

Buffalo Niagara Medical Campus

Buffalo, New York

KEY LESSONS AND SUCCESS FACTORS TO CONSIDER

- A new, specially-designated non-profit organization to coordinate institutional planning can effectively represent public and private interests and support continued growth.
- Coordinated development among individual institutions can efficiently maximize capital resources, share the burden of infrastructure improvements, and support ambitious projects.
- Master planning complemented by an analysis of institutional needs and institutional capacity/interest supports new initiatives.²

The Buffalo Niagara Medical Campus (BNMC) is a non-profit organization which was established in 2001 to coordinate five existing medical and educational institutions in Downtown Buffalo, including the University at Buffalo, Kaleida Health, and smaller research and health care institutions. The

organization is led by a board of member institutions. Since its formation in 2001 and subsequent 2003 adoption of a master plan, the medical campus has seen over \$1 billion in new development and infrastructure investment. A 2010 Master Plan Update is intended to direct future growth over the next two decades. The BNMC directs the collaborative efforts of its partner institutions toward a wide range of objectives from physical planning to parking and transportation, signage, safety and security, retail strategies, utility sharing, zoning updates, joint development projects and other initiatives. While the BNMC is not directly comparable to the City of Lancaster’s proposed medical district due to the scale of its pre-existing wealth of academic and medical institutions, there are many lessons to learn from the medical campus planning and plan implementation process.



Anchor Institutions	Univ. at Buffalo, Kaleida Health, 7 others
Plan Completed	2003
Acreage	120
Beds	1,000+
Employment	12,000
District Leadership	Non-Profit 501(c)3

Medical District Formation	
Steps	Lead Party
2001 Scoping Study¹ (Stakeholder Interviews, Institutional Analysis) - \$150,000	Chan Krieger & Associates (now NBBJ), Independent Consultants Richard Reinhard, Matthew Enstice
2003 Master Plan (Planning and Engineering Studies, Neighborhood Workshops) - \$500,000+	Chan Krieger & Associates, Carol Johnson Associates, Economics Research Associates (now AECOM), Parsons Brinckerhoff
2010 Master Plan Update (Strategic Forums, Institutional Evaluations, Neighborhood Workshops)	Buffalo Niagara Medical Campus subcommittee, Chan Krieger Steniewicz (now NBBJ), Gamble Associates

¹ See discussion on the next page.

² Institutional needs, primarily focused on physical and organizational expansion related to expected growth in patients, students, and employees.

Buffalo, a former economic powerhouse, has suffered a series of setbacks over the past half-century as major industry moved abroad and shipping corridors were relocated. Although the city is considered to support a high quality of life and unemployment has dropped significantly post-recession, Buffalo nevertheless lost over 30,000 residents between 2000 and 2010, a drop of 11 percent to about 260,000. Its median household income is about \$31,000 a year, or around 60 percent of the nationwide average. Although Buffalo's economy has suffered, mirroring national trends, Buffalo and western New York have seen significant recent growth in educational and health services, which are now major regional economic drivers. The Buffalo Niagara Medical Campus has benefitted from and supported this growth, and is well-positioned to continue to do so.

As a non-profit development agency, the BNMC has significant flexibility to respond to the needs of its member organizations and has grown significantly over the past decade, coordinating not only planning efforts, but also supporting local economic development initiatives. The BNMC was created at the request of Buffalo's mayor in 2001, with primary seed funding from the Oishei Foundation, a local charitable organization. The partnership used a set of existing non-profit bylaws uniting both public and private partners, including five adjacent health care, science and education institutions, as well as governments and neighborhood groups, to develop a master plan and framework for growth in the area. The BNMC has since grown to include nine institutions and directly supports the evolution of the district by acting as a property owner and developer.

The organization is led by a board of directors including representatives from each member institution and other interested community organizations; smaller project management groups and work councils direct specific initiatives. Although initially funded primarily by philanthropy and small dues contributed by member organizations, the BNMC now generates a significant amount of revenue, primarily from real estate income; dues amount to less than 5 percent of annual revenue. The organization's annual revenues are about \$9 million, which funds a robust staff of 15 people. It should be noted that while the organization is now largely self-funded, its real estate acquisitions and most capital efforts have been supported by federal and state grants, in partnership with the City of Buffalo which channeled economic development and infrastructure funds to BNMC-related projects.

