

Planning Study for Downtown Revitalization

Prepared for the City of Martinsville, Indiana:

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- **Rediscover Martinsville**
- **Greater Martinsville Chamber of Commerce**
- **Morgan County Historic Preservation Society**
- **Morgan County**
- **The Reporter-Times**

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1. Stuttgen, Joanne Raetz. *Martinsville, A Pictorial History*. St. Louis: G. Bradley Publishing, Inc., 1995.
2. Stuttgen, Joanne Raetz and Tomak, Curtis. *Martinsville, Postcard History Series*: Charleston SC, Chicago IL: Arcadia Publishing 2008.
3. *Morgan County Public Library* archive photos.

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Executive Summary

The City of Martinsville in partnership with Rediscover Martinsville, Greater Martinsville Chamber of Commerce, Morgan County Historic Preservation Society, Morgan County and The Reporter-Times newspaper applied for and received a Community Focus Fund grant through the Indiana Office of Community and Rural Affairs to develop a downtown business district planning study that would specifically address the following key components:

- *Marketing and branding strategies and recommendations*
- *Streetscape and landscape strategies and recommendations*
- *Selected building façade analysis and recommendations*
- *Downtown building signage and street signage analysis and recommendations*

The Indianapolis based architectural and planning firm of Odle McGuire and Shook Corporation was selected for the preparation of the nine-block area study. The design team included Urban Initiatives, Inc., Crawfordsville, Indiana (marketing and branding analysis/recommendations); RLR Associates, Inc., Indianapolis, Indiana (signage analysis/recommendations); Merlin King, Inc., Indianapolis, Indiana (construction estimating and historic specifications); and Lawson Elser, Inc., (structural systems analysis and recommendations).

Purpose and Goals

The purpose of the Downtown Revitalization Plan is to provide a planning and development guideline for the community and specifically public officials and downtown property owners as they move forward in restoration of the downtown nine-block core area covered by this report. The existing downtown commercial buildings constructed between the mid 1860s and the early 1920s, while altered from their original design by often unsympathetic renovations, are still significant examples of historic commercial architecture. Only one missing commercial building at the southwest corner of Washington Street and Jefferson Street (destroyed by fire in the early 1990s and now a community park and Veterans Memorial) and the demolition of a gas station at the southeast corner of Main Street and Washington Street (demolished in the mid 1960s and currently an empty lot) have left open spaces in the building fabric around the historic courthouse square.

In addition to the need for developing building façade recommendations, there was an expressed need for landscape

improvements in the downtown area that would bring color and improve pedestrian spaces to the streets and alleys of the study area. A streetscape enhancement project completed in the 1990s added new concrete curbing, sidewalks, asphalt streets, storm sewers, street lights and some street trees that define the current traffic patterns and parking in the downtown area. Overhead power lines were also buried during this reconstruction. The basic street pavement and curbing is in fairly good condition and should be enhanced but not necessarily replaced. In addition, consistent and well designed building and ground signage was listed as a necessary addition to the building and streetscape improvements.

A significant portion of the downtown study included a marketing and branding analysis to define a direction for the marketing of the downtown. It was generally agreed that in order to make a downtown commercial district a place where merchants succeed, there needs to be a reason to go downtown. Establishing a live/work/shop community with middle- to upper-end downtown housing was seen as one way to keep people in the downtown area and keep the streetscape energized. While there is a wonderful assemblage of historic buildings along with many successful local businesses in the downtown area, there needs to be a consistent positive retail image along with improved buildings and streetscape in order to make a more inviting environment that will draw local and out of town users to the downtown area.

Community Input Process

A January 2010 kick-off meeting between the steering committee and the design team defined specific goals and expectations along with a preliminary timeline for completion of the planning study. This meeting also started discussion on which of the 84 buildings within the nine-block study area would receive a façade analysis. There were insufficient grant funds for all to receive attention. All downtown building owners were contacted regarding their interest in participating in the study and invited to an informational meeting where the project was explained. Those who indicated willingness to participate were asked to fill out a short building survey and return it to the steering committee. The consent of several absent owners of buildings considered to be critical to downtown in terms of location, history, use, and structural condition (some very good, others very poor) was pursued with due diligence. Letters were sent to all property owners, phone calls and other personal contact was made, and stories in The Reporter - Times and on WCBK, the local radio station, also described the building selection process and the deadline for participation. At the end of the advertised deadline, all submitted buildings were reviewed and prioritized by the steering committee based on their historic significance, existing condition and

potential structural issues that would need immediate attention. Nineteen buildings, most facing the historic courthouse, were selected to receive a façade analysis and rendering showing recommended improvements. Five of these were selected to include the architect's list of missing or obstructed details, window issues or obvious structural concerns. In addition, four of the 15 buildings were selected to receive an assessment of structural and architectural issues that the committee felt needed to be addressed in order to warrant future investment in façade improvements.

Community Information Gathering Meeting

The first advertised community meeting was described as an opportunity to get public ideas transmitted to the design team. Four focus groups within the overall community meeting were established as a way to gather specific suggestions for each of the basic elements of the study. The design team in charge of each of the four groups met with public officials and townspeople to discuss streetscape, building façade issues, branding and marketing and signage. In addition to the community meeting, on-line surveys were developed by the steering committee to gather ideas from a larger user group. Some of the selected online survey questions included:

1. *How often do you come to downtown Martinsville and why?*
2. *What do you like about downtown?*
3. *Downtown was once the hub of activity in Martinsville. List five things it needs in order to be that again.*
4. *What types of businesses would you like to see downtown?*
5. *What kind of help could be provided by the city/county for downtown improvements?*
6. *List three things that make Martinsville unique and ‘sellable’ to visitors and residents?*

Results of the online survey were reviewed by the design team with many of the suggestions being incorporated in the final recommendations. A list of the online public responses is included in the appendix.

