

# Central Indiana Regional Development Authority: Strategic Plan 2018-2021



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# Executive Summary

## About the Central Indiana Regional Development Authority

The Central Indiana Regional Development Authority was formed in 2015 in response to the creation of the Indiana Regional Cities Initiative. Indiana Regional Cities is an initiative led by the Indiana Economic Development Commission (IEDC) designed to support the transformation of the state's regions into nationally-recognized destinations to live, work and play.

The Central Indiana Regional Development Authority published their regional development plan called the "Indy's Metro Momentum Agenda" in August of 2015. The plan detailed a path forward to address:

- Projected working-age population loss of 150,000 through 2040
- Increased competition from region's throughout the country
- Indy is "Stuck in Neutral" compared to national peers

To address these issues the plan detailed three projects as it pursued one the IEDC Regional Cities designations and a potential \$42M investment. These projects include:

- Red Line Electric Bus Rapid Transit (BRT) Corridor
- 16 Tech Downtown Technology District
- Regional Trails and Bikeways Development

While the region was not successful in the pursuit of the Regional Cities funding it is important to note that the three projects have advanced to varying degrees with other committed funds.

## Strategic Planning Process

In the summer of 2017, the Central Indiana Regional Development Authority (CIRDA) engaged in a strategic planning process to evaluate the organization's role in Central Indiana and plan for the future. The Metropolitan Planning Organization (MPO), as staff to the CIRDA, selected Fourth Economy Consulting to facilitate the strategic planning process. The following activities were undertaken to inform the strategic planning process:

- Fourth Economy interviewed a mix of staff and board members at each of the four Regional Development Authorities operating in the state of Indiana. These interviews

covered roles and responsibilities and in general how the organizations are functioning.

- Interviewed Indianapolis regional economic development stakeholders and interested parties
- Facilitated three CIRDA Board conversations
- Performed desktop research and information gathering to inform the recommendations
- Conducted two Economic Development panel workshops that covered a range of issues related to economic development. Note: these panels were done in connection with strategic planning for the MPO but contemplated the role(s) of both organizations.

The results of these planning activities have defined a set of recommendations and options for consideration by CIRDA and regional stakeholders.

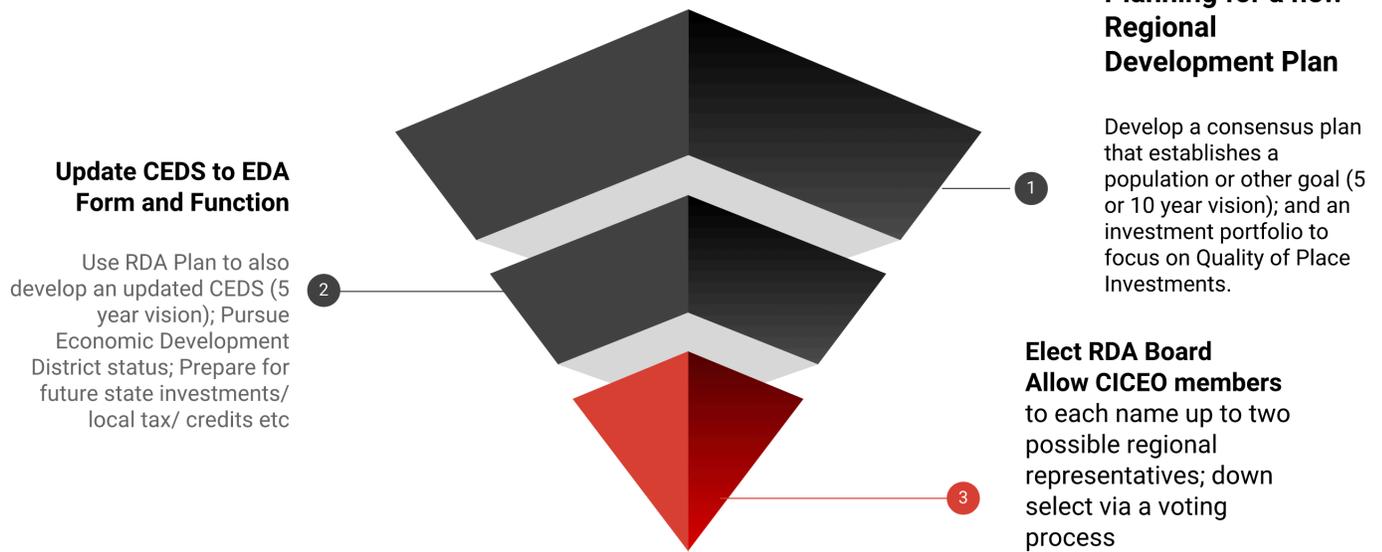
## CIRDA Strategic Plan Recommendations

The recommendations for the Central Indiana Regional Development Authority are split into two options. First, the Indianapolis region could advocate for the creation of a new regional structure and organization designed to serve the region's economic development and related quality of place needs in a more impactful way. At time of this report, the Central Indiana Council of Elected Officials is embarking on its own strategy process that is expected to inform what a more effective regional governance and planning functioning may look like.

The CIRDA strategic planning process informs that the Indianapolis region should pursue a structure that:

- Creates a formal relationship between the region's economic development organizations and the Indy Partnership.
- Creates a more defined relationship with the groups planning and representing regional interests such as the Indy Chamber, the Central Indiana Corporate Partnership, the Indianapolis Metropolitan Planning Organization, Central Indiana Chief Elected Officials and MIBOR.
- Advocates for and receives state support for creating a regional fund supported by some form of tax capture.
- Allows for planning at the regional level that builds on local control but allows for balanced capacity and problem

# Develop a new RDA Partnership (Region-Wide)



solving at the regional scale.

The creation of a new regional structure and/or organization may take significant time to develop and will require broad political support. In the meantime, or if such support is not mobilized, the following recommendations utilize the existing structures with some modifications.

The second set of recommendations are highlighted on the graphic above and described in the sections that follow.

## Recommendations for RDA Structure

### 1. Engage CICEO in Developing a New RDA Plan.

Key to developing a plan is establishing a population growth goal or other goal that drives a five-to-ten year vision. Currently, there is the sense of a vague goal of “growth” but no explicit number to guide the region, such as that seen in Northeast Indiana RDA’s “Road to One Million” plan.

Growing the region’s population will be tied to improving quality of life. The MPO planning process has identified barriers to quality of life in the region, namely a lack of connectivity and increasing transportation congestion, a mismatch in demand and stock of housing, unconsidered land use, and a looming water crisis. Each of these issues is related to quality of life, which draws both talent and jobs to the region. The new RDA plan should address key investments in each of these categories, and create a prioritized approach.

