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Huntington County READI Proposal

Project or Program Contact Information

Project/Program Name	Huntington Innovation Center and Little River Lofts
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Project/Program Contact	Jonathan Anderson
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Project/Program Contact Email	janderson@andersonpartnersllc.com
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Project/Program Contact Phone	(317) 294-4905
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Relationship to Project/Program	Developer/Owner
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Project or Program Location

Address	354 N. Jefferson St., 217 W. State Street, 211 W. State St. and 201 W. State St. Huntington, IN 46750
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County	Huntington
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Project or Program Details

What type of project/program?	Both
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What is the duration of the project/program?	Construction commencement in 2022 and completion in 2023.
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Is this a hybrid project and program?	Yes
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Select project/program focus areas. (You can select multiple)	Grow the Workforce Downtown Vibrancy Entrepreneurship & Innovation
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Share a description of the project/program.

In 2018 the City of Huntington and AP Development LLC (APD) led a partnership to transform UB Block in downtown Huntington as the Huntington Arts and Entrepreneurship Center (HAEC) and UB Lofts. The result has been transformational, bringing a spark of energy to downtown Huntington. The 37 market rate apartments have attracted a diverse and engaged population to downtown, while the HAEC has become a hub of activity, connectivity and creativity.

Seeking to build on that success, APD and the City have developed an ambitious plan to create the Huntington Innovation Center and Little River Lofts in four buildings downtown, including:

- The vacant former Huntington County Annex (First National Bank) located at 354 N. Jefferson St., an eclectic mix of five original turn of the century buildings encased in a single limestone paneled façade consisting of approximately 22,000 square feet.
- The vacant former Public Service Indiana (Duke) Building located at 217 W. State St., a largely intact turn of the century building containing original marble pillars and art deco details throughout the first floor.
- 201 W. State St., a vacant and dilapidated structure owned by the City which is being contributed to the project for reconstruction to support the overall vision; and
- 211 W. State St., an underutilized turn of the century building which connects the Duke Building and 201 W. State.

The project encompasses a total of 61,900 square feet over 4 buildings located in the same block just west of UB Block. One ambition of the project is to reclaim the historic facades hidden beneath the Annex limestone panels (see historic photos).

APD will develop and own the project, with Huntington University's (HU) Digital Media Arts Department (DMA) as an anchor tenant in 11,700 square feet of the Annex. The DMA program is the heartbeat of film, animation, and broadcasting in the Midwest, training students to tell stories which reflect the human experience from an honest and engaging perspective. Through a studio environment, students work closely under the mentorship of award-winning faculty, learn industry standard equipment, and explore both the craft and art of their chosen field. As a former bank building, the Annex contains five separate vaults which would be used as sound studios due to the soundproofing. The DMA will engage the public as well as students, becoming a hub of innovation and digital media in downtown Huntington.

The \$13 million project supports several elements of the City's Comprehensive Plan, including revitalization of downtown Huntington's impressive stock of historic buildings and a focus on additional arts and

innovation programming. Combined with UB Block, the two projects will have redeveloped more than 100,000 square feet and added nearly 90 apartments / 150 residents to downtown Huntington while creating nearly 26,000 square feet of art, entrepreneurship and innovation space and 5,800 sf of retail.

Why is this project/program regionally significant?

Northeast Indiana's winning Road to One Million plan, spearheaded by the Northeast Indiana Regional Partnership and Greater Fort Wayne Inc., was the rallying cry for Northeast Indiana to reach one million residents. To achieve that goal, Northeast Indiana needed to accelerate the annual growth rate from 0.7 percent annually to just over 2 percent. As Fort Wayne leads that charge, it is imperative that other counties create projects and opportunities to increase population in the Region. With the development of UB Block, as well as other quality of life initiatives aided or funded by Regional Cities, the City of Huntington dramatically increased its appeal to those living in the Region as well as those looking to make NE Indiana their new home. We have seen a vibrant and diverse population in UB Block, from the assistant HU basketball coach to his parents who moved to Huntington from out of state, from local entrepreneurs and artists to those who may not have considered Huntington as an alternative but for the unique housing and vibrant downtown. Huntington has placed an emphasis on the arts and innovation, which it has supported financially in a significant way. As a result, Huntington now has a quality of place which should be the envy of many cities and towns across Indiana.

The Huntington Innovation Center and Little River Lofts support all three pillars of NE Indiana's READE initiative: Downtown Vibrancy, Entrepreneurship & Innovation, Grow the Workforce. Through strengthening its own place within the Region, the City of Huntington is making the Region that much stronger. As the world has continued to evolve over the past 18 months, many people are looking for alternatives to the urban landscapes they once called home. As an example, the former home of the Huntington Herald-Press will soon be the new home of various small businesses, including Kitchen 17 (pizza production began in Chicago), Smiley Face Media (LA founded multi-media company), The Newsroom restaurant and a mushroom farm in 25,000 square-feet. This kind of announcement would not have been possible without the investments Huntington has made in itself over the past decade. The Huntington Innovation Center and Little River Lofts will continue to attract even more talent to the Region.

