted to detention area for the future development and is intended to provide adequate storage for the development west of Heritage Way. A portion of the stormwater detention located within the northwest quadrant will also be routed across I-69 through this quadrant as it does in the current condition. All the proposed stormwater detention basins will eventually discharge east to Fall Creek.



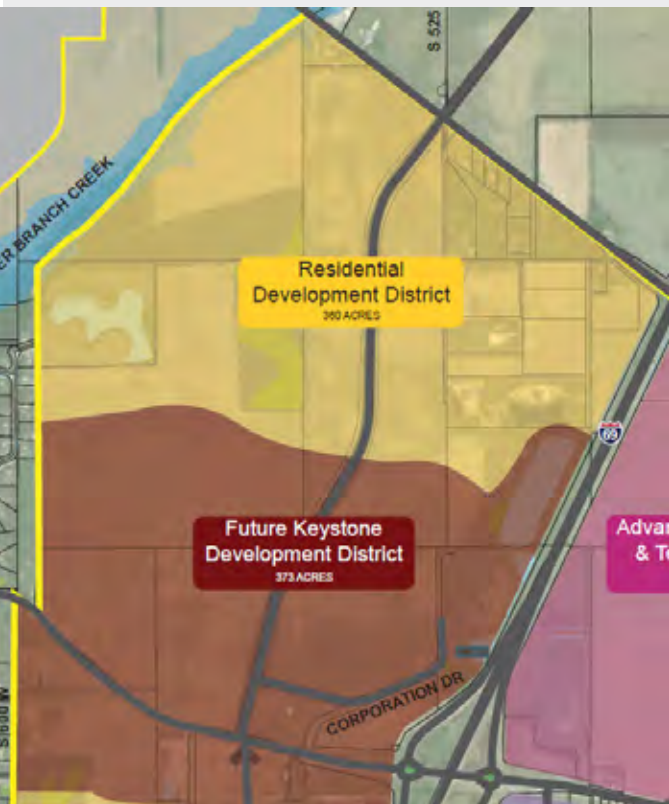
NORTHWEST QUADRANT

Existing & Planned Utilities

Existing water main can be found along State Street and Corporation Drive to the South and Southeast portions of the quadrant before crossing I-69. Overhead 3-Phase electric service is located along State Street to the south of the Quadrant and overhead single-phase electric is located to the northeast of the quadrant along Old US-132 and throughout the existing developments. Sanitary force main and lift station as well as gravity sewer are located along Corporation Drive and along State Street. There is also an 8" force main with a lift station located north of US-132 along the extension of Corporation drive currently under design by the utility provider. To best facilitate land development in this quadrant, this plan recommends adjusting that force main alignment to be within the right of way of the future 67th Street, as opposed to currently planned alignment. All utility connections, extensions and upgrades should be coordinated with the utility providers for future development.

Drainage Summary

Stormwater detention basins have been placed within the drainage sheds outlined in the attached exhibit. The basins are located within the low points of the quadrant and have been schematically designed to detain the future developments and are intended to be shared master detention facilities serving all future development within the quadrant. This type of design allows individual developments to share on-site detention facility costs while also expanding gross development potential. The conceptual stormwater detention basins have been assumed to be wet ponds that can store 4' above the normal pool at an approximate size of 0.33 acre-feet / acre which would provide adequate storage to meet the local stormwater design standards. An existing borrow pit located along I-69 has been assumed to be converted to stormwater detention area for the future development and is intended to provide adequate storage for the developments located on the eastern portion of the quadrant. The existing development located on the northwest corner of I-69 and State Street is assumed to have adequate detention provided. The stormwater detention proposed near Fosters Branch Creek is intended to act as an amenity and buffer between the existing single-family development to the west and the future development to the east. These stormwater management ponds are proposed as regional detention facilities to serve future development. Most of this quadrant will eventually discharge west to Foster Branch Creek, with a portion draining east across I-69 eventually discharging to Fall Creek.



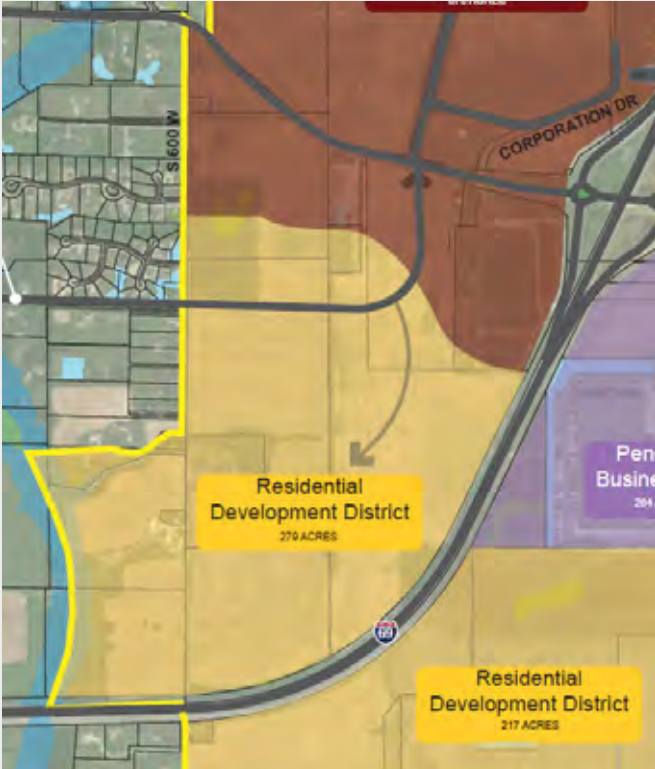
SOUTHWEST QUADRANT

Existing Utilities

Existing water main can be found along State Street before going north along Corporation Drive. Overhead 3-Phase electric service is located along State Street and along S 600 W to the north and west of the Quadrant. Sanitary force main is located along the western portion of the quadrant and along State Street to the north eventually running to a Lift Station on the NWC of I-69 and State Street. All utility connections, extensions and upgrades should be coordinated with the utility providers for future development.

Drainage Summary

Stormwater detention basins have been placed within the drainage sheds outlined in the attached exhibit. The basins are located within the low points of the quadrant and have been schematically designed to detain the future developments and are intended to be shared master detention facilities serving all future development within the quadrant. This type of design allows individual developments to share on-site detention facility costs while also expanding gross development potential. The conceptual stormwater detention basins have been assumed to be wet ponds that can store 4' above the normal pool at an approximate size of 0.33 acre-feet / acre which would provide adequate storage to meet the local stormwater design standards. An existing borrow pit located on the southwest corner of I-69 and State Street future development may best be abandoned. Most of this quadrant will eventually discharge west to Foster Branch Creek, where regional stormwater management to support new development is provided via the two ponds shown. A portion of the stormwater detention located within the southeast quadrant will also be routed across I-69 through this quadrant as it does in the current condition. A small portion of this quadrant will continue draining east across I-69 eventually discharging to Fall Creek.



Pendleton I-69 Interchange



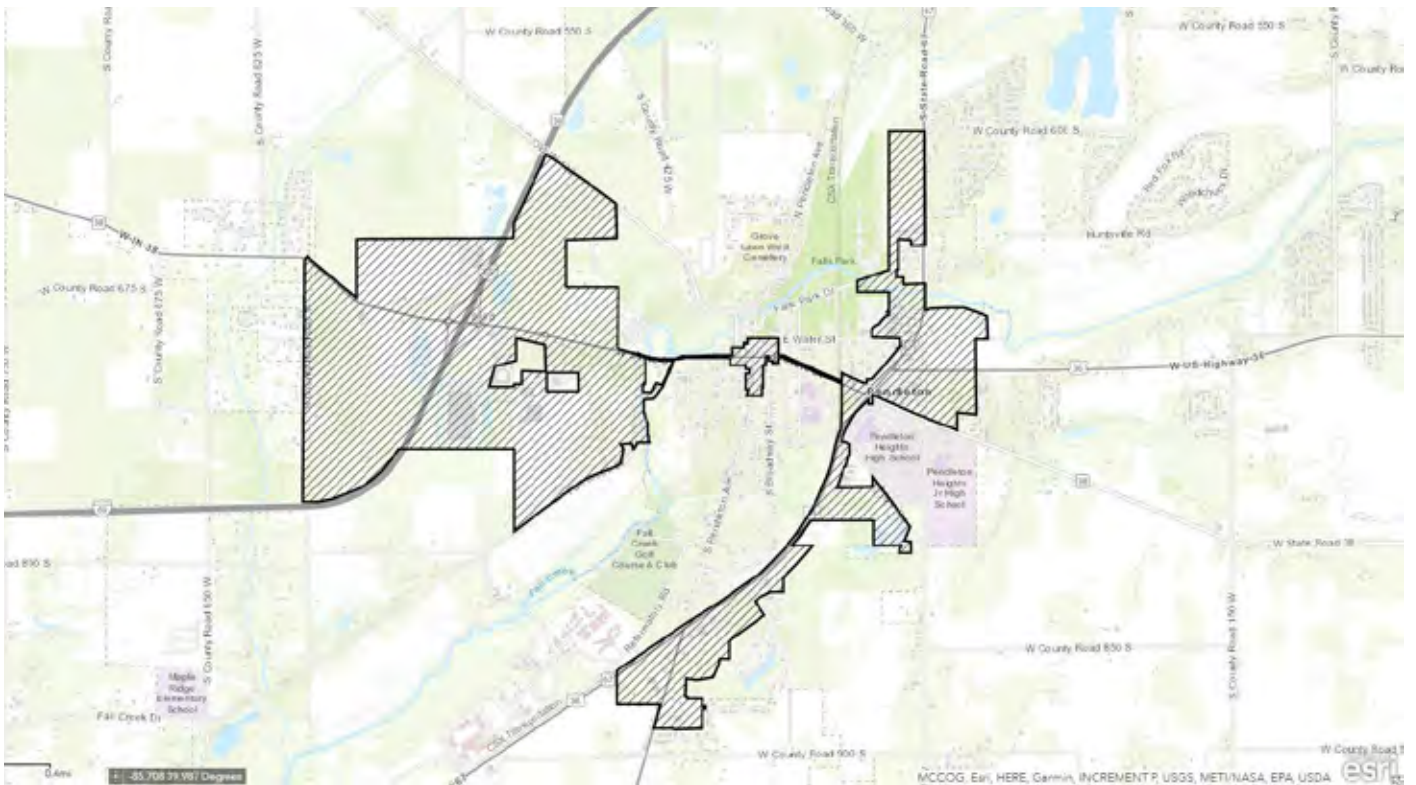
Section D

Next Steps

EXPAND TAX INCREMENT REVENUE POTENTIAL

Upon adoption of the Pendleton Interchange Master Plan into the Town's Comprehensive Plan, it would be prudent to evaluate the Town's current TIF allocation areas for targeted expansion. This will allow the Town to capture new TIF revenue streams from the tax increment generated by new investments in the study area. These revenue streams can then be bonded to fund park, trail, stormwater management and infrastructure projects in the study area, furthering the desired development being sought. This expanded revenue stream can also support and fund other Town development in trails, parks, and downtown redevelopment.

- Expand TIF allocation areas to encompass the Interchange Master Plan study area
- Initiate preliminary roadway engineering assessments to support plan development
- Conduct preliminary engineering assessment of regional detention facilities design
- Coordinate storm water management engineering assessment with park facilities expansion



Current Pendleton TIF Districts Map: Pursue TIF Expansion Areas within Pendleton I-69 Interchange Master Plan Study Area

LAUNCH THE PENDLETON TECHNOLOGY HUB INCUBATOR

This plan recommends collaborating with local technology sector leaders to program and develop the Advanced Manufacturing and Technology District's goals to effectively support technology-oriented manufacturing and entrepreneurship, as well as tech research and development.

Promote Pendleton as a technology friendly community:

- Pursue a Build, Operate, Transfer (BOT) public/private partnership to construct the Pendleton Technology Hub Incubator within the Advanced Manufacturing and Technology District
- Plan and program the Pendleton Technology Hub Incubator to:
 - Foster entrepreneurial activities withing a Co-Working environment
 - Provide lease space for emerging entrepreneurs and technology companies
 - Push 5G Wi-Fi throughout the Advanced Manufacturing and & Technology District
 - Offer 3D printing capabilities within a makerspace environment
 - Provide secure enterprise data center storage/back up services for business/industry
- Encourage new investments in technology-oriented business operations
- Provide expedited development approvals for high tech operations
- Pursue a satellite Eleven Fifty Academy site for coding education within the Technology Hub
- Develop technology program training for precision agriculture



Tech Hub Co-Working Space



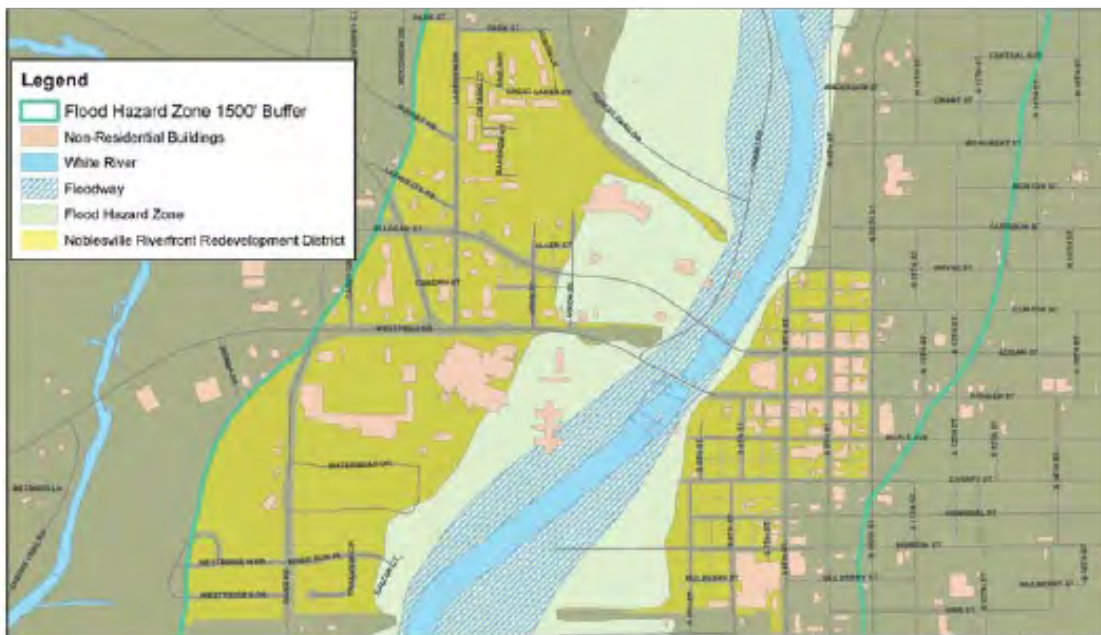
Technology Hub

ESTABLISH THE HISTORIC PENDLETON REVITALIZATION DISTRICT

Indiana law allows communities to establish Redevelopment Districts extending 1,500 feet from the buildable banks of a local water resource for the purpose of expanding new liquor license(s) available at affordable rates. This tool benefits downtown merchants and historic commercial property owners by facilitating the establishment of downtown dining, cultural and entertainment venues. The Historic Pendleton Revitalization District will increase downtown retail and tourism activities, strengthening the economic vitality of historic downtown Pendleton. This district will provide the Town a key economic development tool to attract additional downtown investments, expand the tax base and create more employment opportunities for area residents.

- Determine the Historic Pendleton Revitalization District boundaries within the 1,500 feet setback
- Determine the number of Pendleton liquor licenses to be made available
- File the enabling paperwork with the State of Indiana
- Promote the availability of liquor licenses to development partners

State law limits alcoholic beverage license quotas based upon a community's population. Those licenses are bought and sold on the open market, which dramatically inflates license cost. The district designation will allow additional three-way and two-way licenses to be sold at a substantially reduced state purchase rate as opposed to the private market rate. This District will provide Pendleton new opportunities to increase restaurant and nightlife venues within Historic Downtown Pendleton.

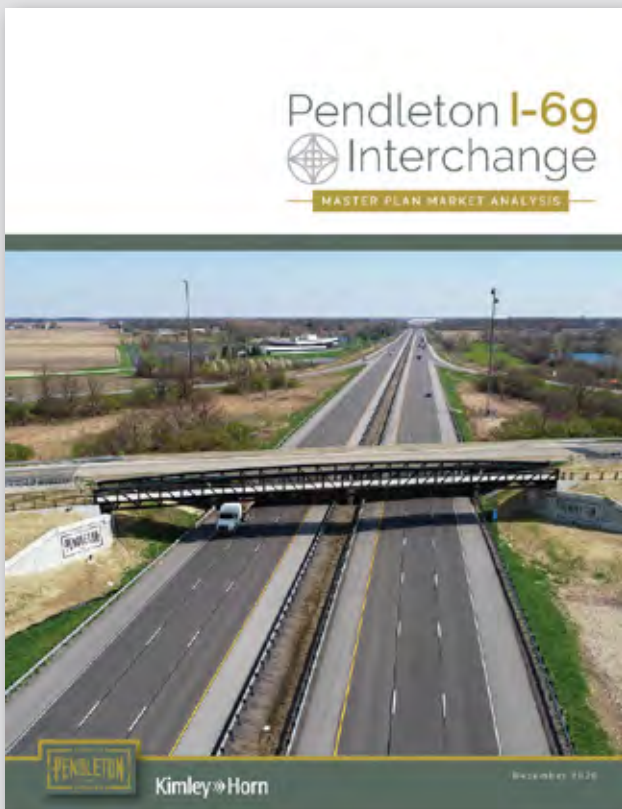


Representative Redevelopment District - Noblesville, Indiana

PROMOTE THE I-69 INTERCHANGE MASTER PLAN

Upon Comprehensive Plan adoption of the Interchange Master Plan, it would behoove Town leadership to move quickly to launch a promotional effort to distribute the plan to local, regional, and national developers who demonstrate capacity to deliver a quality product within the market types proposed. Effective promotional activities should include:

- Town website landing page link to the Pendleton I-69 Interchange Master Plan
- Social media posts regarding plan completion with a link to the report
- Town sponsored Open Houses to review plan elements with developers
- Speaking engagements with target audiences such as:
 - Urban Land Institute, Indianapolis Chapter
 - Indianapolis Society of Marketing Professionals
 - American Institute of Architects, Indianapolis Chapter
- Establishing a TechPoint membership to promote Pendleton's Advanced Manufacturing and Technology District





CREATE THE PLAN DEVELOPMENT ADVISORY TEAM

This master plan covers an area of 2,350 acres and anticipates a complete buildout time frame between fifteen to twenty five years. Given the expanse of land involved, the land acquisition efforts required, the amount of infrastructure needs to accomplish the plan, and the coordination and collaboration needed to build regional stormwater management facilities, the Town of Pendleton will need a talented team of professionals to advise Town leadership. Experienced advisement would be prudent across these plan development needs:

- Highest and best use scenario evaluations for proposed developments seeking approval
- Tax increment financing allocation area expansions
- Utility and infrastructure improvements and cost sharing agreements
- Public private partnerships
- Roadway and trail connectivity

It is recommended that a non-partial advisement team will prove to be most valuable to Town leadership, one that commits to avoiding conflicts of interest in ongoing development activities.

DURING ADOPTION OF THE I-69 INTERCHANGE MASTER PLAN, TOWN LEADERSHIP ADDED THIS DIRECTIVE TO GUIDE PLAN DEVELOPMENT:

The Town's Administration and Plan Development Advisory Team shall withhold all development activities in the Future Keystone Development District until town population has grown to 20,000. This approach provides the Town with the requisite time needed to strengthen Historic Downtown Pendleton with civic investments prior to greenlighting commercial/retail developments within the Future Keystone Development District.

Pendleton I-69 Interchange



Appendix

SEPTEMBER 24, 2020

INTERCHANGE MASTER PLAN STAKEHOLDER MEETINGS

Attendees

12:30 pm – Stakeholders Meeting – Commercial/Residential Real Estate

Steve Pittman, Pittman Partners
 Travis Tucker, Discover Point
 Matt Kiger, Newmark Knight Frank
 Kim Hartman, Resource Commercial Real Estate
 Rick Roethke, Barrington Investment Company
 Rob Sparks, Madison County Corporation for Economic Development
 Tonia Simpson, Madison County Corporation for Economic Development

TOWN: Scott Reske, Craig Campbell, Rachel Christenson, Steve Denny, Kayla Hassett

KIMLEY-HORN: Ken Remenschneider, Jessica Rossi, Alen Fetahagic, Brandon Schreeg

1:30 pm – Stakeholders Meeting – Exit 219 Business Owners/Operators

Ron Foster, Foster Commercial Real Estate
 Jason Kleinbub, TSC Distribution Center
 Mark Dodd, Dodd Technologies
 Tim Siddiq, MW Cold
 Mark Hall, Pendleton Heights High School
 Jini Morgan, Community Sports & Wellness
 Andy Card, Klipsch-Card
 Rick Davis, Bane-Welker
 Jason Gaines, property owner
 T Paul, SLWIP

TOWN: Craig Campbell, Steve Denny, Scott Reske, Kayla Hassett, Rachel Christenson

KIMLEY-HORN: Ken Remenschneider, Jessica Rossi, Alen Fetahagic, Brandon Schreeg

2:30 pm – Stakeholders Meeting – Area Residents & Agents

Julie Schnepf, ToP ReMax Agent
 Heather Upton, The Real Estate Pros
 Carol Hanna, Pendleton Plan Commission
 Marissa Skaggs
 Michael E. Wright, Pendleton Redevelopment Commission
 Garry Brammer, The Bank Restaurant
 Jerry Wymer, resident
 Angie Brown, B L Brown Excavation

TOWN: Scott Reske, Rachel Christenson, Kayla Hassett, Craig Campbell, Steve Denny

KIMLEY-HORN: Ken Remenschneider, Jessica Rossi, Alen Fetahagic, Brandon Schreeg

TOWN OF PENDLETON

Downtown Revitalization Plan Catalyst Project

Recommendations



Catalyst Projects - Site and Streetscapes

Downtown Events Space

The proposed streetscape for Pendleton Avenue and the pedestrian oriented service alley north of State Street will accomplish several local goals: create an automobile free event space for downtown festivals, establish a connection to an enhanced alleyway behind buildings north of State Street, create a potential location for Pendleton Farmers' Market, become a visual and physical connector to Falls Park from State Street and Pendleton Avenue and allow opportunities for public art / sculptures.



Paver Parking Lot / Alleyway Example



Alleyway Enhancements Example



Downtown Events Space Concept Design



Recommendations

Alleyway Enhancements

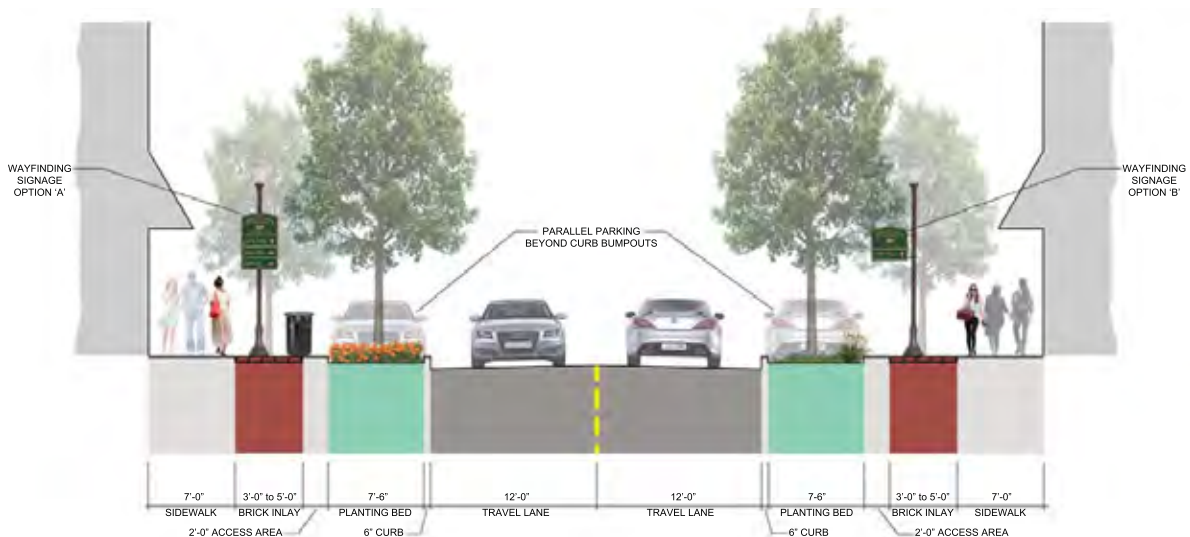
This public space offers a substantial opportunity to enliven a long underutilized space near the town's primary commercial corridor. By improving the utilization of the alleyway, an outdoor patio and events space is created. While still allowing for retail deliveries and business access, the alleyway will attract pedestrian users both day and night. These enhancements will also create a direct connection into Falls Park from as far west as Main Street.



