

# Burns Harbor Master Development & Revitalization Plan

Town of Burns Harbor, IN

November 2015





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# Background

The Redevelopment Commission (“RDC”) of the Town of Burns Harbor (“Town”) is working towards the goal of continuously enhancing the quality of life for existing and future residents, employers and employees of Burns Harbor, as well as attracting visitors, new businesses and investment. In March 2015, the RDC engaged LiveWorkLearnPlay Inc. (“LWLP”) as its Master Development and Revitalization team. LWLP was tasked with 1) helping to better understand if Burns Harbor can evolve as a town with an appropriate vision, and 2) if so, helping to articulate a development program and business plan to achieve this vision, and 3) garnering consensus for priority projects, targeted for implementation starting in 2016 and beyond.

In July 2015, more than 100 businesses, residents, and regional stakeholders attended a public meeting and information session where the RDC and LWLP updated attendees on the progress made on the project. This progress included a refreshed and feasible vision for the Town and preliminary programming ideas, both of which were rooted in economic feasibility. Following the July meeting and associated feedback from the community, LWLP delivered a Reconnaissance and Strategic Market Assessment that outlined potential real estate uses, projects and initiatives for the Town. LWLP then moved into Step 2 of a proposed three-step process. This second stage of work concludes with this Master Development and Revitalization Plan, a document that includes a preliminary business strategy, project physical layouts and an interim activation plan that reinforces the vision of making Burns Harbor a great small town of America. This plan also focuses on priority projects that can maximize the return on investment, as well as projected economic impact and quality of life uplift to the Town. It should be noted that LWLP has worked closely with the RDC and Town to advance several initiatives outside of the Step 2 mandate,

including supporting the attraction of new business and grant funding for priority projects and initiatives.

Step 3, to follow, involves setting the foundation for the successful implementation of proposed strategic solutions, projects and initiatives for the Town. Building upon the business and physical planning completed in Step 2, LWLP will articulate and ideally help to implement a more specific investment and development roadmap for the Town that will provide direction as well as practical approaches to working with the appropriate partners in order to catalyze mixed-use development and investment. This will take the form of an action plan that will guide the key next steps and implementation of the development plan for the Town, ideally to begin the first week of January 2016 and continue throughout the year and beyond. LWLP will also be available to work closely and directly with the Town in an effort to bring initiatives and projects to fruition, at the option of the RDC leadership.

The implementation process in Burns Harbor will be ongoing for years to come, constantly enhancing the Town. Market forces will play a significant role in determining the size and type of development that occurs in Burns Harbor, and the Town and its leadership will have the responsibility of proactively responding to these market forces and opportunities.

# Methodology

The analysis and suggestions contained in the Burns Harbor Master Development and Revitalization Plan are based on the following methodology:



Completing market research and identifying market feasible program requirements



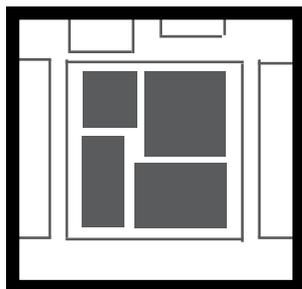
Physically laying out sites based on various development modules



Reviewing the physicality of sites and existing zoning/policy



Utilizing real-time market testing with potential site users/tenants



Testing site development capacities



Providing recommendations on site plans and feasible development strategies

# Vision

In Step 1 the following refreshed vision for the town was outlined:

The Town of Burns Harbor will inspire all who live here, spend time here or do business here. The community will celebrate the magnificent natural biodiversity of Burns Harbor by: sharing special moments along miles of forested trails connected to the Marquette Greenway; meandering through bird sanctuaries; fishing along wild sparkling riverfronts; and enjoying a spectacular day at the Indiana Dunes. Burns Harbor will celebrate a simpler more meaningful way of life within a warm and welcoming community. Harmoniously balancing its small town charm and character with many things to do, the Town will also support a flourishing and diverse economy where business, healthcare, culture and the arts, tourism, learning, and many other endeavors are thriving. Burns Harbor will become a vibrant and healthy four-season community, building on its agricultural and recreational heritage, offering great places to discover, including the village market with some of the best of destination mom-and-pop restaurants, farm-to-table organic meats, fruits and vegetable shops, best-of-Indiana ice cream shops, daily fresh bakeries, and local unique retail shops. The Town will continue its future story as one of America's most charming small towns to discover.



**Get up.**

**Get out.**

**Get more out of life in the Town of Burns Harbor.**

# Guiding Principles

In addition to the vision, guiding principles inform the personality, programming, uses and experiences within the Town, as well as the desired nature of future development and investment. Based on RDC and community objectives, the following principles were outlined in Step 1 and will help position and differentiate Burns Harbor within its regional market context, and form the cornerstones of the Town's future brand identity:

- An authentic, iconic and vibrant small town
- A place for innovation, investment and business to thrive
- A model for healthy and active living, wellness and recreation
- A place with many things to do
- A leader in environmental stewardship and responsibility
- A welcoming four-season destination
- A celebration of healthy food and lifestyle
- A great place for gathering and social connection
- A place that enriches life through arts and culture
- A place with a diversity of housing options
- A place of lifelong learning
- A place where kids can be kids
- A place for social and frivolous fun
- A resilient "Smart Town" of America
- An authentic, sustainable and charming live-work-learn-play town



# Districts

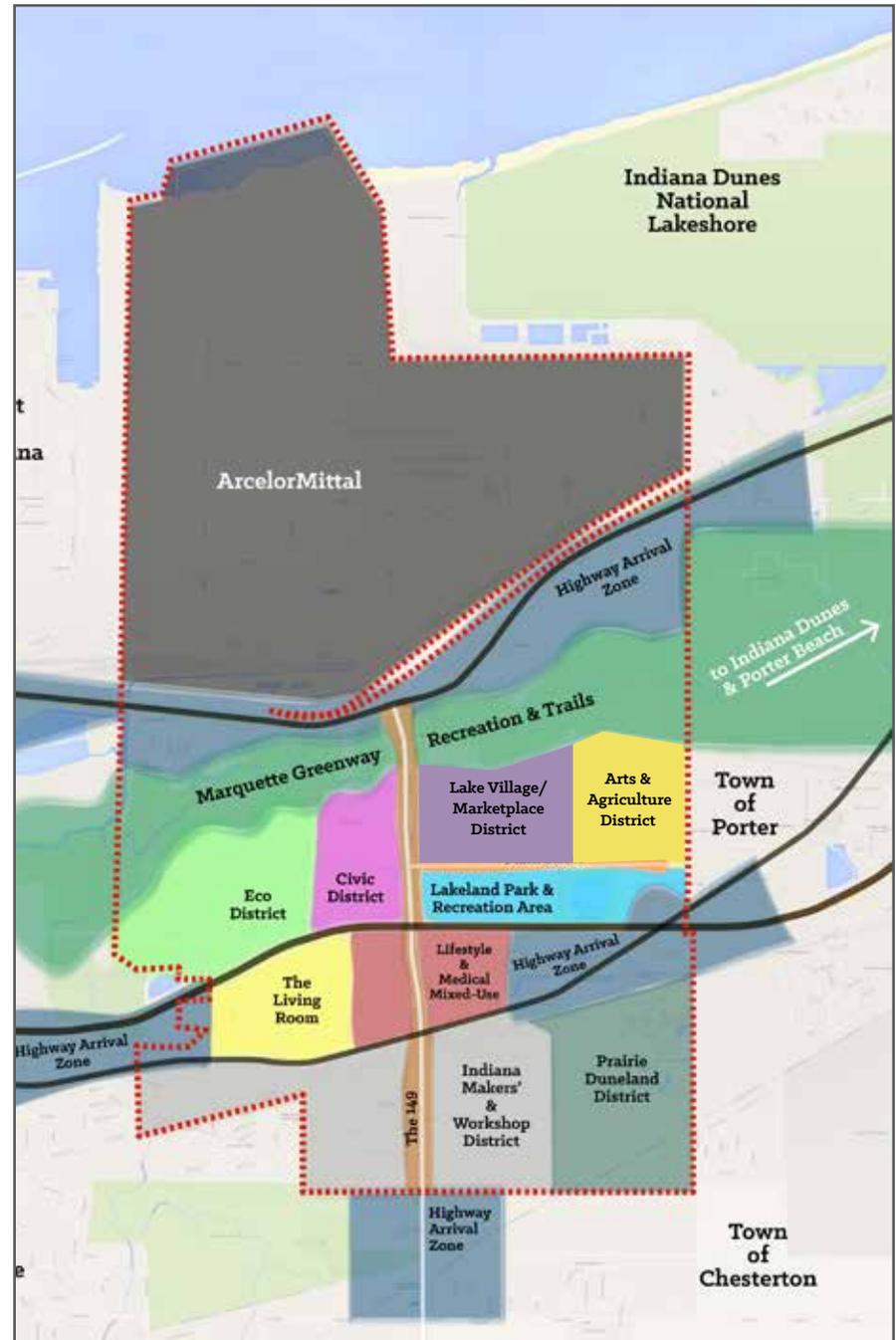
In Step 1 of this process, the Town was segmented into unique, identifiable, and flexible districts, each with a proposed program of uses. The purpose of forming these districts is to help organize and concentrate potential development into areas of differentiated activity and experiences, and to have the complementary mix of uses, in order to maximize performance through synergy of mixed-use programming.

Although the districts have been illustrated within defined geographies, their borders should not be viewed as hard lines, but rather as preliminary guiding areas with overlapping programming and experiences as districts transition from one to the other. Even within each district, there is expected to be considerable evolution, as existing uses and built form may change over time. In fact, several of the districts defined in Step 1 have been modified to reflect feedback, new market realities, and additional research.

These districts are:

- 1) Lake Village/Marketplace District
- 2) Civic District
- 3) Eco District
- 4) Arts & Agricultural District
- 5) The Living Room
- 6) Highway Arrival Zones
- 7) Lakeland Park & Recreation Area
- 8) Marquette Greenway Recreation & Trails
- 9) Lifestyle & Medical Mixed-Use
- 10) The 149
- 11) Indiana Makers & Workshop District
- 12) Prairie Duneland District

## District Plan



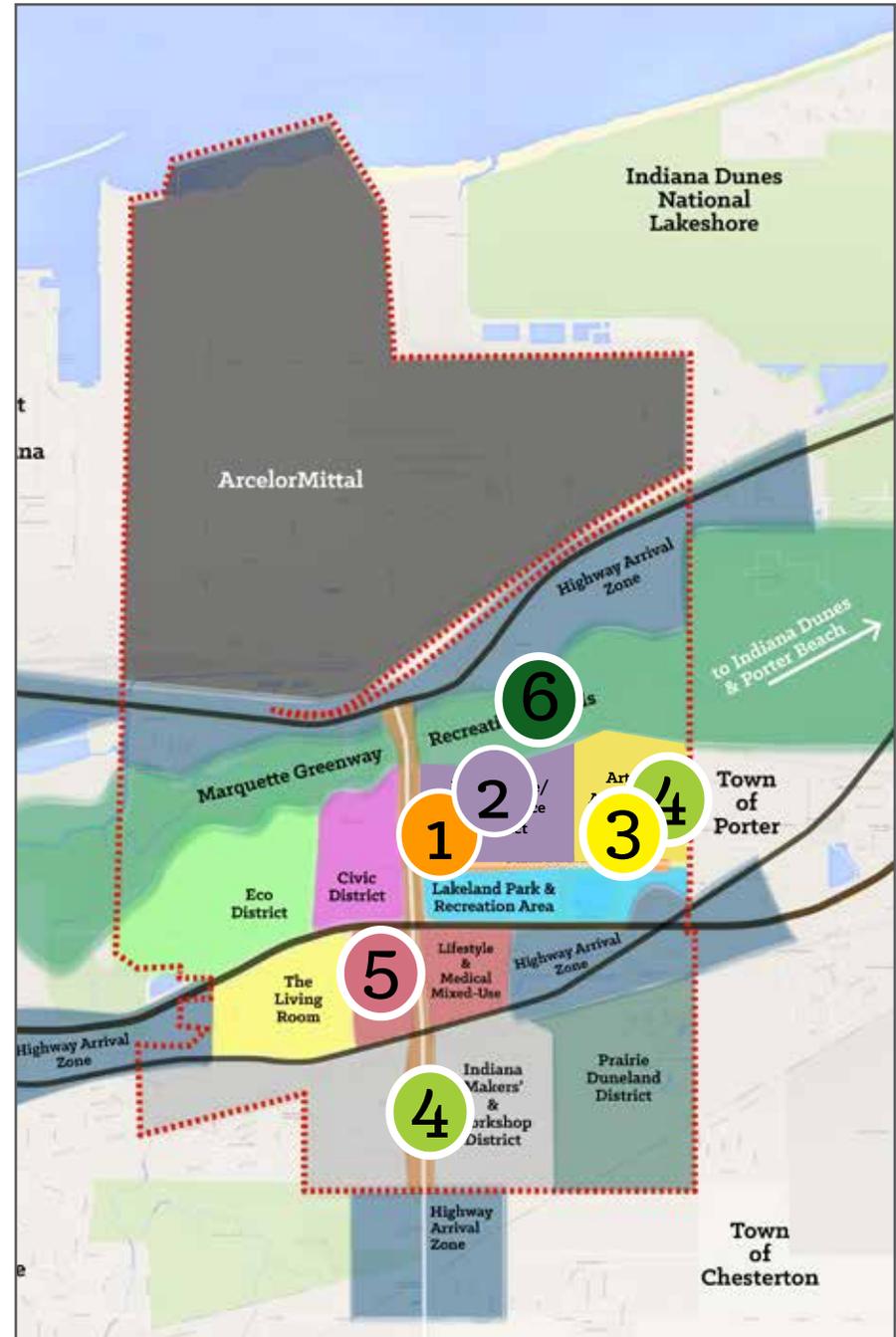
# Priority Projects

(Years 1-3)

In order to assist the Town in achieving its goals and objectives, these districts and programs have now been evaluated in more detail and six priority anchor projects, each with multiple secondary projects and initiatives, have been identified. These projects were selected based on, but not limited to, their feasibility, taking into account variables such as land availability, economic impact, market research, and funding opportunities. The planning and implementation of these projects can begin immediately, and some are already beginning to take shape as funding and operator discussions are explored further.

