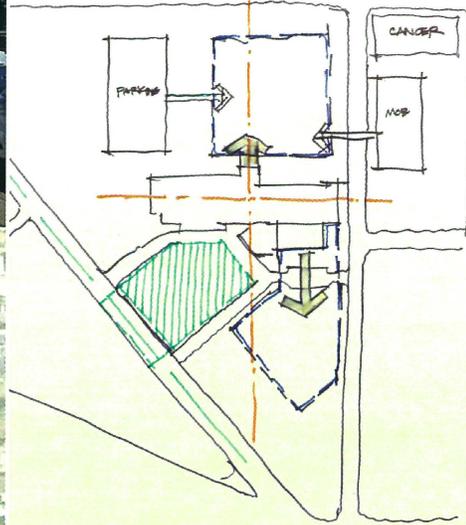


A ULI Advisory Services Technical Assistance Panel Report



Ventura, California

CITY OF VENTURA COMMUNITY MEMORIAL HOSPITAL

TECHNICAL ASSISTANCE PANEL (TAP) PROGRAM
MAY 2013

ULI Los Angeles Mission Statement

At the Urban Land Institute, our mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI Los Angeles, a district council of the Urban Land Institute, carries forth that mission as the preeminent regional real estate organization providing inclusive and trusted leadership influencing public policy and practice.

About the ULI Los Angeles Technical Assistance Panels

In keeping with the Urban Land Institute mission, Technical Assistance Panels are convened to provide pro-bono planning and development assistance to public officials and local stakeholders of communities and nonprofit organizations who have requested assistance in addressing their land use challenges.

A group of diverse professionals representing the full spectrum of land use and real estate disciplines typically spend one day visiting and analyzing the built environments, identifying specific planning and development issues, and formulating realistic and actionable recommendations to move initiatives forward in a fashion consistent with the applicant's goals and objectives.

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Executive Summary

THE COMMUNITY MEMORIAL HOSPITAL (CMH) IS IN THE midst of a \$325 million construction project that will add a new in-patient tower to its existing campus in the city of Ventura. The Ventura County Medical Center (VCMC), located a half-mile to the east of CMH, is also planning a new \$305 million in-patient tower, with approval and funding already granted and construction expected to commence in the near future.

These new investments in healthcare facilities represent a significant expansion to the built environment of the city of Ventura, and a rare opportunity to leverage the expanding economic and employment footprint of the hospitals to the benefit of the surrounding neighborhood and the city as a whole.

The new in-patient tower of the Community Memorial Hospital is currently under construction.



The city of Ventura and CMH sponsored a ULI Technical Assistance Panel (TAP) to study the current economic and land use context of the area, and make recommendations about the strategic steps that the area's stakeholders should pursue to make the most of the current opportunity.

The TAP envisions the area surrounding the hospitals as a "Wellness District" anchored by the employment and economic centers of the hospitals. To create a fully realized and vibrant Wellness District, the TAP recommends a thorough analysis of the current real estate market, paying close attention to unmet demand in the residential and office markets, the strategic activation of underutilized or vacant parcels, the manner in which parking is utilized and circulation organized, and more efficient uses of existing facilities. The space that will be vacated in the existing CMH tower when new facilities come online is an especially conspicuous potential resource for medical related uses, and the TAP recommends thoughtful analysis and strategy in filling that space with economic drivers.

The TAP strongly recommends that local stakeholders implement both management innovations and infrastructure improvements to manage the influx of vehicles and vehicle traffic that will frequent the area. To that end, organizing a parking district and constructing new parking facilities are recommended to create a “park once” district (where visitors and users park in one location before patronizing a number of locations during their visit).

With a strategic and patient build out of improvements to the commercial corridors, housing stock, and the public spaces in the area, the TAP believes the area could become a comprehensive Wellness District, populated with medical and medical-related uses, healthy living and prevention-aimed businesses like yoga studios and organic markets, educational opportunities, and active senior housing. All in all, the area has the potential to become a vibrant, charming district—much more consistent with the best that the beautiful city of Ventura has to offer.

The success that stakeholders in the area (e.g., the city government, hospital management, the surrounding residential community, and local business owners) achieve in building out this vision for the area will come as a result of strong partnership and collaboration. Already there is evidence of a strengthened partnership between the hospitals and with the city, but these early successes will have to be duplicated and formally established if the momentum of investment in the area is to be fully and successfully leveraged.

Panel member, Lee Brennan of Cunningham Group, discusses topics with CMH and VCMC.



Assignment and Process

Key Questions

The city of Ventura and Community Memorial Hospital (CMH) requested that the ULI TAP panel aid in identifying effective investment strategies necessary in the area directly surrounding the CMH campus, anchored by the under-construction CMH in-patient tower and a planned in-patient tower at the Ventura County Medical Center (VCMC) a half-mile to the east. The city and CMH specifically requested that the TAP address several major issues and questions to be addressed through the TAP exercise:

KEY QUESTIONS

1. Market analysis and potential: what is the economic development potential for redevelopment of the so-called "Medical District"?
2. What are the public and private strategies that will facilitate and expand investment, realizing the goal to create a vibrant, successful medical district? Strategies could include financing options for an approximately 700-space parking structure that would serve as a catalyst for the revitalization of the district, revised land use regulations, infrastructure investments, marketing strategies, or others.
3. Are the regulations currently in place encouraging or obstructing investment? The panel is asked to determine ground truth of the consequences of current regulations to evaluate any changes recommended to remove barriers to revitalization.
4. From an urban planning perspective, what needs to be done to make full use of the strategies developed in 1-3 above?
5. Stakeholders: which key stakeholders should be engaged, and what strategies should be considered early on to elicit maximum participation and support?

Tap Process

ULI panel members met with representatives from the city of Ventura and CMH to determine the scope of the panel assignment. ULI selected panel members with practiced and professional skills that address the stated objectives for the TAP as provided by the city of Ventura and CMH. Prior to the day-long program, panel members reviewed background materials prepared by the city of Ventura and the CMH. The TAP process is a day-long event. In the morning, panel members tour the study area with representatives and later meet with key stakeholders, work through an intensive analysis on the specified issues, and then present their findings to the general public and program sponsors.

TAP Panel of Experts

ULI convened a panel of professionals representing a variety of disciplines connected to land use and real estate development, such as architecture and design, real estate development, economic analysis, and development financing. The ULI selected panel members with the intent to convene a robust array of professional expertise relevant to the city and CMH's objectives for the study. ULI also selected panel members with a working knowledge in the sectors of business, the real estate market, and the design typologies common in the study area. All panel members volunteered to participate in the panel process and did not receive compensation for their work.

Major Conclusions

The TAP recommends that instead of a “Medical District,” the area’s stakeholders follow the lead of the Affordable Care Act and reframe the area’s specialty as a “Wellness District.” Such a district would include businesses focused on preventative health measures and healthy lifestyle choices—such as healthy grocers, yoga studios, educational opportunities, active senior care, and abundant and easily accessed open spaces. A broad array of traditional medical uses should also be recruited to set up shop—including medical offices, physical therapy, lab and diagnostic offices—working in concert with the institutional capacity of the area.