The BNMC's master planning process included a critical initial "Scoping Study" in which a small consultant team evaluated institutional needs, institutional capacity for supporting implementation efforts, and commitment to support a comprehensive master plan, and laid out the planning process, guiding principles and major plan components. This initial study informed a year-long planning process, directed by Chan Krieger & Associates (now NBBJ) which resulted in a master plan and implementation strategy anticipating about three million square feet of development over 20 years and including tangible goals to create a collective medical campus identity, concentrating public

Master Plan Components

Development Opportunities

Parcel-specific opportunities for increased density & complementary uses

Institutional Growth Projections

Anticipated real estate development by BNMC members

Parking Needs

Plans to accommodate increased density from projected and other growth

Land Use and Zoning

Review of existing framework and proposal for new regulations to support growth

Urban Design

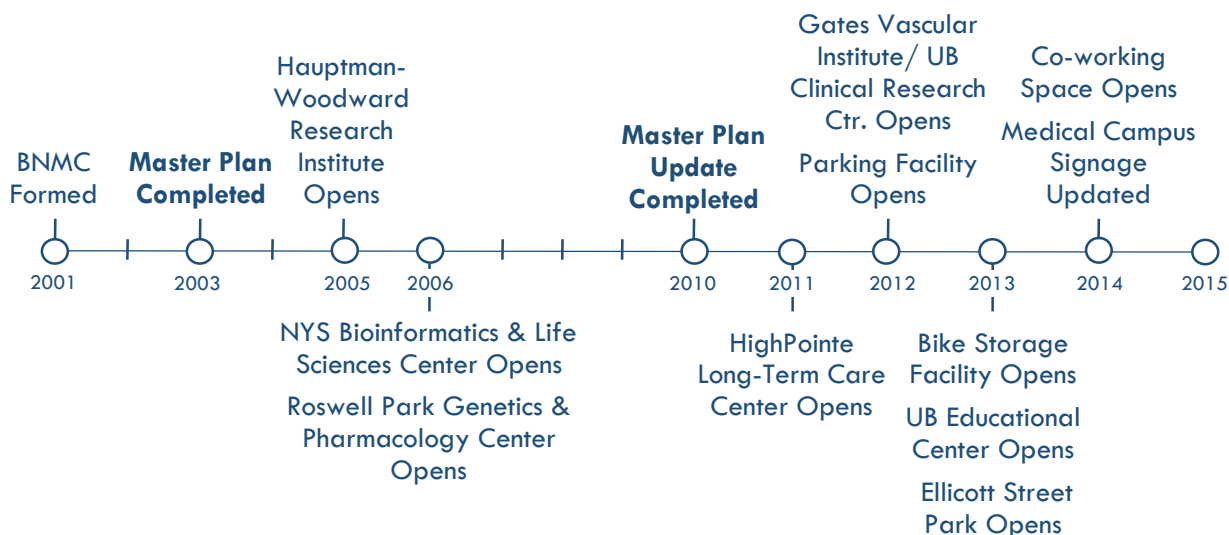
3D model; streetscape design and sections; conceptual build-out massing; and transit study

Implementation

Strategic, transportation and utility plans; environmental and zoning regulations; retail strategy; and branding plan

realm improvements and growth along a central corridor with a significant concentration of underutilized property. The initial planning process cost upwards of \$650,000, and included a 3D digital site model to inform future collective or individual plans. The plan was not only focused on the physical aspects of the medical campus, but also included development projections and was seen as an opportunity to facilitate more broad strategic discussions among the project partners. This 20-year plan was largely implemented within eight years, and the BNMC updated the master plan in 2010 to support neighborhood revitalization efforts in the surrounding community and allow fundraising for nearby economic development initiatives. It continues to shape future growth on the medical campus, and the new document responds to shifts in member institutions' long-term plans. In both planning processes, growth projections and institutional needs to accommodate this growth were critical in creating actionable and relevant master plans, while zoning analyses, urban design guidelines and implementation plans helped set the agenda for the BNMC to engage the City of Buffalo to secure funding and approvals for critical investments.

