



City of Gary, Indiana
Gary Redevelopment Commission

ECONOMIC DEVELOPMENT PLAN FOR THE EAST LAKEFRONT ECONOMIC DEVELOPMENT AREA

October 7, 2015

CITY OF GARY

Karen M. Freeman-Wilson, Mayor

GARY REDEVELOPMENT COMMISSION

Kenya A. Jones, President
Eric E. Reaves, Vice President
Namon Flournoy, Secretary
Pastor Marion Johnson, Commissioner
Bill Joiner, Commissioner

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INTRODUCTION

The Gary Redevelopment Commission (the “Commission”) has prepared this Economic Development Plan for East Lakefront Economic Development Area (the “Plan”) in response to economic development and land redevelopment opportunities made available to or considered by the City and the Commission to implement its mission for the City of Gary (the “City”) Redevelopment District (the “District”) to benefit public health and welfare. The Plan is intended for and related to the effective and maximum utilization of tax increment financing to implement this Plan and its goals and objectives for the East Lakefront Economic Development Area (the “Area”).

The Plan furthermore has been prepared in accordance with and in compliance with Indiana Code 36-7-14 titled Redevelopment of Areas Needing Redevelopment Generally; Redevelopment Commissions (the “Act”) for approval by the Commission upon a public hearing and approval of certain actions by the Common Council of the City.

COMMISSION AUTHORITY

The Commission was formed pursuant to the provisions of the Redevelopment of Cities and Towns Act of 1953 which has been codified in the Act to assist the City in attraction additional employment opportunities and capital investment. The Commission has a number of goals inherent in its statutory authority to overcome issues and factors that have caused certain areas of the City to be in need of redevelopment and to increase economic development in the District. They are as follows:

- To take public actions necessary to facilitate the continued, orderly growth of the District and the City, thus enhancing the opportunities for private development for the benefit of its citizens.
- To promote opportunities for gainful employment of the City’s residents.
- To attract major existing and new business investment in the District and the City.
- To increase the District’s and the City’s tax base and property values through redevelopment and economic development opportunities.
- To enhance the quality of life for the residents of the City.

ECONOMIC DEVELOPMENT DEFINED

Economic development refers to a sustainable increase in living standards and implies increased per capita income, better public health, a clean and aesthetically inviting built environment, and environmental protection and enhancement. Economic development is the process of improving the quality of life through increasing per capita income, reducing poverty, and enhancing individual economic opportunities. Economic development for the Commission shall include those public improvements needed to increase the tax base and/or disposable income of citizens within the District and the City and those public improvements that benefit the general welfare, health and safety of all citizens of the community that cannot otherwise be implemented or financed without governmental intervention through the processes legally available to the Commission.

PURPOSE OF THE PLAN

Whereas planning, re-planning, development, redevelopment, and economic development as a public and governmental function cannot be accomplished through ordinary operations of private enterprise because of: (a) the necessity for requiring proper use of the land in the City and the District so as to best serve the interests of its citizens and the City; and, (b) the costs of projects related to economic development, the purposes of this Plan for the Area are to:

- Benefit the public health, safety, morals, and welfare of the citizens of the City;
- Serve and increase property values in the Area, the City and the state of Indiana;
- Increase the economic well-being of the City and the state of Indiana; and
- Improve the quality of life of the citizens of the City.

This Plan for the Area cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to the authority and the powers specifically provided to the Commission within the economic development area because of:

- Lack of local public improvement(s);
- Existence of improvements or conditions that lower the value of the land below that of nearby land;
- Multiple ownership of land; or
- Other similar conditions that negatively impact land values and property improvements.