### 2. Update CEDS to EDA Form and Function

The Accelerate Indy Plan, which was originally slated to be the region’s CEDS, has not been submitted to the EDA for Economic Development District Status. The Accelerate Indy planning process began in 2014, with a steering committee of more than 100 corporate, civic and elected leaders. The plan resulted in a focus on four key aspects of economic development; attracting an educated and talented workforce, supporting and attracting innovative and enterprising business, building attractive and connected places, and cultivating a vibrant and inviting image. The Indy Chamber has seen some success in implementing aspects of this plan, but it has not been adopted as a Comprehensive Economic Development Strategy, as was the original intent.

If an EDD designation was sought, it would ideally be administered by a non-partisan non-profit group. For example, in Atlanta, the Atlanta Regional Commission, a regional planning group, holds the EDD designation. Therefore, the RDA would be the ideal group to oversee the EDD and, therefore the updating and oversight of the CEDS. As an EDD, the RDA would be eligible to receive federal funds from EDA, such as ongoing planning grants and support for staff.

Additionally, due to how the RDA is structured, it is poised to function as an agency that investment can pass through to support key regional investments. This means that local and

state tax monies, foundation investment, and private investment can all flow through the RDA, as Regional Cities Initiative funding has done through the other RDAs in the state.

### 3. Elect RDA Board Members

RDA board members should represent a wide group of stakeholders. One way to increase regional diversity on the board would be to allow CICEO Board Members to name up to two possible regional representatives, and to put that group to a poll of residents of the region. This makes the process more transparent, and allows the larger community to become involved in the RDA (while also serving as a tool to educate the region on the RDA's purpose.)

\*\*Change the RDA legislation to allow for an expansion of the board.

Another recommendation that would improve the efficiency of the Central Indiana RDA would be to change the structure of the board. The current legislation allows for RDAs created under the Regional Cities Initiative to have five board members made up of citizens who are not elected officials. For a region such as Central Indiana, this is somewhat constrictive. Furthermore, this structure is different from the Northwest Indiana RDA board, which includes seven board members, with two appointed by the Governor. This state involvement adds a level of credibility and oversight to the board.

# Central Indiana Regional Development Authority

## Full Strategic Plan

### Profile of the State's Four Regional Development Authorities

The Northwest Indiana RDA is the oldest in the state and was created prior to the Regional Cities Initiative. The Regional Cities Initiative expanded the ability for a region to create a RDA and provided a pool of capital to support successful regional development plans. Three additional RDA's were successful in securing \$42 million each as match for projects defined in their regional development plans.

### Northwest Indiana Regional Development Authority

The Northwest Indiana Regional Development Authority (NIRDA) was created in 2005. They are a state-sanctioned agency, and their employees are state employees. NIRDA represents the counties of Lake and Porter, which are bordered by Illinois and Lake Michigan.

#### RDA Structure

The NIRDA was created in 2005 to partner with others in the "heavy lifting" required to develop the infrastructure that will make Northwest Indiana economically vibrant.

The board of NIRDA is made up of two members appointed by the governor, one of who is the chair of the board and who has veto power. The other governor appointee changes between a representative from the largest city in the respective counties after serving a three year term. This appointee must come from a pool of three people who the mayors of those cities choose. There are also three appointees from each of the major cities in the region; Hammond, Gary, and East Chicago.

A member appointed to the development board must have knowledge and at least five years professional work experience in at least one of the following areas. This stipulation is a measure against politicization.

- Rail transportation or air transportation
- Regional economic development
- Business or finance

Current Board Members Include:

- Donald P. Fesko, Chairman of the Board, CEO of The Community Hospital in Munster
- Thomas Golab, Governor's Appointment, Founder and Managing Member of Route 6 Development LLC
- Milton Reed, East Chicago Appointment, Principal of Global Consulting Solutions
- Randy Palmateer, Lake County Appointment, Business Manager of the Northwestern Indiana Building Trades Council
- Bill Joiner, Vice Chairman, Gary Appointment, President of Gary's Economic Development Commission
- Phil Taillon, Hammond Appointment, Executive Director of Planning and Development for the City of Hammond
- Chris Campbell, Treasurer, Porter County Appointment, Centier Bank

#### Funding

**The NIRDA was not created under legislation supporting the Regional Cities Initiative, so the funding scheme is different.** Gary, Hammond, East Chicago, and Lake County fund the RDA through revenue raised via riverboat gambling, which Lake County and all municipalities within allow. Porter County's funds are raised via an Economic Development Income Tax and they contribute \$3.5 million per year.

As part of the creation of NIRDA, the state of Indiana pledged \$10 million per year for 10 years. These funds came from revenue of a toll road that runs through the region. This funding was discontinued in 2015, and the NIRDA had to re-approach the legislature for continued funding, which was provided. Because the NIRDA is funded via the state, they are subject to more oversight, i.e. governor-appointed board members and staff who are state employees.

## RDA Project Portfolio

The projects undertaken by the NIRDA were identified as part of the conception of the agency. They center around large, regional projects that would be too expensive and time-intensive at a municipal or county level, and too localized on a state level. They are issues that the region's state and federal lawmakers had been working on for some time. From 2005 – 2016, these goals were:

- **To redevelop the Lake Michigan shoreline in accordance with the Marquette Plan.**  
Through grants to local municipalities, the RDA invested \$109.5 million in its first 10 years in environmental remediation, rehabilitation, and place-making at or along the Lake Michigan shoreline. In many cases these grants were matched with federal or other non-state funds to multiply the impact of these "quality of place" investments.
- **Expand the Gary/Chicago International Airport**  
The RDA invested \$50 million to extend the airport's main runway in order to accommodate commercial air traffic.
- **Develop and support regional passenger rail and bus transportation**  
The RDA has made a number of other investments in the region, including the purchase of commuter railcars and grants for the development of bus transit systems. The RDA has also provided infrastructure funding to the City of Valparaiso for its ChicaGo Dash commuter bus service, currently the only bus service in Northwest Indiana transporting workers to and from jobs in downtown Chicago.
- **Enhance economic development in Northwest Indiana**  
For the period from 2009 through 2015, the RDA gave out 9 grants for economic development to companies bringing jobs to Northwest Indiana. These grants incentivized 1,674 jobs for the region.

Underlying decisions about projects in each one of these objectives is the NIRDA's values, which charge the organization to be bold, collaborative, transparent, non-partisan, efficient, accountable, and considerate of social equity.

## Looking Back

Focusing on the shoreline via the Marquette plan increased quality of life for the region, but was not as definitively an economic development endeavor. The projects were valuable,

but did not have a demonstrable ROI, and did not have a focus on jobs. Furthermore, the shoreline projects did not impact communities in the southern part of the region.

