



# Mount Comfort Corridor Development Study

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- Hancock County Community Foundation
- Hancock County Redevelopment Commission
- Town of Cumberland
- Town of McCordsville
- Hancock County
- NineStar Connect

## Introduction

The Town of Cumberland, the Town of McCordsville, and Hancock County all have a vested interest in the economic development of the Mt. Comfort Corridor that connects their communities. For the purposes of this study, the boundaries of the Mt. Comfort Corridor are from U.S. 40 to CR 1000N. The communities have expressed a need for additional data, analysis, and advocacy to aid marketing efforts focused on increased business investment along Mt. Comfort Road, specifically targeting such industries as advanced manufacturing, logistics, and life sciences, to bring high-paying jobs to the collective region. The “Celebrating Communities” collaborative grant opportunity offered by the Hancock County Community Foundation opened the door for such a study to be conducted, providing the communities with hypothetical development scenarios for industrial, residential, and commercial growth along Mt. Comfort Road. These development scenarios will allow further analysis regarding the sales and property tax effects of increased business investment. With this data, Cumberland, Hancock County, and McCordsville will have a deeper understanding of the potential impact of the Corridor’s development.

The potential development initiatives described below are contingent upon the completion of appropriate road and utility infrastructure upgrades. Additionally, it is important to note that the utilization of tax increment financing (TIF) revenue or tax abatements would alter potential tax revenue projected from the hypothetical development scenarios.

## Vision for the Mt. Comfort Corridor

The communities established a unified approach to the development of the Mt. Comfort Corridor, encompassing all perspectives and needs, based on the understanding that the corridor needs to grow and change over the next 5-10 years for increased prosperity in the region. The Mt. Comfort Corridor presents a tremendous, untapped opportunity for development due to the existing broadband capacity assets. Its development potential is frequently compared to the Ronald Reagan Parkway in Hendricks County, thus the hypothetical development scenarios defined below are based on a similar vision. Because of existing and projected growth along the corridor, the county has pursued funding sources for infrastructure improvements based on increased commuter traffic. Additionally, the Towns of Cumberland and McCordsville envision a complementary policy for the development of the corridor that creates a unified identity and viable business and residential corridor. The unified identity should include a complete streetscape with accommodations for pedestrians, cyclists, transit riders, and vehicles that will increase quality of life characteristics, attracting residents, workers, and companies to the region. Simultaneously, improved infrastructure access will allow for increased capacity and mobility.

For the development of the corridor to be successful, public officials, stakeholders, and community members must continue the momentum built during this process and work toward the implementation of the recommendations.

## Hypothetical Development Scenarios

TPMA used feedback gathered during discussions with the communities to create three hypothetical Corridor development scenarios for each of the three partners (the Town of McCordsville, the Town of Cumberland, and Hancock County). An additional scenario for the Town of McCordsville was developed due to anticipated qualitative differences that may be associated with the proposed transportation realignment. Thus, a total of 10 scenarios were created. Based on discussions, the scenarios include the following:

- **Commercial Development**
- **Industrial Development**
- **Residential Development**

TPMA conducted desktop research and field assessments to identify typical types of development for each scenario in comparable communities. Then, TPMA used RSMeans data<sup>1</sup> and the Whole Building Design Guide<sup>2</sup> to develop specifications and descriptions for the following hypothetical scenarios. Each of these scenarios require different construction specifications and lot sizes. It is important when comparing scenarios to realize the impact of smaller build-outs will show smaller impacts overall.

*Please note that the generic nature of the hypothetical development scenarios is to provide a baseline guide for the analysis, not to indicate any specific kind of development that may occur.*

### Town of Cumberland

**Scenario #1: High-end Retail Park** *(A non-enclosed shopping center with its stores' entrances typically facing the parking lot.)*

- *Specialty Supermarket (1 story, 44,000 SF), such as a Trader Joe's or Fresh Market*
  - This is larger and has a wider selection than a traditional grocery store, but is smaller and has a more limited range of merchandise than a hypermarket or big-box market.
- *Brewery/Restaurant (1 story; 7,200 SF)*
  - Food Service spaces include cafeterias, sandwich shops, coffee shops, fast food retail, or other food services that involve the preparation and handling of food items for the consumer.
- *Restaurant (1 story; 7,200 SF)*
  - Food Service spaces include cafeterias, sandwich shops, coffee shops, fast food retail, or other food services that involve the preparation and handling of food items for the consumer.
- *Spa or Salon/Convenience Store (1 story; 4,000 SF) (Under "Joint Use")*
  - Joint Use Retail spaces are stores used for the sale of products and services, including news and book stands, flower shops, convenience stores, travel agencies, credit unions, dry cleaning services, shoe shine stands, barber and

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<sup>1</sup> <https://www.rsmeans.com/>

<sup>2</sup> <https://www.wbdg.org/>

beauty shops, print shops, courier mail shops, retail of clothing or other hard goods, and similar applications.

- *Retail Clothing Store (1 story; 4,000 SF) (Under “Joint Use”)*
  - Joint Use Retail spaces are stores used for the sale of products and services, including news and book stands, flower shops, convenience stores, travel agencies, credit unions, dry cleaning services, shoe shine stands, barber and beauty shops, print shops, courier mail shops, retail of clothing or other hard goods, and similar applications.
- *Office Space (2 story; 12,000 SF) Class B, general users, ideal for Professional, Technical and Scientific Services*
  - Office spaces include meeting spaces integrated into the office environment; reception and office support areas such as work rooms, storage rooms, file rooms, mail rooms, copier areas, service units/coffee bar, and coat storage integrated into the office environment; and telephone and communications equipment rooms located in tenant suites.

### **Scenario #2: Medical Office (2 story; 14,500 SF)**

- Clinic/Health Units are facilities where outpatient ambulatory health services are provided. Sub-spaces, such as office spaces, private toilets, and filing and storage areas are included. These do not include provisions for invasive surgery, in-patient services, medical diagnostic categories I, II, and III equipment (including exam lights and medical gas systems), radiological diagnostic services (including special structural elements and radiation shielding on ceiling and floor areas), darkroom revolving door systems, or medical laboratory spaces.

### **Scenario #3: High-tech manufacturing (3 story; 100,000 SF)**

- By its broadest definition, high tech manufacturing involves circuit boards or advanced chemical manufacturing. These make everything from cancer medicine and laptops to coffee makers and aspirin high tech. The space identified here uses a general factory footprint.

## **Hancock County**

### **Scenario #1: Light industrial (1 story, 50,000 SF)**

- Light Industrial spaces are used for assembly, disassembly, fabricating, finishing, manufacturing, packaging, repairing, or processing materials. They can include but are not limited to spaces for printing, commercial laundry, photographic film processing, vehicle repair garages, building maintenance shops, metal work, millwork, and cabinetry work.

### **Scenario #2: Residential (2,400 SF) \*200 homes**

- For this hypothetical development scenario, TPMA estimated a construction cost of approximately \$300,000 per home. Materials and workmanship are generally above average with obvious attention given to construction details and normally exceeds building code requirements. For purposes of this analysis, we will consider two-story single family housing.

### **Scenario #3: High-tech manufacturing (3 story; 100,000 SF)**

- By its broadest definition, high tech manufacturing involves circuit boards or advanced chemical manufacturing. These make everything from cancer medicine and laptops to coffee makers and aspirin high tech. The space identified here uses a general factory footprint.

## **Town of McCordsville**

### **Scenario #1: A downtown space with boutique shops and locally-owned restaurants/retail**

- *Coffee Shop (1 story; 3,500 SF)*
  - Food Service spaces include cafeterias, sandwich shops, coffee shops, fast food retail, or other food services that involve the preparation and handling of food items for the consumer.
- *Joint Use Retail (1 story; 8,000 SF)*
  - Joint Use Retail spaces are stores used for the sale of products and services, including news and book stands, flower shops, convenience stores, travel agencies, credit unions, dry cleaning services, shoe shine stands, barber and beauty shops, print shops, courier mail shops, retail of clothing or other hard goods, and similar applications. One Joint Use Retail Space will be used with an assumption of two different companies being housed within.
  - *\*note\* TPMA recommends at least 2 of these joint-use retail stores*
- *Office (1 story; 7,000 SF) – Class B, General users, Professional, Technical and Scientific Services*
  - Office spaces include meeting spaces integrated into the office environment; reception and office support areas such as work rooms, storage rooms, file rooms, mail rooms, copier areas, service units/coffee bar, and coat storage integrated into the office environment; and telephone and communications equipment rooms located in tenant suites.
- *Restaurant (1 story; 5,000 SF)*
  - Food Service spaces include cafeterias, sandwich shops, coffee shops, fast food retail, or other food services that involve the preparation and handling of food items for the consumer.

