



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene  
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

AUG 12 2011

The Honorable Edward J. Kasemeyer, Chair  
Senate Budget and Taxation Committee  
3 West Miller Senate Building  
Annapolis, MD 21401-1901

The Honorable Norman H. Conway, Chair  
House Appropriations Committee  
Room 121, House Office Building  
Annapolis, MD 21401-1912

RE: 2011 Joint Chairmen's Report, Page 73, Redevelopment Plan  
for Spring Grove Hospital Center – Extension Request

Dear Chairman Kasemeyer and Chairman Conway:

Pursuant to the 2011 Joint Chairmen's Report (JCR), page 73, MOOL01.01, the Mental Hygiene Administration is to enter into a contract with the Maryland Economic Development Corporation (MEDCO) for the purpose of developing a Redevelopment Plan for Spring Grove Hospital Center. The request for proposal (RFP) to determine the contractor to prepare the plan was issued on June 13, 2011. The award was made to a company named Site Resources on July 20, 2011. The first meeting with them was held July 27, 2011. Based on the timeline that has been developed, we expect to receive a final report on November 18, 2011. The Department would appreciate the time to review the document thoroughly before submitting the report to the Committees. Therefore, we are requesting to extend the JCR due date from September 1, 2011 to December 16, 2011. This will allow us to fully review and request any necessary changes before sending it on to you.

If you have any questions or need additional information, please contact Brian Hepburn, MD, Executive Director, Mental Hygiene Administration, at 410-402-8452 or [bhepburn@dnhmh.state.md.us](mailto:bhepburn@dnhmh.state.md.us).

Sincerely,

Joshua M. Sharfstein, M.D.  
Secretary

cc: Renata Henry  
Thomas Kim  
Brian Hepburn, MD  
Elizabeth Barnard  
Simon Powell  
Cathy Kramer



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MAR 08 2012

The Honorable Edward J. Kasemeyer, Chairman  
Senate Budget and Taxation Committee  
Miller Senate Office Building, 3 West Wing  
Annapolis, Maryland 21401-1991

The Honorable Norman H. Conway, Chairman  
House Appropriations Committee  
House Office Building, Room 121  
Annapolis, Maryland 21401-1991

Re: JCR Page 73 (2011) – Redevelopment Plan for  
Spring Grove Hospital Center

Dear Chairmen Kasemeyer and Conway:

The purpose of this letter is to define DHMH's next steps with regard to the Maryland Economic Development Corporation's (MEDCO) study of the redevelopment plan (enclosed) for the Spring Grove Hospital Center. This requirement was set forth in the 2011 Joint Chairmen's Report (JCR page 73).

The report requires that consideration be given for the following:

1. A parcel of land dedicated for the construction of a new hospital as well as financing options;
2. A parcel of land with size and need dedicated for the University of Maryland Baltimore County (UMBC);
3. A parcel of land with size and need dedicated for recreation space for Baltimore County; and
4. The remaining parcel dedicated to mixed-use development.

In addition, the report also defines options and considerations with respect to financing and overall economic ramifications, respectively.

Inasmuch as MEDCO's report meets the above requirements, consideration must be given to how the plan fits in with the overall direction of mental healthcare in the State. To this end, DHMH's Mental Hygiene Administration (MHA) has issued an RFP and selected a vendor to conduct a study on the future demand for State-run psychiatric hospital capacity, with a particular focus on the Spring Grove campus (this study is also a Joint Chairmen's Report requirement). This report will be completed by September 2012.

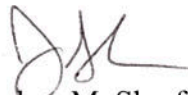
The Honorable Edward J. Kasemeyer  
The Honorable Norman H. Conway  
Page 2

This second report will elaborate on critical factors related to the existing state-wide institutional capacity and the movement to place individuals in community settings. This study could impact the redevelopment decisions at Spring Grove. For example, MEDCO's recommendation to consider the displacement of residents from existing cottages for the purpose of creating mixed commercial use would be viewed through the lens of existing capacity elsewhere in the MHA system and the ability to place residents in the community.

Subsequent to this second study, we anticipate developing a proposed implementation plan in conjunction with the Maryland Department of Business and Economic Development, the Department of Planning, the Department of General Services, and the Department of Budget Management. Provided that this group identifies mechanisms to finance this project, this coordinated plan would identify the steps and associated timelines that could lead to the implementation of the current MEDCO plan, or a version thereof.

Please do not hesitate to contact me should you have any questions or your staff may contact Marie Grant, Director of the Office of Governmental Affairs at 410-767-6480.

