



Indianapolis Far Eastside

Technical Assistance Panel

July 23-24, 2019



Urban Land Institute Indiana

About Us



The Urban Land Institute is a global membership organization comprising more than 44,000 real estate and urban development professionals dedicated to advancing the Institute's mission to provide leadership in the responsible use of land and in creating and sustaining thriving communities.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe and Asia Pacific Region, and members in 81 countries.

ULI's impact on land use decision making is based on its members sharing expertise on the variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns. Peer-to-peer learning is shared through thousands of convenings each year that reinforce ULI's position as an authority on land use and real estate. In 2018 alone more than 2,200 events were held in about 330 cities around the world.

ULI's Advisory Services program, which began in 1947, assembles member-lead teams to help find creative practical solutions to complex land use planning and development projects, programs and policies. National panels are available for 3-day or 5-day assignments.

More information is available at uli.org. Follow ULI on Twitter, Facebook, LinkedIn and Instagram.

ULI Indiana was founded in 2007 and has over 375 members across the state, with the majority in Central Indiana.

The Indiana district council is supported by over 30 corporate sponsors and by contract assignments like Technical Assistance Panels (TAPs).

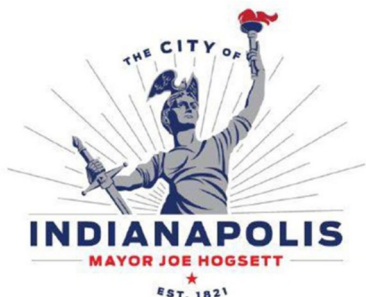
Local TAPs are available for assignments ranging from 1/2 day to 2 days.

ULI Indiana also offers over 15 general audience events per year, as well as affinity groups such as the Women's Leadership Initiative (WLI) and Young Leaders Group (YLG).

In 2020 ULI Indiana is launching a Diversity Initiative which aims to expand minorities working in real estate development.

Learn more at Indiana.uli.org, and follow us on Twitter, Facebook, LinkedIn and Instagram.

Project Partners



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Thank you to our partners, panelists, participating stakeholders, CAFE staff &
ULI Indiana TAP committee volunteers

Assignment

Indianapolis's Far Eastside is a working-class community 10 miles from downtown, located outside the city's interstate beltway. Once an outer ring suburb, it has transformed over the last few decades into an urban neighborhood—diverse, largely residential, but with an industrial sector concentrated in its southern portion, and a strong local community organization, the Community Alliance of the Far Eastside (CAFE).

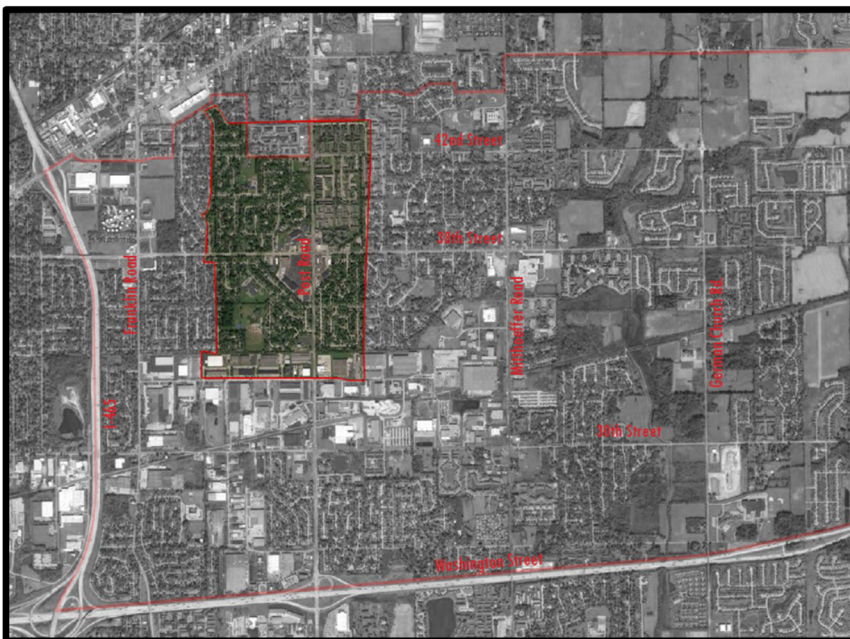
Some of the interrelated challenges facing the Far Eastside today include disinvestment (neglected/abandoned residential property, school closings), crime, and insufficient access to employment.

