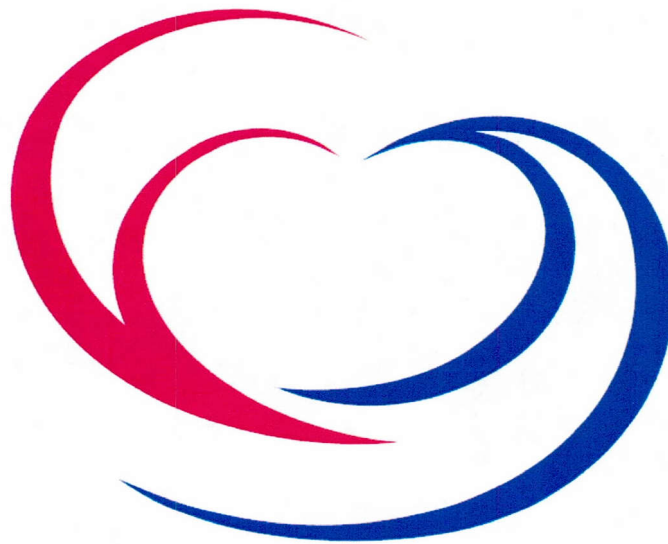


Downtown Redevelopment Plan

City of Elkhart, Indiana



Adopted October 1997
Amended December 2005

City of Elkhart 

THE CITY WITH A SPIRIT

DOWNTOWN REDEVELOPMENT PLAN

CITY OF ELKHART, INDIANA

*A map and acquisition list amendment to the existing Elkhart Urban Renewal Plan
Adopted in 1997*

December 2005

Prepared by:

DEVELOPMENT CONCEPTS, INC.

amended by City of Elkhart Planning and Development Department to replace:

- Map 1: Downtown TIF District Map page 5
- Downtown Redevelopment Acquisition List pages 23-25

All other text, maps, and photos remain unchanged from the 1997 plan.

ACKNOWLEDGMENTS

City of Elkhart

The Honorable David Miller, Mayor

Elkhart Redevelopment Commission

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I. PURPOSE

The Elkhart Urban Renewal Plan was created and adopted in 1985 and a supplement to the plan was adopted in 1986. The plan identifies the boundaries of the Urban Renewal Area and states that this designated area does not have the ability to be successfully redeveloped with normal private or public investment. The area was identified in both the "Greater Elkhart Neighborhood Development Program" and as a target in the Community Development Program. The overall objective of the Downtown Urban Renewal Plan is to declare this area a portion of an existing tax increment financing (TIF) district so it can directly benefit from any new investment (see Map 1).

When approved, the Downtown Redevelopment Plan will be amended to the current Urban Renewal Plan. This addition to the existing plan is necessary for four primary reasons:

- 1) ***The business climate in downtown Elkhart has changed since the Urban Renewal Plan was adopted.*** Industrial uses are continuing to move further from downtown, leaving the area plagued with brownfields. The downtown areas has also suffered the loss of large office employers, while at the same time development continues to sprawl north toward Interstate 80-90. In addition, incompatible land uses (such as homeless shelters, light industrial facilities, and warehouses) have created an unappealing environment for attracting new businesses and people into downtown. Further complicating the downtown area are the significant troubles of the Quality Hotel, which is frequently cited by residents as a significant "problem property" in downtown.
- 2) ***The new Riverwalk Greenway, designed by Woolpert, will stimulate exciting new opportunities in downtown.*** New visions for downtown Elkhart include a riverwalk which will provide a high-amenity recreational facility needed to attract additional visitors and patrons to downtown. The proposed Riverwalk Greenway will provide a strong impetus for new development, and will strengthen the use of the Elkhart River as a natural amenity. The riverwalk will be able to provide strong overall linkages between various uses (both existing and proposed) within the downtown area.
- 3) ***Other recent projects have increased the attractiveness of the central business district (CBD) to potential developers.*** The plaza and clock tower along Main Street, combined with the recent renovation of the Elco Theater present amenities which will increase the attractiveness of downtown as a possible site for new investment. However, despite these positive new investments to the downtown area, many believe that downtown Elkhart still lacks a clear definition. Retail development throughout Elkhart has been scattered, with no significant concentration, which diminishes the City's overall retail identity. If downtown is successful at attracting new retail uses, it could improve the overall retail image within the

City. Therefore, it is essential that new improvements and amenities in downtown be considered in a redevelopment strategy so that they can be marketed to attract additional development downtown.

- 4) ***By focusing initial efforts and resources within a specific portion of the Urban Renewal Area, positive results will be more visible and create a stronger overall impact.*** The Downtown Redevelopment Plan emphasizes a designated "impact zone" within the redevelopment boundaries to focus initial revitalization efforts, as shown in the Conceptual Development segment of this document. The impact zone is roughly bounded by Main Street to the west, Jackson Boulevard and Lexington Avenue to the north, Prairie Court to the east, and Elkhart River to the south and southeast (see Map 2). Focusing initial redevelopment activities within a concentrated area is the initial step that will spark new investment by private entities through the entire Urban Renewal Area and TIF district. This effort will assist downtown as it works to reclaim its hold as the "focal point" of the region.

This Downtown Redevelopment Plan will serve as an amendment to the existing Urban Renewal Plan. This document is intended for approval by the City of Elkhart Redevelopment Commission in accordance with Indiana Code 36-7-14. The Downtown Redevelopment Plan will serve as the road map for reversing the signs of blight and disinvestment in downtown Elkhart, and enhancing the overall mix of uses to bring more people into the downtown area. ***This plan will help guide the Redevelopment Commission and City of Elkhart in attracting new investment to the downtown area.***

II. GOALS AND OBJECTIVES

The overriding goal of the Downtown Redevelopment Plan is to facilitate and encourage reinvestment and redevelopment in downtown Elkhart, specifically within the designated impact zone. Reinvestment will be in the form of new housing, commercial development, entertainment/recreational opportunities, and civic uses which will provide an attractive, pedestrian-friendly environment for both residents and visitors. The result will be an environment conducive to attracting local private investment, and setting a trend for healthy growth.

Specific objectives of the Downtown Redevelopment Plan are as follows:

- 1) Utilize the Elkhart and St. Joseph Rivers as a downtown amenity and a community resource.
- 2) Utilize land downtown to its maximum potential, or "highest and best economic use," in a manner which blends private and public uses.
- 3) Encourage new investment in the impact zone to strengthen the investment climate in the entire downtown.
- 4) Increase the local tax base.
- 5) Increase the downtown resident population.
- 6) Enhance the overall appearance of the downtown to attract new investment and new patrons.
- 7) Make downtown Elkhart a "destination point" for the city, county and region.
- 8) Eliminate pockets of disinvestment, detrimental influences and environmental concerns.
- 9) Remove inappropriate land uses currently within the downtown area, such as industrial sites and warehouses.
- 10) Incorporate an "arts and culture theme" into downtown revitalization efforts.
- 11) Enhance the overall security and public safety in the downtown area.
- 12) Use limited public resources to leverage significant new private investment in the downtown area. Every one dollar of public investment should strive for attracting four to ten dollars of private investment.

