



COMMERCIAL NODE DEVELOPMENT FAIRFIELD & COLLEGE AVENUE

short-term work plan



CREATED FOR:



Mapleton-Fall Creek
Development Corporation

CREATED BY:



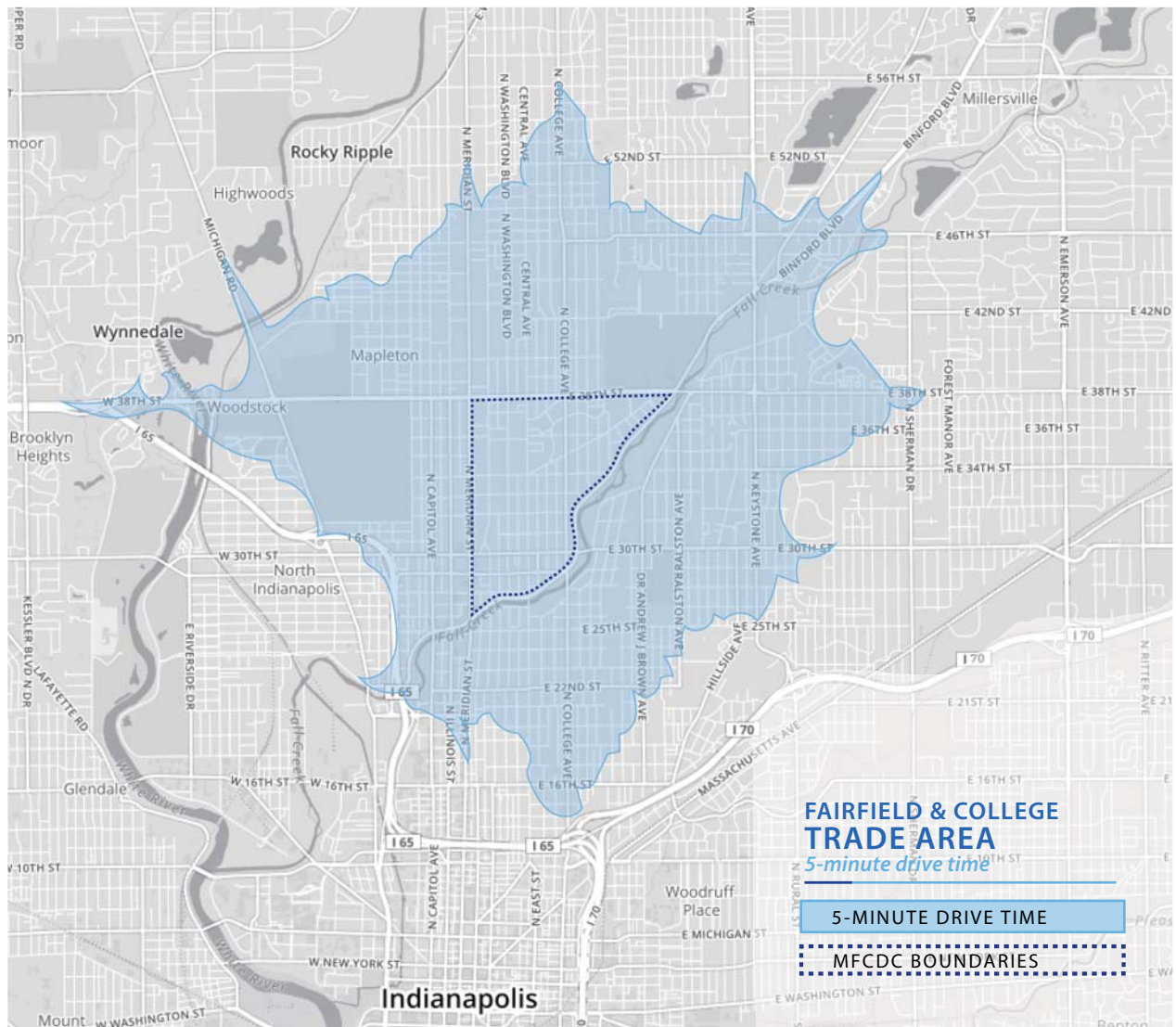


INTRODUCTION

Stemming from the 2012 Mid-North Commercial Node Study, Mapleton-Fall Creek Development Corporation (MFCDC) asked DCI to revisit the proposed node at Fairfield & College Avenue to evaluate it for mixed-use development. After careful evaluation, it was determined that the best course of action was not to create a development plan, but to better understand the “pre-development” work needed to establish a new context that would support future development. It would also identify short-term steps that will make future investment more likely while, in the short-term, bring needed amenities and investment to the area.

The neighborhood that surrounds the Fairfield & College commercial node has seen little private investment over the last decade, with some exception in the Historic Watson Park Neighborhood to the north. Additionally, an analysis of the current commercial and housing markets within a five-minute drive time trade area showed little to no “conventional” demand making commercial development in the current market context challenging, if not impossible. Several factors – including housing disinvestment, limited opportunities for goods and services, and recent public safety issues – make this feat more difficult. A well-planned incremental approach to revitalizing this area is needed to ensure that future investments are possible and will remain viable over the project’s lifetime. In order to change the current development context, it is important to look at not only changing the physical context, but creating early “wins” that will alter how others perceive the area.

The Fairfield & College Commercial Node Short-Term Work Plan outlines the steps and strategies needed to make these incremental modifications to transition the area into a more suitable location for investment and development. Long-term disinvestment and community perceptions will not change overnight, but with the leadership of MFCDC and their committed community partners this neighborhood node could become an attractive, well positioned destination that provides surrounding neighborhoods with a mix of retail, services, and alternative housing options in the near future.



Map 1 | Primary Trade Area





MARKET SNAPSHOT

Recent economic data indicates a neighborhood that has turned the corner after nearly a decade of suffering from declining populations, low housing values, and limited private investments. Mapleton-Fall Creek has, for the first time since the recession, seen an up-tick in housing sales and small, but optimistic population growth. While the area has not fully recovered from the recent economic downturn, it does show positive signs of improvement with outside investors taking notice. With the announcement of the Central Avenue project, one of the first large-scale redevelopment projects in over a decade; the expected \$32 million dollar mixed-use development will likely have a significant impact on the viability of surrounding neighborhoods, including many of the nearby commercial nodes.