### **Scenario #2: High-end Retail Park (A non-enclosed shopping center with its stores' entrances typically facing the parking lot)**

- *Specialty Supermarket (1 story, 44,000 SF), such as Trader Joe's or Fresh Market*
  - This is larger and has a wider selection than a traditional grocery store, but is smaller and has a more limited range of merchandise than a hypermarket or big-box market.
- *Brewery/Restaurant (1 story; 7,200 SF)*
  - Food Service spaces include cafeterias, sandwich shops, coffee shops, fast food retail, or other food services that involve the preparation and handling of food items for the consumer.
- *Restaurant (1 story; 7,200 SF)*
  - Food Service spaces include cafeterias, sandwich shops, coffee shops, fast food retail, or other food services that involve the preparation and handling of food items for the consumer.
- *Spa/Salon (1 story; 4,000 SF) (Under "Joint Use")*
  - Joint Use Retail spaces are stores used for the sale of products and services, including news and book stands, flower shops, convenience stores, travel agencies, credit unions, dry cleaning services, shoe shine stands, barber and beauty shops, print shops, courier mail shops, retail of clothing or other hard goods, and similar applications.



- *Retail Clothing Store (1 story; 4,000 SF) (Under “Joint Use”)*
  - Joint Use Retail spaces are stores used for the sale of products and services, including news and book stands, flower shops, convenience stores, travel agencies, credit unions, dry cleaning services, shoe shine stands, barber and beauty shops, print shops, courier mail shops, retail of clothing or other hard goods, and similar applications.
- *Office Space (2 story; 12,000 SF) Class B, general users for Professional, Technical and Scientific Services*
  - Office spaces include meeting spaces integrated into the office environment; reception and office support areas such as work rooms, storage rooms, file rooms, mail rooms, copier areas, service units/coffee bar, and coat storage integrated into the office environment; and telephone and communications equipment rooms located in tenant suites.

### **Scenario #3: Medical Office (2 story; 14,500 SF)**

- Clinic/Health Units are facilities where outpatient ambulatory health services are provided. Sub-spaces, such as office spaces, private toilets, and filing and storage areas are included. These do not include provisions for invasive surgery, in-patient services, medical diagnostic categories I, II, and III equipment (including exam lights and medical gas systems), radiological diagnostic services (including special structural elements and radiation shielding on ceiling and floor areas), darkroom revolving door systems, or medical laboratory spaces.

### **Scenario #4: Light industrial (1 story, 50,000 SF)**

- Light Industrial spaces are used for assembly, disassembly, fabricating, finishing, manufacturing, packaging, repairing, or processing materials. They can include but are not limited to spaces for printing, commercial laundry, photographic film processing, vehicle repair garages, building maintenance shops, metal work, millwork, and cabinetry work.

# Impact Analysis

## Purpose

TPMA analyzed each of the hypothetical development scenarios outlined above to determine which of the projects would have the greatest impact on the community. In an impact analysis, we isolate certain variables — in this case, capital investment and jobs/income created — while holding all other factors constant to predict how a particular project will affect the overall economy, job creation, income, and tax revenues for the region of analysis.

This impact analysis is intended to provide the preliminary data needed to focus conversations about the development plan for the Mt. Comfort Corridor. The impact analysis builds a foundation for answering the following questions:

- How much investment could we expect?
- What type of construction surge could we expect in the economy?
- How many jobs and wages could be generated?
- How much tax revenue could be generated?
- What is the optimal sequencing of projects?

Since each of the hypothetical development scenarios has a different footprint, it is not possible to directly compare the results of the impact analysis across scenarios without doing a return-on-investment (ROI) analysis. Impact analysis is often a function of the total capital investment, so it is to be expected that larger capital projects yield a greater impact. However, this does not mean that smaller projects should be discounted; smaller capital projects may have a number of benefits over larger projects that technically have a greater impact. Some examples of potential benefits of a less impactful project include:

- Easier to attract developers
- Easier to gain public support and investment
- Lower public investment costs
- Avoid issuance of public debt
- More favorable return-on-investment (i.e. more “bang for the buck”)
- Larger impact in terms of the number or quality of jobs created
- Fill in a gap in the live-work-play portfolio of a community
- Fill in a gap or leakage for a supply chain in a base industry

This impact analysis is essentially half of a return-on-investment study for the hypothetical development scenarios: TPMA estimated the returns for public investment (i.e. the economic and fiscal benefits expected to accrue to the community due to the project); however, the exact public investment requirements (e.g. infrastructure, utilities, incremental tax revenues, property tax abatement) are as of yet unknown.

## **Methodology**

### **Capital Budget Estimates**

Based on the hypothetical development scenarios, TPMA used RSMeans data to estimate the construction costs for each building in each scenario, taking the average construction cost across all structure types. No land costs, soft costs, additions, or interior features were included, resulting in conservative capital budget estimates. Please note that all development scenarios assume the appropriate zoning, infrastructure, and utilities are already in place. Thus, the total investment for each scenario is essentially a “White Box Finish” (i.e. unfinished interior) speculative building.

### **Economic Impact Analysis**

TPMA conducted an economic impact analysis to evaluate the effect each construction project would have on the economy of Hancock County. The impact was measured in terms of the total number of jobs created and the associated income during the construction phase for each scenario.

The economic impact was completed using Economic Modeling Specialists International (EMSI) Data Analyst’s input-output model using the 2016.4 Class of Worker dataset. TPMA’s capital budget estimates for the corresponding construction industry NAICS for each project (236220- Commercial and Institutional Building Construction, 236210- Industrial Building Construction and 236115- New Single-Family Housing Construction (except For-Sale Builders)) were used as the input; the resulting output consists of the trickle-down effect on jobs and incomes throughout the construction industry’s supply chain — and those industries’ supply chains — within Hancock County.

### **Fiscal Impact Analysis**

TPMA conducted a fiscal impact analysis to estimate how each development scenario would affect taxes for Cumberland, McCordsville, and Hancock County. The analysis evaluated the increase in property and income taxes each hypothetical development would create over 20 years to demonstrate potential streams of tax revenue that could be leveraged to finance infrastructure and improvements for those developments (utilizing a Tax Increment Financing structure, for instance).<sup>3</sup> We focused on the two primary sources of local tax revenues: property tax and local option income tax.

To calculate property taxes, TPMA considered each site shovel-ready with minimal to no assessed value, since no specific parcels were under consideration for this analysis.<sup>4</sup> We estimated the assessed value for each scenario by assuming the value of the improvements would be equal to 90% of the construction investment.<sup>5</sup> In addition, TPMA assumed that no additional improvements or changes to the assessed value will take place over the period of analysis.

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<sup>3</sup> The inclusion of tax abatements would impact the potential tax revenue streams.

<sup>4</sup> However, since a non-hypothetical analysis would undoubtedly include a pre-existing assessed value, TPMA used an “incremental” tax revenue approach to calculating revenues (i.e. only the tax revenue off the improvements is calculated, not the total tax revenue for the land and other existing improvements). Therefore, the analysis would be the same even if TPMA had included a parcel’s current assessed value.

<sup>5</sup> Including the land value and interior improvements would increase this value.

Then, TPMA calculated the total tax revenue for all taxing units within the taxing district, accounting for the circuit breaker credit for each property type. The total tax revenue was multiplied by each region of analysis' share of the distribution (based on the total levy amounts for each unit on the County's 2016 Certified Budget Order), resulting in the net revenue for each community.

TPMA estimated the impact on the two forms of local option income taxes levied in Hancock County: the County Adjusted Gross Income Tax (CAGIT) and County Economic Development Income Tax (CEDIT). To calculate the incremental income tax base for each scenario, we used EMSI Data Analyst to estimate the total number of jobs and the average incomes associated with each industry included in each scenario across the Indianapolis-Camel-Anderson Metropolitan Statistical Area (MSA), assuming these new jobs would not displace existing jobs. Then, the number of jobs was divided by the number of establishments in the MSA to create an average number of employees for each hypothetical development.<sup>6</sup> Finally, TPMA calculated the total tax revenue for Hancock County, which we multiplied by each region of analysis' share of the County's total distribution (based on the 2017 Official Local Income Tax Report from Indiana's Department of Local Government Finance), resulting in the net revenue for each community.