Sincerely,



Joshua M. Sharfstein, M.D.  
Secretary

Enclosure

cc: Elizabeth Barnard  
Robert Brennan  
Chadfield Clapsaddle  
Warren Deschenaux  
Marie Grant  
Brian Hepburn  
Simon Powell



# Spring Grove Hospital Center

Catonsville, Maryland

## Redevelopment Plan



Prepared for:



Maryland Economic Development Corporation (MEDCO)  
Maryland Department of Health and Mental Hygiene (DHMH)

### Study Team:

Site Resources, Inc. - Land Planning, Landscape Architecture, Civil Engineering

HDR - Architects

Sage Policy Group - Economists

Brown Craig Turner - Architects

Hope Furrer Associates - Structural Engineers

**Redevelopment Plan  
Spring Grove Hospital Center  
Catonsville, Maryland**

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# **Redevelopment Plan Spring Grove Hospital Center Catonsville, Maryland**

December, 2011

## **Executive Summary**

The Spring Grove Hospital Center (SGHC) is a state-operated inpatient psychiatric hospital located on approximately 190 acres in Catonsville, Maryland. The Maryland Department of Health and Mental Hygiene (DHMH) is considering consolidating the hospital and its support functions into a replacement hospital on one portion of the campus. If the State were to construct a new consolidated hospital at the Catonsville campus, the remaining portions of the campus could become available for redevelopment.

The construction costs of a new, consolidated hospital will be significant. Further, the consolidation will result in the availability of significant acreage for possible redevelopment opportunities in the Catonsville community. This prompted the Legislature to request a report regarding redevelopment of the Catonsville campus and economic benefits that may result from the redevelopment. Specifically, the 2011 Joint Chairman's Report (JCR) from the General Assembly directed the Mental Hygiene Administration to use a \$50,000 appropriation "only for a contract with the Maryland Economic Development Corporation (MEDCO) for the purpose of developing a redevelopment plan for Spring Grove Hospital." Further the JCR stated, "MEDCO shall undertake this report in conjunction with the Department of Planning and the Department of Business and Economic Development...The report shall include detail on:

1. A parcel dedicated for the construction of a new hospital as well as financing options;
2. A parcel with size and need dedicated for the University of Maryland Baltimore County (UMBC);
3. A parcel with size and need dedicated for recreation space for Baltimore County; and
4. The remaining parcel dedicated to mixed-use development.

In addition, the report shall also:

1. Identify opportunities to maximize federal Medicaid dollars;
2. Identify the utilization of Tax Increment Financing opportunities;
3. Evaluate future tax revenue; and
4. Evaluate how to use the parcel sale proceeds to benefit the Community Mental Health Delivery System."



MEDCO contracted with Site Resources, Inc. (SRI) to provide a report as directed by the JCR. The SRI team includes HDR, Inc. (psychiatric hospital architects), Sage Policy Group (economists), Brown Craig Turner (architects) and Hope Furrer Associates (structural engineers). This report focuses on the following:

- Sizing and identifying a parcel to be dedicated for the construction of a new hospital;
- Assessing financing options for construction of a new hospital;
- Investigating redevelopment opportunities for the Spring Grove campus that could become available if the hospital were to be consolidated; and
- Evaluating the economic benefits to be derived from a Redevelopment Plan, including potential tax revenues, increased federal Medicaid funding and opportunities for tax increment financing.

## **Summary of Findings**

### **Dedicated Parcel for a New Hospital and Financing Options for Construction**

Any opportunity for redevelopment of the Spring Grove Hospital Center campus is contingent on the existing psychiatric hospital vacating currently operational buildings. This report assumes that all existing hospital functions would be consolidated into a new hospital on a 41-acre parcel at a designated location on the campus, thereby freeing the remainder of the campus for redevelopment. This consolidation of the hospital would open up significant opportunities to attract investment to a major parcel of land that is supported by public infrastructure, is proximate to major interstate highways, and is close to key institutions such as UMBC.

Although the reality of a new, consolidated hospital may take a decade or more to accomplish, potential construction financing options are briefly discussed in the report, including the traditional state capital budget process and private, tax-exempt financing through MEDCO as possible avenues for financing.

### **Redevelopment Plan**

SRI considered several factors in determining a conceptual redevelopment plan for the Spring Grove campus. First and foremost, a 41-acre parcel was identified and sized to accommodate a new consolidated psychiatric hospital. Other land bays were then identified for redevelopment uses. SRI conducted a planning charrette with stakeholders (listed in Appendix A) to develop conceptual site redevelopment master plans that identified parcels for the uses directed by the JCR, adhered to the principles of Smart Growth and addressed compatibility with other proposed users of the campus, in particular the hospital.

Exhibit 1 (Referred to as Appendix D elsewhere in report) provides a land bay concept plan that defines parcels for the hospital, office/research and development, recreation and mixed use. The SRI study team concluded that any redevelopment of surplus Spring Grove Hospital Center land should include a balance between open space/recreational uses with office/research and mixed-use development consistent with the State's Smart Growth policies. Land Bay concept Plan - Option A (Appendix D) reflects this balance.





Exhibit 1. Spring Grove Campus Redevelopment Option A



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The table below provides the resulting acreage allocated for specific uses based on the land bay concept plan shown.