## Going Forward

The Updated Comprehensive Plan for the organization, formulated in 2016, is focused on building commuter rail assets that would provide the "connectivity" to Chicago that – in turn – would attract new residents, create jobs, and build the regional economy. This will be completed through two projects:

- West Lake Corridor Extension
- South Shore Double Tracking Project

The organization highlighted the economic development aspects of transit in order to garner support for the updated plan from area municipalities, counties, and the legislature. Objectives such as increasing affordable housing and bus service are also aspects of the plan.

Due to this new mission, the State promised \$6 million per year for 30 years, provided that the RDA update its statutorily required Comprehensive Strategic Development Plan, (CEDSD), receive approval from the State Budget Committee and Agency, and make application for a grant of the funds to the Indiana Finance Authority, all of which have been completed. Other funding will be generated through financing. To help support and guide transit-oriented development happening in tandem with the expansion of commuter rail lines, NIRDA has secured Tax Increment Financing zones of one mile around each station, which will be used for development of multi-family, mixed-use or other development. NIRDA can also supplement state funding with local contributions, and they can be a fiscal agent, borrowing on behalf of municipalities for local projects related to the plan.

# Southwest Indiana Regional Development Authority

The Economic Development Coalition of Southwest Indiana (EDCSI), a regional public-private economic development entity which serves the four counties of Gibson, Posey, Vanderburgh, and Warrick and the state's third largest city, Evansville.

The Coalition was formed in 2006 and acts as a marketing arm for the region, as well as an economic development entity, offering services for retention, expansion, and business attraction.

## RDA Structure

The EDCSI serves as the administrator for the Southwest Indiana Regional Development Authority, providing legal and accounting services for the RDA.

All board members serve on the EDCSI board as well:

- Beth McFadin Higgins, Attorney at McFadin Higgins & Folz
- Rick Schach Senior Vice President of Utility Operations at Vectren
- Howard Nevins, President of InTerraChem, LLC,
- Jim Ryan, Executive Vice President of Old National Bank
- Dan Potje, Vice President of Administration, Toyota Indiana

## RDA Project Portfolio

The EDCSI helped to establish a 25-member steering committee and a more than 70-member working group from the four-county region to collectively select projects that fit the criteria of the initiative. Projects were separated into Core, Gateway, and Supportive. In all, 14 projects were selected. Coalition staff monitors projects and closeouts.

## Projects

- 14 Projects identified
- 9 projects in progress
  - Signature School Science Center
  - Warrick Wellness Trail
  - Downtown YMCA Redevelopment - rehabilitation of

YMCA and creation of 65 affordable housing units

- Victoria Master Plan Development and Conference Center
- Evansville Airport Terminal Renovation
- Oakland City University Boulevard Commons - student housing residence and alumni lodge
- Regional Medical Center
- Warrick Wellness Pathways
- WNIN Relocation and Expansion
- 5 projects to be completed in 2017
  - Connector Trail to Downtown Evansville
  - New Harmony Bridge
  - New Harmony Food Project
  - The Market on Walnut and new urban living lab
  - Multi-Institutional Academic Health Sciences and Research Facility

## Looking Back

One of the things that has made SIRDA successful is understanding how to invest with impact, rather than investing for political reasons. In each investment, three things are considered; is it conclusive, is it data driven, and is it purposeful. If those conditions are met, then the project goes forward.

## Going Forward

The state legislation for the RDA, allows the opportunity to layer on a local option income tax. Currently, if this tax was implemented, it would raise about \$3 million. Due to the regional mission of the RDA, and the amount of consternation that this tax would cause, it is not worth it. However, if a tax could be implemented to generate \$10 - 15 million per year, then this would be useful, and would be worth the political capital to make it happen. A conversation about this would have to happen in the state legislature.

# South Bend Elkhart Regional Partnership and the Northern Indiana Regional Development Authority

The South Bend - Elkhart Regional Partnership (formerly Michiana Partnership) is a regional public-private economic development entity representing three counties. The Partnership serves as the administrator for the Northern Indiana Regional Development Authority.

The South Bend Elkhart Regional Partnership was established in 2011 and, prior to Regional Cities, had primarily been engaged in marketing. The Partnership was formed by the lead economic development groups, who funded the effort with contributions in return for representation at trade shows and in marketing materials.

## RDA Structure

The Northern Indiana Regional Development Authority (NIRDA) is a public corporation with a separate board, but they have a Contract for Services with the Partnership administering their operations and programs. Logistically, they work together closely; the Partnership guided the development of the Regional Cities plan, and will guide the update for the plan. Under the current legislation, there is the potential for NIRDA to become a funding arm, implementing the strategies identified in the strategic plans.

The Partnership, and the RDA represent three counties: Elkhart, St. Joseph, and Marshall. The RDA Board was chosen by nine public officials in the three counties and includes two each from the larger counties and one from the smaller county, Marshall.

Board members have significant responsibility, and spend 5 - 10 hours per month on RDA tasks. Board members are:

- John DeSalle, Chair, President Hoosier Racing Tire Corp.
- Kristin Pruitt, Vice Chair, Executive Vice President & General Counsel, Lakeland Financial Corp.
- Dallas Bergl, Secretary-Treasurer, President & CEO, INOVA Federal Credit Union
- John Affleck-Graves, Executive Vice President, University of Notre Dame
- Pete McCown, President, Community Foundation of Elkhart County

## RDA Project Portfolio

The projects funded by the Regional Cities Initiative (RCI) were contributed by the surrounding communities, and were subject to metrics that aligned with the strategic plan. The strategic plan took the shape of a Regional Innovation District Network approach. These projects are designed to enhance various assets and close gaps within each hub city while addressing at least one (and often more than one) of the four key success factors:

- Density
- Connectivity
- Amenities
- Productivity

The application also specified that each project identify:

- Project Ownership
- Partners & Experience (Project Type and Readiness)
- Project Timeline
- Project Budget & Funding
- Project Impact

## Procedure for Funding

A stakeholder group representing the region considered proposals according to the metrics above. In all, 39 projects were submitted, 26 met criteria and were ready to implement were selected. After funding these projects, there was \$1.8 million left, which was opened up for another round of submissions. There were 13 more submissions, resulting in 7 more projects. Projects were given a 6-month time period to secure matching funding.

Examples of the types of programs that were funded through the RCI program are:

- Mixed-use residential and retail amenities
- Recreational facilities including a world-class natatorium in downtown Elkhart
- Rehabilitation of South Bend's former Studebaker buildings
- Improvements to downtown riverfronts

## Looking Back

A key aspect of the last few years has been the challenge to standardize operations and logistics, such as the need to have open door, public meetings. There are also challenges of fitting the responsibilities of the RDA into the existing system. Sometimes it is not built for it.

## Going Forward

In the future, the strategic plan will be shared between the RDA and Partnership. RDA is poised to become a fiduciary agent, and, under current legislation, can accept funds from public and private sources. Because they are a legit public corporation and a publicly guided entity, the RDA is seen as a stable way to make an investment in the region. Future projects may be funded by private partners (i.e. casino), or potentially a tax.

