

IPS fields five bids for buying, revamping site on hot East 16th Street corridor

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Indianapolis Public Schools has received five bids for its 4.5-acre property on East 16th Street, with the highest coming in at \$2.75 million and each proposing mixes of commercial and residential development for recasting the site.

IPS on Thursday conducted a bid sale for the land and buildings at 1129 E. 16th St., which house the school system's facilities management department. They're located east of the Monon Trail on the south side of the street.

The East 16th Street corridor is in [the midst of a renaissance](#), with new or redeveloped restaurants, housing and work spaces opening from Meridian Street to well east of the Monon Trail. IPS has owned its property since the 1920s, according to the bid package, but is making the property available as it continues to unload real estate and streamline operations.

TWG Development LLC submitted the high bid of \$2.75 million. The local developer already has a presence in the neighborhood, having redeveloped the former Gleaners Food Bank property across 16th Street into the 142-unit Monon Lofts.

TWG's \$40 million proposal calls for 250 to 280 market-rate apartments, with retail along East 16th Street and possibly 10 to 15 single-family housing lots at the south end of the site that the developer would sell to a builder.

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[See where large sections along East 16th Street are bursting with development.](#)

"It's been a great project for us from the start," TWG President Tony Knoble said of Monon Lofts, "so we're really

optimistic about the future of East 16th.”

Other bids were submitted by Kosene & Kosene Residential Inc., Milhaus Development LLC, Monument Realty and Management and Third Street Ventures. All are headquartered in the Indianapolis area.

Like TWG, Third Street also has a presence in the neighborhood. It redeveloped a vacant, two-story building between the IPS site and the Monon Trail into Tinker House, which houses BlackInk IT, Hotel Tango Whiskey’s production facility and an events center.

Abbe Hohmann, president of Site Strategies Advisory LLC, is coordinating the bid sale for IPS. She didn’t specify how much the other firms bid but said that the lowest amount was \$500,000.

She said all bids contain a mix of commercial and residential development. The bids should be posted on the IPS website by the end of the week. A recommendation from the IPS administration on which bid to accept likely will be made to the school board at either its January or February meeting, Hohmann said.

“Price is certainly a factor, there’s no question, because IPS is looking to sell the property,” Hohmann said. “But it’s the overall bid, the terms, the plan and the likelihood it will close that are important.”

Kosene and Kosene, Milhaus and Third Street responded to IBJ’s requests for details about their plans, with Third Street providing the most information.

Third Street partnered with South Bend-based Holladay Properties to submit a bid of nearly \$2.2 million for the property.

Their \$20 million proposal includes constructing a new apartment building containing 80 to 100 mixed-income apartment units and converting an existing IPS office building on the property into the headquarters for Indianapolis-based software company Lessonly Inc.

Lessonly, currently located downtown at 407 Fulton St., has signed a letter of interest and is prepared to relocate its 80 employees with plans to grow its workforce to more than 200, according to the proposal from Third Street and Holladay.

Their proposal also says they’re in discussions with the Central Indiana Community Foundation regarding financial support for a proposed program to provide housing assistance to IPS teachers and staff.

“Now that we’ve completed the transformation of Tinker House, we are ready to enhance the rest of the block with our team and partners in order to create quality economic opportunities, a desirable living community and exciting experiences within the neighborhood,” Antone Najem, Third Street owner, said in an email. “It’s about elevating Indianapolis and its neighborhoods to the next level.”

Third Street’s proposal also calls for the construction of either a new office building or another residential structure with a parking garage at the southern end of the property.

Milhaus, meanwhile, is partnering with spinoff Onyx & East, which has jumped into the condominium market. Their proposal includes rental and for-sale housing components, with the rental piece also addressing the issue of affordable housing for teachers, Milhaus President Jeremy Stephenson said.

“Clearly, what’s happening on East 16th Street is something that’s pretty special,” he said. “It’s certainly a unique piece of property that could have a good impact on the urban core.”

Kosene and Kosene is proposing to build 50 to 75 three-story townhomes priced from \$275,000 to \$350,000, said

Gerry Kosene, a company partner.

He declined to divulge how much Kosene and Kosene bid on the property but said a portion of the for-sale housing would be set aside for IPS teachers and employees through a subsidy that would be administered by partner Martindale-Brightwood Community Development Corp.

The IPS property has become more valuable as East 16th Street explodes with new development.

For IPS, the parcel is the latest in its portfolio of properties that the school system has attempted to shed. It's already disposed of nine, including the Coca-Cola bottling plant property near College and Massachusetts avenues that Hendricks Commercial Properties is converting into the [\\$260 million Bottleworks complex](#).

Another is the former [Ford Motor Co. assembly plant](#) on East Washington Street that TWG has purchased. Plans call for a mix of office and retail space on the ground level, with market-rate apartment units on the top three floors.