First Community Design Review Meeting

At approximately 60% completion of the study, the design team presented its analysis and recommendations for streetscape and façade improvements along with preliminary signage analysis, marketing and demographic findings and branding ideas at a community input meeting. A digital three-dimensional model of the downtown area was developed showing the building façade improvements that were included in the façade renovation study and recommended streetscape and open space improvements. This

supplement to the planning study document helped illustrate to the community participants the proposed renovations and physical improvements in a format that was easier to comprehend and more exciting than standard two-dimensional drawings.

Comments and suggestions were gathered and incorporated into the study. Comments that were not expressed in the open community forum were also received through the steering committee and relayed to the design team.

Second Community Design Review Meeting

When the design team was complete with its findings, documentation and conceptual designs, all information was again forwarded to the steering committee for final review before the plan was presented to the Martinsville City Council for approval and implementation.

Cautionary Use of this Document

Specific recommendations for building façade and streetscape improvements are described in a brief summary at the beginning of each chapter followed by graphic representation of the proposed improvements. Design representation of streetscape and building improvements are conceptual and represent general design guidelines. They are not meant to be used as construction documents. All streetscape, signage and building designs intended for implementation should be developed by licensed professionals and should include thorough architectural and engineering life/safety code review once they are complete.

Moving Forward

The study, while complete as a planning document, will only be as effective as the commitment to implement the ideas it contains. With that in mind, a strategy for organizational development and immediate, short and long term action items, along with a suggested time frame for implementation, are included in Chapter 6.

There is a strong and committed core group of citizens, building owners, merchants and public officials who have volunteered much time in first working towards obtaining the grant for this study and then helping shepherd the study through the planning stage—an involved process that has taken well over a year of their time. There are signs of a successful renaissance in downtown Martinsville. Promising public policy changes began with the new Historic Downtown District ordinance drafted over a period of two years by the Martinsville Plan Commission and passed in 2009 by the

Martinsville Common Council. Positive changes in the physical appearance and structural condition of downtown are coming from new building owners engaged in renovation and longtime owners planning façade improvements and other building updates. The retail climate is also on an upswing, with new businesses locating in the downtown business district. Last, but certainly not least important, is an increasing public awareness of and sentiment for the urgent need to save and build on the heritage and history of the downtown area.

Acknowledgements

We want to thank the Steering Committee along with the Mayor’s office, City Council members, Morgan County Commissioners and the Greater Martinsville Chamber of Commerce for their input, direction and support during the entire planning process. We also offer a special thank you to Joanne Raetz Stuttgen, chairperson of the committee, for her tireless enthusiasm during the study and her efforts in coordinating the public meetings.

Ron Stanhouse, owner of The Art Sanctuary (a wonderful example of adaptive reuse of an older structure in the downtown area), donated the use of the building for public meetings and steering committee meetings during the one year planning process.

Thanks also to the downtown property owners and interested citizens of Martinsville who attended the design input and review meetings and contributed to the process by completing the information gathering surveys.



Presentation of the preliminary planning study to an interested group of citizens, downtown building owners, city and county officials gathered in The Art Sanctuary. Photo taken by Ron Hawkins of the Reporter-Times.

“I remember it (downtown Martinsville) as a girl with wide eyes. I loved the little city, the quaintness and my memories. In my mind’s eye I can see some of the past that can be brought forward...”

Comment taken from a questionnaire submitted by a city resident.



Morgan County Courthouse anchoring the downtown commercial district

History, Culture, Demographics, Marketing and Branding

Historical, Cultural, and Social Analysis of Martinsville

With a population of about 12,000, Martinsville is the largest town in Morgan County. From the beginning, it has been the county seat, being founded and designated as such when Morgan County was established in 1822. Morgan County is located in south-central Indiana immediately southwest of Indianapolis. It is a rural area of about 409 square miles with a population of approximately 70,000.

The character of present day Martinsville rests on the traditions of the past. For the most part, early settlers derive from the country's Upland South region. They traveled north over the Appalachians and across the Ohio River, then through southern Indiana to the area that would become Morgan County. Their cultural heritage is still deeply imprinted in the community. It is seen in everything from the plan of the courthouse square, to early architecture, speech patterns, and strong ties to agriculture, family, faith, and church.

Platted on the east bank of the White River, Martinsville was incorporated in 1863. There have been three county courthouses on the public square in Martinsville. The third and existing courthouse was completed in 1859, with the east addition completed in 1976.

Martinsville's industrial boom spanned the period 1890 – 1940 and is distinguished by several nationally significant natural resources-based industries. The Old Hickory company produced rustic hickory furniture in such demand that an entire statewide industry developed. Grassfork Fisheries grew into the world's largest goldfish hatchery by World War II and continues in operation today as Ozark Fisheries.

It was the discovery of mineral water and the development of associated sanitariums that best defines the industrial history of Martinsville. Mineral water was discovered in 1887 while investors were drilling for natural gas. To take advantage of the medicinal qualities associated with the mineral water several sanitariums were built and a booming industry was born. At one time, Martinsville boasted 12 different sanitariums, with the last closing in 1968. The City of Martinsville gained two nicknames, the Artesian City and the City of Mineral Water, from the sanitarium industry. By the 1950s, the sanitarium industry had all but come to an end. Not since then has there been a single industry with such impact on the local economy.

Today, the cultural arts are represented by several not-for-profit organizations. The Martinsville Arts Council promotes, develops, and encourages activities that are concerned with furthering all aspects of the arts. The Morgan County Art Guild is an informal group of professional and amateur artists that sponsors an annual art show associated with the Fall Foliage Festival. Premier

Performances of Morgan County is committed to bringing artists and South Central Indiana audiences together in a high-quality concert series. The Art Sanctuary is an artists' facility with studio and exhibit space located in a former church in downtown Martinsville.

