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RESOLUTION OF THE CITY OF GARY, INDIANA,
REDEVELOPMENT COMMISSION MODIFYING AND
AMENDING AND CONFIRMING AS SO MODIFIED AND
AMENDED A RESOLUTION DESIGNATING AND DECLARING
THE LAKEFRONT REDEVELOPMENT AREA TO BE

BLIGHTED, APPROVING A REDEVELOPMENT PLAN AND ESTABLISHING AN ALLOCATION AREA FOR PURPOSES OF TAX INCREMENT FINANCING

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WHEREAS, the City of Gary, Indiana, Redevelopment Commission (the "Commission"), at a meeting held on the 25th day of February, 2000, approved and adopted a resolution entitled "RESOLUTION OF THE CITY OF GARY, INDIANA, REDEVELOPMENT COMMISSION DESIGNATING THE LAKEFRONT REDEVELOPMENT AREA, DECLARING THE LAKEFRONT REDEVELOPMENT AREA TO BE BLIGHTED, APPROVING A REDEVELOPMENT PLAN AND ESTABLISHING AN ALLOCATION AREA FOR PURPOSES OF TAX INCREMENT FINANCING" (the "Declaratory Resolution"); and

WHEREAS, the Declaratory Resolution designated and declared an area in the City of Gary, Indiana (the "City"), to be known as the Lakefront Redevelopment Area to be a redevelopment area within the meaning of the Redevelopment of Cities and Towns Act of 1953 which has been codified in IC 36-7-14 (the "Act"); and

WHEREAS, the Commission desires to amend the Declaratory Resolution by deleting the description of the area described therein and substituting therefor a revised description of the area (the "Area"), which Area is smaller than the area described in the Declaratory Resolution, said Area being more particularly described as follows:

Part of Section 26 of Township 37 North, Range 8 West, Lake County, Indiana, covering approximately 936 acres, being described more specifically as follows:

Beginning at the northwest corner of said Section 26 at the intersection of Cline Avenue and Lake Michigan; thence, easterly along the shoreline of Lake Michigan to the intersection of Lake Michigan and Clark Road; thence, southerly along the west right-of-way of Clark Road to the intersection of Clark Road and Penn Central Railroad; thence, northwesterly along the south right-of-way of Penn Central Railroad to the intersection of Penn Central Railroad and Cline Avenue; thence,

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northerly along the east right-of-way of Cline Avenue to the intersection of Cline Avenue and Lake Michigan, the point of origin.

WHEREAS, the Declaratory Resolution adopted a redevelopment plan for the Area (the "Redevelopment Plan") and approved and adopted maps and plats of the Area; and

WHEREAS, an allocation fund designated as the "City of Gary, Indiana, Department of Redevelopment, Lakefront Redevelopment Area Allocation Area No. 1 Allocation Fund" (the "Allocation Fund") was created under the Declaratory Resolution; and

WHEREAS, certain Findings of Fact have been presented to the Commission which concern that the Area is blighted to an extent that cannot be corrected by regulatory processes or by the ordinary operations of private enterprise without resort to the Act and that the public health and welfare will be benefitted by the redevelopment of the Area under the Act and the Commission now desires to adopt and confirm the Findings of Fact for the Area; and

WHEREAS, the City of Gary, Indiana, Plan Commission (the "Plan Commission"), which is the duly designated and acting planning body for the City, on the 27th day of June, 2000, issued a Resolution which is its written order approving the Declaratory Resolution and the Redevelopment Plan; and

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WHEREAS, the Plan Commission, by said written order, has certified that the Declaratory Resolution and the Redevelopment Plan conform to the general plan of development for the City; and

WHEREAS, the Common Council of the City (the "Common Council") on the 15th day of August, 2000, adopted its Resolution No. 2745 approving the Redevelopment Plan for the Area and the establishment of an allocation area, for purposes of tax increment financing, designated as the "Lakefront Redevelopment Area, Allocation Area No. 1" ("Allocation Area No. 1"); and

WHEREAS, the Commission caused to be published a Notice of Public Hearing Concerning the Lakefront Redevelopment Area in the <u>Gary Post-Tribune</u> on the 25th day of August, 2000 and in the <u>Gary Info</u> on the 24th day of August, 2000, and made all required filings with governmental agencies and officers pursuant to Section 17(b) and (c) of the Act; and

WHEREAS, at the hearing held by the Commission on the 6th day of September, 2000, at 4:00 p.m. (local time) at 100 West Fourth Avenue, 3rd Floor, Adam Benjamin Jr. Metro Center, Gary, Indiana, the Commission heard all the persons interested in the proceedings and received _____ written remonstrances and objections that had been filed and, considered those remonstrances and objections, if any, and such other evidence presented;

NOW, THEREFORE, BE IT RESOLVED, by the City of Gary, Indiana, Redevelopment Commission as follows:

- 1. After considering the evidence presented at the hearing on the 6th day of September, 2000, the Commission hereby amends the legal description of the boundaries of the Area contained in the Declaratory Resolution and substitutes therefor the description of the Area as described herein, and confirms, in all other respects, the findings, determinations and designations, and the approving and adopting actions contained in the Declaratory Resolution.
- 2. The Commission adopts and confirms the Findings of Fact for the Area, a copy of which is attached hereto as Exhibit "A."
- 3. The Commission finds and determines that it will be of public utility and benefit to proceed with the Redevelopment Plan as attached as Exhibit "A" to the Declaratory Resolution adopted by the Commission on the 25th day of February, 2000, as modified by this Resolution.
- 4. This Resolution constitutes final action pursuant to IC 36-7-14-17(d) by the Commission determining the public utility and benefit of the proposed project and confirming the Declaratory Resolution pertaining to the Area.
- 5. The Secretary is directed to record this Resolution pursuant to the requirements of IC 36-7-14-17(d) and make the filings required by regulations of the State Board of Tax Commissioners.
- 6. This Resolution shall be in full force and effect after its adoption by the Commission.



ADOPTED AND APPROVED at a meeting of the City of Gary, Indiana, Redevelopment Commission held on the 6th day of September, 2000, at 100 West Fourth Avenue, 3rd Floor, Adam Benjamin Jr. Metro Center, Gary, Indiana 46402.