III. MARKET OVERVIEW

Interest in three major land use categories guided the research in the market assessment. Projected demographic data was essential in completing an Elkhart Market Assessment. A separate document was produced which profiles and analyzes the market for new development in housing, retail and office uses. This section highlights the major findings from this larger study.

Statistics indicate an additional 800 households are expected in the City of Elkhart between 1995 and 2000, with an additional 1,600 new households in the city between 2000 and 2010. Similar to national trends which reflect the aging "baby boom" cohort, the fastest growing age cohorts are those 45-64 and those 65 and over. At the county level, Elkhart County is expected to gain over 12,000 adults over the age of 65 by the year 2020.

This significant population gain, coupled with anticipated shifts in specific age cohorts at both the city and county level, will impact the future growth and development of downtown Elkhart. Three specific development opportunities were examining in detail: the housing market, retail/hotel market, and office market. The key findings from each sector are presented below.

HOUSING

With population increasing, the demand for housing also grows. Local real estate specialists state the number of single-family homes currently for sale in the City of Elkhart is the lowest it has been in 15 years. New single-family housing construction outside the city limits outnumbers that occurring within the City of Elkhart. The diversity of housing types in Elkhart is extremely limited. A diverse housing stock is essential for the overall health of a city, particularly one in a region experiencing significant economic growth and expansion such as Elkhart. If Elkhart is unable to provide a range of housing options able to accommodate the changing needs of its workforce and residents, it may lose some of its expected growth, as people will leave to find more suitable housing elsewhere.

The supply of condominiums is virtually non-existent in the city, and apartment construction has been minimal over the past five years. The three existing housing complexes devoted to special needs populations (elderly and disabled) are all operating at full occupancy with a waiting list. An assessment of existing downtown housing shows that approximately 1,500 rental households within the immediate downtown neighborhoods are spending over 30% of their income on rent, and thus not living in affordable housing.

For the past decade, housing supply has not kept pace with the increasing housing demand in the City of Elkhart. ***New housing represents the strongest immediate market for new development opportunities.*** Housing would be a strong investment for the entire Elkhart community, but can be an extremely important asset for the downtown district. Three types of housing appear to be in greatest demand in Elkhart and all are appropriate for downtown:

- 1) ***Affordable housing:*** In Elkhart, wages for typical "blue-collar" jobs, such as manufacturing, wholesale trade, construction, and transportation/utilities, have been stagnant and some sectors are experiencing a decrease in real wages. This fact, combined with the number of surrounding neighborhood households that do not have access to affordable housing, indicates that quality affordable housing is a necessity to the health of the community. It should also be noted that if Elkhart expects to attract new retail, entertainment, and service establishments, it needs to be able to maintain an adequate supply of housing affordable for this labor force.
- 2) ***Senior living facilities:*** There will be an increased demand for special arrangement residential units in the form of nursing homes and assisted living apartments in Elkhart's future. The largest boom is expected for housing suited for empty nesters and senior citizens. Within Elkhart County, there will be over 3,000 more people over age 65 from 2000 to 2010. Within that same time period, the number of people age 45-64 will increase by over 10,000, providing an even larger number of senior citizens in the following decade. Given that the city's existing senior citizen housing facilities are operating at full capacity, the city will be experiencing a severe shortage within the next five to ten years.
- 3) ***Condominiums.*** Nearly all housing in the CBD is rental. The development of modest condominiums may serve the community's young, empty nesters, and a segment of the senior citizen population. The success of York Woods demonstrates there may still be a demand for upscale housing close to the CBD. Currently, less than 100 condominium units are available in Elkhart (less than one percent of the city's total housing stock). Furthermore, only two condominium units have been constructed in the city over the past 12 years.

RETAIL AND HOTEL

The City of Elkhart captures less than half of residents' shopping dollars; for every dollar spent by Elkhart residents, only \$.50 is spent within the city limits. At the same time, the City of Elkhart is capturing a smaller percentage of county-wide retail sales. In 1994, 60 percent of all county sales occurred within Elkhart city limits. By 1996, this figure dropped to 55 percent, reflecting the increase of new shopping centers in outlying areas.

Elkhart residents are leaving the city to get their needed goods and services. Even though Elkhart's buying power has steadily increased over the past decade, the number of retail establishments in the city has declined. The city's overall buying power is increasing, however, total retail sales (in constant dollars) have declined by six percent from 1994 to 1996.

Downtown Elkhart's retail environment is composed primarily of small, locally-owned specialty stores and services with no major retail attraction. Downtown must compete

with seven community-sized shopping centers, five plazas, and two regional shopping malls all within close proximity.

Sufficient gains in population and job growth have not led to substantial gains in retail trade development in the City of Elkhart. Retail development has been relatively scattered with no concentration. If substantial retail development does occur in downtown, it could create a needed "retail destination point" and improve the city's retail image.

Demand for new retail development downtown will ultimately be driven by three segments of the population: nearby neighborhood residents, downtown businesses and their employees, and tourists and special events populations. Other downtown uses, such as office, hotel and housing, will dictate the overall magnitude and scale of new retail development.

The hotel market will be driven by a combination of the business sector and tourism and special events populations. Growth in white-collar industries, combined with the downtown amenities such as the Riverwalk Greenway will make a hotel/business center development an attractive, successful addition to downtown Elkhart. Even though Elkhart has over 1,000 rooms in franchised hotels and motels, most are located north of the city, near the Interstate 80-90 interchange. Market findings suggest there is enough demand to support a moderate scale hotel and business center in downtown.

OFFICE

Strong growth is expected in office-related industries at the county level. Over the next 15 years, a total of 5,100 new jobs will be added in finance, insurance, real estate, and professional services within Elkhart County. Even if only a small portion of this anticipated industry growth chooses to locate in downtown Elkhart, there will be a sizable demand for office space in downtown. For example, if only 10 percent of these new jobs come to downtown, there will be demand for approximately 20,000 square feet of additional office space by the year 2010.

The current downtown office vacancy rate is 15 percent (Summer 1997), yet much of this vacancy can be attributed to inefficient, inadequate space in older buildings. The most recent new "small scale" office development in the downtown area, Waterfall Villages, has enjoyed success with nearly 100 percent occupancy. This office complex also has benefited by being situated along the Elkhart River, and incorporating the use of this amenity in the layout and design of the office space.

Strong anticipated growth in office related sectors will lead to opportunities for new office development. However, if left to prevailing market forces, most new office development will not come downtown. The City of Elkhart will need to develop an aggressive marketing strategy that promotes downtown as "the place to be" and emphasizes the convenience of support services and amenities to attract new office development downtown.

IV. CONCEPTUAL DEVELOPMENT

Discussions with downtown property owners, business leaders, and city staff members helped determine which specific sites demonstrate potential for new investment. The criteria for identifying priority areas for redevelopment included:

- 1) *Areas of blight and/or disinvestment***
- 2) *Vacant land parcels***
- 3) *Areas which link to other city initiatives***
- 4) *Parcels which can easily be acquired or have responsive owners***

The result was a designated "impact zone" which will act as the initial core of the redevelopment efforts. This area contains the Quality Hotel property, property south of the Jackson Boulevard Bridge directly along both sides of the river and Waterfall Drive, the East Bank site, and industrial land directly east of the East Bank site and south of Jackson Boulevard.