Exhibit 2. Option A - Land Use Type Acreage

Spring Grove Land Bay Concepts - November 2011	
Option A	
Land Use Type	Acreage
Hospital	41.5
Office	37.7
Commercial/Mixed Use	21.9
Recreation	31.3
Forest Buffer	41.9
Other (Roads, etc.)	15.4
Total	189.7

\*Acreage is +/-



The four stated goals of Maryland's Smart Growth policy are:

1. Support existing communities by targeting resources to support development in areas where infrastructure exists;
2. Save our most valuable natural resources before they are forever lost;
3. Save our taxpayers from the high cost of building infrastructure to serve development that has spread far from our traditional population centers; and
4. Provide Marylanders with a high quality of life whether they choose to live in a rural community, suburb small town or city.

### **Economic Benefits Derived from Redevelopment Opportunities**

The master site plan options presented in this report achieve the overarching objective that areas vacated by the hospital will allow for a contiguous and orderly redevelopment pattern such that reuse is economically feasible and redevelopment costs are reasonable. Sage Policy Group believes that the redevelopment plan also has the potential to increase economic activity in Baltimore County and for the State of Maryland. It should be noted that varying market conditions for the proposed uses would have a significant impact on the potential economic impact and anticipated tax revenues outlined in this report.

#### *Direct and Indirect Economic Activity*

Sage Policy Group concluded that in general, redevelopment for office use and research and development uses would produce the highest direct economic activity and fiscal output (i.e. revenues) per 1,000 square feet. However, Sage Policy Group cautions that there is a finite demand for square footage of these types of uses; therefore, the ultimate mixed-use development proposed in this report, including commercial and retail, would achieve a balance that would more readily respond to economic fluctuations of various markets over time.

#### *Tax Revenues*

An evaluation of potential Maryland tax revenues (e.g., property tax revenues, income tax revenues, sales tax revenues) that could be derived from the proposed redevelopment plan found that office use would generate the largest amount of tax revenues on a per 1,000 square foot basis \$40,274, followed by restaurants and grocery stores. Research and development would generate an estimated \$14,491 in Maryland tax revenues per 1,000 square feet.

#### *Tax Increment Financing*

The SRI team and Sage Policy Group estimated property tax revenues only for what would be privately owned land, the proposed 21.9 acre mixed-use parcel that could be used to support Tax Increment Financing bonds. Mixed-use development of this parcel would generate an estimated \$1.6 million in State and local property taxes, of which \$1.47 million are in Baltimore County. Based on a seven percent annual interest rate and 30-year payment schedule, a TIF bonding capacity would total \$18.4 million.



### *Opportunities to Maximize Federal Medicaid Dollars*

Health General Article 24-1101 requires that the net proceeds from the sale of property operated by the Mental Hygiene Administration be deposited into the Community Services Trust Fund (CSTF) and that the interest income derived from investing those proceeds be used for community-based services. Under this statute any proceeds from the sale of Spring Grove property must be deposited in the Community Services Trust Fund.

Sage Policy's analysis of opportunities to maximize federal Medicaid funds complies with this statute. Based on the proposed uses of the land bays identified in this report, the majority of useable acreage, 110.5 acres, would not generate any appreciable sale proceeds: the hospital, UMBC, and Baltimore County recreation. Under this scenario, it is estimated that the sale of the 21.9-acre parcel designated for private mixed-use could generate an estimated \$8,760,000 in sale proceeds. Invested in the CSTF at four percent interest, \$350,000 in annual income could be generated. Targeting this income to Medicaid-eligible mental health community services would result in \$350,000 in federal Medicaid funding for those community services, for a total of \$700,000. The revenue of \$700,000 could be reoccurring as long as the interest generated from the initial investment continues to fund the same service and that service is eligible for Medicaid match; however, there would be no expansion of services each year. The service capacity would remain at the baseline level and its annual cost paid for with the \$700,000.



## **Redevelopment Plan Spring Grove Hospital Center Catonsville, Maryland**

### **Purpose**

*“In response to the Joint Chairman’s Report for the Maryland 2011 General Assembly Session, the Mental Hygiene Administration contracted with the Maryland Economic Development Corporation (MEDCO) for the purpose of developing a redevelopment plan for Spring Grove Hospital. MEDCO’s goal is to obtain a Redevelopment Plan for Spring Grove Hospital Center (SGHC)... Any redevelopment plan shall designate a parcel for a psychiatric hospital and include one or two options for reuse of the remaining property and be consistent with Smart Growth principles. Any reuse of the campus should be compatible with a psychiatric hospital function.”*

SRI, as the selected contractor, has developed this report, which focuses on the following:

- Sizing and identifying a parcel to be dedicated for the construction of a new hospital;
- Assessing financing options for construction of a new hospital;
- Investigating redevelopment opportunities for the Spring Grove campus that would become available if the hospital were to be consolidated; and
- Evaluating the economic benefits to be derived from a Redevelopment Plan, including potential tax revenues, increased federal Medicaid funding and opportunities for tax increment financing.

