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Town of Burns Harbor
Indiana

Reconnaissance & Strategic Market Assessment

July 2015

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Executive Summary

Project Introduction

The Redevelopment Commission ("RDC") of the Town of Burns Harbor is working towards the goal of continuously enhancing the quality of life for existing and future residents and employees of Burns Harbor, as well as attracting visitors, new businesses and investment. In March 2015, the RDC engaged LiveWorkLearnPlay Inc. ("LWLP") as its Master Development and Revitalization team. Over the past months, LWLP has been researching the market in order to help guide the town's vision and provide a feasible and achievable development plan. Essentially, LWLP has been working to answer the following two questions:

1. **Can Burns Harbor become a thriving small town?**
2. **If so, what strategies, projects and initiatives will make Burns Harbor become a thriving small town?**

This Reconnaissance & Strategic Market Assessment is the result of LWLP's first step of a three-step development process with the Town of Burns Harbor. The purpose of this first step (and this particular document) is to outline potential real estate uses, projects and initiatives to begin to form viable and feasible development options for the Town of Burns Harbor. The analysis and direction contained in this report are the outcome of extensive market research and data synthesis, stakeholder engagement, a deep evaluation of target markets, and other market development due diligence.

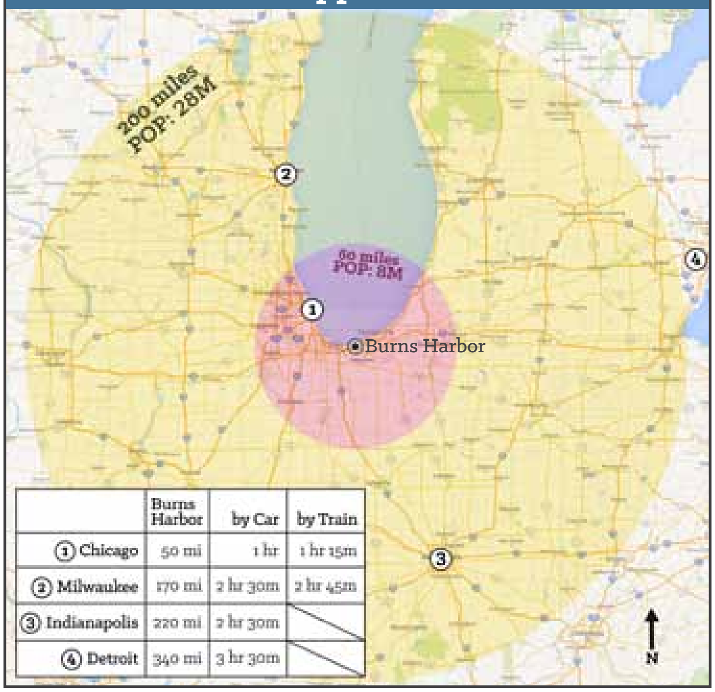





Can Burns Harbor Become A Thriving Small Town?

In order to answer this fundamental question, the macro and micro market conditions of Burns Harbor were explored. Burns Harbor's location within Indiana (a business-friendly state), within the Chicago Metropolitan Area (also known as "Chicagoland"), and in the heart of Northwest Indiana (a region that combines some of the country's most biodiverse landscapes with some of its most industrially productive areas), is central to understanding its potential. Market conditions, public policy and funding directions, potential target markets, growth patterns, demographics and many other factors were thoroughly examined to understand Burns Harbor's role and potential within the region and the state.

An Untapped Market?



	Burns Harbor	by Car	by Train
1 Chicago	50 mi	1 hr	1 hr 15m
2 Milwaukee	170 mi	2 hr 30m	2 hr 45m
3 Indianapolis	220 mi	2 hr 30m	
4 Detroit	340 mi	3 hr 30m	

Local Generators of Economic Potential

YES!

After reviewing the market, it was concluded that potential exists for Burns Harbor to grow into a **Thriving Small Town.**

And **YES** it can remain **Authentic and Charming!**

How can we get there?

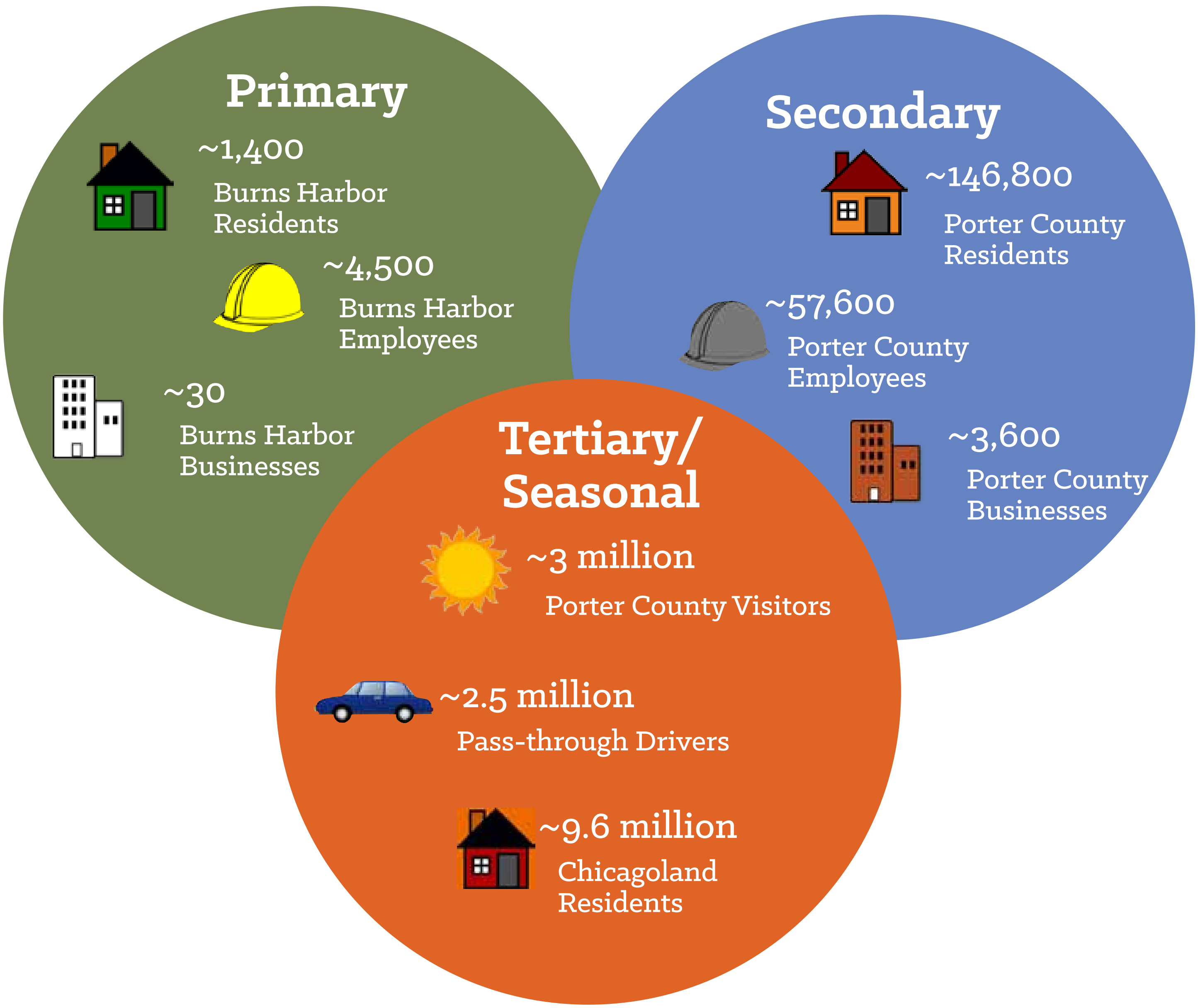
Strategies, Projects & Initiatives

Strategies, projects and initiatives can help Burns Harbor diversify its economy, create a greater sense of place, and become a more enticing town for people to visit, invest in and work in, and of course for residents of all ages to enjoy a high quality lifestyle.

1. Know Your Customers

The target market evaluation identifies existing and future end-users for the Town of Burns Harbor, and customers of potential development opportunities. By quantifying the customer base, LWLP, the Town of Burns Harbor, and possible future developers and investors are able to qualify and begin to build a business case, or begin to discount certain uses.

The target market for the Town of Burns Harbor has been segmented into primary, secondary and tertiary/seasonal markets. The primary market consists of Burns Harbor residents, businesses and employees, the secondary market consists of Porter County residents, businesses and employees; and the tertiary/seasonal market consists of Porter County visitors and pass-through highway users.



2. Conduct Rigorous Market Research and Analysis

In seeking viable real estate uses for Burns Harbor, LWLP evaluated many potential real estate options. Using this broad and open approach, LWLP then narrowed down options based on the goals, objectives and requirements laid out by the RDC and community members, and the results of market research and financial analysis. Beyond the fundamentals of the current and near-future micro and macro financial and real estate markets, the evaluation has taken into account the financing realities of land development and other projects and initiatives. It should be noted that traditional real estate uses (e.g., residential, retail, and office) were analyzed using statistics, market comparables and other market indicators. Various non-traditional uses (e.g., institutional, entertainment, and civic) are much more dependent on deal and transaction details, funding opportunities, and timing.

A) Real Estate Uses Explored

- Residential For-Sale Product
- Residential Rental Product
- Office
- Hotel & Hospitality
- Traditional Retail
- Specialty Retail
- Industrial & Light Industrial
- Cultural Uses
- Sports & Recreation
- Public Space & Amenities
- Civic Uses
- Educational
- Medical & Wellness
- Entertainment
- Other Uses

B) Incubation/Activation Uses Explored

- Pop-Up Retail
- Events and Festivities
- Daily, Weekly, Monthly and Seasonal Things To Do

C) Additional Uses/ Programs Explored

- Renewable Energy
- Water and Irrigation Technology
- Agriculture
- "Smart Town" Technology

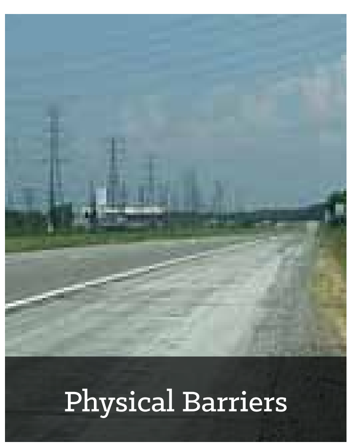
Detailed market research and analysis can be found in Appendix A, page 95.

3. Identify Strengths, Weaknesses, Opportunities and Threats

A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis is an important tool that lists the key factors affecting future development and functionality. SWOT analysis can be found on page 48.

Considerations

Indiana Dunes



Physical Barriers

Highway Traffic

Competing Towns

Strategies, Projects & Initiatives (cont'd)

4. Set a Preliminary Vision

History and Current Conditions

In 1964, Bethlehem Steel opened what is now ArcelorMittal Burns Harbor, the last integrated steelmaking operation constructed in the United States. The Town of Burns Harbor was incorporated soon after the opening of the plant, in 1967, following a number of annexation attempts by neighboring communities. The town has been closely tied to the steel industry and witnessed population decline in the 1970s and 1980s. Burns Harbor installed a new sanitary sewer system in 2003, stimulating residential development in the pre-recession years.

The 2014 population of Burns Harbor was estimated to be 1,440. The town comprises a number of distinct neighborhoods and there are approximately 30 businesses employing close to 4,500 people. The town has a limited retail offering and lacks a diversity of employment options.

Burns Harbor's natural amenities, location within Chicagoland and the heart of Northwest Indiana, and proximity and multimodal access to the City of Chicago are currently unleveraged assets. Burns Harbor does not have many organized and clearly marketed things to do, and is not capturing revenues from the existing regional tourism market, highway traffic or employment base. Articulating a clear vision for the town and its future is an essential step to ensuring that Burns Harbor can become a thriving small town with a more diversified economy, while maintaining its authenticity.

The Preliminary Vision for Burns Harbor

The Town of Burns Harbor, located less than one hour from downtown Chicago, inspires all who live there, spend time there or do business there. The entire community celebrates the magnificent natural biodiversity of Burns Harbor by: sharing special moments along miles of forested trails connected to the Marquette Greenway; meandering through bird sanctuaries; fishing along wild sparkling riverfronts; and enjoying a spectacular day at the Indiana Dunes. Burns Harbor also celebrates a simpler more meaningful way of life within a warm and welcoming community. Harmoniously balancing its small town charm and character with hundreds of things to do, the town also supports a flourishing and diverse economy where business, healthcare, culture and the arts, tourism, learning centers, and many other endeavors are thriving. The Town of Burns Harbor will have one of the highest standards of living in the Midwest where people can live, work, learn and play for generations. Burns Harbor will be a vibrant four-season community, building on its agricultural and recreational features, offering a healthy, active and supportive lifestyle to a diverse range of residents, employees, businesses and visitors. Burns Harbor will become a great place to discover, by exploring the village market with some of the best of destination mom-and-pop restaurants, farm-to-table organic meats, fruits and vegetable shops, best-of-Indiana ice cream experiences, daily fresh bakeries, and local unique retail shops. The Town of Burns Harbor continues its future story as one of America's most charming small towns to discover.

Get up.

Get out.

Get more out of life in the Town of Burns Harbor.






Strategies, Projects & Initiatives (cont'd)

5. Develop the Guiding Principles of Burns Harbor

Guiding principles are intended to translate LWLP's market findings into competitive advantages for the town. They inform the personality, programming, uses and experiences within Burns Harbor, as well as the desired nature of future development and investment. Based on town and community objectives, the following principles will help position and differentiate Burns Harbor within its regional market context, and form the cornerstones of the town's future brand identity:

- An authentic, iconic and vibrant small town
- A place for innovation, investment and business to thrive
- A model for healthy and active living, wellness and recreation
- A place with hundreds of things to do
- A leader in environmental stewardship and responsibility
- A welcoming four-season destination
- A celebration of healthy food and lifestyle
- A great place for gathering and social connection
- A place that enriches life through arts and culture
- A place with a diversity of housing options
- A place of lifelong learning
- A place where kids can be kids
- A place for social and frivolous fun
- A resilient "Smart Town" of America
- An authentic, sustainable and charming live-work-learn-play town

6. Maximize Land Opportunities

The types of development possible, timing of projects and initiatives, and phasing of programs for Burns Harbor depend on land opportunities. Current land ownership in the Town of Burns Harbor was reviewed and the following questions were posed:

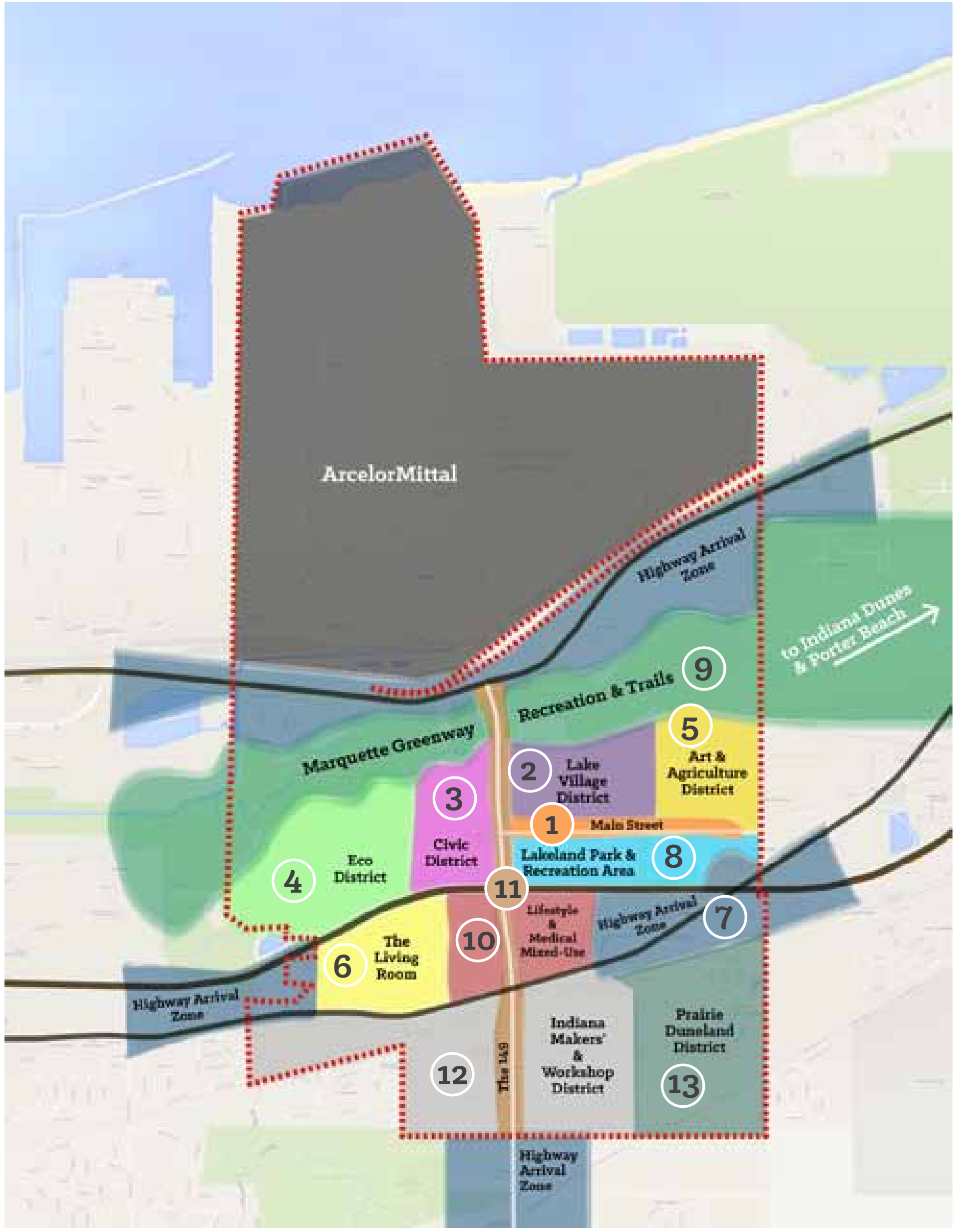
- How much land does the Town of Burns Harbor control and where is it located?
- Who are the major landowners in Burns Harbor, and are they interested in contributing/participating in this strategic plan?
- Are there restrictions on certain pieces of land (e.g., National Park land and riverbeds)?
- What are the physical challenges to certain types of development (e.g., highway infrastructure, rail infrastructure, large-scale industrial uses, rivers and trails)?
- Are there opportunities for land swapping with various owners?
- Are there potential opportunities to partner with neighboring communities?
- Is there leadership and community demand for improvement of the Town of Burns Harbor?
- Is there functional, committed and stable political leadership to stay dedicated to ushering in this plan and these projects?
- Is there support at the state level to create a truly great small town of America at Burns Harbor?

7. Develop a District Strategy

The segmentation of Burns Harbor into unique and identifiable districts is a necessary step before moving directly into physical planning and zoning. The purpose of forming these districts is to help organize and concentrate potential areas of activity, rather than allowing for "ad-hoc" development. A district strategy will help differentiate distinct areas of Burns Harbor, reinforcing and growing the unique competitive advantages for each, and allowing the development process to leverage the natural programming, marketing, and physical connections of each neighborhood as they emerge. Districts encourage responsible, achievable and high-impact programming and development, in a way that is appropriate for each town and city.

Although the districts are illustrated within defined geographies, their borders should not be viewed as hard lines, but rather as preliminary guiding areas with overlapping programming and experiences as districts transition from one to the other. Even within each district, there is expected to be considerable evolution, as existing uses and built-form may change over time.

Based on the findings from this first phase of work, LWLP has proposed a preliminary district strategy that takes into account market conditions, community feedback, and existing form. Each of these districts and their respective programs must be further refined and revised over the next phase of work leading to detailed business planning, projects and initiatives.



Preliminary Burns Harbor Districts

1. Main Street
2. Lake Village District
3. Civic District
4. Eco District
5. Arts & Agriculture District
6. The Living Room
7. Highway Arrival Zones
8. Lakeland Park & Recreation Area
9. Marquette Greenway Recreation & Trails
10. Lifestyle & Medical Mixed-Use District
11. The 149
12. Indiana Makers & Workshop District
13. Prairie Duneland District

8. Identify Initial Programming, Uses and Activation Strategies

A number of initial programming, uses, and activation strategies have been identified for Burns Harbor. These priority projects can be implemented in the short term and can begin to increase activity in town and encourage more people to visit. Energizing Burns Harbor through a flexible, four-season activation plan will ensure that there are always things to do in Burns Harbor, without having to overbuild the critical mass of physical buildings. Other priority projects include renewable energy initiatives, leveraging the town's natural assets, business incubation programs and creating a destination marketplace.


Festival Town


Destination Marketplace


Retail Incubation


Renewable Energy


Natural Assets


Things to Do

Next Steps

This document concludes the first step of the Master Developer and Revitalization process to create and implement a shared vision for Burns Harbor. After determining that Burns Harbor can become a thriving small town and outlining the strategies, projects and initiatives that can make this happen, we have to test and then maximize the feasibility of these initiatives. The next step involves the formation of a comprehensive Business Plan, Master Plan, and Interim Activation Plan, as further outlined in the "How Do We Make Sure It Will Work?" section of this document, beginning on page 81 and the "How Do We Get It Done?" section, beginning on page 91.

Step 2: How Do We Make Sure it will Work?

Business and Funding Plan, Master Plan and Activation Plan

Process	Results
Continue rigorous market research Affirm market demand Test and locate anchor and key secondary uses Refine experiential districts Engage architects, engineers and designers Conduct preliminary financial analysis Create preliminary economic models Identify potential sources of funding Continue to engage the community Develop business and development plans	Business Plan Activation Plan Master Plan Development Strategies

Step 3: How Do We Get It Done?

Implementation Strategy, Tactics and Initiatives

Initiate projects/ groundbreaking	Initiate investment and funding	Utilize incentive packages
Roll out initiatives	Enlisting external support	Roll out phasing
Develop marketing collateral	Activate resources and job creation	Establish partnerships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Project Introduction

Project Introduction & Methodology

Introduction

LWLP began working with the RDC in March 2015 as the Town of Burns Harbor's Master Development and Revitalization team. During this process, which has been divided into the following three distinct phases of work, LWLP will provide assessment and strategies for the development of land, programs, projects and initiatives within the town:

Step 1: Reconnaissance, Market Assessment, and Vision	Step 2: Business Plan, Master Plan, and Interim Activation	Step 3: Implementation Strategy, Tactics, and Initiatives
Process Research, outreach, consensus building, district strategies, SWOT analysis, and land analysis	**Process** Business planning, financial planning, master planning, interim activation planning, feasibility analysis, and phasing	**Process** Projects, initiatives, funding strategies, and resourcing
Timing 4 months	**Timing** 4 months	**Timing** 2 months
Deliverable Reconnaissance and Strategic Market Assessment	**Deliverable** Business Plan, Master Plan, and Interim Activation Plan	**Deliverable** Implementation Roadmap

Step 4: Implementation and Development

Step One: Reconnaissance, Market Assessment, and Vision

Step one is the four-month process that was just undertaken by LWLP and the town. It involved the completion of an initial analysis by setting strategic objectives, conducting market research, identifying opportunities and challenges, and evaluating the target market and potential for anchor uses. The process involved reviewing existing materials and collecting significant data, engaging with the business and residential community, and conducting data analysis and preliminary financial modeling. This report summarizes the work completed, and puts forth a strategic vision and initial direction for Burns Harbor.

Methodology

LWLP employed a wide range of research methods to gather and interpret market data as related to Burns Harbor and the broader Porter County region. LWLP then drew on decades of comprehensive and extensive real estate development, economic development and revitalization, and financing experience to translate the data and information into potential development concepts, projects and initiatives for the Town of Burns Harbor

Rigorous Market Research

Background research, statistics and information gathered from various sources were reviewed by LWLP in order to quantitatively and qualitatively understand Burns Harbor and the surrounding markets. Indicators such as growth patterns, home values, rental rates, vacancy and occupancy figures, absorption, and other real estate and market data, factored into this analysis.

Stakeholder & Community Engagement

Over the past four months, LWLP met with, and interviewed, a range of public and private stakeholders from a broad cross-section of community members, government organizations, agencies, local business owners, residents, employees, developers, real estate brokers, institutions, and landowners.

Site Assessment

LWLP closely examined Burns Harbor and the surrounding region, evaluating existing physical conditions, town advantages and disadvantages, regional development patterns, best practices/precedents, and potential end-user behavior patterns.

Best Practices & Industry Knowledge

All of the above information was then analyzed and interpreted by LWLP. Options presented in this assessment are the result of professional experience in real estate development and knowledge of industry best practices applied to the unique context and needs of the Town of Burns Harbor.


HITACHI
CityCentre

Development Planning & Due Diligence

How Do Developers and Investors Evaluate Potential Towns, Cities and Locations?

When developers and investors examine potential project sites, many factors are taken into consideration. Although developers examine sites differently based on their preferences, return requirements, and past experiences, the following are some common considerations that are used to evaluate possible projects and investments:

Nationally/Regionally

- National and regional economies
- Regional growth and momentum (residential and employment)
- Regional trends and patterns
- Population demographics
- Economic drivers and existing industry
- Unique regional characteristics
- Population groups and movement
- Major investment (public and private)
- Political leadership and stability
- Economic, financial and real estate market metrics, including interest rates and mortgage rates

Municipality

- Economic growth patterns and economy
- Population groups and demographics – local and secondary "trade areas"
- Population growth patterns
- Major employers and employment patterns
- Unique town/city characteristics
- Local leadership & community collaboration
- Anchor uses and economic/traffic drivers
- Geography and natural advantages
- Development incentives
- Cost of construction
- Revenues from investments
- Historic and recent development:
    - Permits
    - Absorption
    - Sales
    - Rental rates
    - Vacancy

Site-Specific

- Site location
- Site size, shape, capacity and other physical characteristics
- Site connectivity, access and proximity to key amenities, transit, and highways
- Site conditions
- Ingress and egress from arterial roads
- Growth patterns around site
- Site relationship to adjacent uses
- Surrounding infrastructure
- Existing users/customers
- Site potential, economic and otherwise

Next Steps

This report concludes step one of LWLP's three-step process for planning, developing and revitalizing the Town of Burns Harbor. The next step involves business and master planning to test and affirm the proposed development program. This second step will involve the creation of a full program, development plan, and physical plan, and will ideally commence an interim activation plan that includes preliminary incubator projects and initiatives. The third step will involve the creation of a realizable implementation plan, complete with potential development partners, phasing plan, and funding strategies, and other project-ready developments. The fourth step of this process is where the Town of Burns Harbor begins to implement projects.


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Can Burns Harbor Become a Thriving Small Town?

In order to answer this fundamental question, the macro and micro economic climate of Burns Harbor was explored. Market conditions, public policy and funding directions, potential target markets, growth patterns, demographics and more were evaluated in detail. Key local and regional stakeholders were also consulted.

Indiana: A Business-Friendly State

Indiana's relatively low business tax rates, labor costs, and cost of construction, combined with other state-wide business incentives mean that the state is widely considered a good place to conduct business. Burns Harbor's location in Indiana and Chicagoland is very beneficial, as the state has distinct business and development advantages as compared to neighboring Illinois.

