

CITY OF LEBANON

Elevating the Community with Areas of Opportunity



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City of Lebanon and Boone Economic Development Corporation

ON THE COVER: Historic Train Depot in Lebanon
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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 Asia Pacific region, with members in 81 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. Drawing on its members' work, 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](https://www.uli.org). Follow ULI on [Twitter](#), [Facebook](#), [LinkedIn](#), and [Instagram](#).

About ULI Indiana

As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policymakers dedicated to creating better places. The ULI Indiana district council brings together real estate professionals, civic leaders, and the community for educational programs, initiatives impacting the state, and networking events, all in the pursuit of advancing responsible and equitable land use throughout the State of Indiana. With 320 members, ULI Indiana provides a unique venue to convene and share best practices in the state. ULI Indiana believes everyone needs to be at the table when the state's future is at stake, so ULI serves the entire spectrum of land use and real estate development disciplines—from architects to developers, CEOs to analysts, builders, property owners, investors, public officials, and everyone in between. Using this interdisciplinary approach, ULI examines land use issues, impartially reports findings, and convenes forums to find solutions.

ULI District Council Leadership

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District Council Governance Chair, ULI Indiana

ULI Advisory Services: National and Global Programs

Since 1947, the ULI Advisory Services program has assembled well over 700 ULI-member teams to help sponsors find creative, practical solutions for complex land use challenges. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services. National and international panelists are specifically recruited to form a panel of independent and objective volunteer ULI member experts with the skills needed to address the identified land use challenge. The program is designed to help break through obstacles, jump-start conversations, and solve tough challenges that need an outside, independent perspective. Three- and five-day engagements are offered to ensure thorough consideration of relevant topics.

Learn more at americas.uli.org/programs/advisory-services.

Technical Assistance Program (TAP)

Urban Land Institute harnesses its members' technical expertise to help communities solve complex land use, development, and redevelopment challenges. Technical Assistance Panels (TAPs) provide expert, multidisciplinary, unbiased advice to local governments, public agencies, and nonprofit organizations facing complex land use and real estate issues in Indiana. Drawing from its professional membership base, ULI Indiana offers objective and responsible guidance on various land use and real estate issues ranging from site-specific projects to public policy questions. The sponsoring organization is responsible for gathering the background information necessary to understand the project and present it to the panel. TAP panelists spend two days interviewing stakeholders, evaluating the challenges, and ultimately arriving at a set of recommendations that the sponsoring organization can use to guide development going forward.

ULI Advisory Services identify creative, practical solutions for complex land use and development challenges.

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Acknowledgments

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EXECUTIVE SUMMARY

Situated north of Indianapolis, the City of Lebanon (2024 population: 17, 428) has experienced rapid growth over the last two decades. In response to this steady growth and increased private investment, Lebanon is undergoing rapid change.

To maintain a balance between its agricultural heritage and new development, the city is exploring opportunities for infill development to revitalize underutilized areas. Three key factors driving this initiative include:

- Rising housing demand;
- Expanded entrepreneurial opportunities; and
- The need for quality-of-life enhancements

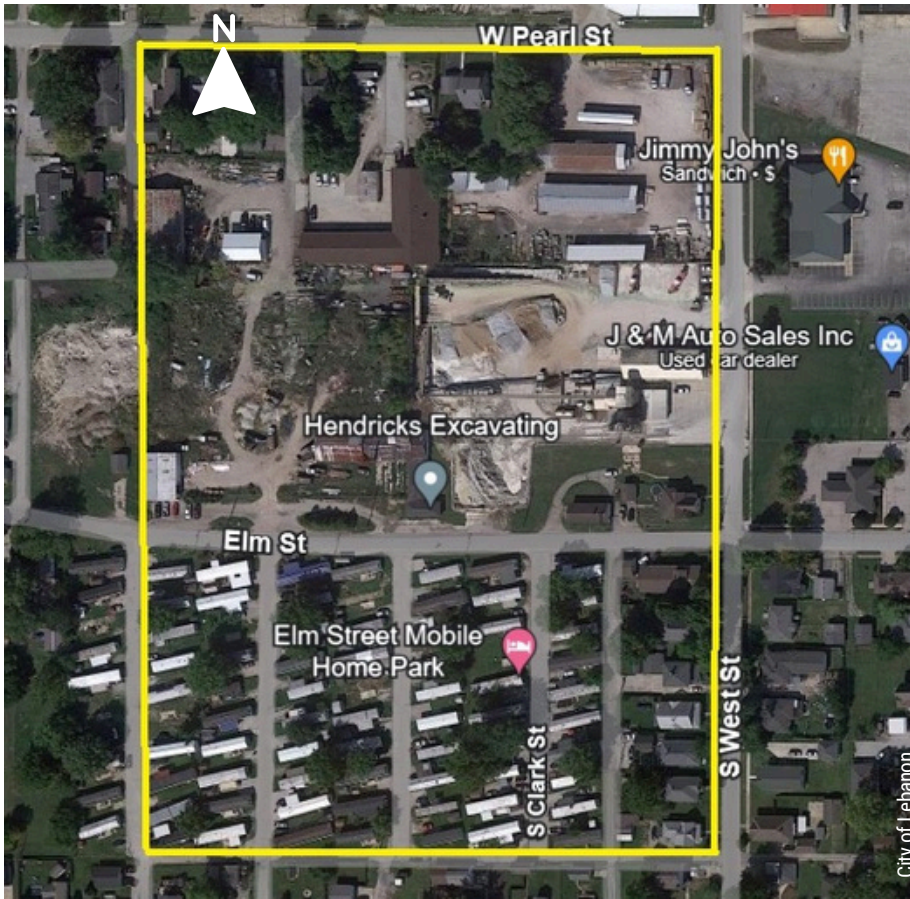
In 2024, the Boone Economic Development Corporation conducted a county-wide survey to address the local housing crisis. Recommendations include promoting mixed-use development, assisting homebuyers with financial incentives, and reinvesting in older communities through redevelopment projects. Meanwhile, Indiana's entrepreneur ecosystem continues to grow, necessitating affordable spaces for startups, supported by state and regional initiatives.

Since 2021, Boone EDC has received 36 entrepreneur leads seeking permanent locations in Boone County. By fostering partnerships with various organizations supporting entrepreneurs, including ISBDC, SBA, local Chambers of Commerce, and SCORE, Boone EDC is promoting Lebanon as an ideal destination for their endeavors. The city aims to plan for future growth by prioritizing strategic infill development for mixed-use construction, enhancing the community for residents, small businesses, and tourists.