For detailed calculations and further information about the assumptions TPMA used to generate the impacts, please see the appendices.

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<sup>6</sup> With the exception of the Office Space and Medical Office scenarios, which used slightly different methodologies. For Office Space, the average number of square feet per employee was used to calculate the number of employees in order to account for multiple establishments within the same building. Similarly, for the Medical Office, Hoover's, Inc. data was used to gather the average number of employees in medical buildings of a similar size (12,500-17,500 sq.ft.) since medical offices vary so widely in sizes from single practitioners to hospitals.

## Town of Cumberland

Depending on the exact location, the hypothetical developments will fall into the taxing district of either Buck Creek Township or Sugar Creek Township. Therefore, TPMA calculated the impacts for the Town of Cumberland for both taxing districts.

### Buck Creek Township

#### Scenario #1: High-end Retail Park

TPMA estimates an initial construction investment of \$11,087,647 would be needed to build a high-end retail park area including the following:

- One 44,000-square foot supermarket
- Two 7,200-square foot restaurants
- Two 4,000-square foot convenience stores
- One 12,000-square foot office space

During construction, this development would result in the creation of 105 jobs county-wide with an associated increase of \$4,904,822 in earnings.<sup>7</sup>

Once construction completes, the assessed value of the property is anticipated to increase by \$9,978,882, which would result in a \$14,400 increase in Cumberland’s annual property tax receipts. Hancock County would see an annual increase of \$115,855 in property tax receipts.

The development would increase the income tax base by \$8,650,834, resulting in a \$4,117 increase in Cumberland’s annual Local Option Income Tax receipts. For Hancock County, the increase in annual income tax receipts would be \$34,067. The model assumes the average employment (210 employees) and wages (\$31,681 per year) across all buildings, derived based upon the following industry averages:

- Clothing Store (NAICS 4481): 14 employees, annual salary of \$19,274
- Hair, Nail and Skin Care Services (NAICS 81211): 14 employees, annual salary of \$23,186
- Professional, Scientific and Technical Services (NAICS 541): one employee for every 176 square feet (the North American average), annual salary of \$83,864<sup>8</sup>
- Restaurants and Other Eating Places (NAICS 72251): 23 employees, annual salary of \$18,439
- Supermarket and Other Grocery (except Convenience) Store (NAICS 44511): 56 employees, annual salary of \$26,883

Over a 20-year period, this hypothetical development would generate an additional \$370,340 in tax revenue for Cumberland and \$2,998,440 increase in tax revenue receipts for Hancock County.

Cumberland- Buck Creek Township <i>Scenario 1 Impacts</i>	
<b>Construction Investment</b>	
\$11.1 M	
<b>Construction Impact</b>	
Jobs: 105	Income: \$4.9 M
<b>Job Creation</b>	
Jobs: 210	Avg. Salary: \$31 K
<b>Increase in Tax Base</b>	
Property: \$10.0 M	LOIT: \$8.6 M
<b>Cumberland Annual Tax Revenue Impact</b>	
Property: \$14 K	LOIT: \$4 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$116 K	LOIT: \$34 K

<sup>7</sup> Effectively, wages or salary, standard benefits, proprietor earnings, and adjustments.

<sup>8</sup> Barron, James. “As Office Space Shrinks, So Does Privacy for Workers.” New York Times. Retrieved Nov. 11<sup>th</sup> 2016 [http://www.nytimes.com/2015/02/23/nyregion/as-office-space-shrinks-so-does-privacy-for-workers.html?\\_r=0](http://www.nytimes.com/2015/02/23/nyregion/as-office-space-shrinks-so-does-privacy-for-workers.html?_r=0)

**Scenario #2: Medical Office**

To build a 14,500-square foot, two story, medical office, TPMA estimates an initial construction investment of \$2,643,597. During the construction phase, this development would result in the creation of 25 jobs county-wide with an associated increase of \$1,169,443 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$2,371,137, which would result in a \$3,422 increase in Cumberland’s annual property tax receipts. Hancock County would have an annual increase of \$27,529 in property tax receipts.

Assuming the average employment (65 employees) and wages (\$84,391 per year) for the Ambulatory Health Care Services industry (NAICS 621), the development would increase the income tax base by \$4,725,896, resulting in a \$2,249 increase in Cumberland’s annual Local Option Income Tax receipts. Hancock County would receive an additional \$18,612 in income tax receipts.

Over a 20-year period, this hypothetical development would generate an additional \$113,420 in tax revenue for Cumberland and \$922,820 increase in tax revenue receipts for Hancock County.

Cumberland- Buck Creek Township <i>Scenario 2 Impacts</i>	
<b>Construction Investment</b>	
\$2.6 M	
<b>Construction Impact</b>	
Jobs: 25	Income: \$1.2 M
<b>Job Creation</b>	
Jobs: 65	Avg. Salary: \$84 K
<b>Increase in Tax Base</b>	
Property: \$2.4 M	LOIT: \$4.7 M
<b>Cumberland Annual Tax Revenue Impact</b>	
Property: \$3 K	LOIT: \$2 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$28 K	LOIT: \$19 K

**Scenario #3: High-tech Manufacturing**

To build a 100,000-square foot, three story, high-tech factory, TPMA estimates an initial construction investment of \$13,509,645. During the construction phase, this development would result in the creation of 314 jobs county-wide with an associated increase of \$5,949,005 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$12,158,681, which would result in a \$17,545 increase in Cumberland’s annual property tax receipts. Hancock County would gain an additional \$141,162 annually in property tax receipts.

Assuming the average employment (136 employees) and wages (\$88,795 per year) for the Transportation Equipment Manufacturing industry (NAICS 336), the development would increase the income tax base by \$12,076,120, resulting in a \$5,748 increase in Cumberland’s annual Local Option Income Tax receipts. Annually, Hancock County would have an increase of \$47,559 in Local Option Income Tax receipts.

Over a 20-year period, this hypothetical development would generate an additional \$465,860 in tax revenue for Cumberland and \$3,774,420 increase in tax revenue receipts for Hancock County.

Cumberland- Buck Creek Township <i>Scenario 3 Impacts</i>	
<b>Construction Investment</b>	
\$13.5 M	
<b>Construction Impact</b>	
Jobs: 314	Income: \$5.9 M
<b>Job Creation</b>	
Jobs: 136	Avg. Salary: \$89 K
<b>Increase in Tax Base</b>	
Property: \$12.2 M	LOIT: \$12.1 M
<b>Cumberland Annual Tax Revenue Impact</b>	
Property: \$18 K	LOIT: \$6 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$141 K	LOIT: \$48 K

## Sugar Creek Township

### Scenario #1: High-end Retail Park

TPMA estimates an initial construction investment of \$11,087,647 would be needed to build a high-end retail park area including the following:

- One 44,000-square foot supermarket
- Two 7,200-square foot restaurants
- Two 4,000-square foot convenience stores
- One 12,000-square foot office space

During construction, this development would result in the creation of 105 jobs county-wide with an associated increase of \$4,904,822 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$9,978,882, which would result in a \$17,394 increase in Cumberland's annual property tax receipts. The annual property tax increase for Hancock County would be \$133,010.

The development would increase the income tax base by \$8,650,834, resulting in a \$4,117 increase in Cumberland's annual Local Option Income Tax receipts. For Hancock County, the increase in annual income tax receipts would be \$34,067. The model assumes the average employment (210 employees) and wages (\$31,681 per year) across all buildings, derived based upon the following industry averages:

- Clothing Store (NAICS 4481): 14 employees, annual salary of \$19,274
- Hair, Nail and Skin Care Services (NAICS 81211): 14 employees, annual salary of \$23,186
- Professional, Scientific and Technical Services (NAICS 541): one employee for every 176 square feet (the North American average), annual salary of \$83,864<sup>9</sup>
- Restaurants and Other Eating Places (NAICS 72251): 23 employees, annual salary of \$18,439
- Supermarket and Other Grocery (except Convenience) Store (NAICS 44511): 56 employees, annual salary of \$26,883

Over a 20-year period, this hypothetical development would generate an additional \$430,220 in tax revenue for Cumberland and \$3,341,540 increase in tax revenue receipts for Hancock County.