## Northeast Indiana Regional Development Authority

The Northeast Indiana Regional Partnership (NIRP), a regional public-private economic development entity representing a 10-county region, serves as the administrator for the Northeast Indiana Regional Development Authority (NIRDA). The counties served are Adams, Wells, Huntington, Wabash, Allen, Whitley, Kosciusko, DeKalb, Noble, Steuben, LaGrange, with the largest city in the region being Fort Wayne.

The NIRP was established in 2006, and one of its core organizing programs was the establishment of the Local Economic Development Organization Council, an advisory group of leaders from the 11 member counties in Northeast Indiana who work on economic and community development and oversee economic development efforts throughout the region. Additionally, there is a Mayors' and Commissioners' Caucus that provides government leaders in the counties with a unified voice to advance economic policies. All counties in the region pay dues to NIRP.

## RDA Structure

NIRP is closely tied to the NIRDA. NIRP leases a staff member as Executive Director of the RDA, and they benefit from NIRP marketing and other services.

The NIRDA board members were chosen in a process of elimination of citizens suggested by leaders suggested by the Regional Opportunities Council (Council). The suggested NIRDA board members were put to a vote of the Council and the candidates with the lowest numbers were removed from consideration. This vote went through two rounds. The end result is that NIRDA board members have the full support of the community. Some of the board members of the NIRDA also serve on the NIRP board, and, although this was not intentional, it is advantageous.

The RDA board includes:

- Bob Marshall, Chairman, Campbell & Fetter Bank
- Andrew Briggs, Vice Chairman, Bank of Geneva Secretary
- Brad Bishop, Treasurer, OrthoWorx
- Jeff Turner, Metal Technologies
- Gene Donaghy, retired from Northeastern REMC

## Procedure for Funding

The strategic plan that drove the RCI proposal and investment was called, "Road to One Million," and it set out a vision for population growth to 1 million people through a plan built on:

- Arts and cultural assets;
- Greenways and blueways;
- Downtowns and community development;
- Education and industry.

All projects submitted to the RDA to receive RCI funds were expected to address one or more of these objectives. Furthermore, the application included space to expand on budget and funding, timeline, impact, source of funds, use of funds, return on investment including tax revenue, and number of people the project would benefit in terms of jobs and number of users.

The community, for the most part, believes that this is a fair and equal way to allocate funds. Because the projects had to show that they were "investment-ready" there was no pushback citing favoritism.

## Looking Back

There could have been a way that funding could have been spread out further i.e. ten percent less funding on each project could have preserved the funds for more projects.

The only controversial project was a primarily privately-funded trail that went through backyards. Some property owners thought that this was infringing on their rights. The process for this project could have been more open, and community involvement could have been greater.

The projects in the RCI proposal were from all over the region, even small towns. There was some pushback with community leaders asking why not invest in one larger project in a more centrally located area. RDA leadership and NIRP leadership expressed that spreading the funding out created trust in outlying communities, which they can bank on to help get future large regional projects supported.

## Going Forward

The RDA is looking at four areas; strategic planning, strategic communications, a funding plan, and building a sustaining organization i.e. board succession planning. There is a sense that the RDA could be useful to the mission of NIRP in ways that are not yet known – for example, all the surrounding counties have difficulty with housing. The RDA may be able to be a partner in managing risk in housing.

# RDA Interview Summary Findings

The points below derive from themes brought forward by the leadership of each of the Regional Development Authorities in Indiana. The key findings are:

- An RDA must align in mission with a regional plan or community-supported objectives
- Insuring that investment from RDAs is fairly spread throughout the region, leads to regional trust and support
- All RDAs in Indiana are grappling with the question of how to secure funding after Regional Cities Initiative funding is exhausted
- Indiana RDAs are also striving to understand how the flexible nature of their organizations can contribute to their mission
- Only one RDA in Indiana, the Northwest Indiana Regional Development Authority, has state oversight, due to this RDA being created prior to RCI funding; this oversight adds a level of credibility and accountability that their leadership finds helpful.

## RDA Mission Alignment

A key component in Regional Development Authority success has been alignment with a regional plan or community-supported objectives in determining projects to be funded, or metrics of projects for funding. All three of the RDAs that received Regional Cities funding completed a planning process to guarantee alignment with community supported objectives.

- South Bend – Elkhart Regional Partnership built their plan around the idea of innovation districts, focusing on what would draw tech and talent. They have also integrated their Regional Development Plan with their regional Comprehensive Plan.
- The Northeast Indiana Regional Partnership focused the Northwest Indiana Regional Development Authority on talent attraction, retention, and development through quality of life in a plan called “Road to One Million.”
- The Economic Development Coalition of Southwest Indiana helped to establish a 25-member steering committee and a more than 70-member working group from the four-county region to collectively select projects that fit the criteria of the initiative. Greg Walthen, the executive director, explains, “Our

RDA was an outgrowth of what we put together as a long-term strategy.”

The Northwest Regional Development Authority was created to address long-standing projects in the region, including carrying out the Marquette Plan, which supported revitalization and redevelopment of the Lake Michigan shoreline. In 2016 the group completed an update of their strategic plan, which focused on the economic opportunity related to transit. This has narrowed their focus, but due to the significant economic effects, their municipalities, counties, and legislators are in support of the project.

## Investment Leads to Regional Trust and Support

Across the board, leadership at the various RDAs stressed importance of gaining the trust of local elected leaders and local economic development organizations for support and coordination in implementing plans, for example:

- NIRP had formed caucuses of elected leaders and local economic development officials in 2006, and had been building trust for a decade before Regional Cities
- The Economic Development Coalition of Southwest Indiana has built their organization on providing equal representation to all communities, even the smaller ones. This helps to create a group that is invested in building the region collectively.

More than one RDA explained that spreading out the funding granted by the Regional Cities Initiative was key to developing trust in the region. The goodwill created by developing RCI projects in communities large and small will likely lead support for more concentrated regional efforts in the future.

## Funding after RCI

All RDAs are grappling with how to raise funds, especially after Regional Cities Funding is spent – ideas for sustained revenue include private donations, levying taxes, and a loan-based model. One of the RDAs connected to a regional economic development entity explained that they chose to have a higher cost to participate in regional efforts because it leads to more accountability on both partner and organization.

As part of their updated 2016 plan, the RDA has established that a one mile radius of stations on the proposed rail improvements will be utilized for Tax Increment Financing. The Increment will be used to develop the areas and include mixed income and mixed-use properties. Furthermore, the RDA can borrow on behalf of communities for further redevelopment connected to transit improvement.

