

*City of Wabash  
Wabash County, Indiana*

Draft

*Comprehensive  
Economic Development  
Plan*

2013 ED Plan Amendment  
New ED Strategies & ED Projects  
for Target Areas of the City

April 22, 2013

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## **2013 Amendment to the Wabash Economic Development Plan & Incorporation of All Previous ED Plans & Amendments**

This 2013 Amendment to the Wabash Economic Development Plan is to be publicly referred to as the “2013 Comprehensive Economic Development Plan,” (“2103 CED Plan”). The development of this Amendment to Wabash’s existing and approved Economic Development Plans has been carefully coordinated with the Wabash City Plan Commission, the Economic Development Group of Wabash County (“EDG”), as well as extensive consultation with other local organizations, including Wabash Marketplace and the Wabash County Chamber of Commerce. This 2013 CED Plan is to be administered by the Wabash Redevelopment Commission (WRC).

The original Cinergy Metronet Economic Development Plan was approved in support of the Cinergy Metronet telecommunications project and included an ED Plan and ED Area designation. The Cinergy Metronet Plan was later amended on multiple occasions in order to capture economic and manage development opportunities for Wabash. All previous ED Plans and ED Areas are hereby incorporated into this 2013 CED Plan by reference.

### **Demographics & Background Material Related to Economic Development in Wabash**

It is appropriate to provide the reader with some facts related to the importance of sound economic development policy in Wabash, Indiana. These facts relate to the education levels of the work force, the size of the labor force, and the number of jobs available.

#### **The Labor Force Trends are Improving**

The national economy has struggled since 2006-07. Generally speaking, the number of jobs in the economy has declined; however, this fact has often been overshadowed by other factors. In 2006, the labor force was over 17,000. In 2013, the labor force is only 15,900, showing that there are substantially fewer jobs available than in 2006. A large part of the job losses have been in semi-skilled manufacturing jobs, which are increasingly being replaced by new production technologies.

However, the number of jobs has grown by 1%-3% since 2012. The good news is that the trends appear to have bottomed, and with strong economic development policies, Wabash seeks to remain ahead of the recovery curve. The important message is that the community must continue to attract new jobs to recover from pre-recession levels.

### *Educational Attainment is Improving*

Between 2000 and 2011, more than a thousand people without high school diplomas have moved away, while Wabash simultaneously added over 400 people with some college education, 216 with Associates Degrees, 417 with Bachelor Degrees and 245 with Advanced Degrees. (US Bureau of Economic Analysis)

This combination of changes in educational attainment indicates that the Wabash work force is better prepared to compete effectively for high-tech, high-skilled jobs that are considered the core of the 21<sup>st</sup> century work force. In effect, the Wabash work force is more competitive than before.

### *Personal Income Is Increasing Faster Than the Region*

The US Bureau of Economic Analysis also indicates that incomes in Wabash are improving faster than the surrounding region. Since 2006, Wabash personal income has grown over 12%, while the northeast region has increased only 9%.

This fact affirms and supports the trends in educational attainment, indicating that the more highly educated work force is also commanding higher wages and salaries. The convergence of these trends suggests that Wabash is heading in a positive direction.

### *Population Trends Are Negative*

The population trends for Wabash and Wabash County; however, are negative. Between 1980 and 2010, the City of Wabash has lost 22% of its population (about 2,300 people), and the County has dropped almost 4,000 people. The loss of population is a primary indicator that the size of the local economy is shrinking, despite higher wages.

When populations trend lower, building vacancies trend higher, because there is less money circulating through the economy. Demand for housing declines, and property values decline, as well, thereby reducing personal wealth, which again, shrinks the local economy. During such periods, new commercial development generally out-competes historic commercial buildings in the quest for tenants, leaving historic downtowns vacant and deteriorating. Wabash shows such evidence.

### *Summary of Demographic Trends With Regard to Economic Development*

The sum of these demographic indicators is that Wabash is beginning to reverse a long trend of declining population, and is beginning to restore a healthy economy by improving the quality of its work force. The loss of jobs and the loss of population are expected to flow in tandem. The good news lies in the improvement in work force educational attainment and the improvement in wages and salaries.

The key to future economic strength is understood by the community at large. The City will flourish by attracting skilled jobs with good wages/salaries. The attraction of these good jobs will likely come in the form of existing industry expansion and new industry

capture. As the labor force grows, the local economy must be supported by public policies that assist the community in capturing the economic activity that results from the turnover in personal wealth. This is the core purpose of this CED Plan.

## **Public Participation & New ED Strategies & Projects**

The Wabash Redevelopment Commission (WRC) has been asked by various individuals and organizations to consider participating in new/additional Economic Development Strategies (ED Strategies) and Economic Development Projects (ED Projects) for areas of the City outside of the current areas currently designated as Economic Development Areas (ED Areas) by the WRC.

In response to these requests, the City of Wabash has designated three “Target Areas” for public discussion related to the needs of each Target Area and the potential role which the WRC might fill in addressing those needs.

The WRC sponsored a range of public discussions, including elected officials, appointed officials, and various focus groups for the purpose of discussing what might be needed in each Target Area. The sum of the input from these discussions is that there are three Target Areas of the City of Wabash which deserved to be discussed publicly with regard to the potential for including ED Strategies & ED Projects from these Target Areas by the WRC. The three Target Areas which were identified are:

- The northern industrial & retail corridor along US24 (including the industrial parks and designated ED Areas) on March 14, 2013;
- The Historic Downtown Area on March 21, 2013; and
- The South Wabash area (south of the river) on March 27, 2013.

A Public Workshop was held to discuss the full range of issues and interests for each Target Area and to determine what role the public might wish for the WRC to play in achieving the desired outcomes for each Target Area. The results of each Public Workshop were then made part of this Draft ED Plan.

