

CSX

Indianapolis

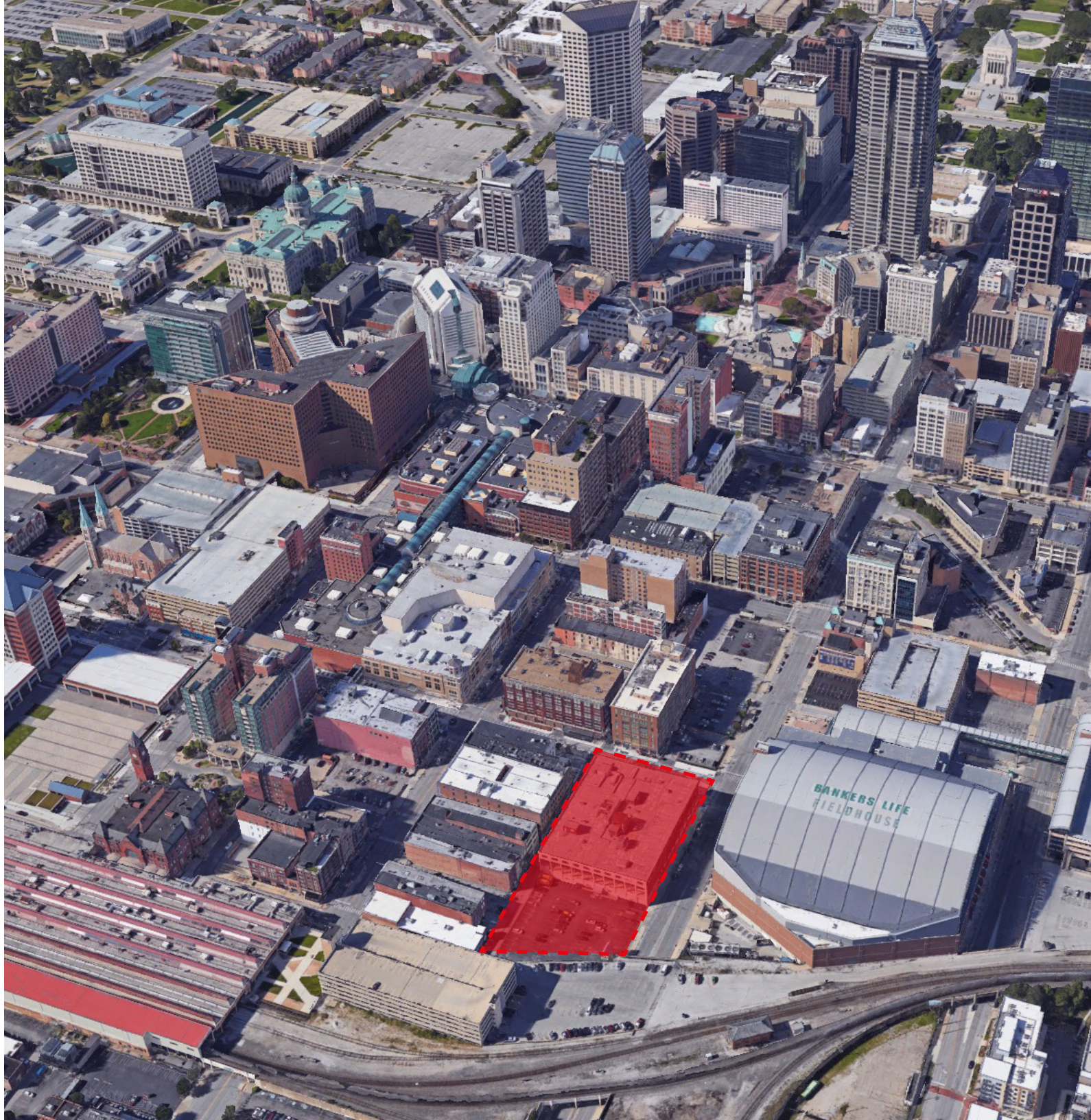
230 South Pennsylvania Street
Indianapolis, IN

**CONFIDENTIAL
OFFERING
MEMORANDUM**

*196,407 SF
Office Building
1.89 Acre Site*



Jones Lang LaSalle Americas, Inc. ("JLL")



CSX

Indianapolis



- 06 *The Offering*
- 10 *Property Overview*
- 14 *Area Overview*
- 18 *Market Overview*
- 26 *Sales Comparables*



Contact *Information*

Primary Sales Contacts

Scott Miller

Senior Managing Director
+1 312 228 2266
scott.miller@am.jll.com

John Robinson

Managing Director
+1 317 810 7172
john.robinson@am.jll.com IN
License #: RC50900387

Jack Hubbard

Analyst
+1 312 228 2249
jack.hubbard@am.jll.com

Aidan Cozzi

Analyst
+1 312 228 3276
aidan.cozzi@am.jll.com

DISCLAIMER

Jones Lang LaSalle Americas, Inc. or its state-licensed affiliate ("JLL") has been engaged by the owner of the properties to market them for sale. Information concerning the properties described herein has been obtained from sources other than JLL, and neither Owner nor JLL, nor their respective equity holders, officers, directors, employees and agents makes any representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all reference to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a purchaser. JLL and owner disclaim any liability that may be based upon or related to the information contained herein. Prospective purchasers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change. The Property may be withdrawn without notice. If the recipient of this information has signed a confidentiality agreement regarding this matter, this information is subject to the terms of that agreement.
©2021. Jones Lang LaSalle IP, Inc. All rights reserved.

CSX

Indianapolis





salesforce

BMO

TANAS LIP
FIELDHOUSE

EXECUTIVE SUMMARY



THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”) has been exclusively engaged to market the 196,407 square foot office building and adjacent parking lot. The site sits in Indianapolis’s vibrant downtown, just three blocks from Monument Circle and across the street from Bankers Life Fieldhouse.

Investment Highlights

- ▶ **Located on festive Georgia Street pedestrian mall:** Adjacent Georgia Street was “The Village” for Super Bowl XLVI. Georgia Street spans four blocks and is bookended by the Indiana Convention Center at the west end and the Bankers Life Fieldhouse at the east end. The festival streetscape includes a wide pedestrian-friendly central median with attractive landscaping, lighting, historic signage, seating areas, shading and pavers.
- ▶ **Booming development market:** More than 2,000 residential units are in planning or under construction for downtown, and \$754 million was invested in the 1.2 million square foot Eskenazi Hospital which opened in Dec. 2013.
- ▶ **Renovation and redevelopment opportunities:** The CSX site contains both an existing 5-story structure which can be repurposed and a parking lot which presents a clean slate for development
- ▶ **Diverse economy:** Anchored by eight Fortune 1,000 companies, the Indianapolis economy is home to a strong base of major corporations including Eli Lilly and Company, Roche Diagnostics, DOW AgroSciences, Anthem Inc., Simon Property Group, Salesforce, OneAmerica, and Rolls-Royce. Known as a major pharmaceutical and healthcare hub, Indianapolis has recently emerged as a diversified economy with a rapidly growing tech sector.