Data provided by the Metropolitan Board of Realtors (MIBOR) reveals early signs of an improved housing market for the primary trade area, with sales prices steadily increasing from 2010 to 2014. Mapleton-Fall Creek Neighborhood proper has experienced similar improvements with median sales prices increasing from under \$30,000 in 2010 to just over \$110,000 in 2014. However, population growth has not kept pace with the modest growth of new units, creating an oversupply of housing which contributes to the area's already high vacancy rates – hovering around 25-30%. During this same time homeownership levels have declined, losing approximately 3% of the total unit share over the last 4 years. Even with the promising sales data, at this point in the housing cycle, there is still limited, short-term demand for new housing. The area continues to suffer from a net loss of population, high vacancies, and relatively low lease rates (averaging \$0.80 per square foot). However, condition and quality of the existing units may be a limiting factor. Restoration and improvements to the area's housing stock may open up greater demand for the early 20th Century neighborhood.

Over the years, much of the neighborhood's traditional commercial building stock has been demolished and what is left is often in poor condition and may not meet the demands of current retail operations. Because of this, shifting demographics and changes in how people shop, neighborhood retail opportunities have dwindled and sent residents' dollars outside the neighborhood. This is an indication of an underserved market – where the demand for retail is greater than the supply – and an opportunity to “recapture” local spending within Mapleton-Fall Creek.

Within the neighborhood's primary trade area there is an unmet demand in excess of \$100 million dollars. Looking at conservative capture rates based on the area's current competitiveness within the broader northside market, there is nearly \$7 million dollars that could be recaptured to support additional neighborhood-based businesses and retailers. While a portion of these dollars are for “big ticket” items, there is a reasonable amount of general merchandise, grocery, full-service restaurants, and “grab and go” food service demand not being met. These categories represent more realistic opportunities for neighborhood scale retail and should be the primary target of future business attraction programs by the CDC. The neighborhood's ability to recapture dollars and generate greater demand can be improved with strategic physical and economic improvements. Additionally, clustering future retail development or creating a retail “theme” will enhance opportunities and create a destination that will attract supplementary markets from outside the neighborhood.





MAPLETON-FALL CREEK COMMERCIAL DEVELOPMENT

Map 2 identifies existing and potential commercial nodes in addition to their primary service area as indicated by a quarter mile or 5 minute walk from the center of the node. Their strategic distribution across the neighborhood and along major travel corridors adequately services a majority of neighborhood residents and establishes convenient access to retail and commercial centers regardless of transportation options. Their proximity and overlap with one another, creates an ability to establish a strong commercial cluster that with the appropriate development and commercial uses will attract attention from the broader market and supplement the existing neighborhood market. The concept of nodal clusters has leveraged successful (re)development outcomes in other nearby neighborhoods, such as the commercial nodes along North College Avenue between 49th Street and Broad Ripple.

The central location within the neighborhood allows the Fairfield and College Avenue node to play an important role as a connection between other commercial nodes and the ability to serve a large segment of the neighborhood. This work plan focuses on the development potential at this intersection and the essential improvements, that if made, will increase the viability of successful development outcomes over the next 3 to 5 years.



38TH & ILLINOIS

Recently recognized as one of Indianapolis next “Great Places”, this neighborhood node is undergoing significant transformation. Recent projects include facade improvements, investment in Tarkington Park and a commitment by local organizations to address redevelopment needs in the adjacent neighborhoods. These projects will not only bring new retail, housing and services to meet the needs of the 11,000 plus people living within walking distance, but also help to expand the trade area and capture additional spending from the northern neighborhoods.



