

# Bloomington Indiana

April 8–13, 2018



# Bloomington, Indiana

Redevelopment Strategies for the Bloomington  
Hospital Site

April 8–13, 2018

# About the Urban Land Institute

**THE URBAN LAND INSTITUTE** is a global, member-driven organization comprising more than 42,000 real estate and urban development professionals dedicated to advancing the Institute's mission of providing leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and the Asia Pacific region, with members in 80 countries.

ULI's extraordinary impact on land use decision making is based on its members' sharing expertise on a variety of

factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. In 2017 alone, more than 1,900 events were held in about 290 cities around the world.

Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at [uli.org](http://uli.org). Follow ULI on Twitter, Facebook, LinkedIn, and Instagram.

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# About ULI Advisory Services

**THE GOAL OF THE ULI ADVISORY SERVICES** program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 600 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and are screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives, a day of hour-long interviews of typically 50 to 100 key community representatives, and two days of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's five-day panel assignments are able to make

accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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# Acknowledgments

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A special thank you to Elizabeth Walter for her help setting up and supporting the entire week and to Steven Chybowski for putting together the panel's briefing materials.

In addition, the panel would like to thank the over 100 residents, business and community leaders, and representatives from across Bloomington and Monroe County who shared their perspectives, experiences, and insights with the panel over the week.



*Mayor John Hamilton and panelists learn about Switchyard Park during the study area tour. Sponsoring a panel requires a tremendous amount of work and effort, and the panel thanks everyone who made this week a success.*

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# Background, Assignment, and Key Recommendations

**AS BLOOMINGTON, INDIANA, CELEBRATES** its bicentennial, it is at a critical time of re-visioning and growth. New opportunities are coming to the city with the development of the 65-acre Switchyard Park, the expansion and redevelopment of the convention center, the new Trades District, and the 3.1-mile B-Line Trail. Those assets reaffirm Bloomington in the way that Bloomingtonians view it—a wonderful place to live with the amenities of a city but the feel of a small town. With this idealistic self-image, the city also faces challenges: rising rents and home prices, disconnection from surrounding areas, town/gown concerns, and limited job opportunities for native Bloomingtonians and young Indiana University graduates.

Bloomington greatly emphasizes quality of life. It has been named a Gold-level Bicycle Friendly Community by the League of American Bicyclists and is recognized by the Arbor Day Foundation as a “Tree City.” In addition, the American Academy for Park and Recreation Administration named the Bloomington Parks and Recreation Department a Gold Medal Award winner in 2007, and it has been a seven-time finalist for the Gold Medal Award; it has also been accredited by the Commission for Accreditation of Park and Recreation Agencies. With the completion of the B-Line Trail and the impending completion of Switchyard Park, the city has emphasized green space and connections to different locations throughout the city by bike and by foot.

Bloomington is home to 85,000 residents, who include the more than 48,000 students from all over the world at Indiana University (IU). It averages 1,000 new residents a year and welcomes 2 million visitors annually.

In December 2017, Bloomington had a 3 percent unemployment rate, down 0.9 percent from the year before. The median annual income in Bloomington is \$30,019,

with 42 percent of households making less than \$25,000. Because of the large number of retirees and students, the panel continued to hear that these data do not truly represent the socioeconomics of Bloomington's full-time residents and workforce.

Over the past five years, office industries in surrounding Monroe County have driven much of the overall employment growth. If that growth continues, the demand for new office space will be 30,000 square feet each year. And with an occupancy rate of 95 percent, new and expanding businesses are already experiencing a shortage of supply.

Historically, Bloomington was a manufacturing town and was also known for its limestone production. Now, Bloomington's largest industry is educational services and health care, making up a bit more than a third of the employment base. IU is a big driver of those sectors, and throughout the week, the panelists heard such comments as, “If someone does not work for IU, it is likely their spouse does.” The second-largest industry is hospitality based with arts, entertainment, recreation, accommodation, and food services making up about 7 percent of the workforce.

Bloomington has the highest housing prices in Indiana, and its blue-leaning politics isolates it from its surrounding communities. From 2012 to 2017, the average asking rental rate rose 12 percent, from \$814 to \$914 per month. With a median income of about \$30,000, many Bloomington households are unable to afford market-rate housing prices and rents. And although developer interest in new multifamily housing is strong—shown by the approximately 1,400 units in the pipeline—student housing has dominated recent developments. Gaps exist for low-income rentals and housing for the workforce and young adults, for seniors, and for the local artist community.

Bloomington's unique culture is a drawing card. The panel did not need to be convinced of how much people enjoy and want to live in Bloomington; that was evident in every conversation about quality of life. The question turns to how to make that quality of life accessible to current and future residents.

## Study Area and Surrounding Context

Located 60 miles southwest of Indianapolis (Marion County) within Monroe County, Bloomington is the seventh-largest city in Indiana. The Bloomington Hospital site is adjacent to downtown and lies between two low-density historic residential neighborhoods, McDoel Gardens and Prospect Hill. The site is along the B-Line Trail, which connects many of the city's key amenities, including the convention center and downtown.

In its 2018 comprehensive plan, the city has designated both neighborhoods around the site as areas of change,

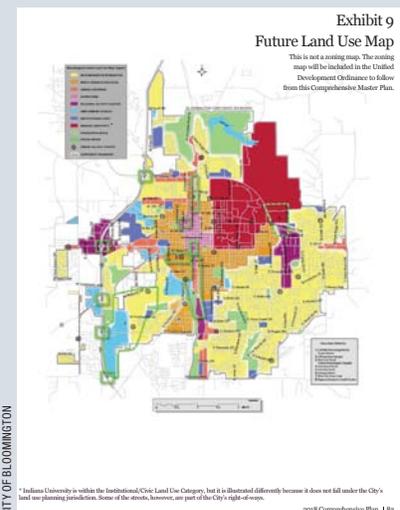
*Bloomington is located southwest of Indianapolis (Marion County) in Monroe County. Columbus is in nearby Bartholomew County. Interstate 69 is still under construction from Bloomington to Interstate 465.*



## 2018 Comprehensive Plan

The panel's conceptual site design and development program concepts are supported by the Bloomington Comprehensive Plan (pages 84–85). Priorities include the following:

- Owner occupancy and affordability
- Maximum height of two to four stories for residential buildings
- Densities ranging from two units to 30 units per acre
- Neighborhood-serving mixed-use properties along higher-volume street corridors
- On-site parking linked to the rear of buildings using connected grid/alleys
- Context-sensitive multifamily redevelopment permitted along higher-volume roads, along district edges, and near major destinations when appropriately integrated with adjacent uses and styles
- Promotion of public improvements to enhance neighborhoods, such as sidewalks, streetlights, street trees and landscaping, and playgrounds and play areas
- Development of additional guidance for infill and redevelopment through a form-based code approach, creating one or more overlay districts for the mixed urban residential areas



*Future land use map envisioned as part of Bloomington's 2018 comprehensive plan.*



PAUL ANGELOME/ULI

Kohr Administration Building.

noting that their development should follow the development themes of maintain, enhance, and transform. It also notes that the overall aims of the focus areas are to better coordinate public and private investments and to attract appropriate development interests.

Bloomington Hospital has been in its current location for 112 years. At present, the 24-acre site is zoned medical private property. It is valued at about \$16 million, and the city will pay IU Health \$6.5 million for the property. According to the letter of intent, IU Health will demolish all IU Health–owned facilities on the property, but the city has the choice of whether to ask IU Health to demolish the current parking structure and the Kohr Administration Building.

The site is expected to transfer in late 2020 or early 2021 once the new IU Health Regional Academic Health Center is open and operational. The new 700,000-square-foot hospital campus will be located at Indiana University. Although IU Health is a separate corporate entity from IU, according to the university, the new campus will house about 100 faculty members and will train 1,000 students.

The hospital site covers about one large city block. When considering the adjacent supportive professional offices and parking lots, the focus area expands to about two by two large city blocks. Currently, the site is a mega-block and disconnects the historic street grid. The site is positioned on a hill, with the helicopter pad close to the top of the incline. The tallest structure of the current hospi-

tal is the parking garage, which is five stories. Also, an additional 24 acres zoned for medical uses surround the immediate study area.

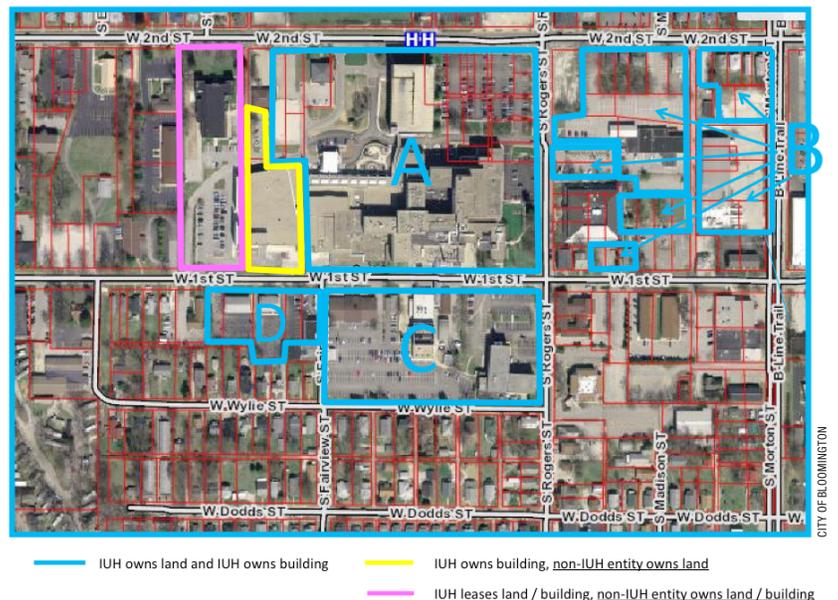
## The Panel’s Assignment

The panel was asked to study the current 24-acre Bloomington Hospital site and to recommend redevelopment strategies and land use opportunities, including enhancing connectivity to the future expanded convention center and the downtown. Sensitivity to the two adjoining historic residential neighborhoods (McDoel Gardens and Prospect Hill) was an important aspect.

The site has the opportunity both to expand on the goals of the other recent and upcoming development and infrastructure projects and to help address some of the challenges the city is facing. The panel was asked to focus on the following questions:

- Will the parking garage and the administrative building benefit the future development of the site? Should either or both of those structures be kept for reuse?
- What are the appropriate scope and scale of redevelopment on the site, from both a market perspective and an urban design and planning perspective?

*The panel’s study area divided by parcels. Bloomington is proposing to purchase the parcels outlined in blue.*



- What phasing is recommended for redevelopment of the 24-acre site?
  - What kind of development program is appropriate for mixes of residential, commercial, and other uses? What uses would best interact with the surrounding neighborhoods?
  - What infrastructure amenities would enhance the value and feasibility of the redevelopment? What are the timing and phasing considerations of those investments?
  - What would be the appropriate zoning for redevelopment of the site, and what would that look like with regard to density, uses, and heights? Does the city have the proper entitlement tools for the redevelopment, or does it need to consider an overlay, planned unit development, or other tools?
  - How do the city and other public sector entities entertain proposals from other public or private sector interests for the sale and redevelopment of the property?
  - What are the impacts on and needs of the surrounding areas based on the potential uses of the site, and how are those balanced with the impacts on and needs of the entire community?
- Provide office space for new and existing businesses.
  - Maintain neighborhood scale.
  - Contribute to the network of public space.
  - Restitch the street grid, breaking up the megablock.
  - Link key city assets to strengthen connections between people and places.
  - Include community assets, such as an arts and activity center (the heart of the redevelopment), an urgent care facility to replace some of the health care offerings vacating the site, and education and skilled trades training facilities.
- To accomplish those goals, the city should take the following actions:
    - Engage a master developer to manage the entire redevelopment.
    - Build partnerships early and maintain them throughout the process. The redevelopment plan lends itself to multiple partnership possibilities, from education and training facilities to nonprofit organizations and businesses. This undertaking should include regional collaboration.
    - Invite robust and ongoing community engagement by prioritizing community needs and wants through identifying and supporting a common vision both locally and regionally.
    - Evaluate regulatory policies and practices, particularly those on permitting and zoning.
    - Keep and refurbish the parking garage; look for ways to turn it into a piece of public art.
    - Demolish the Kohr Administration Building to free up the site for the new development while enabling connectivity.