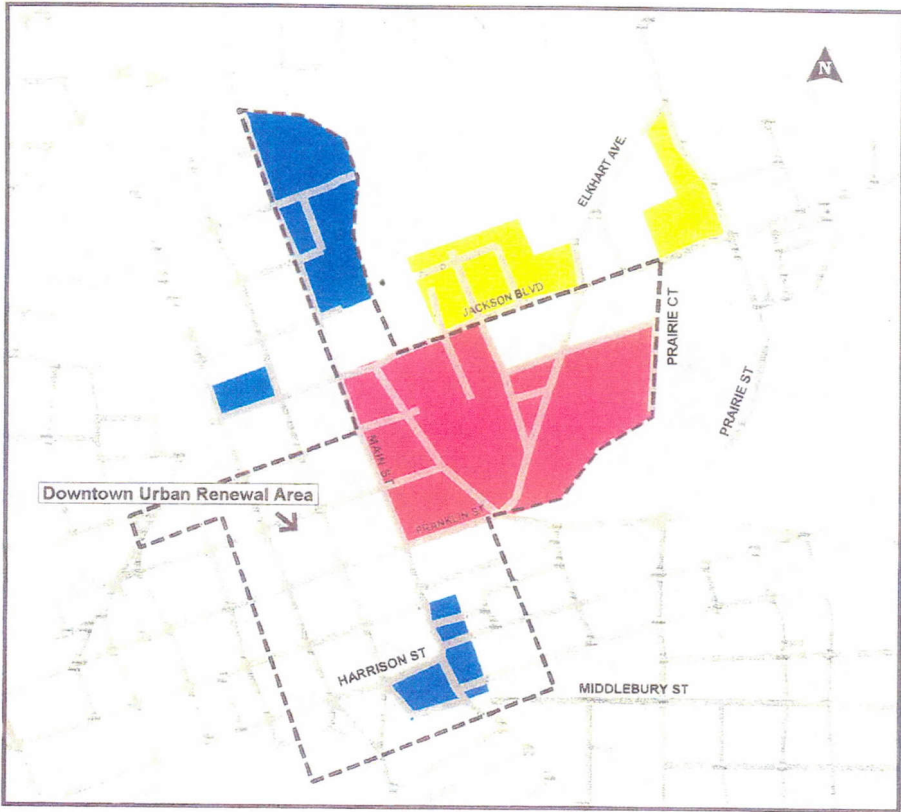
Map 2 on the following page highlights the existing Urban Renewal Area, along with the designated impact zone. Future consideration might be given to expanding the Urban Renewal area, along with the existing TIF district, to include parcels which more closely correspond with future anticipated development activities. Other properties within the Urban Renewal Area were identified as potential independent manageable projects and future redevelopment areas. However, for the Downtown Redevelopment Plan, the emphasis will be focused primarily within the designated impact zone.

MAP 2 URBAN RENEWAL AREA & DESIGNATED IMPACT ZONE

Downtown Redevelopment Plan

Elkhart, Indiana

MAP 2: URBAN RENEWAL AREA & DESIGNATED IMPACT ZONE



SITE INVENTORY AND ANALYSIS

The land west of the Elkhart River within the impact zone includes the hotel property and a public plaza with a clock tower and underground parking lot. The blocks north of the hotel/plaza area consist primarily of parking lots and retail and service oriented businesses located in older, multi-story structures. Most of the structures are in relatively good condition, and some are believed to be historically significant. Others are in need of minor repair, or may need to be removed if the redevelopment vision for downtown is to be successful. Adjacent to the impact zone on the south area the historic Elco Theater currently undergoing renovation, the police station and a multi-level parking deck.

The key issue with properties west of the Elkhart River will be linking the businesses along Main Street with the river and the new development uses expected to occur along it. The middle portion of the impact zone consists of the East Bank site, vacant land near Clark Street and Jackson Boulevard, and the "triangle area" bounded by Jackson Boulevard, Clark Street, and Elkhart Avenue. The East Bank site is primarily unimproved land with the exception of two vacant industrial buildings near the Elkhart Avenue Bridge. Because the East Bank site is a large, primarily vacant lot, and is located along the river, it represents a significant development opportunity. However, environmental concerns have surfaced about the site, particularly the closer one gets to Jackson Boulevard.

The "triangle area" between Clark Street, Elkhart Avenue and Jackson Boulevard contains automobile-related businesses such as body shops, engine repair, and car detailing. Scattered residential properties and various other small businesses are also in this area. These structures vary in condition. Old, abandoned vehicles are prevalent throughout this portion of the impact zone.

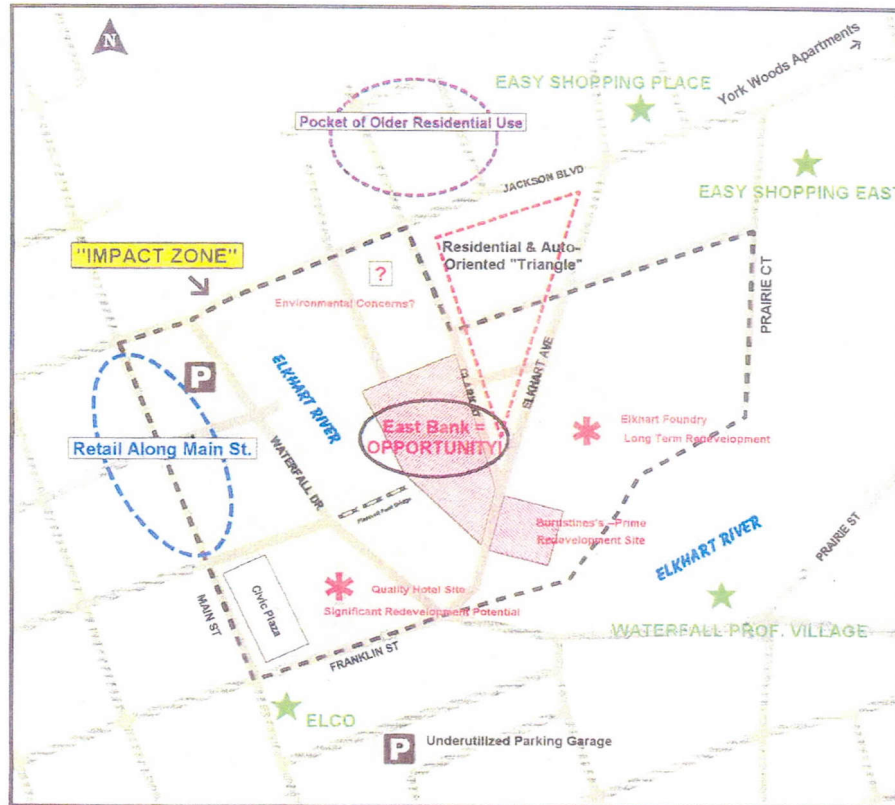
The land east of Elkhart Avenue is utilized mostly by large industrial facilities. The southern portion of the site is occupied by two structures utilized by Burnstine's Distribution. The Elkhart Foundry owns and occupies a sizable lot in this portion of the impact zone. There is a large building utilized by the foundry in addition to a couple of accessory structures. North of the foundry and south of Lexington Avenue are additional automobile-related businesses that mirror those between Elkhart Avenue and Clark Street.