Section A - Alleyway Enhancements

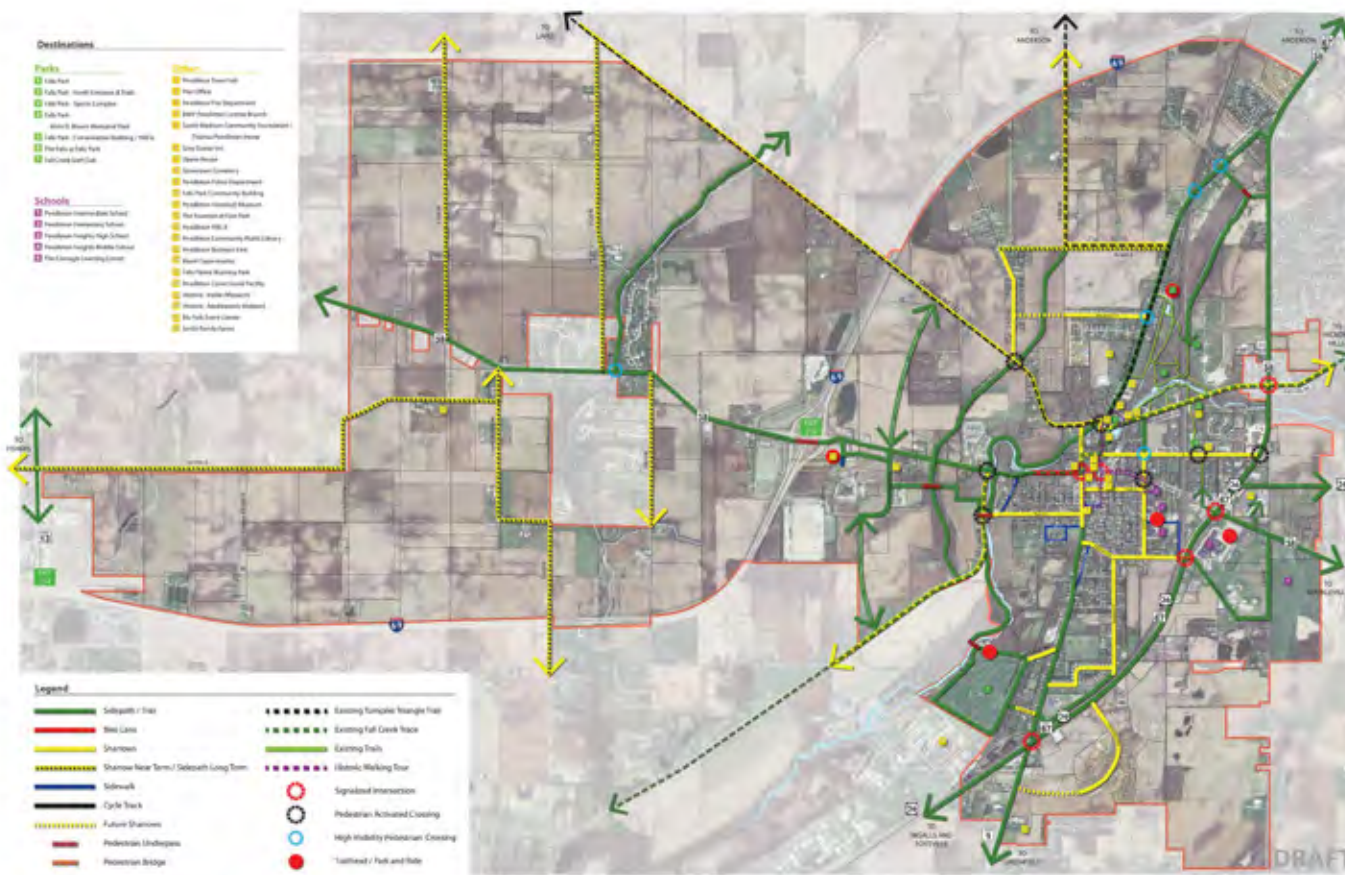
Pendleton Avenue Enhancements

Streetscape enhancements to Pendleton Avenue will offer a combination of vehicular and pedestrian friendly commercial corridors. Recently established streetscape elements will remain. In addition, mature street trees, planting beds, wayfinding signage and increased site furnishings will create a more visually appealing and safer corridor within the downtown commercial core.



Section B - Pendleton Avenue Enhancements

TOWN OF PENDLETON Bicycle & Pedestrian Master Plan



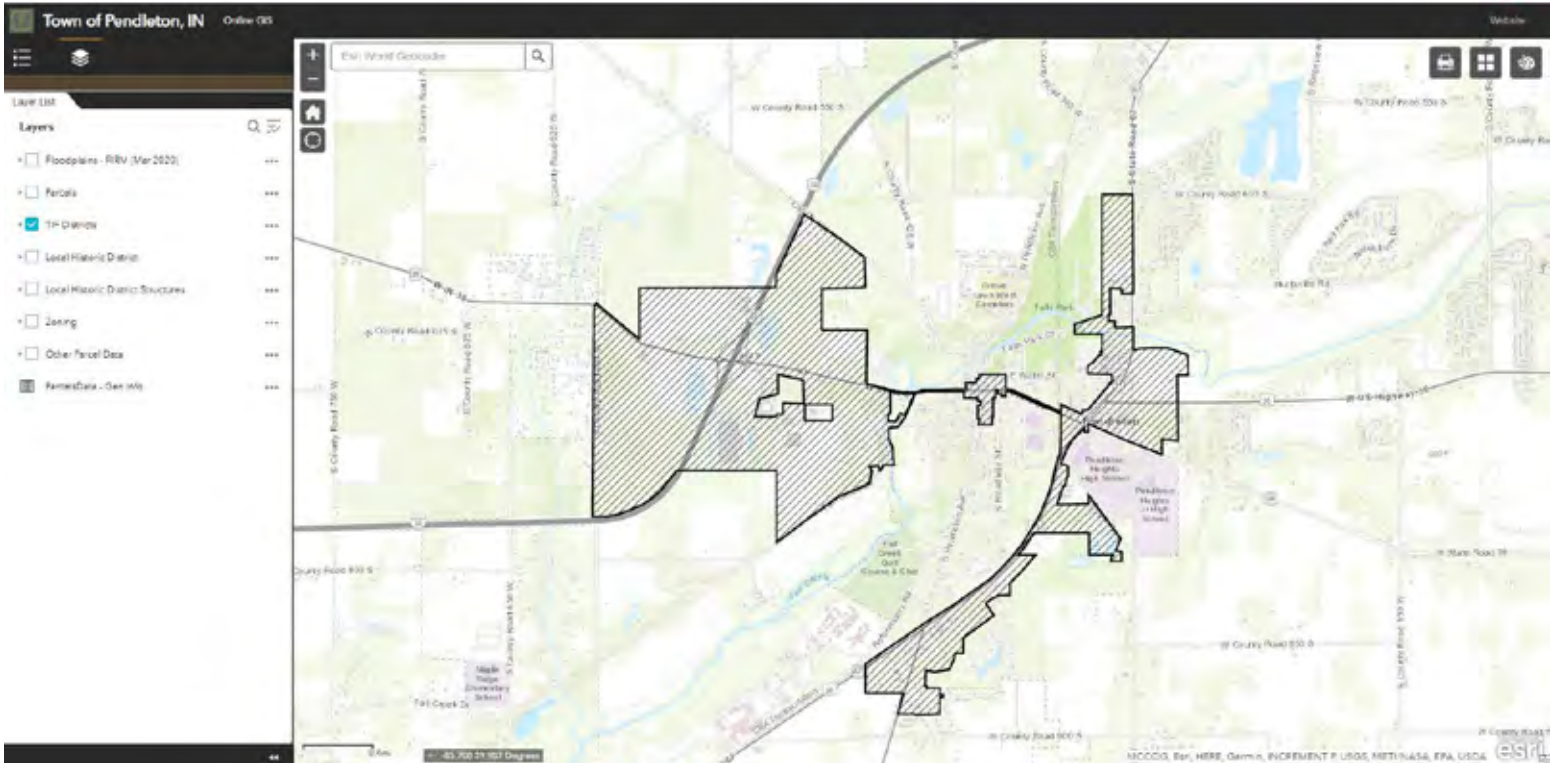
Town of Pendleton - Bicycle & Pedestrian Master Plan

02 February 2017 - Public Meeting #2

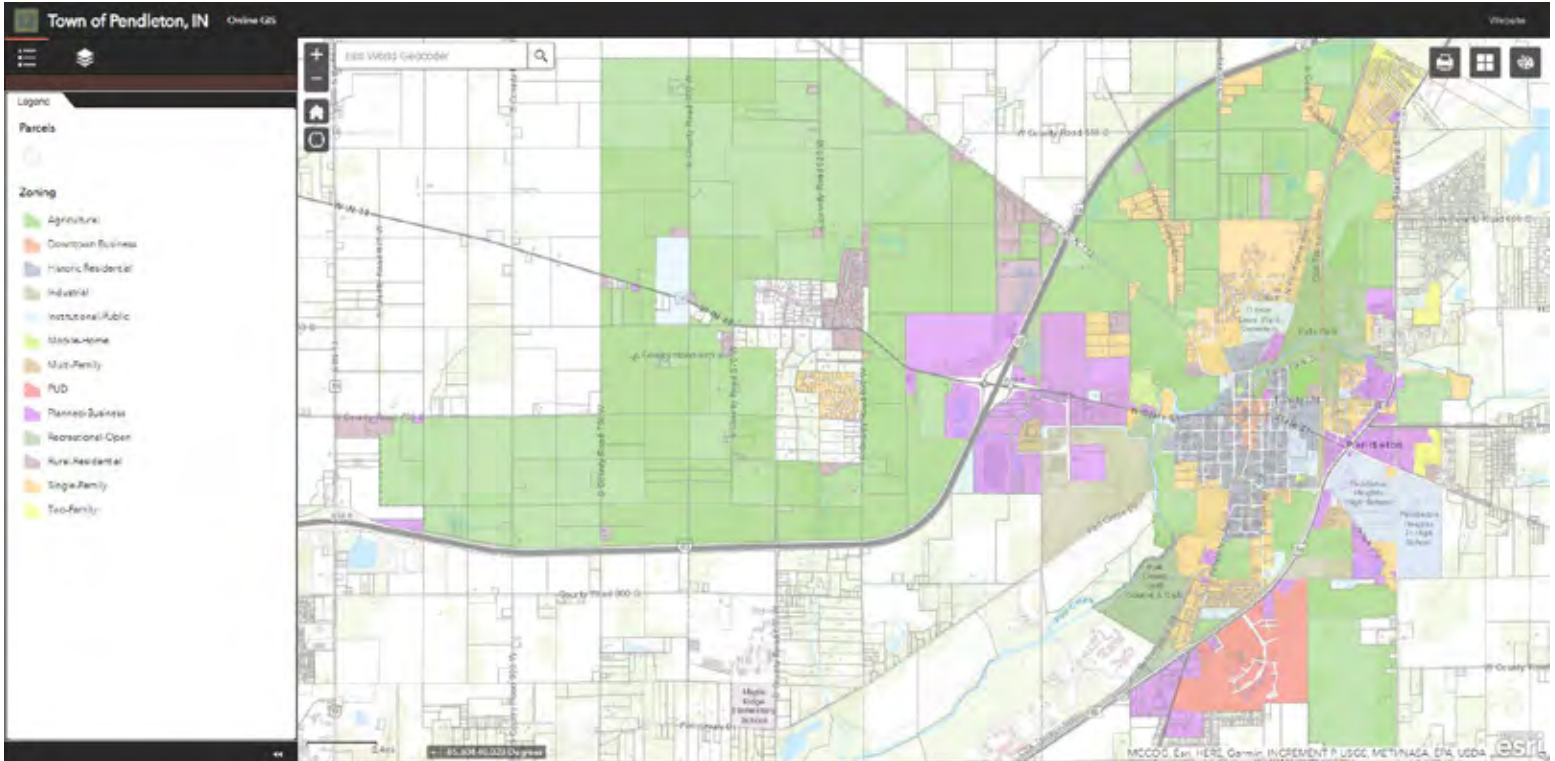
REMENSCHNEIDER ASSOCIATES, INC.
Landscape Architecture • Planning



TOWN OF PENDLETON TIF District Plan



TOWN OF PENDLETON Limits and Zoning Plan



Pendleton I-69 Interchange



MASTER PLAN MARKET ANALYSIS





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INTRODUCTION

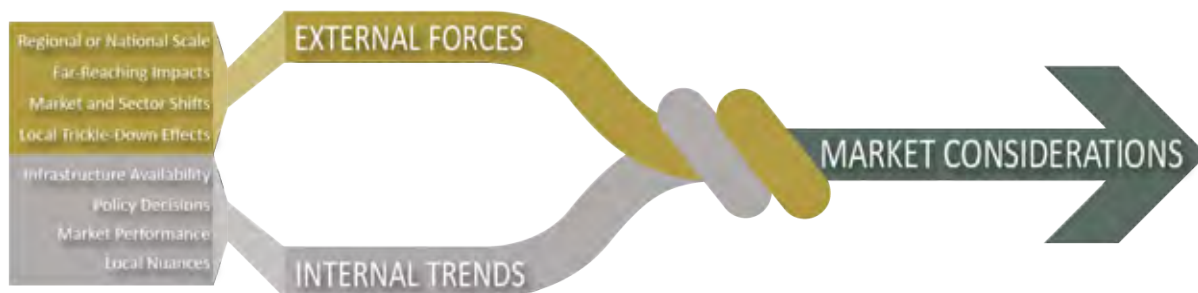
Kimley-Horn was retained by the Town of Pendleton to prepare a market analysis as part of the Pendleton I-69 Interchange Master Plan. This analysis documents existing conditions from a demographic and real estate market perspective, providing baseline market statistics to inform future land use and potential development opportunities around the interchange. The findings from the market analysis will support the creation of a Master Plan for the I-69 and SR 38 interchange Study Area that is guided, in part, by the optimal mix of uses having the strongest opportunities.

Project Description

Part of the greater Indianapolis region, the Town of Pendleton has grown modestly in recent years, maintaining a small-town charm offering strong quality of life attributes. As growth and development move northeast along I-69, the Town is poised to capture future development, particularly in areas that are well connected. The interchange of I-69 and SR 38, west of downtown Pendleton, presents an opportunity to capture regional growth momentum to enhance the community for current and future residents, business owners, and employees.

The Pendleton I-69 Interchange Master Plan seeks to set a vision for a priority development node for the Town of Pendleton. A successful transformation of the interchange area will foster opportunities for economic and community development while minimizing impacts on the historic downtown. This market analysis is a critical tool in initial planning phases to ensure that future development opportunities are sensitive to the surrounding neighborhoods while being based in market reality.

The market analysis is considered from two perspectives: external forces and internal trends. External forces occur at a macro-level scale outside the immediate community, but often have subsequent effects on local growth, development patterns, and regulations. Internal trends focus, more specifically, on how the Town of Pendleton is aligning or diverging from the documented external forces. Together, these influential factors provide a comprehensive view when considering future growth patterns and development potential around the interchange.



Analysis Geographies

This analysis reviews data for multiple geographies, allowing for a more comprehensive understanding of trends region-wide, as well as how performance differs across the region. The demographic and employment profiles cover geographies based on Census-designated boundaries for the metropolitan statistical area (MSA) and Madison County. A custom-defined Market Area surrounding the Town of Pendleton and the I-69 and SR 38 interchange Study Area are also described.



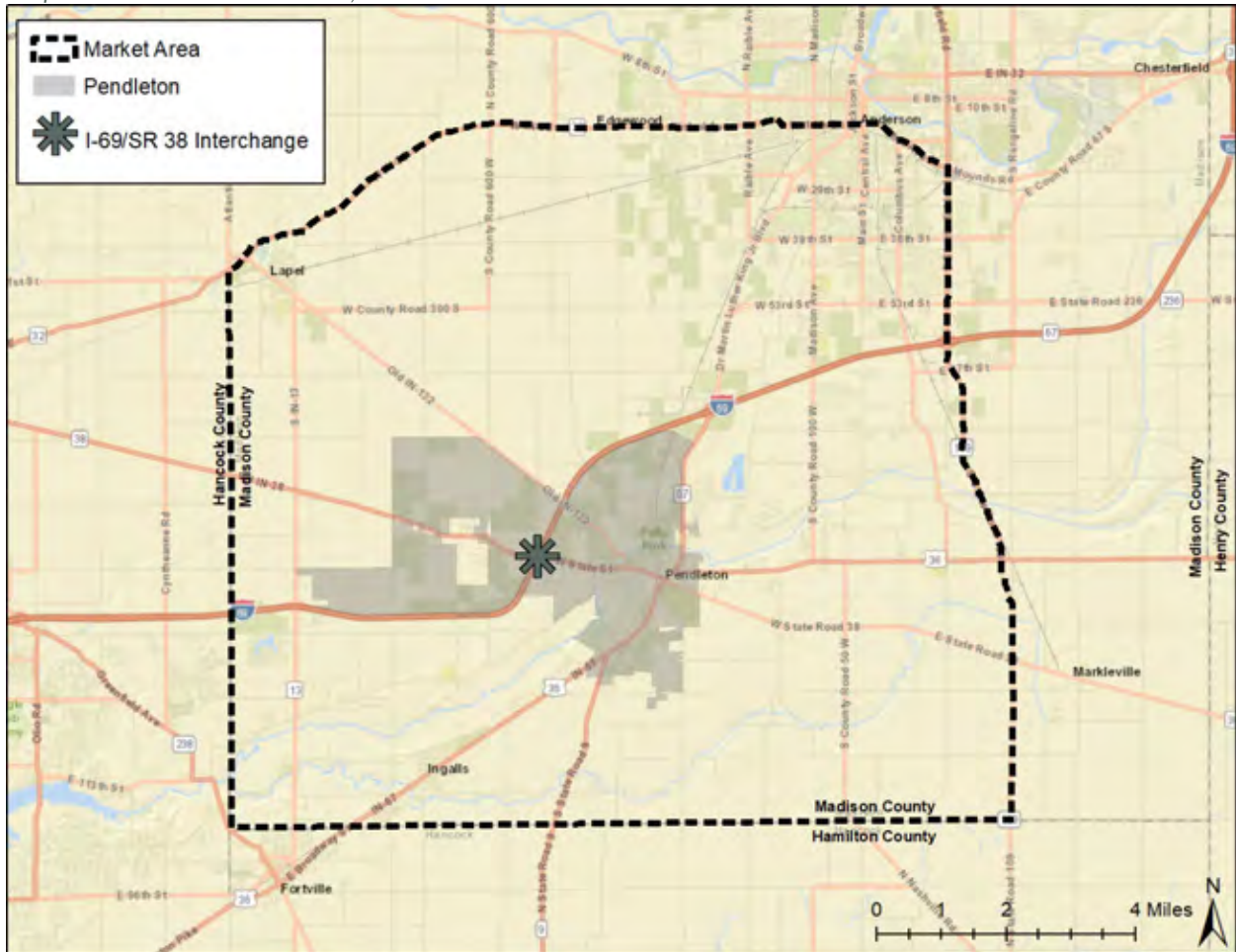
Indianapolis-Carmel-Anderson, IN MSA & Madison County

The Indianapolis-Carmel-Anderson MSA (referred to as the “Indianapolis MSA”) consists of eleven counties in central Indiana and is anchored by the City of Indianapolis. As of the 2010 U.S. Census, the Indianapolis MSA included Marion, Hamilton, Hendricks, Johnson, Madison, Hancock, Morgan, Boone, Shelby, Putnam and Brown counties. Demographic, economic, and real estate data focus heavily on the Indianapolis region to provide regional context. Data for Madison County is also provided when available.

Market Area

Current and future growth potential in the area surrounding the I-69/SR 38 interchange is impacted by surrounding communities and activity centers. As such, a larger Market Area was utilized to illustrate growth trends in surrounding areas that will ultimately impact the success of the development proposed in the master plan. The Market Area is generally bounded by the Madison/Hamilton County border to the south, SR 109/SR 9/Scatterfield Road to the east, and SR 32/Nichol Avenue/Ohio Avenue to the north, and the Madison/Hancock county boundary to the west.

Map 1: Pendleton Market Area, 2020



Source: ESRI BAO, Kimley-Horn



I-69 Interchange Study Area

The project Study Area centers on the I-69 and SR 38 interchange, incorporating all four quadrants. The Study Area is just west of the historic core of Pendleton. A majority of the 2,325 acres in the Study Area are currently vacant or being actively used for agriculture (**Map 2**). The southeast quadrant is the most developed including the Pendleton Business Park, the Hamilton Station multifamily development, and the new Community Sports and Wellness Complex.

Map 2: I-69/SR 38 Interchange Master Plan Study Area, 2020



Source: Google Maps, Kimley-Horn

Area Considerations

Historic Downtown Pendleton

The Town of Pendleton boasts a traditional nineteenth-century downtown business district that is listed on the National Register of Historic Places. Centered around the intersection of State Street and Pendleton Avenue, downtown Pendleton is home to a concentration of retail and office space, including locally-owned restaurants, boutique and specialty shops, professional offices, and government facilities. The historic architecture is primarily brick one- and two-story buildings with ground-floor commercial spaces that are in various stages of rehabilitation.



Main Street Pendleton, a non-profit organization, has led the planning and revitalization efforts for downtown. The community has participated in Indiana's Main Street program since 2012 and has been proactive in leveraging this unique asset by improving the area's aesthetics and maintaining the historic charm. In 2018, the Indiana Office of Community and Rural Affairs awarded a \$500,000 grant to restore the original appearance of five downtown buildings and create directional signs for downtown attractions. The building owners were required to pay 25% of construction costs for the façade restoration. Additionally, the Town received a \$50,000 Historic Preservation Fund grant to restore the façade of the Pendleton Town Hall meeting room building, including opening second-story windows. Another round of funding was announced in September 2020 to fund additional façade improvements. Madison County Council approved the grant of \$250,000 from the Indiana Food and Beverage Funds, which will require a 50% match from successful applicants. Applications are expected to be accepted beginning in early 2021.

Figure 1: Photograph of Downtown Pendleton, Indiana



Transportation Infrastructure Improvements

Prioritizing connectivity and improved quality of life, the Town of Pendleton recently completed the construction of a new pedestrian and bicycle bridge over I-69. The new connection acts as a gateway feature for Pendleton and will help connect the historic downtown with neighborhoods on the west side of Pendleton. The single-span bridge accommodates two-way pedestrian and bicycle traffic and is equipped with lighting to enhance safety. The bridge mimics a truss bridge, like the historic bridge in Falls Park. The bridge was part of a larger project led by the Indianapolis Department of Transportation (INDOT) to upgrade the interchange ramps at I-69 and SR 38 (Exit 219) to roundabouts, while the Town of Pendleton upgraded the intersections of Heritage Way and Enterprise Drive with SR 38/State Street with a roundabout and a right in/right out-only intersection. Cost estimates for the project included \$1.9 million for the bridge and \$2.6 million for the intersection upgrades, most of which was covered by federal funding. The Town is exploring additional funding options for a trail connecting the business park near the I-69 and SR 38 interchange with Downtown Pendleton.