### ***Proposed Public Participation Process***

The WRC notes that these Public Workshops are substantially in excess of the statutory requirements; however, the WRC also notes that the public participation process is designed to provide optimal opportunity for the public to receive information related to ED Strategies & Projects, as well as to provide for optimal public input with regard to each of the Target Areas.

### ***COORDINATION & CONFORMITY WITH THE PLAN COMMISSION***

It is the stated intent of the WRC that any ED Strategies & Projects which result from this effort are to conform with the City’s Comprehensive Plan. The WRC notes that the Plan Commission updated its zoning in 2011, and that the Plan Commission has conducted a series of updates to various documents and policies which have served to keep the Comprehensive Plan current.

The WRC seeks to make the ED Plan conform entirely with the Comprehensive Plan, as well as to relegate all matters related to zoning, land use regulation and development approval to the Plan Commission, in accordance with statute. In addition, the WRC used the Comprehensive Plan as the basis for each of the Target Area Workshops. Also, the WRC consulted with members of the Plan Commission both formally and informally during the Public Workshops, as well as in informal discussions related to processes and proposed actions.

The WRC's effort to assure that the ED Plan conform to the Comprehensive Plan was undertaken to assure cooperation with respect for the role of the Plan Commission in community development, as well as with concern for the statutory integrity of the ED Plan. If, at any point in the future, the Plan Commission or other public body (i.e., Mayor, City Council, Economic Development Commission, etc.) finds that the WRC is acting outside of conformity with the Comprehensive Plan, the Plan Commission is invited to make such situations known to the WRC in order that the WRC can restore conformity to the situation.

## North Side/US24 Commercial/Industrial Target Area

The community has expressed a need to consider potential ED Strategies related to the US24 Corridor and its commercial development, as well as the industrial development activity which is ongoing by the WRC. This North Side Target Area is the site of most of the ongoing industrial development efforts of the Economic Development Group of Wabash County (EDG). In addition, economic growth along the US24 Corridor has been strong in recent years, and new commercial development is occurring. Figure 1, below, shows the general boundaries of the North Side/US24 Commercial/Industrial Target Area.



*Figure 1: North Side Target Area*

The following represents a general outline of the results of focus group discussions related to the North side/US24 Target Area with regard to ED Strategies & Projects.

### *Existing North Side/US24 ED Strategies & Target Area Workshop*

The US24 Target Area has received substantial attention from the WRC. The US24 Target Area has the highest regional visibility. A substantial number of development projects – including industrial, commercial and health care developments – have been undertaken in this Target Area. New commercial development along US24 has effectively replaced commercial activity in the Historic Downtown area, and new developments have trended toward larger boxes and more intense commercial development. The commercial development activity in this Target Area has also benefited from infrastructure improvements which the WRC has promoted, often in support of industrial development projects.

The public discussions have resulted in the following ED Strategies for the US24 Target Area:

- **ED Strategy for Industrial Development**
  - The US24 Corridor will continue to be the WRC's primary focus for industrial expansion and new industry recruitment.
  - The City's Industrial Parks are located in this Target Area, and are currently successful in attracting new and expanded industries.
  - Transportation infrastructure in this Target Area is conducive to industrial development and must consider issues of industrial expansion, as development increases in the Target Area.
  - Economic development incentives, including TIF and other incentives, have historically been used to stimulate economic development in this Target Area.
  - The industrial development portion of this Target Area is already designated as an ED Area for TIF purposes, as well as other economic development incentives.
  
  - **ED Projects**
    - The WRC continues to support industrial development in this Target Area.
    - The primary economic development incentives of the WRC have been infrastructure-related projects, with capacity provided for future expansion.
      - This includes high-speed telecommunications, sewers, water, transportation and other forms of infrastructure development.
    - The EDG has also been willing to consider other forms of economic incentives, depending upon the size of the project and the types of jobs being created.
  
- **ED Strategy for Health Care Development**
  - The US24 Target Area has been successful in attracting new health care development, including major medical facilities.
  - This Target Area has also been successful in attracting significant investment in other types of health-care-related development.
  - The WRC supports continuation of well-planned developments offering health-related facilities in this Target Area.
  
  - **ED Projects**
    - Incentives provided for health care-related ED Projects in this Target Area have tended to be infrastructure-related.
    - The EDG is willing to consider other incentives, depending upon the size of the project and the number of jobs to be created.
  
- **ED Strategy for Commercial Development**
  - The US24 Corridor has been successful in attracting investment in new commercial development, including;
    - Banking & finance
    - Retail
    - "Big-box" retail
    - Small/Mid-sized shopping centers & strip development
  - Generally, the WRC's role in providing economic incentives for commercial development has been secondary in nature.
    - Infrastructure developed in the Target Area to support the EDG's industrial development efforts has also served new commercial development in the US24 Target Area.
    - These infrastructure improvements benefit all forms of development.

