

8. GROWTH INDUCING ASPECTS

This section describes the likelihood that implementation of the project may induce further development. While growth-inducing effects (economic and social) of the IHC project may be beneficial to the region, induced growth may also be the source or cause of secondary environmental impacts. The growth inducement section of this DEIS describes potential additional development, which the proposed action may support or encourage, such as:

- Attracting significant increases in local population by creating or relocating employment
- Providing support facilities or services
- Increasing the development potential of the surrounding area

The growth inducement section of the DEIS relies on growth projections/predictions, which are based on available information. The purpose of the discussion of growth inducement in the DEIS is to enable Involved Agencies to reach findings concerning both positive and negative effects of induced growth proximal to the proposed project.

Growth inducing impacts will also address the future use/re-use of the existing facilities. MVHS is conducting an evaluation of the potential adaptive reuse of its existing facilities, which will form the basis of evaluation in the DEIS.

Future growth may result in the physical alteration of the land or other activities, which require discretionary local and/or state permits, or project elements with the potential to impact the environment. Activities may result in similar types of impacts and the implementation of similar mitigation measures as those impacts and mitigation measures identified throughout this DEIS. While such projects are speculative at this time, future projects, once they are proposed, would be required to comply with SEQRA and obtain necessary permits.

8.1 DOWNTOWN SITE

As previously stated in Section 1, the project is located in an area of the city designated as a Federal “Historically Underutilized Business” (HUB) Zone. MVHS has coordinated with local and regional economic development organizations, including the City, County, Mohawk Valley EDGE, and the Community Foundation to promote the potential secondary economic development opportunities afforded by the downtown siting of the IHC.

EDGE, in particular, provides a coordinated economic development program with a mission to strengthen and grow the Mohawk Valley economy. In August 2017, MVHS (with assistance from EDGE) performed a qualitative and quantitative analysis of the potential economic/growth-inducing impacts (MVHS 2017), which could result from implementation of the downtown IHC project. In their analysis, MVHS identified several growth-inducing aspects of the project including:

- The downtown campus creates future opportunities for medical education, research and for future growth and innovation.
- Integration of the medical campus into the downtown fabric will help to build a vibrant community through spatial efficiency, creative placemaking, historic preservation, and pedestrian-focused infrastructure.
- The site’s proximity to Bagg’s Square, Harbor Point, Varick Street, and the proposed U District, will strengthen demand for residential living and new commercial establishments.

Potential beneficial impacts are summarized below:

- Downtown residential living & downtown revitalization opportunities – MVHS concluded that the downtown location could be catalyst for an increased demand for downtown residential housing and mixed-use development. EDGE estimated that the project could potentially result in the need for 600+ units of downtown loft style apartments and townhouse development, which could be fulfilled by targeted development in and facilitated connectivity to Bagg’s Square, Harbor Point, the Brewery District (Varick Street) and other key downtown properties. MVHS also concluded that the downtown IHC would enhance opportunities for retail, hotel, and other commercial development.

- Improved & enhanced infrastructure improvements – MVHS indicated that the project will facilitate support for infrastructure upgrades, as well as the abandonment of city streets, and the potential reduction in City operation/maintenance obligations.
- Expanded downtown parking – The project will result in a net increase in downtown parking capacity, including the construction/operation of a new public parking structure (with reserved public parking spaces for non-IHC needs).
- Tax revenues & jobs – The MVHS analysis¹¹⁹ indicated that the project would generate tax revenues and create jobs, as well as creating higher economic values for adjacent properties that are fully depreciated and underutilized. Estimated revenues included:
 - » Taxable sales for downtown project (during 3-year construction period) – \$15 million to \$17 million; a mid-point estimate of \$16 million in sales would generate approximately \$320,000 in sales tax revenue for the City over 3 years (\$106,667/year).
 - » Taxable sales from 3500 employees (downtown operations) – \$19,162,500 (3,500 employees X \$15/day in taxable spending X 365 days = \$19,162,500); 50% assumed to be net increase in taxable sales within City (\$9,581,250). \$9,581,250 in annualized new spending within City X 2% generates \$191,625 in sales tax for the City.¹²⁰
 - » Taxable sales from IHC cafeteria/gift shops – \$42,000/year (estimated based on migration of existing FSLH sales [\$24,000/year] to City and City retaining SEMC sales [\$18,000/year]).
 - » Parking garage revenues (from IHC dedicated spaces).