Figure 2: I-69 Bike/Ped Bridge & SR 38 Intersection Improvements Project



Source: INDOT

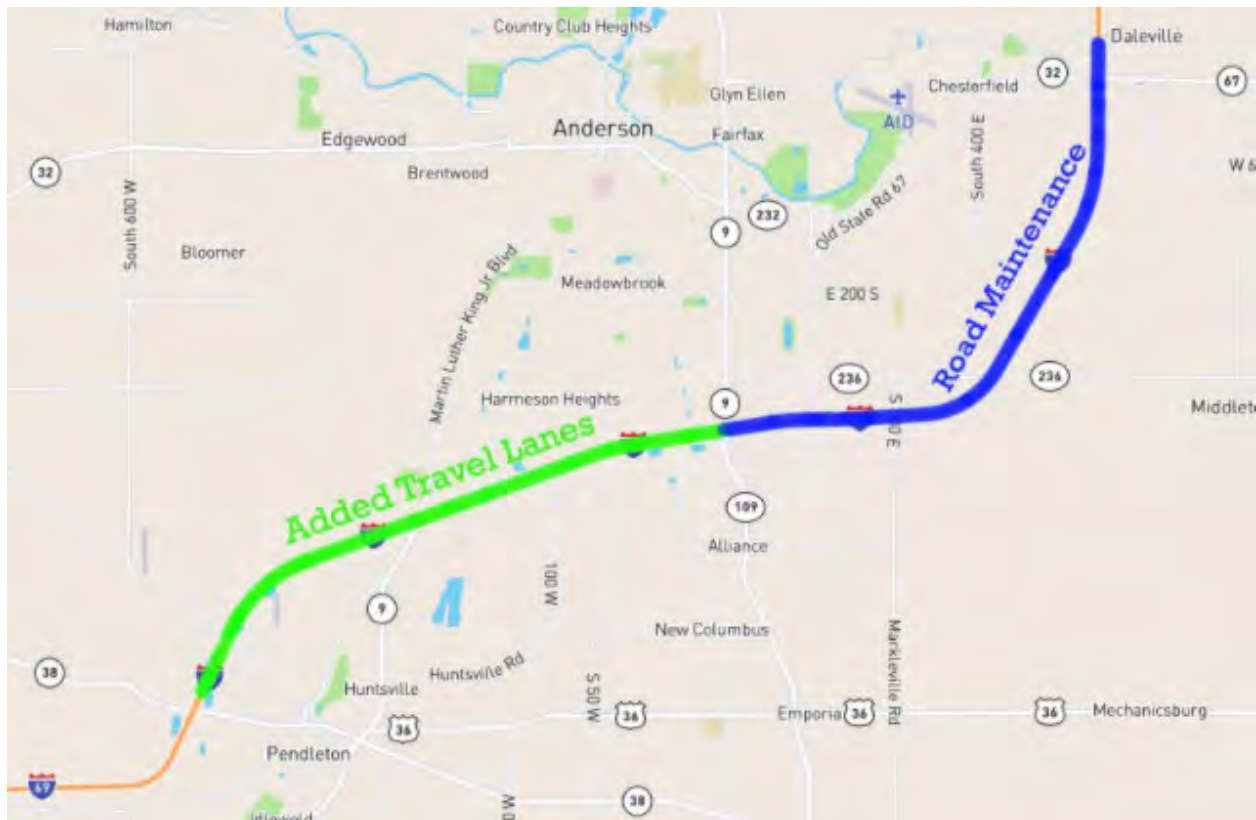
As the primary artery connecting Madison County with Indianapolis and its northeastern suburbs, improvements to I-69 aimed to ease congestion have been a priority in recent years. In 2017, Indianapolis Department of Transportation (INDOT) completed an \$85 million rehabilitation and widening



project focused on the 15-mile segment of I-69 between the interchanges with SR 37 (Exit 205) in Fishers to SR 38 (Exit 219) in Pendleton. A third travel lane was added in the median in each direction. Additional improvements included rehabilitation of existing bridges, pavement, and drainage. The project was part of INDOT's Major Moves 2020, a \$400 million program focused on rehabilitating interstates across the state.

More recently, INDOT completed improvements to the segment of I-69 north of the SR 38/State Street interchange to the SR 32 interchange near Daleville (Contract R-39093). As shown in **Map 3**, the project included the construction of 8.4 miles of additional travel lanes in the median and more than 6.5 miles of pavement maintenance. Other improvements included rehabilitation of existing bridges and patching of potholes.

Map 3: Contract R-39093 Project Map



Source: INDOT

Community Sports and Wellness Complex

Pendleton will soon be home to the Community Sports and Wellness Complex, a 155,000-square foot multipurpose fitness facility that is currently under construction. The complex will offer a variety of sports facilities, including basketball, tennis, and gymnastics, as well as childcare service, a café and pro shop. Klipsch-Card Athletic Facilities led the development and will operate the sports facilities. Community Hospital of Anderson will operate a 10,000-square foot wellness center that will offer classes and programs.





The \$14 million health and fitness complex was awarded a \$3.2 million incentive package, which was unanimously passed by the Pendleton Town Council in 2018. The project also included roadway modifications and improvements, including an extension of Heritage Way along the property's frontage and upgrade to the intersection with Pioneer Trace. The Town's accounting firm projects the complex will generate more than \$275,000 in annual property taxes beginning in 2021.

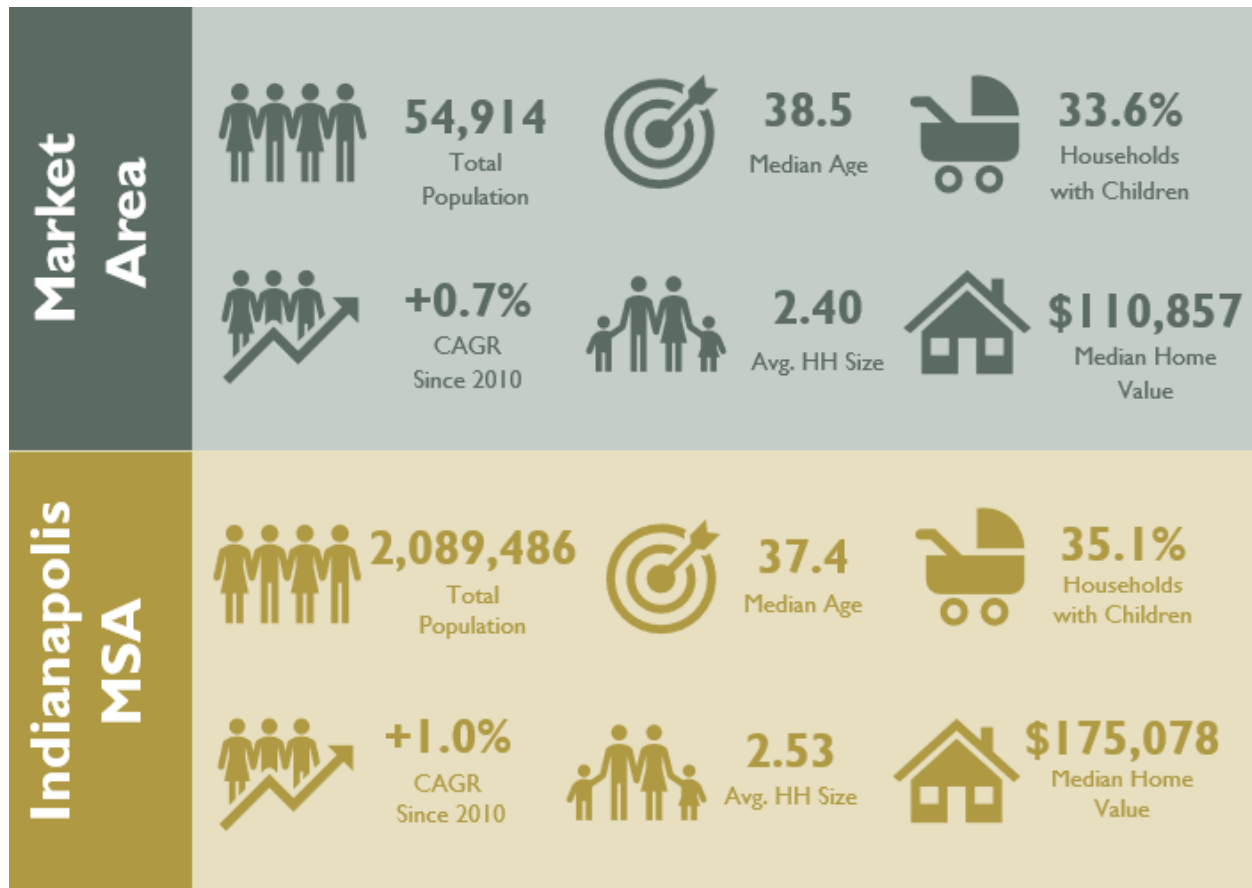


DEMOGRAPHIC PROFILE

To better understand dynamics impacting the real estate market, both now and in the future, this chapter highlights key demographic trends that are driving change in the Market Area with a focus on population and household trends by age, income, and educational attainment. Demographic trends leverage several data sources including the United States Census and Environmental Research Systems Institute’s (ESRI) Business Analyst Online, a third-party socioeconomic data platform.

Demographic Overview

The graphic below compares key high-level indicators between the Market Area and the Indianapolis MSA. The total population in both areas have remained relatively stable over the last decade, with the MSA reporting a slightly faster compound annual growth rate (CAGR). On average, the nearly 55,000 people that currently reside within the Market Area are older, with smaller household sizes and fewer children living at home when compared to the larger Indianapolis region. A noteworthy difference is housing costs; the median home value in the Market Area is significantly lower than the larger MSA.



Source: ESRI Business Analyst Online (BAO), Kimley-Horn



Population Trends

The Market Area has grown by approximately 363 residents since 2010, reaching nearly 55,300 residents in 2020 (**Table 1**). This equates to a 0.7% increase over the last ten years. Comparatively, the Indianapolis MSA added more than 201,600 new residents, growing to nearly 2,100,000 residents. Although the Market Area comprised 2.6% of the regional population base in 2020, it only captured 0.2% of the MSA’s ten-year population growth.

Table 1: Comparison of Population Trends, 2010-2020

Area	2010	2020	2010-2020 Δ		
			#	%	CAGR
Market Area	54,914	55,277	363	0.7%	0.1%
Indianapolis MSA	1,887,877	2,089,486	201,609	10.7%	1.0%
Market Area % MSA	2.9%	2.6%	0.2%		

Source: ESRI BAO, Kimley-Horn

The Town of Pendleton, proper, has an estimated 2020 population of 4,590 people. According to an interpretation of US Census by ESRI, the Town has grown by nearly 100 people over the last decade, resulting in a 2.0% increase. Residents of the Town of Pendleton comprise 8.3% of the total in the defined Market Area.

Population by Age

As shown in **Table 2**, population growth in the Market Area during the 2010s was driven primarily by the older segment of Baby Boomers, age 65 to 74, which reported the strongest absolute and percentage growth. The largest age cohort are children under age 15, making up 18.8% of the population. Millennials (represented by portions of the 25 to 34 and 35 to 44-year old age segments) are a key demographic in the Market Area, comprising approximately 28% of residents. It should be noted that population declines were noted in all age cohorts with residents aged less than 55 years. These losses, incorporating residents in the prime of their working years, are important in considering overall labor force offerings in the Market Area and the Town of Pendleton.

Table 2: Population by Age Cohort, Market Area, 2010-2020

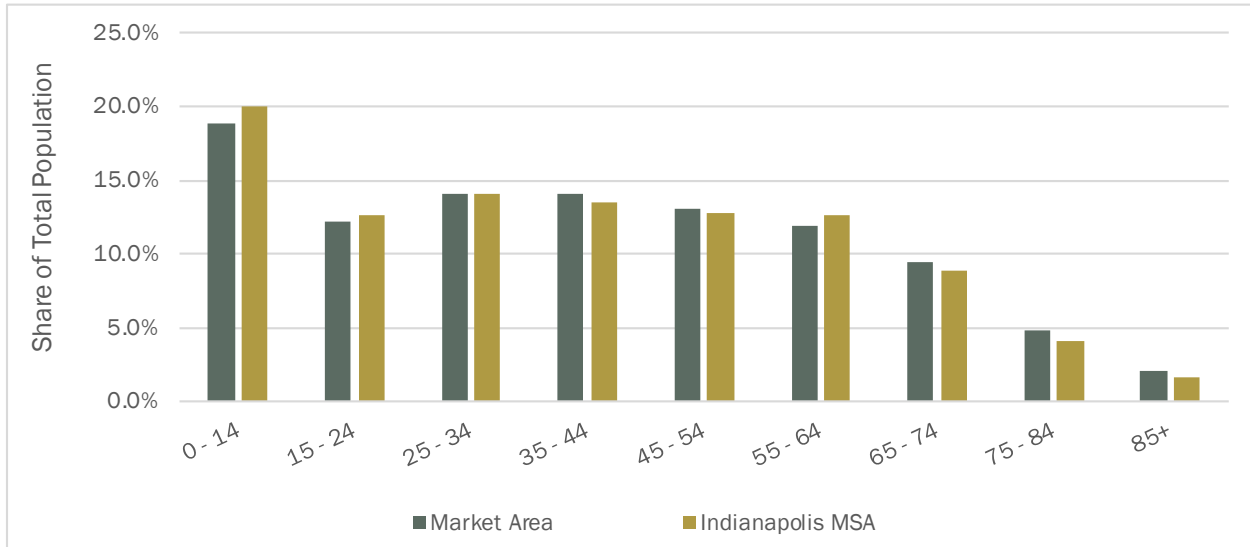
Cohort	2010	2020	2010-2020 Δ	
			#	%
0 - 14	11,038	10,392	-646	-5.8%
15 - 24	6,864	6,744	-120	-1.8%
25 - 34	8,127	7,739	-388	-4.8%
35 - 44	7,798	7,794	-4	0.0%
45 - 54	7,633	7,186	-447	-5.9%
55 - 64	6,150	6,578	428	7.0%
65 - 74	3,844	5,196	1,352	35.2%
75 - 84	2,471	2,653	182	7.4%
85+	988	1,106	117	11.8%
Total	54,914	55,277	363	0.7%

Source: ESRI BAO, Kimley-Horn



The age distribution of the populations living in the Market Area and Indianapolis MSA generally follow a similar pattern. The Market Area has higher shares of older residents, aged 65 years and older, and lower shares of younger residents under age 35 (**Graph 1**). Children under age 15 represent the largest age cohort in both geographies.

Graph 1: Comparison of Age Cohorts, 2020



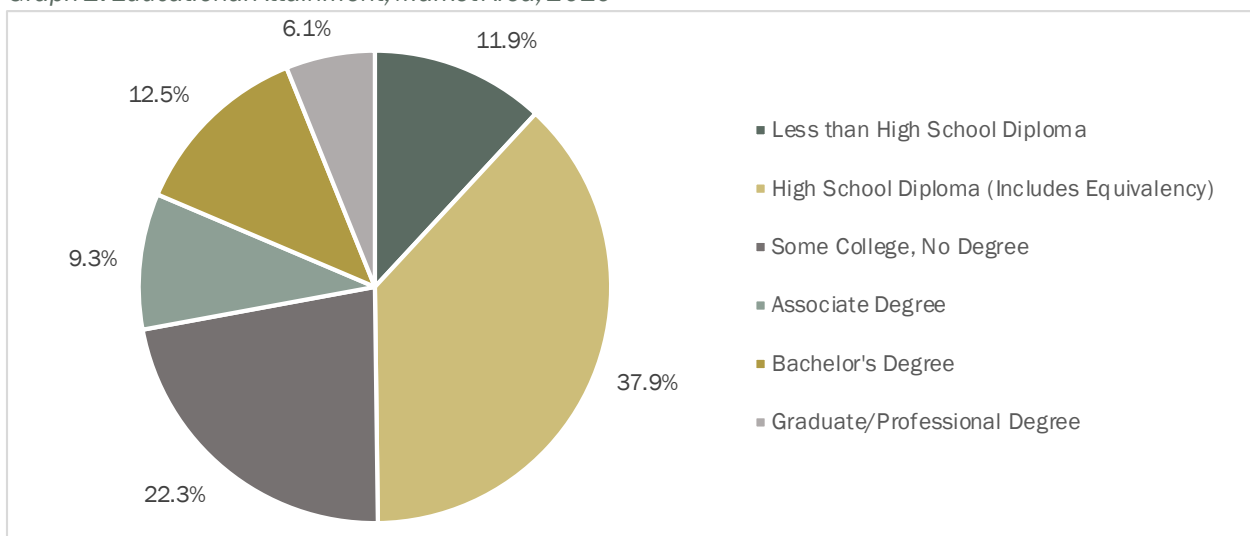
Source: ESRI BAO, Kimley-Horn

Comparatively, the Town of Pendleton has a similar distribution of age groupings as the Market Area and the Indianapolis MSA. Children, 14 years old or younger, comprise the largest cohort at 18.6% of the total population. Generally, declines in the Town were measured in the younger cohorts with growth in residents in the Baby Boomer generation.

Educational Attainment

For Market Area residents over the age of 25, nearly 38% have achieved a high school diploma or equivalency degree (**Graph 2**). Another 22.3% have some college experience, but no degree. Approximately 27.8% have obtained a degree higher than a diploma, compared with more than 44% of residents in the Indianapolis MSA.

Graph 2: Educational Attainment, Market Area, 2020



Source: ESRI BAO, Kimley-Horn



Residents with higher degrees in the Town of Pendleton align more closely with the measure demonstrated by the Indianapolis MSA with approximately 45% achieving a degree higher than a Diploma. Another 24.5% of Town residents over the age of 25 have a Diploma.

Household Trends

The Study Area had an estimated 21,439 households in 2020, comprising 2.6% of the regional total (**Table 3**). Households in the Market Area increased 10.8% from 2010 to 2019. Comparatively, the Indianapolis MSA increased by 10.7%. The Compound Annual Growth Rates, or CAGRs, were 0.2% in the Market Area and 1.0% across the region. The Market Area captured 0.4% of the MSA household growth over the last ten years.

Table 3: Comparison of Household Trends, 2010-2020

Area	2010	2020	2010-2020 Δ		
			#	%	CAGR
Market Area	21,087	21,439	352	1.7%	0.2%
Indianapolis MSA	732,184	810,455	78,271	10.7%	1.0%
Market Area % MSA	2.9%	2.6%	0.4%		

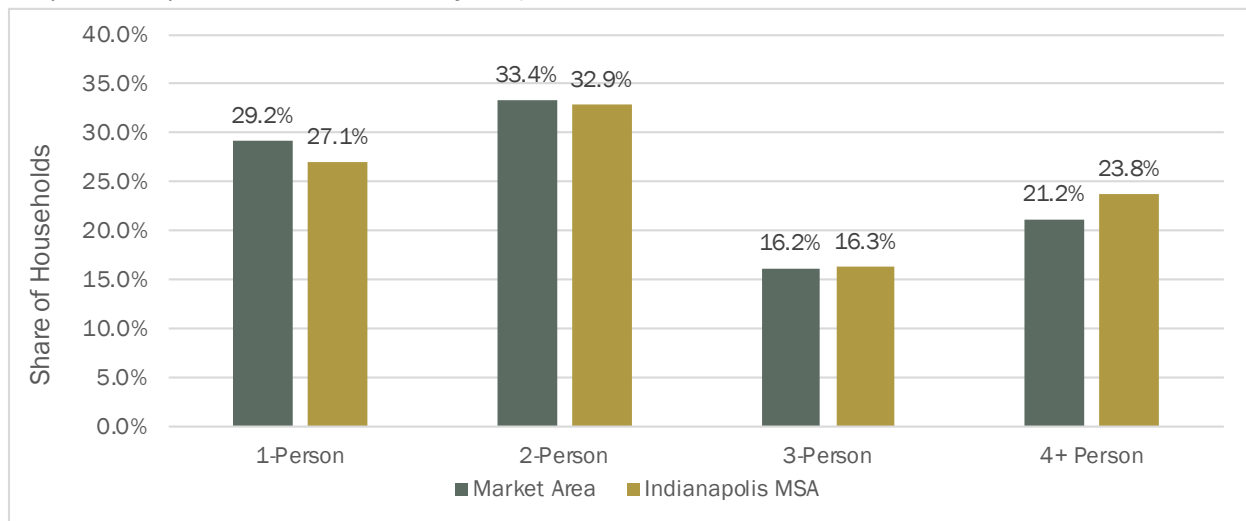
Source: ESRI BAO, Kimley-Horn

The Town of Pendleton currently has an estimated 1,907 households. Consistent with the increase in population, over the last 10 years the Town has experienced household growth of 3.6%. The faster rate of increase for households indicates a declining household size in recent years.

Household Size

Households in the Market Area grew at a faster rate than population between 2010 and 2020, indicating a declining household size over the time period. The average household size in the Market Area was estimated at 2.40 in 2020, smaller than 2.53 for the MSA. As shown in **Graph 3**, the distribution of household sizes in the Market Area and Indianapolis MSA follow a similar pattern. Together, one- and two-person households make up more than half of the populations in both households, with two-person households comprising the largest share. While the Market Area has a higher share of singles, the largest households containing four or more people are more prevalent across the MSA.

Graph 3: Comparisons of Households by Size, 2020



Source: ESRI BAO, Kimley-Horn



Household Income

The Market Area has an estimated median household income of \$49,400 in 2020, notably lower than the measure reported for the Indianapolis MSA (\$61,272). While the median income levels are expected to increase in all three geographies over the next five years, the MSA will likely continue to outpace the Market Area and Madison County.

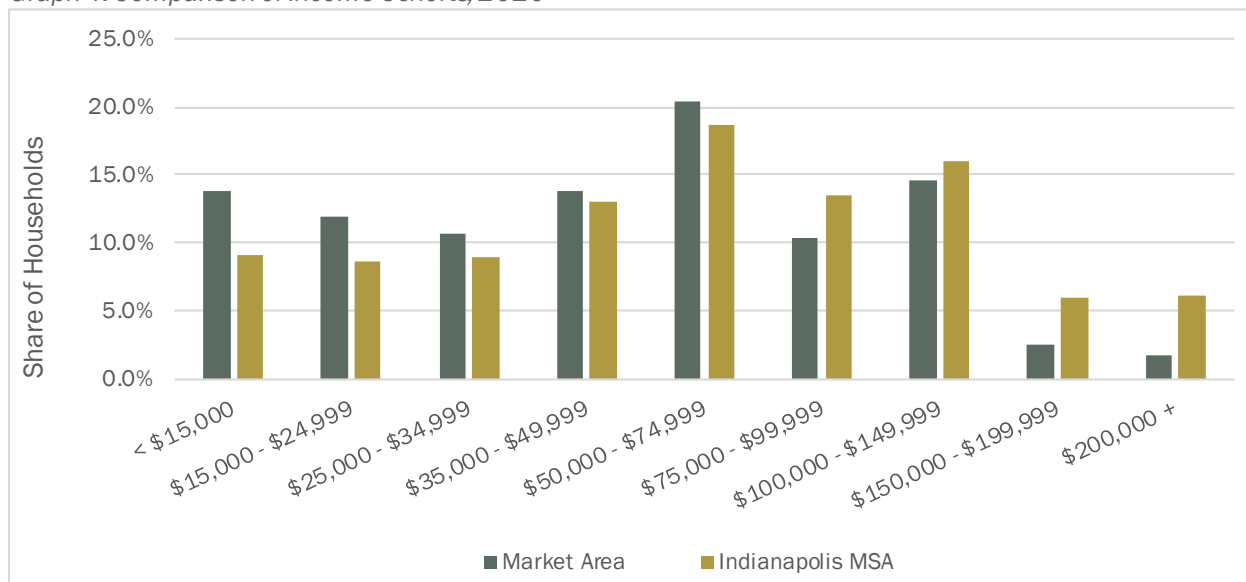


Source: ESRI BAO; Kimley-Horn

While the Town of Pendleton generally aligns with many of the demographic metrics presented for the Market Area, the measure of most notable variation is median income. The Town of Pendleton has a current median income of \$74,265, more than any of the geographies presented above.

As shown in **Graph 4**, the Market Area has larger shares of households earning less than \$75,000 annually. Higher-earning households are more prevalent in the MSA. The income cohort representing households with annual incomes between \$50,000 and \$74,999 comprises the largest share in both geographies. Comparatively, the largest concentration of households in the Town of Pendleton corporate limits is 28.3% earning between \$100,000 to \$149,999 annually, reflecting the higher median income when compared to the Market Area and MSA.