However, the City of Indianapolis is currently undertaking planning and acquisition projects that have the opportunity to breathe new life into the area. An extension of the Indianapolis Bus Rapid Transit (BRT) system, the Purple Line, will intersect the neighborhood. In addition, the City is actively working to acquire the most neglected properties in the neighborhood, bringing opportunities for redevelopment. Finally, both long time property owners like Glick and newer investors like Finish Line are eager to contribute to area improvements.

The questions that the panel was asked to answer were:

- 1) What informs decisions to build/invest in the Far Eastside?
- 2) What City/community stakeholder support/capacity/infrastructure would be needed to encourage more development/investment in the Far Eastside?
- 3) What sorts of development would lead to tangible economic development benefits for the Far Eastside?
- 4) Assuming that the Far Eastside could attract a new wave of homeowners, based on a 20-minute commute strategy, what might that development look like?
- 5) How can developers/investors be motivated to support new transit-oriented development (TOD) and affordable housing development on the Far Eastside?

Study Area



Process

Beginning with the establishment of the 3-5 question assignment, ULI identified a hand-selected panel of our members and other industry experts who donated their time for the duration of the TAP assignment.

We also developed a briefing book comprising essential data and information about the area for the panelists to review.

In the meantime, the community identified area stakeholders who should be interviewed by our panelists.

Following is the TAP agenda.

Day 1—July 23, 2019

11am-12pm—Panelists gathered at CAFE, then were led on a bus tour of the project area.

12-1:30pm—Panelists returned to CAFE for a lunch with community stakeholders. Brief remarks were made by Indianapolis Deputy Mayor Jeff Bennett.

1:30-5pm—Three rounds of stakeholder interviews took place

5-6pm—The panelists discussed their observations from the day and identified additional research needs.

Day 2—July 24, 2019

8am-4pm—Panel work day

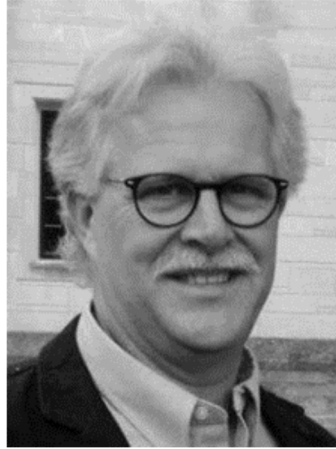
4-5pm—The panel presented their findings to the project sponsors; community and ULI stakeholders were also invited.



Panelists



Keith Broadnax
Senior Vice President -
Business Development,
Cinnaire



Pete Fritz
Healthy Communities
Planner, Indiana State
Department of Health



Kris Butler-Farrar
Chief Operating Officer,
Old Town Companies



Jen Higginbotham
Principal Planner, Indi-
anapolis Metropolitan
Planning Organization



Catherine Esselman
Senior Project Manager,
Indy Chamber



Samantha Spergel
Director of Real Estate
Production, Indiana Hous-
ing & Community Devel-
opment Authority

Interviewees



Interviews were held in three groups on July 23, 2019.

Cheria Caldwell

Tedd Grain

Gary Reiter

Ellie Lindhjem

George Okantey

Tom Burck

Mike Halstead

Samantha Douglas

Jeff Bennett

Felix Medina

Keith Graves

Pastor TD Robinson

Sam Odle

Judy Ferguson

Steven Meyer

Nate Litchi

Lori Edwards

Brad Beaubien

LaKeisha Jackson

Steve Talley

Joe Bowling

Tiffany Witherson

Cecilia Brickley

Mr. Mohammed

Representative Robin Shackleford

Jim Walker

Shaunts Marsh

Mariana Lopez-Owens

Eduardo Luna

Maggie Lewis

Marty Posch

Ryan Brady



The panelists chose to present their findings in two parts:

Part 1—Direct answers to the questions that were presented, and

Part 2—Overall impressions and recommendations.

Part 1— Answering the Questions Presented

What informs decisions to build/invest in the Far Eastside?

- Real Estate/Economic Development fundamentals
 - Low rents do not support new construction.
 - Lack of available workforce.
- The impact of out-of-state/country property owners (of which there are many)
 - These remote owners may be less likely to invest in maintaining their properties, resulting in blight, crime and the perception of crime, and tenant disinvestment.
 - These remote owners also elevate land assemblage prices. Many have never seen the properties in person, therefore the properties are trading at prices far above their actual value.
- High risk of investment—Lenders perceive area to have too much risk because of:
 - unaddressed property issues
 - concentrated poverty
 - lack of essential services in the area
- Lack of available public incentives for development (TIF, LiftIndy, CDBG)
 - TIF is a bad fit here since there would need to be sufficient incremental value created to make the tool work.
 - In some cases the City/State have prioritized other areas for investment; some stakeholders in the Far Eastside feel left behind.