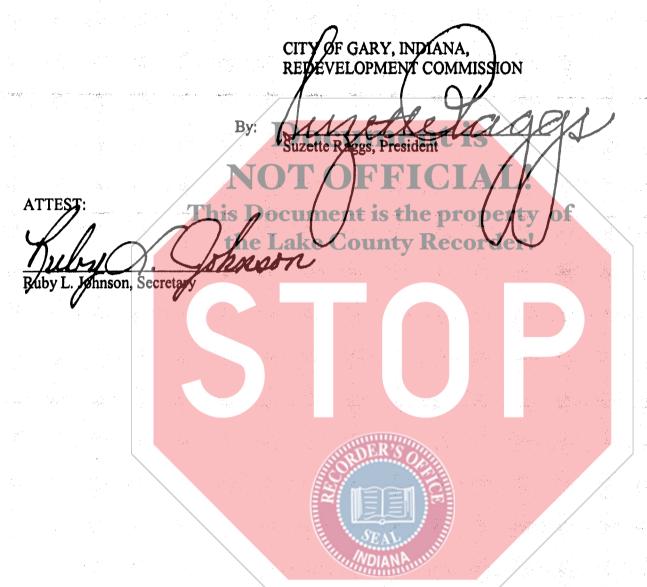


EXHIBIT A FINDINGS OF FACT

In accordance with IC 36-7-14 and in support of the Declaratory Resolution and the Redevelopment Plan for the Lakefront Redevelopment Area, the Gary Redevelopment Commission finds as follows:

- 1. The Redevelopment Area has become blighted to an extent that cannot be corrected by the regulatory processes or the ordinary operations of private enterprise without resort to IC 36-7-14. The Redevelopment Area is an area in which normal development and occupancy are undesirable or impossible because of the presence of the following factors:
 - Lack of development

A substantial portion of the Redevelopment Area consists of vacant, environmentally contaminated industrial land and deteriorating improvements. Development of the Redevelopment Area has also been hampered by the fact that it is bisected by several rail lines.

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There have been no significant new development in the Redevelopment Area with the exception of the gaming boats, despite the availability of vacant land.

• Deterioration of improvements

Water and sewer in the Redevelopment Area is inadequate. Roadways in the Redevelopment Area require significant improvements. Most of the existing structures in the Redevelopment Area were constructed in the early part of the last century and need to be demolished.

• Character of occupancy

Most of the buildings in the Redevelopment Area are vacant or highly underutilized. Most buildings were built for industrial uses and cannot be converted to other uses. Occupied buildings are primarily used for storage.

• Age

Most of the buildings in the Redevelopment Area are over eighty (80) years old, contributing significantly to the cost of maintenance and repair.

Obsolescence

Many of the buildings within the Redevelopment Area are functionally and economically obsolete due to age, size and type of construction. None of the buildings are suitable for modern industrial uses.

Substandard buildings

With the exception of the new buildings on the lakefront, most buildings are substandard, showing varying degrees of deterioration.

• Other factors that impair values or prevent a normal use or development of property

Other factors which impair normal use or development of the Redevelopment Area exist. Railroad track contribute to the undesirability of adjoining properties. The railroad tracks also bisect other parcels making land assembly difficult. Environmental conditions also reduce the desirability of the Redevelopment Area.

All of the eight factors used to determine whether an area is blighted are present within the Redevelopment Area. These factors, discussed above, are present to a major extent within the Redevelopment Area.

- 2. The public health and welfare will be substantially benefitted by the planning, replanning, development, and redevelopment of the Redevelopment Area. The redevelopment project will provide enhanced recreational use of the lakefront and increase the tax base and employment opportunities in the City.
- 3. The Plan for the Redevelopment Area cannot be achieved by regulatory processes or by the ordinary operation of private enterprise without resort to IC 36-7-14. The costs involved in demolition, site preparation and environmental remediation require the involvement of the Redevelopment Commission. Public action is also needed to construct the necessary roadways and sewer and water infrastructure to serve the Redevelopment Area in order to attract and support private investment.
- 4. The Redevelopment Area is a menace to the social and economic interest of the City of Gary and its inhabitants, and it will be of public utility and benefit to acquire the Redevelopment Area and develop it under IC 36-7-14-3. The physical appearance of the area is poor and detracts from the desirability of the gaming boats and pavilion to the detriment of the City. The public infrastructure serving the site is obsolete and deteriorating.



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REVITALIZATION AREA



City of Gary

Redevelopment Commission

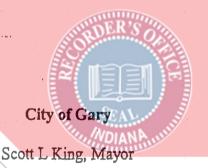
February 16, 2000

EXHIBIT B

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LAKEFRONT REVITALIZATION AREA



Redevelopment Commission

Ms. Suzette Raggs, President
Mr. Carlton Nichols, Vice President
Ms. Ruby Johnson, Secreatary
Mr. Tom Yancy, Commissioner
Mr. Al Hammond, Commissioner

Ms. Geraldine Tousant, Executive Director

This document was prepared by the Department of Planning.

The following staff have contributed. Olasupo Oloyede, Ivan Gregory, Johnnie Jordan

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V-PHASING. -17-

VI - CONCLUSION



RESOLUTION NO. 2117

RESOLUTION OF THE CITY OF GARY, INDIANA, REDEVELOPMENT COMMISSION DESIGNATING THE LAKEFRONT REDEVELOPMENT AREA, DECLARING THE LAKEFRONT REDEVELOPMENT AREA TO BE BLIGHTED, APPROVING A REDEVELOPMENT PLAN AND ESTABLISHING AN ALLOCATION AREA FOR PURPOSES OF TAX INCREMENT FINANCING

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WHEREAS, the City of Gary, Indiana, Redevelopment Commission (the "Commission"), governing body of the City of Gary, Indiana, Department of Redevelopment (the "Department") and the Redevelopment District of the City of Gary, Indiana (the "Redevelopment District"), exists and operates under the provisions of the Redevelopment of Cities and Towns Act of 1953 which has been codified in IC 36-7-14 et seq., as amended from time to time (the "Act"); and

WHEREAS, the Department, pursuant to the Act, has conducted surveys and investigations and has thoroughly studied the area within the City of Gary, Indiana (the "City") hereby designated as the Lakefront Redevelopment Area (the "Area") and more particularly described at Exhibit A.

