

April 30, 2025

## Shiley Real Estate Development Case – Executive Summary

**Team Name:** Alpine Development Group

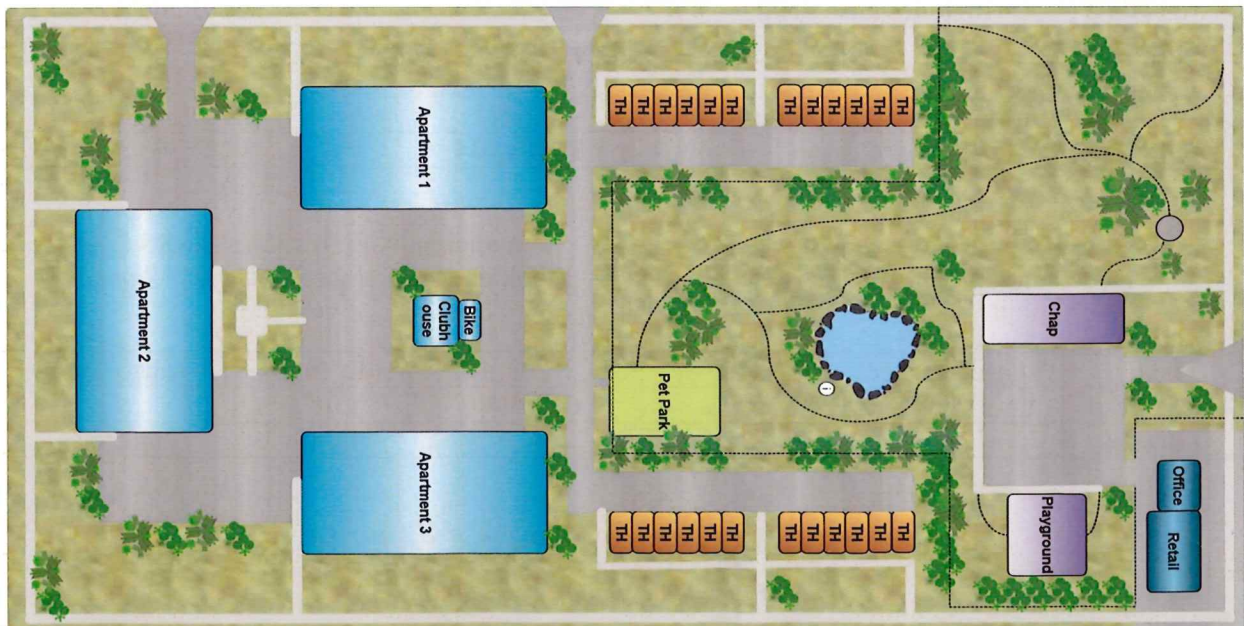
**Team Member Names:** Elliot Ball, Cesar Rivera Soto, Andy Sanchez Dominguez, Thawng Thang

**Project Name:** 401 N Randolph St Development Proposal

### Development Concept:

- 2,000 SF of gross lease office space for one tenant with frontage along Michigan St.
- 4,000 SF of NNN retail space for two tenants with frontage along Michigan St.
- 24 total three story 2 bed 3 bath adjoined townhomes at 1,690 sf each with single car garages on first floor. Amenities include keypad entry for security, clubhouse access with fitness center, grilling stations, pet park, valet trash, stainless steel appliances, granite countertops, and in-unit washer and dryer.
- 3 three story multifamily apartment buildings at 168,141 rentable SF in total. 200 total units ranging from 498 SF studios, 746 SF 1 bed 1 bath, and 1,064 SF 2 bed 2 bath units. Amenities include keypad entry for security, clubhouse access with fitness center, grilling stations, pet park, valet trash, stainless steel appliances, granite countertops, in-unit washer and dryer, and rentable single car garages on the first floor of each building.
- 2.5 acres of publicly accessible park. The park includes water features, a playground, woods, extensive trails, ample parking for cars and bikes, seating, grilling stations, and pet park access. The park houses the historic babbling brook, labyrinth, and newly renovated Historic Indiana Women's Prison Chapel in honor of the site's history.
- Four points of access onto the site; two off Michigan into the retail and office sector, and the park. Two off Randolph into the townhome and multifamily area. Sidewalks through the entire site create accessibility and connectivity. Softscape promotes privacy and beauty for residents and guests.

### Site Layout:



### Market:

Our development targets a tract median age group of people aged 34 that value living in areas encouraging and supporting sociability, walkability, vintage taste, unique atmosphere, proximity to work, and community integration. It also seeks to balance the wants of the surrounding community by preserving and honoring its historic nature as the former Indiana Women's Prison and providing infrastructure that aligns with the Near Eastside Quality of Life Plan.

### Legal & Political:

Our development will be zoned to MU2, a common zone found in the near east side area that provides opportunity. All aspects of our development including uses, setbacks, building heights, and parking requirements were designed according to the Indianapolis-Marion County Consolidated Zoning and Subdivision Ordinance of 2025. Our proposal requires only that the acquisition price of the land be discounted by the cost of demolition of current structures and necessary environmental remediation. We believe all these factors considered make the project ready for city approval and community acceptance.

### H&BU Summary:

A market determined balance of multifamily, townhomes, retail space, office space, and public park will allow for profitability without neglecting the sites' history and wants of the community.