The TAP also recommends that existing resources be more efficiently used to meet unmet demands for housing and medical-related business uses. Hospital space that will soon be vacant—after uses are transferred to the new building—are an obvious potential asset for attracting new businesses and users, but existing facilities and underused parcels could also be more efficiently used in the short term to meet needs and drive economic development. As a critical step in determining the best uses for existing structures as well as facilities that are soon to come online, the TAP recommends a thorough market analysis of the unmet demand and the competitiveness of the area surrounding the hospitals.

A key component of any strategic plan in support of a Wellness District is a better understanding of the need for new residential properties in the neighborhood. And a key concern of the stakeholders in the neighborhood is parking. Any economic development strategy for the area must include more efficient use of parking facilities, either through the creation of a parking district or shared parking facilities, to generate a “park-once” retail and commercial environment. Finally, none of the improvements sought by the neighborhood’s stakeholders can be achieved without increasing partnership between the hospitals, the city, and the surrounding business and residential stakeholders. Although the TAP found evidence that these partnerships have strengthened in recent years, several steps should be taken to evolve these partnerships and achieve tangible results.

MAJOR CONCLUSIONS

1. Create a “Wellness District” in the surrounding area, with businesses focused on preventative health measures, healthy lifestyle choices, and a broad array of traditional medical uses. Complimentary uses should focus on Loma Vista Road and Main Street but also expand into the surrounding neighborhood.
2. Residential development represents the best short-term development opportunity for the district outside of hospital and wellness uses. Hospital employees represent an untapped source of demand for residential housing options near these job sources, and additional residential population are necessary to support potential commercial and retail uses.
3. The city should conduct a thorough analysis and inventory of market needs and medical uses. Such a study can help identify strategic development sites and carefully focus retail uses.
4. The economic development strategy of the Wellness District should include implementation of parking district strategies to support a “park once” concept.
5. Recent partnerships between the city and the hospitals should be supplemented and encouraged.

Gwynne Pugh, Jim Babe, Con Howe and Justin Gugajew interview local business owners and stakeholders.



The City Of Ventura and Community Memorial Hospital

Area Description

The CMH campus occupies 12 acres between Main Street and Loma Vista Road, located about two miles to the east of Downtown Ventura. The CMH campus is located in close proximity to VCMC, which can be found just a half-mile farther east along Loma Vista Road. Working in concert, the two hospitals and related office, retail, and parking uses create a de facto medical district in the neighborhood surrounding the two facilities.

The neighborhood is bisected by two main thoroughfares—Main Street and Loma Vista Road, both of which are distinguished by different conditions of land use and infrastructure. Loma Vista Road's storefronts included more ground floor offices and less retail, with a bike lane on the street, and immediate access to the residential neighborhood that lies directly to the north and east. Loma Vista Road already serves as a well-travelled link between the two poles created by the two hospital facilities. Main Street, on the other hand, is dominated by retail spaces and the automobile. Many building frontages are inactive, in part because many of the businesses along the stretch of Main Street between Loma Vista Road and Brent Street are actually accessed from the back of the building in an alley.

Image of the future campus of Ventura County Medical Center



Many of the businesses along Loma Vista Road and Main Street Road are owned by families, having been passed down in a process of legacy ownership. Absent new tenants and given the recent state of the economy and real estate market, there has been little turn over or major improvements to the existing building stock. As a result, the area lacks some of the vitality associated with other commercial corridors in the city of Ventura.

Context and Background

The city of Ventura and CMH hope to leverage ongoing, significant investment by the hospital—a \$325 million in-patient facility on its existing campus—to the benefit of the real estate and economic markets of the surrounding neighborhood. When the hospital's construction project is complete, the facility will gain approximately 168,000 square feet of new space for medical related uses, while also permitting the re-occupancy of about 28,000 square feet in the existing medical tower.

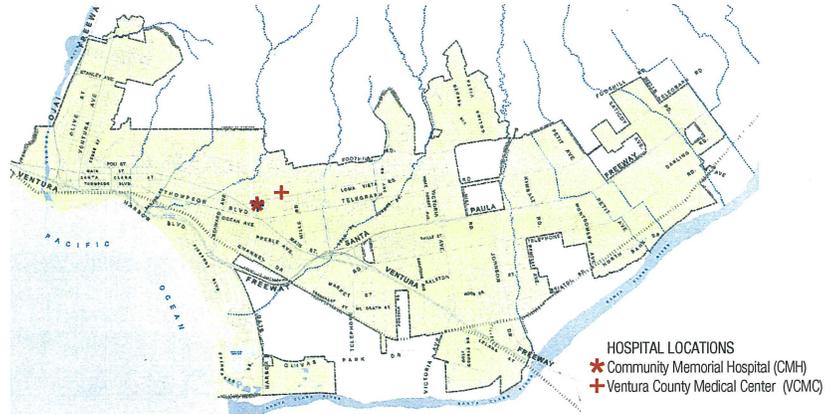
Of similar significance to the economic development potential to the area surrounding the hospital is a proposed construction project at VCMC, which will add another new in-patient tower to the city's medical facilities.

CMH and VCMC are two of the city's largest employers, and the potential for a growing medical district that occupies the streets and parcels around the hospital represents a powerful economic driver for the surrounding area and the entire city.

Observations

The question of what makes this area special was a primary theme during the panel's deliberations. Because the surrounding area has miles of commercial corridors, the panel decided that the answer is clearly the presence of the two hospitals. The hospitals are the most visible and distinctive presence, the major employers, and the potential drivers of other economic activity. In addition, these particular hospitals have a deep history of community roots and provide essential services to the community. Without the presence and active participation of the hospitals, there is little to distinguish this section of Ventura from other commercial corridors.

That realization leads to a second positive observation: there is a growing partnership between the city of Ventura and the hospitals, and between the two hospitals. Building that partnership is essential to physical improvements and development in the immediate area and to economic development goals for the larger area. Those growing partnerships should be recognized and nurtured. The nation is filled with examples of adversarial relations between "town and gown" (whether academic or medical). But the smart institutions understand that they cannot thrive without the success of the surrounding community—their relationship is symbiotic. Fortunately, in this case, the hospitals seem civic-minded and outward-looking, as evidenced by CMH's joint sponsorship of the TAP advisory effort. In a parallel manner, Ventura's city government recognizes the potential economic engine of the hospitals, and is supportive, not adversarial, of economic development efforts.



TOP: City aerial with site location.
BOTTOM: Site aerial.

The two hospitals themselves are sometime competitors, but their futures are linked as they both face the challenges of changes in the way health care is provided. The ability of the hospitals to work together, at a minimum, to communicate and coordinate and to a maximum of joint partnerships, will greatly determine the progress that is made in the surrounding area.

The growing partnership must include the local property owners, businesses, and residents. With the limited time available, the panel didn't have the opportunity for much discussion or assessment with those stakeholders, but the presence of the stakeholders on the day of the panel clearly showed their shared interest in improvements in the area.