WHEREAS, upon such surveys, investigations and studies being made, the Commission finds the Area has become blighted to an extent that cannot be corrected by regulatory processes or by the ordinary operations of private enterprise without resort to the provisions of the Act and that the public health and welfare will be benefitted by the acquisition and redevelopment of the Area, under the provisions of the Act; and

WHEREAS, the Commission has caused to be prepared maps and plats of the Area, said maps and plats of the Area showing the boundaries of the Area, the location of the various parcels of property, streets and alleys and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or redevelopment of the Area, and the parts of the Area that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the plans for the redevelopment of the Area as adopted herein; and

WHEREAS, there was presented to this meeting of the Commission for its consideration and approval, a copy of the Redevelopment Plan for the Area, which plan consists of 19 pages, with attachments, and is attached hereto as Exhibit B and is entitled:

REDEVELOPMENT PLAN FOR THE LAKEFRONT REDEVELOPMENT AREA

and is hereafter referred to as the Redevelopment Plan; and

WHEREAS, the Commission has determined that no properties are to be acquired as part of the Redevelopment Plan adopted herein; and

WHEREAS, Section 39 of the Act has been created and amended to permit the creation of allocation areas within a blighted area to provide for the allocation and distribution, as provided in the Act, of the proceeds of taxes levied on property situated in an allocation area; and

WHEREAS, the Commission deems it advisable to apply the provisions of said Section 39 to the financing of the Redevelopment Plan; and

NOW, THEREFORE, BE IT RESOLVED by the City of Gary, Indiana, Redevelopment Commission as follows:

- 1. The Commission hereby finds and determines that the Area is blighted to an extent that cannot be corrected by regulatory processes or by the ordinary operations of private enterprise without resort to the Act and that the public health and welfare will be benefitted by the redevelopment of the Area under the Act.
- 2. The Commission hereby finds and determines that the Area is a menace to the social and economic interest of the City and its inhabitants, and that it will be of public utility and benefit to redevelop the Area under the Act.
- 3. The Redevelopment Plan is in all respects approved and is hereby adopted as the redevelopment plan for the Area.
- 4. The maps and plats of the Area showing its boundaries, the location of the various parcels of property, streets, alleys, and other features affecting the acquisition, clearance, replatting, replanning, rezoning, or redevelopment of the Area, and the parts of the Area that are to be devoted to public ways, levees, sewerage, parks, playgrounds, and other public purposes under the Redevelopment Plan are hereby approved and adopted as the maps and plats for the Area.
- 5. No property acquisition list is included as part of the redevelopment plan because the Commission does not currently expect to acquire any property.
- 6. The Commission hereby finds and determines that the objectives of the Redevelopment Plan cannot be achieved through more extensive rehabilitation of the Area.

- 7. The Commission hereby finds and determines that for purposes of the allocation provisions of Section 39 of the Act, the Area shall constitute an Allocation Area for purposes of the Act and this Resolution.
- 8. Such Allocation Area shall be designated as the "Lakefront Redevelopment Area, Allocation Area No. 1" ("Allocation Area No. 1").
- 9. Any property taxes levied on property in Allocation Area No. 1 in 2000 for collection in 2001, and thereafter, except as otherwise provided in Section 39 of the Act, by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in Allocation Area No. 1 shall be allocated and distributed as follows:
 - a. The proceeds of the taxes attributable to the lesser of: (i) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or (ii) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of these allocation provisions (as adjusted under Section 39(h) of the Act), which assessment date is March 1, 1999; and, to the extent not included in the above, the proceeds of taxes attributable to property that is assessed as residential property under the rules of the State Board of Tax commissioners regardless of the assessment date for such residential property shall be allocated to, and when collected, paid into the funds of the respective taxing units;
 - b. Property tax proceeds in excess of those described in clause (a) shall be allocated to the Redevelopment District and, when collected, paid into an allocation fund for Allocation Area No. 1, such fund hereinafter created by this Resolution.
 - The proceeds distributed to the Redevelopment District pursuant to Paragraph 9(b) hereof, shall be deposited in an allocation fund designated "City of Gary, Indiana, Department of Redevelopment, Lakefront Redevelopment Area, Allocation Area No. 1 Allocation Fund" (the "Allocation Fund"), and may be used only as provided for in the Act, and more particularly to (i) pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the Redevelopment District for the purpose of financing or refinancing the redevelopment of Allocation Area No. 1; (ii) establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in Allocation Area No. 1; (iii) pay the principal of and interest on bonds payable from allocated tax proceeds in Allocation Area No. 1 and from the special tax levied under Section 27 of the Act; (iv) pay the principal of and interest on bonds issued by the City to pay for local public improvements in or serving Allocation Area No. 1; (v) pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in Allocation Area No. 1; (vi) make payments on leases payable from allocated tax proceeds in Allocation Area No. 1 under Section 25.2 of the Act; (vii) reimburse the City for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in Section 25.1(a) of the Act) in or serving Allocation Area No. 1; (viii) reimburse the City for rentals paid by it for a building

or parking facility in or serving Allocation Area No. 1 under any lease entered into under IC 36-1-10; (ix) pay all or a portion of a property tax replacement credit to taxpayers in Allocation Area No. 1 as determined by the Commission in accord with the provisions of the Act; (x) pay expenses incurred by the Commission for local public improvements that are in or serving Allocation Area No. 1; and (xi) reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located in the allocation area and on a parcel of real property that has been classified as industrial property under the rules of the state board of tax commissioners in accord with the provisions of the Act;

provided however, that if future uses of property tax proceeds allocated to the Allocation Fund are authorized or permitted by amendments to the Act, including IC 36-7-14-39, after the effective date of this Resolution, those uses shall also be authorized or permitted for property tax proceeds allocated to the Allocation Fund.