Graph 4: Comparison of Income Cohorts, 2020



Source: ESRI BAO; Kimley-Horn

Tapestry Segmentation

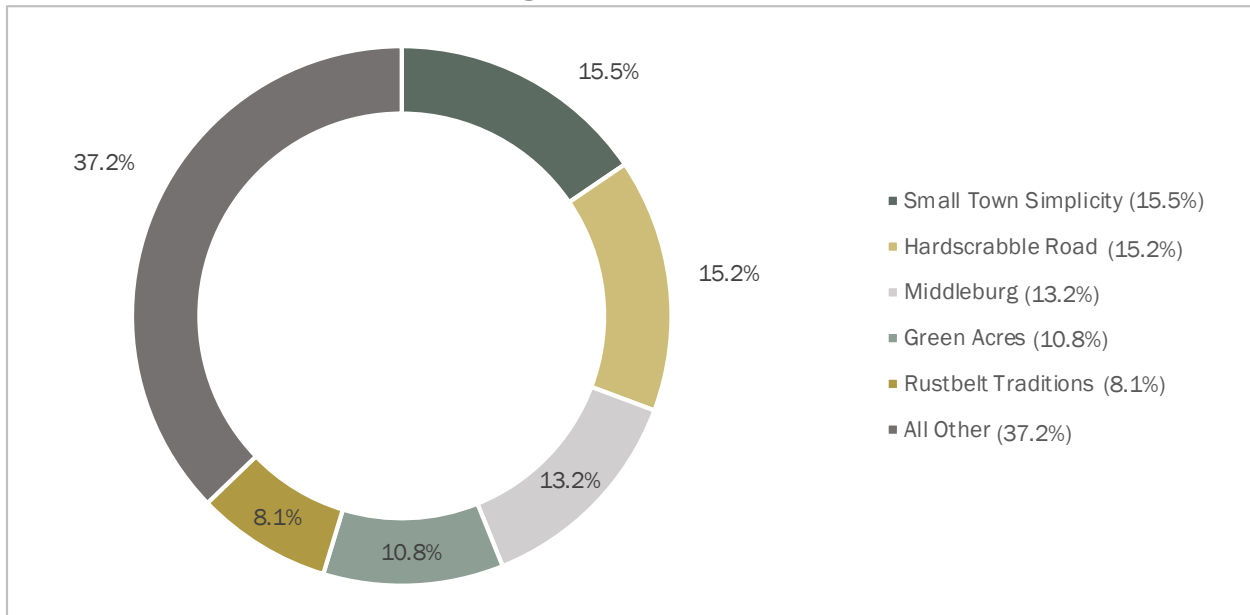
In addition to traditional demographic data analysis, another useful technique for better understanding the profile of the Market Area is market segmentation, which classifies consumers according to shared characteristics. Tapestry segmentation, provided by Environmental Systems Research Institute (ESRI), divides households into 67 groups based on consumer spending patterns and lifestyle attributes. Data



provided in this type of analysis is increasingly being used by developers, builders, and retail tenants in the site selection and due diligence process.

As shown in **Graph 5**, the top five segments represent nearly 63% of all households in the Market Area, providing a representation of a majority of the population. Profiles of the top three most prevalent Tapestry segments are provided.

Graph 5: Share of Households by Tapestry Segment, Market Area, 2020



Source: ESRI BAO; Kimley-Horn

SMALLTOWN SIMPLICITY (15.5%)

In these neighborhoods, the lifestyle is down-to-earth and semirural, with television for entertainment and news, and emphasis on convenience for both young parents and senior citizens. This is an older market, with almost half of the householders aged 55 years or older, and predominantly single-person households.

Housing Preference: Single-Family

Defining Traits

- Median home value of \$88,000 is about half the US median
- Labor force participation lower at 51%, which could result from lack of jobs or retirement
- Education: 65% with high school diploma or some college
- Connected, but not to the latest or greatest gadgets; keep their landlines
- Community-oriented residents; more conservative than middle-of-the-road





HARDSCRABBLE ROAD (15.2%)

Neighborhoods defined as Hardscrabble Road are commonly located in urbanized areas within central cities, with older housing, located chiefly in the Midwest and South. The market is primarily comprised of families, married couples, and single parents. Younger, highly diverse, and less educated, they work mainly in service, manufacturing, and retail trade industries.

Housing Preference: Single Family

Defining Traits

- Older housing, built before 1960 with a higher proportion built in the 1940s or earlier
- Four-fifths of owned homes valued under \$100,000
- Renters: About three-fifths of households
- Cost-conscious consumers purchase sale items in bulk and buy generic over name brands
- They tend to save money for a specific purpose, and have little extra money to invest



MIDDLEBURG (13.2%)

Middleburg neighborhoods transformed from the easy pace of country living to semirural subdivisions in the last decade, when the housing boom reached out. Neighborhoods changed rapidly with the addition of new single-family homes. This market is younger but growing in size and assets.

Housing Preference: Single Family

Defining Traits

- Median household income (\$55,000) and median net worth (\$89,000) are both above the US medians
- Education: 66% with a high school diploma or some college
- Greater share of homeowners than US average (74.3% vs. 63.6%), and median home value (\$158,000) is less than US median
- Unemployment rate lower at 7.4% and labor force participation typical of a younger population at 66.7%
- Residents are conservative, family-oriented consumers





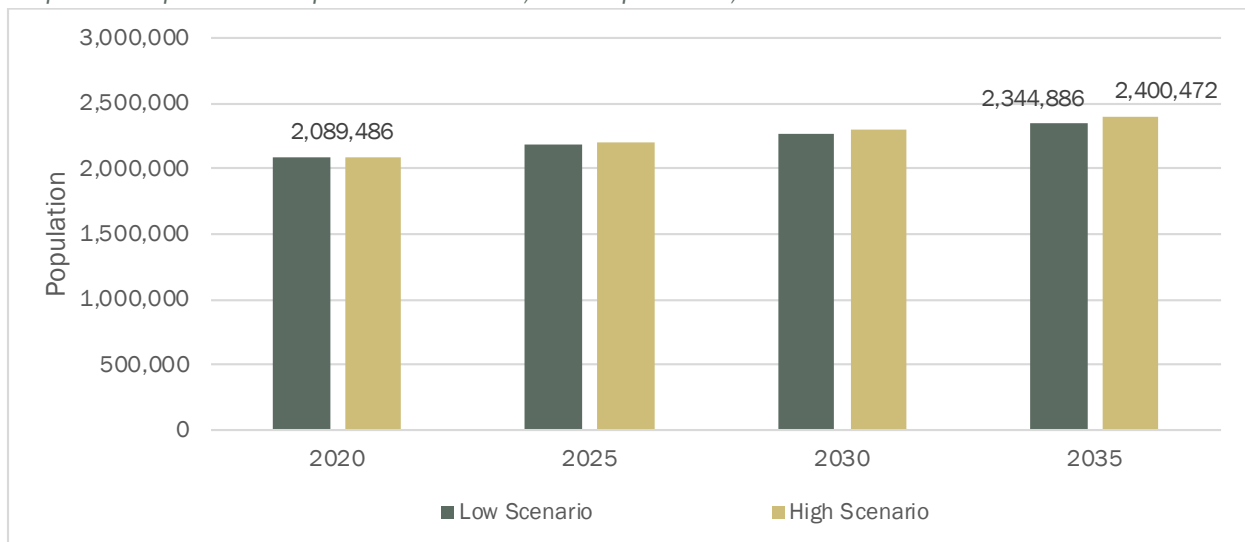
Population Forecasts

Population forecasts in this section consider the Market Area’s geographic location in the region and recent trends and consider data provided by two sources: STATS Indiana and Woods & Poole, a national demographic and economic forecasting firm. The forecasts present a low- and high-scenario of growth in the Indianapolis MSA and the Market Area through 2035. Future population growth is utilized in this analysis to understand residential and retail demand potential in the Study Area.

Indianapolis MSA

Two population growth scenarios were prepared for the Indianapolis MSA. As shown **Graph 6**, the low growth scenario projects an increase of 12.2% from nearly 2.1 million people in the region in 2020 to 2.34 million in 2040. The low scenario equates to an additional 255,400 residents in the region over the next 15 years. Providing a more aggressive projection, the high scenario forecasts a 310,986-person increase, reaching 2.40 million in 2035, a 14.9% increase over 15 years.

Graph 6: Comparison of Population Forecasts, Indianapolis MSA, 2020-2035



Source: Indiana STATS; Woods & Poole; Kimley-Horn

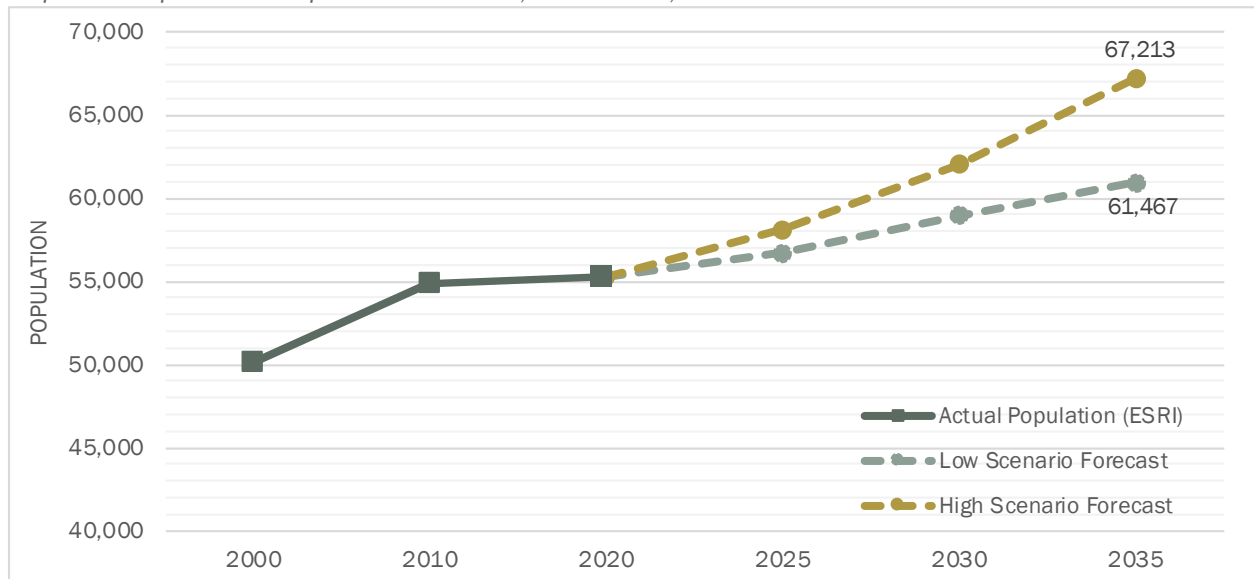
Market Area

Population forecasts for the Market Area are based on captures of the projected regional growth. Between 2010 and 2020, the Study Area captured 2.6% of the growth in the MSA. This analysis carries that momentum forward, noting growth patterns that are increasing momentum along I-69 into more historically rural areas of the region.

As shown in **Graph 7**, population in the Market Area increased between 2000 and 2010, but remained relatively stagnant in the last ten years, adding less than 400 residents. The two growth scenarios for the Market Area leverage the forecasts presented for the Indianapolis MSA, coupled with capture rates consistent with those demonstrated in recent years. The low-growth scenario projects more than 6,600 new residents in the Market Area through 2035 and the high-growth scenario forecasts approximately 11,936.



Graph 7: Comparison of Population Forecasts, Market Area, 2000-2035



Source: Indiana STATS; Woods & Poole; Kimley-Horn

It should be noted that third-party data sources, including STATS Indiana and Woods & Poole, both forecast a decline in the overall population count in Madison County in the future. However, Pendleton’s location in the southwestern quadrant of Madison, closest to Indianapolis with access to major transportation corridors, positions it to successfully diverge from suggested projections for the County overall.

This analysis’ marked diversion from recent trends is based on a variety of factors including known growth momentum as demonstrated by residential building permits and recent plat approvals. Building permit trends are highlighted in more detail in the Real Estate Profile section of this report. According to the Town of Pendleton, there are four subdivisions containing more than 800 lots that are actively developing (Table 4). Less the number of issued permits, the remaining inventory of lots in Pendleton is nearly 700.

Table 4: Active Platted Subdivisions, Town of Pendleton, 2020

Subdivision	Total Lots	Permits Issued	Remaining Inventory
Carrick Glen	235	28	207
The Falls	56	8	48
Pendle Pointe	123	87	36
Huntzinger Farm	405	0	405
Total	819	123	696

Source: Town of Pendleton

In addition to the four subdivisions noted above, there are three others in the larger market area that are in active construction, including Maple Trails and Oakmont in Ingalls and Springbrook in unincorporated Madison County. Activity at these developments supports an acceleration of previous trends in terms of population growth in the Market Area.

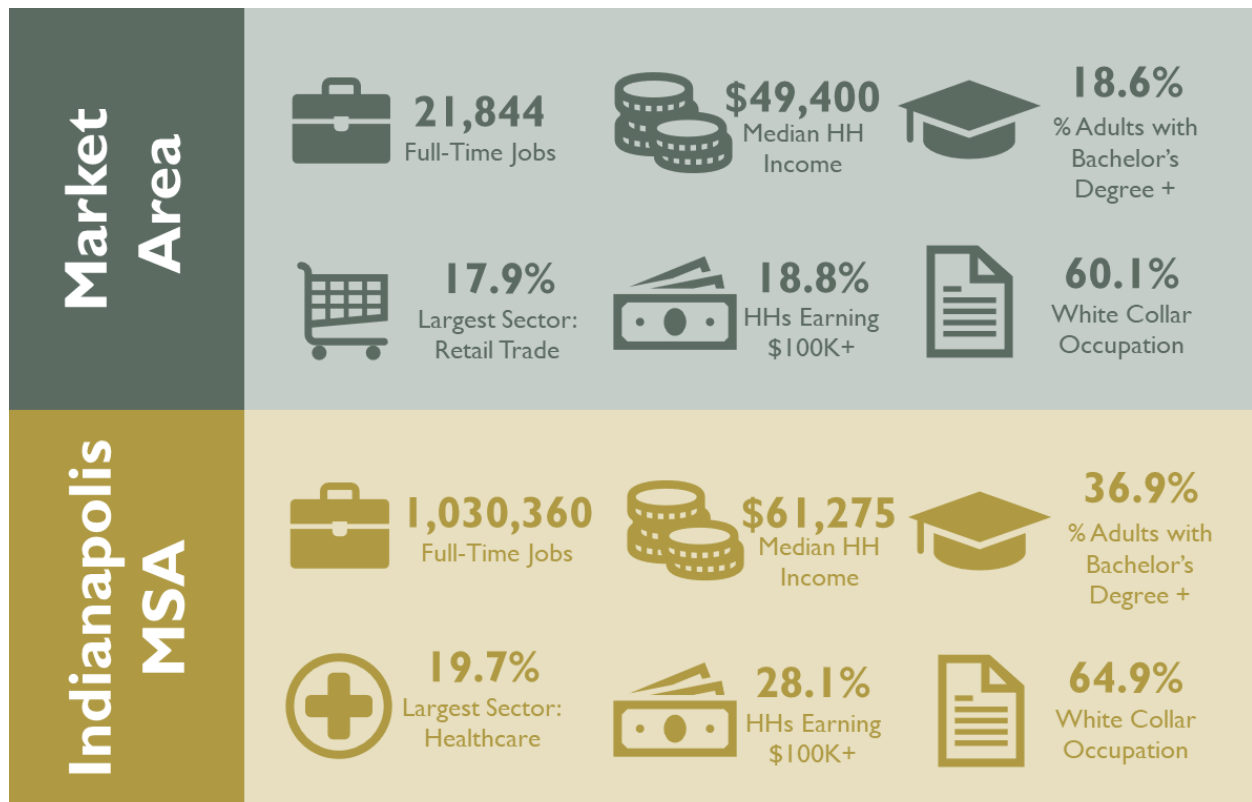


ECONOMIC PROFILE

This section analyzes annual employment trends by industry over the last five years for the eleven-county Indianapolis MSA, and more specifically for the Market Area, describing overall growth and shifts between sectors. Major industry sectors and commuting patterns are also presented.

Economic Overview

There are an estimated 21,844 total, full-time jobs in the Market Area, with Retail Trade representing the largest sector. Conversely, the Indianapolis MSA reported more than 1.0 million jobs in 2019, the most recent year that STATS Indiana presents annual measures. Households in the MSA have comparably higher incomes, with a greater share earning more than \$100,000 annually.



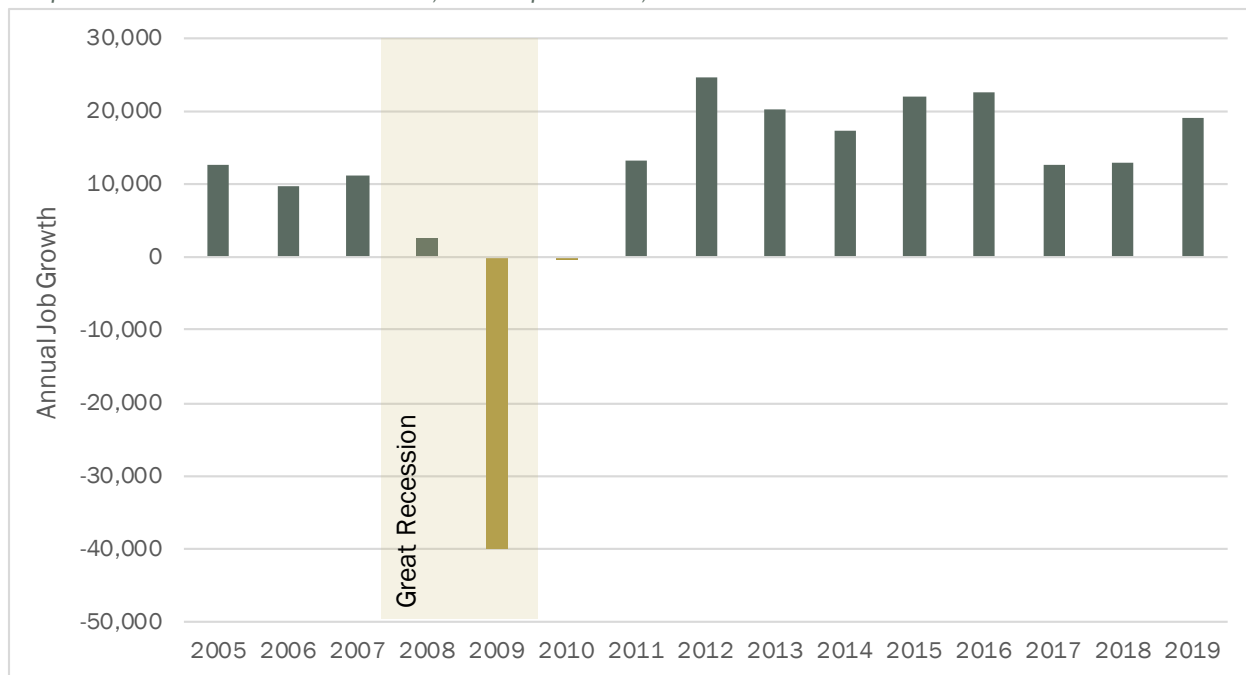
Source: ESRI BAO, Kimley-Horn

Annualized Regional Employment

Consistent with national trends, the Indianapolis MSA economy was interrupted by the 2007-2009 Great Recession, reporting significantly reduced job growth and annual net job loss during and immediately after this period (**Graph 8**). The largest annual loss was demonstrated in 2009 with a net loss of approximately 40,000 jobs across the region. In the years since 2010, the MSA has strongly rebounded, posting annual net job gains averaging nearly 20,000 jobs per year, more than double the pre-Recession measures.



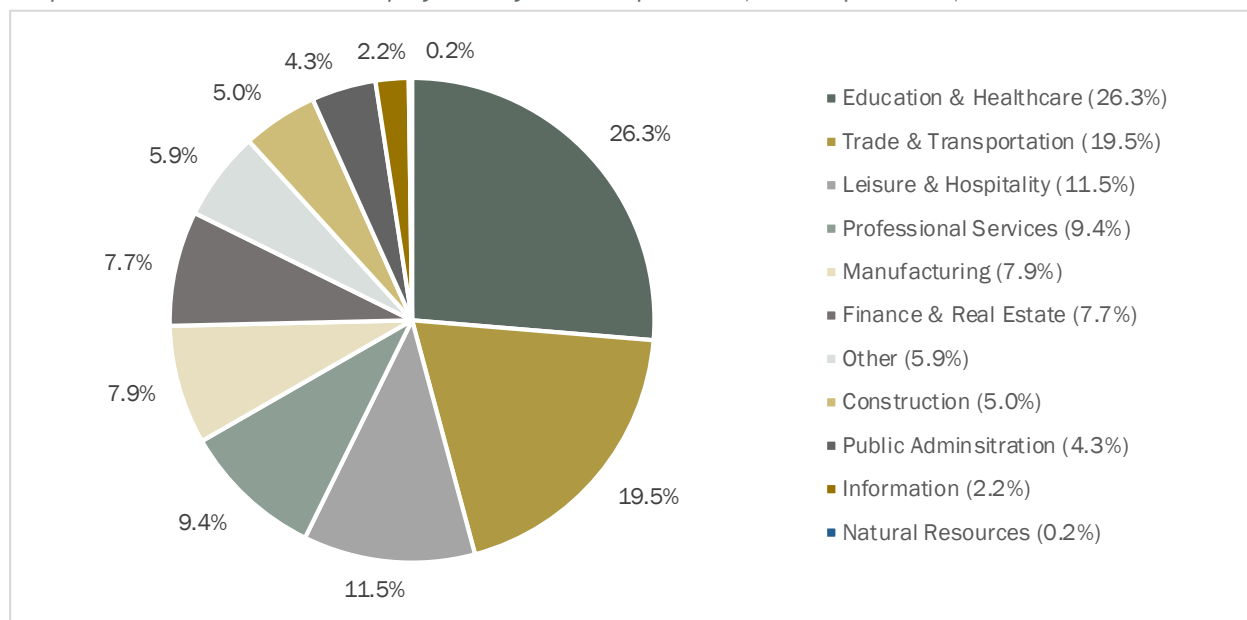
Graph 8: Annual Net New Job Growth, Indianapolis MSA, 2005-2019



Source: STATS Indiana, Kimley-Horn

In 2020, the eleven-county Indianapolis MSA hosted more than one million jobs. As shown in **Graph 9**, the MSA’s largest supersector as defined by the North American Industry Classification System (NAICS) was Education & Healthcare, primarily driven by the more than 200,000 jobs in the Healthcare and Social Assistance industry. The next largest industries include Trade & Transportation (19.5%), with retail jobs comprising a large share, followed by Leisure & Hospitality (11.5%).

Graph 9: Estimated Shares of Employment by NAICS Supersector, Indianapolis MSA, 2020



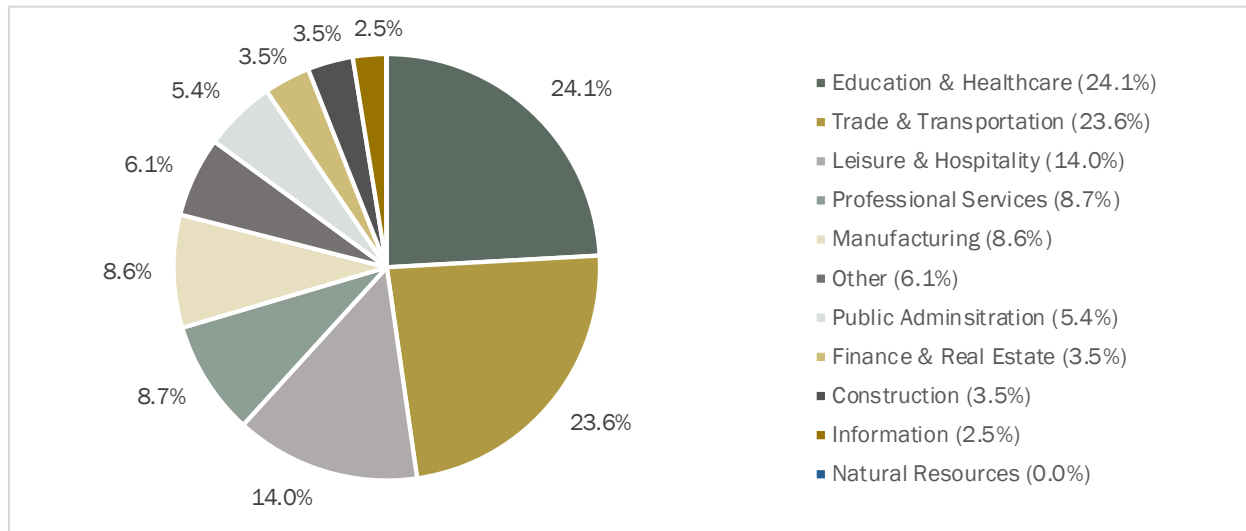
Source: ESRI BAO, Kimley-Horn



Market Area Employment

The Market Area currently hosts nearly 21,800 jobs. The largest industry by total employment in the Market Area is Retail Trade, with almost 3,900 jobs. Healthcare and Social Assistance (3,500 jobs) and Accommodation and Food Services (2,105 jobs) represent the second and third largest industries following Retail Trade. Combined, Healthcare and Social Assistance and Educational Services comprised approximately one-quarter of the total jobs in the Market Area, making Education & Healthcare the largest supersector as defined by NAICS (**Graph 10**). Trade & Transportation represents 23.6% of all Market Area jobs, followed by Leisure & Hospitality at 14.0%.

