A TECHNICAL ASSISTANCE PANEL REPORT

Providence Healthcare District
Providence, RI

December 9, 2014

Urban Land Institute Boston/New England

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Executive Summary

Under the direction of the Urban Land Institute's Boston/New England District Council, the Providence Technical Assistance Panel (TAP) convened in Providence, Rhode Island on December 9, 2014 bringing together stakeholders, community leaders, and a panel of planning, design, and development professionals for a day-long session focused on identifying the issues, constraints, and opportunities presented by the Providence Healthcare District Site.

The report that follows, which summarizes the TAP's recommendations, is comprised of four chapters.

Panelists interview Stakeholders

Chapter 1: ULI and the TAP Process gives an overview of the Urban Land Institute's Boston/New England District Council and its Technical Assistance Panel (TAP) program and provides a detailed list of participants in the Providence TAP including city officials, stakeholders, and ULI's panel of land use professionals.

Chapter 2: Background and Assignment includes background information about the Providence Healthcare District as well as current conditions of the site and buildings. This chapter also reviews the city of Providence's objectives for the TAP, as stated in its initial application.

Chapter 3: Observations and Challenges summarizes the panel's insights about the Healthcare District and the principal challenges. From the lack of communication between the community and the hospitals to the amount of parking needed by the healthcare institutions and the limited public transportation options, there are a number of things that currently stand in the way of new development.

Chapter 4: Conclusion and Recommendations describes the thought process which shaped the panel's recommendations and outlines short- and long-term recommendations for pre-development activities, potential uses and creative opportunities for redevelopment.

Chapter 1. ULI and the TAP Process

a. Urban Land Institute (ULI)

The Urban Land Institute is a 501(c) (3) nonprofit research and education organization supported by its members. Founded in 1936, the Institute now has over 30,000 members worldwide representing the entire spectrum of land-use and real estate development disciplines, working in private enterprise and public service, including developers, architects, planners, lawyers, bankers, and economic development professionals, among others.

Panelists find their site location

As the pre-eminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better places.

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and to help sustain and create thriving communities.

The Boston/New England District Council serves the six New England states and has over 1,200 members.

b. Technical Assistance Panels (TAPs)

The ULI Boston/New England Real Estate Advisory Committee convenes Technical Assistance Panels (TAPs) at the request of public officials and local stakeholders of communities and nonprofit organizations facing complex land-use challenges who benefit from planning and development professionals providing pro bono recommendations. At the TAP, a group of diverse professionals specially assembled with expertise in the issues posed, spends one day visiting and analyzing existing conditions, identifying specific planning and development issues, and formulating realistic and actionable recommendations to move initiatives forward in a way consistent with the applicant's goals and objectives.

The Providence TAP was held on December 9, 2014 at Providence Redevelopment Agency conference room. In the morning, Don Gralnek, Executive Director of the Providence Redevelopment Agency welcomed the panelists, and then led a bus tour of the Hospital District and the surrounding area.

c. The TAP Process

The tour began at the Providence Redevelopment Agency and included Prairie Ave, Blackstone Street, Dudley Street, Public Street, Eddy Street, Pearl Street and Plain Street in the Hospital District, as well as parts of the Jewelry District, College Hill and downtown Providence.

After the tour, the ULI panel interviewed a series of stakeholders to gain a better understanding of the relevant issues, dynamics, and opportunities surrounding the Providence Healthcare District. The panelists then engaged in an intensive charrette to develop recommendations addressing some of the critical issues associated with the redevelopment of the site. The TAP concluded with a presentation to members of the community at a public meeting that evening at the Providence Redevelopment Authority.

The presentation is available electronically at the ULI Boston/New England website http://boston.uli.org.

d. Panel Members

ULI Boston/New England convened a panel of volunteers whose members represent a range of the disciplines associated with the planning and development challenges presented by the Providence Healthcare District

Panelists included experts in the fields of architecture, development, planning, transportation and parking.