PROPERTY SUMMARY

Address	230 S. Pennsylvania Street Indianapolis, IN
Land Area	1.89 acres
Floor Area (SF)	
1st Floor	39,551
2nd Floor	36,203
3rd Floor	36,868
4th Floor	37,682
5th Floor	46,103
Total	196,407 SF
Construction	5 FI+B; concrete Type I or II; 10’6” floor-to-slab; columns 19’ OC
Year Built	1923
Parking	110 surface spaces
Parcel Numbers	49-11-12-238-024.000-101 49-11-12-238-022.000-101 49-11-12-238-023.000-101
Zoning	<ul style="list-style-type: none"> • Industrial 3 RC (I-3 RC) • Union Station – Warehouse Historic District (improved portion of site)
Use	CSX offices



STATE CAPITAL

MONUMENT CIRCLE

CIRLCE CENTRE MALL

GEORGIA STREET

CSX

BANKERS LIFE FIELDHOUSE

LILLY RESEARCH LABORATORIES



CSX

Indianapolis





salesforce

BMO

TANAS LIP
FIELDHOUSE

PROPERTY OVERVIEW



PROPERTY OVERVIEW

Existing Zoning

PRIMARY ZONE: INDUSTRIAL 3

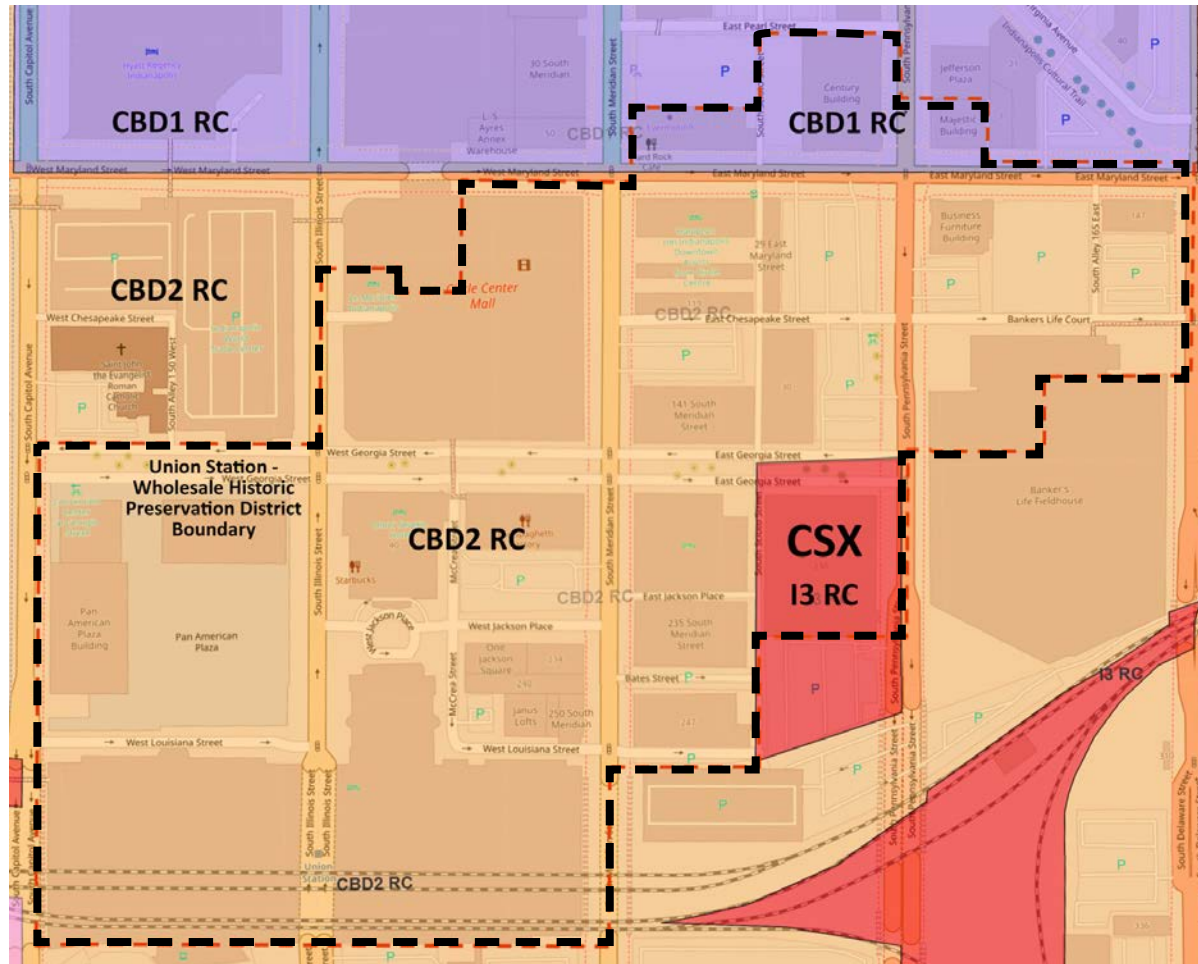
- ▶ The CSX property is zoned Industrial 3 (I-3); this is considered the primary zone.
- ▶ The surrounding area is substantially zoned as Central Business District 2 (CBD -2).