Cost of Doing Business in Indiana vs. Illinois (2011)		
	Indiana	**Illinois**
Average Electricity Price/Industrial Sector	$5.82	$7.62
Average Natural Gas	$6.71	$7.29
Average Construction Costs (New construction material/installation per square foot)	$101.80 (NWI)	$117.20 (Chicago Area)
Average Hourly rate for 18 Skilled Trade Classifications	$50.44 (NWI)	$57.36 (Chicago Area)

Source: NWI Forum; Cender & Company, 2011

Indiana ranks 1st **in the Midwest** and 8th **nationally** in the Tax Foundation's 2015 State Business Climate Index

Tax Foundation, 2014

Indiana is one of only eleven states to earn the **top bond rating (AAA) from all three major credit rating agencies** (S&P, Fitch, & Moody's)

IEDC, 2015

Indiana ranks **1st in the Midwest** and **7th overall** in *Area Development Magazine*'s **Top States for Doing Business** 2014

Area Development Magazine, 2014

Indiana ranks **1st in the Midwest** and **7th in the nation** as the **best place to do business** in the 2014 Pollina Corporate Top 10 Pro-Business States study

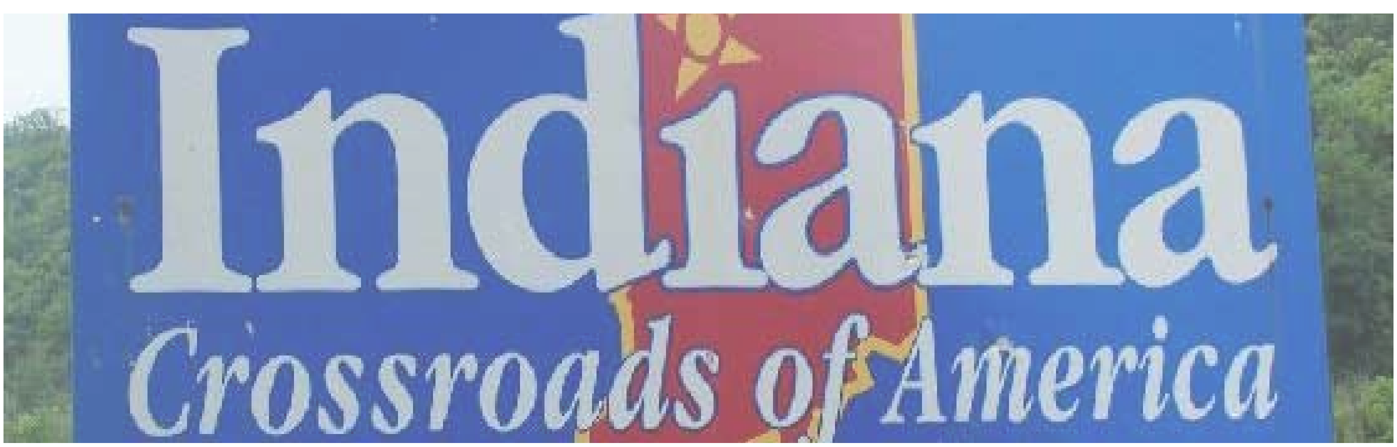
Pollina Corporate Real Estate, 2014

Indiana ranks **1st in the Midwest** and **6th in the nation** in *Chief Executive Magazine*'s 2015 Best States ranking

Chief Executive Magazine, 2015

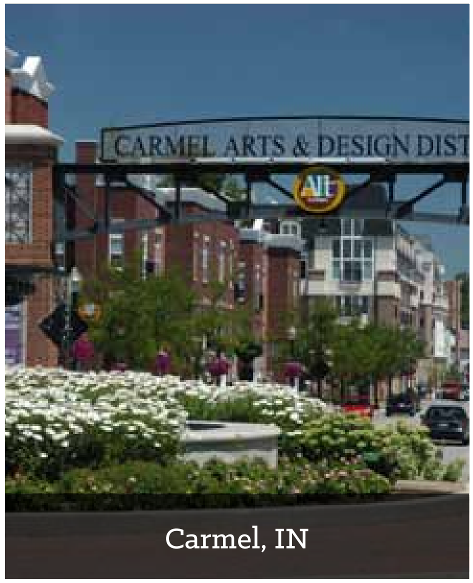
Indiana's **business climate** ranks **best in the Midwest** and **5th in the nation** in *Business Facilities*' 2014 State Rankings Report

Business Facilities, 2014



Small Towns Can & Will Thrive in IN, IL & MI

Zionsville, IN



Carmel, IN

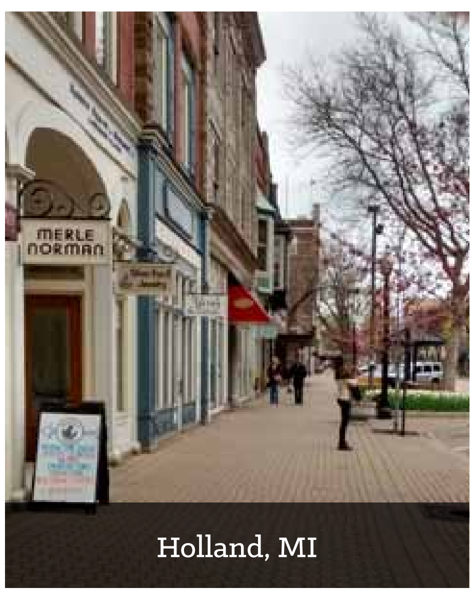
Valparaiso, IN

Galena, IL

Lake Forest, IL

Naperville, IL

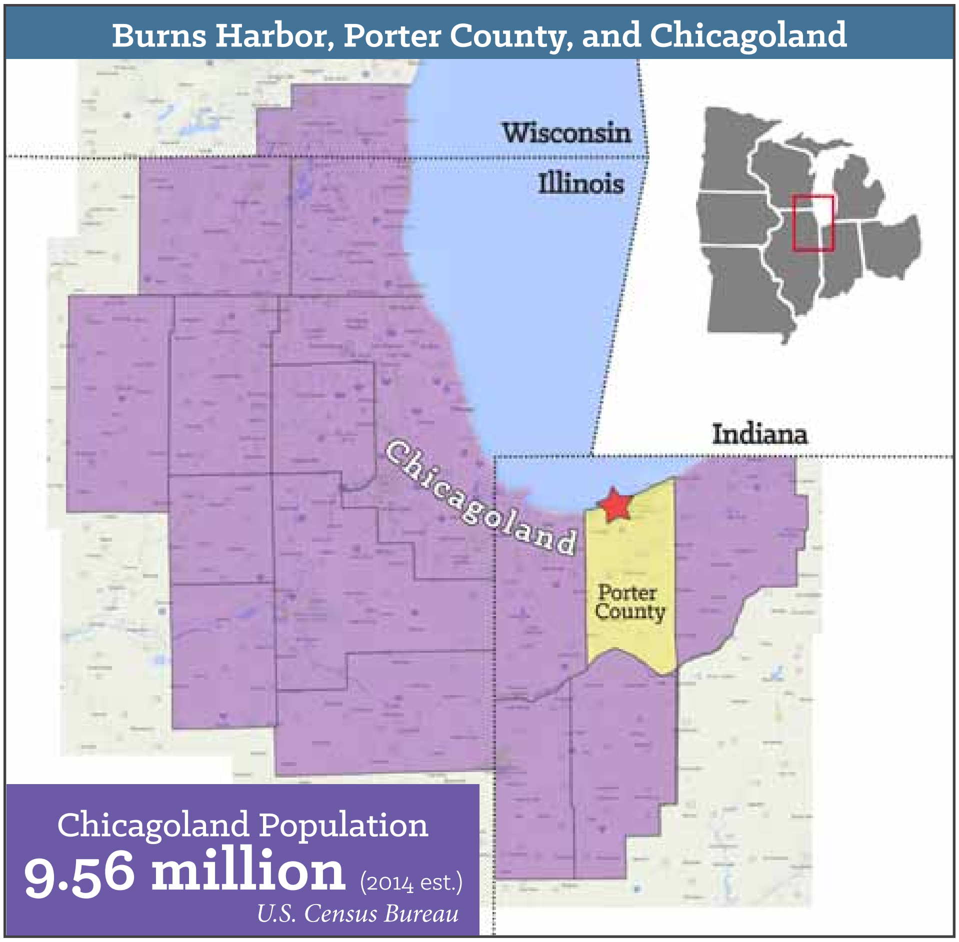
Ann Arbor, MI



Holland, MI

St. Joseph/Benton Harbor, MI

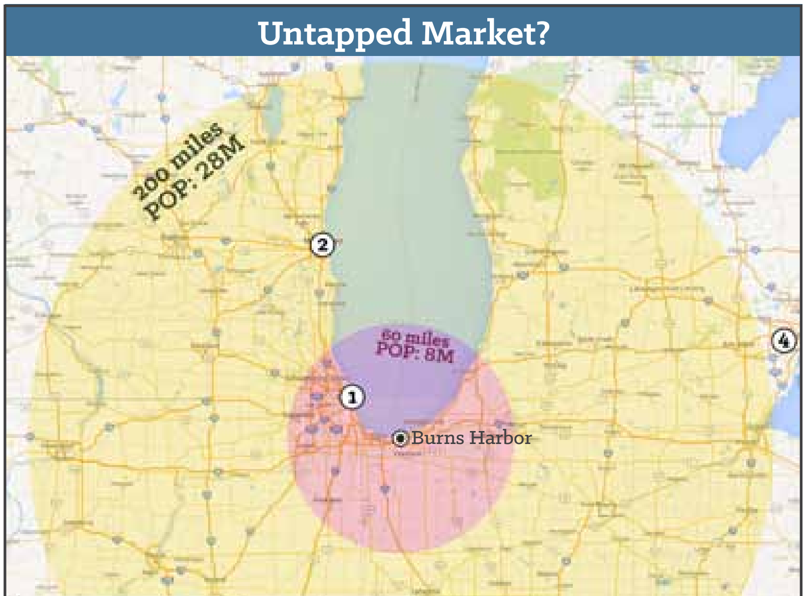
Chicagoland Market Conditions



Population Center

The Chicago metropolitan region, or Chicagoland, covers more than 10,800 square miles and crosses three state lines. The region is home to almost 9.6 million people, including the 2.7 million residents of the City of Chicago. Additionally, Chicago is a major tourist destination, visited by almost 40 million people every year.

Source: U.S. Census Bureau



	Burns Harbor	by Car	by Train
① Chicago	50 mi	1 hr	1 hr 15m
② Milwaukee	170 mi	2 hr 30m	2 hr 45m
③ Indianapolis	220 mi	2 hr 30m	
④ Detroit	340 mi	3 hr 30m	

Economic Powerhouse

Chicagoland is the nation's 3rd largest regional economy, after New York and Lost Angeles. With a 2010 gross regional product of $500 billion, if Chicagoland were a country, it would be the 20th largest economy in the world. The region is home to 32 *Fortune 500* companies, 11 of which are located in the City of Chicago, as well as the world's largest futures exchange – The Chicago Mercantile Exchange. The region has a diverse economy featuring longstanding industries such as manufacturing, transportation, and trade; an array of "knowledge economy" industries such as IT, scientific and technical services; and advanced business services, including finance, law and accounting. The region is economically balanced, with no single sector comprising more than 13% of total employment. Many of the region's jobs are occupied by a highly skilled workforce.

Source: World Business Chicago, 2012

Industry	Gross Regional Product (GRP)
Tourism and Entertainment	$20 billion
Transportation and Logistics	$14 billion
Manufacturing	$53.9 billion
Headquarters & Business Services	$11.5 billion (HQ alone)

Sources: U.S. Bureau of Labor Statistics, 2012; Moody's Analytics,2012; World Business Chicago, 2012

Photo: Creative Commons, Wikimedia, 2012

Transportation Hub

Chicago, with its strategic location and transportation infrastructure, is the most important transportation center in the country. Three of the nation's busiest interstates (I-80, I-90, and I-94) pass through the region along with 70% of the country's rail and intermodal activity. More than 74 million tons of rail freight originate or terminate in Chicago, compared with 34 million tons in Kansas City, the nation's second largest hub. Chicagoland is located at the convergence of six class-one railways and within a one-day drive of one-third of the country's population. Additionally, Chicago's O'Hare International Airport is the 3rd busiest airport in the country, with more than 33.6 million passenger boardings in 2014 and Chicago Midway International is the 24th busiest airport with more than 10.3 million passenger boardings in 2014. Lake Michigan is also a key inland shipping route and the region is home to two of the county's top 50 water ports. The Port of Chicago handled 17.1 million tons in 2012, the 36th highest tonnage in the country, and the Port of Indiana-Burns Harbor handled 13.2 tons, the 42nd highest tonnage in the country.

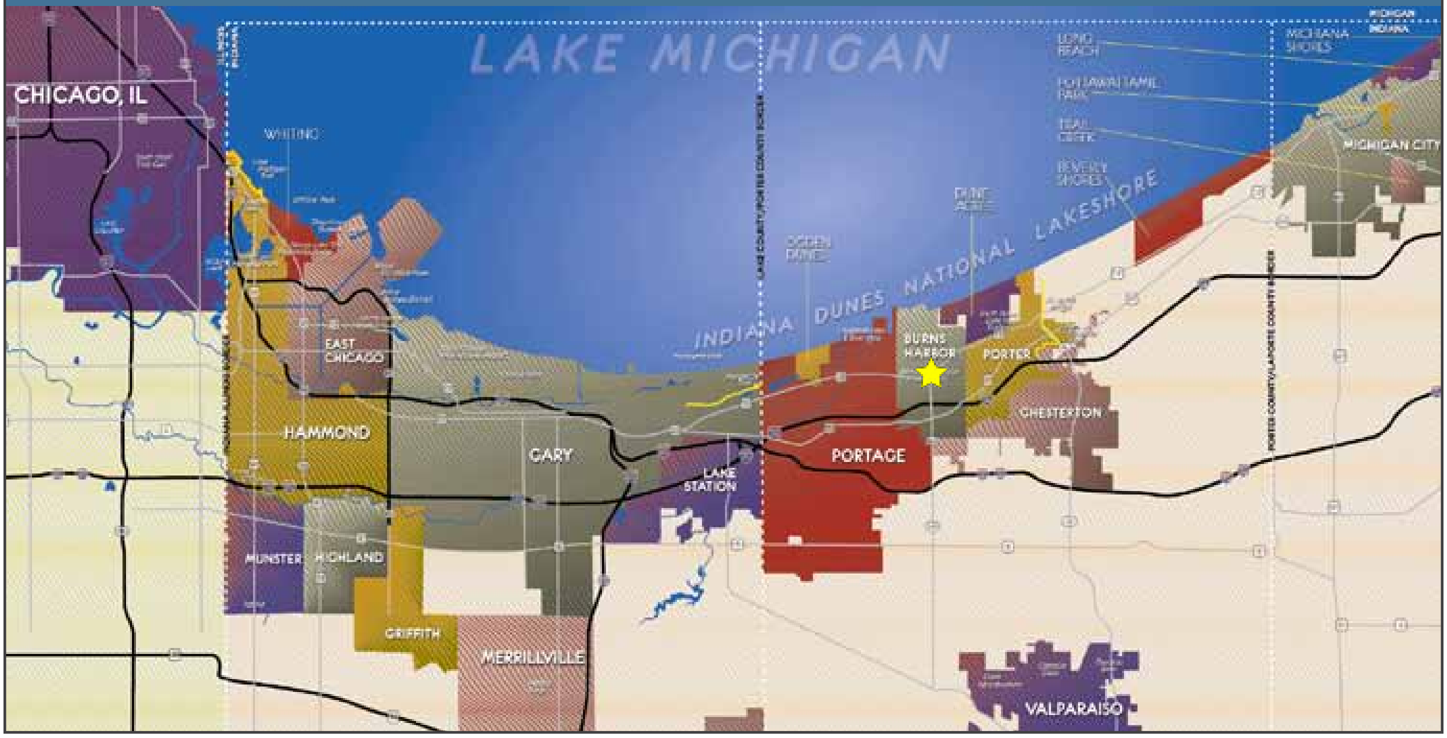
Sources: U.S. DOT Freight Analysis Framework, 2007; NAI Hiffman, 2015; FAA, 2015; United States Department of Transportation, 2014

Tonnage of Intermodal Rail Moves (2011)

Source: U.S. Department of Transportation, 2013

More than 1/4 of U.S. rail traffic touches Chicago at some point during its route
(1,300 trains per day)
NY Times, 2012; Financial Post, 2014

Northwest Indiana



Source: RDA, n.d.

Economic Realities

Northwest Indiana is a unique part of the State of Indiana, with some of the nation's heaviest industry alongside some of its most biodiverse natural landscapes. The region's location along southern Lake Michigan makes it a key transportation route for people and goods via rail, road, and pipeline. Northwest Indiana comprises the Indiana portion of Chicagoland and benefits from the state's perceived pro-business policies including a historically lower tax rate, cost of living, and cost of doing business when compared with neighboring Illinois. The restructuring and contraction of the American manufacturing sector has impacted the region over the past several decades, as historically high wage and high employment industries, such as steel manufacturing, have shrunk dramatically over the last half-century. The region's manufacturing sector lost more than 5,000 jobs between 2006 and 2010 alone and the manufacturing, wholesale, and retail trade sectors in the region lost 330 firms between 2000 and 2010, representing a decline of 25%.

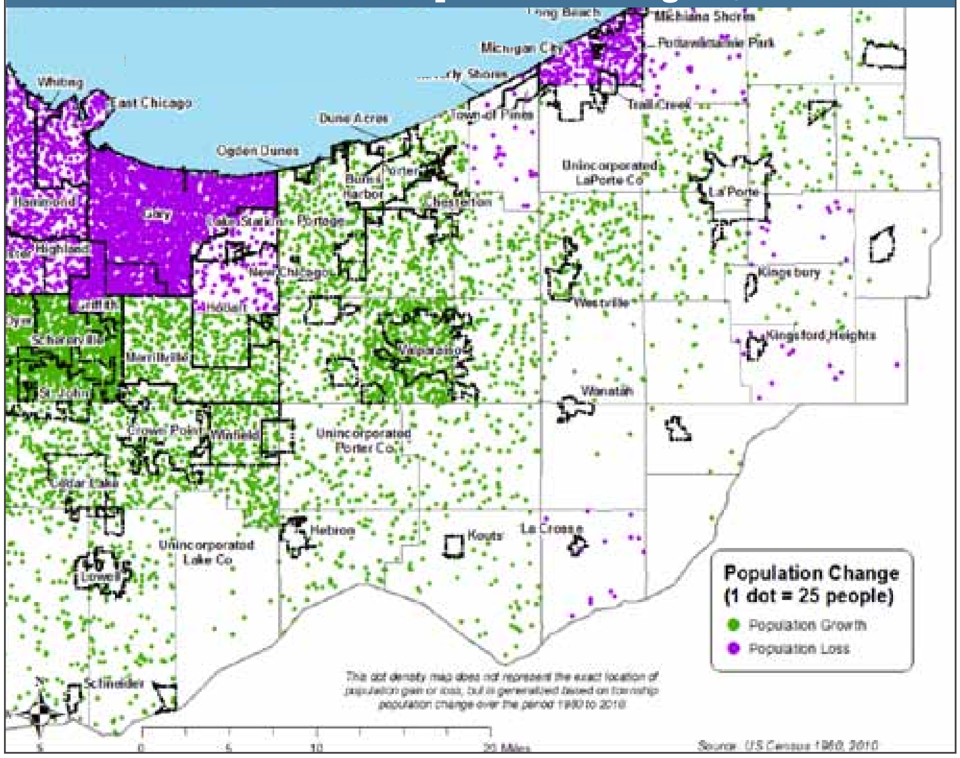
Source: One Region, 2012

A Shifting Population

Regional population decline was felt most dramatically in Northwest Indiana's core cities. Gary, East Chicago, and Michigan City have collectively lost more than 100,000 people between 1980 and 2010. Although population and job losses in these cities have presented serious challenges, other parts of the region have shown overall population growth between 1990 and 2010. The region regained lost population to reach 771,815 residents in 2010, surpassing its 1980 peak of 751,413. Population decreased slightly between 2010 and 2014, but is expected to grow to 799,946 by 2020 and 940,000 by 2040. This positive growth has occurred largely across suburban communities and the relatively under-developed, unincorporated countryside, as well as in more urban areas such as Valparaiso. Demographically, Northwest Indiana has shifted towards an increasingly diverse, and also aging population. Although this is in line with national trends that show an aging population, the region is getting older more quickly than both state and national averages.

Source: NIRPC, 2011

Northwest Indiana Population Change, 1980-2010



Source: NIRPC, 2011

Implications for Burns Harbor

This regional growth/decline dynamic has several implications for development in Burns Harbor. Much of the decline of the neighboring urban areas has been associated with decline in the dominant industry of these historically single-industry towns. This reinforces the need for Burns Harbor to diversify the economy and enhance its resiliency for the future.

For real estate developers and business investors who are not in tune with the region, there can be a negative association with the proximity to communities experiencing decline, such as Gary. It is essential for any development in Burns Harbor to support the turnaround of Gary. In the short term, it may be beneficial to focus on local and regional development partners who understand the complexity, diversity and opportunities of Northwest Indiana (rather than those who may have preconceived notions about the region).

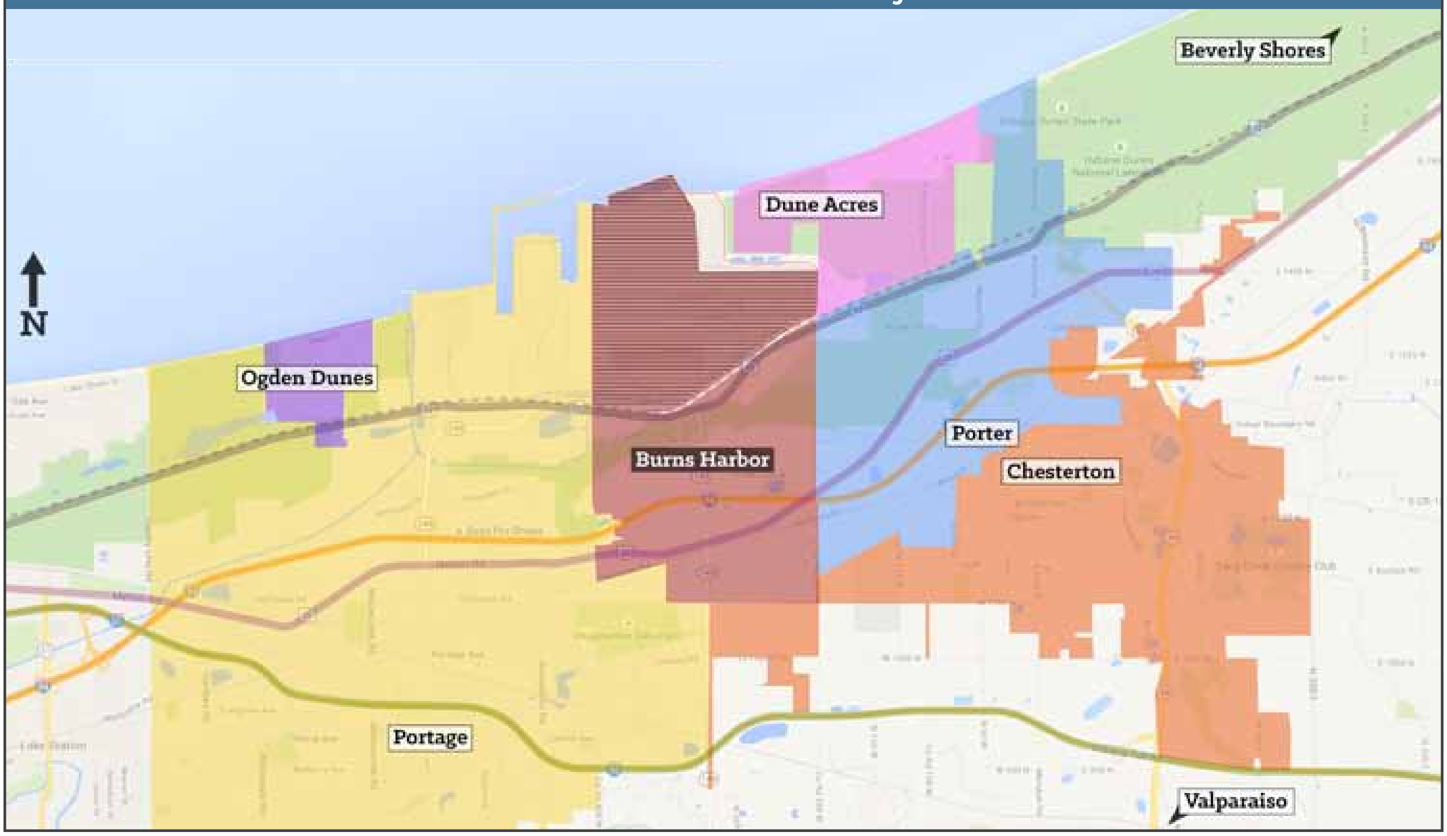
Despite the declining population in certain municipalities, the overall population growth of the region is a positive indicator for Northwest Indiana. Affordable cost of living and more intimate communities, with proximity to major economy and jobs, undoubtedly remain attractive "pull factors" for the area. Efforts must be made to retain the younger population in order to maintain sustainable communities.

Burns Harbor Market Conditions

Regional Collaboration

The communities of Indiana Dunes Country, including Beverly Shores, Burns Harbor, Chesterton, Dune Acres, Ogden Dunes, Porter, Chesterton, Portage and Valparaiso, should continue to work on strengthening the area's unique brand and the power of regional cooperation and economies of scale. Although each community can provide individual opportunities for businesses, residents and visitors, collectively Indiana Dunes Country is much stronger as a whole than the sum of its individual communities. Indiana Dunes Tourism is already successfully marketing the region as a whole, while highlighting each community's distinct offering. In addition to marketing the region to visitors, further collaboration on economic development, business attraction, planning initiatives, and regional events would benefit Burns Harbor, the region and the state.

Indiana Dunes Country



Context

The Town of Burns Harbor is located in Porter County, Indiana, less than 50 miles east of downtown Chicago on the southern shore of Lake Michigan. The town is 7 square miles, 1,500 acres of which are occupied by ArcelorMittal, a fully integrated steelmaking facility. The town is bisected by the I-94 and borders the Indiana Port, a 600-acre maritime operation generating $4.3 billion per year. Burns Harbor is also served by the NITCD South Shore Line, which offers 12 daily trains stopping at Ogden Dunes Station and Dune Park Station every weekday morning, en route to Chicago. The town also contains a portion of the Indiana Dunes National Lakeshore, which extends into Burns Harbor along the Little Calumet River.

The Town of Burns Harbor was incorporated in 1967, following a number of annexation attempts by neighboring communities. Burns Harbor's population has grown significantly over the last decade, in part due to the construction of a sanitary sewer system in 2003. The town grew by 32.5% between 2003 and 2009, and by 2014, the population was estimated at 1,444.

Sources: Ports of Indiana, 2013; U.S. Census Bureau

Local Generators of Economic Potential

ArcelorMittal

ArcelorMittal Burns Harbor is a fully-integrated steelmaking facility occupying 1,500 acres of land along Lake Michigan in Burns Harbor. The mill was originally opened by Bethlehem Steel in 1964 and was the last integrated steelmaking operation built in the country. Bethlehem Steel continued to expand and build new facilities in Burns Harbor until 1992. The company filed for bankruptcy in 2001 and was sold to ISG in 2003, which was then acquired by Mittal Steel in 2005. In 2007, Mittal Steel merged with Arcelor to create the world's largest steelmaking company. The Burns Harbor facility is ArcelorMittal's second largest operation in the U.S. and is capable of producing 5 million tons of raw steel annually, primarily serving the automotive market.

Source: ArcelorMittal USA, 2014

Indiana Dunes

Burns Harbor is located along the Indiana Dunes National Lakeshore, a nationally protected area encompassing 15,000 acres of some of the nation's most biologically diverse land, including 15 miles of Lake Michigan shoreline, 45 miles of hiking trails, swamps, bogs, marshes, rivers, and forests. More than 1,100 flowering plant species and ferns can be found in the park, along with more than 350 species of birds. The Indiana Dunes National Lakeshore and Indiana Dunes State Park are visited by an estimated 2.75 million people every year. The tourism and travel industry contributed $386.6 million to Porter County's economy in 2013.

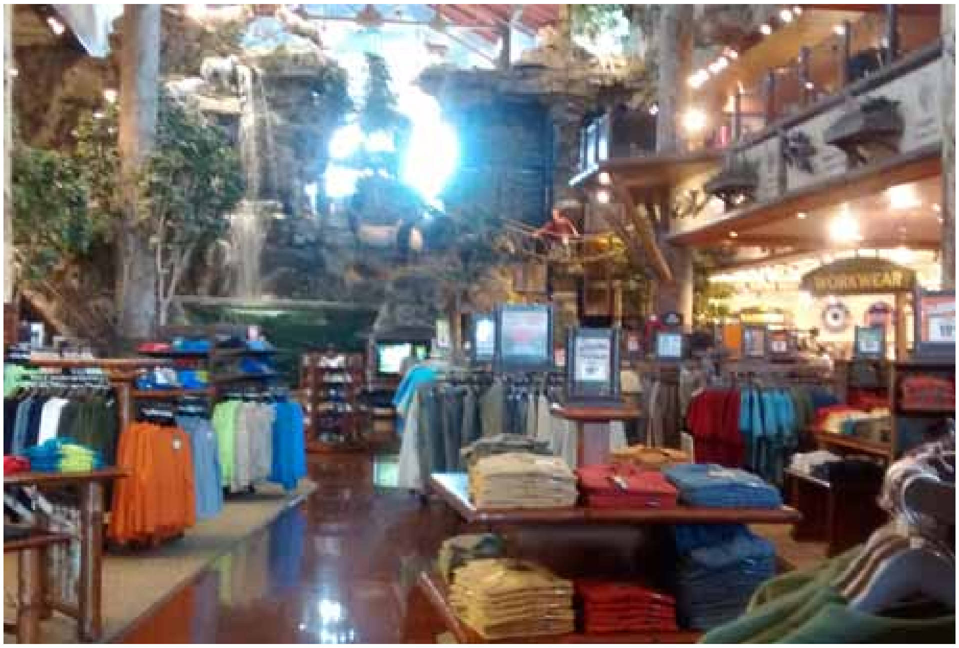
Sources: Certec, 2014; Indiana Department of Natural Resources, 2014; National Park Service, 2015

Note: Some visitors to the Indiana Dunes are visiting the western portion of the National Lakeshore and will remain in Lake County, visiting destinations like West Beach. Porter County attracts 3 million annual visitors of whom most, but not all, visit the Dunes.

Bass Pro

The Bass Pro Shop in Portage is a 2-story, 135,000 square foot building, located along I-94 in the Ameriplex at the Port Business Park. The store is a mecca for outdoor enthusiasts and draws visitors from a significant trade area. The complex also has a seafood restaurant, boat dealership, archery range and shooting gallery. Bass Pro also offers various outdoor skills workshops, kids' events and other store events, attracting additional visitors.

Source: Bass Pro, 2015



Other Businesses

The region is home to a number of industrial employers including Worthington Steel, U.S. Steel, Praxair and NLMK. Although the manufacturing sector is fundamental to the economy of Burns Harbor, the region's educational and healthcare institutions (e.g., Ivy Tech, Valparaiso University, Purdue University North Central, Duneland School Corporation, Porter Health Care System, and IU Health) are also significant traffic generators. Burns Harbor itself is home to more than 30 businesses, including Luke Oil, the Mill Bar and Grill, and a number of automobile dealers, repair services and trucking companies. These businesses are important to the Burns Harbor economy and employ thousands of people who need places to live, eat and play. By providing additional business opportunities, housing options, things to do, recreational activities, and more, the Town of Burns Harbor can attract additional economy, while retaining and growing existing businesses.

PRAXAIR

WORTHINGTON INDUSTRIES

Luke Oil

NLMK

PURDUE UNIVERSITY NORTH CENTRAL

IVY TECH COMMUNITY COLLEGE

USS

Porter REGIONAL HOSPITAL

VALPO

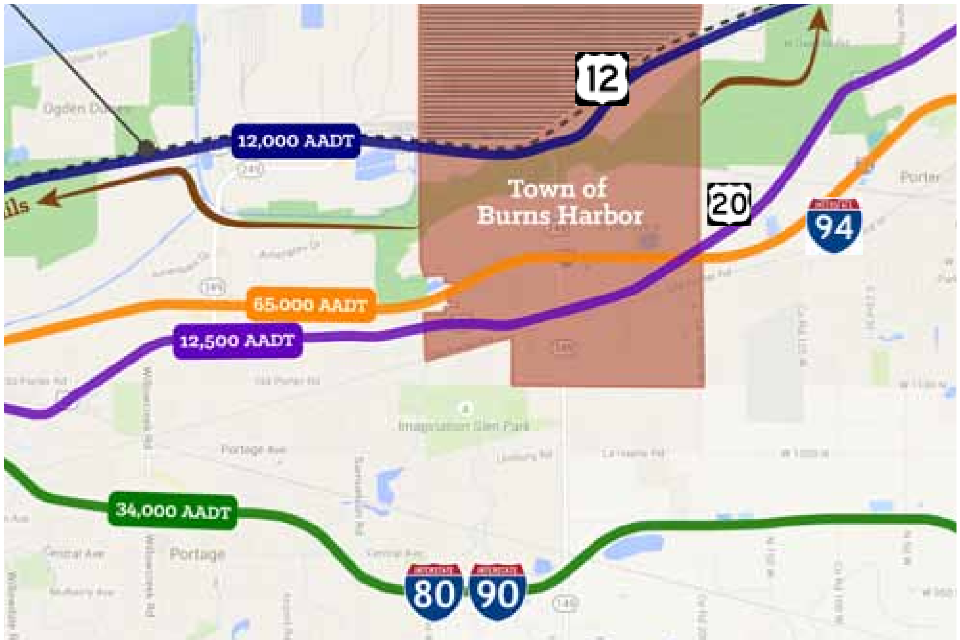
HEALTH

NITCO Connected. Always.

