

A ULI VIRTUAL ADVISORY SERVICES PANEL EXECUTIVE SUMMARY REPORT

DOWNTOWN HAMMOND, INDIANA

A Development Strategy for Revitalization
and Renewal

March 22–25, 2021



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About the Urban Land Institute

THE URBAN LAND INSTITUTE is a global, member-driven organization comprising more than 45,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and the Asia Pacific region, with members in 80 countries.

ULI's extraordinary impact on land use decision making is based on its members' sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. In 2020 alone, more than 2,600 events were held in cities around the world. Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

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

About ULI Advisory Services

The goal of the [ULI ADVISORY SERVICES](#) program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 700 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and are screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a two-and-a-half-day virtual Advisory Services panel (vASP) offering is tailored to meet a sponsor's needs. For a virtual panel, ULI members are briefed by the sponsor, engage with stakeholders through in-depth interviews, deliberate on their recommendations, and make a final presentation of those recommendations. A written executive summary report is prepared as a final deliverable.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's vASP assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this vASP executive summary report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

Acknowledgments

On behalf of the Urban Land Institute, the panel would like to thank the city of Hammond, especially Mayor Thomas M. McDermott Jr., who challenged his staff and the community to find an innovative solution for revitalization of downtown, and the Hammond Common Council for their commitment to improving downtown.

Thanks also go to chief of staff Phil Taillon, corporation counsel Kevin Smith, and executive director of planning and development Africa Tarver and tax increment finance program coordinator Juan Moreno. Their support and encouragement were particularly helpful in the panel's ability to understand the city. Special thanks go to director of economic development Anne Anderson, who acted as the primary liaison with the ULI Advisory Services panel.

Finally, the panel thanks the more than 50 residents, real estate industry members, business and community leaders, and representatives from Hammond and its institutions who shared their perspectives, experiences, and insights with the panel throughout this virtual exercise.



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Background and the Panel's Assignment

In 2020, the city of Hammond approached the Urban Land Institute requesting an Advisory Services panel to provide recommendations on the city's downtown. Through the ULI Foundation and a generous donation from John Bucksbaum, a virtual Advisory Services panel (vASP) was conducted in March 2021.

The vASP agenda is tailored to meet a sponsor's needs. ULI members are briefed by the sponsor, engage with stakeholders through in-depth interviews, deliberate on their recommendations, and make a final presentation of those recommendations. The stakeholder interviews are key to success of the panel process. In addition to the city staff, the ULI panel was able to interview more than 50 stakeholders representing the citizens and business community as well as organizations involved in land use, transportation, and municipal management in the northwest Indiana area.