- **ED Projects**
  - The EDG and WRC will continue to focus upon infrastructure improvements as the primary form of economic incentive for the US24 Target Area.
  - However, the EDG and WRC will consider other incentives, based on the size and nature of the economic development project, including the number and types of jobs proposed.
- **North Side/US24 Target Area Workshop**
  - The Public Workshop for the US24 Target Area included a broad range of discussion, including the following interests:
    - More and more varied retailers in the Target Area;
      - The EDG & WRC do not attempt to identify or recruit specific retailers.
      - Existing retail space is vacant in the Target Area; however, some of the vacancy is due to the economic recession and the lack of demographic growth in Wabash and the region.
      - The best incentive for new retail growth is growth in jobs and population, which has not been shown in Wabash in recent years.
    - The EDG & WRC are not generally inclined to attempt to alter the retail mix in the community.
    - The EDG & WRC are not inclined to offer economic incentives to retail developments, for several key reasons;
      - New retail development in a non-growth demographic area tends to cannibalize existing development, rather than create new economic activity, which is generally not a desirable outcome for incentives.
  - The Public Workshop did, however, identify the need for a more viable transportation link between the US24 Target Area and the Historic Downtown.
    - The economic interest expressed in the workshop was to bring traffic from US24 into the Historic Downtown to create new economic activity.
    - Greater capture of travelers along US24 would enhance economic activity in other parts of Wabash (as opposed to the travelers simply passing through the area, without stopping).
- **ED Projects**
  - The EDG & WRC should work with the City to enhance the SR13 and SR15 corridors in the long term as major gateways to the Historic Downtown, and for the purpose of enhancing arts & entertainment tourism.

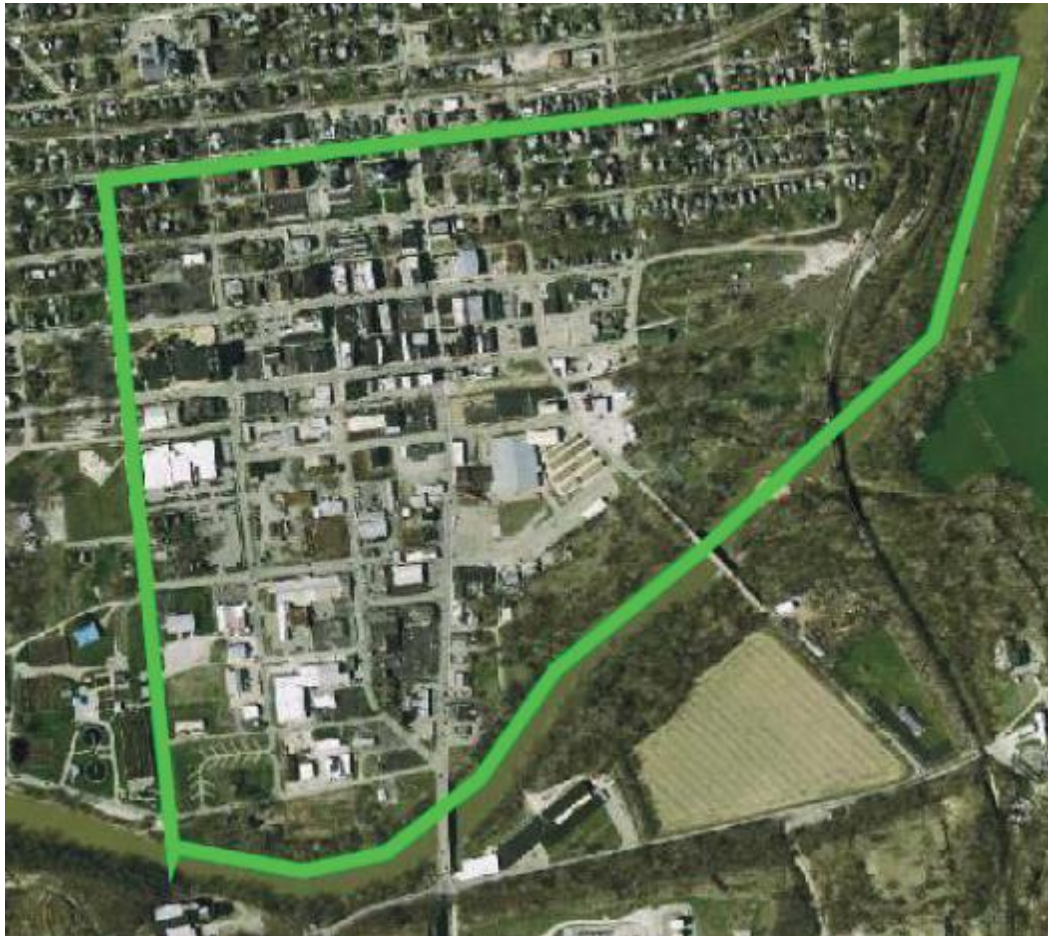


***Economic Development Projects: North Side/US24 Target Area***

	Est. low cost	Est. high cost
Projects in Support of New Industry Attraction		
Land Assembly & Prep.	\$500,000	\$1,000,000
Infrastructure Extensions, inc. sewer, water, power, etc.	\$2,000,000	\$4,000,000
Other Requested ED Incentives	\$1,000,000	\$2,000,000
Health Care Attraction & Development		
Infrastructure-related	\$500,000	\$1,000,000
land, zoning & engineering related	\$200,000	\$400,000
Commercial Development & Redevelopment		
Infrastructure-related Improvements	\$1,000,000	\$2,000,000
Other requested incentives	\$200,000	\$400,000
SR13/15 Corridor Enhancements as Gateways		
Engineering, etc. & Matching Funds for Grants	\$250,000	\$500,000

## Historic Downtown Target Area

The Historic Downtown Target Area has been the recipient of an extensive and long-term effort to redevelop the Historic Downtown. The WRC has consulted with Wabash Marketplace for the purpose of establishing a basis for developing a detailed set of ED Strategies & Projects to be considered. Wabash Marketplace assists the WRC and EDG in identifying and prioritizing projects in the Downtown. The Target Area map is shown below. The Target Area includes the core Downtown, as well as some historically industrial areas near the Downtown, and residential neighborhoods that also tend to be historic in character.



**Figure 2: Historic Downtown Target Area**

### *Historic Downtown ED Strategies & Target Area Workshop*

Due to the extensive long-term effort aimed directly at the redevelopment of the Historic Downtown (dating back as far as 1985), this Target Area has developed the most specific and most detailed set of ED Strategies & Projects of the Target Areas considered. The ED Strategy

for the Historic Downtown builds upon Wabash's philanthropic core, and generally seeks to make the Historic Downtown a center for arts, entertainment and tourism.

