



## **CHAPTER 5: Economic Environment**

Economic development is necessary for a community to renew itself and grow. Many small cities, towns and rural communities are losing people, jobs, and quality of life due to economic instability. Unfortunately, small towns are not self-sustaining, and it is no easy task to maintain economic quality, good jobs, good public services, and a broad tax base.

There are disturbing trends in America making overcoming economic weakness harder and harder:

1. The formulation of large discount trade stores has created a steep decline in retail trade in small communities.
2. A new global economy has brought greater international competition for low-wage industries and many have moved their operations abroad, resulting in loss of an economic base in small town America.
3. The reduction of economic development grants by the federal government is resulting in communities having to foot more of the bill for their economic development efforts.
4. Small community banks are a critical source of financing for local residents by filtering savings into local businesses and by purchasing locally issued municipal bonds.

However, the deregulation of financial institutions along with the move toward interstate banking does not benefit small communities. Larger urban banks and money market funds can offer more attractive interest on deposits that small local banks ultimately drawing away local capital.

These trends result in small downtowns across America realizing the need of taking inventory of their economic assets and setting economic goals and objectives by creating an economic development plan as a part of their communities comprehensive development plan.

The economic setting is concerned with employment statistics and the general economic development of Alexandria. These elements relate to the residents of the planning area, how they earn a living and their living standards.

**ECONOMIC STATISTICS**

<b>Employment Status City of Alexandria 2000 U.S. Census</b>				
<b>Category</b>	<b>Number</b>	<b>Percent of Total</b>		
		<b>City</b>	<b>County</b>	<b>State</b>
In labor force	3,225	64.8	60.7	66.6
Employed	3,066	61.6	57.2	63.3
Unemployed	159	3.2	3.5	3.3
Not in labor force	1,750	35.2	39.3	33.4

<b>Household Income City of Alexandria 2000 U.S. Census</b>				
<b>Category</b>	<b>Number</b>	<b>Percent of Total</b>		
		<b>City</b>	<b>County</b>	<b>State</b>
Less than \$10,000	219	8.7	7.9	8.1
\$10,000 to \$14,999	182	7.2	7.2	6.2
\$15,000 to \$24,999	468	18.5	15.4	13.5
\$25,000 to \$34,999	382	15.1	14.3	13.7
\$35,000 to \$49,999	515	20.4	18.0	17.9
\$50,000 to \$74,999	596	23.6	19.7	21.4
\$75,000 to \$99,999	54	2.1	9.9	10.2
\$100,000 to \$149,999	74	2.9	5.5	6.3
\$150,000 to \$199,999	16	0.6	1.0	1.4
\$200,000 or more	19	0.8	1.1	1.5
<b>Median Household Income</b>		<b>\$35,359</b>	<b>\$38,925</b>	<b>\$41,567</b>

<b>Occupation City of Alexandria 2000 U.S. Census</b>				
<b>Category</b>	<b>Number</b>	<b>Percent of Total</b>		
		<b>City</b>	<b>County</b>	<b>State</b>
Management, professional and related occupations	698	22.8	25.2	28.7
Service occupations	460	15.0	15.9	14.2
Sales and office occupations	739	24.1	26.5	25.3
Farming, fishing and forestry occupations	0	0.0	0.2	0.4
Construction, extraction and maintenance occupations	367	12.0	9.9	10.0
Production, transportation and material moving occupations	802	26.2	22.3	21.4

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## CURRENT ECONOMIC DEVELOPMENT

In the past year, the U.S. economy as well as the world economy has been in a tail spin some of which the likes have not been seen since the Great Depression as a result. According to the 2000 Census, Alexandria had an unemployment rate of only 3.2%, Madison

unemployment rate for Madison County is 11.8% (May 2009) which is higher than the State average of 10.6%. From these numbers it seems likely that the unemployment rate in Alexandria is above 10%.

The majority of the workforce in Alexandria has historically been dependent upon community and its surrounding areas had already experienced a dramatic loss of population decreases that affected both the City of Alexandria as well as Madison County.

Even before this historic economic downturn of the past year, the City of Alexandria had already begun efforts to concentrate more on the economic viability and sustainability of their community. In the past year the City created an Economic Development Director position and the creation of a Redevelopment

The City of Alexandria is fortunate to host a variety of both commercial and industrial businesses. Some of the commercial businesses include restaurants,

grocery, convenience store/gas station, small variety retail stores, package stores, and auto parts/service. It also provides most all of the professional services found in major communities.