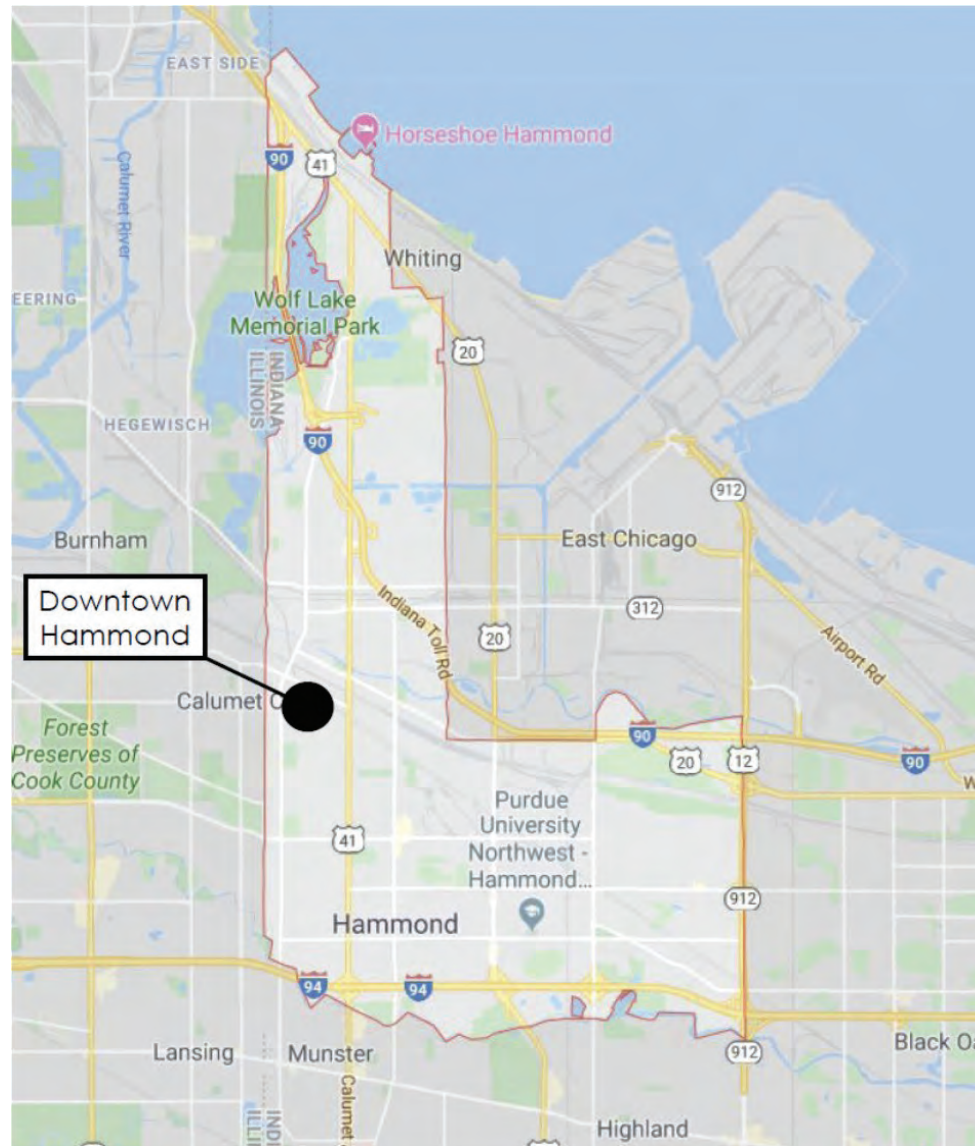


WJOB

Sponsor's Prospective

“Having served on various ULI Advisory Services panels, I am grateful to ULI and the membership of ULI for offering their services to the communities seeking ULI’s expertise, involvement, and suggestions. Concurrently, I applaud the communities for having the openness and curiosity to invite strangers into their neighborhoods to help them think, plan, and innovate for the future. Cities and towns throughout the world, whether large or small, urban or rural, have challenges that always need to be met. ULI and its Advisory Services program have been instrumental in providing objective and actionable advice to tackle these issues in communities underserved by retail operations across our country. For healthy communities to exist, they need healthy retail. ULI is laying the groundwork for this type of future success, which will then help bring about the evolution of other groups to take action and commit to our neighborhoods.”

—John Bucksbaum
CEO, Bucksbaum Properties



Regional map.



FLICKER

Downtown Hammond looking south along Hohman Avenue with Rimbach Square in the foreground.



CITY OF HAMMOND

The Downtown Master Plan adopted in 2018 provides an innovative and exciting vision for the future of Hammond.

The City of Hammond

Hammond is located in northwest Indiana in Lake County. With a population of 81,000, Hammond is part of the Chicago metropolitan area. It is an energetic, diverse city bordering Chicago and Lake Michigan to the north and smaller communities to the south. At its center is Hammond's downtown, the heart of its community. Once bustling with retail, the downtown has seen a downturn typical of many across the country caused by mall culture and commercial migration to nearby suburbs.

Mayor Thomas J. McDermott challenged his team to find an innovative solution for downtown, and in November 2019, Speck & Associates completed an innovative and exciting vision for the future of Hammond. With a specific focus on the impact of the future train station and the increasingly beneficial demand for housing, the Downtown Master Plan developed by Speck's team reimagines the downtown core as a walkable destination for millennials and boomers alike. The plan is built around three urban design elements: usefulness, safety, and comfort.

The plan suggests changes for land use before, during, and after the arrival of a new train station located just one block from

the downtown core. The station will better connect Hammond with Chicago and will be key to the revitalization of downtown. The plan also suggests how several of the blocks can be used for different housing types and makes recommendations about how Hohman Avenue can be redesigned to accommodate an enhanced hardscape and landscape elements. Central to this vision is the realignment of Rimbach Street and an enhanced public realm that includes a public square (Rimbach Square) that becomes the new central organizing feature for the entire downtown.

The ULI panel commends and agrees with this new master plan and has several suggestions for enhancing it.

The Panel's Assignment

The city of Hammond asked ULI to evaluate the recently adopted Downtown Master Plan and provide strategic advice regarding the following:

- How to best repurpose city-owned property in downtown;
- How to leverage the financial resources available to the city; and
- How to attract retail in first-floor and vacant space.

The decline of retail in downtown Hammond is of concern to the city, especially given the depressed retail environment caused by the COVID-19 pandemic. By attracting retail to the downtown and seeking recommendations for implementing Speck's Downtown Master Plan, the city of Hammond sought to strengthen and enliven its downtown and the city as a whole.

Summary of Panel Recommendations

The panel recommended a series of organizational and physical elements that provide a blueprint for the downtown areas. They can be summarized with the following 10 items:

- Refine the downtown vision to focus development, public realm investment, and building revitalization along and around Hohman Avenue in downtown's core to create a critical mass of activity and amenities.
- Modify the open space and amenities components in the master plan for Hohman Avenue to accommodate wider sidewalks and a larger town square that will act as the centerpiece of redevelopment.
- Establish and encourage an arts and culture program to function as an additional central organizing feature for the entire revitalization effort.
- Create a new small-scale indoor/outdoor performance space on the first block of Hohman Avenue.
- Create a comprehensive communications plan and community engagement initiative to share information, solicit input, and inform the citizens and business community about the city's efforts in downtown.

- Rehabilitate and re-tenant several ground-floor retail spaces that can act as catalysts for downtown activity.
- Create a restaurant incubator to supplement the existing new restaurant along the first block of Hohman Avenue.
- Provide city support for the revitalization effort by creating three teams of city employees:
 - Activation Team dedicated to sparking energy and engaging community;
 - Real Estate Team determined to fill open storefronts and bring jobs downtown; and
 - Public Realm Team disciplined to build a creative place and keep the public realm clean and safe.
- Create proactive partnerships that focus on
 - Housing;
 - Retail;
 - Entertainment; and
 - Jobs.
- Create a \$30 million to \$40 million Downtown Hammond Development Fund to supply patient money for loans, uses, and governance.

Land Economics of the Study Area

No land use and economic development initiative can be successful if those involved do not understand the underlying market trends that affect the specific locations of the initiative. ULI panels typically assess the real estate market to understand these trends. ULI believes that successful community planning, land use, and economic development policy can best be defined as public actions that generate a desirable, widespread, and sustainable private market reaction.