8.2 ADAPTIVE REUSE OF FSLH AND SEMC

As summarized in Section 1, a majority of the MVHS services currently provided at FSLH and SEMC will be transitioned to the new IHC upon its completion, which will result in vacated space at the older campuses. MVHS recognizes that the health system and its community have a vested interest in finding a use for the campuses that will meet the needs of the local community, while preserving the legacy of each campus and providing a positive economic output for stakeholders.

MVHS is coordinating with the Community Foundation to evaluate options related to the repurposing and /or development of the FSLH and SEMC campuses. To identify the most realistic and viable future use scenarios and effectively target the most likely developers or end-users, the analysis will focus on the following questions:

- What are the local and regional needs that this campus could support (*i.e.* technology hub/incubator, higher education, senior living, *etc.*)?
- What is the value of the campus under different development scenarios?
- What governmental funding programs are available to help offset redevelopment costs and make the property more attractive to a developer?
- What range of future uses is MVHS willing to permit on the property? Which uses will need to be prohibited via a restrictive covenant to be applied to the site?

¹¹⁹ An additional post-siting analysis was conducted by Turner Construction to estimate construction phase local tax benefits (*i.e.*, “traveling manpower” tax generation from construction workers [hotels and restaurants]). Based on Oneida County’s tax structure: 8.75% sales tax (4% to NYS; 4.75% to Oneida County) and an additional 2% County tax on hotel stays, the County gets 6.75% on all hotel and 4.75% on restaurant, gas, food and other sales. This equates to approximately \$811,000 in estimated “traveling manpower” local taxes generated during the construction phase (Turner 2018).

¹²⁰ The MVHS analysis also recognized that the project would result in a loss of City property tax income (estimated to be approximately \$115,300/year). This amount will be more than accounted for by the gain in sales tax revenue to the City.

- Are there any liabilities (*i.e.* environmental contamination) that will impact the value of the property or otherwise need to be addressed during the course of a sale?
- What external organizations (civic, municipal, *etc.*) should be consulted for input into the scope of a future redevelopment (if any)? At what stage of the process should they be consulted?
- Are there municipal restrictions that should be understood prior to marketing the property? Does the city have preferences for the types of users that should be included in the redeveloped site?
- Of all the different redevelopment scenarios being contemplated, which ones are financially feasible and have the ability to actually be developed?
- What is the functionality and capacity of the existing infrastructure and buildings? What are the costs required to bring the existing facilities to a state capable of supporting various redevelopment scenarios?
- Based on the answers to the above questions, who are the most likely end-users or developers (both regionally and nationally)?

MVHS would like to see these properties redeveloped consistent with the Town of New Hartford and the City of Utica's long-term development plans and made capable of providing an economically positive contribution to the area. The properties are zoned as follows:

- FSLH – Institutional District¹²¹
- SEMC – Planned Development-Extraordinary District¹²²

In understanding the opportunities associated with these properties, MVHS developed the following issues they would like to have addressed in the adaptive reuse evaluation:

Basic Scope of Services

- Site inventory, including parcels to be included in the redevelopment plan
- Infrastructure inventory, including locations, capacities and current conditions
- Post-demolition (if any) identification and evaluation of conditions for redevelopment, including utilities, access points, street/highway alignments and any physical barriers to redevelopment
- Environmental/regulatory assessment
- Neighborhood assessment, including current or recommended zoning
- Comprehensive/Strategic Plan and other local, county or regional plans
- Demographic assessment
- Sector market analysis for commercial, retail, housing or other proposed redevelopment options
- Identification analysis and concept development of up to three alternative development options with estimated costs and preliminary cost/benefit analysis

¹²¹ Institutional Districts encompass a variety of public and private uses, including schools, health care services, residential care facilities, religious institutions and government buildings and other associated commercial uses that often serve, or are related to, the nearby institutional uses, including general offices and eating establishments.

¹²² A development not otherwise distinguishable under any previous classification, occupying a district consisting of any quantity of land area and containing less than the stated minimum proportions of any single or dominant use or function, and in which the proposed uses of interior and exterior spaces, although diverse or mixed, bear extraordinary design qualities resulting in a completely logical and complementary conjunction of uses and functions not ordinarily encountered in normal development.

- Designation of preferred redevelopment model, with estimated costs and refined cost/benefit analysis
- Identification of potential funding sources (public and private)

MVHS is soliciting qualifications from firms to provide for the campus evaluation and redevelopment services; the results of the analysis will be presented by MVHS to the Town of New Hartford and City of Utica.