## Summary of the Panel's Recommendations

Drawing from research on the city and region, site visits, and interviews with more than 100 community members, the panel considered land uses and development options that best address community needs, boost economic growth, and enhance livability. The panel recommendations focused on visioning for the hospital site, structuring the development program, and devising implementation strategies.

- Redevelopment can achieve the following goals:
  - Assist in meeting housing needs with a variety of housing types specified for different income levels.

# Market Conditions

## TO IDENTIFY THE DEVELOPMENT OPPORTUNITIES

for this site, the panel started with the regional economic context that drives the real estate market and determines the types of projects that would succeed.

## Employment Trends

Employment is growing at a moderate pace in the Bloomington region. According to the U.S. Bureau of Labor Statistics, the Bloomington metropolitan statistical area (MSA) added 2,800 jobs (200 jobs a year) from 2000 to 2014 at a growth rate of 3.4 percent (see figure 1). That growth rate exceeds the state's rate of 2 percent. The Indianapolis–Carmel–Anderson MSA, located about one hour north of Bloomington, grew at a rate of 12.4 percent during the same period.

Bloomington and its environs contain most of Monroe County's jobs. There are three major employment areas:

- *Indiana University*—the largest employment center in the region, with 9,700 employees. The campus is located on the east side of Bloomington.
- *The Interstate 69/State Road 37 corridor*—home to other major employers, including Cook Group (4,600 jobs) and Baxter Healthcare Pharmaceuticals. Cook Group is planning additional jobs within the region. Some of those jobs are located just outside Bloomington's city limits in Monroe County. With the completion of I-69 in the next few years, this area is poised to benefit from the enhanced connection to the rapidly growing Indianapolis region.
- *Downtown Bloomington*—which includes Courthouse Square and the new tech park and is home to most of Bloomington's office users. Major employers in the tech park include the city and county, technology firms, and professional businesses. The hospital site is near the downtown employment center. With the relocation of the

*Employment concentrations within the Bloomington metropolitan statistical area (Monroe County).*

Figure 1. Change in MSA Employment, 2000–2014

Metropolitan statistical area	Change
Indianapolis–Carmel–Anderson	12.4%
Lafayette–West Lafayette	5.8
Bloomington	3.4
Elkhart–Goshen	1.6
Evansville	1.2
Terre Haute	-7.9
South Bend–Mishawaka	-9.0
Muncie	-9.1
Kokomo	-15.2
Michigan City–La Porte	-16.1

Sources: U.S. Bureau of Labor Statistics; IU Kelly School of Business; ULI.

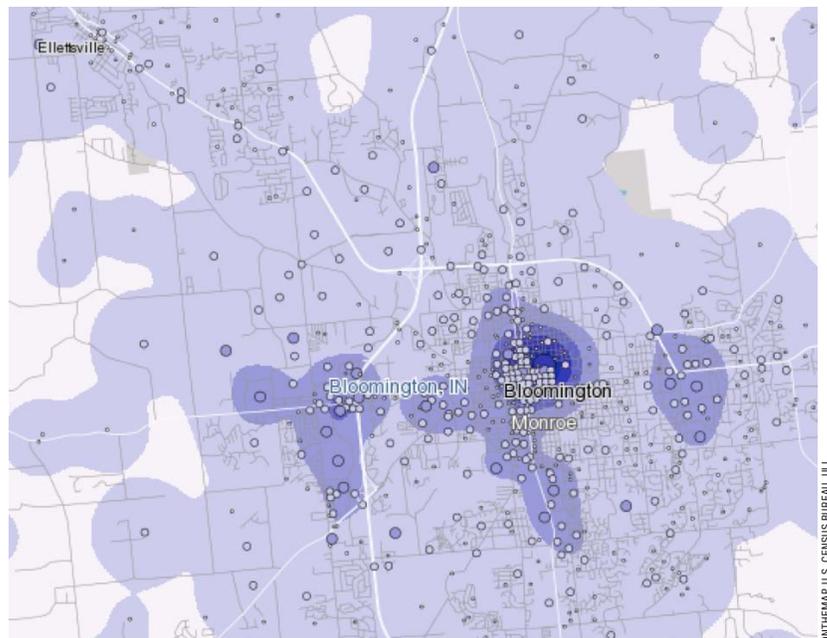


Figure 2. Office Employment in Monroe County, 2012–2016

Private employment in office industries	2012	2013	2014	2015	2016	Change, 2012–2016	% change
Information	1,135	1,140	1,103	1,035	980	–115	–14
Finance and insurance	1,045	1,199	1,377	1,432	1,374	329	31
Real estate, rental, leasing	1,049	1,059	1,111	1,100	1,128	79	8
Professional and tech services	1,865	1,726	1,707	1,838	1,932	67	4
Management of companies	259	328	360	369	419	160	62
Subtotal office industries	5,353	5,452	5,658	5,774	5,833	480	9
<b>Office industries as share of total private employment</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>13%</b>	<b>13%</b>		

Sources: Bureau of Labor Statistics; Indiana Department of Workforce Development.

hospital facility to the IU campus, the city needs to continue to promote additional employment uses within the city core in order to maintain its economic competitiveness.

The office industries in Monroe County have driven much of the overall employment growth, especially in the finance, insurance, and company management sectors (firm headquarters). Office industries grew by 480 net new jobs between 2012 and 2016 and currently account for 13 percent of the county’s total private employment (see figure 2). If the office industries in Monroe County continue to grow at that same pace, 30,000 square feet of new office space would be required to fulfill the demand each year.

A significant amount of future office demand in the county could be captured in Bloomington. According to data from CoStar, the office market in Bloomington is tight, offering limited space for rent. In addition, the office occupancy rate is 95 percent, indicating a shortage of supply.

Little construction of new office space has occurred in the county. Interviewees also reported that no space is available in downtown Bloomington to accommodate the region’s new and expanding businesses, hindering the city’s ability to obtain new businesses that have expressed interest in locating in Bloomington. These indicators demonstrate a strong market potential for new office space in Bloomington, particularly in areas close to downtown. The hospital site represents an opportunity to reinforce the city core as an employment area.

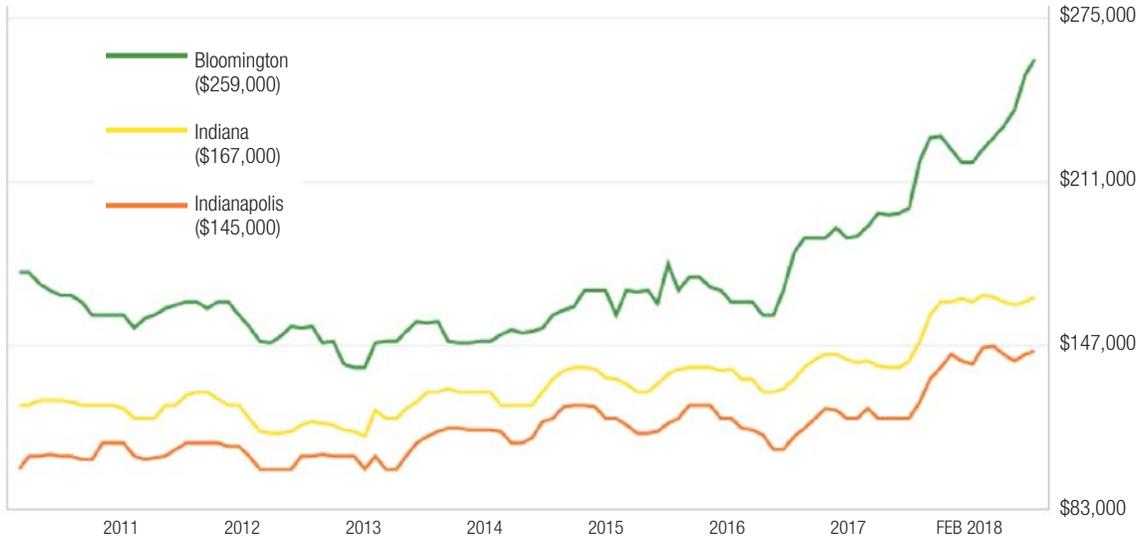
## Housing Trends

The housing ownership market in Bloomington and Monroe County is strong and rising rapidly. As shown in figure 3, Bloomington’s housing prices are far higher than those in Marion County (Indianapolis) and the state overall. The median price of a listed home in Bloomington is \$259,000, compared with \$145,000 in Indianapolis. The Realtors Property Resource estimates that the home value in Bloomington increased by 7.2 percent in the past year. According to interviewees, Bloomington is the most expensive housing market in the state, and it lacks inventory of for-sale housing products.

Rental rates in Monroe County have also escalated rapidly. According to CoStar, from 2012 to 2017, the average asking rate rose 12 percent, from \$814 per month to \$914 per month. The vacancy rate is currently estimated at about 5 percent, indicating a very tight rental housing market. Interviewees report that the rental housing market in Bloomington is dominated by student housing and lacks a supply of rental apartments appropriate for families and seniors.

The development activity in Monroe County—represented by building permits—averaged 600 housing unit permits each year from 2000 to 2016 (see figure 4). About 40 percent of the building permits were for multifamily housing units.

Figure 3. Median List Price for Homes in Bloomington, Indianapolis, and Indiana



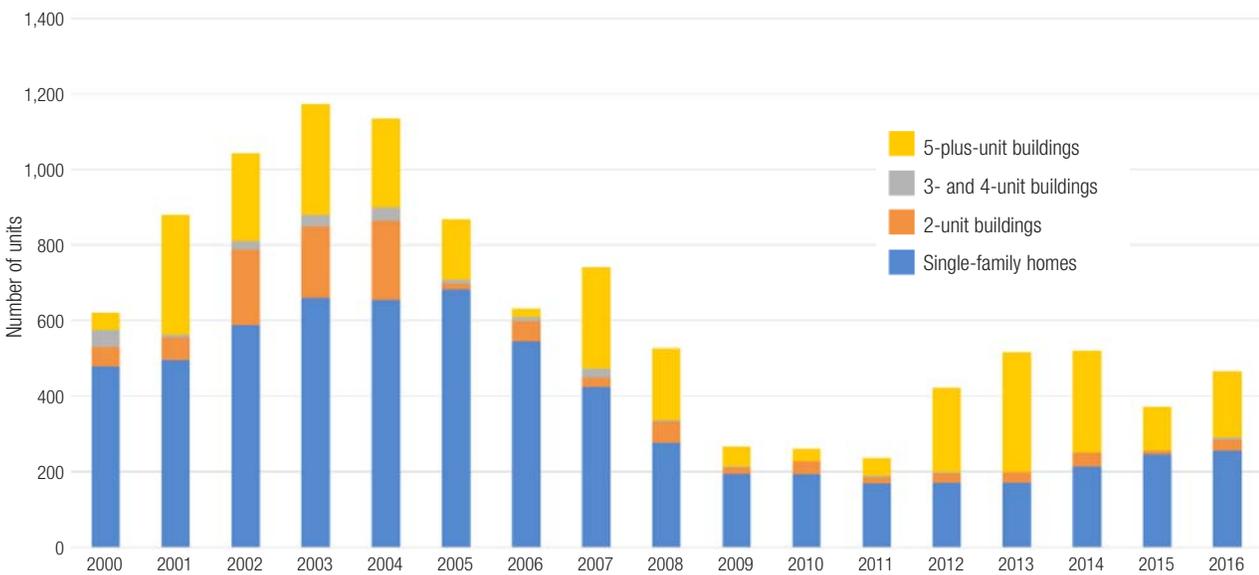
Sources: Zillow; ULI.