### **Functionality of RDA**

In general, there is a sense that the RDA could be useful in ways not yet understood. The RDA legislation is written to allow the entities significant leeway in how they function, and how they can raise funds. Some regional entities are considering if they could accept funding from private entities, such as casinos. Furthermore, their missions could be expanded. For example, RDAs may be able to tackle regional issues such as housing through the creation of guaranteed housing funds that would assist developers in building the type of housing that would attract and retain young talent as well as affordable housing.

This additional scope, however, would require changes in state statutes that would allow for more tax capture or development of some other funding stream within the community.

### **Advantage of State Oversight**

The Northwest Indiana RDA is closely connected to the state, with the executive director a state employee and two government-appointed board positions. The leadership feels that their board structure is an important aspect of what makes them an accountable organization. The Chairman having veto power, and the executive director being accountable to the state agency head gives the state assurance that the organization is acting in concert with the state. It makes them accountable to the state, and keeps them focused.

# Stakeholder Interviews

To understand the state of regional economic development initiatives in Central Indiana, Fourth Economy conducted over 30 interviews with key economic development stakeholders including executives of public private economic development organizations, heads of county economic development, and municipal staff charged with economic development. We also spoke with Chamber of Commerce executives around the region. From those interviews, we note the following themes:

## Data

There is a need for a regional data center and maps/ information that is common across all communities. Having updated regional data available is a great strength for local economic developers, but currently, no group exists that provides regular updates about essential data such as workforce. Many economic developers look to MIBOR for information about what is happening in the housing market – they have up to date information about what people are buying and what the challenges are in terms of getting new housing built.

## Workforce

Workforce is the highest priority for economic health; the fact that the city and state population is aging, and that traditionally, Indianapolis has primarily drawn workers from within the state of Indiana is a concern. All the stakeholders interviewed understood the importance of attracting workers from outside of the city and state, whether through quality of life improvements or high-paying jobs. Stakeholders – especially those in the prosperous northern suburbs – understood that housing diversity impacted workforce issues, and subsequently, quality of life. When low-paying jobs are in areas of the region with a high cost of living, then those workers cannot afford to live nearby, and must commute long distances, which creates additional expense and increases traffic across the region.

- Some stakeholders mentioned the opioid epidemic as a concern for workforce, specifically that workers could not pass drug tests.
- Others mentioned stagnant wages; that workers would not be as difficult to find, or house, or provide transit for if wages were higher.

## Transit

Transit was often raised as an antidote to issues that threaten quality of life such as a lack of housing diversity and an increasingly taxed roadway system. Challenges identified include how to fund transit, and how to coordinate across county lines. Funding is especially difficult; a few stakeholders brought forth examples such as pilot bus lines that fizzled after initial funding, or bus systems that were dependent on private interests. Furthermore, there was a sense that in the region the term “transit” was primarily defined as the Red Line, which would only benefit the northern suburbs. While stakeholders outside of that area recognized the regional benefit of providing transit to population centers, there was some hesitancy in pledging financial (or other) support to a project that would not directly benefit their communities.

- Trails were brought up as a transit alternative and an example of how regional collaboration is difficult. There was a sense that trails were important to quality of life, but that creating an intra-regional trail network was very difficult.

*“Our trails are not connected to other counties’ trails – it’s hard to do that with the amount of agriculture we have, and to get all the way out to county line would be expensive. We have discussed hooking up to another bike ped trail, but this would take an investment of around \$20 million, which is a lot for a county to take on. If we could get money from state or federal sources, that would help.”*

## Housing

The message that environments that promote a walkable, “live-work-play” lifestyle attract both Millennials and Baby Boomers has reached the economic development stakeholders of Central Indiana. Nearly all stakeholders interviewed mentioned their efforts at creating a downtown environment with diverse housing choices, primarily multi-family. However, there are barriers to creating a truly diverse housing stock. In fast-growing areas, builders are seeking to capitalize on their investment by building homes in the \$300,000 and up range, which delivers the most profit, and justifies the high cost of labor due to a small construction workforce. Therefore, housing that is not multifamily or high end is scarce.

## Lack of Regional Balance

Most stakeholders felt that regional development focus was skewed to northern suburbs. Stakeholders felt that most decisions made at the regional level benefitted the northern population centers, to the detriment of other areas. They questioned why an area that was already built out would receive advantages, when their communities were ripe for redevelopment and population expansion. There is also the sense that lower-resourced communities may not get fair representation from business-oriented groups because executives do not live in these areas.

## Gaps in Existing Regional Groups

Stakeholders realized that different regional groups represented different agendas or priorities, and also cited a lack of communication in the region. There were questions around CICEO due to elected officials' perceived jurisdictional bias, with stakeholders wondering if the group could think and act regionally. Stakeholders indicated the lack of a functional role for Indy Chamber/Partnership outside of convener. There was a sense that programs implemented by the Indy Chamber/Partnership did not utilize the local economic developers as actors, and were therefore less effective. Similarly, stakeholders identified a gap in planning from Indy Chamber/Partnership – when communities tried to work with them on development projects, the group did not convey their vision, and did not seem to want to cooperate in helping the community reach their vision. There was also confusion as to the role of RDA and CIRT in relation to the MPO, especially as CIRT was the organization working for the advancement of the Red Line.

## Lack of Communication

Several stakeholders brought up the Amazon H2Q bid as an example of both regional collaboration and disfunction. On one hand, there was increased collaboration, with local economic developers being engaged, but on the other, some felt it was an ineffective strategy; instead of offering Amazon several different sites with varying degrees of legitimacy, one very viable site could have been showcased in an improved proposal.

Other communication issues include:

- Development Projects that are not right for one community not being referred to the Indy Partnership or to other communities for consideration

- A sense that stakeholders are skeptical of the region's Comprehensive Economic Development Strategy, due to amount of time that has passed, and confusion on whether this plan will be forwarded as part of the process of becoming an Economic Development District.
- Sense that conversations happening at meetings of specialized groups like CICEO are not being shared with local economic developers, and therefore, messaging of elected officials and economic developers are not on the same page.

## Lack of Strategic Direction

Among the stakeholders, there is the sense that consolidated, strategic vision is lacking. Each municipality and county has its own agenda and plans, and doesn't prioritize the regional aspect of planning. Stakeholders expressed that municipalities were not purposefully fighting, but that they lacked vision and direction. There were remarks that indicated that the region had not coalesced around values, which some stakeholders found to be holding the region back on indicators such as inequality. One idea that came to the forefront was to focus on connectivity of the region and of quality of life and tourism assets (i.e. i.e. airport, trails, casino, sports facilities) rather than focusing on one project.