- 1** Regional Destination Marketplace
- 2** Pop-Up Shipping Container Village
- 3** Organic non-GMO 4-Season Agribusiness
- 4** Light Manufacturing (Targeted Industries)
- 5** Mixed-Use Medical, Commercial & Wellness
- 6** Marquette Greenway East Branch Connector

## Priority Project Locations



# Priority Project #1 – Regional Destination Marketplace (Farmers Market/Food Terminal)

This project can be implemented immediately and would have a positive lasting effect on the Town for decades to come. The project aligns with the vision for the Town and will contribute to many of the identified goals and objectives by increasing visitation, generating new local economic activity, creating employment, and achieving a greater sense of place. It also ties into the concept of Burns Harbor as a healthy place to live and can be branded and marketed as such. The regional destination marketplace is strategically located within walking distance of many homes and businesses, and accessible to the more than 120,000 average daily drivers on proximate highways. Furthermore, the marketplace would provide an additional place for Town residents to access healthy food options. If implemented well, a regional marketplace can become a social and economic heart of a community.

## Location and Program

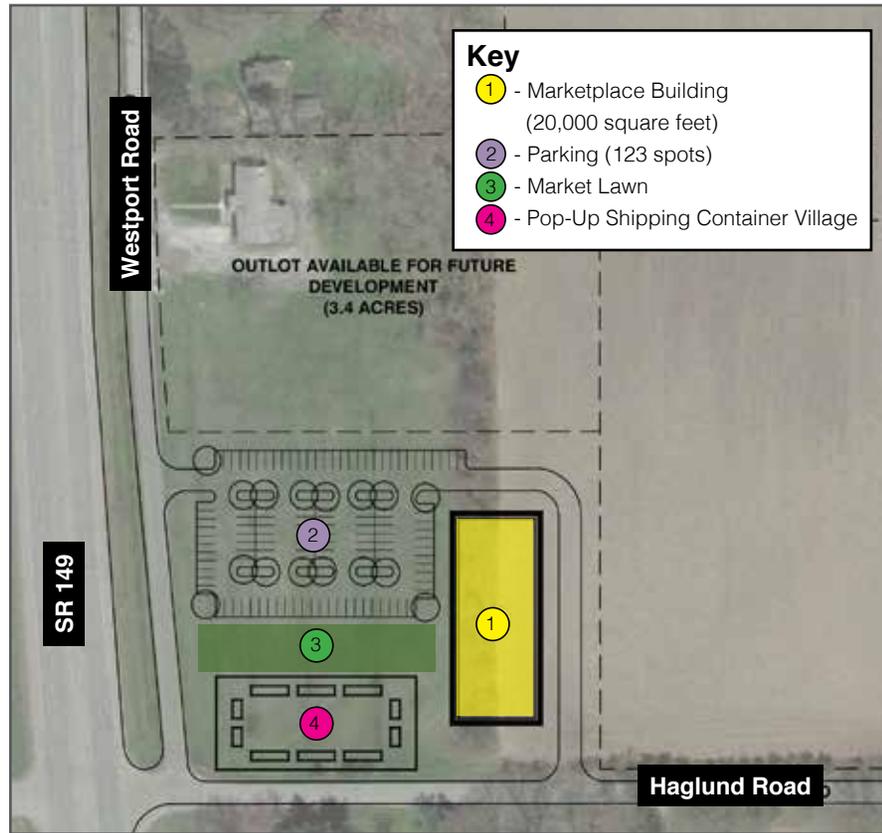
The proposed location for the regional destination marketplace is on the north side of Haglund at the corner of State Road 149 (SR 149). This location is preferred for the following reasons:

- Proximity to the Town Hall, existing civic area, and Lakeland Park
- Room for growth (full-scale, permanent market district over time)
- Access to regional roads and highways
- Access to local and regional population
- Public land ownership
- Parking, delivery, and operational considerations

The approximately 3.8-acre parcel of land is currently vacant and owned by the Town. The following conceptual plan illustrates a 20,000 square foot indoor market with an additional 20,000 square feet of outdoor plaza space. The market's indoor component has been planned to accommodate approximately 25 vendors. The vendor mix would ideally include a combination of producers (e.g., vegetables, fruits, meat, eggs, and poultry), non-producers (e.g., produce re-sellers, butchers, fishmongers, bakers, and jams), prepared food vendors/restaurants and others (e.g., crafts, specialty foods, artisans). Low-cost construction and re-used materials will be prioritized. The proposed design will allow for a flexible fit-out of interior space, high ceilings, and natural light. The market will also require on-site bathrooms, running water, electricity, waste storage and removal, and other operational infrastructure.

The marketplace could first be implemented as a weekend market with tents and other temporary, low-cost structures. It can then grow to a permanent building. This phased growth plan will allow for marketplace growth as new businesses are added every year. For this reason, the marketplace is listed as both a priority project and an interim project. The layout, costing, and operations of the project will evolve over time. The following conceptual layout illustrates a long-term plan for the site.

## Conceptual Layout



Base drawing by American Structurepoint

## Sample Program

Indoor marketplace	20,000 square feet (~25 vendors)
Seasonal outdoor farmers market	30 vendors (each with 100 square foot tents)
Plaza/Lawn	20,000 square feet
Parking	123 spaces
Pop-Up Shipping Container Village (Priority Project #2)	1,600 square feet of vendor space between 10 containers

## Business Rationale

Despite having existed for hundreds of years, farmers markets and food halls are a growing industry in the U.S., with the number of farmers markets growing from 1,755 in 1994 to 8,268 in 2014 (USDA, 2014). Furthermore, public markets can and do often become central community gathering places, where people can interact, shop, and socialize.

The regional marketplace is expected to draw customers from the primary market (1,400 Burns Harbor residents, 4,500 Burns Harbor employees, 30 Burns Harbor businesses), secondary market (147,000 Porter County residents, 56,700 Porter County employees, 3,600 Porter County businesses) and tertiary market (3 million Porter County visitors, 2.5 million pass-through drivers).

Potential customers, including residents, employees, businesses and visitors, are shopping for their food needs in other towns, as the fresh food, baked goods, and/or prepared food options in Burns Harbor are very limited. There are a number of farmers markets in the region, including the Chesterton European Market, which takes place every Saturday from May to October. Please note that the regional destination marketplace will be complementary to the Chesterton European Market, offering a different experience and not directly competing with the Chesterton European Market.

## Economic Impact

Direct economic impacts include business creation, job creation, sales and real estate tax revenues. Indirect economic impacts include stimulating development in adjacent areas, enhancing the sense of place, and supporting the local food system. The regional marketplace would benefit the residents of the Town by providing a gathering place and a new place to shop.

### Estimated County-Level Impact of Full Market Build-Out (including 20,000 square foot indoor marketplace)

Phase	Activity	Impact Type	FTEs	Earnings	Econ. Output
Construction	Project Development	Direct	38	\$3,700,000	\$7,000,000
	Local Business Activity	Indirect	5	\$200,000	\$700,000
	Employee Expenditures	Induced	17	\$600,000	\$2,000,000
		<b>Total</b>	<b>60</b>	<b>\$4,500,000</b>	<b>\$9,700,000</b>

Operations (Annual)	Operations	Direct	23	\$600,000	\$900,000
	Local Business Activity	Indirect	3	\$100,000	\$200,000
	Employee Expenditures	Induced	3	\$100,000	\$200,000
		<b>Total</b>	<b>29</b>	<b>\$800,000</b>	<b>\$1,300,000</b>

Sources: IMPLAN, Willdan Financial Services, 2015

Note: An overview of the methodology and assumptions used by Willdan Financial Services to complete the economic impact study can be found in Appendix A, beginning on page 50.

Terminology: The “direct” effect is the initial change in economic activity from local payroll and construction expenditures in a specific industry or sector. The “indirect” effect results from industry-industry transactions required to support the direct activity. This effect is a measure of the change in the output of suppliers linked to the industry being evaluated. The “induced” effect consists of employee spending in Porter County by employees, created by direct and indirect impacts, spending their earnings on local goods and services, such as food, clothing, real estate, education, health services, etc. FTE = Full Time Equivalent (1 FTE represents one full-time worker, 35 hours per week).

## Challenges to Solve and Opportunities to Seize

The proposed location for this priority project is currently zoned residential. Residential zoning does not allow for commercial uses, other than a corner store, which is only allowed with a special exception. The Town's RC-2 zoning does permit an Open Air Market (a public marketplace conducted outdoors where food and merchandise is sold) and there are no provisions for an indoor market or food hall in the current zoning ordinances. RC-2 also allows for restaurants and a variety of other commercial uses. Zoning would have to be revisited in order to allow for the regional marketplace. The Town could explore issuing a temporary permit for the summer season to allow for a pilot year of the regional marketplace.

There is a hazardous liquid pipeline running diagonally through the Town-owned property and the Duneland School Corporation property. Care will have to be taken to ensure that an appropriate pipeline right-of-way is maintained and that all federal regulations are followed, with respect to what can and cannot be built in proximity to this pipeline.

There are numerous land opportunities along Haglund, including land owned by the Town (~4.3 acres at the corner of Haglund and SR 149), as well as the large parcel owned by the Duneland School Corporation, just to the east of the Town-owned property on the north side of Haglund. The Town-owned land would be the easiest and most cost effective option for locating the regional marketplace. These land parcels also offer great visibility along SR 149 and are adjacent to Town Hall and a number of residential communities.

The limited local population presents a challenge, as the local workforce and residential population may not be enough to sustain the market. Visitors from adjacent communities, seasonal visitors and highway pass-through traffic will be an essential component of the customer base. In order to overcome this challenge, the market must be much more than a traditional farmers market. The vendor offering, programming and placemaking must ensure that the market is a true destination. Marketing will be essential to ensuring the success of the regional destination marketplace.

### Funding

A number of grants are available to support the regional destination marketplace, including those designed to promote local and regional food systems, healthy eating, small business growth, and placemaking. In addition to grants available at the federal, state and county level, there are community foundations, corporate sponsorship programs and other funding avenues that the Town can access.

### Sample Public Funding Options

Name	Type	Funding Source (general)	Funding Source (Specific)	Maximum Award
Farmers Market Promotion Program	Grant	Federal	USDA	\$100,000
Local Food Promotion Program	Matching grant	Federal	USDA	\$25,000
Business and Industry Guaranteed Loan Program	Loan	Federal	USDA	\$10 million
Place Based Investment Fund	Matching grant	State	OCRA	\$50,000



**Kerrytown Marketplace, Ann Arbor, MI**



**Pike Place Market, Seattle, WA**



**The Indianapolis City Market**



**West Side Market, Cleveland, OH**

## Priority Project #2 – Pop-Up Shipping Container Village

The second priority project is a pop-up shipping container village. This creative destination project would introduce new businesses to the Town and provide a new gathering place for residents, employees and visitors. This concept builds upon the history of Burns Harbor as a place of industry, producing and moving goods, and could be an exciting way to generate and celebrate the uniqueness of the Town. The project would help to create a greater sense of place, increase the number of things to do, attract new customers, and diversify the economy. Further, it would give residents and aspiring business entrepreneurs a place to do business without incurring the costs associated with brick and mortar businesses.

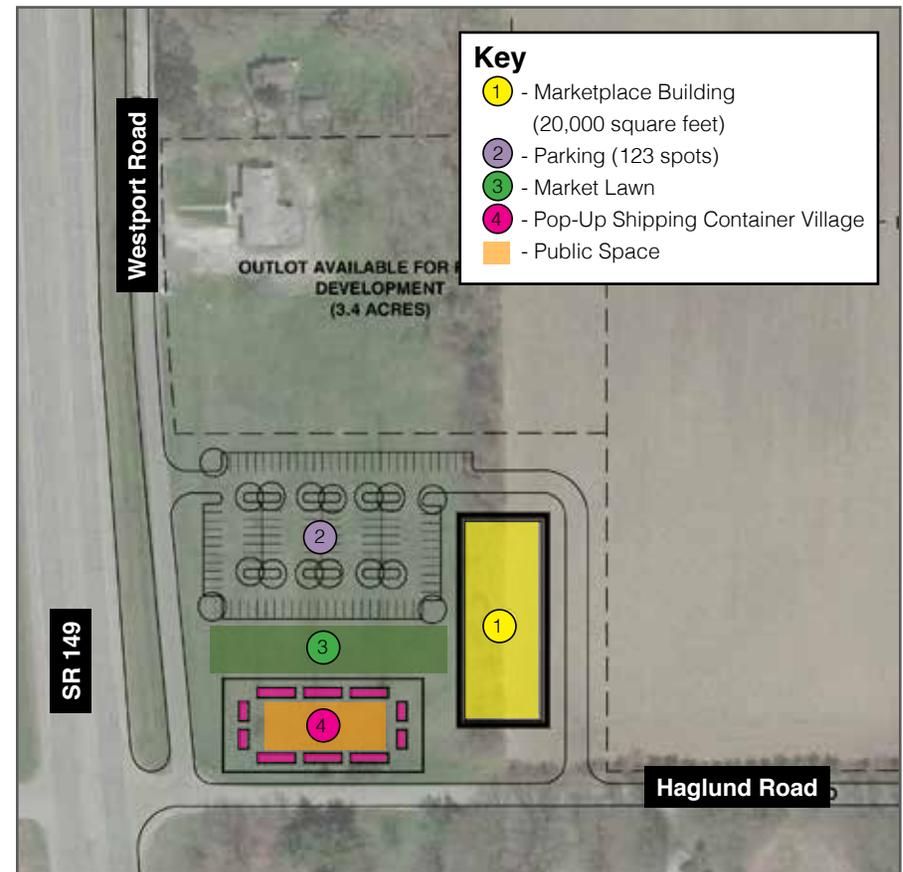
### Location and Program

The pop-up shipping container village is proposed for the north side of Haglund at the corner of SR 149, connected to the proposed regional destination marketplace. The proposed location is highly visible from SR 149 and is well connected to the regional marketplace, which will help to create a larger district feel. The initial programming outlines space for 12 vendors, configured around a new public square that will allow people to sit, enjoy their purchases and socialize. However, the number of shipping containers will likely vary, starting with three or four, and increasing or decreasing depending on the season, demand, potential operators, and other factors. The shipping container village can also grow year by year, and can transition to more permanent building structures overtime. There are shipping container villages that now include creative offices, hotels, and educational uses.

