



APPLIED ECONOMICS

**ECONOMIC AND REVENUE IMPACTS
OF McCORDSVILLE TOWN CENTER**

DRAFT

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1.0 INTRODUCTION

Applied Economics was retained by the Town of McCordsville, Indiana and the McCordsville Redevelopment Commission to perform an economic impact analysis of the Conceptual Development Plan for the proposed Town Center. This analysis is intended to provide a framework for understanding the economic and revenue impacts that the development could generate during the construction period, and on an on-going basis. While the exact timing of the Town Center development is not known at this time, it is anticipated to occur in three phases. This analysis includes estimated impacts for each phase individually, as well as total impacts for the entire development at build out.

This analysis was conducted during the COVID-19 pandemic and accompanying economic downturn. However, it is important to point out that even during this pandemic many national companies have continued to announce office expansions, including tech companies like Zoom, Facebook and Amazon. While some employers have pulled back on office environments, this has been the exception, not the rule. If a company is looking to expand, hire new employees, and continue to build their corporate culture through mentoring, collaborating and socializing, those are things that primarily happen in an office and will continue to support demand for office space. Some office employees might work in shifts, alternating days when they go into the office, and there could be configuration changes including moving workstations farther apart. However, most economists believe that with the availability of a vaccine and therapeutic treatments that the economy will recover and that the type of mixed-use office and retail development that is proposed for the McCordsville Town Center will still be viable.

This analysis is not intended to be used as a feasibility study. It is simply an estimate of the economic impacts based on proposed development plans. The project parameters are likely to be refined as it moves forward. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the estimates and the actual results because events and circumstances frequently do not occur as expected. In no way will Applied Economics be held responsible or have any liability or be subject to damages as a result of this analysis.

1.1 Project Description

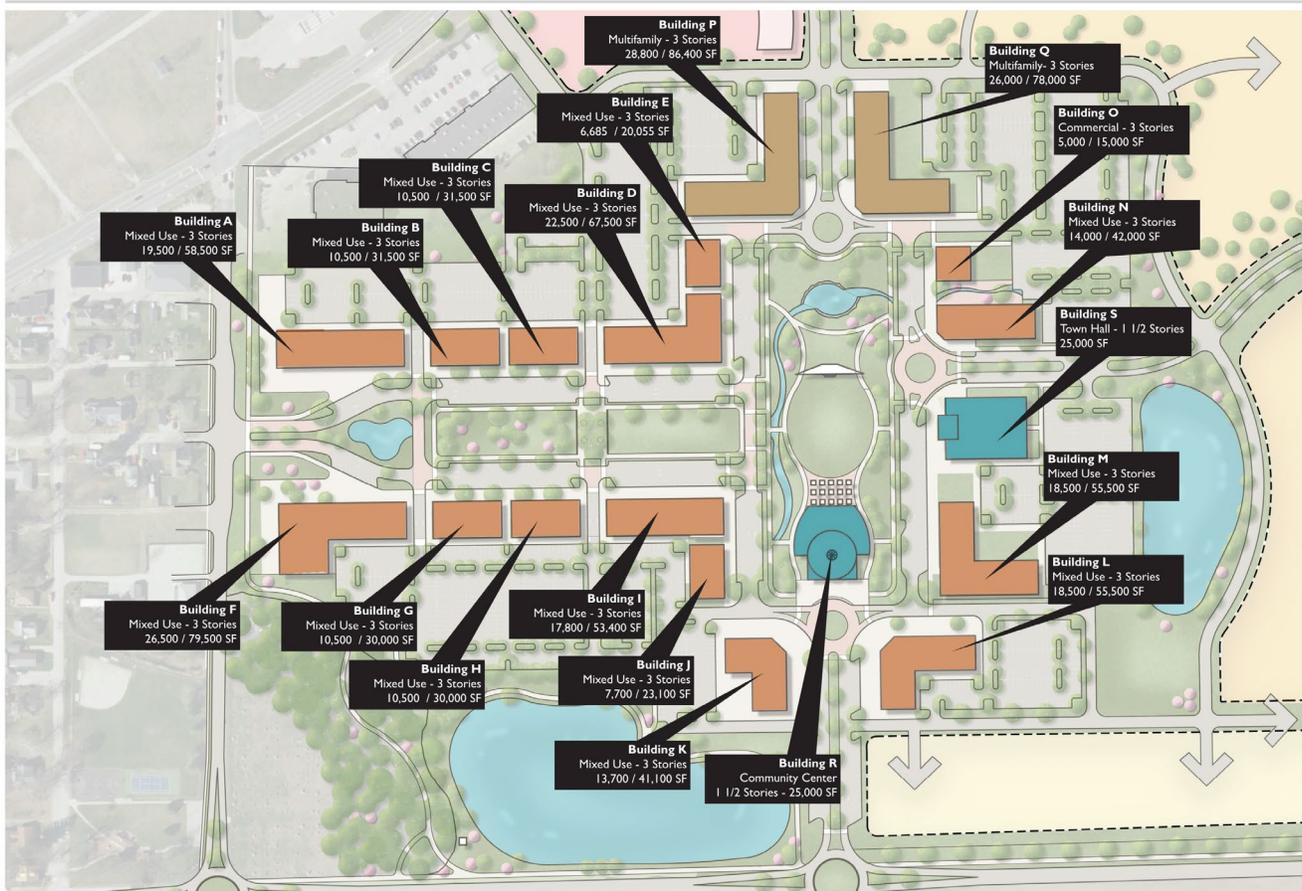
The project area includes about 135 gross acres and is located on the southeast corner of Highway 36 and 600 W. The proposed conceptual development plan includes outparcels along the north side of the development, single family along the east side, and townhomes on the south side along 750 N. These uses encircle the new Civic Commons, Civic Green and Mixed-use Core that includes 17 vertical mixed-use commercial and multifamily buildings, as well as a new town hall and community center (Figure 1). Construction costs are estimated at \$180.1 million. The project is anticipated to develop in three phases over a ten to fifteen year period. Figure 2 details the phasing plan and expected mix of uses.