Martinsville's National Register of Historic Places-listed resources are part of its cultural assets that help define its character and appearance. The Martinsville Downtown Commercial Historic District and Morgan County Courthouse are two of the City's 16 listings.

Source: *Martinsville Comprehensive Plan*

Two Indiana governors were from Martinsville. Emmett F. Branch was governor from 1924 to 1925 and lieutenant governor from 1920 to 1924. Paul V. McNutt governed from 1933 to 1937. McNutt was an extraordinarily accomplished individual who became known internationally. Among other things, he was dean of the Indiana University Law School, national commander of the American Legion, U.S. high commissioner to the Philippines, appointed to a number of extremely important federal positions by President Franklin D. Roosevelt, and a contender for the Democratic nomination for president in 1940.

The late John R. Wooden, the famous basketball coach, is from Martinsville. He coached the University of California, Los Angeles to a record 10 NCAA National Basketball Championships, was an All-American at Purdue, and played on the Martinsville team that won the state high school basketball championship in 1927. The Martinsville boys also won the state high school basketball championship in 1924 and 1933.

The Martinsville girls have also contributed much to the athletic success of the high school, especially by their exceptional achievements over the past 20 years. During that time, they have won 16 state championships: 10 golf, 2 basketball, 2 volleyball, and 2 softball titles.

Competing annually in the Academic Decathlon, Academic Super Bowl, and Academic Spell Bowl competitions, Martinsville High School has won the most state championships (21). It is the only school to win all three championships in the same year, and is the only school to have won multiple state championships in each of the three competitions.

Source: *Martinsville*, by Joanne Raetz Stuttgart and Curtis Tomak

Identification of Central Business District

The Martinsville Central Business District is defined as the nine-block downtown core bounded by Pike Street to the north; Sycamore Street to the east; Jackson Street to the south; and Mulberry Street to the west.

The downtown core is anchored by the Morgan County Courthouse Square bounded by Morgan Street to the north; Jefferson Street to the east; Washington Street to the south; and Main Street to the west.

Building Stock

According to the *Morgan County Interim Report, Indiana Historic Sites and Structures Inventory (1993)* most of the buildings in the downtown commercial district were constructed between the mid-1860s and 1940s. The majority of these buildings are listed as contributing structures, while a few are listed as Notable or Outstanding.

Martinsville's City Hall is one of Morgan County's only examples of Renaissance Revival style, while the Toner Store (Courthouse Annex) exhibits a decorative glazed terra cotta façade. The Commercial Vernacular and Italianate styles are the dominant architectural designs in the downtown district.



Morgan Street looking east, September 23, 1912

Review and Summary of Existing Plans, Zoning, and Economic Development Tools

Three significant documents that will influence the future of downtown Martinsville have been developed in recent years. The Martinsville Economic Development Plan was completed in 2008; the Martinsville Comprehensive Plan was adopted in 2009; and the addition to the Martinsville Zoning Code of Chapter 15 – Historic Downtown District was also adopted in 2009.

Chapter 15 – Historic Downtown District of the City’s Zoning Code was established to provide for the unique needs of the downtown business area of Martinsville to:

- ❖ **Protect and enhance Martinsville’s core downtown business district, which contains many unique and historic structures;**
- ❖ **Promote high density development of mixed uses with storefront retail, professional office, and residential dwelling uses;**
- ❖ **Incorporate development and design that is pedestrian-oriented.**

The desire to promote high density mixed use development that is pedestrian-oriented is a high quality goal, and one that the Martinsville Planning Study for Downtown Revitalization seeks to reinforce with its recommendations.

The Historic Downtown District ordinance through its standards also reinforces the desire for high density mixed use development that is pedestrian-oriented. With this ordinance in place and its consistent enforcement, any new development will contribute to the revitalization of downtown Martinsville.

The Martinsville Comprehensive Plan that was adopted in 2009 identifies downtown as an issue to be addressed, primarily through the creation of a downtown revitalization strategy to be administered by the local Main Street group. The Comprehensive Plan’s key finding relating to downtown is that downtown Martinsville lacks a clear front door/gateway into the central business district.

Interestingly, the Comprehensive Plan states the following in regard to the potential impact a new State Road 39 bypass would have on downtown Martinsville:

“During the planning process, citizens asked what impact the new bypass will have on Martinsville’s downtown. During

evaluation of the question, it was noted that none of the main highways in the area currently route through the downtown area. Therefore it was concluded that there will be little direct impact on the downtown as a result of plans for a new SR 39 bypass. Nonetheless, because the location of downtown is not always evident to a visitor, it is important not to make it any more difficult to find downtown.”

This statement should be alarming to downtown’s advocates in its simplistic attitude toward new highway construction and the impact that it will have on downtown. A new bypass will encourage typical commercial sprawl development, which will result in developers actively recruiting tenants to fill the new space. Some of those targeted businesses will likely be downtown Martinsville businesses, and the downtown cannot afford to lose any of its more successful businesses. Because the downtown is not easy to find for visitors, a critical mass of businesses on a new bypass will not encourage visitors to explore the city, including its downtown.

The primary downtown recommendation from the Comprehensive Plan is for the development of downtown gateways. The Plan envisions that Ohio Street should be developed into a direct link from SR 37 and the future I-69 into downtown Martinsville. The Plan also states that:

“development of Ohio Street as an easy and attractive route for people to visit downtown is important but it should be completed in a manner that does not diminish the importance of the SR 252/Morgan Street and the SR 39/Morgan Street gateways. Instead, Ohio Street should be seen as a long term gateway opportunity and as one of the gateways to downtown – but not the primary one.”