Members were selected with the intent of convening an array of professional expertise relevant to the City of Providence's objectives for this TAP.

The TAP was chaired by Richard Lampman, Barr and Barr.

Panelists at work during the afternoon charrette

The panelists were:

- Christina Calabrese, Agora Partners
- Astrid Glynn, TPRG
- Michael Lozano, The Community Builders
- Art Stadig, Walker Parking
- Christine West, Kite Architects

Don Gralnek, Executive Director of the Providence Redevelopment Agency, served as the primary contact for ULI Boston/England for the City.

Michelle Landers of ULI Boston/New England provided organizational and technical support in preparation for and during the TAP event. Rebecca Herst of ULI Boston/New England wrote the report of the findings.

e. Stakeholders

The TAP benefited from the participation of a diverse group of stakeholders — policy makers, city staff, developers and representatives from the healthcare and academic institutions — who met with the panel and shared information, ideas, and opinions on a range of issues affecting the Providence Healthcare District. Stakeholders at the session included:

<u>Mayor's Office:</u>

- Brian Hull, Director of Municipal & Intergovernmental Affairs
- David Ortiz, Director of Communications & Media Relations
- Brett Smiley, Incoming Chief Operating Office

<u>I-195 Commission/Transit:</u>

- Jan Brodie, Executive Director 1-195 Commission
- Greg Nordin, Principal Planner – Special Projects, Rhode Island Public Transit Authority (RIPTA)
- Joe Wanat, Managing Director, VHB

<u>Local Developers:</u>

- Luis Torrado, Owner, Torrado Architects
- Michael Voccola, Corporate Vice President, The Procaccianti Group
- Jen Cooke, President, F.H. French
- Doug Giron, Partner, Shechtman Halperin Savage, LLP
- Linda Weisinger, Deputy Director, SWAP (Stop Wasting Abandoned Property)

<u>Healthcare/Academic Institutions:</u>

- Al Dahlberg, Director of State and Community Relations, Brown University
- Wayne Kezirian, Johnson & Wales
- Mark Montella, Senior VP of External Affairs, Lifespan
- Charles Olmsted, Purchasing Director, Lifespan

- Ricardo Quiterio, Director of Facilities Planning, Lifespan
- Stephanie Valente, Women and Infants
- Kellie Sullivan, Women and Infants

Community Groups/ City Council:

- Margaret DeVos, Executive Director, South Side Community Land Trust
- Councilman Luis Aponte
- Councilwoman- Elect Mary Kay Harris

Chapter 2. Background and Assignment

The Healthcare District

a. History (195 relocation/the Knowledge District Plan (KD Plan)
b. Current Status
c. Urgency & Activity
d. City of Providences objectives for the TAP

For decades, the highlighted neighborhoods within the City of Providence have been the topic of multiple regional land use and economic development planning efforts. This prolonged focus reflects the importance and scale of opportunity due to:

- A concentration of some of the state/region's largest employers
- Significant tracts of blighted and underutilized land and buildings
- High visibility and premium access from regional highways (interstates 95, 195, and regional Rte. 10/6)
- Adjacency to the celebrated retail/service, cultural and residential amenities in Down city, and on the East Side of Providence

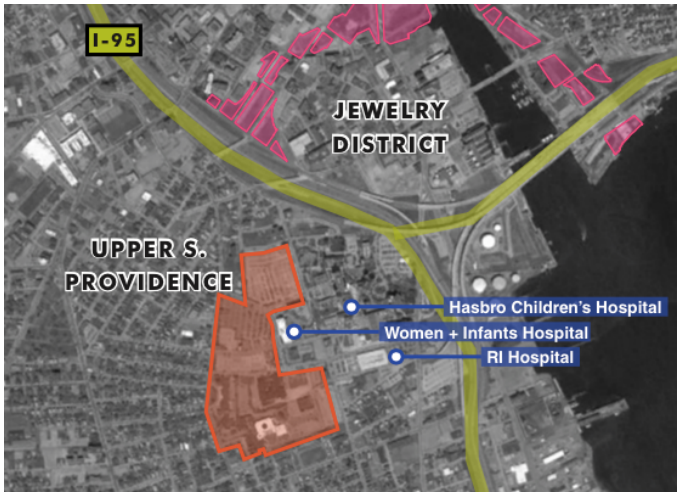
The most recent, the Providence Downtown and Knowledge District Plan ("KD Plan") was released in December 2012.