The triangle created by UB Block, the Huntington Innovation Center and Little River Lofts will create a new "Innovation District" in downtown Huntington.

How does this project/program relate to the identified focus area(s)?

The Huntington Innovation Center and Little River Lofts meet all of the objectives of the NEI Regional Partnership's READI Initiative:

Downtown Vibrancy: Huntington is a thriving community with destination attractions throughout. With UB Block, our team was fortunate to build on this success to create a hub of creative activity and connectivity while bringing a diverse group of residents downtown. We are again presented with a similar opportunity to create the Huntington Innovation Center and Little River Lofts in four largely vacant buildings downtown. The County completely vacated the Annex 2015 after years of declining use, and the building was subsequently acquired by the City for redevelopment. While Duke continues to preserve and maintain the building at 217 W. State St., it has been vacant since 2005. 201 W. State St. has been vacant for more than a decade, and engineers have determined the best alternative is to demolish what remains of the building and rebuild. 211 W. State St. is underutilized, with historic features hidden behind sheet metal.

The redevelopment of 61,900 square feet of vacant structures will completely transform those buildings, and serve as a western anchor complimenting UB Block's eastern edge. The impact will be transformational again, building on all of Huntington's success in continually reimagining its unique downtown. DMA downtown will further cement the innovation and entrepreneurship ties while growing the work force.

Entrepreneurship & Innovation. The Huntington Innovation Center will continue the success of the Huntington Arts and Entrepreneurship Center by expanding HU's presence and leadership in downtown. The DMA's goal is to continually challenge students to examine their art, faith, work, and personal life so that such refinement will gain them adaptive skills that will last a lifetime. Alumni from the department have started their own successful studios, work in the Hollywood industry, and have impacted countless audiences with their stories.

Grow the Workforce. The Huntington Innovation Center will not only serve students, but will be open to the public as a canvas for creating both art and jobs in the Huntington Community. Following on the success of HU Logistics and HU Ventures, HU's ambition for DMA is to operate a sound stage and foster the growth of a feature film industry in Huntington. As with HU Ventures and HU Logistics, profitable companies run by HU students and faculty, the Innovation Center will grow the workforce and create opportunities for the residents of NE Indiana. Little River Lofts will grow the housing alternatives in downtown Huntington, providing options for those who look to live, work and play in Huntington. Providing quality housing to current and potential residents will solidify and grow a stable workforce. Vibrant downtowns and dynamic living options are the key to attracting and retaining a healthy, happy and productive workforce.

What is the project/program timeline?

The City of Huntington and AP Development LLC began discussing redevelopment of the former Huntington County Annex Building/First National Bank shortly after UB Block opened in Spring 2020. Over time, the concept for the project has grown to include other buildings downtown, among them the former Public Service Indiana/Duke Building on W. State St. Given the success of UB Block with this team, we are confident in our collective ability to deliver another transformative project to downtown Huntington. Our proposed timeline is:

Detailed Use of Space Determined	10/1/2021
Schematic Design Complete	11/1/2021
Financing Commitments	3/1/2022
Award of READI	3/1/2022
Investor Commitment	3/1/2022
Plans, Specifications and Working Drawings	4/1/2022
Environmental Remediation	4/1/2022
Financial Closing	4/15/2022
Building Permits Issued	4/15/2022
Commencement of Construction	5/1/2022
Completion of Construction	7/1/2023
DMA Occupancy	7/15/2023
Residential Stabilization/95% Lease Up	2/1/2024

List the partners involved in this project/program.

The City of Huntington is partnering with AP Development LLC (APD) and Anderson Partners LLC to develop the Huntington Innovation Center and Little River Lofts, with support from the Huntington Economic Development Corporation and Huntington University (HU).

APD is a finance and community impact-oriented development firm rehabilitating and development iconic structures and high impact "urban" properties throughout Indiana, including the Ben Hur Building in Crawfordsville, the UB Block in Huntington, the Backstay Welt building in Union City, the YMCA and Fieldhouse in Evansville, Rock City Lofts in Wabash, and the former Indiana Steel and Wire Company site in Muncie, among others. We understand and embrace redeveloping historically significant properties within downtowns and urban neighborhoods to become transformational and catalytic "quality of place" developments. The APD team has more than a half-century of community, economic development and housing experience. Our approach is to select design and development team members for each project at the onset, and to work with that team throughout to obtain a signature design, the best pricing and timely delivery of the project. Martin Riley Architects + Engineers will provide design and supervision, and Crestline Construction LLC will build the project. Marin Riley designed the UB Block, while Crestline Construction is currently completing construction on APD projects in Union City and Evansville more than 20% ahead of schedule.