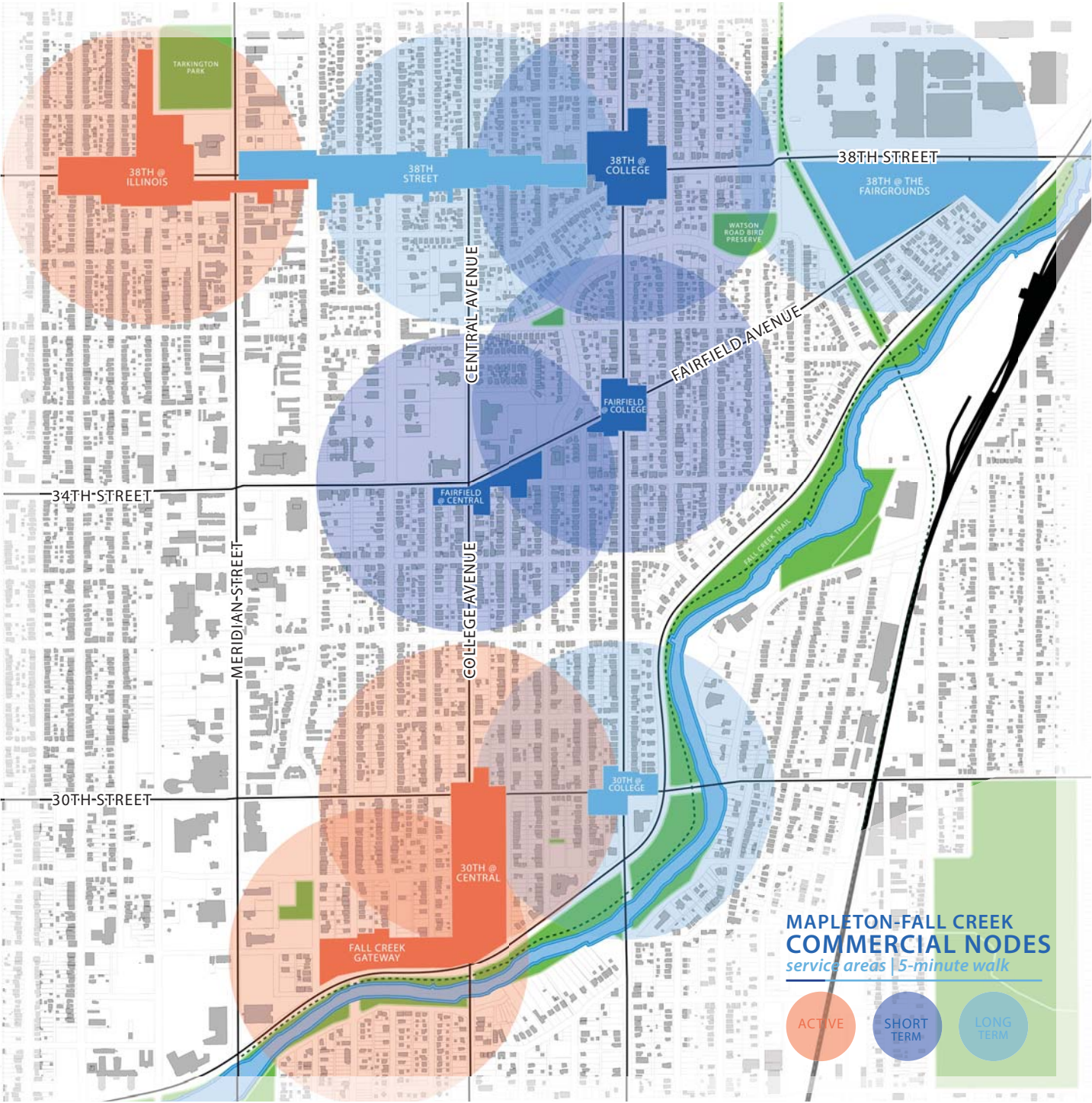
30TH & CENTRAL / FALL CREEK

With over \$20 million in mixed-use and recreational investments planned, this underutilized portion of the neighborhood is well positioned to capture additional growth and developer attention. Its location along Fall Creek with access to the expanded Fall Creek Trail will allow this transitioning district to capture a share of both commuter and neighborhood markets.



38TH & COLLEGE

38th & College currently caters to high traffic volumes along this major corridor. Discount stores and neighborhood services including Dollar Tree, Family Dollar, Jackson Hewitt and Metro PCS serve the surrounding neighborhoods. The real estate configuration and lack of pedestrian amenities limit current opportunities to provide higher quality retail that would be attractive to a broader market.



Map 2 | Commercial Nodes & Primary Service Areas



OPPORTUNITIES & ISSUES

Map 3 shows the locations of opportunities and issues that effect development in the Mapleton-Fall Creek area. A half mile radius indicates which issues may have the most immediate impact on the Fairfield and College node. However broader neighborhood issues will ultimately impact development viability regardless of their direct proximity to the node.

The newly expanded Fall Creek Trail, the Monon Trail, College Avenue commuter traffic, residential densities and proximity to higher performing neighborhoods serve as positive indicators and enhance the area's ability to attract investment. Within the immediate area there are also several issues that directly negate those positives. Connectivity issues and 38th Street acts as a barrier between neighborhoods, recent crime and safety issues and general maintenance issues within the neighborhood increase the perception of disinvestment and may limit interest from the development community. Any redevelopment strategy for this area must emphasize the need to mitigate the negative effects and leverage the positive to attract meaningful development to this intersection.