In the KD Plan, several concepts were deemed as critical to this area, including:

- Increase Density & Reduce Surface Parking
- Develop Clear Expansion Zones for Hospital and Research
- Create Clear Identity, Entry & Circulation

The relocation of 195 has now been completed. The highway relocation has been a tremendous catalyst in seeking development and has pushed policy and planning greatly forward in certain areas of the Knowledge District, primarily the former Jewelry District and the 195 lands. As the 195 lands, and to a lesser degree, the former Jewelry District, have been garnering headlines, the area directly adjacent to the hospitals has seen more organic and less structured/formalized pressure on issues of development and land use policy.

The area, defined as the "Hospital District" in the KD plan includes some of the most critical employers in the region and the primary economic engines for the Providence metropolitan area/the state – educational and healthcare institutions. This includes Lifespan/Rhode Island Hospital, Women and Infants Hospital and the Community College of Rhode Island among others.



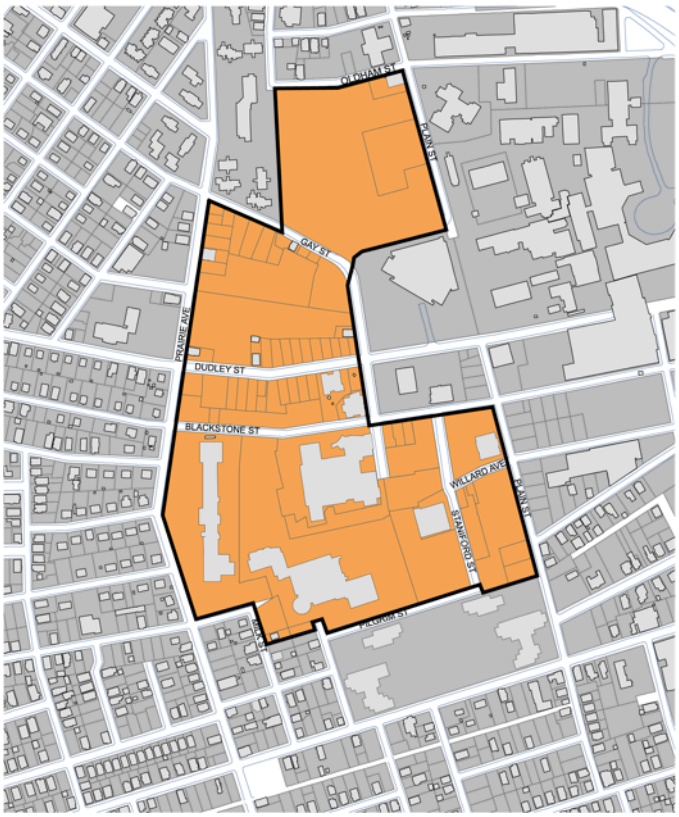
Development site with hospital locations

Although policy and land use has greatly evolved within the broader region over the past several years, much work remains. These identified concepts and limitations are now clearly inhibiting development and growth. The lack of solutions to these items are restraining the major existing employers/economic building blocks and keeping Providence and Rhode Island from competing for new investment and development in related and complementary uses- directly compromising the city's competitive strengths.

The current situation demands a more refined and targeted policy blueprint for encouraging new compatible developments within the former Hospital District.

Current Status

The issues identified in 2012 are still relevant today. Much of the existing area around the major centers of employment is utilized for surface parking. Although a high volume of parking is necessary given the high concentration of workers, the City of Providence believes this use is not the highest and best use. As new potential development surveys the area, the existing parking lots and the fact that they are fully utilized, is a tremendous barrier. The major neighborhood building blocks (hospitals and complementary lab space and offices) must retain the volume of parking to function. There is little to no remaining capacity.