Bloomington has also seen a significant amount of new multifamily housing development in the past two years, with more than 120 units built, primarily downtown. In addition, almost 1,400 multifamily units are being constructed or have been approved (see figure 5).

### Housing Needs

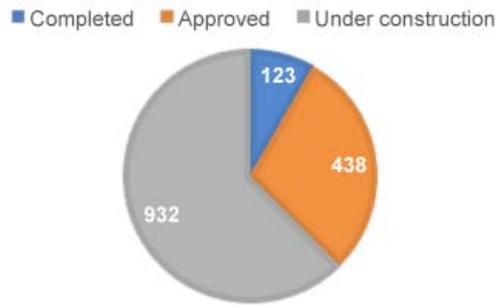
The city has not conducted an in-depth assessment of its housing needs; however, the available data show that median housing prices and rents are out of reach for many Bloomingtonians. According to Trulia, the median rent in

Figure 4. Housing Permit Trends, Monroe County, 2000–2016



Source: Indiana Department of Workforce Development—Research and Analysis.

Figure 5. Multifamily Housing Units in Development, 2016–2017



Source: Indiana Department of Workforce Development—Research and Analysis.

Bloomington is \$1,050 for a two-bedroom unit and \$1,300 for a three-bedroom unit (see figure 6). Assuming that a household would spend about 30 percent of its income on rent, those rental rates would require a household income of between \$42,000 and \$52,000. By comparison, the median income for Bloomington is currently around \$30,000. Again, as noted earlier, students and retirees are not fully factored out of income data, causing some amount of misrepresentation.

Based on interviews and its own observations, the panel has identified the following unmet housing needs in Bloomington that should be addressed as part of the hospital site redevelopment:

- *Low-income rental housing.* Defined as deed-restricted rental housing that would be affordable for households with incomes at about 50 percent of the area median and below. Since low-income residents are unable to pay market-rate rents for housing, low-income rental

housing projects require subsidies from federal, state, and local governments, banks, and other sources. The most common sources of subsidy are the low-income housing tax credit program and city contributions.

- *Young adult and workforce housing.* Defined as for-sale homes that are economically accessible to young professionals and families purchasing their first home, priced between \$175,000 and \$300,000. They could include small-lot single-family detached homes, townhouses, and condominiums.
- *Elder housing.* Defined as residential communities that serve retirees and empty nesters with nearby amenities and medical services, allowing them to age in place. This category encompasses a wide range of housing products, from townhouses to condominiums and apartments in buildings designed for aging that comply with the Americans with Disabilities Act.
- *Artist housing.* Defined as higher-density, lower-cost housing that serves the local artist community. Artist housing is typically located near downtowns and other cultural and entertainment districts. It often takes the form of co-ops, live/work spaces, and other rental housing with nearby studio and exhibition spaces.

The panel believes that the study area offers a unique opportunity for Bloomington to provide a wider spectrum of housing options that address the market gaps and unmet needs outlined above. Undergraduate student housing is not listed as a priority, but the city should reconsider how to regulate noncampus student housing, noting that not all student housing is the same. Some students are low-income individuals, artists, or single parents and could benefit greatly from access to such specialized types of housing on this site.

Figure 6. Housing Type and Market Rent

Unit type	Median market rent	Approximate income required	Estimate of family households that could afford market rents
One bedroom	\$675	\$27,000	75.7%
Two bedroom	\$1,050	\$42,000	66.2%
Three bedroom	\$1,300	\$52,000	56.5%

Sources: Trulia.com, 2018; ACS 2016 five-year estimates.

# Development Vision

**OVER THE PANEL WEEK**, the panelists heard much about different visions for the future of Bloomington and how the Bloomington Hospital site fits in. The panel also heard about the seemingly contrasting priorities of historic preservation and innovation. The panel believes that those visions and priorities could and should fit together to define the possibilities for the site.

This redevelopment project is an opportunity for all Bloomington residents to make connections both through the site and during the community engagement process. The panel recommends a mixed-income, mixed-generation neighborhood with amenities that offers opportunities for housing and activities for the elder population, for the low-income population, for families, and for young adults in the workforce, as well as for artists.

## Urban Design Principles

The panel recommends that any redevelopment plan incorporates a number of design recommendations that address both the urban vision and the design of the new site. The city should define those goals and then prioritize them during the request for proposals process for a master developer.

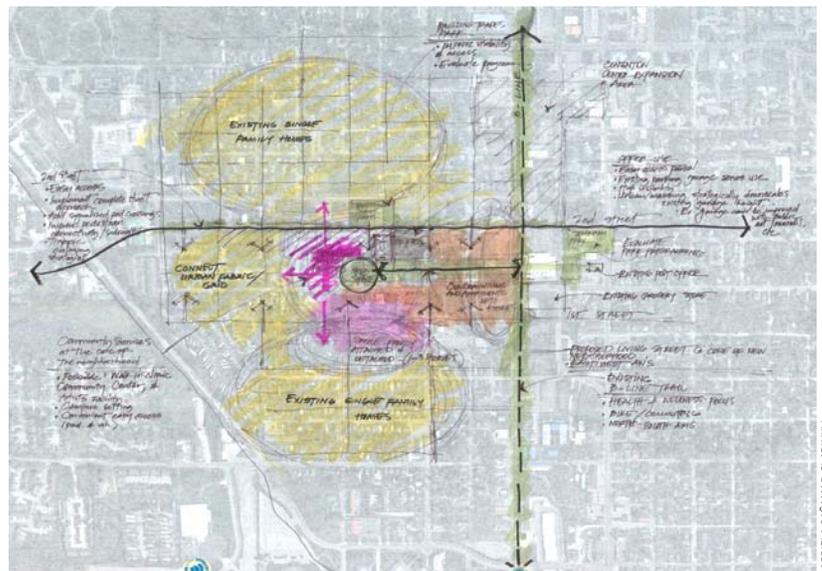
The vision should include the following aspects:

- Linking the Prospect Hill and McDoel Gardens neighborhoods through the continuation of residential uses;
- Connecting the urban fabric through an appropriately scaled grid of streets;
- Creating a vibrant living-street environment at the east-west core of the site, connecting directly with the B-Line Trail;

- Gradually transitioning building mass and volumes to achieve compatibility with the existing neighborhoods' architectural scale;
- Retaining the parking garage for employment uses on site, maximizing parcel offerings;
- Providing accessible, safe, and inviting open spaces;
- Enhancing the pedestrian connections toward downtown and other destinations; and
- Maintaining and enhancing the cluster of community services on and around the site to serve the existing and future communities.

As the new neighborhood will connect and integrate with existing neighborhoods, the new site plan should feel compatible with the current scale and uses. A small area plan should be developed before selection of a master developer, creating a predesigned palette and language for use in the new development. Through the development of

*Conceptual design principles identified by the panelists.*



GABRIELA CANAMAR-CLARK/ULI

those guidelines, the city should insert the wording from its 2018 comprehensive plan and stress the ideas of sustainability and a lifetime community, as well as the development themes of maintain, enhance, and transform. The plans should tie into the 2018 comprehensive plan, with the possibility of incorporating elements such as branding throughout the city.

## Relation to Surroundings

Over the week, the panel heard about the different interests of the community: the B-Line Trail and open space, the new convention center and economic development, and the existing neighborhoods and historic preservation. The new site plan should address all of those community desires, an amalgamation of which lends itself well to creating a multiuse, multigeneration, multi-income community.

### Neighborhood Character and Identity

Redevelopment of the hospital site is an opportunity for Bloomington to collectively reimagine and reinvent the area. It is an opportunity to strengthen the connections



GABRIELA CANAMAR-CLARK/ULI

*Bloomington Hospital, which includes the parcels that will continue to be leased to IU Health and the parcels studied by the panel.*



SIJATA SRIVASTAVA/ULI

*Development in downtown Bloomington.*



PAUL ANGELO/ULI

*The B-Line's bridge crossing Third Street.*



PAUL ANGELO/ULI

*Mix of commercial and residential space within McDoel Gardens near the Bloomington Hospital study area.*

between people through the places they share. Those connections should be based on aspects that enhance the physical, economic, and community feel of the area:

### ■ Physical

- Reintroduce the historic street grid to create approximately right-sized development parcels for the mix of uses proposed;
- Create a living street that connects the civic and community uses proposed for the hilltop to the B-Line Trail and to Seminary Park and Building Trades Park; and
- Identify an area for a new clinic or expansion of the current facility to ensure continued neighborhood access to medical services.

## ■ Economic

- Provide an opportunity for the construction of new office space on the site, using the existing parking garage for future parking needs; the office buildings will help replace the downtown employment lost to the new hospital site;
- Dedicate an area of the site to expand the current partnership with Ivy Technical Community College that focuses on training and certification in the trades; and
- Introduce artist studios to the area to enhance Bloomington's entertainment and arts district.

## ■ Community

- Provide a community center where seniors, youth, and families can all participate in healthy programming; and
- Use the design elements of the living street to celebrate the history of the area, incorporating physical elements of the Kohr Administration Building and the old hospital building into the design.

## Arts District

Redevelopment of the site provides an opportunity to create a new and unique neighborhood district in Bloomington. City control of the property also provides an opportunity to add to the city's community amenities, helping define the new area while connecting it to the surrounding neighborhoods and assets.

The mission of the Bloomington Entertainment and Arts District (BEAD) strategic plan is to bring the business and creative sectors together to advance commerce and culture, build community, and spur economic development. BEAD is a geographically defined, mixed-use cultural district capitalizing on local and regional assets that are specific to the cultural, economic, and social issues of Bloomington.

BEAD emphasizes the high concentration of creative assets and related activities to strengthen and enhance

## The Arts and Culture Economy

The arts and culture industry plays a crucial role in the economy, generating more than \$135.2 billion of economic activity annually and supporting 4.13 million jobs. That is a finding of *Art and Economic Prosperity IV*, a report by Americans for the Arts, a national nonprofit dedicated to supporting the arts and creative disciplines. Those results are even more impressive because the study was conducted during one of the country's most devastating economic recessions.