The ULI Indiana TAP study area is located southwest of Lebanon's downtown district. This includes the properties for IMI, Master Built Construction, Gillman Home Center and the Elm Street Mobile Home Park. The goal of the ULI TAP was to analyze the best use of these parcels and recommend possible opportunities to attract a mixed-use development to this area.

The City of Lebanon and the Boone EDC sought guidance from the Urban Land Institute Indiana (ULI Indiana) district council. Using its trusted and objective technical assistance panel (TAP) program, ULI Indiana convened a panel of members with the professional real estate expertise needed to evaluate the study area and future redevelopment opportunities.





The TAP study area is located southwest of Lebanon’s existing downtown. The site includes the IMI site, Master Built Construction parcels, the Gillman property and the Elm Street Mobile Home Park.

Panel Recommendations

Community Building

- **Expand the study area boundary north to South Street** and position the area as an extension of Downtown. This will ensure that future investments and developments in the area are seamlessly integrated and mutually beneficial.
- **Create a signature western gateway along South Street** towards downtown to serve as a focal point for the district's identity and connectivity.
- **Recognize the transformative opportunity to establish a unique neighborhood identity** near the downtown square, characterized by distinct features and offerings.

Land Use and Transportation

- **Investigate potential purchases or property swaps with IMI and Master Built/Hendricks Excavating.** Obtain appraisals and options on properties north of Elm Street to South Street and consider what new uses are priorities.
- **Establish family-oriented park spaces** within the study area, ideally co-located with community and senior centers, job training facilities, and maker/co-working spaces to enhance community engagement and empowerment.
- **Reconnect the street grid and invest in trail and greenspace connectivity** to the southern area. Identify additional spur trails connected to sidewalks and/or enhanced pedestrian infrastructure in this area.

Economic Development

- **Explore creative ideas for adaptive re-use and activation of existing business anchors.** Consider reuse options for the former train depot or other existing structures.
- **Dedicate resources to entrepreneurship** that offer opportunities for commerce, culture, and community to converge.
- **Leverage incentives to attract investments and stimulate new business development.** Incentives may include tax increment financing districts, tax credits, grants, infrastructure improvements, streamlined permitting processes, and access to resources or support services.
- **Apply other public sector incentives** to lower the cost of new commercial and retail construction and make financing more accessible.

Housing

- **Pursue creative strategies for attainable housing** to achieve a market-driven approach to offer housing options that are within reach for middle-income families.
- **Adopt flexible zoning codes and development standards** that can drive down construction costs and streamline the residential development process.
- **Create opportunities for affordable housing development at below-market rates** for low to moderate-income individuals and families using subsidies such as rental housing tax credits, project-based vouchers, down payment assistance, low-interest mortgages, and housing bonds.

Partnerships

- **Engage with foundations** as instrumental partners to catalyze community revitalization efforts.
- **Collaborate with the Elm Street Mobile Home Park landowners and residents** on a proactive strategy that establishes a path for revitalization. Clarify the risks that future development pressures will pose to the Elm Street Mobile Home Park residents, since without land ownership residents have limited legal rights.
- **Explore with Intend Indiana the potential of establishing a Community Land Trust** to expand options for housing stability and affordability.



Pursue creative strategies for attainable housing to offer housing options that are within reach for middle-income families

INTRODUCTION

Between 2000 and 2021, The City of Lebanon's population increased from 14,372 to 16,840, or 17 percent. This growth can be attributed primarily to its advantageous location, economic opportunities, and appealing quality of life features. Situated near Indianapolis, Lebanon has become an appealing residential destination while maintaining its charming small-town atmosphere.

The city's economy is characterized by diversity, with sectors like manufacturing, logistics, healthcare, retail, and services playing pivotal roles in its expansion. Lebanon's business-friendly environment and robust transportation networks have attracted enterprises, bolstering its economic vibrancy. Furthermore, Lebanon offers a variety of recreational and cultural attractions, including parks, historic landmarks, and community events, enhancing its allure for residents and visitors alike. Overall, Lebanon presents a promising environment for both residents and businesses, with its expanding population, varied economy, and appealing amenities solidifying its status as a flourishing city in Indiana.

In response to ongoing growth, increased private investment, and national attention, Lebanon is undergoing rapid change. To maintain a balance between its agricultural heritage and new development, the city is exploring opportunities for infill development to revitalize underutilized areas. Three key factors driving this initiative include:

- Rising housing demand;
- Expanded entrepreneurial opportunities; and
- The need for quality-of-life enhancements

Collaborating with Urban Partners and HWC Engineering, in 2024 Boone EDC conducted a county-wide survey to address the local housing crisis. Strategies include promoting mixed-use development, assisting homebuyers with financial incentives, and reinvesting in older communities through redevelopment projects. Meanwhile, Indiana's entrepreneur ecosystem continues to grow, necessitating affordable spaces for startups, supported by state and regional initiatives.

Since 2021, Boone EDC has received 36 entrepreneur leads seeking permanent locations in Boone County. By fostering partnerships with various organizations supporting entrepreneurs, including the Indiana Small Business Development Center, Small Business Administration, local Chambers of Commerce, and SCORE, Boone EDC is promoting Lebanon as an ideal destination for their endeavors. The city aims to plan for future growth by prioritizing strategic infill development for mixed-use construction, enhancing the community for residents, small businesses, and tourists.



Between 2000 and 2021, The City of Lebanon's population grew 17 percent.

Overview of the Study Area

The ULI Indiana TAP study area is located southwest of Lebanon’s downtown district. This includes the properties for IMI, Master Built Construction, Gillman Home Center and the Elm Street Mobile Home Park. The goal of the ULI TAP is to analyze the best use of these parcels and recommend possible opportunities to attract a mixed-use development to this area.

In 2018, the City of Lebanon made an \$11 million investment in the downtown square. The Courthouse serves as the center point for Lebanon’s existing 15-block downtown district. The 18.96-acre study area, identified as a high priority area for redevelopment, is less than half a mile southwest of the Boone County Courthouse. The study area is currently zoned as Industrial and Multi-Family Residential.

Key parcels in the study area include:

- Elm Street Mobile Home Park (319 W. Elm Street)
- Gillman Commercial Real Estate (310 S. West Street)
- Master Built Construction (multiple parcels), Irving Materials Inc. (416 S. West Street)
- Shepherd Louis Lincoln (403 W. Pearl St.)