- Phase I will include 123,000 square feet of retail and restaurant space in the outparcels, 154 multifamily units with 4,800 square feet of clubhouse space, and 50 single family units.
- Phase II will include mixed-use buildings A through K including 236 multifamily units and approximately 156,000 square feet of office and retail/restaurant space.
- Phase III will include the remaining mixed-use in buildings L through O with 116,000 square feet of office and retail/restaurant space, 150 multifamily units, the new town hall and community center, 38 single family units and 75 townhomes.

The combination of uses that are envisioned for the site will set the stage for a high quality development that will maximize the potential of this major redevelopment opportunity, creating a new focal point for shopping and business activity in the community.

**FIGURE 1
CONCEPTUAL SITE PLAN**

CONCEPTUAL TOWN CENTER DEVELOPMENT PLAN



PROPOSED CONCEPTUAL PLAN

**FIGURE 2
DEVELOPMENT TIMING BY BUILDING AND PHASE**

Building/Use Type	Total Units or Sq Ft	Non-Res Sq Ft	Residential Sq Ft	Residential Units	Non-Res. Square Feet by Phase			Mixed Use Square Feet by Type of Use			
					Phase I	Phase II	Phase III	Retail/Services	Restaurant	Office	
Town Hall	25,000	25,000	0	0	0	0	25,000	0	0	25,000	
Community Center	25,000	25,000	0	0	0	0	25,000	25,000	0	0	
Outparcels	123,000	123,000	0	0	123,000	0	0	99,000	14,000	10,000	
Mixed Use											
Building A	58,500	19,500	39,000	38	0	19,500	0	16,000	3,500	0	
Building B	31,500	10,500	21,000	20	0	10,500	0	2,400	0	8,100	
Building C	31,500	10,500	21,000	20	0	10,500	0	2,400	0	8,100	
Building D	67,500	22,500	45,000	40	0	22,500	0	9,500	3,500	9,500	
Building E	20,055	6,685	13,370	12	0	6,685	0	0	0	6,685	
Building F	79,500	26,500	53,000	52	0	26,500	0	11,500	3,500	11,500	
Building G	30,000	10,500	19,500	18	0	10,500	0	2,400	0	8,100	
Building H	30,000	10,500	19,500	18	0	10,500	0	2,400	0	8,100	
Building I	53,400	17,800	35,600	34	0	17,800	0	14,300	3,500	0	
Building J	23,100	7,700	15,400	14	0	7,700	0	0	0	7,700	
Building K	41,100	13,700	27,400	24	0	13,700	0	10,200	3,500	0	
Building L	55,500	18,500	37,000	36	0	0	18,500	2,400	0	16,100	
Building M	55,500	18,500	37,000	36	0	0	18,500	2,400	3,500	12,600	
Building N	42,000	14,000	28,000	28	0	0	14,000	0	0	14,000	
Building O	15,000	15,000	0	0	0	0	15,000	7,500	0	7,500	
Building P	86,400	2,400	84,000	80	2,400	0	0	2,400	0	0	
Building Q	78,000	2,400	75,600	70	2,400	0	0	2,400	0	0	
Multi-Family Total (Units)	540	0	na	540	154	236	150				
Single Family (Units)	88	0	na	88	50	0	38				
Townhome (Units)	75	0	na	75	0	0	75				
Nonresidential Total (Sq Ft)		400,185	571,370			127,800	156,385	116,000	212,200	35,000	152,985

Note: Retail/service space includes 20% of total clubhouse space devoted to service businesses.

