

DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

DOCUMENTATION OF SECTION 106 FINDING OF
AN ADVERSE EFFECT ON HISTORIC PROPERTIES

2010 Demolition of 31 Historic District Buildings
In Muncie, Indiana

October 6, 2010

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
DOCUMENTATION OF SECTION 106 FINDING OF
AN ADVERSE EFFECT ON HISTORIC PROPERTIES
SUBMITTED TO THE STATE HISTORIC PRESERVATION OFFICER
PURSUANT TO 36 CFR Section 800.4(d)(1)**

**2010 Demolition of 31 Historic District Buildings
In Muncie, Indiana**

**Neighborhood Stabilization Program
Award # B-08-MN-18-0009**

**Community Development Block Grant
Award # B-10-MC-18-0010**

1. DESCRIPTION OF THE UNDERTAKING

The project, funded by the Neighborhood Stabilization Program (NSP) and /or Community Development Block Grant (CDBG), proposes to demolish or deconstruct 30 blighted buildings located in National Register historic districts and one blighted building adjacent to a National Register district in Muncie, Indiana. The project will be administered by the city's Community Development Office.

The 30 buildings are located in the Goldsmith Gilbert, Emily Kimbrough, Old West End, and Walnut Street Historic Districts as listed on the National Register of Historic Places, and one building is adjacent to the Old West End District. Specific locations are listed on the charts in Appendix B and are illustrated on the maps in Appendix A. Photos and other details on each property follow in Appendices C, D, E, and F.

The proposed demolitions in the Goldsmith Gilbert District (listed as part of the Downtown Muncie MRA on November 11, 1988) consist of six properties. One is a non-contributing former gas station and three are contributing houses. One is a non-contributing house. The sixth property is the J. C. Johnson house at 322 E. Washington Street, which was individually listed on the National Register on July 15, 1982 and severely damaged by a fire in August 2007.

Eight proposed demolitions are in the Emily Kimbrough Historic District. Four of these are in the original Kimbrough boundaries, listed on the Register on November 13, 1980 and four are within the Kimbrough Boundary Increase, listed on the Register on June 29, 1989. All are contributing houses. One, at 603 E. Jackson Street, is rated "significant" in the district nomination.

Fifteen proposed demolitions are located in the Old West End Historic District which was listed on the Register on September 22, 1986, and one at 521 S. Council is immediately adjacent to the district. The fifteen properties are all houses and contribute to the district. Three are rated as “significant” structures.

The final property, 20th Century Flats, is located in the Walnut Street Historic District, listed as part of the Downtown Muncie MRA on November 11, 1988. This four-unit apartment building is rated as contributing to the district.

This project qualifies as a federal undertaking subject to Section 106 review.

2. COMMUNITY BACKGROUND

Muncie, Indiana is located in East Central Indiana and became the Delaware County seat and was incorporated as a city in 1865. In 1886, a large natural gas field was discovered locally and Muncie attracted manufacturers seeking inexpensive fuel. The most prominent, the Ball Brothers, became the largest producer of glass canning jars in the world. Manufacturers of glass, steel, and other products became part of the “gas boom.” The fledgling automobile industry followed, including International, Durant, Chevrolet, Warner Gear, and others.

The past two to three decades have seen the departure of many of Muncie’s manufacturing operations, along with the high-paying jobs they provided. Many citizens moved away in search of employment, and others remained, unemployed. U. S. Census records indicate that Delaware County’s population declined from 129,219 in 1970 to an estimated 115,192 in 2009, a decrease of over 14,000 people and over 10%. In the six-year period from 2000 to 2006 alone, the City of Muncie saw a decline in population from 67,430 to an estimated 65,287, a decrease of over 3%. It is expected that the 2010 Census will show further erosion in population numbers.

The departure of manufacturing facilities and Muncie’s declining population has resulted in a number of community problems. Coupled with changes in Indiana’s property tax system, it has resulted in severe budget constraints on units of local government, the closing of schools and fire stations, and staff layoffs. It has also resulted in an excess of housing, and 100’s of the least desirable homes and other structures are left vacant, abandoned, deteriorated, and deteriorating. The recent national “housing crisis” and economic recession have only added to this problem. Data from the United States Postal Service (USPS) from February 2010 reveals over 2700 vacant homes, and this data disregards homes considered by letter carriers as likely to remain inactive for an extended period. Mapping the data (See Appendix A) reveals vacant properties citywide, but a concentration in the core and oldest portion of the city. Not surprisingly, many of these are found within the City’s National Register districts.

Of these, the 31 properties proposed for demolition are considered too badly deteriorated to have any reasonable chance for resurrection.