MAP 3 IMPACT ZONE SITE INVENTORY & ANALYSIS

Downtown Redevelopment Plan

Elkhart, Indiana

MAP 3: IMPACT ZONE SITE INVENTORY & ANALYSIS



IMPACT ZONE AREA PHOTOS

Downtown Redevelopment Plan

Elkhart, Indiana

SITES WEST OF ELKHART RIVER



Quality Hotel property located adjacent to public plaza between Main Street and Elkhart River.



Borneman Industrial Supply Company, located immediately north of Quality Hotel site on High Street.

IMPACT ZONE AREA PHOTOS

SITES EAST OF ELKHART RIVER



Burnstine's Distribution Corporation, located along Elkhart Avenue adjacent to the river.



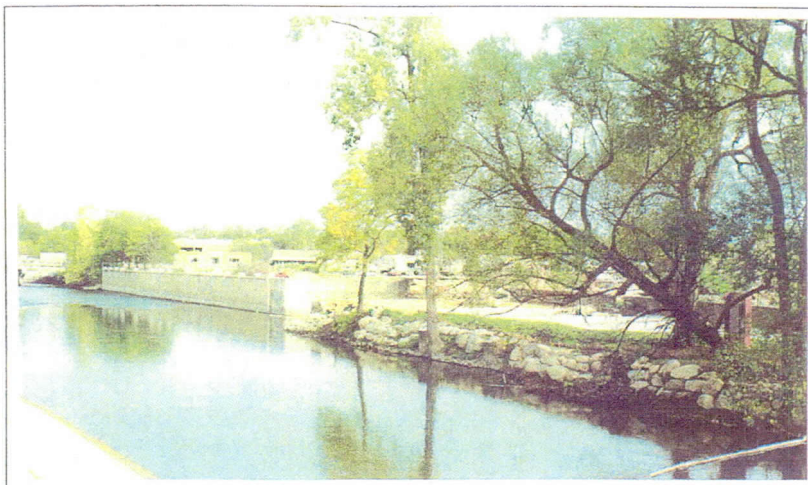
Typical automobile storage areas located in "triangle area" between Clark Street and Elkhart Avenue.

IMPACT ZONE AREA PHOTOS

Downtown Redevelopment Plan

Elkhart, Indiana

EAST BANK SITE



East Bank site looking northeast.



East Bank site looking southeast.

CURRENT CHANGES

The proposed Riverwalk Greenway calls for changes to the existing land use pattern and circulation system in downtown Elkhart. Riverwalk plans include closing Waterfall Drive between Franklin Street and Jackson Boulevard. High Street and Lexington Avenue will terminate with a cul-de-sac along the western edge of the Elkhart River to provide continued access to businesses in this area.

The Riverwalk Greenway also suggests the removal of the existing Quality Hotel. The future of the hotel property is debatable. One set of plans calls for the site to house a new, better equipped hotel which utilizes the river and the new amenities in downtown Elkhart. Others have the site becoming public space to compliment the existing plaza on Main Street.

A pedestrian bridge will be constructed connecting the existing pedestrian outlook (located at the end of High Street) to the East Bank property. The walkway and landscaping improvements will be constructed on the East Bank, and an additional pedestrian bridge will cross the existing intake on the east side. The walk will be extended further north toward Jackson Boulevard.

PROPOSED LAND USE DISTRICTS

The conceptual land use plan (Map 4) proposes a mixture of "development districts" on the west side of the Elkhart River to take advantage of the proposed Riverwalk Greenway. The land use mix will create "market synergy" because it insures people will be attracted to the area for a number of reasons. With the Riverwalk connecting the east and west banks with a bridge designed for pedestrians only, there is potential to create specific "people places". The areas have been labeled "urban entertainment nodes". These sites should be designed specifically as magnets to draw people downtown. The nodes are bordered by retail uses and some housing.

It should be noted that these designated development districts shown on Map 4 may contain more than one given use, provided that the uses are compatible with one another. For example, an existing restaurant which might be located within a "retail district" will not need to be relocated. A district labeled as "urban entertainment" does not necessarily preclude some new housing from being built. The ultimate goal is to make specific uses within a district compatible with one another, and to maintain compatibility between new and existing uses within these particular districts.

In an ideal world, everything east of the Elkhart River within the project impact zone would be converted into developable land parcels. While this may be unrealistic, in any redevelopment scheme, the current land uses must change significantly to support new development efforts along the river. The East Bank site mirrors the location of the urban entertainment nodes on the west bank. The parcels along Jackson Boulevard are best suited for retail uses because of their valuable frontage along the heavily traveled thoroughfare. The land situated between the East Bank site and Elkhart Avenue will be devoted primarily to housing.

The northeast corner of the impact zone represents a prime opportunity for mixed use office and retail since it is bordered by a business incubator and a printing shop to the north and a grocery store to the east. The amount and quality of investment in the land owned and occupied by the Elkhart Foundry is extensive; therefore, it will be difficult and expensive to acquire. For that reason, the foundry site has been labeled a long term developable site. The property south of the foundry, now occupied by Burnstine's, is suitable for a number of different developments. New office development would compliment nearby Waterfall Villages. Urban entertainment would provide a link to the East Bank site and the proposed Riverwalk.