Highways

Four state and federal highways traverse the town – U.S. 20, U.S. 12, I-94 and IN 149. The I-80/90 toll road runs less than 1.5 miles south of the town border. Average daily traffic on national and interstate highways in the region totals more than 120,000 vehicles per day, amounting to almost 4.5 million vehicles per year. Additionally, more than 4.5 million people live within an hour's drive of Burns Harbor and more than 11.7 million people live within a two-hour drive.

Source: INDOT, 2013



Train Station/Port

The Port of Indiana is located adjacent to the town and is the 41st busiest port in the country by total trade. The Port is a multimodal transportation hub that handles 500,000 trucks, 10,000 railcars, 400 barges and 100 ships per year.

Burns Harbor is also served by the NITCD South Shore Line. This rail line, running between South Bend, IN and Chicago, IL, is the 14th busiest commuter line in the country with more than 3.6 million riders annually.

Sources: Ports of Indiana, 2013; American Public Transportation Association, 2013

Photos: Indiana Office of Tourism Development & American Association of Port Authorities

How Do these Local Anchors Affect Burns Harbor?

The Indiana Dunes draws millions of visitors annually, and presents a significant potential economy to the town. Local employers like ArcelorMittal, Worthington Steel, Praxair, Bass Pro employ thousands of potential Burns Harbor customers. These people work in and near Burns Harbor and are looking for residential options close to work, great places to eat, recreational opportunities, and things to do. The extensive transportation network (rails, roads, water, and pipelines) that passes by or through Burns Harbor presents additional opportunities to capture visitor spending. This network also positions Burns Harbor well to attract certain types of businesses and investment.


OPEN


Big Band
Big Band




POWER
BEING
GROW
GREEN
CREATE
WISDOM
LOVE
LIVE
ACTION
NURTURE
COURAGE




Where Do We Start?

Strategies, Projects & Initiatives

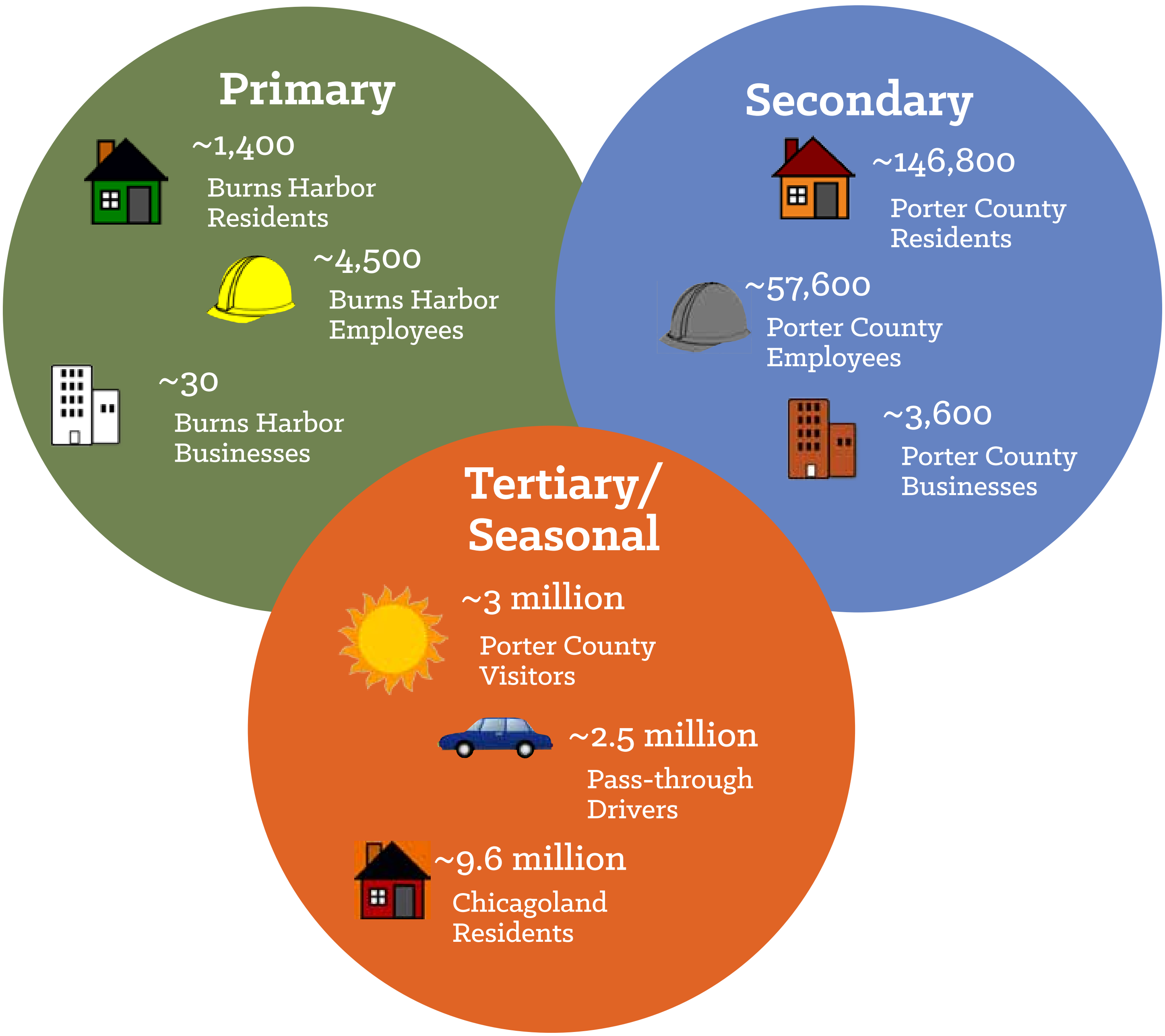
Potential exists for Burns Harbor to grow as a thriving small town, while remaining authentic and charming. The focus will be on strategies, projects and initiatives that can help Burns Harbor diversify its economy, create a greater sense of place, and become a more enticing town for residents, employees, investors and visitors.


4134
Pur malt




1. Know Your Customers

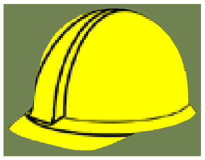
The target market evaluation identifies existing and future end-users for the Town of Burns Harbor, and customers of potential development opportunities. By quantifying the customer base, LWLP, the Town of Burns Harbor, and possible future developers are able to qualify and begin to build a business case (or to discount) certain uses. The target market for the Town of Burns Harbor has been segmented into primary, secondary and tertiary/seasonal markets.



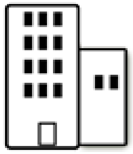
Primary Customers

Primary customers are those who will most likely spend time and money in Burns Harbor. This segment of the target market includes current and future Burns Harbor residents, employees and businesses.

~1,400
Burns Harbor Residents



~4,500
Burns Harbor Employees



~30
Burns Harbor Businesses

Burns Harbor Residents

The primary target market of end-users for the Town of Burns Harbor includes its residents, both existing and future. Burns Harbor residents will be the most frequent and consistent users of Burns Harbor amenities and offerings. Future programming and development will, and should, encourage Burns Harbor residents to spend more time and money in Burns Harbor.

Residents (2014 estimate) 1,444
Significant growth since 2000 population (766) & 2010 (1,156)

Median Age 32.3
compared with 38.8 in Porter County

Growth Rate 24.9%
compared with 0.5% for Porter County

Median Household Income $68,289
compared with $62,794 in Porter County

Housing Units 582

Unemployment 5.1%
compared with 6.2% for the State

Top Sectors for Employment

Sector	Burns Harbor	Porter County	Indiana
Manufacturing	19.7%	18.3%	18.4%
Healthcare, Social Services & Education	14.3%	24.4%	23.2%
Retail Trade	11.3%	11.2%	11.5%

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Average earnings per job in the manufacturing sector was $99,407 — more than double the average earnings in all Porter County sectors at $48,261

Source: U.S. Bureau of Economic Analysis, 2013

Burns Harbor Employees

People working in Burns Harbor are also a very important primary customer base. This includes the ArcelorMittal employees, as well as employees of Praxair, various car dealerships, trucking companies, and other local businesses. These employees are looking for places to spend their lunch hours, get coffee, and, potentially, use neighborhood services.

ArcelorMittal employees currently make up the largest proportion of those employed within the Town of Burns Harbor. Some of these workers currently live in Burns Harbor, but most do not. Burns Harbor has the opportunity to create a modern-day company town for ArcelorMittal and other businesses, where people can live close to their workplace and enjoy all of the amenities of a great small American town. In addition to contributing to residential growth in Burns Harbor, the town can benefit from the significant spending power of this segment of the market.

Employees (Total)	~4,500
Average Age (ArcelorMittal)	57
Businesses	~30

Burns Harbor Businesses

Burns Harbor businesses make up a key segment of the primary target market and will grow over time, as the town becomes a more enticing place to do business. Local businesses are essential to the Burns Harbor economy, providing employment, services, shopping opportunities and things to do for local and regional residents.

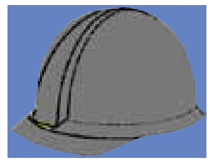
Desired Experiences of Primary Customers

- A variety of quality living options
- Prepared foods, snacks, "grab-and-go" foods, coffee and other quick-serve items
- Options for places to eat and drink
- Seasonal markets with fresh local produce
- A wide variety of regular events, festivities, activities and shows
- Daily amenities and conveniences, such as pharmacies, grocery stores and banks
- Local restaurants with outdoor eating spaces and great patios for social gathering
- Fitness and recreation options
- A strong education system
- A low crime rate

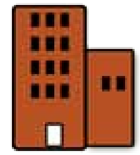
Secondary Customers

Secondary customers are comprised of those who, after the primary customer market, will be the next likely to spend significant time and money in Burns Harbor. This segment of the target market includes current and future Porter County residents, employees and businesses.

~167,000
Porter County
Residents



~57,600
Porter County
Employees



~3,600
Porter County
Businesses

Regional Residents

Population (2014 estimate) 167,076

2000-2013 Growth Rate 12.5%
Compared with 7.14% in the state

Median Age 38.8
Compared with 37.1 in the state

Porter County residents make up the largest portion of the secondary target market for the Town of Burns Harbor. The county has been growing faster than other parts of Northwest Indiana and is composed of higher earning households.

Porter County Employees

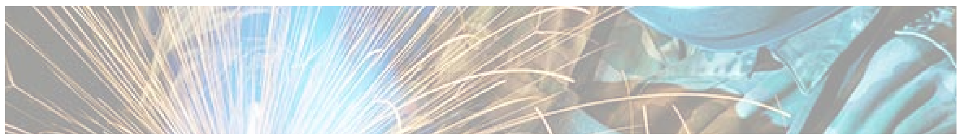
Employees (2013) 57,620

More than 57,000 people work in Porter County who comprise a significant proportion of the secondary target market for Burns Harbor. Porter County employees are looking for places to spend time and money in the region – things to do, places to live, entertainment options, recreational activities, and places to go with their families. Burns Harbor has the potential to gain significant economic benefit from this target market segment.

Sectors that Employed the Most People in 2013

	Sector	Number of Employees	5-Year % Change
1	Manufacturing	9,573	4.81%
2	Healthcare and Social Assistance	7,601	9.24%
3	Retail Trade	7,250	6.79%
4	Federal, State, & Local Govt.	6,813	-3.57%
5	Accommodation and Food Service	6,298	13.58%

Source: Bureau of Labor Statistics & Indiana Department of Workforce Development, 2014



Porter County Businesses

Businesses (2013) 3,585

Porter County is home to approximately 3,600 businesses. These regional businesses are located close to Burns Harbor, less than an hour's drive, and comprise a significant potential future customer base. Porter County businesses are competing regionally, and in some cases nationally, for quality employees who are ever more concerned with quality of life. Businesses are better able to attract and retain employees if they are near quality housing options, great places to eat and drink, health and wellness amenities, and things to do.

Sectors with the Greatest Number of Individual Businesses

	Sector	Number of Establishments (2013)
1	Retail Trade	420
2	Construction	398
3	Professional and Tech. Servs.	385
4	Other Services	337
5	Accommodation and Food Service	318
6	Healthcare and Social Assistance	317

Source: Bureau of Labor Statistics & Indiana Department of Workforce Development, 2014

Desired Experiences of Secondary Customers

- Business and investment opportunities
- A diversity of unique and locally-owned places to eat and drink
- Year-round events and festivities
- Fitness and recreational opportunities
- Unique regional offering
- Connections to neighboring communities
- New employment, investment, education and entertainment opportunities

Tertiary/Seasonal Customers

The final segment of the Burns Harbor target market comprises Chicagoland residents, seasonal visitors to Porter County and pass-through highway drivers. Tourism is an important and growing portion of the Porter County economy and Burns Harbor is not currently fully leveraging this segment of the market. Highway volumes in the Burns Harbor area present major economic potential. Even though visitors and pass-through drivers are not going to use Burns Harbor services, amenities or offerings on a regular basis, the sheer number of people visiting or driving through the region are an essential component of the future Burns Harbor customer base.

~9.6 million
Chicagoland Residents

~2.5 million
Pass-through Drivers

~3 million
Porter County Visitors

Chicagoland Residents

As outlined on pages 26 and 27, Chicagoland is an enormous population, economic, and transportation center. The region is home to more than 9.6 million people and generates an annual gross regional product of more than $500 billion. Chicagoland represents potential Burns Harbor residents, employees, businesses, investors and visitors.

Population	9,554,598

Pass-through

An estimated 2.5 million people passing through Porter County in 2013 stopped to have meals, buy gasoline, or shop for various items. These 2.5 million travelers spent an estimated $48.8 million in direct expenditures in Porter County. Some of Burns Harbor's businesses are already benefiting from these customers (especially local businesses such as gas stations and auto repair shops), however the untapped potential economic gain from these travelers is significant.

Population	2,548,058

Example of Untapped Economic Potential		
If just **1%** of these drivers stopped in Burns Harbor...	...to buy an **ice cream cone** ($4) the annual sales would be **$101,922**	...to go **skating** for the afternoon (skate rental $5, hot chocolate $2), the annual sales would be **$178,364**

The numbers in the above example only account for potential gains from pass-through visitors, i.e., those not previously planning to stop or stay in Porter County. The largest potential economic gains for Burns Harbor will come from destination visitors. With an increased retail offering, and more things to do, Burns Harbor will be able to capture more direct spending from this significant and growing portion of the market. This potential economy will be further developed in the business planning process to determine the amount of viable economy that can be sustained.

Tertiary/Seasonal Customers (cont'd)

Visitors

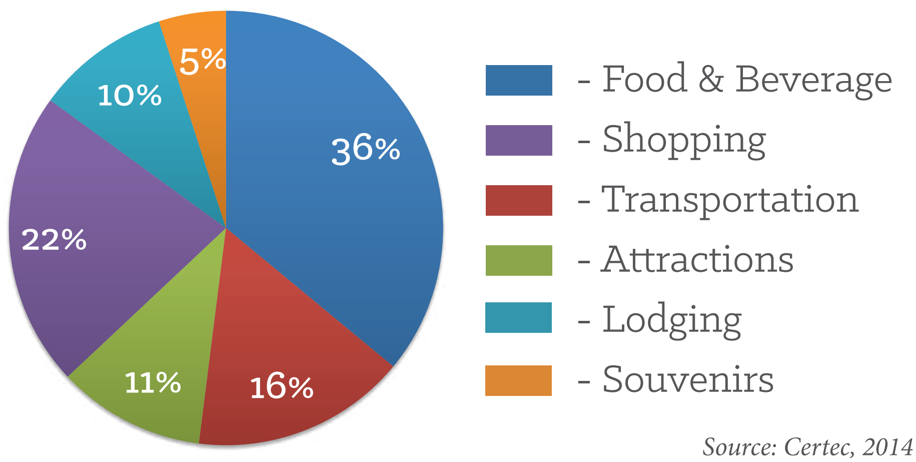
More than 3 million destination travelers visited Porter County in 2013. The vast majority of visitors (89%) can be classified as leisure, the remaining classified as sports (6%), and convention/business (5%). Food and beverage purchases account for the majority of visitor spending. Burns Harbor has a significant opportunity to capture this and other types of visitor spending as the current town offering is minimal.

Total Annual Visitors
3,028,790

Average Length of Stay
2.6 days

Total Direct Expenditure
$271.2 million

Porter County Visitors Spending



Source: Certec, 2014

2013 Visitor Spending by Sector

Visitor Sector	Per-person Per-day Spending	% of Total Visitor Spending
Lodging	$105.73	29%
Attractions	$44.75	35%
Visiting Friends & Relatives	$59.54	17%
Pass-through	$19.26	18%
Campground	$27.11	1%

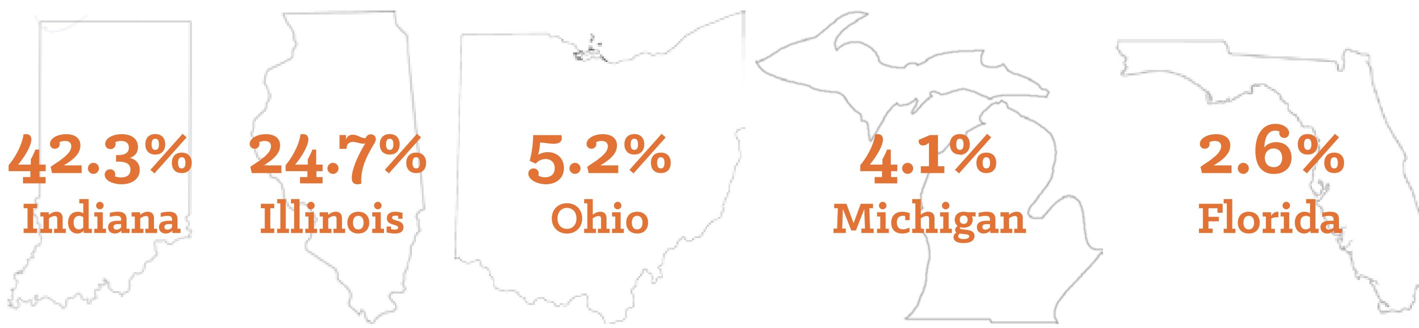
Source: Certec, 2014

6%
of all visits can be attributed to the **sports market** segment

2013 Porter County Visitor Survey Results

Porter County derives a substantial proportion of its visitation from Indiana, Illinois, Michigan and Ohio. More than 50% of visitors to the county in the spring and fall were from these four states, and in the summer the proportion increases to more than 75%. In addition to seasonal variations in the origin of visitors, the age of visitors also varies seasonally. The summer season predictably has a higher proportion of children at 33%, compared with less than 20% during the other seasons. The proportion of seniors was more than double in the fall (26.1%), compared with summer (13.3%), and spring (11.9%).

Home State of Summertime Visitors



32.9%
of summertime visitors are **under the age of 19**

75.4%
of summertime visitors **stayed for 1–3 nights**

26.1%
of fall visitors are **over the age of 60**
(more than double the number of seniors in summer and spring)

Top Activities for Porter County Visitors

Activity	Spring	Summer	Fall
Indiana Dunes Parks—Beaches	31.0%	57.2%	29.3%
Visiting Friends/Relatives	34.5%	36.1%	27.4%
Indiana Dunes Parks—Hiking	23.0%	23.7%	17.3%
Restaurants—Unique & Local Owned	26.4%	23.2%	21.6%
Restaurants—Casual Dining	35.6%	20.6%	19.7%
Visit—Chesterton/Porter	20.7%	20.6%	16.8%
Restaurants—Non-chain	35.6%	19.6%	18.8%
Restaurants—Fast Food	17.2%	15.5%	13.9%
Visit—Valparaiso	27.6%	15.0%	18.8%
Restaurants—Chain	23.0%	14.4%	21.2%
Shop—Lighthouse Outlet Mall	12.6%	14.4%	10.1%
Seven Peaks Water Park	0.0%	11.9%	1.0%
Bass Pro Shops	12.6%	10.3%	6.7%
Valparaiso University	18.4%	8.2%	14.9%

Source: Certec, 2014

Desired Experiences of Tertiary/ Seasonal Customers

- Clearly marked highway signage
- Diversity of dining, shopping and entertainment options
- Social spaces, places to enjoy and experience
- Recreational opportunities
- Clear in-town signage and marketing with directions to points of interest, trails and amenities
- Year-round events and festivities
- Secondary housing options
- Unique experiences

2. Conduct Rigorous Market Research

In order to determine the highest and best achievable uses for Burns Harbor, LWLP evaluated a broad range of uses including real estate, incubation, and activation. LWLP then narrowed down options based on the goals, objectives and requirements outlined by the RDC and community, market viability standards, and the physical realities of the town.

Real Estate Uses Explored

- **Residential For-Sale Product**
- **Residential Rental Product**
- **Office**
- **Hotel & Hospitality**
- **Traditional Retail**
- **Specialty Retail**
- **Industrial & Light Industrial**
- **Cultural**
- **Sports & Recreation**
- **Public Space & Amenities**
- **Civic**
- **Educational**
- **Medical & Wellness**
- **Entertainment**
- **Other**

Incubation Activation Uses Explored

- **Pop-Up Retail**
- **Events and Festivities**
- **Daily, Weekly, Monthly and Seasonal Things To Do**

Additional Uses/Programs Explored

- **Renewable Energy**
- **Water and Irrigation Technology**
- **Agriculture**
- **Smart Town Technology**

Summary of Research Highlights

Use Typology	Potential
Residential For-Sale	Potential for additional residential development – however, should not lead, but be market-driven
Residential Rental	Proven pent-up demand for multi-family product
Retail	
Shopping Mall	Market already has adequate supply of shopping
Strip Centers	Market (Chesterton/Valparaiso) already have supply
Destination	Can be demand-driven and will have significant impact
Neighborhood	Mid/longer-term potential
Office	Potential for office use, but highly competitive market
Light Industrial/Advanced Manufacturing	Opportunities for additional and complementary jobs base
Health and Wellness	Potential for unique health and wellness offering
Education	Immediate potential for non-traditional education
Hospitality	Mid-term potential for hotel and hospitality
Recreation	Immediate opportunity to build upon existing assets
Agriculture	Immediate opportunity to tap into this evolving industry

Please see Appendix A, page 95, for detailed research and analysis.

3. Identify Strengths, Weaknesses, Opportunities & Threats

A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis is an important tool that lists the key factors affecting Burns Harbor's future development and functionality. Strengths and Weaknesses are not meant to be endorsements or indictments, but rather brief candid assessments based on research and interviews. Opportunities are not necessarily recommendations, but areas that deserve attention because they represent space to make progress. Finally, threats are not warnings or prophecies, but potential external factors that might inhibit the proper development of Burns Harbor.

Strengths

- Close to the Indiana Dunes & greenways
- Location within Chicagoland economy
- Highway, rail and waterway access
- Access to four-season natural advantages
- Low cost of living
- Low cost of doing business
- Great place to raise a family
- Safe place to live
- Access to jobs
- Proximity to train stations, international passenger and cargo airports and Great Lakes
- Local government commitment to redevelopment

Weaknesses

- Lack of coherent identity, character or brand essence
- Singular economy
- No direct access to Lake Michigan
- No retail or restaurants that create a destination experience
- Physical barriers (e.g., disjointed nature of town due to highways, large land users, and roads)
- Not enough things to do/see
- The Town of Burns Harbor does not control significant land holdings
- No train station platform in Burns Harbor

Opportunities

- Address leakage occurring by existing residents, businesses and employees
- Potential to diversify economy and bring new business and investment to Burns Harbor
- Capture seasonal/other visitors
- Tap into highway traffic by creating a place where people want to stop
- Unleveraged natural amenities
- Undeveloped or underdeveloped land (often large areas with single owners)
- Significant investment by the State of Indiana in Marquette Greenway Plan and shoreline development
- Shared marketing and economies of scale by working as a larger region with neighboring towns (i.e., Porter, Portage, and Chesterton)
- Untapped renewable energy potential

Threats

- Dependence on single employer in precarious industry
- Limited awareness of Burns Harbor outside of the community
- Ongoing and aggressive development in neighboring communities
- Competing towns with more to offer
- Potential lack of consensus among residents
- National and international economies

Desired Outcomes

Short-term desired outcomes for the Town of Burns Harbor are to activate the town at minimal risk and with minimal capital requirements; and create excitement and more reasons for people to visit, spending time, and money in Burns Harbor. Long-term desired outcomes are to create a greater sense of "place" in Burns Harbor; enhance quality of life for residents; offer a greater diversity of businesses and amenities; create a more diversified economy and employment options; increase town revenues and cash flows, and reconnect town assets.

Preliminary Vision for Burns Harbor

The Town of Burns Harbor, located less than one hour from downtown Chicago, inspires all who live there, spend time there or do business there. The entire community celebrates the magnificent natural biodiversity of Burns Harbor by: sharing special moments along miles of forested trails connected to the Marquette Greenway; meandering through bird sanctuaries; fishing along wild sparkling riverfronts; and enjoying a spectacular day at the Indiana Dunes. Burns Harbor also celebrates a simpler more meaningful way of life within a warm and welcoming community. Harmoniously balancing its small town charm and character with hundreds of things to do, the town also supports a flourishing and diverse economy where business, healthcare, culture and the arts, tourism, learning centers, and many other endeavors are thriving. The Town of Burns Harbor will have one of the highest standards of living in the Midwest where people can live, work, learn and play for generations. Burns Harbor will be a vibrant four-season community, building on its agricultural and recreational features, offering a healthy, active and supportive lifestyle to a diverse range of residents, employees, businesses and visitors. Burns Harbor will become a great place to discover, by exploring the village market with some of the best of destination mom-and-pop restaurants, farm-to-table organic meats, fruits and vegetable shops, best-of-Indiana ice cream experiences, daily fresh bakeries, and local unique retail shops. The Town of Burns Harbor continues its future story as one of America's most charming small towns to discover.

Get up.

Get out.

Get more out of life in the Town of Burns Harbor.

5. Develop the Guiding Principles of Burns Harbor

Guiding principles are intended to translate LWLP's market findings into competitive advantages for the town. They inform the personality, programming uses and experiences within Burns Harbor, as well as the desired nature of future development and investment. Based on the town's and community's objectives, the following principles will help position and differentiate Burns Harbor within its regional market context, and form the cornerstones of the town's future brand identity:

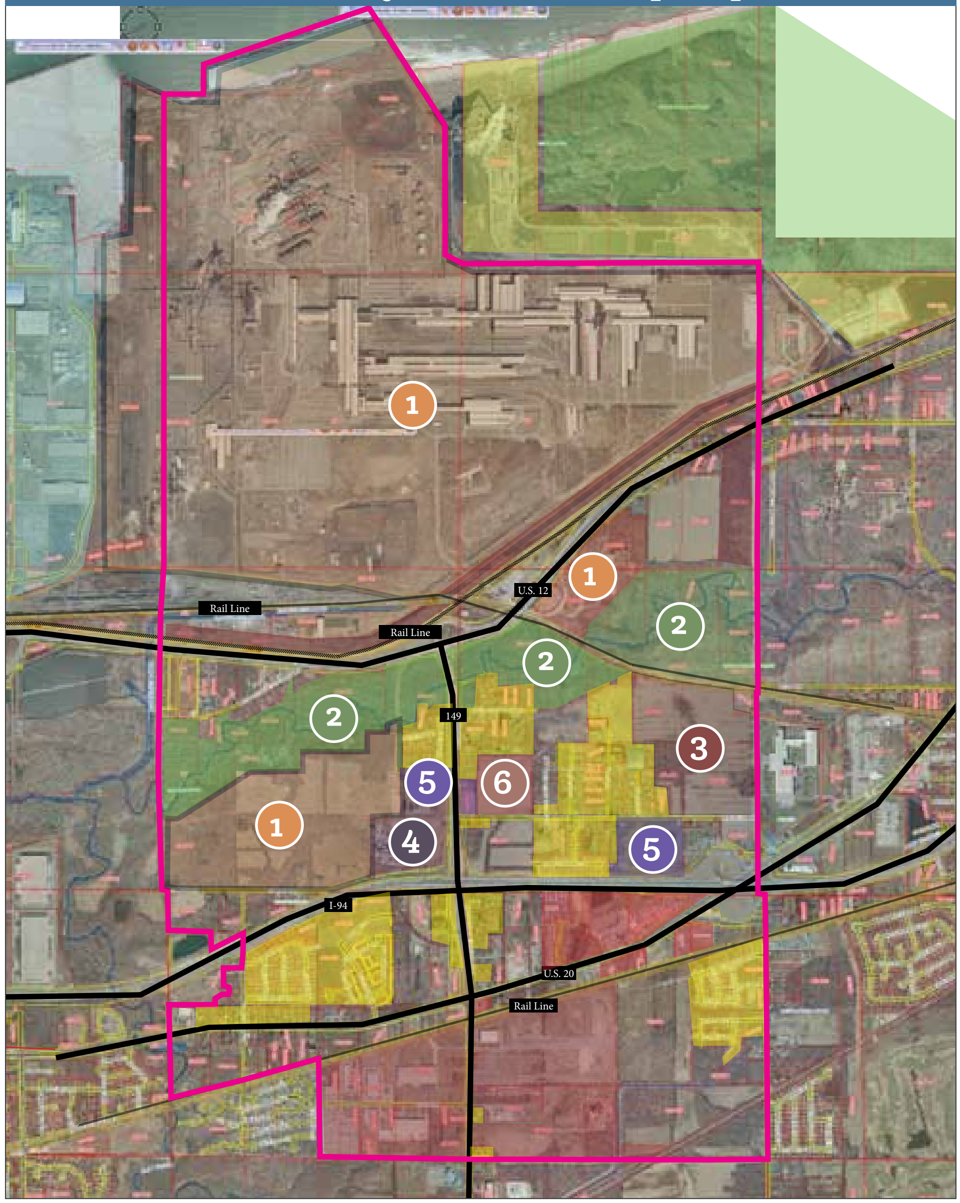
An authentic, iconic and vibrant small town	A place for innovation, investment and business to thrive	A model for healthy and active living, wellness and recreation
A place with hundreds of things to do	A leader in environmental stewardship and responsibility	A welcoming four-season destination
A celebration of healthy food and lifestyle	A great place for gathering and social connection	A place that enriches life through arts and culture
A place with a diversity of housing options	A place of lifelong learning	A place where kids can be kids
A place for social and frivolous fun	A resilient "Smart Town" of America	An authentic, sustainable and charming live-work-learn-play town



6. Maximize Land Opportunities

Understanding existing development patterns and land ownership within the Town of Burns Harbor is an essential step in the development process. The types of development possible, timing of projects and initiatives, and phasing of programs for Burns Harbor depend on land opportunities. Burns Harbor is not a blank slate, as there already exist well-developed neighborhoods and patterns of activity associated with existing businesses, homes, civic buildings, roads, parks, and rivers. Furthermore, open and undeveloped land parcels within the town are not all town-owned. Large parcels of land within the Town of Burns Harbor belong to the Indiana Dunes National Lakeshore, ArcelorMittal, and Worthington Industries. Smaller land parcels are owned by the Duneland School Corporation, NIPSCO and individual owners.