BENEFITS OF THE PLAN

The accomplishment of this Plan will benefit the public health and welfare of the Area, the District, and for the Area and the City. The implementation and accomplishment of the Plan will be a public utility and a benefit as measured by the following objectives:

- Promotion of significant opportunities for gainful employment of the citizens of the City and the District;
- Attraction of major new business enterprise to the City to provide permanent jobs;
- The retention and expansion of significant business enterprises to the City to provide permanent jobs;
- An increase in property tax base in the Area and the District;
- Improved diversity of the City's economic base;
- Elimination of those conditions and factors that lead to the Area to be in need of redevelopment and removal of improvements that lowered the value of land below that of nearby land located in the Area, and that deter private investment in the Area;
- Resolution of re-planning, development, and economic development problems associated with multiple ownership of prominent land in the Area; or
- Similar public benefits which encourage private investment in the Area.

The Commission will consider those public actions available by statutory authority and as necessary for the Area, the District, and the City to achieve its full economic development potential to increase and diversify its tax base.

GOALS AND OBJECTIVES

It is the goal of the Plan to address the underutilization of land and the barriers to its economic development and redevelopment through public investment in order to stimulate private investment. Planning requires a set of goals and objectives, identification of economic development opportunities, strategic land use planning, and interaction between the Commission, the City's Plan Commission, City administrators, citizens, and key policy makers.

It is the foremost goal of the Plan to facilitate and encourage economic development and new private investment in developing local business to leverage public capital investment by the Commission or the City in the Area. Additional goals include:

- Creation of an environment which will contribute to the health, safety, and general welfare of the City and enhance the value of properties in and adjacent to the Area;
- Provision for community and economic development initiatives to stimulate not only economic development but redevelopment and private interest;
- Improvement of the quality of life through the implementation of economic development and redevelopment opportunities presented to the City;
- Encouragement and facilitation of reinvestment in the Area conducive to attracting quality private investment that sets the standard and the trend for healthy economic growth serving local, regional, and transient consumers, all to leverage future development and private investment; and
- Strengthen and enhance the economic base and diversity of the District and the City.

Objectives are specific statements detailing how to achieve the Commission's goals for the Area. The following objectives have been established to guide the economic development, redevelopment and land use planning of the Area.

- Stimulate increases in assessed valuation (property tax base) in the Area as a public utility and benefit to the City;
- Diversify the City's economic base as a public utility and benefit to the District, the City, Lake County, and the state of Indiana;
- Encourage private investment in the Area to the extent feasible under the Act and when within the goals and objectives of the Commission and the City;
- Eliminate substandard, dilapidated, and obsolete buildings and structures, including their causes and conditions or influences that lead to the Area to be in need of redevelopment;

- Establish a consistent pattern of land use with the Area that is an arrangement of complementary uses to increase efficiency in operation and economic relationships based upon form, land use density and zoning implementation;
- Facilitate the assembly of land into developable parcels which are functionally adaptable with respect to shape and size for disposition, development, and redevelopment in accordance with contemporary development needs and standards;
- Achieve economic development and redevelopment which is integrated both functionally and aesthetically with adjacent land uses, natural environs, and quality developments that currently benefit the City and the District.
- Encourage high standards of development and architectural design, improving the aesthetic appearance and economic welfare of the Area which may include the establishment of development standards to ensure that new or expanded development encourages building scale and size, character, and architectural integrity that encourages private investment and economic activity;
- Provide safe, efficient, and attractive traffic circulation systems in the Area that support numerous modes of transportation including, but not limited to, pedestrians, bicycles, trains, and automobiles.

These goals and objectives have been developed to guide the Commission, the City’s Plan Commission, City administrators, and key policy makers and developers in the economic development and redevelopment initiatives for the Area.

GENERAL BOUNDARY OF AREA

The Area is located in Calumet Township along East Dunes Highway (U.S. Route 12) and Melton Road (U.S. Route 20). It is generally bound by the City’s and Lake County’s corporate limits at County Line Road to the east, the City’s corporate limits with Lake Station to the south, East Dunes Highway (U.S. Route 12) to the north, and I-65 to the west; along Lake Street the Area is bound by Lake Michigan to the north and 15th Avenue to the south; Along Miller Avenue the Area is bound by Lake Street to the west and Grand Boulevard to the east; the Area boundary consists of 661 acres more or less.