### **Introduction**

Spring Grove Hospital Center (SGHC) is an inpatient psychiatric facility located on approximately 190 acres in Catonsville, Maryland operated by the Maryland Department of Health and Mental Hygiene (DHMH). The current facility is fully accredited by the Joint Commission (JC) and certified by the Health Care Financing Administration (HCFA), with an operating (budgeted) capacity of 375 inpatient beds and 74 assisted-living beds. The average daily population for fiscal year (FY) 2010 was 377 inpatients and 66 assisted-living patients. The hospital provides services to patients primarily from Baltimore City, Baltimore County, and Harford County. The campus also includes the University of Maryland Psychiatric Research Center (MPRC) and other private, nonprofit entities, and state offices.

The Maryland Legislature’s 2011 Joint Chairman’s Report requested a report on the redevelopment of the Spring Grove campus with appropriate details delineating the following:

1. A parcel dedicated for the construction of a new hospital as well as financing options for that hospital;
2. A parcel with size and need dedicated for the University of Maryland Baltimore County (UMBC);
3. A parcel with size and need dedicated for recreation space for Baltimore County; and
4. The remaining parcel dedicated to mixed-use development.



In addition, the report shall also:

1. Identify opportunities to maximize federal Medicaid dollars;
2. Identify the utilization of Tax Increment Financing opportunities;
3. Evaluate future tax revenue; and
4. Evaluate how to use the parcel sale proceeds to benefit the Community Mental Health Delivery System

## **Background**

The Spring Grove campus dates from the late 1800's and its configuration no longer meets clinical treatment and security needs of patients at Spring Grove Hospital Center. The buildings, while maintained, have numerous infrastructure deficiencies and are in poor condition. Further, the wide distribution of buildings on the campus is very inefficient, costing an estimated \$10.6 million in additional annual operating (2010) dollars.

In 2001 DHMH engaged Cochran, Stephenson & Donkervoet to develop a report, Spring Grove Hospital Center Master Site Plan: Options for Reuse. This Master Site Plan provided a thorough analysis of the constraints and opportunities for the reuse of the Spring Grove campus, including identification of land bays for redevelopment. The 2001 report has been used as a guide for the identification of the land bays amenable to redevelopment in this report as well as areas for preservation of streams, environmental buffers and forest areas. SRI has updated the assumptions and plans to current conditions. This report is not intended to be a complete Feasibility Study, which should be undertaken as the redevelopment process moves forward.

SRI found that the 190-acre campus includes approximately 132 acres that would be amenable to redevelopment. The remaining 57 acres include a forest buffer, streams, steep topography and land devoted to circulation.

## **Methodology**

### **Review of Previous Reports**

SRI began the investigation of the redevelopment potential of the Spring Grove campus with a review of several source materials and reports in order to assist in understanding the history of the hospital and the various considerations for redevelopment that have been produced over the last decade. The reports included the Spring Grove Hospital Center Master Site Plan: Options for Reuse; Muni, Inc. marketing information and Economic Impact Reports for the Promenade dated 2008; the Baltimore County 2006 Task Force Report entitled Spring Grove 2010: Community, Collaboration, Consensus-Process and Recommendations of the Spring Grove Task Force; and the March, 2011 Spring Grove Hospital Summary of Findings on Operational Savings prepared by SCH+G for MEDCO. This later report identified potential operational cost savings if a new consolidated hospital were to be constructed.

Site Resources, Inc. has evaluated the existing site conditions, and visited the site to document access, views, constraints and environmental features of the property, and conducted additional investigation into existing infrastructure and historic structures.





As outlined in the 2001 Master Site Plan, the topography and environmentally sensitive stream valley ecology significantly dictate the redevelopment potential of the site. Approximately 41.9 acres of this land must be preserved and cannot be developed. With the addition of 15.4 acres for roads and circulation, the balance of the 189 acres, 132 acres, has redevelopment potential.

### **Understanding the Program and Vision for a Future Psychiatric Hospital**

Any opportunity for redevelopment of the Spring Grove Hospital Center campus is contingent on the existing psychiatric hospital vacating currently operational buildings. Therefore, SRI's first consideration for the redevelopment plan for the Spring Grove campus was to determine the size and location of a dedicated land bay for a new hospital. HDR, Inc., as part of the SRI consultant team, met with representatives of the Mental Hygiene Administration and Spring Grove Hospital Center and developed multiple hospital concepts which defined and validated a reasonable program for a replacement hospital on the campus. Based on those concepts HDR developed blocking studies that represented possible configurations, at a conceptual level, for a new hospital.

The illustration below represents just one possible configuration for the new hospital. This conceptual blocking resulted in a "footprint" for the new hospital. The footprint became the basis for creating a land bay of size sufficient to accommodate the hospital, circulation, parking and stormwater management on a desired location. This land bay is identified as Parcel L on Appendix D and totals 41.5 acres. This reflects a viable parcel for a potential replacement psychiatric hospital and associated ancillary uses, including the Maryland Psychiatric Research Center. With the exception of MPRC, which would remain on the parcel designated for the hospital, existing DHMH tenants would relocate to other state properties; non-DHMH tenant leases would terminate. The Baltimore County homeless shelter would also need to be relocated. The identified site claims the historical high ground of the existing hospital. That parcel then became the centerpiece of each campus redevelopment concept (see Exhibit 4 - Proposed Hospital Redevelopment Area outlined in red). This preliminary concept would require the demolition or reuse as part of the hospital of certain historic structures shaded in purple on the Proposed Hospital Redevelopment Area (next page).