What City/community stakeholder support/capacity/infrastructure would be needed to encourage more development/investment in the Far Eastside?

- Dedicated Real Estate expertise

The Far Eastside needs a strong CDC-type entity or individual with experience in real estate development, and also community quarterbacking and capacity building with regard to real estate. This person/entity would bring continued focus to the real estate challenges of the area and also ensure that the Far Eastside is fairly represented to outside funders, public & private.

It does not appear that this role is consistent with the brand and services currently offered by CAFE, and that is okay. CAFE is doing an excellent job on the services they do provide. Attempting to expand their services into real estate is not recommended since this would reduce focus on the other important services they provide. Even providing an office for the real estate expert should be carefully considered, since CAFE's office may not be the best place to meet with potential investors.

- Programs to improve the workforce and reduce poverty
 - There should also be a people-focused neighborhood investment strategy, with tangible and measurable programmatic goals that tackle poverty issues.
- Coordinated City investment in the most critical neighborhood services—public safety, green space/open space, and streets/sidewalks and related infrastructure—where supported by density.

Various City departments (Indianapolis Metropolitan Police Department, Parks Department, Department of Public Works and Mayor's office) should coordinate their efforts to develop strategies for safety, green space, streets/sidewalks and related infrastructure in the Far Eastside.

One of the unique characteristics of the Far Eastside is that there are some high-density pockets within an overall area that is relatively low-density. This is one instance where looking at the Far Eastside broadly is a disadvantage, since the

Findings

“low-density” translates to a lower tax base, making it difficult to support essential services like libraries, schools, community centers, as well as private investment.

However, this does not negate support for community investments in targeted, density-supportive locations. The planned location of the Purple Line, for example, was determined largely by density. Other community investments should also follow this lead.

- A reality check for area stakeholders

The Far Eastside’s civic and community stakeholders should understand the reality of existing challenges affecting market demand.

For example, consider the difference between affordable housing (small “a”), which is naturally occurring but can be poor in quality, and Affordable Housing (large “A”), which is generally high quality but is supported by government subsidy to maintain that quality while still charging affordable rents.

Without doubt the Far Eastside needs higher quality housing, but it may be difficult to get Affordable Housing investors to take the risk, knowing that area poverty is high and they might not make their preferred return on investment.

What sorts of development would lead to tangible economic development benefits for the Far Eastside?

- Demo of vacant & abandoned structures / brownfield remediation for shovel-ready sites
- Streetscape improvements, i.e. gateways, way-finding signage, street lighting, art, neighborhood clean-up initiatives
- Trade School / Maker’s Space
- Wellness Center

Assuming that the Far Eastside could attract a new wave of homeowners, based on a 20 minute commute strategy, what might that development look like?

- A variety of configurations to accommodate the multi-generational ages and mixed incomes in each neighborhood
- Single-family home improvement incentives for homeowners
- Microhomes



Findings

How can developers/investors be motivated to support new transit-oriented development (TOD) and affordable housing development on the Far Eastside?

- Tackle the extreme poverty in the area
- Convene a community conversation with city/community/philanthropic/private stakeholders that results in a P3 strategy. This creates confidence in potential investors.
- Find an Angel Investor(s)
- Clean up properties, e.g. mow, weed, pick-up trash
- Create shovel-ready development sites



Part 2 – Overall Impressions and Recommendations

While the panel wanted to explicitly answer the community questions, they also wanted an opportunity to reflect their overall impressions and recommendations. These are presented in three sub-parts:

- Assets/Opportunities vs Challenges
- Big Ideas
- Low-Hanging Fruit

Community Assets and Opportunities

- Occupancy rates are high for the area's large quantity of affordable rental housing, which indicates demand for this area, at least at current rental rates
- Diversity of Land Uses—It is not just a bedroom community; there are retail and industrial (employment) users as well
- Public green space & parks (e.g. Dubarry Park)
- Purple Line—will connect the Far Eastside to downtown Indianapolis Transit Center and Lawrence with rapid, reliable public transit
- People—there is a neighborhood passion & spirit of collaboration; multi-generational families
- CAFE—Community Alliance of the Far Eastside
- Opportunities for redevelopment—the fact that there are vacant land and buildings can be an underappreciated asset
- Demonstrated evidence of recent investment—New Goodwill distribution center, Plaza Urbana
- Access to I-70, Shadeland and I-465
- Planned Trails
- Quality employers

Community Challenges

- Perceptions of the area—area does not have a strong identity to outsiders; most impressions are based on high/perceived crime
- Substandard housing units, distressed property
- The area is a melting pot of cultures, and it's unclear if all residents are being represented in decision-making conversations.
- "Desert of all kinds"—i.e. food desert, health care desert, library desert, banking desert, etc.
- Inconsistency in education options.

