City of Bloomington

Urban Land Institute
Advisory Services Program

Bloomington, IN
April 8 - 13, 2018

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About the Urban Land Institute

- The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

- ULI is a membership organization with nearly 40,000 members, worldwide representing the spectrum of real estate development, land use planning and financial disciplines, working in private enterprise and public service.

- What the Urban Land Institute does:
  - Conducts Research
  - Provides a forum for sharing of best practices
  - Writes, edits and publishes books and magazines
  - Organizes and conducts meetings
  - Directs outreach programs
  - Conducts Advisory Services Panels

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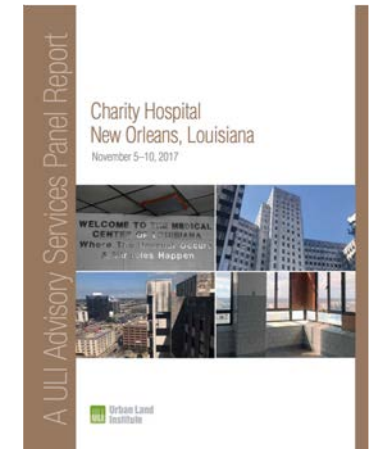
The Advisory Services Program

- Since 1947

- 15 - 20 panels a year on a variety of land use subjects

- Provides independent, objective candid advice on important land use and real estate issues

- Process
  - Review background materials
  - Receive a sponsor presentation and tour
  - Conduct stakeholder interviews
  - Consider data, frame issues and write recommendations
 - Make presentation
  - Produce a final report

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Panelists

- **Glenda Hood**, triSect, LLC, Orlando, FL (Chair)
- **Gabriela Canamar-Clark**, LandDesign, Alexandria, VA
- **James Coleman**, Hill Companies, Denver, CO
- **Matt Lascheid**, Graduate Student, Ball State University, Indianapolis, IN
- **Christine C. Richman**, AICP, GSBS, Salt Lake City, UT
- **Cate Ryba**, Urban3, Asheville, NC
- **Sujata Srivastava**, Strategic Economics, Berkeley, CA
- **Richard Krochalis**, Seattle Design Commission, Seattle, WA

ULI Staff

- Paul Angelone—Director, Advisory Services
- Cali Slepin—Associate, Advisory Services
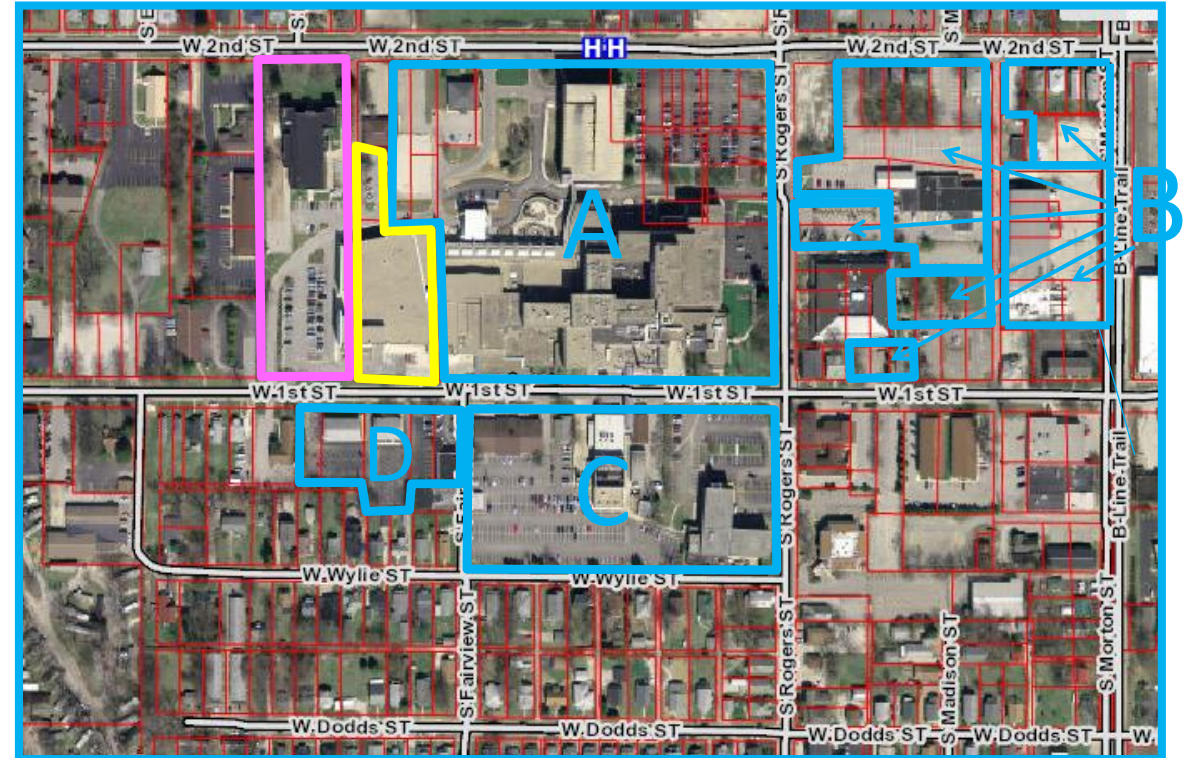- Michaela Kadonoff—Associate, Meetings and Events

Cali Slepin/ULI

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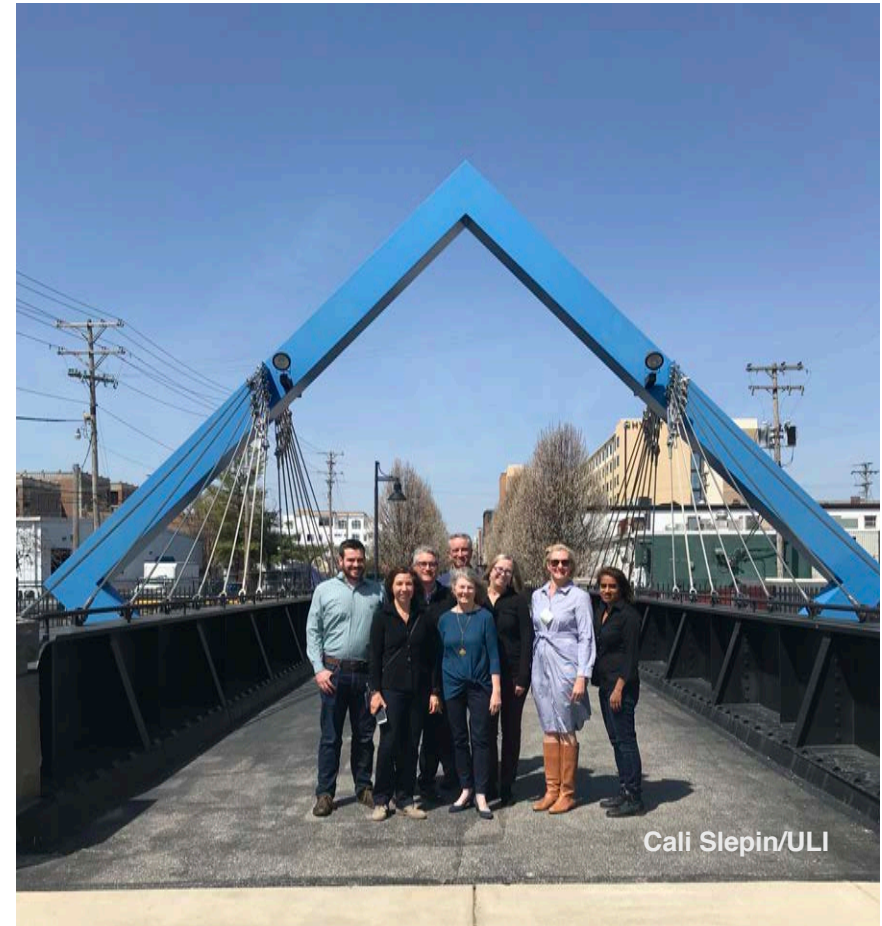
Panel Assignment

Study the 24-acres of the IU Health—Bloomington Hospital Site

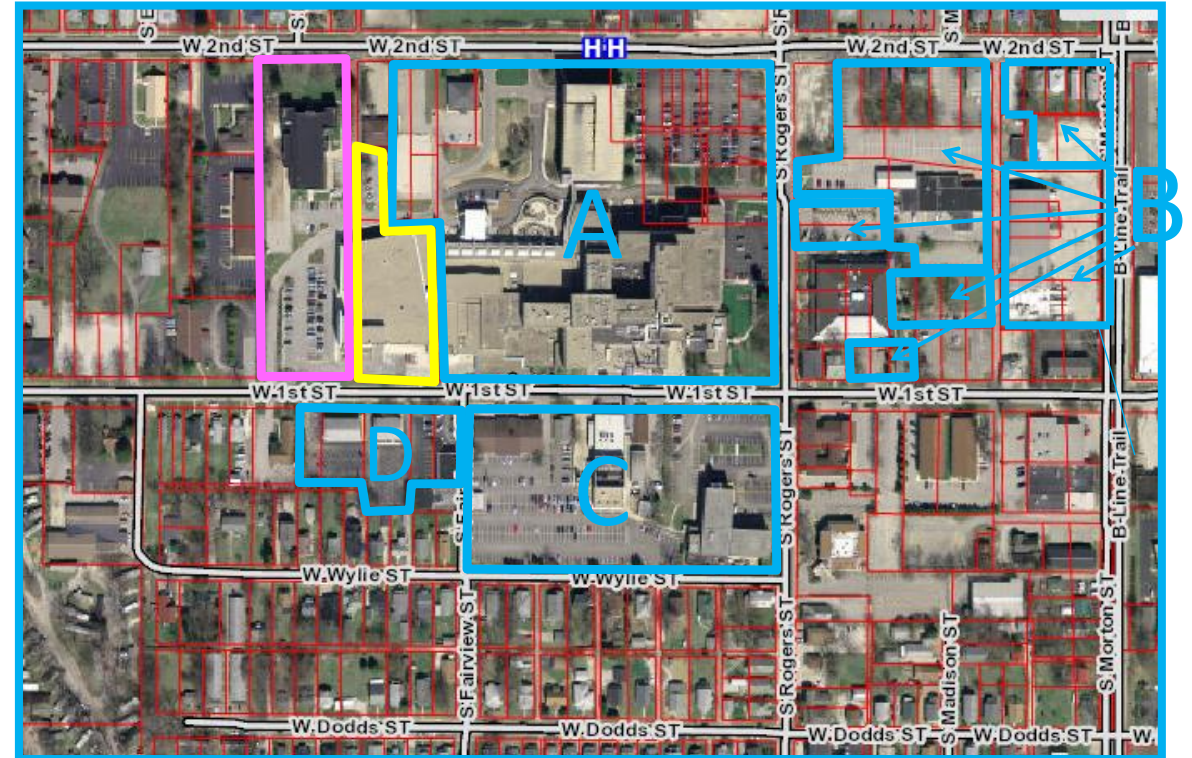Attachment A - IU Health Bloomington Hospital Parcel Values