The Martinsville Economic Development Plan, completed in 2008 identified several key benchmarks for downtown revitalization. The Plan’s key informant interviews revealed that the interviewees felt that the downtown’s need for revitalization was one of the City’s three primary weaknesses. While conducting additional research the plan’s authors held an Economic Summit in which downtown development was one of the main areas of focus. Two issues emerged from the downtown focus at the Economic Summit:

1. **The condition of downtown needs attention:**

- Many buildings are vacant and in poor condition.
- Parking issues exist between the county and city downtown.

The desire to promote high density mixed use development that is pedestrian-oriented is a high quality goal, and one that the Martinsville Planning Study for Downtown Revitalization seeks to reinforce with its recommendations.

2. **Public policies for downtown:**

- The establishment of tax abatements for owners who submit their buildings for rehabilitation.
- City engagement is essential to redevelopment efforts.
- The establishment of a downtown ordinance to develop an historic district.
- The development of incentives for residential opportunities and cottage industries.

Creating a downtown revitalization plan was one of five actions steps recommended in the Martinsville Economic Development Plan. The downtown revitalization plan action steps include the following:

- ❖ **Establish a Main Street organization.**
- ❖ **Pursue a CFF planning grant to fund a downtown revitalization plan and study.**
- ❖ **Secure professional facilitation, if possible.**
- ❖ **Create a redevelopment strategy for vacant and dilapidated buildings in the downtown in cooperation with Main Street and the Redevelopment Commission.**
- ❖ **Develop a theme to guide both redevelopment and marketing to promote tourism.**
- ❖ **Pursue a CFF implementation grant to achieve a revitalization objective.**

Significant progress has already been made on a number of the action steps recommended for downtown revitalization.

Inventory of Local Businesses

An inventory of uses located in the downtown core was undertaken in late February 2010 and revealed 91 total uses of which 76 could be classified as businesses. The business uses have been segmented into seven broad categories, while the remaining uses were classified as other.

The business categories are:

- Financial
- Professional Services
- Retail
- Personal Services
- Automotive/Machine
- Restaurant / Bars
- Arts

The financial business category includes five businesses, all of which are financial institutions. Professional services represent 20 businesses, which are primarily attorneys, title companies, and mortgage originators. It should not be surprising that professional services comprises more than one-quarter of all downtown businesses given Martinsville’s county-seat status. The retail category comprises 17 businesses concentrated largely around antiques, gifts, jewelers, and apparel and thrift stores. Salons represent one-half of the six uses designated as personal services, while the automotive/machine category is comprised of two total uses. The restaurant and bar category is comprised of six uses while the arts is comprised of 20 uses, primarily concentrated in The Art Sanctuary.

A quick analysis reveals both the expected and unexpected when it comes to downtown Martinsville’s businesses. As mentioned previously, the expectation in a downtown county seat would be a large share of professional service firms, and Martinsville certainly meets that expectation. The unexpected comes in the number of arts-related uses, the same number as professional service firms. The Art Sanctuary has certainly played a significant role in introducing more artists into downtown Martinsville, which will enable the community to build on this presence in its revitalization efforts.

The overall number of retail uses is somewhat surprising given downtown Martinsville’s physical condition, but the retail quality is about what would be expected due to those physical conditions. There are a handful of quality retailers located downtown that can provide a building block for its retail revitalization.

The remaining 15 non-business uses in downtown can be classified into three broad categories:

- Government
- Church
- Community

The first two categories are self-explanatory, with government counting seven uses and four church uses located downtown. The four uses assigned to the community category are The Reporter-Times newspaper, the Fall Foliage Festival office, the United Way, and the Greater Martinsville Chamber of Commerce.

In addition to inventorying downtown businesses, it is also important to inventory downtown storefront vacancies. As of this inventory in February 2010, downtown Martinsville had 31 storefront vacancies in the 9-block core commercial district. This means that only 59% of the storefronts in the downtown core are being productively utilized. An important next step for Rediscover Martinsville should be to establish a data baseline that can measure the actual vacancy percentage in terms of square feet that these 31 vacant storefronts represent.

When determining a business attraction strategy for downtown, it will be important to understand the overall retail conditions that exist in Martinsville. A number of suburban-style retail strip centers exist throughout the community. Most of these are showing significant age and disinvestment, similar to the downtown. However, with a minimal amount of infrastructure investment, the downtown core should be able to compete effectively for new businesses with these locations.

The real concern for downtown supporters should be competing with the new retail space available at the Shoppes at Grand Valley development adjacent to the Super Wal-Mart on Indiana 37. This development was surveyed on the same day in February 2010 as the downtown and revealed the typical national retailers that locate next to Wal-Mart in every community. What should be more troubling for downtown’s supporters was that this development also contained 11 retail vacancies. While the developer of this project will likely target national or major regional retailers for these vacancies, they will also go after local independent businesses or smaller regional “chainlets”, both of which should be targets for recruitment to the downtown area. However, given the large number of vacancies and downtown’s overall appearance of disinvestment, it will be difficult for downtown, in its current condition, to compete with new retail space that benefits from the massive traffic draw of its proximity to Wal-Mart.

Recommendations

A concerted effort should be made to more effectively compete with this new retail threat. This should include:

- ❖ Downtown infrastructure improvements such as; curbs, sidewalks, lighting and signage, improved building facades; and a more pedestrian orientation are all key elements.
- ❖ The creation of financial incentives for new and existing businesses and for private sector improvements could also prove beneficial for downtown as it seeks to remain a viable retail center for the community.