A detailed boundary description and map of the Area is provided in **Appendix A: Area Boundary Description and Map**.

LAND USE PLAN FOR THE AREA

The Area consists of land that is currently inconsistent in use, occupancy, and physical development. Real property within the Area is intended to be improved with viable and desirable land use activities that support economic activities based upon market conditions, potential transit-oriented development, and opportunities for increased permanent jobs. Land use activity shall provide for an efficient, attractive, convenient, inviting, and safe physical environment conducive to investment of both money and time.

Recognizing that there may be unique circumstances that affect how a parcel or multiple parcels may be developed, traditional zoning classifications may not provide the flexibility that is required in providing future needs. This flexibility may be necessary in order to adapt to unusual topographical restraints, unusually shaped parcels, environmentally sensitive or natural areas, brownfields and contaminated land, new building methods and materials, or the desire to secure the benefits of solar orientation, climate control, privacy, or public safety.

Although the Area does not prescribe specific design standards or land uses to individual parcels, general land use guidelines are provided in **Appendix B: Proposed Land Use Plan** in anticipation of updated zoning standards that will guide area-specific development as appropriate:

- Light Industry, Warehousing, Distribution, Logistics: to support logistics, light industry and manufacturing, distribution, warehousing, wholesale retail, and related businesses that respond to market conditions set forth by significant transportation assets along major rail and trucking corridors in the vicinity of the Area.
- Transit-Oriented Development: to complement improvements, encourage density, and maximize the utility of commuter rail at the Miller Station, including, but not limited to, housing, retail, mixed-use buildings, professional services, hospitality, offices, food and beverage purveyors, dining, and other uses consistent with pedestrian-friendly goods and services.

PLANNED ACTIONS TO DEVELOP THE AREA

The Commission intends to implement the following economic development projects and programs within the Area.

- Infrastructure and Site Improvements:
The Commission and the City may assist and facilitate infrastructure improvements, as necessary but not limited to, the following in order to enhance its potential for attracting new and significant business development opportunities and retain existing business enterprise within the Area.
 1. Stormwater detention and conveyance systems.
 2. Sanitary sewer extensions, life stations, and connections.
 3. Water main extensions and fire loop to insure redundancy.
 4. Improvements along right-of-way corridors and railways, including the installation of green infrastructure.
 5. Gateway and traffic signalization improvements.
 6. Planning, engineering, and construction of streets and roadways, and parking facilities, including, but not limited to, the construction and extension of pedestrian walkways and

bicycle paths and links to existing paths and walkways, including surface parking related to pedestrian walkways and bicycle paths.

7. Street lighting and other outdoor improvements that may enhance public safety and visibility.
8. Landscaping and right-of-way improvements.
9. Monument, street, and way-finding signage.
10. Utility improvements, including telecommunications, electrical, gas, and related infrastructure.
11. Public art installations, street furniture, and aesthetic enhancements to corridor.
12. Surveying and recording.
13. Demolition and land clearance.
14. Site assembly and aggregation, and related pre-development activity.
15. Environmental testing and environmental and wetland remediation.
16. Additional site preparation work, as may be deemed necessary to the development of the Area.
17. Intersections.

- Public/Private Partnerships:

The Commission may utilize its limited Commission funds in a manner that will leverage significant new private investment in the Area. All public/private partnerships created must leverage private investment that is consistent with the specific goals and objectives identified in the Plan.

Funds the Commission utilizes for site improvements must be purposed to induce development activities financed by the private sector. Outside funding may include conventional equity investment, long-term debt financing, or other “soft money” sources such as private foundations, state grants, federal grants, or national programs designed to stimulate economic development or redevelopment activities in the Area.

The Commission reserves the right to consider and implement the use of tax increment financing (“TIF”) as an option for funding redevelopment activities in the Area, assuming the Area is designated as an allocation area in accordance with the Act.