#### ***PHILANTHROPIC IMPACT ON THE HISTORIC DOWNTOWN***

The Historic Downtown has benefited from the philanthropic activities of the Honeywell Foundation, as well as other philanthropic interests in the community. Those philanthropic investments have resulted in a concrete set of redevelopment projects which have made, and continue to make, an extensive impact on the Historic Downtown. A sample of those projects is as follows:

- Improvements to the Honeywell Center as a showplace for major entertainment acts featuring headline performers attracting crowds to the Downtown;
- Restoration of the Charley Creek Inn Hotel, offering high-end accommodations for travelers and patrons of the arts;
- Redevelopment of the Eagles Theater as a theater showing first-run movies on the weekends, attracting good crowds back to the Downtown;
- Restoration of the Honeywell House as a historic site;
- Redevelopment of a vacant site downtown as a new YMCA health/fitness facility with a broad range of opportunities and services;
- Renovation of a downtown historic 1894 building for the Wabash County Historical Museum (representing a \$6 million investment);
- Other redevelopment projects focused on redevelopment/restoration of specific buildings.

These efforts are publicly acknowledged to have helped to stabilize the Historic Downtown and have prevented further deterioration and blight.

#### ***WABASH MARKETPLACE AS A DOWNTOWN CONTRIBUTOR***

Wabash Marketplace has organized itself as a group of interests focused on the redevelopment of the Historic Downtown Target Area. The group has exercised a long-term interest in developing long-term ED Strategies, as well as shorter-term ED Projects, and has assisted the City in planning, designing and implementing those ED Strategies & Projects. Over time, the Wabash Marketplace group has developed expertise in issues related to urban redevelopment, and in creating a long-term vision for redevelopment of the Historic Downtown Target Area.

- Implementation of a long-term historic preservation and redevelopment effort with historic development standards and guidelines to preserve the historic character of the Target Area;
- Attraction of white tablecloth restaurants offering higher-end, non-chain fare both as an attraction and as a supplement to entertainment activities, in order to capture greater levels of economic activity in the Downtown;
- Substantial, long-term façade and building renovation strategies resulting from an ongoing effort by the Wabash Marketplace organization to encourage economic activity in the Downtown;
- Attraction of new investment in redevelopment of downtown buildings for purposes of creative re-use;
- Attraction of grants and other funding for public signage and public space improvements, including areas such as Paradise Springs, and walking routes throughout the Downtown and near the River.

### ***THE HISTORIC DOWNTOWN AS AN ARTS, ENTERTAINMENT & TOURISM DESTINATION***

The WRC, EDG and Wabash Marketplace have worked together to develop a long-term vision of Historic Downtown Wabash as a destination for arts, entertainment and tourism, and has initiated the establishment of specific skills in pursuit of this vision.

The cornerstones of the Historic Downtown as an arts, entertainment & tourism destination are constructed from the ongoing activities of the Honeywell Center, Charley Creek Inn, Paradise Spring Historical Park, and Eagles Theater, with support from other downtown interests. These ongoing activities have established a tourism base for the Downtown which is to be built upon through a continuing series of ongoing projects.

### ***IVY TECH***

There has also been an ongoing public discussion of the potential for capturing a more visible presence for Ivy Tech in Wabash's Historic Downtown. The current Ivy Tech facility is located in a re-purposed school building which some do not consider to be sufficiently visible, nor viable for Ivy Tech in the long-term.

The community has been informally discussing two alternatives for providing Ivy Tech with a more visible presence in the community.

1. To capture Ivy Tech on a new campus in the Historic Downtown.
  - a. This alternative would subsequently offer the potential to capture economic activity from faculty, students and auxiliary personnel in the Downtown Area.
  - b. This alternative clearly delivers more retail customers to Downtown, increasing the levels of economic activity in the Target Area, and improving the economic viability of downtown retail activity.
  - c. Assuming ~500 students enrolled at Ivy Tech, a Downtown location would be estimated to bring ~50,000 daily visits by students and faculty per year to the Historic Downtown Area.
  - d. At \$10-\$20 per average visitor, a Downtown location for Ivy Tech would conservatively bring another \$500,000-\$1 million in additional economic activity.
  - e. These levels of economic activity (\$0.5-\$1 million/year) would generally support the redevelopment of 5,000-8,000 sf of historic building space in Downtown Wabash.
  - f. In addition, a Downtown location for Ivy Tech is more likely to capture faculty, staff and students to live in Wabash and capture their discretionary spending.
2. The second alternative would be for Ivy Tech to locate in the US24 Corridor.
  - a. A US24 location has different advantages and costs.
  - b. A US24 location for Ivy Tech would increase the perception of Ivy Tech as a commuter campus, with students and faculty more likely to enter and leave without contact with the community.
  - c. A US24 location would be unlikely to have the secondary economic impact on the Downtown location.
  - d. A US24 location would be unlikely to generate as much secondary capture of faculty, staff and students as residents.
  - e. Despite these comparative shortcomings, an anonymous source has indicated a willingness to donate land in the US24 Target Area for development of an Ivy Tech campus.