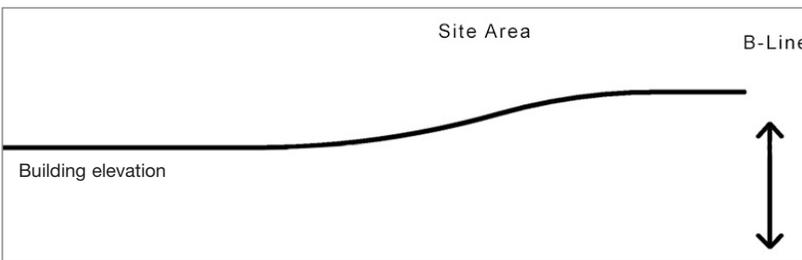
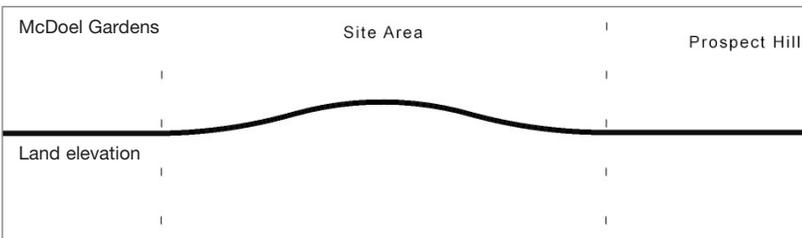
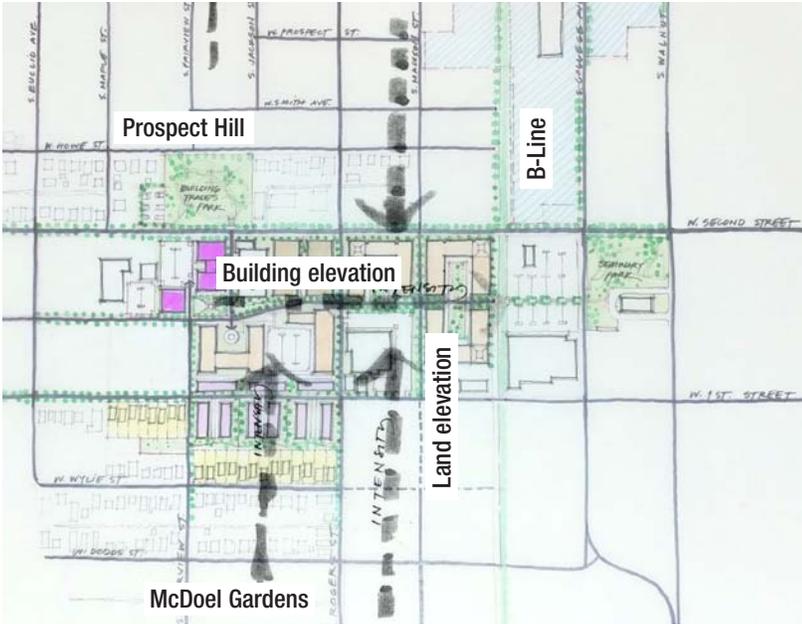
The report also found that 32 percent of the visitors to art and cultural sites come from outside the local county, and they spend twice as much as locals do. Tourism industry research has repeatedly demonstrated that art and culture tourists stay longer and spend more than the average traveler (\$39.96 per nonlocal versus \$17.42 per local).

the community's overall economic environment. When fully implemented, BEAD will have a distinct identity and a package of economic and programming initiatives to benefit its major stakeholder groups and users: the community, visitors, the creatives, the cultural and entertainment sectors, and small business.

The BEAD strategic plan has identified several goals that may be appropriate for the redevelopment area. In particular, redevelopment provides an opportunity to add such resources as artist lofts, studios, and gallery space near the downtown core and adjacent to existing stable neighborhoods. This new neighborhood can reinforce the cultural amenities and identity of BEAD.

## Neighborhood Fabric

The design should gradually transition building mass and volumes to achieve compatibility with the scale of existing neighborhoods, by starting with single-family residences and townhouses and then gradually increasing intensity while reaching the center of the site. This approach will work with the topography, where the highest-intensity buildings and commercial uses are paired at the center of the site, locating the best uses that complement each



GABRIELA CÁDAMAR-CLARK, MATT LASCHIED/ULI

*Illustrations showing where the densest and highest-intensity uses should occur on the site—at the center of the site and along the B-Line. They take elevation and the surrounding neighborhood fabric into account.*

other and respecting the single-family homes to the north and south.

The uses proposed for the site complement existing and planned uses in other parts of Bloomington. The city's current employment base is concentrated near the future I-69 corridor, the university, and downtown. The relocation of the hospital adjacent to IU will reduce downtown employment by about 3,000 people. Although fully replacing that employment base on site is not possible while still achieving other redevelopment goals, providing an opportunity to

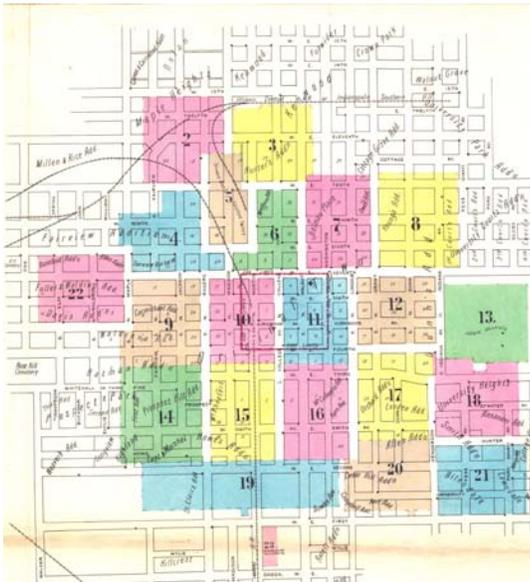
fill a gap in office product type will diversify the land uses in the area, use the existing parking structure, and provide a buffer from Second Street traffic for new residential uses. The office development proposed for the site will extend the options for professional services offices without competing with the Trades District where larger-format, technology-focused users will concentrate.

**Historic Street Grid**

The McDoel Gardens and Prospect Hill neighborhoods were developed on a grid of streets and blocks that was discontinued when the hospital was built. After removal of the hospital buildings, the grid pattern should be reintroduced to the development area, creating developable blocks of about five acres. Coupled with the recommended scale of development, this grid pattern will seamlessly reintegrate the site into the broader community.

Moreover, extending the historic road network into the redevelopment area will require a dedicated right-of-way, storm drainage, and water and sewer infrastructure to serve the newly built development blocks. An estimated 17 percent of the study area would be required for the new roadways.

*The panel proposes re-creating the historical street grid in the study area, shown as section 19, which contained Bloomington High School and eventually the Bloomington Hospital.*



INDIANA UNIVERSITY MAP COLLECTION



## Second Street

Second Street is the northern boundary of the proposed new hilltop neighborhood and is the primary east–west arterial in Bloomington that connects the center of town to the future I-69 corridor. Traffic counts on Second Street adjacent to the site are about 15,440 cars daily. That is the highest-volume street in the area, reflected by the panel’s hearing repeatedly about its traffic congestion. After the hospital closes, traffic volumes should be counted again and a traffic study completed for any proposed development.

Because of traffic volumes, Second Street acts as a barrier to the residential areas to the north; new pedestrian connections across Second Street are needed to tie in the Prospect Hill neighborhood. In addition, strategies for slowing traffic on Second Street are needed to improve livability all along the corridor.

## Rogers Street

Rogers Street bisects the site and forms a high-value development corner where it intersects with Second Street. That corner is important both economically and visually. Building form and uses on the corner should set the tone for the rest of the neighborhood as a gateway, not just to the new neighborhood but also to downtown Bloomington. Design guidelines developed as part of the small area plan should address this corner’s importance.

## Green Space

Bloomington residents place a high value on parks and green space. Two parks and the B-Line Trail are in the vicinity of the hospital site. An additional park, Switchyard Park, is under construction and is within a half mile of the existing hospital site. Switchyard Park is connected to the hospital site via the B-Line Trail.

Seminary Park is the original location of Indiana University, and that important historic connection should be identified and highlighted as part of the new development. A new green space trail connection is recommended that links Seminary Park through the Kroger parking lot to intersect with the B-Line Trail. It should be extended through the site



GABRIELA CANAMAR-CLARK, MATT LASCHIED/ULI

*A network of public green space should be created.*

to the civic and community uses on the hilltop. The connection to existing green space should continue from the civic and community uses across Second Street via a pedestrian-triggered lighted crossing to Building Trades Park.

## Master Plan

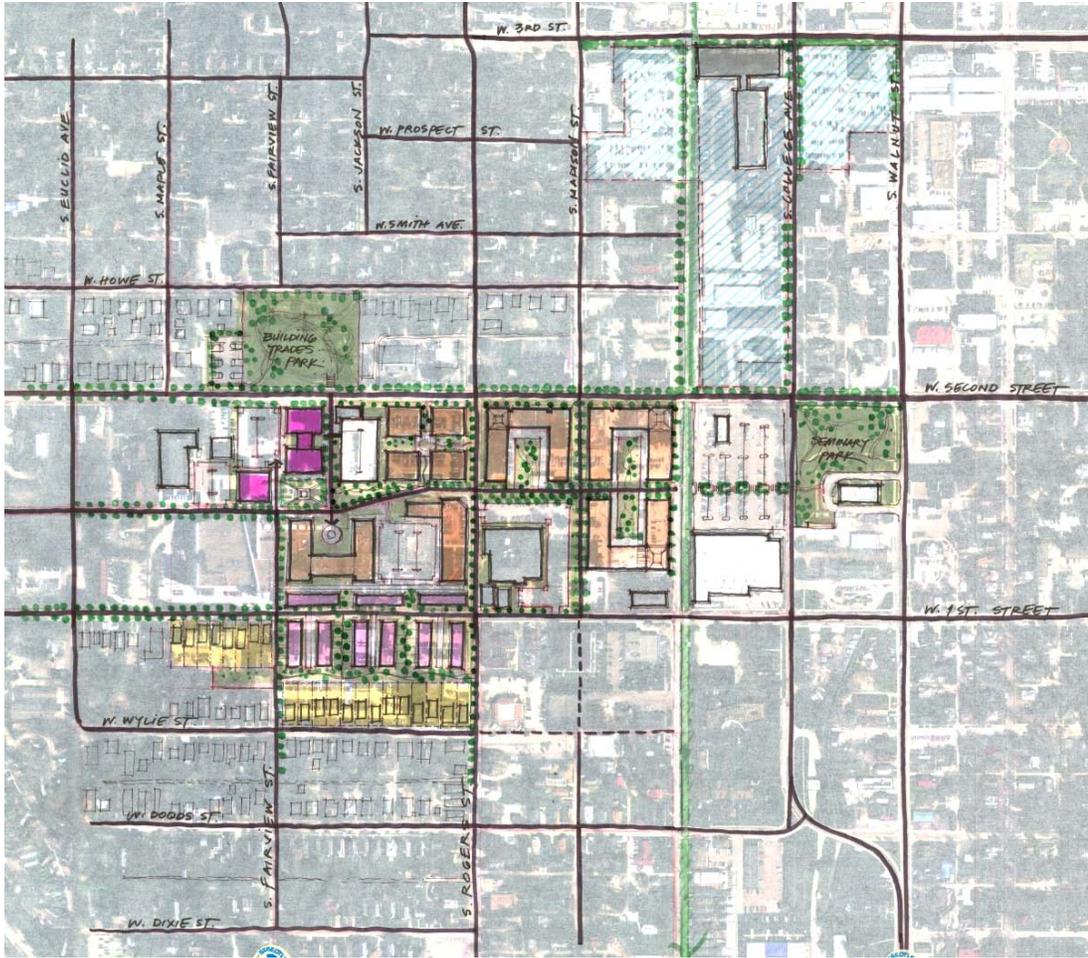
The master plan should contain a series of key aspects that lay out the design to support a vibrant and connected community. Along with the specific development program, which will be discussed in the following section, those design elements need to work together to ensure that the community is healthy and accessible.