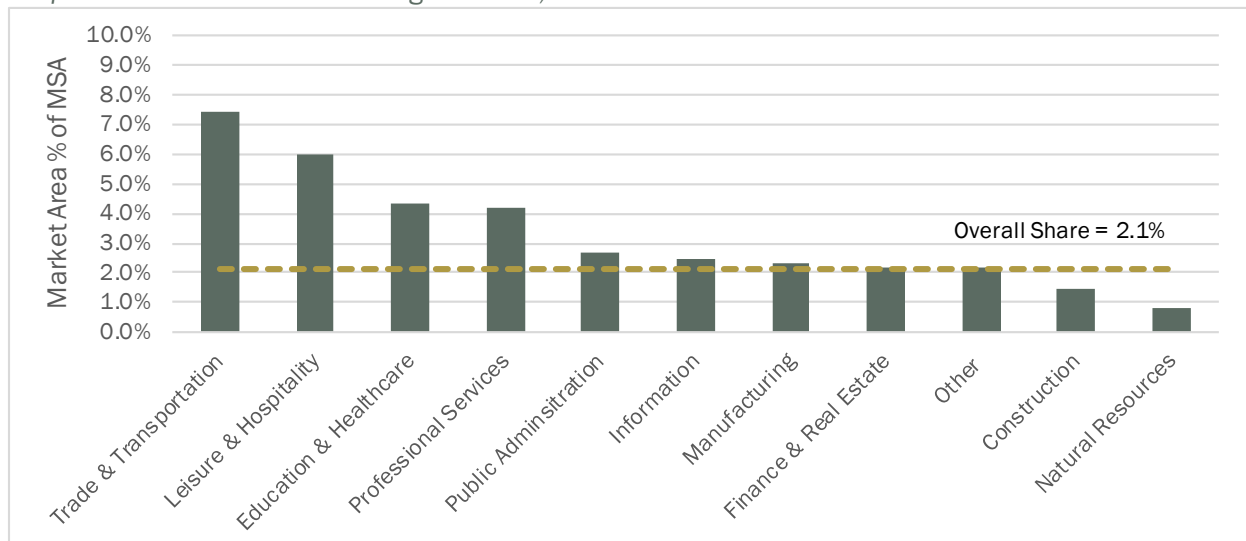
Graph 10: Estimated Shares of Employment by NAICS Supersector, Market Area, 2020



Source: ESRI BAO; Kimley-Horn

As shown in **Graph 11**, the nearly 21,800 jobs in the Market Area comprise 2.1% of Indianapolis MSA's total employment. The sectors with the largest regional influence include Trade & Transportation (7.4%) and Leisure & Hospitality (6.0%).

Graph 11: Market Area Share of Regional Jobs, 2020



Source: ESRI BAO; Kimley-Horn



Commuting Patterns

Based on data from the US Census' Longitudinal Employment-Household Dynamics (LEHD) data set and ESRI Business Analyst Online, an estimated 12,677 people travel into the Market Area for employment daily and more than 17,354 of the employed population commuted out (**Figure 3**). The Market Area has an estimated 4,055 people that live and work there, making up approximately 24.2% of those who work there. These figures are based on the most recent commuting patterns as presented by the U.S. Census.

Figure 3: Inflow/Outflow Job Counts, Market Area, 2017



Approximately 23.9% of the Market Area's employed residents work in Anderson. The next most popular out-commuting locations are Indianapolis (7.0%) and Muncie (3.8%). For employees commuting into the Market Area, 22.6% live in Anderson, 18.9% live in Indianapolis, and 5.2% live in Fishers.

Employment Forecasts

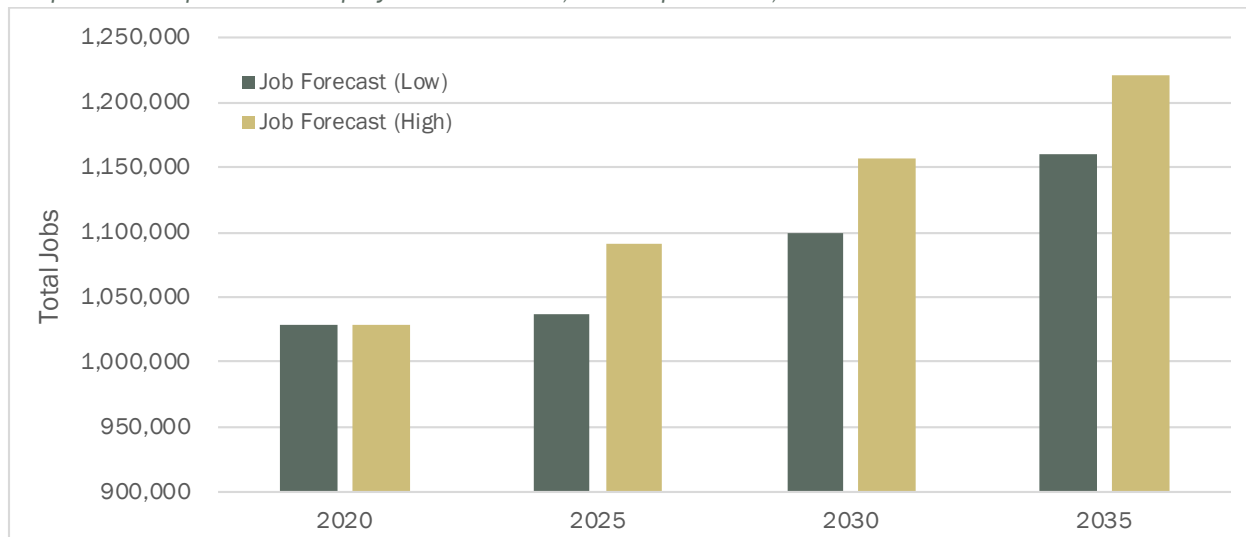
Job forecasts are provided for the Indianapolis MSA and are based on interpretations of data provided by Woods & Poole, a third-party national demographics and economics forecasting company. Forecasts have been prepared at the regional level because economic development and job growth are a function of regional and county-wide success and partnership. Ultimately, the job projections provided here will be converted to commercial demand and allocated to the Market Area.

Since 2020, the United States has been heavily impacted by the COVID-19 pandemic, which has resulted in job losses in every region of the country. Retail Trade, Entertainment, Hospitality and Food Services have been hit particularly hard as establishments were required to close to stop the spread of the virus. The forecasts below demonstrate losses in these industries for 2020, but gradual growth and recovery through 2025. Most economic outlooks are estimating a U-shaped recovery, meaning that the economy will begin recovery in 2021. A forecast range has been provided to demonstrate variations in recovery pace and how it could impact job growth across the region.

Total jobs in the Indianapolis MSA are currently estimated at more than 1.0 million, a 19.0% increase from 865,763 jobs in 2010. Over the next 15 years, Woods & Poole projects that the MSA could add between 132,000 and 193,000 new full-time jobs (**Graph 12**).



Graph 12: Comparison of Employment Forecasts, Indianapolis MSA, 2020-2035



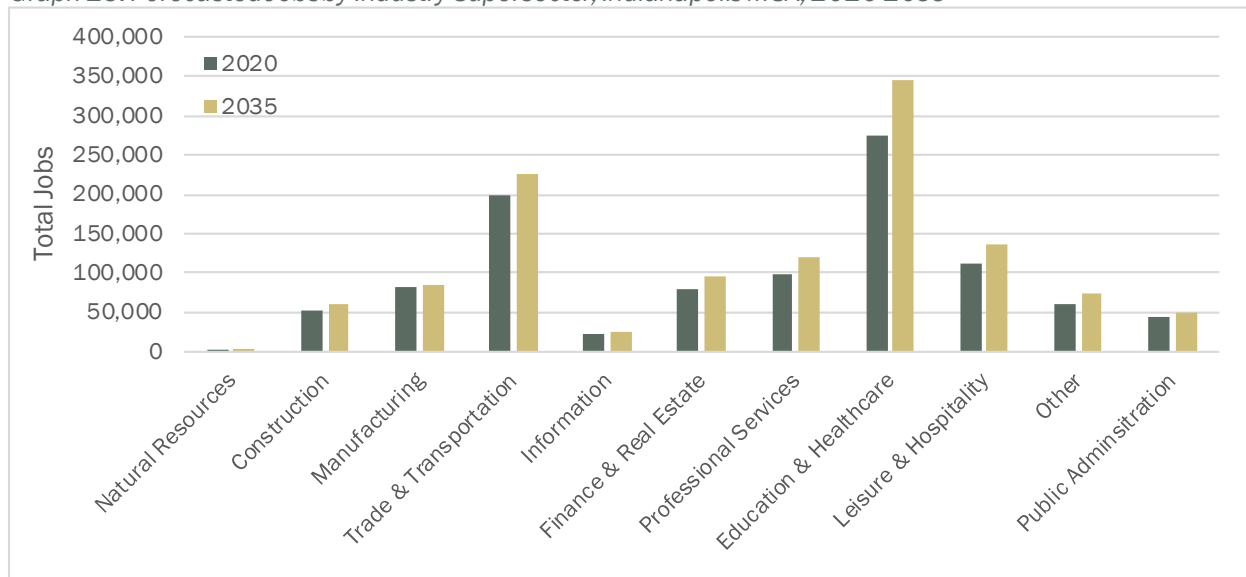
Source: ESRI; Woods & Poole; Kimley-Horn

As previously noted, over the next 15 years, the Indianapolis MSA could add approximately 193,000 new full-time jobs under the high growth scenario. As shown in **Graph 13**, the industry sectors with the strongest forecasted absolute growth under the high scenario are expected to include:

- Education & Healthcare (+71,500 jobs)
- Trade & Transportation (+27,300 jobs)
- Leisure & Hospitality (+22,300 jobs)
- Professional Services (+21,100 jobs)
- Finance and Real Estate (+17,200 jobs)

Projections are based on data provided by Woods & Poole and represent full-time, permanent jobs. None of the supersectors are expected to decline over the next 15 years, however, as noted above some will present slower recovery than others following the COVID-19 pandemic.

Graph 13: Forecasted Jobs by Industry Supersector, Indianapolis MSA, 2020-2035



Source: ESRI; Woods & Poole; Kimley-Horn



REAL ESTATE PROFILES

This section presents real estate performance profiles for residential, retail, office and industrial sectors. Given the existing land use patterns in Pendleton and the larger Market Area, there is limited third-party data available to demonstrate long-term trends in net absorption, lease rates, and vacancy. As such, this analysis presents five-year performance trends for the larger Indianapolis region to give high-level indications of market momentum. The trends are coupled with descriptions of local product and price points to determine opportunities and strategies focused on Pendleton’s positioning in the region. Performance trends and local product highlights are based on data provided by REIS, a third-party commercial real estate data company, and various online commercial real estate marketplaces.

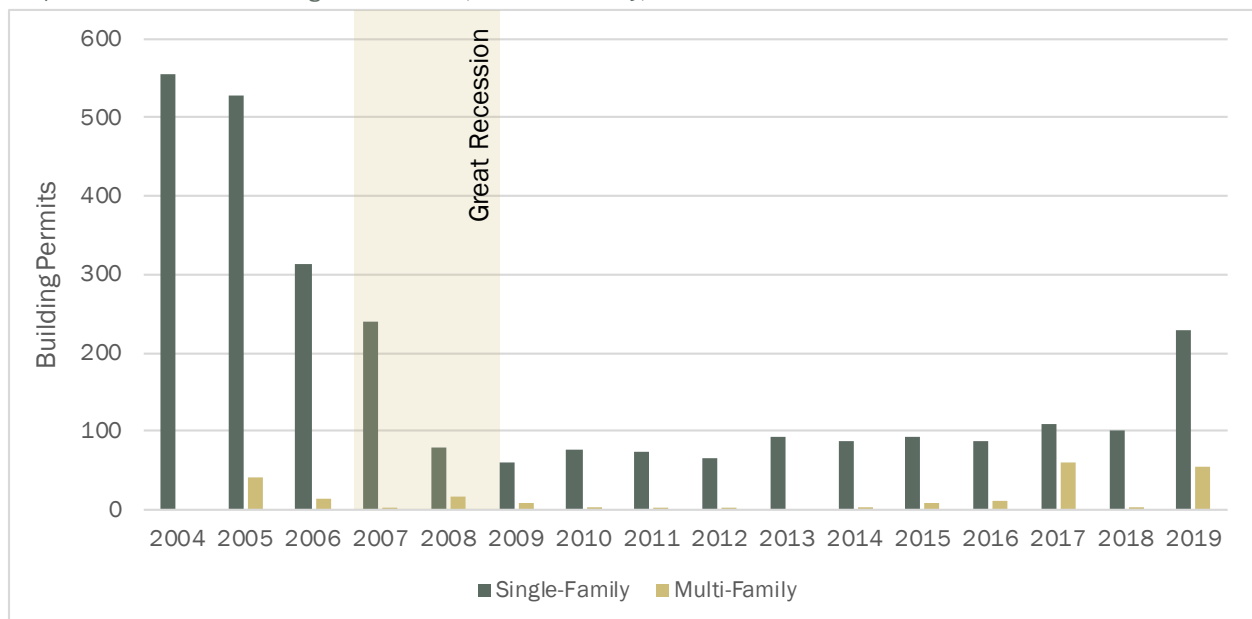
Residential

This section provides an overview of the residential market in the Indianapolis MSA and the Market Area. Data points include building permitting activity, housing units by type and value, and a review of the rental multifamily market.

Building Permits

Prior to the 2007-2009 Great Recession, Madison County averaged approximately 410 single-family buildings permits per year, comprising more than 95.0% of the total for all residential projects. Multi-family permits averaged lower at 15 units per year. However, as shown in **Graph 14**, the single-family residential average following the Recession declined to 100 per year while multi-family residential permits remained consistent with pre-Recession levels. In 2019, the most recently reported annual total, single-family permits made up 80% of the County-wide total demonstrating a modest shift in development pattern. It should be noted that the issuance of residential permits has gained traction in recent years.

Graph 14: Residential Building Permit Trends, Madison County, 2004-2019



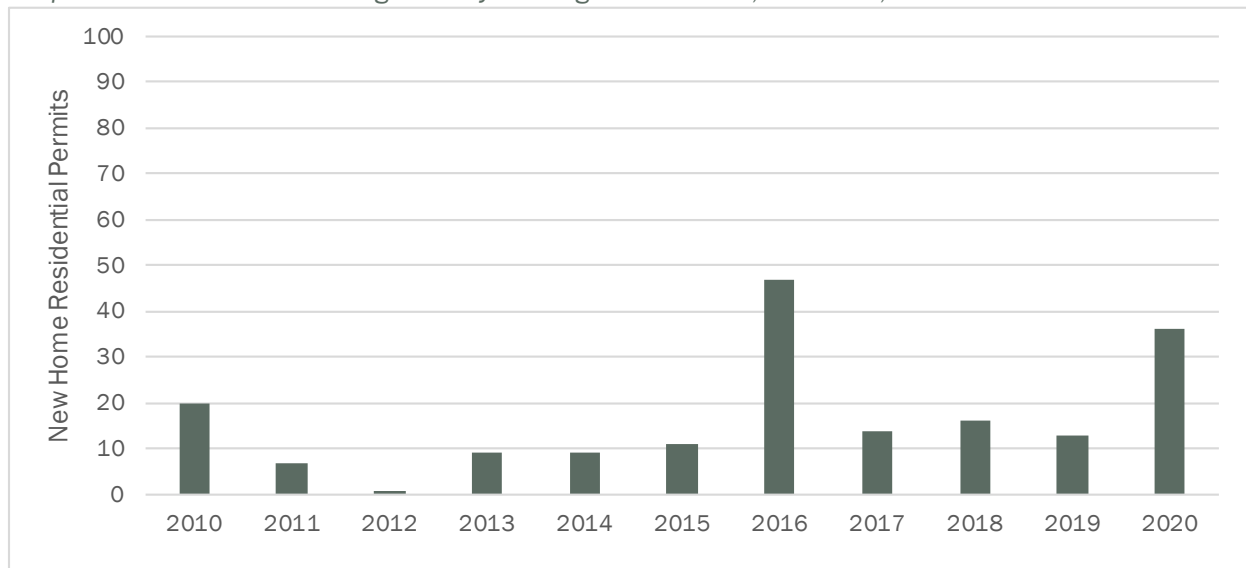
Source: ESRI BAO; Kimley-Horn

According to the Town of Pendleton, residential building permits have demonstrated a similar momentum as Madison County with increased new home construction in 2019 and continuing into 2020. As shown in **Graph 15**, the Town of Pendleton issued 15 building permits in 2019 for new single-family detached



houses. It should be noted that more than three-quarters of Pendleton’s issued 2020 permits have occurred in the months of September and October, indicating increased momentum for construction of new single-family units.

Graph 15: New Construction Single-Family Building Permit Trends, Pendleton, 2010-2020

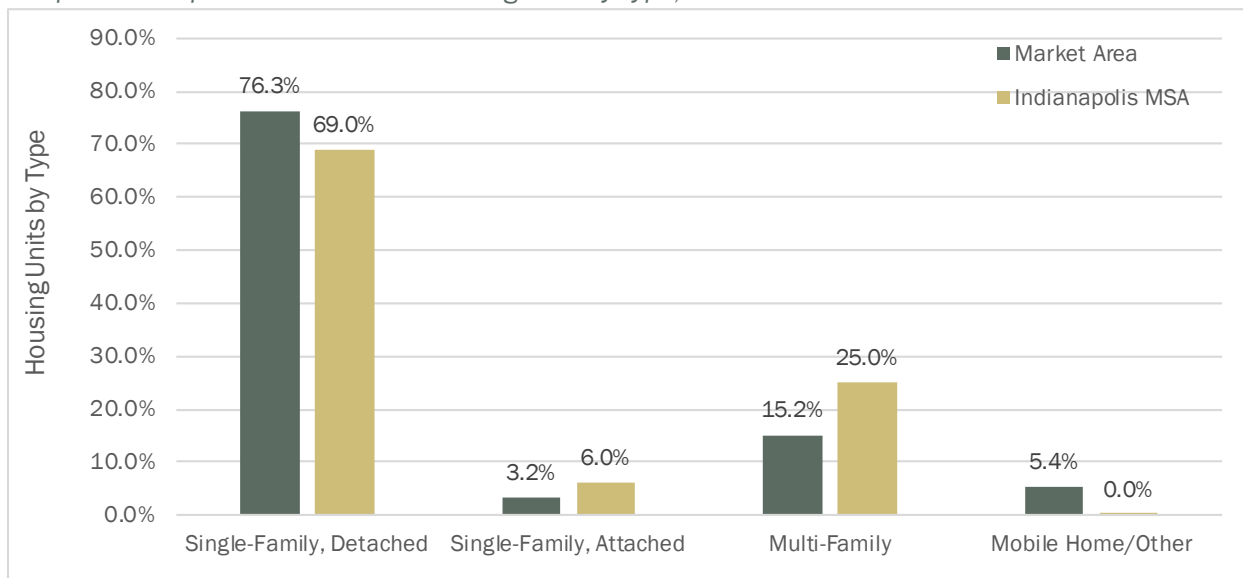


Source: www.bagi.com; Kimley-Horn

Housing Units by Type

More than 75% of all the housing units in the Market Area are detached single-family, higher than the 69% share reported for the Indianapolis MSA (Graph 16). Comparatively, multifamily and attached single-family/townhome-style units are more prevalent in the MSA, which contains the urban core of Indianapolis, than in the Market Area. Approximately 5.4% of housing units in the Market Area are mobile home/other units.

Graph 16: Comparison of Shares of Housing Units by Type, 2020



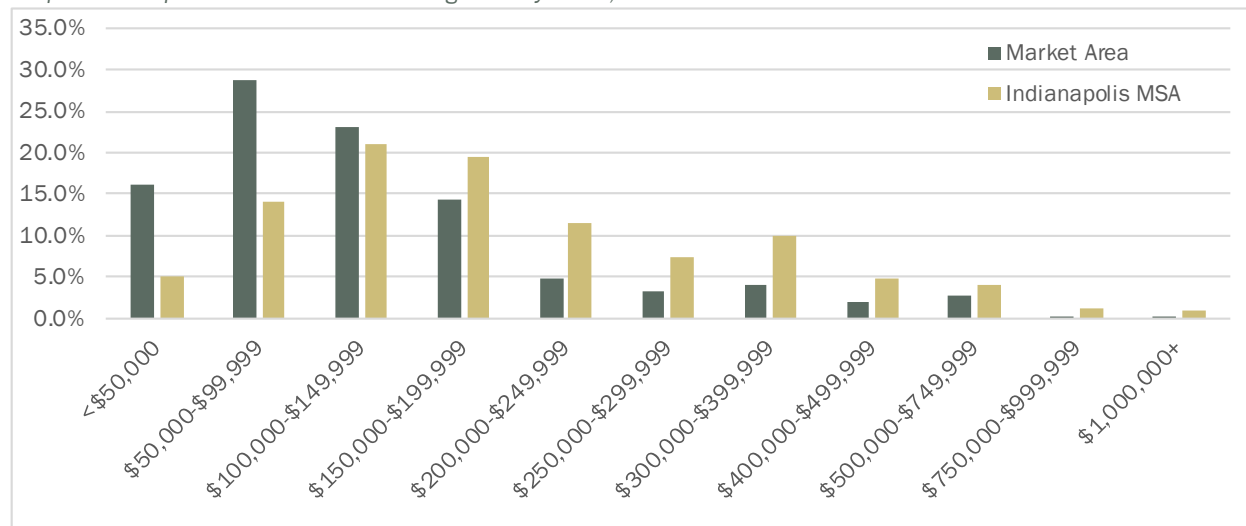
Source: ESRI BAO, Kimley-Horn



Median Home Value

The median home value in the Market Area was \$110,857 in 2020, 36.7% lower than \$175,078 for the Indianapolis MSA. As shown in **Graph 17**, the most common range of housing value in the Market Area is between \$50,000 and \$99,999, comprising nearly 30% of all housing units. In comparison, the most prevalent range of housing value for the MSA is between \$100,000 and \$149,999. Approximately 5% of Market Area units are valued above \$400,000, compared with 11.3% of units in the MSA. The lower median value in the Market Area is due in part to a comparably older age (1967 in the Market Area versus 1979 for the MSA), coupled with less investment on updating the older properties.

Graph 17: Comparison of Shares of Housing Units by Value, 2020



Source: ESRI BAO; Kimley-Horn

Comparatively, the median home value in the Town of Pendleton is \$161,804, higher than the Market Area, and more in-line with the measure demonstrated for the larger Indianapolis MSA. Distribution of owner-occupied housing units by median value looks more like the region, with the values with the highest shares being between \$100,000 and \$200,000.