— IUH owns land and IUH owns building

— IUH owns building, non-IUH entity owns land

— IUH leases land / building, non-IUH entity owns land / building

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Panel Questions

- **Parking garage/administration building keep? Remove?**
- **Scope and scale for redevelopment?**
- **Phasing?**
- **Programming for site?**
- **Infrastructure investment?**
- **Zoning? Entitlement Tools?**
- **RFP/RFQ process for public/private interests?**
- **Impacts/needs of surrounding areas?**

Attachment A - IU Health Bloomington Hospital Parcel Values

—— IUH owns land and IUH owns building
—— IUH owns building, non-IUH entity owns land
—— IUH leases land / building, non-IUH entity owns land / building

Bloomington…

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Bloomington Is…

- "Quintessential college town"
- "Great place to raise a family and to retire to"
- "Small city with big city amenities"
- "Quirky place where you can be yourself"
- "Well-educated and where people like to be involved"
- "Easy place to be, where you can see the stars at night"

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Bloomington Wants…

- **"Collaborative culture"**
- **"Trust and transparency"**
- **"Job growth"**
- **"Good transportation"**
- **"Attainable housing"**
- **"Common vision"**

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Presentation Overview

I.   **Market Conditions**

II. Connectivity

III. Plan Approach and Urban Design

IV. Development Program

V.   Implementation Strategies

VI. Conclusion

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Regional Context

Employment Centers

- Bloomington/Monroe County holds most of the employment destinations for the region.

- I-37 corridor is home to many large employers in the region. The area is poised to benefit from the enhanced connection to Indianapolis after I-69 is completed.

- The redevelopment site represents an opportunity to reinforce the core of the city as an important employment area and prevent job sprawl by connecting the I-37 corridor and Downtown.

Monroe County Employment Density
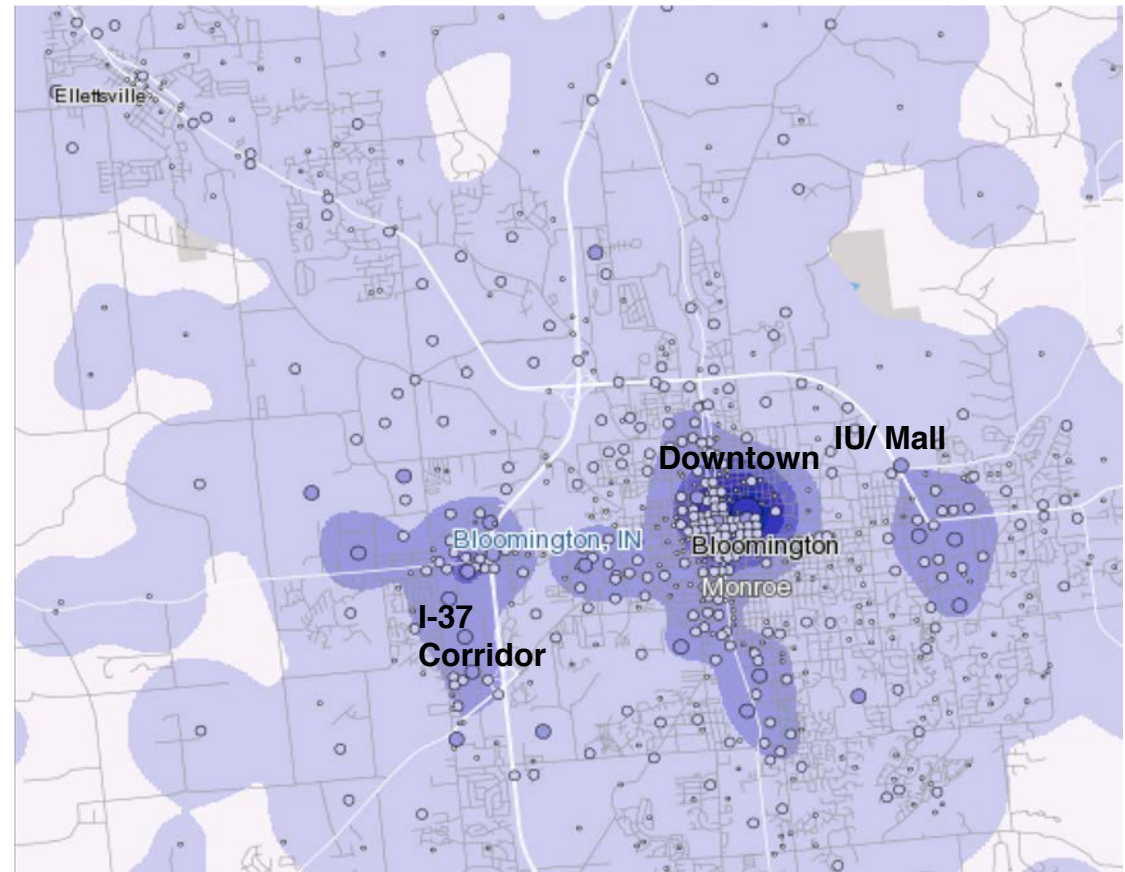
Source: US Census Local Employment Dynamics, 2015.

Office Market

- Office industries in Monroe County have driven much of the overall employment growth in the last 5 years.
- If the growth in office industries continues at this same pace, there would be demand for 30,000 square feet of new office space each year in Monroe County.
- With occupancy rate at 95 percent, there is a shortage of supply for new and expanding businesses.

| Office Industry	Employment 2012	Employment 2016	Change 2012-2016
Information	1,135	980	-155
Finance and Insurance	1,045	1,374	329
Real Estate, Rental, Leasing	1,049	1,128	79
Professional and Technical Services	1,865	1,932	67
Mgmt. of Companies	259	419	160
Subtotal Office Industries	5,353	5,833	480
Office Industries as % of Total Private Employment	12%	13%	

Source: State of Indiana Department of Workforce; Bureau of Labor Statistics.

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Housing Market

Rapidly rising rents and home prices

- Bloomington's housing prices are far higher than in Indianapolis and the state overall, and are rising rapidly.

- From 2012 to 2017, the average asking rental rate rose 12 percent, from $814 per month to $914 per month.

- Many Bloomington households cannot afford market-rate housing prices and rents.

- Strong developer interest in new multi-family housing, with about 1,400 units in the pipeline.

Feb 2018 — Bloomington $259K — Indianapolis $145K — Indiana $167K
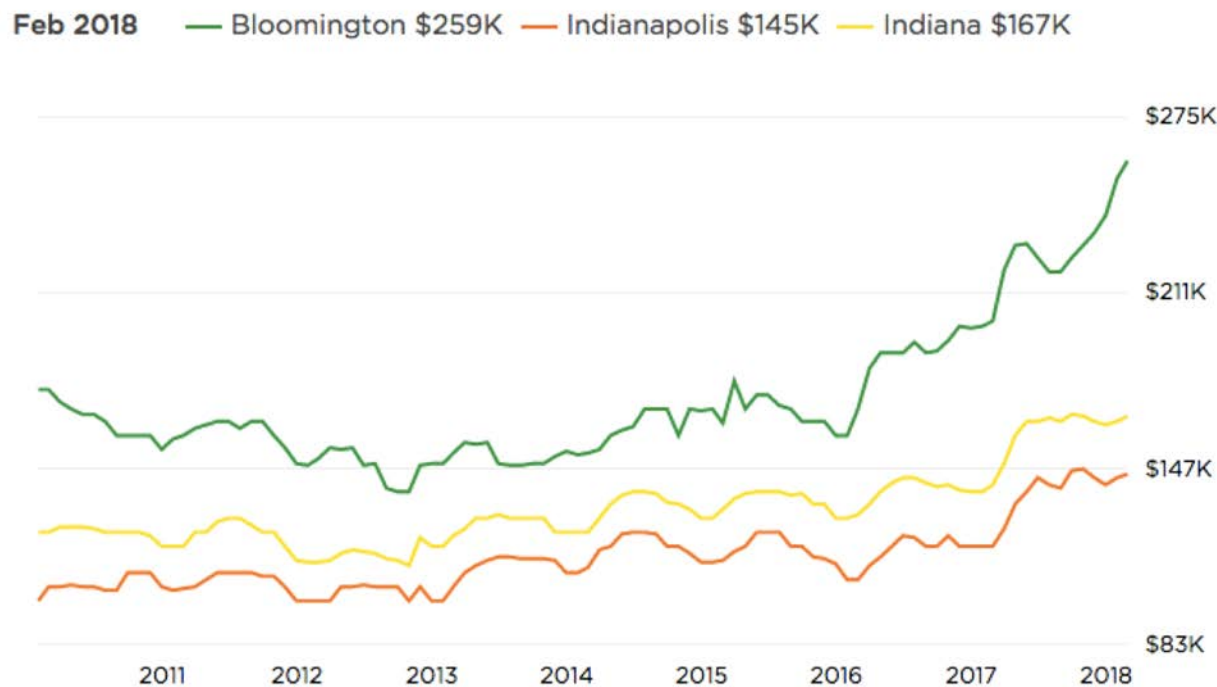
Source: Zillow.com, February 2018

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Unmet Housing Needs

What are the gaps in Bloomington?

- **Low-income rentals**. Deed-restricted rental housing that would be affordable for households with incomes below 60 percent of the area median income.

- **Workforce and Young Adults**. For-sale homes that are economically accessible to young professionals and families purchasing their first home.

- **Elder/ Senior.** Residential communities that serve retirees and empty-nesters with nearby amenities and medical services, allowing them to age in place.