## Parking Garage Structure

The parking garage should be retained to serve future employment on the site and to maximize the parcel’s offerings. The structure should be enhanced by prospective ground-level activities, as well as by a mural or other artwork that can transform it into a public art asset. Such enhancement is essential. Although the new development plan will lessen the visual impact of the parking garage, it will likely remain the tallest structure on the parcel, and its design will set the aesthetic tone of the new community.

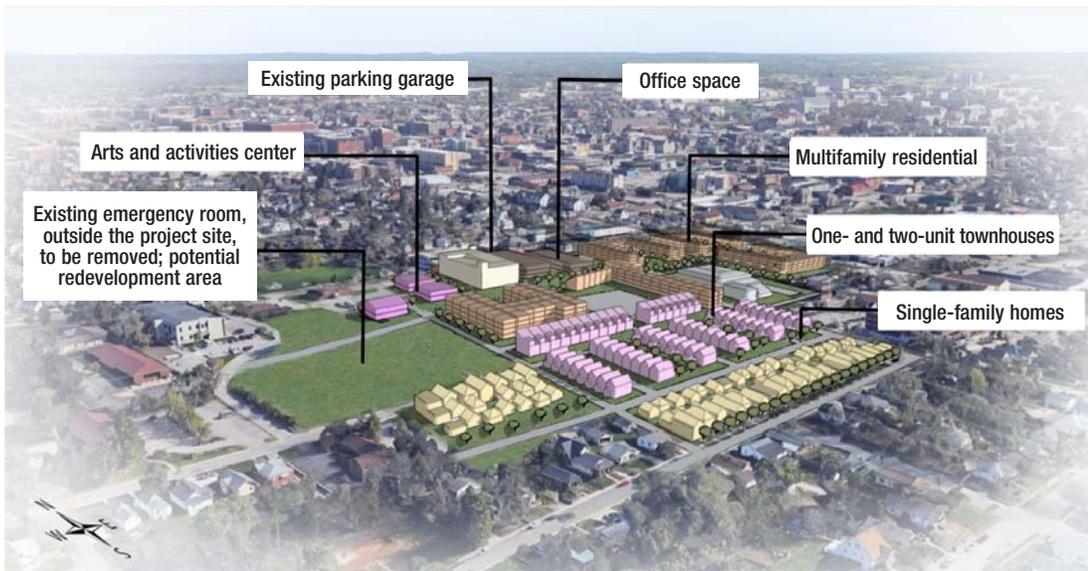
## Living Street and Open Space

A living street would both reinforce the neighborhood’s walkability and serve as an example of Bloomington’s design ideals of pedestrian preference and green space.



GABRIELA CAMMARO-CLARK/OLI

The concept plan.



MATT LASCHIED/OLI

Bird's-eye view of the concept plan.

*View from South Rogers Street and West Wylie Street.*



GABRIELA CAÑAMAR-CLARK, MATT LASCHED/ULI

*View from Second Street and South Rogers Street looking west.*



GABRIELA CAÑAMAR-CLARK, MATT LASCHED/ULI



GABRIELA CAÑAMAR-CLARK, MATT LASCHED/ULI

*View from South Rogers Street looking west through the proposed living street.*



PAUL ANGELONE/ULI

*Pedestrians and cyclists crossing Second Street along the B-Line Trail.*

Creating a new living street would break down the mega-block of the site and highlight its east–west connection to the B-Line Trail. The living street could connect new safe, accessible open space with the existing open-space infrastructure.

### **Pedestrian Experience**

Creating clear, safe connections with the site core needs to be deliberate. Enhancing streetscapes, adding wayfinding signs, and installing lighting will attract pedestrians and

will build on the energy from the new living street and open spaces. The pedestrian experience should be expanded through connections toward downtown, the convention center, the B-Line Trail, the on-site and adjacent cluster of community services, the arts and activities center, and the surrounding neighborhoods.

*Living street diagram.*



GABRIELA CAÑAMAR-CLARK/ULI

# Development Program

**THE MOST COST-EFFECTIVE WAY** to develop the hospital site is from the edges toward the site's core, because a new infrastructure network will be required to serve the residences, offices, and other uses of the new neighborhood. Figure 7 depicts the panel's suggested phasing for the development program.

## Housing

The panel recommends three different types of residences, the combination of which will provide appropriate offerings to a large swath of Bloomingtonians.

### Single-Family Residential

Residential development on the south edge of the site nearest the McDoel neighborhood will be an area of transition that can best use single-family homes. The density of those homes will be somewhat higher than the McDoel homes, helping the transition into the denser townhouses and multistory development. The design should complement the McDoel neighborhood with a similar look and feel but should provide more density to use generally lower-cost construction concepts, potentially including offsite manufacturing.

The single-family or workforce housing represents 17 to 18 percent of the developable area and about 3.4 acres of the net delivered acres. Although the homes in aggregate are a less efficient use of space, they acknowledge the



Single-family homes within McDoel Gardens.

existing neighborhoods and complement the balance of the development's more dense and commercial uses. Overall, the panel believes that the potential exists to build about 30 units of semiurban family housing, which include yards and garages with a cost estimate of \$6 million to \$7.5 million, or about \$200,000 to \$250,000 per unit.

### Townhouses

As one proceeds north from near the McDoel neighborhood and the new single-family development, townhouse residential uses are envisioned. Townhouse development represents about 20 percent of the land use and may be developed at 20 to 25 development units per acre.

The townhouses would be two stories high with green space and parking organized in an urban fashion that allows for community connection. The townhouse portion of

Figure 7. Phasing Strategies for the Development Program

Phase	Single family	Townhouse	Mid-rise at B-Line Trail	Mid-rise at site core	Community use	Living street	Office
1	x		x				x
2		x		x	x	x	
3							x

Source: ULI.

Townhouses along a mews in Indianapolis's Irvington neighborhood.



GOOGLE MAPS

Townhouses near Bernie Spain Gardens in London, England.



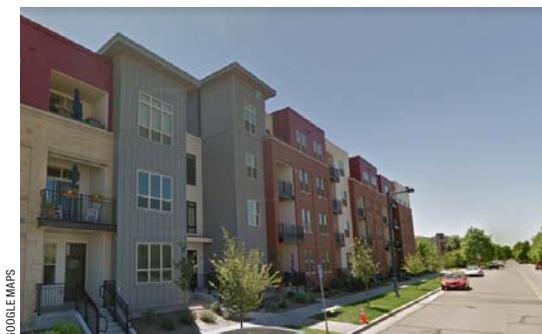
GOOGLE MAPS

the development is about four acres of the net developable land with a cost estimate of \$15 million to \$21 million, before land cost, capital costs, and developer profit. The development cost of 90 townhouse units would be \$165,000 to \$230,000 per unit.

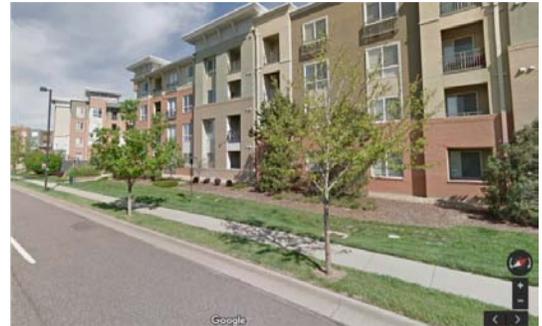
### Low-Rise Residential

Residential density toward the center of the development area is proposed to include three- to four-story condominium-style developments, including one-bedroom, two-bedroom, and a limited number of three-bedroom

Example of a multifamily building.



GOOGLE MAPS



GOOGLE MAPS

Example of a multifamily building.

units. No retail should be required in the multifamily developments. Three- to five-story construction should include alley-style and rear-loaded parking, while the square site areas, which are unsuitable for development, can be used for green space. Some accessory parking may be designed into the overall site plan.

First-floor units may have exterior access, which could be considered senior friendly, whereas other topographic considerations could provide for additional garden or single-story options within multistory units. Overall construction type would provide for elevators, and three-story walkup units should be limited or not allowed. Based on general cost parameters, the panel estimates the cost of this portion of the development, representing about eight acres, at \$36 million to \$50 million, excluding the cost of the land, capital costs, and developer profit. Thus, the unit cost for 260 multifamily/low-rise units would be \$140,000 to \$200,000.

## Commercial Uses

Along with housing, the panel recommends that the site plan include office space, parking, limited retail offerings, a health clinic, and a technical school.

### Office Space

From 90,000 to 110,000 square feet of commercial office space is proposed for the developable area near the parking garage. The panel recommends that the buildings be two to three stories and that they mass on the east side of



Example of an urban low-rise office building.

the parking garage. Their height would generally be 14 to 16 feet deck to deck, for an overall height of 30 to 45 feet. The cost of the commercial offices is estimated at \$17 million to \$26 million, excluding the land cost, capital costs, and developer profit.

The existing garage will accommodate parking for the commercial offices. The assumed parking ratio is about 4 to 1,000 square feet of office space. Therefore, if the current parking count is 390 spaces, about 100,000 square feet of office space is feasible. It is assumed that the use of the parking structure would accrue to the benefit of the commercial office developer, however, only to the extent that it is an incentive for limited speculative development.

### Parking Structure

As discussed earlier in the master plan section, the panel recommends that the parking structure be refurbished with new exterior improvements. Given that use of the parking garage is designated primarily for the commercial offices, the panel believes that the office building developer should be responsible for those improvements and that use be granted by deed or by easement. The future office developer would be responsible for the operating costs of the parking garage.

Parking garage improvements may include art or murals on the exterior elevations or, at a minimum, paint or materials that enhance the neighborhood branding or concepts. Additional allowable uses may be incorporated at the street level for retail to service the surrounding area, which would soften the massing on Second Street.



Artwork on Sidney & Lois Eskenazi Hospital in Indianapolis. The artwork is built to move with the wind.



A mural painted on a parking garage in San Diego. Bloomington has many examples of artwork added to existing parking garages.

In addition, the panel suggests that potential after-hours use of the parking garage for conventions or other events be considered. However, compensation arrangements would need to be discussed with whoever owns the parking garage, given the operation costs (e.g., security, insurance, etc.).

### Retail Services

The panel suggests limited retail on the site to serve the new development. Such retail should be located at the corner of Second and Rogers Streets. Because of the site's proximity to downtown, the new development should drive direct retail uses toward the downtown rather than create competition. Consequently, no more than 10,000 square feet of retail should be developed, including any use at the parking structure. The estimated cost of core and shell retail development is \$2 million to \$3 million, excluding land allocation, capital costs, and developer profit.

### Urgent Care Clinic

The development should allow for continuing use of an urgent care clinic. IU Health would be a natural provider if urgent care is part of its current offering, or other tenants such as Volunteers in Medicine should be consulted. About 25,000 square feet of space is designated for urgent care use.

### Technical School Initiatives

The panel recommends working with local trade and technical schools to focus further on increasing job training and creating a facility on site. A partner, such as Ivy Technical Community College, should be sought and connections made where training and technical work can be the focus.

## Other Uses

Along with the developable land, the panel recommends a series of other uses that should be implemented in tandem with the developments. Such uses will ensure that the new development becomes a neighborhood for the people of Bloomington rather than a series of buildings.