*Exhibit 3. Perspective of Collegiate Option*



© HDR Architects



Exhibit 4. Proposed Hospital Redevelopment Area



© Site Resources Inc.

## Developing a Land Bay Concept Plan

Members of the design team and representatives of the stakeholder groups - UMBC, Baltimore County Economic Development, Baltimore County Recreation and Parks, and DHMH/Spring Grove Hospital Center - participated in a half-day charrette. Through the charrette process SRI solicited the needs, desired parcel sizes, and compatibility of uses from the stakeholders. The objective of the charrette was for the design team to receive stakeholder input and to provide an opportunity to dialogue and understand the needs and desires of the stakeholders, with the goal of creating a thoughtful campus-wide site masterplan that is cohesive and balanced, consistent with Smart Growth objectives and viable from economic and planning perspectives to be launched. The four stated goals of Maryland's Smart Growth policy are:

1. Support existing communities by targeting resources to support development in areas where infrastructure exists;
2. Save our most valuable natural resources before they are forever lost;
3. Save our taxpayers from the high cost of building infrastructure to serve development that has spread far from our traditional population centers; and



4. Provide Marylanders with a high quality of life whether they choose to live in a rural community, suburb small town or city.

This information was translated into the plans titled Land Bay Concept Plan Option A & B, provided in this report.

The stakeholders identified the following requirements for parcel sizes if Spring Grove were to be redeveloped. In addition, the stakeholder group articulated other goals for redevelopment. These requirements and goals were taken into consideration as the charrette teams considered the uses of various land bays available for redevelopment. These included:

- Baltimore County Recreation & Parks' desire for 50 acres to support recreational programs in the Catonsville area. Fifty acres was considered necessary to create regulation ball fields. Existing facilities do not meet the current local need;
- UMBC's desire for a minimum of 50 acres for future expansion of the existing Research and Technology Park, with total build out of up to 750,000 SF. Fifty acres were considered necessary for the economic viability of a research and development park.
- UMBC envisions a program of a maximum of 4 – 5 floors of 18,000 – 30,000 SF and surface parking at a ratio of 4 spaces per 1,000 SF in order to be responsive to anticipated tenant requirements and private development partners;
- Office and mixed use development on a land bay adjacent to the I-695 Beltway
- Primary access to the entire campus through upgrades of the existing entry point from Valley Road;
- Restrict / close the existing vehicular access from Wade Avenue;
- Strengthen the connection between UMBC and downtown Catonsville;
- Identify a single point of wetland / stream crossing for both cost and environmental reasons;
- Develop a shared interior roadway system with internal points of control for various users and times of day.

### **Redevelopment Plan**

The primary goal of this study is to investigate possible redevelopment scenarios for the Spring Grove campus based on the JCR charge. Thirteen land bays were identified for a total of 132 acres; 41.5 acres are designated for the hospital and the remaining 91 acres are allocated to recreational use, office/research and development and office/mixed use. The approximate acreage designated for each of these uses is shown on the table below. This information was reflected in two conceptual master site plans, Option A and Option B (see Appendices D & E).

*Exhibit 5. Option A - Land Bay Calculations*

Spring Grove Land Bay Concepts - November 2011	
Option A	
Land Use Type	Acreage
Hospital	41.5
Office	37.7
Commercial/Mixed Use	21.9
Recreation	31.3
Forest Buffer	41.9
Other (Roads, etc.)	15.4
Total	189.7

\*Acreage is +/-





## Redevelopment Plan – Land Bay Concept Plans: Option A and Option B

The balanced approach recommended in this report accommodates the requirements for a UMBC research and development park, office/ mixed-use and the open space and recreational needs of Baltimore County. The study team believes that the provision of open space in conjunction with research and development/mixed-use development is highly compatible with the proposed new hospital and consistent with Smart Growth practices. Residents, visitors, and hospital and nearby workers will benefit from proximity to natural and man-made amenities. Further, the open space and recreational uses provide a natural buffer between the hospital and the more intense uses of office and mixed-use redevelopment.

Based on this premise, SRI developed conceptual plans that provide two alternatives (Appendix D and Appendix E) for the use of the land bays. While there are minimal differences in the total acreage available for each use (+/-1 acre) and the ratio of office/research and development to recreational use does not change, the locations of the uses vary. The primary difference between the two options is the location of the land bays for recreational use.

Option A has recreation parcels flanking the primary entrance to the campus, reinforcing the historically pastoral character of the property and offering a desirable transition from the adjacent community to the proposed development. The parcels are also clustered together along the southern border of the campus.

Option B, maintains a group of land bays for recreation on the southern border, but the flow is interrupted with a land bay of research (Parcel B) and Parcel K becomes available for recreation at the northern edge of the campus.