. last observation relates to two of the key questions before the panel (questions #1 and #3): what is the market potential, and are the current regulations helpful? The TAP's initial observation is that the current regulations are based on an urban design plan that creates a physical vision for the area—and a handsome one at that—but there is no evidence of underlying analysis of the area's potential, and based on that analysis, what should happen to realize that vision. Therefore, the TAP report will first discuss the market potential and the realities of what types of development are reasonable and realizable fits for the area.

That market potential and strategy leads to a discussion of the physical environment, including parking (a commonly raised issue during the panel's stakeholder interviews) and the options for managing, distributing, and developing it. Here too, the TAP will give comments on the current regulatory scheme. Finally, to the extent that the report can suggest a district-wide strategy, the TAP will give suggestions on how to move forward: where will the leadership and organization come from?

*Coastal Communities
Cancer Center at CMH*



Development Opportunities Assessment

Market Factors

The TAP panel noticed several relevant factors contributing to the current state of the real estate market in the immediate area around Community Memorial Hospital that will have a strong influence on the types of development possible in the short-, mid-, and long-term.

Retail

- Retail rental rates currently fall between \$0.70 and \$1.50 per square foot, with a 15-20 percent vacancy rate.
- Ventura captures between 150-200 percent of retail spending compared to the California state average per city. The city is unlikely to be able to support new retail without cannibalization of retail sales from other retail offerings in Ventura, such as Downtown Ventura or the Pacific View Mall.
- The largest commercial lease in 2012 was 6,000 square feet, with an average size of 2,500 square feet—well below the desired size to attract large, national retailers.
- “The Collection” in Oxnard, opened in 2012, has increased competition in the region and is likely to have a measurable impact on the Pacific View Mall and Downtown Ventura.

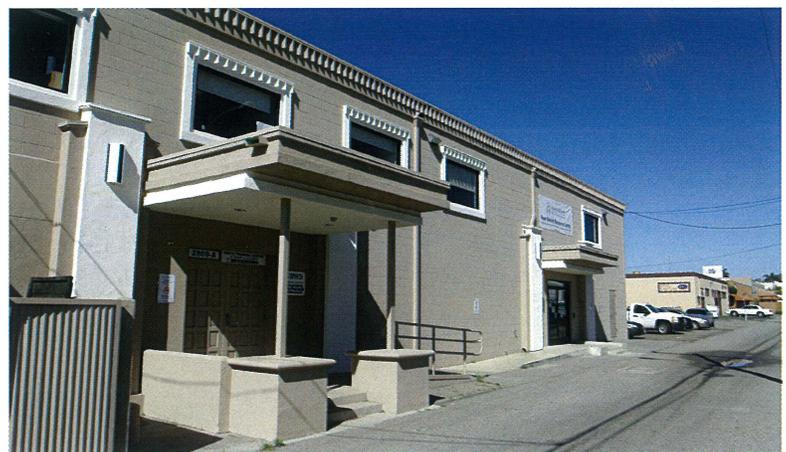
Office

- Office/medical office lease rates fall between \$1.90 and \$2.00 per square foot, with vacancy under two percent within one mile of the subject site. Those numbers indicate exceptionally high demand. While the low vacancy rate suggests pent-up demand for new space, the current low rental rates are insufficient to encourage new development relative to construction cost.
- Tenants find it difficult to locate adequate space in the area, with some leasing space in a nearby business park at 10,000 square feet and 20,000 square feet.

Residential

- Rental rates in Ventura are approximately \$1.45 - \$1.75 per square foot, with a three percent vacancy rate. Therefore, apartment demand is high in the area.
- According to the hospital officials who spoke with the TAP panel, there is pent-up demand from hospital staff for quality rental housing in closer proximity to the hospital facilities
- Little to no new residential inventory is projected, a fact which neglects the current demand. Residential represents the best short-term development opportunity outside of direct hospital involvement.

Representative examples of retail and office space located near the study area.



Market Challenges

Several current conditions present significant challenges to development in the area. First, land prices in the area, excluding the cost of demolition, falls between \$120 and \$170 per square foot, which isn't cheap. Moreover, the spread between "bid" and "ask" is tremendous, which further challenges the prospects for new development at or around the medical district.

A second challenge is presented by the current rental rates in the area, which likely do not support mid- to high-density construction of any type.

A third, powerful challenge, is a perception in the market of an uncertain, difficult, and lengthy entitlement or permitting process for any new development within the city of Ventura. Opposition to development creates a barrier to entry into the market and may diminish developer interest in the area. Finally, the properties along Main Street and Loma Vista Road are owned by a relatively few number of family or legacy owners that expect higher land values than the market can provide. According to stakeholders present on the day of the TAP, many of these owners are delaying plans for their properties until the build-out of the CMH project.

Existing streetscape conditions in the study area.



Stages/Strategy

The TAP panel identified an important short-term stage that will present a significant benchmark for strategic investment and planning to meet the area's goals for economic and real estate market development. The critical stage is the completion of construction on the new CMH in-patient facility. At that stage (probably a timeframe of 2-3 years), the market will respond organically to the new opportunities created by the hospital investments. The outcomes of this stage will see: 1) likely demand for new medical office space, based on growing demand for supporting uses and 2) new retail (e.g., food and beverage) demand, though this demand is likely to be cannibalized from other areas.

The TAP panel recommends several strategies to leverage the opportunities presented by the completion of construction. First, conduct an inventory analysis (e.g., quantity, use/type, square footage, demand/utilization) of existing medical office uses and a market and needs analysis of ancillary uses to support the increase of hospital facilities (both CMH and VCMH).

The second recommended strategy is to conduct an inventory analysis of the retail and commercial uses on Thompson Avenue and Main Street and a needs analysis to establish the range of supportable commercial space in these corridors.

Addressing Market Opportunities

The key strategy for addressing market opportunities over the next two to five years should be to focus on responding to unmet demand for uses, such as market-rate and workforce apartments, medical-support, and senior care. Capitalizing on unmet demand for rental apartments near the hospitals would provide housing for doctors, nurses, support and administrative staff, and medical residents. More households in the area would have the benefits of creating additional demand for local-serving retail, such as restaurants and markets. Relating to unmet demand for medical industry uses, whenever possible, opportunities to expand medical office and supporting uses should occur both on and off the hospital campuses.

Another recommended strategy for addressing market opportunities is to identify strategic development sites. Such sites include surface parking lots. Local stakeholders should consider a ground lease strategy for converting surface parking lots along Loma Vista as opportunities to create infill medical office uses (e.g., the Cancer Center) to stimulate activity now and meet future demand. The vacant corner lot of Brent and Main streets allows for a medical office gateway building that could use shared parking within the CMH structure. Whenever possible, new development sites should contribute to commercial nodes that focus and consolidate retail and commercial activities to create a sense of place and increase the viability of retail uses.

