

ORDINANCE G-2014-27

SPONSOR: McGinn

COMMITTEE: FINANCE

**AN ORDINANCE DESIGNATING AN ECONOMIC DEVELOPMENT TARGET AREA**

WHEREAS, the geographic territory bounded by Green River Road, Washington Avenue, Erie Avenue, Monroe Avenue and more specifically described as

82-06-36-017-134.001-027; 82-06-36-017-134.008-027

has become undesirable or impossible for normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors that have impaired values or prevent a normal development of property or use of property; and

WHEREAS, the designation of the geographic area described herein as an economic development target area will not exceed the maximum of fifteen percent (15%) of the total area of the City of Evansville to be in economic development target areas; and

WHEREAS, Pursuant to I.C. 6-1.1-12.1-7, the Evansville Economic Development Commission has recommended that the Common Council designate by ordinance the geographic territory described herein as an economic development target area;

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Evansville, Indiana, as follows:

**SECTION 1.** That after due consideration, the Common Council of the City of Evansville finds that the geographic territory described as 82-06-36-017-134.001-027; 82-06-36-017-134.008-027 has become undesirable or impossible for normal development and occupancy because of a lack development, cessation of growth, deterioration of improvements, or character of occupancy, age, obsolescence, substandard buildings, or other factors that have impaired values or prevent a normal development of property or use of property.

**SECTION 2.** That pursuant to I.C. 6-1.1-12.1-7, the Evansville Economic Development Commission has recommended that the Common Council designate by ordinance the geographic territory described in Exhibit "A" as an economic development target area.

**SECTION 3.** The geographic territory described in this ordinance as 82-06-36-017-134.001-027; 82-06-36-017-134.008-027 is hereby designated as an economic development target area.

**SECTION 4.** This Ordinance shall be in full force and effect from and after its passage by the City Council and signing by the Mayor.

**FILED**

**SEP 17 2014**

*Anna Winkler*  
CITY CLERK

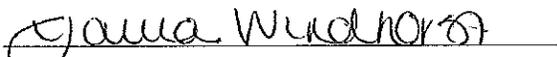
The Common Council of the City of Evansville, Indiana, on the 27 day of Oct, 2014, on said day signed by the President of the Common Council and attested by the City Clerk.



John Friend, President of the Common Council, City of Evansville, Indiana

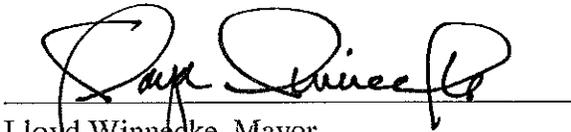
ATTEST: Laura Windhorst

Presented by me, the undersigned City Clerk of the City of Evansville, Indiana, to the Mayor of said city, this 29 day of Oct, 2014, at 12:30 o'clock P.m. for his consideration and action thereon.



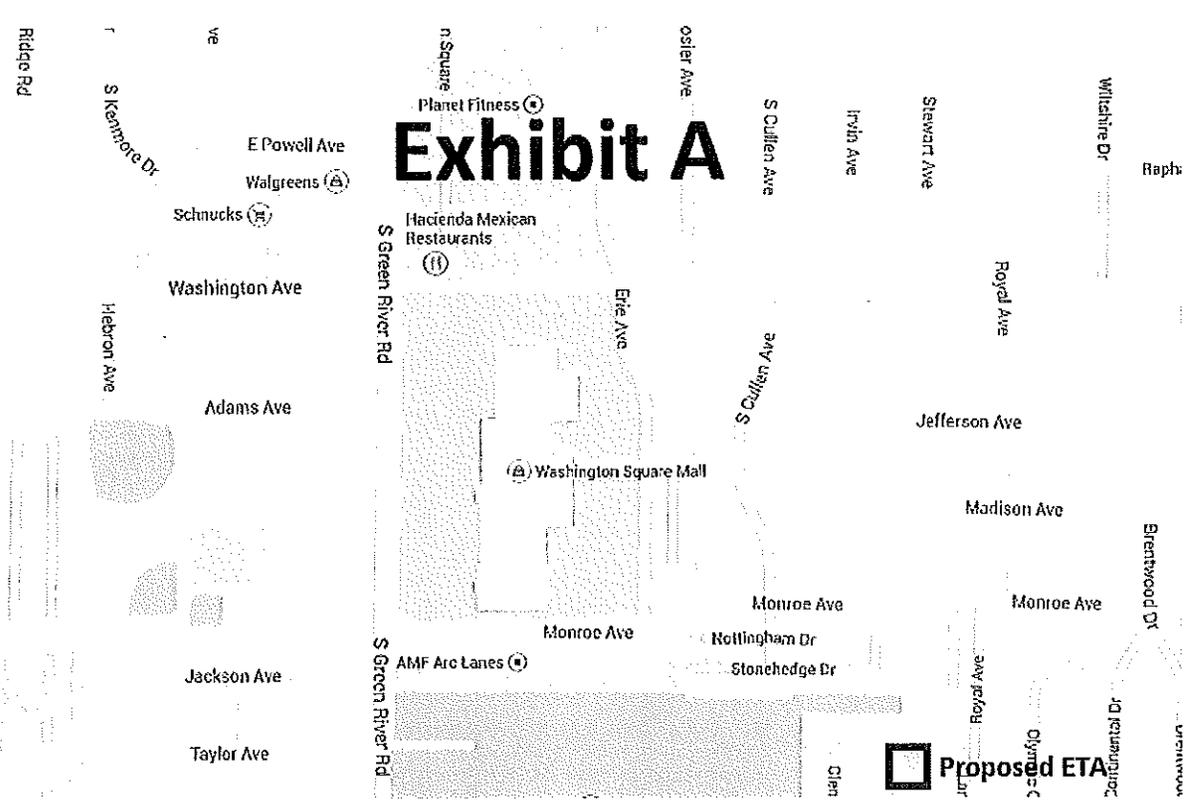
Laura Windhorst, City Clerk  
City of Evansville, Indiana