The City and HU had long sought the right combination of project, partners and opportunities which would result in an HU presence in downtown Huntington. UB Block provided that opportunity, and the time is now right for HU to bring its incredibly successful DMA programs to downtown Huntington and expand its presence and influence. The DMA program is consistently recognized for its excellence through faculty and student regional and national awards, setting records while competing against much larger schools. We are excited to welcome that kind of sustained creativity and excellence to the Huntington Innovation Center.

Project or Program Finances

What is the total amount of READI program funds requested?

\$2,594,372

Upload a file with project/program finances.

<https://www.formstack.com/admin/download/file/10990585864>

What is the sustainability of the project/program? Share your 3-year plan.

The Huntington Innovation Center and Little River Lofts will be sustainable for decades. By combining housing with innovation, we are providing a solid financial base for the project through ongoing apartment income while attracting new residents to the community through innovation and expanding Huntington University's (HU) downtown presence. HU will be a solid anchor for the development, and will attract both students and residents to Downtown. This combination has been greatly successful at UB Block, where the interaction between arts and residency created a tight knit community with far reaching impacts on the City. The 15 year pro forma shows the achievement of a 1.3 debt coverage ratio.

Describe the return on investment for this project/program.

The Huntington Innovation Center and Little River Lofts will create more than 25 permanent jobs upon completed in 2023. The expansion of the DMA to downtown will also attract new student talent, which supports the Road to One Mill Plan. The DMA will be a working digital media arts center, open to the public as well as students. The project will also rehabilitate significant historic structures downtown, while replacing a deteriorating and dangerous structure. Most of these buildings are city owned and not on the tax rolls, resulting in an increased tax based upon completion. The project will generate more than 125 construction jobs over a 15 month period. Most importantly, this project will have both a tangible and intangible return on investment for the City as it continues to reclaim and rehabilitate significant structures downtown, creating a vibrant hub of life for its residents. UB Block sparked a renewed interest in downtown, with several local investors building on that success by renovating other buildings downtown to create new destinations. With UB Block and HAEC, as well as other projects completed and underway downtown, the Huntington Innovation Center and DMA will create an arts and innovation triangle with critical mass in downtown Huntington.

Project or Program Assets

Share an image of the project/program. (Option 1)

<https://www.formstack.com/admin/download/file/10990585868>

Share an image of the project/program. (Option 2)

<https://www.formstack.com/admin/download/file/10990585869>

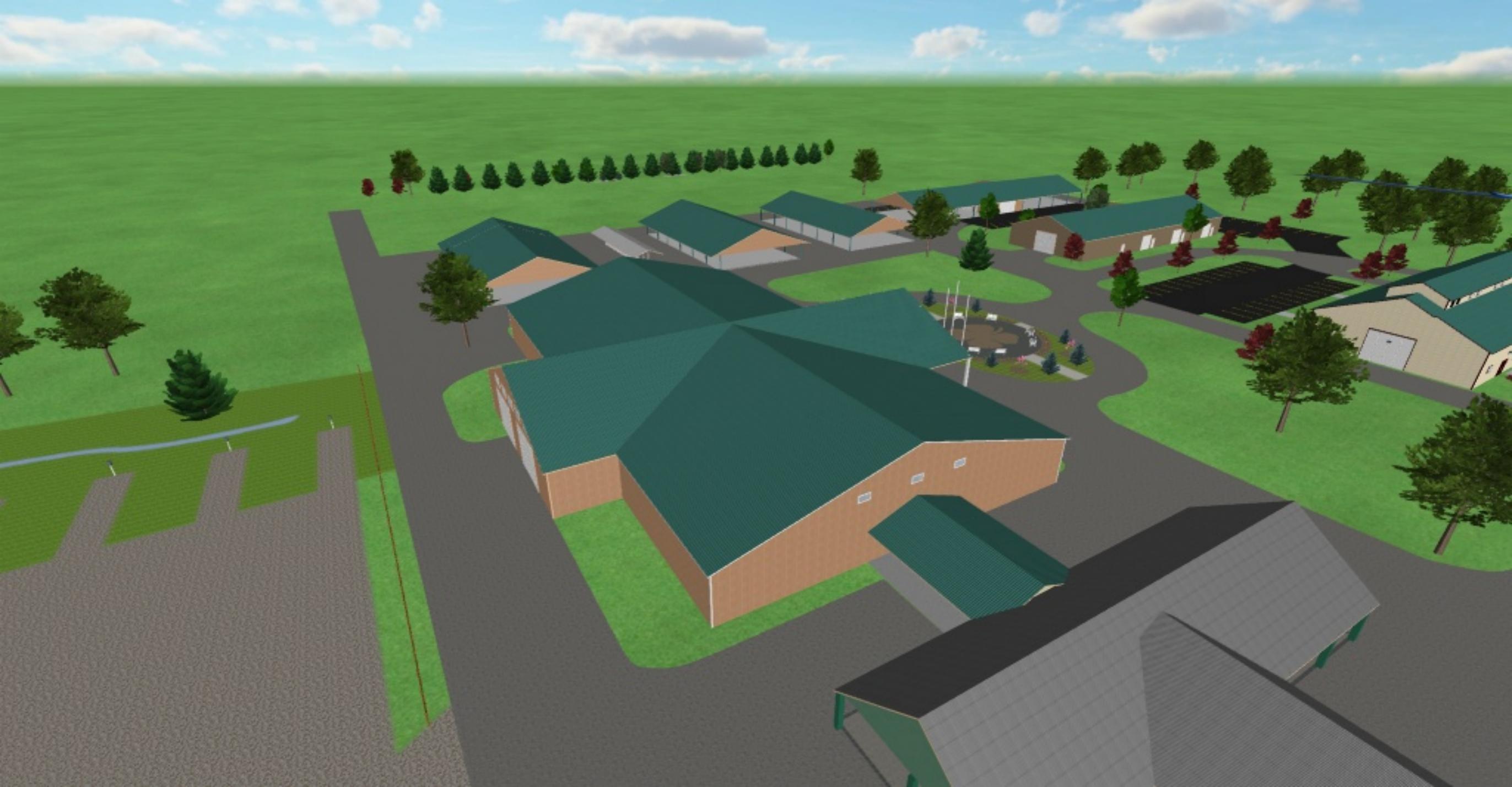
Share an image of the project/program. (Option 3)