Reprogramming Hospital Space

The TAP identified the existing CMH hospital space as a particularly significant resource that will come online once new construction is complete and hospital uses have transferred to the new building. The TAP recommends that over the next three to seven years, CMH attracts new “anchors” or uses to the older building to occupy and reprogram the newly vacant space. By filling those spaces with related uses, growth in the employee base will create more demand for all nearby land uses (e.g., retail and restaurants). The new flexibility in space could also afford CMH opportunities to expand its programs—for instance, a new rehabilitation center, graduate program, an expanded partnership with Western University. Given the concerns of the surrounding community, any increase in employee base or programming would require that parking demand is met, either through the construction of a new major parking structure or through more efficient use of existing resources.

The TAP recommends that CMH attracts new “anchors” or uses to the older buildings to occupy and reprogram vacant space in the study area.



Physical and Land Use Concepts

Wellness District

Initially, the sponsors asked the TAP to define, support, or create a “Medical District.” As the TAP day unfolded and various stakeholders reported their view of the current land use condition, the TAP decided to broaden the concept of the district to reflect what is currently occurring in the healthcare industry as a whole. As the Affordable Care Act becomes a reality, the healthcare industry is gradually evolving towards a focus on prevention and wellness rather than diagnosis and treatment. In response, the TAP rebranded the concept of a “Medical District” into the idea of creating a “Wellness District.”

A Wellness District would encourage wellness, prevention, or healing at the spiritual, physical, and psychological levels. The district begins and ends with the two main anchors of the Wellness District—CMH and VCMC. A distinct corridor along Loma Vista Road links these two anchors. The corridor is an obvious target for development that can support the Wellness District, when combined with development along Main Street that supports the needs of the community and the immediately adjacent CMH.

Study area aerial



As the Wellness District evolves, potential development should be considered with respect to a few key questions and concepts:

1. What developments would benefit the two healthcare anchors, the surrounding neighborhood, and the city as a whole?
2. What is lacking in the immediate community that can create a healthier place to live (e.g., healthy food choices, opportunities for recreation, green space)?
3. What associated retail, housing and other markets would benefit both the community and the broader connection with the major anchors?
4. How does the development affect the public health of the community?

Given these questions, the TAP panel recommends that Wellness District stakeholders consider how they might attract the following types of businesses and uses to support the district:

1. Spiritual health services, including denominational or non-denominational gathering places. Spiritual health can also be encouraged in places that teach, sell, or display art.
2. Physical health services and facilities, including gymnasiums or fitness instruction, chiropractors, healthy food choices (grocery or restaurants), community garden, and parks or other recreation facilities. Stakeholders should work with the two main hospitals to develop outdoor spaces that can be utilized for book or health fairs, community gathering and events, and meditation or stress-free zones.
3. Behavioral health services and facilities, including mental health programs or offices for social work or mental health professionals.

The TAP recommends investing in the following physical improvements to the area surrounding CMH and VCMC to support the proposed Wellness District:

1. MAIN STREET AND LOMA VISTA ROAD—connect the Community Memorial Hospital's healing plaza to Main Street, especially by extending or supplementing existing plaza or green space included in CMH's current construction project. A full connection might require demolition of existing assets and swapping them for other assets along the Main Street. The city should also study configuration changes that will slow or calm traffic along both Main Street and Loma Vista Road.

2. LOMA VISTA ROAD—Loma Vista Road is an obvious opportunity to develop a distinct wellness corridor between the two hospitals. Stakeholders should study the potential for consolidation of medical office space along and around the two hospitals. Currently, there is a plethora of single story medical offices that can be consolidated closer to the two healthcare campuses, thus freeing up land for additional potential opportunities described herein, including additional medical uses, housing, and green space. There is also potential to develop a conference center to be shared by the two main hospitals and for community programs in the evenings and on weekends.

3. STUDY THE POSSIBILITY OF UTILIZING a portion of all parking structures for the development of affiliated medical office, retail, or conference space at grade level to help activate the pedestrian scale.

4. THE TAP RECEIVED ANECDOTAL EVIDENCE that there is a need to develop market rate housing to support the staff of the two hospitals. More research and analysis is required to determine the extent of that need, and the market and the types of housing that could be developed. Should such housing occur it would complement the food service, recreational and wellness activities and limited retail.

5. SITE HEALTHY FOOD CHOICES, such as grocery stores or restaurants. A potential barrier for restaurants in this

immediate area is the short, 30-minute lunch breaks allowed to most employees at the two hospitals. If longer lunch breaks were allowed, additional lunch time traffic would support all retail and restaurant business in the general vicinity. Nonetheless visitors and patients would support some of those additional uses.

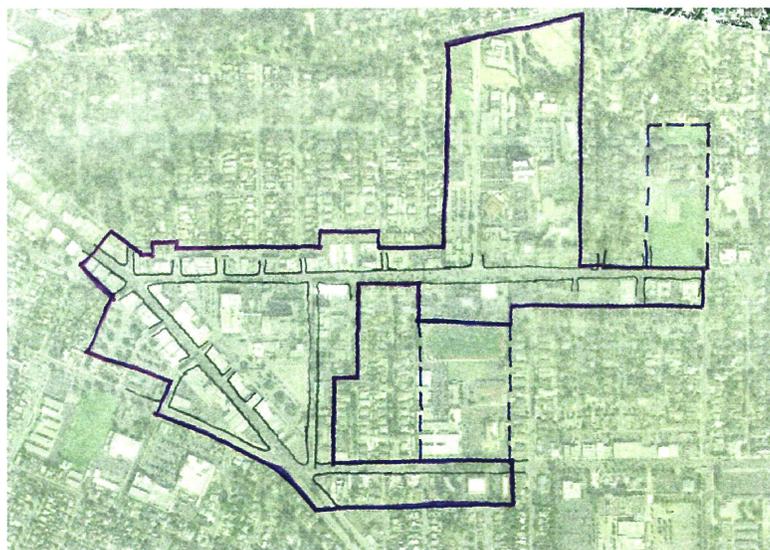
6. STUDY POTENTIAL RETAIL that supports the employees and visitors to the hospital (e.g., organic dry cleaners, banks/ATM, or locally sourced coffee shops).

The panel recognizes that most of these physical improvements will depend on a sufficient market to justify new development. As such, these suggested improvements are long-term prospects. However, new tenants and upgrades of existing properties are realistic goals in early stages of investment.