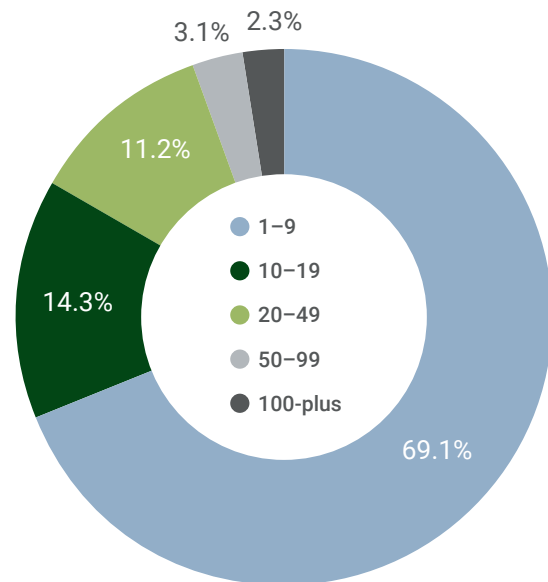


Existing Conditions

Overall, Lake County has been a slow growth market for both population and employment. Looking back over the longer term, population peaked in the 1970s. Since bottoming out in 1990, Lake County has roughly maintained its population base, although this has translated into limited real growth. Likewise, the county's job engine has generated limited real gains over the last economic growth cycle from 2015 to 2019 (pre-COVID). During this period, the region's job base has been steady overall, with the employment base remaining relatively stable at 165,000 to 166,000 jobs.

Even though total job numbers have been static, there has been change in the community. Each employment sector has had some gains. Industries that have been expanding include administration, casino-related businesses, and some logistics activity. Importantly, many sectors that relate directly to uses found in a typical downtown, such as office functions, have seen minimal to negative growth since 2015. Jobs in Lake County also tend to be dominated by smaller companies, so growth that is taking place is more difficult to identify.

Also important to the economy is the gaming industry. The Horseshoe Hammond Indiana Casino is located on the lakefront in the extreme northwest of the city. About one-third of the city's \$85 million budget is provided by gaming revenues. That source was significantly affected by the downturn associated with the pandemic.



The job base in Lake County is dominated by small companies; 83 percent have fewer than 20 workers.

This slower growth makes revitalizing the downtown more challenging because it is not simply a matter of identifying growth opportunities and redirecting them to the downtown by providing space options or nominal incentives. Rather, to get more "feet on the ground" will require creating partnerships that seek out and identify potential new users.

Superficially, this might sound as if new downtown housing will be difficult to initiate. Hammond's downtown is at a turning point because the plan being undertaken will be a "new place" on the map, creating interest. In addition, the new transit availability at the downtown train station will enhance its location. Moreover, Indiana is viewed as more economically "healthy" than Illinois in areas such as lower taxes and affordability. These factors position Hammond with the unique opportunity to attract any Illinois exodus.

Market Potential

Based on input from various local brokers, property owners, and the panel's knowledge of the greater Chicago and northwest Indiana region, the panel can provide some insight into likely uses and demand for each land use type. An important component of attracting these uses will be the success of the placemaking initiatives and the organizational structure suggested in this report and in the Downtown Master Plan. Also important will be the commitment of the public sector to implementing these recommendations.

In addition, the panel's general observations are bolstered by the research done as part of the market analysis in the Downtown Master Plan.

Office

Positioning downtown Hammond as a hub of employment will boost the daytime population, driving demand for retail, dining, and services. Despite COVID's effects on dense urban areas such as the Chicago central business district, the panel expects suburban areas to see stable to increasing

demand for smaller-scale and less dense office properties. The low-rise office stock in downtown Hammond is particularly well positioned to capture this demand. Furthermore, the local office tenant base is likely not commuting via public transit as in urban areas.

A specific effort should be undertaken to approach both Purdue University and the Franciscan Health Hammond hospital to explore additional needs for office and employment spaces. Several catalytic spaces for such uses are covered in the following section of this report.

Retail

Dining, services, and amenities will support and further attract the office-using population. Although the retail sector is changing, dining and experiential-based retail are still vital needs. Several blocks exist with ground-floor space that must be an integral part of the new urban design plan outlined in the Downtown Master Plan. The panel was impressed with the existing stock of buildings with great bones and, most important, character. The panel looks to the adjacent city of Whiting's thriving 119th Street Corridor and sees potential for Hohman Avenue.

Residential

Even though recent trends show little residential growth, the panel believes that several factors show increasing demand for residential development in downtown Hammond. Most important, as the region moves out of the historic slump associated with the Great Recession, the demand for both new homeownership and rental housing has increased. The pandemic has also added to potential for new housing outside the downtown Chicago with people of all ages looking for residential. The new train stations will only increase this demand, and the panel interviewed several developers and brokers who were emphatic about the potential for new units in Hammond.

The market analysis completed for the Downtown Master Plan confirms this trend and that the pent-up demand for both traditional apartments and new typologies such as rowhouses and cottages is a strong likelihood.

Near-Term Actions for Downtown

The key to accommodating the new residential and commercial uses is to have a supply of ready units or space and to have individuals who are focused on re-tenanting older structures to accommodate some of this growth. While the “Organizing for Hammond” section of this report provides suggestions about the organizational structure of a new downtown entity, it is important to consider some of the elements that will affect re-tenanting of the downtown space.