STATEMENT OF STATUTORY FINDINGS: ECONOMIC DEVELOPMENT AREA

In accordance with IC 36-7-14-2.5(a), the planning, replanning, development, and redevelopment of the Area is a public and governmental function that cannot be accomplished through the ordinary operations of private enterprise because of:

- The necessity for requiring the proper use of the land so as to best serve the interests of the county and its citizens; and
- The costs of these projects.

In accordance with IC 36-7-14-2.5(b), the planning, replanning, development, and redevelopment of the Area as an economic development area will:

- Benefit the public health, safety, morals, and welfare;
- Increase the economic well-being of the City and the state of Indiana; and
- Serve to protect and increase property values in the unit and the state of Indiana.

In accordance with IC 36-7-14-2.5(c), the planning, replanning, development, and redevelopment of the Area are public uses and purposes for which public money may be spent and private property may be acquired.

In accordance with IC 36-7-13-41(b), the Commission determines that the Area is an economic development area based upon the following statutory findings that:

- Under Section 41(b)(1), the Plan:
 - Promotes significant opportunities for the gainful employment of its citizens
 - Attracts major new business enterprise to the unit
 - Retains or expands a significant business enterprise existing in the boundaries of the unit; or
 - Meets other purposes of Section 2.5 (as previously discussed), and Section 43;
- Under Section 41(b)(2), the Plan cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without the powers allowed under Sections 2.5 and Section 43 because of:
 - Lack of local improvements;
 - Existence of improvements or conditions that lower the value of the land below that of nearby land;
 - Multiple ownership of land; or
 - Other similar conditions;
- Under Section 41(b)(3), the public health and welfare will be benefited by the accomplishment of the Plan for the Area;
- Under Section 41(b)(4), the accomplishment of the Plan will be a public utility and benefit as measured by:
 - Attraction or retention of permanent jobs;
 - An increase in the property tax base;
 - Improved diversity of the economic base; or
 - Other similar public benefits; and
- Under Section 41(b)(5) the Plan conforms to other development and official plans of the City.

A description of the economic development opportunities and projects for the Area included in this Plan have been discussed and outlines in the section entitled Planned Actions to Develop the Area, the counterpart to this

section which quantifies the specifics of the economic development activities as proposed in order to meet statutory findings to designate the Area an economic development area.

BUDGET FOR AREA ECONOMIC DEVELOPMENT PLAN

The Commission prepared a budget as its fiscal policy and plan to implement this Plan, specifically for projects and programs discussed in the previous sections. This budget presents the revenues and other sources of resources needed to meet anticipated expenditures for those projects and programs listed herein.

It is important to keep in mind that the budget presented herein is a dynamic fiscal plan and policy proposal for the accomplishment of projects and programs related to the Plan, including estimates of resources required, together with those sources and resources available. Revisions are anticipated to meet the demands and priorities of the projects and programs initiated and implemented in the Area over the ten-year period of the budget. City administrative policy, Commission priorities, and market factors will all impact the budget. **Appendix C: Proposed Budget for the Area Economic Development Plan** details the Commission's fiscal plan to implement the Plan.

FUNDING AND FINANCING

This section describes several financing mechanisms for consideration with the City and the Commission to implement the Plan. They are presented only as potential options and do not necessarily represent all options or a commitment to any such financing.

- General Obligation Bonds:

General Obligation bond financing of the District may be used for funding public redevelopment and economic development projects undertaken for a valid public purpose. These bonds are obligations payable out of taxes levied and collected on all taxable property. However, the total debt carried may not exceed two percent of the net assessed valuation of the City and may be subject to referendum requirements and controlled project provisions of HEA 1001(2008), effective July 1, 2008.

- Tax Increment Financing Revenue Bonds/Economic Development Revenue Bonds:

The establishment of an allocation area or separate unique allocation areas within the Area provides for the temporary allocation of tax increment or increases in real property tax proceeds for redevelopment or economic development within an allocation area.

TIF permits communities to use increased property tax revenue stimulated by redevelopment and economic development activities to pay for the costs incurred to initiate those activities. When an allocation area is established, real property assessments are "frozen" within the allocation area as the "base assessment" for the previous assessment date preceding the approval and adoption of a declaratory resolution for an amending declaratory resolution by the Commission.