There are three public school districts serving the area, Lawrence Township, Warren Township, and Indianapolis Public Schools.

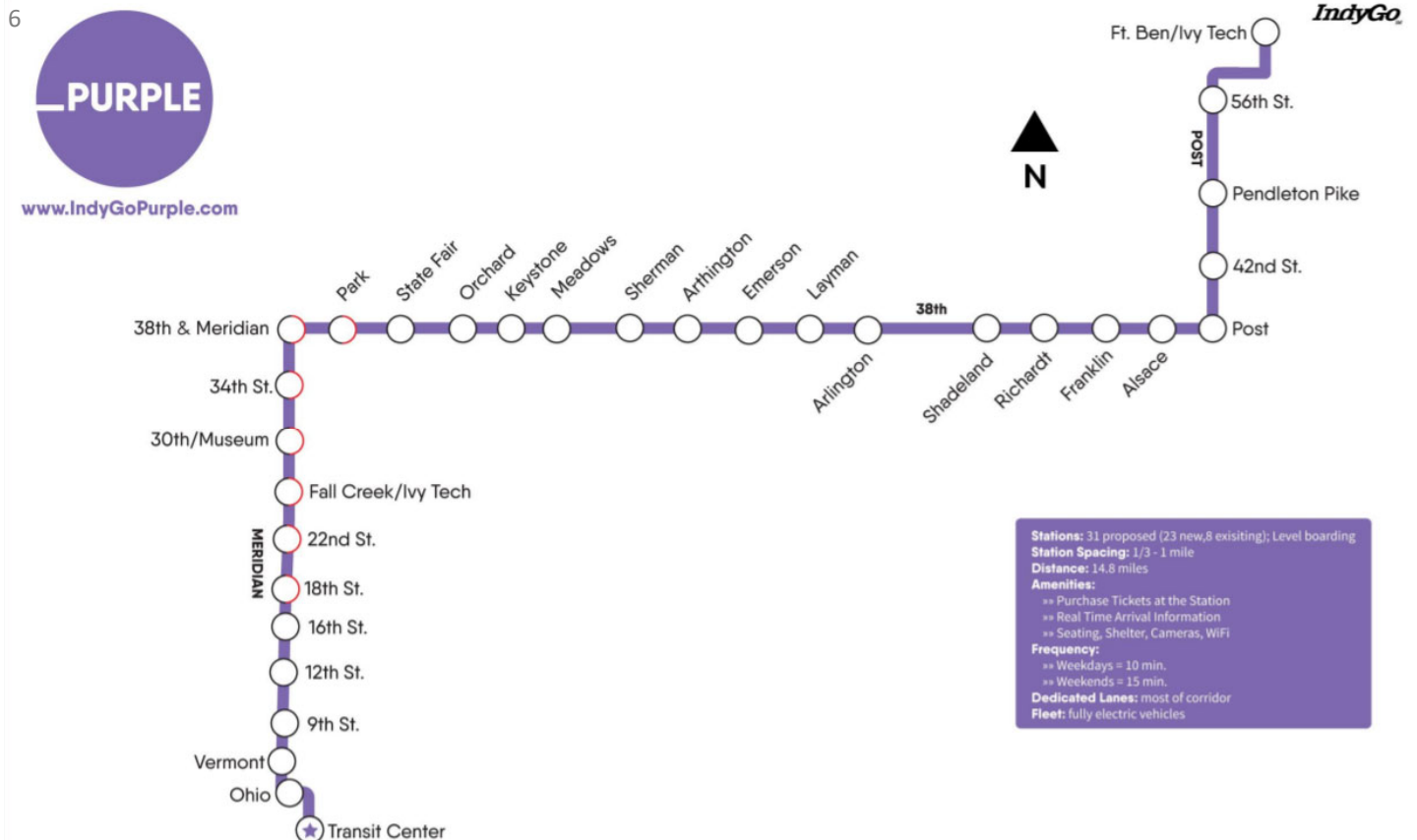
In addition, there are some charter and magnet schools in the area that are doing well and expanding, but others that have failed, resulting in instability for youth and their families.
- Poverty
- High risk for investors

Findings

Examples of some community assets and opportunities



(1) public green space and parks like Dubarry Park, (2) CAFE, (3) people—neighborhood passion, (4) demonstrated evidence of recent investment, (5) opportunities for redevelopment, (6) Purple Line



The panel identified the following interrelated Big Ideas, many of which can leverage existing community programs/partners. Look for some examples in the section “Development Ideas.”