Preliminary Land Ownership Map



Source: Porter County

Landowners with the Largest Holdings

1 ArcelorMittal
2 Indiana Dunes National Lakeshore
3 Worthington Industries
4 Praxair
5 Town of Burns Harbor
6 Duneland School Corporation

Current land ownership in the Town of Burns Harbor was reviewed and the following questions were posed:

- How much land does the Town of Burns Harbor control and where is it located?
- Who are the major landowners in Burns Harbor and are they interested in contributing/participating in this strategic plan?
- Are there restrictions on certain pieces of land (e.g., National Park land and riverbeds)?
- What are the physical challenges to certain types of development (e.g., highway infrastructure, rail infrastructure, large-scale industrial uses, rivers and trails)?
- Are there opportunities for land swapping with various owners?
- Are there potential opportunities to partner with neighboring communities?
- Is there leadership and community demand for improvement of the Town of Burns Harbor?
- Is there functional, committed and stable political leadership to stay dedicated to ushering in this plan and these projects?
- Is there support at the state level to create a truly great small town of America at Burns Harbor?

7. Develop a District Strategy

The segmentation of Burns Harbor into unique and identifiable districts will assist the town in realizing its goals. Great towns and cities are best understood and defined by their smaller neighborhoods or districts and how they have evolved over time. A district strategy will help differentiate distinct areas of Burns Harbor from the larger narrative of the town, reinforcing, connecting, and growing the unique competitive advantages for each. By starting to define districts, this strategy will further help to ensure that the components of an integrated Burns Harbor experience are achieved across the town, the sum of which will collectively help create a special identity or "sense of place" for Burns Harbor residents, employees and visitors. Finally, beginning to identify Burns Harbor districts based on existing or future advantages, assets and/or behaviors, will allow the development process to leverage the natural programming, marketing and physical connections that will emerge.

In focusing efforts and establishing alignment on this more detailed vision for Burns Harbor, these districts can help to

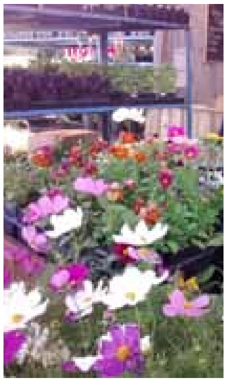
- Inform and support marketing and economic development initiatives
- Influence development patterns to align with Burns Harbor's vision
- Guide short-term and long-term planning efforts
- Provide a common language with which to discuss Burns Harbor
- Create additional market demand
- Inform programming and location for projects and initiatives

Detailed strategies and potential programming for each of these districts are explored in this section of this report. The location of districts are guided by existing assets and neighborhood, as well as the locational requirements of certain uses. The district strategy also synergistically locates anchors of development activity ("dumbbells") in key areas in order to facilitate traffic flow between these activity centres, enabling and encouraging longer stays in Burns Harbor. These districts have been put forward as strategic recommendations, and must be further examined for physical challenges and realities, and based on detailed business planning.

It should be noted that the names and exact locations/boundaries associated with each district are descriptive suggestions for ease of identification – they have not been adopted.

Existing Homes and Businesses

Existing homes or businesses do not have to move or change. Burns Harbor will maintain its authenticity and charm as it evolves. Some existing neighborhoods can accommodate additional uses and programs, while others may remain unchanged for many years.

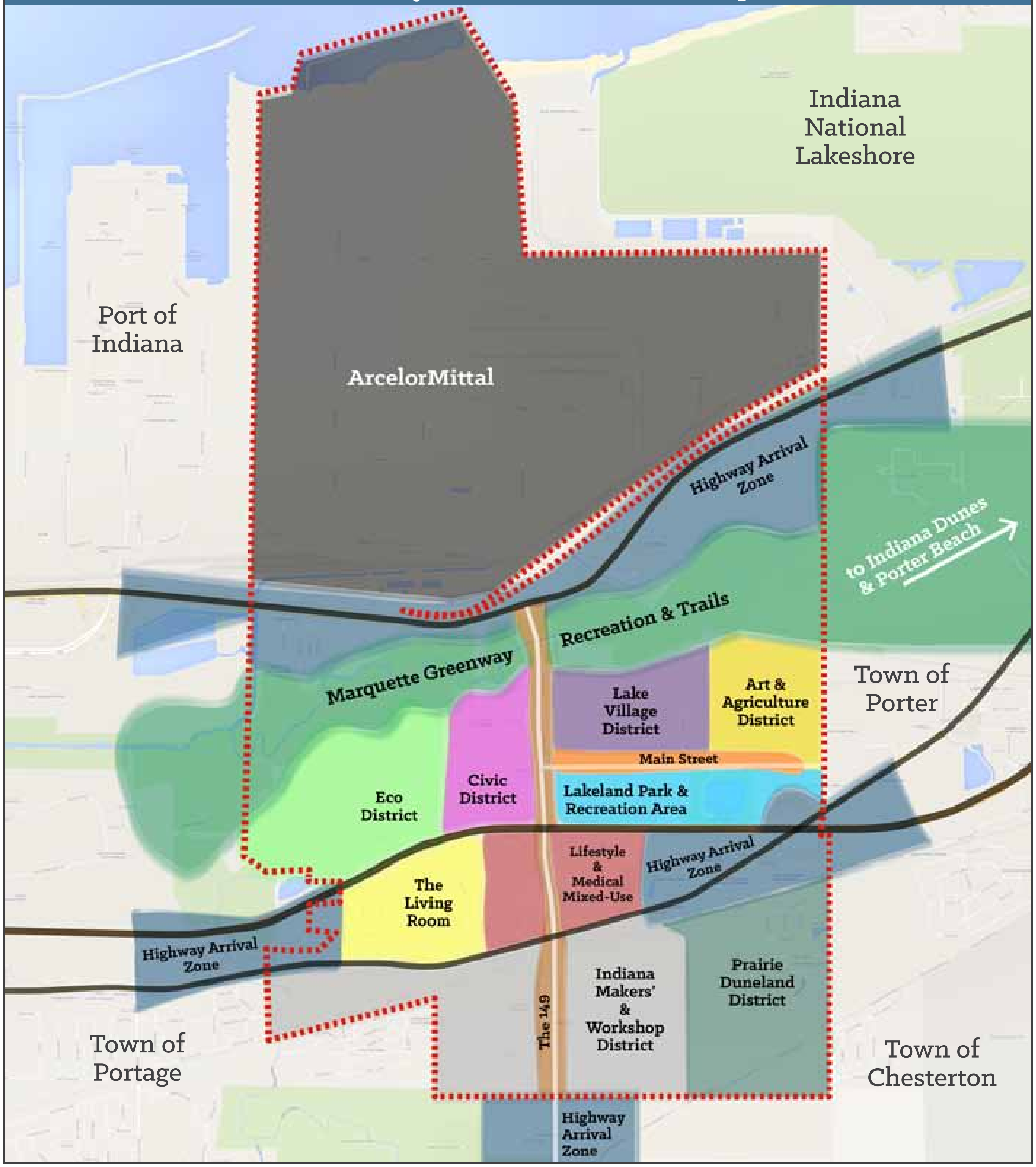


District Borders

Districts are fluid in nature, both in space and over time. The borders of each district are permeable and will not feel like a hard dividing line. Neighboring districts are complementary to each other – uses and programming within each district reflect this.

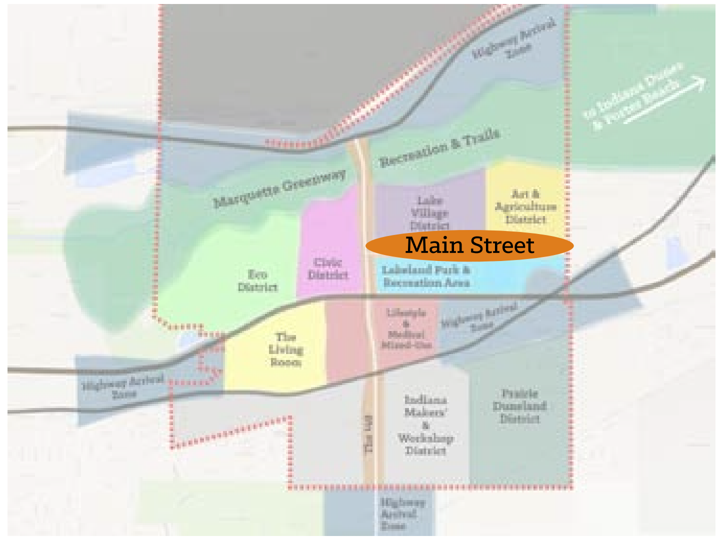
Although the districts are illustrated within defined geographies, these borders between districts should not be viewed as hard lines, but rather as informative, with overlapping programming and experiences expected as districts transition from one to the other. Even within districts, there is expected to be considerable evolution as existing uses and built-form evolve. Furthermore, the ordering of these districts is not reflective of their potential development phasing, but simply for organization and narrative purposes.

Preliminary Burns Harbor District Map



Main Street District

Main Street is envisioned as a walkable, inviting, and vibrant mixed-use street, a place for friends to gather and families to stroll. Main Street will invite visitors and residents to shop in small, locally owned establishments, where they can pick up fresh seasonal vegetables, or sample the best ice cream in Indiana. Main Street will be a four-season street for residents, visitors, and workers to enjoy. With new developments, increased retail activity and more things to do, Main Street will become the cornerstone of a charming and revitalized Burns Harbor.



Potential Programming


Regional Marketplace


Mom-and-Pop Restaurants


Books & Magazines


Destination Retail Shops


Gift Shops


Food Shops

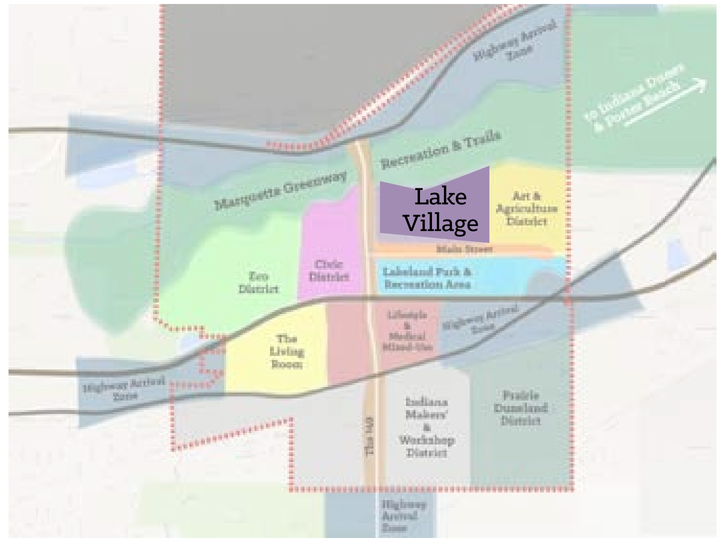

Activity-Based Retail


Coffee Shops & Bakeries


Treat Shops

Lake Village District

The Lake Village is envisioned as an active and exciting gathering place that brings the waterfront to Burns Harbor. With quaint restaurants, small retail spaces, seasonal boating activities, trails and activity spaces and picnic tables, the Lake Village will allow people to lose themselves in Burns Harbor's village charm. With opportunities for new businesses in temporary and pop-up retail spaces, the Lake Village will be an ever-evolving district, keeping Burns Harbor exciting and fresh for decades to come.



Potential Programming


Destination Restaurants


Public Beach


Pop-Up Retail


Trails


Boat Rentals

Food & Beverage Carts

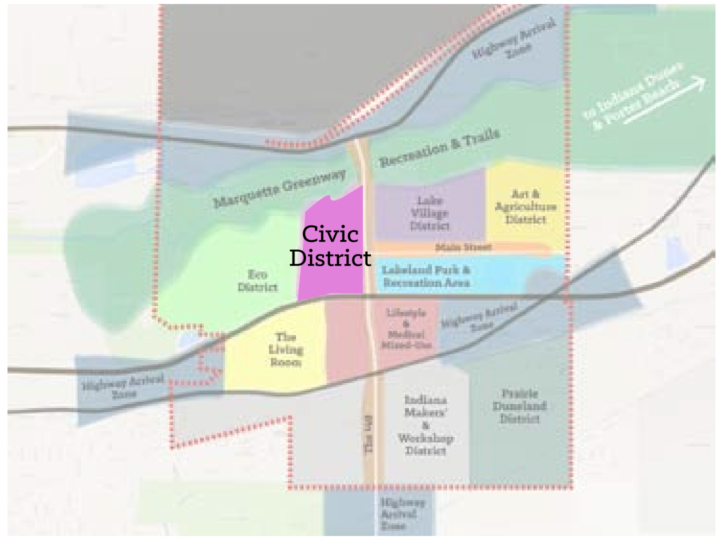

Kiosks


Outfitter for Bikes


Outdoor Gathering Spaces

Civic District

An essential foundation of public life in Burns Harbor, the Civic District will expand the town's existing community space to include more places for the Burns Harbor community to congregate, celebrate, and learn. Flexible spaces will allow for a variety of uses, such as summer arts performances, concerts, and annual festivities. The Civic District will also welcome activities that attract smaller groups of Burns Harbor residents, such as training courses or composting workshops. This unique district will celebrate Burns Harbor and its citizens year-round.



Potential Programming


Town Hall


Emergency Services

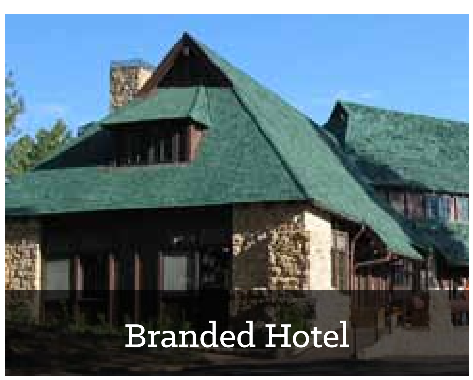

Amphitheater


Community/Fitness Facility


Arts and Culture


Learning Center

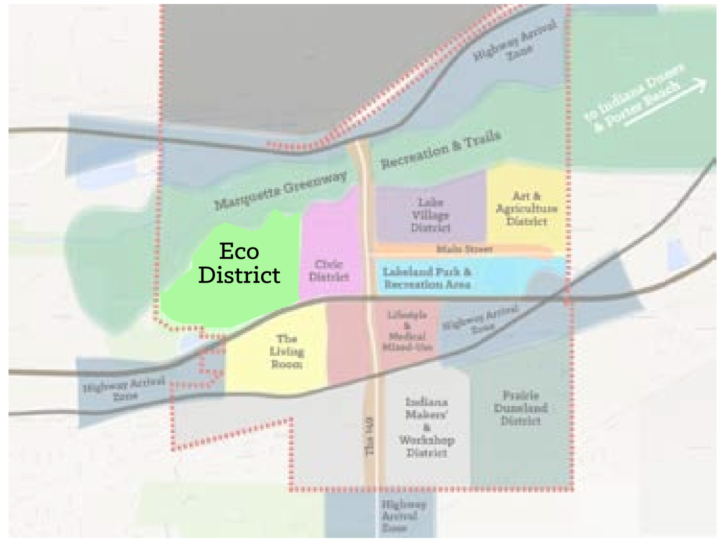

Performance Space


Branded Hotel


Child Care Center

Eco District

A key piece of the Burns Harbor vision, the Eco District is a place to teach, learn, explore, and lead. With a strong connection to the Indiana Dunes National Lakeshore, the Little Calumet River, and the Burns Harbor trail system, the Eco District will become Burns Harbor's premier ecological learning and discovery zone. With potential programming such as community gardens or the Burns Harbor Insectarium and Butterfly Farm, the Eco District will help spark a generation of future scientists and life-long learners. The Burns Harbor Bird Sanctuary and trail system will attract bird watchers from near and far, bringing additional economic benefit to Burns Harbor and the region.



Potential Programming


Bird Sanctuary


Community Gardens


Insectarium/Butterfly Farm


Treetop Adventure & Leadership School


Trails


Arboretum

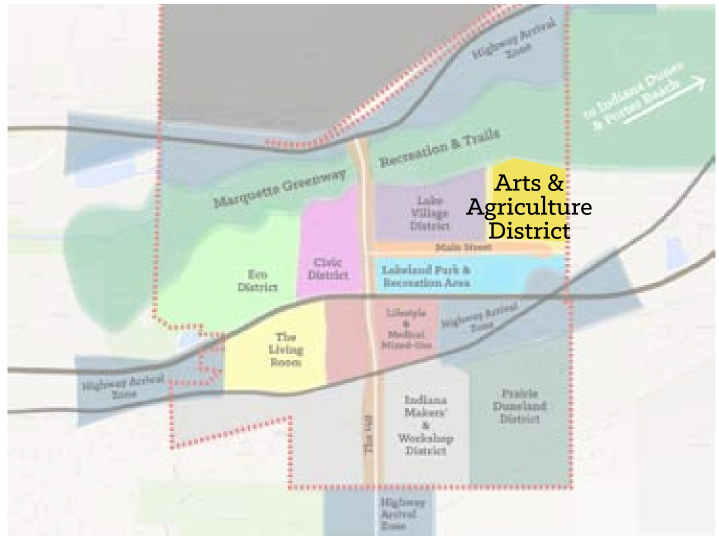

Planetarium


Dunes Learning Center


Nature Hotel

Arts & Agriculture District

The Arts and Agriculture District will embrace the three pillars of sustainability – economy, ecology, and society. The Arts and Agriculture District will be a living laboratory to test and scale-up the latest in food production and irrigation technology. Burns Harbor will become Northwest Indiana's local food hub, with fresh vegetables all year round. In addition to farming, learning, and research, the district may also have a speciality-housing component.



Potential Programming


Hydroponic 4-Season Organic Farming


Flower & Garden Center


Farming Education Institute


Innovative Agriculture


Water Technologies


Farm & Ranch Lifestyle Residential

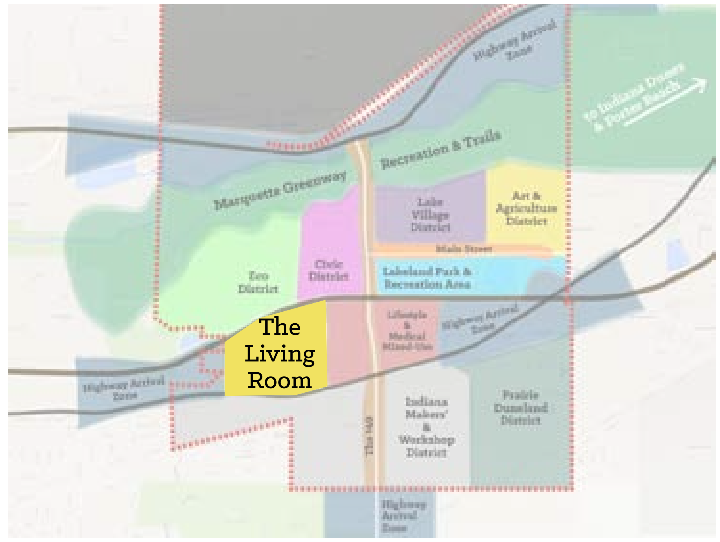

Music & Arts Camp


Burns Harbor Micro Breweries


Interactive Learning Center

The Living Room

A mix of residential options, The Living Room will continue to provide Burns Harbor residents with great places to live, raise families, and age gracefully. The Living Room will seamlessly connect to new districts, such as the Lifestyle and Medical Mixed-Use District, providing residents easy access to neighborhood conveniences and many more things to do. Although this district has been highlighted as a predominantly residential neighbourhood, it is not the only place in Burns Harbor where people live. There are quality living areas and existing homes in almost every other district, including The 149, the Civic District, Lakeland Park and Recreation Area, Main Street and the Lake Village.



Potential Programming


New Urbanist Residential


Multi-Family Residential


Parks


Public Spaces


Trails


Gathering Spaces


Trees


Gardens


Other Residential Options

Highway Arrival Zones

The Highway Arrival Zones welcome visitors to Burns Harbor and create a unique sense of arrival. Building on the creativity and heritage of the region, the Highway Arrival Zones will offer opportunities for local artists to create large-scale public art installations. Natural and green programs may also be implemented in the Highway Arrival Zones, further identifying Burns Harbor as a community committed to green living. Signage and wayfinding will be implemented throughout Burns Harbor districts to orient visitors and direct them to various amenities, points of interest and services.

Potential Programming


Public Art


Stack & Plant Art


Traffic Calming

Signage


Lighting


Banners

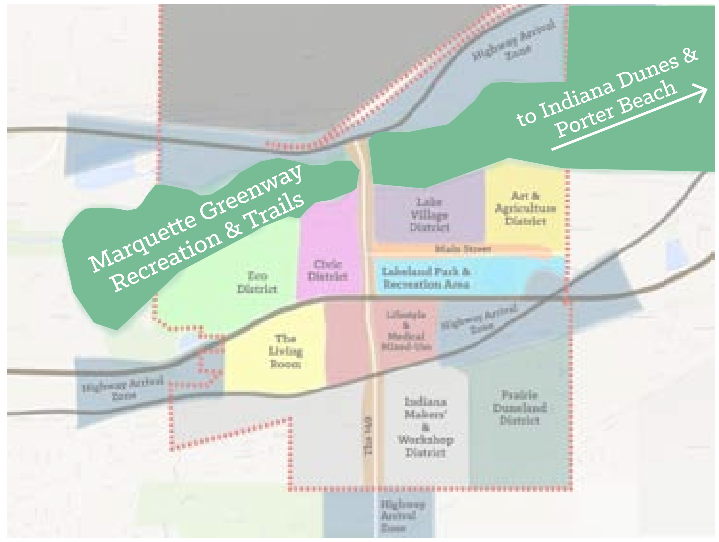
Trees & Flowers


Gardens


Living Walls

Marquette Greenway Recreation & Trails Area

The Marquette Greenway Recreation and Trails Area is envisioned as a well-used and thoroughly protected set of natural amenities, active trails, national park lands, and waterways. Trails for walking, jogging, and biking will connect Burns Harbor to neighboring Portage, Porter, and Lake Michigan, and include a direct link to Porter Beach, the Dunes State Park, and the Dunes Learning Center. The Marquette Greenway Recreation and Trails Area includes scenic views along the Little Calumet River, lush forests, and ample opportunities to see and interact with some of the region's most diverse fish, birds, and wildlife. A four-season trail system will encourage year-round activity and fitness for visitors and residents of all ages.



Potential Programming


Hiking Trails


Biking Trails


Bike Rental/Repair


Fishing & Ice Fishing


Bird Watching


Paddling

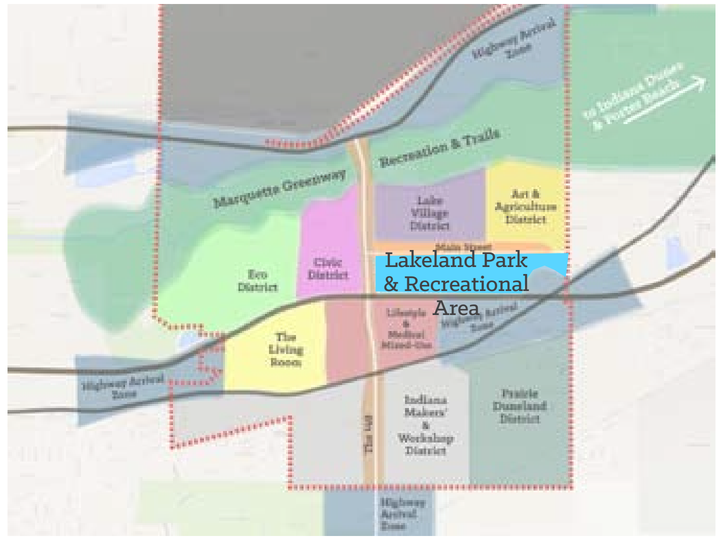

Cross County Skiing
& Snowshoeing


Connection to the Dunes


Signage & Access Points

Lakeland Park & Recreational Area

Sports, recreation, picnics and more, the Lakeland Park and Recreational Area will continue to be a great place to live and play in Burns Harbor. The park will increase its offering of fantastic annual events like the Footloose 5K and Pumpkin Fest & 5K Dash, as well as weekly group activities like beach volleyball and softball leagues. A year-round place to gather, play, and enjoy active, family fun, Lakeland Park and Recreational Area is Burns Harbor's outdoor playground. The Lakeland Park and Recreational Area is a short walk from complementary districts, like Main Street and Lake Village, where park users will be able to eat dinner or meet a friend for a drink after play.



Potential Programming


Sports Fields


Hockey/Skating Rinks


Trails


Public Spaces


Gathering Spaces


Bike Repair/Rental

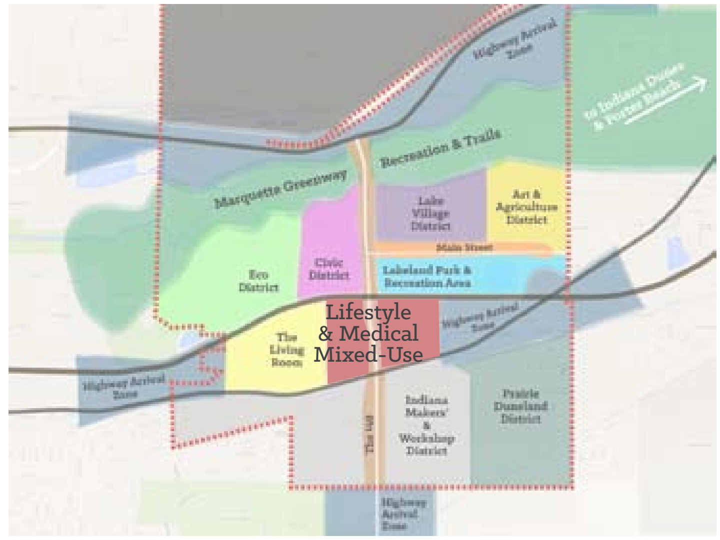

Picnic Area


Public BBQs


Outdoor Volleyball Courts

Lifestyle & Medical Mixed-Use District

With a mix of shopping, dining, health and wellness offerings, and workspaces, the Lifestyle and Medical Mixed-Use District has a little bit of something for everyone. Well connected to residential neighborhoods, the Lifestyle and Medical Mixed-Use District will provide much desired neighborhood conveniences and walkable retail spaces. This district will also increase Burns Harbor's economic base, with the potential addition of national retail tenants, healthcare providers, and professional offices.

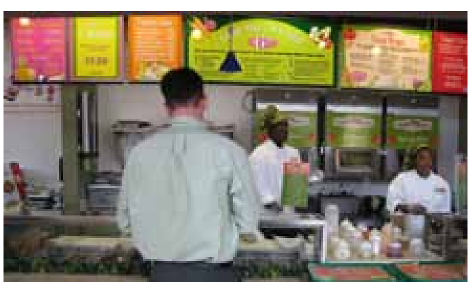


Potential Programming


Ambulatory Center


Medical/Dental Offices


Grocery Store/Market Shop


Coffee & Quick-Serve Food Shops


Medical Training Facility


National Retail & Restaurants

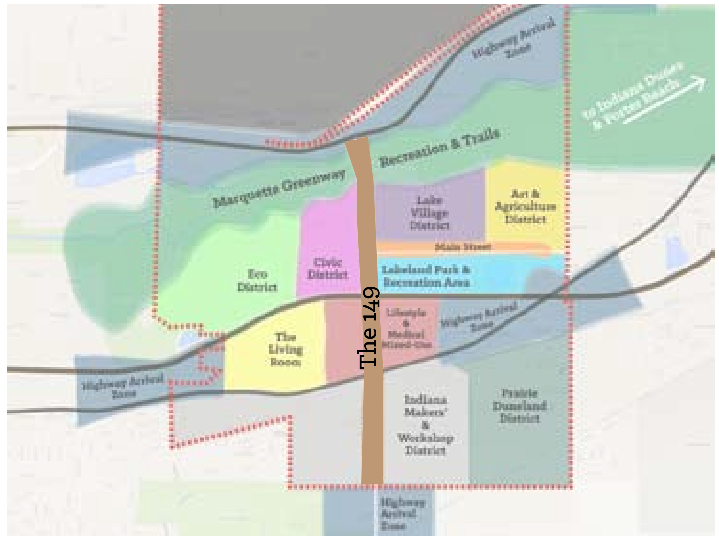

Pharmacy


Wellness Center


Professional Offices

The 149

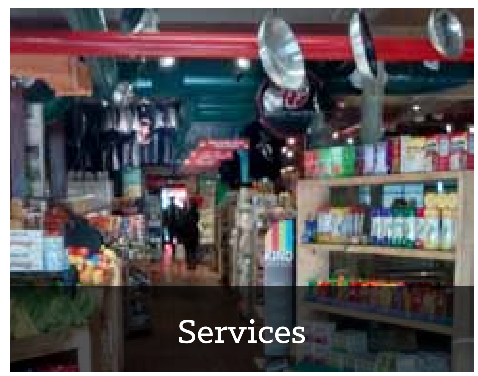
The 149 will transform U.S. 149 from a highway into a safe mixed-use boulevard that knits together Burns Harbor's complementary districts. The 149 is the town's central north -south connector, and will become a modern multi-purpose boulevard for all users. Although the road will retain much of its vehicular flow, The 149 will invite drivers to slow down and see how much Burns Harbor has to offer. New uses along The 149 will further encourage visitation to the town and increase the sense of place. Programming reflects the boulevard's high traffic visibility, as well as the scale of the roadway and traffic volumes, while respecting existing businesses and homes.



Potential Programming

Key Entry Points

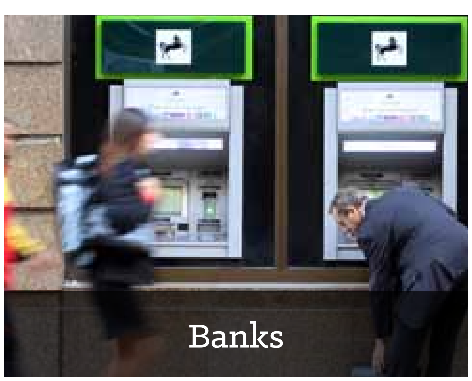

Offices


Services


Education Uses


Larger Scale Retail


Medical Uses

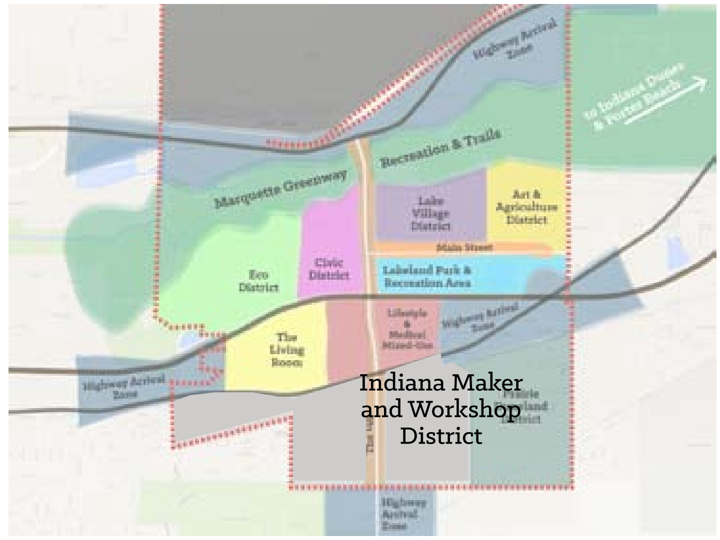

Banks

Sidewalks & Medians


Trees & Lighting

Indiana Makers & Workshop District

This area, south of U.S. 20 will continue to provide employment opportunities for Burns Harbor and the region. Currently, this district contains mainly industrial uses, and as the district and town evolve, future uses and economic opportunities will continue to emerge. New businesses will flourish in a more dense and well-connected district. Urban-scale manufacturing will be encouraged through Made in Indiana initiatives, as Old Porter Road becomes Northwest Indiana's workshop.