3. UNSAFE BUILDING PROCESS

Beginning in 2007, the City increased efforts to cope with the problem of blighted structures in the City. Prompted by citizen complaints, the ramped-up efforts have been highly supported by the community, and a “Blight Watch” feature appears every Monday morning in the *Muncie Star Press*.

Each of the structures proposed to be demolished have been declared unsafe and ordered demolished by the City’s Building Commissioner, often in response to complaints from neighbors. After the building is tagged by the Building Commissioner, the City’s Unsafe Building Hearing Authority (UBHA) then schedules the property for one of its monthly hearings. The UBHA is a five member board appointed by the mayor, and the City’s Historic Preservation Officer sits on the board by ordinance. The owner of record is ordered to appear by certified mail and by a legal notice published in the newspaper. The order calls for the building to be secured within 10 days and demolished within 45 days. Typically, the UBHA hears 50-75 new and continued cases each month. Of the new cases, only about 25% of the owners appear.

At the first hearing, the UBHA typically affirms the demolition order and continues the case until the next monthly hearing. Of the owners that appear, some voluntarily agree to demolish their building, some agree that it should be demolished but do not have the resources to accomplish the demolition, and others seek to rehabilitate their buildings. Those who wish to rehab are instructed to provide the UBHA with a written schedule and budget for the rehabilitation.

At the second hearing, properties that have been demolished are released. Owners that present evidence that they are working to demolish are usually given additional time to comply. Owners who present a credible rehabilitation budget and schedule have their orders modified to a rehabilitation order and are given one to four months to begin the rehab before returning before the UBHA to show evidence of their progress. Owners who fail to appear at the hearing or have made no effort to comply with the order are generally given a \$2500 civil penalty for a home or \$5000 for a commercial building, and the case is continued until the next meeting. The civil penalty is applied to the property taxes as a special assessment.

At the third hearing, cases may be continued, released, or modified to rehab in much the same way as at the second hearing. Owners who again fail to appear at the hearing or have made no effort to comply with the order are generally given a second civil penalty (\$2500 for a home, \$5000 for a commercial building) and the case is added to the list of properties for potential demolition by the City. While the first civil penalty is applied to the property taxes as a special assessment, the second, along with any demolition costs incurred by the city is sought as a judgment against the owner. Owners who are granted additional

time to comply, especially those working under rehabilitation orders, appear at additional hearings on a one- to four-month interval to report on their progress.

This effort has resulted in a list of around 1000 unsafe buildings city-wide. Even with additional HUD funding through the NSP, the City can only expect to demolish a small proportion of the total. While the effort has resulted in a number of demolitions by owners and the City, it has also proved an effective tool at arresting “demolition by neglect.” A significant number of property owners have been prompted to bring their buildings up to code. A notable example is a historic home at 808 E. Washington Street which went from unsafe to participating in the historic home tour at the 2009 Old Washington Street Festival.

2. AREA OF POTENTIAL EFFECT

In defining the area of potential effect (APE) for this project, both direct and indirect effects were taken into account. Historic districts are collections of historic resources which may not be eligible for the National Register individually, but achieve significance as a whole. The removal of one or more of the resources would alter the streetscape and change the characteristics of the collection. Thus, the A.P.E. is defined as the boundaries of each of the four NRHP historic districts, with one exception: the A.P.E. for the Old West End is extended south beyond the district boundary to include 521 S. Council Street to take into account this proposed demolition immediately adjacent to the district.

Properties surrounding each of the districts are approximately the same age as those within, and were over fifty years old at the time of each district’s nomination. It is therefore presumed that these properties were not deemed to contribute to the district, that there are no historic properties outside the districts that might be affected by the undertaking, and that there is no reason to extend the A.P.E. beyond the district boundaries.

3. EFFORTS TO IDENTIFY HISTORIC PROPERTIES

Efforts to identify historic properties in the A.P.E. included a check of records available at the Indiana Department of Natural Resources-Division of Historic Preservation and Archaeology (DHPA), and historical/architectural fieldwork. DHPA serves as Indiana’s State Historic Preservation Office (SHPO). Records were also checked at Ball State University’s Stoeckel Archives and the College of Architecture and Planning’s Drawings and Documents Archive.

Sources of information included National Register of Historic Places (NRHP) listings, Indiana Register of Historic Places listings, the *Interim Report of Historic Sites and Structures in Delaware County* (1985), and the Delaware County Computer-Assisted Mass Appraisal (CAMA) system and the Geographic Information System (GIS). A HABS-style report and measured drawings for the J. C. Johnson House were found in the College of

Architecture and Planning's Drawings and Documents Archive. Walking tour brochures for the Kimbrough, Old West End, and Walnut Street districts, produced by the Muncie Public Library and Ball State University Historic Preservation program, were also consulted.