- **Artists**. Higher density, lower cost housing that serve the local artist community (live-work, co-ops, lofts with studio space)

Thomas McConnell Photography

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Connectivity

Social and Community

- Arts & Activity Center
  - Seniors
  - Youth
  - Families
- Clinic
  - Medical care retained in community
- Education
  - Expand existing partnership with Ivy Tech
  - Trades training on site
- Arts and Culture
  - Entertainment and Arts District southwest edge
  - Artists studies and living
  - Art permeated space

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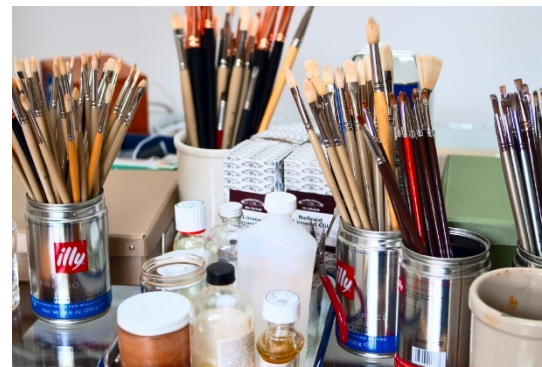
Connectivity

Economic

- Replace some of the jobs lost when the Hospital moves
- Office space focused on professional services
- Compliment existing and planned jobs centers
- Employment training in easily accessible area
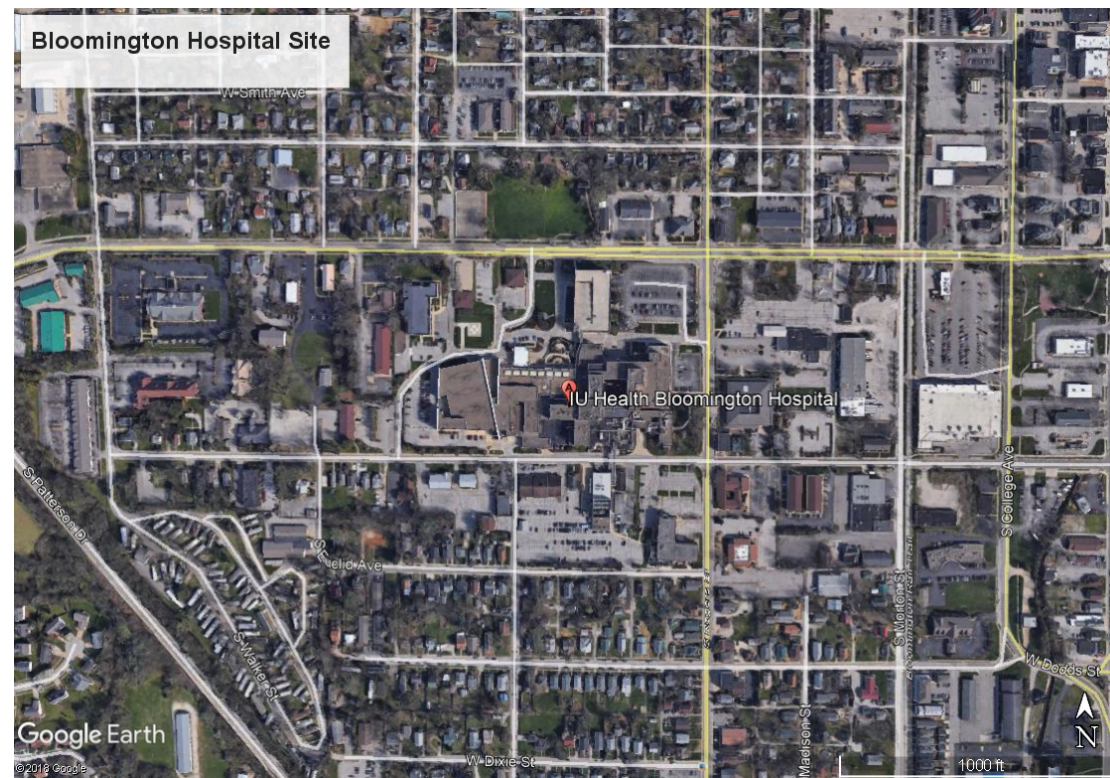- Artists work spaces in conjunction with community center

Connectivity

Physical

- Extend the historic street grid
- Right-sized development parcels
- Living street connection to the B-Line and Seminary Park
- Arts & Activity Center

Paul Angelone/ULI

Bloomington Hospital Site

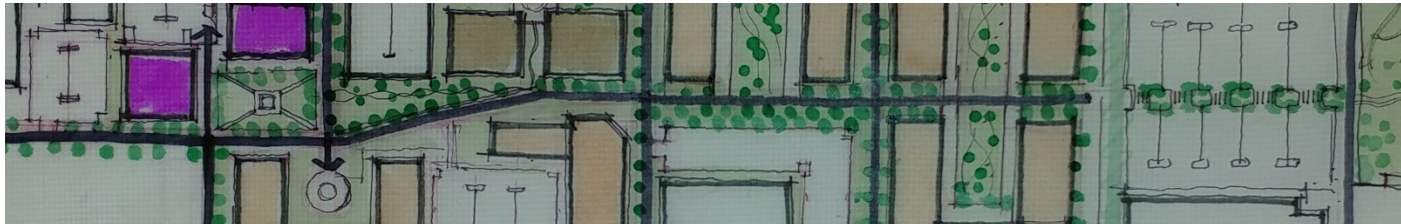**ULI** Urban Land Institute
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Living Street

Multi-Modal Connectivity

- Brand with the neighborhood
- Design to reinforce the key elements of the brand
- Celebrate the history of the area
- Highlight the new community amenities along the way

Vancouver, British Columbia

Payton Chung/Flickr

Bloomington, Indiana (Proposed)

SDOT/Flickr

Seattle, Washington

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Living Street

Branded with neighborhood

Salt Lake City, Utah

Living Street
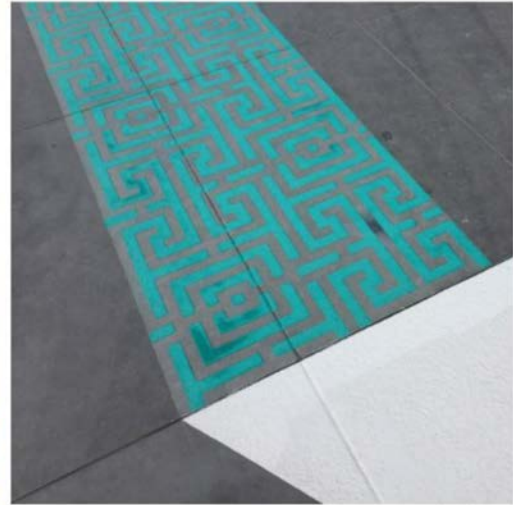
Reinforce the Brand

Salt Lake City, Utah

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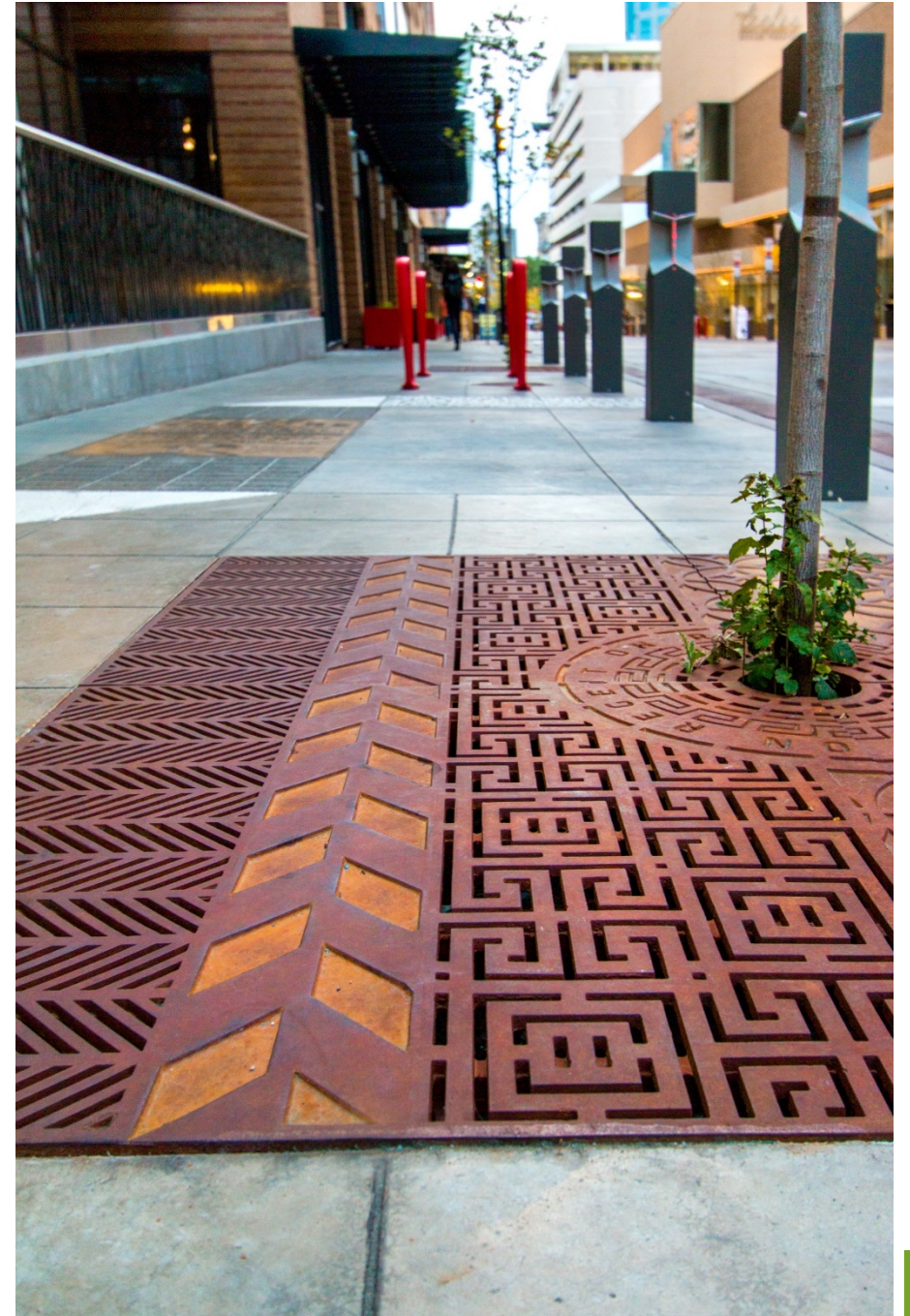
Living Street

Celebrate the History

Salt Lake City, Utah

Bloomington, Indiana

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Living Street

## Highlight Community Amenities

Presentation Overview

I. Market Conditions

II. Connectivity

III. **Plan Approach and Urban Design**

IV. Development Program

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Plan Approach and Urban Design

## Site Vision and Urban Design Principles

- Link the Prospect Hill and McDoel Gardens neighborhoods through the continuation of residential uses

- Connect the urban fabric through an appropriately scaled grid of streets

- Create a vibrant living street environment at the east-west core of the site area, connecting directly with the B-Line