Standard shipping containers measure either 20 feet by 8 feet or 40 feet by 8 feet, they can be combined to form larger structures or divided to accommodate micro-businesses. The

conceptual plan illustrates the container businesses arranged around the new public square with movable tables and chairs, which may be removed in the wintertime. The proposed vendor mix includes restaurants, retail, prepared foods, and drinks.

### Conceptual Layout



Base drawing by American Structurepoint

## Potential Program

Container	Size (sq. ft.)	Type	Potential Tenant
1	160	Food	Coffee shop
2	160	Food	Sandwich shop
3	160	Food	Ice cream
4	160	Food	Pizza
5	160	Food	Tacos
6	160	Food	Prepared salads & snacks
7	160	Retail	Daily conveniences
8	160	Food	Beer garden & burgers
9A	80	Food	Cheese shop
9B	80	Food	Baked goods
10A	80	Retail	Honey, jams, preserves
10B	80	Food	Vegetarian & juice bar



## Business Rationale

Pop-up retail programming is an activation strategy that simultaneously improves the public realm and fosters economic activity by creating a 'draw' for passers-by, local residents, employees and tourists, and by providing revenue-generating opportunities for entrepreneurs.

As e-commerce, along with social and digital media, has challenged the presence of traditional mall and stripcenter retail businesses, pop-up shops and temporary retail have emerged as a way to bridge online shopping trends with the lingering desire of customers to interact and experience unique products offline. Compared to permanent retail stores that are generally located within designated commercial or mixed-use districts, pop-up and temporary retail outfits can inject small-scale commercial activity almost anywhere in order to create a different kind of shopping experience.

The pop-up retail sector currently represents approximately \$50 billion in annual sales in the U.S. Furthermore, customers cited these top reasons for choosing pop-up retail: seasonal products (61%), finding new/unique services and products (39%), shopping locally (36%), great prices (34%), convenience (33%), and fun experience (30%), all of which align with the desired experiences identified by the Burns Harbor community (*Independent Retailer, 2015*).

Shipping containers or other temporary structures are low-cost, real estate efficient, fun/colorful and flexible. They are weather-proofed and can be left in place over several months or years. While the Town develops brick and mortar uses over a longer-term period, a pop-up village would provide an exciting new zone for residents, employees and visitors that is not yet offered in Northwest Indiana. The container village can grow to include creative offices and labs, educational and cultural uses, and even a hotel.

## Economic Impact

The pop-up retail village will act as a small business incubator fostering a network of mutually supportive businesses. The pop-up retail village will bring new customers to Burns Harbor and create an increased sense of place.

### Estimated County-Level Impact of Pop-Up Village with 10 Containers

Phase	Activity	Impact Type	FTEs	Earnings	Econ. Output
Construction	Project Development	Direct	2	\$242,000	\$460,000
	Local Business Activity	Indirect	0	\$16,000	\$46,000
	Employee Expenditures	Induced	1	\$40,000	\$131,000
		<b>Total</b>	<b>4</b>	<b>\$298,000</b>	<b>\$637,000</b>

Operations (Annual)	Operations	Direct	1	\$34,000	\$57,000
	Local Business Activity	Indirect	0	\$8,000	\$16,000
	Employee Expenditures	Induced	0	\$7,000	\$13,000
		<b>Total</b>	<b>2</b>	<b>\$49,000</b>	<b>\$86,000</b>

Sources: *IMPLAN, Willdan Financial Services, 2015*

Note: An overview of the methodology and assumptions used by Willdan Financial Services to complete the economic impact study can be found in Appendix A, beginning on page 50.

Terminology: The “direct” effect is the initial change in economic activity from local payroll and construction expenditures in a specific industry or sector. The “indirect” effect results from industry-industry transactions required to support the direct activity. This effect is a measure of the change in the output of suppliers linked to the industry being evaluated. The “induced” effect consists of employee spending in Porter County by employees, created by direct and indirect impacts, spending their earnings on local goods and services, such as food, clothing, real estate, education, health services, etc. FTE = Full Time Equivalent (1 FTE represents one full-time worker, 35 hours per week). FTEs are rounded and decimals are not shown in the estimated job numbers.

## Challenges to Solve and Opportunities to Seize

The proposed site for the pop-up village is zoned residential, which does not allow for commercial uses (with the special exception of a corner store) or seasonal sales/display. RC-2 allows for both seasonal sales and small commercial uses of less than 10,000 square feet. Zoning will have to be revisited before the project is implemented. In the meantime, the Town can explore issuing a temporary permit to allow for the pop-up village to run as a pilot project.

The sale of alcohol may be a challenge for the pop-up village. Many successful pop-up villages or other temporary public spaces often include a beer garden. This beer garden or other restaurants that may want to serve alcohol may find it challenging to obtain an alcohol permit, as Indiana sets quotas on the permits available to each geographic area, based on population size. The Town will have to explore what the legal and permitting requirements are, and if there are any additional licenses or creative solutions to obtaining seasonal permits.

There is a hazardous liquid pipeline running diagonally through the Town-owned property and the Duneland School Corporation property. Care will have to be taken to ensure that an appropriate pipeline right-of-way is maintained and that all federal regulations are followed, with respect to what can and cannot be built in proximity to this pipeline.

A substantial and targeted marketing campaign will be essential to the success of the pop-up village. The proposed location is heavily trafficked, but is not visible from the interstate. Visitors from the Indiana Dunes will comprise an essential component of the pop-up villages customer base and will have to be strategically targeted.

## Funding

There are a number of potential grant opportunities that Burns Harbor could explore in order to support the pop-up village. In addition to public funding for the project, corporate sponsorship is another potential funding source. The largest cost of the project is obtaining, transporting and fitting out the shipping containers, and partnerships or in-kind donations of containers should be explored. Once the containers are on site and fitted out, operational costs are minimal. If the Town would like to explore this project as a private initiative, there are developers that are interested in this kind of unique real estate opportunity. However, these private projects are most often seen in larger cities and would likely still require significant involvement on the part of the Town if pursued in Burns Harbor.

## Sample Public Funding Options

Name	Type	Funding Source (General)	Funding Source (Specific)	Maximum Award
Place Based Investment Fund	Matching grant	State	OCRA	\$50,000
Indiana Dunes Tourism Promotion Grants	Matching grant	County	Indiana Dunes Tourism	
Indiana Main Street Downtown Enhancement Grants	Matching grant	State	OCRA	\$10,000 <i>Note: Burns Harbor would have to apply to become an Indiana Main Street community</i>
Our Town Grant	Matching grant	Federal	National Endowment of the Arts	\$25,000

*Note: The destination regional marketplace and shipping container village are connected projects that will have the most economic and social impact if developed together. As proposed, these projects are integrated with shared operations and management. These two projects can be developed individually if need be.*

## Pop-Up Village Precedents



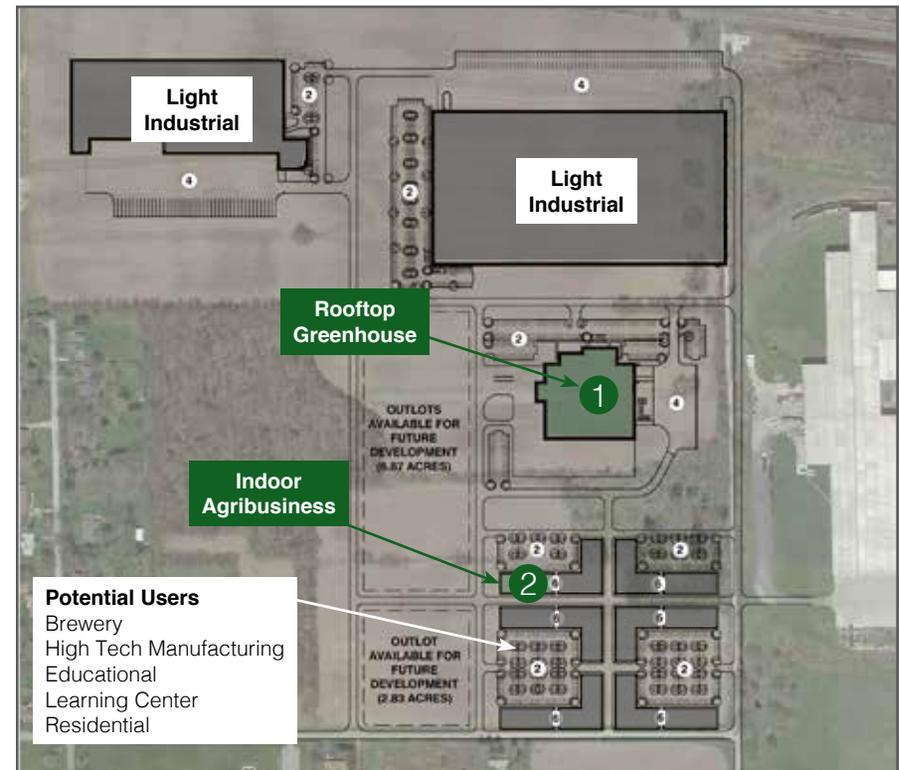
# Priority Project #3 – Organic Non-GMO 4-Season Agribusiness

An organic 4-season agribusiness is a commercial business that is focused on applying the newest technology to sustainable agricultural production. 4-season means that business grows all year round, even in cold climates, using growing techniques such as hydroponics or aquaponics. This business would capitalize on the growing demand for local non-GMO organic produce, while at the same time creating additional jobs and investment in the Town. The Chicagoland region is home to an increasing number of commercial indoor farms, including rooftop greenhouses, indoor vertical growing operations, and aquaponic businesses.

## Location and Program

The proposed organic non-GMO 4-season agribusiness could take on many different forms, sizes, and business models. The final business model, size, and operational requirements will depend on the eventual investor, operator or tenant. Distribution models will also have to be explored in more detail, including options such as delivery to local residents and businesses. Two options have been outlined for the purposes of this business plan. The first option is a rooftop greenhouse that would be constructed on top of a new light industrial building. This option would maximize the land potential and allows both businesses to be more energy efficient. The second option is a newly constructed urban agriculture building. This building would house either an indoor vertical farm or an aquaponics operation. The size would depend on the requirements of the operator, but the flexible warehouse-design would allow for building reuse if necessary. In all cases, low-cost material and construction are essential.

## Agribusiness Conceptual Layout



Base drawing by American Structurepoint



Lufa Farms, Montreal, Canada

## Business Rationale

Given the growing momentum of local and sustainable food systems across the United States, the development of a commercial farm and/or urban agricultural facility in Burns Harbor would provide a value-added economic development opportunity to the Town. According to a Newbean Capital analysis, Indiana is one of 39 states that is growing fewer fruits and vegetables than it is consuming (*Newbean Capital, 2015*). Building on its history of production and increasing the Town's "green living" identity, a sustainable agriculture facility would be an appropriate fit as a driver of job creation and additional development in the Town and region. The facility would also provide year-round access to healthy produce for Burns Harbor homes, restaurants, and food-related businesses.



## Economic Impact

The agribusiness would support direct economic impact through the creation of new jobs, businesses and tax revenues, as well as the economic impact associated with constructing a new facility and the indirect economic impact though increased access to healthy foods.

### Estimated County-Level Impact of Agriculture Program

Phase	Activity	Impact Type	FTEs	Earnings	Econ. Output
Construction	Project Development	Direct	20	\$2,000,000	\$3,800,000
	Local Business Activity	Indirect	3	\$100,000	\$400,000
	Employee Expenditures	Induced	9	\$300,000	\$1,100,000
		<b>Total</b>	<b>32</b>	<b>\$2,400,000</b>	<b>\$5,300,000</b>

Operations (Annual)	Operations	Direct	0	\$0	\$0
	Local Business Activity	Indirect	0	\$0	\$0
	Employee Expenditures	Induced	6	\$200,000	\$400,000
		<b>Total</b>	<b>6</b>	<b>\$200,000</b>	<b>\$400,000</b>

Sources: *IMPLAN, Willdan Financial Services, 2015*

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## Challenges to Solve and Opportunities to Seize

Finding the right partner(s) to develop and operate the agribusiness will be a challenge. A successful operator would have to understand both the technical and the business side of the operation. Furthermore, the operator would have to understand the challenges and opportunities of the proposed location – small local population, large seasonal population, and large Chicagoland population. The barrier to entry in the 4-season indoor agriculture business is quite high, and a significant amount of capital would have to be raised or assembled in order to start the business, which has a high initial cost due to the specialized technology needed to grow food indoors year-round.