Having examined the foregoing ordinance, I do now, as Mayor of the City of Evansville, Indiana, approve said ordinance and return the same to the City Clerk this 30<sup>th</sup> day of October, 2014, at 2:00 o'clock P.m.



Lloyd Winnecke, Mayor  
City of Evansville, Indiana

# Exhibit A





**Project:** Washington Square Mall (WSM) Renovation and Modernization  
Redevelopment of Obsolete Commercial Corridor

**Process:** Providing the tax phase-in on a project such as this which is primarily retail will require the property's designation as an **Economic Target Zone** by Council ordinance as well as an **Economic Revitalization Area** by Council resolution. **Council has already passed the Preliminary Resolution for designation as an Economic Revitalization Area.** The Ordinance for designation as an Economic Target Zone is required before filing of the Confirming Resolution.

The property is eligible for designation as an Economic Target Zone as the area has become undesirable for normal development and occupancy because of a lack of development, cessation of growth, and deterioration of improvements and age of the buildings.

**Background:** The South Green River Road Commercial Corridor is in need of new investment for renovation and modernization to return it to an attractive and viable corridor for retail/commercial business growth. Experience indicates that private investment to redevelop this commercial corridor cannot be justified without some public incentive.

An application for incentives has been received from HK Partners, LLC for a similar project scope. WSM owner, Gene Hahn, is one of the partners in HK. They propose to **invest \$12.5 million.**

- The front of the mall facing Green River Road will have a total new façade with a new, modern look. All stores along that front will have entrances facing Green River Road.
- There will be a new and upgraded entrance for the internal stores.
- New store spaces within the mall will be added and existing store spaces will be upgraded.
- The structure on the South end of the mall that was formerly L.S. Ayers will be demolished; in its place a new, 70,000 SF Schnucks Grocery will be constructed.

Employment levels by tenants of the mall have declined over the past three years to a total of 380 full-time paid an average wage rate of \$12.50/hr plus benefits, and 70 part-time positions.

- With the proposed project, full-time employment levels are forecasted to rise to a total of 540 by 2018, with an average wage rate of \$14.50/hr plus benefits. Part-time employment levels are forecasted to rise to a total of 110.

- HK partners, LLC has estimated that without the investment to upgrade the mall, employment will continue to decline, losing an estimated 140 full-time and 50 part-time jobs.

The positive economic impact of the real estate investment and only the new, fulltime jobs added over the next 4 years would be approximately \$11.4 million per year. Part time jobs were not considered in this impact assessment.

The negative economic impact of the fulltime jobs that are forecasted to be lost without the investment is approximately \$11.9 million per year. Part time jobs were not considered in this impact assessment.

The public incentive offer is a 7 year tax phase-in on incremental real estate taxes associated with the investment. The value of the tax abatement to HK over the abatement period would be approximately \$1.09 million. The basis for the recommendation is sparking redevelopment of an outdated commercial corridor to promote additional private investment, improving quality of place, and supporting sustainability.

As with other projects, it is proposed that a Memorandum of Understanding (MOU) be executed that allows the option for "claw back" in the event operations that support the new jobs forecasted are shutdown to move to another community.

Summary Prepared 9/17/14 by:

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