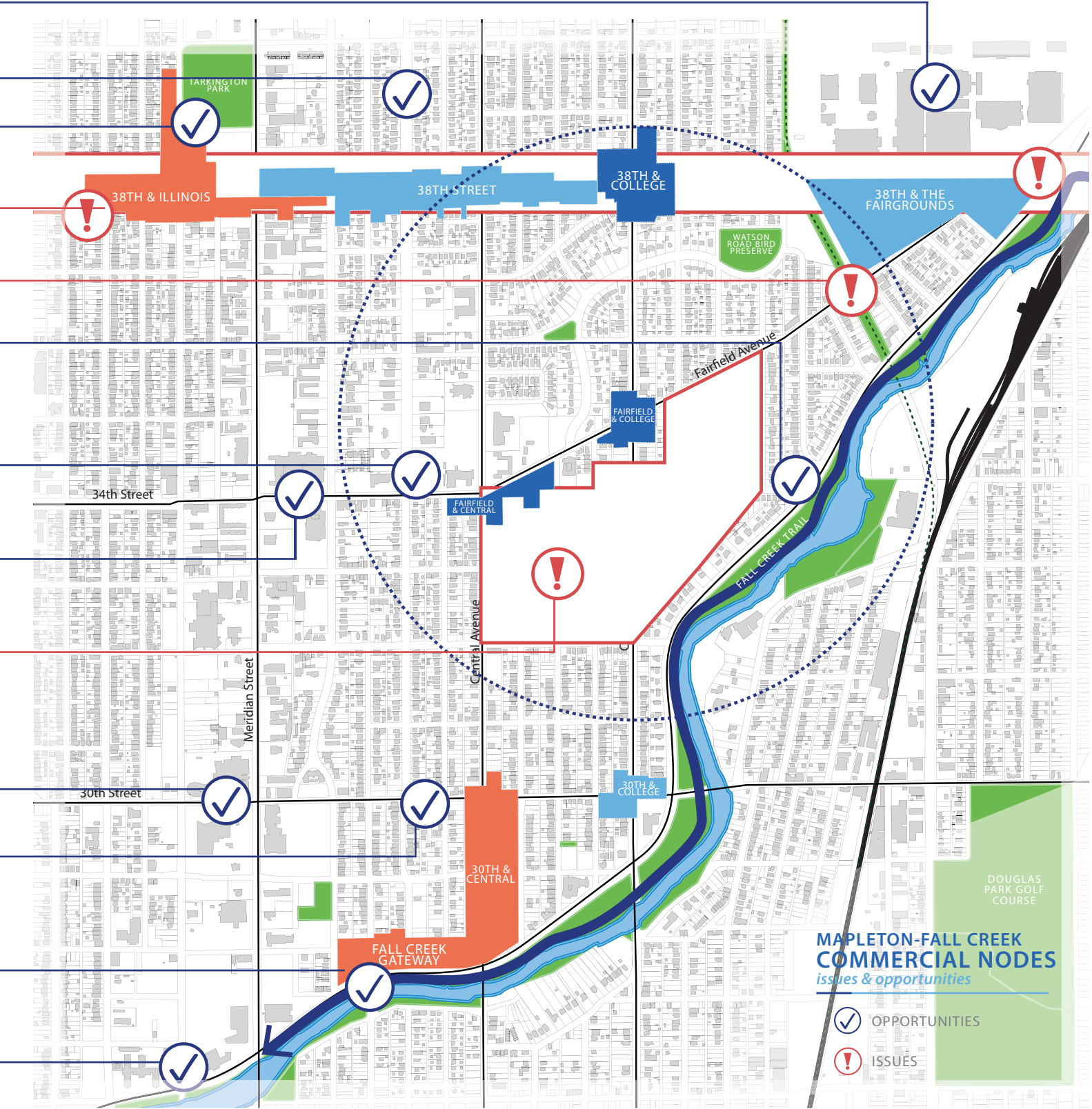


Opportunities: Positive neighborhood features should be leveraged and expanded if possible.



Issues: It is critical that negative attributes be remediated to change perceptions.

- Indiana State Fairgrounds
- Strong Neighborhood Investment
- Tarkington Park
- 38th Street Barrier
- Monon Trail Connectivity Issues
- Fall Creek Trail Access
- Tabernacle Presbyterian Church
- Shortridge High School
- Neighborhood Maintenance Issues
- Children's Museum of Indianapolis
- Central Avenue Development
- Pedestrian Trail Connectivity
- Ivy Tech North Meridian Campus



Map 3 | Opportunities & Issues



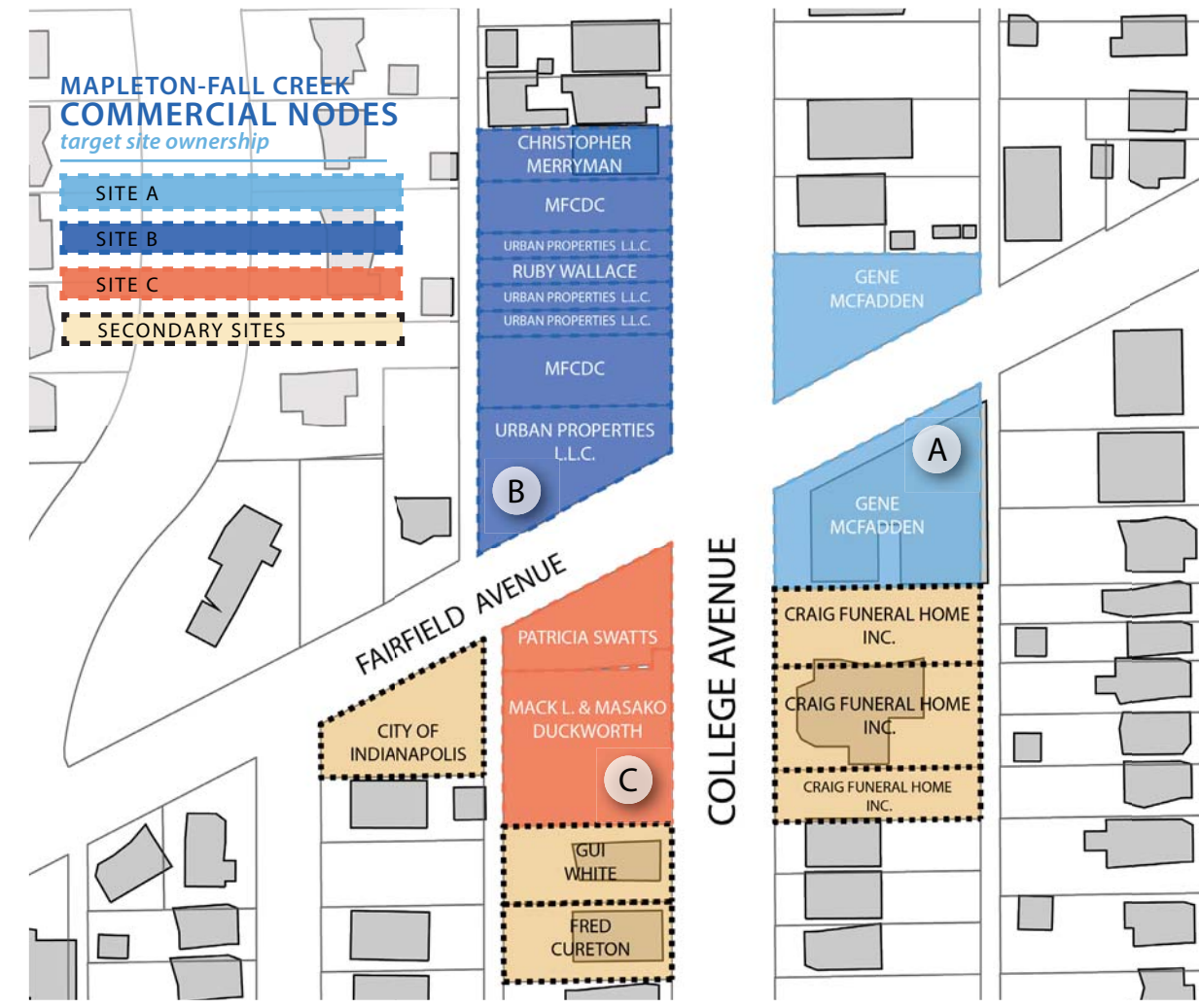
Map 4 | Development Opportunities

FAIRFIELD CORRIDOR

TARGET SITES

The parcels and potential development sites displayed on **Map 4** illustrate short-term opportunities for development if strategic parcels can be assembled to create the identified “target sites.” During the pre-development stage, it is critical that the broader perceptions of crime, disinvestment and limited market opportunities be addressed prior to initiating any development activity. The secondary sites present longer term opportunities to connect the existing commercial node at Central and Fairfield and extend retail activity along this neighborhood corridor. The secondary sites should receive further consideration and evaluation at a later date as to their phasing and ability to support and expand development within the focus area.