Based on focus group and individual discussions with Wabash Marketplace leaders and contributors, the following ED Strategies are proposed by the WRC for promoting economic redevelopment of the Historic Downtown Area:

- **The overall ED Strategy proposed by the WRC is to work with Wabash Marketplace and other interests in capturing redevelopment opportunities in the Historic Downtown Target Area.**
  - These Downtown redevelopment projects would be expected to subsequently generate tax increment revenues as a result of building improvements, which would be captured annually by the WRC in the form of designation as a Tax Allocation Area (TAA).
  - Over time, the cumulative impact of redevelopment projects in the Historic Downtown would generate a TIF revenue stream which could be used as matching funds for grants, as well as other leverage for additional projects in the Historic Downtown.
  - The WRC could protect the Downtown TIF revenue stream for specific ***leveraged*** reinvestment in new arts, entertainment and tourism attractions.
    - Without leverage, the revenue stream is deemed unlikely to be effective on a long-term basis.
    - The WRC's administration of the Downtown TIF revenue stream would likely include requirements/expectations of leveraged investment as a premise for WRC approval of incentives.
- **The ED Strategy for the Historic Downtown is rooted in a working relationship with the WRC and the Wabash Marketplace organization.**
  - This partnership is intended to include the formal and informal interactions that serve to identify economic initiatives and economic development projects.
  - Generally speaking, the WRC would expect that the Wabash Marketplace organization would help to identify and initiate specific ED Projects in the Historic Downtown, and request the WRC's participation when appropriate.
  - Conversely, the WRC does not expect to initiate ED Projects in the Historic Downtown, in deference to the Wabash Marketplace organization, but instead, the WRC would consider specific requests for WRC project participation (including incentives where practical and necessary).
    - ED Projects engaged by the WRC/Wabash Marketplace partnership would then be considered for Tax Allocation Area (TAA) designation, which would subsequently generate additional tax increment revenue to the WRC.
- **The WRC's general expectation is that Wabash Marketplace's primary initiatives with regard to renovation and redevelopment of Historic Downtown buildings and other historic attractions, will be the primary focus of ED Projects in the Historic Downtown Target Area.**
  - The WRC will solicit public input regarding the designation of improved buildings in the Historic Downtown as Tax Allocation Area parcels.
- The WRC's intent would be that new investment in the Historic Downtown would be potentially captured as TIF and used as matching funds for grants.
- In addition to the physical/structural redevelopment of buildings, the WRC will consider economic incentives for the long-term attraction of features and activities in support of the Historic Downtown as an arts, entertainment and tourism destination, on a case-by-case basis.
- In addition to the physical/structural redevelopment of buildings, the WRC will consider economic incentives for the long-term attraction of retail, as well as professional offices to the Historic Downtown area, on a case-by-case basis.

- The WRC also asserts the strategic benefits of using accumulated tax increment revenues as local matching funds for major grants benefiting the Historic Downtown.
  - Under ideal circumstances, tax increment revenues generated specifically as a result of redevelopment and building renovation in the Historic Downtown would potentially be the revenues best dedicated as matching funds for future grants.
  - This premise would include the WRC working in partnership with Wabash Marketplace in pursuit of Stellar Communities projects, as well as other urban redevelopment-type grant funding.

***IDENTIFIED ED PROJECTS FOR THE HISTORIC DOWNTOWN***

Wabash Project List	Total Project Cost	
	Low	High
Complete and Extend City Trail System	\$2,000,000	\$3,000,000
Public Art Program	\$100,000	\$150,000
Eagles Theatre Restoration	\$3,000,000	\$4,500,000
Charley Creek Inn Expansion (convention center)	\$2,000,000	\$3,000,000
Brown Trucking - Ivy Tech Campus	\$8,000,000	\$9,500,000
Splash Pad	\$500,000	\$750,000
Paradise Spring Outdoor Amphitheater	\$600,000	\$900,000
Façade Improvement Program	\$1,500,000	\$2,000,000
Wabash County Historical Museum	\$150,000	\$250,000
Market Street Housing Rehabilitation	\$500,000	\$800,000
Rock City Lofts	\$3,000,000	\$4,000,000
Community Services Center	\$2,000,000	\$3,000,000
Streetscapes, sidewalks, and ADA compliance	\$1,000,000	\$2,000,000
Community garden	\$10,000	\$20,000
Year-round community market	\$10,000	\$20,000
Develop architectural gateway at "The Cut"	\$1,000,000	\$2,000,000
Attract new retail downtown	\$10,000	\$100,000
Build sky bridge/covered walkway downtown	\$1,000,000	\$2,000,000
"Activate" downtown alleyways for dining/nightlife	\$100,000	\$200,000
General infrastructure improvements (sewer, water, streets, etc.)	\$2,000,000	\$4,000,000
<b>TOTAL</b>	<b>\$28,480,000</b>	<b>\$42,190,000</b>

The WRC, EDG and Wabash Marketplace have cooperatively undertaken several major initiatives, including a vibrant participation in the City’s potential “Stellar Communities” program, which could bring substantial grant dollars to be dedicated to the projects which they helped identify, above.

## South Side Target Area

Discussions with community leaders and focus groups suggest that the South Side Target Area has historically received the least attention of the three Target Areas for ED Strategies & Projects. As such, City leaders felt that it was appropriate to offer the opportunity to begin such discussions through a Target Area Public Workshop. A map showing the general boundaries of the South Side Target Area is presented below.



**Figure 3: South Side Target Area**

The South Side Target Area Workshop was one of the better-attended workshops and generated perhaps the most focused and interesting discussion. South Side residents and former residents generally concurred that the south Side area was scenic and naturally beautiful, and that the needs of the neighborhood were more aligned with enhanced pedestrian and bike access than in larger, more expensive forms of urban redevelopment. The South Side Workshop probably generated the most succinct and focused discussion and the greatest consensus as to the needs of the Target area.

### *South Side ED Strategies & Target Area Workshop*

Group discussions indicate that the South Side Target Area has received only nominal public discussion. The SR13 and SR15 corridors join on the south side, and therefore become a major transportation gateway to the City. At the same time, the mix of industrial, commercial and residential development in the Target Area requires somewhat special consideration as part of the Public Workshops.