- Gradually transition building mass and volumes to achieve compatibility with existing neighborhoods' architecture scale

- Reuse the garage to serve employment uses on site, maximizing parcel offerings

- Provide accessible, safe and inviting open spaces

- Enhance the pedestrian connections towards downtown and other destinations

- Maintain and cluster community services on site to serve the existing and future communities

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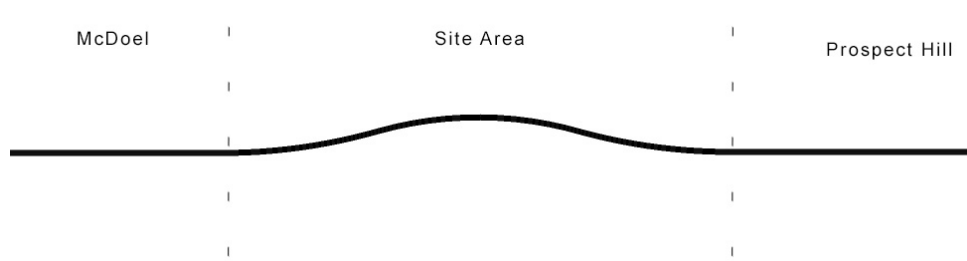**Advisory Services Program**
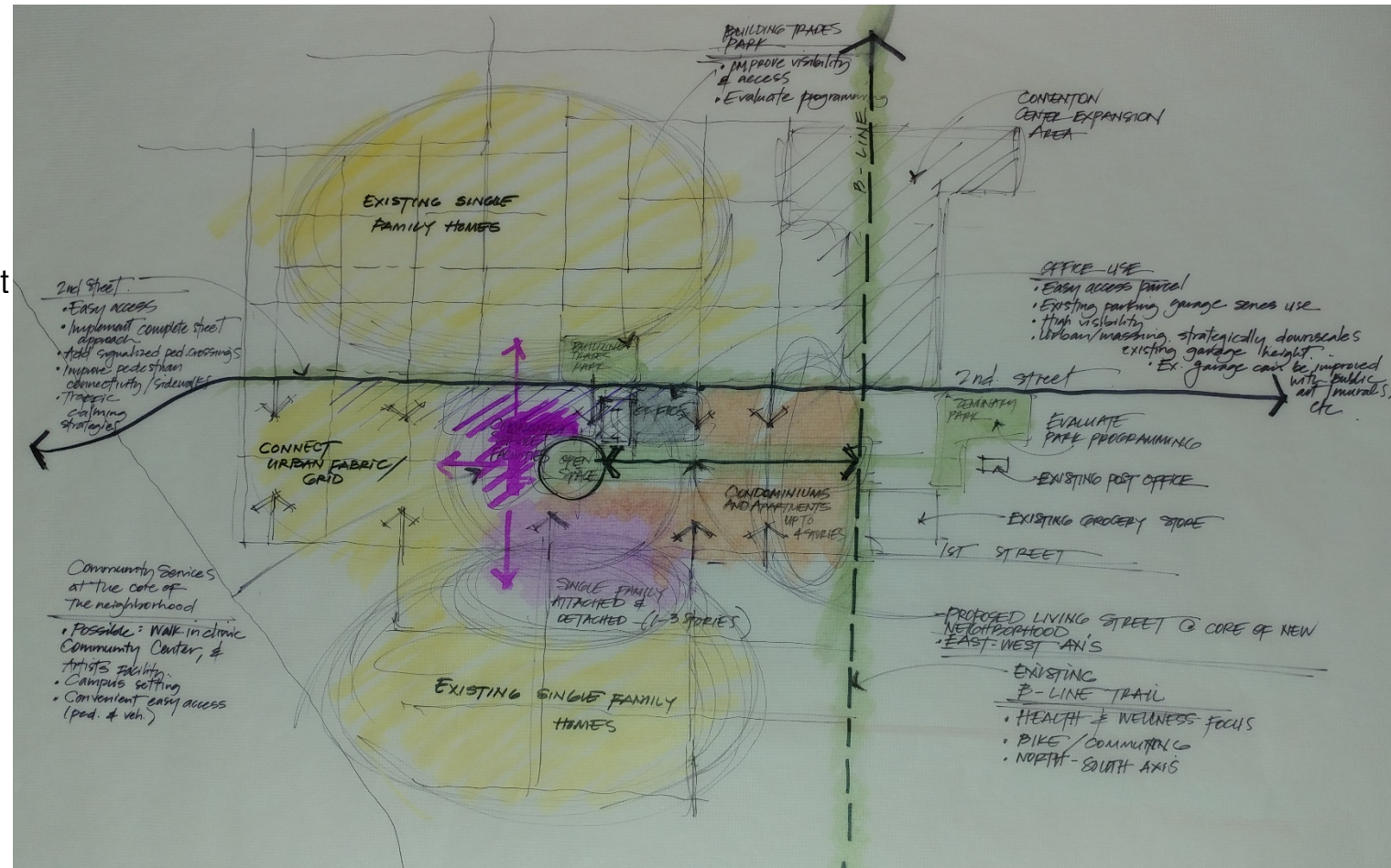
Plan Approach and Urban Design

Site Vision

- Link to existing Building Trades Park and Seminary Park via living street.
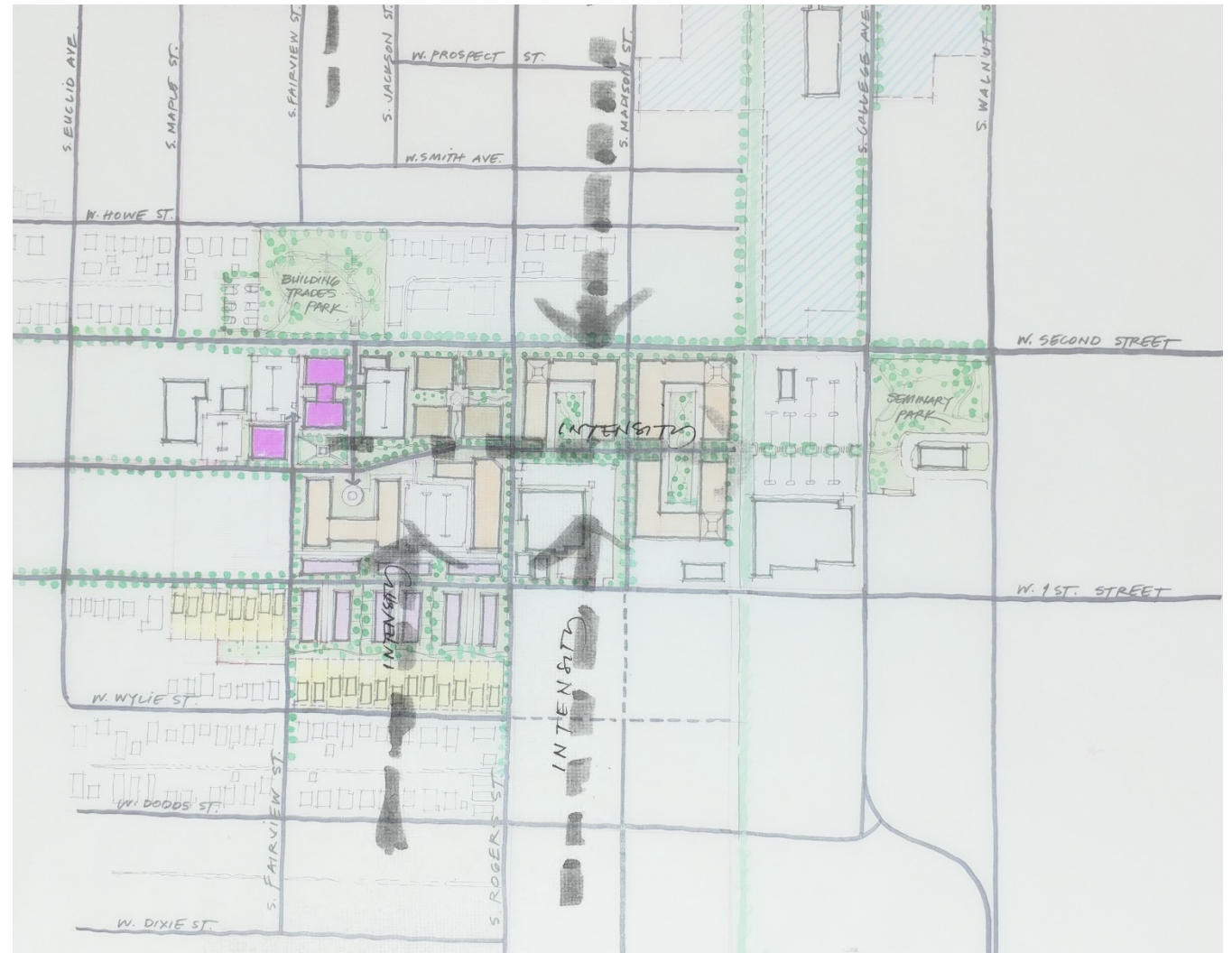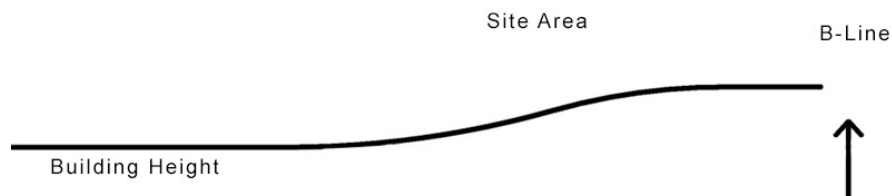- Create a network of public green space.