The ability to connect the focus area to potential development along Fairfield will improve the viability of development and further enhance the marketability of retail at both nodes. Early infrastructure improvements such as streetscapes, signage, pedestrian/cyclist amenities and lighting will be critical in showing the neighborhood and the city’s commitment to reinforcing this area.



Map 5 | Ownership of Target Sites

REAL ESTATE ANALYSIS

The current configuration of real estate and patterns of ownership do not effectively support commercial development investment. While MFCDC and their partners have actively worked to assemble suitable development sites, there is still a need to organize the remaining real estate at this node. **Map 5** identifies potential sites that if assembled, will support development on adjacent parcels. Careful consideration should be given to the surrounding residential properties and how they may impact future development opportunities. Development within the focus area should emphasize:

- Attraction of tenants consistent with existing market demand and identify cluster opportunities if applicable (ie: food based retail or neighborhood services);
- support of pedestrian walkability and bikeability;
- improving the market and supporting future investment;
- creating opportunities for locally grown businesses and entrepreneurs;
- encouraging broader neighborhood investment; and
- relating to and supporting future transit.



SITE OPPORTUNITIES



ZONING

neighborhood commercial (C-3)

SITE SIZE

0.70 acres

PROPERTY VALUE

\$200,000 - \$250,000

EST. REDEVELOPMENT COST

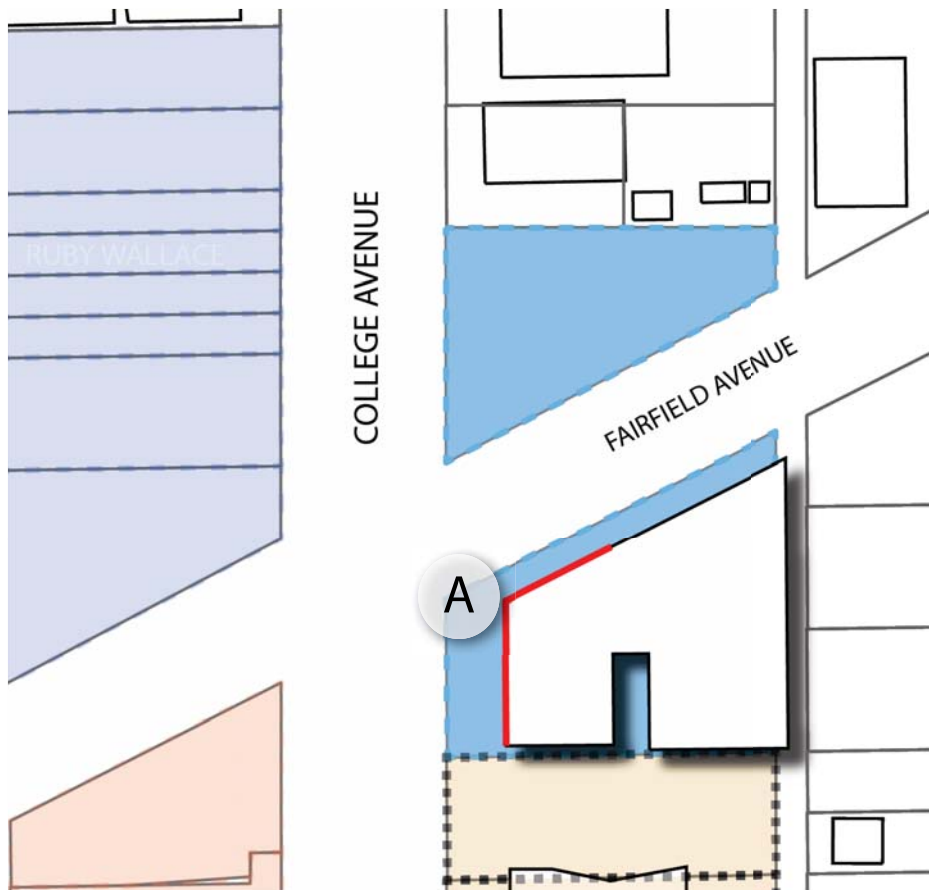
TBD

RESIDENTIAL UNITS

2-3 units

COMMERCIAL UNITS

1-2 storefronts



Site A currently contains a two-story historic mixed-use structure that most recently housed a locally owned restaurant. The redevelopment of this property must be a priority. If addressed correctly, it will represent a significant community building opportunity for the neighborhood, but without the proper tenant, it will inevitably become a barrier to investment and potentially undermine any future development activity the CDC or its partners attempt.

With proper tenancing and reinvestment, this property can set the table for future development by decreasing broader neighborhood perceptions of disinvestment and safety. MFCDC should continue to work with the current property owner to identify and attract an appropriate tenant for the existing commercial space. Improvement to this property will likely require a partnership between the CDC and the property owner to ensure a desired outcome. Participation from a public or non-profit partner in the early stage will likely reduce the need for public participation in later projects.

The ability to attract an existing business to the area may be limited, so the CDC must initially think creatively and look at non-traditional retail tenants and the idea of supporting the “growth” of neighborhood businesses. Existing gaps in the market show “retail leakage” or dollars being spent outside the community on food and dining, indicating a potential market for restaurants and other food related businesses.