- *Green space.* The panel recommends that significant green space accompany the hilltop civic and community uses, creating a new park adjacent to the community center and the parking garage. Green space is also included in each development, ranging from garden areas associated with the townhouses to garden courtyards within the mid-rise multifamily buildings.

- *Public art.* The panel recommends that the new neighborhood include housing and studios appropriate for community artists and art organizations. Art focused on local history will be an important element of the neighborhood's identity and design. As such, along the living street and within open spaces, public art should be installed.

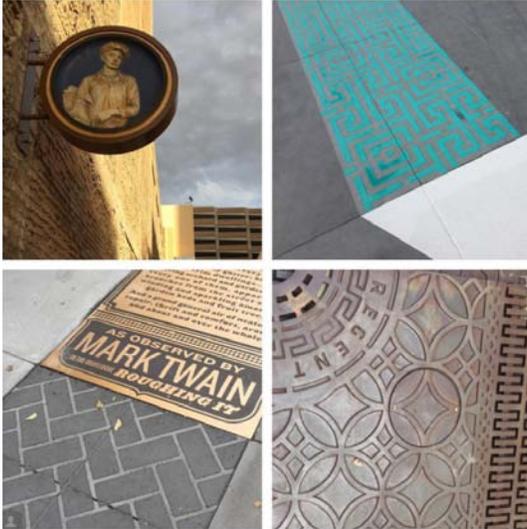
In addition, turning the parking structure into public art is key to the neighborhood. The proposed living street would pass to the south of the structure, exposing its blank southern wall. That wall should be used as a canvas for a large-scale piece of art that will reinforce the neighborhood brand and signify the value of art in Bloomington.

- *Gateway treatments.* The hospital site development is a gateway for people entering Bloomington via Second Street from I-69. The panel recommends that the streetscape and buildings along the corridor reinforce

*Despite the panel's proposal to demolish the Kohr Administration Building, the memory of the structure should not be lost. Pieces of the building should be incorporated into the site, including the "Bloomington Hospital" inscription over the front entrance. A final determination of the building's fate has not been made by the city of Bloomington.*



PAUL ANGELONE/JULI



CHRISTINE RICHMAN/ULI

Salt Lake City's living street incorporates the history of the neighborhood, including immigrant groups and Mark Twain's visit.

the brand and image of Bloomington as a progressive community that values multimodal connectivity and green space.

- **Signage package.** Signage in Bloomington is primarily oriented toward automobiles. Bloomington should create pedestrian-scale signage throughout the city identifying walking and biking routes to points of interest. Such signage will enhance the walking/biking environment for Bloomingtonians overall and will be an asset for tourism.

The panel recommends that the new neighborhood have a related but distinct signage package that reinforces the neighborhood's brand and provides clear, understandable directions to key points within the development.

## Value Creation

The panel's design concept would create value of between \$93.4 million and \$134 million for the study area. That amount includes construction costs, land costs, infrastructure costs, a developer's profit, overhead, and capital costs. Not all of the new development would be taxable. The potential new taxable real estate would be between \$82 million and \$116 million (see figure 8). That amount is significantly more than the existing—mostly tax-exempt—development within the study area.

Figure 8. Value Creation and Real Estate Taxable Value

Taxable real estate	Low	High
Commercial	\$19,262,023	\$29,262,023
Residential	\$56,837,156	\$78,427,156
Medical/urgent care	\$5,778,607	\$8,778,607
Potential new taxable subvalue	\$81,877,786	\$116,467,786
<b>Nontaxable real estate</b>		
Community	\$11,557,214	\$17,557,214
<b>Total</b>	<b>\$93,435,000</b>	<b>\$134,025,000</b>

Source: ULI.

# Implementation

**INITIAL PLANNING SHOULD START IN JULY 2018,** 12 to 24 months before plan implementation. In every step of creating the vision and the subsequent development framework, progress must derive from *iterative*—meaning community engagement to solicit ideas, formulate plans, and test viability and acceptance, with adjustments as dictated by market, fiscal, or community dictates—rather than *linear* processes. This approach will enable full engagement and participation of the citizens of Bloomington and will ensure that the guiding principles of this report are implemented. Predevelopment steps must include establishing a local multi-stakeholder planning and development constituency and using a community engagement consultant to assist the city staff in creating a shared vision for the site.

## Setting the Stage for Success

The collective goals and priorities of the residents of Bloomington must shape the development of the vision for the site. That vision, in turn, will drive the planning and implementation efforts forward, informed by the guiding principles elucidated earlier in this report. The vision serves as a description of goals and aspirations, and as a beacon toward which Bloomington will continue to move. The vision should be flexible to accommodate changes in local priorities and other national and regional trends.

Most important, the vision must be collective, informed, and comprehensive, and community stakeholders not only must have a say in its development but also must embrace the outcome of the visioning process. As part of that process, the specific priorities that the community believes are the most important must be identified. For example, the panel repeatedly heard about the community's desire for affordable housing options, new connections through

the city to the B-Line Trail and other green spaces, new jobs, and more bikeable and walkable neighborhoods.

The visioning process also offers an opportunity to consider other elements that need to be resolved alongside larger, community-wide priorities. The continuing need for health services in the area, for a senior center in this part of the city, and for neighborhood connections to the planned expansion of the nearby convention center are selected examples. As those elements coalesce, Bloomington can take its prioritization to the next level, by identifying projects that can yield near-term activation and economic development results and can help begin the implementation process. Critical first steps include the city's acquiring the site, engaging the community in a visioning process, and beginning to build relationships with potential partners for uses on the site.

### Community Engagement

To begin this project, the city should engage an external consultant to design and manage a robust community engagement process to create a vision for the site. The vision should be based on community needs and should use reasonable assumptions about the types of developments that are economically feasible on the site.

The panel recommends using an external consultant to free up city staff to implement the comprehensive plan revisions and to update the Unified Development Ordinance. City staff would then have the option of undertaking subarea planning based on staff-level visioning or of continuing to use the consultant.

The panel recommends creating a stand-alone website communicating updates about the planning process and vision, as well as opportunities for online input (e.g., Albuquerque, New Mexico's Central Avenue corridor: [www.greatercentralave.org](http://www.greatercentralave.org)).

## Community Engagement Outreach and Questions

Prepare outreach materials for the community to communicate the opportunities and constraints of the site:

- Use recently collected market data on housing, office, and retail to present future projections.
- Present data showing the financial impact of the recommended ULI urban design scenario.
- Clearly communicate that Indiana University is not interested in partnering directly on the redevelopment of the site through building new classrooms or student housing.
- Outline potential partnerships (having already confirmed partners' interest) with the community.

During the engagement process, ask the community the following suggested questions:

- What types of housing should be included on site? Do you have specific examples of designs from Bloomington that you prefer?
- Should other community needs be included in or around the hospital site?
- Which costs of redevelopment should the taxpayers and the city pay? What investments should be borne by the private sector?

### Regulatory Process

The recently adopted Bloomington Comprehensive Plan calls for the development of a focus area or subarea plan using urban village center and mixed urban residential typologies for future land uses. That work, along with rezoning, should be completed by the end of 2019 to support the overall timelines for redevelopment of the hospital site. The community visioning process should inform the development of the plan, along with the economic feasibility of development that is expected for the area.

Once the subarea plan is completed, the rezoning with the appropriate Unified Development Ordinance designations should be proposed to City Council for approval. Because specific types of housing and uses may be necessary to achieve the community's vision for this site, current zoning designations may be too broad to ensure economic feasibility. The panel recommends consideration of a zoning overlay to replace the current medical district zoning, along with specific design guidelines that would be adopted as part of that zone. This approach could fulfill the intent of the update to the comprehensive plan that envisioned a form-based code for the subarea.

In parallel with this visioning and subarea plan development, the city should engage with the owners of the medical office buildings adjacent to the hospital. The panel recommends an interim zoning overlay to allow general office uses for existing properties. The purpose of this interim overlay is to offer reasonable and compatible use of property during the transition to a new zoning designation. That transition should occur after the subarea plan is completed and is based on recommendations within the comprehensive plan for a "maintain" approach while the Bloomington Hospital is being relocated.

### Regulatory Approach

Bloomington's land use permitting and entitlement process has not kept up with the regulatory reform practices adopted by other jurisdictions. The layering of discretionary decision making by the Board of Zoning Appeals, Planning Commission, and Common Council should be evaluated regarding the cost of compliance, the effectiveness of ensuring that development standards are achieved, and the adverse effects and delays to the development process.

The regulatory process should have the following goals:

- Establish clear development standards, based on guidance from the comprehensive plan.
- Create a predictable administrative review and approval process for a significant portion of land use permits.

- Reserve the discretionary review process for complex or controversial projects and exceptions or variance requests.

Fair and transparent incentives should be established to meet public policy goals that may otherwise be difficult to reach, such as workforce and affordable housing, open space and other public realm amenities, public art, special landscaping, and sustainable development features beyond code requirements.

## Development Process

A request for qualifications (RFQ) should be issued to identify a master developer for the site that would be responsible for refining concept plans. Those plans should be consistent with a clearly articulated vision and with goals defined by the city administration, the Redevelopment Commission, and the Bloomington City Council. Those goals should be shared with other government entities and the community. Potential goals include the following:

- Maximize the city's land acquisition investment.
- Meet community expectations.
- Complete a timely transformation for the hospital site.

The panel recommends using a master developer to complete the resale and redevelopment of the hospital properties. This approach has proved successful for many cities and housing authorities, provided that the underlying zoning, development standards, and business outcomes are aligned with market forces and city priorities.

Following a community engagement process, the city—potentially in conjunction with a consultant—should craft a fully competitive RFQ and subsequently a request for proposals for a master developer to manage redevelopment of the site.

Responses to the RFQ must demonstrate experience in implementing projects of similar size and scope—particularly experience demonstrating technical, relational, and financial ability:

- The RFQ should incorporate by reference extremely detailed due diligence documents, assembled by the city, for the site (e.g., the New Orleans Charity Hospital redevelopment; see [www.charityprojectneworleans.com](http://www.charityprojectneworleans.com)).
- The criteria for evaluating the RFQs must be agreed on in advance and should be included in the RFQ, thus enabling a potential developer to understand the desired direction of the project and, most important, the level of commitment to a fair and open process.
- The RFQ should have a tight time frame that facilitates expedited review and the issuance of invitations to chosen developers to respond to a full request for proposals. Providing a detailed scope of work and set of expectations will allow the master developer to secure financing and development partners to make the site plan a reality.

Once the master developer is selected, the panel recommends that the city enter into a phased contract leading to a transfer of property, if the company meets all performance measures included at an acceptable price for the



*Seattle's Sound Transit issued a request for qualifications and proposals for firms interested in submitting real estate development plans near the Capitol Hill light-rail station. Gerding Edlen was awarded the project and is building a mixed-use project that includes a partnership with Capitol Hill Housing to own and operate many of the affordable units. Helping close the financing gap will be public funding from the city's housing authority and King County, as well as use of Seattle's Multifamily Property Tax Exemption Program.*



The city should work with the master developer during the due diligence phase to ensure that design guidelines (similar to recommended form-based code within the comprehensive plan) are followed and proper incentives for expected housing types are clear.

Buildings along First Street that are currently interim uses by IU Health should be allowed to remain to stabilize the adjoining neighborhoods until single-family residences are built on the site.

## Development Partners

The city of Bloomington, and subsequently the master developer, should work with a variety of stakeholders and possible community and other partners to ensure that the hospital site is successfully redeveloped. This public/private partnership will help manage development risks by enabling the partner to best manage a particular risk.