The TAP Process

Using its technical assistance panel process, ULI Indiana convened a small group of ULI members with expertise to address the strategy for the properties and representing experience in the areas of real estate development, finance, architecture and design, residential and commercial real estate, and economic development. Working together, this panel of real estate leaders reviewed the briefing materials provided by the City of Lebanon and the Boone County Economic Development Corporation (the study sponsors) and toured the study area.

The panel also interviewed a wide range of stakeholders, including business owners, professional staff from the City of Lebanon, elected officials, real estate developers, consultants, and representatives from community organizations. Equipped with the information provided by the sponsor and stakeholders, and drawing from their own professional experiences, the panel spent the following day and a half analyzing the challenges along the corridor and shaping a series of recommendations that the City and Boone EDC can consider as they weigh the future of the study area.

Questions for the Panel

The Boone EDC and the City of Lebanon posed the following questions to ULI Indiana Technical Assistance panel about the study area:

1. Is this site feasible for a mixture of attainable housing, a small commercial district, and public amenities such as a pocket park? What should be the consideration of traffic flow and parking necessities for these sites?
2. If a mixed-used development strategy is achievable, what is the best use and layout for these parcels? What are the suggested redevelopment phases for a mix of used in the study area?
3. What types of attainable housing products should we target for this site? A goal is to encourage, and empower, mobile home park residents of to move into a more sustainable option.
4. What types of incentives should be considered for this multi-site redevelopment project? How would these incentives differ by audience? For example, developers, residents, commercial businesses, etc.

What the Panel Heard

During the stakeholder interviews, the panel heard about various elements that contribute to the overall quality of life, economic vitality, and residential well-being in Lebanon and the study area.

QUALITY OF LIFE

- There is a need for more creative placemaking and diversity in offerings for existing and future residents and employees.
- There are environmental concerns regarding the IMI Plant and the past rail use in the area.
- Safe, accessible pedestrian connections are needed to connect core neighborhoods to downtown and the Big 4 Trail.

ECONOMIC DEVELOPMENT

- The costs for entrepreneurs to lease physical business space is a barrier to entry.
- The community needs think of different ways to incentivize business attraction
- Residential
- There is a significant lack of affordable housing throughout the community.
- Anticipated development pressures risk the displacement of Elm Street Mobile Home Park residents.
- Without owning the land their homes are on, mobile home park residents have limited legal rights. There have been local examples of mobile home parks that have been sold and residents evicted. The City or a nonprofit need to be proactive, engage directly with residents on concerns, and create an equitable plan for residents.

RESIDENTIAL

- There is a significant lack of affordable housing issue throughout the community
- Anticipated development pressures risk the displacement of Elm Street Mobile Home Park residents.
- Without owning the land their homes are on, mobile home park residents have limited legal rights. There have been local examples of mobile home parks that have been sold and residents evicted. The City or a nonprofit need to be proactive, engage directly with residents on concerns, and create an equitable plan for residents.



Anticipated development pressures risk the displacement of Elm Street Mobile Home Park residents.

LAND USE AND CONNECTIVITY

Land use and connectivity play pivotal roles in shaping the livability, functionality, and vibrancy of neighborhoods close to Lebanon's downtown area. Thoughtful land use planning ensures that the mix of residential, commercial, and recreational spaces meets the diverse needs of residents and businesses. Strategic connectivity enhances accessibility and mobility, reducing dependence on cars and promoting active transportation.

An enhanced and connected street that connects to downtown encourages economic vitality by facilitating easy access to amenities, services, and employment opportunities. By integrating land use and connectivity considerations, neighborhoods can thrive as vibrant, walkable, and inclusive spaces that enhance quality of life and promote sustainable urban growth. South Street is a major western gateway to downtown and thoroughfare. The study area should be expanded northward to include South Street to take advantage of the frontage along the corridor.

The surrounding neighborhood near downtown transitions from corridor commercial to residential and small-scale industrial along old rail corridors. The City of Lebanon and the Boone County Economic Development Council should share a vision for the potential phased redevelopment of this area and take the lead on the following redevelopment opportunities:

Short-to Mid-Term Revitalization/Activation

Create and expand neighborhood gathering spaces. A large open green space that can accommodate multiple types of outdoor venues is versatile, allows for future development as community grows, and is less expensive than built options. An open community green space can serve as a dynamic venue for a diverse array of events, including art fairs, markets, food trucks, concerts, and movies.

Repurpose existing structures where feasible, not only to keep costs down but also to maintain flexibility. Adaptive reuse is an important opportunity to breath new life into underutilized spaces and preserve the character of the community.