*"We know what makes a community not work – congestion, lack of connection. If we can keep high points main focus, and let details work themselves out. Can the chamber lead with high points? What we don't want is a two hour commute. That's the high point conversation. Less talk about Red Line."*

# The Central Indiana Regional Economic Development Organizational Framework

There are six organizations serving various economic development and related quality of place roles in the Central Indiana region. These include the Indy Chamber, the Central Indiana Corporate Partnership, the Regional Development Authority, the Indianapolis MPO, the Metropolitan Indianapolis Board of REALTORS, and the Central Indiana Chief Elected Officials.

The interests of business are represented by the Indy Chamber and by the Central Indiana Corporate Partnership (CICP). CICP was formed in 1999 to bring together the chief executives of Central Indiana’s prominent corporations, foundations and universities in a strategic and collaborative effort dedicated to the region’s continued prosperity and growth. CICP invests in multiple industry initiatives. The Indy Chamber also invests in initiatives, but, as seen in the chart below, there is limited coordinated effort between the two groups to support prioritized industries.

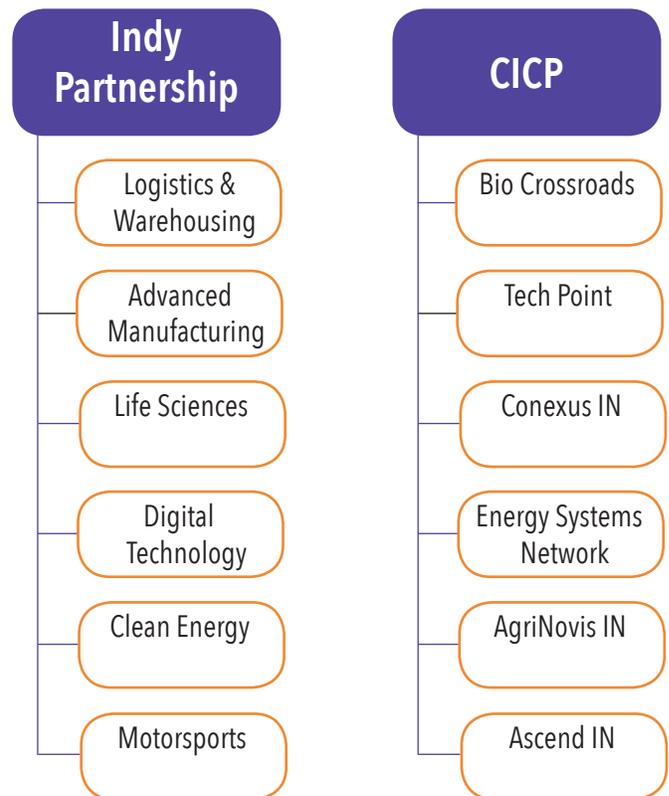
The Indy Partnership is the economic development arm of the Indy Chamber. It works to attract and retain businesses in the region and provides marketing for the area. Local economic development entities can become sponsors of the Indy Partnership, with the intention of supporting their work in order to benefit from their marketing efforts. Indy Partnership has no regional operating agreement, and their role is not clear to many of the stakeholders we interviewed. Others cited that the Indy Partnership could provide more concrete leadership by involving local regional groups in efforts, such as those designed to influence foreign trade.

Central Indiana Council of Elected Officials (CICEO) is a group that was spearheaded by the Indiana chapter of Urban Land Institute. The CICEO is made of up Mayors and Town Council Presidents from the region and is a voluntary effort. The CICEO focuses on large issues which will enhance economic development throughout the entire region, such as transit and a regional water policy. While the group does provide elected leaders with a forum to discuss legislative matters, there is no formal organized role and the group is not ingrained into regional decision making. That is, decisions that are made by CICEO have no binding authority.

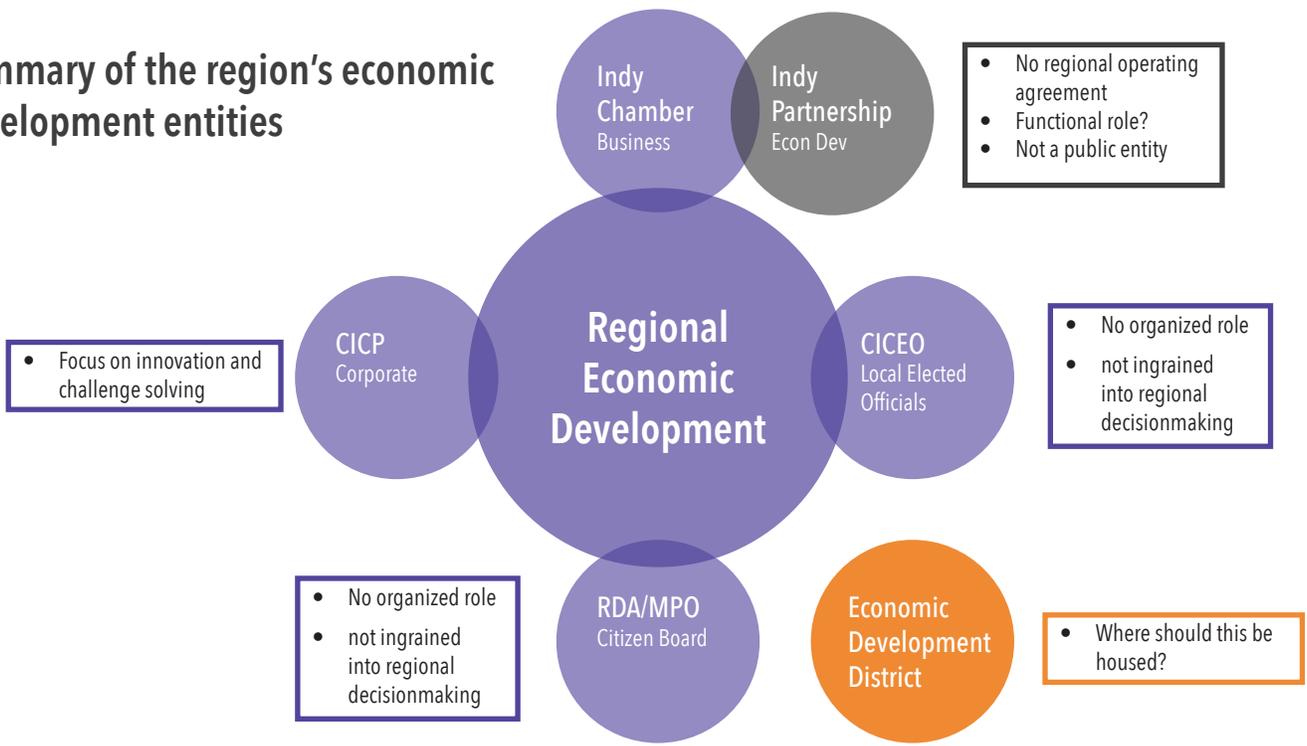
The CIRDA, as it currently exists, is similarly hamstrung. Created as a stipulation of the Regional Cities Initiative application, the CIRDA does not have resources to pursue a mission or the projects identified in the original redevelopment plan. There is the potential for the CIRDA to step into a convening role, especially if a stream of funding is created. The capacity for CIRDA

to advance solutions to regional concerns can be seen in the four other RDAs in the state – however, a key aspect of this efficiency is an established, functional relationship with an economic development group, which CIRDA does not currently have.