Redevelopment commissions may issue TIF Revenue Bonds to finance all or a portion of a public improvement constructed for the purposes to stimulate redevelopment or economic development activities from anticipated tax increment generated by the new development and increases in assessed value above the base assessment.

The City may issue Economic Development Revenue Bonds through the Economic Development Commission with a pledge of tax increment to debt service (principal and interest) on the bond from redevelopment commission bonds to financially incent all or a portion of a private improvement constructed for the purpose of stimulating redevelopment or economic development activities from the anticipated tax increment generated by the new development and increases in assessed value above

PROPERTY ACQUISITION AUTHORITY AND ACQUISITION LIST

In accordance with IC 36-7-14-12.2, the Commission has the authority and power to:

1. Acquire by purchase, exchange, gift, grant or lease, or any combination of methods, any personal property interest in real property needed for the redevelopment of areas needing redevelopment located within the corporate boundaries of the City;
2. Hold, use, sell (by conveyance deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the Commission considers best for the City and its inhabitants;
3. Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the City or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on;
4. Clear real property acquired for redevelopment purposes;
5. Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:
 - a) Hazardous substances.
 - b) Petroleum.
 - c) Other pollutants;
6. Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:
 - a) Hazardous substances.
 - b) Petroleum.
 - c) Other pollutants;
7. Repair and maintain structures acquired for redevelopment purposes;

8. Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes;
9. Survey or examine any land to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes and to determine the value of that land.

The Commission may acquire real property through these procedures outlines in IC 36-7-14-19 and upon the approval and adoption of a list of real property and interests in real property to be acquired.

The Commission has prepared a list of real property to be considered for acquisition. The list of real property and interests in real property to be acquired has been developed to clear real property for public capital project and infrastructure investment and/or remodel, rebuild, enlarge, or make structural improvements to buildings within the Area for economic development and public purpose to improve the overall quality of life for the City. The list of properties that may be considered for acquisition is included in **Appendix D: Property Acquisition List**, and may be amended. *The Property Acquisition List does not commit the Commission or City to acquire property but does include those properties that may be considered in the instance of a potential transaction between a willing buyer and a willing seller within the Area.*

The Property Acquisition List, which may be amended from time to time, shall solely serve as a guide to focus economic development and community development initiatives over a ten-year period. Given market conditions, practical realities, and private investments, the Property Acquisition List may be amended, changed, and altered and does not commit the Commission or City to acquiring properties listed and described therein.

PROHIBITED USE OF EMINENT DOMAIN AND CONDEMNATION AUTHORITY

In adherence with I.C. 36-7-14-43(a)(7), the Commission **is prohibited from the use of eminent domain** under I.C. 36-7-14-20 to carry out economic development and redevelopment activities in the Area as designated as an economic development area under I.C. 36-7-14, Sections 15 through 17.5 and 41.

However, in accordance with Section 20 of the Act (as amended and effective July 1, 2014), the Commission may consider and recommend to the City its intentions to acquire real property in the Area through the City's authority and its exercise of the power of eminent domain. Pursuant to SEA 118 (2014), if the legislative body of the unit that established the department of redevelopment (the City's Common Council) considers it necessary to acquire real property in a redevelopment project area by the exercise of the power of eminent domain, the Common Council shall adopt a resolution setting out its determination to exercise that power and directing its legal counsel to file a petition in the name of the unit on behalf of the Department, in the appropriate Circuit or Superior Court in which the property is situated. The property the Commission intends to acquire through eminent domain through the Common Council must be included and identified on the List of Acquisition.

Eminent domain proceedings under Section 20 of the Act are governed by Indiana Code 32-24 and other applicable statutory provisions for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired under Section 20 of the Act, but property belonging to the state or any political subdivision may not be acquired without its consent. The Court having jurisdiction shall direct the Clerk of that Court to execute a deed conveying the title of real property acquired under Section 20 of the Act to the Commission for the use and benefit of the District, specifically the Area.