District Boundaries

One of the TAP panel's most significant recommendations is to reframe the area surrounding CMH and VCMC as a "Wellness District." The essence of a district lies in its convergent interests that may have differences but, by symbiosis, support each other and consequently create an identity. In this instance, the Wellness District is defined by a combination of the following interests:

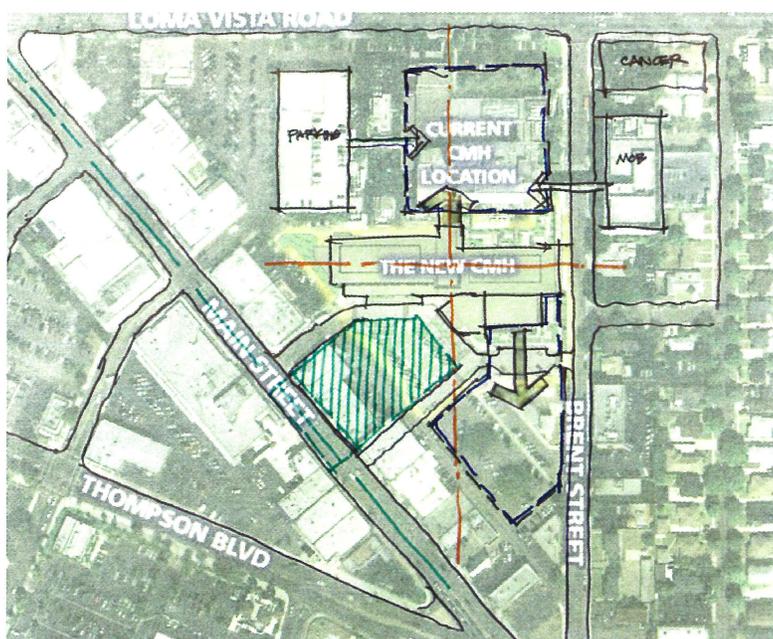
District boundaries



1. WELLNESS SERVICES. Local services involve the two hospitals, Community Memorial Hospital (CMH) located toward the south and west of the area and Ventura County Medical Center (VCMC) located toward the north and east of the area. Various medical offices and other support services are located primarily along Loma Vista Road, E Main Street, Telegraph Road, and N Brent Street. These uses are encompassed within the district boundaries.

2. RETAIL USES. Retail uses are necessary and desirable to serve the activities of the users of the wellness services, the surrounding residential district, and of the community at large. In general, retail uses should be carefully focused because changing economic conditions have altered the need for abundant retail. This includes online shopping as well as other economic forces, such as consolidation through chains and “big box” stores. Consequently, retail activity can only be vibrant when focused and viable. Retail outlets are an integral and focused element of walkable and pedestrian friendly districts, not a substitute or proxy for such an environment. The opportunities for a walkable retail district can be found mainly on Main Street and potentially around the “Wellness Square” adjacent to Main Street. Some limited retail might be attracted to Loma Vista Road.

Figure shows CMH growth opportunities and development impact on the area.



3. RESIDENTIAL USES. Existing single-family and low density multi-family housing residential districts should be preserved and are consequently excluded from this district because the district, by its nature, is subject to change and development. However, residential uses are required to serve the uses within the district and to provide vitality which includes providing affordable and appropriate housing for the wellness service uses and for the population at large. Housing costs in Ventura are prohibitively high for many workers, which can hamper the recruitment and retention of necessary staff, making workforce housing highly desirable. In addition, having the presence of housing helps to activate the district 24 hours a day, seven days a week, increases security by providing “eyes on the street,” provides economic activity to the retail, and does not increase vehicular traffic because of the proximity of jobs and housing. The district boundary should include opportunity sites for residential uses.

4. PARKING USES. These will be discussed in greater detail below. The district should include an opportunity to create consolidated parking to serve its uses.

5. EDUCATIONAL USES. There is the potential for incorporating existing academic uses, such as St Bonaventure High School and possibly Loma Vista Elementary School, within the boundaries of the district. Such institutions could benefit academically through their proximity by internships and tutelage and, in turn, by providing staff to the wellness institutions of the district.

In summary, complementary uses such as those described above make for a well-defined district that can create an economically viable and pedestrian-oriented environment.

Parking Consolidation

As the two main healthcare facilities grow, parking will continue to be an issue. The TAP recommends that area stakeholders study potential options, including:

1. CREATE DECENTRALIZED PARKING at each campus—either dedicated to the hospitals or by shared facilities with surrounding uses and development.

2. CREATE CENTRALIZED AND SHARED PARKING between the two hospitals to help activate Loma Vista Road. This option helps to increase additional pedestrian activity along Loma Vista Road and interaction between all pertinent institutions.

3. ALLOW SHARED PARKING TO SUPPORT both the hospitals and the surrounding development, which activates Main Street and Loma Vista Road.

4. CREATE A PARKING DISTRICT and examine the advantages of shared parking. Along with shared parking, a parking district would promote a “park once” strategy, whereby an individual can pursue multiple activities from one parking location (i.e., using hospital services, visiting patients, or eating at a restaurant, all while walking between activities).

5. EXAMINE WHETHER A PARKING DISTRICT would reduce overall land use requirements by reducing redundancies of parking. This would also liberate smaller, inefficient sites from parking uses.

6. EXAMINE TRANSPORTATION DEMAND MANAGEMENT STRATEGIES, such as unbundling parking, providing public transport credits, and car sharing and pooling.

7. ALLOW CURBSIDE PARKING at the street level along the primary arteries to support retail and provide traffic calming effects.

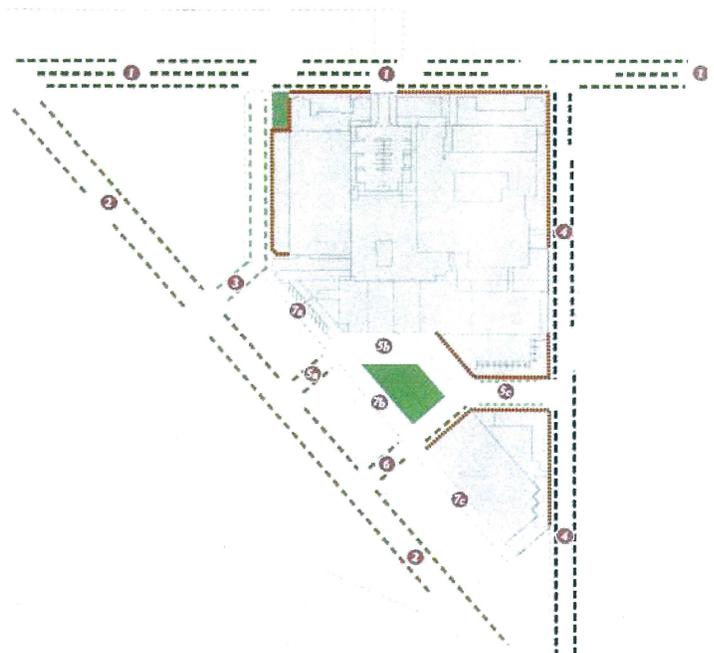
8. DEPRIORITIZE THE VISUAL EFFECTS of parking structures by activating or skinning the structures with other uses.