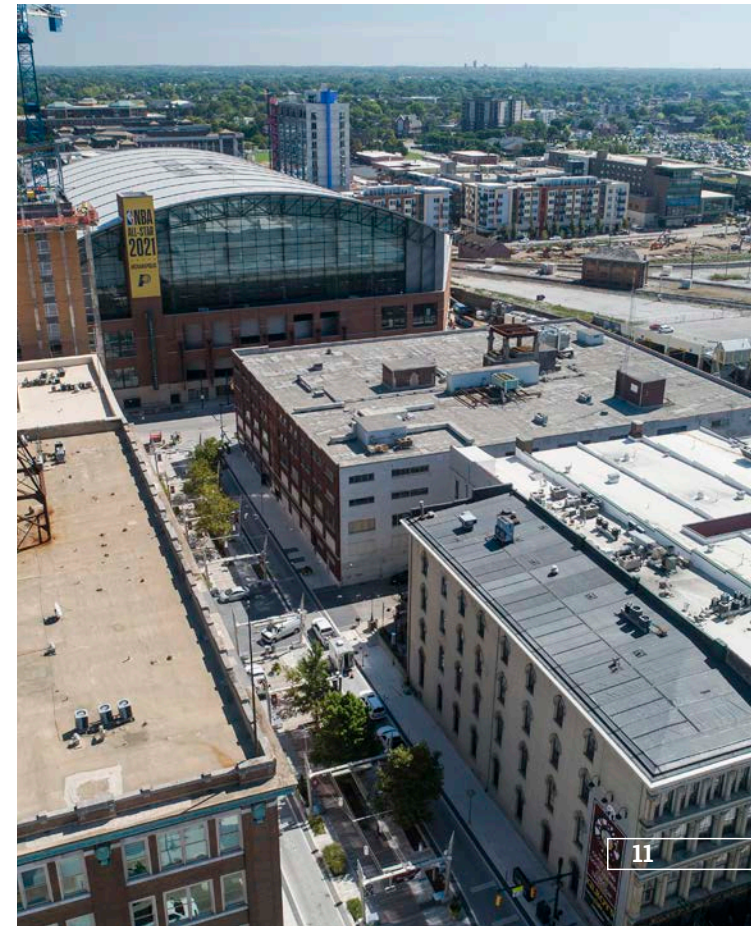
SECONDARY ZONE: REGIONAL CENTER

- ▶ The Regional Center (RC) zone encompasses the entire downtown area including the CSX property.
- ▶ Parcels located within a locally designated historic preservation area are exempt from the provisions of the RC zone.

OVERLAY DISTRICT: UNION STATION - WHOLESALE HISTORIC PRESERVATION DISTRICT

- ▶ The CSX building was built in 1923. Originally known as the Indiana Terminal Warehouse, it was designed by Rubush & Hunter for Terminal Building Corporation.
- ▶ The Union Station – Wholesale District is listed on both the state and national historic register. The CSX building contributes to the district but is not individually listed on either the state or national registers.





Uses*	Current Zone	Surrounding Zone
Primary Zone	I-3	CBD-2
Secondary Zone	RC	RC
Multifamily		P
Medical/dental offices		P
General offices	V	P
Consumer services	P	P
Eating establishment		P
Indoor recreation		P
Night club		P
Hotel		P
Department store		P
Grocery store		P
Retail, light	A	P
Retail, heavy		P
Auto sales		P
Auto sales and repair	P	
Heavy equipment sales	P	
R&D (all types)	P	
R&D (life sciences, IT, logistics)	P	P
Parking garage	A	P
Light manufacturing	P	P
Medium manufacturing	P	
Heavy manufacturing	S	
Printing services	P	P
Processing food and beverages	P	
Mini warehouses	P	
Warehouse/distribution	P	P

* Most common uses listed

Redevelopment Opportunity

- ▶ The CSX property is zoned Industrial 3, however the entire surrounding area is zoned CBD-2.
- ▶ It is JLL's opinion that the existing industrial zoning creates the potential for conflict between industrial uses and the various uses permitted in the surrounding CBD-2 zone which includes residential, retail, and office uses.
- ▶ Proposed Land Use – The Indianapolis Regional Center Plan 2020 includes the CSX site in an area designated for high density mixed use. The Wholesale District Historic Area Plan recommends rezoning of the Industrial 3 zone to CBD-2. These planning recommendations set the stage for rezoning the CSX site to the mixed-use CBD-2 zone.
- ▶ The Metropolitan Development Commission frequently votes on re-zoning petitions.

P = Permitted use

S = Special exception use

V = 'P' if Vacant for 5 consecutive years

A = Accessory use

Not permitted

CSX

Indianapolis





salesforce

BMO

Centier

TANAS LIP
FIELDHOUSE

AREA OVERVIEW



AREA OVERVIEW

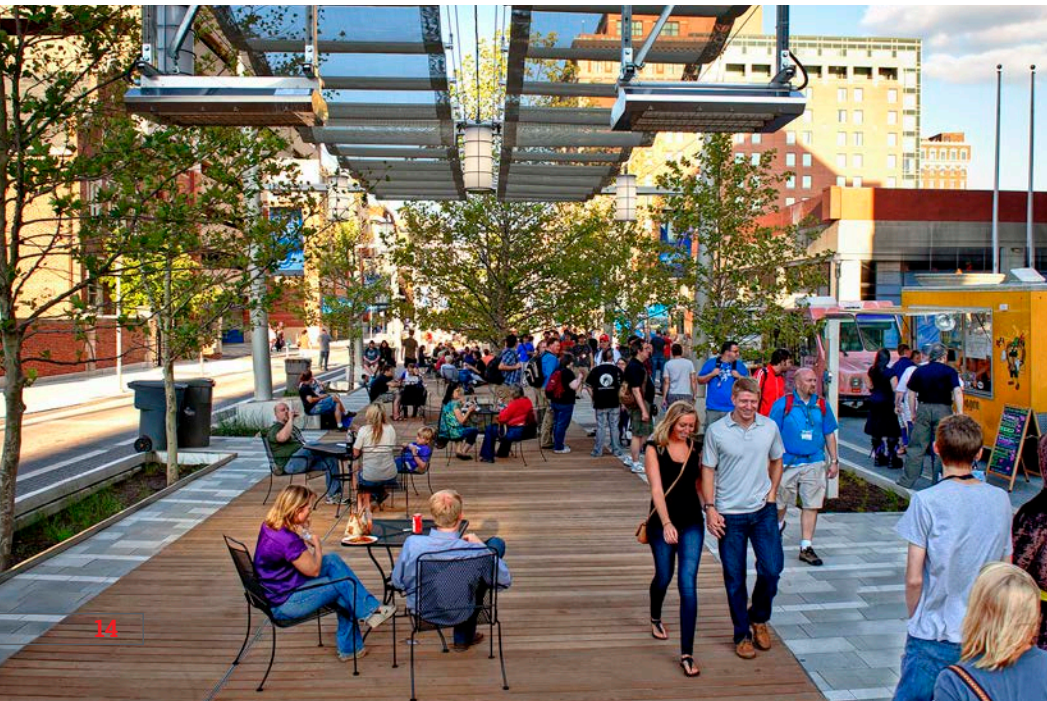
Georgia St. / Circle Center Mall

The CSX property is located on the corner of Georgia Street and S. Pennsylvania Street. This section of Georgia Street is only four blocks long. It is bookended on the east by the Bankers Life Fieldhouse (home to the NBA Indiana Pacers basketball team) and on the west by the Indiana Convention Center. In the middle of Georgia Street is the 894,000 SF Simon Properties owned Circle Center Mall.