Building Trades Park

Seminary Park

Post Office
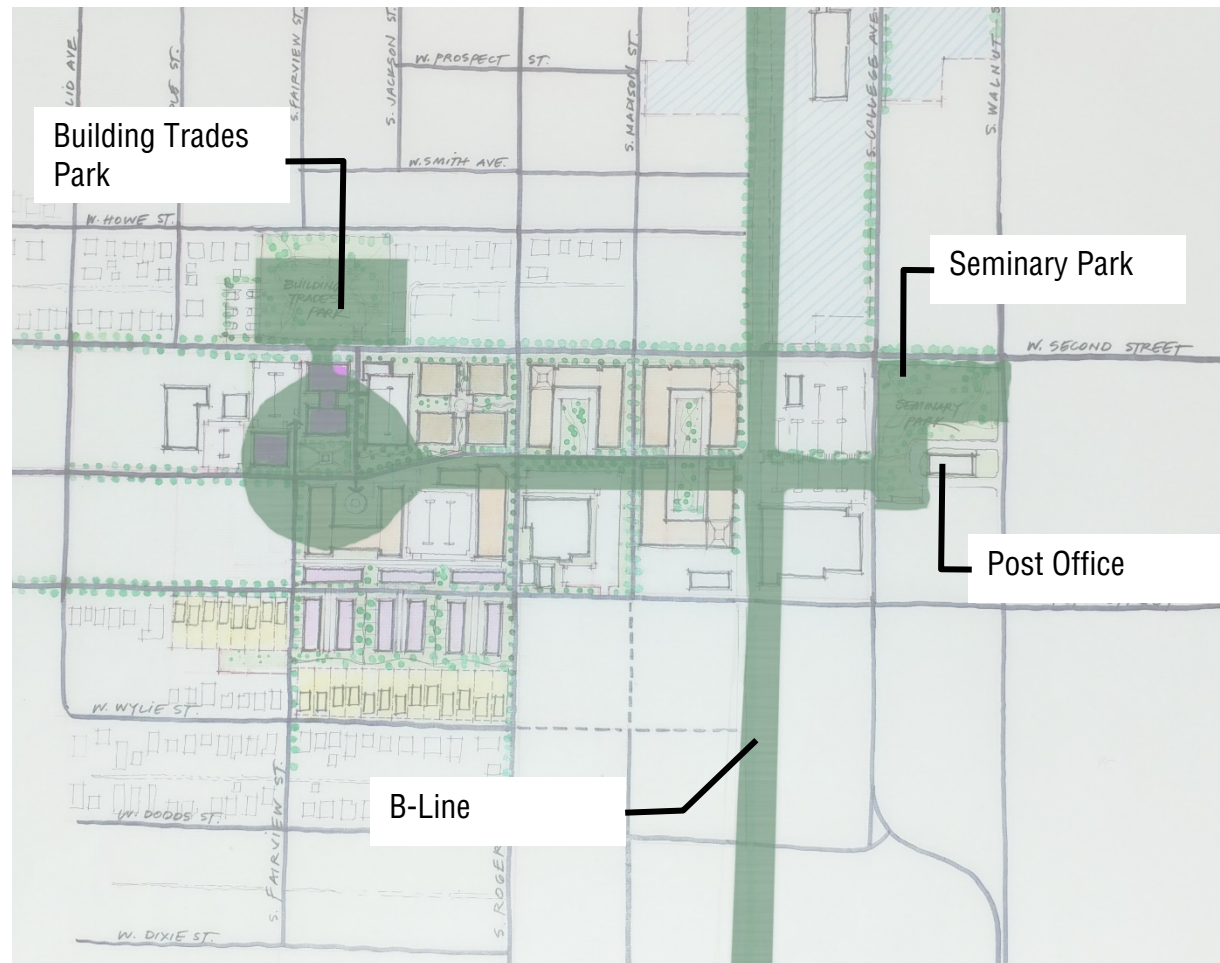
B-Line

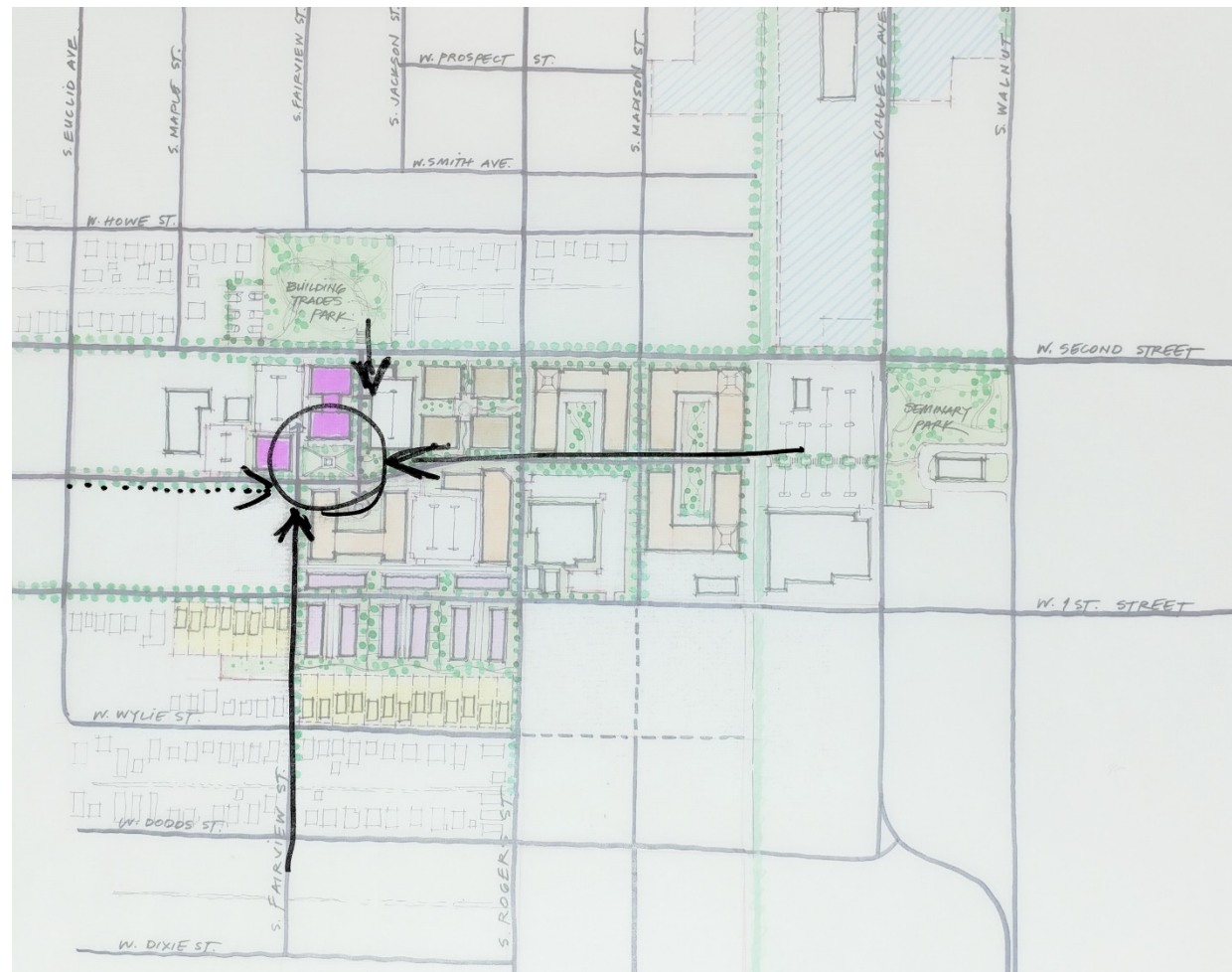# Building Height and Intensity

- Increased Building Height at the Center of the Site
- Increased Building Height along the B-Line

Interior Connections

- Provide multiple connections to the public green space in the center from the surrounding neighborhoods.

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Plan Approach and Urban Design

Residential Types

Cali Slepin/ULI

Single Family Houses

Google Maps

Townhouses with Common

Green Space

La Citta Vita/Flickr

Townhouses in Rows

Eric Fischer/Flickr

Multi-Family Apartments

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Plan Approach and Urban Design

