

MEMORANDUM

TO: Lancaster City Planning Commission

FROM: Chris Delfs, Director of Community Planning and Economic Development

SUBJECT: 250 College Ave – UPMC Zoning Amendment Request

DATE: January 15, 2020

**RECOMMENDATION**

The City Administration recommends that the Planning Commission approve the petition to amend the zoning at 250 College Ave from Hospital Complex to Mixed Use. The Mixed-Use zoning category is consistent with broader planning and policy documents, compatible with the surrounding neighborhood uses, and accommodates stated community priorities.

The Administration makes this recommendation for approval subject to the following priorities for this large, catalytic site in the city:

1. Maximizing affordable and market rate housing through this redevelopment opportunity and on site at 250 College Ave;
2. Additional “porosity” on the site so that pedestrians have accessible, public pathways that allow better connectivity through the site;
3. Superior design in public space that reconstitutes the streetscape, including sidewalks, street trees, streetlights, etc. and concentrates parking and loading on the interior;
4. Further exploration of a commercial use that will balance job opportunities with additional housing on site; and
5. Further exploration of rehabilitating historic assets and adding green / sustainable design features on site.

The Administration also makes this recommendation in light of the considerations articulated below.

**CONSIDERATIONS**

At the last Planning Commission meeting on December 18, 2019, Commissioners and other stakeholders asked questions and made comments that generally fell into three areas of concern:

- A. What to expect in a land development site plan (in the event a zoning amendment is approved)
- B. Potential for Health Care Uses
- C. Potential for Affordable Housing

## **A. Land Development**

We understand the Commissioners would like a better sense of what may realistically be proposed for the site.

UPMC shared at the last meeting that it is seriously considering two development proposals. Since the last meeting, the City Administration has had additional conversations with UPMC and the two prospective developers. Here is what we have learned:

Both preliminary concepts are true “mixed-use” projects, meaning they would have a combination of land uses consistent with the requested MU zoning district. Both concepts are driven primarily by a multi-family residential use. Both have a commercial office component. Both concepts would seek to generally retain the horizontal and vertical footprint of the hospital building, and effectively approach it as an adaptive reuse of the structure. One of the development concepts may include an assisted living facility and a small amount of neighborhood serving retail space. This concept also looks to introduce townhouses along the site’s western perimeter.

Please note the prospective developers are in the process of sketching out ideas and options for the site but have not settled on specifics. Further site planning would occur through the land development process; the City and the Planning Commission will have the authority to review and approve or deny specific proposals.

## **B. Health Care**

### Hospital / Emergency Room (ER)

The City Administration has done additional research on the likelihood of an acute-care hospital and ER re-opening at the 250 College Ave site.

The south-central PA hospital market is dominated by a handful of healthcare organizations, including LGH Penn-Medicine, UPMC, and Penn State. All have or will have modern facilities in the local area.

Lancaster General Health / Penn Medicine is in the process of expanding its ER space and capacity. In July-November 2019, Emergency Department visits at LGH trended about 8.5 percent higher as compared to 2018. LGH opened a temporary modular unit last August that expanded ER capacity from 54 to 63 beds (a 16 percent increase), which has helped to address the increase in demand resulting from UPMC Pinnacle Lancaster’s closing last February. The permanent renovations planned for later this year include improvements to the Emergency Department on the hospital’s ground floor that would double its capacity to about 95 total treatment beds, including more dedicated bays for trauma patients.<sup>1</sup>

Further, a new Penn-State hospital will be constructed near the intersection of State Road (Route 283) and Harrisburg Pike in East Hempfield Township. The hospital “will feature inpatient beds, an emergency department, physician offices, various specialty inpatient services, an imaging lab, and

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<sup>1</sup> John Lines, Lancaster General Health

complete medical and surgical capabilities.”<sup>2</sup> This hospital is intended to serve residents of Lancaster, Lebanon, and York Counties. This geography includes capture areas on the western side of the City once served, in part, by Saint Joseph’s Hospital. Finally, UPMC operates a full-service hospital in Lititz.

The St. Joseph’s hospital has experienced many years of deferred maintenance, resulting in a facility that is not equipped to function without a substantial infusion of capital, plus the reconstruction necessary to modernize outdated spaces.

Given the market and physical conditions noted above, the City Administration believes it is very unlikely that another health care organization / hospital operator would purchase and redevelop the site as a hospital complex.

### Urgent Care / Express Care

The demand for decentralized, accessible health care options continues. According to LGH, about a third of the patients seen at their Downtown Emergency Department could have been appropriately treated in a primary care or urgent-care setting.

UPMC is now operating an Express Care facility and a Family Practice residency clinic at 233 College Avenue across the street from the 250 College Ave hospital site. UPMC has committed to a six-year lease to provide services at this location. UPMC Express Care - College Avenue provides quality walk-in medical care to people with minor illnesses and injuries. Basic lab and general x-ray services are available. Most major insurances accepted, including Medicare and Medicaid, and primary care copays apply.<sup>3</sup> UPMC will be available to provide more detailed information to the Commission.

It is also important to note that the Lancaster Health Center, located at 304 North Water Street, provides a host of health services to the community, including primary medical, maternity, dental, and behavioral health regardless of one’s ability to pay. Lancaster Health Center is 0.7 miles from 250 College Ave (approximately 15-minute walk).<sup>4</sup>

## **C. Housing Choice**

Achieving a diversity of housing choices with affordable rents in the city is essential to the economic and social vibrancy of Lancaster. Securing affordable residential units at various income levels and unit sizes through the redevelopment of UPMC is a priority for the City Administration. We have articulated this goal to UPMC and to both prospective developers.

In response, UPMC has verbally agreed to donate the land and building at 213 College Ave as part of the overall development of the land and buildings at 250 College Ave. This 213 College Ave parcel is .37 acres. Based on early analysis, the City believes we could develop this site with a range of 24-30 affordable, residential units, which represents a significant public benefit to the neighborhood and

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<sup>2</sup> Penn State News, LNP; July 22, 2019

<sup>3</sup> <https://www.pinnaclehealth.org/locations/office/8101-upmc-express-care-college-avenue>

<sup>4</sup> <https://lancasterhealthcenter.org/>

broader city community. UPMC has also agreed to work through a shared parking solution with the City, as 213 College Ave will not have space for ample parking.

UPMC and both prospective developers understand the desire to develop additional affordable homes on the 250 College Ave (hospital) property. The City has begun to explore partnerships with affordable housing developers and financial tools / incentives that could yield additional affordable units. The City Administration is committed to continuing and advancing this conversation before Council meetings to decide upon the zoning of the site, which are expected to take place in February and March.

The level and amount of affordable housing will be dictated by such factors as economic feasibility (costs versus anticipated revenues and available subsidies) and a range of site constraints, including infrastructure and historic assets which are expected to shape and limit the configuration of new and rehabilitated buildings on site.