Development site

Within the neighborhood, mid and low rise historic manufacturing spaces provide a series of smaller buildings, many of which include uses such as medical office and complementary functions. The adaptive reuse of these structures is generally a positive, but limits density in areas that could support much more investment and activity.

Walkable amenities such as support retail and general services are greatly limited given the density of employees and visitors. There are very few adjacent residential units in the area, despite proximity to employers, and a high number of medical students, residents and interns.

Although public transportation accommodates the area, most existing patterns include automobile commuters, and driving for common services including meals.

The street grid and traffic patterns are challenges because of the lack of a comprehensive plan or strategic circulation plan, and a number of streets are one-way; despite significant changes to the district directly to the north.

Urgency & Activity

Today, in 2014, a number of varied proposed development investments have materialized. In all cases, the listed constraints being identified are related to infrastructure (parking, access, adjacencies). A few illustrative development opportunities include:

- 202 Prairie Ave. – 3.8 acres is being sold and proposed to be redeveloped for medical offices and small research/flex/lab spaces
- The former Flynn School; 4.2 acres at 220 Blackstone St.; recently transferred from the City of Providence to the Providence Redevelopment Agency. The PRA selected a proposal from the Carpionato Group.

The City of Providence, as part of the Mayor's Putting Providence Back to Work initiative, recently updated the Zoning Ordinance and it went into effect on December 24th, 2014. This policy effort aligns patterns and leveraging best practices to enable appropriate urban and economic development.

Given the welcome pressure of proposed development, policy actions now taking place (such as the new zoning ordinance), and the energy

around policy and widespread marketing of 195 lands – the timing is urgent and critical.

Technical Assistance Panel – Healthcare District

The proposed TAP will leverage the past, more broadly focused planning efforts, and be informed by current activities and opportunities. But, the TAP will seek to define a more targeted strategy regarding the former Hospital District – by addressing existing barriers and constraints. The Providence Redevelopment Agency's mission is generally to remove blight and to reduce/remove barriers to economic growth; both residential and commercial. The proposed TAP will seek to specifically address both of these elements.

This process is not only necessary from a localized land use perspective, but is directly tied to larger economic issues in Rhode Island. Providence needs to remove simple barriers in its most critical areas in order to be able to compete for regional and national employers, development and capital – especially by leveraging its existing economic strengths.

Questions to be addressed by the Panel:

- Barriers & Constraints: In preparing a Redevelopment Plan for the Healthcare District, what infrastructure components are most critical to catalyze new development and what are the best practices to implement/finance such improvements?
- Parking: Understanding that surface parking is a major current issue that inhibits growth, what strategies should the PRA follow to most quickly/effectively provide parking structures; in capital investment and via operations.
- Complementary Services and Mix of Uses: What types of uses, support services and amenities (support retail, dining, retail, residential, lodging) should the PRA be incentivizing to encourage long term success and to seek highest and best use/appropriate density.

Chapter 3. Observations and Challenges

a. Communication between Stakeholders
b. Healthcare is a parking intensive type of development
c. Parking
d. Transportation
e. Streetscape
f. Prairie Avenue

There are a number of potential opportunities for the City of Providence as they work to increase development and create a Healthcare District in South Providence. The hospitals are one of the largest employers in the state, which means that, while the hospitals are resource constrained, there is potential for collaboration. The approximately 26 acres of surface parking would appear to be a prime development opportunity. Proximity to the highway, to downtown, and to surrounding residential neighborhoods are strong assets that could be leveraged by new uses. This means there is potential for employment opportunities and growth and that there could be demand for an increase in amenities for residents and hospital employees and clients. The panel was impressed with the high profile status of the site. The hospitals serve all populations and nearly every resident of Rhode Island, at some point, comes to get care here. Most of the stakeholders who spoke to the panel and the panelists agreed that there is real potential to improve the experience hospital employees and clients have accessing the buildings.