Figure 3 details the assumptions for each of the development components including square feet by type of use, occupancy rates, employment, lease rates and housing values, construction cost per square foot and assessed value per square foot. The businesses in the development could employ an estimated 1,077 people at build out. This analysis assumes a long-term occupancy rate of 93 percent for most of the commercial space, 90 percent for office and 95 percent for single family and townhome units. Taxable food and beverage sales of \$500 per square foot are applied to all restaurant space. Assumptions on assessed value per square foot were provided by the Hageman Group.

**FIGURE 3
DEVELOPMENT CHARACTERISTICS
MCCORDSVILLE TOWN CENTER**

Land Use	Square Feet/Units	Occupancy Rate	Estimated Jobs	Annual Lease Rate	Hard Const Cost Per SF	Assessed Value per SF/Unit
Outparcels	123,000		307	\$15		
Retail	99,000	93%			\$86	\$120
Restaurant	14,000	93%			\$150	\$120
Office	10,000	90%				
Mixed Use Commercial	227,185		659	\$15		
Retail/Services	61,800	93%			\$86	\$120
Clubhouse	26,400	100%			\$86	\$120
Office	117,985	90%			\$121	\$120
Restaurant	21,000	93%			\$150	\$120
Town Hall	25,000	100%	83	\$0	\$142	\$0
Community Center	25,000	100%	13	\$0	\$108	\$0
Multi Family	540	93%	15	\$13,466	\$140	\$100,000
				<u>Housing Cost</u>		
Single Family	88	95%	0	\$321,100	\$87	\$69
Town House	75	95%	0	\$256,900	\$152	\$121
Total Nonresidential	400,185	na	1,077	na		

2.0 IMPACT SUMMARY

This large-scale mixed-use development would provide significant economic and revenue benefits to the town and county. These benefits are contingent on the broad mix of uses that have been proposed, including retail, office and restaurant space, housing and municipal offices. The project capitalizes on the redevelopment potential that exists in this area to support future growth, both residential and nonresidential, in this part of the metro area.

- Projected construction expenditures of \$180.1 million, could generate over 1,700 direct construction jobs and close to 490 additional indirect jobs in McCordsville and other parts of Hancock County during the ten to fifteen year construction period. The total construction impact is estimated at \$243.9 million with 85 percent of that impact occurring in McCordsville.
- Once development is complete, the project could generate an annual economic impact of \$138.1 million in the county, including direct, indirect and induced operations impacts of the tenant businesses in the Town Center.
- The office, retail, restaurant, town hall and community center components of the development could directly employ an estimated 1,077 people at build out. In addition, the development could support an estimated 433 indirect and induced jobs at other local businesses in Hancock County. The indirect and induced jobs and output are the result of local purchases made by the businesses in the development, as well as local spending by their employees.
- An estimated \$37.7 million in direct labor income or earnings and \$52.5 million in total direct and indirect and induced labor income could be generated each year by the businesses in the Town Center development at build out, creating the potential for significant local expenditures by employees and their families.
- All total, the 1,077 direct jobs generated by the Town Center development could support a local population of approximately 2,600 people. Based on current commuting patterns, approximately 245 of those workers and their families could live in McCordsville. In addition, the residential components of the Town Center could result in an estimated 1,430 new residents living in McCordsville.
- These residents have the potential to support \$33.2 million in annual household spending on retail and services locally and elsewhere in the region.
- In terms of revenues to the town, township, school district and county, the Town Center could directly generate an estimated \$3.4 million in local income, property and food and beverage taxes per year at build out, including an estimated \$515,000 per year to the Town of McCordsville.

- Indirect revenues to the town, township, county and school district from employees working in the Town Center and living in Hancock County are estimated at \$420,000 per year at built out, of which about \$40,000 could go to the Town of McCordsville.

The Town Center, tenant businesses and associated workers could create an estimated \$3.8 million in annual new tax revenues for local taxing entities, as well as approximately 1,077 new direct jobs. In addition, it would provide new rental housing options, upscale restaurants and shopping, and a significant inventory of office space all anchored by a new town hall and community center to re-shape long-term economic sustainability for the town.

3.0 ECONOMIC IMPACTS

The economic benefits resulting from the McCordsville Town Center include one-time construction impacts as well as on-going operations impacts for tenant businesses. These impacts are quantified in terms of direct, indirect and induced jobs, labor income and output that could be generated by the development. Indirect and induced impacts are the result of the multiplier effect and capture supported local supplier and consumer businesses and their employees that would benefit from the new development.