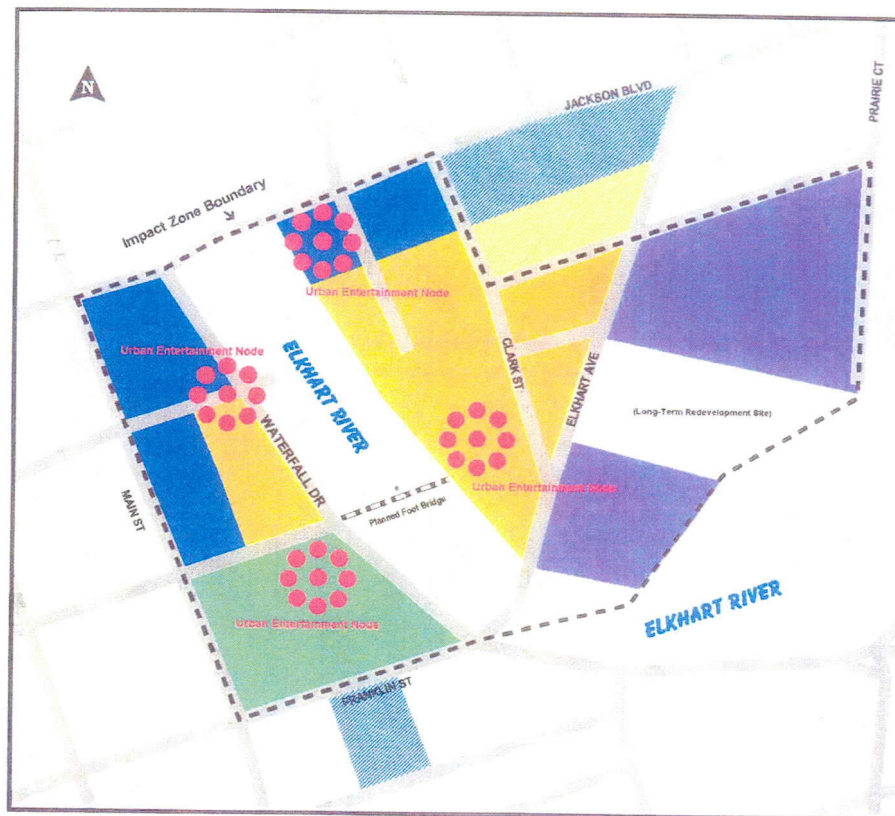
Upon removal of the existing hotel, the Burnstine's site may also be appropriate for a new hotel and business center. In fact, there are numerous options for the location of a new hotel and business center. The old hotel property is one option. It could also be beneficial to move the hotel to the south side of Franklin Street. The last option would be to locate the center in the northwest corner of the impact zone between Lexington Avenue and Jackson Boulevard on the west bank of the river.

MAP 4: IMPACT ZONE DEVELOPMENT DISTRICTS

Downtown Redevelopment Plan

Elkhart, Indiana

MAP 4: IMPACT ZONE DEVELOPMENT DISTRICTS



Development Type	
■	Retail
■	Residential
■	Office/Retail Mix
■	Civic Space/Retail Mix
■	Non-Impact Zone Retail
■	Non-Impact Zone Residential

NOTE: The Development Districts shown above indicate the dominant character of the area, but each may contain a mix of complimentary uses. For example, a primarily retail area may include some professional office or urban entertainment uses.

DEFINED LAND USES

Urban Entertainment

Each "urban entertainment node" should be unique to attract a variety of people to the downtown. Potential activities may include an amphitheater, restaurants, a public outdoor garden, bars or nightclubs, a fountain, and/or an outdoor sculpture gallery. Some of the spaces should be publicly-owned, while others could be private businesses. The spaces should work together to attract a variety of users at different times of day, and different times of the year.

Residential

Residential uses on the west bank should be urban in scale. Top floor apartments above specialty retail shops are the most appropriate housing for this area. These apartments will provide residents to convenient access to downtown activities. The housing on the East Bank site, however, will differ considerably from that on the west bank. East Bank residential uses should contain a mix of styles, type and tenure. However, emphasis will be placed on market rate units targeted towards elderly and professionals. Apartments, condominiums and single family homes will exist in harmony on the east bank.

Retail

Any new retail development should complement the existing retail development in downtown. The new development should be small, locally owned specialty shops similar to the types of businesses that already exist on Main Street. Larger retail uses may be developed as part of a larger, mixed-use development initiative (i.e. a new hotel/business center along with retail shops).

Office

New office space in downtown should be different than that now existing in large, older buildings. New office development must have Class A amenities (safety features, technology capabilities, etc.). Office space along the rivers in downtown should complement the Waterfall Villages project. However, other office development projects within the core area should be more "urban" in design, with increased densities and less surface parking.

LAND ACQUISITION STRATEGY

The Redevelopment Commission should utilize its powers of land acquisition for public purpose. Given the multiple-ownership of land parcels within the impact zone, with the exception of some very large parcels (East Bank, Burnstine's, etc.), significant redevelopment efforts will have to involve acquisition of numerous properties. ***The multiple land ownership, combined with existing land use conflicts and***

environmental contamination, present barriers for market-based revitalization activity. In an effort to make these parcels more suitable for development activity, which will spur redevelopment activity by reducing a private developer's risk, the Redevelopment Commission will be an active player in acquiring needed properties to begin the revitalization process.

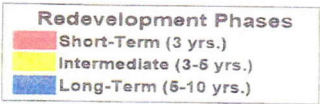
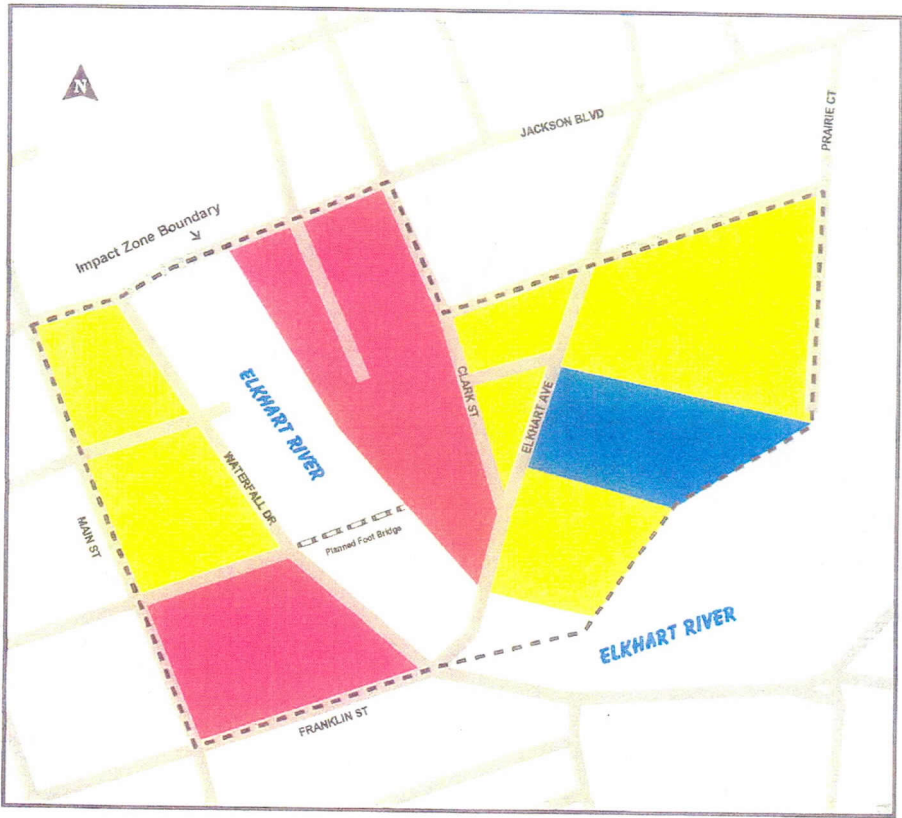
While the Redevelopment Commission has the power to condemn and acquire privately held property, the rights of the individual property owner will take priority. It is the desire of the Redevelopment Commission to assemble land parcels for development which benefits the existing and future property owners. The "Proposed Activities" section of this document highlights land acquisition activities in greater detail.

