

June 22, 2012

To: Mayor and City Council

From: The HMG members:

Brian Dieter--Mary Greeley Medical Center
Roger Kluesner and Steve Koger--McFarland Clinic
Linda Feldman--Sunrise Neighborhood
Sharon Wirth--Historic Old Town Neighborhood
Jim Popken--North Old Town Neighborhood
Ray Bratsch-Prince--Bandshell Neighborhood
Sheri Anderson--North of 13th Street Neighborhood
Steve Schainker--City of Ames

RE: Hospital Medical Group meetings

We want to thank the Mayor and City Council members for setting up this group/process and also for allowing Steve Schainker to be involved. We acknowledge that Steve's time is a finite and valuable commodity; please know that he has been an important part of the group meetings. Neighborhood representatives have come to refer to the group as the HMG (hospital medical group) and to neighborhood members as the Reps. HM refers to the hospital-medical area. Those three abbreviations are used in this document.

HMG members would like to share the following comments:

1. We acknowledge that this group/process has changed the historic course of the hospital medical-neighborhood (HM-N) conflict. Five meetings were held and detailed minutes were kept (see attached staff report for additional meeting details). Meeting together as stakeholders has helped us to become better acquainted with each other, with all sides of the issues and dilemmas as well as to better understand each other. We have begun to develop an as-of-yet fragile sense of trust and respect for each other. The individuals involved have been committed, honest and respectful. Given the complexity and the length of time of the HM-N conflict, we feel this is a sizeable accomplishment. Having said that, medical reps continue to be very concerned about development costs and providing quality medical care/services. Neighborhood Reps continue to be very concerned about neighborhood blight, stability, and continual "nibbling at the neighborhoods" by medical land use.

2. All of the HMG members agree there is a need to further explore ways to make it more economically feasible to use space within the current HM boundaries more intensively. Both medical parties involved do not see the need for changes in the LUPP for the next several years because neither party has a current need for additional space. The Reps agree there is no need for LUPP changes.

3. The HMG must continue meeting at regular intervals and actively work toward identifying "a mutually acceptable long-term solution to meet future expansion needs" (original charge, see p. 1 of staff report). We view "future expansion needs" (for HM) as having many possibilities beyond horizontal expansion of the current HM boundaries. The HMG has barely begun to explore the many possibilities.

4. The HMG must begin work soon (next meeting is scheduled for Oct 18) to develop conceptual strategies for intensive use of the land/space in the HM area. This would include the area inside the HM boundaries and the neighboring areas buffering the HM. A campus-wide strategy could be developed for the HM land use. Consensus #3 in the staff report ties in with this item (see pp. 9 and 10 of the staff report for a listing of the three consensus items).

5. Recognizing the importance of strong neighborhoods for the entire city and that the HM community and the services provided are an asset for the entire city, we encourage those currently involved in the HMG as well as the City Council to "Be the Change." HMG has started down a path to change the long-standing HM-N conflict. Only by working together can we change the way this conflict will be dealt with in the future. By thinking creatively and continuing to be an active group, we can develop innovative strategies that are economically feasible and mutually acceptable. The City Council will most likely need to be an active partner in implementing suggested innovative strategies.

Summary Report

HOSPITAL/MEDICAL GROUP DISCUSSIONS

June 26, 2012

BACKGROUND:

At the January 2012 Goal Setting Meeting, the City Council directed the City Manager to facilitate H/M Zone discussions between the medical providers and surrounding neighborhood association representatives to identify a mutually acceptable long-term solution to meet future expansion needs. This assignment was the outgrowth of the recent approval of McFarland Clinic's request to expand its facilities east of Duff Avenue which generated significant concern from adjacent property owners.

In response to this directive, the City Manager met with medical providers and neighborhood representatives on December 1, 2011 to plan for the upcoming meetings. It was agreed that the group would be made up of:

- 1 representative from the Sunrise neighborhood association (**Linda Feldman**)
- 1 representative from the Historic Old Town neighborhood association (**Sharon Wirth**)
- 1 representative from the North Old Town neighborhood association (**Jim Popken**)
- 1 representative from the Bandshell neighborhood association (**Ray Bratsch-Prince**)
- 1 representative from the neighborhood association north of 13th Street adjacent to the H/M zone (**Sheri Anderson**)
- 1 representative from Mary Greeley Medical Center (**Brian Dieter**)
- 2 representatives from McFarland Clinic (**Steve Koger** and **Roger Kluesner**)
- 1 representative from the City of Ames (**Steve Schainker**)