The proposed location for this project is within the Arts and Agriculture District, on a parcel of land currently zoned residential and owned by Worthington Industries. The residential zoning does not allow for the proposed agricultural use and would have to be revisited.

The region has a number of existing indoor farming operations including Green Sense in Portage, IN and Green Spirit in New Buffalo, MI. The number of commercial indoor farms in Chicago is also growing, with operators such as Gotham Greens, The Plant, and FarmedHere. This local competition presents an opportunity for Northwest Indiana and Chicagoland to become a hub of innovative indoor commercial farming, and an incubator for new technologies, and delivery models. The regional competition also presents challenges, especially with the relatively small local population. Successful operators will require a deep understanding of distribution models, local buying power, and product development.

An additional opportunity exists for this project to address some of the workforce needs of the Town's employers. ArcelorMittal, for example, has been encouraging its workforce to adopt more healthy and active lifestyles, not

only for the benefit of individual workers, but also because a healthier workforce benefits the company through increased productivity, decreased absenteeism, and lower health insurance and worker compensation costs. Adopting healthy eating habits, such as consuming a variety of fruits and vegetables, is a key component to healthy living. For many employees in Burns Harbor, it may be challenging to find healthy food options in proximity to their workplace. The agribusiness could partner with local employers to deliver fresh fruits and vegetables to their workplaces, or create a program where employers provide subsidies to their employees for the purchase of produce from the agribusiness.

## Funding

The development of organic 4-season agribusiness in the Town would require a significant upfront capital investment in building construction and growing technology. In addition to private financing options, there are a number of potential public (local/state/federal) or institutional grants and loans available for the development of commercial indoor farming. Further, there may be an opportunity to partner with local schools and create educational programs associated with this type of business.



Gotham Greens, NYC, NY & Chicago, IL

## Sample Public Funding Options

Name	Type	Funding Source (General)	Funding Source (Specific)	Maximum Award
Local Food Promotion Program	Matching grant	Federal	USDA	\$25,000
Business and Industry Guaranteed Loan Program (B&I)	Loan	Federal	USDA	\$10 million
Farm Loan Programs	Loan	Federal	USDA	\$300,000 (direct), \$1.4 million (guaranteed)
USDA microloans	Loan	Federal	USDA	\$50,000
Value-Added Producers Grant	Matching grant	Federal	USDA	\$75,000 (planning), \$250,000 (working capital)



# Priority Project #4 – Light Manufacturing (Targeted Industries)

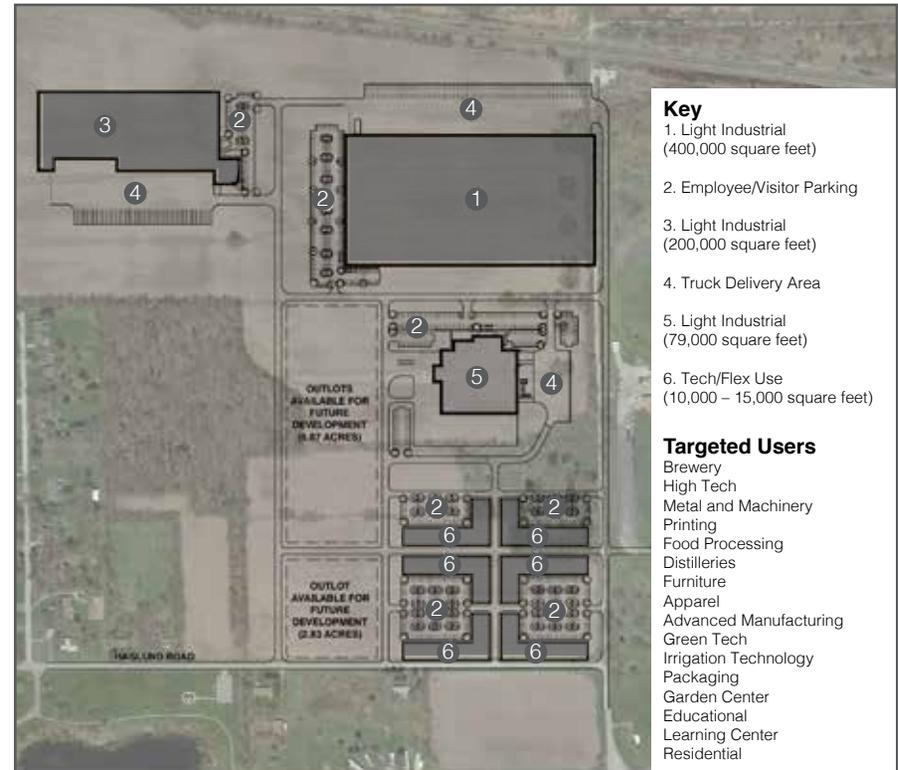
New light manufacturing, fabrication, assembly or technology businesses would introduce additional high quality jobs to Burns Harbor, contribute to the tax base, and support additional mixed-use development opportunities. Potential targeted industries include metal and machinery, food and alcohol, furniture and apparel, high technology and advanced manufacturing, and assembly or packaging for non-polluting industries.

## Location and Program

There are a number of potential locations for this proposed project. For illustrative purposes, the project is shown on parcels of land to the west of North Babcock and north of Haglund. This location allows for access off of US 20 through the Worthington Industries property. Other potential locations include a large parcel of land between the I-94 and US 20, which is currently for sale, or additional parcels along US 20.

The layout and configuration of this project depends on the needs of the potential operator. Smaller users, such as a brewery or food processor, might require between 15,000 square feet and 100,000 square feet, while larger users could require more than 300,000 square feet. Certain users may require access to the rail line, while other operators may have other needs. For example, a brewery may want to locate closer to Haglund in order to construct a street level beer garden experience.

## Conceptual Layout



Base drawing by American Structurepoint

## Additional Potential Locations



## Business Rationale

Light manufacturing businesses would benefit greatly from the proximity to suppliers in the region, such as Worthington Industries and ArcelorMittal, as well as the proximity to regional hospitals and schools. The logistical advantages of the Town, including its location within Chicagoland and its proximity to interstate highways, train/rail, and the Indiana Port, are also a key benefit to light manufacturing businesses. There is also a significant cost savings advantage to potential businesses, due to the proximity to transportation connections (reducing operational costs and facilitating logistics), and the lower cost of operating a business in Indiana. Care will have to be taken to ensure that the operator is appropriate for the district and for the Town. A detailed understanding of the noise, odor, and traffic associated with the user would be required, prior to any zoning changes or approvals.

## Economic Impact

Light manufacturing, fabrication, assembly or technology businesses would support direct economic impact through the creation of new jobs, businesses and tax revenues, as well as the economic impact associated with constructing new facilities.

## Estimated County-Level Impact Light Manufacturing Business

Phase	Activity	Impact Type	FTEs	Earnings	Econ. Output
Construction	Project Development	Direct	656	\$67,200,000	\$112,500,000
	Local Business Activity	Indirect	64	\$3,500,000	\$9,800,000
	Employee Expenditures	Induced	312	\$11,100,000	\$36,000,000
		<b>Total</b>	<b>1,033</b>	<b>\$81,800,000</b>	<b>\$158,300,000</b>

Operations (Annual)	Operations	Direct	0	\$0	\$0
	Local Business Activity	Indirect	0	\$0	\$0
	Employee Expenditures	Induced	155	\$5,500,000	\$10,400,000
		<b>Total</b>	<b>155</b>	<b>\$5,500,000</b>	<b>\$10,400,000</b>

Sources: IMPLAN, Willdan Financial Services, 2015

Note: An overview of the methodology and assumptions used by Willdan Financial Services to complete the economic impact study can be found in Appendix A, beginning on page 50.

Terminology: The "direct" effect is the initial change in economic activity from local payroll and construction expenditures in a specific industry or sector. The "indirect" effect results from industry-industry transactions required to support the direct activity. This effect is a measure of the change in the output of suppliers linked to the industry being evaluated. The "induced" effect consists of employee spending in Porter County by employees, created by direct and indirect impacts, spending their earnings on local goods and services, such as food, clothing, real estate, education, health services, etc. FTE = Full Time Equivalent (1 FTE represents one full-time worker, 35 hours per week).

### Challenges to Solve and Opportunities to Seize

One potential location for this project is within the Arts and Agriculture District, on a parcel of land currently zoned “Residential” and owned by Worthington Industries. The residential zoning would not allow for the proposed light manufacturing uses and would have to be revisited. The only Town zoning designation that allows for light manufacturing uses is the Business Park zoning, which allows a special exception for limited industrial (the manufacturing and/or assembly of articles, which can compatibly exist adjacent to “Commercial Uses”, but require isolation from “Residential Uses”). Light industrial operators could potentially maximize available land by partnering with the agricultural operator and allowing for rooftop farming.

This proposed location presents both opportunities and challenges. Its adjacency to an existing industrial operator, Worthington Industries, presents opportunities for a complementary business to save significantly on logistics and transportation cost. Challenges associated with the location are its proximity to parks and residential spaces. The new user could mitigate these potential locational challenges by sharing Worthington’s access route from US 20, which would keep traffic off of Haglund and much of North Babcock. Design considerations, such as the inclusion of a noise buffer or creative landscaping, would also help to mitigate any perceived or real negative effects on residents.

### Funding

In addition to traditional private sector financing, there may be an opportunity to secure public funding from the Northwest Indiana Redevelopment Authority (RDA), or other state and regional agencies. The RDA has supported similar job creation projects in the light manufacturing sector, along with funding for infrastructure and economic development projects. The Town can also access Tax Increment Financing (TIF) funds if the project is located within the Town’s Economic Development Area.



# Priority Project #5 – Mixed-Use Medical, Commercial & Wellness

Major policy change and the shift towards an aging demographic are just two factors driving rapid healthcare change across the United States. As preventative health becomes increasingly important, delivery of healthcare also continues to change. Introducing medical and wellness uses will allow Burns Harbor to address a community need (required for long-term Town sustainability), and attract high-paying, skilled jobs into the Town. Further, partnering with cutting-edge healthcare providers would provide the Town with a significant competitive edge, setting it apart as a model town within Indiana.

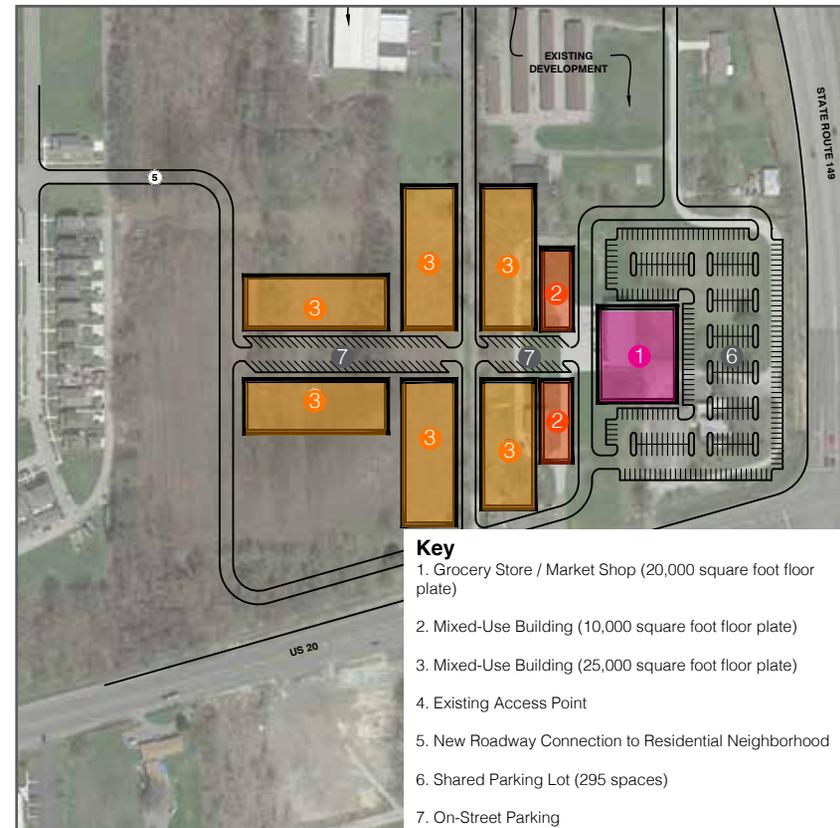
## Location and Program

The proposed program includes a variety of uses arranged in a compact layout. The medical component of the program includes 80,000 square feet with spaces for medical professionals and specialists such as family doctors, dentists, optometrists, nutritionists, as well as space for a pharmacy, a wellness center, and a fitness center. Additionally, space has been allocated for a potential future grocery store or market shop, which has been programmed at 20,000 square feet. A mixed-use multi-family residential option is also possible, this option includes ground floor retail, restaurants and other neighborhood conveniences with housing above.

Together, mixed-use medical uses and a grocery user can form a lifestyle district, which will need to be located along a high-traffic, highly visible road that can be easily accessed. The proposed location for the mixed-use medical project is the northeast corner of US 20 and SR 149. The site includes a number of underutilized parcels including a 3.5-acre property that currently contains a vacant 4,000 square foot former bank building and is listed as for sale. The bank building constructed in 1970 and later used as a medical facility, has been vacant for a number of years. The site

has approximately 275 feet of frontage on US 20 and can be accessed from both US 20 and SR 149. Additional sites include 3.4-acre site to the east and a 10-acre site further east along US 20.