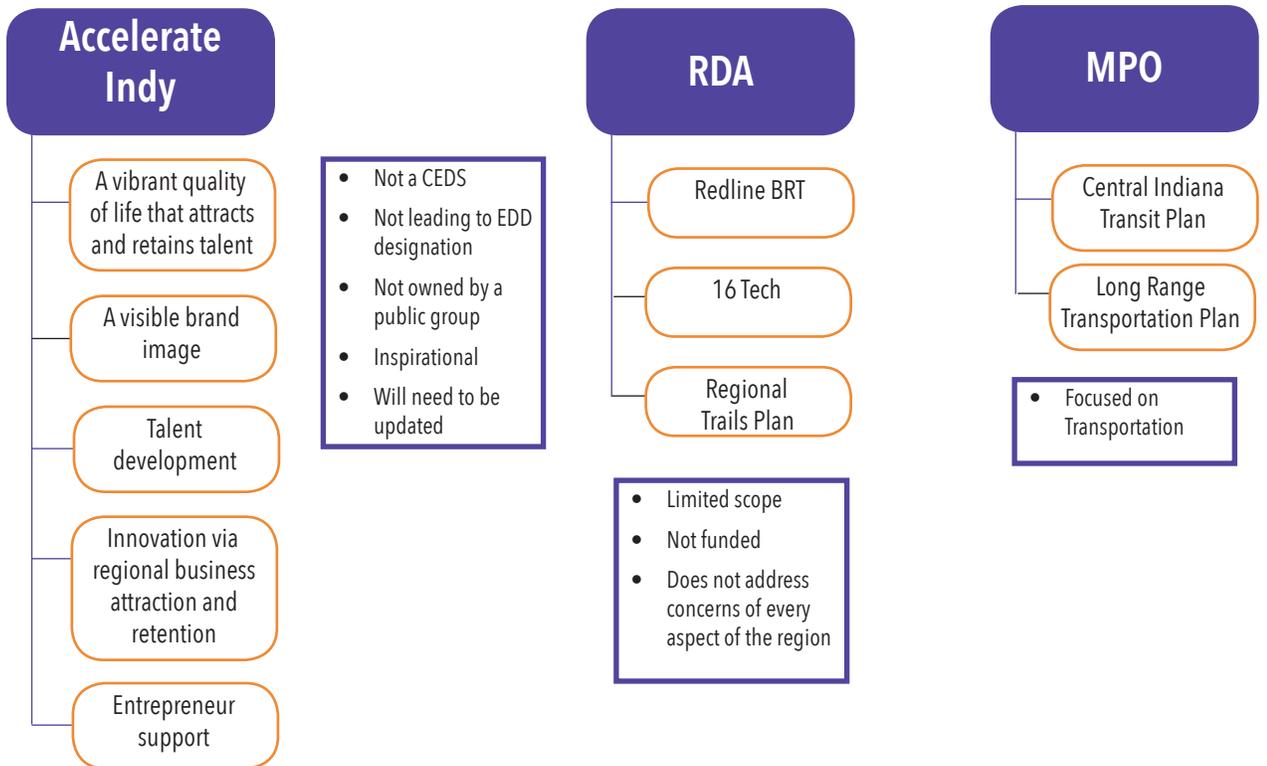
Finally, there is the question of where, administratively, an Economic Development District (EDD) might be located. An EDD is an entity, federally recognized by the Economic Development Administration, designed to support a broad range of economic development and economic development-related projects in a region. The creation of an EDD is dependent on the completion of a regional Comprehensive Economic Development Strategy (CEDS). The Accelerate Indy plan was poised to become a CEDS, but this process was not completed. EDDs are typically administered by a non-profit rather than a public-private partnership.



# Summary of the region's economic development entities



As seen in the examples of all other RDAs, regional collaboration is made easier with a plan that has broad community support. There are currently three regional plans that have been created for Central Indiana; Accelerate Indy, the RDA Plan, and the Central Indiana Transit Plan, created by IndyConnect, a partnership of the Indy MPO, IndyGo and CIRTA, and the 2040 Long Range Transportation Plan, a product of the Indy MPO. Accelerate Indy, while generated with public support, has not become the CEDS for the region and will need to be updated soon. Furthermore, not all regional groups feel they have ownership of this plan. The RDA plan is limited in scope, and does not address concerns of every aspect of the region; many stakeholders shared their view that the RDA plan was focused primarily on the already-advantaged northern suburbs. The MPO planning efforts are, justifiably, focused on transportation, and lacking in a comprehensive vision for the region.



Overall, the barriers to regionalization in Central Indiana are summarized below:

### **No collective prioritization of regional projects**

For both the Northwest Indiana RDA and the Northern Indiana RDA, success of their Regional Cities Initiative applications was due to choosing projects that were aligned with community identified metrics in service to an overarching goal. In the case of the Northeast Indiana RDA, both the first and second phase of the RCI funding was aligned with regional plans. For the Southwest RDA, a collaborative process involving nearly 100 people made selections that were included in the Regional Cities Initiative. This process is currently employed by the MPO but not in other areas.

### **Regional planning is seen by some as focused on northern suburbs**

Many stakeholders expressed frustration that planning done in the name of "regionalism" was often focused on the high-performing northern suburbs. In particular, the RDA plan being focused on the Red Line left stakeholders in outlying communities skeptical of how the region would proceed; they understood that their economic outlook was tied to Indianapolis, but questioned how focusing on a limited transportation project would help them.

### **No functional leader (individual organization or collective)**

While disparate stakeholders across the region are involved in different groups, there is no one group that brings all the decision makers together. Separate groups can be useful; Chambers speak on behalf of business, while groups like the MPO are experts on transportation. However, not engaging all groups in decision making around key regional issues leads to silo-ing and a lack of communication resulting in splintered efforts.

### **No clear regional 'goal' beyond growth**

Growth is a metric of economic health, but not the only metric. In fact, unencumbered growth brings with it a new set of problems including traffic congestion, increased inequality, and, in this region, increased potential for water insecurity. Putting other metrics for growth and prosperity in place, and having one collaborating group track those metrics can provide a more robust and sustainable regional goal.

### **No value-driven plan being enacted**

One of the values of collaboratively creating a regional economic development plan is the chance to identify the region's values, which clarifies subsequent objectives and projects. Understanding what the data says about population, income, and economic activity can help to identify values. For example, if there is an increasing trend toward wealth inequality in different areas, so perhaps access to opportunity is a value-driven goal. With disparate groups currently working towards their own agendas without buy-in to a plan driven by values, efforts are scattered and shared values are not identified.

