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City closes in on district to revitalize NW side

Hurdles may be more significant than on east side

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IBJ Graphic/Jo Payton & Tammy Lieber

Where others see weeds and blight, James E. Shively sees a bowling alley. And a movie theater, a miniature-golf course and a laser-tag room--a thriving family entertainment plaza.

For more than a year, Shively has tried to pull together a deal to buy 18 acres of land near Interstate 65 and Lafayette Road for the Odyssey Bowling & Entertainment Plaza.

The land is within the newly created boundaries of the Community Redevelopment and Enhancement District on the northwest side, making the project eligible for state tax credits. Officials from Mayor Bart Peterson's

office support the development.

Shively has also enlisted the help of locally based Browning Investments Inc. to develop a movie theater on the property and said he has investors lined up.

But problems with the deed on the property have so far kept him from closing the deal.

"This could really be the catalyst for redevelopment of this area," Shively said.

Complex ownership issues aren't the only challenge facing potential redevelopers of property in the 1,054-acre CRED district around Lafayette Square Mall, which could take effect as soon as this summer. Demographics have changed, retail experts said, and the people with the most buying power have moved farther west and north.

"Shoppers that used to come to that area are getting pushed further out and the big-box guys are all getting out [in the suburbs]," said **Brian Epstein** of locally based **Urban Space Commercial Properties**. The firm has several listings along the 38th Street/Lafayette Road area.

"I'm not sure how you're going to get over that," he added. "Retailers want to be closer to the [residential] rooftops. I think it's going to be critical to find uses for the big boxes and get creative. It's not going to happen easily and it's not going to happen quickly."

The city last fall created a redevelopment district on the east side along the Washington Street corridor, offering automatic property tax abatements for certain big-box buildings. The program has met with some success, with a self-storage facility, Kerasotes Theatres and Dick's Sporting Goods, among those taking advantage of the programs.

The CRED district on the northwest side would work differently, but with the same aims. Peterson announced the program last fall in the Lafayette Square Mall food court. The state administers the program and allows the city to keep a portion of sales taxes generated within the CRED boundaries. That money can be used for grants of up to \$150,000 for approved developments.

Although there are differences between the Lafayette Square area and the Washington Street corridor, the city doesn't see them as major stumbling blocks, said Melina Maniatis Kennedy, Peterson's director of economic development. Both areas have been hit with big-box vacancies and both are highly visible from high-traffic corridors.

There are still thriving retail businesses in the Lafayette Square area, but they increasingly cater to a more urban, ethnic clientele rather than to a broad mainstream one, industry sources said. Population in the area is declining while growth in both incomes and rooftops has shifted to areas like Avon, Plainfield and Brownsburg.

Competition will soon come from within Pike Township, as well. Kite Cos.' Traders Point at 86th Street and Interstate 465, set to open this fall, could eventually have up to 400,000 square feet of retail space. Marsh Supermarkets, Kerasotes Theatres, Bed Bath & Beyond and Galyans Sports and Outdoors have all committed to opening stores there. Officials at Galyans have said they'll close the Pike Plaza Road store near Lafayette Square Mall when the new one opens.

A similar situation exists on the east side, with developments along Pendleton Pike pulling retailers such as Kohl's and H.H. Gregg away from the Washington Street

corridor. But Washington Street, which turns into U.S. 40 beyond the Marion County line, remains a major thoroughfare to the eastern suburbs in Hancock County.

"There's a vibrancy on the east side because you have human beings that have disposable income to spend," said Steve Zinkan, principal of locally based retail developer Flynn and Zinkan, which owns several shopping centers on the east side. "In contrast, at Lafayette Square you don't have that. It's moved further west and further north. As a result, [many] retailers have gone after them."

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