Potential Programming


Artisanal Workshops


Production Space


Makerspaces


Apprenticeship Programs


Business Incubators


Research & Development

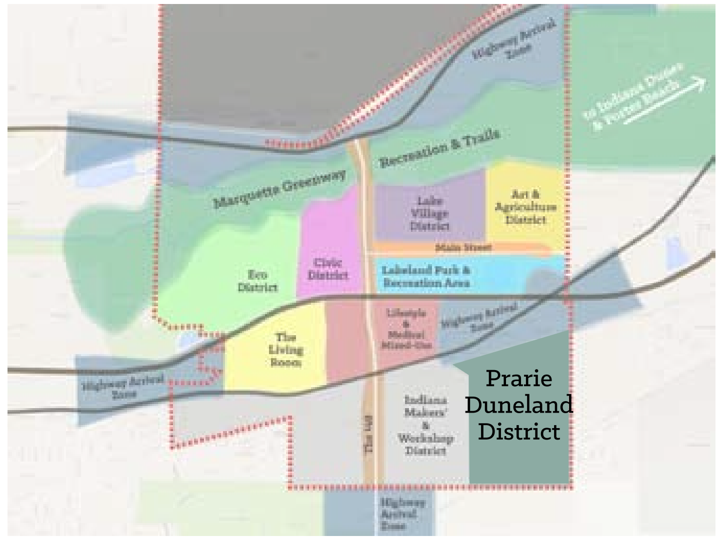

Training Center


Built-to-Suit Light Industrial


Studios

Prairie Duneland District

This emerging district will offer additional quality housing options in Burns Harbor, as well as access to the Prairie Duneland Trail and other recreational offerings. This district will evolve. It has the flexibility to accommodate a variety of potential programming, depending on market demand and the success of other town districts.



Potential Programming


Multi-Family Housing


Trails


Gardens


Agriculture


Recreation


Education


Parks


Single-Family Housing


Gathering Spaces

8. Identify Initial Programming, Uses & Activation Strategies

Why Activate?

Activating Burns Harbor through a flexible, four-season activation plan will ensure that there are always things to do, without having to overbuild the critical mass of physical buildings. Activation will increase activity in town and encourage more people to visit, stimulating economic activity, while promoting strong community ties. Activation can strengthen community attachment, encourage citizen engagement, and increase quality of life – creating an even stronger, shared identity in Burns Harbor.


Increase Activity & Traffic

Create Buzz


Create More Things to Do


Attract Visitors


Generate Revenue


Foster Healthy Habits


Increase Sense of Place


Enhance Quality of Life

Retail Incubator & Pop-Up Retail Program

A retail incubation program is an initiative that would support and encourage new and creative retail businesses in Burns Harbor. The incubator program would be housed in a unique and inviting shopping setting in an active and pedestrian-friendly district. Incubator and pop-up programs can take many different forms, from kiosks to food trucks. A number of towns and cities have been experimenting with shipping container retail units, as these small, flexible, and affordable spaces are more durable than a farmers market tent and allow businesses to close at night. Small kiosks or retail spaces can also be fabricated with simple wood-frame construction techniques. Whatever the material, the spaces should be small, fun, unique, and inviting for shoppers.

This program would allow entrepreneurs to test their businesses in a small, affordably priced rental unit, without a long-term commitment. Businesses can then graduate to larger, more permanent spaces in Burns Harbor. In order to ensure greater rates of success, the program may also provide small business support and services to its participants. These support programs can help businesses to obtain funding though small business grants and loans, with marketing, and with business expansion plans. Incubator programs also encourage a high degree of interaction between entrepreneurs, and this allows business owners to learn from one another and create a more cohesive retail environment.

Burns Harbor – Energy Efficient Indiana

Burns Harbor, with its proximity to Lake Michigan and large-scale industry; access to a highly skilled workforce; small population; and strategic logistical position, has the opportunity to become Energy City Indiana – an innovative, energy-positive community and model town of the future. Burns Harbor's move to cleaner and more efficient energy resources will involve the integration of technology into a strategic approach to sustainability, citizen well-being, and economic development.

Changes to the Energy Sector

The power sector is undergoing a fundamental transformation, shifting from a centralized hub-and-spoke grid architecture based on large centralized generation assets like fossil fuel, hydro, or nuclear power plants toward an increasingly decentralized electrical grid that makes use of distributed energy resources. Broad discussions and evolving regulation on carbon emissions, a more proactive consumer, and the increased financial viability of new energy models and technology are accelerating the shift away from traditional models. This shift involves energy storage, energy efficiency, demand response, and advanced software and hardware.

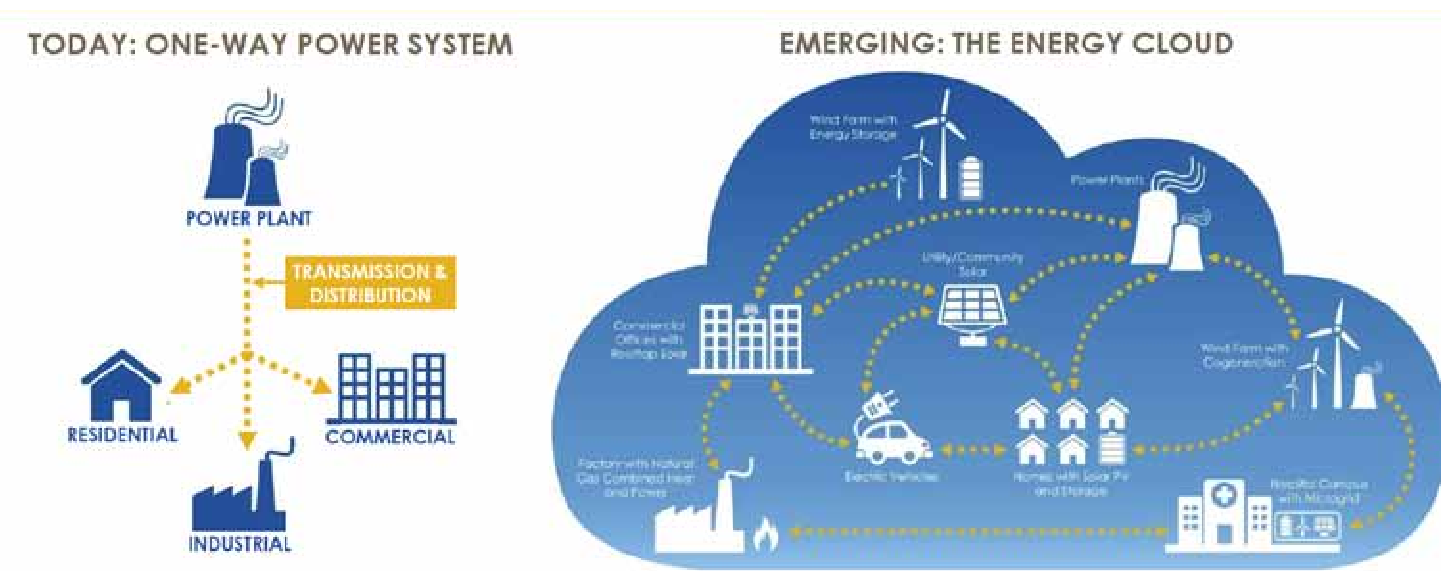
Key Trends

- Increased discussion, development, and implementation of new regulations to reduce carbon emissions
- Transition to an increasingly decentralized power grid as a result of the rise in renewable and distributed energy sources
- Greater customer choice, including more control over electricity usage and spending, choices about when and what type of power to buy, the ability to self-generate power and sell it back to the grid
- Increased availability of data on power usage (smart grid infrastructure and behind-the-meter technology)

The Energy Cloud

The energy cloud is a concept representing a wide range of technical, commercial, environmental, and regulatory changes that are transforming the traditional utility model for energy provision. Some of the most important innovations associated with the energy cloud include:

- Distributed renewable generation
- Microgrids and virtual power plants
- Smart grid technologies, including smart meters and distribution automation technologies
- Energy storage
- Automated demand response
- Other demand-side innovations – including smart appliances, smart homes, and smart buildings



Source: Navigant Consulting, 2014

Events & Rituals

Event and rituals can to help attract new users and create a more habitual use of Burns Harbor amenities and retail. Events and rituals can range from large-scale, full-day events in the case of seasonal or annual celebrations, to simple, low-cost rituals such as a morning walking group. In order to mitigate risk, larger events should be launched modestly and grow over time. The Burns Harbor Parks Department is already running a number of great annual events, such as the Footloose 5K, Pumpkin Fest & 5K Dash, and annual Easter egg hunt, as well as a some weekly meet-ups, including a beach volleyball league. These events will continue to grow in popularity and can scale-up.

Prior to introducing any event or happening, a business plan should be developed. Working through this process will ensure that the activation is feasible and sustainable.

Daily Rituals

Recommended daily rituals in Burns Harbor are focused on healthy and active living, a shared love of the outdoors, and a desire for increased community connection.

Burns Harbor Running Club

The Burns Harbor Running Club is a twice-a-week meet-up for runners of all skill levels. With on-site clinics and training goals, the Burns Harbor Running Club is a great way for participants to explore the region by foot, meet new people, and improve their personal fitness. Daily runs will begin and end in Burns Harbor, where participants can enjoy a variety of new food and beverage options.

Burns Harbor Yoga in the Park

Burns Harbor Yoga in the Park is a three-times-a-week meet-up to practice yoga in a comfortable and welcoming outdoor environment. Yoga in the Park welcomes residents and visitors of all ages and experience levels. From first timers to experienced yogis, Yoga in the Park will provide a relaxing and rejuvenating hour of calm.

Weekly Rituals

Recommended weekly rituals have the benefit of creating regular activity, however, therefor not requiring daily time commitments. They must be low-cost and high-impact, in that they appeal to a fairly wide cross-section of the Burns Harbor resident and employee base.

Burns Harbor Weekend Cycle Meet-up & Group Ride

A Saturday morning meet-up for cyclists, this weekly ride will allow cycling enthusiasts to explore the local trails, roads, and paths with a group. Group riding increases the safety of riders and allows for a community to develop around a love of bicycling. Weekly rides will begin and end in Burns Harbor, where participants can enjoy a variety of new food and beverage options.

A Taste of Duneland Farmers Market

A Taste of Duneland Farmers Market will start small with a weekly offering and grow to be a regional, destination marketplace open daily and year-round. The market will be an incubator for small businesses and allow the region's growing artisanal community to sell their products to a range of visitors.

Burns Harbor Cross-Country Ski Clinic

A weekly meet-up for cross-country skiers of all ages and abilities, the Burns Harbor Cross-County Ski Clinic will offer on-site training and tips, as well as group ski tours.

Burns Harbor Movies in the Park

A weekly movie night in the park where Burns Harbor families and visitors can gather to watch a movie together on picnic blankets and lawn chairs, sharing snacks and each other's company in this classic American pastime.

Monthly Events

Monthly events are special occurrences or celebrations that bring together diverse groups of the local and regional community, and visitors. These events are often geared at a specific user group but will appeal to a wider audience, perhaps as spectators in some cases.

Indiana Hot Rod Reunion

Indiana Hot Rod Reunion is a monthly meet-up of classic car enthusiasts.

Bingo in the Park

Bingo in the Park are monthly outdoor bingo tournaments, with prizes for people of all ages.

Burns Harbor Winter Trail Exploration Club

This winter exploration group will offer monthly group trail hikes on the spectacular Burns Harbor trails.

Youth 3-on-3 Basketball Tournament

A monthly tournament for Hoosier youth to test and improve their basketball skills in a fun and competitive environment.

Burns Harbor Chef Challenge

Local chefs can put their skills to the test in this monthly competition. Themes vary by month and local farms provide seasonal ingredients.

Annual Events

Annual events and celebrations can draw large crowds for a limited period of time, usually for a day or weekend. They can attract media attention and introduce new users to Burns Harbor. In the early years, these events may not be highly profitable but should be considered as an important investment into the future of Burns Harbor and the creation of a lasting sense of place. These events should begin modestly but can grow over time into events that are cherished by the larger community and region.

Footloose 5K

The second annual Footloose 5K was held in June 2015. This 80s-themed fun day includes a 5K race, 1K kids fun run, live music, food, a beer garden, and fireworks. This successful event should continue to grow and expand every year.

Burns Harbor Winter Carnival

Fun for all ages, the Burns Harbor Winter Carnival will encourage residents and visitors to celebrate Northwest Indiana's winter. Activities may include: ice skating; curling; winter football; live music; outdoor art; ice carving contests; pop-up food stations; hot chocolate, fire pits; and mulled wine.

Burns Harbor Corn Roast & Family Fun Day

The Burns Harbor Corn Roast and Family Fun day will bring together families and residents of all ages. Burns Harbor can celebrate the harvest season with delicious Indiana corn, kids activities (e.g, balloon toss, potato sack race, and bingo), dancing and more. This event could build on the existing Pumpkin Fest & 5K Dash, which includes a 5K race, pumpkin carving, games, candy, hayrides, and food.

Easter Egg Hunt

The annual Burns Harbor Easter Egg hunt is organized by the Burns Harbor Parks Department and is a great family fun day in the park.

Fireworks on the Lakefront (Dunes State Park)

Organized by the Duneland Chamber of Commerce, this annual 4th of July celebration includes fireworks over Lake Michigan, food vendors, and live entertainment.

Burns Harbor Anglers Tournament

Burns Harbor can team up with the Northwest Indiana Steelheaders to host the Annual Burns Harbor Anglers Tournament on the Little Calumet River.

Seasonal Activities and Events

In order for Burns Harbor to realize its full potential to become the best town for residents to live in and a more desirable place to visit, activities should take place year-round.

Bird Watching

Bird watching is already a significant part of the regional tourism economy. Burns Harbor could better capitalize on these visitors through the improvement and expansion of associated infrastructure, such as designated trails with clear wayfinding, food and beverage options, and public facilities. Additional marketing efforts will also be important to attracting bird watchers.

Fishing

Burns Harbor can better capitalize on the existing fishing economy through the improvement and expansion of associated infrastructure, such as designated trails with clear wayfinding, food and beverage options, and public facilities. Additional marketing efforts will also be important to attracting additional fishing enthusiasts.

Fall Colors

A sizeable portion of Porter County visitors come to the region in the fall (many of whom are seniors), likely coming to see the fall colors change and visit friends and family. Burns Harbor can better capitalize on these visits through the improvement and expansion of associated infrastructure, such as designated trails with clear wayfinding, food and beverage options, and public facilities.

Holidays in Burns Harbor

A number of activities, events, and initiatives can make Burns Harbor more festive over the holiday season. The annual lighting of the Praxair Towers, a holiday market, Santa's Village, ice skating, and holiday concerts could be some of the holiday events. Christmas tree sales are an easy way to attract traffic. This initiative requires little space and can activate a site throughout the day for six to eight weeks in November and December.

Community Gardens

Community gardens are great ways for local communities to come together. They can help to increase community identity and spirit and allow for intergenerational learning and interaction, while encouraging healthy eating and outdoor activity.

Shakespeare in the Park

Burns Harbor could team up with local theatre groups, or the Valparaiso University Department of Theatre, to put on a summer Shakespeare play. Shakespeare in the Park performances often put a modern spin on the classic plays.

Ice Skating Rink

A great gathering and outdoor activity place, a skating rink could offer everything from hockey tournaments to learn-to-skate events. Skate rental, skate sharpening and other services could also be offered.

Burns Harbor Kayaking Adventures

Over time, the Little Calumet River may become more navigable for paddlers. If this is the case, Burns Harbor can team up with local groups like NWIPA to organize kayaking rentals, clinics, and trips, to name a few.

Festival/Annual Event Business Plan Components

A successful annual festival or large-scale event will require a well thought-out business plan. The following is an example of components that should be included in a festival business plan.

Budget/Financing
- Grants
- Donations
- User/Entry/Parking Fees
- Sponsorship

Marketing Plan
- Target Market
- Outreach Strategy
- Marketing Funding Allocation
- Media Strategy
- Marketing Collateral (e.g., print, video, and billboards)
- Volunteer/Personnel Outreach

Space Requirements
- Event Space
- Parking Plan

Security/First Aid
- Crowd Control
- Ambulance/Paramedics on call

Sanitation Plan
- Toilets
- Post-event Litter Clean-up

Permits
- Alcohol
- Food
- Fireworks
- Open Flame (fire pits at winter festivals)

Sample Budget

Sample Holiday Pop-Up Budget	
No. of Retailers	20
Retailer Fee	$1,500
Total Income	**$30,000**
Tents and Heaters	$12,000
Management Fee	$5,000
Insurance	$1,500
Security	$5,000
Marketing	$1,500
Total	**$25,000**
Net Cash Flow	**$5,000**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How Do We Make Sure It Will Work?

Step 2: Business Plan, Master Plan, and Interim Activation

The goals and conceptual vision outlined in this report now need to be translated into a physical master plan and phased design, developed iteratively and in conjunction with financial modeling. This is essential in order for all parties to understand viable development potential.

Business Plan, Master Plan, & Interim Activation

In this second stage of work, LWLP will build upon the information gathered in the first step and begin the comprehensive analysis required to inform the business and physical planning needed to effectively deliver on placemaking, investment, economic, social, and overall development potential. LWLP will provide detailed direction on the program and physical plan for retail, residential, office, institutional, and other uses for the town. These uses will be tested through market feasibility and economic modeling, and communicated through a Master Development and Revitalization Plan that focuses on maximizing the return on investment, projected economic and quality of life uplift, and the overall value and quality of the retail, residential, office and public space offering to the town. This stage of work will also include an interim activation plan with incubator projects, uses, and initiatives.

Process

- Continue Rigorous Market Research
- Affirm Market Demand
- Test and Locate Anchor & Key Secondary Uses
- Refine Experiential Districts
- Engage Architects, Engineers, and Designers
- Conduct Preliminary Financial Analysis
- Create Preliminary Economic Models
- Identify Potential Sources of Funding
- Continue to Engage the Community
- Create Development and Business Plans

Result

Master Plan and Business Plan

Activation Plan

Development Strategies

Potential Inputs

- Market research
- Community input
- Competitive comparisons
- Capacity testing of various sites
- Zoning and parking reviews
- Target market information
- Economic impact analysis
- Trade area studies
- Physical and design considerations
- Infrastructure, utilities, servicing requirements
- Potential anchor use requirements
- Financial assumptions
- Town financials

Potential Outputs

- Conceptual Master Plan
- Physical and design direction
- Development program
- Connectivity plans
- Phasing plan
- Identification of shovel ready projects
- Land development options
- Preliminary pro forma
- Financial budgets

Potential Inputs

- Market research
- Community input
- Competitive comparisons
- Public funding and grant research
- Physical and design considerations
- Local resources

Potential Outputs

- Incubator projects
- Calendar of events
- Activation business plans
- Activation funding strategies
- Festival business plans
- Marketing and communication plans

Potential Inputs

- Physical and design considerations
- Existing policy
- General infrastructure, utilities, servicing requirements
- Land ownership and configuration
- Market conditions
- Partnership potential
- Legal structures

Potential Outputs

- Town incentive packages
- Town zoning or policy updates
- Town governance structure direction
- Preliminary projects and initiatives
- Potential deal options/ considerations

Understanding Public Policy and Funding Directions

Public policy direction and funding have major impacts on community development and private investment decisions. As Northwest Indiana looks forward, there are several organizations working to create a vibrant, revitalized, accessible and united region. These organizations are often directly in control of significant public funds for development, projects and initiatives. Other communities in the region are competing for, and taking advantage of, these funds. In order to best work with these organizations and access available funding for development, projects and initiatives, Burns Harbor should communicate clearly and regularly with these organizations, present a strong vision and plan for the future, outline shovel-ready projects, and stay the course.

Indiana Economic Development Corporation (IEDC)

The IEDC is *"committed to attracting and supporting new business investment, creating new jobs for Hoosiers, and furthering our legacy as one of the top states in the nation for business."* The IEDC operates a variety of programs and initiatives to achieve its goals. State funding for economic development covers a broad range of industries and is roughly focused on job creation.

Regional Cities Initiative

The single biggest threat to economic development in the state of Indiana is population stagnation. Over the last decade, 80% of Indiana's population growth has been due to natural increase (i.e. higher birth rate than death rate). The Regional Cities Initiative is the IEDC's strategy to curb the state's "Brain Drain" and encourage efforts to attract talented people. The initiative recognizes the important roles that quality of life and placemaking play in creating a robust economic development strategy.

In its 2015 spring budget, the state committed to funding the $84 million Regional Cities Initiative. Under this legislation, only two regional cities will be selected, with up to $42 million in state funds being invested in those communities over the next two years.

Sources: IEDC, 2015

From "Brain Drain" to "Brain Gain"

Northwest Indiana Regional Development Authority (RDA)

The RDA was created in 2006 to act as the regional arm of the IEDC in Northwest Indiana. The RDA has been focused on developing infrastructure and improving regional assets. The main focus areas of the RDA are transportation, shoreline development, and job creation. In April 2015, after a period of uncertainty, the RDA's funding was renewed by the state government. The state's renewed financial commitment was accompanied by direction to focus on improving regional transportation and infrastructure and implementing the Marquette Plan to redevelop the Lake Michigan shoreline. In June 2015, the RDA approved $13.5 million in matching grants and loans to support more than $160 million in infrastructure and economic development projects in Northwest Indiana.

Gary Chicago Airport

The Gary Airport Expansion has been a major investment jointly funded by the RDA, the Federal Aviation Administration, and the City of Gary. The RDA has committed $50 million to the $174 million project. The project includes expanding the runway and relocating the railway. It is predicted to create 2,430 new jobs and completion is expected in the summer of 2015.

West Lake Corridor

The West Lake Corridor is a $571 million extension of the NITCD South Shore Line that will increase and improve connectivity between Chicago and Northwest Indiana. The project is expected to increase property values and make the region a more competitive option for living. The project will be funded by a combination of federal, state, and local funds, and the RDA has pledged $8 million annually (although only $6 million per year was approved by the state). The expansion is scheduled for completion by 2023, and is projected to increase total ridership on the South Shore system by 5,600 riders by 2033.

In addition to the West Lake Corridor, the RDA is working with NITCD to create a 20-year strategic business plan to improve options for commuters travelling between Northwest Indiana and Chicago. This investment is focused on maintaining and improving service standards on the South Shore Line.

Economic Development/Job Creation

The RDA works with partners at the local, state, and federal levels to support job creation in Northwest Indiana.

RDA Deal-Closing Fund Activity 2011-2014

Company	Location	Industry	RDA Funding	Total Investment	Jobs Created
Tec Air	Munster	Manufacturing	$2.45 million	$17.45 million	258
Modern Forge	Merrillville	Manufacturing	$2 million	$39.9 million	240
CN Kirk Yard	Gary	Transportation	$1.9 million	$142.9 million	119
MonoSol	Portage	Manufacturing	$1.58 million	$66.58 million	150
Pratt Industries	Valparaiso	Manufacturing	$1.4 million	$261.4 million	137
Land O'Frost	Munster	Manufacturing	$750,000	$7.15 million	50
AM Manufacturing	Munster	Manufacturing	$400,000	$2.7 million	150
		Total	**$10.4 million**	**$538 million**	**994**

Shoreline Development

The RDA has been funding projects related to the Marquette Plan with a goal of recapturing 75% of the lakeshore for public use. The RDA, Northwest Indiana communities, and other partners have invested more than $210 million in these projects since 2005. The following is a sample of projects completed in 2014.

Marquette Park Lakefront East (Gary, IN)

RDA Funding: $28.2 million
Total Project Cost: $29.2 million
Project Highlights: Transformation of the park from an underutilized lakefront, to a unique destination that will enrich the community's quality of life and increased visitation to the park. Project components include: capital improvements; improvement to public access and circulation; new recreational amenities; renovation of the historic pavilion; and a strengthening of the park's natural features.

Whiting Lakefront Park (Whiting, IN)

RDA Funding: $22 million
Total Project Cost: $46.8 million
Project Highlights: Transformation of the park into a lakefront destination where the community can celebrate, contemplate and play. Improvements include: infrastructure updates; new public facilities; bicycle and pedestrian connections to regional trail network; improved watercraft access; a new fishing pier; a gazebo; a promenade; and a new waterfront restaurant.

Gateway to the Dunes (Porter, IN)

RDA Funding: $5.7 million
Total Project Cost: $10.7 million
Project Highlights: The transformation of 128 acres of underutilized land adjacent to the dunes in the Town of Porterd will improve visibility and multimodal access to the dunes. Project features include the construction of new bridges over highways U.S. 20 and U.S. 12, linking bicycle and pedestrian trails from the Dunes State Park to the Visitors Center and the regional trail system.

Hammond Lakes Area (Hammond, IN)

RDA Funding: $31 million
Total Project Cost: $52.8 million
Project Highlights: The Hammond Lakes Area is a collection of lakes, parks and natural areas around the City of Hammond. Improvements and investments to the area include: new bicycle and pedestrian bridges; trails and boardwalks; park improvements and expansions; an outdoor showcase for concerts; performances and gatherings; a new aquatic center; and other additions.

Understanding Public Policy & Funding Directions (cont'd)

Northwest Indiana Regional Planning Commission (NIRPC)

NIRPC is a multipurpose entity serving as a council of local governments. It is a forum for elected officials to address regional issues, and the Metropolitan Planning Organization for Northwest Indiana. NIRPC is a cooperative consisting of 53 members representing 41 towns and cities, 44 townships and a population of more than 770,000. In 2011, NIRPC released the 2040 Comprehensive Regional Plan for Northwest Indiana, with a vision to create a more vibrant, revitalized, accessible and united region.

2040 Comprehensive Regional Plan: Key Concepts

Population & Job Growth

The communities of Lake, Porter, and LaPorte are expected to grow by 170,000 and 80,000 new jobs by 2040. Prime sectors for proposed job growth include: transportation; distribution and logistics; advanced manufacturing; information technology; and professional and medical services.

Multimodal Transportation

In order to encourage livability and accessibility, Northwest Indiana will work towards creating a strong multimodal transit network.

Livable Centers

Northwest Indiana will encourage the concentration of population and employment within existing communities, strengthening town and city cores.

Environmental Stewardship

Northwest Indiana will work to embrace its responsibility as a steward to the environment and will seize opportunities to build a green infrastructure network.

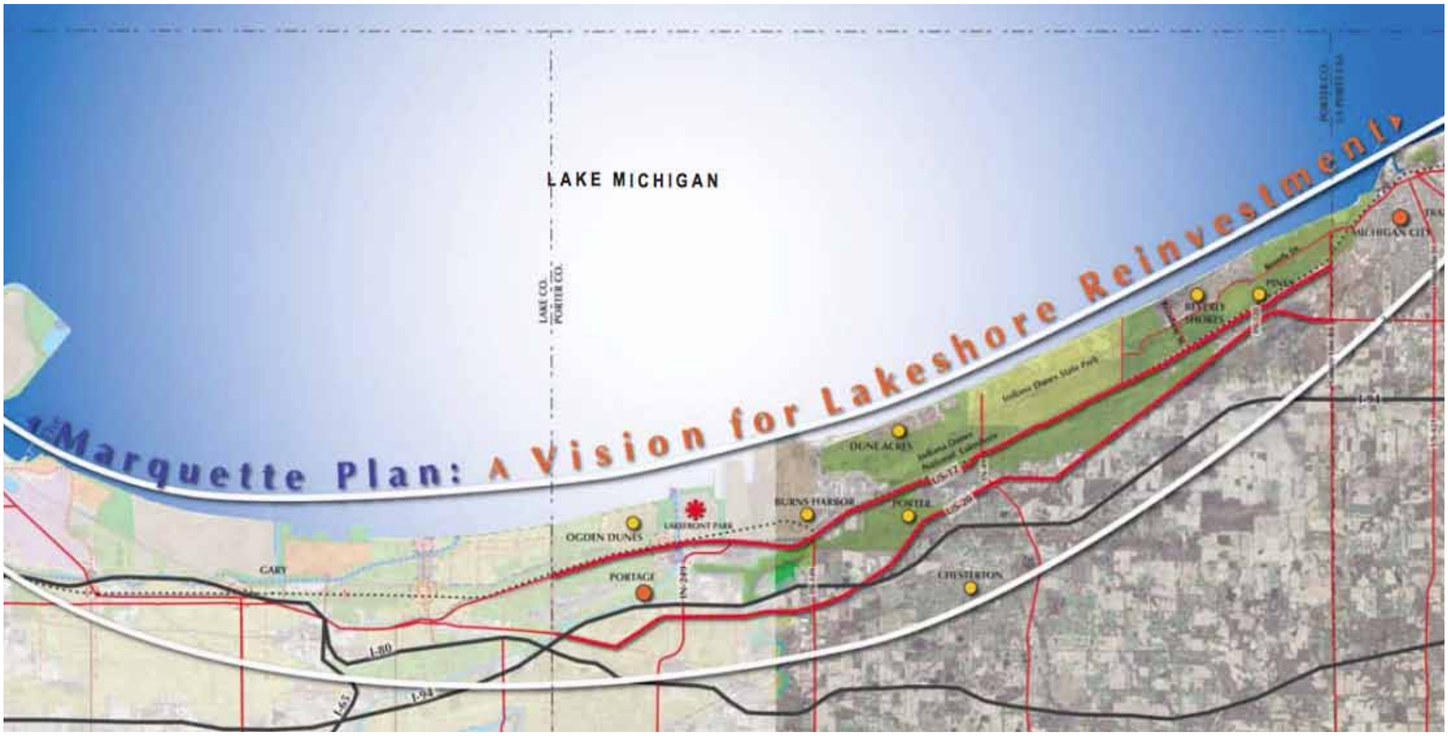
Revitalization

Northwest Indiana will focus on the revitalization of the region's core communities, including Gary, Hammond, East Chicago, and Michigan City.