The area within the impact zone targeted for initial redevelopment efforts is directly adjacent to the Elkhart River (see Map 5). Redeveloping this land will provide high impact, visible results to all residents. There are several large land parcels on this area which if configured correctly will accommodate significant new development. Specifically, the East Bank site and the hotel property will be the first sites to be acquired. The East Bank site is a large lot with an involved owner. The hotel property, as a candidate for a significant renovation or new civic uses, will add great enthusiasm to the redevelopment effort. Assuming these two properties are available for development, and final plans are made, additional property along the west side of the river should be pursued.

Acquisition of the Burnstine's site would move the redevelopment effort to the east side of Elkhart Avenue. Since this particular site has redevelopment potential, it is a likely acquisition candidate. The land directly west and north of the existing Elkhart Foundry is divided into multiple parcels, thus making it difficult and costly to acquire. However, this land is a valuable part of the redevelopment vision for downtown effort and every attempt to acquire it should be made.

MAP 5: IMPACT ZONE RECEVELOPMENT PHASES

MAP 5: IMPACT ZONE REDEVELOPMENT PHASES



PROPOSED ACTIVITIES

Activities which the Redevelopment Commission will lead, related to the impact zone, include the following:

1) Land Acquisition and Disposal. It is anticipated that in order to encourage new investment within the impact zone, the Redevelopment Commission will become involved in selective acquisition of strategic properties. Properties which demonstrate evidence of disinvestment and abandonment will be given priority. Additionally, real property, which is affected by blighted or abandoned property, will also be considered for acquisition if such acquisition will encourage new investment in the downtown area. All acquisition activity is contingent upon negotiation and active discussion with the individual property owner(s). Furthermore, the Redevelopment Commission will present opportunities for relocating existing uses into new locations in the redevelopment area where appropriate.

In acquiring interests in real property, the following procedures will be followed:

The Redevelopment Commission will order two appraisals to be conducted by independent appraisers for each parcel on the acquisition list. The price offered will not exceed the average of the two independent appraisals. The Redevelopment Commission will work closely with each downtown property owner to assure that the acquisition does not create a hardship for the owner. It is believed that most, if not all acquisitions will involve vacant land or abandoned real property. In those cases when operating business may be impacted, the Redevelopment Commission will work with the affected business to determine how they can take advantage of the downtown redevelopment activities.

Initial land acquisition activities will consist of the following parcels within the impact zone, subject to successful negotiation with the individual property owners:

Downtown Redevelopment Acquisition List

Property Name/Address	Current Tax ID	Old Tax ID (if on prior plan list)
A. Main Package Liquor (Armory Building) 200 North Main Street	20-06-05-258-005.000-012	25-06-05-258-005
	20-06-05-258-006.000-012	25-06-05-258-006
	20-06-05-258-007.000-012	25-06-05-258-007
<i>B. NBD Parking Lot</i> <i>E. Franklin Street</i>	<i>20-06-05-476-004.000-012</i>	<i>25-06-05-476-004</i>
	<i>20-06-05-476-005.000-012</i>	<i>25-06-05-476-005</i>
	<i>20-06-05-476-009.000-012</i>	<i>25-06-05-476-009</i>
	<i>20-06-05-476-010.000-012</i>	<i>25-06-05-476-010</i>
	<i>20-06-05-476-011.000-012</i>	<i>25-06-05-476-011</i>
	<i>20-06-05-476-016.000-012</i>	<i>25-06-05-476-016</i>
<i>C. Quality Hotel</i> <i>300 South Main Street</i>	<i>20-06-05-412-059.000-012</i>	<i>25-06-06-412-059</i>
<i>D. Tepe Sanitary Supply, Inc,</i> <i>361 S. Elkhart Avenue</i>	<i>20-06-05-427-004.000-012</i>	<i>25-06-05-427-004</i>
	<i>20-06-05-427-005.000-012</i>	<i>25-06-05-427-005</i>

<i>E. Enfield Architectural Group</i>	20-06-05-427-006.000-012	25-06-05-427-006
363 S. Elkhart Avenue		
<i>F. Options Inc. (East Bank)</i>	20-06-05-427-007.000-012	25-06-05-427-007
S. Clark Street	20-06-05-427-008.000-012	25-06-05-427-008
	20-06-05-427-020.000-012	25-06-05-427-009
<i>G. Fmer Buescher Band Factory</i>	20-06-05-426-003.000-012	25-06-05-426-001
Clark Street & Jackson Blvd.	20-06-05-427-013.000-012	25-06-05-427-001
	20-06-05-427-015.000-012	
	20-06-05-427-017.000-012	
	20-06-05-427-018.000-012	
<i>F. Burnstine's Distributing Corp.</i>	20-06-05-432-010.000-012	25-06-05-432-010
358 S. Elkhart Avenue	20-06-05-432-020.000-012	25-06-05-432-011
	20-06-05-432-021.000-012	25-06-05-432-012
<i>G. Borneman Industrial Supply</i>	20-06-05-411-020.000-012	25-06-05-411-020
124 E. High Street	20-06-05-411-022.000-012	25-06-05-411-022
<i>H. Seifert Drug Parking</i>	20-06-05-411-021.000-012	25-06-05-411-012
E. High Street		
<i>I. Sassy's</i>	20-06-05-251-016.000-012	25-06-05-251-001
426 N. Main Street	20-06-05-251-017.000-012	25-06-05-251-002
	20-06-05-252-005.000-012	25-06-05-251-003
		25-06-05-251-004
		25-06-05-251-005
		25-06-05-251-006
		25-06-05-251-007
		25-06-05-251-008
		25-06-05-251-009
		25-06-05-251-010
		25-06-05-251-012
		25-06-05-252-001
		25-06-05-252-002
		25-06-05-252-003
<i>J. NIPSCO</i>	20-06-05-411-023.000-012	25-06-05-411-023
E. High Street		
<i>K. Star Tire Corp.</i>	20-06-05-258-009.000-012	25-06-05-258-003
216 N. Main Street	20-06-05-258-010.000-012	25-06-05-258-004
<i>L. R&D Auto</i>	20-06-05-258-001.000-012	25-06-05-258-001
230 N. Main Street	20-06-05-258-002.000-012	25-06-05-258-004
<i>M. 144 Division Street</i>	20-06-05-479-023.000-012	
	20-06-05-479-024.000-012	
<i>N. 150 Division Street</i>	20-06-05-479-015.000-012	

O. 156 Division Street	20-06-05-479-016.000-012
P. 160 Division Street	20-06-05-479-017.000-012
Q. 511 Division Street	20-06-04-355-011.000-012
R. Faith Mission properties at 526 & 530 South Main Street, 112 Division, Jauriet & Hinter vacant lot	20-06-05-478-003.000-012 20-06-05-478-014.000-012 20-06-05-478-009.000-012 20-06-05-478-011.000-012 20-06-05-478-012.000-012 20-06-05-479-031.000-012
S. Traveler's Inn 220 West Jackson Blvd.	20-06-05-332-013.000-012
T. Dusthimer Lot E. Lexington Avenue	20-06-05-411-016.000-012
U. SE corner of Richmond Street & Blazer Boulevard	20-06-04-356-001.000-012 20-06-04-356-003.000-012
V. Elkhart Foundry 318 South Elkhart Avenue	20-06-05-432-007.000-012 20-06-05-432-008.000-012 20-06-05-432-018.000-012 20-06-05-432-025.000-012

italicized print indicates the property was acquired by the City of Elkhart prior to the 12/13/2005 amendment to this plan.