Develop/Fund a CDC-type entity/individual

- The initial investment committed to this entity should be enough to sustain five years of operating expenses, since real estate takes so long to deliver. Seek financial support for this from area businesses as well as regional philanthropy.
- Hire an experienced individual who has real estate development and finance expertise, and charge the individual with:
 - Driving the other Big Ideas listed below
 - Creating partnerships to leverage financial, technical and other resources
 - Targeting priorities for real estate development/redevelopment, such as existing redevelopment sites and transit-oriented development around the Purple Line stations
 - Marketing community assets to residents, businesses, funders, investors and the general public
 - Exploring new opportunities available to assist in community revitalization

Complete high priority plans

- Quality of Life Plan (Partner: LISC)
- Neighborhood Revitalization Strategy Area (City of Indianapolis)
 - Provides CDBG dollars for development
 - Requires metrics and reporting
 - Partner: TBD
- Community brand identity/narrative
 - Improve perception of area by potential investors and residents

- Clarify community boundaries
- Provide design direction for infrastructure projects
- Partner: TBD

Expand the community’s efforts on economic/workforce development

- Attract more light industry to create living wage jobs (Partner: Develop Indy)
- Provide/expand workforce training opportunities (Partner: Goodwill)
- Develop/expand ex-offender re-entry programs. Partners:
 - IHCD—rental assistance
 - Indy Chamber

Explore prefab housing manufacturing as a new, community-based industry

- Provide housing options at a cost of \$90k - \$150k per home
- Create meaningful neighborhood employment options for local residents, including those in reentry programs
- Partners: IHCD, others TBD

De-densify parts of the community as appropriate, potentially converting to agriculture or agri-neighborhoods to provide a more productive use (food production) of vacant land.

- Reduces the area to be supported by community services and infrastructure
- Provide micro education on healthy living/eating
- Include a production kitchen and community education center for additional workforce training
- Partners: Indy Urban Acres, Purdue Extension, Gleaners, Patachou Foundation, someone in Hancock County?

Low Hanging Fruit



While the Far Eastside has some big challenges, there are things that the community can begin right now to make a difference. The panel recommends the following as “low hanging fruit.” Look for some examples in the section “Development Ideas.”

Food education for health and savings

- Find places to start gardens and to provide classes including how to shop for cooking, how to cook healthy meals, how to make better food choices, etc.

Development partnerships

- Have a conversation with Purpose Built Communities about targeted assistance for redevelopment

Identity enhancement

- Get some verbal ammunition—ask area residents and business, “Why do you choose to shop/invest/live here?”
- Turn to social media and other outlets to share positive stories about the community and its residents.
- Show off community businesses/services that could use more love or serve more people.
- Show off to investors/brokers/etc.
- Make agreements to get shared / retweeted / etc. by other community organizations, like Indy Parks or the Mayor’s Neighborhood Advocates.

Community enhancement

- Have a movie night
- Participate in National Night Out
- CAFE could help sub-neighborhoods to form their own organizations for community-building (get-to-know-your-neighbor, block parties, etc.) and maintenance (clean up days, clubs to help older neighbors with small home repairs, voice in city zoning cases, etc.)

Apply for a Placemaking crowd-funded matching grant from IHCD

- Applicant must be a non-profit organization

Take advantage of existing property reuse options

- Examples: Walgreens, Kroger (new owners?), CAFE property, Plaza Urbana
- Talk to other amicable land owners

Inventory existing land/buildings

- Potential for land assembly
- Brownfield needs

Develop wayfinding signs for existing assets

Change City guidelines for CDBG/Neighborhood Revitalization Strategy Areas

- Expand mixed-income housing opportunities
- Less reporting on details of jobs created
- Additional funding of public services when provided by a Community Based Development Organization

Use CDBG in new ways that support current residents

- Link current residents to financial literacy services
- Link current residents to Individual Development Accounts (IDAs) to provide self-sufficiency tools
- Apply for capital funding to support aging-in-place repairs to both rental and owner occupied housing.
- Apply for IHCD grants; provide pass-through grant funding to assist with lead based-paint control