For this project, some development risks that the public sector can better manage include infrastructure costs and some subsidy or abatement costs. The private sector can better manage risks associated with future market conditions, market rents/costs, and financing costs. Development risks associated with offsets to market conditions—like affordable housing—will be further discussed later within this section. The following is a preliminary list of development partners to be considered and expanded:

- The city should work in tandem with the Monroe County Community School Corporation and the owners of the Hunter Building and the associated parcels to understand how those properties can help achieve the community's desired vision and the master developer's design and phasing plans.
- The city should reach out to the local Volunteers in Medicine Clinic, as they are interested in expanding both

## Ten Principles for Successful Public/Private Partnerships

Public/private partnerships are a way to combine the strengths and resources of both the public and private sectors most effectively. These partnerships are used in economic development, infrastructure development, social services delivery, and other applications.

In 2005, the Urban Land Institute published *Ten Principles for Successful Public/Private Partnerships*. Those principles follow:

1. Prepare properly for public/private partnerships.
2. Create a shared vision.
3. Understand your partners and key players.
4. Be clear on the risks and rewards for all parties.
5. Establish a clear and rational decision-making process.
6. Make sure that all parties do their homework.
7. Secure consistent and coordinated leadership.
8. Communicate early and often.
9. Negotiate a fair deal structure.
10. Build trust as a core value.

In 2014, those principles were updated to better reflect how public/private partnerships can help weather severe economic recessions in a publication titled *Successful Public/Private Partnerships: From Principles to Practices*.

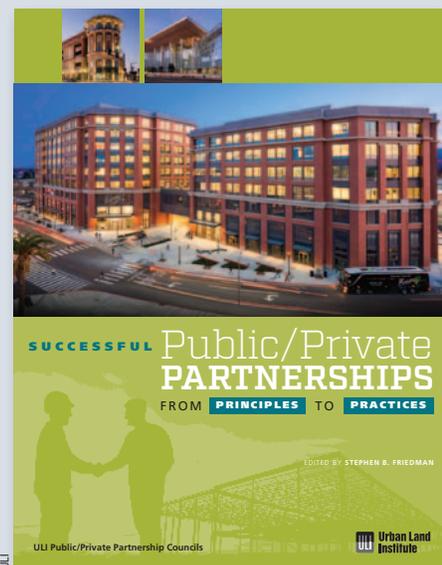


Figure 10. Potential Funding Sources

Component	Low-income housing tax credits	New Markets Tax Credits	CDFI loan fund	TIF	City funds	Private developers	Private employers
Low-income affordable rental housing	X		X	X	X		
Trade school		X	X	X	X	X	X
Office		X				X	X
Market-rate housing (for sale and rental)						X	
Civic and community center			X	X	X	X	
Basic infrastructure (utilities and streets)					X	X	
Trail linkages, pedestrian infrastructure, open space					X	X	

their physical facilities and their role in serving insured patients.

- The city should encourage continuation of the partnership between Cook Medical and Ivy Tech for the proposed office building at the corner of Second and Rogers Streets, as well as the civic and community center in partnership with Ivy Technical Community College adjacent to the parking garage.
- The future owner of the parking garage could consider partnering with the convention center to allow use of the garage on nights and weekends.
- The community center district could be a central anchor for the entire site, with local partners providing myriad services. Several entities are possible local partners for the community center:
  - The city of Bloomington could provide programming at the center, including programs for children, programs for seniors, and health fairs, as well as funding through the Parks Department.
  - Cook Medical could provide funding for the center, especially as it relates to increased health opportunities for its employees.
  - The Community Foundation could provide funding focused on increasing community health, access to early childhood programs, and arts programming.
- The YMCA does not currently have a facility within walking distance of the downtown area. The Y could provide programming for the center.
- Senior health organizations like the Active Aging Coalition, faith-based senior programs, Area 10 Agency on Aging, and the Rural Transit program could provide both programming and funding for the center.
- Early childhood development partners like Early Head Start, Indiana First Steps, and the IU Early Childhood Center could provide education, guidance, and evaluation for any early childhood elements of the community center.
- Local philanthropists told the panel during the interview process of their interest in funding early childhood development initiatives on the site.
- Area arts groups like the Arts Alliance of Greater Bloomington, Artisan Alley, the Bloomington Playwrights Project, and IU arts departments, among others, could provide events and programming at the center.
- Other social service providers could provide programs and services.

The following community centers have developed strong partnerships:

- Mason, Ohio, Community Center ([www.imaginemason.org/things-to-do/community-center/about-the-center](http://www.imaginemason.org/things-to-do/community-center/about-the-center));
- CityWay in Indianapolis ([www.cityway.com](http://www.cityway.com)); and
- Philadelphia recreation center program (<http://rebuild.phila.gov>).

In Philadelphia's case, city officials are using funds raised from a tax on sugary beverages. Before rebuilding community facilities, community organizers are knocking on doors to ask residents what elements they think the neighborhood is missing. This approach is changing recreation centers from being sites only for recreational activity to sites for workforce training, computer labs, and after-school programs.

## Funding

The hospital site redevelopment is an opportunity for the city of Bloomington to meet many of the community's objectives, to generate economic activity, and to enhance the city's fiscal position. The panel recommends a strategic approach to funding the various components of the redevelopment, working in close partnership with private developers, employers, lenders, philanthropists, and community development finance institutions (CDFIs). The following are some possible funding sources (see figure 10).

- *Tax increment financing (TIF)*. The Bloomington Redevelopment Commission's available TIF funds can help pay for the multimodal streets, trails, and other connectivity

### Financing Affordable Housing

Building affordable housing is difficult and expensive. The Urban Institute developed an interactive tool that helps explain the complexity of financing affordable housing and how to close the gap between what can be supported by market-rate housing and what is needed for below-market housing. The tool can be found at [www.urban.org/urban-wire/how-affordable-housing-gets-built](http://www.urban.org/urban-wire/how-affordable-housing-gets-built).

enhancements. TIF can also be used for the construction of low-income rental housing.

- *City of Bloomington capital funds*. In addition to TIF, the city may have capital funds available for some of the infrastructure and capital needs on the site, such as water/sewer improvements.
  - *Low-income housing tax credits and 4 percent bonds*. Low-income housing tax credits and 4 percent private activity bonds for multifamily housing are administered by the Indiana Housing and Community Development Authority. They are major sources of subsidy for low-income rental housing targeting households with incomes below 60 percent of the area median income.
  - *New Markets Tax Credit (NMTC) Program*. The NMTC Program is a competitive funding source for commercial uses that generate new investments and jobs in low-income neighborhoods.
  - *CDFI loan fund*. The city of Bloomington has launched an initiative to develop a new CDFI loan fund that would pool monies from the city, private banks, and philanthropists to make investments in a variety of projects, ranging from low-income rental housing to incubators and community facilities. If the city is unable to form a Bloomington-specific CDFI, the panel learned that other Indiana-based CDFIs would be willing to invest in the city.
  - *Private investment*. Implementation of the redevelopment plan will require many investments from private developers and employers. It is expected that private developers would fund market-rate housing, office space, and the majority of the infrastructure. Employers could invest in building their own office space, as well as construction and operation of a trade school and community facilities.
- Additional funding sources include the following:
- State or federal grants

- Water, sewer, and stormwater funds
- State or federal health clinic funds

Because of the strength of the housing market in Bloomington, the panel recommends that the city provide no incentives or tax abatements for market-rate housing development. The use of tax abatements on economically viable uses prevents the city from collecting the tax increment revenues that can then be directed to other necessary improvements that are challenging to fund. The panel recommends that the city combine its limited resources with partners (foundations, banks, and CDFIs) to assist with funding community-serving uses that are unlikely to be funded privately. Those include low-income rental housing, the trade school, and the civic and community center.

## Opportunity Zones

The Tax Cuts and Jobs Act of 2017 established Opportunity Zones to encourage investment in low-income communities by reducing and deferring federal taxes. The U.S. Treasury Department is still designing and writing this program, but it is expected to have a large impact.

A portion of the study area site—west of Rogers Street and south of West Second Street—has been designated an Opportunity Zone. Although it remains uncertain whether a second round of Opportunity Zone designations will occur, the panel recommends that the city of Bloomington continue to track developments and assess the steps required to secure a future Opportunity Zone designation for the portion of the study area that is not included, as well as the underused Kroger parking lot.

Additional information about Opportunity Zones can be found at [www.enterprisecommunity.org/policy-and-advocacy/policy-priorities/opportunity-zones-program](http://www.enterprisecommunity.org/policy-and-advocacy/policy-priorities/opportunity-zones-program).

# Conclusion

## THE PANEL BELIEVES THAT THE BLOOMINGTON

Hospital site can both reconnect the city's neighborhoods and create an intersection where a diversity of people and interests meet. To realize that goal, it will take strong community consensus and bold citizen engagement hand in hand with collaborative leadership. However, it will also force Bloomington to think differently: not to be afraid to grow and to focus its lens away from doing business as usual.

ULI is no stranger to Bloomington. In 1997, a time when the city was struggling, another Advisory Services panel was invited to look at the future of the RCA property. When it was clear that no market or reuse opportunities existed at the time, the leadership united with innovative partnerships that set a positive pathway forward and allowed a repositioning of that site.

The panel, once again, believes that collaboration and partnerships must be the foundation for the redevelopment of the hospital site. The business, nonprofit, and faith communities and the public sector must share the responsibility to address Bloomington's economic and social equity issues and to repurpose this site as part of that solution.

The following are some of the key take-aways from this panel report:

- This project can assist in meeting Bloomington's housing needs and can provide a full spectrum of housing, as well as an opportunity for future office space. The vision should maintain the neighborhood scale, create that network of public spaces, and connect the key assets of the community.
- The panel feels strongly that the city needs to engage a master developer to manage the entire site redevelopment. Bloomington's staff does not have the capacity to manage a project of this scale alone. However, the

city needs to start building key partnerships now. That endeavor should start early and be an ongoing process, which will ensure success.

- The panelists stress the importance of a robust community engagement process before redevelopment and then continuing that communication through the entire course of building out and realizing the city's and the community's vision.

Today, Bloomington has a long list of projects. They are all very important—a string of pearls—and are projects that any community would love to have. But sometimes the amount of work necessary is more than a community—especially one of this size—can accommodate at one time because of financial, legislative, or advocacy issues. Ultimately, building support for the community's most important needs should be the number one priority. Successful completion of that priority will ensure that the next project and then the next are embraced and realized with equal support, equal enthusiasm, and equal success.

The panel suggests that the city consider prioritizing its needs formally. The panel also recommends a thorough evaluation of regulatory policies and practices. During the interviews, the panel heard much confusion, misunderstanding, and frustration about those policies and practices. The panel believes that Bloomington needs to revisit and update its land use permitting and entitlement process and to review the regulatory reform practices that have been adopted by other jurisdictions.

The goals of the regulatory process should be (a) to establish clear development standards based on comprehensive plan guidance, (b) to set up a predictable administrative approval process for a significant portion of land use permits, and then (c) to reserve the discretionary review

process for complex or controversial projects and exception or variance requests.

Fair and transparent incentives should be established to meet public policy goals that may otherwise be difficult to obtain, such as workforce and affordable housing, open space and other public realm entities, art, special landscaping, and sustainable development features that are beyond code requirements. To position Bloomington for real job growth and new business startups and relocations, the panel believes strongly that those areas need to be addressed.