	<b>Multifamily</b>	<b>Townhomes</b>	<b>Office</b>	<b>Retail</b>
<b>Rental Income</b>	\$ 25.74 / SF	\$ 19.72 / SF	\$ 21.66 / SF	\$ 34.66 / SF
<b>V&amp;C</b>	6%	3.5%	15.70%	12.15%
<b>OER</b>	35%	35%	45.31%	12.09%
<b>Rents</b>	Avg: \$1,707	\$2,777	\$21.66 / SF	\$34.66 / SF
<b>Going-in Cap Rate</b>	6.00%	6.00%	9.00%	7.94%
<b>Terminal Cap Rate</b>	5.20%	5.30%	8.20%	6.80%
<b>Stabilized NOI</b>	\$17.54 / SF	\$ 12.71 / SF	\$ 10.17 / SF	\$ 28.34 / SF
<b>Stabilization Year</b>	October 2028	October 2028	October 2028	October 2028

<b>Total Hard Costs (Includes land dev.)</b>	\$ 46,700,590	\$ 103.58 / SF
<b>Soft Costs 10%</b>	\$ 4,670,059	\$ 10.36 / SF
<b>Entrepreneurial Incentive 10%</b>	\$ 5,137,065	\$ 11.39 / SF
<b>Land Value Offering (Less Demolition)</b>	\$ 773,921	\$ 1.72 / SF
<b>Total Development/Project Costs</b>	<b>\$ 57,281,634</b>	<b>\$ 127.05 / SF</b>

**Incentives:** None used in project  
**Construction Length:** 2.25 Years

**Financing:** Non-Recourse CMBS Loan  
**Stabilization:** October 2028 (year 2 of DCF)

	<b>Target Spread</b>	<b>IRR</b>	<b>ROC</b>	<b>Profit Index</b>	<b>Equity Multiple</b>
<b>Unlevered</b>	21 bps	8.86 %	6.28 %	1.01	-
<b>Levered</b>	-	10.64 %	-	1.58	2.58

*Thank you for your time, consideration, and expertise.*

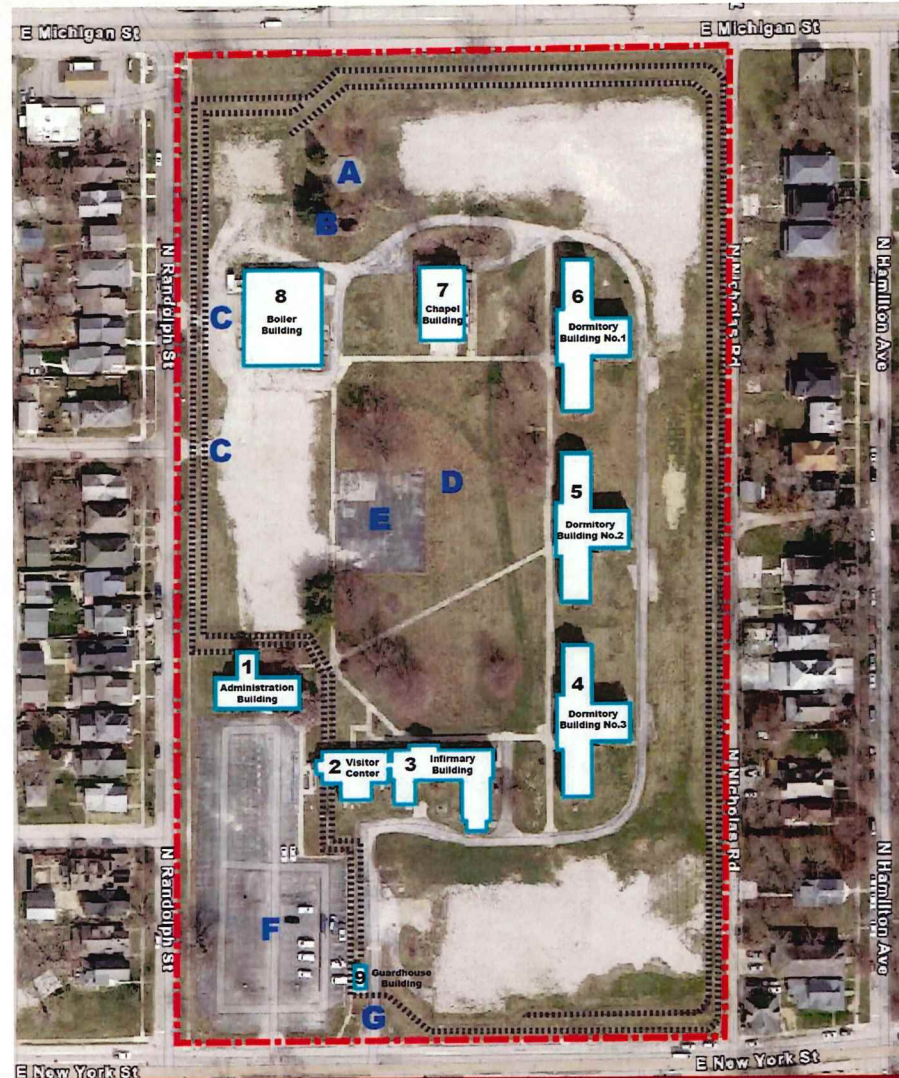
*We hope you enjoy our presentation.*



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## Considerations

- Land use plan calls for “Traditional Neighborhood”
- Zoned Special Use 8 – Correctional/Penal Institution; requires rezoning
- Part of Near Eastside Quality of Life Plan
- Near Eastside HOTIF through 2036 for this area; substantially committed to \$19M infrastructure project
- Michigan & New York Streets being converted to two-way with protected bike lanes on north and south sides of site





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## Considerations

- Historic covenants in place for most remaining buildings (all but guard shack)
- Dormitory buildings may have load-bearing cell walls
- Multiple buildings previously demolished; only the chapel and administration building are generally considered of historic value
- Tunnels underneath site & recognized environmental conditions
- Potential for human remains and other unknowns
- Labyrinth & brook currently remain on site; not protected by historic covenants