Multi-Family Residential

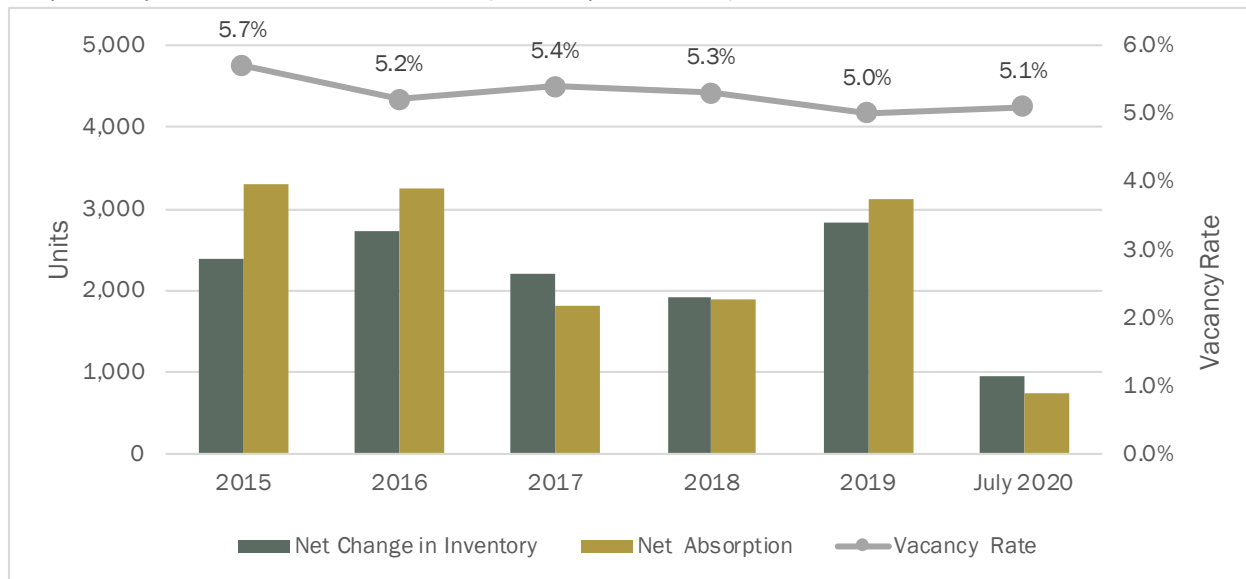
INDIANAPOLIS REGIONAL PERFORMANCE

There are approximately 3,382 professionally managed apartment communities in the Indianapolis market, containing over 127,000 units. Units completed since 2010 comprise an estimated 16% of the total inventory, as a surge of new developments have been delivered to meet growing demand.

Since 2015, there have been approximately 13,020 new multifamily units completed, averaging nearly 2,300 deliveries annually (**Graph 18**). Net absorption fell behind annual deliveries in the first half of 2020, resulting in a gradual increase in vacancy rate across the region. It should be noted that multifamily vacancy in the region has remained below the 7% industry-standard representing a healthy, or fluid, market in the last several years.



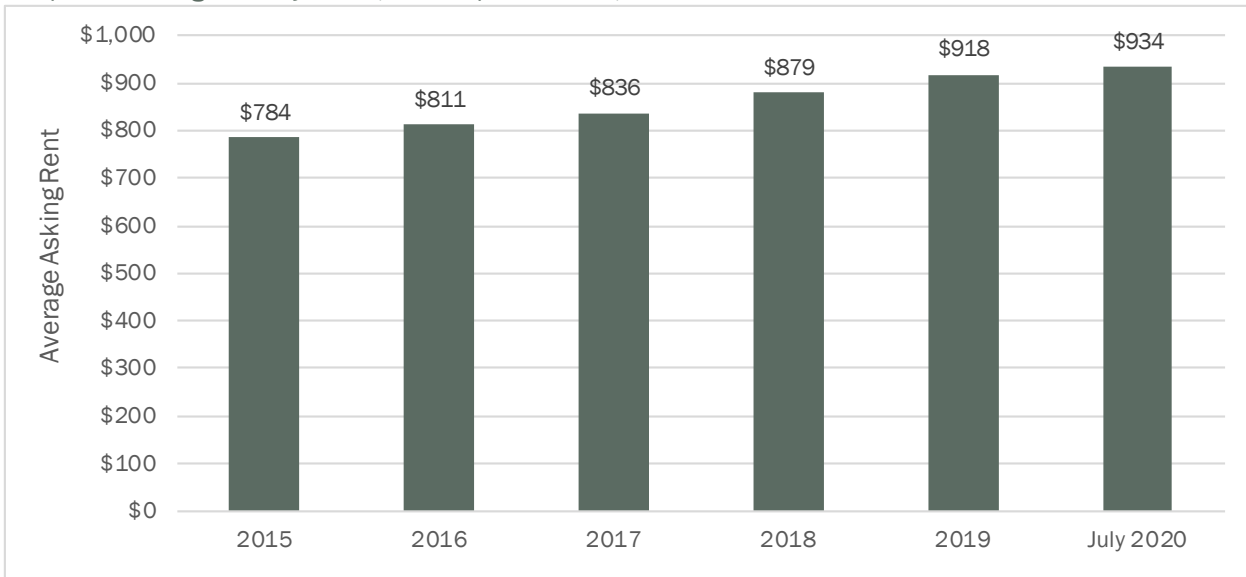
Graph 18: Apartment Performance Trends, Indianapolis Market, 2015-2020



Source: ESRI BAO; Kimley-Horn

The average asking monthly rent for the Indianapolis market was estimated at \$934 in July 2020. As shown in **Graph 19**, this represents a 19.1% increase from the 2015 measure of \$784. Some of the increase can be attributed to the addition of new luxury product in and around the urban core of Indianapolis. The units completed in the Indianapolis market since 2010 have an average monthly rent of more than \$1,400, a notable premium over older multifamily communities.

Graph 19: Asking Monthly Rents, Indianapolis Market, 2015-2020



Source: ESRI BAO; Kimley-Horn

REPRESENTATIVE LOCAL MULTIFAMILY COMMUNITIES

Multifamily rental product is extremely limited in Pendleton. The only professionally managed multifamily communities identified in the Market Area target low-income tenants. Ashbury Point Apartments is an affordable housing community that was built in 2005 for people age 55 and older. This garden-style



apartment complex offers 75 two-bedroom units and is located south of the Pendleton Heights High School off US 36.

Hamilton Station, another income-restricted community, contains Pendleton's newest multifamily product. Located in the southeast quadrant of the I-69/IN-38 interchange, this complex encompasses three phases of units delivered. The first two phases were completed in 1998 and 2000; together they formed a garden-style community named Pendleton Place. In 2017, a third phase of 40 units was constructed, including duplex and townhome-style units. The community was renamed Hamilton Station and contains approximately 220 units.




Hamilton Station Apartments



To provide an indication of local market-rate performance, three apartment developments from Fishers and Noblesville were identified and profiled in **Table 5**. These communities represent a range of product types, from garden-style walk-ups, buildings with elevator access, to a vertically integrated product in Fishers, The Mark at Fishers District, that offers structured parking.



Table 5: Representative Local Multifamily Communities, 2020

	Description	Density/ Stories	Average Rent/SF	Occupancy
	<p>The Hamilton Luxury Apartments:</p> <ul style="list-style-type: none"> • 11289 Hamilton Crest Blvd • Built in 2015 • 233 units in 35 buildings • Garden-style complex • 1-, 2-, 3-BR floorplans • Surface parking & detached garages 	<p>16 UNITS/ACRE 3 Stories</p>	<p>\$1.26 PSF</p>	<p>94.0% OCCUPIED</p>
	<p>32 Union:</p> <ul style="list-style-type: none"> • 17408 Ferris Street, Noblesville • Built in 2019 • 211 units in 7 buildings • Garden-style complex • Updated finishes and elevated amenities • 1-, 2-, 3-BR floorplans • Surface parking & detached garages 	<p>14 UNITS/ACRE 3 Stories</p>	<p>\$1.38 PSF</p>	<p>60.2% OCCUPIED (in lease-up)</p>
	<p>The Mark at Fishers District:</p> <ul style="list-style-type: none"> • 11547 Yard St, Fishers • Built in 2020 • 260 units in 1 building • Mixed-use development • Studio, 1-, 2-, 3-BR floorplans • Multi-level deck & on-street parking shared with retail • Elevators 	<p>27 UNITS/ACRE 5 Stories</p>	<p>\$1.70 PSF</p>	<p>85.0% OCCUPIED (in lease-up)</p>

Source: REIS; Apartments.com; Kimley-Horn

RESIDENTIAL DEMAND FORECAST

Residential demand in the Market Area is based on the population projections presented earlier in this document. The population projections present a low- and high-growth scenario for the Market Area. This section presents a similar range for future housing demand. Presenting future demand in a range is a way to mitigate for uncertainties in the market moving forward related to the current COVID-19 pandemic, future economic cycles, as well as local policy decisions, development appetites, and investments that could change over the next 15 years.

As previously demonstrated, the Market Area is expected to add between 5,690 and 11,936 people through 2035, equating to growth rates of 12.2% to 14.9%. Housing unit forecasts are based on average household sizes and a 5% vacancy rate. This analysis assumes that the average household size will remain relatively constant over the next 15 years at approximately 2.58 people per household. Household unit vacancy was estimated at 5%, slightly lower than the overall Market Area average of 10.9%. For the purpose of projections, a more sustainable vacancy rate was utilized, which assumes that outdated houses are either demolished or renovated supporting occupancy.



While the primary focus for this analysis is on future demand for multifamily product, the Market Area is ripe to attract housing of all types, price points, and tenures. Adding additional rooftops will increase the visibility of the community, enhancing access to labor force and driving demand for retail goods and services. This includes higher-end executive for-sale housing, attached townhouse product, and multifamily residential in a higher-intensity. As shown in **Table 6**, housing in the Market Area could increase by 2,775 to 4,936 units between 2020 and 2035.

Table 6: Residential Demand Forecast, Market Area, 2020-2035

Metric	Scenario	
	Low-Growth	High-Growth
2020-2035 Population Growth	6,690	11,936
Assumed Household Size	2.58	2.58
2020-2035 Household Growth	2,593	4,613
Assumed Vacancy Rate	7%	7%
2020-2035 Housing Unit Demand	2,775	4,936

Source: US Census; ESRI; STATS Indiana; Woods & Poole; Kimley-Horn

COVID-19 and Residential

While the full impact of COVID-19 remains to be seen, it is certain that the pandemic will influence growth and development in the near-, and likely, long-term. Industry experts across the country have provided guidance on the potential for the pandemic to influence different real estate sectors. Residential is expected to be modestly impacted in the short-term.

In most markets, for-sale residential inventories were low before the pandemic, and demand has remained consistent. Established long-term trends influencing for-sale residential demand are unlikely to be significantly impacted by COVID-19. The biggest question that could influence future demand for lower-density residential is if there will be a reversal in the desire for urban living by people seeking more space.

One of the biggest questions that could influence future demand for multifamily residential, particularly in suburban and rural markets, is if there will be a reversal in the desire for urban living by people seeking more space. Rental multifamily residential has experienced notable momentum in recent years as Millennials form new households. These young people have typically been more willing to rent longer-term than previous generations.

Given the strong increase in inventory experienced in markets there is expected to be some softness in the rental market in the short-term. Absorption of new units is likely to be delayed in some markets as existing tenants struggle to make rent payments or new residents delay household formation. This trend is likely to drive new rent specials and reduce annual rent increases. These impacts, although notable, are expected to be short-term in nature.

Future residential demand will likely be accommodated in a variety of product types. Based on ESRI's interpretation of American Community Survey data, over 75.0% of the total housing stock in the Market Area are single-family detached, townhouses represent 3.5%, and multifamily units comprise 15.0% of the total. Single-family residential permits have been on the rise in both the Market Area and more specifically, in the Town of Pendleton, indicating increasing momentum in this real estate sector.



Based on the established land use pattern of the area, recent demographic trends, and market performance indicators the following break-out of the forecasted net new residential demand could be assumed:

- Single-family residential: 80% of total 15-year Market Area demand
- Multi-family residential: 20% of total 15-year Market Area demand

As the community grows expanding the types, tenures, and price points of available housing stock will become important in attracting new residents and businesses and meeting affordability goals. If only 25% of the future housing demand was in a multifamily format, this would equate to approximately 555 to 987 new multifamily units through 2035. Single-family detached (and attached townhouses) would comprise the balance of the demand, including higher-end executive residences.

Retail

This section of this report provides an overview of the retail real estate market. There is limited third-party data for retail land uses in the area around Pendleton. The analysis relies on high-level performance indicators for the entire Indianapolis market and highlights a snapshot of the Market Area. A retail gap analysis is presented to identify future demand potential based on supply and demand in the Study Area.

Retail Leakage Analysis

Retail leakage refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, the dollars spent outside of the area are said to be “leaking.” If a community is a major retail center with a variety of stores it will be “attracting” rather than “leaking” retail sales.

The graphic to the right shows the most recent data on retail sales and consumer expenditures in the Market Area. The Market Area had a surplus of \$46 million over the previous year, meaning consumers were attracted from outside the area.

The numbers are not meant as accurate accounts of individual stores, but, taken as an aggregate, they provide reasonable estimates of expenditures and sales. Equally important, this type of data is reviewed by national chains when deciding whether to move into a new area.

The graphic below provides retail market opportunities for the Market Area by category based on existing retail leakage. It also shows the categories that reported a surplus of sales,

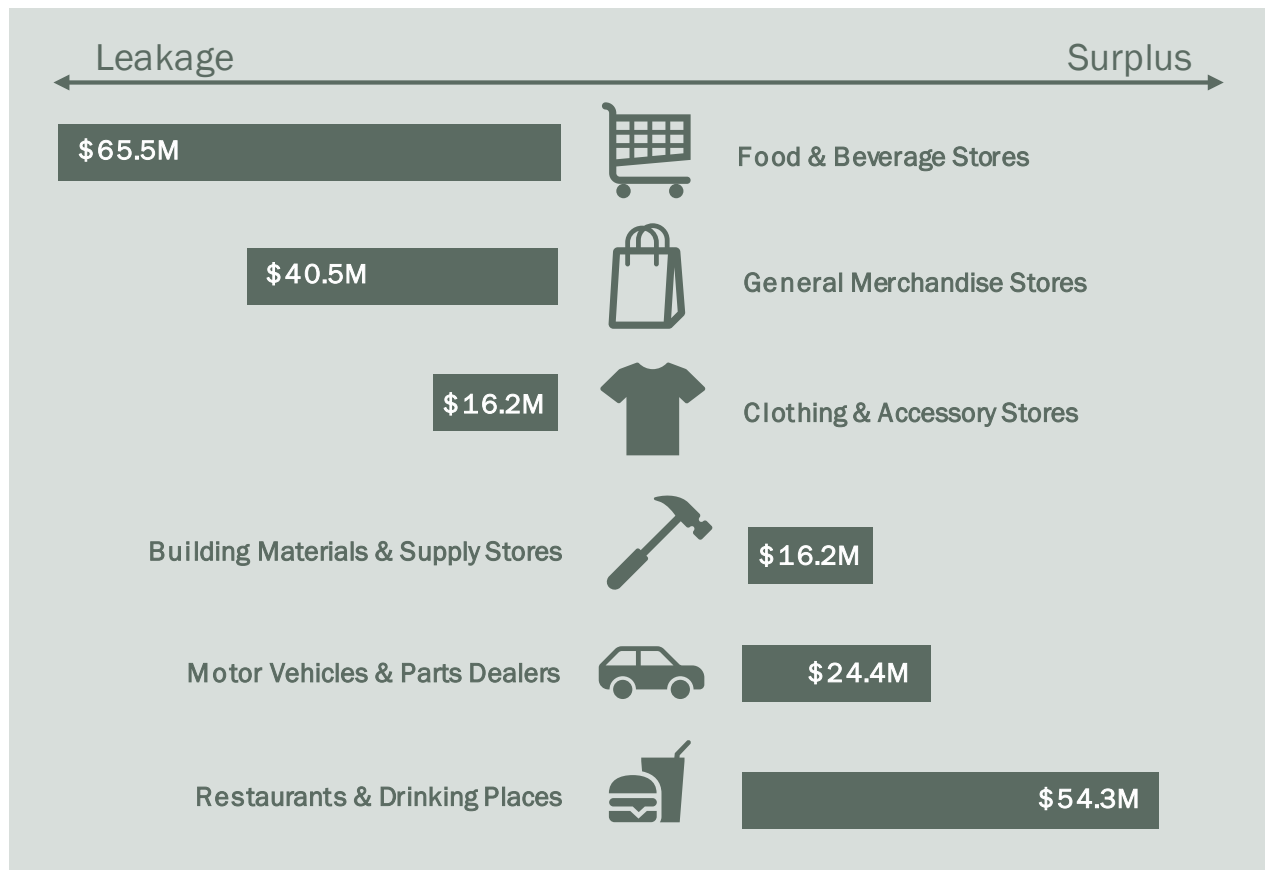




indicating they draw customers from outside the Market Area. The categories with the biggest leaks (where the most money is lost outside the Market Area) are the following:

- Food & Beverage Stores
- General Merchandise Stores
- Clothing & Clothing Accessory Stores

While this data can reveal opportunities for new businesses, it should serve only as a starting point and does not guarantee a “sure thing.” It should be noted that this list does not represent a complete listing of retail categories but focuses on those that have the largest leakage and surplus.



Source: ESRI BAO; Kimley-Horn

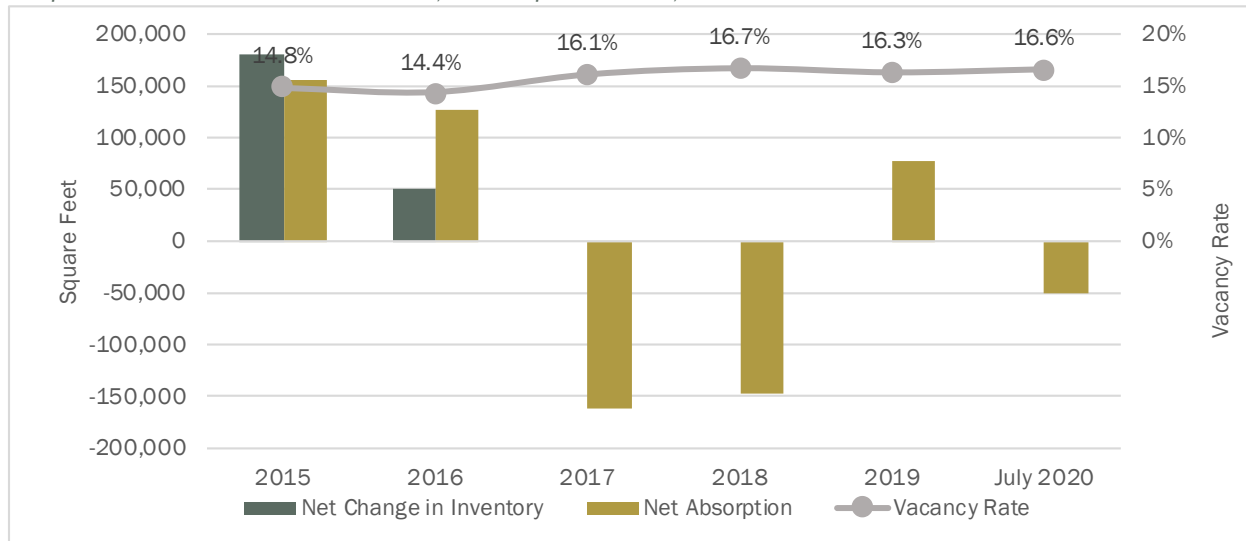
To identify optimal locations, retailers depend on certain indicators of commercial success. Three primary criteria considered when selecting a location include income, density, and traffic. As the scale of the retail development increases so must the measures of income, rooftops, and traffic to support the larger supply. A traditional rule of thumb is the 50/50/50 rule which proposes the ideal urban or “Main Street” retail location as having access to 50,000 people within a reasonable distance, with a median income of at least \$50,000, and 50,000 average daily traffic (ADT); however, this is not applicable to all scenarios. Rather than a one-size-fits-all formula, it is important to understand the relationship between the indicators. While the most successful retail locations will have high numbers for all three indicators, some businesses can survive by relying on only one or two. If a location is weak in one category, it must offset the deficiency by strong measures for the others.



Indianapolis Regional Performance

Retail performance presented by REIS focuses on multi-tenant shopping center spaces, excluding free-standing, often owner-occupied buildings. As shown in **Graph 20**, there has been very little retail development across the entire Indianapolis market in recent years. The newest multi-tenant space was built in 2016. Of note is that between 2016 and 2018 the market experienced negative net absorption of more than 200,000 square feet. Annual periods with negative net absorption have had more tenants move out of their spaces than move in. Multi-tenant retail space vacancy rate has hovered around 16.3% since 2017, reaching 16.6% in July 2020.

Graph 20: Retail Performance Trends, Indianapolis Market, 2015-2020



Source: REIS; Kimley-Horn

As of July 2020, the Indianapolis retail market hosted nearly 18.5 million square feet of multi-tenant retail space. Average retail lease rates for neighborhood and community shopping centers in the Indianapolis region reported an average lease rate of approximately \$15.89 per square foot in July 2020, holding steady at the same rate reported for 2019 (**Graph 21**). This in part due to concessions offered as a result of the COVID-19 pandemic. Since 2015, the average lease rate has steadily increased 5.4% from \$15.08 in 2015.

Graph 21: Retail Rent Trends, Indianapolis Market, 2015-2020



Source: REIS; Kimley-Horn






Representative Local Space

Retail in the Market Area is largely focused on free-standing, owner-occupied buildings. Downtown Pendleton also offers some retail and restaurant space in a traditional nineteenth-century Main Street setting described previously. Major shopping trips by residents are primarily completed outside the Market Area. Located on US 36 near East State Street, Needler’s Plaza is a primary retail center serving Town residents. The 65,400-square-foot neighborhood shopping center was completed in 2005. It is anchored by Needler’s Fresh Market and contains anchor and in-line space, as well as outparcels. Other tenants include multiple fast food restaurants, a retail bank branch, and gas station with convenience store.

Similar to the section on multifamily residential, retail centers from Fishers and Noblesville have been profiled to give a sense of local performance (Table 7).

Table 7: Representative Local Retail Space, 2020

Description	Size/ Density	Average Rent/SF	Vacancy
 <p>Exit Five Plaza:</p> <ul style="list-style-type: none"> 9799 E 116th St, Fishers Built in 2006 Grocery-anchored shopping center Mix of anchor, in-line & outparcel space Key tenants: Kroger, Big Red Liquor, Duluth Trading Co. Access/Visibility: I-69 	<p>104,782 SF</p> <p>0.16 FAR</p>	<p>\$17.74 PSF</p>	<p>2.9%</p>
 <p>Hamilton Town Center:</p> <ul style="list-style-type: none"> 13901 Town Center Blvd, Noblesville Built in 2008 Open-air mall Key tenants: Dicks Sporting Goods, DSW, IMAX Movie Theater, ULTA Beauty Access/visibility: I-69 	<p>666,696 SF</p> <p>2.72 FAR</p>	<p>\$20.08 PSF</p>	<p>3.2%</p>
 <p>Geist Pavilion:</p> <ul style="list-style-type: none"> 11581 Geist Pavilion Dr, Fishers Built in 2005 Neighborhood center Primarily anchor & in-line space Key tenants: Goodwill, Ace Hardware Store, Pure Barre Access/visibility: 116th Street & Olio Road 	<p>63,910 SF</p> <p>1.14 FAR</p>	<p>\$25.14 PSF</p>	<p>3.9%</p>

Source: REIS; Kimley-Horn



Retail Demand Forecast

Retail demand for the Market Area considers increases in population density and area income to estimate future spending potential through 2035. The methodology for determining future retail demand is based on a combination of population growth, income levels, and inflow/outflow purchases from the influx of employees and visitors that travel into the Market Area.

Based on defined retail categories that are most likely to be represented in the I-69/SR 38 Interchange Study Area, the expenditure potential of local households under the low-growth scenario could increase from \$275.4 million in 2020 to nearly \$500 million in 2035 (**Table 8**). These forecasts are derived from percentages of income spent on specific types of goods and services, as reported by ESRI from interpretation of U.S. Census data. As previously noted, these sales reflect Market Area household and income increases. The sales also consider the performance of retail already existing in the area, as well as impacts from spending by employees and visitors.

