2014

A market-based, results-driven plan to increase private investment in four underutilized regional land assets that were vacated as a result of the severe destabilization of the automotive industry.

Introduction
PROJECT CONTEXT

Beginning in October 1, 2012, the City of Indianapolis, Department of Metropolitan Development (DMD) received a grant from the US Department of Commerce, Economic Development Administration (EDA) to support the creation of a market-based, results-driven revitalization plan for the reuse of four closed automotive assembly sites in the City of Indianapolis:

Chrysler Foundry Site
Prior to 2005, the Chrysler site supported a foundry and casting facility. In September 2005, the plant ceased all operations, and in November 2006, the structures were demolished, leaving the foundation slabs in place. The roughly 46-acre site now includes three vacant parcels, generally located north of the intersection of Tibbs Ave. and Morris Street, adjacent to I-70. The site enjoys visibility and access from I-70 and is rail served. Total employment was in excess of 800 jobs.

Navistar Engine Plant & Foundry
The Navistar site currently houses an idled engine plant and an operating foundry that produces engine blocks. While the engine plant closed in July 2010, the foundry continues to operate, but below capacity. At peak operations, plant employment was in excess of 3,600 jobs. The foundry is sustaining roughly 200 jobs. Located on the near east side of Indianapolis, this site covers approximately 91 acres and has approximately 1.5 million square feet of improved space. The site is located adjacent to the CSX Hawthorne Yard, with direct access to I-465 via Brookville Road. The site is located in the Irvington neighborhood.

Ford/Visteon Steering Plant
This site housed an assembly plant that produced power steering components. The plant closed in May 2012, leaving behind a large 150-acre site with about 1.7 million square feet of improved space. Located on the far-east side of Indianapolis, the site has good access to I-465 via Shadeland Avenue, a limited access highway, and is rail served. Former employment was in excess of 1,100 jobs.

GM Stamping Plant
The 100+ acre former GM Stamping Plant site supported a roughly 1.68 million square-foot building that, until June 2010, produced parts for GM vehicles. The site is situated along the White River, directly adjacent to downtown Indianapolis, with adequate access to I-70 via Harding Street. The site’s northern and western edges are defined by considerable rail infrastructure, including a CSX mainline and the Belt Line. Before closure, the plant employed in excess of 750 people. The owner of this property, the RACER Trust, has announced plans to demolish the improvements, to make way for eventual redevelopment of the site.

In total, closure of the four FastTrack sites resulted in a loss of about 6,500 manufacturing jobs, and placed about 389 acres of industrial land and 4.96 million square feet of manufacturing space in economic limbo.
Initially, Indy FastTrack focused on three goals:

• Compile existing information regarding the four sites, including ownership, infrastructure conditions, site amenities, and environmental conditions.

• Inform the City and its partnering organizations of the capacity of these sites to spur private investment and to create higher-skilled, higher wage jobs.

• Define a strategy for how to proceed at each site, including suitable reuse options.

FastTrack also identified broader economic concerns about the health of Greater Indianapolis, and Marion County in particular. Bureau of Economic Analysis (BEA) statistics showed that Marion County had lost over 37,000 jobs between 2001 and 2010. Over the same period, unemployment rates had increased from about 3.7% to almost 10%. Specific losses in manufacturing were of particular concern to Marion County.

As the project unfolded after February of 2013, the analysis revealed that the four FastTrack sites were merely the “tip of the iceberg” when related to the broader trend of manufacturing decline that has unfolded uniquely across Marion County over the last 20 to 30 years, leaving a larger number of vacant brownfield sites in its wake. Our effort focuses in large measure on the broader ripple effects associated with this manufacturing decline, with a clear goal being the identification of strategies to recover and grow advanced manufacturing across Marion County in the future.
AECOM Technical Services, Inc. (AECOM) was engaged by the City of Indianapolis, Department of Metropolitan Development (DMD) to complete the Indy FastTrack effort, with the support of Guidon Design. Key approach elements included:

Chapter 02 - Stakeholder Engagement
The effort was anchored by an extensive 1-on-1 stakeholder interview process, to understand economic conditions and the pace of recovery in Marion County, and to frame the relative importance of FastTrack site reuse given other priorities in Marion County and the City of Indianapolis. Interview targets included public, private, and institutional leaders across Marion County; specific emphasis was placed on contacts with the freight sector, including trucking companies and railroads. Interviews with local real estate brokers, developers, and site selectors were used to place each site in context; more than 100 interviews were completed during the 12-month study.

Chapter 03 - FastTrack Highest and Best Use
Working closely with City Staff, evaluations of each FastTrack site, covering locations, site conditions, infrastructure, zoning status, environmental conditions, and related factors were conducted. Suitable highest and best use options for each site were then defined, building from a review of existing site information as well as a summary of broader national trends regarding reuse of former automotive plants. The analysis then identifies reuse implications for each site.

Chapter 04 - Regional Economic Conditions
Broader economic metrics for Indianapolis were evaluated, to place the FastTrack sites in context. Trend data for Marion County, the Central Indiana Region, the state of Indiana, and US as a whole was collected. Economic indicators included employment and income, regional population, labor force, workforce, manufacturing, gross domestic product, exports, and cost of living. Perspective regarding economic performance of other MSA’s (geographic and aspirational) were included for additional context. These indicators were analyzed over a set of three basic time lines: pre-recession growth, recessionary decline, and post-recession recovery. Future opportunities in manufacturing were also identified.

Chapter 05 – Global Trends / Local Impacts
Over the last 20 years, and since 2008 in particular, supply chains and distribution networks have evolved tremendously, responding to both market forces and regulatory influences, which include:

- Impact of the Panama Canal Expansion
- Freight rail corridor improvements and local impacts
- Growth of intermodal freight movement

With Indianapolis serving as a nationally significant freight transportation gateway, our effort acknowledges the broad array of global shifts in freight movement and infrastructure that are now occurring, and what local impacts are likely to be. An array of shifts, linked with technology, shifting markets, and changing regulations were studied. Key regional, national, and global trends that will influence the study have been summarized, clarifying critical factors to chart over the planning horizon for which Indianapolis should prepare.

Action Plan
Building from the above work efforts, conclusions are framed regarding the FastTrack sites, along with an action plan to guide broader economic development policy recommendations for DMD and related organizations to implement.

Indy FastTrack focused on several geographies:

1. The Indianapolis Metropolitan Area; referred to as Central Indiana.

2. Marion County, which includes the City of Indianapolis and the excluded cities of Beech Grove, Lawrence, and Southport, and the excluded Town of Speedway.

3. The City of Indianapolis.
ACKNOWLEDGMENTS

Completion of this project would not have been possible without the considerable support and commitment from our stakeholders. The effort required interviews with over 100 people representing public and private interests across Indianapolis, ranging from Allison Transmission, CICP, and Central Indiana Community Foundation (CICF), to Duke Reality, Employ Indy, IndyGo, Major Tool, Norfolk Southern Railroad, the RACER Trust, the Regional Council of Elected Officials, and White River State Park as examples. On behalf of the City of Indianapolis, Department of Metropolitan Development, thank you for your commitment to improving the county’s economic performance, at what we believe to be a critical time.