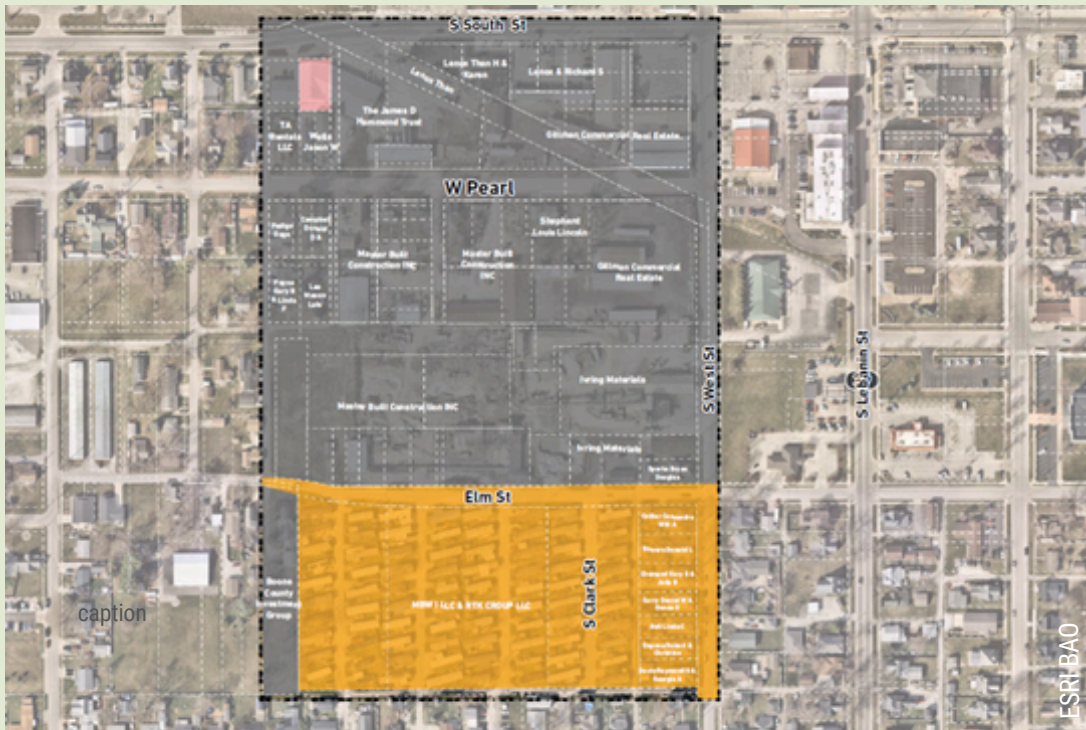
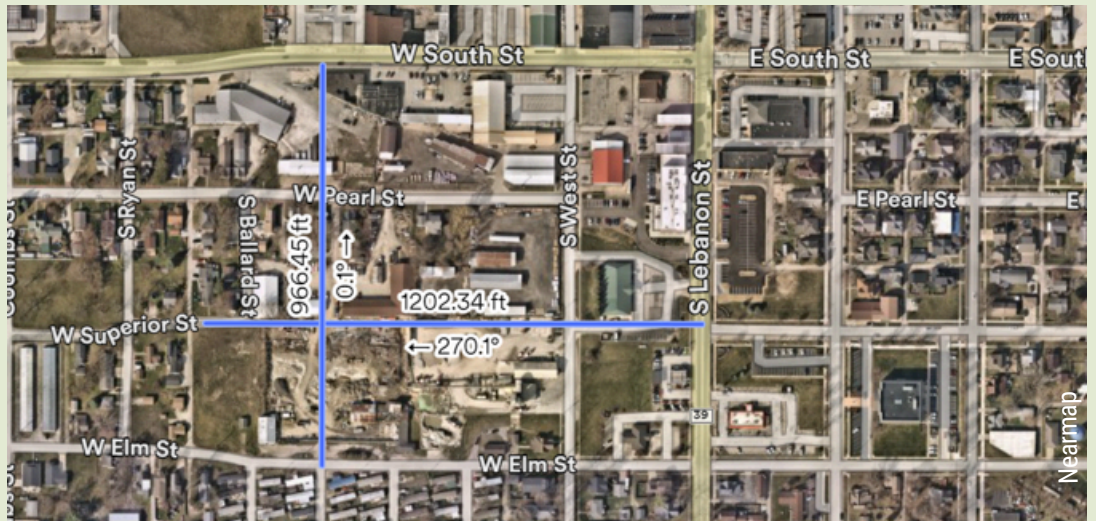
In addition, pocket parks from Elm Street to Pearl Street, co-located with amenities such as a community center, picnic shelter, or community garden offer appeal for users of all ages. A neighborhood coalition supported by the City and other non-profit partners can meet and discuss opportunities for neighborhood improvements.

Create a gateway to the neighborhood. South Street can be positioned as the Gateway to both the study area and downtown. The existing \$250,000 Facade grants from the City of Lebanon's Redevelopment Commission could be applied to assist neighboring owners with improvements. Mural programs are an affordable and community engaging way to improve surrounding properties with little investment. A mural project throughout the neighborhood can bring positive awareness to this area.

Explore creative ideas for adaptive re-use and activation of existing business anchors. For example, Gillman Home Center could incorporate outdoor area for summer grilling classes, garden box and beer making classes, outdoor seating. Explore reuse options for the former train depot or other existing structures. For more inspiration, see models such as Sullivan's Hardware/Garden Center and Grill in Indianapolis or Bill's Beer Garden in Ann Arbor, Michigan.

Explore potential purchases or property swaps with IMI and Master Built/Hendricks Excavating. Obtain appraisals and options on properties north of Elm Street to South Street and consider what new uses are priorities.

The panel recommends reconnecting the grid throughout the northern and middle areas of the study area, and investing in trail and greenspace connectivity to the southern part of the site.



The panel recommends obtaining appraisals and options on the properties north of Elm Street to South Street.

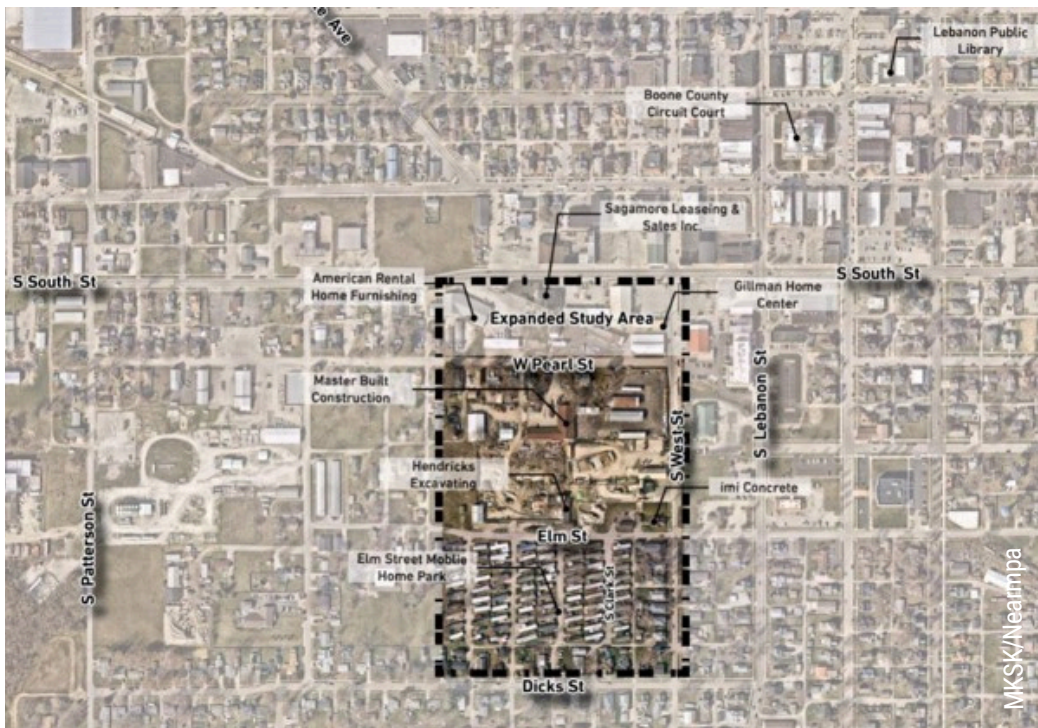
Long-Term Revitalization

Document utility easements, rights-of-way, and any environmental risks on the site in consultation with Lebanon Engineering, Utilities, and Indiana Department of Environmental Management. Conduct an ALTA Survey of properties in the study area.