In 2011 Georgia Street was converted from a four-lane street with on-street parking to a 2-lane curbsless street with a pedestrian mall in the median. Other improvements included bicycle racks, pedestrian way-finding and historical signage, lighting and alternative drainage systems.

The Georgia Street pedestrian mall served as “The Village” during Super Bowl XLVI.

The City retained Indianapolis Downtown, Inc. (IDI) to further develop, manage and market the street. IDI is working toward activating the street with outdoor cafes and special events and programming.



Nearby land uses include:

Bankers Life Fieldhouse - the home of the NBA Indiana Pacers and the WNBA Indiana Fever. The venue also hosts large live music concerts and major sports tournaments

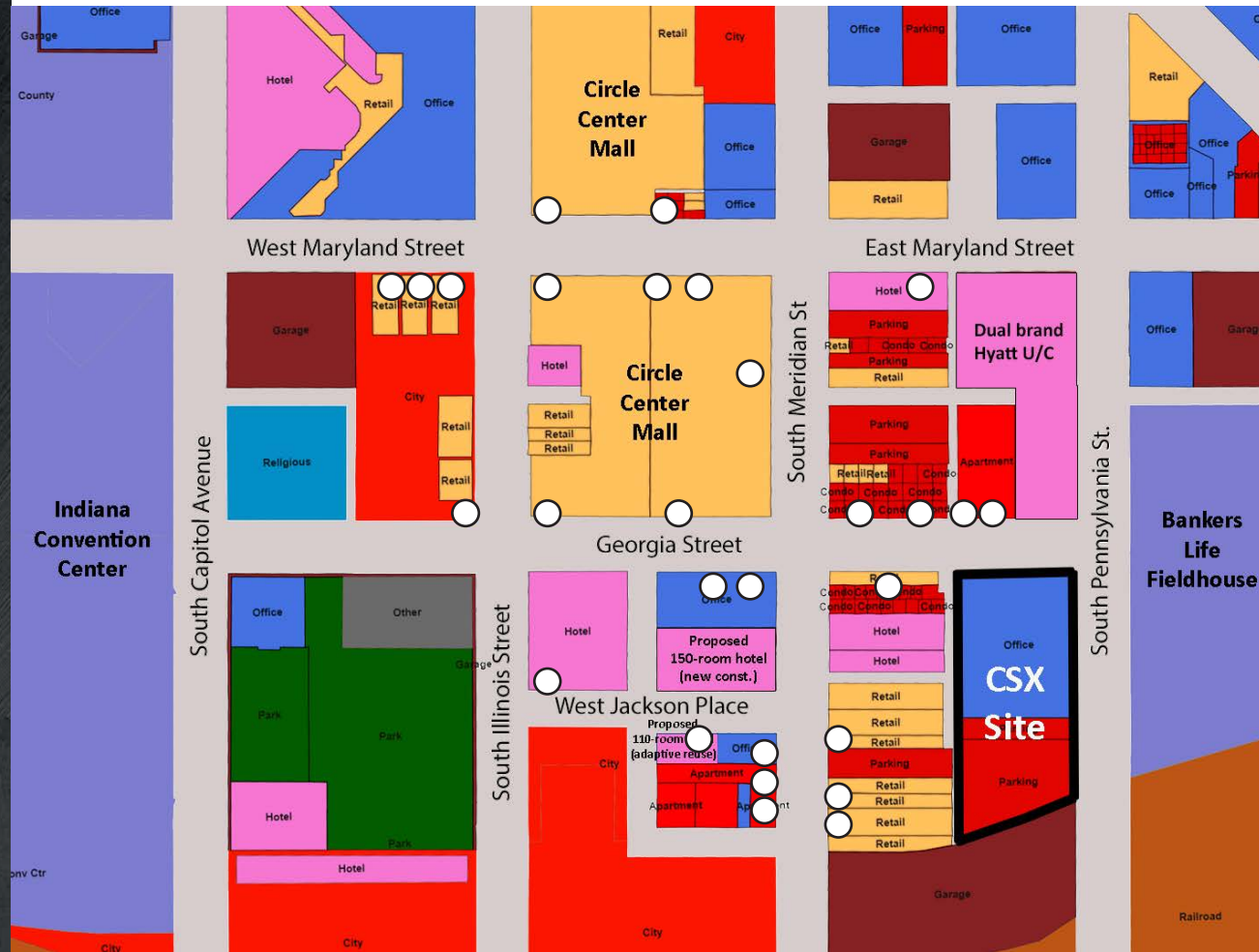
Circle Center Mall - is a four-level indoor shopping mall that opened in 1995. The mall consists of over 100 stores and a gross rentable area of 894,000 SF

Restaurants – within 3 blocks of the CSX site there are more than 30 restaurants

Hotels – within 3 blocks of the CSX site there are 5 existing hotels (Crowne Plaza, Omni, Homewood Suites, Le Meridien and Hampton Inn). Three additional hotels are either under construction or planned including: Dual brand Hyatt, Cambria Hotel and Suites and Tapestry at One Jackson Place

Indiana Convention Center – at the opposite end of Georgia Street (3 blocks from CSX) is the 1.3 million SF Indiana Convention Center.

EXISTING LAND USE



○ restaurants

CSX

Indianapolis





salesforce

BMO

Centier

TANAS LIP
FIELDHOUSE

MARKET OVERVIEW

MARKET OVERVIEW

Downtown Indianapolis

Downtown Indianapolis, like many other downtown areas around the US, is experiencing significant economic activity.

- ▶ **Jobs Growth** – Downtown Indy, Inc. estimates that more than 6,800 new jobs have been added in the downtown area since 2012.
- ▶ **Significant Multi-Family Construction Activity** - Over the past 15 years, almost 4,300 new apartment units have been built downtown and more than 2,000 additional units are planned.
- ▶ **Leading Research Institution - Indiana University** - Purdue University Indianapolis (IUPUI) celebrated its 50th anniversary in 2018 and received \$435.9m in external funding in 2017-2018.
- ▶ **New Restaurants** – Between 2012 and 2016, Downtown Indy, Inc. reports that 119 new downtown restaurants have opened.
- ▶ **Events** - Major downtown event venues include: Bankers Life Fieldhouse (home of the NBA Pacers and WNBA Indiana Fever), Lucas Oil Stadium (home of the NFL's Indianapolis Colts), Victory Field (home of Indianapolis Indians Triple A baseball team), Indiana Convention Center. Total annual attendance at these venues regularly exceeds 2 million persons per year.
- ▶ **New 1.2 million SF Health Complex** – the 1.2 million square foot Eskenazi Hospital complex was constructed in replacement of the aging nearby Wishard Hospital. The \$754 million complex opened in Dec. 2013.