Tactical Real Estate Strategy and Activation

Businesses in Hammond currently are following a path of least resistance. They are primarily looking to other parts of town near the interstates or other communities for commercial space. The existing downtown space is generally functionally obsolescent but because it has “good bones” could be renovated to eliminate this obsolescence. New tenants need to be able to envision their business being successful here, and that can be helped if they are surrounded by other entrepreneurs and amenities. Catalytic projects at strategic

locations can provide those future entrepreneurs and business owners with an understanding of how their business may fit into the larger puzzle in downtown.

From a landlord’s perspective, vacant properties suffer from lack of exposure and marketing. The space cannot be filled if potential new businesses and tenants do not know it is available. Office and retail available vacancies are not advertised or updated on commercial MLS. Stagnant product needs the attention of a local market broker, and when progress is made to absorb existing competing space, developers will be encouraged to take on new projects.

From an occupier perspective, potential businesses and tenants are only seeing dark storefronts and that is discouraging. Marketing materials and floor plans need to state the allowed uses and show renderings of what the space could be; then the future tenants will feel confident in the market as spaces are absorbed.

Messaging and Outreach to Investors and Tenants

For developers and investors, the new downtown organization outlined later in this report should preemptively start due

diligence or remediation on key sites and buildings. It should create a site selector’s “data room” of surveys, Environmental Phase 1, market and demographic data to transparently present to developers. Tenants need to understand the time frame and cost to go from derelict space to occupancy, and having this information along with renderings, construction drawings, and permits or approvals in hand will go a long way toward closing the deal that occupies space. The Hammond Downtown Development Fund, suggested later in this report, can close the gap in the capital stack that often becomes the last issue for many prospective tenants.

Prospective tenants cannot risk construction delays affecting their ability to open on time. The Hammond Downtown Development Fund should be used for base building upgrades to mechanical, electrical, plumbing, and life safety systems and facade to get select 1,000-square-foot retail space in “vanilla box” condition. The fund could also be used to build out 2,500 square feet of generic office space to capture a broad array of potential tenants in a plug-and-play “spec suite,” furnishings and fixtures optional.

Development Program

The panel generally supports most elements of the Downtown Master Plan. The vision outlined in the previous sections of this report confirms several areas that the city and the community must concentrate on to get the whole effort started. This section of the report suggests several uses and programs to modify some elements of the urban design plan.



Open-Space Expansion

The centerpiece of a catalytic redevelopment of downtown's northern gateway, Rimbach Square extends the public space of a transformed Hohman Avenue, amenitizing a new apartment building to its north. This space is created in part by removing the S-curve from the end of Rimbach Street, and it relocates and updates the existing fountain to its south.

The concept of the new Rimbach Square as the central organizing feature for a reimagined downtown is excellent. The panel believes

that this public realm improvement should be expanded to include all the space between Rimbach and Sibley Street at a depth of about 100 feet. The current proposal for apartments can be modified to accommodate this additional open space.

In addition, the city-owned parcel to the south of Rimbach currently designated for multifamily should be open space, and that space should be planned and programmed as an extension of the Hammond Academy of Science and Technology. Programs at the school could be designed around the use and design of this new "students square."



BRITANNICA

Rimbach Square is the central organizing feature for the revitalization of downtown Hammond.

Expand Rimbach open space along Hohman to Sibley

Establish open space along Hohman south of Rimbach

Expand sidewalks on both sides of Hohman and significantly upgrade planting plan



ULI

The expansion of Rimbach Square both north and south and the widening of the sidewalks along this portion of Hohman Avenue are critical to the success of downtown revitalization.

Street Modifications

The panel recommends that the sidewalks, hardscape, and landscape areas along Hohman Avenue be expanded to a minimum of 20 feet. This can be accommodated by taking the diagonal parking out of the middle of the street. This would leave 18 feet, and requiring restaurants to recess their store-fronts five feet back from the front facade will accommodate the other space needed for full sidewalks. The shared parking strategy described in the master plan can indicate whether the lost parking spaces from the middle of Hammond Avenue need to be replaced behind the buildings on both sides of Hammond Avenue. This expansion will also permit a significant upgrade in the planting plan and street furniture.

The city may even wish to consider further expansion of open space and improving walkability by eliminating the connection of Rimbach Street to Hohman Avenue, effectively creating a cul-de-sac at the end of Rimbach Street.



Reimagining Hohman Avenue will be transformative, but walkability and functionality are key. Narrow sidewalks are a nonstarter. The before and after pictures of Main Street in Greenville, South Carolina, provide some idea of a successful transformation.

Performance Venue

The panel suggests a new performance venue behind the first block on Hohman Avenue. The panel believes such a use would not only enliven the space between the train station and Rimbach Square but also be a benefit to the Arts Alley and the uses along the first block.

The panel envisions this space as something analogous to Stage AE in Pittsburgh, albeit smaller. This facility would comprise flexible indoor/outdoor space including a stage, bar, back of house, and meeting space. The panel suggests a 10,000- to 12,000-square-foot structure with capacity of perhaps 1,000 to 2,500. This facility would be part of the programming for the entire downtown area and would complement Rimbach Square and the Towle Theatre and provide visibility to Arts Alley. It would not be intended to compete with the acts at Wolf Lake.



COOKHOUSE

Kick-starting the restaurant business is an important goal of the Downtown Master Plan. A restaurant incubator space, a shared community kitchen, or both in the buildings along the first block would cater to both new residents and visitors.