3.1 Construction Impacts

The total increase in economic activity from new construction expenditures can be measured in terms of jobs, labor income and output. Although construction is a non-recurring impact, the construction activity is anticipated to extend over a ten to fifteen year period.

- The first phase of the development would include the retail and restaurant outparcels, about 60 percent of the single family units, and the two multifamily buildings with a total of 154 units. These multifamily buildings also include clubhouse space, 20 percent of which is assumed to be occupied by small service businesses. This first phase is expected to be completed in about five years from start of construction.
- The second phase of the development would include about 70 percent of the vertical mixed-use space with 67,800 square feet of office, 71,100 square feet of retail and services, and 17,500 square feet of restaurants. These mixed-use buildings would also include 236 multifamily units. The second phase is expected to be completed in about ten years from start of construction.
- The remainder of the project in the third phase includes the town hall, community center totaling 50,000 square feet, mixed-use space with 50,200 square feet of office, 12,300 square feet of retail and services, 3,500 square feet of restaurants, and 150 multifamily units. Phase III also includes 113 additional single family and townhome units. This third phase is anticipated to develop in years 10 to 15, or potentially further into the future depending on market conditions.

The development could result in total construction expenditures of about \$180.1 million, including anticipated public infrastructure costs for parks, streets and open space. The multiplier effects of this construction spending on the county could result in a total increase in economic activity of \$243.9 million, including \$207.8 million in McCordsville (Figure 4). The approximately 2,200 direct and indirect jobs created by this construction project could result in nearly \$109.2 million in labor income in the county over the ten to fifteen year construction period.

FIGURE 4
CONSTRUCTION IMPACTS OF MCCORDSVILLE TOWN CENTER
ON MCCORDSVILLE AND HANCOCK COUNTY

Phase	Direct Impacts			Indirect & Induced Impacts			Total Impacts		
	Construction Cost*	Jobs	Labor Income	Output	Jobs	Labor Income	Output	Jobs	Labor Income
City of McCordsville	\$180,072,327	1,723	\$91,202,383	\$27,731,570	204	\$7,157,693	\$207,803,897	1,927	\$98,360,076
Phase I	\$65,631,551	615	\$32,497,985	\$10,153,293	74	\$2,629,845	\$75,784,844	690	\$35,127,830
Phase II	\$57,805,506	580	\$30,732,230	\$9,012,442	66	\$2,307,771	\$66,817,948	647	\$33,040,001
Phase III	\$56,635,270	527	\$27,972,168	\$8,565,835	64	\$2,220,076	\$65,201,105	591	\$30,192,244
Other Hancock County	\$0	0	\$0	\$36,096,878	284	\$10,889,345	\$36,096,878	284	\$10,889,345
Phase I	\$0	0	\$0	\$12,939,733	101	\$3,910,483	\$12,939,733	101	\$3,910,483
Phase II	\$0	0	\$0	\$11,294,753	88	\$3,389,568	\$11,294,753	88	\$3,389,568
Phase III	\$0	0	\$0	\$11,862,392	96	\$3,589,294	\$11,862,392	96	\$3,589,294
Total Hancock County	\$180,072,327	1,723	\$91,202,383	\$63,828,448	489	\$18,047,038	\$243,900,775	2,211	\$109,249,421

* Includes hard cost only.

3.2 Operations Impacts

The operations impacts capture the office, retail and restaurant businesses in the development. The economic impact results include direct impacts for those businesses, and indirect and induced impacts at other local businesses in McCordsville and elsewhere in Hancock County. Direct impacts include employment, payroll (labor income) and output for businesses within McCordsville Town Center. These businesses will make some supplier purchases in the local area, and their employees will make local purchases that are captured in the indirect and induced impact estimates. The total impact includes both the direct impacts and the secondary or indirect and induced impacts created by other local businesses and their employees.

As different phases of the development are completed they will begin to support new jobs and on-going economic impacts. Figure 5 shows annual impacts by phase, and at build out. The project could support an estimated 313 direct jobs at the completion of Phase I, increasing to 764 jobs by the end of Phase II and 1,077 jobs at build out. This translates into an estimated \$7.4 million in direct annual labor income or employee earnings at the end of Phase I, increasing to \$37.7 million per year cumulatively by the end of Phase III. On average, the income from these jobs is estimated at \$35,000 per employee in current dollars. Wages from retail and restaurant uses tend to be lower, but the office uses tend to generate higher wage jobs.