Partnerships

Northwest Indiana will encourage public and private partnerships with the region's educational and institutional organizations for investments in job and capital programs.

The Marquette Plan



Phase I of The Marquette Plan, a co-publication of NIRPC and the Indiana Department of Natural Resources (IDNR), was released in 2005 with the goal of creating a more livable lakefront through the enhancement of Lake Michigan as a destination and a place that attracts new residents and investments. A number of projects to improve public access and encourage activity along the lake have been implemented in communities such as Gary, East Chicago, Whiting, Hammond, and Portage. A second phase of the plan was published in 2008 and includes 26 miles of lakefront, the Indiana Dunes National Lakeshore, Indiana Dunes State Park, the Indiana Port, two cities and 11 towns (including Burns Harbor).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How Do We Get It Done?

Step 3: Implementation Strategy, Tactics, and Initiatives

An action plan to guide the next steps, this third phase of the process, will set up the Town of Burns Harbor to successfully implement a series of short-term catalytic projects and initiatives, while outlining strategies for longer-term projects.

Implementation Strategy, Tactics, & Initiatives

In this third phase of work, LWLP will set the foundation for the successful implementation of proposed strategic solutions, projects and initiatives for Burns Harbor. Building upon the detailed business and master planning completed in Step 2, LWLP will articulate and ideally help to implement an investment and development strategy for the town that will provide direction as well as practical approaches to working with the appropriate partners in order to catalyze mixed-use development. Additionally, LWLP will provide an action plan that will guide the key next steps and implementation strategies for the town.

Initiating Projects/ Ground Breaking	Enlisting External Support	Rolling Out Phasing
Initiating Investment and Funding	Marketing Collateral	Activating Resources and Job Creation
Rolling Out Projects	Utilizing Incentive Packages	Establishing Partnerships

At the end of Step 3, Burns Harbor will have a clear plan of action and can begin implementing strategies, projects and initiatives.


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Appendix A: Research and Real Estate Analysis

Uses Explored

In order to determine the highest and best achievable uses for Burns Harbor, LWLP evaluated a broad range of real estate uses. LWLP then narrowed down options based on the goals, objectives and requirements outlined by the RDC and community, market viability standards, and the physical realities of the town. Uses that were explored include:

- Residential For-Sale Product
- Residential Rental Product
- Office
- Hotel & Hospitality
- Traditional Retail
- Specialty Retail
- Industrial
- Cultural
- Sports & Recreation
- Public Space & Amenities
- Civic
- Educational
- Medical
- Entertainment
- Others Uses





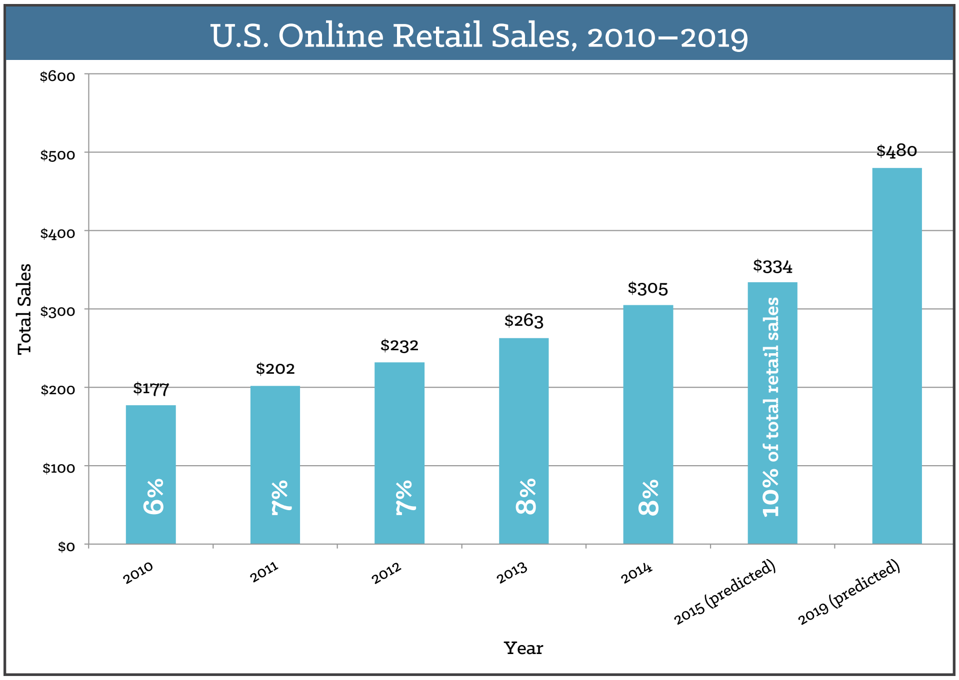



Retail Analysis: National Trends

Online Shopping

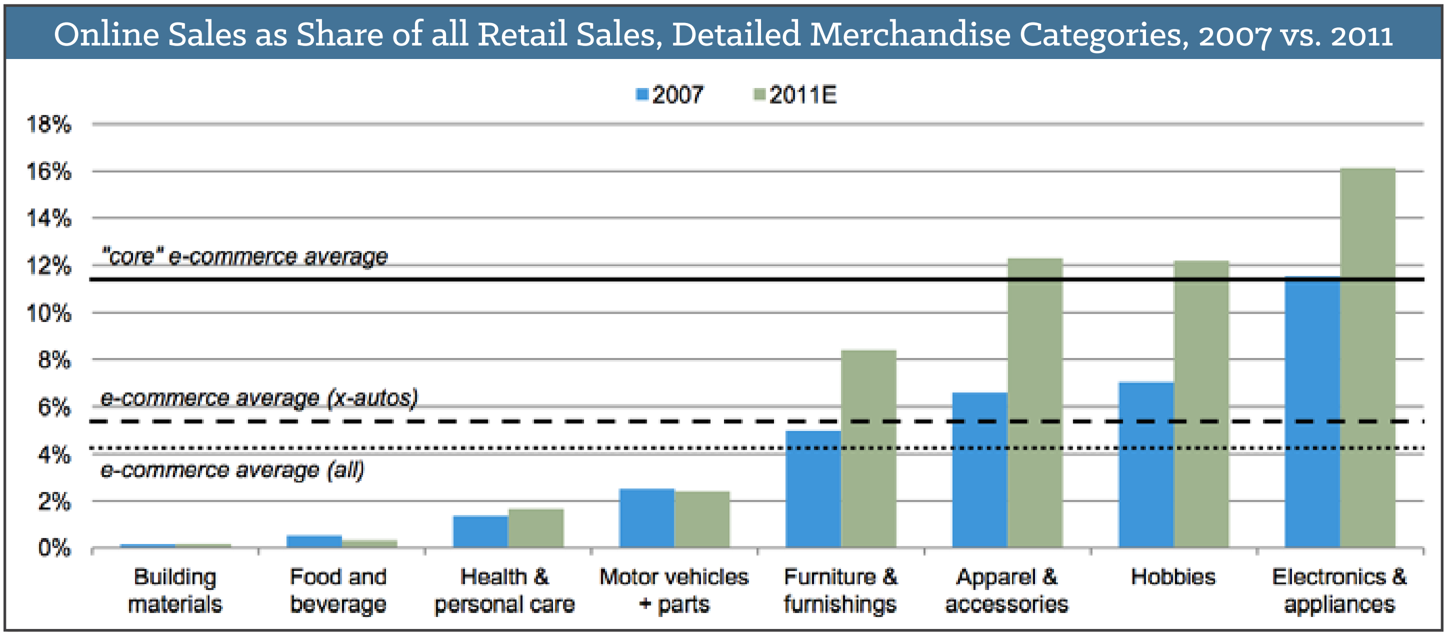
One of the reasons for the shift in shopping habits and decline of traffic to and spending at traditional retail centers is believed to be the rise of internet shopping. Online retail sales in the U.S. are expected to reach $334 billion in 2015, comprising 10% of all sales in the U.S. e-Commerce is expected to continue to grow at a rate of 10% annually over the next 5 years, reaching $480 billion by 2019.

Source: U.S. Forrester Research, 2015



Source: Forrester Research , 2015

Between 2007 and 2011, online sales grew by 40%, while overall sales grew by less than 5%. Compared with core e-commerce categories (hobbies, electronics, apparel, and furniture), internet penetration is now at 10.5%, and is expected to continue growing as increasingly savvy internet retailers find additional ways to compete with brick and mortar shops.



Source: U.S. Census Bureau and RREEF Real Estate, 2011

A Tale of Two Malls

After years of growth, the shopping mall era has begun to slow as shoppers' habits continue to evolve and many markets begin to reach over-saturation of retail. Retail traffic decreased drastically during the financial crisis and recession and many customers have not returned to their pre-crisis shopping habits, nor is it widely agreed upon or understood if there will, in fact, be a complete shift back to pre-crisis times. However, this is not the whole story, there are two widespread national trends in large format retail:

Source: Wall Street Journal, 2014

1. Dead and Dying Malls

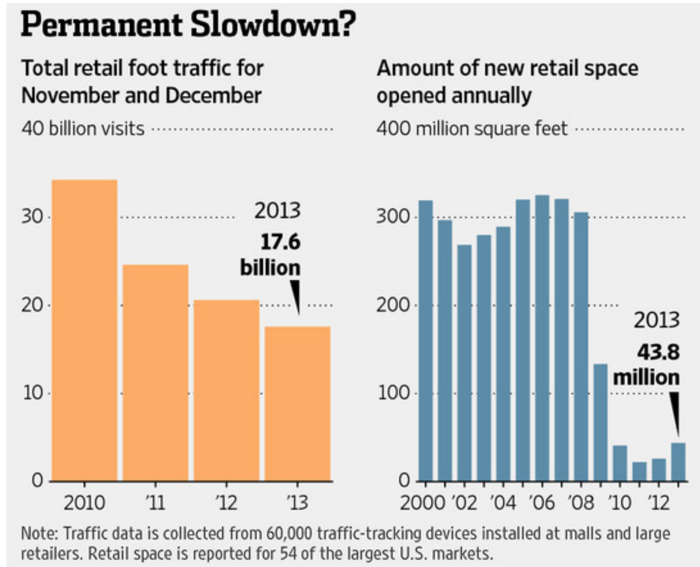
- About 15% of U.S. malls will fail or be converted into non-retail space within the next 10 years
- These are traditional shopping centers, usually in areas over-saturated in retail which failed to secure their positions as the super-regional shopping hubs, and are now being converted/closed/repositioned.

Source: ICSC, 2015

2. Thriving Shopping Centers

- The closing of many weak malls resulted in occupancy rates hitting 94.2% at the end of 2014 for regional and super regional malls, the highest level in 27 years
- Mall base rents increased by 17.2% last year
- In 2014, mall sales productivity reach annualized $475 per square foot, compared with $383 in 2009

Source: ICSC, 2015



Sources: ShopperTrak; CoStar Group, The Wall Street Journal, 2014

What is Working?

Large format retail that is thriving has evolved to meet the needs of today's customer. Rather than providing traditional commodity goods that can be easily purchased online, successful shopping centers have created a retail and restaurant mix that is more experiential. Destination living, shopping, dining and entertainment centers can meet the needs of a variety of visitors, in a way that traditional malls cannot.

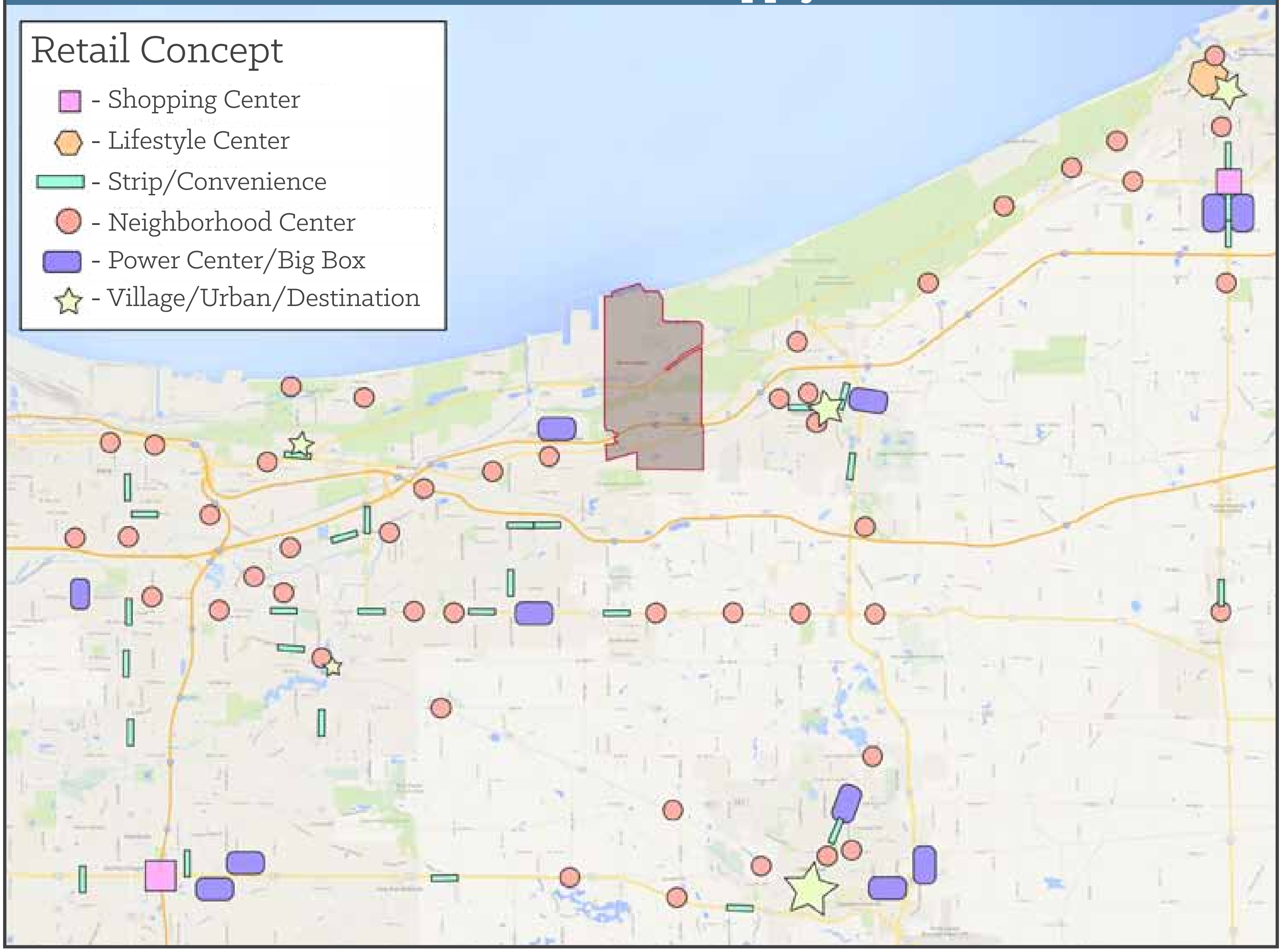
Simon Properties: Indiana's Retail Star

- Indiana-based Simon Property Group posted record years at their U.S. Malls and Premium Outlets
- The company has the highest investment grade ratings among U.S. retail real estate companies
- Retailer sales on rolling 12-month basis of $619 per square foot
- Occupancy improved by 20 basis points to 97.1%
- Average base rents of $47 per square foot
- Comparable property net operating income (NOI) grew 5.1% for U.S. Malls, Premium Outlets, and The Mills
- In addition to adding a wider variety of dining options, Simon engages its consumers through a range of experiential programming such as fashion programs in collaboration with *GQ* and *Glamour*, and a fashion marketplace in collaboration with the website *Refinery29*

Source: Simon Property Group, 2014

Retail Analysis: Local Trends

Local Retail Supply




Shopping Center

Lifestyle Center

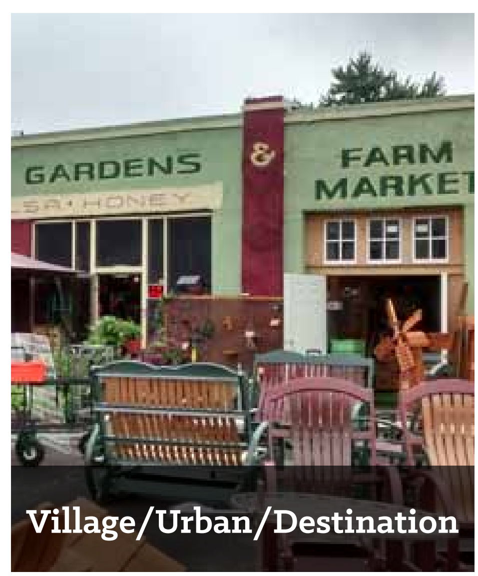

Strip/Convenience

Concept	Average Size	Typical Gross Leasable Area Range	Typical Land Size	Typical Trade Area	Typical Anchor Types
Shopping Center General merchandise or fashion-oriented offerings. Typically, enclosed with inward-facing stores connected by a common walkway. Parking surrounds the outside perimeter.	589,343 SF *(1,233,927 for super regional mall)*	400,000–800,000 SF *(800,000+ for super regional mall*	40–100 acres *(60-120 for super regional mall)*	5–15 miles *(5-25 for super regional mall)*	Department store, mass merchant, discount department store, fashion apparel
Lifestyle Center Upscale national-chain specialty stores with dining and entertainment in an outdoor setting.	334,740 SF	150,000–500,000 SF	10–40 acres	8–12 miles	Large format upscale specialty
Strip/Convenience Attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores.	13,174 SF	Less than 30,000 SF	Less than 3 acres	Less than 1 mile	Convenience store, such as a mini-mart
Neighborhood Center General merchandise or convenience-oriented offerings.	71,803 SF	30,000–125,000 SF	3–5 acres	3 miles	Supermarket
Power Center/Big Box Category-dominant anchors, including discount department stores, off-price stores, wholesale clubs, with only a few small tenants.	436,409 SF	250,000–600,000 SF	25–80 acres	5–10 miles	Home improvement, discount department, warehouse club and off-price stores
Village/Urban/Destination Community (residential and business), leisure, tourist, retail and service-oriented offerings with entertainment and "things to do" as a unifying theme.	228,861 SF	45,000–200,000 SF	NA	25–75 miles	Restaurants, entertainment, specialty retail and experiences

Adapted from ICSC U.S. Shopping-Center Classification and Characteristics

Neighborhood Center

Power Center/Big Box



Village/Urban/Destination

Retail Analysis: Key Takeaways

Key Retail Takeaways for Burns Harbor

- Retail is a critical component in placemaking. Customers have been seeking out unique and authentic experiences in main street and town square settings, and with a renewed focus on supporting shopping local, farm-to-table foods, main streets across the country have begun to revitalize and flourish.
- Taking into consideration shifts in national shopping habits, increase in online shopping, and relative proximity to the Michigan City fashion outlets, large format retail in the form of a traditional shopping center or enclosed mall is not recommended for Burns Harbor.
- Successful Main Street/Town Center retail (areas of Downtown Valparaiso, Chesterton and other urban nodes) is a healthier performer than their more suburban counterparts, garnering higher rents, and general sales per square foot, which is especially the case in unique settings, such as natural assets.
- With the introduction of new employees in town, there may be potential for some traditional neighborhood services and amenities, although these tenants usually look for a larger population (i.e., - more "rooftops") when locating, large visitor and/or employee populations can attract some of these users.
- There is a strong desire from consumers for a more engaging shopping and dining experience where they can interact with friends, family, neighbors, and strangers in a social and fun atmosphere. It is strongly recommended that the town target specialty retail/restaurant uses that are in line with this shift, positioned within unique retail settings. There does not have to be a large amount of retail for these nodes to thrive, but rather an intelligent tenant mix and physical plan, with excellent concepts, operators and business plans. Some examples of retail that support this type of experience are as follows:

Activity-Based Retail

Restaurants with Outdoor Seating

Unique Retail Concepts

National Trends

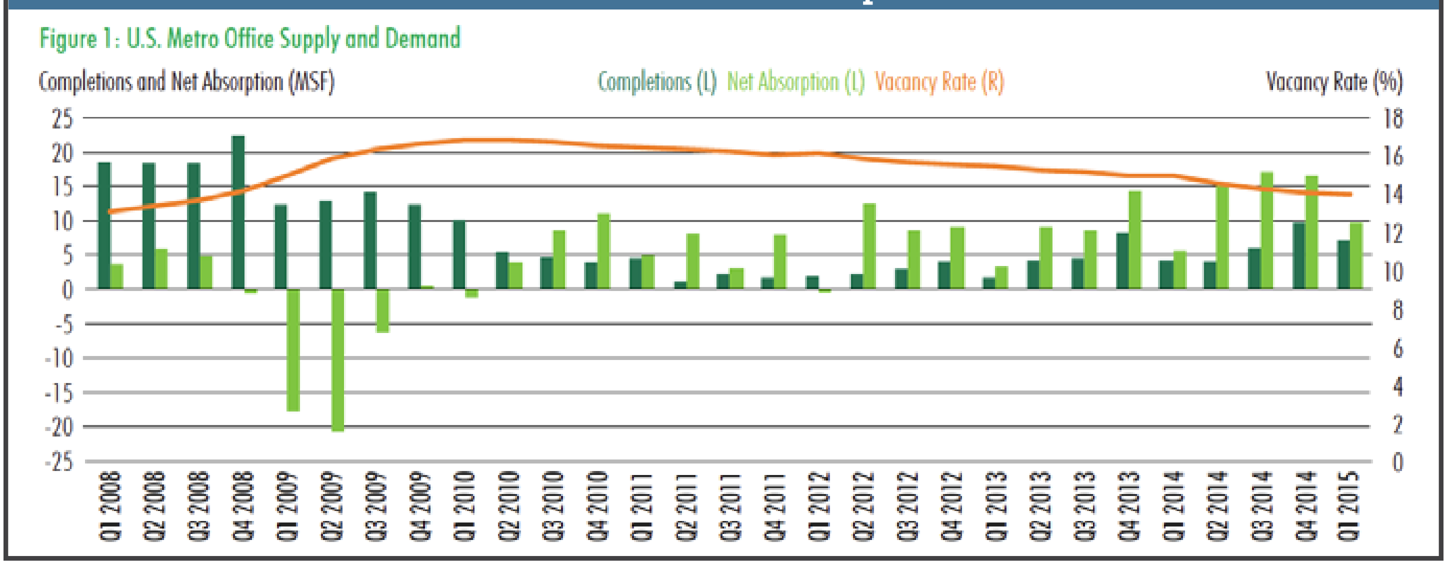
The national office market is recovering from the recession, with a general trend of declining vacancy rates and increasing rents. Stable job growth is driving office demand, with job gains dispersed broadly across sectors and regions. National office construction has been concentrated in the top-tier markets, with the top 10 markets in the U.S. and Canada accounting for 66.2 million square feet, or 58%, of the 113.8 million square feet of office space under way in North America.

Sources: CBRE, 2015; Colliers, 2015

Top Markets for Office Construction (Q1 2015)	
1. Houston, TX	12,833,724 SF
2. New York, NY	7,206,342 SF
3. Dallas, TX	7,117,086 SF
4. Seattle-Bellevue, WA	6,901,827 SF
5. Boston, MA	4,898,240 SF
...	
12. Chicago, IL	3,003,000 SF

Source: Jones Lang LaSalle, 2015

U.S. Office Market Snapshot



Source: CBRE, 2015

Speculative

Speculative construction is, by far, the riskiest kind of development. Many investments have been lost on the idea of "if we build it, they will come". Speculative building, fuelled by low cost loans and easy capital, led to overbuilding in pre-recession years in many markets. Speculative development can be justified in the in the right market, one with pent-up office demand, a growing office sector and access to a significant labor market. Speculative office construction in Burns Harbor would be considered risky by most developers.

Office REITs

Office REITs are planning to inject almost $11 billion into new projects, triple the amount of 2011. Much of the construction is focused on the coasts, with San Francisco and New York experiencing the most demand from both tenants and investors. Building on spec has been regarded as a risky proposition in many markets. Office REITs generally try to have commitments for half of their leasable space before starting construction. Kilroy, one of the nation's largest office REITs, had preleased more than 62% of projects in development in 2014 in order to reduce risks.

Source: Bloomberg Business, 2014

Office Analysis (cont'd)

Northwest Indiana

Northwest Indiana, with its industrial heritage and lack of a strong urban center, has not historically been a traditional Class A or Class B office market. There is currently a very limited supply of Class A office space in the region and there has been no new construction since 2008. The Class A that does exist in the region is older stock, mainly serving medical office tenants.

Northwest Indiana Sample Properties (most recent construction)							
Property	Location	Locational Details	Total SF	Vacancy	Average Asking Rent (Gross)	Current Tenants	Year Built
Belden Professional Campus	870-880 Eastport Center Drive, Valparaiso	Highway access	28,000	43%	$22.42	Uzelac, Women's Wellness, Wells Fargo, Phys. For Women	2007/ 2008
Plum Creek Center II	322 Indianapolis Boulevard, Schererville	Highway access, adjacent to big box shopping	35,092	9%	$24.50	Horton, Hinshaw & Culbertson, Platt DDS, Dr. Galante	2007
Fountain View Professional Center	10110 Don Powers Drive, Munster	Highway access	34,355	0%	$24.47	South Shore Surgical, Edward Jones, Vital, Quest. Accelerated Rehab, MW Intl Spine.	2007
Sterling Creek Professional	3691 Willowcreek Rd., Portage	Adjacent to hospital, medical offices	41,000	0%	$24.50	Lake Shore Bone & Joint planning to occupy entire bldg.	2007

Source: Commercial In-Sites, 2015

Regional Class A Office				
County	Total Buildings	Total SF	Vacancy	Average asking Full Service Gross Rent
Crown Point	1	25,000	22.4%	$17.00
Dyer	2	127,500	4.3%	$20.00
Merrillville	6	63,355	0.0%	$22.70
Munster	2	627,189	17.3%	$26.24
Schererville	5	269,469	18.1%	$21.98
Portage	1	41,000	0.0%	$24.50
Valparaiso	5	175,326	16.0%	$19.51
Total	**22**	**1,328,839**	**14.7%**	**$21.71**

Source: Commercial In-Sites, 2015

The majority of the region's Class A office space (83% or 1.1 million square feet) is located in Lake County, and clustered in Schererville and Merrillville. Valparaiso also has an additional 175,325 square feet Class A office space.

Key Office Takeaways for Burns Harbor

Class A office users are incredibly challenging to due to the level of economic competitiveness. As they are often looking for urban space, clustering with similar tenants or with easy access to a large workforce, partners and customer base, Burns Harbor should not prioritize these users as part of the development strategy. However, due to its excellent highway visibility and proximity, future opportunities may arise. It is recommended that the town begin to work much more closely with the Northwest Indiana Forum to more effectively communicate the competitive advantages of the town to prospective tenants.

Although an office tenant may be challenging, the town may be able to attract non-traditional office users from the healthcare or education fields, and there may also be potential to attract a built-to-suit light manufacturing or emerging technology company.

Specialty Medical

Specialty Education

Built-to-Suit
Light Manufacturing

Industrial Analysis

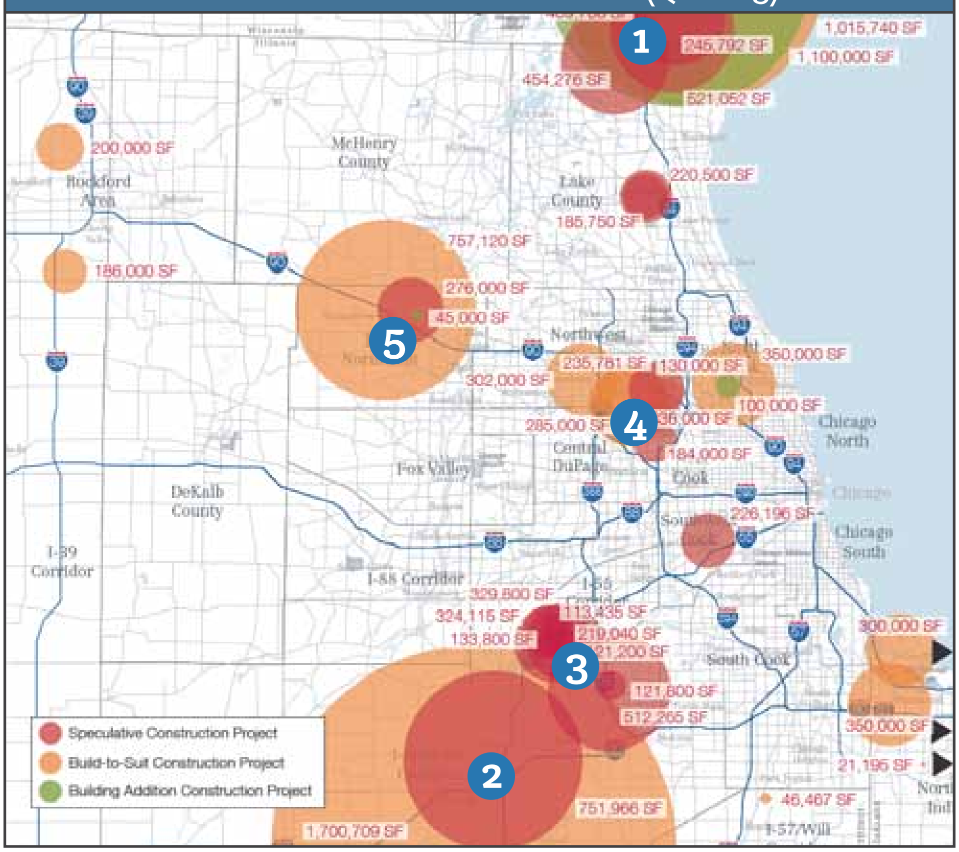
Chicagoland Industrial Trends

Chicago is the second largest industrial market in the U.S., with over 1.2 billion square feet of inventory – second only to the Greater Los Angeles market.

NAI Hiffman, 2015

Photo: Chicago Tribune, 2014

Industrial Under Construction (Q1 2015)



Source: NAI Hiffman, 2015

12.7 million square feet of new industrial space is currently under construction in the Chicagoland area; set to deliver later this year. About 43%, or almost 5.5 million square feet, is being built on a speculative basis. Speculative building suggests a level of developer confidence in the region's economic recovery, especially in certain submarkets. There were five submarkets (Southeast Wisconsin, I-80/Joliet Corridor, 1-55 Corridor, O'Hare, 1-90/Northwest) with over 1 million square feet of new development ongoing. Southeast Wisconsin is the most active submarket in Greater Chicago, with almost 3.2 million square feet under construction.