Project Timeline



BNMC member institutions have developed over three million square feet of development since the implementation of the master plan, with another two million square feet under construction as of 2015. The University at Buffalo (UB) and Kaleida Health have significantly expanded their presence on the site to take advantage of inter-institutional resources, notably the Gates Vascular Institute/ UB Clinical & Translational Research Center, a 500,000-square foot, 10-story facility that includes both UB research facilities as well as clinical facilities and an emergency department for Kaleida Health. These and other recent developments have been supported by medical campus-wide infrastructure investments, for which the BNMC has pursued funding from local, state, and federal sources, including two federal grants for \$2.3 million and \$3.2 million, which were matched by state and city funds for park, streetscape and public realm improvements. The organization considers these, as well as energy infrastructure projects, critical to catalyzing development on the medical campus and encouraging new partners to relocate to downtown Buffalo. The BNMC has expanded from 4.5 million square feet of medical and office space to almost 9.0 million square feet, which now host over 100 companies and organizations. However, the organization's CEO, Matt Enstice believes that more aggressive public and foundational financial support could have stimulated faster, more aggressive growth and encouraged institutions to take greater risk in the years following the initial master plan creation.

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College Station Medical District

College Station, TX

KEY LESSONS AND SUCCESS FACTORS FOR CONSIDERATION

- Cities should actively pursue partnerships with potential new anchor institutions while preparing a master plan.
- Outreach and involvement of all nearby landowners is critical to achieving a comprehensive Medical District.
- Creative solutions for infrastructure funding will be needed in Lancaster due to the lack of Tax Increment Financing and other Redevelopment-type tools.

The College Station Medical District was a planning effort led by the City of College Station, Texas, in partnership with an existing hospital and other regional stakeholders, to focus new development in the city. The city adopted a master plan for about 1,700 acres and approved two improvement districts to implement infrastructure investments needed to support new development. Since the plan's adoption, the Medical District has

seen over \$150 million in capital investment. However, the timeline for future growth is uncertain, because the large, eastern portion of the district is awaiting major infrastructure investments before new development can occur.

College Station, like many Texan cities, has seen significant growth over the past two decades. The city's population grew almost 40 percent between 2000 and 2010, with about 95,000 residents as of 2010. The economy of College Station and the surrounding Brazos Valley is dominated by Texas A&M University, the main campus of which is located about 2.5 miles from the Medical District site. Because of the large student population, the median household income in the city is significantly lower than the national average, at about \$32,000 per year, but the city is generally wealthy and highly-educated, with a very low unemployment rate. The city, along with neighboring Bryan, Texas, is located about 100 miles from both Houston and Austin, the closest major cities.



Anchor Institutions	College Station Med. Ctr., Scott & White Hospital and Medical Office, 2 others
Plan Completed	2012
Acreage	1,700
Beds	300
District Leadership	Public

Medical District Formation

<u>Steps</u>	<u>Lead Party</u>
2012 Master Plan (Stakeholder Interviews, Design and Engineering) - \$250,000	Schricket, Rollins and Associates, Inc., Townscape, Inc., Leland Consulting Group
2012 Implementation Report	City Staff
2013 Approval of Tax Increment Reinvestment Zones (Council Vote, Public Meetings)	City Council
2013 Approval of Municipal Management Districts (Council Vote, Public Meetings)	City Council

College Station spent about \$250,000 developing a master plan for the Medical District, in partnership with the College Station Medical Center, a private hospital located within the future district. The process began in 2010 in response to a push from the College Station Medical Center for land use changes, infrastructure improvements and rebranding, and the planning process was carried out by a multi-disciplinary team of consultants led by Schrickel, Rollins and Associates, Inc., and guided by a City Council-appointed committee. Although the process involved a significant amount of public outreach, including public meetings and stakeholder interviews, the city's planning department indicates that more extensive property owner outreach and involvement would have benefited later stages of the process, most importantly the creation of comprehensive Tax Increment Reinvestment Zones (TIRZ) and Municipal Management Districts (MMD) and zoning changes for the eastern and western portions of the site, which did not ultimately include the participation of all landowners.