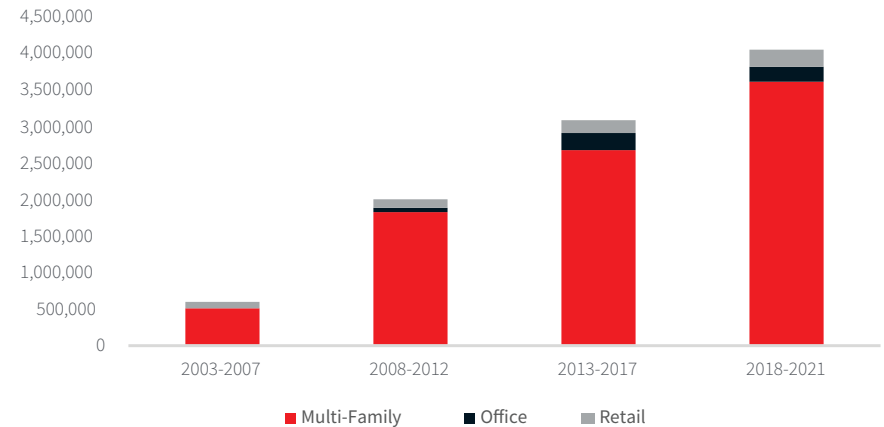
New Construction

- ▶ **New Construction is Dominated by Multi-Family** - Over the past 15 years, the majority of new construction in the CBD has been associated with new multi-family development. Of the 6.0 million square feet of multi-family, office and retail space constructed 84% has been for multi-family.
- ▶ **New Office Construction Dominated by Owner-User Projects** – Approx. 85% of all new office space constructed downtown has been sponsored by owner users including: Simon Cos., Cummins, The Nature Conservancy, and The Indianapolis Urban League.

CBD NEW CONSTRUCTION (SF)

	2003-2007	2008-2012	2013-2017	2018-2021	Total
Multi-Family	518,447	1,840,570	2,691,372	3,612,760	8,663,149
Office	338,571	45,600	227,892	199,500	811,563
Retail	81,746	128,036	174,696	248,400	632,878
Total	938,764	2,014,206	3,093,960	4,060,660	10,107,590

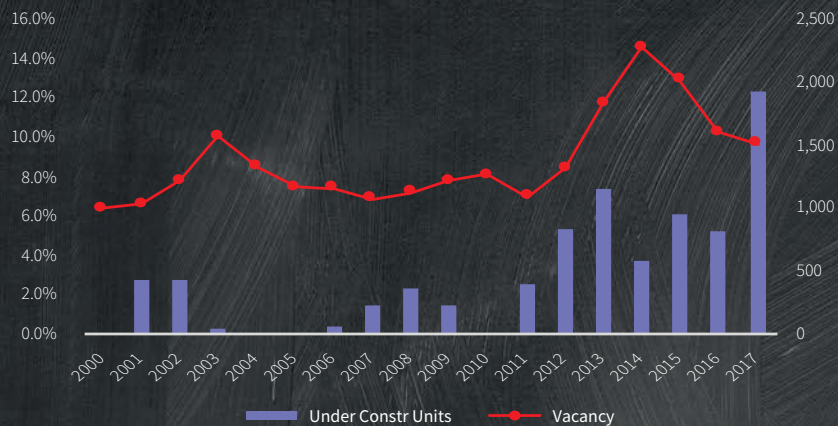
SQ. FT. OF NEW CONSTRUCTION IN THE CBD



Multi-Family Market

- ▶ The Indianapolis CBD has seen rapid expansion of its multi-family inventory over the past five years. By the end of 2016, these newly constructed units increased the CBD inventory by 50%
- ▶ While vacancy rates rose to 14.6% in 2014, by 2017 the rate dropped to 9.6% despite continuous delivery of new multi-family product.
- ▶ Most new construction has been in the northeast quadrant of the CBD including the neighborhoods of Chatham Arch, Massachusetts Avenue, Lockerbie Square and Market East.
- ▶ The largest project scheduled to deliver in 2018 is the 28-story, 400 unit 360 Market Square anchored by Whole Foods. Other major projects scheduled to be completed this year include The Vue (249 units) and The Whit (334 units) and CityWay Phase II (450 units).

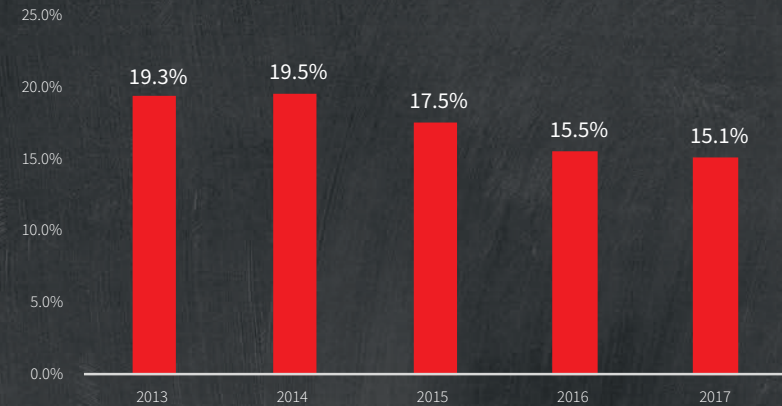
CBD UNIT RENT AND VACANCY RATE TRENDS



Office Market

- ▶ The Indianapolis CBD has 12 million square feet of office.
- ▶ The CBD office market continues to strengthen. Overall vacancy rates declined for the 4th straight year ending 2017 at 15.1%.
- ▶ Over the past 15 years, approx. 612,000 square feet of new office space was constructed – mostly as build-to-suit projects including the 300,000 square feet headquarters for the Simon Cos. (completed in 2006) and the 164,000 square feet Cummins Distribution headquarters (completed in 2017).
- ▶ Asking rents for Class A office space have been steadily rising to current levels of approximately \$23 p.s.f.