## Conceptual Layout



Base drawing by American Structurepoint

## Business Rationale

### Trends

The national healthcare landscape will continue to change dramatically, in part driven by reform. By 2017 industry experts expect that:

- Healthcare will consume over 20% of the US Gross Domestic Product (GDP), exceeding \$3 trillion in cost;
- Employers will be an increasing force in decision-making and healthcare delivery;
- Consumer engagement will continue to rise and focus on wellness;
- Increased activity will come from outside traditional healthcare providers (e.g., technology firms and retail), encouraging innovation and integration of traditional medicine with increased research, and complimentary offerings;
- Real estate and facilities will reflect the intersection of providers, payers and consumers insisting upon affordable, accessible care settings. This is likely to include mixed-use campuses and unique partnerships; and
- Insurance coverage, including the proportion of Medicare beneficiaries will rise dramatically, pushing increases in outpatient care up by 20%.

### What Industry Experts are Watching

1. Continued evolution of the Affordable Care Act
2. Impacts of rising costs: Despite efforts to reduce costs, they are predicted to rise 6% annually over the next decade (*Center for Medicare and Medicaid Services Office of the Actuary, 2015*)
3. Increasing risk shifting to individuals and healthcare providers from employers and insurance companies: Health system consolidation will continue and include preventative, chronic, acute and post-acute services as providers seek stability
4. Increasing role of the patient/consumer: Driven largely by the impact to household expenses, individuals are increasingly active in their intentions to be informed and involved in their care, inviting all kinds of services and providers to compete for their attention and their money
5. Continued impacts of technology: From consumer driven applications to medical records to pharmaceuticals to genetics, technology will continue to be a tremendous and exciting force in the industry

### Porter County

Porter County is generally considered part of the Chicago healthcare market, although its population is primarily served by Indiana based healthcare systems. There continues to be consolidation of providers proximate to Burns Harbor and the dominant payer, Blue Cross and Blue Shield of Illinois, is very active in the push to value, as described above. The market has a plethora of Accountable Care Organizations, all designed to reduce cost and increase quality. Like most markets, it likely has excess inpatient capacity and can expect changes as the focus shifts to easy access for outpatients and a more from “repair medicine” to prevention and wellness.

### Challenges to Solve and Opportunities to Seize

Although the mixed-use medical, commercial and wellness project is listed as a priority project, it will likely take more time to complete the necessary “deals” and development than most of the other priority projects. There is much uncertainty in the healthcare industry, which presents both opportunities and challenges for the Town.

The proposed grocery program is also challenging, as quality grocery stores are one of the most difficult types of retail for small towns to attract. Operators generally make decisions about entering new markets based on the number of households (“rooftop count”), population growth, and individual household buying power. In some cases there may be a sufficient amount of households but the household income is on average too low to entice an operator; in Burns Harbor’s case it is likely about the lack of required rooftops. The Town may be able to attract a grocery store if the number of residents increases, or if a creative agreement with the right type of operator can be reached. The second scenario would require an enticing vision and interpretation of target market, coupled with an operator that understands well located, somewhat seasonal trade areas, or who has a smaller format model.

If a grocery store or market shop is going to invest and locate in Burns Harbor, one potential location is at the corner of US 20 and SR 149. This location provides great visibility and highway access, as well as ample space for parking. The development of multi-family residential component within this district may only happen in combination with the development of the medical, health and wellness, or smaller retail uses.



**Mixed-Use Residential Example**



**Mixed-Use Medical Example**



**Market Shop/Grocery Store Example**

## Estimated County-Level Impact of Mixed-Use Medical, Commercial and Wellness Program

Phase	Activity	Impact Type	FTEs	Earnings	Econ. Output
Construction	Project Development	Direct	277	\$27,100,000	\$63,000,000
	Local Business Activity	Indirect	117	\$4,000,000	\$12,200,000
	Employee Expenditures	Induced	137	\$4,900,000	\$15,800,000
		<b>Total</b>	<b>532</b>	<b>\$36,000,000</b>	<b>\$91,000,000</b>

Operations (Annual)	Operations	Direct	32	\$800,000	\$1,200,000
	Local Business Activity	Indirect	4	\$200,000	\$300,000
	Employee Expenditures	Induced	57	\$2,000,000	\$3,900,000
		<b>Total</b>	<b>94</b>	<b>\$3,000,000</b>	<b>\$5,400,000</b>

Sources: IMPLAN, Willdan Financial Services, 2015

Note: An overview of the methodology and assumptions used by Willdan Financial Services to complete the economic impact study can be found in Appendix A, beginning on page 50.

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# Priority Project #6 - Marquette Greenway Trail East Branch Connector

The full Marquette Greenway Trail will traverse fifteen communities and cover over 50 miles from Calumet Park in Chicago, Illinois to New Buffalo, Michigan. The planned Marquette Greenway Trail East Branch Connector is the proposed portion of the trail that runs through Burns Harbor, connecting the Town to neighboring Porter, Portage and the Indiana Dunes, along the Little Calumet River. This trail is a strategic opportunity for Burns Harbor to reconnect to the Indiana Dunes and Lake Michigan.

## Program

The Town, in collaboration with the Indiana Dunes National Lakeshore, submitted an application for funding through the U.S. Department of Transportation's Congestion Mitigation and Air Quality Improvement program (CMAQ) to fund Phase IA of the Marquette Greenway Trail East Branch Connector. Phase 1A of the project would connect North Babcock Road to SR 149, at a total project cost of \$2,064,929. Proposed future phases of the trail would connect SR 149 to the Ameriplex site (approximately 1.9 miles).

## Business Rationale

This first phase of the extended trail system, which consists of over 1 mile of bicycle and pedestrian paths along the Calumet River, is a key first step in ensuring that the Town is a place that promotes healthy and active living. Furthermore, this trail has significant potential to support Burns Harbor's economic development because of a direct link to the popular beaches and hiking trails of the Indiana Dunes, the Town may be able to grow a seasonal economy by attracting trail users to new businesses and activity. Trails can provide many benefits to communities including offering new and healthy ways to travel, increasing tourism and related economies, preserving open spaces, and providing additional opportunities for physical activity.

## Proposed Trail Phasing



## Economic Impact

An economic impact analysis completed for the Town in 2008 indicated that the trail could serve as an economic catalyst for \$90 million dollars in future investment and generate an additional tax base of \$2.8 million. Neighboring towns with trail connections, the Indiana Dunes National Lakeshore and other partners would also benefit from the completion of the Marquette Greenway Trail East Brant Connector.

## Challenges to Solve and Opportunities to Seize

Obtaining funding for additional phases of the project can be a challenge. Although the first phase of the project is crucial, future connections are equally important to ensure that the trail system is a fully integrated and usable network, rather than a partially completed path. This perception of a disconnected system would deter potential users and negatively impact economic benefits.

There are also additional opportunities to maximize the economic and social benefits of the proposed trails through strategic marketing and events. Clear signage directing users to trailheads and points of interest in the Town will be an important step in generating traffic both on and off the trail. Trail branding and marketing at key locations, such as campgrounds, train stations, and the Indiana Dunes website will be important to raising awareness about the new trail. Events are another way to market the trail and allow new users to explore the trail system. Bicycling, running and cross-country skiing events can attract large numbers of visitors to the trails and surrounding area. Similar to the agri-business concept, educational opportunities can and should be explored to maximize the benefits of an integrated trail system.

## Funding

In addition to the CMAQ grant, other public funding opportunities are listed below. There might also be opportunities to have local businesses sponsor future portions of the trail if additional funding is required.

## Sample Public Funding Options

Name	Type	Funding Source (General)	Funding Source (Specific)	Maximum Award
Recreational Trails Program	Grant	Federal grant, administered by state	FHWA, INDR	
Land and Water Conservation Fund Grant	Matching grant (reimbursement program)	State	INDR	\$200,000
National Recreation Trails	Federal designation	Federal	Dept. of the Interior or Dept. of Agriculture	<i>Note: National recognition and access to technical support. (no direct monetary value)</i>



## Estimated County-Level Impact of All Priority Projects Combined

Phase	Activity	Impact Type	FTEs	Earnings	Econ. Output
Construction	Project Development	Direct	993	\$100,242,000	\$186,760,000
	Local Business Activity	Indirect	189	\$7,816,000	\$23,146,000
	Employee Expenditures	Induced	476	\$16,940,000	\$55,031,000
		<b>Total</b>	<b>1661</b>	<b>\$124,998,000</b>	<b>\$264,937,000</b>

Operations (Annual)	Operations	Direct	56	\$1,434,000	\$2,157,000
	Local Business Activity	Indirect	7	\$308,000	\$516,000
	Employee Expenditures	Induced	221	\$7,807,000	\$14,913,000
		<b>Total</b>	<b>286</b>	<b>\$9,549,000</b>	<b>\$17,586,000</b>

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## Priority Projects Next Steps

If the Town and RDC choose to move forward with implementing the identified priority projects, these initial business and development concepts can be then turned into development opportunities. Next steps include the following items that must be completed for each individual project:

- Design business attraction, retention and development program
- Create tenant, investor, and partner prospect list
- Refine financial models
- Refine physical plans
- Begin discussions with potential partners and operators
- Explore zoning and land use constraints
- Target funding and financing options
- Prioritize grant applications
- Refine project size and create detailed business plan
- Prepare detailed budgets and cash flow analysis
- Develop a phased implementation plan
- Develop marketing collateral
- Launch targeted deal-making with experienced resources

## Mid to Longer-Term Projects

### (Approximately 3-10 years)

In addition to the six priority projects outlined, a number of longer-term projects have been identified. These projects will benefit from the positive development momentum created from the initial priority projects and other initiatives undertaken by the Town. Most of these longer-term projects will require proactive work by the Town to secure development interest and eventual development deals. For the entire initial list of projects and initiatives, please refer to the *Town of Burns Harbor Reconnaissance & Strategic Market Assessment*, July 2015.

### Main Street/Downtown Area

The development of a mixed-use, walkable “downtown” and small, charming Main Street area was cited as a desired outcome by many in the community. This area would be a focal point for local shops, eateries and socializing. This larger district is a longer-term project that will require a greater concentration of customers over time. However, the activity generated by a regional marketplace and pop-up village can help to test and improve the business viability of a potential Main Street district. The regional marketplace and pop-up village can also act as business incubators, as restaurant and shop owners move from the small, temporary locations into permanent and larger locations within the district. The Lake Village and Main Street Districts, as outlined in Step 1, are now part of a larger this Lake Village/Marketplace District. The space, cost and overall feasibility of constructing a lake in this district will have to be explored in further detail.

### Civic, Educational and Public

Long-term projects involving civic, educational and public initiatives can have a catalytic economic impact on the Town if implemented in a strategic manner. These initiatives can increase the visibility of the Town and improve its development potential for various complementary and supporting uses. However, depending on the type of use (civic, educational or other public uses), partnerships, additional population, and significant public funding may be required. Further, these institutions need proactive and persistent leadership from the Town and its partners, including ongoing discussions, research, development incentives, state partnerships, and land and infrastructure deals. These uses can be located in various districts, depending on the type, size and timing of the project. As outlined in the *Reconnaissance & Strategic Market Assessment*, many of these projects are proposed for the Civic, Eco, and Arts & Agriculture districts.

One civic use that many residents have expressed interest in is a community center. If the Town would like to build a new community center, there are options for doing so. This project has not been prioritized since it would require a significant amount of public investment. Projects that have been prioritized are either lower cost, or those that would generate greater economic or social benefit. However, if the project becomes a priority, there are some potential public funds that the Town could access in order to support the building and operating of this project, including the USDA Community Facilities Direct Loan & Grant Program. Communities have also been successful in partnering with organizations like the YMCA to create shared facilities, however this is not likely an option for Burns Harbor, since the YMCA already has a presence in the region.

## Residential

This development is already underway with the second phase of the Traditions apartments, and additional local and regional developers have expressed interest in building more residential product in the region, especially in the form of multi-family residential. This residential growth is encouraged, and is only included as a mid to longer-term project because it will be ongoing over many years and based mostly on market conditions. It should be noted that this growth should occur organically, be market driven, and be managed to ensure that it occurs in a way that is appropriate for the community, and allows for the absorption and integration of newer units. There are numerous potential sites for residential development in the Town and some are outlined below. Residential projects could potentially be developed in almost every proposed district, including the Living Room, Lifestyle & Medical Mixed-Use, Lakeland Park & Recreation Area, Arts & Agriculture, Lake Village, and Prairie Duneland districts.

## Potential Residential Development Locations



## Complementary Agricultural Businesses

There are a number of businesses and industries that would complement the 4-season organic agribusiness and contribute to the sense of identity in the Arts and Agriculture District. These businesses might include a flower and garden center, educational institutes, agricultural research centers, agricultural business incubators, irrigation technologies, and energy production. These projects would require additional planning, programming, and research.

## Signage, Branding and Lighting

Town-wide branding, signage and lighting will ensure that visitors are able to travel easily and safely from various points of interest and are aware of all that the Town has to offer. Highway signage will be particularly important as many potential customers are passing by the Town everyday. These initiatives will also increase safety and security in the public realm. These projects will be more effective following the implementation of some of the priority projects, such as the regional marketplace and pop-up village.

## Lakeland Park

Lakeland Park is a terrific natural amenity for the entire Town. The park includes a number of recreational assets such as the lake, volleyball courts, baseball diamonds, soccer fields, gazebo, and picnic area. Long-term projects could include an expansion of existing programming, as well as ongoing updates and maintenance to park infrastructure.