With the exception of the hospital Parcel L and the mixed-use Parcel J, each land bay area designated on Options A and B could be used for recreational opportunities or could support UMBC Research Park expansion. Shared parking between compatible adjacent uses could reduce the amount of land required for either use. Depending on the specific programming of a parcel, it is possible the parking and its associated stormwater management could also support a different adjacent use. This could provide a cost-effective and Smart Growth-minded solution to the needs of multiple user groups. For instance, parking devoted to a research park user during the business day could also meet the needs of recreation activities on an adjacent parcel in the evening or on weekends.

These options would require further study if the Redevelopment Plan were to be implemented. In addition, other configurations may be considered at that time. A final configuration would depend on further analysis of each parcel, cost to redevelop, intended recreational use and consideration of existing conditions on each parcel. Further, the sequencing of development, particularly to take advantage of shared uses, must be considered strategically with respect to capital funding, maintenance, and time of use agreements as the redevelopment plan is launched.

In summary, Options A and B address the needs of the stakeholders and present a balanced approach to redevelopment within the goals of Smart Growth. The resulting acreage of this Redevelopment Plan is the basis for the economic analysis to follow in this report.





Below is an assessment of each dedicated use designated by the Joint Chairman's Report for inclusion in the redevelopment plan. Each assessment is applicable to both Option A and Option B. The configuration and sizes of Parcels A through M are similar in both options; there is a minimal difference between the two plans in the ratio of research and development to recreation. Primarily the difference is the location of the recreation parcels.

### **1) Parcel dedicated for the construction of a new hospital**

DHMH, in consultation with HDR, Architects, assessed the type of program to be included on the hospital parcel. HDR translated that conceptual program into a blocking study and a "footprint" configuration. The configuration reflects current standards of care for treatment and adjacencies as opposed to the current configuration of scattered buildings developed throughout the campus over more than a century. The new configuration optimizes the use of a 40+/- acre parcel (see Parcel L, Appendix D). In addition, the Maryland Psychiatric Research Center (MPRC), which currently operates 50,000 square feet on the campus is included as part of the hospital parcel. MPRC intends to expand an additional 11,000 square feet.

Surplus land resulting from the consolidation of the hospital will not be available for disposition and redevelopment until hospital uses have been consolidated into a new hospital and relocated to Parcel L. Individual historic structures (8 major structures) within Parcel L will need to be evaluated further, with the requisite process for preserving or demolishing being justified with the appropriate agencies, including the Baltimore County Office of Planning and Maryland Historic Trust. The property has buildings listed on the Maryland Historical Trust's Inventory of Historic Properties, therefore each must be assessed in regards to historic value, cost, and potential adaptive reuse consistent with the hospital program. Further, more study of environmentally sensitive areas will be required to refine and further develop both site and architectural design.

### **2) Parcel with size and need dedicated for the University of Maryland Baltimore County (UMBC)**

The topographic and environmental features of the site help to define multiple parcels, which would be potentially suitable for the UMBC campus or research park expansion. UMBC expressed an objective of a minimum of 50 acres for a target build-out of 750,000 gross square feet of R&D space and offices for proposed expansion of the UMBC Research and Technology Park. It is important to note that the campus-wide potential square footage for redevelopment will not be achieved if the square footage for any given parcel is not achieved. This could be a factor in the economic viability of any UMBC Research and Technology expansion plans.

The unique physical configuration of the site, with its environmental and topographic boundaries and specific points of access and connection, constrains the opportunity to shift under-utilized development potential from one parcel to another unless the program requirements are changed. For instance, if the UMBC program were modified to permit five-story buildings instead of four, then the attainable square footage of any given parcel may increase, assuming it could be supported by the necessary additional or shared parking.



Likewise, if the targeted parking ratio were modified or parking shared with an adjoining use, additional square footage might be achieved. Further, the incorporation of site retaining walls in some circumstances offers an opportunity to increase the square footage on certain parcels; however, costs will need to be evaluated against the value of the specific net increase.

### **3) Parcel with size and need dedicated for recreation space for Baltimore County**

Baltimore County Recreation and Parks expressed a desire for 50 acres of land to support the County recreation programs in the Catonsville area. Site features, including a stream valley system of 41.9 acres and its associated buffers as well as the forested areas of the site, provide an ideal corridor for passive recreational opportunities as well as non-vehicular campus and community linkages, both pedestrian and bicycle. In addition to a linear system of passive recreation, there are parcels within the campus suitable for active recreation with associated parking, including fields for soccer, lacrosse, football and/or cricket to support existing Baltimore County Recreation & Parks programs. There is also opportunity for shared use by both the proposed hospital and the UMBC populations.

### **4) Parcel dedicated to mixed-use**

Parcel J, which was characterized in the 2001 Master Site Plan study as the most appropriate and desirable for mixed-use development, is the parcel adjacent to the Beltway, I-695 on the eastern edge of the campus. (Parcel J, Appendix D). There is the possibility that certain UMBC uses could be accommodated as tenants in a mixed-use development or that UMBC could elect to develop a mixed-use component to support their campus and research park.

