

FALL CREEK PLACE INDIANAPOLIS, INDIANA

History of the Site

The neighborhood now known as Fall Creek Place covers a 26-block area on the near north side of Indianapolis, Indiana. In the second half of the 20th century, the neighborhood underwent a downward spiral of neglect and decay as it lost a significant portion of its population to the suburbs. The area became impoverished, and depopulation and deterioration was so severe that, between 1959 and 1999, 75 percent of the homes were demolished and never replaced.¹ Some remaining homes stood abandoned, and crime rates rapidly increased in the neighborhood, which had come to be known as “Dodge City.”

Given such circumstances, the redevelopment potential for brownfields in and around the neighborhood was significantly impaired. There are at least five brownfields in the neighborhood; one is an idle dry cleaner and four are former gas stations. Three of the four gas station sites are idle; one dated back to the 1940s, the second dated back to the 1960s, and the third had already been reused as a church (referred to herein as the church site). The fourth former gas station is in reuse as a tire shop. Two idle gas stations and the dry cleaner are located in the middle of the neighborhood; the tire shop and church site are located in the southern portion of the neighborhood.

Setting Sites on Redevelopment

In 1998, the city of Indianapolis received a \$4 million Homeownership Zone grant from the U.S. Department of Housing and Urban Development (HUD) to revitalize and transform Dodge City. The Homeownership Zone program supports the construction of affordable, private housing in economically depressed inner cities. With the HUD grant in place, the city acquired most of the vacant property in the neighborhood and entered into a public-private partnership with several organizations (*see sidebar on page 8*) in an effort to redesign and rebuild the neighborhood. Homeownership Zone money was used to buy approximately 300 of the 500 parcels of land that formed the project area. Community Development Block Grant funding was used to purchase an additional 200 parcels. A small percentage of parcels was acquired by eminent domain, usually in cases where the landowner could not be found. The Homeownership Zone project area was named Fall Creek Place, and the revitalization plan called for a mixed-use neighborhood with new urbanist design that included building new single-family homes and townhomes, renovating some existing houses, strengthening and expanding retail, adding amenities such as new parks and street trees, and improving roads, lighting, and sidewalks.

Addressing the Brownfields

The brownfields served as obstacles to implementing the redevelopment plan for Fall Creek Place. They were incompatible with the surrounding redevelopment, and the reuses would have a significant impact on the cohesiveness of the neighborhood and its design. To have more control over the type of reuse that would take place, and to ensure redevelopment of the sites within the same timeline as the Fall Creek Place development, the city sought to purchase the brownfields. The city was able to buy the dry cleaner site, one of the former gas station sites, and the church site from the landowners. One of the former gas station sites was taken by eminent domain because the owner could not be found. Even though the tire shop is still in operation, partners of the Fall Creek Place project are trying to purchase the site from the landowner. The city will help the project partners by assisting with environmental issues that may need to be addressed at the site.

Each of the brownfields is in a different stage of redevelopment. Preliminary assessments of the two idle gas stations centrally

located in the neighborhood indicate that contamination is not significant; the groundwater is deep and has been unaffected. U.S. Environmental Protection Agency (EPA) funding through the underground storage tank (UST) USTfields program in the amount of \$100,000 will be applied toward costs of removing the tanks from the site, conducting further assessment, and addressing petroleum contamination. The two sites, as well as the nearly idle dry cleaner site, are planned for mixed-use development with commercial or retail use on the ground floor and residential units and/or home office space above.

Preliminary assessments of the brownfields located in the southern portion of Falls Creek Place indicate some groundwater contamination, but the level of contamination does not pose a significant public health threat and is likely to be cleaned within two years. The site reuses are likely to be commercial. The city will conduct geophysical investigation of properties to determine if there are USTs. If USTs are present, the city plans to work with the Indiana Department of Environmental Management to secure



The idle dry cleaner is on a corner lot with new homes on adjacent property (*left*). The church site has been cleared of all structures in preparation for redevelopment (*right*).

some state Petroleum Remediation Grant Incentive funding. Even though the city does not own the site of the tire shop, it is recommending the site for the city's Brownfields Grant and Loan Program. This program can provide not-for-profit project sponsors with up to \$10,000 in grant funds for environmental assessment and cleanup activities, and requires a 50 percent award match; for-profit project sponsors are eligible to receive up to \$10,000 in low- or no-interest loans for brownfields environmental assessment and cleanup activities