Master Plan Analysis Components

Land Use and Zoning
Regulatory framework review and outline of changes needed for growth; and needed streetscape and road network improvements

Infrastructure
Existing and planned sidewalks and electrical, water, sanitation, gas, and telecommunications utilities and future needs

Demographic and Healthcare Market Analysis
Review of historic trends, performance and forecasts of population, employment, real estate and healthcare-related industries



A pair of TIRZ authorities were implemented to capture tax increment to fund a set of City Council-approved projects on the eastern and western portions of the medical district, while complimentary MMDs are expected to provide additional, enhanced municipal services and promote and market their respective portions of the medical district. Key to the continued development of the district will be public investments on the eastern, undeveloped portion of the site, of which a large portion is owned by the city, but lacks basic infrastructure. The city is taking steps towards providing necessary infrastructure in this area and has formed two MMDs which will leverage and coordinate funding sources including TIRZ and the city's Capital Improvement Program (CIP).

Simultaneous with the development of the master plan, the City of College Station pursued development partners to kick-start the formation of the medical district. Rather than providing major subsidies or tax incentives, the city supported about \$700,000 of sewer and electrical infrastructure to secure Scott and White's recent Hospital and Clinic in the district. Strategic Behavioral Health agreed to develop a 72-bed psychiatric facility in the district, incentivized by an eight-year tax abatement offered by the city and public investment associated with the planned medical district.³ Overall, the city estimates that it will invest about \$60 million in total,

³ The City of College Station offered both an exemption from property tax increases over the eight-year term, as well as a 100 percent property tax abatement in the first year, decreasing to 20 percent by year eight.

anticipating as much as \$400 million in private investment. Some improvements, including a major overhaul of a bridge linking the eastern and western portions of the site, have been funded by state agencies. Aspects of the master plan, including a demographic and market analysis, appear to have been useful in recruiting development partners on the site, as well as publicity associated with the planning process.

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Great Falls Medical District

Great Falls, Montana

KEY LESSONS AND SUCCESS FACTORS FOR CONSIDERATION

- Partnerships between institutions with similar market aspirations can be tenuous, especially when the economy contracts.
- Changes in city administration can derail a project that is led primarily by the public sector.

The Great Falls Medical District was first proposed by the City of Great Falls in 2005 as part of a citywide zoning ordinance and was seen as an opportunity to coordinate growth between major health care institutions. The city, with financial and general support from stakeholders Benefis Healthcare and the Great Falls Clinic, two major healthcare institutions within the district, prepared a master plan with objectives for collaboration, redevelopment, incorporating a broad spectrum of land uses and public space. Because of changes in city administration and competitive pressures due to the recent recession, coordinated master planning implementation efforts were abandoned, although the district has seen significant recent development.



Anchor Institutions	Benefis Hospital, Great Falls Clinic
Plan Completed	2007
Acreage	640
Beds	454
Employment	3,200+
District Leadership	None