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- 10. Except as provided in Section 39(g) of the Act, before July 15 of each year, the Commission shall do the following:
 - a. Determine the amount, if any, by which property taxes payable to the Allocation Fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in Paragraph 9(c) plus the amount necessary for the other purposes described in Paragraph 9(c).
 - b. Notify the County Auditor of the amount, if any, of the amount of excess property taxes that the Commission has determined may be paid to the respective taxing units in the manner prescribed in Paragraph 9(a). The Commission may not authorize the payment to the respective taxing units if to do so would endanger the interests of the holders of bonds described in Paragraph 9(c) or lessors under Section 25.3 of the Act.
- 11. "Property Taxes" referred to herein shall mean taxes imposed under IC 6-1.1 on real property only.
- 12. The allocation provisions of Paragraph 9 hereof shall expire no later than December 31, 2029.
- 13. The Secretary is directed to file a certified copy of the Redevelopment Plan with the minutes of this meeting.
- 14. The officers of the Commission are hereby directed to make any and all required filings with the Indiana State Board of Tax Commissioners, the Lake County Auditor and the appropriate township assessor in connection with the creation of Allocation Area No. 1.
- 15. This Resolution, together with supporting data, shall be submitted to the City of Gary, Indiana, Plan Commission and the City of Gary, Indiana, Common Council, as provided

by Section 16 of the Act, for the approval of the Resolution and the Redevelopment Plan, and if approved by both bodies, the Resolution and the Redevelopment Plan shall be submitted to public hearing and remonstrance as provided by Section 17 of the Act, after public notice in accordance with Section 17 of the Act and IC 5-3-1 and after all required filings with governmental agencies and officers have been made pursuant to Section 17(b) and Section 17(c) of the Act.

16. This Resolution shall be in full force and effect after its adoption by the

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I-INTRODUCTION

The proposed Redevelopment Plan aims to identify opportunities for development along the Gary lakefront. Redevelopment of the waterfront is part of a larger effort by the City to capitalize on the opportunities created by two (2) casino boats. The proposed redevelopment plan is the first step in this process. Revenues from the two Buffington Harbor gaming boats will provide approximately 25 million dollars in new taxes per year to the City of Gary. The City's current strategy is to leverage these tax dollars toward the establishment of a sustainable redevelopment initiative for the entire Gary community.

The gaming revenues are not expected to continue indefinitely because of competitions in neighboring communities and states. The City aims to create an environment where other uses can be developed and other economies can be created. To this end, other revenue producing activities must be developed at the lakeshore to create self sustaining uses which can build upon gaming resources and assure long term use of land resources.

The tentative redevelopment concepts in this plan will build on the gaming through the provision of additional recreational/leisure and entertainment activities. These include hotels, arena, shopping, restaurants, a marina, cultural activities, a golf course, a promenade, an extensive beach, office and support commercial activities, and a broad range of new housing development. It is envisioned that the municipal revenues created by these new sources will be used to further redevelopment of the community particularly provide resources for reinvestment in public facilities and infrastructure.

The Gary, Indiana lakefront has a dynamic history. It evolved from a series of pristine rolling sand dunes and beaches to an altered shoreline, servicing the needs of heavy industry and associated marine activity. These activities were the economic power center for the development of the community and region for over three-quarters of a century. Over the last twenty years, the impact and strength of the steel industry in the community has subdued due to reduction in production, labor costs, technology, and improved productivity. Plant down-sizing and consolidation of facilities have resulted in substantial amount of lakefront land becoming available for new uses.

The Lakefront Redevelopment Plan is a reassessment of the lake front, aiming to recapture the shoreline as a means for economic and community renaissance for the City of Gary. The plan is also designed to stimulate private investment in redevelopment and rehabilitation through the public actions and commitments identified in the plan.

II - DESCRIPTION OF THE REVITALIZATION AREA

The proposed redevelopment area is the lakefront area on the northwest corner of the City of Gary. The boundaries of the redeployment area are as follows.

1. Boundaries of Revitalization Area

Part of Section 26 of Township 37 North, Range 8 West, Lake County, Indiana, covering approximately 936 acres, being described more specifically as follows:

Beginning at the northwest corner of said section 26 at the intersection of Cline Avenue and Lake Michigan; thence, easterly along the shoreline of Lake Michigan to the intersection of Lake Michigan and Clark Road; thence, southerly along the west right-of-way of Clark Road to the intersection of Clark Road and Penn Central Railroad; thence, northwesterly along the south right-of-way of Penn Central Railroad to the intersection of Penn Central Railroad and Cline Avenue; thence, northerly along the east right-of-way of Cline Avenue to the intersection of Cline Avenue and Lake Michigan, the point of origin.