<b>Cumberland-Sugar Creek Township Scenario 1 Impacts</b>	
<b>Construction Investment</b>	
\$11.1 M	
<b>Construction Impact</b>	
Jobs: 105	Income: \$4.9 M
<b>Job Creation</b>	
Jobs: 210	Avg. Salary: \$32 K
<b>Increase in Tax Base</b>	
Property: \$10.0 M	LOIT: \$8.7 M
<b>Cumberland Annual Tax Revenue Impact</b>	
Property: \$17 K	LOIT: \$4 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$133 K	LOIT: \$34 K

<sup>9</sup> Barron, James. "As Office Space Shrinks, So Does Privacy for Workers." New York Times. Retrieved Nov. 11<sup>th</sup> 2016 [http://www.nytimes.com/2015/02/23/nyregion/as-office-space-shrinks-so-does-privacy-for-workers.html?\\_r=0](http://www.nytimes.com/2015/02/23/nyregion/as-office-space-shrinks-so-does-privacy-for-workers.html?_r=0)



**Scenario #2: Medical Office**

To build a 14,500-square foot, two story, medical office, TPMA estimates an initial construction investment of \$2,643,597. During the construction phase, this development would result in the creation of 25 jobs county-wide with an associated increase of \$1,169,443 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$2,371,137, which would result in a \$4,133 increase in Cumberland’s annual property tax receipts. For Hancock County, the annual increase in property tax receipts would be \$31,605.

Assuming the average employment (65 employees) and wages (\$84,391 per year) for the Ambulatory Health Care Services industry (NAICS 621), the development would increase the income tax base by \$4,725,896, resulting in a \$2,249 increase in Cumberland’s annual Local Option Income Tax receipts. Hancock County would see an increase of \$18,612 in income tax receipts.

Over a 20-year period, this hypothetical development would generate an additional \$454,900 in tax revenue for Cumberland and \$1,004,340 increase in tax revenue receipts for Hancock County.

Cumberland-Sugar Creek Township <i>Scenario 2 Impacts</i>	
<b>Construction Investment</b>	
\$2.6 M	
<b>Construction Impact</b>	
Jobs: 25	Income: \$1.2 M
<b>Job Creation</b>	
Jobs: 65	Avg. Salary: \$84 K
<b>Increase in Tax Base</b>	
Property: \$2.4 M	LOIT: \$4.7 M
<b>Cumberland Annual Tax Revenue Impact</b>	
Property: \$4 K	LOIT: \$2 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$32 K	LOIT: \$19 K

**Scenario #3: High-tech Manufacturing**

To build a 100,000-square foot, three story, high-tech factory, TPMA estimates an initial construction investment of \$13,509,645. During the construction phase, this development would result in the creation of 314 jobs county-wide with an associated increase of \$5,949,005 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$12,158,681, which would result in a \$21,193 increase in Cumberland’s annual property tax receipts. Hancock County would receive an additional \$162,063 in property taxes.

Assuming the average employment (136 employees) and wages (\$88,795 per year) for the Transportation Equipment Manufacturing industry (NAICS 336), the development would increase the income tax base by \$12,076,120, resulting in a \$5,748 increase in Cumberland’s annual Local Option Income Tax receipts. Hancock County would see an increase of \$47,559 annually in income tax receipts.

Over a 20-year period, this hypothetical development would generate an additional \$538,820 in tax revenue for Cumberland and \$4,192,440 increase in tax revenue receipts for Hancock County

<b>Cumberland-Sugar Creek Township Scenario 3 Impacts</b>	
<b>Construction Investment</b>	
\$13.5 M	
<b>Construction Impact</b>	
Jobs: 314	Income: \$5.9 M
<b>Job Creation</b>	
Jobs: 136	Avg. Salary: \$89 K
<b>Increase in Tax Base</b>	
Property: \$12.2 M	LOIT: \$12.1 M
<b>Cumberland Annual Tax Revenue Impact</b>	
Property: \$21 K	LOIT: \$6 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$162 K	LOIT: \$48 K

## Hancock County:

### Scenario #1: Light Industrial

To build a 48,000-square foot, single story, light industrial factory, TPMA estimates an initial construction investment of \$5,594,062. During the construction phase, this development would result in the creation of 130 jobs county-wide with an associated increase of \$2,463,359 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$5,034,656, which would result in a \$47,660 increase in the County's annual property tax receipts.

Assuming the average employment (31 employees) and wages (\$68,911 per year) for the Fabricated Metal Product Manufacturing industry (NAICS 332), the development would increase the income tax base by \$2,136,861, resulting in a \$8,415 increase in the County's annual Local Option Income Tax receipts.

Altogether, TPMA estimates the County will generate an additional \$1,121,500 in tax revenue over a 20-year period due to this development.

### Scenario #2: Residential

To build a residential neighborhood with 200 2,400-square foot, two story, homes, TPMA estimates an initial construction investment of \$61,496,000 (\$307,000 per house). During the construction phase, this development would result in the creation of 558 jobs county-wide with an associated increase of \$27,204,993 in earnings.

Once construction completes, the assessed value for the neighborhood of 200 homes would be \$33,522,400 (\$167,612 per house), which would result in a \$238,000 increase in the County's annual property tax receipts (\$1,190 per house).

TPMA assumed there no jobs would be created in this scenario; therefore, there would be no impact on local income tax.

Altogether, TPMA estimates the County would generate an additional \$4,760,000 (\$23,800 per house) in tax revenue over a 20-year period due to this development.

Hancock County Scenario 1 Impacts	
<b>Construction Investment</b>	
\$5.6 M	
<b>Construction Impact</b>	
Jobs: 130	Income: \$2.5 M
<b>Job Creation</b>	
Jobs: 31	Avg. Salary: \$69 K
<b>Increase in Tax Base</b>	
Property: \$5.0 M	LOIT: \$2.1 M
<b>Annual Tax Revenue Impact</b>	
Property: \$48 K	LOIT: \$8 K

Hancock County Scenario 2 Impacts	
<b>Construction Investment</b>	
\$61.5 M	
<b>Construction Impact</b>	
Jobs: 558	Income: \$27.2 M
<b>Job Creation</b>	
Jobs: 0	Avg. Salary: \$0
<b>Increase in Tax Base</b>	
Property: \$33.5 M	LOIT: \$0
<b>Annual Tax Revenue Impact</b>	
Property: \$238 K	LOIT: \$0

**Scenario #3: High-tech manufacturing**

To build a 100,000-square foot, three story, high-tech factory, TPMA estimates an initial construction investment of \$13,509,645. During the construction phase, this development would result in the creation of 314 jobs county-wide with an associated increase of \$5,949,005 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$12,158,681, which would result in a \$115,099 increase in the County’s annual property tax receipts.

Assuming the average employment (136 employees) and wages (\$88,795 per year) for the Transportation Equipment Manufacturing industry (NAICS 336), the development would increase the income tax base by \$12,076,120, resulting in a \$47,559 increase in the County’s annual Local Option Income Tax receipts.

Altogether, TPMA estimates the County will generate an additional \$3,253,160 in tax revenue over a 20-year period due to this development.

Hancock County <i>Scenario 3 Impacts</i>	
<b>Construction Investment</b>	
\$13.5 M	
<b>Construction Impact</b>	
Jobs: 314	Income: \$5.9 M
<b>Job Creation</b>	
Jobs: 136	Avg. Salary: \$89 K
<b>Increase in Tax Base</b>	
Property: \$12.2 M	LOIT: \$12.1 M
<b>Annual Tax Revenue Impact</b>	
Property: \$115 K	LOIT: \$48 K

## Town of McCordsville

Depending on the exact location, the hypothetical developments will fall into the taxing district of either Buck Creek Township or Vernon Township. Therefore, TPMA calculated the impacts for the Town of McCordsville in both taxing districts.