Applying a Co-location Approach

A co-location approach was critical to the success of the neighborhood revitalization and the redevelopment of the brownfields. Brownfields in the vicinity of what is now Fall Creek Place were an additional challenge to the revitalization of the neighborhood, and the neighborhood conditions (i.e., vacant properties, decaying structures, poor infrastructure, and crime) made the brownfields undesirable locations for developers. Only by addressing the neighborhood conditions would the brownfields become marketable properties. Furthermore, redeveloping brownfields would facilitate land uses compatible with the Fall Creek Place plan, as well as identify and address contamination issues that might be real or perceived health threats to prospective homebuyers.

The city's investment and dedication of resources to address the brownfields were deliberate. The city recognized the need to

revitalize the brownfields in such a way that they would fit within the new context of the neighborhood. The Fall Creek Place project made the brownfields ripe for redevelopment. Without the Fall Creek Place project, it is unlikely that the brownfields sites within the neighborhood's boundaries would have been funding priorities. Rather than leave a deterrent in place, the city took a co-location approach to redevelopment and created an opportunity for development that otherwise would not have been feasible.

The city's role in acquiring the brownfields and preparing them for redevelopment in conjunction with the development of the vacant properties also helped to maintain the intended character and design of Fall Creek Place. While the neighborhood is predominantly residential, the brownfields sites constituted a significant portion of the commercially zoned properties. Keeping these sites commercial—rather than having them remediated and redeveloped for housing, as the vacant properties were—will allow the sites to offer retail and other daily conveniences and amenities to the residents of Fall Creek Place. The city issued requests for proposals for the purchase and redevelopment of the former brownfields, which contained some criteria relevant to the specific neighborhood context, such as that the proposed development be compatible with new urbanist design concepts and principles.

The HUD Homeownership Zone funding was an important resource supporting the co-location approach to the neighborhood revitalization plan. The HUD funding

gave the city the resources to take on an ambitious and expensive project. If the city had decided to attempt revitalization without the HUD funding (or another large grant), the redevelopment would have had to be done on a piecemeal basis, as money became available. Such an approach would have required brownfields and vacant property issues to be addressed independently, which may not have been enough of a catalyst to revive the neighborhood, as each set of properties would have influenced the other's marketability and redevelopment potential. The HUD money also enabled the city to take on Fall Creek Place without having to drain significant resources from other city projects, programs, or departments; the revitalization of one neighborhood did not come at the expense of another.

The co-location approach to redevelopment turned out to be strategic because it enabled the city to acquire significant amounts of land at prices that made the revitalization project possible with available resources. Land acquisition for the project was phased, though the bulk of acquisition was done at the start of the project. The city was able to acquire most of the vacant properties and brownfields in the neighborhood for about \$3,000 to \$5,000 each. However, in the latter phases of land acquisition, the city found the properties to be increasing in value because of the revitalization project. Toward the final stages of land acquisition, some parcels that might have been valued at just \$3,000 before the start of the Fall Creek Place project were being appraised at \$12,000. This scenario exemplifies another benefit to co-location: If the city attempted a site-by-site approach, it

Sidebar: The Fall Creek Place Partnership

Fall Creek Place is the result of a unique partnership among members of the public and private sectors:

The city of Indianapolis provided subsidies and incentives to ensure a mix of low- and moderate-income and market-rate buyers, a \$10 million bond to finance infrastructure, HUD Community Development Block Grant and HOME grants for down-payment assistance, and resources from its EPA brownfields grant. The city also paid for removal of subsurface debris from basements of demolished houses, and acquired all the land.

HUD awarded the city of Indianapolis a \$4 million Homeownership Zone grant, most of which was used for property acquisition and relocation of residents who had been living in rental housing within the redevelopment area.

Mansur Real Estate Services was selected as the Fall Creek Place project developer to oversee the implementation of the neighborhood master plan, and to coordinate the builders and the marketing efforts.

Historic Landmarks Foundation of Indiana saves, restores, and celebrates historic structures and promotes preservation. The organization participated in renovating and restoring historic homes.

King Park Area Development Corporation, a not-for-profit organization committed to improving housing and economic conditions, funds home repair and rehabilitation to provide safe, clean, and affordable housing in six neighborhoods north of downtown Indianapolis and participated in home renovations throughout Fall Creek Place.