See Attached Map

III - PLANNING AREA

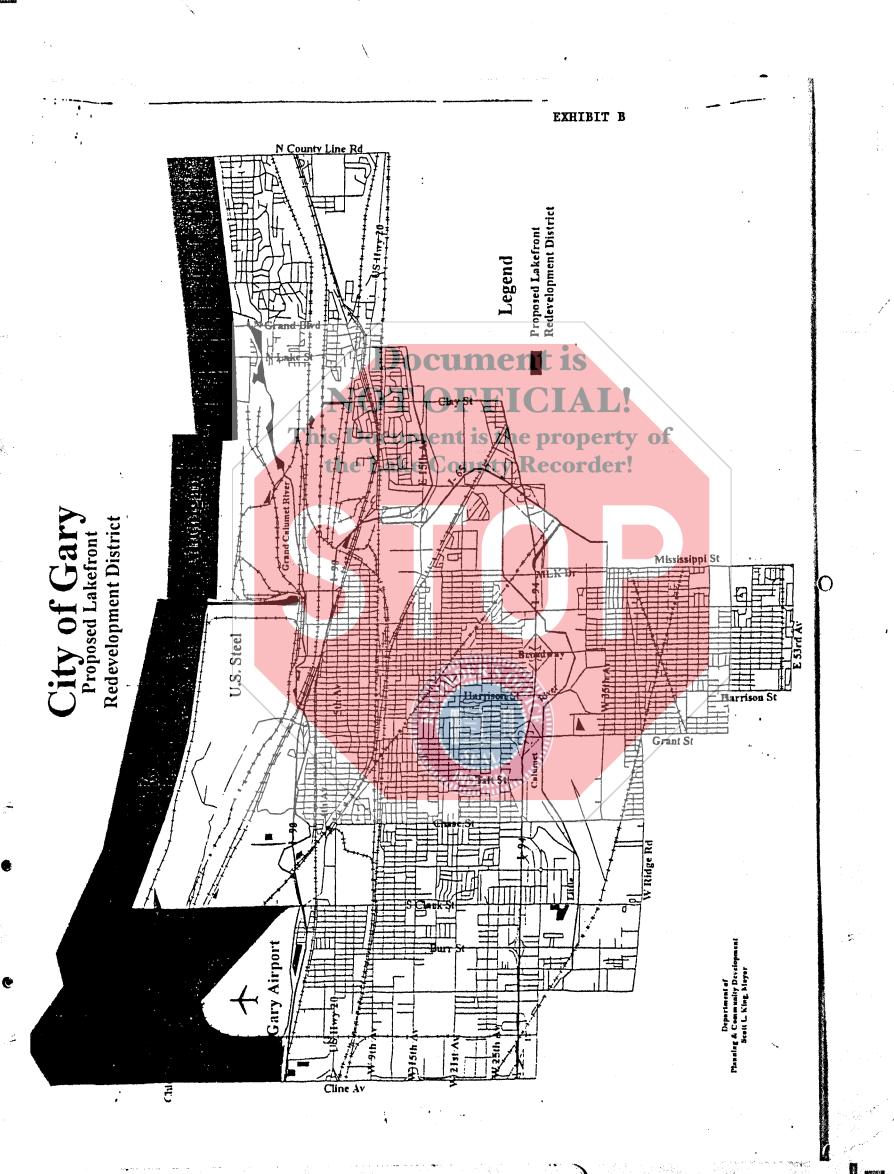
The Lakefront Redevelopment Plan brings together several previous planning efforts identified by a variety of public private entities, and concerned citizens with interest in economic and environmental vitality for the area.

The planning area is described as an area of approximately 2190 acres, bounded on the north by Lake Michigan on the south by the Highway 12 and the Indiana Toll Road, on the east by Clark Road, and on the west by Cline Avenue. (Please see attached map.)

The current land holdings for a majority of the immediate lakefront are held by United States Steel and other industrial users including NIPSCO, Praxaire, Lehigh Portland Cement, Marblehead Lime, and the Gary Buffington Harbor Gaming Partnership. A variety of railroad companies also hold significant interest in the area. Several smaller industrial businesses also operate around the airport.

1. Redevelopment objectives

The City, undertook a major planning effort in 1997. This effort resulted in the following overall redevelopment objectives for the lakefront.



- Assure industrial access to the lakefront while providing new waterfront activities for the citizens of Gary and the region.
- Accommodate lakefront navigational requirements.
- Encourage an appreciation of Gary's industrial/maritime history and enhance lakefront activities and educational opportunities.
- Enhance connections between the community, downtown Gary, and the lakefront from Buffington Harbor to Marquette Park.
- Preserve and enhance the environmental condition of the lakeshore.
- Establish a comprehensive transportation plan to link new development to local and regional mass transit corridors.
- Create comprehensive linkage, enabling waterfront and city neighborhood revitalization.
- Provide opportunity for long term development and expansion of the airport and its surrounding areas.

2. Redevelopment Actions

The Lakefront Plan, as the first major community redevelopment project, will be the spring board for other areas in the City for redevelopment. The most significant aspect of the redevelopment plan is the re-adaptation of highly degraded and environmentally unsuitable land for new uses. The revitalization proposal will not only improve the environment, but it also will create substantial financial resources for the City of Gary. The proposed renewal action will consist of a combination of clearance, rehabilitation, redevelopment, and the provision of public facilities and improvements.

a. Clearance and Demolition

Although the plan anticipates significant number of old industrial buildings to be demolished in the lakefront and a large industrial area to be cleared, no clearance and demolition is anticipated by the City as urban renewal activities. The City anticipates that all clearance activities to be done by the private entities involved in the redevelopment of the area.

b. Rehabilitation

Several buildings are anticipated to be rehabilitated in the area. These buildings are mainly located on property proposed to be purchased from Lehigh by private developers.

c. Preservation

The redevelopment plan envisions several special areas suitable for preservation. Buffers zones, recreation and circulation comidors, and open space are among possible uses for natural and recreational areas. The buffer zones will be wetlands, wild meadows and woodlands, serving to protect the reserves and add visual interest to the open space system. Other open areas will provide opportunity for golf, play fields, trails picnicking, and visual vistas. Open space associated with development will include lakefront setbacks, beach, and other amenity with the area. The plan supports the development of pedestrian and bicycle linkages to existing and proposed regional trail systems.

An extensive trail system is envisioned throughout the development area, connecting all the major elements of the lakefront and providing direct access from existing neighborhoods to the south and to the Grand Calumet trail. In addition, the entire waterfront will be a public promenade connecting all elements fronting on the lake with frequent connections to the internal trail network.

d. Environmental Remediation

The lakefront has been impacted by heavy industry since the turn of the century. Its primary purpose during the last eighty years was economic production. The quality of the natural environment was of little or no concern. As a result a significant amount of Remediation is required for the area. The plan envisions substantial amount of environment cleanup for the area currently owned by Lehigh Cement. U.S. Steel is also currently undertaking a major environmental audit for the area east of the Lehigh property. These efforts combined with the City's efforts to assist cleanup of the brownfields in the lakefront is anticipated to result in making substantial amount of land on the lakefront and around the airport available for development.

e. Railroad Relocation/Consolidation

Railroad tracks bisect the lakefront in virtually every direction. In order to create viable development sites, and expand the airport, many will need to be re-routed, relocated or consolidated. A recent railroad relocation study by the City has identified several potential corridors for railroad relocation and consolidation. The plan envisions to implement some of the proposals contained in this report. The soon to be released master plan for the airport, proposes to partial relocation of one railroad track.