Reconnect the street grid throughout the northern and middle redevelopment sites. Invest in trail and greenspace connectivity to the southern area. Explore the potential of a new trail connection from Elm Street to the Downtown Square and Big 4 Trail. Seek trail connectivity and larger connections to the Midland Trace via the Midland Rail right-of-way. Identify additional spur trails connected to sidewalks and/or enhanced pedestrian infrastructure in this area, and examine the potential for Safe Routes to Schools and Indiana Next Level Trails grant funding.ns for housing stability and affordability.

Explore the potential for a new mixed-use/mixed-income land uses in this area as part of the ongoing Lebanon Comprehensive Plan Update. Consider rezoning this area with the City’s existing R6 district or the Mixed-Use district within the LEAP Planned Unit Development.

Collaborate with the Elm Street Mobile Home Park landowners and residents on a proactive strategy that establishes a path for revitalization. Clarify the risks that future development pressures will pose to the Elm Street Mobile Home Park residents, since without land ownership residents have limited legal rights. Also, investigate the potential of the City or a nonprofit requesting a right of first refusal and resident compensation program if the property ever goes for sale. Explore with Intend Indiana the potential of establishing a Community Land Trust to expand options for housing stability and affordability.



Explore the potential of expanding the study area north to South Street to take advantage of the frontage along the corridor.

A Vision for the Future



SITE	MULTIFAMILY	HOUSING	PARCELS	RETAIL	PARKS	PARKING	MASTER PLAN
Acreage	18.46 Units	122 Units	73 Footprints	6 Load	309 Load	145 Stalls	584 Stalls
FAR	0.50 Beds	162 Beds	219 Units	6 Net	30,904.0 Net	0.0 Average	405
DU/AC	10.9 Baths	162.0 Baths	109.5 NRSF	39,201 Gross	30,904.0 Gross	14,551.4 Ratio (NRSF)	1.56 Ratio (NRSF)
	Stalls Req.	183 Stalls Req.	110 Linear Road	6,786 Stalls Req.	92 Stalls Req.	43	Parking Req. 60

NOTES on A VISION FOR THE FUTURE

Single Family homes

- Include pre-fab homes options and cottages.
- This zone would also include townhomes with garages and green space.

Walking Trails: A central walking trail connecting Elm Street north to South Street can include pocket parks and green space.

Parking: Space for parking in the study area that can accommodate peak office and residential parking uses can help offset other parking demand.

Food hall and Cottage Style Commercial: A civic space with roughly 20,000 square feet can be used for food hall concepts, make spaces, incubation space, test kitchens, or general event space for the city.

Retail: Retail with a more urban layout is not necessarily new businesses, but to redevelop existing spaces.

Multifamily: Multifamily development depends on timing of the redevelopment of the site.

- In the early phases, this could be a 4% Low Income Housing Tax Credit project targeted at households earning 60% of Area Median Income.
- In a later phase, this could be a market-rate development that would yield higher tax base for the city.

RETAIL AND PLACEMAKING

Retail and placemaking initiatives intertwine to create vibrant community spaces that reflect local identity and foster economic vitality. Placemaking initiatives centered around business incubator spaces can serve as a dynamic pipeline for future growth, fostering community participation and providing opportunities to engage residents. Open community spaces can host art fairs, markets, food trucks, concerts, and movies.

Lebanon's downtown core creates a natural retail node that is affordable for local boutiques and restaurants. Retailers desire and need prime visibility and heavy traffic for success. Challenges include move-in ready spaces and at times, parking. Consider expanding the downtown footprint with the renovation of existing buildings.

It's hard for small businesses to assume the improvement costs to buildings they don't own, especially with their own start-up costs. In addition, mixed-use retail without a strong entertainment venue to draw people into the development is challenging unless surrounded by intense density. Boutique shops and restaurants require affordable, ready-to-lease space in a dense area that draws customers from beyond the immediate trade area, such as in Zionsville and Noblesville.

Given the growth that is coming to Lebanon over the next several years, it is anticipated that national retail and restaurants will select sites closer to the grocery anchored, high commercial thoroughfares allowing the specialty, boutique and experiential retail to settle in the downtown core of the community.

Creating a neighborhood identity with community branding and dedicating resources to entrepreneurship and farm-to-table concepts in retail spaces will offer opportunities for commerce, culture, and community to converge.

Community Branding & Awareness

Cultivate a community identity with branding, such as designating the west gateway of downtown as the "Midland Depot District," centered around a local landmarks such as the Depot. The Heritage Farms Trail serves as a link to agritourism, highlighting the region's agricultural roots.

Adding opportunities in community gathering spaces fresh produce at a farmers market, connections to 4H events, and arts and crafts vendors will contribute to the area's vitality. Through strategic branding and awareness initiatives, Lebanon can showcase its diverse offerings, inviting all to experience the richness of its history, culture, and community life.



Create a neighborhood identity with community branding



Bridge Park in Dublin, Ohio is an urban, walkable neighborhood complementing Dublin's vibrant historic downtown.

Located in downtown Indianapolis, Goose the Market is a full-service butcher shop and specialty food market offering craft beer and a wine cellar.



Goose the Market

Opportunities for Entrepreneurs

Affordable business ownership opportunities provide entrepreneurs with the chance to build equity and establish themselves as integral members of their communities. Whether a business incubator, maker space, co-working space, or live/work units, these can serve as a “feeder” space for future retail shop owners who can locate downtown. A multi-purpose building can offer platforms for individuals to cultivate their talents and develop new skills, while attracting a wide audience will generate multiple visits to the area.

Possible uses include:

- Home design center and services tailored to the needs of new residential developments
- A contractor hub that serves as a centralized resource and networking hub for construction professionals, offering a range of services and support to contractors and tradespeople.
- Arts programs and training for skilled trades
- Paired day care facilities with senior services that create an inclusive environment where residents of all ages can thrive.

Maker spaces, artist housing, and co-working style accommodations can also offer unique housing options that not only provide residents with unique living environments but also activate surrounding retail and commercial spaces. Live/work spaces allow residents to seamlessly integrate their creative or entrepreneurial pursuits into their daily lives. Live/work units offer particularly attractive prospects for artisans, personal care service providers such as salons and spas, and various professional services.

City-owned properties and leases can facilitate live/work initiatives and make these housing options more accessible to a diverse range of residents. Ensuring that zoning regulations accommodate live/work units is crucial. Whether through conversions of existing inventory or the development of new condo-style units, these spaces provide a seamless blend of residential and commercial uses.