CBD OFFICE VACANCY RATE



OFFICE AND MULTIFAMILY CONSTRUCTION SINCE 2003

Office Buildings

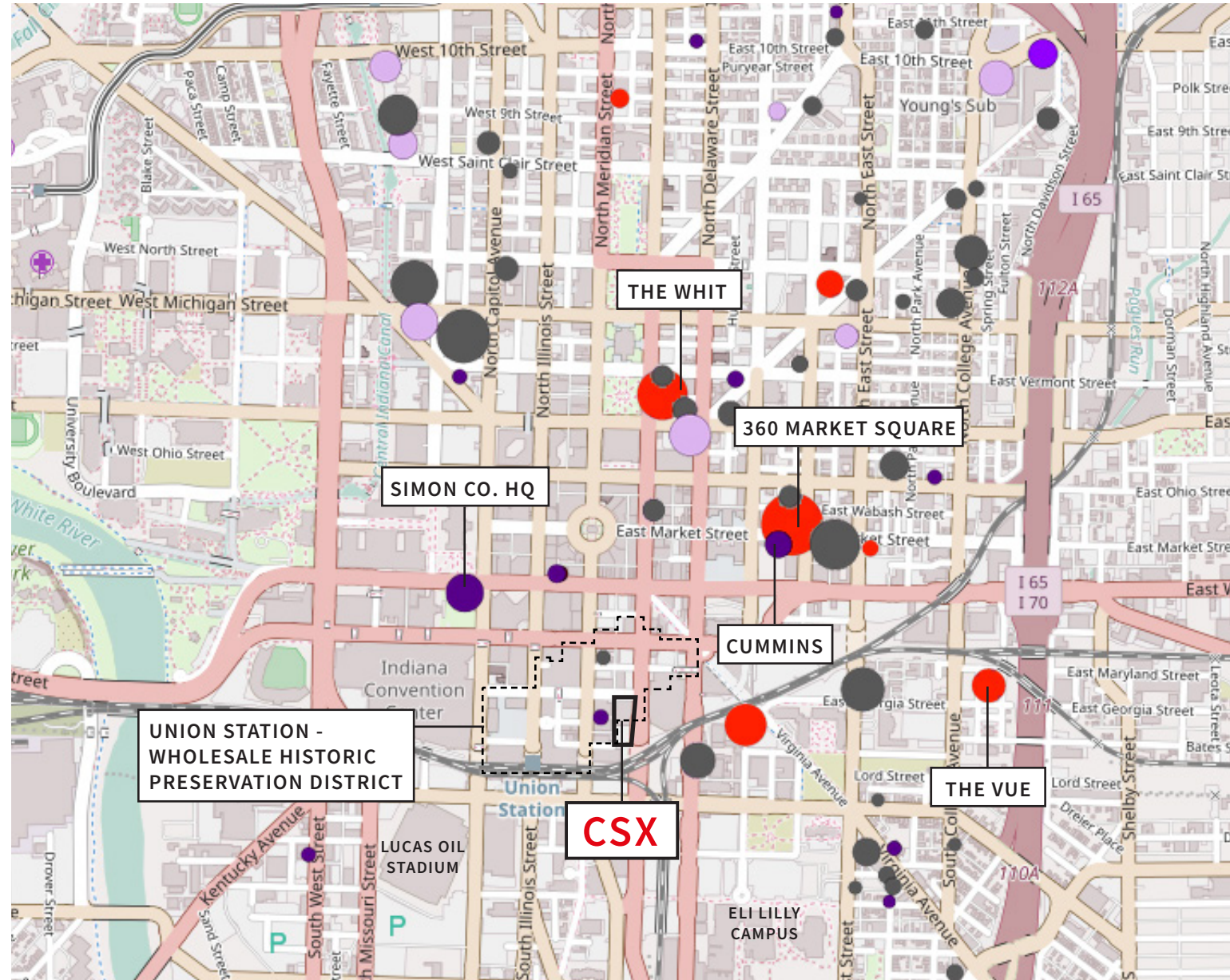
- Existing
- Planned

Multifamily Buildings

- Existing
- Under Const.
- Planned

Rentable Area

- > 600,000
- 450,000
- 300,000
- 150,000



Hotel Market

Inventory – There are 24 hotels in the Indianapolis CBD providing a total of 7,020 rooms (see map on the following page). Since 2010, 3 new hotels were constructed adding 1,316 rooms. The majority of these new rooms are associated with the luxury 1,005 room JW Marriott hotel completed in 2011. Downtown hotels are concentrated in the area around the Indiana Convention Center, the Bankers Life Fieldhouse and Monument Circle.

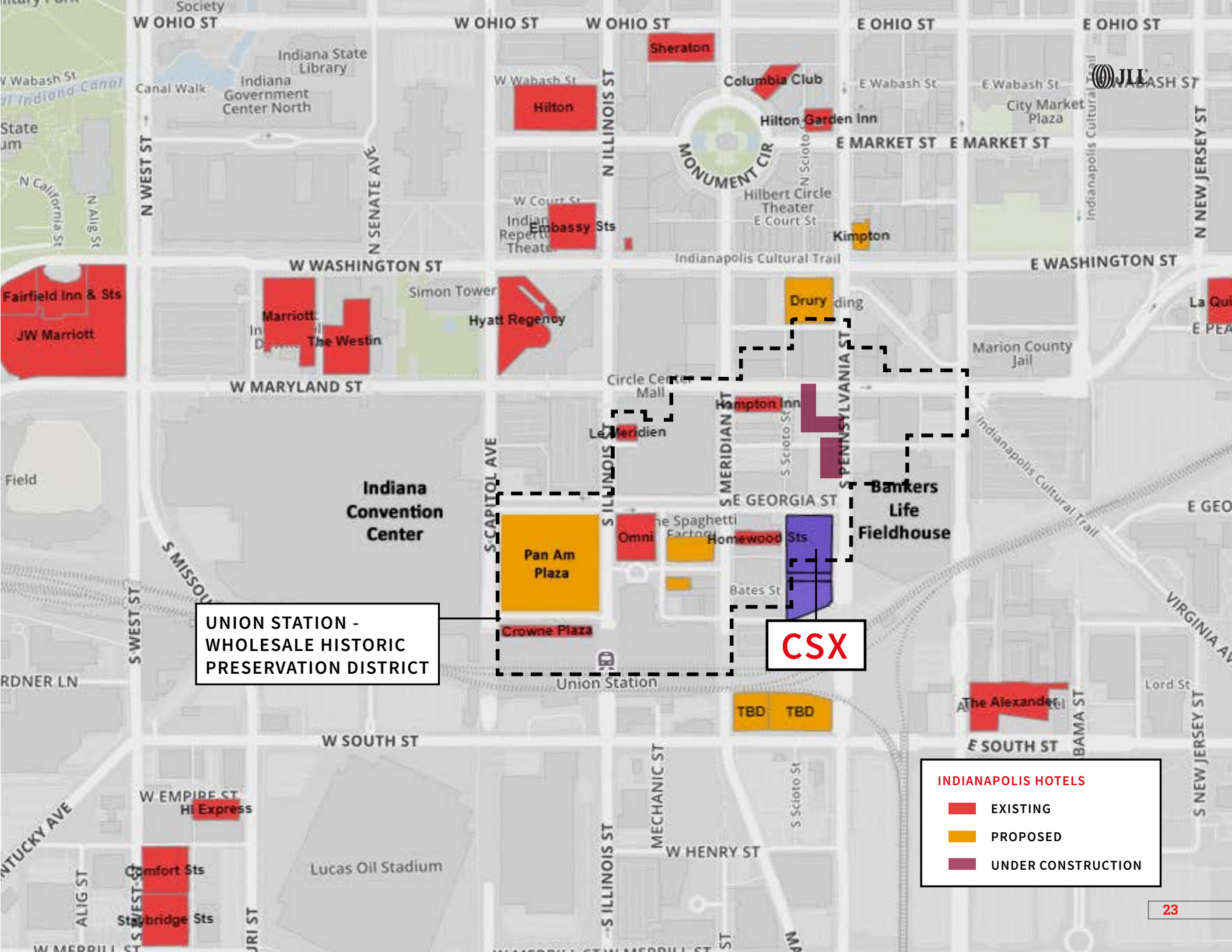
Hotel Occupancy – The hotel occupancy rate in the downtown hit 74.4% in 2017, up from 65.3% in 2010.