Table 8: Consumer Spending Forecast, Market Area, 2020-2035

Business Category	Consumer Spending (2020)	Forecasted Demand (2035)	2020-2035 Δ	
			#	%
Apparel and Services	\$31,971,360	\$55,592,096	\$23,620,736	73.9%
Computer/TV/Video	\$21,309,310	\$37,036,228	\$15,726,918	73.8%
Pets	\$11,283,137	\$19,605,164	\$8,322,027	73.8%
Toys/Games/Crafts/Hobbies	\$1,946,286	\$3,383,651	\$1,437,365	73.9%
Sports/Exercise Equipment	\$3,144,657	\$5,472,180	\$2,327,523	74.0%
Reading	\$1,603,708	\$2,789,023	\$1,185,315	73.9%
Food at Home	\$81,427,894	\$141,535,471	\$60,107,577	73.8%
Food Away	\$64,762,007	\$128,090,298	\$63,328,291	97.8%
Furniture/Furnishings/Household	\$33,217,090	\$57,759,698	\$24,542,608	73.9%
Drugs/Personal Care/Housekeeping	\$24,724,420	\$48,331,358	\$23,606,938	95.5%
Total	\$275,389,869	\$499,595,166	\$224,205,297	81.4%

Source: ESRI; Kimley-Horn

This analysis forecasts 15-year spending potential for the Study Area at over \$224 million. Based on average sales per square foot figures, this analysis equates to net square footage demand of approximately 665,000 in the Market Area through 2035 under the low-growth scenario (**Table 9**). Note that this household-generated demand could be spent anywhere, but a substantial portion would be spent within or close to the Market Area, particularly for food, convenience, and drug store purchases.



Table 9: Comparison of Retail Demand Potential, Market Area, 2020-2035

Business Category	Spending Potential	Sales per Sq.Ft.	Square Feet Demand	
			Low-Scenario	High-Scenario
Apparel and Services	\$23,620,736	\$280	84,360	117,450
Computer/TV/Video	\$15,726,918	\$400	39,317	54,749
Pets	\$8,322,027	\$225	36,987	51,509
Toys/Games/Crafts/Hobbies	\$1,437,365	\$300	4,791	6,671
Sports/Exercise Equipment	\$2,327,523	\$200	11,638	16,198
Reading	\$1,185,315	\$150	7,902	11,001
Food at Home	\$60,107,577	\$420	143,113	199,278
Food Away	\$63,328,291	\$360	175,912	235,213
Furniture/Furnishings/Household	\$24,542,608	\$275	89,246	124,252
Drugs/Personal Care/Housekeeping	\$23,606,938	\$325	72,637	97,422
Total	\$224,205,297	\$337	665,903	913,743

Source: ESRI; Kimley-Horn

Under the high growth scenario, which forecasts a more notable population and household increase over the next 15 years, retail demand could exceed 915,000 square feet. Most of the demand under both scenarios is expected to be focused under food-related business categories, reflecting the notable leakage these categories demonstrated. It is important to note that these forecasts represent net retail demand growth, and do not capture sales that would transfer internally from within the Market Area. As the retail market evolves, some locations and retail concepts could become more successful and capture sales from existing competitors, particularly those that are obsolete.

COVID-19 and Retail

Retail is widely expected to be one of the most impacted industries during and following the COVID-19 pandemic. Not only were retail businesses and restaurants required close in many states across the country to support social distancing, they have often had to reopen to capacities that are 50% or less than pre-pandemic levels. Local, or independent, retailers have been hit particularly hard, with many having to shutter their doors as consumer spending and store traffic plummeted. It should be noted that some retailers, primarily grocery, pharmacy, and building supply stores that offer essential services, have fared well during this time.

On top of the direct closure impacts related to COVID-19, it is not disputed that consumer preferences were already shifting. COVID-19 has amplified trends that were already impacting retail, particularly as it relates to the influence of online shopping. Online shopping has increased rapidly since the beginning of March. As local economies reopen, brick and mortar sales will rebound. That can already be demonstrated in retail receipt indexes. However, online retailers will be positioning to sustain their newfound capture. Locations that offer experiential retail options will be well positioned to attract initial momentum during recovery from the COVID-19 pandemic.



Office

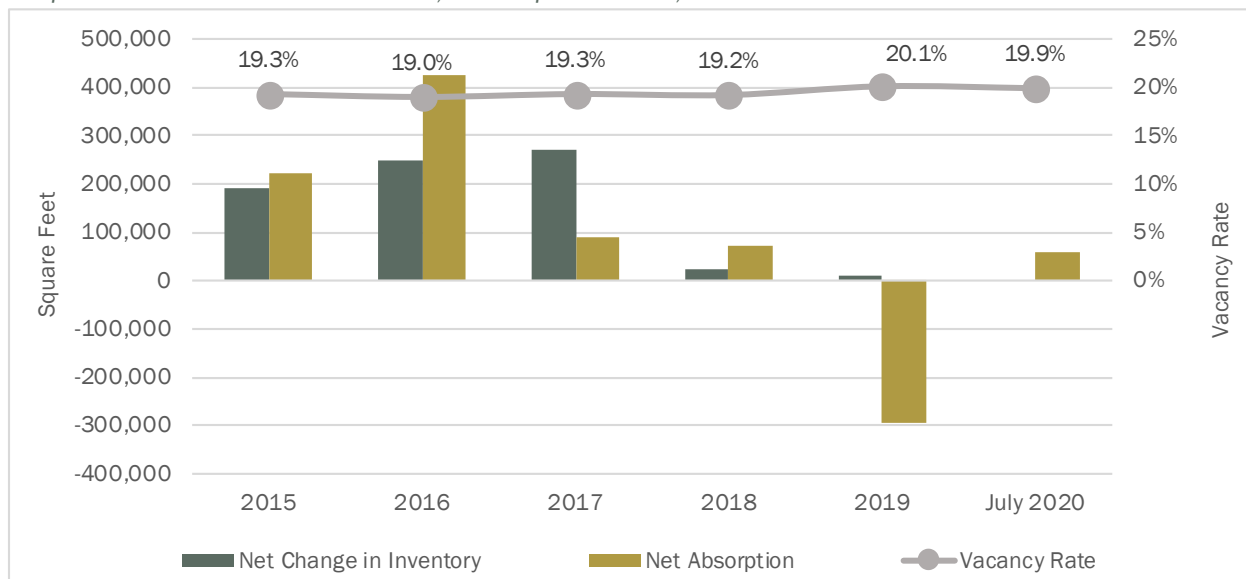
This section of this report presents office performance trends including completions, net absorption, vacancy and average rent per square foot for the Indianapolis region. Given Pendleton’s geographic location in the region, third-party data sources do not track this submarket in detail. To provide a sense of performance, a summary of competitive office product in and near the Market Area has also been prepared to determine current lease rates and occupancy.

Indianapolis Regional Performance

Given the extremely limited inventory of office space in Pendleton, performance trends for this sector are only provided for the larger Indianapolis region. Professional office space in the Market Area tends to align with services that focus on proximity to customers and can often co-locate with retail (insurance agencies, lawyers, etc.).

The Indianapolis region contained 33.5 million square feet of office space in 2020. The larger market reported a 19.9% vacancy rate for multi-tenant office space in July 2020, a slight decline from the 20.1% measure in 2019 (**Graph 22**). New construction activity has been minimal since 2017 with only 35,000 square feet completed since then. Overall, supply outpaced demand with an oversupply of 177,000 square feet between 2015 through July 2020.

Graph 22: Office Performance Trends, Indianapolis Market, 2015-2020



Source: REIS; Kimley-Horn

As shown in **Graph 23**, the average asking office lease rate for the Indianapolis market has steadily grown year-over-year since 2015. Rent growth continued, albeit marginally, from \$19.88 per square foot for the 2019 annual period to \$19.93 in July 2020. Overall, rent increased 8.7% since 2015.



Graph 23: Office Rent Trends, Indianapolis Market, 2015-2020



Source: REIS; Kimley-Horn

Representative Local Space





There is a limited offering of office product in the Market Area. Pendleton’s only Class A multi-tenant office building is in the northwestern quadrant of the I-69/SR 38 interchange on Corporation Drive. Over half of the building’s 120,000 gross leasable square feet is vacant. The largest tenant is GVC Mortgage. According to the owner of the building, a second anchoring tenant that offers financial services is looking at approximately 25,000 square feet in the building.

Outside the northeastern limits of Pendleton near the I-69 and SR 67/SR 9 interchange (Exit 222) is the Flagship Industrial Park. There are currently three office buildings with available space for lease, all of which were built between 1995 and 2006. The newest is the Anderson University Flagship Building, which is a 52,000-square-foot mixed-use educational facility with office and event space, as well as studio apartment units, and is leasing for \$21.00 per square foot. The older two buildings, Flagship Enterprise Center and 7311 Quality Circle, are multi-tenant one-story suburban office buildings that are leasing space for \$12.00 to \$12.50 per square foot.

Table 10 summarizes multi-tenant office developments located in Fishers to help provide an indication of local office performance.



Table 10: Representative Local Office Space, 2020

Description	Size/ Density	Average Rent/SF	Vacancy
 <p>Forum Corporate Center:</p> <ul style="list-style-type: none"> • 11313 USA Pkwy, Fishers • Built in 2004 • Class A • Typical floorplate: 26,598 SF • Access/visibility: I-69 	<p>155,500 SF</p> <p>0.32 FAR</p>	<p>\$19.32 PSF</p>	<p>0%</p>
 <p>The Bonn Building at Saxony:</p> <ul style="list-style-type: none"> • 13578 E 131st St, Fishers • Built in 2008 • Class A • Mixed-use commercial • Typical floorplate: 16,207 SF • Access/visibility: I-69 	<p>36,000 SF</p> <p>0.36 FAR</p>	<p>\$22.18 PSF</p>	<p>9.2%</p>
 <p>Two Concourse at Crosspoint Blvd:</p> <ul style="list-style-type: none"> • 10194 Crosspoint Blvd, Fishers • Built in 2014 • Class A • Typical floorplate: 26,598 SF • Access/visibility: I-69 	<p>133,121 SF</p> <p>0.54 FAR</p>	<p>\$24.50 PSF</p>	<p>4.7%</p>
 <p>CEDIA HQ:</p> <ul style="list-style-type: none"> • 8475 Nightfall Ln, Fishers • Built in 2018 • Class A • Typical floorplate: 3,827 SF • Access/visibility: I-69 	<p>63,910 SF</p> <p>0.30 FAR</p>	<p>\$25.17 PSF</p>	<p>49.2% (in lease-up)</p>

Source: REIS; Kimley-Horn

Office Demand Forecast

The office demand forecast for the Market Area is based on employment growth projected for the Indianapolis MSA through 2035. The employment forecast is used to project office demand by considering the types of jobs that would require new space. The employment forecast demonstrated a potential increase of 131,800 to 192,900 new jobs in the region over 15 years.

Between 2020 and 2035, the Indianapolis MSA is projected to have an increase of more between 61,374 and 64,604 office-occupying employees. Finance and Insurance, Professional and Technical Services, Management of Companies and Enterprises, and Real Estate and Rental and Leasing have the highest shares of office-occupying employment with shares ranging from 85% to 90%. **Table 11** demonstrates the shares applied to the various sectors and the resulting office-occupying job growth for the high growth scenario.



Table 11: High-Growth Scenario Office-Occupying Job Forecast, 2020-2035

Total Industry	Office Share	2020-2035 Δ			
		2020	2035	#	%
Forestry, Fishing, and Related Activities	5.0%	84	100	16	18.7%
Mining	5.0%	31	39	8	24.3%
Utilities	5.0%	251	279	29	11.4%
Construction	5.0%	2,617	3,014	396	15.1%
Manufacturing	5.0%	4,084	4,281	196	4.8%
Wholesale Trade	15.0%	6,591	7,223	631	9.6%
Retail Trade	5.0%	6,357	7,311	955	15.0%
Transportation and Warehousing	15.0%	3,430	3,950	520	15.2%
Information	40.0%	9,082	9,771	688	7.6%
Finance and Insurance	90.0%	48,585	58,035	9,450	19.4%
Real Estate and Rental and Leasing	75.0%	19,010	24,063	5,053	26.6%
Professional and Technical Services	85.0%	58,976	74,536	15,560	26.4%
Management of Companies and Enterprises	90.0%	2,268	2,363	95	4.2%
Administrative and Waste Services	65.0%	16,770	18,528	1,757	10.5%
Educational Services	15.0%	10,311	11,112	801	7.8%
Health Care and Social Assistance	30.0%	61,659	81,499	19,840	32.2%
Arts, Entertainment, and Recreation	10.0%	2,519	3,162	643	25.5%
Accommodation and Food Services	10.0%	8,781	10,372	1,591	18.1%
Other Services	15.0%	9,232	11,190	1,957	21.2%
Government	70.0%	31,179	35,597	4,418	14.2%
Total		301,818	366,422	64,604	21.4%

Source: Woods & Poole, Kimley-Horn

Office-occupying jobs in Healthcare and Professional and Technical Services could comprise approximately 55% of the total increase. Overall, office-occupying jobs could account for approximately one-third of all new jobs added in the MSA through 2035. The balance is heavily weighted towards service-sector industries, with a distinct focus on those serving travel and tourism, as well as Manufacturing, Construction, and Education.

Office-occupying jobs were estimated to project future demand for office space in the region. Long-established trends indicated that companies have been gradually seeking to more efficiently utilize space, demonstrating a declining amount of office space per employee. Given the uncertainties relate to COVID-19, this analysis uses a standard 225 square feet per employee and holds it constant over the forecast horizon.

The Indianapolis MSA is forecasted to add between 61,300 and 64,600 new office-occupying jobs between 2020 and 2035 depending on growth scenario. At an average space per employee of 225 square feet, this finding equates to demand of nearly 13.8 million square feet of new office space for the low-growth scenario and 14.5 million square feet for the high (Table 12). Additionally, it is important to account for vacant space to support inter- and intra-market moves. This analysis assumes an average vacancy rate of 15% to determine total net new office space demand, roughly consistent with the market-



wide measure. Applying this vacancy rate, the MSA could support 15.9 to 16.7 million square feet of new office space through 2035.

Table 12: Net New Office Space Demand, Indianapolis MSA, 2020-2035

Measure	Net New Office Demand (SF)	
	Low-Growth	High-Growth
Office-Occupying Jobs	61,374	64,604
Square Feet/Employee	225	225
Net Demand (Sq.Ft.)	13,809,183	14,535,982
Vacancy Rate	15.0%	15.0%
Net Office Space Demand	15,880,560	16,716,379

Source: Woods & Poole, Kimley-Horn

When considering an appropriate capture rate for the next 20 years, this analysis relies on the Study Area’s share of total office-occupying jobs when compared to the region. This analysis assumes that the Market Area could capture 1.5% of the forecasted regional demand under the low scenario and 3.0% for the high-growth scenario (Table 13). Based on these capture rates, the Market Area could generate demand for 238,200 to 501,500 square feet of net new office space over the next 15 years.

Table 13: Net New Office Space Demand, Market Area, 2020-2035

Measure	Net New Office Space Demand	
	Low-Growth	High-Growth
Indianapolis MSA Total	15,880,560	16,716,379
Capture Rate	1.5%	3.0%
Net Market Area Office Demand	238,208	501,491

Source: Woods & Poole, Kimley-Horn

COVID-19 and Office

As the COVID-19 pandemic began, many companies moved to a remote platform to allow for social distancing. For those companies that were able, allowing employees to work from home provided maximum flexibility to respond to the pandemic. However, industries are craving the benefits that come from idea sharing and collaboration that can only truly be realized through face-to-face interaction. It is certain that the office sector will not stay fully remote in the long-term.

While companies are highly likely to retain space to support collaboration, it is unlikely to return to the same format prior to the COVID-19 pandemic. Now that companies know that their employees can work remotely, it is expected that many will offer this as a benefit moving forward. The results in the longer-term may be a reduced amount of space that a company needs. Organizations had already been shrinking their space foot prints so they had less than one desk per person and the COVID-19 pandemic is likely to accelerate that. What makes this situation unique is that while companies were previously shrinking their space per employee, they now may seek more space per employee, but with fewer people occupying the office.



Industrial

The Indianapolis region has gained momentum in attracting a wide array of industrial uses, including research and technology, logistics and distribution, and advanced manufacturing. The region has drawn attention through accolades like: *Best City to Start a Business Right Now*, *Best City for Women in Technology*, and *Best City that is Secretly Great for Tech Grads*.

Technology employment in the Indianapolis region has increased by more than 14,500 jobs since 2010, and now comprises more than 7.0% of the total workforce. These new jobs have higher than average wages at more than \$70,000 annually on average and are estimated to contribute more than \$9.3 billion to the local economy. Future outlooks are strong with a 121% increase in job postings related to emerging technologies.

While a Brookings Institute report concluded that 90% of the tech sector's employment growth has been concentrated in five major metropolitan areas (Seattle, Boston, San Francisco, San Diego, and San Jose), the Indianapolis region maintained their share of tech jobs while many others experienced a decline. Much of the success in the region is attributed to home-grown entrepreneurs, representing 80% of the recent job growth. The region has been focusing on capitalizing on a favorable cost of doing business, affordable cost of living for employees, less traffic congestion, and a growing skilled labor force.

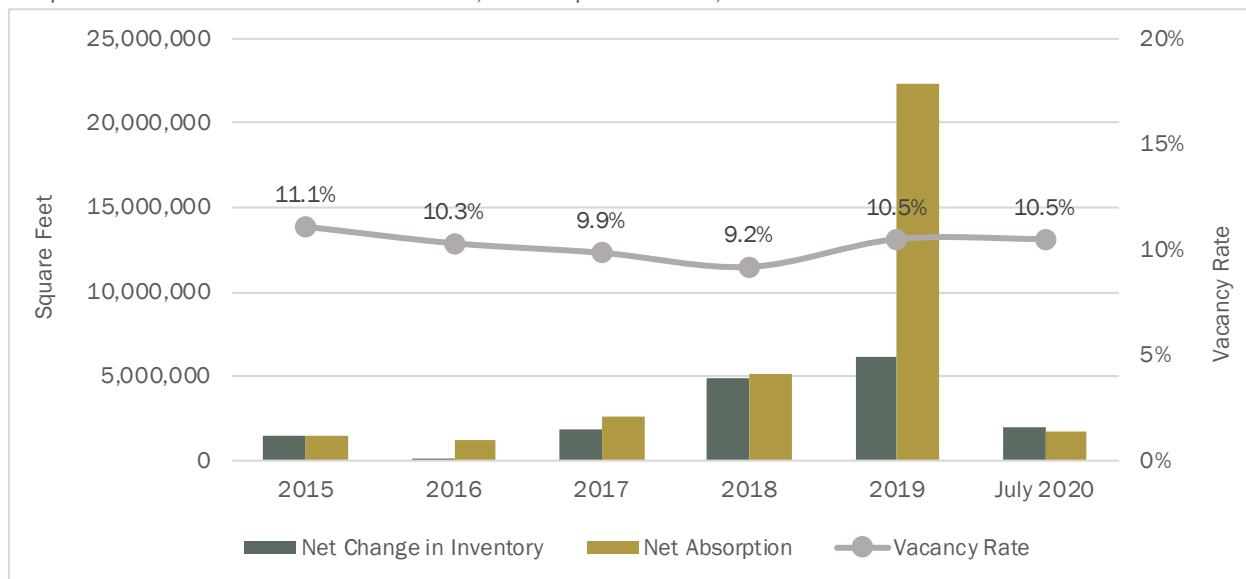
Indiana's Governor, Eric Holcomb, has established the *Next Level Agenda* (2019) with a focus on modernizing economic development to focus on jobs, growth, health, infrastructure, and government service. The five pillars of the initiative include cultivating a strong and diverse economy, maintaining state infrastructure, developing a skilled workforce, addressing public health and the drug epidemic, and delivering great government services to better serve citizens and businesses.

Indianapolis Regional Performance

As of July 2020, the Indianapolis region had approximately 182.4 million square feet of industrial space, including warehouse/distribution and flex space. Like other sectors, REIS only includes non-owner-occupied buildings in their inventory. Since 2015, industrial demand has outpaced supply, resulting in an overall undersupply of 18.3 million square feet. As shown in **Graph 24**, the vacancy rate for industrial space steadily declined from 11.1% in 2015 to 9.2% in 2018 before a modest uptick to 10.5% in 2019. Vacancy has remained stable in the first half of 2020.



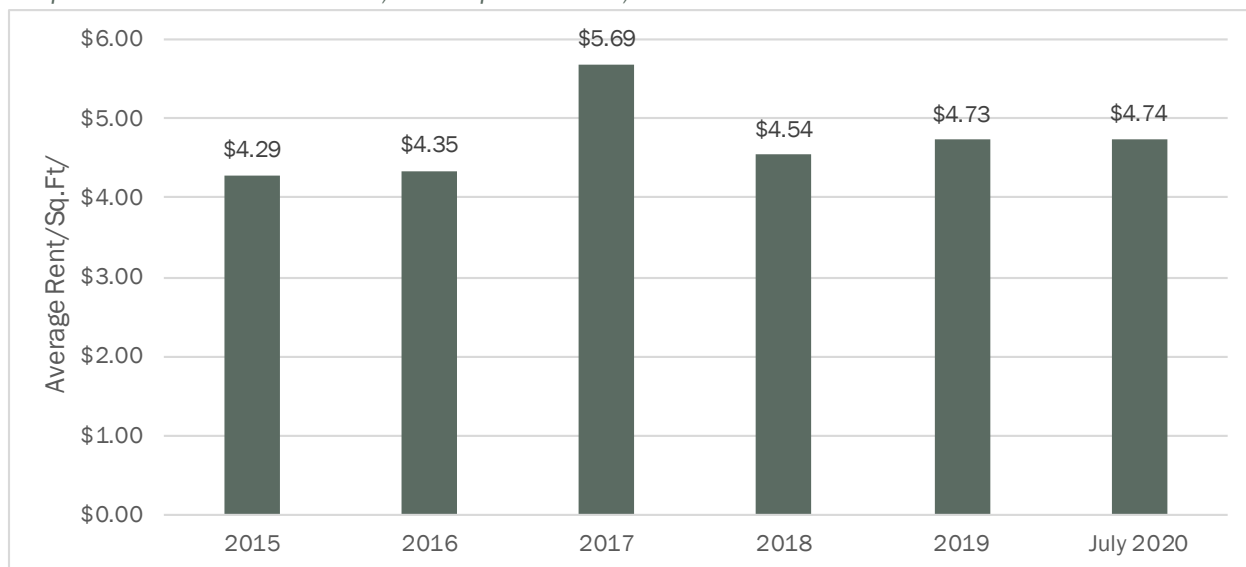
Graph 24: Industrial Performance Trends, Indianapolis Market, 2015-2020



Source: REIS; Kimley-Horn

Average lease rates for industrial space in the Indianapolis region reported an average rate of approximately \$4.74 per square foot in July 2020, holding steady at nearly the same rate reported for 2019 (Graph 25). Overall, the average lease rate increased 10.7% from \$4.29 in 2015.

Graph 25: Industrial Rent Trends, Indianapolis Market, 2015-2020



Source: REIS; Kimley-Horn

Representative Local Space

Indiana is one of the leading states in biopharmaceuticals, with one of the largest concentrations of biopharmaceutical jobs in the country and in the top five states for total sales and shipments of pharmaceutical products. Several of the state’s leading medical device manufacturers are based in Warsaw, Indiana, approximately 90 miles north of Pendleton. The pharmaceutical manufacturer, Eli Lilly, which is one of the state’s largest corporations, is headquartered in downtown Indianapolis and has satellite facilities Greenfield, Shadeland and Clinton. While there are several pharmaceutical and



biotechnology companies with facilities in the northeastern suburbs of Indianapolis, including along I-69 in Fishers, these uses have not yet gravitated north to Pendleton.

Although industrial momentum in Indianapolis has historically favored other corridors, development is now moving north along I-69, reaching Fishers. Fishers has experienced expansion in the industrial industry, particularly in the technology and research sectors. In April 2020, three technology firms announced expansions in Fishers that would add up to 225 jobs in the next four years, including a gene therapy lab, a digital marketing firm, and a Salesforce compliance contractor. Some of the expansion plans will be supported by tax abatements or credits approved by the City.

Fishers has also focused efforts on creating spaces for start-up technology companies through a co-working endeavor and incubator called the Indiana IoT (internet of things) Lab. This nearly 25,000-square-foot facility allows entrepreneurs to work on technology products that support Indiana's core economic development targets of agriculture, manufacturing, and logistics. The Lab opened in 2018.