Farm To Table Concepts

Food halls and food trucks offer innovative concepts that create a pipeline for future growth. Food trucks can provide convenient and diverse options for workers during the day as well as lively evening venues for casual dining. Shared kitchen facilities, or commissaries, can also provide an affordable entry point for chefs to experiment with new concepts and cuisines. Moreover, by embracing farm-to-table concepts, food halls and food trucks incorporate the strong agricultural fabric of the community into downtown areas, promoting local food sustainability and supporting regional farmers and producers.



The Cradle is an outdoor entertainment venue where the Monon Trail meets 30th Street on the near north side of Indianapolis.

ATTAINABLE HOUSING FOR MIDDLE-INCOME HOUSEHOLDS

Attainable housing is unsubsidized, profitable housing developments that meet the needs of those with incomes between 80% and 120% of the Area Median Income. To build attainable housing, it will be important to shift the perception of what constitutes an entry-level home and offer housing that focuses on cost reduction without compromising quality. By embracing a smaller footprint and prioritizing efficient use of space, construction costs and sales prices can be lowered significantly.

Expanding Opportunities for Attainable Housing

Attainable housing should include both rental and for-sale options, with designs that reflect that needs of households with budget limits as well as “choice” residents, based on lifestyle needs. For-sale target prices would be up to \$250,000; attainable rents would be in the range of \$1,000-1,500 per month.

Suggested specifications for attainable units:

- Two bedroom, two baths
- Optional garage
- 1,000 to 1,250 square feet

Additionally, targeting a density of 10 units per acre or more for attainable housing optimizes land use efficiency and promotes affordability. Compare this density with other housing types:

- Suburban townhomes: 8-10 units per acre
- Horizontal apartments or cottages: 12 units per acre
- Mobile homes: 12.5 units per acre
- Indianapolis townhomes: 20 units per acre

How to Encourage Attainable Housing Options

Encouraging attainable housing options benefits from flexible zoning codes and development standards that can drive down construction costs and streamline the

development process. Key considerations include:

- Reducing minimum setbacks, minimum lot sizes, and first-floor square footage requirements
- Increasing maximum building heights
- Permitting off-street frontages

Embrace Innovative Construction

Exploring the potential of unique materials such as containers or emerging technologies like 3D printing are important to achieve more attainable housing options. Volumetric housing, or prefabricated housing, is an innovative approach to residential construction that involves building modular units off-site and assembling them on-site to create multi-story buildings. These modular units are typically factory-built with high-quality materials, ensuring consistency and durability.

Volumetric housing offers numerous benefits, including accelerated construction timelines, cost efficiency, and flexibility in design and customization. By standardizing the production process and incorporating sustainable practices, volumetric housing minimizes construction waste and environmental impact while maximizing energy efficiency and building performance. In Indianapolis, a modular construction facility company known as Volumod produces single and multi-family units in an environmentally-controlled factory for delivery throughout the Midwest.

Consider Buyer Assistance Programs Available for Home Ownership

Cities may consider implementing Buyer Assistance Programs, such as Rent To Own or Down Payment Assistance Subsidy, to support home ownership for several reasons, including addressing housing affordability challenges, promoting community stability, and fostering economic growth.

For example, the Indiana Housing Partnership Program offers down payment assistance subsidies to qualifying low- to moderate-income individuals or families, enabling them to overcome financial barriers and achieve homeownership. By reducing the upfront costs associated with purchasing a home, these programs expand access to affordable housing options, particularly for first-time homebuyers and underserved populations.

Additionally, promoting home ownership through Buyer Assistance Programs can contribute to neighborhood revitalization efforts, enhance property values, and strengthen community pride and engagement. Moreover, by promoting responsible and sustainable home ownership, these programs can lead to long-term economic benefits for both individuals and the city as a whole, creating a more resilient and prosperous community.



Beville Greens

Beville Greens is an pocket community of attainable homes on the Near Eastside of Indianapolis

Attainable housing should include both rental and for-sale options, with designs that reflect that needs of households with budget limits as well as “choice” residents, based on lifestyle needs.



Onyx + East

AFFORDABLE HOUSING

Affordable housing and attainable housing are related, but differ in their target demographics and affordability thresholds. Attainable housing focuses on providing market-rate housing options that for middle-income households who may not qualify for subsidized housing but still face challenges in affording market-rate housing. Affordable housing typically refers to housing options that are subsidized or made available at below-market rates for low to moderate-income individuals and families. These housing units are often supported by government programs or subsidies to ensure affordability.

Rental Housing: 9% and 4% Tax Credits

Using allocations from the Federal Low Income Housing Tax Credit program, Indiana's Rental Housing Tax Credit program plays a crucial role in providing affordable, high-quality housing and resident services for low-income individuals, people with disabilities, and seniors. These tax credits facilitate the creation of affordable housing options that meet the diverse needs of residents while promoting community stability and well-being.

Projects utilizing the 9% Tax Credit, typically tailored for developments with 40-60 units, offer deeper rent discounts and competitive advantages for developers. On the other hand, the 4% Tax Credits paired with Tax Exempt Bonds are more suitable for larger-scale projects with 100+ units. Although these projects do not offer the same level of rent discounts or resident services as those with 9% Tax Credits, they still contribute significantly to addressing housing affordability challenges.

Rental/Home Ownership: Lease Purchase

In both 4% and 9% Low Income Housing Tax Credit (LIHTC) projects, the lease-purchase option presents a valuable homeownership opportunity. This option allows tenants to lease their units with the eventual option to purchase them. However, developers must deliberately select this option during the LIHTC application process, as it requires specific

planning. To encourage developers to elect the lease-purchase option, cities may offer incentives such as tying the transfer of public land to the lease-purchase election or conditioning benefits like tax abatement or payment in lieu of taxes on the developer's commitment to offering this pathway to homeownership.

Project-Based Vouchers

Project-based vouchers (PBVs) play a vital role in providing stable and affordable housing options for vulnerable populations. Unlike tenant-based vouchers, PBVs are attached to specific rental units rather than individual tenants, ensuring that assistance remains with the unit over time. The Section 811 program, administered by the Indiana Housing and Community Development Authority (IHCDA), specifically targets extremely low-income individuals with disabilities, providing them with access to safe and supportive housing. Additionally, the HUD 202 program offers highly competitive capital advances and project-based vouchers exclusively for seniors, addressing the unique housing needs of this demographic.