The multiplier effect of this increase in jobs and payroll in the town and county could result in a total annual output impact of \$138.1 million at build out. This \$138.1 million represents the annual gross revenues created by the nonresidential development within the project, plus the increase in business purchases from local suppliers, as well as local purchases made by employees. The businesses in the Town Center could directly and indirectly support approximately 1,510 jobs and \$52.5 million in annual labor income at build out. The greatest

impacts would be in Phase II, both due to the magnitude of jobs added in that phase and the proportion of office jobs, which tend to generate greater impacts than retail jobs.

The differences between direct and total impacts are called multiplier effects. Multiplier effects are a way of representing the larger economic effects on the local economy. The multiplier effects translate an increase in output (loosely defined as gross sales, less inventory and transportation costs) into a corresponding increase in jobs and labor income. In essence, the multiplier effect represents the recycling of local spending. This recycling process creates new business opportunities.

Multipliers measure the degree to which the various businesses and households in an economy are interrelated. They quantify the impact of a given external change, such as a new investment, operations of a new business or new household spending, on total economic activity in a given region through the re-spending of new dollars within that economy.

The multipliers used in this analysis are from IMPLAN, a national vendor of economic impact software, and are specific to the Town of McCordsville and Hancock County, meaning that they reflect the level of indirect and induced impacts that are possible in these geographies given the current economic base. Industry-specific multipliers were used for the expected types of businesses in the development and construction. The average output multiplier for this mixed-use development is 1.61, which means that for every \$1 million of gross revenues created by the office, retail, restaurant and public uses, an additional \$610,000 in economic activity and 5 indirect jobs are generated at other local businesses outside the Town Center.

The new jobs generated by this development could also support a total local population of about 2,600 people, not including the residents in the approximately 700 single family, townhome and multi-family units within the development. Supported population includes families of direct employees, as well as families of indirect and induced employees. It is estimated that about 9 percent of the employees who work in the McCordsville Town Center would also live in the town, based on current local commuting data, although this percentage will likely increase given the housing opportunities available within the development. An additional 21 percent of employees are estimated to live elsewhere in Hancock County and commute to McCordsville for work.¹ However, some of these employees working in the Town Center may not be new to the county.

3.3 Resident Household Spending

The residential portions of the development include 540 multifamily units, 88 single family units and 75 townhomes. Based on population per household rates ranging from 2.10 to 2.67, based on American Community Survey data for McCordsville, this could result in an estimated 1,430 new residents to the town at build out. The residential development is projected to spread fairly evenly across the three phases with 200 to 260 new units per phase.

¹ On The Map, Census Longitudinal Employer Household Dynamics.