## The 149

The transformation of SR 149 from a highway into a safe, mixed-use boulevard that knits together Burns Harbor's complementary districts is a key long-term project. The 149 is the Town's central north-south connector, and should become a modern and safe multi-purpose boulevard for all users. New uses along The 149 will further encourage visitation to the Town and increase the sense of place. Programming should reflect the boulevard's high traffic visibility, as well as the scale of the roadway and traffic volumes, while respecting existing businesses and homes. The conversion of the 149 into a boulevard should also include the installation of sidewalks and protected bicycle lanes.

## Light Manufacturing, Makerspaces & Workshops

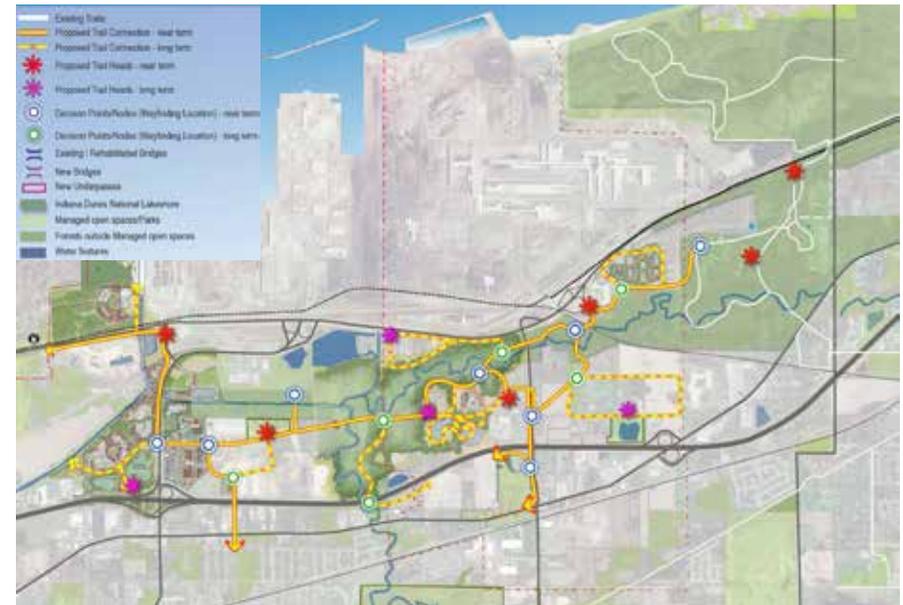
Light, modern manufacturing would diversify the Town's economy, while encouraging entrepreneurship and complementing the skills of the existing workforce. Encouraging urban-scale manufacturing through Made in Northwest Indiana initiatives is another way to support entrepreneurship, regional pride and local shopping habits. The Town could also develop partnerships with local and regional colleges to support the growth of a light manufacturing industry through apprenticeship and business incubator programs. These projects could potentially be developed in the Arts & Agriculture or Indiana Makers' & Workshop districts.



## Comprehensive Trail System

In addition to the proposed Marquette Greenway East Branch Connector (listed as a priority project), Burns Harbor would benefit from a comprehensive trail system linking the town to Lake Michigan, public beaches, the train station, and other key points of interest. Eventually a system of trails could link the Marquette Greenway to the proposed Marketplace/Lake District, residential areas, Lakeland Park, Town Hall, and other points of interest in Burns Harbor. Trails can be one of the most beneficial investments that a community can make, both in terms of economic activity as well as community health benefits. Trail-based tourism is a major economic driver in many small communities and provides low or no-cost recreation to local populations.

## Conceptual Trail Expansion Plan



*Marquette Greenway Trail Sub-Area Plan, 2009*

## **Tournament Fields and Rinks**

Tournament fields, including baseball diamonds, soccer fields, and skating rinks, would provide the Town with additional sports and recreation amenities while positively impacting the local economy by increasing sports-related tourism. Tournaments can generate a considerable amount of direct and indirect economic activity for a region. Tournament participants, along with their friends and family, contribute to an increase in hotel stays and spending at local restaurants and retail stores. Furthermore, tournaments serve as gateway experiences for many first time visitors, who may later return for future vacations. Tournament fields are more cost effective than other sports options, such as indoor facilities or tennis courts, and can accommodate a wide range of sports (e.g., baseball, softball, soccer, lacrosse, field hockey, ultimate Frisbee). The location, type, and size of potential facilities will have to be explored further detail, taking into account the local and regional supply and demand, facility costing, and other considerations.

## **Public Safety and Security**

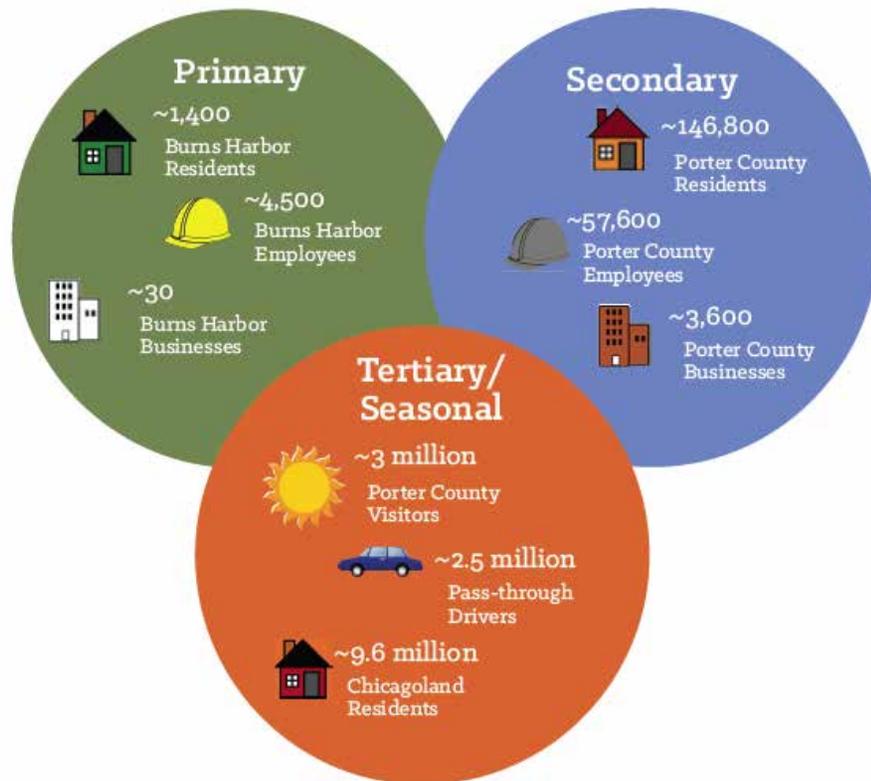
Increasing public safety and securing in Burns Harbor is an important mid to longer-term project. The major transportation routes running through, and in proximity to, the Town are in general very positive for Burns Harbor (pass-through traffic, strategic shipping, easy access, etc.). However, these strategic shipping routes also attract certain types of negative activity. The Burns Harbor Police Department is unfortunately involved in responding to these incidents. Certain strategies would assist the police department to more effectively respond to these situations and increase the safety and security of the local community. Some of these measures include the installation of highway video cameras directly linked to the police station, “eyes in the sky”, additional training opportunities for Burns Harbor first responders, and the incorporation of the latest technology in policing and public safety.

Other measures, not directly linked to policing, include improved lighting, and the construction of additional sidewalks and bike lanes. Improving safety and security in Burns Harbor will require further study, in order to ensure that the most effective measures are implemented while respecting public privacy.

# Interim Activation Plan & Projects

## Vision/Rationale

Events and rituals can help to help attract new users and create more habitual use of Burns Harbor existing amenities and future development. Events and rituals can range from large-scale, full-day events in the case of seasonal or annual celebrations, to simple, low-cost rituals such as a morning walking group. In order to mitigate risk, larger events should be launched modestly, and grow over time. Prior to introducing any event or happening, each business concept should be further developed. Working through this process will ensure that the activation is feasible and sustainable



<b>Activity</b>	Pop-Up Village (Shipping containers, wood structures)
<b>Location</b>	North side of Haglund, east of SR 149
<b>Occurrence</b>	6-7 days/week in the summer months
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p>  <p>Tertiary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Low cost</li> <li>• Real estate efficient</li> <li>• Flexible structures that can be left in place over several months or years</li> <li>• Allows Burns Harbor to develop brick and mortar uses over longer period</li> <li>• Provides an exciting new zone for residents and visitors that is not yet offered in Northwest Indiana</li> <li>• Ties into the industrial heritage of the Town</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Marketing and attracting visitors</li> <li>• Zoning</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• Corporate sponsorship</li> <li>• Grants (Place Based Investment Fund, Indiana Main Street, Indiana Dunes Tourism Promotion Fund, Our Town, etc.)</li> <li>• Private investment</li> <li>• Start-up business loans</li> </ul>

<b>Activity</b>	Weekend Farmers Market
<b>Location</b>	North side of Haglund, east of SR 149
<b>Occurrence</b>	Weekly
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p>  <p>Tertiary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Low cost, temporary tents and other infrastructure</li> <li>• New business in Burns Harbor</li> <li>• Creates a sense of place</li> <li>• Offers a new place for residents to access fresh produce</li> <li>• Can be implemented very quickly</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Generating interest</li> <li>• Finding the right businesses, vendors, and operating team</li> <li>• Competition from other local markets</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• Grants (USDA, OCRA)</li> <li>• Corporate sponsorship</li> <li>• Community partnerships</li> </ul>

<b>Activity</b>	Burns Harbor Running Club
<b>Location</b>	Lakeland Park
<b>Occurrence</b>	Weekly
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p>  <p>Tertiary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Draws upon existing natural and recreational assets</li> <li>• Serves the community</li> <li>• Promotes healthy living and social interaction</li> <li>• Low cost</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Attracting participants regularly</li> <li>• Marketing</li> <li>• Weather (especially cold climate months)</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• No funding needed, could partner with local sports stores, fitness centers, YMCA, and running clubs for cross promotion</li> </ul>

<b>Activity</b>	Burns Harbor Yoga in the Park
<b>Location</b>	Lakeland Park
<b>Occurrence</b>	Weekly
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p>  <p>Tertiary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Serves the community</li> <li>• Promotes healthy living and social interaction</li> <li>• Low cost</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Attracting participants regularly</li> <li>• Marketing</li> <li>• Finding the right partner</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• No funding needed, could partner with yoga studios, YMCA, and sports stores for cross promotion</li> </ul>

<b>Activity</b>	Bird Watching and Branded Bird Sanctuary
<b>Location</b>	Little Calumet River
<b>Occurrence</b>	Monthly
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p>  <p>Tertiary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Draws upon existing natural and recreational assets</li> <li>• Serves the community</li> <li>• Promotes healthy living and social interaction</li> <li>• Low cost</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Attracting participants regularly</li> <li>• Marketing</li> <li>• Finding the right partner</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• No funding needed, could partner with local birding associations for workshops, guided walks, and cross promotion</li> </ul>

<b>Activity</b>	Harvest Festival
<b>Location</b>	Lakeland Park, or the corner of Haglund and SR 149
<b>Occurrence</b>	Annual
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p>  <p>Tertiary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Creates activity over a several week period, during a time when there is little other animation occurring in Town</li> <li>• Family friendly</li> <li>• Can bring some revenue into the Town</li> <li>• Creates animation and a place for residents and visitors</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Funding</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• Corporate sponsorship</li> <li>• Community sponsorship</li> <li>• Grants (Indiana Dunes Tourism grant for special events)</li> </ul>

<b>Activity</b>	Public Art Programs
<b>Location</b>	Praxair towers, highway overpasses
<b>Occurrence</b>	Semi-annual
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p>  <p>Tertiary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Low cost</li> <li>• Immediate implementation potential</li> <li>• Strengthens Town identity</li> <li>• Supports local art</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Establishing Partnerships</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• Grants (Indiana Arts Commission)</li> <li>• Corporate partnerships</li> </ul>

<b>Activity</b>	Festival of Lights
<b>Location</b>	Haglund
<b>Occurrence</b>	Annual
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p>  <p>Tertiary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Immediate implantation potential</li> <li>• Strengthens Town identity and pride</li> <li>• Supports local art</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Establishing partnerships</li> <li>• Funding</li> <li>• Logistics and servicing requirements</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• Grants</li> <li>• Corporate sponsorship</li> </ul>

<b>Activity</b>	Winter Carnival
<b>Location</b>	Lakeland Park
<b>Occurrence</b>	Annual
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Activates the Town in the winter season</li> <li>• Strengthens town pride</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Marketing</li> <li>• Weather (cold climate can be a deterrent)</li> <li>• Permits</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• Grants</li> <li>• Corporate sponsorship</li> <li>• Alcohol, food and Christmas tree sales</li> <li>• Raffles</li> </ul>

<b>Activity</b>	Ice Skating Rink
<b>Location</b>	Lakeland Park
<b>Occurrence</b>	Seasonal
<b>Target Market</b>	<p>Primary</p>  <p>Secondary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Activates the Town in the winter season</li> <li>• Provides additional outdoor activity for residents</li> <li>• Creates annual ritual</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Finding the right operator</li> <li>• Weather</li> <li>• Attracting regular participants</li> <li>• Funding</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• Grants</li> <li>• Corporate sponsorship</li> <li>• Town funding</li> </ul>

<b>Activity</b>	Christmas Tree Lighting
<b>Location</b>	Town Hall
<b>Occurrence</b>	Annual
<b>Target Market</b>	<p>Primary</p>  <p>Tertiary</p> 
<b>Rationale</b>	<ul style="list-style-type: none"> <li>• Low cost</li> <li>• Immediate implementation potential</li> <li>• Activates the Town in the Christmas season</li> <li>• Strengthens Town pride</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Coordination</li> <li>• Weather</li> </ul>
<b>Funding Sources</b>	<ul style="list-style-type: none"> <li>• Grants</li> <li>• Town funding</li> </ul>

## Interim Projects - Next Steps

- Refine location and program
- Outline potential investors, community operators, vendors, sponsors and partners
- Outline detailed budget
- Outline detailed financing and funding strategy
- Prioritize grant and other funding opportunities
- Understand project liability, permitting and zoning
- Outline marketing strategy
- Deal-making

# General Town Planning

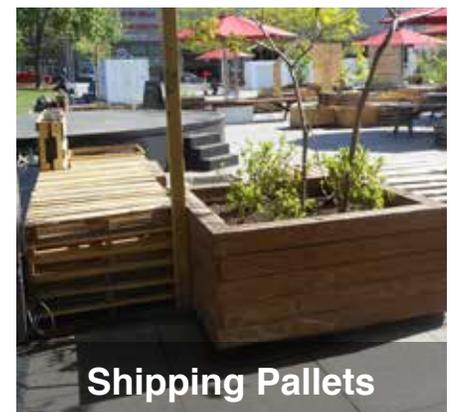
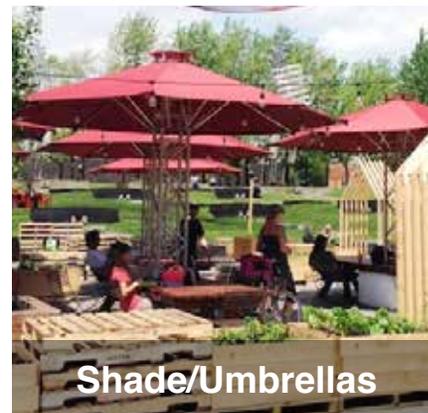
## Placemaking

Designing for people and creating a special sense of “place” will help to maximize the social, physical, and economic value of various projects within the Town. The first six priority projects have been concentrated around the center of Burns Harbor, in proximity to existing gathering places and points of interest, such as Lakeland Park, Town Hall, and the Little Calumet River, and adjacent to existing residential communities.