STAGE AE

Stage AE in Pittsburgh. The ULI panel recommends a similar venue (perhaps somewhat smaller than Stage AE) on the rear lots of the first block north of Rimbach Square. Combined with Arts Alley, this venue would be another catalytic development that will help support restaurants and retail along Hohman Avenue.

Catalytic Ground-Floor Spaces

The buildings along Hohman Avenue have a significant amount of vacant ground-floor space. The panel believes that concentrated attention, in the short term, to just a few of these spaces can be the catalyst for the whole downtown area.

Restaurant Incubator and Community Catering/Events Kitchen

The panel suggests investing in a restaurant incubator using several of the smaller ground-floor footprints in existing buildings on the block between Sibley Street and Fayette Street (first block). There are several models for such use.

This could initially be small scale with one or two permanent restaurants and three or four alternating spaces that change each 12 to 18 months. Alternating spaces would be fitted out with kitchen equipment funded by the city. Rent would be minimal to encourage chefs to get their start. This program could be combined with culinary programs from local colleges. It might focus on local ethnic communities, such as Jamaican, Polish, and Mexican. Another approach could use food trucks as a catalytic way to get this program started. The restaurant incubator could also be located in a section of the “maker space” building if it is more food prep, packaging, and to-go ordering.



CITY OF HAMMOND

Arts Alley is a creative and interesting reuse of existing space and provides a link between downtown and the train station.

Arts Alley and the Back Side of the First Block

The concept of Arts Alley is excellent. This can be enhanced further by considering a redesign of several buildings on the southern portions of the first block with 60-foot front portions of the buildings facing Hohman used for retail and restaurants and the rear portions of those buildings reoriented to provide additional maker space, galleries, and retail facing Arts Alley and the new performance venue.



NWI TIMES

The Bank Calumet Building is an iconic and beloved structure.

Bank Calumet Building

The Bank Calumet Building is an iconic and beloved downtown structure. The panel believes that an adaptive use project can accommodate a mixture of residential multifamily on floors two through seven, providing 65 to 70 units with a mix targeted to studios and two bedrooms with class A finishes. The ground floor has amazing historic character, and its 10,000 square feet of space can be adaptively used for retail, restaurant, or perhaps even an Artspace facility.



GOOGLE STREET VIEW

The Indiana Building is an important anchor on the west side of Hohman Avenue.

Indiana Building

The 25,000-square-foot Indiana Building should likewise be adaptively used for either residential or office. The ground floor offers a unique opportunity for a coffee shop or perhaps higher-volume, quick-service dining. This space, adjacent to the student square and Rimbach Square to the north, would provide an important anchor for the southwestern edge of the public-realm centerpiece.



The revitalization of the Hotel La Salle could provide an important catalytic boost to downtown.

Hotel La Salle

Another iconic building, the five-story Hotel La Salle, has about 29,000 square feet of space. The panel believes that retail or other residential services are appropriate for the ground floor. The upper stories can accommodate offices for Purdue University or the hospital. Alternatively, the upper floors can be explored for residential, perhaps even “micro units” for students, nurses, or visiting medical personnel.

GOOGLE STREET VIEW



The building at 5265 Hohman Avenue contains critical ground-floor space in the downtown study area.

5265 Hohman

The PIMA Building is a 62,000-square-foot building with ground-floor space that is appropriate for retail and restaurants. Built in 1926, this building has front entrances on both Hohman Avenue and Russell Street and has a sky bridge connection to the Yale Business Center to the south. The upper floors are best suited for office uses and could be marketed to either Purdue or the hospital.

GOOGLE STREET VIEW

Immediate Action

The panel believes that these buildings and projects will be catalytic to reinvigorating downtown Hammond. Some of these suggestions will need to be acted on immediately. For example, because of the narrow sidewalks, the city is currently reviewing the reconstruction of Hohman Avenue. If the current plans are approved, those sidewalks and open-space components will set the tone for the entire downtown for years to come.

Likewise the development of the city-owned parcel north of Rimbach Square is currently going through the review process. If the current plan is approved, the opportunity to extend Rimbach Square open space north to Sibley Street will be lost. Other suggestions will require an organizational structure and funding (covered later in this report) that are not as time critical.

Organizing for Hammond

The panel recommends promulgating an organization focused exclusively on managing the program that will implement the Downtown Master Plan and the suggestions of this ULI panel. To recognize that this initiative expects to see tangible and extraordinary results now, not during or after train station construction, the panel has dubbed this organization “WOW NOW.”



WOW NOW does not happen by accident. WOW takes dedication, determination, and discipline. Hammond is poised to get to WOW. Major commitments and investments are underway. Key real estate is already in the city's portfolio ready to be unlocked. Funding for a downtown train station has been committed. An excellent master plan has been developed to guide future development. All are solid building blocks to unlock the potential of downtown.

Continued investment is key now to leverage these efforts. More than ever, Hammond needs a leader and organization focused solely on downtown. While these services are currently provided by outside consultants in a number of instances, an internal staff can provide stability and align directly with the city's objectives. Hammond needs an organization whose efforts are not diverted to other important functions of city government. It needs a team of assertive and agile staff members who wake up each morning saying, "How do I get to WOW NOW?"

This will require a significant focus by the city and community leadership. It will require the dedication of the city to focus on implementing these recommendations by *allocating internal resources, discipline to avoid disruptions and diversions* of other important government services but to be *agile and assertive* enough to the job done.

New Downtown Organization

A new downtown organization focused on three major components must be established, and it must be physically located in the study area. It must be led by a competent and experienced executive-level director. It will consist of three key functional areas to spark development and engage the community.