MEETING 1 – JANUARY 26, 2012

At the first meeting the participants agreed to the following goals for the discussions:

- 1) To gain a better understanding of each participant's viewpoint
- 2) To develop trust among the participants

- 3) To identify possible solutions to meet the goals of the participants and to develop implementation recommendations for presentation to the City Council and respective constituency groups
- 4) To reach a consensus regarding the identified solutions that every participant can live with and publicly support

Neighborhood Perspectives

The **neighborhood representatives** reviewed their list of values and expectations that were reflected in the ten points presented to the City Council at the November 17, 2011 workshop. Since all neighborhoods had a hand in developing the presentation, it was emphasized that these values are supported by all. They further clarified that:

- They want their neighborhoods to remain residential. It is hoped this can be accomplished through LUPP designations and zoning regulations.
- They want to prevent further deterioration of their neighborhoods caused by land speculation. This deterioration stifles further investment in residential properties.
- They want the peace of mind knowing that their investments in their properties won't degrade.
- They want the certainty and predictability that will assure a sense of place.
- They want the medical providers to understand the lack of desirability to live near uses that generate traffic, noise, etc.
- They want the medical providers to "care" about their neighborhoods.
- They want their property values be retained, not de-valued.

Medical Provider Perspectives

The **Mary Greeley Medical Center** representative shared the strategic plan which focuses on six goals related to:

- Quality Patient-Centered Care
- Service Excellence
- Quality Staff
- Growing Market Share and Increasing Partnerships with McFarland Clinic
- Financial Health
- Medical Staff and Physician Satisfaction

It was explained that MGMC is dealing with two realities:

- **No Clear Path To Expand:** MGMC has been able to intensify on their current site which has garnered positive support for recent expansion projects. However, it is pointed out that MGMC has no clear path to future expansion or growth.
- **Multiple Sites Are Impractical:** Some have asked why MGMC can't spin off its operations to a second site. It was emphasized that patients admitted to a hospital have multiple clinical service needs. Since these services are inter-related, they must be available at one site to assure the necessary care. The other alternative would be to provide two sites with duplicate services. Therefore, it seems logical to MGMC that some land adjacent to their site will be needed to accommodate future growth.

McFarland Clinic representatives highlighted the values that have influenced their action since their inception:

Quality Clinical Care

Service and Hospitality

Workplace Quality

Economic Viability

It was emphasized that McFarland Clinic must deal with two realities that are outside of their control:

- **National Clinical Care Standards:** McFarland Clinic must direct their actions to satisfy the national clinical standards for care.
- **Patient Expectations/Needs:** In a competitive environment, McFarland Clinic must respond to patient expectations and needs.

They want everyone to know that they don't intend for their actions to "hassle" the neighbors, but are driven by the requirement to embrace these two outside factors in order to remain economically viable.

They are hoping that our discussion process will identify ways to serve these two realities and, at the same time, satisfy the neighbors. Other factors that impact their future include national recruitment and employee retention, technology developments, regulatory environment, economic game changers, and market place realignments.

Because of these realities, it is difficult for McFarland Clinic to predict, with any certainty, what their future needs will be.

MEETING 2 – FEBRUARY 23, 2012

At this second meeting the group agreed that there are only three viable strategies to accommodate expansion of the medical industry in the future:

- 1) Intensification of medical uses within the current H/M zone boundaries**
- 2) Expand the existing H/M zone boundaries in an acceptable way**
- 3) Move the new medical uses outside of the existing H/M zone boundaries**

When discussing the option of intensification, the group reviewed an analysis performed by Dave Carter regarding the amount of density that could be accommodated within the current boundaries of the H/M zone west of Duff Avenue. The medical providers questioned the conclusion presented in this study given the site requirements for setbacks, circulation, landscaping, etc. They doubted there would be the amount of space that Dave Carter is predicting through intensification on the current site.

While it was acknowledged that intensification could yield some level of additional space for expansion, it was cautioned that the construction of structured parking and building up to gain more office space is cost prohibitive for McFarland Clinic. In addition, it was pointed out that intensification on the site would result in two other negative impacts: 1) portions of the existing Clinic space would have to be closed for extended periods to accommodate the integration of existing floors into the new space during construction and 2) parts of the Clinic would have to be torn down to facilitate this intensification.