The public discussion at the Workshop and in the Focus Groups indicated the following:

- There was broad satisfaction with the Vernon Street improvement project, which improved the roadway, as well as sidewalks in the corridor.

- There is broad support for enhanced pedestrian facilities in the Target Area, due to a high proportion of residents walking in the neighborhood.
- Pedestrian connectivity to the independent grocer was considered important.
- Additional, enhanced pedestrian connectivity between the South Side Target Area and the Historic Downtown were considered to be a major improvement to the South Side.
  - Enhanced pedestrian access would increase neighborhood identification with the Downtown.
  - Enhanced pedestrian access would likely result in additional capture of economic activity, by downtown restaurants and entertainment venues.
  - Enhanced pedestrian access to the river corridor walkways would enhance overall resident satisfaction and quality of life.

***TARGET AREA CHARACTERISTICS***

Group discussions and research indicate that the South Side Target Area presents a challenging mix of industrial, commercial and residential development. Residents and Workshop participants did not expect the land use in the Target Area to change dramatically, and had no real objection to industrial uses along the SR13/15 corridor.

Rather the focus of the public discussion was on the South Side Target Area neighborhood and enhancing its connection to the Historic Downtown, as well as internal pedestrian mobility improvements. The primary desire was to enhance the pedestrian and bike connectivity between the South Side Target Area and the improved trails and walkways in the Historic Downtown and the River Corridor.

The South Side Target Area was acknowledged to be a “Gateway” to the City, and there was an interest in developing “the cut” as an architectural gateway which brings positive attention to the gateway to the Historic Downtown and the River as tourist destinations. “Gateway” identification projects for the South Side Target Area have been suggested as a potential project to be undertaken with grant funds, potentially from ‘Stellar Communities.’

***WRC SOLICITS PUBLIC DISCUSSION OF SOUTH SIDE ED STRATEGIES & PROJECTS***

The recent focus group and individual discussions have indicated that areas of the City – including the South Side – might have economic development needs and interests which have not previously been addressed. Despite the previous focus on the north side, ED Strategies & Projects for the South Side Target Area will be outlined in accordance with the public input received at the Workshop.

- **ED Strategy for Developing “The Cut” as an Architectural Gateway to the Historic Downtown Target Area.**
- **ED Strategy for the South Side Target Area: Internal Neighborhood Strategy**
  - Develop additional street projects similar to the Vernon street improvement project for major corridors in the South Side Target Area to enhance and stabilize property values and revitalized the neighborhood.



- Identify tax delinquent residences and properties which might be eligible for certificate transfer in order to stabilize and revitalize the South Side neighborhood.
- Pay special attention to code enforcement and other neighborhood preservation activities (including tax delinquency transfers) on the following streets:
  - Pike St.
  - Columbus Street
  - Vernon St.
- **ED Strategy for Enhancing Pedestrian & Trail Connectivity between the South Side, the Historic Downtown & the River**
  - Develop and enhance the safety of pedestrian and bike crossings of the River at existing bridges.
  - Enhance pedestrian and bike connectivity between South Side Target Area and the existing river trail network.
  - Enhance pedestrian and bike connectivity between the South Side and the Historic Downtown.

***Economic Development Projects: South Side Target Area***

	Est. low cost	Est. high cost
Additional Street Improvement Projects	\$1,000,000	\$2,000,000
Pike Street		
Columbus Street		
Code Enforcement & Public Health/Safety	\$50,000	\$100,000
Develop & Enhance Pedestrian Safety @ River Crossings		
Enhanced Pedestrian Access to Downtown & Trails	\$50,000	\$100,000
Matching Funds for Grants	\$50,000	\$100,000

## **Neighborhood Revitalization Effort In Wabash, IN**

The Public Workshops in support of the Comprehensive Economic Development Plan (CED Plan) included substantial discussion of neighborhood deterioration in Wabash. Due to certain statutory provisions, Indiana redevelopment commissions are empowered to contribute to plans to address neighborhood deterioration resulting from blighted properties. The Wabash Redevelopment Commission (WRC) is prepared to become a contributing partner to other municipal offices and commissions to begin to address the issue of neighborhood blight and substandard properties.

The WRC is obligated to make it clear that the Redevelopment Commission is not prepared to undertake the entirety of the responsibilities for Neighborhood Revitalization in Wabash. Instead, the WRC seeks a carefully prescribed program for addressing the problem, with the bulk of the professional expertise originating from the office of the Building Commissioner and the assistance of the Plan Commission.

### *Exclusions & Limitations*

This CED Plan is compelled to explicitly note several major limitations of any neighborhood revitalization program:

- The WRC is explicitly NOT proposing any property acquisition through eminent domain.
- The WRC is explicitly NOT proposing large-scale urban renewal of entire blocks of houses.
- The WRC is explicitly NOT proposing investment of significant funds in support of Neighborhood Revitalization, and is instead seeking strategies which maximize opportunities for private ownership of property.
- The WRC is proposing a small-scale, house-by-house revitalization strategy which is focused on removing tax-delinquent parcels from government ownership (due to tax liabilities) and return those properties to taxpaying status in a specific manner.
- The ultimate goal of the WRC's Neighborhood Revitalization effort is to alleviate neighborhood blight by returning tax delinquent properties to private ownership by responsible citizens.

### *Primary Goal of the Neighborhood Revitalization Effort*

The primary goal of the Neighborhood Revitalization effort is to break the cycle of neighborhood blight caused by irresponsible landowners, and to restore property to responsible private ownership, with a commitment to maintain the property, pay property taxes, and restore the integrity of the neighborhood.