<https://www.formstack.com/admin/download/file/10990585870>

If you would like to share more images or assets, please share a link to the material here.

<https://www.dropbox.com/sh/ltwnmgh9vn82hlw/AAB0lxyvxTIN-m0Qa0b87lxKa?dl=0>







Huntington Innovation Center and Little River Lofts

Project Cost/Budget – Construction Projects (if applicable)

Description		Cost – Fiscal Year 2021	Cost – Fiscal Year 2022	Cost – Fiscal Year 2023	Cost – Fiscal Year 2024	Totals Per Category	% of Total Expense	
Acquisition/Rights-of-Way Expense			\$ 125,000	\$ -	\$ -	\$ 125,000	1%	
Design/Inspection Expense			\$ 536,902	\$ 134,296	\$ -	\$ 671,198	5%	
Legal/Financial Expense			\$ 858,600	\$ 572,400	\$ -	\$ 1,431,000	11%	
Infrastructure Construction Cost			\$ 200,000	\$ -	\$ -	\$ 200,000	2%	
Building Construction Cost			\$ 3,757,100	\$ 5,635,650	\$ -	\$ 9,392,750	72%	
Other Construction Costs			\$ 460,792	\$ 691,119	\$ -	\$ 1,151,911	9%	
Project Construction Expenses Totals per year		\$ -	\$ 5,938,395	\$ 7,033,464	\$ -			
Total Construction Expenses Project Cost (all fiscal years)							12,971,859	

Project Cost/Budget – Programs (if applicable)

Description		Cost – Fiscal Year 2021	Cost – Fiscal Year 2022	Cost – Fiscal Year 2023	Cost – Fiscal Year 2024	Totals Per Category	% of Total Expense	
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		\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Project Program Expense Totals per year		\$ -	\$ -	\$ -	\$ -			
Total Program Expenses Project Cost (all fiscal years)							-	

Funding Source

Description		Cost – Fiscal Year 2021	Cost – Fiscal Year 2022	Cost – Fiscal Year 2023	Cost – Fiscal Year 2024	Totals Per Category	% of Total Expense	
READI		\$ -	\$ 1,037,749	\$ 1,556,623	\$ -	\$ 2,594,372	20%	
Private/Mortgage Lending		\$ -	\$ 2,410,462	\$ 3,615,693	\$ -	\$ 6,026,155	46%	
Developer Contribution				\$ 338,396		\$ 338,396	3%	
Private/Historic Tax Credit Equity		\$ -	\$ 567,425	\$ 851,138	\$ -	\$ 1,418,564	11%	
Local Government Funds \$		\$ -	\$ 1,037,749	\$ 1,556,623	\$ -	\$ 2,594,372	20%	
Project Income Totals per year		\$ -	\$ 5,053,385	\$ 7,918,474	\$ -	\$ 12,971,859		
Total Project Income (all fiscal years)							12,971,859	
Total Project Cost (all fiscal years; Construction Expenses + Program Expenses)							12,971,859	