The neighborhood representatives wanted the medical providers to understand that there are also unacceptable costs to the community if Mary Greeley Medical Center and McFarland Clinic are allowed to continue to meet their additional space needs by expanding the boundaries of the H/M area. These intangible costs include: loss of affordable housing, loss of historic architecture, loss of a sense of neighborhood, etc.

It was at this meeting when the idea was raised for the need to create an integrated conceptual site plan for the H/M Zone on both sides of Duff Avenue and to determine the maximum amount of square footage that can be realized through building up to meet future parking and office space needs.

MEETING 3 - MARCH 22, 2012

Much of the discussion at the third meeting centered on the perceived impediments for the medical providers to intensify within their current sites. The impediments included 1) the cost to build Clinic space vertically to meet office needs, 2) the cost to build structured parking to optimize office expansion area, and 3) the cost to meet City requirements for landscaping, setbacks, building coverage, building height, etc.

It was suggested that if the City would assume the cost for building a structured parking facility, it would be financially feasible for the Clinic to expand on the current site. However, it was pointed out that even if the City Council builds the parking ramp, there is no guarantee that it will be feasible for the Clinic to finance future expansions, which has been planned to accommodate up to 30,000 square feet. It was further warned that even if there is a short-term solution to accommodate this magnitude of expansion on the present site, this same issue will confront the community sometime in the future when further expansion is needed.

Neighborhood representatives expressed frustration with the medical providers' argument against intensification on the current site because it is not financially feasible. It was hoped that the medical providers would understand there are "costs" to the neighborhoods as well when the Hospital/Medical Area is expanded.

There appeared to be agreement to look at intensification at the current site, as long as it resulted in an economically acceptable level. The neighborhood representatives believed that the development of a conceptual plan for the H/M area and surrounding area might identify strategies for reducing the costs associated with intensification.

MEETING 4 – APRIL 5, 2012

At the fourth meeting, the group members shared their thoughts regarding the perceived benefits and challenges to accomplishing growth through vertical intensification and horizontal expansion. **It should be emphasized that these thoughts were identified at a brainstorming session and no attempt was made to reach consensus on these comments.**

PERCEIVED BENEFITS TO INTENSIFICATION:

- Medical services would be in close proximity to each other
- Increases convenience to patients
- Meets expectations of current Land Use Policy Plan and Zoning Ordinance
- Would garner more support from neighbors and thereby generate less conflict
- Preserves urban core, promotes sustainable neighborhoods
- Promotes healthy lifestyles through walkable neighborhoods
- Provides an opportunity to develop a coordinated conceptual plan for H/M area and surrounding neighborhoods
- Preserves established landscaping

- Protects affordable housing stock
- Increases probability to attract single-family owners to the area
- Conserves City's cultural heritage, historical architecture, historic grid street pattern
- Promotes long-term stability for neighborhoods
- Increases positive perception of medical providers
- Provides positive urban visual image
- Eliminates need for expansion outside of the area for some time
- Retains or gains back patients lost because they were upset with past development decisions

PERCEIVED CHALLENGES TO INTENSIFICATION

- Very costly to medical providers to accomplish
- If intensify too much, then could be visibly distracting because of incompatibility of surrounding building sizes
- Will require medical providers to destroy some existing medical facilities that were not designed to accommodate vertical expansion
- Could increase traffic through the area
- Could increase noise and light pollution in the area
- The existence of multiple property owners makes it difficult to assemble properties to facilitate intensification in the H/M area east of Duff
- The finite boundaries in the H/M area make it difficult to create an attractive design for development
- Patients' dissatisfaction with the complexity of multiple parking ramps and larger facilities
- Intensification will require City incentives and changes in City regulations
- It is difficult to accomplish vertical expansion incrementally
- There will be disruption in operations during construction

- Requires creative visioning

POSSIBLE SOLUTIONS TO VERTICAL EXPANSION

- Need changes to relevant City policies/regulations to make intensification more economically feasible
- Need to obtain City incentives in order to make intensification more economically feasible
- The City could build and operate a ramp on the existing site west of Duff Ave. to accommodate the parking requirements for McFarland Clinic
- Incentivize patients and employees to use alternative forms of transportation (CyRide, Park N Rides, bike parking, etc.)
- Implement traffic calming techniques for the area
- Produce a conceptual plan for the entire area (H/M and surrounding neighborhoods)
- The City, or some other entity, could build a spec building to lease back to the medical providers
- Need to start with the assembly of land
- Implement design guidelines for the area
- Develop a plan to balance responsibilities, obligations, and incentives