### ***FINANCIAL IMPACT OF NEIGHBORHOOD REVITALIZATION***

There are several levels of financial impact resulting from Neighborhood Revitalization, generally set forth as follows:

- Restoration of chronically tax-delinquent properties to responsible private ownership can be reasonably projected to have a broad range of financial impacts on the community at large, as well as the neighborhood in question, briefly summarized as follows;

- Government effectively removes property from private ownership due to non-payment of taxes;
- Failure to pay taxes reduces revenue streams necessary to fund government, including public safety, public administration and other public services, thereby increasing the fiscal pressure on responsible taxpayers;
- Current/common provisions for returning tax delinquent properties to the private sector work in many cases, but fail in other cases;
- The WRC is proposing to intercede in the process in those cases where the common system proves inadequate and to restore chronically tax delinquent property to responsible/viable private ownership;
- The financial impact of this action is to restore property tax and other revenues from the chronically tax delinquent parcels;
  - For a residence with an assessed value of \$100,000, the property tax revenue would be approximately \$1,000 per year;
    - Property taxes are shared by several levels of government, including schools;
  - In addition to property taxes, the revitalized property would generate an additional \$800-\$1,200 per year in utility revenue;
- In addition to direct revenues, such actions as removal of downspouts would reduce environmental compliance costs for the City, which is commonly estimated at \$500-\$1,000 per person (estimated \$1,250-\$2,500 per household).
- In addition to direct revenue impacts on-site, revitalization of a blighted property is generally considered to have a direct impact on the neighborhood market/assessed values of at least 8 additional homes, with subsequent tax revenue impact.
  - A 5%-10% AV impact of removing blighted property for 8 surrounding parcels at an estimated \$100,000 each would result in an additional \$400-\$800 per year in property tax revenues;
- In addition to public revenues, the financial impact of revitalizing a blighted property would be reasonably projected to restore \$40,000-\$80,000 of personal wealth in the form of increased property values.
- The proposed Neighborhood Revitalization effort does not presume a need to 're-sell' the blighted property in order to generate a cash outcome:
  - Disagreements over 'value' by authorities tend to detract from the public benefit;
  - The primary goal is to restore private ownership and responsible payment of taxes, rather than to create cash outcomes;
  - The underlying presumption is that the blighted property's primary value can be used as equity in the private mortgage transaction, improving the financial strength of the private ownership transaction
    - (i.e., use the 'value' of the property as part of the down payment/equity necessary to make the mortgage transaction viable.)
  - As such, these scenarios primarily assume that the property is contributed to the new private owner, with the only cost to the new private owner to be the transaction costs necessary to provide clear title.

### *A Neighborhood Revitalization Program Require People Working in Partnership*

The WRC proposes a Neighborhood Revitalization effort based on the following inter-organizational partnerships:

***WRC PROPOSES TO ACT SOLELY AS A TEMPORARY OWNER OF DERELICT PROPERTY, WITH THE EXPRESS INTENT TO RETURN THE PROPERTY TO PRIVATE OWNERSHIP & TAXPAYING STATUS:***

Indiana statute affords redevelopment commissions the opportunity to control and dispose of property with specific goals, requirements and limitations on the prospective owner. This statutory authority often proves critical in neighborhood revitalization efforts because a redevelopment commission can place restrictions on the prospective owner to control outcomes.

**CITIES & COUNTIES ARE LIMITED IN HOW THEY CAN DISPOSE OF PROPERTY**

By comparison, if the City or County owns property, they are obligated to sell the property to the highest offer. As such, a city or county cannot effectively place constraints on a potential purchaser, such as prohibiting the purchaser from renting the house, or prohibiting the purchaser from dividing a single family house into apartments.

It is common that an increasing incidence of rental conversion of single-family homes in a neighborhood contributes to a deteriorating property value scenario. It is easy to see that a random purchaser of a property from a county or a city can, themselves, simply become the next abuser of the property, rather than the owner which restores the integrity of the neighborhood.

The WRC is interested in establishing partnerships with the Building Commissioner and the Plan Commission where tax delinquent properties can be transferred to the ownership of the WRC, and those properties can have zoning and covenants shaped by the Plan Commission to help assure that the next owner will be obligated to contribute to the revitalization of the neighborhood.

The WRC's role in this Neighborhood Revitalization effort is simply to use the benefit of its statutory authority to act as the owner of the property in order that the property can be returned to private ownership, with the new owners being required to maintain their property responsibly.

***PARTNERSHIP WITH COUNTY OFFICIALS***

The WRC proposes to engage in the development of a functional partnership with the County officials who control the property tax delinquency process. For information purposes, there are several levels of County control of property:

- **Sheriff's Sale:** where banks seek to control property due to failure of the owner to keep mortgage payments current;
- **Tax Sale:** where the County offers properties for 'sale,' and *prospective owners pay the delinquent taxes*, after which owners have a period of time to bring taxes current. If the owner fails to bring taxes current, the purchaser can assume ownership of the property.

- Note: this system is commonly controlled by ‘professionals’ who have no real interest in the property, but instead use the process for income-producing purposes. As such, it is common for such purchasers to sequentially become tax delinquent, themselves, which simply continues the blight cycle, rather than breaking it.
- **Certificate Sale:** where chronically tax delinquent property can be transferred without regard to the amount of taxes owed.
  - This is the point at which the WRC would propose to intervene.
  - The WRC would work with County officials to identify certain parcels that were eligible for certificate sale, and have those parcels transferred to the WRC via certificate.
    - The WRC would only seek ownership of those parcels inspected and cleared by the Building Commissioner, in accordance with a specific proposal from the Building Commissioner to return the property to private ownership.