### Vernon Township

#### Scenario #1: Downtown boutique shops, locally-owned restaurants/retail

TPMA estimates an initial construction investment of \$3,918,611 to build a downtown boutique shopping area with the following:

- One 3,500-square foot coffee shop
- One 8,000-square foot joint use retail space
- One 7,000-square foot office space
- One 5,000-square foot restaurant

During the construction phase, this development would result in the creation of 37 jobs county-wide with an associated increase of \$1,733,469 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$3,526,751, which would result in a \$4,556 increase in McCordsville's annual property tax receipts. Hancock County would receive an additional \$35,870 in annual property tax receipts.

McCordsville-Vernon Township <i>Scenario 1 Impacts</i>	
<b>Construction Investment</b>	
\$3.9 M	
<b>Construction Impact</b>	
Jobs: 37	Income: \$1.7 M
<b>Job Creation</b>	
Jobs: 102	Avg. Salary: \$32 K
<b>Increase in Tax Base</b>	
Property: \$3.5 M	LOIT: \$4.6 M
<b>McCordsville Annual Tax Revenue Impact</b>	
Property: \$5 K	LOIT: \$2 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$36 K	LOIT: \$18 K

The development would increase the income tax base by \$4,558,755, resulting in a \$2,084 increase in McCordsville's annual Local Option Income Tax receipts. For Hancock County, the increase in annual income tax receipts would be \$17,952. The model assumes the average employment (102 employees) and wages (\$31,328 per year) across all buildings, derived from the following industry averages:

- Snack and Nonalcoholic Beverage Bars (NAICS 722515): 11 employees, annual salary of \$16,878
- Clothing Store (NAICS 4481): 14 employees, annual salary of \$19,274
- Hair, Nail and Skin Care Services (NAICS 81211): 14 employees, annual salary of 23,186
- The Professional, Scientific and Technical Services (NAICS 541): one employee for every 176 square feet (the North American average), annual salary of \$83,864
- Restaurants and Other Eating Places (NAICS 72251): 23 employees, annual salary of \$18,439

Over a 20-year period, this hypothetical development would generate an additional \$132,800 in tax revenue for McCordsville and \$1,076,440 increase in tax revenue receipts for Hancock County.

**Scenario #2: High-end Retail Park**

TPMA estimates an initial construction investment of \$11,087,647 to build a high-end retail park area with the following:

- One 44,000-square foot supermarket
- Two 7,200-square foot restaurants
- Two 4,000-square foot convenience stores
- One 12,000-square foot office space

During the construction phase, this development would result in the creation of 105 jobs county-wide with an associated increase of \$4,904,822 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$9,978,882, which would result in a \$12,892 increase in McCordsville’s annual property tax receipts. Hancock County would generate an additional \$101,489 in annual property tax receipts.

The development would increase the income tax base by \$8,650,834, resulting in a \$3,956 increase in McCordsville’s annual Local Option Income Tax receipts. Additionally, Hancock County would see an increase of \$34,067 in annual Local Option Income Tax receipts. The model assumes the average employment (210 employees) and wages (\$31,681 per year) across all buildings, derived from the following industry averages:

- Clothing Store (NAICS 4481): 14 employees, annual salary of \$19,274
- Hair, Nail and Skin Care Services (NAICS 81211): 14 employees, annual salary of \$23,186
- Professional, Scientific and Technical Services (NAICS 541): one employee for every 176 square feet (the North American average), annual salary of \$83,864
- Restaurants and Other Eating Places (NAICS 72251): 23 employees, annual salary of \$18,439
- Supermarket and Other Grocery (except Convenience) Store (NAICS 44511): 56 employees, annual salary of \$26,883

Over a 20-year period, this hypothetical development would generate an additional \$336,960 in tax revenue for McCordsville and \$2,711,120 increase in tax revenue receipts for Hancock County.

McCordsville-Vernon Township <i>Scenario 2 Impacts</i>	
<b>Construction Investment</b>	
\$11.1 M	
<b>Construction Impact</b>	
Jobs: 105	Income: \$4.9 M
<b>Job Creation</b>	
Jobs: 210	Avg. Salary: \$32 K
<b>Increase in Tax Base</b>	
Property: \$10.0 M	LOIT: \$8.7 M
<b>McCordsville Annual Tax Revenue Impact</b>	
Property: \$13 K	LOIT: \$4 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$101 K	LOIT: \$34 K

**Scenario #3: Medical Office**

To build a 14,500-square foot, two story, medical office, TPMA estimates an initial construction investment of \$2,643,597. During the construction phase, this development would result in the creation of 25 jobs county-wide with an associated increase of \$1,169,443 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$2,371,137, which would result in a \$3,063 increase in McCordsville’s annual property tax receipts. The property tax revenue receipts for Hancock County would be \$24,116 per year.

Assuming the average employment (56 employees) and wages (\$84,391 per year) for the Ambulatory Health Care Services industry (NAICS 621), the development would increase the income tax base by \$4,725,896, resulting in a \$2,161 increase in McCordsville’s annual Local Option Income Tax receipts. Hancock County would generate an additional \$18,612 in Local Option Income Tax receipts.

Over a 20-year period, this hypothetical development would generate an additional \$104,480 in tax revenue for McCordsville and \$854,560 increase in tax revenue receipts for Hancock County.

McCordsville-Vernon Township <i>Scenario 3 Impacts</i>	
<b>Construction Investment</b>	
\$2.6 M	
<b>Construction Impact</b>	
Jobs: 25	Income: \$1.2 M
<b>Job Creation</b>	
Jobs: 56	Avg. Salary: \$84 K
<b>Increase in Tax Base</b>	
Property: \$2.4 M	LOIT: \$4.7 M
<b>McCordsville Annual Tax Revenue Impact</b>	
Property: \$3 K	LOIT: \$2 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$24 K	LOIT: \$19 K

**Scenario #4: Light industrial**

To build a 48,000-square foot, single story, light industrial factory, TPMA estimates an initial construction investment of \$5,594,062. During the construction phase, this development would result in the creation of 130 jobs county-wide with an associated increase of \$2,463,359 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$5,034,656, which would result in a \$6,504 increase in McCordsville’s annual property tax receipts. Hancock County would receive an additional \$51,205 in annual property tax receipts.

Assuming the average employment (31 employees) and wages (\$68,911 per year) for the Fabricated Metal Product Manufacturing industry (NAICS 332), the development would increase the income tax base by \$2,136,861, resulting in a \$977 increase in McCordsville’s annual Local Option Income Tax receipts. Hancock County will generate an additional \$8,415 in Local Option Income Tax receipts.

Over a 20-year period, this hypothetical development would generate an additional \$149,620 in tax revenue for McCordsville and \$1,192,400 increase in tax revenue receipts for Hancock County.

McCordsville-Vernon Township <i>Scenario 4 Impacts</i>	
<b>Construction Investment</b>	
<b>\$5.6 M</b>	
<b>Construction Impact</b>	
Jobs: 130	Income: \$2.5 M
<b>Job Creation</b>	
Jobs: 31	Avg. Salary: \$69 K
<b>Increase in Tax Base</b>	
Property: \$5.0 M	LOIT: \$2.1 M
<b>McCordsville Annual Tax Revenue Impact</b>	
Property: \$7 K	LOIT: \$1 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$51 K	LOIT: \$8 K



## Buck Creek Township

### **Scenario #1: Downtown boutique shops, locally-owned restaurants/retail**

TPMA estimates an initial construction investment of \$3,918,611 to build a downtown boutique shopping area with the following:

- One 3,500-square foot coffee shop
- One 8,000-square foot joint use retail space
- One 7,000-square foot office space
- One 5,000-square foot restaurant

During the construction phase, this development would result in the creation of 37 jobs county-wide with an associated increase of \$1,733,469 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$3,526,751, which would result in a \$4,879 increase in McCordsville's annual property tax receipts. Hancock County would receive an additional \$38,369 in annual property tax receipts.

The development would increase the income tax base by \$4,558,755, resulting in a \$2,084 increase in McCordsville's annual Local Option Income Tax receipts. For Hancock County, the increase in annual income tax receipts would be \$17,952. The model assumes the average employment (102 employees) and wages (\$31,328 per year) across all buildings, derived from the following industry averages:

- Snack and Nonalcoholic Beverage Bars (NAICS 722515): 11 employees, annual salary of \$16,878
- Clothing Store (NAICS 4481): 14 employees, annual salary of \$19,274
- Hair, Nail and Skin Care Services (NAICS 81211): 14 employees, annual salary of 23,186
- The Professional, Scientific and Technical Services (NAICS 541): one employee for every 176 square feet (the North American average), annual salary of \$83,864
- Restaurants and Other Eating Places (NAICS 72251): 23 employees, annual salary of \$18,439

Over a 20-year period, this hypothetical development would generate an additional \$139,260 in tax revenue for McCordsville and \$1,126,420 increase in tax revenue receipts for Hancock County.