SITE OPPORTUNITIES



ZONING

neighborhood commercial (C-3)

SITE SIZE

0.87 acres

PROPERTY VALUE

\$150,000 - \$250,000

EST. REDEVELOPMENT COST

\$5.5 - \$6.5 million

RESIDENTIAL UNITS

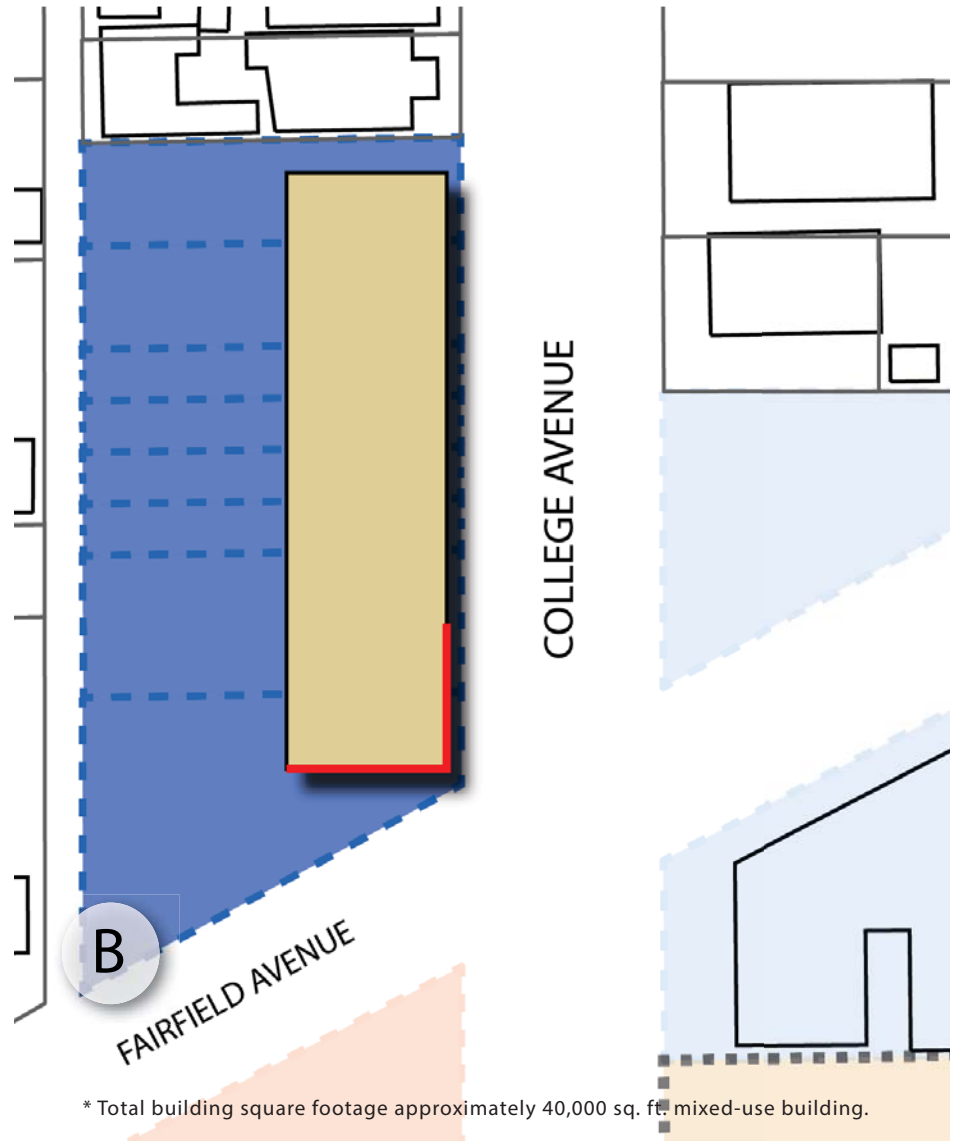
35-45 units

COMMERCIAL SPACE

5,000 square feet

NEEDED PARKING SPACES

55+

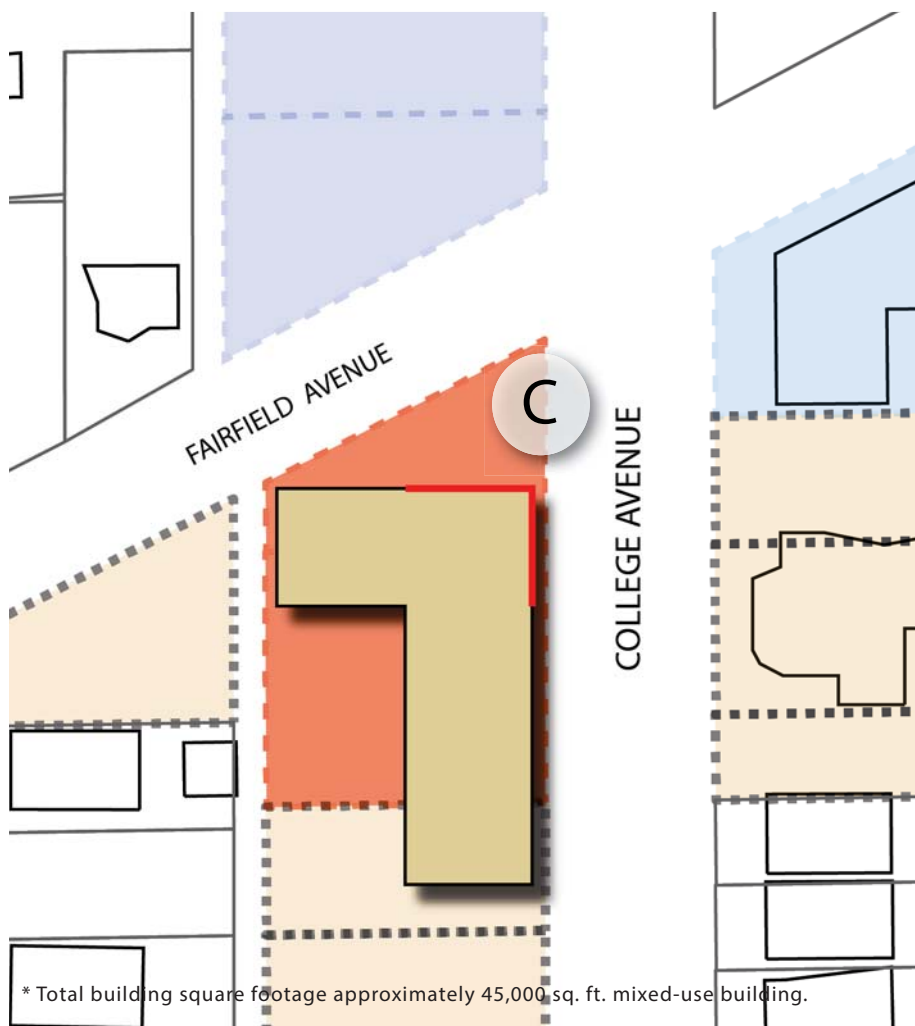


Site B has the potential to provide new housing opportunities and limited commercial space in the future. At just under one acre, the site could potentially support a three story mixed-use building with two residential floors over ground level commercial space; however, due to the dormant housing market, a one-story commercial-only building may be a more feasible short-term option.