The need for relocation and consolidation is critical. In the absence of such work, development efforts will be significantly hampered as available developable land would be sharply reduced. The City anticipated to work closely with the future

developers and the railroad companies to implement a sound rail relocation plan.

Consolidation/relocation cost is preliminarily estimated at \$30 million.

f. Transportation/Circulation

Vehicular access to the lakeshore is severely limited due to the railroads and industrial land uses. The major thoroughfare system has been planned to improve access to the site in concert with the rail relocation plan. The plan envisions two significant road upgrades. First is a new interchange at the intersection of Cline Avenue and Industrial Highway (Hwy12), providing a direct connection from the west. The preliminary estimate of probable cost is \$10 million with project construction in 2002. The second access is planned from the east, from Clark Road. This road will be improved and extend to the lakefront and the west side community of Brunswick.

A major road is planned to connect the east and west access points roughly paralleling the proposed consolidated rail corridor. Internal roads will also be developed which connect different parcels and public facilities.

g. Acquisition of Property

The Redevelopment Commission has no present plans to acquire any real property in the area. The Gary Chicago Airport however, for the purpose of expansion of the airport, may acquire property in its vicinity. Such action, if any, is outside the authorities of the Commission as the airport is a separate and legal corporation with its own powers and authorities.

h. Disposition of the property

Redevelopment Commission may dispose real property in the Revitalization for the purpose contained in the plan. Any offering of the land will be made according to the provisions of the IC 5-3-1 and IC 36-7-14-22.

IV - LAND USE PLAN

The overriding goal for the Lakefront Redevelopment Plan is to have a revitalized waterfront and enhance opportunities for the airport expansion. The plan should create an area that is economically viable, a beautiful urban environment and has strong linkages to the City at large.

The plan will be implemented through a series of separate actions by private developers, various public agencies, and nonprofit organizations. The energy to develop a viable lakefront community will have to come from the private sector. The framework and much of the visual continuity of the plan will lie with the public ways, open space, proposed parks and plazas, and the right-of ways for streets which is the responsibility of City.

The control of the character and quality of the private development lies primarily in traditional controls such as zoning. These tools will be used to assure success of the future developments. Public commitment to funding the infrastructure improvements such as street, open space, and other amenities, will also assure the private sector of the City's commitment to the area.

The Redevelopment Plan designates land uses, circulation, open space intensity and design orientations. In order to implement the plan, new zoning for the area will be required.

1. Existing Zoning

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The existing zoning for the Redevelopment Area is of the general manufacturing districts of two zoning categories M2-1 and M3:

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- M2-1 are generally permitted uses under Section 163.082 of the City of Gary, Zoning and Subdivision Ordinances. All permitted uses are subject to some conditions that conforms with performance standards set forth in Subsection D through I of Section 163.082. The permitted uses for this district is generally basic industry.
- M3 district is heavy industrial districts. All permitted uses in M3 are subject to some conditions including all heavy performance standards as contained in Section 163.083 division D through I. Also in M3 districts, certain uses may be allowed as special uses by the Board of Zoning Appeals in accordance with the provisions of Section 163.020 through 163.044.

2. Existing Land Use

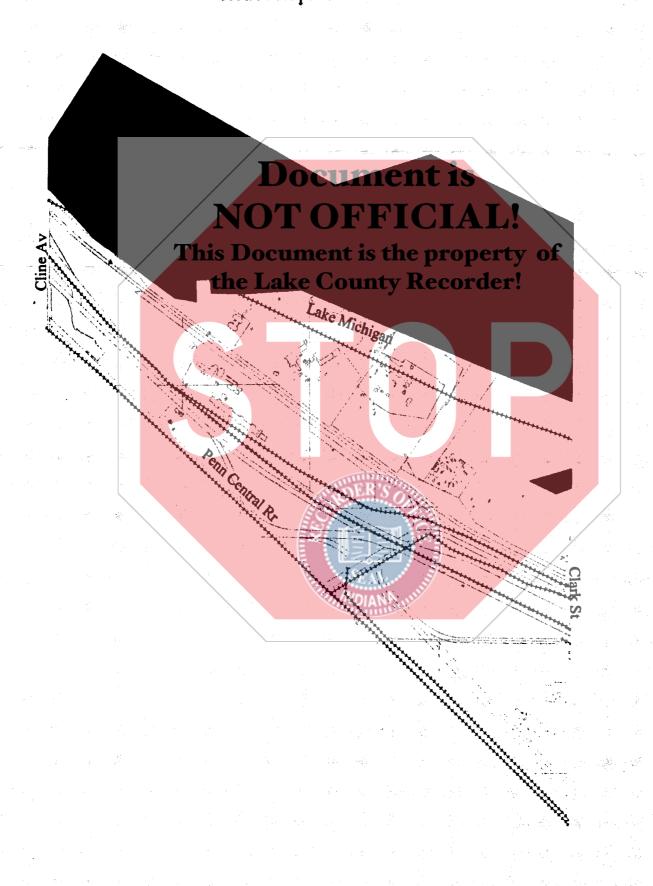
The existing land uses in the proposed area primarily consist of heavy industrial uses. Substantial amount of vacant land, formerly industrial, also exists. The vacant areas are heavily polluted and the majority of them require some sort of clean up.

The natural topography of the site has been altered significantly as industrial and railroad needs required. Most of the remnants of historic sand dunes are gone. Most sites in the redevelopment area are relatively flat with the exception of USX where slag piles have been graded into significant hills and rolling topography; the Marble Head plant has a significant amount of lime piles on its site. Major uses in the redevelopment area include:

a. Buffington Harbor

Buffington Harbor is the harbor and the associated land previously owned by Lehigh Portland Cement. Part of this site was made available to Buffington Harbor Resort Inc. for casino development. The casinos current occupy an area approximately 90 acres. In addition to the casinos Trump Hotel was constructed in 1998. Other land

Proposed Lakefront Redevelopment District



PROPOSED LAKEFRONT REDEVELOPMENT DISTRICT **EXISTING LAND-USE CONDITION**

uses include a large parking lot which has a capacity of over 2,500 cars. Future casino related expansion is anticipated at the site to include additional casino space, hospitality facilities, a parking structure and an arena. Other Buffington Harbor lands owned by Lehigh Portland Cement Co. and Marblehead total approximately 250 acres. The city has purchased this land for redevelopment by a private concern, the Gary New Century Inc.

b. Northwestern Indiana Public Service Company

Northwestern Indiana Public Service Company is the next lake front property owner to the east with an approximately 120-acre power plant.

c. Praxaire the Lake County Recorder!