<b>McCordsville-Buck Creek Township Scenario 1 Impacts</b>	
<b>Construction Investment</b>	
\$3.9 M	
<b>Construction Impact</b>	
Jobs: 37	Income: \$1.7 M
<b>Job Creation</b>	
Jobs: 102	Avg. Salary: \$32 K
<b>Increase in Tax Base</b>	
Property: \$3.5 M	LOIT: \$4.5 M
<b>McCordsville Annual Tax Revenue Impact</b>	
Property: \$5 K	LOIT: \$2 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$38 K	LOIT: \$18 K

## Scenario #2: High-end Retail Park

TPMA estimates an initial construction investment of \$11,087,647 to build a high-end retail park area with the following:

- One 44,000-square foot supermarket
- Two 7,200-square foot restaurants
- Two 4,000-square foot convenience stores
- One 12,000-square foot office space

During the construction phase, this development would result in the creation of 105 jobs county-wide with an associated increase of \$4,904,822 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$9,978,882, which would result in a \$13,806 increase in McCordsville’s annual property tax receipts. Hancock County would generate an additional \$108,562 in annual property tax receipts.

The development would increase the income tax base by \$8,650,834, resulting in a \$3,956 increase in McCordsville’s annual Local Option Income Tax receipts. Additionally, Hancock County would see an increase of \$34,067 in annual Local Option Income Tax receipts. The model assumes the average employment (210 employees) and wages (\$31,681 per year) across all buildings, derived from the following industry averages:

- Clothing Store (NAICS 4481): 14 employees, annual salary of \$19,274
- Hair, Nail and Skin Care Services (NAICS 81211): 14 employees, annual salary of \$23,186
- Professional, Scientific and Technical Services (NAICS 541): one employee for every 176 square feet (the North American average), annual salary of \$83,864
- Restaurants and Other Eating Places (NAICS 72251): 23 employees, annual salary of \$18,439
- Supermarket and Other Grocery (except Convenience) Store (NAICS 44511): 56 employees, annual salary of \$26,883

Over a 20-year period, this hypothetical development would generate an additional \$355,240 in tax revenue for McCordsville and \$2,852,580 increase in tax revenue receipts for Hancock County.

McCordsville-Buck Creek Township <i>Scenario 2 Impacts</i>	
<b>Construction Investment</b>	
\$11.0 M	
<b>Construction Impact</b>	
Jobs: 105	Income: \$4.9 M
<b>Job Creation</b>	
Jobs: 210	Avg. Salary: \$32 K
<b>Increase in Tax Base</b>	
Property: \$10.0 M	LOIT: \$8.6 M
<b>McCordsville Annual Tax Revenue Impact</b>	
Property: \$14 K	LOIT: \$4 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$109 K	LOIT: \$34 K

**Scenario #3: Medical Office**

To build a 14,500-square foot, two story, medical office, TPMA estimates an initial construction investment of \$2,643,597. During the construction phase, this development would result in the creation of 25 jobs county-wide with an associated increase of \$1,169,443 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$2,371,137, which would result in a \$3,280 increase in McCordsville’s annual property tax receipts. The property tax revenue receipts for Hancock County would be \$25,796 per year.

Assuming the average employment (56 employees) and wages (\$84,391 per year) for the Ambulatory Health Care Services industry (NAICS 621), the development would increase the income tax base by \$4,725,896, resulting in a \$2,161 increase in McCordsville’s annual Local Option Income Tax receipts. Hancock County would generate an additional \$18,612 in Local Option Income Tax receipts.

Over a 20-year period, this hypothetical development would generate an additional \$108,820 in tax revenue for McCordsville and \$888,160 increase in tax revenue receipts for Hancock County.

McCordsville-Buck Creek Township <i>Scenario 3 Impacts</i>	
<b>Construction Investment</b>	
\$2.6 M	
<b>Construction Impact</b>	
Jobs: 25	Income: \$1.2 M
<b>Job Creation</b>	
Jobs: 56	Avg. Salary: \$84 K
<b>Increase in Tax Base</b>	
Property: \$2.4 M	LOIT: \$4.7 M
<b>McCordsville Annual Tax Revenue Impact</b>	
Property: \$3 K	LOIT: \$2 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$26 K	LOIT: \$19 K

**Scenario #4: Light industrial**

To build a 48,000-square foot, single story, light industrial factory, TPMA estimates an initial construction investment of \$5,594,062. During the construction phase, this development would result in the creation of 130 jobs county-wide with an associated increase of \$2,463,359 in earnings.

Once construction completes, the assessed value of the property is anticipated to increase by \$5,034,656, which would result in a \$6,965 increase in McCordsville’s annual property tax receipts. Hancock County would receive an additional \$54,773 in annual property tax receipts.

Assuming the average employment (31 employees) and wages (\$68,911 per year) for the Fabricated Metal Product Manufacturing industry (NAICS 332), the development would increase the income tax base by \$2,136,861, resulting in a \$977 increase in McCordsville’s annual Local Option Income Tax receipts. Hancock County will generate an additional \$8,415 in Local Option Income Tax receipts.

Over a 20-year period, this hypothetical development would generate an additional \$158,840 in tax revenue for McCordsville and \$1,263,760 increase in tax revenue receipts for Hancock County.

McCordsville-Buck Creek Township <i>Scenario 4 Impacts</i>	
<b>Construction Investment</b>	
<b>\$5.6 M</b>	
<b>Construction Impact</b>	
Jobs: 130	Income: \$2.5 M
<b>Job Creation</b>	
Jobs: 31	Avg. Salary: \$69 K
<b>Increase in Tax Base</b>	
Property: \$5.0 M	LOIT: \$2.1 M
<b>McCordsville Annual Tax Revenue Impact</b>	
Property: \$7 K	LOIT: \$1 K
<b>Hancock County Annual Tax Revenue Impact</b>	
Property: \$55 K	LOIT: \$8 K

## Conclusions

### Town of Cumberland:

Scenario 1: High-end retail park has the largest impact in terms of job creation, creating between 74 and 145 more jobs than the other two scenarios; however, these jobs are relatively low-paying with an average salary of \$32,000 compared with salaries of over \$80,000 for the other scenarios. While Scenario 3: High-tech Manufacturing does not create the largest number of jobs, it yields a larger return-on-investment in terms of increasing the region’s income and tax base.

Scenario 3: High-tech Manufacturing has the highest construction investment, resulting in a greater construction impact, than the other two scenarios. If Cumberland’s priority is to infuse the economy with a one-time burst of investment, this development option would have the largest impact. In addition, Scenario 3 results in the largest increase in tax revenues, with a total tax revenue of between \$213,000 and \$237,000 (depending on the township). If generating additional tax revenue is important to Cumberland, High-tech Manufacturing would provide both the greatest initial impact and the largest tax revenues over time. High-tech manufacturing also has the highest wages of the three scenarios.

Given a choice between Buck Creek or Sugar Creek Townships, the greatest tax revenue impact would come from pursuing development in Sugar Creek, where revenues are 8% to 12% higher, depending on the development.