Room Demand – The largest source of room demand is the Indiana Convention Center. In 2017 Visit Indy recorded almost 875,000 room nights booked for future years, up from 478,000 in 2006. Visit Indy reports 812,000 room nights already booked for 2020.

Hotels Under Construction – One hotel is under construction. This is a 15 story high-rise (located adjacent to CSX) consisting of a 186-room Hyatt Place Hotel and a 130-room Hyatt House Hotel. Construction recently commenced construction with a targeted opening Q2 2019.

Hotels Planned – Because of strong hotel market conditions, nine hotels with a total of 2,771 rooms are planned.

Hotel Address	Brand	Year Built	# Rooms
I. PROPOSED			
Pan Am Plaza	Hilton	TBD	1,400
41 E Washington Street	Drury Hotel	2020	350
365 S Meridian Street	TBD	2020	152
1 N Pennsylvania Street	Kimpton	2020	130
858 Massachusetts Ave	West Elm Hotel	2019	136
708 S Meridian Street	TownePlace Suites	2019	146
414 W Vermont Street	Homewood Suites	2019	197
224 S Meridian Street	Cambria Hotel & Suites	2020	150
233 S McCrea Street	Tapestry by Hilton	2018	110
		Total	2,771
II. UNDER CONSTRUCTION			
29 E Maryland Street	Hyatt Place and Hyatt House	2019	316
		Total	316
III. EXISTING			
115 N Pennsylvania Street	Home2 Suites	2016	102
333 S Delaware Street	The Alexander	2013	209
10 S West Street	JW Marriott	2011	1,005
601 W Washington Street	Courtyard & Springhill Suites	2009	453
515 S West Street	Comfort Suites	2008	130
535 S West Street	Staybridge Suites	2008	113
50 W Washington Street	The Conrad	2006	241
10 East Market Street	Hilton Garden Inn	2003	180
410 S Missouri Street	Holiday Inn Express	2003	108
350 W Maryland Street	Marriott	2001	650
320 N Senate Ave	Courtyard	1997	124
350 W New York Street	Residence Inn	1997	134
1 S Capitol Ave	Hyatt Regency	1990	497
50 S Capitol Ave	The Westin	before 1990	573
123 W Louisiana Street	Crowne Plaza	before 1990	273
110 W Washington Street	Embassy Suites	before 1990	360
120 W Market Street	Hilton	before 1990	332
31 West Ohio Street	Sheraton	before 1990	378
501 W Washington Street	Fairfield Inn & Suites	before 1990	168
401 E Washington Street	La Quinta	before 1990	97
121 Monument Street	Columbia Club	before 1990	97
105 S Meridian Street	Hampton Inn	before 1990	180
123 S Illinois Street	Le Meridien	before 1990	100
40 Jackson Place	Omni	before 1990	424
211 S Meridian Street	Homewood Suites	before 1990	92
		Total	7,020