The NRHP nomination for the original Kimbrough District, unlike current nominations, does not have a complete inventory of properties in the district, and only lists significant structures. One must therefore rely on the map submitted with the nomination to determine contributing status. The map shows significant properties coded black, intrusions hatched, and contributing structures in outline only.

4. Description of the affected properties, including information on the characteristics that qualify them for the National Register

As more fully described in Appendices C-F and the Register nominations for the historic districts, the bulk of these properties were built as single-family homes between the mid-1880's and 1910 and represent the rapid growth of Muncie following the discovery of large natural gas deposits in 1886.

Exceptions to the above are the non-contributing 1955 gas station at 415 N. Madison Street, the building at 306 E. Gilbert which was apparently built as a duplex, and the four-unit apartment building at 117 N. Jefferson Street. The Greek Revival house at 703 E. Jackson Street, ca. 1870, pre-dates the "gas boom."

As historic districts, the affected areas are collections of historic structures that represent the development of the City in the wake of the "gas boom." They are characterized by densely spaced rows of late 19th and early 20th Century buildings with minimal setbacks from the street, creating a continuous string of facades along the street. This character has been greatly diminished already in the Gilbert Historic District, but remains relatively intact in the other three districts.

5. Description of the undertaking's effects on historic properties

The undertaking will completely remove each of the 31 structures, basements will be filled, and lots will be graded and seeded. In addition to the effect on the individual resources, the demolition or deconstruction of these properties will reduce the integrity of the historic districts by altering the historic character of tightly-spaced rows of buildings.

Given the deteriorated condition of these structures, the proposed demolitions will also have a positive effect on the historic districts. Blighted and vacant structures are magnets for crime, arson, vandalism, drugs, vermin, etc. The risk of fire is illustrated by the case of 212 N. Pershing, which burned as this report

was being completed. The fire also severely damaged the historic garage of 800 E. Washington St. Blighted homes discourage potential residents from buying adjacent homes and discourage existing residents from investing to maintain and improve their properties. Close inspection of the maps in Appendix A reveals that many of these buildings are adjacent or clustered, and shows the infectious nature of blight. Removal of these structures will remove the nuisances of crime and vermin, reduce the risk of fires, improve the appearance of the neighborhoods and help to stabilize adjacent property values.

6. Why the Criteria of adverse effect was found applicable, including any conditions or future actions to avoid, minimize or mitigate adverse effects

Section 900,5(2)(i) offers "Physical destruction of or damage to all or part of a property," as an instance of adverse effect. This undertaking which proposes complete demolition will be an adverse effect on the buildings to be demolished. The demolitions will also alter the streetscape and diminish the continuity of each of the historic districts.

Actions to avoid Adverse Effects

At the consulting parties meeting held on August 9, 2010 [see Appendix G.] there was consensus that it was unlikely that the properties could be rehabilitated. The Historic Preservation Officer continues to seek ways to save several of the structures, especially 20th Century Flats at 117 N. Jefferson St., but has not been able to secure qualified partners nor sufficient funding for rehabilitation.

The Muncie Historic Preservation Commission obtained a grant from Historic Landmarks Foundation by which it funded a feasibility study for the J. C. Johnson house, 322 E. Washington, in hopes that it would assist the owner in reconstructing the building. Unfortunately, it has not produced tangible results.

Actions to minimize or mitigate Adverse Effects

The City proposes a number of actions, ongoing or in the near future to minimize or mitigate the adverse effects of the undertaking. These are enumerated in the draft MOA between the City and the Indiana SHPO included in Appendix H and summarized below:

- As noted above, the City's increased code enforcement and actions of the Unsafe Building Hearing Authority, while resulting in a number of demolitions, has also proven to be an effective tool at halting "demolition by neglect." In addition to the properties repaired under rehabilitation orders by the UBHA, anecdotal evidence suggests that these actions and the publicity they have received are convincing property owners city wide that they cannot allow their properties to decay without repercussions. Thus, it appears that many buildings, including historic ones, are receiving