**FIGURE 5
ANNUAL OPERATIONS IMPACTS BY PHASE
McCordsville Town Center**

Phase	McCordsville Direct Impacts			McCordsville Indirect & Induced Impacts			Other Hancock County Indirect & Induced Impacts			Hancock County Total Impacts		
	Ouput	Jobs	Labor Income	Ouput	Jobs	Labor Income	Ouput	Jobs	Labor Income	Ouput	Jobs	Labor Income
Phase I	\$20,164,770	313	\$7,418,361	\$4,219,652	34	\$1,077,155	\$8,038,816	64	\$2,318,159	\$32,423,238	410	\$10,813,674
Outlots	\$19,905,670	307	\$7,292,999	\$4,162,380	33	\$1,062,149	\$7,938,608	63	\$2,289,530	\$32,006,658	403	\$10,644,678
Town Hall	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Community Center	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Mixed Use												
Retail/Service/Clubhouse	\$80,789	2	\$27,845	\$17,616	0	\$4,156	\$29,467	0	\$7,541	\$127,871	2	\$39,541
Restaurant	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Office	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Property Mgmt	\$178,312	4	\$97,518	\$39,656	0	\$10,850	\$70,741	1	\$21,087	\$288,709	5	\$129,455
Phase II	\$36,454,481	451	\$15,509,906	\$8,258,478	70	\$2,244,820	\$14,559,822	122	\$4,258,552	\$59,272,781	642	\$22,013,277
Outlots	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Town Hall	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Community Center	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Mixed Use												
Retail/Service/Clubhouse	\$4,277,022	110	\$2,404,347	\$1,051,899	8	\$249,154	\$2,017,635	16	\$568,116	\$7,346,556	133	\$3,221,616
Restaurant	\$5,246,788	90	\$1,802,354	\$945,551	8	\$251,745	\$1,785,339	14	\$515,637	\$7,977,677	112	\$2,569,736
Office	\$26,657,414	244	\$11,153,762	\$6,200,256	53	\$1,727,294	\$10,648,439	91	\$3,142,483	\$43,506,110	389	\$16,023,539
Property Mgmt	\$273,257	7	\$149,443	\$60,772	0	\$16,627	\$108,409	1	\$32,316	\$442,437	8	\$198,386
Phase III	\$29,147,016	313	\$14,809,130	\$6,238,742	52	\$1,669,777	\$10,988,071	93	\$3,162,733	\$46,373,828	457	\$19,641,639
Outlots	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Town Hall	\$6,171,475	83	\$5,032,639	\$1,002,098	7	\$231,708	\$1,882,012	15	\$493,657	\$9,055,584	106	\$5,758,005
Community Center	\$925,721	13	\$754,896	\$150,315	1	\$34,756	\$282,302	2	\$74,049	\$1,358,338	16	\$863,701
Mixed Use												
Retail/Service/Clubhouse	\$1,084,919	14	\$305,922	\$266,827	2	\$63,201	\$511,798	4	\$144,110	\$1,863,544	20	\$513,232
Restaurant	\$1,049,358	18	\$360,471	\$189,110	2	\$50,349	\$357,068	3	\$103,127	\$1,595,535	22	\$513,947
Office	\$19,741,863	181	\$8,260,217	\$4,591,766	40	\$1,279,194	\$7,885,987	68	\$2,327,250	\$32,219,616	288	\$11,866,662
Property Mgmt	\$173,680	4	\$94,985	\$38,626	0	\$10,568	\$68,904	1	\$20,540	\$281,210	5	\$126,093
Town Center Total	\$85,766,267	1,077	\$37,737,397	\$18,716,872	155	\$4,991,752	\$33,586,708	278	\$9,739,443	\$138,069,848	1,510	\$52,468,591
Outlots	\$19,905,670	307	\$7,292,999	\$4,162,380	33	\$1,062,149	\$7,938,608	63	\$2,289,530	\$32,006,658	403	\$10,644,678
Town Hall	\$6,171,475	83	\$5,032,639	\$1,002,098	7	\$231,708	\$1,882,012	15	\$493,657	\$9,055,584	106	\$5,758,005
Community Center	\$925,721	13	\$754,896	\$150,315	1	\$34,756	\$282,302	2	\$74,049	\$1,358,338	16	\$863,701
Mixed Use												
Retail/Service/Clubhouse	\$5,442,730	126	\$2,738,113	\$1,336,342	10	\$316,511	\$2,558,900	20	\$719,766	\$9,337,972	156	\$3,774,390
Restaurant	\$6,296,146	109	\$2,162,825	\$1,134,661	9	\$302,094	\$2,142,406	17	\$618,764	\$9,573,213	134	\$3,083,683
Office	\$46,399,278	425	\$19,413,979	\$10,792,022	93	\$3,006,488	\$18,534,426	159	\$5,469,734	\$75,725,726	677	\$27,890,201
Property Mgmt	\$625,248	15	\$341,946	\$139,055	1	\$38,045	\$248,054	2	\$73,943	\$1,012,357	18	\$453,933

While households do not generate economic impacts in terms of creating jobs and output, it is possible to capture the impacts of the residential development in the Town Center by looking at household spending. Based on the estimated housing values for the different types of units in each phase, we can translate residential development into household income. Then, using data from the annual Census Consumer Expenditure Survey on household spending by type by income level, we can estimate how those new residents spend, creating demand for retail and services.

Given the contiguous nature of development in the Indianapolis metropolitan area, it is difficult to determine exactly where residents shop, although the location of this development makes it likely that some regional purchases like vehicles could be made in neighboring Marion County, or elsewhere in the metro area. *It is important to note that the data in Figure 6 represents total household spending. A portion of that spending would be captured in the Town Center development and is already included in the business operations impacts in Figure 5.* Although the Town Center would include some retail and restaurants, the projected 1,430 residents would also make purchases from existing retail centers elsewhere in the community and the region.

The amount of additional demand that could be created by the resident households in the Town Center is based on the sales prices of the proposed units and implied resident income levels. Note that spending patterns differ by income level with lower income households spending more on necessities and high income households spending more on discretionary items. Projected household spending is scaled to the number of units added in each phase and the income levels of those households.

Household purchases can be divided into the following categories:

- **Local retail and services** – purchases such as groceries and household supplies typically made within a five to seven mile radius from the consumer’s home
- **Regional retail and services** –specialty and higher priced items such as vehicles, appliances, apparel and entertainment that are typically purchased from a regional mall or specialized provider within the metro area
- **Non-local expenditures** – items such as mortgages, insurance, income taxes and savings that do not impact local business establishments

The detailed information in Figure 6 shows household spending, *regardless of where items are purchased*. Estimated household spending could increase from \$21.4 million at the end of Phase I to \$69.5 million per year by the end of Phase III. This includes \$18.1 million in annual local retail and service spending and \$15.1 million in regional purchases.