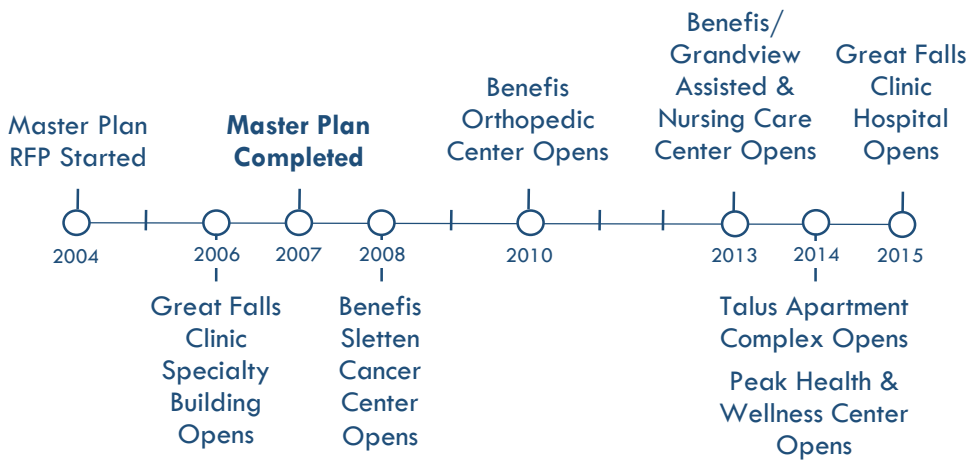
Great Falls, the third largest city in Montana, has been outpaced in State-wide growth by nearby cities like Billings and Missoula. Between 2000 and 2010, the city grew by approximately three percent, to a total of about 58,500 residents. Although population growth has been slow, the regional economy remained stable through the recession and is dominated by the Malmstrom Air Force Base, followed by the health care industry which has seen significant growth; retail, industrial and extraction/refining industries have also seen growth, making up for

Federal sequestration-related economic contraction on the Base in recent years. The city is considered to be one of the most affordable places to live in the United States and Canada, and the median household income is below the national median, approximately \$44,000 annually; employment is below the state-wide average.

Medical District Formation	
Steps	Lead Party
2004 RFP Development and Stakeholder Visioning (5 Meetings) - \$7,500+	Lisa Horowitz
2007 Master Plan (Community Meetings, Stakeholder Review, Urban Design, Economic Analysis)	L'Heureux Page Werner, CTA Architects Engineers, Thomas, Dean & Hoskins, Inc., Winter & Company
2007 Implementation Plan (Infrastructure, Management, Zoning)	L'Heureux Page Werner, LarsonAllen

The City of Great Falls, along with Benefis and Great Falls Clinic, hired L'Heureux Page Werner and CTA Architects Engineers to prepare a Medical District master plan and zoning overlay, including a set of revised zoning ordinances to support new healthcare uses. This master plan was preceded by an extensive RFP development process, which brought together the primary stakeholders noted above in a series of workshops to align goals and structure the master plan to support individual institutional strategic plans. These primary stakeholders financed the master plan process, with public input through a series of meetings and direct engagement with the institutions who could build out the master plan. As noted before, momentum and adoption of zoning ordinances stalled after a change in city administration, and partnership between stakeholders fractured as economic conditions tightened and a proposed merger between Benefis and Great Falls failed.

Project Timeline



Although the Master Plan process stalled, Great Falls has seen a wealth of new medical and multifamily residential development within its ad-hoc Medical District. Benefis initially expected in 2004 to spend about \$105 million constructing new facilities, a figure which included the recently-completed Regional Cancer Center and Orthopedic Center. In 2013, the company completed an 80-bed assisted living complex, which was intended to be the first phase of a larger senior living complex in the ad-hoc district, although future plans are on hold. Both Benefis and the Great Falls Clinic have benefited greatly from various forms of public support, notably via federal spending earmarks, and tax credits supported by the State of Montana, which along with interest free loans have ensured continued development in and around the Medical District. Although development has continued at a healthy pace, the city has identified a series of underlying problems in the area, including wayfinding, pedestrian circulation and district cohesion; similarly, while the institutions have been able to sustain and even grow their operations in the community, the city does not believe the area has become a regional center as envisioned in the city's Medical District Master Plan.

Master Plan Analysis Components

Land Use and Zoning

Regulatory framework review and outline of changes needed for growth

Infrastructure

Existing and planned sidewalks and electrical, water, sanitation, gas, and telecommunications utilities and future needs

Transportation and Circulation

Multi-modal traffic volume analysis; and needed streetscape and road network improvements

Economic Impact Analysis

Employment statistics and economic impacts of area businesses

Vacant Land

Opportunity analysis of vacant sites

Public Services and Facilities

Inventory of publicly-owned facilities

Branding/Identity

Area assessment and Design Guidelines

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