Clearly, the County would be a critical partner in this overall Neighborhood Revitalization effort. Equally clearly, the public must understand that the effort would be likely to address only a few parcels each year. This Neighborhood Revitalization effort is NOT intended to address dozens of parcels per year. Instead, the Neighborhood Revitalization effort is intended to selectively address specific situations where WRC resources can be leveraged by the resources of the Building Commissioner and Plan Commission.

***PARTNERSHIP WITH PROFESSIONAL EXPERTISE OF THE BUILDING COMMISSIONER’S OFFICE:***

The Building Inspector’s office has the greatest level of professional expertise with regard to the idiosyncratic conditions of specific houses in the City. In many cases, the Building Commissioner can gain access to inspect vacant homes; can determine the existing conditions; and can make the best and most informed recommendations of the alternatives for revitalizing that property.

The WRC seeks to make optimal use of the Building Inspector’s capabilities to identify the idiosyncratic needs of each parcel and to develop a specific plan of the best alternative for returning the parcel to responsible private ownership, including payment of taxes, utilities, etc.

***PARTNERSHIP WITH THE PLAN COMMISSION***

Once a parcel is under the control of the WRC, the Plan Commission can re-zone, or place restrictive covenants on that specific parcel which might not be politically feasible for other properties in the neighborhood. These types of decisions would be left to the Plan Commission and WRC to decide, as partners in the Neighborhood Revitalization process.

Since the WRC can dispose of the property with any restrictions that it finds publicly beneficial, the ownership of the redevelopment commission can accomplish such things as a permanent prohibition of carving a single family residence into apartments, requiring

the purchaser to live in the property, or establish other constraints on future owners that the Plan Commission, Building Commissioner and WRC would determine to be appropriate to the property in question.

*Outline of the Proposed Neighborhood Revitalization Process:*

The Neighborhood Revitalization effort being proposed would have the following basic structure:

- Role of the Building Commissioner
  - The Building Commissioner would be the primary point of contact with County officials.
  - The Building Commissioner would work with County officials to determine which properties might be eligible for certificate transfer on an annual basis.
  - The Building Commissioner would subsequently perform due diligence in identifying the parcels which represent the top/best prospects for Neighborhood Revitalization.
  - The Building Commissioner would prepare a specific proposal for the work necessary to make each parcel viable for transfer to private ownership.
    - The proposal for each parcel would generally include the Building Commissioner's recommendations with regard to the following:
      - Rehabilitate the property;
      - Demolish the property;
      - Designate the property to be contributed to neighbors to improve neighboring property values and uses;
      - Proposed funding for proposed activities;
      - Recommendations as to covenants, re-zoning, etc., for "re-sale."
      - Recommendations as to architectural standards to maintain the architectural integrity of the neighborhood;
  - The Building Commissioner would act as professional staff to execute the "re-sale" of the property to a private owner meeting the qualifications and requirements established by the Neighborhood Revitalization process.
- Role of the County
  - The County would reserve the role of deciding which parcels would be considered for certificate transfer to the WRC.
- Role of the Plan Commission
  - The Plan Commission would establish specific requirements for redevelopment of the property, including such things as:
    - Architectural standards for rehabilitation, or re-construction;
    - Specification or prohibition of materials (i.e., prohibition of the use of plywood, OSB, or T-111 as siding, or specification of brick, clapboard, or other siding in keeping with the architectural character of the neighborhood.
    - Potential amendment of set-backs or other development restrictions;
    - Requirements with regard to removal of downspouts or other measures to mitigate environmental impacts;
    - Other requirements necessary/appropriate to preservation of neighborhood integrity or other public purpose.
- Role of the WRC
  - The WRC would receive the ownership certificate from the County;

- The WRC attorney would then be responsible for preparing the parcel for 're-sale' to a private owner, with the constraints, restrictions and protections necessary to fulfill the Neighborhood Revitalization goals and the ownership constraints assigned by the Plan Commission.
- Note regarding blighted parcel price/value:
  - The primary proposal is that the 'value' of the blighted parcel is to be invested as equity available to the new private owner in the revitalization model.
  - The primary 'value' of the blighted parcel as seen by the WRC is in restoration of property tax and other revenues which benefit the entire community.
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### *Public Expectations Should Be Conservative*

The above-presented Neighborhood Revitalization effort is offered as a limited proposal which capitalizes on a very narrow statutory authority of redevelopment commissions. In Indiana, most redevelopment commissions are primarily engaged in economic development, rather than neighborhood revitalization because the vast idiosyncrasies of blighted property conditions make it virtually impossible to make general public policies.

It is clear that many Indiana communities are struggling with abandoned and vacant properties which are chronically tax delinquent. Those abandoned/vacant properties depress neighborhood property values and rob neighbors of the value of their homes. In addition, the lack of reduction in property tax revenue has an impact on all levels of government, and creates upward pressure on property tax rates. In addition to that, the utility systems suffer from reduced utility revenues resulting from property vacancy. All of these circumstances prove the public benefit of neighborhood revitalization.

However, this Neighborhood Revitalization effort proposed by the WRC – including partnerships with the County, Building Commissioner, and Plan Commission – is designed to intervene only after the existing systems have failed to restore the property to private ownership. As such, the public should not expect the city of Wabash to have 50 houses rehabilitated every year.

In early 2013, research performed by the Building Commissioner in cooperation with the County, showed 157 parcels in some level of tax delinquency. The vast majority of those parcels will likely resolve their tax delinquency problems within the existing system of penalties and reimbursement. At the same time, it would not be uncommon to find 5-10 parcels which were chronically tax delinquent for the Building Commissioner to consider and suggest possible actions that would benefit the public interest.

We would prefer that the public understood that the Neighborhood Revitalization effort will be limited to a few parcels each year, and that the cumulative result of this effort would so perfectly restore the integrity of investment in residential real estate in Wabash, Indiana, that Neighborhood Revitalization was no longer necessary, at all.