FIGURE 6
ANNUAL HOUSEHOLD SPENDING BY TYPE FOR TOWN CENTER RESIDENTS

	Phase I	Phase II	Phase II	Total
Local Retail & Services	\$5,591,289	\$5,713,364	\$6,805,860	\$18,110,512
Groceries	\$1,680,923	\$1,735,410	\$2,037,591	\$5,453,923
Restaurants & Bars	\$1,423,687	\$1,504,721	\$1,709,159	\$4,637,567
Personal care products and services	\$402,883	\$419,434	\$486,706	\$1,309,024
Housekeeping supplies	\$228,807	\$214,960	\$287,484	\$731,251
Small appliances, misc housewares	\$39,520	\$40,514	\$48,043	\$128,077
Household textiles	\$42,600	\$42,897	\$52,155	\$137,652
Drugs	\$147,480	\$133,933	\$187,502	\$468,915
Medical supplies	\$57,112	\$59,102	\$69,165	\$185,379
Gasoline and motor oil	\$775,162	\$768,804	\$954,636	\$2,498,603
Vehicle maintenance and repairs	\$301,169	\$305,996	\$367,423	\$974,588
Other household expenses	\$306,884	\$292,174	\$383,744	\$982,802
Tobacco products and smoking supplies	\$158,174	\$169,204	\$188,925	\$516,303
Reading	\$26,887	\$26,215	\$33,328	\$86,429
Regional Retail & Services	\$4,691,750	\$4,561,826	\$5,821,584	\$15,075,160
Home maintenance services	\$242,617	\$64,822	\$382,522	\$689,961
Furniture and floor coverings	\$158,721	\$166,344	\$191,220	\$516,285
Major appliances	\$65,881	\$49,570	\$88,645	\$204,096
Miscellaneous household equipment	\$282,108	\$260,240	\$356,737	\$899,085
Apparel and shoes	\$695,053	\$756,412	\$824,040	\$2,275,504
Cars and trucks, new	\$519,916	\$471,864	\$661,147	\$1,652,927
Cars and trucks, used	\$859,435	\$806,458	\$1,080,294	\$2,746,187
Other vehicles	\$25,669	\$22,402	\$33,068	\$81,139
Medical services	\$283,900	\$273,109	\$353,662	\$910,671
Entertainment fees and admissions	\$181,119	\$191,129	\$217,578	\$589,825
Audio and visual equipment and svcs	\$336,720	\$330,305	\$416,420	\$1,083,445
Pets, toys, hobbies, playground equip	\$234,492	\$212,577	\$298,306	\$745,376
Other entertainment supplies and equip	\$86,058	\$83,410	\$106,908	\$276,376
Education	\$476,188	\$599,124	\$526,028	\$1,601,340
Public and other transportation	\$243,874	\$274,062	\$285,008	\$802,944
Non-Local Expenditures	\$11,101,190	\$11,942,442	\$13,227,425	\$36,271,057
Mortgage expenses	\$459,323	\$0	\$782,637	\$1,241,959
Housing rent	\$4,343,574	\$5,709,551	\$4,681,702	\$14,734,827
Other lodging	\$203,340	\$196,372	\$252,943	\$652,654
Utilities	\$1,353,211	\$1,304,060	\$1,684,644	\$4,341,915
Vehicle finance charges	\$88,909	\$83,887	\$111,540	\$284,336
Vehicle insurance	\$584,491	\$579,582	\$719,872	\$1,883,945
Vehicle rental, leases, licenses	\$255,284	\$266,436	\$308,081	\$829,801
Health insurance	\$1,033,056	\$956,120	\$1,304,847	\$3,294,024
Cash contributions	\$467,243	\$445,649	\$583,883	\$1,496,775
Personal insurance and pensions	\$1,990,302	\$2,077,154	\$2,401,978	\$6,469,433
Savings, income taxes and other	\$322,457	\$323,632	\$395,297	\$1,041,386
Total Household Income	\$23,736,930	\$24,827,181	\$28,620,773	\$77,184,885
Annual Household Spending	\$21,384,228	\$22,217,632	\$25,854,869	\$69,456,729

4.0 REVENUE IMPACTS

In addition to supporting jobs and payroll in the development and at related businesses in Hancock County, the Town Center could also generate significant local tax revenues through property and income taxes, as well as food and beverage taxes.

4.1 Direct Revenues

Direct taxes paid by the businesses in the development are estimated at \$3.4 million per year at build out, including taxes paid to the town, township, county and school district. Figure 7 details taxes by type and by jurisdiction. Property taxes are estimated to generate about \$481,000 per year in annual revenues to the town, and \$2.0 million to the township, county and schools by buildout.