2-3 Story Office

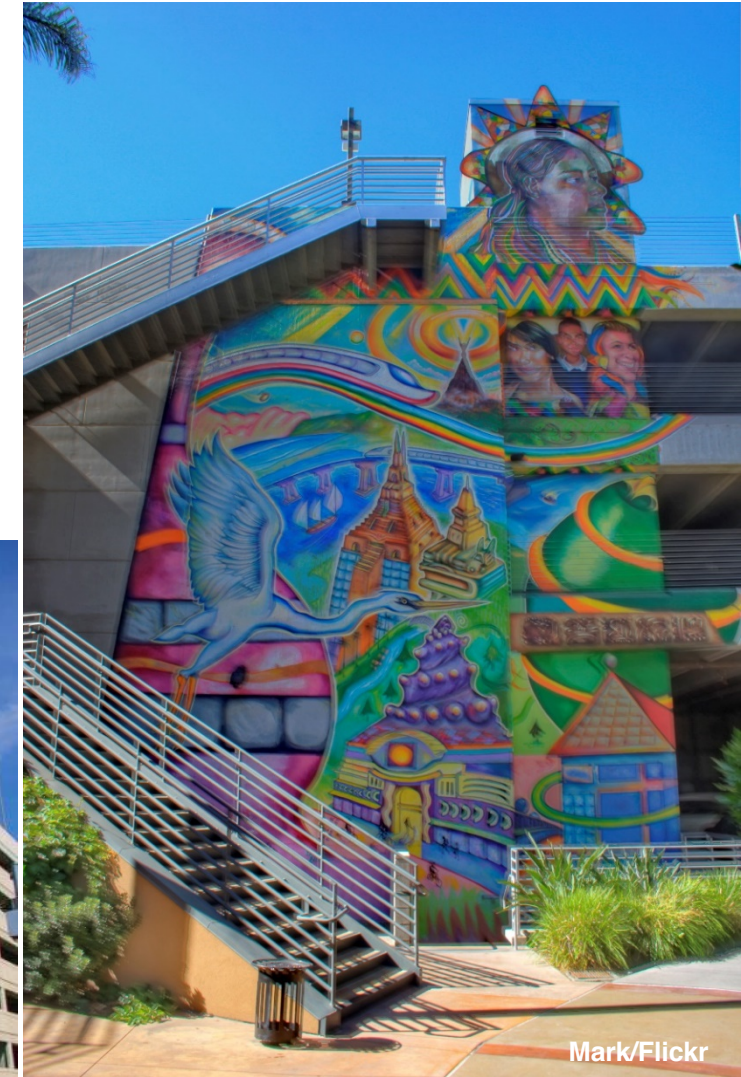# Plan Approach and Urban Design

Parking Garage Façade Treatments

Cincinnati, Ohio

Indianapolis, Indiana

San Diego, California

Plan Approach and Urban Design

Streetscapes and Open Spaces

Dallas, Texas
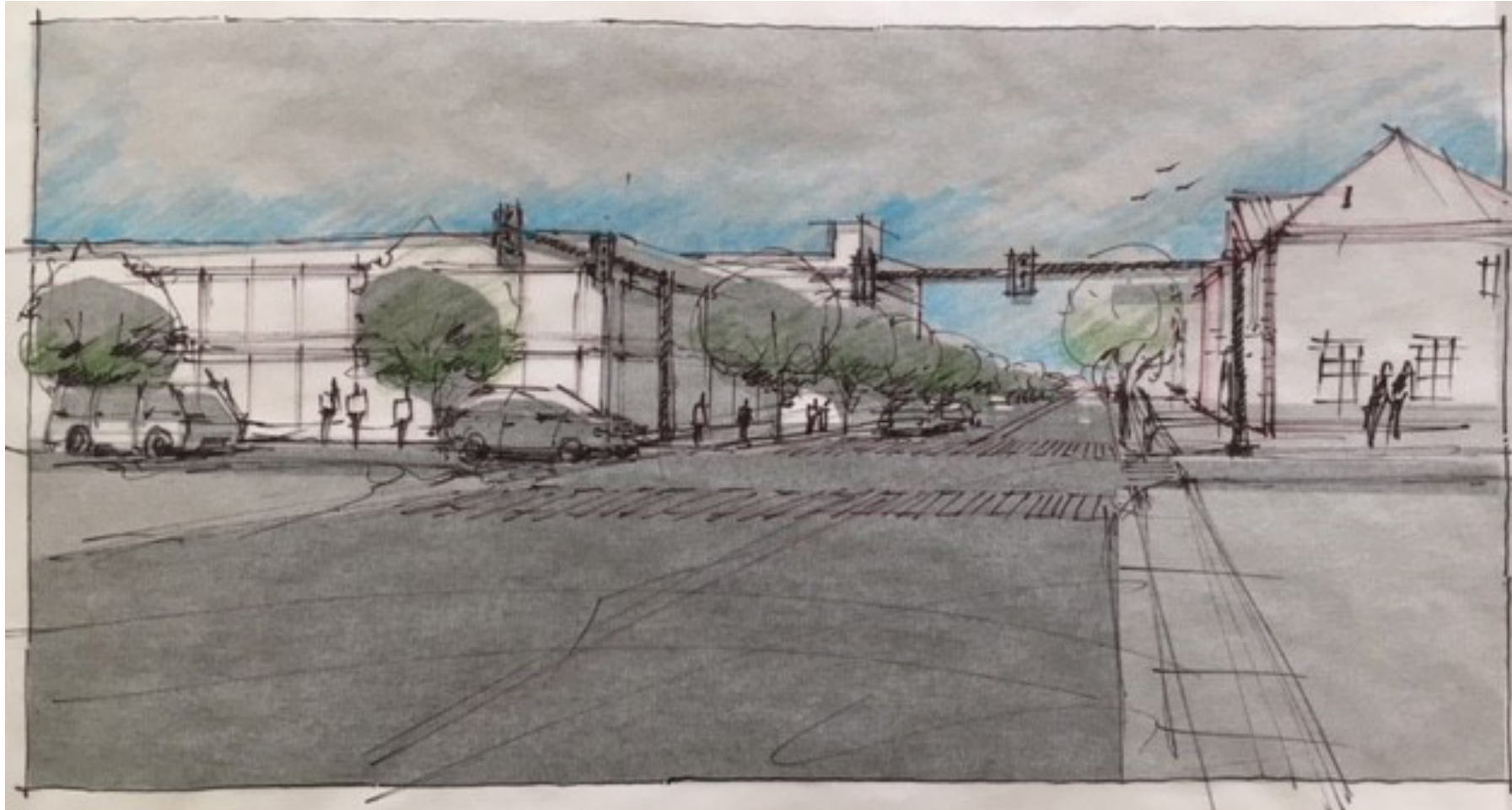

Google Maps

Santa Fe, New Mexico

Plan Approach and Urban Design

View from 2nd Street and S. Rogers St. looking west

Existing conditions

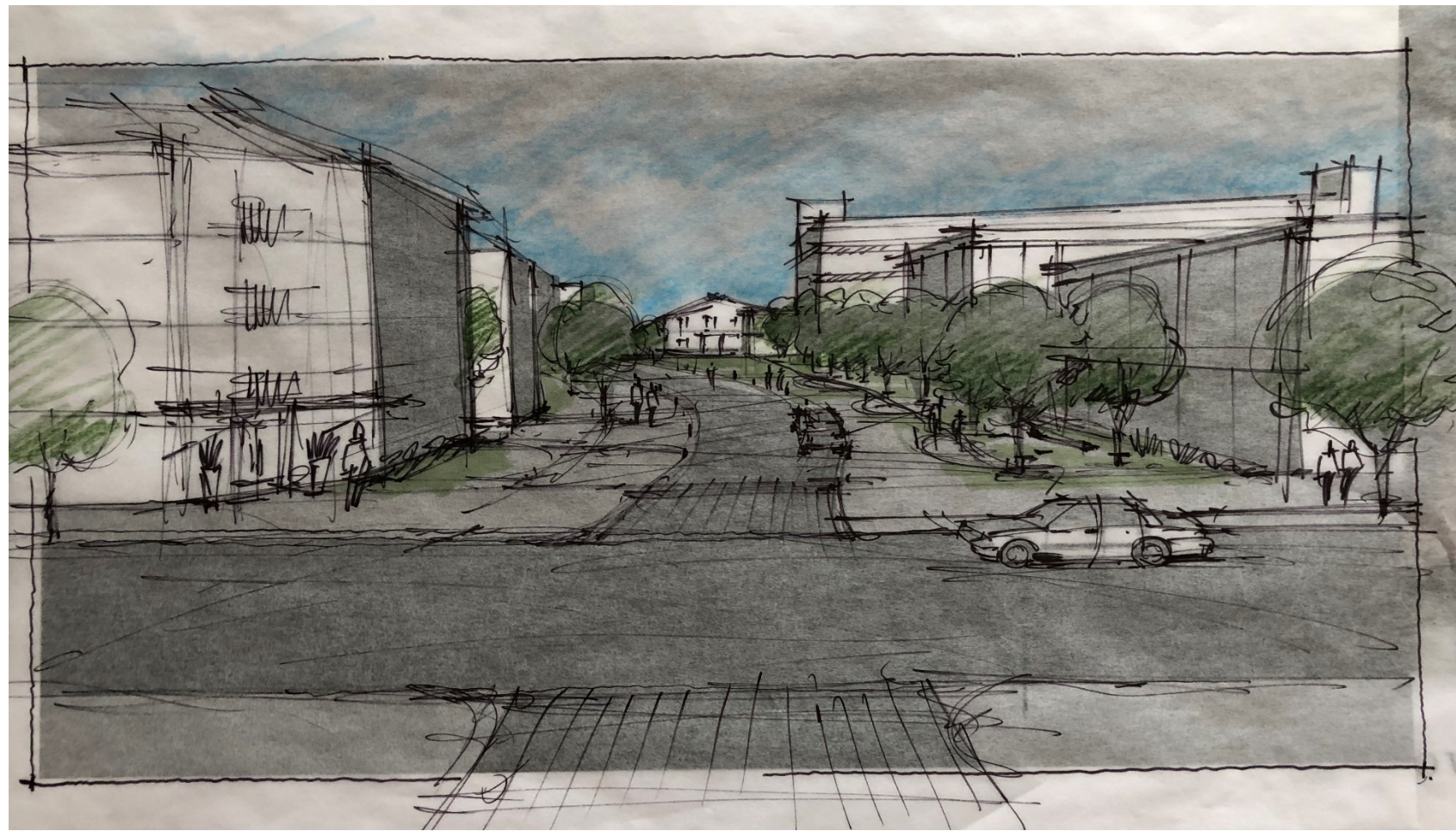Urban Land Institute
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Plan Approach and Urban Design

View from S. Rogers St. looking west through the proposed living street

Plan Approach and Urban Design

Bird's Eye View from S. Rogers St. W. Wylie St.

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Parking Garage Remains

Office Space

Arts and Activities Center

Multi-Family Residential

Existing Emergency Room, outside the project site, to be Removed. Potential Redevelopment Area

One and Two-Unit Townhomes

Single Family Homes
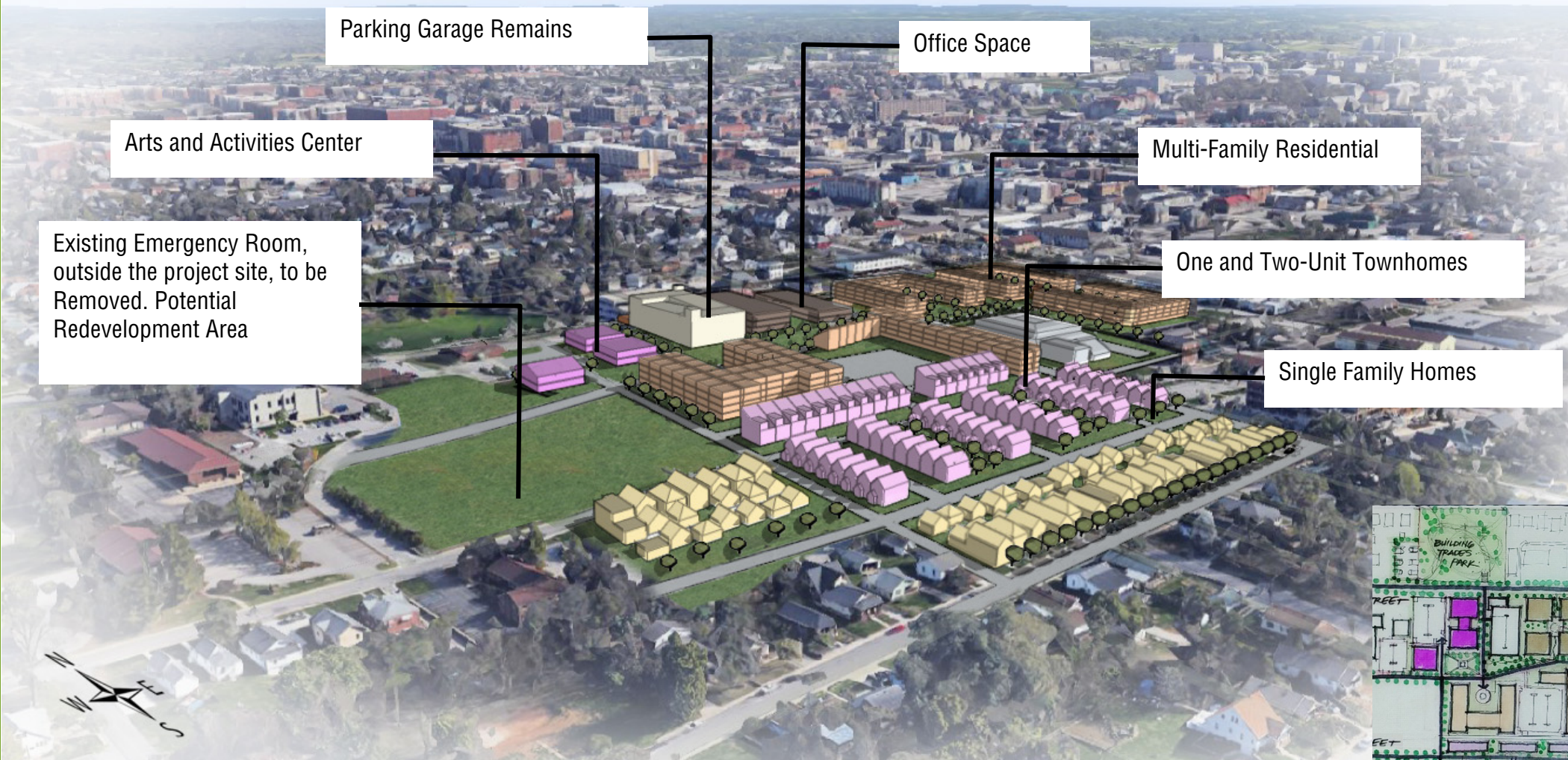
Bloomington, Indiana