Public Policy Recommendations

- ❖ The creation of a community development corporation focusing on downtown Martinsville could be another avenue to further the redevelopment of downtown. Community Development Corporations (CDC) are non-profit grassroots organizations focused on revitalization and are typically underutilized in downtowns. As non-profit organizations, they can obtain charitable and government funding. With community-based boards of directors, CDCs can help to secure land use entitlements, build neighborhood support and bring specialized real estate expertise to a tough market, envisioning and developing innovative housing, commercial real estate and small business concepts.
- ❖ The recently formed Martinsville Redevelopment Commission (RDC) should take an active role in the redevelopment of downtown as well. The RDC has the ability to issue property-tax-backed bonds equal to the limits of the City’s General Obligation bonding capacity, set at two percent of the City’s assessed valuation. A conservative estimate on the RDC’s current bonding capacity would be in excess of \$2.0 million.

Demographic and Population Trends

According to the recently completed *Martinsville Economic Development Plan* prepared by Economic Growth Team, communities that prosper in the new economy have positive trends in four areas:

- Changes in population
- Changes in educational attainment
- Changes in wealth
- Changes in employment

Communities with a dynamic economy and high quality of life are keeping native residents and attracting new ones; they have a growing population. A declining population is a strong indication that the economy is stagnating and that basic amenities and public services are not competing well with the offerings in other communities.

Changes in educational attainment should indicate a workforce with a number of individuals who have received postsecondary training or education.

Changes in wealth should be characterized by an increasingly prosperous middle class and a declining poverty rate.

Successful local economies will also be characterized by changes in key employment sectors that continue to position their communities to thrive in the global and national marketplace. Successful communities are implementing strategies to slow the loss of old line manufacturers while they aggressively recruit and cultivate employers participating in the new economy.

Martinsville’s demographic and economic trends in these four areas indicate a community under economic distress.

If you accept the *Martinsville Economic Development Plan’s* emphasis on population, educational attainment, wealth, and employment, the future looks difficult for Martinsville without a serious adjustment in its approach to community growth and well-being.

In terms of population, Martinsville’s 2008 population of 11,800 is an increase of 2% since 2003. The positive is that the City’s population is growing, albeit negligibly. However, when compared to the other major population center in the county, Mooresville, a different story emerges. Mooresville’s 2008 population of 11,763 is nearly identical to Martinsville’s, yet the town’s population has grown 9% since 2003.

Mooresville will likely eclipse Martinsville as Morgan County’s population center when the results of the 2010 Census are released. This is likely due in part to Mooresville’s closer geographic position to the growing western Indianapolis suburb of Plainfield.

Martinsville will remain the county seat of Morgan County despite Mooresville’s emergence, but in order to effectively compete the City will need to maximize its county seat status to remain economically competitive. Downtown revitalization will need to be the major driver of this.

Morgan County’s 2009 population of 70,876 represents a growth of 26.7% since 1990, which has far outpaced Indiana’s growth of 15.9% during the same period. The fact that Morgan County has experienced significant growth in the last 20 years should be encouraging to the leaders in Martinsville. With the development and implementation of a sound downtown revitalization strategy, it should begin to capture more of the County’s growth.

Educational attainment will be another primary factor in the City’s ability to improve its economic standing.

Martinsville’s share of high school graduates was 71.6% in 2000 which increased from 69.4% in 1990; however, despite the two percentage point increase in the number of graduates, the City’s overall ranking in the State fell 126 places in this category. Similarly, the City’s percentage of adults with a bachelor’s degree rose to 10.7% in 2000 from 9.2% in 1990, but again despite the overall percentage gains, the City’s rank fell 46 places.

Overall, 80.7% of Morgan County’s residents had at least a high school diploma in 2000, and 12.6% held a bachelor’s degree or higher. Neither the County nor Martinsville came close to matching the State’s rate of 19.4% of adults with a bachelor’s degree in 2000. By way of further comparison in 2008, 32% of adults in metropolitan Indianapolis held a bachelor’s or advanced degree.

Despite Martinsville’s improvement in these categories, it is not keeping pace with its neighbor or the rest of the State. Failure to keep pace will make talent and business attraction more difficult, which will make the City’s efforts to simply remain competitive more difficult. Mooresville has likely benefitted by its closer proximity to Indianapolis. In order to compete with this slight geographical disadvantage and overcome its educational hurdle and to do more than simply survive, Martinsville will need to focus serious efforts on improving its quality of place to attract talent and business.

In terms of income measures Morgan County shows well when compared to the State in both per capita personal income and poverty rates. In 2007, Morgan County’s per capita personal income

of \$33,234 exceeded the State average of \$33,215. This is likely due in large part to out migration from the Indianapolis metropolitan area into the areas around Mooresville. The County’s poverty rate of 10.6% for 2008 is 22% lower than the State’s rate for the same period.

Morgan County’s largest employment sectors, as measured by jobs, in 2008 were Retail Trade with 2,253 jobs and Manufacturing with 2,188 jobs. Both sectors enjoyed wage growth while losing jobs in the past two years. Manufacturing shed 219 jobs, or roughly 9% of its total number of jobs. Meanwhile Retail Trade lost 163 jobs, or roughly 7% of its total. Manufacturing wages rose 4% to \$44,982 on average, while Retail Trade wages rose just over 1% to \$21,349 on average.

“Communities with a dynamic economy and high quality of life are keeping native residents and attracting new ones; they have a growing population. A declining population is a strong indication that the economy is stagnating and that basic amenities and public services are not competing well with the offerings in other communities.”

Martinsville Economic Development Plan prepared by Economic Growth Team

Market Conditions

Downtown Martinsville suffers from a significant number of street level vacancies particularly adjacent to the Courthouse Square. Additionally a fair number of street level spaces are utilized for what could best be described as “junk storage”, thereby contributing to a lack of street animation. Combining this underutilized street level space with the underutilized and vacant upper floor spaces creates a deadening effect downtown, particularly after 5:00 PM.