- additional maintenance and repair without being in the UBHA system. These efforts will continue.
- The City funded a training program on deconstruction for local contractors in 2009. For this undertaking, the City will solicit bids for de-construction of the buildings as well as for conventional demolition. In de-construction, the buildings are disassembled by hand and all practicable building components are saved for re-use or recycling. In addition, the City will give priority to the more environmentally-sound practice by giving deconstruction bids a 20% preference over conventional demolition. For example, if the low bid for deconstruction is \$12,000 and the low bid for demolition is over \$10,000, the deconstruction bid will be accepted. The City will also solicit bids from persons wishing to purchase salvage rights to any of the buildings to be removed. Salvage rights will be awarded to the high bidder so that architectural features and historic building materials may enter the market for rehabilitation of other buildings. These efforts will somewhat minimize the effects of undertaking.
 - In support of redevelopment efforts in the Old West End neighborhood, the City will invest \$244,853 in FY 2010 CDBG funds for re-paving of streets and replacement in-kind of concrete curbs and sidewalks in the Old West End. The project will re-pave 20 blocks of asphalt paved streets in the neighborhood, including 13 blocks within the boundaries of the National Register Historic District. Historic brick streets and brick or stone sidewalks, where extant, will be retained.
 - The City will provide \$250,000 in HOME Investment Partnership funds to Ready Made Rehab, Inc. for the rehabilitation of 911 E. Jackson Street into three units of affordable housing. 911 E. Jackson is a contributing structure to the expanded Emily Kimbrough Historic District and was described as "well-maintained" in the district nomination from 1989. The building had deteriorated in the succeeding 20 years, was declared unsafe and ordered demolished. The owner applied for HOME funds, and the demolition order was modified to a rehabilitation order. The project will be required to meet the Secretary of the Interior's Standards and the owner will be required to petition Muncie City Council for local landmark status.
 - The City will provide a minimum of \$311,000 in HOME Investment Partnership funds to Bridges Community Services, Inc. for the rehabilitation of 321 and 325 W. Charles Street into eight units of affordable housing. 321 W. Charles Street is a Queen Anne house divided into two units and listed as a contributing property to the Old West End Historic District. It has since suffered losses of integrity with the addition of vinyl siding, vinyl replacement windows, etc., but is well-maintained. 325 W. Charles is a 3-story, 6-unit ca. 1914 apartment

- building rated as Significant in the National Register nomination. Bridges Community Services, a Community Housing Development Organization, will acquire the property and rehabilitate the two buildings and operate them as housing for persons on Social Security disability. The project will be required to meet the Secretary of the Interior's Standards and the owner will be required to petition Muncie City Council for local landmark status.
- The City will provide a minimum of \$100,000 in Community Development Block Grant funds to ecoREHAB of Muncie, Inc. for the rehabilitation of 601 E. Washington St. as an affordable home ownership project. 601 E. Washington Street is a ca.1861 brick Italianate house and a significant property to the original Emily Kimbrough Historic District. ecoREHAB is a new non-profit dedicated to researching, demonstrating, and teaching strategies for affordable, sustainable, and energy-efficient rehabilitation of existing homes. In partnership with Indiana Landmarks, Community Development, and Ball State University's Immersive Learning program, the project is providing a hands-on experience for Ball State students in architecture and historic preservation. The project is required to meet the Secretary of the Interior's Standards and the building is already under the purview of the Muncie Historic Preservation and Rehabilitation Commission since it is located in the locally designated Kimbrough Historic District. The development of ecoREHAB helps address the limited capacity Muncie has in the non-profit sector, and the City intends to build capacity by continuing to support this organization.
 - The City will provide \$311,526.00 in HOME Investment Partnership funds and \$501,839.00 in Neighborhood Stabilization Program 1 funds to Vision Communities, Inc. for acquisition and rehabilitation of Jackson Vine Apartments, 618 E. Jackson Street, and the Graystone Apartments, 900 E. Washington Street. Jackson Vine is a 26-unit modernist brick building. It was built ca. 1939 and is indicated as a contributing structure in the original Emily Kimbrough Historic District. It has been vacant for several years, entered into foreclosure, and has suffered from theft, vandalism, and a leaky roof. Graystone is a nine-unit Renaissance Revival brick apartment building, ca. 1925, located in the expanded Kimbrough District. Also vacant and in foreclosure, Graystone is a contributing structure to the district. Vision Communities will add Low Income Housing Tax Credits and other funding sources for a total project cost estimated at \$6,196,271. When completed, the project will provide 35 restored apartments for low - income residents. The project will be required to meet the Secretary of the Interior's Standards and the owner will be required to petition Muncie City Council for local landmark status.

7. Copies or summaries of any views provided by consulting parties or the public.

A legal ad was run on Friday, July 23 in the Muncie *Star Press* inviting the public to a meeting on August 9, 2010. No responses were received from the ad. Emails were sent to potential consulting parties as well (see list, Appendix G)

The meeting was held and attended by seven persons. A summary of the meeting is included in Appendix G. This documentation is being provided to the list of potential consulting parties with a request for any further comments.

APPENDICES

Appendix A: Maps

Appendix B: Property Lists

Appendix C: Property Photos and Data – Goldsmith Gilbert Historic District

Appendix D: Property Photos and Data – Emily Kimbrough Historic District

Appendix E: Property Photos and Data – Old West End Historic District

Appendix F: Property Photos and Data – Walnut Street Historic District

Appendix G: Consulting Party Documentation

Appendix H: Draft Memorandum of Agreement