Property taxes are estimated using assumptions about assessed value per square foot of \$120 for the nonresidential development and \$100,000 per unit for the multi-family, based on estimates from the Hageman Group. Single family and townhome units are valued at 80 percent of construction cost. The current mill rate of 2.5951 is applied to commercial development; a maximum rate of 2 percent is applied to rental units; and a maximum rate of 1 percent is applied to single family and townhome units.

Direct local income taxes include taxes paid by residents in the Town Center and are estimated at \$735,000 per year at build out. Household incomes are imputed from housing values and a county income tax rate of 1.94 percent is applied. Income taxes are then distributed across jurisdictions based on the current distribution of income taxes in Hancock County. A total of \$307,000 could be distributed to the jurisdictions shown in Figure 7, while the remaining \$428,000 would be distributed to other local governments in Hancock County.

County food and beverage taxes would be generated by the restaurants in the development and are estimated at \$175,000 per year by build out, based on the assumed amount of restaurant space in the development.

**FIGURE 7
ANNUAL LOCAL REVENUE IMPACTS OF BUSINESSES IN THE TOWN CENTER**

Phase	Town of McCordsville		Vernon Township		Mt Vernon Community Schools		Other Local Govts	Hancock County			Total Revenues
	Property	Income	Property	Income	Property	Income	Income	Property	Income	Food & Beverage	
Direct Impacts											
Phase I	\$157,185	\$10,143	\$64,523	\$4,541	\$470,880	\$9,013	\$127,287	\$105,518	\$67,585	\$70,000	\$1,086,675
Phase II	\$188,874	\$11,444	\$77,530	\$5,124	\$565,808	\$10,169	\$143,623	\$126,790	\$76,259	\$87,500	\$1,293,121
Phase III	\$134,855	\$12,517	\$55,356	\$5,604	\$403,986	\$11,122	\$157,080	\$90,528	\$83,404	\$17,500	\$971,953
Total	\$480,914	\$34,104	\$197,409	\$15,269	\$1,440,673	\$30,304	\$427,989	\$322,837	\$227,249	\$175,000	\$3,351,748

4.2 Employee Revenue Impacts

In addition to direct taxes paid by the businesses in the development, there would also be taxes generated by employees working in the Town Center and living elsewhere in McCordsville and Hancock County. Using the results from the economic impact analysis, it is possible to estimate these employee revenue impacts. Based on the development assumptions used in this analysis, the employees working in the Town Center and living in the county could generate an estimated \$420,000 in annual revenues to the town, township, county and schools at build out (Figure 8).

Property taxes on employee housing are estimated at about \$197,000 per year at build out, including \$30,000 to McCordsville and \$167,000 per year to the county, township and schools. This estimate assumes that 9 percent of the new employees would live in McCordsville and a total of 31 percent would live in Hancock County, based on current commuting patterns. Employee property taxes were based on per capita residential taxes paid in Hancock County, times the annual supported population living in the town and county. Property taxes paid by residents in the Town Center are included in the direct revenue impacts.

Local income taxes generated by the 1,077 employees working in the Town Center that are expected to live in Hancock County are estimated at \$223,000. Of this total, \$93,000 per year could be distributed to McCordsville, Vernon Township, Mt. Vernon Community Schools and Hancock County at a result of the Town Center development. The remaining \$130,000 would be distributed to other jurisdictions in the county.

**FIGURE 8
ANNUAL LOCAL REVENUE IMPACTS FROM TOWN CENTER EMPLOYEES**

Phase	Town of McCordsville		Vernon Township		Mt Vernon Community Schools		Other Local Govts	Hancock County		Total Revenues
	Property	Income	Property	Income	Property	Income	Income	Property	Income	
Employee Impacts										
Phase I	\$8,651	\$2,037	\$3,551	\$912	\$25,915	\$1,810	\$25,563	\$19,045	\$13,573	\$101,056
Phase II	\$12,449	\$4,259	\$5,110	\$1,907	\$37,294	\$3,784	\$53,445	\$27,408	\$28,378	\$174,033
Phase III	\$8,640	\$4,066	\$3,547	\$1,821	\$25,883	\$3,613	\$51,030	\$19,022	\$27,095	\$144,717
Total	\$29,740	\$10,362	\$12,208	\$4,639	\$89,091	\$9,207	\$130,038	\$65,474	\$69,046	\$419,805

4.4 Summary

The proposed mix of uses in the conceptual development plan for the McCordsville Town Center could create significant economic and community benefits, as well as a sizeable amount of additional tax revenues. These benefits include the economic impacts of the construction phase, and the on-going operations impacts. Over the long-term, this project could help to create a sustainable economic future for the community, generating a significant number of new jobs, supporting new income and property taxes, and creating additional demand at other local businesses based on business purchases and employee spending.