This project will likely not be feasible unless significant changes are made to improve the physical environment and issues related to long-term disinvestment. Adding more commercial uses and eventually creating a cluster of unique services will begin to define the Fairfield and College node as a place of value and significance within the neighborhood.

The commercial uses that will likely be attracted to this site include non-traditional retail such as neighborhood and business services, locally owned retail/restaurants and opportunity for entrepreneurial growth. With an untested market, it may be necessary to employ a “placeholder” approach that identifies non-retail uses that could fill space in the interim until the market improves.

Development at this site should focus on recreating the urban fabric through new storefronts, pedestrian amenities, appropriate signage and rear/on-street parking.



SITE OPPORTUNITIES



ZONING

neighborhood commercial (C-3)

SITE SIZE

0.50 acres

PROPERTY VALUE

\$30,000-\$35,000

EST. REDEVELOPMENT COST

TBD

Site C represents a long-term redevelopment opportunity at the Fairfield and College node. Development alternatives for this site should include engaging storefronts with a pedestrian friendly environment and support of multi-modal transit options.

The viability for a commercial and residential mixed-use development that services local demand may be possible with the completion of projects at Sites A and B. The building footprint shown for Site C will require additional land to support the scale of development and accommodate parking on site. Similar to Site B, a single-story commercial-only development will greatly improve the project feasibility.



NEIGHBORHOOD IMPROVEMENTS

Infrastructure and neighborhood improvements are critical in overcoming negative perceptions and attracting the market to an economically-challenged area. It will be important for MFCDC to work with the city, Indy Connect, and other critical public and private partners to target future upgrades to the node and increase future development opportunities.



CULTURAL TRAIL

Amenities like the Indianapolis Cultural Trail demonstrate the necessity for expanding the functionality of streets to serve a greater variety of travel modes.



PEDESTRIAN AMENITIES

Distinct public infrastructure can trademark and refine neighborhoods. Elements such as wide sidewalks and greenscapes can revise neglectful attitudes towards public infrastructure.



LIGHTING & PUBLIC SAFETY

Proper streetlighting enhances safety and security efforts to preserve positive perceptions of neighborhoods supporting renewed investment interest while welcoming new residents.



MULTI-MODAL TRANSPORTATION

Protected bike lanes in Fountain Square provide a safety transportation alternative to cars and buses and often result in the formation of unique places/experiences that are attractive for visitors and future residents.



QUALITY RESIDENTIAL

Appropriate home maintenance and tenancing efforts add significant value to the physical appearance and perceptions of neighborhoods.





ALTERNATIVE RETAIL

TECH TOWN RETAIL INCUBATOR - DETROIT, MI

Previous recommendations from the Mid-North Commercial Node Study suggested that a retail incubator would be an ideal “non-traditional” retail use at this node. However, the cost to construct and operate a dedicated facility may not be economically feasible for the CDC. Instead, a “floating” incubator which provides services and support to attract businesses to specific geographies may make more sense in the short term.

The key idea behind a floating incubator is to offer incubator services as a program without necessarily requiring a separate facility for incubation. Proper business development and training could take place inside a re-purposed building, church or community space, which would minimize the significant upfront cost of constructing a new structure.

A 501 (c) 3 named TechTown in Detroit, Michigan has successfully implemented an incubator program for businesses who locate within a specific geography. TechTown’s Retail Boot Camp program is an 8 week course led by retail business development experts that offer key services which include;

- Merchandising
- Fiscal management
- Customer service
- Marketing and branding
- Government regulations and processes
- Taxes and insurance
- Projecting start-up cost
- Developing the pitch

At the conclusion of the 8 week period, participants compete for rent-free pop-up space during the month of December to test their products in a busy retail market. Other awards are distributed to support start-up cost for participants and some participants are provided yearlong leases in existing commercial storefronts.

TechTown’s Retail Boot Camp prepares entrepreneurs by providing the tools needed to successfully launch a business into a brick and mortar establishment for the local community. A similar retail incubation program could exist within the Mapleton-Fall Creek area as a more cost effective alternative to attracting new and growing local businesses.





photo credit: ReConnectcommunity.org



photo credit: ReConnectcommunity.org



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RECONNECT CAFE - BROOKLYN, NY

Based on the findings from the preliminary market analysis for the Fairfield and College Avenue node there is an unmet demand for restaurants, “grab and go” food services, and groceries. In order to attract more traditional businesses it may be necessary to explore the concept of non-traditional retail strategies or social enterprises as a starting point in creating an attractive retail environment. Socially conscious business models apply common commercial strategies that emphasize the wellbeing of employees and customers over maximizing profits. Most sustainable business models operate on smaller profit margins than a traditional retail store, making them an ideal candidate.

An example of a social enterprise is the Reconnect Café in Brooklyn, New York which “seeks to develop a working and merchant class among the young adults of the community by creating a desperately needed retail district.” In a neighborhood where 33% of the resident lived in poverty and even more children fall below the poverty line, the local “underground” economy is often the only employment and retail opportunities within the community. In an attempt to create jobs and bring much needed retail to the area, a neighborhood priest created an innovative community organization that employed existing entrepreneurial talents – starting first with a fruit cart and building to a brick-and-mortar café and bakery, the first to open in the neighborhood.

Without the access to capital required to open their own business, Reconnect Café created a starting point for many of the area’s youth creating a pathway to employment and possibly to owning their own business. As of 2013, the café employed 15 young men from the neighborhood, but they are working on expanding the model and partnering with local businesses in an attempt to create first time job opportunities for as many as 500 young people.