PROCEDURE FOR MODIFICATION

The Plan may be modified at any time by resolution of the Commission. Modifications, amendments, or supplements to the Plan must be in conformity with the Act.

OTHER STATE AND LOCAL REQUIREMENTS

All provisions necessary to conform to state and local laws have been complied with during the preparation and development of this Plan. Upon confirmatory resolution and recording in accordance with the Act, this Plan constitutes and official land use plan of the City as a supplement to and part of the Consolidated Plan.

APPLICABILITY OF LAND USE OBJECTIVES PROVISIONS AND REQUIREMENTS

Every effort will be made by the Commission to apply the land use objectives, provisions and requirements stated herein to real property not to be acquired within the Area.

STATEMENT OF SUBSTANTIAL BENEFITS OF THE PLAN

The Commission, by virtue of developing and preparing this Plan, substantiates that the elimination of those conditions and factors that prevent normal use and development in the Area will benefit the District and the City in the following ways:

- Stimulating local public improvement as a catalyst to private investment in the Area;
- Increase the value of land and improvements in the Area and land adjacent to the Area;
- Diversify the economic base of the District and City;
- Increase economic development and private investment opportunities in the Area and land adjacent to the Area;
- The improvement in quality of life for residents of the District and the City overall.

CONFORMITY TO OTHER PLANS OF THE CITY

As part of the development of this Plan, the Department of Planning & Redevelopment has reviewed the Comprehensive Plan for the City of Gary and the Zoning Ordinance to apply accepted land use development policies and recommendations and land use regulations and standards whenever necessary to insure its conformity and compliance.

The Comprehensive Plan includes extensive data, information, and future land use planning related to this Plan. Overall the Comprehensive Plan makes several land use development and growth management recommendations for the Area, which are addressed to meet this compliance. The Plan represents the first

significant action taken by the Commission and the City to realize recommendations and advance goals of the City Comprehensive Plan in the Area.

RECORDING THE DOCUMENT

Office of the Lake County Recorder.

In accordance with IC 36-7-14-17(d), after considering the evidence presented, the Commission shall take final action determining the public utility and benefit of this Plan, confirming, modifying and confirming, or rescinding the declaratory resolution.

The final action taken by the Commission shall be recorded with the Office of the Lake County Recorder and is final and conclusive.

The original date and record number stamped “Document to File” with the Office of the Lake County Recorder shall be filed with the Secretary of the Commission.

Office of the Lake County Auditor.

If the Declaratory Resolution designating an allocation area is confirmed upon public hearing by adoption of a Confirmatory Resolution, the Commission shall file a copy of this Plan, the confirming Resolution, and a list of real property key numbers within the allocation area as designated with the Lake County Auditor.

Department of Local Government Finance.

If the Declaratory Resolution designating an allocation area is confirmed upon a public hearing by adoption of the Confirmatory Resolution, the Commission shall notify the Indiana Department of Local Government Finance as to the establishment of an allocation area within the Area.

In accordance with IC 36-7-14-17(b), a copy of the notice of the hearing with respect to a confirmatory resolution was filed in the offices of the City’s plan commission, board of zoning appeals, works board, park board, and building commissioner, and any other departments, bodies, or officers of the unit having to do with unit planning, variances from zoning ordinances, land use or the issuance of building permits.

The Commission will forward copies of the recorded document upon approval of a confirming resolution, which shall include the date and record number stamp on the cover, to individuals and entities that play a prominent role in planning and the community and economic development of the Area.

PUBLIC AVAILABILITY OF THE DOCUMENT

Upon adoption by the Commission of this Plan as an official economic development and redevelopment planning policy for the City and the Commission, the City will have copies of this Plan available for public review and purchase upon request in the Office of the Commission.

For more information related to the Plan, the public may contact the offices of the City of Gary Department of Planning & Redevelopment during regular business hours (8:30am-5:00pm) at (219) 886-1531.