Praxaire has an oxygen/nitrogen plant adjacent to the NIPSCO plant approximately 60 acres.

d. United States Steel

USX has identified approximately 250-acres of potential excess land available for redevelopment adjacent to the Praxaire plant and west of their main facility. The area however has several highly polluted sites which will require Remediation before the area can become suitable for development.

e. Railroads

Other significant land users include the railroads with EJ&E owning approximately 180-acres directly behind the lakefront sites. Major through tracks are located in the planning area with significant track activity. Consolidation of rail activity will be required to create larger developable sites and reduce access conflicts.

f. Indiana Department of Natural Resources

The Indiana Department of Natural Resource owns approximately 320-acres of globally sensitive habitat for endangered species. This site is not developable.

g. Gary Chicago Airport

The Gary Chicago Airport is approximately 640 acres with ultimate expansion plans toward the northwest to extend runways and to enhance freight service requirements. An intermodal air/truck/rail facility is proposed northeast of the airport to tie together freight distribution for the region. The airport is not within the proposed boundary but it will impact the redevelopment efforts in the area.

Other h.

Numerous other parcels are owned by private individuals and businesses in the area. The following are some of the existing industrial activities in the proposed district:

Dave Scheider CLW Transportation Inc.

Lakefront yards

Swift Transportation Company

R and D Piping, Heating & Plumbing Company

Solar Environmental Company

P.I. and I Motor Express

Reichmann Transport Incake County Recorder!

PGI Inc. Trucking Inc.

Western Scrap Inc.

LWD Inc.

SES Inc.

Beemsterboer Inc.

WEISS Inc.

LIGION Inc.

Truck Freight Liner

The following conditions and factors as stated in IC 36-7-1-3 are present in the revitalization area.

Lack of Development

Lack of development is evident throughout the area as evidenced by ample vacant land in the proposed district.

b. Cessation of Growth

Lack of growth refers to the permitted development in the area. With the exception of casino boats, there has not been any new large development in the area despite availability of vacant land. This condition is evident throughout the proposed redevelopment district.

Deterioration of Improvements

Deterioration of improvements is widely evident in the area. Most of the area lacks necessary infrastructure including inadequate sewer and water. Access to the area is limited as roads require significant improvements. The existing structures are mostly built in the early last century and require to be demolished.

d. Character of Occupancy

Most of the buildings in the area are vacant or highly underutilized. Most buildings were built as industrial buildings with little value for conversion for other uses. These buildings suffer from obsolescence and are detrimental for proper use of the area. The occupied buildings are mostly used as storage facilities.

e. Age

The area was initially developed in the last century. Most buildings are eighty (80) years and over. These conditions contribute significantly to the cost of maintenance and upkeep of the properties. Advance age is evident in most of buildings.

c. Obsolescence

Obsolescence refers to functionally or economically obsolete areas, buildings, outdated systems and conditions which limit the utility of the land. These conditions are prevalent in the areas where most of land can no longer be used for its original purpose. Similarly, the buildings can not meet the needs of the current users.

d. Substandard Buildings

With the exception of few new buildings on the lakefront, most buildings are considered to be substandard structures. Most buildings show a varying degree of deterioration thus requiring improvements or rehabilitation.

e. Other factors

Other factors which impair values or prevent a normal use or development of property of an area can also be identified in the proposed redevelopment area. Railroad tracks contribute to the undesirability of adjoining properties. They also bisect other parcels making land assembly very difficult. Environmental hazards scattered throughout the area will also play a significant role in making the area undesirable for development.

3. Land Use Elements

The redevelopment area should be improved and revitalized as a viable and desirable urban area containing a mixture of uses and a variety of activities. These activities should be located in a safe, attractive and convenient physical setting. The major elements of the redevelopment plan include open space, the harbor/marina/waterway system, major public facilities/services and the circulation system. These elements are intended to create an environment which foster community well-being

and maximize opportunity for recreation and entertainment. The proposed land use plan is presented in the attached Figure. Following briefly describe these elements.

a. Open Space & Pedestrian Circulation

The open space system envisioned in the plan consists of two major types. First is the natural lands that can be labeled as conservation areas. These areas could take the form of buffers and recreation corridors.

The second type is urban open space which is envisioned to center around the lakeshore in the form of a promenade. The Promenade is a wide public open space along the lake allowing plenty of room for circulation, a broad range of public activities and an elegant setting for lake-front buildings. The promenade varies in character from beach to the hard-edged marina adjacent to the gaming harbor, to the revetment starting at the harbor and continuing further east. The existing beach area west of Buffington Harbor will be maintained as a public beach once the E.J.E. railroad tracks are relocated.

The Clark Road connection allows direct pedestrian and auto access to the lakefront for the entire western half of the Gary community. The plan envisions an improved two-lane road bordered by a wide pedestrian way. The railroad crossing will remain on grade and the driving pavement will be widened to accommodate additional traffic if required.

b. Marina/Harbor Improvements

Harbor improvements are envisioned in order to create a "quiet harbor" whereby gaming boats would not be interrupted by even the worst weather. This will be particularly desirable if the efforts are successful in changing state law and allowing dockside gaming if ever approved by the State Legislator.

A new marina and public boat launch ramp is proposed in the existing harbor, initially accommodating 150 boats with expansion capability to about 350. The private boat docks, slips and ramps will generate significant income from rentals, provide maximum interest for visitors, and be arranged so as not to interfere with harbor traffic (gaming boats, water taxis, industrial boats & barges etc.) The boating activities will bring many people to the lakeshore, adding color and economic support for commercial and public uses.