Equally critical contributions have been made by the following individuals and organizations, which were instrumental in supporting completion of this effort:

• DMD Staff, including Brooke Thomas, David DiMarzio, Mike Peoni, and Adam Thies
• Todd Cook, Develop Indy
• Indiana Business Research Center, IU Kelly School of Business
• Members of the Project Steering Committee, including leadership from Develop Indy
• Members of the Project Resource Committee, including the Indy Partnership, Ivy Tech, and Employ Indy
• Members of the Mayor’s Manufacturing Reuse Taskforce, including the Local Initiatives Support Corporation (LISC)

• The City of Indianapolis, Department of Public Works, Citizens Energy and IPL
• Wilhelm Construction, for providing historic images of the Navistar property
• KERAMIDA, for assisting in early efforts to compile existing data regarding the project

Lastly, the following AECOM staff were directly involved in completing this engagement:

• Chris Brewer, project manager
• William Anderson, planning
• Jeff Bryan, environment
• Leo Thorbecke, environment
• Kimberly Gester, economics
• Anna Hochhalter, planning
• Lee Hutchins, transportation
• Paul Krieger, industrial real estate
• Jamie Kennedy, planning
• Jenna Lee, planning
• Kirsten Mawhinney, transportation
• Kelly Rytel, planning

Guidon Design staff included:

• Luke Leising, AIA, President
• Kyle Cyr, PE
DATA SOURCES

Federal Sources
• Congressional Budget Office (CBO)
• Federal Aviation Administration (FAA)
• U.S. Census Bureau
• U.S. Council for Automotive Research
• U.S. Department of Agriculture (USDA)
• U.S. Department of Commerce, Bureau of Economic Analysis (BEA)
• U.S. Department of Commerce
• U.S. Department of Energy
• U.S. Department of Labor, Bureau of Labor Statistics (BLS)
• U.S. Department of Transportation
• Federal Highway Administration
• U.S. Energy Information Administration (EIA)

State & Local Data Sources
• Indiana Business Research Center, IU Kelly School of Business
• Marion County Assessor
• Develop Indy / Indy Partnership

News and Other Publications
• Bloomberg News
• The Economist
• Journal of Commerce

Other Sources
• New York Times
• Wall Street Journal

The effort acknowledges a number of specific studies that have been completed between 2007 and 2013 which have influenced and shaped this effort:

• Building the Supply Chain of the Future, McKinsey Quarterly, 2011
• Chicago Regional Freight System Planning Recommendations Study, CMAP, 2010
• FHWA Freight and Land Use Handbook, April 2012
• Florida Economic Development Program Evaluations - Year 1; Report No. 14-01; Offices of the Florida Legislature, Office of Program Policy Analysis & Government Accountability, 2014
• Has the Great Recession Raised US Structural Unemployment, IMF Working Papers, 2011
• InDOT State Rail Plan
• Labor Mismatch in the Great Recession: A Review of Indexes using Recent US Data, Federal Reserve Bank of St. Louis, 2013
• Powering Advanced Industries State by State; Brookings Institution, 2014
• Preserving & Protecting Freight Infrastructure and Routes, Transportation Research Board, 2012
• U.S. Port and Inland Waterways Modernization: Preparing for Post-Panamax Vessels, U.S. Army Corps of Engineers, 2012
ABBREVIATIONS

3PL – Third Party Logistics Provider
BEA - US Department of Commerce, Bureau of Economic Analysis
BNSF – Burlington Northern Santa Fe Railroad
CN – Canadian National Railroad
CP – Canadian Pacific Railroad
CEDS - Comprehensive Economic Development Strategy
CREATE – Chicago Regional Environmental and Transportation Efficiency Program
DMD - City of Indianapolis, Department of Metropolitan Development
DPW - City of Indianapolis, Department of Public Works
EIA - US Energy Information Agency
EPA – Environmental Protection Agency
FHWA – Federal Highway Administration
FRA – Federal Railroad Administration
InDOT - Indiana Department of Transportation
LNG / CNG – Liquid / Compressed Natural Gas
MSA – Metropolitan Statistical Area
MPO – Metropolitan Planning Organization
NS – Norfolk Southern Railroad
SF - Square feet
TAA - Trade Adjustment Assistance
TEU – Twenty Food Equivalent Unit
TRB – Transportation Research Board
UP – Union Pacific Railroad
USDOT – United States Department of Transportation
WIA - Workforce Investment Act