Presentation Overview

I.   Market Conditions

II.   Connectivity

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Family Housing / Workforce Housing

Development Program

- 17% of Developable Area
- Respectful transition from existing housing stock
- Smaller lot size; Similar character
- 2-3 bedroom 1-2 bath, 1,500 SF
- Yards and garages, but urban in nature
- Cost conscious and feasible
- Traditional building systems, new building science
- Potential off-site production of building systems
- Options to explore community partnerships
- Trade School / Trade Education
- Target Pricing: $260,000 per unit

Google Maps

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Townhomes / Young Urban

Development Program

- 20% of Development Area
- Continued language from family housing program
- More urban in nature, more density
- Community feel; young professional, starting family
- Elder friendly with walk-out units
- Small yards or community areas, garages, and alleys
- 1,200 +/- SF; 2-story / 2-bedroom / 2-bathroom
- Price Target $230,000

Google Maps

Google Maps

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Multifamily / Mixed Income Housing

Development Program

- 40% of Development Area
- Low-rise multifamily, 3-4 stories, urban
- Generally market rate, condominium or apartment
- Mix of 1-bedroom, and 2-bedroom units, limited 3-beds
- 900 to 1,000 SF average unit
- Inclusion of walk-out units, elder friendly, elevators
- Some amenities, clubhouse, exercise
- Wood construction, cost
- Parking "in-board" behind units, but not "structural"
- Market Costs, Market Rents/Sales Price

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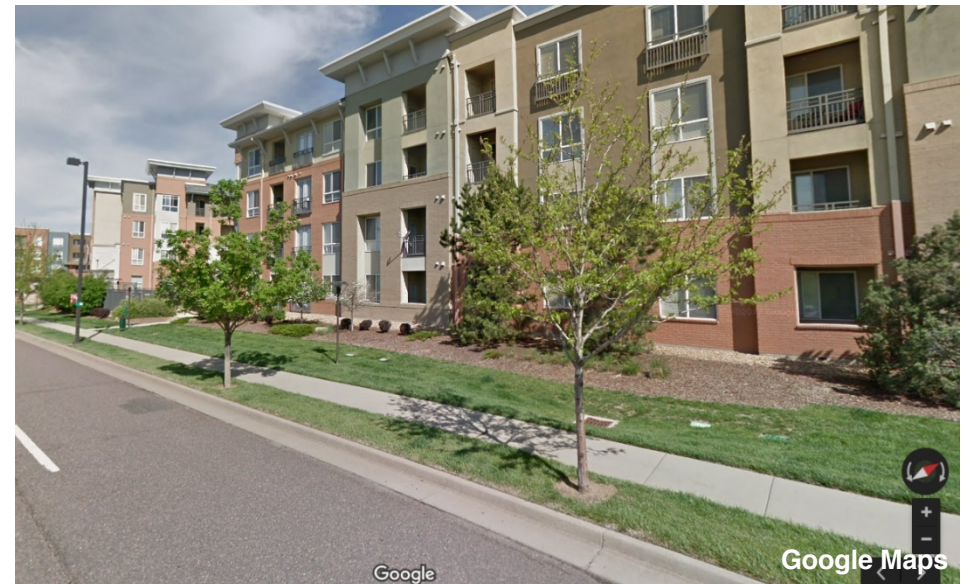
Commercial Offices / Retail

Development Program

- 13% of Developable Area
- 100,000 SF office space
- Class A/B
- Limited neighborhood retail, 5,000 SF
- Adaptive re-use
- Existing Parking = Urban Use
- Parking "Value" / accrues to office developer
- Parking allows density
- Parking limits growth commercial offices
- Parking rights / incentives

Google Maps

Community Uses

Development Program

- 10% of Developable Area
- Urgent Care
- Respond to needs after hospital vacates
- Arts and involvement
- Community center uses, including educational spaces
- Trade and training
- Educational partnering
- Jobs focus and educational transitioning
- Connections through education

Development Program

Cost Analysis / Risks

Untrended Development Costs	Low	High	
Commercial	19,262,023.22	29,262,023.22	
Residential	56,837,155.89	78,427,155.89	
Medical / Urgent	5,778,606.97	8,778,606.97	
Community	11,557,213.93	17,557,213.93	
TOTAL	93,435,000.00	134,025,000.00	
Development Risk			
Infrastructure Costs			
Subsidy or Abatement Costs			
Offsets to Market Conditions			
Market Future Conditions			
Market Rents & Costs			
Financing Costs			

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Predevelopment Steps

- Visioning process
- Explore potential partnerships
- Understand relationship with other ongoing community projects
  - Switchyard Park
  - Convention Center expansion

Implementation: Community Engagement

- Engage an consultant for a robust community engagement process
- The consultant will create a strategy for the visioning process
- Allows city staff to focus on sub area planning and UDO updates

Source: Indiana APA

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Implementation: Community Engagement

- **Continuous Engagement**
  - Standalone website
  - Community forums
  - Focus groups
  - Advisory committee
  - Online surveys
  - Info at community Events/festivals
  - Engage IU Center for Real Estate for competition
  - Engage Ball State/IU for design studio/competition

Implementation: Community Engagement

- **Good Data**
  - Provide *accurate* and *updated* data to guide the community engagement process
  - Include housing, retail and office current and future projections
  - Include potential financial impact of ULI recommendations based on build out
  - Clearly communicate realistic partnerships that have been explored to date

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Comprehensive Plan Guidance & Regulatory Steps

Focus Areas, Strategies & Policy Guidance

- Sustainability
- Historic Preservation
- Form Based Code
- Livability or Lifetime Community
- Focus or Subarea Plan
- Interim Land Uses
- Rezone/Overlay District
- Unified Development Ordinance (UDO) Revisions

Hospital Area Zoning
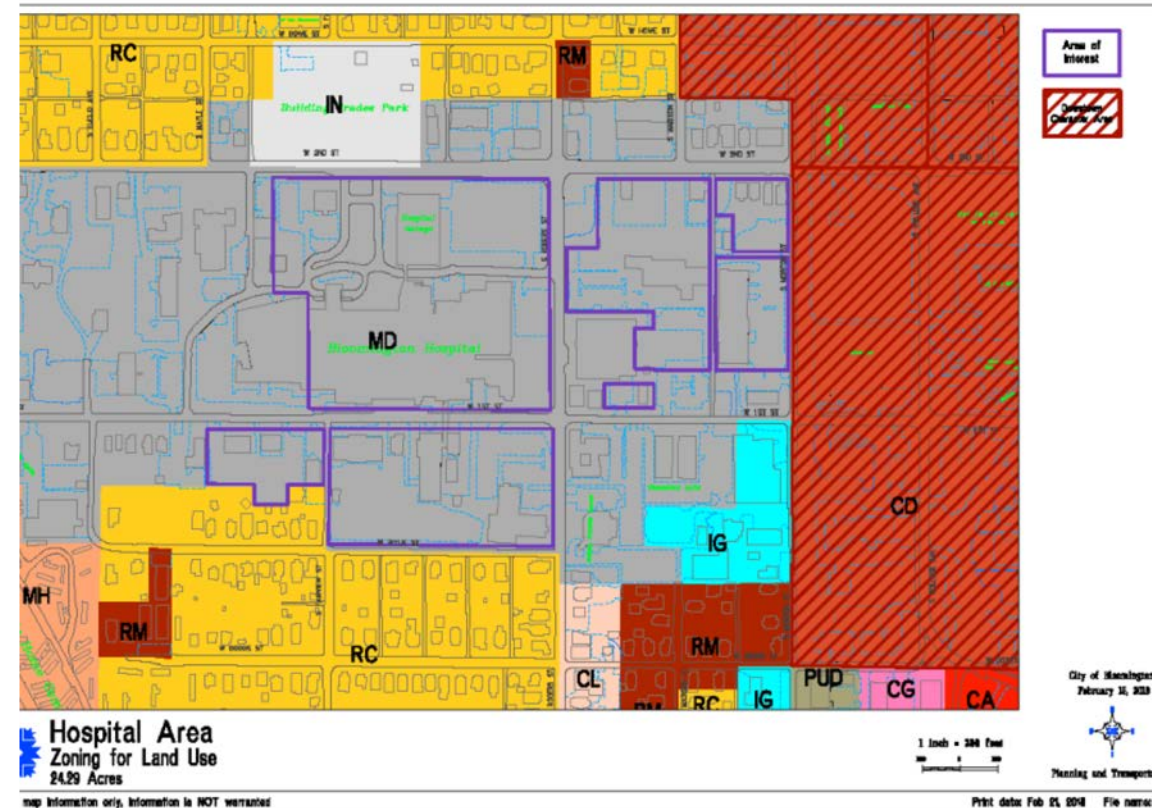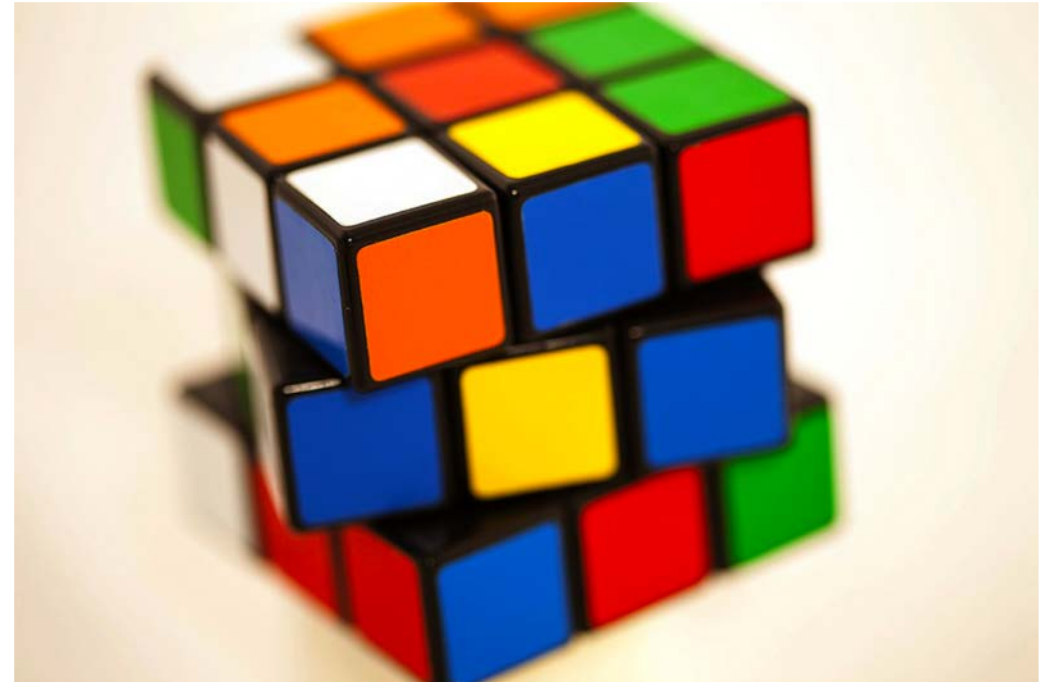
Why Use a Master Developer?