Utilize IHCD’s 4% Tax Credits/Bonds

- Partner with a developer to provide much needed housing

Development Ideas



Example of housing developed with IHCD's 4% Tax Credits/Bonds

Northtown Village, East Chicago, IN

Family Housing, mix of 1,2,3 floors and 2-4 bedrooms



Mixed Market Rate Transit-Oriented Development (TOD)
Mariposa Redevelopment; Denver, CO



Pre-Fabrication Homes
Housing and Employment Opportunity



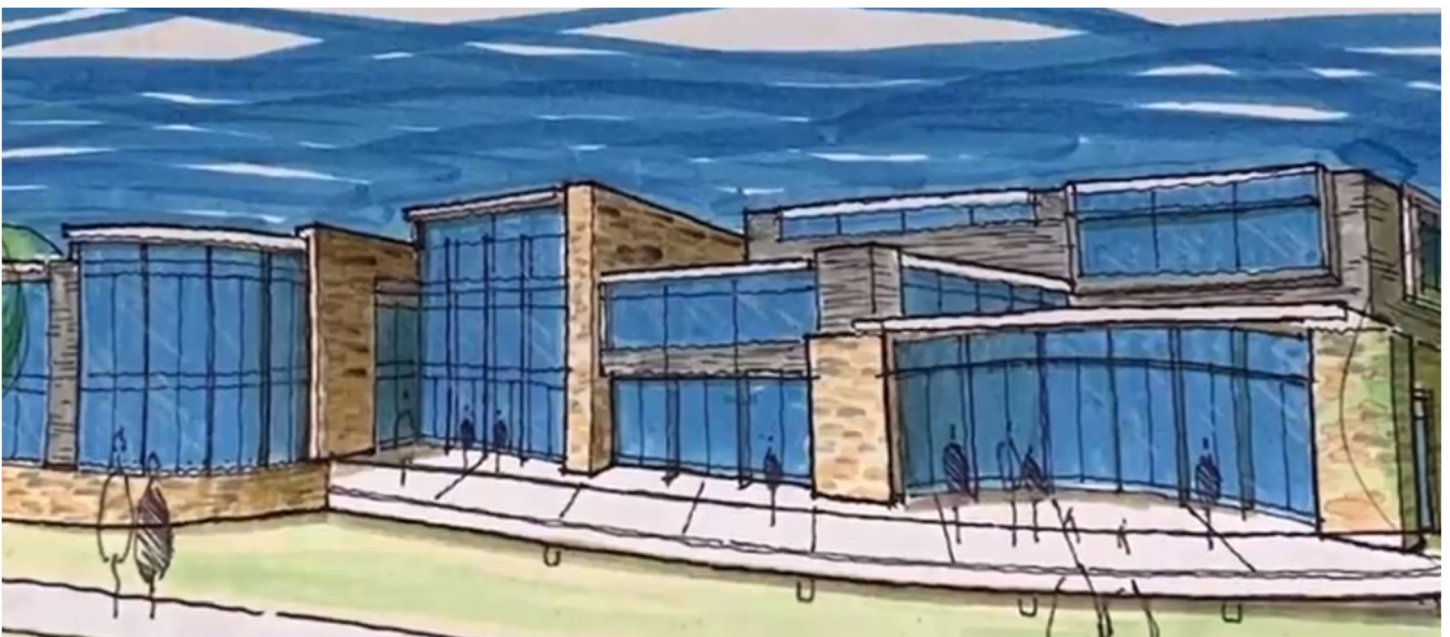
Local (Indianapolis) Examples of P3 partnerships to leverage strong anchors in providing coordinated community investments

Avondale Meadows

P3 | Housing + YMCA + Healthcare



Broad Ripple Family Center



Potential Redevelopment Nodes

1. Post Road & 38th Street (Kroger site)
2. Post Road & 38th Street (CAFE)
3. Oak Tree connection to Purple Line transit station
4. Trail/walkway connections to connect neighborhoods using safer options, especially if on foot or bike
5. John Marshall school—in P3 partnerships:
 - Potential partners: healthcare providers, trade schools, local churches (who have been strong redevelopment partners in the past)