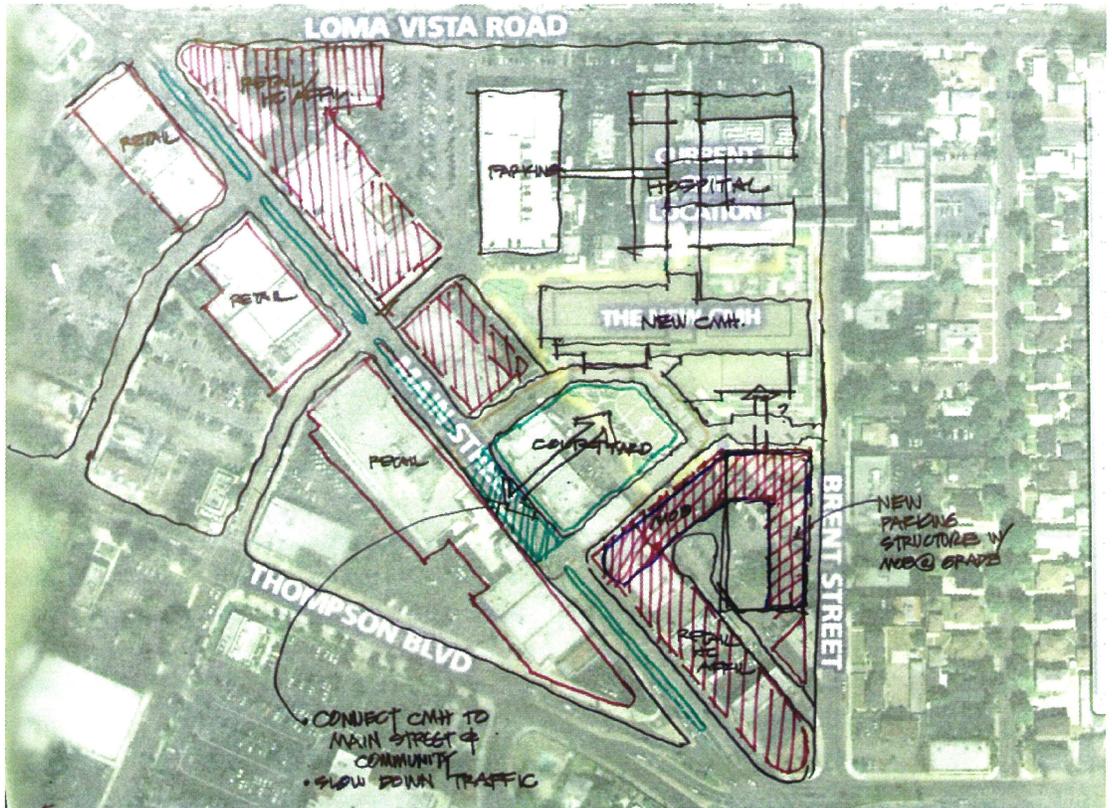
Main Street Corridor

The adjacent stretch of Main Street lies approximately half-way between the large shopping center and Downtown, an appropriate location for an activity node and a distinct center for the area. Opportunity parcels for multifamily housing should be incorporated within the district boundaries. It would be highly desirable for a “Wellness Park” to connect directly to Main Street because it would provide visual and physical distinction to the district, connecting the CMH and wellness services to the economic activity of Main Street. Main Street, in all its urban connotations, is the thread that ties the identity of the city together. Currently, the street languishes along much of the length adjacent to CMH. The retail is anemic, with many stores and activities turned inward or to the rear of the lot. Those structural realities are not conducive to a pedestrian-oriented environment that exudes vitality. Retail uses should be concentrated in lengths no greater than three long blocks.

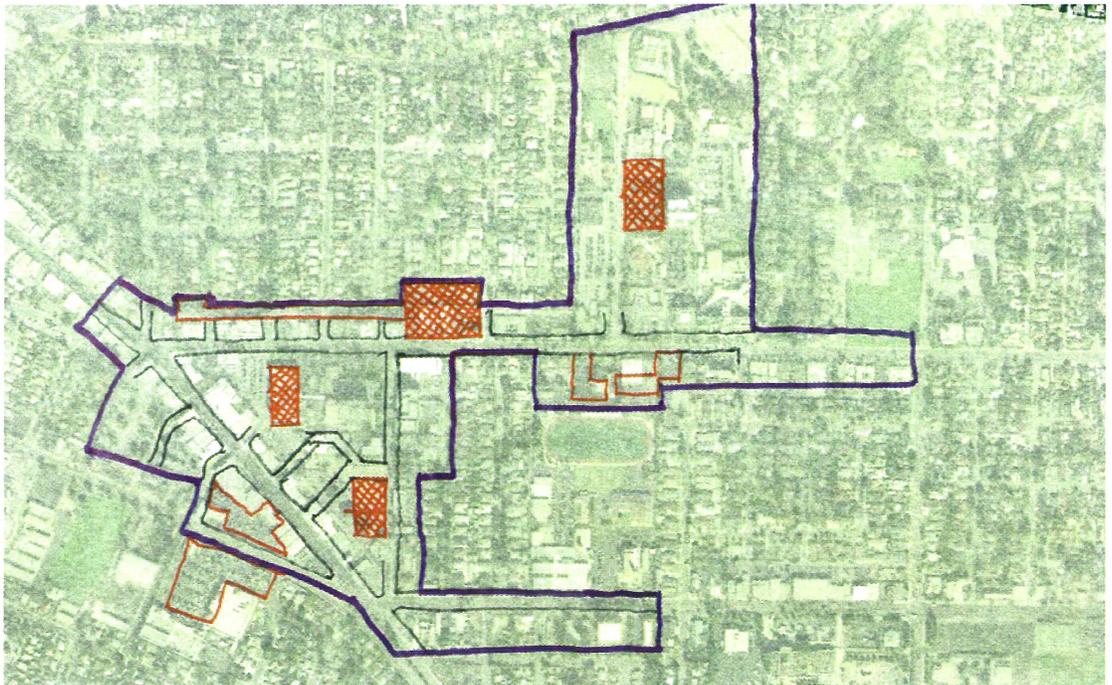
Main Street should be inhabited by all of the aspects of the district—retail, restaurants, wellness activities, residential uses, recreation (the park), parking, and, above all, delight.

The Wellness District is a distinct corridor along Loma Vista Road and Main Street.





TOP: Main Street Corridor
 BOTTOM: Figure shows parking strategies explored: decentralized, shared and centralized.



Public Private Strategies

The city of Ventura and CMH have identified parking as an opportunity for public-private cooperation. The neighbors to the north of the hospital have also identified parking as a persistent frustration affecting the area's navigability and livability. Because a mix of commercial, retail, hospital, medical office, and city parking lots already exist in the area, naturally occurring differences in traffic volume during different times of the day make a shared parking solution feasible.

The first step is to create a parking district (with the city as a participant) that encompasses the city parking lots, the medical campus, and, hopefully, some of the additional private properties. Prior to the construction of a new parking structure, such a parking district can help "manage" existing parking spaces by coordinating regulations, pricing, timing, and signage. How the parties move forward will depend on the availability of funds and the timing of development. The TAP recommends the following simplified structures:

1. If the city or CMH have sufficient capital funds (or bonding capacity), they could proceed in developing and building a parking structure. As development occurs on other properties, those property owners could pay an in-lieu fee for their share of parking spaces.
2. If the city, CMH, and other property owners wish to finance a parking structure, the city could establish an assessment district (either a traditional assessment district or a community facilities district). An assessment district assumes that CMH, as a tax-exempt entity, can accept assessments. Properties would be assessed based on their potential for development. The city could contribute incremental site-specific revenues (incremental property tax and incremental sales tax) to support the assessment district.

An additional benefit of the parking district structure is that it allows for parking rules that would provide convenient parking for short-term users, such as retail customers and employees who park for longer periods of time.