PERCEIVED BENEFITS TO HORIZONTAL EXPANSION

- Affordable land is available to medical providers
- More efficiencies by retaining all the services in a campus setting
- Easier to accomplish incremental expansion
- The scale of buildings is less imposing to adjacent neighbors
- Patient convenience to having all services in one area
- Maintains the status quo because it is consistent with historic strategy for accommodating growth

- Less disruptive to the medical providers and patients during construction
- Provides an opportunity to add amenities for the neighborhoods (ped. Mall, park/open space, open air market, coffee shop, etc.)
- More comfortable for patients
- Provides potential purchasers for those wanting to sell their properties
- Providing a pathway to expansion should alleviate fear and promote stability of the neighborhoods

PERCEIVED CHALLENGES TO HORIZONTAL EXPANSION

- Disruptive to neighborhood identities
- Destroys affordable housing
- Creates a new ring of uncertainty
- Promotes blight and decreases the attractiveness for neighbors to invest in their properties
- There is an expectation that there is one solution that will solve the issue forever
- Cannot predict future health care needs nor the associate space needs
- Creates more disruption for neighborhoods
- Multiple property owners makes it difficult to assemble enough land to accomplish expansion
- It is not “neighborly” of medical providers to expand into the neighborhoods
- Destroys the City’s cultural heritage, historical architecture, historic grid street pattern
- Promotes negative perception of medical providers

POSSIBLE SOLUTIONS TO HORIZONTAL EXPANSION

- Create a plan with a mixed use concept with design guidelines
- Relocate existing homes to other sites within the City

- Revisit existing City regulations with an eye to making changes that would benefit medical providers and neighborhoods
- Incentivize patients and employees to use alternative forms of transportation
- Complete a comprehensive transportation plan for H/M area and surrounding neighborhoods
- Build new “affordable homes” in other areas to offset loss in the neighborhood
- Create a concept plan for the H/M area and surrounding area
- Provide remote parking for employees and/or patients to reduce the need for costly structured parking

MEETING 5 – MAY 3, 2012

The final meeting was devoted to determining the next steps for the group. The neighborhood representatives urged for support to develop a conceptual plan for the H/M area and surrounding neighborhoods. It was emphasized that the existence of a conceptual plan at this time could serve as a framework for future agreements regarding parking, traffic, square footage of buildings, etc. It was cautioned that planning is a slow process and it would be better to begin the conceptual planning process now before there is any commitment to a specific project. The use of an outside consultant who has extensive knowledge about innovative techniques that would protect surrounding neighborhoods and still accommodate the growth needs of the medical providers would be very helpful at this time. It was suggested that delaying the creation of such a plan at this time would result in it being too late to react.

The medical providers countered that since the need for additional space by the Medical Center and Clinic is not envisioned any earlier than three to five years from now, it is difficult to justify the time and energy to initiate the development of a conceptual plan at this time. There are too many unknowns at this time to create a worthwhile plan upon which to rely. It was suggested it might be better to establish some sort of threshold that would trigger the development of such a plan. In the meantime, the group could agree to meet periodically throughout the year to discuss issues of importance. Through these meetings the group could determine when the appropriate time will be to begin discussions about future expansion and the need for a plan.

Ultimately, the discussion group reached consensus on the following points.

- 1) It was agreed that a report needs to be written and presented to the City Council summarizing the discussions of the group and their recommendations.**

Steve Schainker will prepare the report and send it out to the group members for their review. Tentatively, the report will be presented to the City Council on June 26th. It is hoped that all members of the group will attend this presentation.

- 2) It was agreed that the group will meet throughout each year, at some yet to be agreed to interval, to discuss future facility needs as well as other issues of concern.**
- 3) For purposes of these future meetings, the group will be expanded to include two representatives from each of the five surrounding neighborhoods and two representatives from both the Medical Center and Clinic. The first meeting of this expanded group will be scheduled for October 18, 2012 at 4:00 p.m. at Mary Greeley Medical Center.**
- 4) It was agreed that the group will work to develop conceptual strategies to facilitate growth within the current LUPP boundaries, recognizing boundary adjustments may happen.**
- 5) The group will decide at one of their future meetings suggested in Agreement 2 above when the time is right to begin the process of developing the growth strategies.**