Mixed-use development of Parcel J would require the existing infrastructure and vehicular access to be upgraded and expanded to support a more intensive development of the parcel. Further, any mixed-use development would require an analysis of market conditions at the time development was to occur. Market conditions vary and would have a significant impact on the potential economic impact and anticipated tax revenues.



## **Redevelopment Considerations – Summary of Existing Conditions**

While conceptual redevelopment scenarios provide a basis for possibilities and an estimate of the economic and fiscal impact of those possibilities, once redevelopment plans go forward in earnest many of the existing conditions outlined below and other issues will require evaluation and assessment based on the specific uses of the identified land bays. These redevelopment considerations could also have a significant impact on anticipated revenues.

### **State Clearinghouse Process**

Any State property made available for disposition, such as a sale, requires review by the State Clearinghouse and approval by the Board of Public Works. When a State agency declares a property surplus to the agency's needs the State Clearinghouse for Intergovernmental Assistance is the designated agency to administer the process for recommending the disposition of the surplus property. The Clearinghouse examines the proper disposition of the property, ascertains the interest of other State agencies and local governments and makes a recommendation to the Board of Public Works (BPW). The BPW ultimately decides (1) that the property is surplus to the State; and (2) if so, the disposition of the property.

While State agencies and local governments may be considered as the first priority for the surplus property, the Clearinghouse reviews all potential uses and considers what is in the best interest of the State of Maryland in making a final recommendation.

### **Assessment of Existing Conditions**

#### **Location**

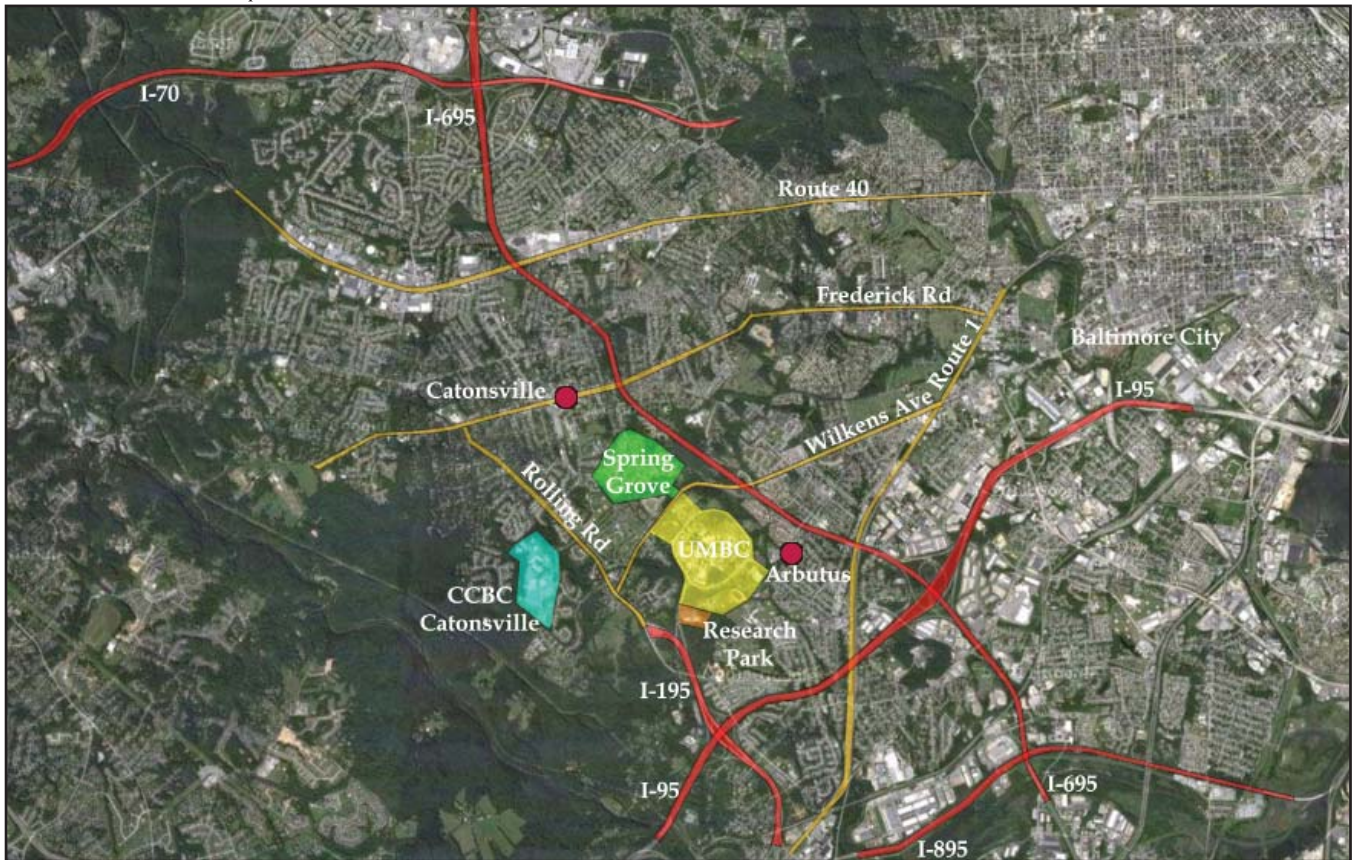
The Spring Grove Hospital Center campus is located approximately 8 miles southwest of downtown Baltimore and one mile southeast of the main street in Catonsville, Maryland. The campus is bordered by I-695 on the northeast, making the property easily accessible from I-95, I-195 and I-695. The property is also easily accessible to the Baltimore-Washington International Airport and the main Amtrak line for the northeast corridor. This location makes the property attractive for redevelopment.