Down Payment Assistance and Low Interest Mortgages

Homeownership opportunities for low-income households include programs such as those offered by the Indiana Housing and Community Development Authority (IHCDA) and certain Community Development Financial Institutions (CDFIs). These agencies provide support through down payment assistance and low-interest mortgages. For instance, Intend IN offers mortgage rates as low as 2% for first-time homebuyers with limited incomes. Paired with high-quality, lower-cost housing options, these programs create pathways to sustainable homeownership.

Rental: 501(c)(3) Housing Bonds (CDC)

Nonprofits in Indiana have the opportunity to request 501(c)(3) housing bonds from the Indiana Housing and Community Development Authority (IHCDA) to support affordable housing initiatives. Unlike traditional financing options, these low-interest debt bonds have no upper limit on the amount that nonprofits can request, providing flexibility in funding large-scale projects. However, there are specific requirements attached to these bonds.

Seventy-five percent of the units financed through these bonds must be affordable to households earning up to 80% of the Area Median Income (AMI), ensuring that the majority of housing units serve low- to moderate-income individuals and families. The remaining 25% of units can be rented at market rates, allowing nonprofits to generate revenue to support ongoing operations and maintenance. By leveraging 501(c)(3) housing bonds, nonprofits in Indiana can expand their capacity to develop and preserve affordable housing, addressing critical housing needs and promoting community stability and economic opportunity for all residents.



Flaherty & Collins

Village at Hillside in Anderson, Indiana is an affordable rental property that was a partial rehabilitation, partial new construction project. Financing for the project was completed with the use of LIHTC, city funds, HOME funds, a deferred development fee and an IHCDA Development fund loan.

BUSINESS DEVELOPMENT AND ATTRACTION

Attracting investment from businesses, developers, and entrepreneurs stimulates new development, sparks economic growth, and fosters job creation. Tools include tax increment financing districts, tax credits, grants, infrastructure improvements, streamlined permitting processes, and access to resources or support services.

Tax Increment Financing (TIF)

Tax Increment Financing (TIF) is a method used by municipalities to finance economic development projects within a designated area. It works by capturing the increase in property tax revenue generated by development or improvements within a specific district, known as the TIF district. When property values rise within the TIF district, the additional property tax revenue generated above a baseline amount is earmarked for financing public infrastructure improvements, such as roads, utilities, and parks, as well as for providing incentives to spur private development. TIF funds are typically used to stimulate investment in blighted or underdeveloped areas, with the goal of promoting economic growth, creating jobs, and enhancing property values.

Indiana's Residential Tax Increment Financing (TIF) is a variant of traditional TIF that specifically targets residential development projects. Similar to conventional TIF, it captures the increase in property tax revenue generated by new residential development or improvements within a designated area. However, unlike traditional TIF, which often focuses on commercial or mixed-use development, Indiana's Residential TIF is tailored to support the creation of affordable housing and residential infrastructure. The captured tax increment is then allocated to finance public infrastructure improvements, affordable housing initiatives, or other community development projects within the residential TIF district. This tool is particularly valuable for municipalities seeking to address housing affordability

challenges, stimulate residential growth, and revitalize underserved neighborhoods. By leveraging Residential TIF, Indiana communities can foster inclusive and sustainable development while promoting access to safe, affordable housing for residents.

A new single-site Tax Increment Financing (TIF) district plus a Residential TIF adjacent to the existing Downtown Lebanon TIF district would help the city catalyze investment in the study area. With a maximum bond issuance of \$6 to \$7.4 million and an estimated property tax revenue of \$569,000 per year, Lebanon has ample resources to support initiatives such as Rent-to-Own assistance programs, addressing infrastructure repair needs, and training programs to bolster workforce development.

Commercial Business Incentives

Indiana offers a range of incentives to attract and support commercial businesses. These incentives collectively create an environment conducive to business success and stimulate economic development across the state of Indiana.

Real and/or personal property tax abatements, whether following a standard schedule or a more aggressive deduction/duration model, offer substantial savings for businesses. In some cases, these abatements can rival the benefits of a Tax Increment Financing (TIF) district, particularly when bonds are sold. Additionally, relocation grants can be useful to incentivize businesses to establish roots in Indiana, while training grants facilitate workforce development and talent acquisition.

Commercial facade grants further enhance the attractiveness of business districts by supporting renovations and improvements to storefronts, ultimately contributing to vibrant and thriving commercial areas.

Economic Development and Attraction Fund

Creating an Economic Development and Attraction Fund presents a strategic approach to fostering economic growth and supporting entrepreneurship. By allocating a portion of revenues received from companies back into the fund, local governments can pool resources to support initiatives such as entrepreneur and start-up incentives. Successful examples in Indiana include:

- **Indianapolis:** a contribution of a percentage of awarded incentives to causes like transportation, childcare, or training
- **Merrillville:** 15% fee on annual tax abatement deductions

Funding could support subsidies for co-working or business incubator space fees, as well as grants for tenant improvements to help new businesses secure their own spaces.

Additionally, a city program could be established to subsidize rent for new business owners, providing crucial support during their early stages of operation. Ultimately, an Economic Development and Attraction Fund offers a proactive approach to driving economic development and fostering a dynamic business ecosystem within a community.

Incentivizing Development

Various state and federal tax credits and other financial incentives play a pivotal role in attracting investment and spurring development activity. Lebanon can use these resources to encourage developers to undertake projects that contribute to the improvement of vacant or underutilized land, historic preservation, and revitalization of distressed areas. Below is a list of key tax credits and incentives available to encourage development.

- **Redevelopment Tax Credit:** This non-refundable, assignable state income tax credit offers developers up to 25%-30% of their investment for the redevelopment of vacant land, buildings, and brownfields. While highly beneficial, availability is limited, and the program has become increasingly competitive.
- **Historic Rehabilitation Tax Credit:** Developers can receive a non-refundable state income tax credit of up to 25% of their investment for the restoration and preservation of qualified historic structures. This credit can be particularly advantageous for projects involving historically significant buildings, such as the depot on site and other nearby historic structures.
- **Opportunity Zone:** This incentive allows for the deferral of capital gains tax, a step-up in basis, and tax-free appreciation, depending on the length of the investment hold. Opportunity Zones are designated areas aimed at stimulating economic development in distressed communities.
- **Grants/Loans:** Programs such as READI (Regional Economic Acceleration and Development Initiative) offer financial support for economic development projects. Boone County is part of the Central Indiana Regional Development Authority (CIRDA), which competes for READI funding. Additionally, New Market Tax Credits provide cash grants of up to 15%-20% for investments in distressed areas.
- **Donated Land and Philanthropic Partnerships:** Developers may receive a donation of public land or partner with philanthropic organizations such as the Lilly Endowment or community-minded employers to support development projects. These partnerships can provide additional resources and support for community-focused initiatives.