Source: NAI Hiffman, 2015

Top 5 Markets for Industrial Construction in 2015

1. Southeast Wisconsin
2. I-80/Joliet Corridor
3. 1-55 Corridor
4. O'Hare
5. I-90/Northwest

Northwest Indiana

Northwest Indiana's industrial market is separated by the I-80. Areas north of the highway contain some of the heaviest manufacturing facilities in the U.S., including companies like BP Amoco, U.S. Steel, and ArcelorMittal, while areas south of I-80 are characterized by a number of more modern business parks, located in towns like Munster, Hobart, Merrillville, and Portage.

Indiana's lower property taxes, utility costs, labor rates, and soft costs (worker's compensation and unemployment insurance), have historically provided some advantages to the state over neighboring Illinois. Many companies new to Northwest Indiana have relocated from South Cook and Will Counties, in Illinois, but it is rare for a Northwest Indiana firm to move west across the state line.

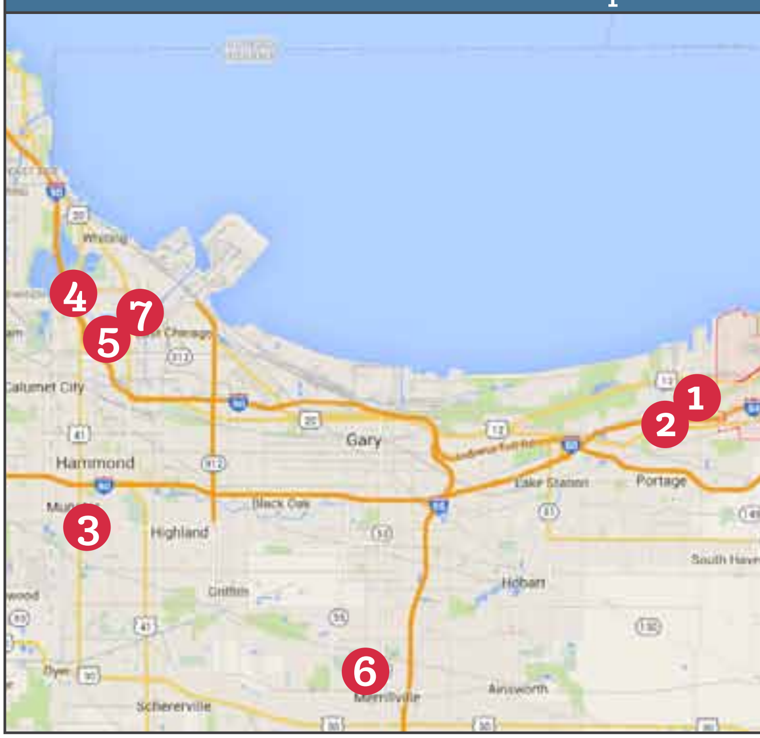
Northwest Indiana has the lowest industrial land prices in the entire Greater Chicago Region, however land prices alone are not enough to attract new industrial users. O'Hare's industrial market, for example has the highest land prices at $13-15 per square foot and has more than 1 million square feet under construction and a vacancy rate of just 6.2%. Clustering and logistics are major factors in locational decisions for these users.

Source: NAI Hiffman, 2015

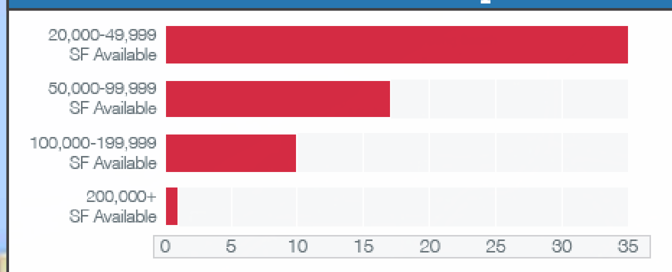
Northwest Indiana Industrial Market	
# Industrial Buildings	437
Market Size	36,208,285 SF
Total Vacancy	2,265,489 SF (6.28%)
Direct Vacancy	2,240,489 SF (6.21%)
Sublease Vacancy	25,000 SF (0.07%)
Available Space	3,612,774 SF (10.01%)
Q1 2015 Net Absorption	91,508 SF
Total 2015 Net Absorption	91,508 SF
Under Construction	671,195 SF
Q1 2015 New Supply	123,000 SF
Total 2015 New Supply	123,000 SF

Source: NAI Hiffman, 2015

Available Industrial Space in Northwest Indiana (Q1 2015)



Blocks of Available Space



Largest Blocks of Available Space

1.	6515 Ameriplex Dr.	Portage	574,249
2.	6750 Daniel Burnham Dr.	Portage	164,500
3.	9200 Calumet Ave.	Munster	150,000
4.	3200 Sheffield Ave.	Hammond	140,000
5.	3510-3540 Calumet Ave.	Hammond	136,000
6.	790 W Commercial Ave.	Lowell	131,551
7.	4407 Railroad Ave.	East Chicago	107,587

Source: NAI Hiffman, 2015

Built-to-Suit

A number of built-to-suit industrial projects have recently been completed, or are currently under construction, in Northwest Indiana. These projects have all been supported by state and local governments, through direct funding from the RDA, grants from the IEDC, or tax credits and grants from state and local governments. Most companies already had a presence in the region, or have moved here from Illinois.

Recent Built-to-Suit Projects in Northwest Indiana

Company	Town	Year of Construction	Industry	Size (SF)	Total Investment
Modern Forge	Merrillville	2014	Forging (transportation industry)	260,000	$39.9 million
Land O'Frost	Munster	2014	Food processing	27,000	$7.15 million
Pratt Industries	Valparaiso	Under construction	Recycled paper	250,000	$261.4 million
MonoSol	Portage	Under construction	Water-soluble films & compounds	300,000	$66.58 million
Urschel Laboratories	Chesterton	Under construction	Food processing equipment	350,000	$104 million
Munster Steel	Hammond	2015	Structured steel, steel parts, iron	131,000	$8 million



Photos: NWI Times & RDA

Ameriplex at the Port

Ameriplex at the Port, in neighboring Portage, has successfully attracted a number of tenants since its ground-breaking in 2001. The 385-acre business park includes high-traffic retail tenants such as Bass Pro Shops, as well as manufacturing space, office space and hotels. Much of the industrial space at Ameriplex was built on speculation, however in today's economic climate, it is often challenging to obtain financing for speculative buildings. Current construction at the business park includes built-to-suit projects like MonoSol's 300,000 square foot $66 million facility, currently under construction. Ameriplex at the Port currently has the two largest blocks of available space in Northwest Indiana, 574,249 square feet and 164,500 square feet.

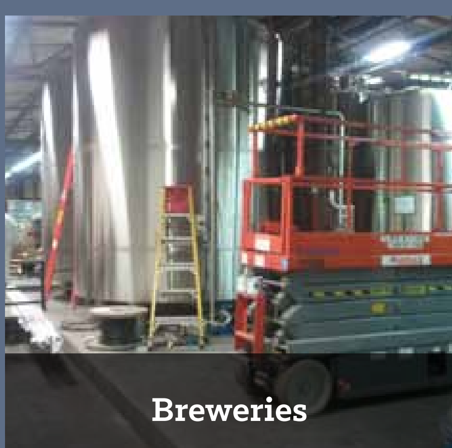
Source: NWI Times, 2015; NAI Hiffman, 2015

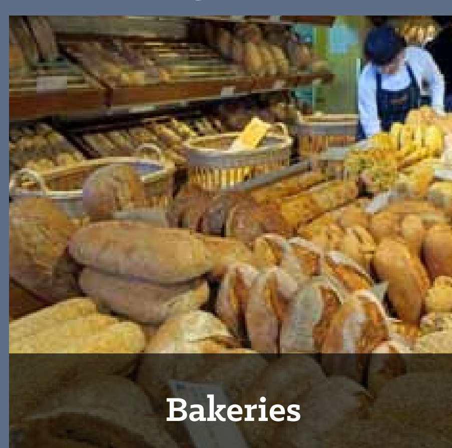
Key Industrial Takeaways for Burns Harbor

- The manufacturing industry is very much a part of the Northwest Indiana and Burns Harbor heritage. The region has an existing concentration of thriving industrial users, and they are the town's largest employers
- Economic benefits to the town would be related to job creation and taxation opportunities, although these users tend to be more space and land intensive than other uses
- The most likely industrial candidates would be tenants that are interested in co-locating with existing Burns Harbor businesses (such as ArcelorMittal and Worthington Industries) for cost savings and/or other benefits
- If Burns Harbor is interested in a built-to-suit manufacturing/office user, the town should:
  - Work with the Northwest Indiana Forum, the RDA and others to seek out opportunities
  - Identify suitable types of tenants appropriate for Burns Harbor (e.g., light manufacturing)
  - Identify potential parcels within Burns Harbor that would be appropriate for this type of project
  - Work with developers to create a plan that is as space and cost efficient as possible
- Burns Harbor should also look to attract some homegrown "urban" manufacturers like breweries, distilleries, bakeries, furniture makers, or other smaller-scale production facilities

Made in Indiana: A new spin on industry

Manufacturing does not have to be heavy, large-scale or polluting. There are a growing number of small and medium-sized companies creating and producing things all over the country. These industries are often less space-intensive and less polluting. Building on the growing "buy local" movement, Made in Indiana could usher in a new era of Burns Harbor manufacturing.


Breweries


Bakeries


Hydroponic Farming

Residential Analysis: National Trends

Recovery

The housing market has been slowly rebounding from the downturn, and looks to be returning to the principles of supply and demand. Construction of single-family homes significantly decreased during the downturn, while U.S. households continued to grow at a steady rate. This mismatch of supply and demand was beneficial to the rental housing market, but left a national shortfall of almost nine million homes.

Source: PwC & ULI, 2015

Aging Population

Between 2012 and 2050, the United States will experience considerable growth in its older population, and by 2050, the population aged 65 and over is projected to be 83.7 million, almost double its estimated population in 2012.

Trends are not showing a mass migration of older people to retirement communities, as some previous models had predicted. Baby boomers are instead choosing to move to downtown communities (both in cities and suburban "town centers") or age in place. Many are also choosing to locate close to their children. Whether for financial reasons, improved health and longevity, or an unwillingness to disengage from work, boomers have been staying in the workforce longer and in greater numbers than predicted.

Developers targeting this demographic are moving towards urban village concepts and mixed-use development, where boomers can age actively with many things to do and people to see. These urban villages have been much more successful than the retirement or golf course community models proposed in past decades. Since the beginning of the Great Recession, many of the nation's 50,000 housing communities for seniors have faced difficulties in finding new residents to replace those leaving. Challenges for these developments are both due to the high cost of retirement housing and many older Americans not having sufficient retirement savings.

Sources: U.S. Census Bureau, 2014; PwC & ULI, 2015

Millennials

Millennials are an even larger cohort than the baby-boom generation and continue to grow through immigration. Much of this cohort is choosing to rent, rather than buy, and apartments will maintain their appeal for a number of years. However, homeownership is likely to increase as Millennials age. It is unclear whether this cohort will continue to live in urban centers, as they have done en masse, or whether they will move to outer areas and suburbs when they have children. This generation is also heavily weighed down by student debt, which hovers at more than $1 trillion nationally. High levels of student debt will deter or defer homeownership for many Millennials. A diversity of housing and living options will be needed to supply the demands of these 87.3 million Americans.

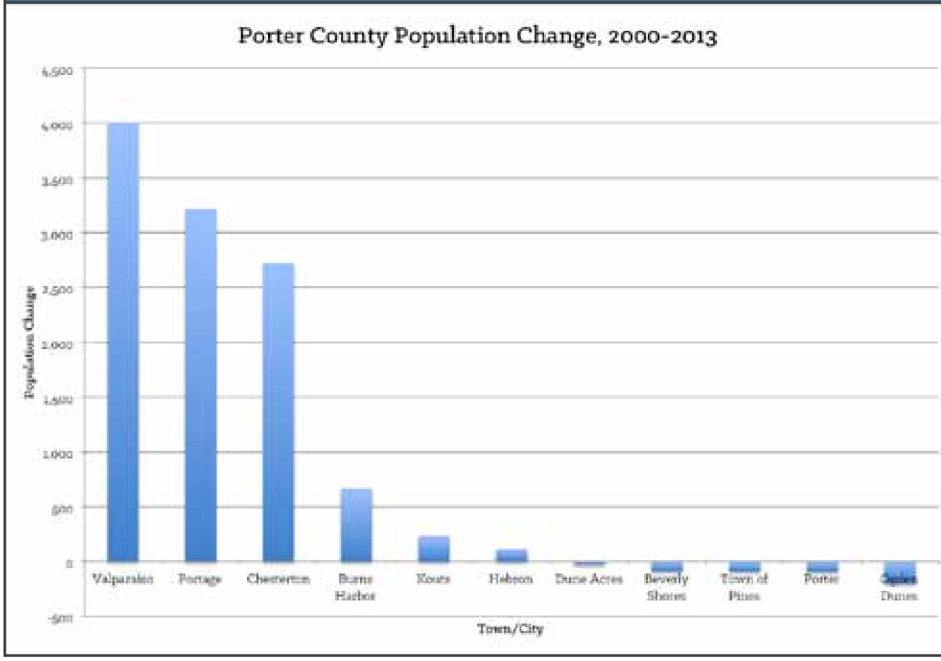
Sources: U.S. Census Bureau, 2014; PwC & ULI, 2015

Population Growth

Northwest Indiana's population increased in the two decades prior to 2010, but has since decreased by a small proportion, falling from 771,815 to 768,748, a 0.4% decrease. However, during the same period Porter County's population increased by 1.7%, from 164,343 to 167,076. Porter County's increases are due to both net domestic and international migration and natural increase, while the majority of Northwest Indiana's population loss was due to net domestic outmigration.

Source: U.S. Census Bureau, 2014

Porter County Population Change, 2000-2013



Source: U.S. Census Bureau, 2014

Building Permits

There were 448 residential building permits issued in Porter County in 2014. The vast majority of these permits, 370, were for single-family homes. Historic data shows a similar pattern of a majority of single-family homes. However, the supply of multi-family homes increased in 2013 and 2014 with more than 120 multi-family building permits issued. Porter County residential development has been most active in the unincorporated areas of Porter County, followed by Valparaiso, Portage, Chesterton, and Burns Harbor.

Source: U.S. Census Bureau, 2015

Annual Porter County Residential Building Permits
(Total Units)

Area	2011	2012	2013	2014
Unincorporated Area	136	147	189	190
Valparaiso	57	101	113	156
Portage	6	11	20	38
Chesterton	18	40	54	27
Burns Harbor	9	84	71	19
Kouts	4	8	8	9
Porter	3	2	5	4
Ogden Dunes	0	3	3	2
Town of Pines	0	0	1	2
Beverly Shores	3	2	1	1
Dune Acres	0	1	2	0
Hebron	1	1	2	0
Porter County	**237**	**400**	**469**	**448**

Source: U.S. Census Bureau, 2015

Residential Analysis (cont'd)

For-Sale, Single-Family Homes

The market is seeing an overall tight inventory of quality houses in the market price "sweet spot" of $200,000 to $350,000. The primary offering is single-family homes with three to four bedrooms ranging from 1,200 to 3,000 square feet, although there are some very large homes on the market in Chesterton (4,000 square feet and above). A majority of buyers have ties to the region or are working nearby. Projects that are perceived as "overpriced" are not selling.

Monthly sales in Northwest Indiana totaled 490 units in February 2015, which is fairly stable from the 492 in February 2014. Porter County year-to-year sales declined slightly to 106 from 108. According to the Greater Northwest Indiana Association of Realtors, when consumers find what they looking for, they buy. However, continuing tight inventories mean potential homebuyers are not always finding what they want.

Source: GNIAR via NWI Times 2015

Resale Market (Spring 2015 Snapshot)

In addition to speaking with local realtors and reviewing residential studies, LWLP conducted a brief survey of the residential properties for sale in the region during the spring of 2015. The snapshot focused on properties constructed between 2006 and 2014 and does not include bank owned or foreclosed properties. Of the 48 homes surveyed, the majority have three or four bedrooms. The average listed price of surveyed homes was $297,114, and the average price per square foot was $119.

Resale Market by Typology, 2009-2014 Construction

Typology	Average Size (SF)	Average Listed Price	Average Price per SF	# of Listings
2 Bedroom	1,393	$167,700	$118	6
3 bedroom	1,921	$242,863	$126	17
4 bedroom	3,023	$375,290	$122	20
5+ bedroom	3,876	$324,160	86	5

Source: Zillow, 2015; Trulia, 2015

Resale Market by Year of Construction

Year Built	Size (SF)	Average Listed Price	Average Price per SF	# Of Listings
2006	2,311	$241,417	$108	12
2007	2,979	$331,740	$114	5
2008	3,227	$470,311	$142	5
2009	3,217	$372,700	$114	5
2011	2,150	$264,061	$124	2
2012	2,110	$228,633	$109	3
2013	2,789	$316,600	$116	6
2014	1,864	$237,710	$131	10

Source: Zillow, 2015; Trulia, 2015

Spotlight: The Village in Burns Harbor

- Five townhomes have sold since 2010, with an average sale price of $139,600
- 19 single-family homes have sold since 2010, with an average sale price of $184,957
- Most popular sales since 2010 were single-family homes with 3 or more bedrooms and 2 baths with finished daylight basements, open concepts, stainless steel appliances, in the range of $185,000–$235,000
- Two new homes were built in the last two years
- Two homes were listed in the Spring 2015 snapshot, with an average listed price of $282,500

New Product (Spring 2015 Snapshot)

There are a number of developments under construction, or recently completed in Porter County. These developments generally consist of planned subdivisions located near to golf courses or natural amenities, such as creeks. All of the developments surveyed were in Valparaiso, Chesterton, or Burns Harbor.

New Residential Product					
Development	**Town**	**Offering**	**Sizes (SF)**	**Prices**	**Average Price per SF**
Mistwood	Valparaiso	3 & 4 bedroom single-family homes	1,730–2,720	$228,000–$251,900	$108.43
Timberland	Valparaiso	3 & 4 bedroom single-family homes	1,820–2,680	$319,900–$349,900	$151.68
Beauty Creek-Windsor North	Valparaiso	3, 4, & 5 bedroom single-family homes	2,200–3,108	$274,900–$304,900	$109.21
Beauty Creek	Valparaiso	2, 3, & 4 bedroom single-family homes	1,601–2,720	$226,500–297,500	$128.79
Parkwood Estates	Burns Harbor	3 & 4 bedroom single-family homes	1,730–2,720	$196,400–$227,100	$99.77
Coffee Creek	Chesterton	2 & 3 bedroom single-family homes	1,325–1,909	$256,750–$294,900	$172.53
Trail Creek	Burns Harbor	3 & 4 bedroom single-family homes	1,730–2,720	$211,900–$248,600	$107.56
Whitestone/ Hightower	Valparaiso	3 & 4 bedroom single-family homes	1,850–2,392	$312,500–$369,900	$159.19

Source: Various builders/developers in the region

Multi-Family Rental Apartments

Recently constructed multi-family rental product has been performing very well in the Burns Harbor region. Occupancy rates are close to 100% and rents are approximately $1 per square foot. Rental apartments range from 1–3 bedroom, with sizes ranging from 400–1,300 square feet; average size of apartments is slightly less than 1,000 square feet.

The Preserve at Grande Oaks

Year of construction: 2014 (future phases under construction)
Location: Valparaiso
Offering: one-, two-, & three-bedroom units
Number of units: 64 units
Occupancy (June 2015): 92%
Size range: 724–1,229 SF
Rent per month: $839-$1,329
Average rent per square foot per month: $1.09

Compass Pointe

Year of construction: 1998
Location: Valparaiso
Offering: one-, two-, & three-bedroom units
Number of units: 224 units
Occupancy (June 2015): 97%
Size range: 758–1,308 SF
Rent per month: $885–$1,295
Average rent per square foot per month: $1.05

Traditions at the Village

Year of construction: 2012
Location: Burns Harbor
Offering: one-, two-, & three-bedroom units
Number of units: 125 units
Occupancy (June 2015): 94%
Size range: 732–1,366 SF
Rent per month: $809–$1,319
Average rent per square foot per month: $1.05

View Pointe Apartments

Year of construction: 1960s
Location: Valparaiso
Offering: Studio, one-, two-, & three-bedroom units
Number of units: 156 units
Occupancy (June 2015): 97%
Size range: 400–910 SF
Rent per month: $549–$799
Average rent per square foot per month: $1.02

Avery Glen

Year of construction: 1960s
Location: Valparaiso
Offering: Studio, one-, two-, & three-bedroom units
Number of units: 48 units
Occupancy (June 2015): 100%
Size range: 750–1,000 SF
Rent per month: $674–$769
Average rent per square foot per month: $0.83

Willow Creek Apartments

Year of construction: Three phases (1960s, 1970s, and 2009)
Location: Portage
Offering: Studio, one-, two-, & three-bedroom units
Number of units: 342 units
Occupancy (June 2015): 96%
Size range: 686–1,286 SF
Rent per month: $735–$1,200
Average rent per square foot per month: $0.99

The Enclave at Coffee Creek Center

Year of construction: First phase 2001
Location: Chesterton
Offering: one- & two-bedroom units
Number of units: 88 units
Occupancy (June 2015): 100%
Size range: 856–1,316 SF
Rent per month: $850–$1,225
Average rent per square foot per month: $0.96

Key Residential Takeaways for Burns Harbor

- Residential product (both for-sale and multi-family) has been performing well in Burns Harbor, relative to the region
- Based on estimated cost of construction, financing, and real estate metrics (e.g., occupancy, sales price, and rental rate), the Burns Harbor housing market can support additional residential development – and multi-family product in particular
- An increased "sense of place" is a major value driver for residential for-sale and rental product
- Residential development should not necessarily be leading the development plan – while there is likely room for residential development, allowing some placemaking to occur first can increase this demand and value for residential developers

Additional Uses

Traditional real estate uses (e.g., residential, retail, and office) can be analyzed using statistics, market comparables and other market indicators, whereas various non-traditional uses (e.g., institutional, entertainment, and civic) cannot be analyzed using the same metrics. The development of these non-traditional uses is dependent on the deal and transaction details, funding opportunities, and timing. As a result, non-traditional uses have been evaluated more broadly in this assessment to determine potential demand.







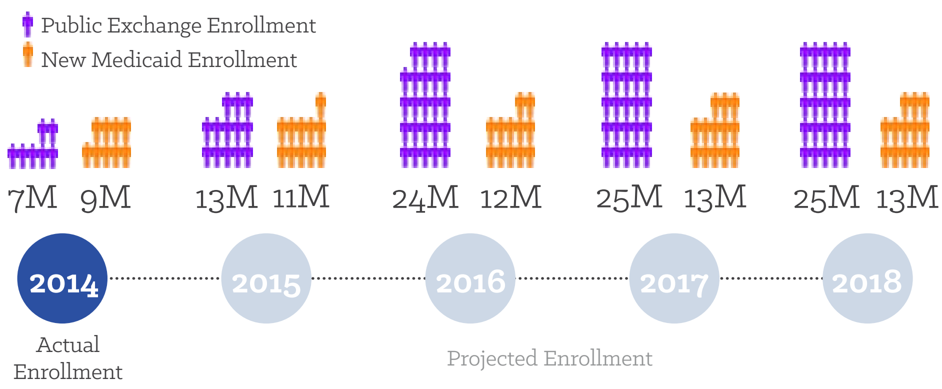


Transformation

Healthcare delivery is undergoing an unprecedented transformation under the Affordable Care Act (ACA), with changes to the methods of delivering care and the way that consumers pay for it. This transformation will alter the way that the healthcare industry approaches capital investment in healthcare facilities and real estate. The ongoing implementation of the ACA will have profound implications for payers, providers and patients through shifts in payment models, the national and regional consolidation of hospitals and healthcare systems, and a stronger emphasis on evidence-based care.

Source: Navigant, 2015

Projected Growth of Newly Insured, 2014–2018



Source: PwC Health Research Institute, 2015

Emerging Industries

New Health Companies Since 2010

Telehealth (29)
Connect patients and clinicians via technology

Consumer Education (15)
Increase transparency to inform health-related decision making

Process Improvement (14)
Streamline Operations to enhance efficiency and patient experience

Connector (9)
Match patients and physicians with treatment and support networks

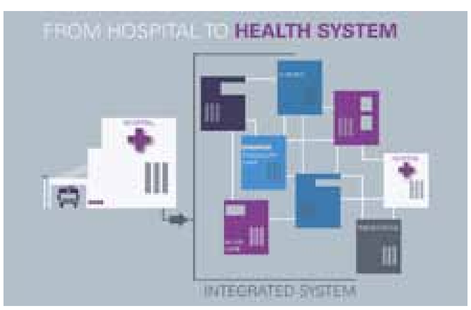
Health/Wellness Benefits (9)
Offer insurance services or individual wellness incentives

Model Innovation (7)
Help develop new care delivery and payment models

Analytics (7)
Collect and process patient health data

Source: PwC Health Research Institute, 2015

Trends in 2015



Source: Navigant Center for Healthcare Research and Policy Analysis, 2014

Key Healthcare Takeaways for Burns Harbor

- The Northwest Indiana population continues to age and the national healthcare landscape is constantly evolving
- At present, the region is served by traditional healthcare operators Porter Health Care System, Franciscan Alliance, Community Health Care System, IU Health, and others
- There may be opportunities for additional healthcare uses in Burns Harbor including outpatient services, specialized medical clinics, and training facilities
- Burns Harbor may also be able to attract or nurture new companies in related fields such as telehealth, consumer education, health and wellness, analytics and more

Healthcare Villages – A Growing Trend in America

FRED CAMPOBASSO, MANAGING DIRECTOR, NAVIGANT

HEALTHCARE IS CHANGING

Healthcare delivery is undergoing profound transformation. Methods of delivering care under the Affordable Care Act (ACA) and how consumers pay for it are undergoing unprecedented transformation — which in turn is dramatically changing the way the healthcare industry is approaching capital investment in healthcare facilities and real estate.

Under the new rules of value-based purchasing, growth remains important; but is motivated by different factors. In the past, growth meant bulking up and leveraging market dominance. Today, growth means Healthcare Providers achieving their "triple aim" goals of lowering costs, improving quality, and providing service advantage relative to the competition. Success now means embracing a population health management view of care delivery, assuming risk for covered lives, competing on outcomes, minimizing cost, and offering convenience and expanded access. Part of the formula for thriving in the new healthcare economy is to engage communities and patients to deliver care in settings that encourage greater contact and use.

Baby boomers in the U.S. are approximately 78 million strong and are marching toward the age of 65 with expectations for a vibrant, active retirement. Boomers also represent the generation with the greatest buying power in the country's history. As they stand poised to pay a larger proportion of their healthcare costs, baby boomers want Healthcare Providers that will meet their demands for excellent customer service, competitive pricing, ease of access, high performance and efficiency. They also want an expanded continuum of healthcare that includes integrated education, retail, recreation, and wellness to enhance overall lifestyle.

Delivering healthcare within an integrated mixed-use/healthcare village environment aided by "Smart City" technology will support the safe, high-quality and cost-effective care that is in demand. Industry statistics show that hospital inpatient admission rates will continue to decline nationally; outpatient visits continue to rise; and post-acute care is on the rise. Healthcare reform will accelerate this growth. Add to this, the emergence of the "care anywhere" service delivery philosophy and it is likely that healthcare will need to become more diffuse and available in non-traditional venues.

As healthcare becomes less of a mystery to consumers, its costs and outcomes transparent and available and consumers take on more financial responsibility for the healthcare purchase, the healthcare industry will share more in common with the retail industry and follow many of its trends.

A healthcare presence in a mixed-use/healthcare village setting will be an essential strategy in meeting expectations inherent in a restructured health system where success is measured by keeping patients healthy, rather than continuing to try and maximize the changing fee-for-service paradigm.

WHAT IS A HEALTHCARE VILLAGE?

The healthcare village is a mixed-use setting anchored by a Healthcare Provider. Healthcare villages are scalable and may be developed in both urban and suburban neighborhoods.

The healthcare village is a destination for the community; a branded environment which appropriately integrates healthcare with retail, commercial, education, residential and wellness services scaled by size of land and market driven needs. Demonstrating a commitment to community, development can interest both public and private entities participating in a healthcare village project since the successful outcome can have significant direct and indirect benefits to the communities it serves. MetroHealth Village located near Grand Rapids, Michigan, is an early example of a healthcare village that includes a synergistic and integrated set of support services and amenities — retail, restaurants, wellness center, hotel, commercial, education, and residential — all anchored by the hospital as the gateway to the campus. This suburban setting boasts a "town center" with a complementary mix of healthcare and retail infrastructure to achieve development of a destination campus.

The illustration in **Figure 1** outlines the traditional paradigm or model of medical facility development, where the medical facility is surrounded by retail, commercial, education and housing in a fragmented non-integrated manner.

FIGURE 1. Healthcare-Retail Integration

Educational Analysis

National Trends

The postsecondary education industry is highly fragmented and increasingly competitive. Students are making choices based on a variety of criteria, including programs and degrees offered, flexibility, convenience, quality of instruction, placement rates, reputation, and cost. Universities and colleges are facing challenging economic environments, as revenues from enrollment, government and other sources have fallen. In order to compensate for budget challenges, many institutions have raised tuition levels. High tuition rates, combined with job market uncertainty and low graduation rates have lessened the appeal of traditional four-year degrees for many Americans. Institutions have taken note and are providing alternatives to traditional degrees, including accelerated three-year degrees, industry accreditations, and other options.

Sources: Career Education Corporation, 2015; Boston Consulting Group, 2014

Local Supply

Although the Town of Burns Harbor does not have any educational institutions within its borders, the region is well served by the Duneland School Corporation, which provides elementary and secondary public schooling to the town's children and teenagers. The region also contains a number of post-secondary institutions, including Ivy Tech, Valparaiso University, and Purdue University North Central.

Photo: Fanning Howey, 2015

Specialized Local Demand

Manufacturers across the country, including the steel industry, are facing significant workforce challenges as they struggle to find skilled workers to fill the thousands of vacancies left by retired workers. The high concentration of industrial jobs in the region, combined with an aging workforce (the average age of ArcelorMittal employees is 57), presents a unique opportunity for specialized workforce training programs.

Source: ArcelorMittal USA, 2015

Steelworker of the Future

ArcelorMittal USA has created a recruitment program in order to attract and train a new generation of skilled workers to replace its aging workforce. The company has partnered with local community colleges to offer *Steelworker for the Future*, a 2.5 year associate degree program that combines classroom learning with hands- on training, while providing participants with wages to offset tuition. The program is offered at community colleges and technical schools in Illinois, Indiana, Ohio, Pennsylvania, and West Virginia.

Source: ArcelorMittal USA, n.d.

Key Educational Takeaways for Burns Harbor

A variety of non-traditional learning centers may be appropriate for Burns Harbor (e.g., ecological learning centers, and specialized training facilities), however these concepts will have to be explored further in order to determine economic viability, potential partnerships, and financing options.