While the site is high profile, it is worth noting that the neighborhood and city are acting as a host community for these institutions that serve the entire state while receiving little to no financial support to offset missing property taxes as well as wear and tear on city streets.

There are some key challenges:

Lack of communication between the community and the hospitals. In the stakeholder meetings, panelists heard a consistent message from stakeholders that the hospitals are perceived as being monolithic and inaccessible. Over and over again, stakeholders talked about the irony of having a neighborhood with such high unemployment next to one of the largest employers in the state. While many people in the neighborhood of South Providence are in the healthcare field, there is a perception that the healthcare institutions in their own backyard employ few of them. The healthcare institutions told a different story, however. They spoke about their training programs that take youth from the neighboring community and train them in the healthcare field. It was clear that the healthcare executives have a different understanding of the situation than the community members.

Healthcare is a parking intensive type of development. If all of the current surface parking was converted into structured parking, there would be space for new development, but the achievable density is less than expected. Any new development would need additional parking to meet its needs. The hospitals parking demand is high but other potential healthcare-related projects are dense and parking demand intensive as well. Based on current and potential need, we project between 10 and 15 parking structures, covering 1/3 of the land, would be necessary to meet the demand in this area.

Many parking lots in the development site

Within the defined redevelopment area boundary there are approximately 3,400 vehicle spaces both legal and illegal. The vast majority of these spaces are in the large surface lots closer to the institutions. In addition, there are hundreds of more spaces that are just outside the boundary that contribute to the situation. During peak business hours, the surface parking is effectively full and at times overfilled, indicating a strong parking demand.

To allow any development, land that is taken up by surface parking must be opened up. Either the parking demand must be substantially reduced by any number of means, or the surface parking must be replaced by structured parking. The institutions have indicated efforts to reduce demand through Transportation Demand Management (TDM) strategies. TDM includes encouraging mass transit, car-pooling, van pooling, telecommuting, biking, walking, etc. TDM measures to date have not been effective enough to significantly reduce the parking demand. This means that significant near-term reductions in surface parking will only be achieved by structured parking. While building a few parking structures will help, the amount of land that is freed is modest. In the extreme, if all 3,400 spaces were converted to structured parking, this would require approximately 1.1M square feet of parking structure at typical efficiencies of 325 square feet per stall. This would require six to seven parking structures that are approximately 300' x 120' in dimension. These parking structures would take an approximate 250,000 square feet of development area.

In addition, the development that would take place would have an additional demand for structured parking. Assuming that 2.0M square feet of mixed-use development could fill the development area, this may generate an additional 4,000 required spaces at an assumed demand of 2 spaces per 1,000 square feet of development. This would require an additional 7 to 8 similar sized structures.

Proposed locations of parking garages

While some of the numbers above can be argued at this programmatic level, it is clear that a dense development would be difficult to achieve without a fundamental change in the parking supply/demand characteristics or a huge investment in structured parking. Because the cost of structured parking is prohibitively expensive to most developments, a more modest approach is required for the foreseeable future.

Because of this, more directed and effective development may be better directed to the boundary of the redevelopment area along Prairie Avenue. In this manner, a more manageable amount of parking would be converted from surface to structured. In addition, development that has reduced parking demand or parking demand that has better sharing characteristics with the existing would be more successful. This is further explored later.

Paring lots

Cost of parking. Currently, from the hospital's point of view, the surface parking lots are at highest and best use. While none of these facilities are in a growth phase they own the land at a low basis and do not pay any taxes on it. The hospitals offer free parking to their employees as an employment benefit and it's vital for patients and visitors. Structured parking is expensive, as are shuttles, so there is currently no cost benefit to relocating the parking lots. If, at some point, the City of Providence were renegotiate payments in lieu of taxes (PILOTs), the cost benefit equation may change. In the meantime, however, a shift in the use of this land is unlikely without a significantly strong development opportunity.

