INDIANAPOLIS — A $1.1 billion airport redevelopment project here — the largest civic project in the history of Indianapolis — is part of a larger campaign by this city of more than 780,000 residents to recast itself as a hub for national distribution as well as a center for advanced manufacturing and sports-related tourism.

The project, which began in 2001, includes a new terminal building, a new control tower and also a new entrance to the airport off Interstate 70. All but the terminal are finished.

The project, which has been financed using a combination of federal grants and passenger, landing and concession fees, will officially open this fall.

“We wanted to create a memorable new image for the city while at the same time take some of the stress out of flying,” said John J. Kish, the executive director of the Indianapolis Airport Authority.

The centerpiece is the terminal: a 1.2-million-square-foot steel-and-glass pavilion with a swooping roofline designed by the architect Ripley A. Rasmus of the HOK Group in St. Louis. “It’s a building on the scale of the great train terminals of the 19th century,” Mr. Rasmus said. “It’s a Union Station-scale space.”

Among the distinctive features is a monumental central hall accessible to both passengers and visitors. It has a five-story window wall with a view of downtown Indianapolis in the distance.

“It’s the place where you have your first and last impression of the city,” Mr. Rasmus said. “It also has the seating capacity of a basketball arena, if the airport is having a really bad day.”

The new terminal will have 40 gates and the ability to expand to 100 gates. The current
terminal has 34 gates. Parts of the old structure date from the 1930s, and the authority plans to demolish it.

The new terminal is also notable for being one of the first designed for the heightened security procedures in air travel in recent years.

Among the security-driven innovations are two large halls — one for each concourse — designed to accommodate passenger screening as well as a separate circulation system for vendors and employees.

“In the past,” said Mr. Kish, “everybody went through the same checkpoint. If you were a vendor delivering supplies, you used the same hallways as the passengers. Now we have segregated passageways for vendors.”

Mr. Rasmus also kept environmental considerations in mind in the design, introducing semi-opaque skylights and glass curtain walls as well as a radiant heating and cooling system in the floor. The special glass filters and diffuses sunlight, reducing excess light and heat. The radiant system reduces air-conditioning costs by cooling only those areas people actually occupy. The airport also has a storm-water run-off recycling system that treats water contaminated with de-icing chemicals.

“This is a fairly deep green project,” Mr. Rasmus said. “It will be notably more energy-efficient, comfortable and well integrated in terms of systems than most airports.”

Mr. Kish said the city hoped the project would ignite growth at the airport. Home to a major Federal Express hub, Indianapolis is currently one of the largest airports in the country in terms of freight handling. In terms of passengers, it ranks 45th.

“The terminal has an economic function,” he said. “Hopefully, it will encourage more direct flights and more international flights from Indianapolis.”

Erin Heitkamp, regional director of airport affairs for Northwest Airlines, the airport’s largest carrier, described the terminal as “an absolutely gorgeous facility” that will “significantly enhance the passenger experience.”

She added, however, that Northwest has no immediate plans to expand its level of service in Indianapolis beyond its current 47 daily flights to 21 cities.

The terminal also has double the amount of retail space — about 90,000 square feet — of the older building.
Jeremiah Wise, director of new airport business development, said the airport solicited concessionaires last November and received 275 responses for the 50 available retail slots.

“We’re looking for a mix of retail and food and beverage, including a white-tablecloth restaurant,” he commented.

A leading measure of airport retailing is sales per passenger. Indianapolis now generates $7.71 per passenger, a total of about $34 million annually.

“If you look at the top American airports,” said Mr. Wise, “the range for per-passenger sales is about $8.50 to $13. We’re definitely looking for much stronger sales in the new facility.”

Retailing has become a more important component of airports in recent years, accounting for as much as 40 percent of overall revenue in some cities.

“The fact that people are spending more time in airports affects offerings,” said Ann Ferraguto, a principal with Air Projects, a consulting firm based in Alexandria, Va. Nationwide, “we’re seeing a lot more popular and high-end retailers like Hugo Boss, Tumi and Lilly Pulitzer, and also celebrity chefs like Wolfgang Puck go into airports.”

The new airport is one of several large civic projects set to open in the next few years that officials hope will have a transforming effect on Indianapolis’s tourist and convention industry.

The others include a new stadium for the Indianapolis Colts football team and an addition to the convention center that will double current capacity to 750,000 square feet. The stadium will be completed this summer and the convention center addition in 2010. The two projects — which will be connected by enclosed walkways — are costing about $1 billion.

Depending on how it is calculated, tourism is Indianapolis’s third- or fourth-largest industry, with a total economic impact of about $3.56 billion a year. Much of this is sports-related, with the largest event being the annual Indianapolis 500 automobile race.

The race, which is held on Memorial Day weekend, attracts about 400,000 visitors and has an economic impact of $300 million. With attendance of 350,000, “it’s the largest single-day sporting event in the world” in terms of paid admissions, said Robert Schultz, director of the Indianapolis Convention and Visitors Association.

The new airport is also being credited with attracting other new businesses. In the last year, both Medco Health Solutions and the Purdue Research Foundation have announced projects...
to be built in or near Indianapolis, which has a metropolitan area population of 1.6 million.

Medco, a mail-order pharmacy and benefits management firm based in Franklin Lakes, N.J., is building a 318,000-square-foot automated pharmacy in Whitestown, a close-in northwest suburb. The project costs $140 million and will be finished in July 2009.

“The key issues for us were the work force and having access to a distribution network that allows us to get our packages to patients in the right time frame,” said Richard Jones, vice president and general manager of Medco. “The airport is definitely a plus.”

Late last year, the Purdue Research Foundation of West Lafayette, Ind., announced that it would build a new research park on 78 acres of land near the new airport entrance. The first phase, a 100,000-square-foot incubator facility for research operations, will break ground this spring and will be finished early next year.

“It’s location, location, location,” said Joseph B. Hornett, senior vice president of the foundation. “The site has huge visibility and access to the airport. It will be easy to talk to companies about moving here.”