Regulations

The panel did not attempt a detailed review of the regulations currently in place. To assess, as suggested by the key questions posed by the TAP sponsors, whether current regulations are "encouraging or obstructing" desired investment is hard to answer, given that nothing has been built under the current regulatory regime (the only new construction has been the hospital's approved construction). The recession has weakened market opportunities, but it may also be that many of the existing uses are the highest and best uses of property for the near term. The lack of development could also be compounded by regulations disconnected from market realities. The city should be aware of whether any potential new projects (or substantial remodels) have complained that the regulations are overly prohibitive.

TAP panelists discuss various public private strategies.



In general, the panel believes that in an area trying to attract new development and investment regulations should be flexible to accommodate a range of market opportunities. Form-based codes (such as the code in place in the area) can have the advantage of allowing, by-right, a variety of uses. On the other hand, the physical forms dictated by form-based codes can be overly prescriptive and not particularly workable for all market-driven uses. For example, if ground-floor retail uses are required on all frontages in an area with excess or under-performing retail, it may compound the weakness of the market, add to vacancies, and add costs to new projects. That doesn't mean that new projects should be approved with ground floors that are hostile and uninviting to the pedestrian, or that new, better-configured retail spaces aren't needed in some markets. Many design and streetscape requirements are appropriate and realistic for a variety of market-based users.

In an area trying to attract new development and investment, regulations should be flexible to accommodate a range of market opportunities - form based codes are one example which provides flexibility.



One approach that the city could take is to build on the panel's work by undertaking a more thorough market analysis as to what is possible for the area. With a better understanding of the development potential for the area, and with community input, the city could revisit the existing form-based codes to modify them (if necessary) to better fit the requirements of the viable uses. Another recommended approach, after evaluating the market potential, is to work with the local community and potential developers to establish a set of development guidelines or parameters for development types that are consistent with the current urban fabric (e.g., one to two-story medical office, retail, and apartments/townhomes). Then, proposed projects that fall within those guidelines or parameters would receive expedited processing and approval. Such an approach provides the benefits of indirect public-private partnership by reducing developer risk and processing time, which saves money and increases the probability of success.

Moving Forward

Any strategy for attracting new economic development activity built on the base of the hospitals' current and future investments will require organization and leadership. A looming, critical question is where that organization and leadership will come from.

Certainly no economic development or improvement in the built environment is going to happen without the active participation of the area's two largest property owners and employers—the hospitals. Both hospitals have the managerial and administrative capacity, the self-interest, and the civic-mindedness, to provide core capacity to the efforts. Building on CMH's existing contract relationship, Kaiser Permanente should be encouraged to participate, adding the gravitas of a major statewide and national health care entity. Nor will development of consequence happen without the active participation and leadership of the city and its elected officials and staff. With the demise of redevelopment agencies, the city's tools to stimulate economic development are now more limited. Because this area was never a redevelopment project area, the loss of redevelopment powers does not have a direct impact—the city retains its basic tools, its provision of services, its regulatory role, its ownership of parking areas, and its general policy making powers.

This report earlier noted the evolving partnership between the hospitals, the city, and the property owners, businesses, and residents that comprise the area. The panel urges each of these stakeholders to begin to formalize their evolving partnership.



This formalization can take many forms—and the initial steps can be taken at no cost or little cost. The creation of an association, coalition, or coordinating council can, at a minimum, achieve consistent communication and coordination. The surrounding property owners, businesses, and residents should be brought in, in a constructive and participatory way.

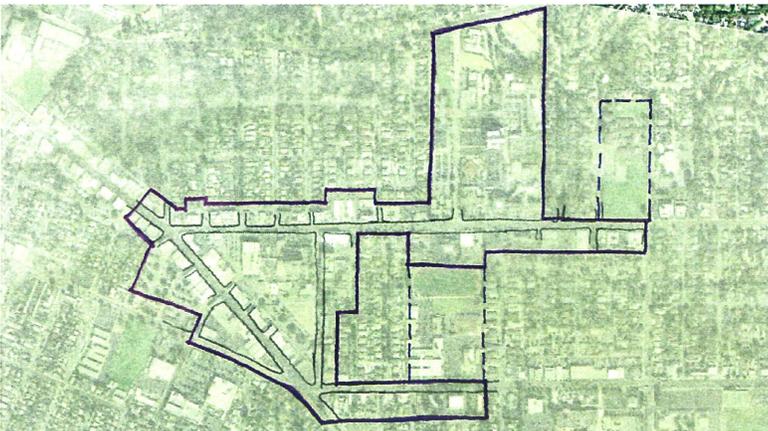
As the partnership advances—including the drafting of a clearer mission and strategy—more operational modes of partnership can be undertaken, including a marketing and branding program. The city has experience with the benefits of a business improvement district in the Downtown area. With the support of the local property owners, a similar vehicle could provide services and marketing tailored to the Wellness District. Ultimately, there may be certain projects or activities that are best carried out by a form of joint authority or community development corporation, with a source of revenue appropriate to the mix of uses in the area.

Attracting new economic development activity built on the base of the hospitals' current and future investments will require organization and leadership.

Conclusion

The city of Ventura is filled with charming and vibrant districts, corridors, and neighborhoods—thanks in no small part to its location along the Pacific coastline and its proximity to other cities of similar beauty and affluence. Given the area’s resources, and keeping in mind the current challenges of the market and economy, the significant investments by the two hospitals in the TAP study area represent a highly leveragable opportunity. Local stakeholders should consider a fully realized Wellness District—a holistic environment of healthy lifestyle and economic opportunities—as a realistic and realizable goal for the area, and should work together to make that goal a reality.

*TOP: Jim Rabe of Keyser Marston moderates discussion with stakeholders.
BOTTOM: The significant investments by the two hospitals in the study area represent a highly leveragable opportunity.*



Acknowledgements

The Technical Assistance Panel is thankful for the participation and commitment of City staff, stakeholders and community members. The following is a list of individuals who were interviewed or provided valuable information and perspective during the TAP process.

City of Ventura

- Mike Tracy, Mayor
- Cheryl Heitmann, Deputy Mayor
- Jeffrey Lambert, Community Development Director
- Bruce Stenslie, Economic Development Collaborative

Community Memorial Health Systems

- David Ferrin/Dan Long, Midtown Community Council Community Memorial Health Systems
- Gary Wilde, President and CEO, CMHS (Community Memorial Health Systems)
- Dave Glycer, CFO, CMHS
- Mark Ellingson, Marketing VP, CMHS
- Will Gerand, VP of Strategy, CMHS
- Adam Thunell, VP of Operations and Chief Operations Officer, CMHS

Other Stakeholders

- Cyndie Cole, Ventura County Medical Center Administrator
- Barry Fisher, Ventura County Medical Center
- Scott Sherry, Dignity Memorial
- Lauri Flack, County of Ventura
- Ron Polito, Commercial Property Owner
- Andrea Pfister, Haley Properties
- George Eales, Daum Commercial Real Estate
- Vic Georgino, Developer of Downtown Movie Theater and Parking Structure (Redevelopment)
- Nick Deitch, Mainstreet Architects
- Scott Boydston, Rasmussen Architects
- Jim Duran, Chamber of Commerce Board



- President
- Ed Summers, Chamber of Commerce CEO
- Marni Brook, Montecito Bank, Chamber of Commerce Board (Past President)
- Lynn Jacobs, President, Ventura Affordable Homes

TAP Panelists interview stakeholders from Community Memorial Health Systems and Ventura County Medical.