Activation Team (1 or 2 Positions)

This team is dedicated to sparking energy, engaging community, and putting feet on streets. Activation is focused wholly on *programming* activities downtown and extolling the *cultural* diversity of the Hammond community and broader northern Indiana. These are the people dedicated to programming events such as ethnic food festivals, art festivals, winter wonderland events, holiday lights, and more. They are committed to branding and advertising the events, and their job is to bring more and more feet into downtown. Their job is to fill the calendar and get the word out for events.

Real Estate Team (1 or 2 Positions)

This team is dedicated to re-tenanting vacant buildings in downtown and improving the diversity and variety of uses in the greater downtown area. They pound the pavement to showcase Hammond to brokers and developers, gauge interest and identify gaps and opportunities, and provide a liaison to city permitting and services. They know the *retail and food* opportunities and *residential* demand. They are the ones preparing requests for proposals. They are the ones seeking out potential developers for a stage and entertainment venue. They know the details of what it takes to make a project work. They need to understand how the city can close the gap between apartment, office, or retail investor needs to make the project viable, or if the city considers a project valuable to share in the risk. They know their buildings inside and out and including move-in readiness, timing of improvements, and permitting. They know and can identify city contributions and incentives such as property tax abatements and fee waivers.

These staff members can work with city departments to fast-track applications, assist with facade repair grants, or collaborate with utility companies to mitigate startup costs.

Public Realm Team (1 or 2 Positions)

This team is focused on a clean and safe downtown. They are working with internal development staff to ensure the design standards for new projects are consistent. They are ensuring that litter is picked up and that venues are set up. They provide for maintenance of traffic and they help city officials and neighbors understand the needs of local businesses. They have prime responsibility for maintaining street furniture, trails, sidewalks, building facades, and plantings.

Of these three functions, this one can be addressed with collaboration from internal staff.

Director of Hammond WOW NOW

If the organization described here is moving individual gears to get to WOW, then the leader of this group is making it happen NOW. A leader needs to inspire others to believe in downtown, connect, and activate the energy in downtown. The leader is the music maker, the one who has an eye on all the moving parts.

This leader is passionate about and experienced in downtown redevelopment, not a novice. The individual should have seven to 10 years' experience working in a challenging

downtown. Preferably with knowledge of northern Indiana, this individual must understand the moving pieces and can manage multiple objectives at once.

The director must also be relentless in seeking grants and funding opportunities. This individual has the ear of key leadership and reports to the mayor or chief of staff. The director has the authority and ability to move across the organization to tap resources such as public works, zoning, and permitting. This individual also must have unwavering ethical standards and be trustworthy.

Building Partnerships

Around this country, successful downtown organizations have one thing that defines their success: *partnerships*. This new organization must be able to build partnerships with a variety of individuals, entities, and organizations. For Hammond these partnerships must be proactively sought out in several areas including the following.

Housing

Housing partnerships start with financial institutions and housing developers. The organization must provide the vision, the data, the commitment of the city, and the incentives necessary to gain their trust and spark their interest. This can be in the form of priority processing from the city planning department, agreements to provide second mortgages for qualified potential homeowners, and land and buildings that are appropriate for to these partners to consider for investment.

Retail

Similarly retail, though it is a smaller percentage of downtown space, is incredibly important to the health of downtown. Specific establishments such as restaurants must be sought out, and the real estate team must know the brokers operating in northwest Indiana. Again, priority processing from the city planning department and an inventory of space and buildings would be an incentive to potential food establishments. It may be necessary in the case of the catalytic sites previously mentioned to complete the necessary code and site improvements to entice users into the space.

Jobs

Several job generators already exist in the city. From the panel's perspective, Purdue University Northwest and the hospital need to be approached with several opportunities in the downtown core. Purdue could be enticed to occupy some space in the Indiana building by convincing it to partner with the Hammond Academy of Science and Technology on one of its technology curriculums. The hospital may find that space that has been made ready for use in the Hotel La Salle or 5265 Hohman may meet a need.



Entertainment

Entertainment is a difficult undertaking. As Mayor McDermott stated in the Downtown Master Plan introduction, people of all ages seek places with interesting environments that are walkable and have a sense of character and place. The programming of Rimbach Square, creating a new entertainment venue and experiencing the vibrancy along the proposed Arts Alley can make this a reality. Care should be taken to ensure that the

new performance venue does not compete with the Wolf Lake complex (an outdoor entertainment venue that can accommodate up to 15,000 people), but the scale suggested for downtown is smaller and more intimate. The key to making the entertainment partnerships work is the coordination between the several components, the cross-pollination between food, performing arts, and public realm events and drawing in both existing residents and outside visitors to the area.

Financial Toolbox

The traditional sources of private real estate development funding are conventional loans from banks to developers and investors that have a track record of success. For small businesses, similar loans from commercial banks are available.

Tools for financial assistance that are municipally controlled include tax increment financing (TIF), payment in lieu of taxes (PILOT), improvement districts (business improvement districts/community improvement districts/special assessment district), sales tax sharing (selected states), tax abatements, and land banks.