Transportation. Currently, there is limited public transportation that directly services the hospitals. While there are some city buses and there are shuttles between the different hospitals and parking lots that are further away, there is little incentive for employees or clients to do anything besides drive. Furthermore, each hospital runs its own shuttle service.

Chapter 4. Conclusion and Recommendations

Initially, the Providence Healthcare District appears to represent a large area of potentially re-developable land anchored by Rhode Island's two major healthcare institutions.

Upon further examination and analysis however, the District presents a number of short and longer term challenges. Foremost among these is the fact that the over 5,000 surface parking spaces currently are the highest and best use of the land for the healthcare institutions.

Any proposed changes, improvements and new development, must therefore be incremental and implemented over an extended period following the outline of a master plan to be developed jointly by the healthcare institutions, City of Providence, The Redevelopment Agency, and the State of Rhode Island.

Several initial improvements the panel recommends to help jump start the redevelopment process include:

Streetscape. Walking from the far end of the parking lots to the hospitals is unpleasant. Because there is hardly any landscaping or tree cover, in the summer it is hot with no shade and in the winter there are no shelters from the cold and wind. With relatively minimal investment in plants and signage, the experience approaching the hospitals could be improved dramatically.

Prairie Avenue. Currently Prairie Ave. serves as a barrier between the hospital parking and the residential neighborhoods of Upper South Providence. With some development incentives or investment in infrastructure, the City could spur new development that would change the institutional boundary into a node that would bridge the two together.

II. Recommendations
   a. Explore parking on site A (bordered by Prairie Ave, Blackstone Street, and Dudley Street.
   b. Develop new connections between the institutions, neighborhoods, and downtown.
   c. Incentivize and partner with private developers
   d. Invest in streetscape

Possible sites for land swaps, the arrows are pointing to "Site A"

Explore parking on site A. Due to expense and capacity, the panel recommends a limited and strategic approach to replacing surface parking.

Some structured parking is feasible and the panel recommends exploring a land swap with the Rhode Island Hospital. The arrangement could encompass an exchange for a strip of land on Prairie Avenue upon which the City could construct a parking garage and additional future development. Site A is desirable because it could support future development, both at the Flynn site and with small mixed scale use. It has access to route 195 and would improve parking for the institutions. In addition, by putting in retail and eating establishments that could bring hospital employees out of the buildings at lunch and also provide services for the neighborhood, a well thought out development could start to stitch the original neighborhood back together.

Develop connections between institutions, the neighborhoods and the City. This can be done in a number of ways.

- Assign a point person from the city to act as liaison to the institutions (hospitals, schools, neighborhood)
- Create an Area TMA or (Transportation Management Association) which would allow for a combined shuttle, mode neutral transportation subsidies and potentially combined parking. A TMA would facilitate alternatives to single occupancy vehicle commuting and help create a mode shift that would reduce the need for parking. The TMA could also be the way that the hospitals provide mode-neutral transportation benefits for employees - (ex: if you don't want a free parking space you can get a transit subsidy or covered/secured bike parking)
- Increase signage so that visitors and patients can more easily navigate the district and potentially reduce congestion
- Increase public transit, though the bus system or the proposed streetcar, to make it easier for people to get around and have the opportunity to run into people and build community.

Invest in streetscape. As improvements are made, a focus should be on making infrastructure more pedestrian and bike friendly. Use the Complete Street guidelines, especially on Eddy, Blackstone and Dudley so that bikes, pedestrians, cars and transportation can co-exist. In addition the city could improve the underpass and overpass through inexpensive improvements like artistic lighting or murals to make the underpass feel substantially safer and move inviting. This will increase foot traffic to the new development on Prairie Street and make the area feel more urban.

Meet with Developers to Identify Needs and Explore Incentives. There is an opportunity for the city to be proactive and meet with private developers who might be interested in partnering on the new site. With residential designed for hospital employees, retail space for neighbors and patient's families and more green space, this area could be a real draw. Give developers the opportunity to build early or have expedited permitting as a way to spur development.