

# Stakeholders, officials react cautiously to hospital site recommendations

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The Urban Land Institute consultants provided sketches Friday of what they think would best fill the future 24-acre gap left by IU Health Bloomington Hospital's move to the other side of the city.

City officials have looked to the nonprofit institute to construct a blueprint that addresses some of Bloomington's most pressing issues on that property, which the city is purchasing for \$6.5 million from Indiana University Health. Early reactions to those recommendations for new office space, affordable housing and community activity centers on the site caution that this proposal is an early draft written in pencil.

"It's a really good start, but I don't want to jump over further public engagement to refine the vision," said Isabel Piedmont-Smith, city council representative for District 5.

A full written report with the analytics and reasoning behind the Urban Land Institute's decisions is scheduled to be shared with the city in eight weeks.

Piedmont-Smith said a vacant hospital site would be the biggest threat to the neighborhoods she represents on the south side of the property. To see the city pursuing a redevelopment plan, especially one with affordable housing, is a positive early step, she said.

“I was worried this would be snatched up by developers, and we would just have market-rate housing,” Piedmont-Smith said. “We have some control over it, and I think the mix of different housing types Urban Land Institute suggested is great.”

The panel suggested that 40 percent of the project be market-rate, multistory housing complexes approaching four stories. The vision allots 20 percent of the property to two-bedroom townhouses or starter homes that could help young professionals enter into home ownership with a price point of around \$230,000. As proposed, 17 percent of the project would be dedicated to family and workforce housing in the form of 1,500-square-foot houses with two or three bedrooms at a price of around \$260,000.

Chris Sturbaum, city council representative for District 1, said the panel’s recommendation of breaking up the current hospital’s “mega-block” into a traditional grid of residentially appropriate blocks would open up the project and serve to transition between the Prospect Hill neighborhood to the north and the McDoel Gardens neighborhood to the south.

“You’re not just building buildings; you’re making a place that people will live in and experience,” said Sturbaum, whose district includes the hospital site and much of Prospect Hill. “This could be a second node for some commercial enterprises.”

The rest of the project would feature 13 percent commercial office and retail space and a 10 percent allotment to general community uses. The panel suggested uses that promote education, the arts and trades as well as a continued medical use to support neighbors who had grown accustomed to such nearby services.

A medical use allowance may be hard to secure, though, since the property transfer from IU Health may include a covenant that prevents the city from selling the land to a potential health-care industry competitor.

The hospital’s decision to move has kick-started a lot of conversations at Volunteers in Medicine, a free medical clinic that has enjoyed close proximity to IU Health’s emergency department and outpatient specialists for the past 11 years.

Nancy Richman, VIM’s executive director, said she was impressed with ULI’s presentation, especially the idea of a “living street” through the development.

Richman also said it’s way too early to know if VIM will share that future, or if the clinic will need to move from its West Second Street location.

VIM is not only navigating the local waters, but also having to keep an eye on the ever-changing health-care landscape nationwide.

VIM recently hired a consultant to conduct a feasibility study of how the clinic might achieve Federally Qualified Health Center status, which would provide it with a federal revenue stream. Richman said 2018 will likely be the first year in the clinic's history that expenses will exceed income.

"All that's happening right now is we're thinking about it, exploring all of our options," Richman said. So just as it's difficult to predict what health care will look like, it's equally difficult to know where VIM fits into that future.

New Hope for Families Executive Director Emily Pike participated in ULI's interview process last Tuesday and wasn't too surprised when she saw the presentation Friday.

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New Hope For Families Executive Director  
Emily Pike. Courtesy photo

Pike loved the suggested inclusion of mixed income and affordable housing units so prominent in the middle of the city, right on city bus lines.

What she didn't see in the proposed development were the current New Hope homes along West Second Street. The land and homes are currently owned by IU Health and part of the proposed purchase agreement with the city of Bloomington.

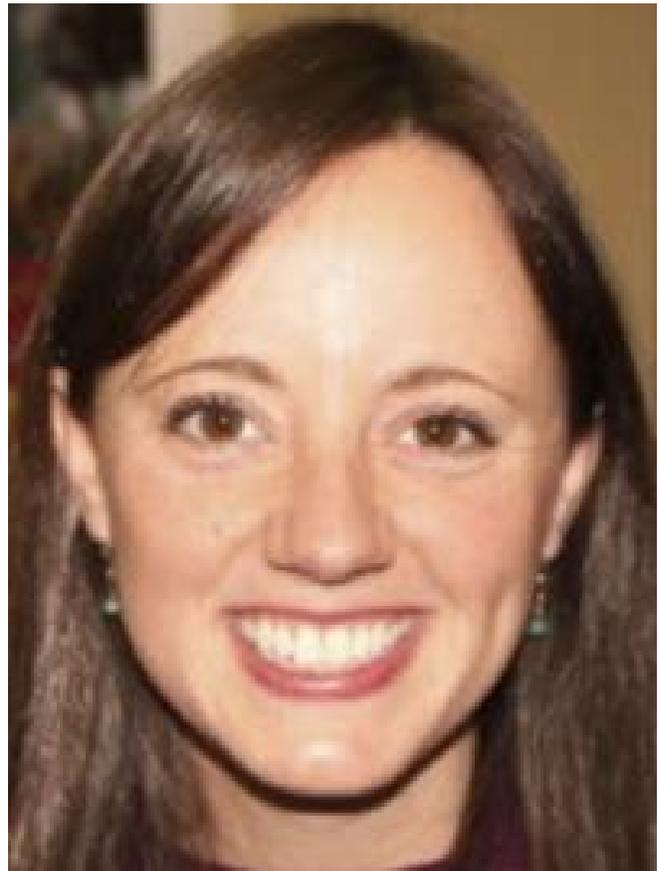
New Hope is the only local nonprofit emergency shelter that allows families to stay together. It also houses a child-care center, the Nest, that caters to both low-income and middle-class families.

Pike said their current location is ideal, but knows the organization needs to be thinking about the future.

"I think it's definitely a possibility that we end up somewhere in the footprint left behind by the hospital," Pike said. "But we are open to any and all possibilities. Right now, the prudent thing for my agency is to be actively looking elsewhere."

New Hope plans to launch a capital fund campaign early in 2019 to raise the money necessary to either rehabilitate a facility or purchase land and build a new one elsewhere.

Bloomington Mayor John Hamilton said despite the hospital site project's size and scope, no future development could address everyone's needs.



“When the hospital is gone and when this property evolves into a very different place, it creates enormous opportunity to really move the city forward,” Hamilton said.

### **Master developer recommendation**

In light of the city’s vast undertaking, the Urban Land Institute suggested the city sell the site to a master developer for development. Urban Land Institute panelist Richard Krochalis said a master developer would reduce the city’s capacity issues by taking over the management of the property’s sale, development and marketing. That master developer would be guided by underlying zoning and specific development standards, but most city officials are wary of any loss of control.

“That does bother me a little bit,” Piedmont-Smith said. “Any time you lose ownership of something, you lose a degree of control, no matter what your clauses are in the legal agreement. I would want to look at options where we would hire a master developer without a transfer of the property.”

Sturbaum said he’s open to the idea, but he’s not yet convinced. The problem the city has had with starting past projects was trying to tackle a major undertaking such as the downtown Trades District in one fell swoop, Sturbaum said. Hamilton said the city has options when it comes to partnering with a master developer, including options that don’t include a property transfer.

“A formal partnership with a single entity or a coalition of entities ... that is focused on redeveloping the whole area is definitely worth thinking about,” Hamilton said. “I think it’s premature to try to thumbs up or down on any one of those things.”