State Route 9 and 28 and active railroads that running east/west as well as north/south through the heart of the City makes it attractive to both commercial and industrial businesses. It is also only approximately 6 miles east of an I-69 interchange. It has the added advantage of being located approximately half way between Indianapolis and Fort Wayne the two largest economic areas in the State.

### **Commercial Use Overview**

land uses provide employment, goods and services, recreation, tax revenue, and many other amenities and necessities. The features of commercial areas reflect the economic vitality of a community as well as local character. The location and characteristics of commercial areas directly effect local transportation and growth management.

#### *Existing Conditions*

There are two major commercial areas in Alexandria. The first area is the downtown district. Historically this has been the heart of commercial activity for the businesses/services in the downtown district consists of government services (Chamber, city offices, post office, fire and police, library, personal services, food services (restaurants/cafes) and specialty stores. Most of the buildings in the downtown district are historic in nature.

The other commercial area is along the State Road 9 corridor. Commercial businesses and retailers are scattered and stretch from the southern city limits to the northern city limit. The majority of retailers are concentrated on the north side from Lincoln Ave. to State Road 28. The commercial businesses along this SR 9 corridor are typical of the newer types of

cities and towns across the country; fast food restaurants, gas stations/convenience stores, video rentals shops, food stores, drug stores, banks, etc.



### **Industrial Use Overview**

Industrial land uses in a community provide employment and contribute positively to the local tax base. These uses however do have the potential to promote transportation conflicts, pollution, and the reduction of aesthetic quality. Industrial land uses are commonly in conflict with other community uses as they can

negatively affect residential and commercial quality. The traffic from adjacent commercial and/or residential uses often imposes on industrial vitality.

### *Existing Conditions*

Alexandria has an industrial area on the west and southwest sides of the city. Most of the industries in these areas have long been closed down and either demolished or are sitting vacant. The City must evaluate and determine the environmental consequences of these older industrial areas and should assess them for potential brownfield areas.



## **FUTURE ECONOMIC DEVELOPMENT**

Alexandria is poised to embrace new economic development opportunities. The Chamber of Commerce, Economic Development office, and the newly formed Redevelopment Commission and Main Street program are dedicated to the economic resurrection of the Alexandria community.

Communities must take advantage of local resources such as their location, physical setting, financial resources and citizens. This includes the readiness on the part of local banks, businesses, and private citizens to donate their time and money.

A strong comprehensive planning effort must be implemented to guide growth and to improve the community. Local responsibility and problem solving are the foundations of long-term success.

### **Downtown**

A Downtown Revitalization Plan is currently in the works. Grant monies will be procured from the Indiana Office of Community and Rural Affairs to undertake this study. The plan will address the objectives set forth for in the 2009 Comprehensive Development Plan. The plan will include a profile of existing conditions, an extensive downtown market assessment, analysis and implementation plan, public participation, building inventory and analysis for façade improvements, historic preservation design standards, streetscape design concepts and project options with design standards, a recommended streetscape project with timeline for construction coordinated with the Washington St. improvement project, cost estimates including a mix of grant funding opportunities, and an evaluation of funding opportunities.

## **General**

The Economic Development office needs to also develop an economic development plan which will help the community:

Identify the stakeholders and get them to participate in the planning process;

Determine the community's current condition providing information on community setting, trends, issues and factors affecting economic development;

Identify and map businesses that currently make up the economy;

Define economic development options and document the analysis conducted in determining how to manage future economic development efforts;

Identify community concerns and goals for economic development; and

Develop policies that translate community concerns and goals into clear

## **ECONOMIC DEVELOPMENT POLICY**

To develop the current economic environment in Alexandria, the following issues have been established through Steering Committee and public meetings as well as information from the citizen surveys.

### **Goal:**

To encourage planned growth while retaining a balance between residential neighborhoods and business/industrial centers and at the same time retain the integrity and heritage that makes Alexandria unique.

### **Objectives:**

Work with the Madison County Economic Development to foster quality business and industry to locate in Alex.

Encourage patronage of local businesses.

Develop SR 28 corridor for new commercial businesses.

Continue infill of businesses along SR 9.

Develop new industrial area northeast of City on SR 28.

Develop fiber optics for City.

Develop a farmers market.

Investigate opportunities for tourism related businesses.

Develop a business incubator.

Encourage entrepreneurship.

Revitalization of the historic Alex downtown.

Use new Washington St. project for additional business corridor and gateway to downtown.

Reuse of the Aladdin property.

Identify Brownfield areas within the City.