Citizen's Gas, the local gas utility company, donated \$50,000 for construction of the Fall Creek Place sales center and provided \$1,500 at closing to those who selected natural gas for their homes.

Six local banks offered discounted mortgage rates (at an average rate of 1 percent below conventional standard rates) and down-payment assistance for all buyers.

is possible that surrounding parcels would have increased in value wherein the city and its partners may not have been able to afford acquisition of all the properties needed for the Fall Creek Place project and the successful revitalization of the distressed neighborhood.

Redevelopment Result

Fall Creek Place is scheduled to be completed by the end of 2004. In total, it is estimated that 243 single-family homes and 87 townhouses will have been built and that 46 houses will have been rehabilitated. Though the basic infrastructure is in tact, significant enhancements to the neighborhood are needed. Amenities such as new parks, sidewalks, street trees, lighting, and bus shelters, as well as improvements to intersections and bridges, will be added. The cost for these hard and soft infrastructure elements are estimated at \$13 million. Tax increment financing and \$10 million in bond money are being used to fund some of the projects.

Falls Creek Place has gained significant notoriety and popularity on local and national levels. Homes in Fall Creek Place have been in high demand since the ceremonial groundbreaking in July 2001 (there were over 200 contracts for new homes within one year). Falls Creek Place and its partners have been distinguished with several awards, including the Indiana Association of Cities and Towns' Community Achievement Award, Excellence in Design by the organization Keep Indianapolis Beautiful, and the American Planning Association's 2003 Outstanding Planning Award for Implementing Smart Growth.

While Fall Creek Place is bringing new residents to the area, there are measures in place to curb gentrification. HUD required the city to pledge that 51 percent of new housing units would be sold to households earning 80 percent or less of the city's area median income. In addition, the city committed to not buying out any existing owner-occupied units in the redevelopment area. Several local banks also offered discounted



New and refurbished homes of Fall Creek Place.

mortgage rates and down-payment assistance for all buyers. Homes have sold for as low as \$94,000 and as high as \$250,000.

Conclusion

As demonstrated in the Fall Creek Place project, co-location development strategies are particularly relevant for infill projects. Fall Creek Place is located less than two miles from downtown and is ideal for residents who appreciate the benefits of downtown living. It is likely that development in or near previously developed areas throughout the country (such as downtowns) will encounter brownfields, and that the proximity of brownfields to other distressed properties, such as vacant properties and blighted neighborhoods, will negatively influence each parcel's individual redevelopment

potential. Addressing revitalization of multiple sites along a common timeline creates an opportunity to overcome the stigma that typically cripples the redevelopment potential of distressed properties clustered in previously developed areas. As such, these co-location redevelopment efforts can complement local infill or smart growth goals.

Considering redevelopment from a co-location perspective also results in identifying new development opportunities, such as in areas where revitalization may not have seemed possible or where individual parcels were deemed unmarketable because of their locations. Through co-location, new sets of neighborhoods and properties gain redevelopment potential and can yield unique results. For example, a distinguishing feature that contributes to the success and popularity of Fall Creek Place is that "unlike many of the housing developments surrounding Indianapolis, it's a neighborhood that wasn't carved out of a cornfield overnight."² While valuable from a marketing perspective, that characteristic alone would not compensate for the risks, challenges, and barriers that could have been involved in attempting to transform Dodge City into Fall Creek Place on a parcel-by-parcel basis. Co-location was a key in making redevelopment of the neighborhood feasible.

Regardless of co-location benefits, area-wide redevelopment can be challenging. Addressing multiple sites in a redevelopment effort requires significant time and financial investment to plan and implement. As demonstrated in the case of Fall Creek Place, partners are important because they can con-



The location of Fall Creek Place is ideal for people who enjoy downtown living. *Map by Hiron & Company.*

tribute resources, as well as help fuel and drive a redevelopment effort. Furthermore, large-scale revitalization projects that will yield significant and demonstrable improvements in quality of life may become higher priorities for local resource allocation and warrant application of funding sources and mechanisms that may not be appropriate for single-parcel redevelopment, such as large federal grants. In these ways, the benefits and opportunities that co-location can yield for garnering resources may make it a strategic approach when devising a revitalization plan.●

Endnotes

¹ New Urban News

² <http://www.fallcreekplace.com>

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