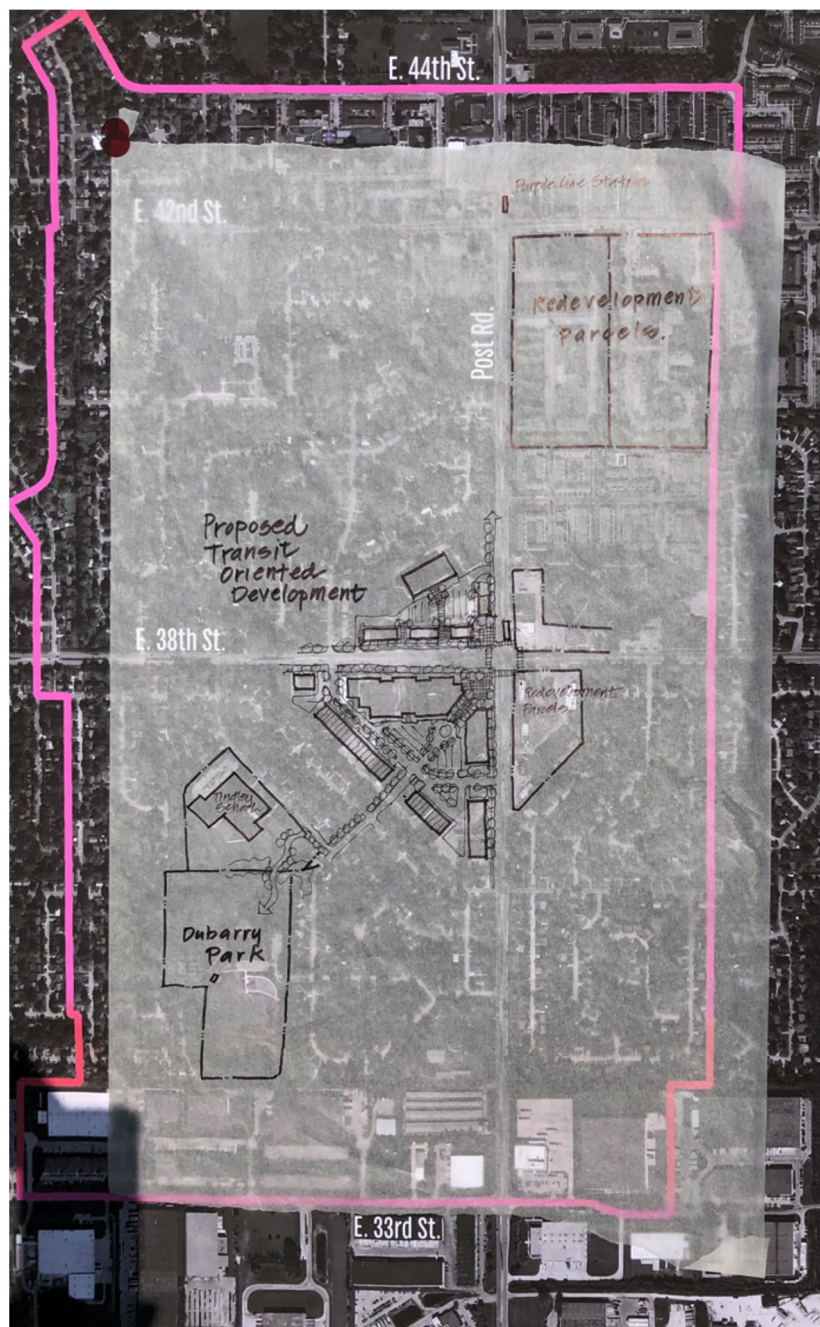
Post Road & 38th Street—Potential Connectivity improvements

- Connect potential redevelopment sites with the proposed multi-use path along E. 38th Street and Post Road, linking to the proposed Purple Line bus rapid Transit stops at E. 38th & Post Road and Post Road & E. 42nd Street.
- Extend the existing neighborhood street network into southwest quadrant of the E. 38th Street & Post Road Intersection by extending Biscayne Road northeast into the redevelopment parcel.
- Make a pedestrian connection from the redevelopment parcel into the neighborhood along extended Biscayne Road connecting to Tindley Summit Academy.
- Create a new trail connection from Biscayne Road through the Tindley school property, creating a public connection to Dubarry Park.

Post Road & 38th Street—Approach to Redevelopment

The responses from the interviews conducted on July 23, 2019 included a desire to create an identifiable focus for the Far Eastside neighborhood with a town center character and a focus on transit-oriented development. The redevelopment framework plan shown here illustrates one approach to developing that vision at 38th & Post.

These sketches represent the spirit of redevelopment that is recommended, not a literal plan to be implemented. Knowing that, here are some key takeaways to keep in mind when pursuing redevelopment of the area.



Development Ideas

Small connections in the area can have a big impact.