# Recommendations to the Central Indiana Regional Development Authority

The recommendations for the Central Indiana Regional Development Authority are split into two options. First, the Indianapolis region could advocate for the creation of a new regional structure and organization designed to serve the region's economic development and related quality of place needs in a more impactful way. At time of this report the Central Indiana Chief Elected Officials are embarking on their own strategy process that is expected to inform what a more effective regional governance and planning functioning may look like.

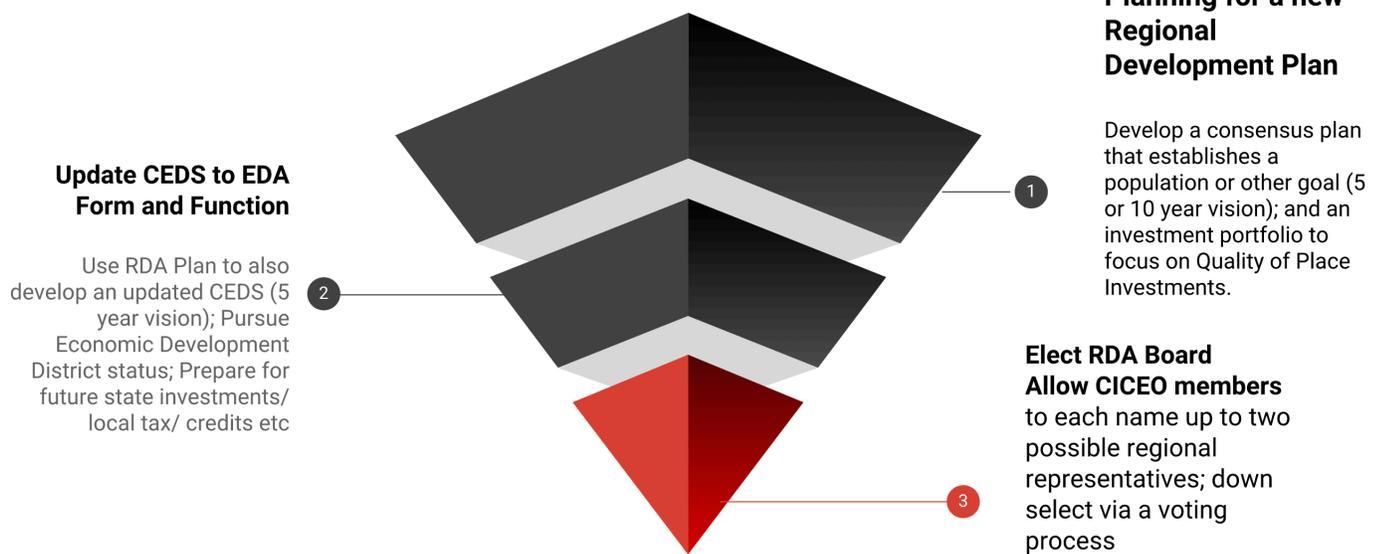
The creation of a new regional structure and/or organization may take significant time to develop and will require broad political support. In the meantime or if such support is not mobilized the following recommendations utilize the existing structures with some modifications.

The second set of recommendations are highlighted on the graphic below and described in the sections that follow.

The CIRDA strategic planning process informs that the Indianapolis region should pursue a structure that:

- Creates a formal relationship between the region's economic development organizations and the Indy Partnership
- Creates a more defined relationship with the groups planning and representing regional interests such as the Indy Chamber, the Central Indiana Corporate Partnership, the Indianapolis Metropolitan Planning Organization, Central Indiana Chief Elected Officials and MIBOR.
- Advocates for and receives state support for creating a regional fund supported by some form of tax capture
- Allows for planning at the regional level that build on local control but allows for balanced capacity and problem solving at the regional scale.

## Develop a new RDA Partnership (Region-Wide)



*Option: Change the RDA Legislation to allow for an expansion of the Board*

## Recommendations for RDA Structure

### Engage CICEO in Developing a New RDA Plan

Key to developing a plan is establishing a population or other goal that drives a five to ten year vision. Currently, there is the sense of a vague goal of “growth” but no explicit number to guide the region, such as that seen in Northwest Indiana RDA’s “Road to One Million” plan.

Growing the region’s population will be tied to improving quality of life. The MPO planning process has identified barriers to quality of life in the region, namely a lack of connectivity and increasing transportation congestion, a mismatch in demand and stock of housing, unconsidered land use, and a looming water crisis. Each of these issues is related to quality of life, which draws both talent and jobs to the region. The new RDA plan should address key investments in each of these categories, and create a prioritized approach.

### Update CEDS to EDA Form and Function

The Accelerate Indy Plan, which was originally slated to be the region’s CEDS, has not been submitted to the EDA for Economic Development District Status. The EDD would ideally be administered by a non-partisan non-profit group. For example, in Atlanta, the Atlanta Regional Commission, a regional planning group, holds the EDD designation. Therefore, the RDA would be the ideal group to oversee the EDD and, therefore the updating and oversight of the CEDS. As an EDD, the RDA would be eligible to receive federal funds from EDA, such as ongoing planning grants and support for staff.

Additionally, due to how the RDA is structured, it is poised to function as an agency that investment can pass through to support key regional investments. This means that local and state tax monies, foundation investment, and private investment can all flow through the RDA, as Regional Cities Initiative funding has done through the other RDAs in the state.

### Elect RDA Board Members

RDA board members should represent a wide group of stakeholders. One way to increase regional diversity on the board would be to allow CICEO Board Members to name up to

two possible regional representatives, and to put that group to a poll of residents of the region. This makes the process more transparent, and allows the larger community to become involved in the RDA (while also serving as a tool to educate the region on the RDA’s purpose.)

**\*\*Change the RDA legislation to allow for an expansion of the board.**

Another recommendation that would improve the efficiency of the Indy RDA would be to change the structure of the board. The current legislation allows for RDAs created under the Regional Cities Initiative to have five board members made up of citizens who are not elected officials. For a region such as Central Indiana, this is somewhat constrictive. Furthermore, this structure is different from the Northwest Indiana RDA board, which includes seven board members, with two appointed by the Governor. This state involvement adds a level of credibility and oversight to the board.

## Closing Observation

In lieu of not advancing any changes to the CIRDA, the MPO can continue to serve as administrator and utilize the nominal resources that it received to continue compliance with the requirements established by the Indiana Economic Development Corporation. This approach would allow the region to maintain CIRDA as an active entity until such time that IEDC changes direction, additional funds are allocated to the Regional Cities Initiative or some other structure is developed that can assume the powers and duties allowed by the RDA organizations.