The list of other sources for local projects is long and varied, including New Markets Tax Credits (NMTCs) available from qualified community development financial institution (CDFI) lenders, EB-5 visas (Immigrant Investor

Program), foreign investment in exchange for green card, debt or equity source in layered deals, low-income housing tax credits, HOME Investment Partnership Program, Section 108 loans, Transportation Infrastructure Finance and Innovation Act (TIFIA)/Railroad Rehabilitation & Improvement Financing (RRIF), Transportation Investment Generating Economic Recovery (TIGER), U.S. Economic Development Administration programs, privatization and facility provision, foundations/civic ventures, and dozens of other sources. Identifying and accessing those sources requires a deft, experienced hand. That will take people and organizations who have done this type of work before.

The panel believes that the new residential and the re-tenanting of some of the vacant office, retail, and residential in downtown will use a conventional real estate investment and development approach, that is, a combination of private-sector equity and conventional loans. However, some of the critical and potentially catalytic uses suggested by both the ULI panel and the Downtown Master Plan will require city help, using a combination of the sources mentioned above. There is not enough private interest and private capital to fund the improvements necessary and to make the Downtown Master Plan a reality. There will be a gap, and that gap needs to be filled. It will need to be filled in a way where the private sector and the public sector are sharing the risk and sharing the benefits.

Create a Downtown Development Fund

The panel recommends the creation of a Downtown Hammond Development Fund. This fund should be exclusively for the downtown area and should be patient capital that allow the funds to be repaid over time. It should be used for some of the infrastructure and the renovations of older buildings to accommodate the needed uses. It should also be used to fund the public realm improvements and uses such as the restaurant incubator and new performance venue. This fund should be about \$30 million to \$40 million. The fund will require a stream of revenue of about \$2.5 million annually that can leverage the city's bond rating.

This fund *could* be established along the lines of the Cincinnati Center City Development Corp. (3CDC), the Erie Economic Development Council (EEDC), or the Urban Redevelopment Authority (URA) Development Fund operated in Pittsburgh 25 years ago when the city was in far worse shape than Hammond. But each of these approaches will take time to identify the corporate partners, general fund streams from the city, and philanthropic sources.

To create this fund in a timelier way, the panel suggests that the city tap into its revenue from the gaming industry. This will allow creation of the fund almost immediately and provide time for the corporate and philanthropic approach to gestate and mature.

Conclusion

The world is changing. How people shop, where they want to live, how they communicate or work, and many other forces are redefining our communities. The panel is recommending an organizational structure, some specific catalytic projects, and a funding approach that will implement the Downtown Master Plan.

If Hammond is serious about realizing the Downtown Master Plan and the additional suggestions of this Advisory Services panel, it will need to take immediate steps—steps that will require a change in behavior.

This cannot be done timidly. Clearly, downtown Hammond does not reflect the quality and vibrancy of the development that is required for the city to compete with other similar jurisdictions.

The city has a choice: continue revitalization as it has been doing or embrace the changes outlined in this report by creating the organizational structure to manage the city's revitalization efforts and establishing the Downtown Hammond Development Fund. This approach entails greater risk but has a potential of higher rewards and fulfillment and most importantly will implement the Downtown Master Plan.



CITY OF HAMMOND

About the Panel

Christopher Kurz

Panel Chair

Baltimore, Maryland

Kurz is president and chief executive officer of Linden Associates Inc., a regional real estate services and mortgage banking company engaged in the financing, acquisition, development, and management of commercial property. The firm also consults for corporations on real estate matters. Previously, he was a cofounder, chairman, and CEO of McGill Development Company, which grew into the fourth-largest commercial real estate development company in the Baltimore metropolitan area.

Kurz was chairman of the board of directors and cofounder of Columbia Bancorp and Columbia Bank, which is a \$500 million, publicly traded bank holding company. As a principal at Alex Brown Real Estate Group Inc., he acquired investments for pension fund clients. Other companies with which Kurz has been involved include J.G. Smithy Company, Maryland National Corporation, and the Rouse Company.

Kurz holds an MBA from the Wharton School at the University of Pennsylvania and a BA from the University of Pennsylvania. Some of his professional affiliations include memberships in the Urban Land Institute where he has been a member of the national leadership group, chair of ULI Baltimore, vice chair of the Small-Scale Blue Development Council, and a National Program Committee member.

He is also a member of the International Council of Shopping Centers, past member of NAIOP, the Mortgage Bankers Association, and past board member of the Catherine McAuley Housing Foundation in Denver.

Walter S. Bialas

Dallas, Texas

Bialas is a principal with Goodwin Advisors, a capital markets consultant located in Dallas, Texas. He is a seasoned real estate professional with more than 35 years of creative problem-solving experience in the consulting, banking, and development industries. He focuses on the economic and demographic data that help clients identify opportunities and risks.

Before Goodwin, Bialas was vice president for market research for Jones Lang LaSalle's (JLL) Dallas office. By virtue of a longstanding career in evaluating real estate across the United States, he has comprehensive knowledge of all major markets and property types, as well as a particular strength in quickly assessing market dynamics and their implications on project feasibility.

Before JLL, Bialas was senior market adviser at PPR/CoStar, where his role was to enhance the research capabilities of both companies and expand the potential services available to clients in the Washington, D.C., region. Earlier, he oversaw Madison Marquette's research function as part of the company's investment and acquisitions team for retail properties across the country. Before his work at Madison, Bialas established an internal real estate consulting group at PNC Bank. During his 14-year tenure with PNC, he provided custom market due diligence in support of the bank's commercial underwriting process, evaluating unique location dynamics, market issues, and the reasonableness of pro forma assumptions. Before joining PNC, he spent 10 years with the national consulting practice of GA/Partners-Arthur Andersen in Washington, D.C.