Industrial Demand Forecast

Like office demand, light industrial forecasts for the Market Area are based on employment growth projected for the Indianapolis MSA through 2035. New industrial jobs in the region are based on shares of industrial-occupying employees by industry. These shares range from 0% for Financial Activities and Professional-focused Services to 90% for Manufacturing and Wholesale Trade.

To forecast the increase in office-occupying employment, industrial shares were applied to each industry projection for Madison County. Between 2020 and 2040, Madison County is projected to have an increase of more than 1,700 industrial-occupying employees under the low-growth scenario, equating to a growth rate of 2.4% (**Table 14**). Office-occupying jobs in Wholesale Trade is expected to represent 35% of the County-wide increase. Using a similar methodology, the 13,400 jobs forecasted under the high-growth scenario would result in the creation of 2,950 industrial-occupying jobs.



Table 14: High-Growth Industrial-Occupying Job Forecast, Indianapolis MSA, 2020-2035

Total Industry	Industrial Share	2020-2035 Δ			
		2020	2035	#	%
Forestry, Fishing, and Related Activities	5.0%	84	100	16	18.7%
Mining	5.0%	31	39	8	24.3%
Utilities	25.0%	1,254	1,397	143	11.4%
Construction	15.0%	7,852	9,042	1,189	15.1%
Manufacturing	90.0%	73,519	77,050	3,530	4.8%
Wholesale Trade	90.0%	39,547	43,335	3,788	9.6%
Retail Trade	10.0%	12,713	14,623	1,909	15.0%
Transportation and Warehousing	40.0%	9,147	10,533	1,386	15.2%
Information	65.0%	14,759	15,877	1,118	7.6%
Finance and Insurance	0.0%	0	0	0	0.0%
Real Estate and Rental and Leasing	0.0%	0	0	0	0.0%
Professional and Technical Services	0.0%	0	0	0	0.0%
Management of Companies and Enterprises	0.0%	0	0	0	0.0%
Administrative and Waste Services	15.0%	3,870	4,276	406	10.5%
Educational Services	5.0%	3,437	3,704	267	7.8%
Health Care and Social Assistance	5.0%	10,276	13,583	3,307	32.2%
Arts, Entertainment, and Recreation	5.0%	1,260	1,581	321	25.5%
Accommodation and Food Services	5.0%	4,390	5,186	796	18.1%
Other Services	10.0%	6,155	7,460	1,305	21.2%
Government	5.0%	2,227	2,543	316	14.2%
Total		190,522	210,326	19,805	10.4%

Source: Woods & Poole, Kimley-Horn

Forecasted industrial-occupying jobs have been used to estimate square footage demand for the Indianapolis MSA. Estimates for industrial demand are based on an average of 600 square feet per employee. Square feet per employee estimates vary from 300 square feet to 1,000 square feet, depending on use. Typically, Manufacturing and Wholesale Trade sectors require the most industrial space per employee.

The Indianapolis MSA is forecasted to add between 17,400 and 19,800 new industrial-occupying jobs between 2020 and 2035 depending on growth scenario. At an average space per employee of 600 square feet, this equates to demand of nearly 11.5 million square feet of new industrial space for the low-growth scenario and 13.0 million square feet for the high (Table 15). Additionally, it is important to account for vacant space to support inter- and intra-market moves. This analysis assumes an average vacancy rate of 10% to determine total net new industrial space demand, roughly consistent with the market-wide measure. Applying this vacancy rate, the region could support 11.5 to 13.1 million square feet of new industrial space through 2035.



Table 15: Industrial Demand Forecast, Indianapolis MSA, 2020-2035

Measure	Net New Ind. Demand (SF)	
	Low-Growth	High-Growth
Industrial-Occupying Jobs	17,428	19,805
Square Feet/Employee	600	600
Net Demand (Sq.Ft.)	10,456,878	11,882,816
Vacancy Rate	10.0%	10.0%
Net Industrial Space Demand	11,502,566	13,071,098

Source: Woods & Poole, Kimley-Horn

When considering an appropriate capture rate for the next 15 years, this analysis considers the Market Area’s share of total industrial-occupying jobs when compared to the region. Additionally, it considers the transportation accessibility, land availability, and access to labor force. This analysis assumes that the Market Area could capture 7.5% of the forecasted regional demand under the low scenario and 10.0% for the high-growth scenario. Based on these capture rates, the Market Area could generate demand for 862,700 to 1.3 million square feet of net new industrial space over the next 15 years (Table 16).

Table 16: Light Industrial Demand Forecast, Market Area, 2020-2035

Measure	Net New Industrial Space Demand	
	Low-Growth	High-Growth
Indianapolis MSA Total	11,502,566	13,071,098
Capture Rate	7.5%	10.0%
Net Market Area Industrial Demand	862,692	1,307,110

Source: Woods & Poole, Kimley-Horn

COVID-19 and Industrial

Light industrial development, particularly warehouse and distribution space, has been bolstered by the COVID-19 pandemic, largely driven by the increase in online shopping as brick and mortar retailers closed. Pre-pandemic, the light industrial sector had been experiencing strong growth as people sought to obtain their online orders quicker and distribution companies competed to address last-mile distribution gaps. This trend is expected to continue in the short- and long-term.

Hospitality and Tourism

There is limited data available on the performance of the hotel market in the Market Area. There is only one small cluster of hotel properties on the northeastern edge of the Market Area at the interchange of I-69 and SR 109 in Anderson. The properties represent a range of limited services facilities that primarily target highway travelers for brief one- to two-night visits. The highest average daily rates are achieved by the Best Western Plus, a Fairfield Inn and Suites, and a Holiday Inn Express. Other properties in this node have lower ranges, well below \$100 per night.



Madison County

According to the Anderson/Madison Visitors Bureau, Madison County ranks #18 of the 92 counties across the State of Indiana for tourism spending by visitors. Overall tourism in the County has a \$19.8 million economic impact, an increase of 4.3% in the last year. There are more than 3,000 jobs across the County that directly support tourism with approximately \$54.4 million in total wages.

Hamilton County

An economic impact study prepared by Rockport Analytics, indicated that tourism resulted in \$820.1 million in spending in 2017 for a total economic impact of \$547.1 million. For every tourism dollar spent in Hamilton County in 2017, \$0.67 remained local and contributed to the gross county product. Annual tourism spending increased by 11.1% between 2016 and 2017, well above the 3.7% increase for the State of Indiana and the 3.8% increase for the region.

Future Market Area Demand

Hospitality demand is impacted by a number of user types, including business travel, group reservations, and tourism. For this analysis, increases in business travelers was the key metric used to determine demand, holding room reservations by the other key user segments constant. The other metrics are expected to increase at a comparable rate to business travel, supporting the demand forecasted through this analysis. The potential for hospitality at the interchange will be directly related to the growth and momentum that occurs.

Employment forecasts were leveraged to determine the potential increase in 12 key sectors that most commonly generate business travel. Then, based on the current number of hotel rooms per employee in these sectors, the same rate was carried forward into the future. The rate was unchanged because current occupancy and room rates indicate that the market is healthy, and the industry is reacting by delivering new product to meet growing demand. Based on this methodology, it is estimated that the Market Area could support between 250 and 500 hotel rooms over the next 15 years. Assuming an average 100-to 150-room property, this equates to approximately two to five new hotels through 2035.

COVID-19 and Hospitality

Hospitality is inarguably one of the most impacted real estate sectors through the COVID-19 pandemic. According to the American Hotel & Lodging Association (AHLA) nearly nine in 10 hotels have been forced to lay off or furlough employees during the pandemic. As part of a survey of major hotel chains, AHLA found that more than half of the 600 owners that responded indicated that they were in danger of losing their property to foreclosure by commercial real estate lenders.

National real estate research firms forecast that recover for the hospitality industry could extend well into 2023 as travelers and businesses slowly regain confidence in safe movement around the country. The summer months brought some limited relief to well-located hotels located in high-tourism markets as people began to seek out weekend travel. Economy hotels are also expected to have a smoother recovery, targeting customers that have had limited interruptions to their daily lives like truck drivers and extended-stay guests. Professional business travel may never fully recover to pre-COVID levels as corporations have pivoted to virtual meetings.







Ultimately, travel will return, but recovery in the hospitality industry is expected to take longer than in other real estate sectors and will vary dramatically across segments. Hotel chains will have to make notable improvements to heighten the level of hygiene and flexibility to meet customer expectations.



Future Demand Summary

Based on demand forecasts for the various real estate sectors, the Market Area could support a variety of land uses through the 15-year planning horizon. Demand is most heavily weighted towards residential and industrial opportunities in the short-term. The success of future retail and office development hinges on bringing more residents to the area to increase rooftops and consumer spending potential. Likewise, hospitality will also be dependent on the success in attracting other land uses to the area.

15-Year Real Estate Demand Summary for the Market Area (rounded)

	 SINGLE-FAMILY	 MULTIFAMILY	 RETAIL	 OFFICE	 INDUSTRIAL	 HOSPITALITY
Low-Growth	2,220 units	550 units	666,000 SF	238,200 SF	862,700 SF	250 KEYS
High-Growth	3,950 units	1,000 units	914,000 SF	501,500 SF	1.3 M SF	500 KEYS



STUDY AREA OPPORTUNITIES

This section outlines key opportunities for the I-69 Interchange Study Area, including captures of Market Area demand and development patterns. This information will be closely considered during the conceptual master planning phase to create a vision for the area that is based in market reality.

Residential

The Study Area offers a strong opportunity for Pendleton to introduce a mixed-use development pattern, which should include a wide variety of residential components. The addition of new residential units in Pendleton will help increase visibility for a wider array of land use types, particularly those that are focused on proximity to customers and labor force. Increasing the residential base will be key to unlocking opportunities in other sectors.

Single-Family

Residential units of all types, tenures, and price points should be incorporated into the Study Area. Density can be used to successfully buffer existing housing from higher intensity uses that develop in the future. Given the size and scale of the Study Area, coupled with accessibility and visibility, approximately 40% of the Market Area residential single-family demand could be accommodated in the area. While the I-69 Interchange Study Area presents a key opportunity for higher-intensity development, single-family residential units offer a land use that can scale and buffer existing uses. Based on the 40% capture of the Market Area demand, the Study Area could support 888 to 1,579 single-family units over the next 15 years.

The Town of Pendleton has indicated a focused interest in attracting executive-level housing. This would be appropriate given the comparatively higher median household income in the Town of Pendleton when compared to other geographies, including the Market Area, County, and Indianapolis MSA. Households earning more than \$100,000 annually comprise nearly 20.0% of the total in 2020. The majority of the household growth over the next five years will be in households earning over \$50,000 annually, with most of that focused on those earning \$100,000 to \$200,000, resulting in measured demand for executive level housing, with price points over \$350,000.

The following graphic demonstrates development opportunities for Study Area by real estate sector. Sectors that are “cold” are either not an appropriate for the area on access, visibility, established densities, and land use pattern, will require a longer planning horizon than the 15-year analysis period, or would likely require incentivization. Sectors identified as “hot” will naturally gravitate to the Study Area within the planning timeframe and are likely to be driven by private investment.



Development of single-family residential units in the Study Area would be competitive in all four quadrants, largely leveraged as a buffer between existing residential product and future non-residential opportunities. The northwestern and southwestern quadrants of the interchange will both be highly competitive for single-family product, tying new development with existing neighborhoods. Single-family would be appropriate in the northeastern quadrant (hosting the Advanced Manufacturing & Technology District) as a buffer to existing residential north of Old SR 132. Additionally, the southeastern quadrant (referred to as the Health & Wellness District) could be attractive for age-targeted residences.



Multifamily

Multifamily residential represents a strong development opportunity for the Study Area. The Market Area is forecasted to support between 555 and 987 multifamily residential units over the next 15 years. Given the superior visibility that the Study Area offers, as well as easy access to I-69 to both Indianapolis and Muncie, the Study Area should be able to capture approximately 65% of the Market Area demand. This would equate to demand of approximately 360-650 total multifamily units. Based on typical multifamily community sizes, this equates to two or three projects over the next 15 years.

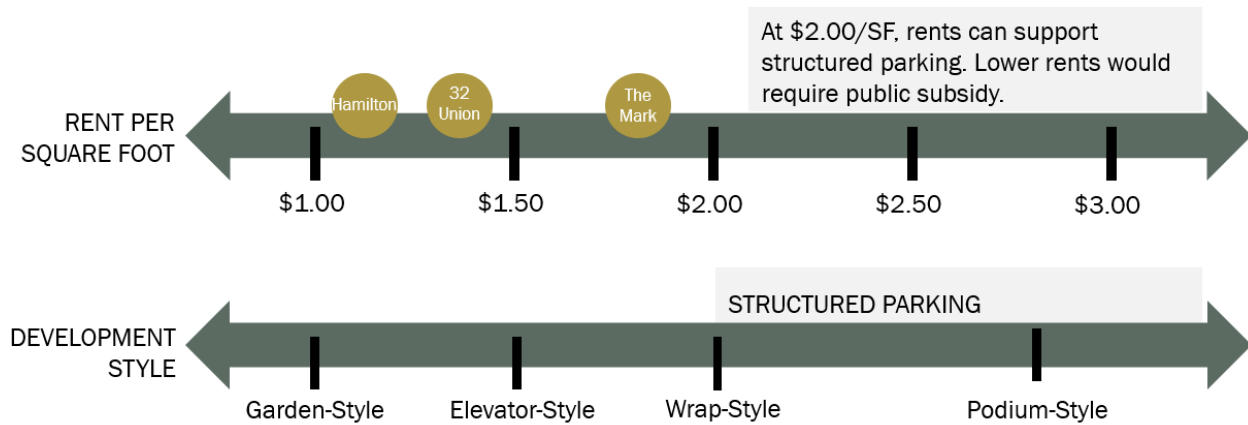


Multifamily development in the Study Area will likely be attracted to three of the four interchange quadrants. First, multifamily would be a successful component to a mixed-use land use pattern in the northwest quadrant, referred to as the Keystone Development District on the Master Plan. The potential for a mixed-use land pattern in a portion of the Study Area has been a stated goal for the Town of Pendleton. While there is no defined formula for successful mixed-use, a strong residential component typically is the initial driver, followed later by recreation uses, then commercial development in the form of retail, dining, entertainment, and employment. In some cases, the mixed-use core could be a small neighborhood-serving retail center supported by a variety of residential uses, and in others the mixture may be more balanced.

Not only do most indicators suggest that demand for mixed-use, both suburban multi-use developments and vertically integrated urban product, will continue, existing projects are supporting price point premiums and higher than average occupancy rates. This has driven a surge in domestic and international investment in this development pattern. Enhanced investment is likely to continue to drive development of mixed-use neighborhoods throughout the 15-year analysis period.

Other nodes of multifamily would be attracted to land in the northeastern quadrant, adjacent to the Advanced Manufacturing & Technology District, as well as the southwestern quadrant, offering proximity to the Health & Wellness District. It should be noted that multifamily developed as part of the Health & Wellness District could have an age-restricted focus to it. Much of the population growth in the Market Area has been focused on residents over the age of 55. Multifamily options that cater to an older resident base would provide existing residents with a wider range of housing allowing them to age in place.

As Pendleton has limited market-rate product, initial developments will likely gravitate to more traditional two- to three-story garden-style communities. Achievable lease rates will prohibit high-intensity projects with structured parking in the short-term, so high priority catalyst sites should be reserved for this format as more housing diversity is achieved. As noted in the multifamily performance section, there are communities in Fishers that have been able to successfully incorporate structured parking in mixed-use projects, most recently The Mark. This project is achieving the highest rents in the area, ones that are in the range to support structured parking.



Retail

Retail is currently undergoing a significant evolution based on a macro-level shift in shopper preferences, as well as changes to how goods are viewed and delivered. The significance of online shopping is an influencer in how retail is changing across the United States. However, while online sales have grown significantly in the last 15 years, most non-grocery sales still take place in stores. Recent research shows that many customers shop and compare online but make final purchases in stores. It is projected that online sales will reach \$500 billion by 2020, or about 20% of all non-grocery purchases. The COVID-19 pandemic has only accelerated these trends.

As demonstrated by a continued constraint on new completions in the region, investment and development opportunities for retail are still slow, ranking the lowest of all major sectors nationally. Performance of retail centers varies widely, depending on product type and location. In fact, per an annual survey administered by Urban Land Institute for the Emerging Trends in Real Estate report, retail located in a downtown or urban core location generates strong confidence for developers, investors, and lenders largely due to higher than average lease rates and low vacancies. Other retail sectors demonstrating strong performance include grocery anchored neighborhood centers and lifestyle/entertainment centers. Two of the three top center types reflect a movement towards mixed-or multi-use development patterns. Enclosed malls and unanchored centers, however, continue to show declines.

The Market Area is generally underserved in retail, with consumer spending exceeding local sales. This indicates that customers are traveling outside the area to access retail goods and services and aligns with feedback received from local Pendleton stakeholders.

This analysis forecasted Market Area demand for approximately 665,900 to 913,700 square feet of retail space over the next 15 years. Retail developed in the Study Area would likely be either highway-oriented uses seeking to capture customers traveling on I-69 or experience uses capitalizing on momentum of new integrated development over time. Given the site's location immediate access to major transportation corridors and associated superior visibility, this analysis assumes a 25% to 30% capture of the Market Area retail forecast for the 15-year planning horizon. This equates to future demand of approximately 150,000 to 250,000 square feet. The future square footage would likely be divided between free-standing, single-use outparcel retail, anchored shopping centers and smaller-scale in-line suites.



Retail opportunities in the Study Area are likely to be limited in the short-term. However, as additional residential units come online, retail providers will be attracted to the area to serve new residents. While the retail market is unquestionably in flux, keeping up with technological delivery changes, brick and mortar stores still comprise most of all retail dollars spent. While this number has declined in recent years, the importance of store fronts and in-person shopping is expected to continue to be important with the most notable change focusing on retailer improvements to multi-platform marketing and accessibility. New retail development in the Study Area will most likely gravitate to the area designated Future Keystone Development District, located on the westside of I-69. This area offers visibility to two thoroughfares, as well as accessibility to an interstate.

Office

Office space located in well-designed suburban mixed-use projects or near urban central business districts have achieved success in attracting talent-seeking companies and young, educated workers. Attractive office space typically is close to cafes, restaurants, retail shops, personal and business services, hospitality, and civic uses. Premier locations are compact, walkable places near housing and retail goods and services. Tenants expect their employees to be more satisfied in places that offer diverse, connected land uses. As a result, these companies anticipate higher productivity, less turnover, and more innovation.

The Market Area has experienced little new office development in recent years. From a financing perspective, existing vacant office space would have to demonstrate leasing momentum to increase the attractiveness of an investment in new office development in the Market Area. Even with a mixed-use land use pattern in portions of the Study Area, office would be a longer-play than other land uses. Likely requiring an improvement in the Market Area dynamics, and established uses completed.



The Market Area is forecasted to have ten-year office demand of approximately 238,200 to 501,500 square feet. The Study Area offers a large-scale development option with easy access between Indianapolis and Muncie. Given the optimal site attributes, the Study Area could capture approximately 50% of the total Market Area demand, equating to approximately 120,000 to 200,000 square feet over 15 years. As previously noted, office space will likely gravitate to the area on the backend of the forecast period as other uses have gained traction.

The forecasted presented in this analysis represent demand based on organic office-occupying employment growth. Large scale corporate campuses are difficult to forecast given the drop-in nature of site selection for owner-occupied users. It is possible that a partnership with local economic development agencies could elevate the site from a visibility perspective for these larger users. Envisioned as a future mixed-use opportunity, the Keystone Development District in the northwestern quadrant of the interchange, would be attractive for office development in the future. Large-scale office development will likely represent a longer-term target for the Study Area. Reserving the Keystone Development District for office users will ensure land availability in a strong location when this land use becomes ripe.



Industrial

Industrial demand could be driven by a wide variety of end-users; however, the type of development would influence the potential for the site to offer integrated land uses. Nationally, industrial and manufacturing spaces are getting a new reputation with the increase in advanced technology and the increased use of robotics. The historic image of ‘dirty’ factories is evolving towards facilities that rely heavily on research and technology. This new branding is being leveraged to attract top talent and is critical as many experts agree there is a current skills gap in manufacturing, which could result in two million unfulfilled jobs in this sector by 2025. It should also be noted that many manufacturing facilities are now leveraging data centers to help with management of technology, “smart” machinery, and analytics, creating the potential for clustering in areas with concentrations of these types of facilities. This new trend can also result in a decline in the number of employees users host on-site. A focus on this type of user was deliberately considered in the Master Plan for the Study Area, targeting the northeastern quadrant for Advanced Manufacturing and Technology users.

Flexible workspace is also a growing sector allowing for a combination of professional office space and warehousing, manufacturing, or distribution space in one building. This product type would be most conducive to integration with other land use types in the Study Area. Tenants would likely be involved in research, development, or technology, and are typically willing to pay more per acre for well-located land that has strong access to skilled labor. As more high-tech manufacturing and research companies locate in the region, the I-69 corridor will likely continue to grow in momentum for attraction of this sector.

Retailers and other warehouse occupiers are growing distribution center footprints nationally, seeking locations near urban centers that have high concentrations of people. Seeking to enhance customer service, companies are opting for locations near urban cores that can help facilitate rapid deliveries or even same-day services. Operations located within the 20-mile ring of major cities typically handle fast-moving, high-cost and time-sensitive products like mobile phones and groceries, while those located more than 75 miles outside of those areas tend to be “big box” distribution or fulfillment centers that handle slower moving, lower cost, less time sensitive products like furniture and discount apparel. Users in this segment are constantly balancing land price with access to skilled labor and accessibility to major transportation infrastructure, including ports and airports. Land in and around the Falls Pointe Business Park in the southeast quadrant of the interchange offers a strong consideration for these users.

The Market Area is projected to have demand for approximately 862,700 to 1.3 million square feet of demand for industrial users through 2035. Given the location, the Study Area could capture approximately one-third of the Market Area demand forecast, equating to 285,000 to 430,000 square feet of space. Any flex buildings on the site should have a modern design and two stories in height with a 20,000 to 25,000 square foot floorplate.



Current real estate indicators suggest that industrial development could be a short-term play for the Study Area, particularly if assisted with proactive marketing by local leadership and economic development agencies. This is influenced by growing momentum in the region and along the I-69 corridor, as well as reasonable land prices which could be attractive to many industrial tenants, particularly warehousing and distribution facilities. Land in the northeastern quadrant of the interchange, referred to as the Advanced Manufacturing and Technology District, would be supportive of development with this focus, often offering higher average wages and seeking locations with access to skilled labor. Additional



industrial space will also gravitate to the land around the existing Falls Pointe Business Park in the southeast quadrant of the interchange.

Hospitality

Hospitality represents long-term development potential for the Study Area. Momentum will likely be experienced in most other sectors before hospitality becomes a viable use at the interchange. Hotel quality levels are generally determined by the depth and sustainability of support from available market segments. In areas with lower spending potentials or more price-sensitive consumers, market potentials may be best met by a limited-service property. Conversely, areas with higher spending potential or a large tourism draw would be attractive for a higher-priced hotel category or destination resort.

The Market Area has a limited supply of hospitality offerings focusing almost entirely on limited-service and affordable options. Based on the potential increase in employment that would generate business travel and holding leisure travel and tourism to grow at a similar rate as currently demonstrated, the Market Area could support approximately 250 to 500 new hotel rooms over the next 15 years. At an average size of 100 rooms, this equates to two to five new facilities.

The Study Area could be an attractive location for limited-service hotel options in the long-term. Demand in this sector will be driven by an increase in residential rooftops, as well as growth in the employment sectors, including office and industrial space. In total, Study Area could capture one-third of the total hotel demand for the Market Area, or between 100 and 250 rooms over the next 15 years.



As more of the land around the I-69/SR 38 interchange develops, demand for a hotel will increase. A limited service hotel, targeting a mixture of highway travelers, future employees, and residents would likely be the first to enter the market. However, as development increases and intensifies, particularly in the Keystone Development District, it is possible that a full-service hotel offering could be appropriate in the long-term. A full-service hotel would be dependent on the development of large-sale employers or a successful integrated mixed-use project.



Kimley»»Horn