In addition to the vacancy issue a number of properties, some with locational significance, are controlled by a small number of property owners. These properties suffer from disinvestment and contribute a sense of visual blight to the downtown. In addition, many have been for sale for three or more years.

The public realm in downtown Martinsville could best be described as catering to the automobile instead of the pedestrian. The 100+ parking spaces located on the interior of the Courthouse Square reinforce this notion as does the location of the Courthouse dumpster on a public sidewalk. Also contributing to the anti-pedestrian feel is the lack of a crosswalk at the intersection of Morgan and Sycamore Streets. The yellow barricades separating the north and south travel lanes of Main Street at the Post Office is another example of a short-sighted planning decision that has placed the automobile at a higher priority over the quality of place downtown.

These market conditions present in downtown Martinsville are consistent with a stagnating business district. By definition such a district suffers from high vacancies, underutilized properties, an uninviting public realm, and a poor regional image. In stagnating districts high levels of apathy and cynicism can create significant barriers to progress.

Recommendations

A history of inertia often needs to be overcome to create momentum in stagnating districts.

- ❖ Downtown Martinsville's advocates need to place a premium on visible results and solutions that can be accessible to many stakeholders.
- ❖ Priorities for stagnating districts should include attracting new investment, stabilizing the downtown environment, creating confidence among local stakeholders and combating regional stigmas.
- ❖ Rediscover Martinsville, the city's Main Street program, needs to develop an understanding of real estate development and finance, and adopt a realistic view about the investment options that can be sustained by downtown's primary market segments.
- ❖ Public and private sectors must partner to achieve shared community goals.

Branding and Marketing Overview

At its March 22, 2010 meeting the Steering Committee discussed potential marketing and branding ideas for downtown. Among the most promising that the Committee discussed was:

“Martinsville: Not what you think / expect”

“Martinsville: Connect the dots.”

One potential area to focus on for the branding was the “recreational / rural outdoors” theme.

At the April 20, 2010 Martinsville Downtown Steering Committee meeting and the public meeting held on April 28, 2010 the phrase:

“Martinsville: More than you expect”

..emerged as the brand choice. A few examples of why Martinsville is more than you expect:

- ❖ It is located on Indiana’s Knowledge Corridor halfway between Indianapolis and Bloomington. (For more information on Indiana’s Knowledge Corridor see the report at http://www.pcrd.pudue.edu/documents/publications/Indianas_Knowledge_Corridor.pdf).
- ❖ It has a burgeoning art scene downtown.
- ❖ The history of healing artesian waters could be spun to tap into today’s interest in healthy lifestyles. While the healing waters do not exist today, outdoor recreation and healthy lifestyles are important elements that can help draw the targeted demographic needed to attract investment to the community.
- ❖ The natural environmental beauty of the area can also be used to attract the targeted demographic.
- ❖ Enough unique historical attributes exist to add a fun and carefree twist to the brand such as the goldfish hatcheries and local pop culture icon, Cowboy Bob.
- ❖ It has a rich basketball heritage, including as the hometown of legendary UCLA coach John Wooden,

who is also famous for his Pyramid of Success, which offers unique branding opportunities.

Developing a community or downtown brand helps control the message that the outside world receives about a place. Martinsville officials and citizens should accept that some negative perceptions still exist in Indiana and beyond about the community’s past. A positive forward-looking brand and new investment in the community can help minimize or eliminate persistent negative perceptions.

Unfortunately, the prospective brand’s workload got heavier in recent months due to a much publicized incident of an unruly child being tasered by city police. Not much can help against these types of negative events, but in general a branding/marketing strategy can help balance out the simpler “negative” events by telling the positive, forward looking Martinsville story.

When building a strategy it is important to know that there are five critical steps to creating a downtown brand.

“A positive forward-looking brand and new investment in the community can help minimize or eliminate persistent negative perceptions.”

Branding and Marketing Actions Steps

1. Define the purpose of the downtown brand by answering three key questions:
 - What is the reason for the brand?
 - Who is the brand talking to?
 - What does the brand need to say?
2. Create a clear distinction for the downtown brand and clarify its position:
 - Narrow the brand’s focus.
 - Refrain from trying to be “everything for everyone.”
3. Create the brand identity:
 - Professional presentation of the brand identity is critical.
 - The tagline should reinforce the brand identity.

- Brand identity should fit in the overall brand strategy.
4. Get the word out through various means while maintaining brand consistency across multiple platforms:
 - Advertising
 - Collateral materials; such as brochures, maps, calendars, and event flyers.
 - Signage
 - Events
 - Online
 - Email marketing
 5. Manage all points of contact:
 - It is your brand – take ownership of it.
 - Align forces and communicate the strategy.
 - Look for opportunities to leverage the brand.
 - Manage the brand.

Working through a few of these steps provides the following example:

When defining the purpose for Martinsville’s brand, consider the reason for branding:

- ✓ To attract new investment to the downtown and in the process change the popular perception of Martinsville.

Who is Martinsville talking to?

- ✓ Mid-career professionals with investment capacity.

What does Martinsville want to say?

- ✓ Invest downtown and help rebuild a community.

When creating a clearer distinction, narrow the focus:

- ✓ Mid-career professionals ages 28 to 45.

Refrain from “everything for everyone”:

- ✓ Seek “Creative Class-Type” professionals.