The marketplace/shipping container village contains the most placemaking potential, as this project will introduce a new place for Town residents to eat, drink, shop and gather. Movable chairs and tables will offer a flexible seating and dining area and the market lawn offers a new performance or event space in Town.

Projects within the Arts and Agriculture district were also designed with placemaking in mind. Smaller users along Haglund provide a buffer to larger users to the north, while these larger users benefit from the proximity to Worthington and the use of access roads. Future trail connections from the proposed East Branch Connector of the Marquette Greenway can also be planned to the west of industrial users, eventually connecting to Lakeland Park. Lastly, there are opportunities for placemaking initiatives across other areas of Town in the form of public art, signage and banners, landscaping, and potentially painting the Praxair towers as a “Welcome to Burns Harbor”.

## Low-Cost, High Impact Placemaking Strategies



## Urban Form

New uses and projects have been organized around a grid pattern of streets. A grid pattern allows people and cars to move more directly and freely, and creates rectangular blocks, which are more development friendly and flexible for a variety of future users and building types.

Light manufacturing spaces for modern industrial users can be much smaller and more space efficient than older manufacturing operations, ranging from as little as 1,000 to 5,000 square feet. Depending on the type of manufacturers and activities that will be conducted on premises, additional space might be required - such as for a brewery, which may require between 30,000 and 70,000 square feet. Larger buildings can be partitioned off into smaller units, if required.

The layout of the mixed-use medical district allows for flexibility of use at a walkable scale, while maintaining the required parking and vehicular access. These buildings could include medical offices, retail, restaurants, educational uses, fitness and wellness centers, with residential apartments above grade. Townhouses, row houses, and other housing types can also be incorporated into this program.

## Low-Cost, Market Construction Examples



Prefabricated Metal



Modular Construction



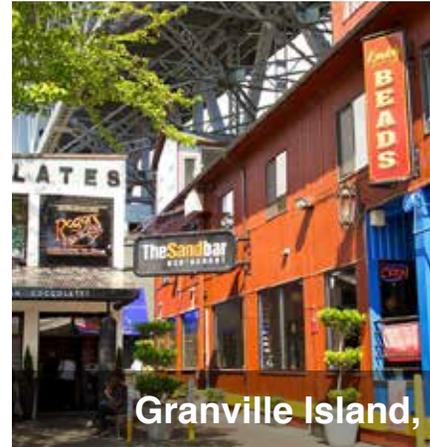
Canopy



### Mixed-Use Light Industrial Examples



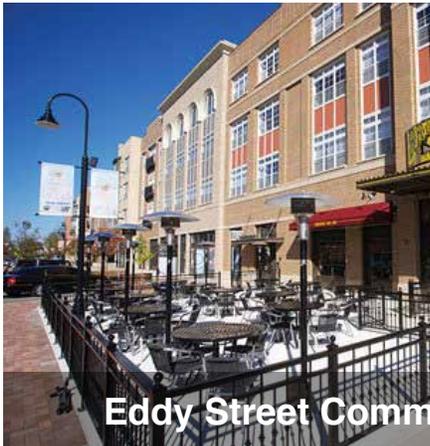
Pier 70, San Francisco, CA



Granville Island, Vancouver, Canada



### Mixed-Use District Examples



Eddy Street Commons, South Bend, IN



Mashpee Commons, Mashpee, MA



# Development Strategies and Tools

## Tax Increment Financing (TIF)

TIF is a financing strategy that can be used by the RDC to pay for public improvements and to pledge toward private development projects, each intended to stimulate economic development in the Burns Harbor Redevelopment District, specific to the Burns Harbor Allocation Area. TIF allows local governments to finance redevelopment and economic development projects through anticipated increases in assessed valuation (the “Captured Assessment”) as a direct result of new construction, redevelopment or rehabilitation of existing structures within an allocation area. In general, tax increment distributed to a redevelopment commission by a county auditor is the result the net property tax rate applied to the Captured Assessment of an assessment year date.

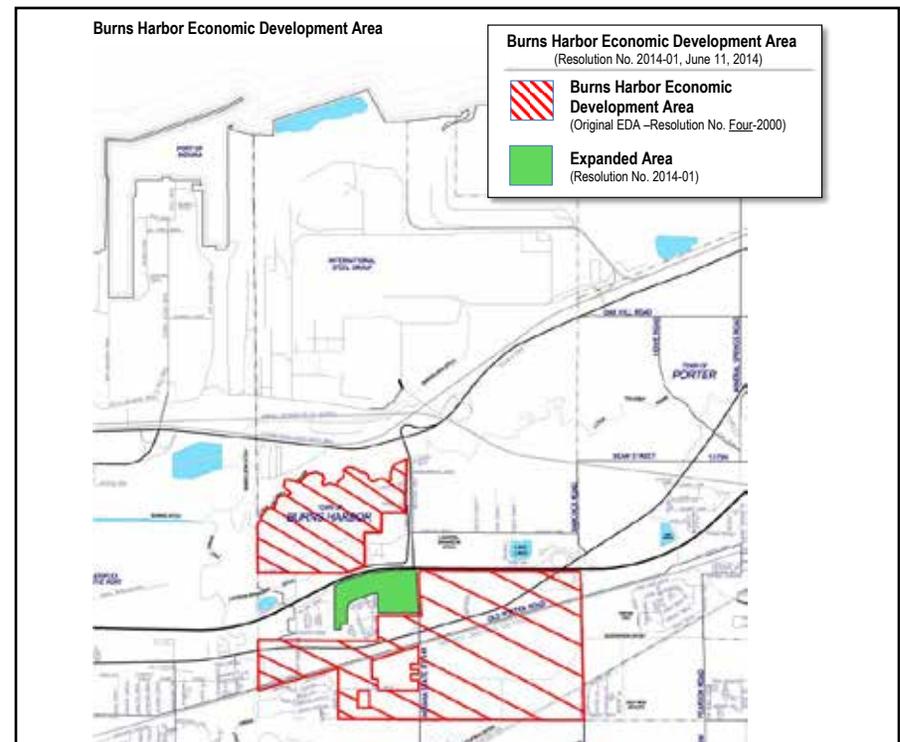
TIF bonds (Tax Increment Revenue Bonds or Economic Development Revenue Bonds) may be issued in order to finance the construction and redevelopment of public improvements or to financially incentivize (gap finance) private investment in a redevelopment or economic development area, or projects that directly benefit or serve an allocation area. Examples of TIF funding uses include infrastructure investments such as sewer expansion/repair, storm drainage, street construction/expansion, water distribution system expansion or upgrades, park improvements, bridge construction/repair, curb and sidewalk improvements, traffic control and street lighting. Funds can also be used for building demolition, site improvements, land acquisition, and the construction of public parking facilities. The vast majority of tax increment financing in Indiana (80%) are used for capital improvement and infrastructure projects.

The Town can finance public investment in an allocation by: 1) incurring debt, 2) spending revenue as it is collected (“Pay-As-You-Go”), or 3) a combination of both. The majority

of Indiana redevelopment commissions (60%) utilize tax increment for debt financing or bond obligations. In 2014, the Town of Burns Harbor Redevelopment Commission expanded the “Allocation Area”, or location in Town where tax increment may be spent, as show below.

*Cender and Company; Indiana University Public Policy Institute, 2014*

## Burns Harbor Economic Development Area (Area where tax increment may be spent)



*Cender and Company, 2014*

*Note: Pursuant to Resolution No. FOUR-2000 as a declaratory resolution adopted on February 2, 2000 by the Burns Harbor Redevelopment Commission, the allocation provision of the “Original Allocation Area” expires on February 1, 2030, with a final tax increment distribution anticipated on or prior December 31, 2030 (Pay 2030).*

## TIF Hypothetical Example

### Before (vacant land)



**15 acres**  
**Assessed at \$100,000/acre**  
**Base Assessment = \$1,500,000**

### After (commercial development)



**Proposed development 150,000 square feet**  
**Assessed at \$75/square feet**  
**Net Assessment = \$12,750,000**

**Captured Assessment = Current Net Assessed Value – Base Assessed Value**

**Captured Assessment = \$12,750,000 – \$1,500,000 = \$11,250,000**

**Tax Increment = (Captured Assessment/100) x (Current Net Tax Rate – All Referendum Debt Tax Rates)**

**Tax Increment = (\$11,250,000/100) x (\$2.0555 - \$0.22)**

**Tax Increment = \$112,500 x \$1.8355 = \$206,494**

### **Potential bonding capacity** *(preliminary project costs available to a redevelopment commission)*

Tax Increment:	\$	206,500	
Bond Term:		20 Years	
Interest Rate:		6.00%	
Debt Service Coverage:		1.50	(150% of Tax Increment)
Net Tax Increment	\$	137,670	(Available for principal and interest payments)
Bond Principal:	\$	1,715,000	
LESS: Cost of Issuance:	\$	80,000	
LESS: Underwriter Fee (if applicable):	\$	34,300	(Estimated to be 2% of principal)
LESS: Debt Service Reserve:	\$	171,500	(Estimated to be 10% of principal)
Bond Principal for Project Costs:	\$	1,429,200	

*Note: Parameters will vary based upon taxing unit and the type of obligation instrument, the example provided is for illustrative purposes only. A qualified and registered municipal financial advisor is recommended to provide potential bonding capacity based upon proposed investments and bond parameters. Example numbers from Cender and Company, 2015; photos are for illustrative purposes only, and do not depict Burns Harbor.*

**Development Process**

In order for Burns Harbor to attract new development, the process for developers and investors should be positive, clear and streamlined. The necessary steps including locating an appropriate, shovel-ready site, understanding the financing tools and incentives available, and receiving approvals should be straightforward and efficient.

In addition to streamlining the process for developers who are interested in Burns Harbor, the Town will have to be proactive in its economic development strategy. It will be necessary to undertake a targeted approach to finding the right investors, developers and operators for non-traditional projects and businesses that can create ongoing economic lift. This targeted approach will involve creating a prospective operator list and reaching out to potential partners. Materials outlining the proposed business opportunities in Burns Harbor should be created and distributed to various potential investors, developers, operators and tenants.

**Funding Opportunities Database**

In addition to streamlining the development process, the Town should keep an updated database of potential funding opportunities, grants and loans that can be accessed by the Town and potential development partners. This database could include information on opportunities such as brownfield revitalization funds, public infrastructure subsidies, placemaking grants, and arts and community funding.

**Additional Grant Examples**

Name	Description
Brownfield Revolving Loan Fund	The loan fund is managed by the Northwest Indiana Brownfield Coalition (NWIBC). The Coalition and Loan Committee include the cities of East Chicago, Hammond, Gary, and also NIRPC, the Indiana Department of Environmental Management, the Environmental Protection Agency, and the RDA. The loan term is five years with 0% interest charged as long as the loan is fully repaid within that time.
Recreational Trails Program Grant	The Recreational Trails Program is a matching assistance program that provides funding for the acquisition and/or development of multi-use recreational trail projects. Both motorized and non-motorized projects may qualify for assistance. The assistance program is sponsored by the U.S. Department of Transportation's Federal Highway Administration (FHWA).
Land and Water Conservation Fund	The LWCF is a matching assistance program that provides grants for 50% of the cost for the acquisition and/or development of outdoor recreation sites and facilities. Over \$36 million has been provided to local agencies through the program. More than 30,000 acres of land have been acquired in Indiana with Land and Water Conservation Fund assistance for public outdoor recreation use and conservation.
Industrial Development Grant Fund	The Industrial Development Grant Fund (IDGF) provides assistance to municipalities and other eligible entities as defined under I.C. 5-28-25-1 for eligible public infrastructure costs. Eligible infrastructure expenses include lease, purchase, construction, or repair of real and personal public property; preparation of surveys, plans and specifications for construction of publicly owned and operated facilities, utilities, and services; construction of tourist attractions etc.