- **Wide range of public sector adaptation for:**
  - **Public Housing Authorities**
  - **Military Base Re-use**
  - **Public Universities**
  - **City Redevelopment**
  - **Disaster Recovery**

- **Private sector expertise focused on meeting community & market objectives**

- **Supplements city core capacities**

- **Risk sharing/transfer**

Source: Seattle DJC

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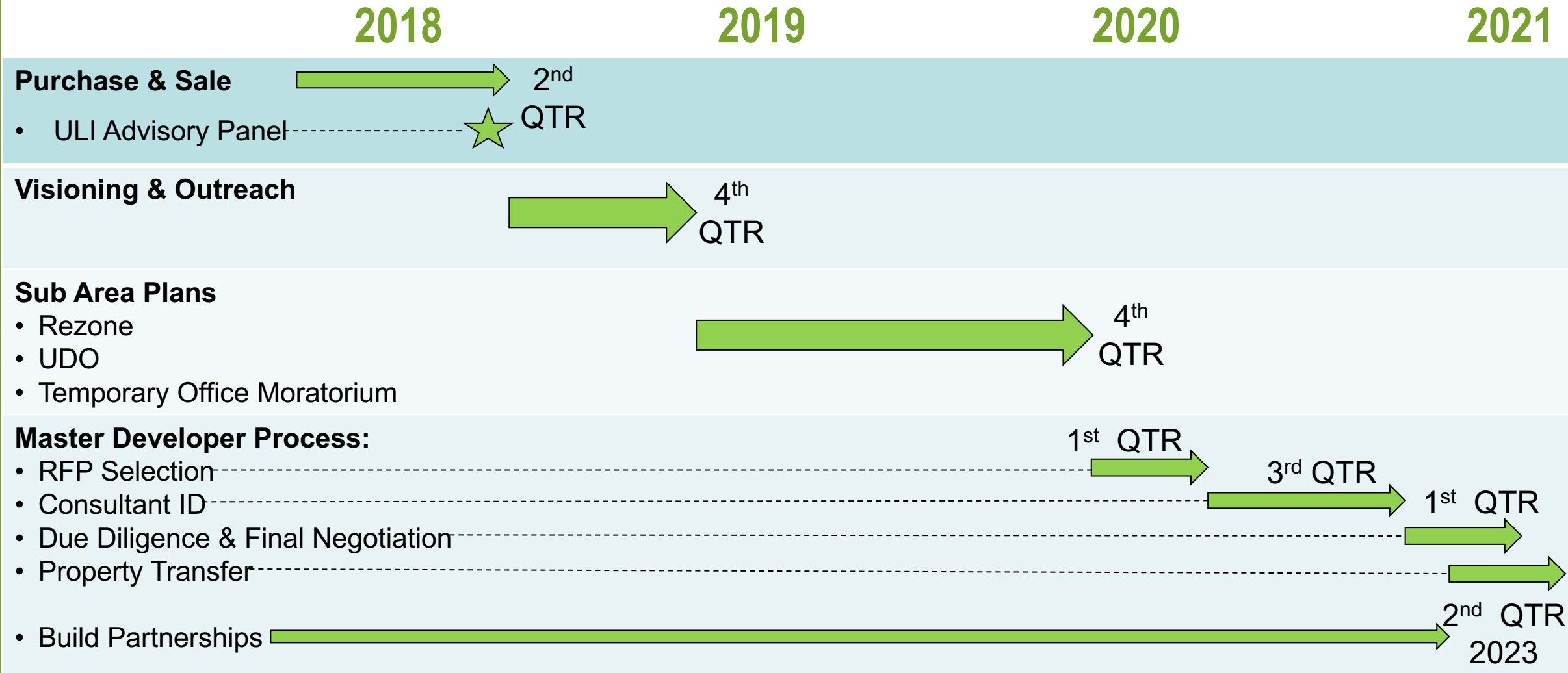
Master Developer Process

- **Complete Predevelopment Actions**
- **Advertise Request for Qualifications (RFQ)**
- **Complete Selection Process; award consultancy contract**
- **Due Diligence by City and Master Developer for agreement proposal**
- **Final Negotiations & Go/No-Go Decision**
- **Property Transfer aligned with Hospital Demolition and City Acceptance/Closing with IU Health**
- **Utilities-Roads Construction**
- **Phased Development Build-out (2-10 years)**

Source: Sonny Abesamis

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Project Timeline: City Actions

2018 **2019** **2020** **2021**

Purchase & Sale

- ULI Advisory Panel ⟶ 2ⁿᵈ QTR

Visioning & Outreach ⟶ 4ᵗʰ QTR

Sub Area Plans
- Rezone
- UDO
- Temporary Office Moratorium

⟶ 4ᵗʰ QTR

Master Developer Process:
- RFP Selection ⟶ 1ˢᵗ QTR
- Consultant ID ⟶ 3ʳᵈ QTR
- Due Diligence & Final Negotiation ⟶ 1ˢᵗ QTR
- Property Transfer ⟶
- Build Partnerships ⟶ 2ⁿᵈ QTR 2023

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Implementation: Partnerships

- **Bloomington School District (Hunter Building and parcels)**
- **Volunteers in Medicine**
- **Cook Medical and Ivy Tech (Office Building)**
- **Convention Center Expansion**
- **Arts and Activities Center Area**
  - City
  - Cook Medical
  - Community Foundation
  - YMCA
  - Elder Organizations
  - Early Childhood Development
  - Local Philanthropists
  - Area Arts Groups
  - Other Social Service Providers
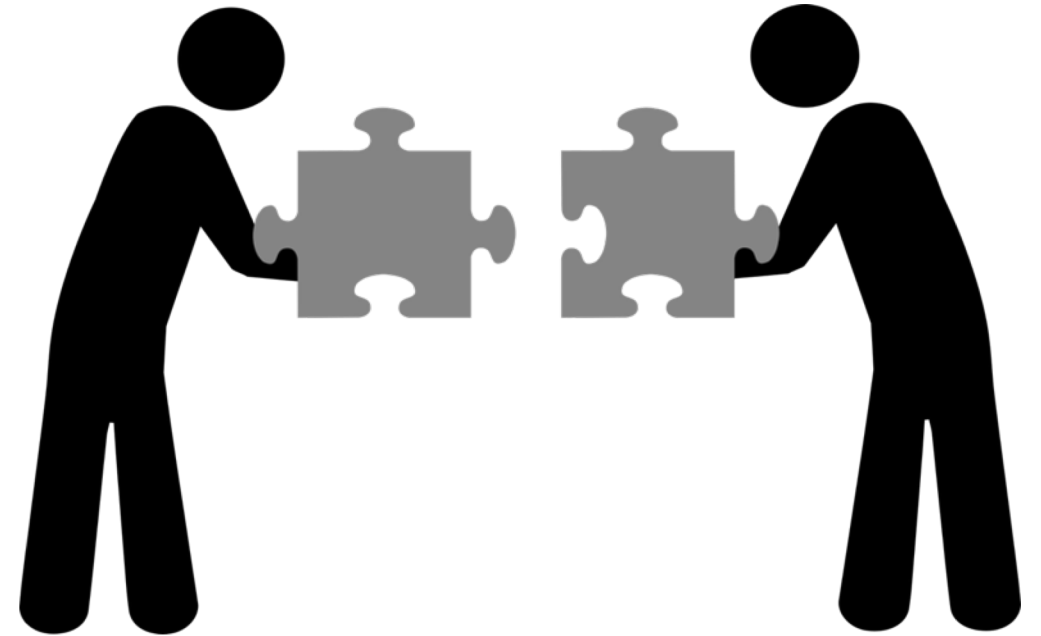
Implementation: Partnerships

- **Best Practices**: CityWay, Indianapolis, IN
  - Health Providers
  - YMCA
  - Housing
  - Hotel
  - Restaurants
  - Retail
  - Office

Source: Indianapolis YMCA

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Implementation: Partnerships

- **Best Practices**: City of Mason, OH
  - Health Providers
  - Biotech company offices
  - Café
  - Children's programs
  - Senior Center
  - Childcare Center

Source: ICMA

MASON COMMUNITY CENTER

Source: City of Mason

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Potential Funding Sources

- **New Market Tax Credits**
- **Low Income Housing Tax Credits**
- **Community Development Financial Institutions (CDFI) Loan Funds**
- **Tax Increment Financing**
- **Private Investment**
- **Non-Governmental Organizations(NGO) Funding**
- **Other City Funds (ie utilities)**
- **Tax Abatement for Affordable Housing**

Source: menmomhealth

Presentation Overview

Bloomington, Indiana
April 8-13, 2018

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Summary of Recommendations

Key Takeaways

- This redevelopment can:
  - Assist in meeting housing needs
  - Provide an opportunity for office space
  - Maintain neighborhood scale
  - Create a network of public space
  - Connect key assets
- Engage a master developer to manage redevelopment
- Build partnerships early and ongoing
- Invite robust community engagement

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Summary of Recommendations

The City Should

- Prioritize the community's needs
- Identify and support a common vision
- Evaluate regulatory polices and practices
- Collaborate regionally

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Thank you!

"We cannot solve our problems with the same thinking we used when we created them"—Albert Einstein

Questions?

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