Aaron Renn, in his recent post at theurbanophile.com titled “Why It’s So Hard For Small Cities to Get Great Design”, makes two very important points about the importance of design in establishing city identity. First, there must be a commitment to brand authenticity for the city, something that is true to the place. Second, the city must commit to a forward-looking, aspirational design. Most people are rightly proud of their past and heritage. However, this often leads to design concepts rooted in the past and nostalgia. This is a design approach that locates the apex of a civilization in the past. Unless the city believes its best days are behind it, this approach should be avoided.

“Community leaders must think more critically about what differentiates downtown Martinsville from the competition and also about what the downtown, and by extension the community, can become. “

The ideas brought forth in the Community Roundtable meeting in February 2010 identified a lot of good “community pride characteristics” but nothing that would really grab someone’s attention and make them want to potentially invest downtown. There is good historical depth and a story to tell, but that doesn’t make Martinsville unique.

“Martinsville: more than you expect” offers some interesting branding and marketing possibilities, but just as important as identifying what makes the community “more than you expect” is identifying the entity that will drive the strategy through design development, funding, placement, and brand ownership. It is recommended that Rediscover Martinsville and/or the Greater Martinsville Chamber of Commerce be that entity. While the recent negative news event regarding a child being tasered by police was certainly unfortunate, it could provide the impetus to raise the necessary funds to implement a first-rate, professionally designed downtown and/or community branding and marketing strategy.

Marketing Plan Action Item

The next logical step in creating the downtown brand would be to contractually engage a marketing firm to refine the “Martinsville: more than you expect” concept. Such a firm can graphically communicate the brand as well as produce the written copy that can communicate Martinsville’s attributes that will appeal to the targeted demographic.

Branding and Marketing Probable Costs

Marketing Plan

- Past experience with a branding/marketing plan for a similar-sized community indicates that Martinsville should anticipate spending between \$15,000 to \$50,000 over an eighteen-month period to implement an effective strategy.

Branding and Marketing Case Studies

Case Study 1:

- The City of Crawfordsville (population 15,000) undertook a branding/marketing strategy from fall 2004 to summer 2006 that was developed to attract “creative class” professionals and raise the City’s profile within the Central Indiana region.
- The strategy, “Crawfordsville: A Little More”, was implemented across multiple platforms such as billboards, collateral materials, website development, captive audience ads, and print media, with placement in the *Indianapolis Business Journal*, *Indiana Business Magazine*, and *Indianapolis Monthly*.
- Approximately \$25,000 was invested in creative development of the campaign and an additional \$25,000 was invested in media placements.
- A strategic plan for news releases about developments within the City was also executed simultaneously and resulted in numerous placements, primarily with Gerry Dick’s *Inside Indiana Business* website and daily email blasts.

Case Study 2:

- On a smaller scale, Crawfordsville Main Street implemented a branding/marketing strategy for downtown Crawfordsville. This campaign, “Real”, stressed the authenticity of downtown across multiple platforms such as brochures, calendars, event flyers, website, and billboards.

Crawfordsville Main Street invested \$15,000 in the “Real” campaign, with the bulk of the investment directed toward creative development and production of collateral materials. A small portion of the investment went toward placement.

Included in the investment amount was event branding/marketing for a number of Crawfordsville Main Street’s annual events.

“Real” has been recognized by the National Trust’s Main Street Center as an outstanding example of downtown branding/marketing and has been used in their training sessions. It has also been written about in *Downtown Idea Exchange* and has received two Addy Awards for marketing.

Financial Tools

Special Taxing District

Generally referred to in Indiana as an Economic Improvement District (EID), it is a special purpose district in which property owners agree to collect an additional fee to fund improvements in the district. The EID is developed and managed by the property owners in the district and the investments are intended to support their businesses. Improvements may include infrastructure, such as streetscapes, lighting, and public art; services such as security and landscape maintenance; or staff dedicated to managing and marketing the district. Under a variety of names, such as special improvement district, economic improvement district, or downtown improvement district, the tool has been used in cities across the nation and in Indiana to provide services and infrastructure that are above and beyond what might reasonably be delivered by local government. EIDs are used most frequently to provide support for commercial districts (typically downtowns) and increase retail opportunities. Economic Improvement Districts are frequently linked with other programs, such as Main Street, in an effort to maximize the competitiveness of downtown shopping and entertainment districts. In Indiana, Economic Improvement Districts were made possible through state legislation passed in 1988 under Indiana Code 36-7-22.

EIDs provide the district with a dedicated and consistent revenue stream that allows local business owners to act independently to make improvements that are above and beyond what might be expected from local government. The formal assessing of a benefit fee eliminates the possibility of a free-lunch for property owners that might otherwise not voluntarily pay for the benefits they receive. The most common services provided by such districts include:

- ❖ Capital improvements, such as lighting, street furniture, and landscaping
- ❖ Marketing, including sales promotions and festivals
- ❖ Economic development efforts to assist local businesses expand and attract new business to fill in vacant store fronts
- ❖ Maintenance including trash collection, snow removal, and landscape services
- ❖ Parking management
- ❖ Provision of supplementary security
- ❖ Public space regulations such as managing sidewalk vendors, limiting pedestrian solicitation, and controlling vehicle load/unloading

Typically, the impetus for forming an EID comes from a group of local business owners and/or residents that have an interest in revitalizing or preserving their business district. Oftentimes, concerned property owners create a leadership committee to explore the potential of an EID as well as other tools. If the decision is made to pursue an EID, the leadership committee then engages other property owners in the discussion. If there is enough support, the next step is to define the specific area of the district and develop an operating plan describing what services would be provided and/or infrastructure investments made under the auspices of the EID.

Additionally, the leadership committee must determine the annual costs for delivering the services and develop a formula that fairly identifies the annual assessment that all property owners in the EID must contribute.