The panel also believes that Bloomington would benefit from working more closely with other regional entities, including elected officials, business and community leaders, and residents alike to create a mutual vision for economic vitality, natural and cultural resources, and quality of life. Although the politics may differ—and the panel heard that a lot—facilitating nonpartisan conversations is essential to finding solutions to key regional issues and shared challenges and opportunities, such as transportation and housing, social equity, and physical and social infrastructure.

The panel believes that IU, as well, should become a significant partner in creating regional initiatives through its many resources, programs, and partnerships. The panel recommends creating an initiative like upstate South Carolina's Ten at the Top. Communication of this type—when people begin to talk across jurisdictional and organizational lines—fosters trust and sustained cooperation in extraordinary ways. This approach builds regional partnerships that benefit all. What is positive for Bloomington benefits nearby communities, and positive results in those communities will benefit Bloomington.

Developing the Bloomington Hospital site is a long-term, complex, and multifaceted project. The city must approach this project strategically and then execute the plan correctly in order to achieve the most successful outcome.

The panel is confident that as the city of Bloomington finds itself at this historic crossroads, it will have the courage and will to engage the necessary partners to go through this transformation. In 20 years, this ULI panel's recommendations—as those of the panel before—will have helped pave a positive pathway toward developing the hospital site into something exceptional for the city and the region.

# About the Panel

## Glenda Hood

*Panel Chair*  
*Orlando, Florida*

Hood is a founding partner of triSect LLC, a strategic consulting firm focused on civic innovation serving the business, government, and independent sectors. Hood was Florida's secretary of state from 2003 to 2005 and mayor/chief executive officer of Orlando from 1992 to 2003. Before being elected Orlando's first female mayor, she was a city council member for 12 years and president of her own public relations business.

As mayor, Hood was a strong advocate of growth management and smart-growth principles to build safe, livable neighborhoods, a revitalized downtown, and a strong local economy. Under her leadership, the city's land area grew by 50 percent; older and historic neighborhoods were revitalized; compatible new mixed-use infill was constructed; the city's largest parks initiative built new parks and refurbished existing ones; unprecedented partnerships in education were established; transportation alternatives were championed; Orlando became a high-tech center and competitive world market; and the arts became a civic priority.

She spearheaded the redevelopment plan for the Orlando Naval Training Center, the most ambitious economic development project in the city's history. That undertaking has been recognized as one of the country's best examples of the reuse of former government properties and a model for incorporating all elements of smart growth and civic engagement. In addition, she has been a key adviser on domestic security and disaster preparedness for Florida and the U.S. Department of Homeland Security.

As head of Florida's Department of State, Hood was responsible for the department's Divisions of Administrative Services, Corporations, Cultural Affairs, Elections, Historical Resources, and Library and Information Services and was instrumental in crafting the state's Strategic Plan for Economic Development and international business initiatives.

Hood has served as president of the National League of Cities and the Florida League of Cities and as chair of the Florida Chamber of Commerce. She is a global trustee of the Urban Land Institute, an active participant on ULI's Advisory Services panels and the Daniel Rose Center for Public Leadership, a fellow of the National Academy of Public Administration, and longstanding board member and past chair of Partners for Livable Communities. She chairs the corporate boards of SantaFe HealthCare and Axiom Bank N.A. and serves on the board of Baskerville-Donovan Inc., as well as the Florida Gubernatorial Fellows Program and Junior Achievement Academy.

Hood received her BA in Spanish from Rollins College after studying in Costa Rica and Spain. She attended Harvard University's Kennedy School of Government executive program and participated in the Mayors Urban Design Institute at the University of Virginia and the Society of International Business Fellows.

## Gabriela Cañamar-Clark

*Alexandria, Virginia*

Cañamar-Clark is a principal and landscape architect in LandDesign's Washington, D.C., office. With an architecture background, she approaches her projects comprehensively with the goal of transforming the public realm into a legible, safe, and engaging environment. She works with design teams and municipal staffs to convey a sense of

place through underlying details that make big ideas work. Responsible for project vision and storytelling, concept development, and project management, Cañamar-Clark ultimately thinks best with pen in hand.

Cañamar-Clark is known for her legacy impact on the design of many of LandDesign's mixed-use, urban infill, public space, residential, and commercial projects. She leads teams in the design of large, complex projects like the master plan for National Harbor in Prince George's County, Maryland, a premier waterfront destination unique to the Potomac region. She is also a leader in redefining "suburban" through experiential designs for successful projects like King of Prussia Town Center in King of Prussia, Pennsylvania; Downtown Silver Spring, Maryland; and multiple projects along the Tysons Corner, Virginia, Metrorail corridor.

Before joining LandDesign, Cañamar-Clark served as an urban design analyst for the Pittsburgh City Planning Department and a Main Street revitalization designer/planner with North Country Council, a regional planning commission in northern New Hampshire.

Cañamar-Clark earned a degree in architecture from the Instituto Tecnológico y de Estudios Superiores de Monterrey, Mexico, and a master's in landscape architecture from the State University of New York. She is a professional landscape architect registered in Virginia, Maryland, and Pennsylvania. She is a member of the American Society of Landscape Architects, American Institute of Architects, and Urban Land Institute and a board member of the Alexandria Economic Development Partnership.

## James Coleman

*Denver, Colorado*

Coleman is managing director for Hill Companies LLC, a national real estate investment firm with current holdings in San Francisco, southern California, Colorado, and Washington. With more than 20 years of experience in real estate transactions and dealmaking, Coleman has organized the placement of about \$1 billion in real estate

investment and new development throughout the United States.

Coleman has a strong track record as a strategist, dealmaker, and team builder and has overseen complex transactions and deliveries in suburban and urban environments. With expertise in joint ventures, financial structuring, negotiations, and program management, Coleman is focused on quality, innovative real estate and placemaking rather than "commodity" real estate.

As a principal, he has overseen the delivery and management of office and industrial properties, medical office and ambulatory surgery space, multifamily apartments and condominiums, and retail centers, including mixed-use, creative space and adaptive reuse deliveries. As a hotel developer, Coleman has been a member of Starwood's Aloft and Element Owner Advisory Board and Hyatt's Owner Advisory Board for Hyatt Place and Hyatt House. He is also a member of the Urban Land Institute's Suburban Development and Redevelopment Product Council.

His recent or notable projects include Synergy Medical Offices and Surgery Center, a 100,000-square-foot urban medical office and retail mixed-use development in Denver; the Muse luxury apartments, 120 units of Class A apartments, located across from the University of Denver campus; a 6.5-acre land assemblage in the Las Vegas resort corridor; and the adaptive reuse of a vacant office building, reimagined as a branded hotel in Denver.

Coleman holds a bachelor's degree from Northern Illinois University and an MBA in real estate from the University of Denver.

## Richard Krochalis

*Seattle, Washington*

Krochalis is a member of the Seattle Design Commission. The commission reviews Seattle projects with public funding and advises the mayor and City Council on those developments that seek to use public rights-of-way.

He was the regional administrator of the Federal Transit Administration (FTA) Region 10 office in Seattle, Washington, from May 2002 until he retired from federal service in June 2016. In that position, Krochalis was responsible for the administration of the FTA's capital, operating, and planning grant programs totaling over \$700 million annually in the four-state western region.

Before joining the FTA, Krochalis served ten years as director of design, construction, and land use for the city of Seattle. In that position, he established performance measures as part of a multiyear major regulatory reform action agenda and implemented a program for neighborhood design review. Krochalis served as a career officer in the U.S. Navy in a series of facilities construction and management positions, including program manager for the new navy homeport at Everett, Washington, and planning and real estate director for the navy's West Coast operations.

Krochalis obtained a master's degree from Harvard University in city and regional planning and a bachelor's degree from Cornell University in environmental systems engineering. His current memberships include the University of Washington's College of the Built Environment Planning Professionals Council, the Urban Land Institute, the American Institute of Certified Planners, and the American Planning Association.

## Christine Richman

*Salt Lake City, Utah*

Richman is a principal at GSBS Architects, a multidisciplinary architecture, design, and planning firm headquartered in Salt Lake City, Utah, with offices in Fort Worth, Texas. GSBS specializes in sustainable design and planning by incorporating environmental, social, and economic viability into all projects.

Richman has over 20 years' experience in the field of planning, economic development, and real estate market analysis. She spent more than nine years in the public sector as the director of community and economic develop-

ment for Midvale City, Utah, a community in the Salt Lake City metropolitan area that is home to two Superfund sites. During her tenure at Midvale, Richman led the effort to position the Superfund sites for redevelopment. As a result, the Bingham Junction area of Midvale City has experienced significant growth and investment—even during the Great Recession.

In 2005, Richman joined the private sector, first as a project manager with Wikstrom Economic & Planning Consultants, then with her own firm, and now as the principal in charge of planning for GSBS. Richman's projects have included a redevelopment strategy for more than 300,000 acres of Superfund property in and around Anaconda, Montana, as well as small area plans for station areas in Salt Lake Valley.

In addition, Richman is an adjunct professor in the Planning Department of the College of Architecture and Planning at the University of Utah. She was the founding instructor for Real Estate Market Analysis, a graduate-level course required as part of the college's master's program in real estate development. Richman also serves on the Advisory Panel for the college's Metropolitan Research Center, a premier research body focusing on planning issues and transportation.

Richman is the governance chair of ULI Utah and is a member of ULI's Public/Private Partnership Council (Blue Flight). She also serves as the president of the Board of Directors for the Community Development Corporation of Utah, a nonprofit focused on housing and homeownership statewide.

## Cate Ryba

*Asheville, North Carolina*

Ryba is the project director at Urban3, a consulting company created by Asheville real estate developer Public Interest Projects.

Urban3's work in pioneering geospatial representation of a city's economic productivity has prompted a paradigm shift in understanding the way community design affects

municipal fiscal health. Ryba's work focuses on project management, development of relationships with clients and partners, and policy facilitation after an analysis for a community is complete. Ryba has the unique experience of being both a former city staff member and a former local elected official. She is an urban designer, planner, and self-admitted civic policy geek.

Before joining Urban3, Ryba ran her own civic consulting practice focused on public art and creative placemaking; led a downtown revitalization nonprofit focused on implementing a public art program and artist residency program; spent five years as the youngest member of the City Council of Spartanburg, South Carolina, her hometown; and worked as a municipal economic developer.

Ryba holds a BA from Wellesley College and a master's in city and regional planning and a certificate of urban design, both from the University of Pennsylvania's School of Design.

## Sujata Srivastava

*Berkeley, California*

Srivastava is a principal at Strategic Economics, a nationally recognized urban economics consulting firm. She has over 17 years of experience encompassing market studies, transit-oriented development, fiscal and economic impact analyses, economic development, and affordable housing.

At Strategic Economics, Srivastava works with local governments on strategies to integrate equity and workforce development into their economic development planning. In addition, she has worked in California cities and regions to develop strategies for increasing affordable housing, pres-

ervation, and funding, including housing impact fees and inclusionary policies. Srivastava specializes in preparing economic and market studies for transit-oriented development and infill projects.

Before joining Strategic Economics, Srivastava was a principal at AECOM/Economics Research Associates, where she worked with private developers and public agencies on urban planning projects in the United States, Mexico, Brazil, and El Salvador. She also worked for two years as a planner for Urbana Consultores in Quito, Ecuador.

Srivastava holds a master's degree in city and regional planning from the University of California at Berkeley and a BA from Mount Holyoke College. She is fluent in Spanish and proficient in Hindi and Portuguese.







# A ULI Advisory Services Panel Report



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