INCENTIVIZING COMMERCIAL USES AND RETAIL DEVELOPMENT

Other public sector incentives can play a crucial role in overcoming the challenges faced by commercial and retail developments, particularly regarding the cost of construction and securing financing. The disparity between construction costs and market rents for older properties presents a significant obstacle for developers. Additionally, obtaining financing for office space can be difficult without pre-signed leases from credit-worthy tenants.

To address these challenges, municipalities can employ innovative approaches such as backstopping rents or entering into master lease agreements with developers. Incentives can be tailored to support various types of office or retail developments, including co-working spaces, maker spaces, or food halls to serve as small business incubators.

- **Backstopping rent:** A city's guarantee of a base rent payable for a specified term, such as 10-15 years, allows a developer to underwrite a reasonable return. The City would only be responsible for any difference beyond the market rent. For instance if the City provides a backstops rent at \$25 per square foot, but the developer is only able to lease the space at \$18 per square foot, the city would contribute the difference of \$7 per square foot under this arrangement.
- **Master lease:** Alternatively, the city could masterlease the space at \$25 per square foot and then would have control tenants in the space to receive any subsidy. If the market improves, the city would receive any rents over \$25 per square foot.

Ultimately, public sector incentives provide the necessary support to stimulate economic growth, attract investment, and enhance the vitality of commercial and retail sectors within communities.

CONCLUSION

The panel's recommendations present a comprehensive framework for the reimagining of the study area to seamlessly integrate with downtown Lebanon. Retail and placemaking efforts are a key foundation to create vibrant community spaces that reflect local identity and foster economic vitality. Developing a variety of housing options for a range of incomes can help address local housing needs as well as offer economic development opportunities.

Yet, these ideas are not solely for the City of Lebanon and the Boone Economic Development Corporation to implement. Crucially, the recommendations underscore the importance of collaboration and partnership with community stakeholders to drive neighborhood transformation and a vision for the future of the Lebanon.



Brian Prince

The panel's recommendations present a comprehensive framework for the reimagining of the study area to seamlessly integrate with downtown Lebanon.

ABOUT THE PANEL

Panelists, from left to right:

Brian Prince,
Amy McDonald,
Aaron Kowalski,
Brandon Knox,
Jacque Haynes, and
Sib Sheikh



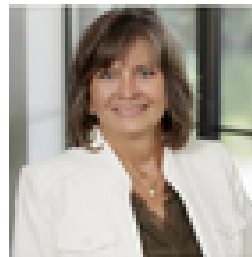
Panel Chair



Aaron Kowalski
Senior Associate, Planner
MKSK

Aaron’s passion lies in improving relationships between people and their physical surroundings and implementing connectivity through cohesiveness, creating a community which encourages economic and social vitality. Aaron is a Certified Planner with an interdisciplinary background in urban planning, urban design and landscape architecture. Aaron has experience in both the private and public sectors and employs a holistic and community-based approach towards planning and design. He has collaborated on and facilitated planning and urban design projects throughout the U.S. with an emphasis on using a design-based planning approach to identify unique opportunities to address planning and urban design opportunities. This approach helps identify sustainable solutions (economic, social and environmental) to support implementation.

Panelists



Jacqueline Haynes
Senior Associate
Midland Atlantic Properties
Indianapolis, Indiana

With a comprehensive understanding of retail development, leasing and asset management as well as property acquisition and disposition, Jacque has created value for national and local developers, institutions and private owners throughout her 30-year real estate career. Prior to joining Midland Atlantic Properties, Jacque Haynes was Senior Director at Cushman & Wakefield for 9 years.



Brandon Knox
Director Of Development
Operations
Onyx and East
Indianapolis, Indiana

As Director of Development Operations, Brandon is responsible for everything from finding new sites, to feasibility analysis, to leading all design and entitlement efforts for a potential new project. With over 12-years of experience in urban planning and real estate development, Brandon is skilled at making a grand vision become a reality. Throughout his time at Onyx and East, Brandon has developed over 750 townhome units with a total investment of over \$300 m throughout the Indy Metro area. Brandon is an active member of the Urban Land Institute and Chair of the Indiana Young Leaders Group. Outside of work, he enjoys spending time with friends, exploring new Indy hot spots, and traveling.



Amy McDonald
Vice President
KSM Location Advisors
Indianapolis, Indiana

Amy McDonald's role as vice president of KSM Location Advisors is pivotal, driving strategic initiatives that encompass client management and business development. Her focus on delivering exceptional value is evident through her leadership in conducting comprehensive comparative research on state and local communities. Amy's adeptness in quantitative analysis allows her to identify tailored incentives opportunities for each company's specific requirements. Additionally, her negotiation skills with government entities highlight her ability to secure monetary incentives, further showcasing her value to clients. Amy's dedication is evident as she guides projects from start to finish with the client's best interests always in mind.



Brian R. Prince II, J.D.
President and CEO
Prince Property Group, LLC
Carmel, Indiana

As a seasoned entrepreneur and influential figure in the business world, Brian has consistently implemented development strategies that have resulted in significant value creation for both communities and investors. His remarkable ability to inspire confidence among investors, partners, and the community stems from his unwavering integrity, meticulous attention to detail, and genuine commitment to fostering growth and prosperity in the areas he operates. Brian's career trajectory commenced at Flaherty & Collins Properties, where he spearheaded nearly \$400 million worth of real estate development initiatives. Driven by a commitment to giving back and making a positive impact, Brian actively participates in various influential organizations. He is a proud member of the Urban Land Institute (ULI) National Product Council for Public Private Development and contributes to the ULI Real Estate Diversity Initiative (REDI) program.



Sibghat Sheikh
Vice President of Development
Helix33
Indianapolis, Indiana

Sib brings a diversity of knowledge and experience to Helix. He started his career in corporate finance, working for three Fortune 50 companies. During that time Sib earned his CFA and a MBA from Duke University before diving into real estate. He started with acquisition rehabs and later expanded into multifamily new construction. After 10 years of market rate development, Sib took a sabbatical and joined IHEDA to train in Tax Credit and Tax Exempt Bond Financed Affordable Housing Development. Sib is excited to be back in development with Helix, focused on build-to-rent subdivisions as well as multistory apartments, ranging from market rate to affordable, and public-private partnerships.



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