Cumberland-Buck Creek (BC) / Sugar Creek (SC) Townships <i>Development Impact Comparison</i>				
Type of Impact		Scenario 1: High-end Retail Park	Scenario 2: Medical Office	Scenario 3: High-tech Manufacturing
Constructed Space		48,400 sq./ft.	14,500 sq./ft.	100,000 sq./ft.
Construction Investment		\$11.0 M	\$2.6 M	\$13.5 M
Construction Impact	Jobs	105	25	314
	Income	\$4.9 M	\$1.1 M	\$5.9 M
Job Creation	Jobs	210	65	136
	Avg. Salary	\$32 K	\$84 K	\$89 K
Increase in Tax Base	Property	\$10.0 M	\$2.3 M	\$12.2 M
	LOIT	\$8.6 M	\$4.7 M	\$12.0 M
Annual Tax Revenue Impact: Cumberland	Property	\$14 K (BC) \$17 K (SC)	\$3 K (BC) \$4 K (SC)	\$18 K (BC) \$21 K (SC)
	LOIT	\$4 K	\$2 K	\$6 K
Annual Tax Revenue Impact: County	Property	\$116 K (BC) \$133 K (SC)	\$28 K (BC) \$31 K (SC)	\$141 K (BC) \$162 K (SC)
	LOIT	\$34 K	\$19 K	\$48 K

## Hancock County:

Scenario 2: Custom Class Residential development has a significantly higher construction investment, resulting in a construction impact between 4 to 10 times greater than the other two scenarios. If Hancock County's priority is to infuse the economy with a one-time burst of investment, this development option would have the largest impact. In addition, Scenario 2 results in the largest increase in tax revenue for the County, with revenues over \$100,000 more than the other scenarios. If generating additional tax revenue is important to the County, encouraging a residential development would have the greatest impact. However, this scenario does not create any jobs and would not increase income in the region. In addition, Scenario 2 has the largest footprint; a neighborhood with 200 homes would require a much larger plot than either of the other two scenarios.

Scenario 3: High-tech Manufacturing development has the largest impact in terms of job creation, creating significantly more jobs at a higher wage than the other two scenarios. If creating a large number of high-paying jobs is Hancock County's development priority, this scenario would have the largest impact.

Hancock County <i>Development Impact Comparison</i>				
Type of Impact		Scenario 1: Light Industrial	Scenario 2: Custom Class Residential	Scenario 3: High-tech Manufacturing
Constructed Space		50,000 sq./ft.	480,000 sq./ft.	100,000 sq./ft.
Construction Investment		\$5.6 M	\$61.5 M	\$13.5 M
Construction Impact	Jobs	130	558	314
	Income	\$2.5 M	\$27.2 M	\$5.9 M
Job Creation	Jobs	31	0	136
	Avg. Salary	\$69 K	\$0	\$89 K
Increase in Tax Base	Property	\$5.0 M	\$33.5 M	\$12.2 M
	LOIT	\$2.1 M	\$0	\$12.0 M
Annual Tax Revenue Impact	Property	\$48 K	\$238 K	\$115 K
	LOIT	\$8 K	\$0	\$48 K

## Town of McCordsville:

Scenario 2: High-end Retail Park has a significantly higher construction investment, resulting in a construction impact early twice as large as the next best alternative (Scenario 4). If McCordsville’s priority is to infuse the economy with a one-time burst of investment, this development option would have the largest impact. In addition, Scenario 2 results in the largest increase in tax revenue for McCordsville. If generating additional tax revenue is important to the County, encouraging a retail park would have the greatest impact. Scenario 2 also creates the largest number of new jobs for McCordsville; however, they are relatively low-wage at \$32,000 per year.

In terms of job creation, the Scenario 3: Medical Office has the highest wages of the four scenarios, but created the least number of jobs. Scenario 4: Light Industrial also has much higher wages than the two retail centers and has a higher initial construction investment than Scenario 3.

Scenario 1: Downtown Boutique Retail provides a smaller scale impact for a retail environment, but is able to do so with a much smaller footprint. If McCordsville is looking for a smaller retail environment, then Scenario 1 should be pursued.

Given a choice between Buck Creek or Vernon Townships, the greatest tax revenue impact would come from pursuing development in Vernon, where revenues are 4% to 6% higher, depending on the development.

McCordsville- Vernon(V) / Buck Creek(BC) Townships <i>Development Impact Comparison</i>					
Type of Impact		Scenario 1: Downtown Boutique Retail	Scenario 2: High-end Retail Park	Scenario 3: Medical Office	Scenario 4: Light Industrial
Constructed Space		23,500 sq./ft.	78,400 s./ft.	14,500 sq./ft.	50,000 sq./ft.
Construction Investment		\$3.9 M	\$11.0 M	\$2.6 M	\$5.6 M
Construction Impact	Jobs	37	105	25	130
	Income	\$1.7 M	\$4.9 M	\$1.1 M	\$2.5 M
Job Creation	Jobs	102	210	65	31
	Avg. Salary	\$32 K	\$32 K	\$84 K	\$69 K
Increase in Tax Base	Property	\$3.5 M	\$10.0 M	\$2.3 M	\$5.0 M
	LOIT	\$4.5 M	\$8.6 M	\$4.7 M	\$2.1 M
Annual Tax Revenue Impact: McCordsville	Property	\$5 K (V) \$5 K (BC)	\$13 K (V) \$14 K (BC)	\$3 K (V) \$3 K (BC)	\$7 K (V) \$7 K (BC)
	LOIT	\$2 K	\$4 K	\$2 K	\$1 K
Annual Tax Revenue Impact: County	Property	\$36 K (V) \$38 K (BC)	\$101 K (V) \$109 K (BC)	\$24 K (V) \$26 K (BC)	\$51 K (V) \$55 K (BC)
	LOIT	\$18 K	\$34 K	\$19 K	\$8 K

## Target Industry Identification

In September 2015, the Indianapolis Regional Comprehensive Economic Development Strategy (CEDS) was completed and included a target business review (i.e. target industry analysis) of industries in the greater Indianapolis region, including Hancock County. The target business review’s focus determined the viability of existing industry targets, identified opportunity industries, as well as entrepreneurship and workforce assets. The CEDS report explains:

*“Targets are often those segments of an economy where competitive advantages exist, prospects for future growth are greatest, and return on investment is likely highest. However, many economic regions choose to target business sectors that are not presently concentrated in their community or characterized by existing competitive advantages. This may be because such activities are rapidly expanding, exhibit potential to become clusters in the years and decades to come, or align with other strategic objectives of the community. In this regard, the process of identifying and subsequently supporting target sectors is one that must acknowledge a region’s historical strengths while also being forward-looking and seeking to capitalize on emerging opportunities. Investment in these emerging opportunities may not provide immediate benefits in the form of job creation, but such targeted investments are necessary to prepare regional economies for the jobs of the future and not simply the jobs of today.”*

Industry strengths are generally based on historical strengths and employment is typically concentrated by a few anchor employers in a region. The Hancock Economic Development Council identified the strongest industries for Hancock County, which are slightly different from the targeted industries from the 2015 Indianapolis Regional CEDS report.

Hancock Economic Development Council	2015 Indianapolis Regional CEDS
<b>Life Sciences</b>	<b>Life Sciences</b>
<b>Manufacturing</b>	<b>Manufacturing</b>
<b>Logistics</b>	<b>Logistics</b>
<b>Professional and Business Support Services</b>	<b>Information Technology</b>
<b>Agriculture</b>	<b>Sports</b>

Existing sector strengths are sustained and grown by supporting numerous existing assets and initiatives by the public and private sectors. Additionally, a focus on technology-led economic development in the region has been and continues to be supported, and the Towns of Cumberland and McCordsville, and Hancock County have identified this as an aspirational target.

Based on this knowledge and the obvious overlap of targets, TPMA has highlighted the following target industries with information on historical sector strength, national trends, and key site considerations for relocation. These identified target industries, as well as associated site considerations listed below, provide guidance to the communities as to which types of companies are best suited for location along the Mt. Comfort Corridor.

TPMA Mt. Comfort Corridor Target Industries
<b>Life Sciences</b>
<b>Manufacturing</b>
<b>Logistics</b>
<b>Information Technology</b>



A comprehensive description of these target industries can be found in the full Indianapolis Regional Comprehensive Economic Development Strategy (CEDS)<sup>10</sup>.

## Life Sciences

### Existing Sector Strengths

- Pharmaceuticals
- Agricultural Science

**National Trends:** Impacted by expiring patents, declining R&D productivity, proliferation of generic competition, regulations that lead to long development and drug approval processes, excessive reporting requirements, and declining federal funding for academic research and development.

**Key Site Considerations:** highly-skilled STEM talent, research universities, talent pipeline, lab and production space, proximity to R&D and clinical trials capacity, proximity to strong life science startup community and resources, quality of life, tax climate and incentives, transportation and distribution networks.