FAIRFIELD & COLLEGE AVENUE COMMERCIAL NODE PUBLIC PRE-DEVELOPMENT WORK PROGRAM

+ NEIGHBORHOOD / COMMUNITY PROGRAMMING

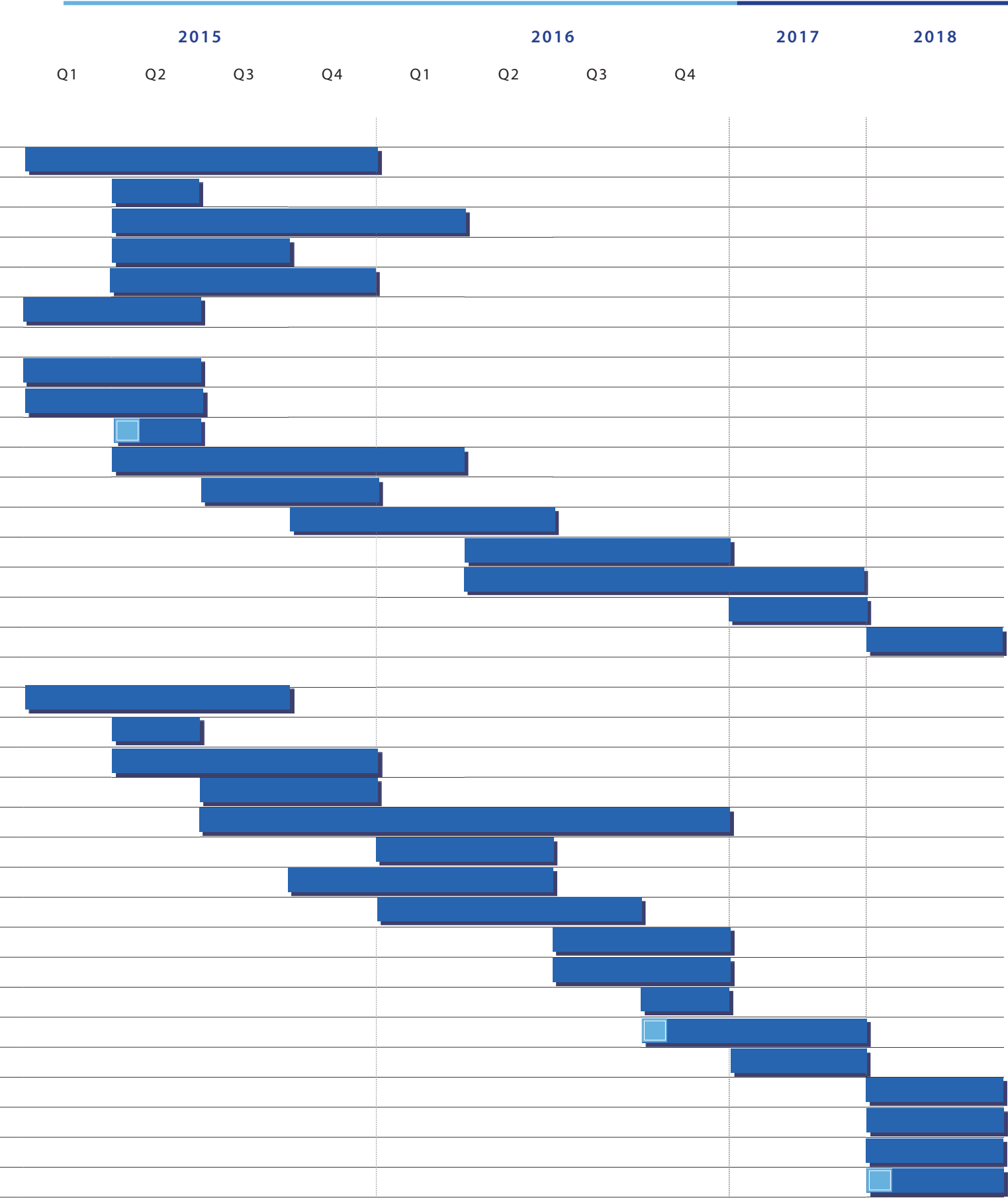
- Work with IMPD to target increased patrols around commercial nodes
- Work with neighbors and business owners to conduct bi-annual clean-ups and on-going corridor beautification
- Partner with DCE to implement targeted code enforcement sweeps
- Outreach with existing homeowners to provide information about available programs and resources
- Work with IMPD to do targeted warrant sweeps in conjunction with other City agencies
- Develop neighborhood-wide commercial marketing materials

+ IMPROVE DEVELOPMENT CONTEXT

- Evaluate merits of a broader, neighborhood-wide streetscape and branding campaign
- Begin conversations with property owners (secondary sites) to understand long-term plans
- Make decision (go-no go) on streetscape plan / community branding campaign)
- Contract consultant to develop streetscape plan
- Implement DFC plans for Monon Trail access at Fairfield
- Work with IPL to beautify power station north of Site A
- Target housing investment dollars at node, concentrating along College
- Implement first phase of streetscape improvements along College north to 38th
- Implement second phase of streetscape improvements along College south to Fall Creek Parkway
- Implement third phase of streetscape improvements along Fairfield between Central and Monon Trail

+ TARGETED NODAL DEVELOPMENT

- Acquire remaining properties for Site B
- Inform City of plans for Site C, negotiate transfer of property (3449 Broadway) to MFCDC
- Draft preliminary site plan / development program for Sites B and C
- Evaluate and perform environmental remediation (if applicable) Site B
- Acquire properties for Site C
- Rezone residential properties to Neighborhood Commercial C-3
- Work with ED Committee and community partners to identify appropriate potential development partners
- Hold one-on-one meetings with potential development partners to seek input prior to official public process
- Draft Request for Qualifications / Information (RFQ/I) for Site B
- Issue RFQ/I for Site B (local and regional)
- Interview potential developers for Site B
- Select development partner and define partnership with MFCDC for Site B
- Acquire & Rehab multi-family structure (722 Fairfield)
- Draft Request for Qualifications / Information (RFQ/I) for Site C
- Issue RFQ/I for Site B (local and regional)
- Interview potential developers for Site C
- Select development partner and define partnership with MFCDC for Site C



requires decision