2) Infrastructure and Site Improvements. The Redevelopment Commission and City of Elkhart will assist and facilitate the following improvements in the impact zone, in order to enhance its potential as a site capable of attracting significant new development:

- a) *Sewer enhancements.*
- b) *Water enhancements.*
- c) *Utility improvements.*
- d) *Streetscape enhancements (lighting, street furniture, signage, etc.).*
- e) *Road and sidewalk improvements.*
- f) *Demolition costs.*
- g) *Surveying and recording costs.*
- h) *Environmental testing.*
- i) *Additional sitework.*
- j) *Permit and/or hook-up fees.*

3) Riverwalk Greenway Improvements. The Redevelopment Commission and City of Elkhart will lead all implementation activities associated with the Riverwalk Greenway plan, as produced by Woolpert Consultants.

4) Public/Private Partnership. The Redevelopment Commission has determined that it will use its limited funds in a manner which will leverage significant new private investment to the impact zone. ***All public/private partnerships created must leverage private investment which is consistent with the specific objectives stated within this Redevelopment Plan.***

The Redevelopment Commission has adopted a leveraging goal of \$1 to \$4 - \$10. In other words, every dollar of local, public sector funds used related to the Downtown Redevelopment Plan is expected to leverage between four to ten additional dollars from the private sector. Funds that the Redevelopment Commission use for site improvements, for example, must lead to development activities financed by outside sources. Outside funding may include conventional equity investment, long-term debt financing, or other "soft money" sources such as private foundations, state grants, or national programs.

Furthermore, while the Redevelopment Commission is expected to play the lead role in the redevelopment process, other local groups will be significantly involved, and may also take responsibility for finding outside funding to supplement the Redevelopment Commission's funds. Local groups such as the Elkhart Chamber of Commerce, the Elkhart Downtown Development Corporation, and the Downtown Merchant's Association will be key players in the process, and will be involved throughout the redevelopment process.

V. CONSISTENCY WITH OTHER PLANS

Several plans prepared for and adopted by the City of Elkhart have focused attention on redevelopment of the downtown area as key to the health of the City of Elkhart. The plans provided a starting point for research on the downtown district:

URBAN RENEWAL PLAN: 1985

The Urban Renewal Plan was created to initiate a more specific plan for downtown. Because downtown has become blighted and deterioration is a dominant trend, redevelopment can not be expected with normal public and private investment. Therefore, this document created an Urban Renewal Area as a portion of the tax increment financing (TIF) district to channel the benefits from any new investment directly into the downtown area. These objectives from the 1985 plan are still applicable today.

Urban Renewal Plan Objectives:

- To preserve and create an environment within the downtown which will protect health, safety, and general welfare; preserve or increase existing property values and taxable values of properties within the Urban Renewal Area.
- To establish conditions which will prevent the reoccurrence of blight.
- To strengthen the downtown areas as the business, financial, administrative, governmental and cultural center for the city and the county.
- To strengthen the economic well-being of the downtown area by increasing retail activity, office floor space, taxable values and job opportunities.
- To create an appropriate compatible relationship between residential neighbors and the downtown.
- To leave such a legacy of redevelopment and rehabilitation that local private investment voluntarily sets a trend of healthy growth in this area and its surroundings.

COMPREHENSIVE LAND USE PLAN: WOOLPERT, NOVEMBER 1996

The comprehensive plan dedicates special attention to downtown Elkhart as an entity needing additional consideration. The plan recommends creating specialized districts within a more broadly defined downtown area, and continually reiterates that people's perceptions of downtown are vital to its success, as are these components:

The core: Recapturing the rivers should be emphasized as the underlying theme in the downtown conceptual plan. This can be accomplished through the

enhancement of a greenway river corridor. This attraction will act as a spine that can unify, link and establish a common design theme.

Mix of uses: The uses downtown should accommodate a diversity of people, interests, seasons, and times of day. A balanced mix of residential, office, specialty retail, dining, cultural, and entertainment will create a "market synergy" in downtown. Over concentrations or saturation of one use can diminish this synergy.

Public spaces: Appropriately designed public spaces must be provided to accommodate local and regional attractions. Festive and lively social atmospheres are essential in creating this setting.

Compactness: Compactness helps develop the special relationships that are important in establishing a critical mass. Economic vitality and the need for pedestrian routes are an important part of compactness. Residential development within the downtown is one way to achieve compactness. It provides attractive features for those who desire the convenience and activities a vibrant downtown has to offer.

Linkages: Functional linkages between downtown activities and adjacent neighborhoods are essential in creating market synergy. A balance between pedestrian and vehicular routes helps create and define linkages and can maximize access to complementary uses. The grid of existing streets and natural flow of Elkhart and St. Joseph Rivers creates an environment facilitating linkages.

Identity: A positive image of the downtown also plays a critical role in its vitality. Entry features which define the edge of downtown create a sense of identity in unifying downtown as a destination. Once in the downtown, people should feel as if they have arrived in a special plan that is uniquely different from where they have come from. The repetition of streetscape features such as tree plantings, paving, lighting, and benches creates visual order that reinforces the organization of downtown.

**BROWNFIELD REDEVELOPMENT STRATEGIES FOR ELKHART, INDIANA:
THE GREAT LAKES ENVIRONMENTAL FINANCE CENTER, THE URBAN CENTER,
CLEVELAND STATE UNIVERSITY, 1997.**

The successful redevelopment of the Wilt's and East Bank sites will depend on Elkhart's ability to create and implement a compelling new vision for the downtown area. Special attention must be focused on removing inappropriate or outdated facilities, creating new greenspaces and pedestrian areas, assembling smaller parcels for projects of scale, and identifying attractive new end-uses to draw people downtown. Economic performance guidelines for the area should be established. These guidelines should specify a range of intended benefits produced by redevelopment projects.

ELKHART CONSOLIDATED PLAN: 1995 – 2000

The Elkhart Consolidated Plan does not formally mention the downtown as an entity needing special attention. It does, however discuss the nature of the housing market in Elkhart. There is a need for quality, affordable rental units. The plan details Neighborhood Development Strategies, which focus on revitalizing older neighborhoods in the core of the city. This directly correlates with the plans to revitalize the downtown business district.

RIVERWALK GREENWAY: WOOLPERT, 1997

Elkhart approved Phase I of a plan by Woolpert to create the Riverwalk Greenway along the Elkhart River between the Jackson Boulevard Bridge and the Elkhart Avenue Bridge. The plan includes aesthetic improvements and calls for the redevelopment of certain properties along the proposed Riverwalk.