## **Communication Strategy and Outreach**

### **State and Local Entities**

In order to ensure that Burns Harbor is well positioned within the state and the region, it is essential for Town representatives to communicate regularly and clearly with local, regional, and state officials. Burns Harbor should work to continually articulate its strong vision, plan for the future, and outline “shovel ready” projects, along with the associated potential economic impact on the region or county. Examples of this outreach strategy include regularly attending NIRPC meetings, liaising with Indiana Dunes Tourism, the RDA and other state organizations, and enhancing the Town’s reputation as a regionally engaged town. Positive recognition for the Town at the local and state levels and ongoing discussions with various decision makers is a proactive way for Burns Harbor to stay engaged and be aware of state and local funding priorities.

### **The Community**

Although maintaining discourse with local, state and regional decision makers is important, ongoing and open communication with the Burns Harbor community is essential to ensuring future development goals are met. The large number of people who attended the RDC community update in July 2015 is a clear example of how many people within the community care about its future and want to be engaged. The Town and the RDC must continue to reach out to the community prior to and as projects develop.

Priority projects will offer new opportunities for Town residents to open businesses, and communication will be key to sharing these potential opportunities. Frequent input from the community will ensure that development proceeds in a direction that is aligned with the goals and objectives of the broader community, including local residents, employees and business owners. Lastly, communication and marketing of events, festivities and daily happenings will be essential to ensuring maximum community pride, participation and success.

## **Business Attraction/Retention**

The Town has been improving its image through a variety of channels including increased visibility in the local and regional media, an improved and modern website, and an expression of a clear common vision for the future. In addition to these measures, the Town should proactively seek out business opportunities by targeting various potential investors, developers and operators.

It is recommended that the Town develop and launch a Burns Harbor Investment Incentive Package (“BHIIP”) to attract prospective businesses. This package can include everything from a clear process for approvals, to user-friendly, easy-to-decipher incentives that the Town can offer. The list of incentives can include items such as tax rebates/abatements, land subsidies, zoning relief, small or large business grants, and reimbursements for mixed-use developments.

## **Continuity**

This document has outlined proposed priority projects, including interim activation projects that can be implemented in the short term. These priority projects require ongoing exploration of funding, outreach and community support, and discussions with potential investors, developers, and operators. Successful implementation of these projects also requires an experienced and dedicated team.

Development takes time and Burns Harbor will have to be both proactive and patient in order begin to realize the vision for the Town. The next step of LWLP’s involvement with the Town will be to complete an implementation roadmap. This roadmap will build on the projects and initiatives outlined in this business and activation plan and present the RDC and the Town will an action plan that will guide the next step and implementation strategies for the Town.

# Next Steps: Implementation

- Refine plans and detailed development program;
- Refine financial and funding strategies to realize targeted projects and initiatives;
- Review existing guidelines, phasing, budget and staffing needs relating to the implementation of the recommended plan;
- Identify appropriate partners (landowners, investors, developers, tenants, etc.) for implementation;
- Develop a phased implementation plan organized around short-term, medium-term and long-term outcomes;
- Identify measurable benchmark goals for the priority projects along with supporting strategies to achieve benchmarks;
- Focus on additional action-oriented initiatives and directives for the Town;
- Identify and prioritize potential anchor and/or secondary tenants in a prospecting list;
- Identify funding and financing partners and/or mechanisms for development, as well as strategies to initiate/incentivize targeted deals;
- Begin negotiations with appropriate tenants, operators, investors, developers, landowners, or other partners;
- Continue to identify and implement high-return interim events or activities to activate Burns Harbor immediately;
- Continue to identify and implement community drivers, daily rituals, and public space experience matrix that will reinforce the vision for the Town; and
- Continue implementation process of Interim Activation Plan and prepare for handoff to appropriate parties.



# Appendix A: Economic Impact Study

The following excerpt outlines the methodology used by Willdan Financial Services to the model potential economic impacts of some of the proposed priority projects for Burns Harbor.

## Overview and Methodology

The economic impact analysis conducted for this report utilizes IMPLAN (Impact Analysis for Planning), an Input-Output (I/O) model developed by the Minnesota IMPLAN Group. Based upon certain inputs and assumptions, and utilizing appropriate local data sets, the IMPLAN model calculates the relationships among industries, consumers, government suppliers, and other economic actors, and synthesizes data from a variety of sources, including the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the Census Bureau. The IMPLAN model divides the US economy into 440 sectors and can be tailored down to individual zip codes depending upon specific project parameters and drawing from data and relationships for that defined area.

For each analytical task the model is tailored to a particular region or geography. In this case, the model estimates impacts for Porter County only. The IMPLAN model is regularly used all over the country to measure the impacts of development and many other activities that affect employment or expenditures in the economy.

Models such as IMPLAN are particularly useful for measuring the total economic effects of a particular project or program, and yield estimates of the number and types of jobs created, the amount of wages associated with those jobs, and the total economic output or “final sales” generated within particular industries. I/O models like IMPLAN rely upon economic “multipliers” that mathematically represent the relationship between the initial change in one sector of the economy and the corresponding effect of that change on other interdependent industry sectors, as well as the effect of that subsequent change on further sectors. These effects are commonly described as “direct,” “indirect,” and “induced” and are generally defined as follows:

- The “direct” effect is the initial change in economic activity from local payroll and construction expenditures in a specific industry or sector. For the Burns Harbor projects, for example, the direct effects to Porter County are the wages and other expenditures at the site (and with County businesses), both during construction and operation of the proposed facility.
- The “indirect” effect results from industry-industry transactions required to support the direct activity. This effect is a measure of the change in the output of suppliers linked to the industry being evaluated. In the case of the prototype projects, for example, construction will result in an increase in purchases of building materials, engineering and consulting services, and other goods from “business to business” suppliers in Porter County.

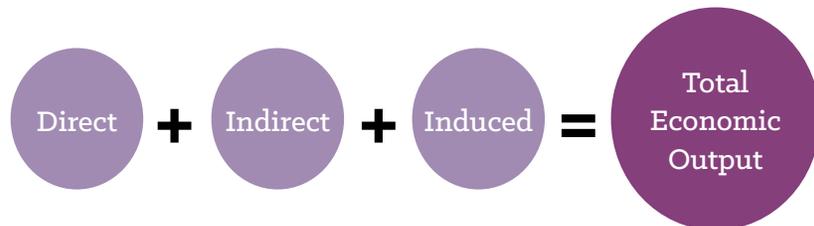
- The “induced” effect consists of employee spending in Porter County by employees, created by direct and indirect impacts, spending their earnings on local goods and services, such as food, clothing, real estate, education, health services, etc.

The total economic impact of the project is the sum of the direct, indirect, and induced impacts, offset by any economic loss related to the change in the use of the land. The IMPLAN model is designed to identify the types and magnitudes of impacts within a specified geographic area, and can be tailored by station, county, zip code and other parameters. For this analysis the IMPLAN model has been set up to measure impacts within the economy of Porter County.

Within each type of economic impact the IMPLAN model estimates several subcategories or components. “Earnings” consists of the actual compensation, including benefits, paid to employees. “Value Added”, which is not detailed in this report, is the total revenue generated less the cost of the inputs used to generate that revenue. For example, the Value Added for a retail store would be the total sales of the store after subtracting the cost of labor (Earnings), rent, payments to wholesalers, etc. In rough terms, the “value added” is the profit of a business. “Economic Output” is the sum of Earnings and Value Added.

Several points are important to make as caveats to the IMPLAN estimates. First, the IMPLAN model calculates economic relationships based on 2010 data (the latest available for this purpose), and therefore the analysis assumes that no fundamental changes have occurred in the economic relationships within the County since then, and that those relationships are a reasonable basis to predict future relationships. Willdan is not aware of any fundamental changes in the Porter County economy that would invalidate the results of analysis based on 2009 economic relationships.

Second, I/O modeling generally assumes that demand for goods and services by industries or households increases in relation to an increase in income, and that an increase in demand results in a proportional increase in local supply and employment. This implies that local suppliers satisfy this initial demand by increasing their output and hiring additional workers rather than shifting their goods or services from one set of consumers to another. This assumption may not hold in areas with tight labor or capital markets since suppliers may find it difficult to obtain these labor or material inputs or other resources necessary to expand production. Considering the scale of the proposed project and the size of the economic study area (Porter County) this is not likely to be a factor.



*Offset by any economic loss related to the change in the use of the land*

## Economic Impact Analysis Assumptions

Item	SF	Cost/SF	Total	sales/sf	sales	employees	income	total inc
Regional Marketplace								
Indoor	20,000	\$250	\$5,000,000	200	\$ 4,000,000	N/A	N/A	N/A
Outdoor	20,000	\$100	\$2,000,000		\$ -			
Shipping Container Village								
Indoor	2,400	\$150	\$360,000	200	\$ 480,000	N/A	N/A	N/A
Outdoor	1,000	\$100	\$100,000		\$ -			
Light Industrial	450,000	\$250	\$112,500,000			1000	\$ 35,000	\$ 35,000,000
Agriculture	15,000	250	\$3,750,000			50	\$ 25,000	\$ 1,250,000
Mixed Use Medical								
Medical Complex	80,000	350	\$28,000,000			267	\$ 45,000	\$ 12,000,000
Grocery Store	20,000	250	\$5,000,000	350	\$ 7,000,000			
Mixed Use MF	100,000	300	\$30,000,000					

Willdan, 2015

## Appendix B: References

Indiana University Public Policy Institute, 2014 “A Brief Look at TIF in Indiana” [http://policyinstitute.iu.edu/uploads/PublicationFiles/TIF\\_Report\\_2014.pdf](http://policyinstitute.iu.edu/uploads/PublicationFiles/TIF_Report_2014.pdf)

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# Appendix C: Additional Consultants

## **American Structurepoint**

Since opening their doors in 1966, American Structurepoint's mission has been to improve quality of life through their commitment to communities.

Today, American Structurepoint employs more than 375 professionals working in-house across 11 disciplines. Their award-winning team understands how to successfully move projects from concept to completion. They provide a wealth of experience and resources dedicated to helping turn vision into reality. Offering strength in numbers, stability that lasts, and innovative solutions, American Structurepoint provides complete planning, consulting, and comprehensive design services.

### Planning

American Structurepoint helps communities develop their vision for where they live, work, and play. Their certified planners have expertise in urban planning and design, economic development, land planning, and transportation planning. Services provided by American Structurepoint include comprehensive and focused community planning, zoning and development control ordinances, land and site master planning for development, strategic planning and visioning, public participation exercises, annexation and growth plans, as well as focused studies and analyses. Combined with their other services, American Structurepoint's interdisciplinary approach to planning assures the creation of plans that are attainable and implementable.

## **Navigant**

Navigant (NYSE: NCI) is a specialized, global expert services firm dedicated to assisting clients in creating and protecting value in the face of critical business risks and opportunities. Through senior level engagement with clients, Navigant professionals combine technical expertise in Disputes and Investigations, Economics, Financial Advisory and Management Consulting, with business pragmatism in the highly regulated Construction, Energy, Financial Services and Healthcare industries to support clients in addressing their most critical business needs.

### Healthcare

Navigant is ranked 5th in the *Modern Healthcare* list of Top 20 Healthcare Management Consulting Firms.

Navigant brings together a team of more than 1,300 seasoned healthcare consulting professionals and industry thought leaders. They assist health systems, physician practice groups, payers and life sciences companies in designing, developing, and implementing integrated, technology-enabled solutions that create high-performing healthcare organizations. With their unique interdisciplinary approach leveraging the depth and breadth of their experience as healthcare executives, clinicians, and physicians, they enable clients to build their capabilities and achieve sustainable peak performance around quality of care, cost, leadership, and culture in today's changing healthcare environment.

The Navigant Center for Healthcare Research and Policy Analysis focuses on trends and issues relevant to each of the industry's major sectors. The Center's role is to monitor signals from the market, identify innovative solutions and facilitate implementation in this fast-changing environment.

## **Willdan**

Founded in 1964, Willdan Group, Inc. is a leading nationwide provider of value-added professional technical and consulting services. The primary markets Willdan serves are: energy; infrastructure and transportation; municipal engineering, planning, and staff augmentation; economic and financial analysis; and homeland security and emergency management. The company serves these four complementary markets through its four service segments — engineering (Willdan Engineering), energy efficiency (Willdan Energy Solutions), public finance (Willdan Financial Services) and homeland security (Willdan Homeland Solutions).

Willdan has a reputation for delivering high-quality projects on time and within budget. Rooted in Willdan's corporate culture is its focus on quality customer service. The company has more than 600 employees, including licensed engineers, program and construction managers, financial analysts, planners, and other skilled professionals. Willdan benefits from well-established relationships with local and state government agencies, investor-owned and municipal utilities, and private sector commercial and industrial firms throughout the United States. The company served more than 800 distinct clients in 2013. Headquartered in Anaheim, the company operates from offices in more than a dozen states across the US.

## **Fiscal and Economic Impact Analysis**

Fiscal impact analysis is an important tool to estimate the effect of proposed policies and plans on ongoing operating and capital revenues, and costs to a public agency of providing services. Similarly, economic impact analysis estimates the effects of proposed development plans or changes in planning or policy assumptions on local economic activities.

Willdan Financial Services has managed numerous fiscal impact studies for a broad range of clients, helping them address a range of policy issues:

- Fiscal and economic impacts of land use policies and plans;
- Fiscal and economic impacts of growth control and tax limitation ballot initiatives;
- City/county tax sharing agreements for annexations; and
- The feasibility of proposed city incorporations and annexations.

# Disclaimer

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