The relationships between water uses and anticipated land uses for the development can be enhanced in an effort to generate more vitality and interest to the lakefront.

For example, boat repair facilities, dry docks sail makers, boat builders and other marine businesses could potentially share the shore (if arranged so as not to interfere with lake edge circulation) adding interest and additional activity to bring people back again and again. In addition, lakeshore services (bars, restaurants, vendors, etc.) would be teamed with other activities to support the revitalized waterfront atmosphere with added color and richness for visitors. These types of activities are also envisioned in the plan, although the market conditions will dictate their existence on the lakefront.

Private Development

The City has an opportunity for additional lakeshore development. Expanded entertainment, cultural, retail, restaurant, hospitality, and ancillary office development are among a few uses envisioned for the area. Such activities would strengthen gaming competitiveness and provide additional growth opportunity for the northwest section of Gary. Future developments in the district is envisioned to include the following uses.

1. Gaming boats

Boat gaming has brought focus to the Gary lakeshore which unprecedented in City's history. The casino development is one of the first reuse activities on the lakeshore. It has provided the citizens of Gary and Northwest Indiana access to a portion of the lakefront which was inaccessible before. The gaming has also brought a sizable yearly income for redevelopment activities throughout the City.

The Casinos are a key element in the redevelopment of the Gary lakefront. The Trump boat currently has 2,200 gaming positions and the Majestic boat has a capacity of 2,400, bringing the total to 4,600 positions. No gaming expansion beyond this is anticipated. The casino operators have identified a critical need for "all weather" parking facilities immediately adjacent to the casino operations. This facility is currently under design and is expected to be constructed later this year.

2. Hotel

A large hotel complex with 350± rooms will be a major element of the redevelopment plan. The hotel complex becomes one of the earliest elements for the development of the entertainment and commercial development at Buffington Harbor. Adjoining the hotel there will be a conference center. The conference center will have conference space for 300 conferees.

3. Convention/Performance Arena

A new arena is also envisioned in close proximity to the hotel(s) to serve large events (shows, rodeos, sports events, etc.) as well as conventions. Capacity is projected in the 4,000 to 5,000-seat range.

4. Retail/Commercial

Establishment of a unique and creative retail/commercial program will be fundamental to the success of the lakefront development. Resort shopping, restaurants, bars etc. are envisioned along the lakefront and other areas where opportunities exist. The Lehigh site contains several large buildings. Some of these buildings offer opportunity for conversion for commercial uses. The Redevelopment plan also supports expansion of recreational opportunity which can augment commercial uses such as water activities, health related businesses (spa, etc) and camp grounds.

5. Parks/Public Space Octument is

Parks and open space are viewed as one of the amenities for the lakefront. Their role in the redevelopment plan is a aesthetic amenity, as a passive recreation opportunity. Park programs envisioned in the plan include a system of recreational facilities which connect different parts of the lakefront to each other and the community at large. Most of these areas are expected to become public areas. The public areas are envisioned to extend from the lakefront promenade to the edge of Grand Calumet River.

6. Housing

Housing development is envisioned in the lakefront at a later phase of redevelopment. The plan envision that housing will occur in upper floors above much of the non-residential space as well as in wholly residential buildings.

Housing will include rental and owner-occupied units with a wide spectrum of sizes, prices, configurations and relationships to other land uses. Water, golf, park, street, marina, and natural environment frontage will all be available in response to individual preferences and life styles. The wide price range will allow resort employees to live on site; helping to support commercial activity, and adding life and vitality to the resort experience.

d. Airport Development

Substantial amount of redevelopment is expected to occur in the vicinity of the airport. The airport may expand in the near future once the Master Plan is approved by the Federal Aviation Administration. Outside the airport boundaries, it is envisioned that commercial development will start up as the airport activities increase and more airlines use the airport.

V-PHASING

The redevelopment of the Gary lakefront will require a long period as it changes from an industrial focus to a viable mixed use development on the lakeshore. The predominant strategy is to reinforce the existing development at Buffington Harbor in order to keep the Gary river boats competitive.

Under current plans, there will be a new parking garage built to accommodate the needs of the casino patrons.

The Redevelopment Plan envisions that the initial phase will focus upon this area. As additional entertainment and support services are added (hotels, conferencing facilities, retail and commercial ventures), other aspects of a new community will also evolve.- residential, convenience retail, conservation/open space recreation opportunities and support infrastructure.

Future phases will be strongly governed by the success of Gary New Century Inc. to redevelop the Lehigh site as a recreational/resort community and the Gary Airport to attract additional airlines. The City is diligently working with the Gary New Century Inc. to make sure this project is implemented. The City is also strongly supporting the Gary Airport to continue its redevelopment efforts to become a more viable facility in Northwest Indiana.

VI - CONCLUSION

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The Gary Lakefront Redevelopment Plan makes broad recommendations for new uses along the Lake Michigan shoreline on the western edge of the City. The plan is envisioned to be a guide for the foreseeable future. Its concepts and recommendations become the context within which both short-term and long-range decisions are made about the revitalization efforts to develop an under utilized dilapidated area. The concepts which serve as the framework for the plan are:

- a. Develop a coordinated approach for the lakefront development in order to enhance the area as an entertainment, residential, commercial, retail, office and a community.
- b Maximize the potential for Gary waterfront and the airport redevelopment by allowing for orderly growth of existing uses and incorporation of new ones.
- c. Develop coherent physical redesign of the area which has components of outstanding quality that express the nature, and open space conservation.
- d. Improve the image and accessibility of the lakefront to the surrounding community.
- e. Provide a guide for future growth and development within the context of strong physical planning and implementation strategies.

The Redevelopment Plan is really a vision statement about what can be done with a highly degraded and environmentally damaged area of the City's lakefront. It is an attempt to reclaim an area that has lost its useful life as an industrial land. The reclamation effort is not easy nor the process is cheap. The City must allocate all of its resources to foster such revitalization. The Redevelopment Plan is the first step in a long arduous process to make the lakefront a viable area where normal community activities can be carried out.