**UNION STATION -
WHOLESALE HISTORIC
PRESERVATION DISTRICT**

CSX

INDIANAPOLIS HOTELS

- EXISTING
- PROPOSED
- UNDER CONSTRUCTION

CSX

Indianapolis





salesforce

BMO

Centier

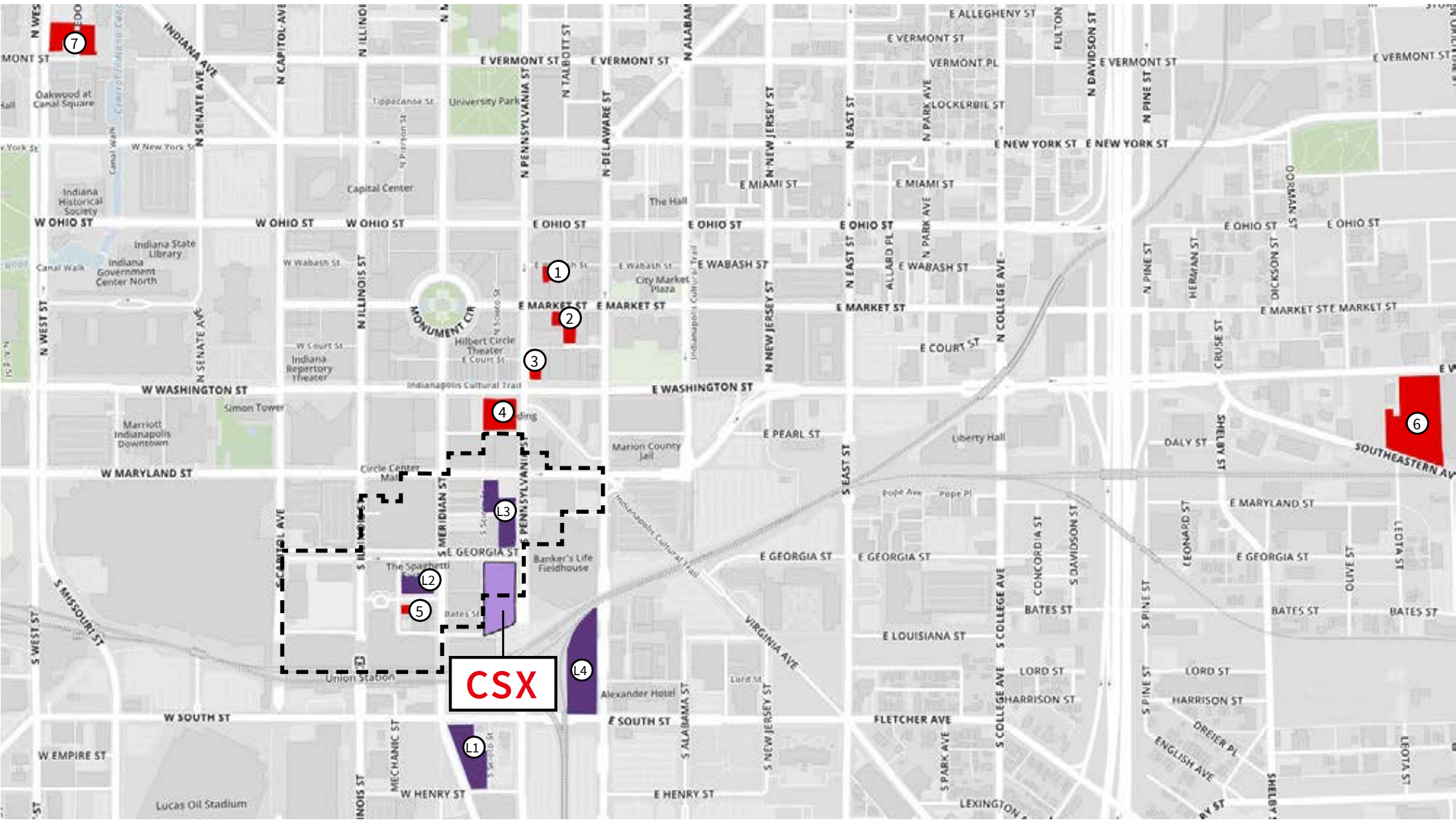
TANAS LIP
FIELDHOUSE

SALE COMPARABLES



SALE COMPARABLES

SALE NO.	NAME	ADDRESS	TYPE	LAND AREA AC	ZONING	BLDG SF	SELLER	BUYER	DATE SOLD	SALE PRICE	PRICE PER SF OR PER ACRE
I. Building Sales											
1	Home2 Suites - Consolidated Bldg Annex	115 N Pennsylvania Street	Office for conversion to hotel	0.3	CBD-1 RC	79,002	TWG Development	HRC Hotels, LLC	11/7/14	\$2,500,000	\$31.64
2	J.F. Wild Building	129 E Market Street	Vacant Office Bldg	0.5	CBD-1 RC	57,132	Crown Property Group, LLC	Loftus Robinson	11/10/14	\$2,300,000	\$40.26
3	One North Pennsylvania	1 N Pennsylvania Street	Office for conversion to hotel	0.2	CBD-1 RC	117,044	Naya USA Investment & Management	Loftus Robinson	3/24/17	\$7,000,000	\$59.81
4	IBJ Media Building	41 E Washington Street	Office for conversion to hotel	0.9	CBD-1 RC	65,000	Maurer Family Holdings	Drury Hotels	2/22/16	\$11,000,000	\$169.23
5	One Jackson Square Building	233 McCreia Street	Office for conversion to hotel	0.1	CBD-2 RC	51,586	Upper Class Homes	Choice Hotels International	1/8/16	\$3,100,000	\$60.09
6	Ford Motor Plant	1225 Southeastern Avenue	Manufacturing converted to multifamily	3.6	I-3	200,000	Indianapolis Public Schools	TWG Development	10/26/17	\$1,650,000	\$8.25
7	Bethel African Methodist Episcopal	414 W Vermont Street	Church Property Redeveloped for Hotel	1.0	CBD-2 RC	20,866	Bethel African Methodist Episcopal	Sun Development and Management	11/17/16	\$3,300,000	\$158.15
II. Land Sales											
L1	Proposed 152 room hotel	16 E Henry Street	Land	1.3	CBD-2 RC	NA	Samaritan Companies	JS & H Properties LLLC	8/30/16	\$4,000,000	\$3,143,197
L2	Proposed Cambria Hotel	224 S Meridien Street	Land	0.5	CBD-2 RC	NA	Choice Hotels International, Inc.	Champion Hotels	9/16/16	\$4,231,015	\$8,525,837
L3	Dual Branded Hyatt	30 E Georgia Street	Land	1.1	CBD-2 RC	NA	Penn/Mar LLC	Indy Penn Center Hotel Owner LLC	6/01/17	\$7,740,000	\$7,087,263
L4	Proposed 100 multifamily units and 20,000 SF retail	310 S. Delaware Street	Land	2.3	CBD-2 RC	NA	TBR Enterprises, LLC	NOS TBR, LLC	6/26/17	\$5,715,276	\$2,482,744



Primary Sales Contacts

Scott Miller

Senior Managing Director
+1 312 228 2266
scott.miller@am.jll.com

John Robinson

Managing Director
+1 317 810 7172
john.robinson@am.jll.com
IN License #: RC50900387

Jack Hubbard

Analyst
+1 312 228 2249
jack.hubbard@am.jll.com

Aidan Cozzi

Analyst
+1 312 228 3276
aidan.cozzi@am.jll.com

Copyright © Jones Lang LaSalle IP, Inc. 2021

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$16.6 billion, operations in over 80 countries and a global workforce of more than 91,000 as of December 31, 2020. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.

Jones Lang LaSalle Americas, Inc. or its state-licensed affiliate ("JLL") has been engaged by the owner of the properties to market them for sale. Information concerning the properties described herein has been obtained from sources other than JLL, and neither Owner nor JLL, nor their respective equity holders, officers, directors, employees and agents makes any representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all reference to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a purchaser. JLL and owner disclaim any liability that may be based upon or related to the information contained herein. Prospective purchasers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change. The Property may be withdrawn without notice. If the recipient of this information has signed a confidentiality agreement regarding this matter, this information is subject to the terms of that agreement. ©2021. Jones Lang LaSalle IP, Inc. All rights reserved.