Hotel

Porter County has over 1,100 hotel rooms. The vast majority of these rooms are located in affordable, limited service hotels. Average daily rates, occupancies, and RevPARs for Porter County hotels in 2014 are not likely enough to entice a traditional hotel developer to locate in Burns Harbor today. Last year's poor hotel performance was partially due to colder than average summer temperatures, but is not entirely weather dependent.

Sources: Indiana Dunes Tourism, 2015; Certec, 2014

National Park Hotels as Economic Generators

The eventual development of hotel and hospitality offerings in Burns Harbor could significantly contribute to the local economy. The National Park Service (NPS) estimates reveal the highest average spending per-party per-day/night are for visitors staying at NPS lodges. The Indiana Dunes National Lakeshore, unlike many other national parks, does not have an iconic hotel or lodge. Lodging located near, but not in national parks, contributed by far the most in visitor spending, 63.8% of total spending in 2013.

Source: NPS, 2014

National Park Service Visitor Spending Estimates by Visitor Segment for 2013

Visitor Segment	Total Spending ($ Millions)	% of Total Spending	Average Spending per-Party per-Day/Night ($)
Local Day Trip	$856.1	5.9%	$40.41
Non-Local Day Trip	$2,381.6	16.3%	$90.79
NPS Lodge	$484.5	3.3%	$391.31
NPS Camp Ground	$422.7	2.9%	$130.46
Motel Outside Park	$8,809.7	60.5%	$271.57
Camp Outside Park	$855.2	5.9%	$121.64

Source: NPS, 2014

Crater Lake Lodge

Glacier Park Lodge

Alwahnee Lodge

Key Hotel and Hospitality Takeaways for Burns Harbor

There may be potential for hotel development in Burns Harbor in the mid to long-term, following the implementation of a number of placemaking initiates and other development projects. Burns Harbor can work towards the development of unique hotel concept2 not yet offered in the Duneland region.

Recreational Analysis

Local Supply

The vast majority of Porter County's $386 million tourism and travel industry is derived from outdoor enthusiasts. Whether birding or beach bound, Porter County tourists are not likely to spend much time indoors. The following map outlines some of the region's many recreational attractions. Not shown on this map is the extensive and growing trail system, which currently bypasses the Town of Burns Harbor. Burns Harbor's recreational offering is currently under-leveraged and underdeveloped. The Little Calumet River, for example, is used by a number of fishermen, but is not identified in the Indiana Dunes Tourism collateral because trails and river accesses are not clearly marked nor adequately maintained.

Duneland Recreational Offering

Source: Indiana Dunes Tourism,2015

The Marquette Greenway Trail East Branch Connector

The Marquette Greenway Trail East Branch Connector would link the Eastern and Western portions of the Indiana Dunes National Lakeshore through the Town of Burns Harbor, connecting the Towns of Portage and Porter. The trail would link Burns Harbor to Porter Beach, the Indiana Dunes Learning Center, the Dune Park Train Station, and other key points of interest. The East Branch Connector is a incomplete section of the tri-state Marquette Greenway Trail System which will eventually link 15 communities over 50 miles from Chicago, IL to New Buffalo, MI. The Town of Burns Harbor has applied for funding to assist with the construction of this important trail connection.

Recreation as an Economic Generator

Outdoor recreation (such as biking, hiking, birding, camping, and paddling) is a significant and growing part of the national and regional economy. The outdoor industry injects $646 billion in direct spending into the American economy and fuels traditional sectors like manufacturing, finance, retail trade, tourism and travel. The outdoor recreation industry grew by 5% annually between 2005 and 2011, during an economic recession when many sectors shrunk.

Source: Outdoor Industry Association, 2012

Birding

In 2011, there were 47 million birdwatchers (birders) in the U.S.; about 20% of the population. The average birder is 53 and likely has a higher than average income and education. Birders are more likely to be female, white, and from a southern state, where birding participation rates are higher. Indiana has a higher than average birding participation rate at 23% and Burns Harbor is well positioned to capture local and out-of-state visitors.

Birders purchase a variety of goods and services for their trips, including food, lodging, transportation, as well as equipment such as binoculars, cameras, and camping equipment. In 2011, American birders spent an estimated $14.9 billion on trip-related expenditures, and $26 billion on equipment.

"Bird Town Indiana" is a designation awarded by the Indiana Audubon Society to communities that demonstrate an active and ongoing commitment to the protection and conservation of bird populations and habitats. This program, which began in 2013, has designated seven Indiana communities, including Chesterton, as "Bird Towns".

Sources: U.S. Fish & Wildlife Service, 2011; Indiana Audubon Society, 2014

Trail Towns on the Great Allegheny Passage

The Great Allegheny Passage (GAP) is a 141-mile trail built on abandoned rail lines that stretch from Washington, DC to Pittsburgh, PA. The GAP hosts more than 800,000 trips per year and generated over $40 million in direct annual spending and another $7.5 million in wages in 2008. The Trail Town Program is an economic development and community revitalization initiative working to ensure that trail communities and businesses maximize the economic potential of the trail. Business owners along the Great Allegheny Passage trail attribute 25% of revenue to their proximity to the trail.

Sources: American Trails Magazine, 2011; Campos Inc., 2009

Key Recreational Takeaways for Burns Harbor

In addition to its proximity to Chicago, Burns Harbor's natural and recreational assets are its strongest competitive advantage. Despite the availability of recreational opportunities such as visiting the Dunes, hiking, fishing, birdwatching and kayaking, Burns Harbor does not effectively advertise or leverage these key differentiators. In addition to communicating existing assets, it is highly recommended that the town enhance its existing recreational offering. Connection to neighboring trail systems, especially trails that link the town to Lake Michigan, public beaches, the train station, and other key points of interest, are essential. Trails can be one of the most beneficial investments that a community can make, both in terms of economic activity as well as community health benefits. Trail-based tourism is a major economic driver in many small communities and provides low or no-cost recreation to families.

Agricultural Analysis

Americans are Increasingly Choosing to Buy Organic

51% of American families are buying more organic products than they did one year ago

Organic Trade Organization, 2015

Organic food sales now represent almost **5%** of total U.S. food sales

Organic Trade Organization, 2015

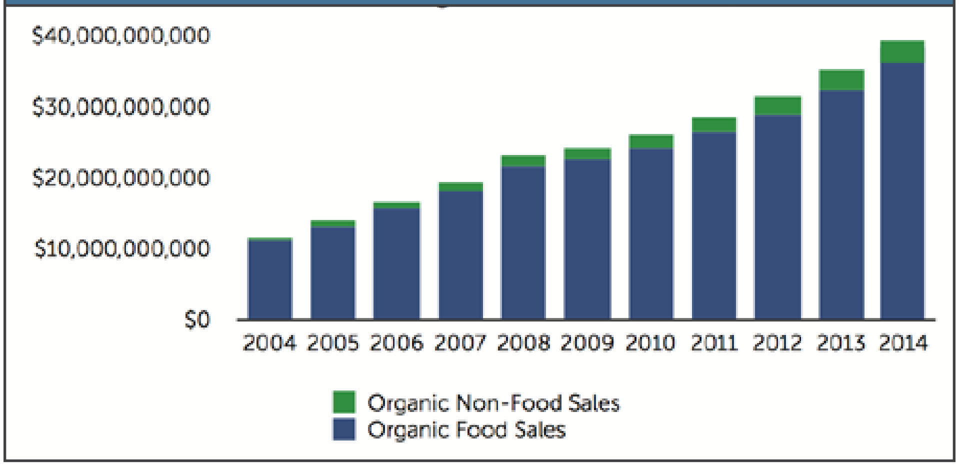
Organic sales increased from $3.6 billion in 1997 to over

$39 billion

in 2014

Organic Trade Organization, 2015

Total U.S. Organic Sales and Growth, 2004–2014



Source: Organic Trade Organization, 2015

Americans are Trying to Eat More Fruits and Vegetables

According to the USDA, per capita consumption of fruit and vegetables by Americans increased by **20%** between the 1970s and 2000

USDA, 2003

According to the results of a poll commissioned by the W.K. Kellogg Foundation, Americans want produce that is **healthy**, **affordable**, **green** and **fair**

W.K. Kellogg Foundation, 2012

The number of farmers markets in the U.S. grew from **1,755** in 1994 to **8,268** in 2014

USDA, 2014

Agriculture in Indiana

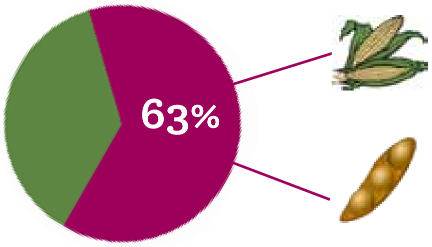
Indiana's agriculture-related industries contributed an estimated

$14.9 billion

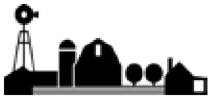
to the state GDP, accounting for nearly

5% of total GDP

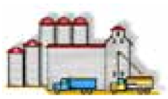
Corn and soybean account for 63% of Indiana's total value of agricultural production



Economic impacts of the agriculture industry are split fairly evenly between production and agriculture-related manufacturing



$7.44 billion



$7.46 billion

Source: Indiana Business Research Center, Kelley School of Business, Indiana University, prepared for Indiana Soybean Alliance, 2015

Innovative Four-Season Commercial Organic Farming

Green Sense Farms, Portage, IN

Green Sense Farms is the country's largest indoor, commercial, vertical farm. The farm, located in the Ameriplex at the Port business park, has a footprint of 30,000 square feet. They grow a variety of leafy greens and herbs without pesticides, herbicides or GMO seeds. The organization was the recipient on an IEDC Venture Capital Investment Tax Credit. Green Sense Farms sells produce to more than 50 local restaurants, grocery stores, as well as to individual customers at their farm.

Source: Green Sense Farms, 2015

Lufa Farms, Montreal, QC

Lufa Farms built and operates two commercial-scale rooftop farms in Montreal, totalling 75,000 square feet. The farms utilize sustainable and innovative agriculture practices, optimizing energy use and growing without any synthetic pesticides, herbicides or fungicides. Hydroponic cultivation methods allow the farms to use between 50% and 90% less water than a comparable farm which does not use water recirculation. Lufa Farms operates an online marketplace that allows shoppers to customize their weekly baskets. The baskets are then distributed to various pick-up locations throughout the city. In addition to the produce grown at its farms, Lufa Farms partners with local producers to include additional produce, dairy, meat, fish, bread and a variety of other products such teas, soaps and prepared foods.

Source: Lufa Farms, 2015

BrightFarms

BrightFarms is a for-profit greenhouse consultancy that builds greenhouses at or near supermarkets. They utilize sustainable hydroponic techniques as well as integrated pest management to conserve land, water and fossil fuels. BrightFarms' business model involves signing long-term purchase agreements with supermarkets in order to finance, build, and operate greenhouses at no cost to the retailer. Since 2011, BrightFarms has partnered with seven major supermarket chains and have seven commercial-scale greenhouses in development, including one in Indianapolis and one in Rochelle, Illinois.

Source: BrightFarms, 2015

Key Agricultural Takeaways for Burns Harbor

- Indiana's agricultural industry is an important part of the state economy and is highly concentrated in two crops
- Americans increasingly care about where their food comes from and are choosing to consume organic and local produce more often
- The region is already home to an indoor commercial farming operation. Burns Harbor could complement Green Sense Farms, by providing a different variety of products and contributing to a strong innovative commercial farming industry
- Burns Harbor has the opportunity to capitalize on the growing demand for local, organic produce, while at the same time creating additional jobs and investment in the community
- Burns Harbor, with its existing regional workforce and strategic logistical environment is well positioned to develop a sustainable, hydroponic, four-season farming industry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LIVE
LOVE
ACTION
NURTURE

Appendix B: Meetings, Stakeholders and Documents

Stakeholder Meetings Conducted

Burns Harbor

- Redevelopment Commission
- Redevelopment Commission Staff
- Burns Harbor Town Council
- Businesses
- Residents
- Employees

Region and Neighboring Communities

- Northwest Indiana Regional Planning Commission
- Northwest Indiana Economic Forum
- Indiana Dunes Tourism
- Duneland Chamber of Commerce
- Save the Dunes
- Northwest Indiana Steelheaders
- South Shore Arts
- Northwest Indiana Paddlers Association
- NIPSCO Economic Development
- Northwest Indiana Steel Heritage Project
- Neighboring Cities and Towns
- Realtors
- Residential and Commercial Real Estate Appraisers
- Property Managers
- Real Estate Brokers

Indiana & National

- U.S. EPA
- Indiana Dunes National Lakeshore
- Indiana Economic Development Commission
- National Consultants and Industry Experts

Documents & Information Reviewed

Demographics

- U.S. Census Bureau: 2010 US Census
- U.S. Census Bureau: 2009-2013 American Community Survey 5-year Estimates (Burns Harbor, Porter County, Indiana)
- Various drive time demographics 30-min. and 45-min. drive times

Regional & Local Plans

- Burns Harbor Comprehensive Plan Place Making 20/20 (SEH, 2009)
- Marquette Greenway Trail Sub-Area Plan (SEH, 2009)
- The Marquette Plan, A Vision for Lakeshore Reinvestment (NIRPC, 2008)
- Downtown and US 20 Corridor Sub-Area Plan (SEH, 2009)
- 2040 Comprehensive Regional Plan, A Vision for Northwest Indiana (NIRPC, 2011)
- Northwest Indiana Regional Pedestrian and Bicycle Transportation Plan of 2020
- Creating Livable Communities (NIRPC, 2013)
- Multi-Hazard Mitigation Plan Porter County (Porter County Emergency Management Agency, NIRPC, The Polis Center IUPUI, 2011)
- Zoning Ordinance, Town of Burns Harbor, Indiana (Town of Burns Harbor, 2014)

Regional and State Economic Development

- Indiana Economic Development Annual Report (IEDC, 2011)
- 2013 Northwest Indiana Redevelopment Authority Annual Report (RDA, 2013)
- 2012 Northwest Indiana Redevelopment Authority Annual Report (RDA, 2012)
- A Plan for Economic Growth and jobs (World Business Chicago, 2012)
- 2015 IACT Statehouse Report (Indiana Association of Cities and Towns, 2015)
- Regional Cities Initiative (IEDC, 2015)

Transportation

- INDOT Annual Average Daily Traffic Counts (INDOT, 2014)
- Public Transportation Ridership Report, Fourth Quarter 2013 (American Public Transportation Association, 2014)
- Transportation, Distribution & Logistics (IEDC, 2014)
- 20-Year Strategic Business Plan (NITCD, 2014)
- Gary Chicago International Airport Strategic Business Plan (L&B, 2010)
- Port of Indiana-Burns Harbor Executive Summary (Ports of Indiana, 2013)

Documents & Information Reviewed (cont'd)

Tourism

- Strategic Branding, Development and Marketing Plan, Porter County, IN (DDi, 2010)
- Feasibility Analysis of a Redeveloped Porter County Expo Center & Fairgrounds (CSL, 2015)
- Economic Impact of Porter County's Tourism and Travel Industry – 2011 and 2013 (Certec, 2014)
- Indiana Dunes State Park Interpretive Master Plan (Indiana Department of Natural Resources, 2008)
- Master Plan for the Steel Experience Center, Northwest Indiana Steel Heritage Project (Fleming Museum Consulting, 2014)
- Birding in the United States: A Demographic and Economic Analysis (U.S. Fish & Wildlife Service, 2011)
- Indiana Audubon Society
- "Trail Towns" on Great Allegheny Passage Benefit from Visitor Spending (American Trails Magazine, 2011)
- Great Allegheny Passage Economic Impact Study (2007-2008) (Campos Inc., 2009)
- Outdoor Recreation: An Overlooked Economic Giant (Outdoor Industry Association, 2012)
- 2013 National Park Visitor Spending Effects, Economic Contributions to Local Communities, States, and the Nation (NPS, 2014)
- Feasibility Analysis of Sports & Recreation Facility Development in Porter County (CSL, 2015)

Market Studies

- Industrial Market Review, First Quarter 2015, Metropolitan Chicago (NAI Hiffman, 2015)
- NW Indiana Industrial Market Information, (Colliers International Research, 2015)
- Northwest Indiana Office Market Survey, Multi-Story Class "A" Office Buildings (Commercial In-Sites, 2015)
- Q1 2015 U.S. Office MarketView Snapshot (CBRE, 2015)
- Indiana's Housing Market in 2014: Moving toward Stability (Kelley School of Business, Indiana University, Indiana Business Research Center, 2014)
- The Northwest Indiana Lake Communities: A Study of Value (Valuation Services, 2014)
- 2014 and Q1 2015 Residential Market Sales and Active Listings (Valuation Services, 2015)
- U.S. Shopping Center Occupancy Rates Hit 6-Year High in 2014 (ICSC, 2015)
- Emerging Trends in Real Estate, United States and Canada 2015 (PWC & Urban Land Institute, 2015)
- United States Office Outlook – Q1 2015 (Jones Lang LaSalle, 2015)
- Forrester Research eCommerce Forecast, 2014-2019 (Forrester Research, 2015)

Agriculture

- Beyond the Farm: A State and Regional Report on the Economic Contribution of Farm, Forests and Related Industries
(Kelly School of Business, Indiana University, Indiana Business Research Center, 2015)
- Agriculture Fact Book 2001-2002 (USDA, 2013)
- Poll: Americans overwhelmingly support doubling food stamp value at farmers markets (W.K. Kellogg Foundation, 2012)
- National Count of Farmers Market Directory Listing Graph: 1994-2014 (USDA, 2014)
- State of the Industry (Organic Trade Organization, 2015)

Energy

- Energy Initiatives (IEDC, 2011)
- Waste Heat Recovery: Technology and Opportunities in U.S. Industry
(U.S. Department of Energy, 2008)
- The Energy Cloud: Emerging Opportunities on the Decentralized Grid
(Navigant Research, 2015)
- Smart Cities and the Energy Cloud: Reshaping the Energy Landscape
(Navigant Research, 2014)

Employment

- State of the Workforce Report: Northwest Indiana 2014 (Northwest Indiana Workforce Board & Center of Workforce Innovations, 2014)
- Navigating Change: Exploring New Career Pathways in an Evolving Labor Market
(Kelley School of Business, Indiana University, Indiana Business Research Center, 2011)
- Charting a Path Through the Recovery: Hiring Needs in Northwest Indiana for 2011 and Beyond (Center for Workforce Innovations, 2011)
- Green Jobs in Indiana: Employment Prospects in the Green Economy
(Kelley School of Business, Indiana University, Indiana Business Research Center, 2011)
- Employment and Earnings by Industry, 2013 (U.S. Bureau of Economic Analysis, 2013)

Environment

- Fly Ash-Tainted Soil Removal Proposed Cleanup Plan: Northern Indiana Public Service Co. Site (EPA, 2011)
- Updated: Environmental Investigation at Power Plant: Northern Indiana Public Service Co. Site (EPA, 2010)

Documents & Information Reviewed (cont'd)

Healthcare

- NIRDA Feasibility Studies: Trauma and Academic Medical Centers (Katz, Sapper & Miller, 2014)
- Indiana Biosciences Research Institute Fact Sheet (IBSI, 2013)
- Indiana's Life Sciences Industry: 2002-2010: Tracking Progress and Charting the Course for Continued Success (BioCrossroads, 2011)
- Life Sciences (IEDC, 2014)
- Healthcare Reform: Five trends to watch as the Affordable Health Care Act Turns Five (PwC Healthcare Research Institute, 2015)
- Realizing the Vision for Healthcare Real Estate and Facilities (Navigant, 2014)
- Key Healthcare Industry Trends in 2015 as Reform Continues to Unfold (Navigant Healthcare, 2015)
- Healthcare Villages – A growing Trends Across America (Navigant, 2015)

Other

- 2014 ArcelorMittal USA Fact, Book (ArcelorMittal, 2014)
- Ameriplex at the Port (Holladay Properties, n.d.)
- 2015 North America Ports & Logistics Annual Report (CBRE, 2015)
- 2014 Simon Annual Report (Simon Property Group, 2014)
- Stores Confront New World of Reduced Shopper Traffic: E-Commerce Not Only Siphons Off Sales, but Changes Shopping Habits (The Wall Street Journal, 2014)
- Five Trends to Watch in Higher Education (Boston Consulting Group, 2014)
- Forrester Research eCommerce Forecast, 2014-2019 (Forrester Research, 2015)
- 2012 Quality of Life Indicators Report: Northwest Indiana Profile (One Region, 2012)
- Public Markets: Anchors for Neighborhood Economic Development (Reconnecting America, 2010)
- Bricks and Clicks: Rethinking Retail Real Estate in the e-commerce Era (RREEF, 2012)
- An Aging Nation: The Older Population in the United States (U.S. Census Bureau, 2014)
- Annual New Privately-Owned Residential Building Permits (U.S. Census Bureau, 2015)


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Appendix C: Case Studies & Precedents

Precedent Towns & Neighboring Communities

In order to better understand the local and regional market, LWLP visited and studied a number of precedent towns and neighboring communities in Indiana, Michigan and Illinois. These communities included Chicago commuter suburbs, like Evanston; Lake Michigan waterfront communities, like New Buffalo; Indianapolis suburbs, like Carmel; and destination villages, like Ann Arbor. Burns Harbor can learn from these communities and understand how to best position itself within the regional market. Precedent towns and neighboring communities explored are listed below.

Chicago IL	Evanston IL	Highland Park IL	Lake Forest IL
Valparaiso IN	Chesterton IN	Portage IN	Porter IN
Michigan City IN	Indianapolis IN	Carmel IN	Fishers IN
Noblesville IN	Zionsville IN	South Bend IN	New Buffalo MI
Saint Joseph/ Benton Harbor MI	Saugatuck MI	Holland MI	Ann Arbor MI

Case Study: Regional Destination Market

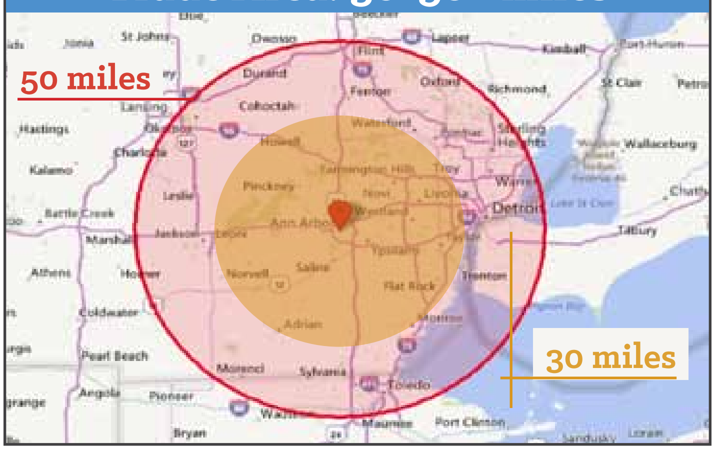
Kerrytown Market & Shops and Ann Arbor Farmers Market

The Kerrytown Market and Shops and the Ann Arbor Farmers Market are located in Ann Arbor, Michigan's historic district. The market is open year-round, seven days a week and attracts shoppers from a trade area of 30–50+ miles. In 2002, the market was visited by up to 6,400 shoppers per week. Shoppers can purchase everything from fresh local produce, meats, dairy, fish, artisanal products, prepared foods, spices, furniture, and home décor, to name a few. The Market Shops also house a number of active retail concepts, like a pottery store, and a kitchen store that offers in-house cooking classes.

The 95-year old Ann Arbor Farmers Market is an open-air market with more than 160 vendors, selling a diverse mix of produce, artisanal products, and prepared foods. It is open Saturdays from January to April, and Wednesdays and Saturdays from May to December.

The Kerrytown Market and Shops is a hugely successful spin-off development that was created in the 1960s in vacant warehouse space adjacent to the market. In 1969 the retail space expanded from 5,200 square feet to 34,465 square feet, and in 1980 further expanded to 55,400 square feet. The shops now house more than 20 retail tenants.

Trade Area: 30-50+ miles



Farm acres retained by Ann Arbor Market Growers: 3,212

Farmers market is city-owned and run by the parks and recreation department

1/3 of the market's operating cost is covered by the Ann Arbor's enterprise funds (part of the city's General Funds operating budget) the rest is covered by vendors fees

226 direct jobs (2002 est.)

400 indirect jobs (2002 est.)

160 local vendors plus more than 20 local retail shops and restaurants

2009 typical weekday: 3,792 visitors, $43,431 sales

2007 Typical weekend: 9,792 visitors, $133,841 sales

Conversion and expansion of adjacent warehouses to Kerrytown Market and Shops increased property assessment from $101,100 to $1,711,792

Kerrytown Market is privately owned and operated

Case Study: Best-of-the-Best Local Operator

Zingerman's Deli

Zingerman's Deli is a hugely successful business located across the street form the Ann Arbor Farmers Market and Kerrytown Market and Shops. Zingerman's was started in 1982 and quickly became a local favorite, selling food that was handcrafted and full flavored. As the business grew, the owners of Zingerman's decided to invest in Ann Arbor, expand their business and create a number of successful spin-off businesses, rather than taking their success on the road to new communities. In 1992 they opened Zingerman's Bakehouse, followed by a catering and events business, a creamery, a coffee company, a candy company, and a mail order food business. They now employ approximately 600 people in the Ann Arbor area through their ten businesses; around the holidays, the number increases to almost 1,000. Sales were roughly more than $60 million in 2014.

Foresta Lumina, Parc de la Gorge de Coaticook, Quebec, Canada

Foresta Lumina is a seasonal event held at a campground and hiking area about two hours southeast of Montreal. Prior to the addition of Foresta Lumina, the park was a popular daytime tourist destination, with hiking and camping. The light installation was proposed in order to get visitors to stay longer or overnight.

What is Foresta Lumina?

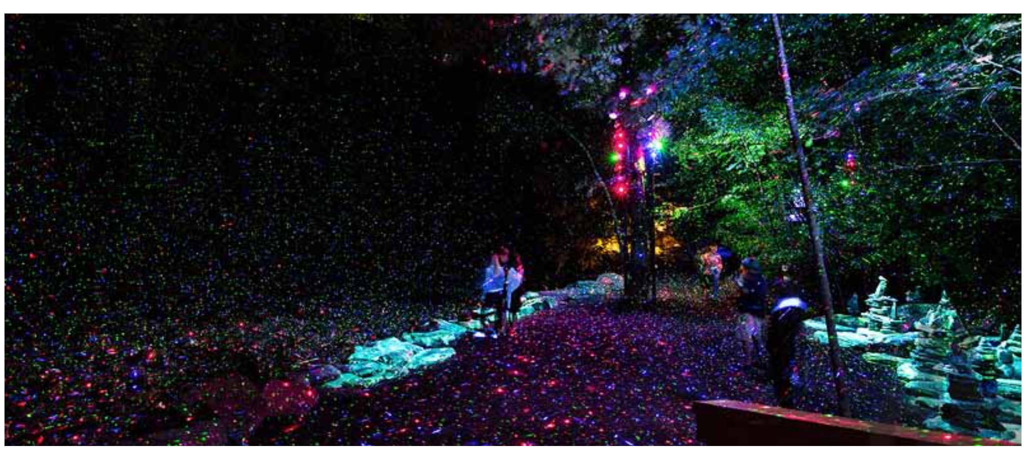
Foresta Lumina consists of a 1.3-mile trail illuminated with LED lights, hanging lanterns, and light projections. The installation was inspired by the region's folklore, fairy tales and mythology and installed by the Moment Factory, an internationally recognized media and entertainment company that often works with large music performance groups.

Visitation

The exhibit was visited by more than 75,000 people over the 57 days of its inaugural season and traffic was 12 times higher than initial target of 100 spectators per evening.

Economic Benefits

Benefits to park and surrounding businesses included increased hotel stays and restaurant visits, as well as a doubling of park visitation from the previous year. The $800,000–$900,000 cost of the project was widely believed to be worth the investment and the park is planning a second installation in the summer and fall of 2015.



Case Study: Local Beer & Food Festival

Oktoberfest, Beau's Brewery, Vankleek Hill, Ontario, Canada

Oktoberfest is an annual fundraising event hosted by a local craft brewery featuring local food, live music, traditional Bavarian music and dance, games, and family-friendly festivities.

Oktoberfest by the Numbers

Funds raised: **$95,000**
2014 attendance: **19,288**
Kegs of beer on site: **710**
Portions of food prepared: **45,000**
Beers entered in Homebrew Competition: **407**
Number of festival volunteers: **510**
Total artists/performers: **109**
Keg-toss event participants: **300**
Dollars spent on local suppliers and services to stage the festival: **$350,000**
Number of dishes washed to reduce waste**: 40,000**

Case Study: Energy Efficient Towns

German Villages Leading the Way

In 2011, Germany decided to phase out its nuclear power plants, with the goal of raising the percentage of renewables in the country's energy mix from 23% in 2012 to 35% in 2020 and 80% by 2050. The decision to shift the country's energy production away from nuclear was accompanied by a variety of laws, subsidies, and surcharges to prioritize wind and solar power over gas and coal. A number of towns have capitalized on these incentive programs and generate significant revenues, while decreasing emissions and increasing efficiency.

Wildpoldsried

Population: 2,600

Energy Produced: 321% more than required by the town

Revenues: 4 million Euro ($5.7 million USD)

A small village in Germany's Bavaria region, Wildpoldsried began its green initiatives in 1997, as a means to achieve local government goals of creating new industries, keeping initiatives local, increasing town revenue and not incurring debt. Over the next decade and a half, the community has equipped nine buildings with solar panels, built five biogas digesters and installed seven windmills. 190 private households have installed soar panels. The town also benefits from three small hydro power plants, ecological flood control and a natural waste water system. The town generates more than $5.5 million in annual revenues by selling power back to the national grid.

Feldheim

Population: 150

Energy Produced: Town consumes less than 1% of the electricity produced annually

Visitation: 3,000

Feldheim is a small town, located less than 40 miles from Berlin. The town capitalized on its windy location and agricultural production to become a wholly energy-independent community. In 1995, a local entrepreneur built the town's first windmill. It now has more than 40, as well as a 284-panal solar farm, and a bio-gas factory. In order to gain full energy independence, the town built its own mini energy grid (each resident contributed 3,000 Euros). Locally produced heat and electricity is fed straight to consumers and prices are set at community meetings. Feldheim residents now have electricity bills that are about half of the national average. The town consumes less than 1% of the electricity produced annually by the wind turbines and solar panels and sells the rest back to the market. The town, located in an economically depressed region, now has virtually full employment and has benefited from an unanticipated surge in tourism – 3,000 people visited the tiny town in 2011.

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Burns Harbor, Indiana

Reconnaissance & Strategic Market Assessment

July 2015