Bialas is an active member of ULI. As part of his ULI commitment, he has completed eight national Advisory Services panels, addressing a variety of downtown master planning and redevelopment issues. He also served on the ULI Pittsburgh executive committee. In addition, he is a longstanding member of the International Council of Shopping Centers and has served as the chair of its North American Research Task Force.

He received his bachelor's degree in urban studies from Albright College in Reading, Pennsylvania, and his master's degree in city and regional planning from Catholic University in Washington, D.C.

Chad Buch Chicago, Illinois

Buch co-leads JLL's industrial research and strategy platform covering a 1.3 billion-square-foot market spanning the Illinois/Indiana/Wisconsin tristate region. He is a member of JLL's largest industrial brokerage team, sitting in the global headquarters in Chicago. Primary responsibilities include support of new business development pursuits, and tenant representation, agency leasing and investment sales transactions. Jones Lang LaSalle Research produces consulting and advisory studies, thought leadership articles, and quarterly insights including in-depth submarket narratives and market statistics.

Buch works in collaboration with marketing leads on advanced mapping and development of content marketing materials. He is also a member of JLL's National Industrial Research Leadership Council. In addition, he co-hosts *JLL Chicago Industrial Real Time* podcast, which is in its third season.

He has a master's degree from East Carolina University and a bachelor's degree from North Carolina State.

Lucia Garsys Tampa, Florida

Garsys, AICP, is senior adviser for community partnerships for Hillsborough County, Florida. Before her current position, she was chief for development and infrastructure for the county. She has held an executive-level position in Hillsborough County, Florida, since 2008. Garsys is a key adviser to the County Administrator and the Board of County Commissioners on major policy issues in land use, transportation, and infrastructure.

One of her key strengths is understanding the technical underpinnings of a topic and its implication for public policy and the political realm. Her work routinely incorporates bringing parties of diverse positions together to find common solutions.

Her consulting experience includes land use planning; downtown revitalization with tax increment financing, including a sales tax component; developer recruitment; fiscal impact analysis; and economic development. She has worked with emerging democracies in Eastern Europe to develop transparent and open land development processes.

Garsys holds a leadership position in ULI Tampa Bay, has served on three ULI panels, and has hosted two panels in Hillsborough County. She served on the Board on Infrastructure and the Built Environment as a part of the National Research Council, and on three of its committees.

She is passionate about mentoring women in the real estate field. Garsys has a BS in city planning from the Illinois Institute of Technology and a master of urban planning degree from the University of Illinois.

Juanita Hardy

Silver Spring, Maryland

Hardy has a passion for making business and cultural connections that foster healthy, thriving, and culturally rich places to live, work, learn, and enjoy. She has over 45 years of business experience, including 31 years with IBM, where she retired in 2005, and over 35 years in the arts as a nonprofit leader, trustee, collector, and patron of the arts.

Hardy was Senior Visiting Fellow for Creative Placemaking for the Urban Land Institute (2016–2018), a global nonprofit committed to responsible land use. She now serves as a consultant for ULI on creative placemaking.

After retiring from IBM, Hardy founded Tiger Management Consulting Group, a global training and business consulting services firm. She has been an executive coach for Right Management, a global human capital development firm, since 2006. Hardy's client portfolio includes both for-profit and nonprofit organizations.

Hardy is the former executive director of CulturalDC, a nonprofit committed to making space for artists and art organizations and fostering cultural and economic vibrancy in communities through its creative placemaking services. She cofounded Millennium Arts Salon, an art education initiative, in 2000. Hardy is an accomplished writer and

public speaker. Her articles and essays have appeared in magazines and journals in the United States and abroad. Her recent writing includes a tetralogy of creative placemaking articles in *Urban Land* magazine.

She serves on several boards, including ArtTable, a national nonprofit for women professionals in the arts based in New York City, and the Mosaic Theatre Company, a nonprofit theater company based in Washington, D.C.

Tom Murphy

Pittsburgh, Pennsylvania/Washington, D.C.

Murphy is a senior resident fellow at the Urban Land Institute and the Canizaro/Klingbeil Families Chair for Urban Development. A former mayor of Pittsburgh, Murphy has extensive experience in urban revitalization—what drives investment and what ensures long-lasting commitment.

Before his appointment as senior resident fellow, Murphy served as ULI's Gulf Coast liaison, helping coordinate with the leadership of New Orleans and the public to advance implementation of rebuilding recommendations made by ULI's Advisory Services panel after Hurricane Katrina. In addition, he worked with the Louisiana leadership, as well as with leadership in hurricane-affected areas in Mississippi, Alabama, and Florida, to identify areas appropriate for ULI involvement.

During his three terms as mayor of Pittsburgh, from January 1994 through December 2005, Murphy initiated a public/private partnership strategy that leveraged more than \$4.5 billion in economic development in the city. Murphy led efforts to secure and oversee \$1 billion in funding for the development of two professional sports facilities and a new convention center that is the largest certified green building in the United States. He developed strategic partnerships to transform more than 1,000 acres of blighted, abandoned industrial properties for new commercial, residential, retail, and public uses, and he oversaw the development of more than 25 miles of new riverfront trails and urban green space.

From 1979 through 1993, Murphy served eight terms in the Pennsylvania House of Representatives. He served in the Peace Corps in Paraguay from 1970 through 1972. He is a 1993 graduate of the New Mayors Program offered by Harvard University's Kennedy School of Government. He holds an MS in urban studies from Hunter College and a BS in biology and chemistry from John Carroll University.



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