This new attraction will complement Island Park, existing walkways and bridges, and new developments downtown. The revitalization of the rivers is the key component to a new successful image of downtown Elkhart. The Riverwalk will provide the link from the East Bank to Main Street and from the Elco Theater to Jackson Boulevard.

Future phases of the Riverwalk include linkages directly to the YMCA, Island Park, neighborhoods north and west of the central business district and neighborhoods east of downtown.

SUMMARY

All recent, previous planning documents focus on the importance of the river transition from an industrial resource to a natural, community amenity. This is the key step in the redevelopment vision for downtown Elkhart. All plans state that economic diversity and a mixture of uses is optimal for downtown Elkhart.

VI. PROJECT BUDGET (1997)

I. PUBLIC FUNDS

Phase 1:	Land Acquisition	\$ 1,000,000
	Site Improvements	<u>\$ 1,000,000</u>
	Subtotal Phase I Public Costs	\$ 2,000,000
Phase 2:	Land Acquisition	\$ 2,000,000
	Site Improvements	\$ 3,000,000
	Other Activities	<u>\$ 1,000,000</u>
	(Public/Private Partnership)	
	Subtotal Phase 2 Public Costs	\$ 6,000,000

TOTAL PUBLIC COSTS

\$ 8,000,000

II. PRIVATE FUNDS

Housing (100 Units)	\$10,000,000
Hotel/Business Center (100,000 s.f.)	\$12,000,000
New Office Space (50,000 s.f.)	\$ 3,750,000
Retail Stores (20,000 s.f.)	\$ 1,500,000
Urban Entertainment (60,000 s.f.)	\$ 4,500,000
Civic Space (30,000 s.f.)	\$ 2,250,000
Recreation/Amenities	<u>\$ 1,000,000</u>

TOTAL PRIVATE DOLLARS

\$35,000,000

TOTAL REDEVELOPMENT BUDGET

\$43,000,000

Notes: Leveraging Ratio equals 4.38 private dollars for 1 public dollar

Redevelopment budget figures are preliminary. They reflect budget calculations which are believed necessary to prepare the impact zone for significant private sector redevelopment activity.

VII. FUNDING AND FINANCING

The following section describes several alternative financing mechanisms for consideration within the City of Elkhart. These are presented only as potential options, and not necessarily a commitment to using.

BONDS

- 1) Revenue Bonds, or TIF Bonds.** The existing tax increment financing (TIF) district provides for the temporary allocation of increased property tax proceeds to the redevelopment district. The City of Elkhart and the Redevelopment Commission may wish to consider expanding the current TIF boundaries (along with the Urban Renewal Area boundaries) to include areas north of Jackson Boulevard and east of the Elkhart River, which more closely corresponds with anticipated future downtown redevelopment activities.

TIF permits communities to use increase property tax revenue stimulated by redevelopment activities to pay for the cost incurred to initiate the activities. When the TIF is established, real property assessments are “frozen” within the designated area. Cities issue revenue bonds to finance a portion of the redevelopment activities. Once property values begin to increase, the tax assessments will also increase. This increase, or increment, in tax revenues is set aside to pay off the debt service on the issued bonds. Once the full debt is retired, the tax allocation is discontinued and all taxing units enjoy the benefits of increase property tax values.

- 2) General Obligation Bonds.** G.O. bond financing may be used for funding an economic development project 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.

TAX ABATEMENT

Certain types of businesses may qualify for tax abatement incentives. Within the City, business owners may be eligible to deduct a portion of their real property investment that is new to the area. The abatement is allowed on real property and is calculated only on the increase of assessed value.

SECTION 108 GUARANTEED LOAN FUNDS

Section 108 loan funds are an extension of the Community Development Block Grant (CDBG) Program which provides grant funds to Elkhart. By pledging future CDBG funds toward repayment, the City can leverage up to five times the amount of their annual allocation and access large amounts of new capital for community and economic development activities. The City’s future CDBG grants serve as collateral for the Section 108 loan.

Section 108 funds have low, fixed interest rates and repayment can be made over a period of up to twenty years. Section 108 loans can involve little or no cost to public entities when third parties (i.e. private developers) make principal and interest payments. And, Section 108 borrowing does not affect the legal debt capacity of the city. Projects financed with Section 108 loans must be eligible under the CDBG program.

ECONOMIC DEVELOPMENT INCOME TAX (EDIT)

EDIT has already been established and used efficiently by Elkhart County. EDIT is a potential funding source for debt service or other redevelopment expenditures, or economic development projects.

CONVENTIONAL FINANCING

The city anticipates that most private developers/investors who propose approved activities within the Urban Renewal Area will require conventional financing from private lending institutions. The city will work cooperatively with the developers/investors to secure conventional financing, if necessary. Specifically, the city will provide proof of its financial commitment to a developer/investor in order to assist the developer/investor with securing conventional financing for a project.

EQUITY INVESTMENT

The city's objective within the redevelopment district is to facilitate private investment. Whenever possible, the city will seek equity investments from private developers/investors who propose to implement approved activities within the Urban Renewal Area. The city will financially assist projects primarily with gap financing and with leveraging of public funds that will result in repayment by the private developers/investors. By establishing a TIF district and providing tax abatement incentives, the city is creating an atmosphere conducive to private investment.

OTHER LOCAL SOURCES

The City of Elkhart may utilize any combination of local revenue sources to support redevelopment activities within the designated impact zone. Use of such funds will be subject to all public notification requirements and approvals. These funding sources may include the following:

- ***Existing General Obligation debt capacity***
- ***Cumulative Capital Development Funding***
- ***Food and Beverage tax Revenues***

VIII. STATUTORY FINDINGS

In accordance with Indiana Code 36-7-14-15, this Redevelopment Plan meets the following criteria:

- 1) The designated areas highlighted within this Redevelopment Plan are blighted to an extent which cannot be corrected by the ordinary operations of private enterprise.***

Over the last decade, downtown Elkhart has lost some of its significant downtown business base, in terms of size, tax generation, and employees. In addition to the losses of some of the downtown's most notable business enterprises, new large-scale commercial development has been occurring immediately outside the downtown area, and elsewhere outside of city limits, further pulling businesses and shoppers away from downtown Elkhart. The significant site acquisition and site improvement costs, combined with the multiple ownership of land, and potential environmental contamination, will not allow private investment to occur if left to prevailing market forces.

- 2) The public health and welfare will be benefited by the acquisition and redevelopment of the area.***

Land acquisition activities, infrastructure improvements, and site improvements will lead to significant new tax revenues for the City of Elkhart, which will provide additional services for both city and county residents. Acquiring land, making it more suitable for new investment, and promoting public/private partnerships will produce an atmosphere more conducive to housing, retail, hotel, and office development, which will lead to new jobs for area residents. New investment will help in reversing the business losses downtown has recently experienced, and will build up the city's tax base.

- 3) The areas targeted within this plan are a menace to the social and economic interests of the City of Elkhart, and redevelopment will be of public utility and benefit.***

Redevelopment activities (land acquisition, site and infrastructure improvements, and public/private partnerships) will create an environment conducive to new housing and commercial investment, and will provide additional tax revenues for the city, and new services for city residents.