- The sketch shows a walking/bicycle connection from Dubarry Road, through the Tindley Summit Academy property, connecting to Dubarry Park. This could create a safe, visible connection for the school children and others to the park, which could also connect to redevelopment of the SW corner of 38th & Post in the future. Look for other small connections throughout the area that could open up some of the community's greatest assets to more of its residents, making them more visible and accessible.

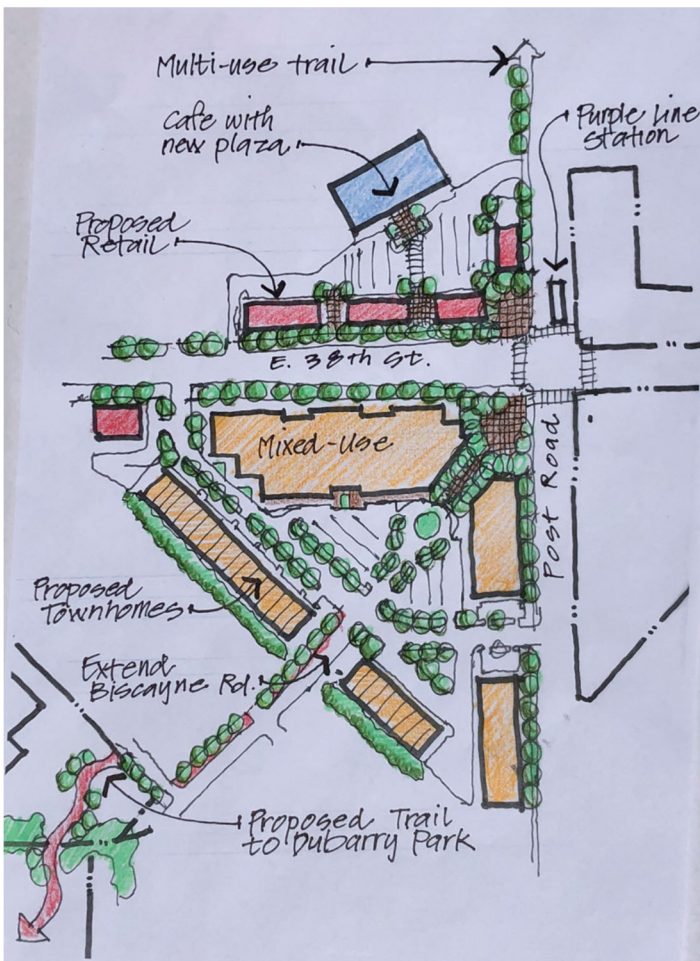
Pay attention to landownership and possible transfers of property (if posted for tax sale, posted as commercial "for sale", etc.), including:

- Parcels located near the Purple Line stop at 42nd & Post
- Properties near CAFE, especially those fronting 38th Street and Post Road
- Parts of or the entirety of the shopping center on the SW corner of 38th & Post

- Parcels on the NE and SE side of 38th & Post
- John Marshall School site

If redevelopment opportunities become a reality on the SW and NW corners of 38th & Post, or at 42nd & Post:

- Connections to the Purple Line stations (as shown in the sketch) are vital.
- As much as possible, orient new buildings at 38th & Post toward the intersection to create a walkable area that feels like a town center.
- Make sure to include spots for public celebration spaces
- Start early and ask residents what they might like to see on redevelopment sites, especially those on which the city may have interim ownership and be in charge of selecting a developer (gathering/festival spaces, park-like/natural spaces, more shopping/restaurants, mixed-income apartments, K-12 schools, adult education spaces, healthcare, etc.)
- Capitalize on the city-proposed trails along 38th Street and along Post Road. These can be integrated into redevelopment plans.



Post Road & 38th Street— Potential redevelopment at the intersection

- Townhomes as a buffer between commercial uses along 38th/Post and existing single family homes to the southwest.
- Interior through street as an extension of the existing neighborhood street grid.
- Mixed-use residential and retail structures fronting on 38th Street and Post Road. Parking demand will vary depending on the mix of retail, residential and other uses.
- Pedestrian gathering spaces at the intersection through the heart of the redevelopment area and near CAFE to provide celebration spaces for events and places to meet your neighbors.
- Proposed retail fronting on 38th Street and Post Road in the CAFE parcel.

Contact

M: ULI Indiana c/o The Hatch, 6161 Hillside Ave., Indianapolis, IN 46220

E: Indiana@uli.org

W: Indiana.uli.org



Urban Land **Indiana**
Institute