On March 25, 2010, Governor Mitch Daniels signed legislation that modified the requirement for forming an EID to a majority of property owners and a majority of the assessed value within the proposed district that must sign a petition approving the creation of the district. The new legislation also clarified that payments to an EID are special assessments and not property taxes.

If the petition meets these requirements, it is submitted to the appropriate local legislative body in ordinance form for a public hearing and a vote approving or denying the creation of the EID. In Indiana, an EID is formed with a ten-year limited life span. If, after 10 years, property owners want to continue the EID they must go through the petition process a second time. An EID can be dissolved at any time prior to the 10-year term limit.

In most cases, a not-for-profit such as a Main Street organization, community development corporation, or local chamber of commerce serves as the convener of the EID effort.

The primary concern typically expressed regarding an EID is about offsetting existing expenditures of the local government with no additional benefit. It is important to identify the additional services that will be provided that are above and beyond the existing local levels of service. Other concerns revolve around issues of open and transparent management and reporting, specifically the level of accountability regarding decisions about how to allocate district resources and how to measure the effectiveness of the investments. Care should be taken to see that the EID does not become

perceived as a tool for an elite set of property owners within the district.

Façade Grant Programs

Façade grant programs are typically established to help business and property owners in older commercial areas, such as downtown, to upgrade and improve their building's exterior appearance. These programs help encourage rehabilitation of commercial and mixed use buildings in the downtown area, which will help to create an attractive environment for new investment and business activity.

Eligible improvements should include:

- ✓ The removal of false fronts, such as aluminum panels
- ✓ Repair or replacement of windows, doors, and cornices
- ✓ Repair or replacement of façade materials
- ✓ New, more appropriate signage
- ✓ New awnings
- ✓ Exterior painting, when part of a larger rehab effort

Façade grants should be awarded for 50 percent of exterior rehabilitation costs up to a maximum award of \$10,000 per property. In order to qualify for the maximum reimbursement, a façade project costing at least \$20,000 would have to be undertaken.

A review panel established by the program's funding source (for example, the City of Martinsville or Rediscover Martinsville) should be established to provide approval for appropriate façade grant applicants. Eligibility for the façade grant program should be limited to downtown Martinsville property owners or business tenants. Tenant applications must have the building owner's written approval. All applications must be submitted for approval prior to the beginning of construction.

All rehabilitation work must comply with all applicable City codes, ordinances, and policies, including but not limited to building code requirements, any applicable historic district guidelines, and established design standards for the downtown area. Rehabilitation work must fully follow plans and renderings as approved by the Façade Grant review panel and be completed within twelve months of the date of project approval. Once work is reviewed, the applicant must submit proof of payment for rehabilitation, usually in the form of paid invoices, in order for the funding source to provide reimbursement.

Tax Increment Financing (TIF)

Tax Increment Financing (TIF) enables local economic development officials to collect the property tax revenue attributable to increased assessed value resulting from new investments within a designated area (TIF district). Once a TIF district is established, the property tax revenue attributable to new assessed value within a district accrues to the redevelopment district rather than the traditional taxing units (schools, civil city, township, county, etc). The new revenue (increment) can be used to pay for infrastructure or other improvements within the designated area. Typically, TIF revenue is used to retire debt incurred to fund infrastructure or other improvements, but it has also been used on a cash basis. While the vast majority of TIF districts in Indiana incur debt, many communities have used any additional TIF revenue beyond that necessary for bond service to make further infrastructure investment in the TIF district.

In Indiana and many other states, TIF districts can be designated as either a redevelopment area or as an economic development area. A redevelopment area requires the finding of blight and is typically located in an older urban area or brownfield. An economic development area requires the finding of significant economic benefit, jobs and private investment, for the community.

The Indiana TIF process is formally established in Indiana Code 8-1. First, a redevelopment commission comprised of five members must be established. Then the proposed TIF district must be designated as either a redevelopment area or economic development area. A declaratory and confirmatory resolution establishing the allocation area must be accompanied by a plan for the area. The resolution must provide the general boundaries of the area, define the public purpose that requires the involvement of the redevelopment commission, establish the tax allocation area (TIF), and prepare a plan for development or redevelopment of the area. The plan should support the findings of the redevelopment commission and include the expected uses of the TIF revenue. The plan serves as the baseline against which improvements can be measured. After, the confirmatory resolution is approved by the commission, the project can begin.

Considerations for implementation

1. Impact on tax base: before using TIF, a community should consider the short and long-term impact on the tax base. If debt is incurred for 30 years, the property taxes associated with the new development may not be available to traditional taxing units. If the TIF district only includes real property, the increased assessed value attributable to personal property is often substantial enough to offset any increased service costs attributable to the project. If the TIF district includes real and personal property, the community should carefully consider how it will address any increased demands for service attributable to the project.
2. TIF and Tax Abatement: Tax abatements are permitted in TIF districts; however, the community should carefully consider the impact of combining these two incentives as tax abatement will delay the growth of incremental assessed value. Because all new assessed value is collected by the TIF district, granting tax abatement within a TIF district has no additional impact on other taxing units.
3. TIF is popular because it is one of the few politically feasible mechanisms available to local government that has the potential to finance public investment in infrastructure and other public amenities that leverage new private investment.
4. TIF does not count against local debt limits and, in its purest form, TIF uses property tax revenue generated by specific investment to pay for the public investment that made the project possible.
5. When TIF revenues are based on projections of private investment, there is a chance that market changes can slow investment schedules or even cause projects to be eliminated:
 - Because public debt is typically incurred before construction starts for private investment, reductions in project size or delays in private investment will reduce the amount of TIF revenue within the TIF district.
 - Natural disasters, changes in assessment practices, and tax appeals can also affect the amount of incremental assessed value within the TIF districts.

Additional sources of funding have been identified in the Financial Tools Appendix.