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Developer considering apartments at Irvington Plaza, but community leaders want 'clarity' on plans

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Irvington Plaza (IBJ photo)

A California-based developer with Indiana ties hopes to develop housing on at least a portion of the dilapidated Irvington Plaza shopping center on the east side of Indianapolis.

Tallen Capital Partners LLC, which has the property in the 6200 block of East Washington Street under contract for an undisclosed price, intends to rezone a nearly 7-acre portion of the property to allow for mixed-use development, which could include townhouses or apartments.

The firm is set to go before the Metropolitan Development Commission hearing examiner on Feb. 27 with its rezoning request. It also will seek modifications to commitments for the property, including what types of retail stores can be on the property, and to remove a stipulation for how many drive-thru buildings can be located along East Washington Street.

“We’re just getting a blanket zoning approval ... [that] gives us the right to build residential on the site,” said Terry Tallen, CEO of Del Mar, California-based Tallen Capital. “It looks like it’ll probably be workforce housing, as that seems to be the interest that we have [from the neighborhood], and I think workforce housing would be great for the community.”

Tallen has sought redevelopment of the 15.75-acre Irvington Plaza and its parking lots for [more than a year](#). In September 2023, he told IBJ he secured a long-term deal with current owner Eric Becker, who lives in Florida, to acquire the property once it has been properly rezoned and readied for redevelopment.

Tallen studied business and played football at Indiana University from 1977 to 1982.

The developer largely specializes in retail and other commercial projects, like shopping centers. He said while he couldn’t share a specific development cost for the project, he expects to spend “tens of millions of dollars” redeveloping Irvington Plaza.

As part of the project, Tallen said he’d like to see as many as 200 housing units on the property and would partner with a local developer for such a project. But no partner has been selected yet.

“I’m hopeful we’ll get a mix of housing types there, but it’s going to depend on who comes in as the partner,” Tallen said. “That will be about what their vision is and how it fits with our vision for the project on the residential side. There’s five or six groups in Indianapolis that are fabulous, so we’re hopeful to get a local group that does business regionally and nationally to come and partner with us on a residential component.”

Tallen said there were discussions with Needler’s Fresh Market about taking over the former Marsh Supermarket space in the plaza, with a letter of intent ready to be signed, before the chain was acquired by national distributor SpartanNash last October.

He said he hopes to secure a Chick-Fil-A restaurant for the property, and the firm also intends to relocate EZ Pawn from its location in an end-cap space in the plaza’s shopping center to another storefront, to make room for a restaurant that could offer outdoor dining.

The Indiana Sports Hall of Fame had previously [considered the plaza](#) for construction of a 60,000-square-foot facility, but has since sought to build elsewhere—potentially [at the Marion County Fairgrounds](#).

The 156,000-square-foot Irvington Plaza was built in 1952 and for years served as a primary retail hub for the neighborhood. However, it has been on the decline since the 1980s, and in May 2017 lost a 32,000-square-foot Marsh supermarket, an anchor tenant.

Tallen said he intends to request financing assistance from the city for his housing plans.

Sue Beecher, president of the Irvington Community Council, said while she and community members are generally supportive of bringing more housing to the neighborhood, the lack of specifics for the project are a point of consternation.

“Housing would be great, as it’s important for any part of Indianapolis, and affordable housing would be wonderful,” she said. But “clarity would be very helpful in this situation.”

Beecher said that because the council has not seen a full, detailed site plan for the project, and there are no specifics of who would benefit from housing components, the council is hesitant to fully throw its support behind the project.

“Even today, I’m hearing that the plan has changed,” she said. “Having a site plan, knowing what that housing looks like, instead of being told, ‘Well, the market drives this, and I won’t know until I do this development,’ and that sort of thing. This is a neighborhood that cares deeply about its citizens and we want what’s best—we don’t necessarily want to settle. So that clarification would be really helpful in any decision making.”

Council member Andy Nielsen, D-District 14, said he is supportive of Tallen’s plans for housing on the Irvington Plaza property, but also noted that the property’s location outside of both an Opportunity Zone district and a tract that qualifies for the New Markets Tax Credits program puts it at a disadvantage.

“I have been very supportive of housing at the Plaza generally and I am a proponent of housing density, so I think that’s kind of a blank canvas, and there’s huge opportunity to do that,” he said. “But there are obviously some practical limitations there that I think we’re seeing across the city, across the country, where housing is getting more and more expensive,

construction costs are going up, and that has put some limitations on maybe what's possible there.

“When you have, you know, a piece of land that's outside of those two designations, it makes housing a little bit harder, especially when we're talking about affordable housing.” Nielsen said that he views the efforts on Irvington Plaza as something of an “iterative process,” but one where the neighborhood has been able to secure a seat at the table.

He said he's optimistic that the next few years will bring big things for the property.

“We have a seat at the table, and we've been able to get some good commitments,” he said. “I believe that will ensure that it's a good multi-use development in the future.”

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