### Niche Technologies

- Medical devices
- Animal Health Sciences and Technologies

### Potential Opportunities

- Precision Medicine (i.e. individualized medical treatment)
- Nutraceuticals (i.e. food or parts of food that provide medical or health benefits)
- Contract Research Organizations

## Manufacturing

### Existing Sector Strengths

- Aerospace and defense
- Motor Vehicle Parts and Products

**National Trends:** increasing global competition, new regulations, automation, and cyclical fluctuations in demand.

**Key Site Considerations:** available sites and buildings; competitive labor costs; abundant water; access to skilled talent; responsible; high-capacity technical college and training; proximity to suppliers, markets, and transportation networks; redundant and cost-effective power grid.

### Niche Technologies

- Energy Systems and Battery Technology

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<sup>10</sup> Indianapolis Regional Comprehensive Economic Development Strategy (CEDS).  
[http://indychamber.com/files/4914/5951/6514/Indianapolis\\_Regional\\_CEDS\\_all\\_deliverables.pdf](http://indychamber.com/files/4914/5951/6514/Indianapolis_Regional_CEDS_all_deliverables.pdf)

### **Potential Opportunities**

- Additive Manufacturing (e.g. 3D Printing)
- Internet of Things (IOT) and Web-Enabled Automobiles
- Automation, Robotics, and the Nature of the Workplace

## **Logistics**

### **Existing Sector Strengths**

- Air Transportation
- Storage and Fulfillment Services

**National Trends:** between 2014 and 2024, national employment is projected to increase by 12% with nearly 1.1 million jobs.

**Key Site Considerations:** large available sites; existing buildings; access to transportation networks; proximity to manufacturers, markets, and ports; and high quality information technology infrastructure (i.e. broadband).

### **Niche Technologies**

- Smart and Sustainable Logistics
- Biologistics

### **Potential Opportunities**

- Fulfillment Automation
- Same Day Delivery
- “Last Mile” Delivery

## **Information Technology**

### **Existing Sector Strengths**

- Computer Systems Design

**National Trends:** national IT sector pushes global innovation.

**Key Site Considerations:** fiber optic capacity; reliable cost effective power grid; low probability for natural disasters; flexible higher education institutions prepared to adjust training capacity based on latest practices; highly education talent; strong entrepreneurship ecosystem; venture capital access.

### **Niche Technologies**

- Marketing Technology
- Health Information Technology

### **Potential Opportunities**

- Software As A Service (SAAS)
- Social Marketing
- Mobile App Development
- Big Data Analytics

## Summary of Site Location Factors

Primary factors effecting site selection and relocation vary based on the industry. The Industrial, Commercial/Retail, and Residential industries produced the following top factors for site selection.

***One important note:** each and any type of development should be thoroughly evaluated based on the potential impact to services provided by the municipality or county.*

### **Industrial: Hancock County, Town of Cumberland, and Town of McCordsville**

Area Development Magazine conducted the 30<sup>th</sup> Annual Corporate Site Selector Survey of which top business leaders provide guidance on the key factors impacting Industrial site relocation. The top ten factors for 2016 include:<sup>11</sup>

- Available, quality workforce
- Highway accessibility
- Quality of Life
- Occupancy or Construction Costs
- Available Buildings
- Labor Costs
- Favorable Corporate Tax Rate
- Proximity to Major Markets
- State and Local Incentives
- Energy Availability and Cost

### **Commercial/Retail: Town of Cumberland and Town of McCordsville**

The decision of site location is the cornerstone to whether a store is successful and profitable. Therefore, retailers must consider numerous variables and sites before expanding. Communities that understand these site selection factors are positioned at an advantaged to serve and attract retailers. Site selection drivers include:

- **Location**
  - Location to schools, hospitals, other major employers
  - Location to complementary retailers
- **Demographic Profile**
  - Trade-area population of the region<sup>12</sup>
  - Specific population ranges
  - Employment base
  - Spending habits
  - Lifestyle practices
  - Median household income

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<sup>11</sup> <http://www.areadevelopment.com/Corporate-Consultants-Survey-Results/Q1-2016/corporate-executive-site-selection-facility-plans-441729.shtml?Page=2>

<sup>12</sup> <http://www.dublinbuilding.com/blog2/130-factors-for-site-selection-for-commercial-buildings>

- Household size
- Consumer buying power
- **Site visibility from moving traffic (signage)**
  - Traffic counts
- Amenities and features in the immediate area<sup>13</sup>
- Number, size, and quality of competition
- Nature of zoning regulation

## Residential: Hancock County

Several factors need to be considered prior to developers conducting a site location search for a residential housing development.

- **Scale:** the scale of proposed housing development should correspond to the level of need for housing in the community. Additionally, the scale should be complementary and ‘fit’ with the height and density of the surrounding buildings.
- **Housing type and construction approach:** new construction versus rehabilitation will impact the location decision.
- **Location**
  - Public transportation
  - Employment opportunities
  - Neighborhood amenities
  - Day care
  - Public schools and related programs
  - Security
  - Age of surrounding housing stock
- **Zoning considerations:** often times, best-use sites that are politically acceptable to a community frequently require zoning approvals or discretionary action by a local planning board or commission. Developers and city planners need to work closely together to identify potential discretionary actions that will be needed and understand how long the process will take.
- **Community acceptance:** an assessment of community and political support is a critical piece to a developer deciding on a location for a housing development.<sup>14</sup>

## Traffic and Transportation Plans

Hancock County has submitted plans for increasing travel and turning lanes along the Mt. Comfort Corridor from 400N to 550N, expanding the current two-lane road to a five-lane road. Additionally, plans include the creation of a realignment option near the Town of McCordsville that would allow for additional

<sup>13</sup> <http://www.tradeandindustrydev.com/industry/retail/gis-analysis%E2%80%94new-approach-retail-site-selection-8065#sthash.JWOWBoB2.dpuf>

<sup>14</sup> [http://www.csh.org/wp-content/uploads/2013/09/SiteSelectionandSearchStrategies\\_F.pdf](http://www.csh.org/wp-content/uploads/2013/09/SiteSelectionandSearchStrategies_F.pdf)

commercial district development including establishing a dedicated downtown space. Based on these plans and conversations with the communities, a downtown development scenario was included in the fiscal impact analysis.

Recently, the county has submitted a federal FASTlane grant application which will provide funding for the proposed infrastructure improvements. Currently, the Tax Increment Financing (TIF) district will provide some funding for the proposed infrastructure improvements.

## Recommendations

Based on the results of the fiscal impact analysis and the identified target industries, TPMA recommends the following:

- **Further Study** — TPMA recommends further study, to include estimating the costs of pre-development, return-on-investment analysis, market analysis, site due diligence, and community input for all of the development scenarios; however, we recommend that the following types of development should be given priority:
  - **High-tech Manufacturing** (*Scenario 3 for the Town of Cumberland or Scenario 3 for Hancock County*) – This hypothetical development yielded the largest investment and increase to the region’s tax base and creates the best jobs. Given the choice between Cumberland and Hancock County, this development would generate the largest tax impacts for the region when located within the Cumberland-Sugar Creek taxing district.
  - **Custom Class Residential** (*Scenario 2 for Hancock County*) – This hypothetical development had the greatest impact in terms of investment and increase to the County’s tax base of all the scenarios considered. While no jobs would be created in this scenario, this type of development would be complementary strategy for attracting high-wage, high-skill jobs and highly skilled workers to the region.
  - **High-end Retail Park** (*Scenario 1 for the Town of Cumberland and Scenario 2 for the Town of McCordsville*) – This hypothetical scenario attracts a large investment, contributes significantly to the regional tax base, and creates a large number of middle-wage jobs. In addition, this type of development may be important as a strategy for improving the quality-of-life and attracting highly skilled workers to the region.
- **Marketing/Branding** – As previously mentioned, fiber capacity along the Corridor is one of the best in the Indianapolis MSA region. This critical infrastructure asset is a well-kept secret that needs to be broadcasted and marketed to attract residents, talent, and businesses. Establishing a brand based on this asset can be a differentiator for the communities. Focused marketing efforts on the target industries and site selections factors identified are recommended.
- **Land Use Plans** – Based on discussions with the communities, a comprehensive land use plan along the corridor and throughout the rest of the county is recommended for a cohesive, forward-thinking strategy for impending development.
- **Pre-development** – Communities need to be ready for impending development, thus, identifying prime shovel-ready sites for such development scenarios is imperative. Pre-development site work is recommended as a means of increasing speed-to-market for developers, consultants, and businesses.