Panel Members

Con Howe

Managing Director, CityView Los Angeles Fund

Mr. Con Howe is Managing Director of CityView's \$150 million Los Angeles Fund, partnering with developers and operators to build or acquire workforce housing in greater Los Angeles. CityView, founded by Henry Cisneros, has financed over 7000 units of housing in over 40 projects in California and throughout the United States.

Previously Mr. Howe was Director of the Urban Land Institute's (ULI) Center for Balanced Development in the West, focusing ULI's national work on the special land development issues of the Western United States.

Mr. Howe served as the Director of Planning for the City of Los Angeles from 1992-2005. His work included: revision of the City's General Plan to provide a comprehensive strategy for growth; updating the City's 35 Community Plans; streamlining the development permitting process; creating new zoning to encourage mixed-use and infill housing projects, and the adaptive reuse of older structures into housing. Prior to that, he was Executive Director of the New York City Planning Department.

Ryan A. Altoon, LEED AP

Executive Vice President, AndersonPacific, LLC

Mr. Ryan A. Altoon is Executive Vice President of AndersonPacific, LLC, an entitlement and development company managing over \$1 Billion in real estate and development in California, focused on sustainable mixed-use, transit-oriented projects. Mr. Altoon is responsible for overseeing all entitlement and development projects, debt and equity financing and investment, asset management, and overseeing firm operations. He manages city, consultant and investor requirements/tasks and facilitates strategic decisions for each project and the firm.

Ryan has over 12 years experience in strategic planning, project management and finance. Prior to joining the firm he worked at George Smith Partners, Inc. ("GSP"), a real estate investment bank and financing company, where he was responsible for underwriting debt and equity packages for acquisitions, development and refinancing myriad product types. He facilitated securing over \$85MM of debt financing during his tenure.

Prior to GSP he founded and was Managing Director of GFX Center, a design and reprographics firm serving the international real estate clientele of a professional services firm. GFX facilitated and produced entitlement, zoning, marketing, leasing and marketing packages for retail, office, residential, institutional, transit and master plan projects globally.

Lee Brennan, AIA

Principal, Cuningham Group

Mr. Brennan has over 32 years of professional experience, 25 of those years have been focused in healthcare, encompassing all aspects of project delivery, from strategic planning and programming through design and construction.

As a Principal and Healthcare leader at Cuningham Group, Lee works to develop creative and innovative responses to meet the challenges facing the healthcare industry. A consistent leader in planning, design, and project management, he works with a wide range of clients, including public and private real estate developers, investor owned companies, publicly held corporations, nonprofit organizations, universities, city and county governments, and federal agencies.

His work and writings have been published in Architectural Record, Design Journal, Inland Architect, Medical Design and Construction, Progressive Architecture, and Texas Architect, and he has played instrumental roles in projects that have received design awards from Progressive Architecture and the American Institute of Architects.

Justin Gugajew

Manager, Cohn Reznick

Mr. Justin Gugajew has provided tax planning solutions to commercial and residential real estate developers, investors, and owner-operators with an emphasis in family-owned real estate companies since 2006. Justin has extensive experience in consulting on matters such as entity structure, acquisitions, dispositions, like-kind exchanges, and debt modifications.

In addition to his experience with real estate clients, he has also consulted on numerous partnership/LLC transactions including the purchases, sales, restructuring, and recapitalization of manufacturing and technology companies. Justin is a member of the American Institute of CPAs, CalCPA, and Urban Land Institute. He holds a B.A. in Economics from UCLA and is currently working to obtain his M.B.T. from USC. He is currently a manager at CohnReznick LLP and is a part of the Commercial Real Estate group in the Los Angeles office.

Panel Members

Gwynne Pugh, FAIA, ASCE, LEED AP

Principal, Gwynne Pugh Urban Studio

Mr. Gwynne Pugh has been practicing architecture, urban design, planning, civil and structural engineering since 1971. Gwynne Pugh led Pugh + Scarpa Architects for 22 years where he was responsible for the urban design, design review, technical and production management and general project administration of all of the firm's projects. During his time as Principal, the firm received over 20 national and international awards, including the AIA National Architecture Firm of Year Award in 2010 and the 2003, 2006 and 2011 AIA/COTE Top Ten Green Project Award, and over 50 state and local awards including the AIA California Council Firm of the Year Award in 2010.

Gwynne has also served as the past Chair of the Santa Monica Planning Commission, which under his watch adopted the Land Use & Circulation Element General Plan update (LUCE). He has additionally been actively involved with the Urban Design Commission in Santa Monica. In this effort, Gwynne has held a leadership role, involving outreach, community organizing, and decision-making. Gwynne has far-reaching experience working with local community groups and public and private agencies. Gwynne is currently a Director of AIA/LA.

James A. Rabe

Senior Principal, Keyser Marston

Mr. James Rabe is a Senior Principal in Keyser Marston's Los Angeles office. For more than 30 years Jim has provided public and private clients with real estate, economic development and financial expertise.

Mr. Rabe assists clients in public/private real estate and economic development activities from Keyser Marston's Los Angeles office. He provides public and private sector clients with services in the following areas: public finance, specific plan feasibility, fiscal impact, financial modeling, developer selection, asset management, ground leasing and deal structuring and transaction negotiation.

Recognized as an expert in real estate advisory services, he specializes in public/private transactions. Examples include the RiverPark planned development, Pacific View Mall, the revitalization of downtown Anaheim and several transit-oriented mixed-use projects. He has assisted public and private clients in the analysis and implementation of residential, commercial, industrial, office, hotel, and mixed-use projects, and master plan developments in California, Arizona and Nevada.

Eduardo Santana

Vice President, RCLCO

Mr. Eduardo Santana is based in RCLCO's Los Angeles office. He is involved in all aspects of real estate advisory services, bringing to the firm his expertise and experience in various aspects of real estate development, including financial modeling, due diligence and market.

Eduardo's prior experience in real estate includes commercial and mixed-use development, brokerage and fund management. Eduardo's introduction to real estate came as a fundraising and public relations manager for the USC Lusk Center for Real Estate, where he helped distinguish the Lusk Center as one of the premier real estate research centers in the country. Eduardo subsequently joined Forest City Enterprise's commercial development team where he conducted market research and due diligence of new development opportunities in the western United States and managed the redevelopment of two non-performing shopping centers. Eduardo also advised on Forest City's exploration into investment in Hispanic communities by developing the firm's core of knowledge of this growing market segment and as a core member of the firm's Hispanic Retail Group.



TAP Panelists (left to right): Lee Brennan, Justin Gugajew, Con Howe, Gwynne Pugh, James Rabe, Ryan Altoon and Eduardo Santana.

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