The property is bordered by local roads: Paradise Avenue on the east, Wilkens Avenue and Valley Road on the south, and Hilltop Road on the southwest. Entrances to the hospital campus from the south are Valley Road, from the north off of Wade Avenue, and from the west Bloomsbury Avenue.





Exhibit 6. Site Context Map



© Site Resources Inc.; Base Map © Google Inc.

Exhibit 7. Site Aerial



© Google Inc.

## Spring Grove Hospital Center Redevelopment Plan

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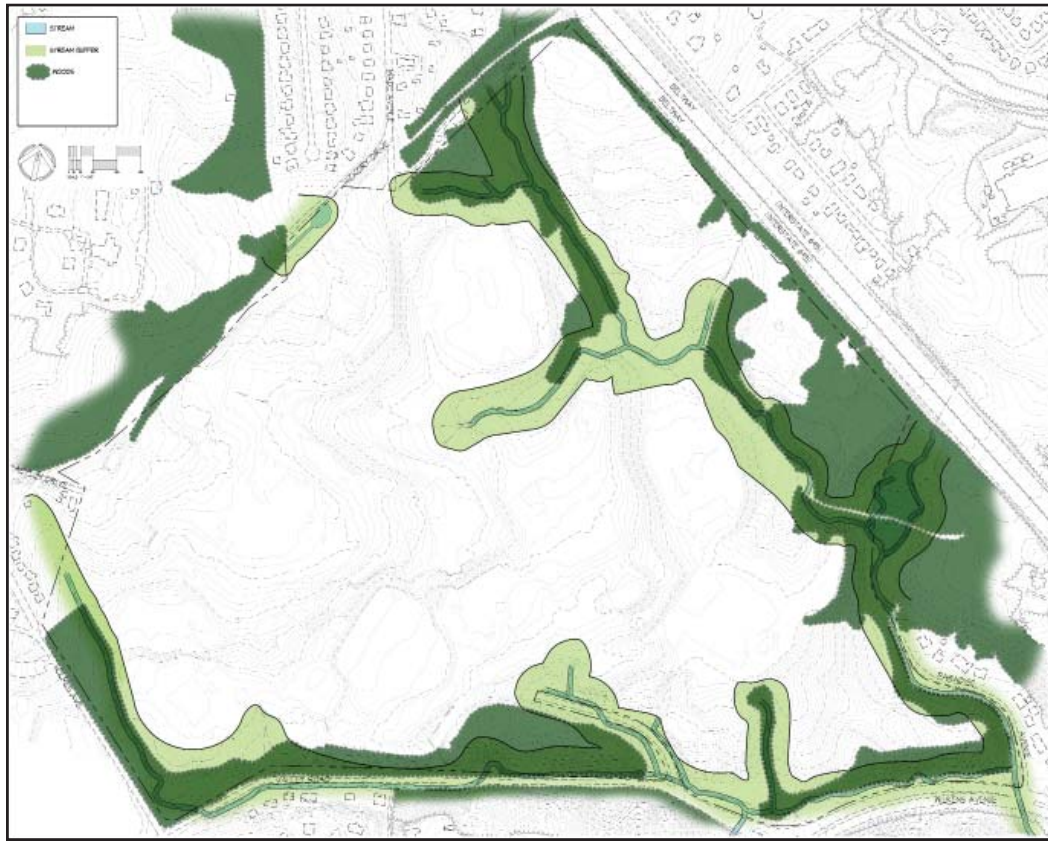
December 2011 15





## Natural Features

Exhibit 8. Existing Woodlands & Forest



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Of the 189.7 acres, approximately 41.9 acres are natural stream valleys and associated forest buffers as defined by Baltimore County and/or Maryland Department of the Environment and must be preserved. A stream valley associated with the West Branch of the Patapsco River divides the site into multiple parcels. Based on a preliminary assessment, there are minimal wetlands outside of the stream banks. The stream and forest buffers preclude development in those areas.

The forest areas on the site are generally associated with the stream valley system and should be preserved. Additional forestation may be required to meet state forest conservation thresholds. The specific amount will vary depending on the amount of forest cleared. Any afforestation planting should occur within the delineated Priority 1 buffer areas; therefore, no additional land outside of the forest buffers is anticipated to be used for forest planting.

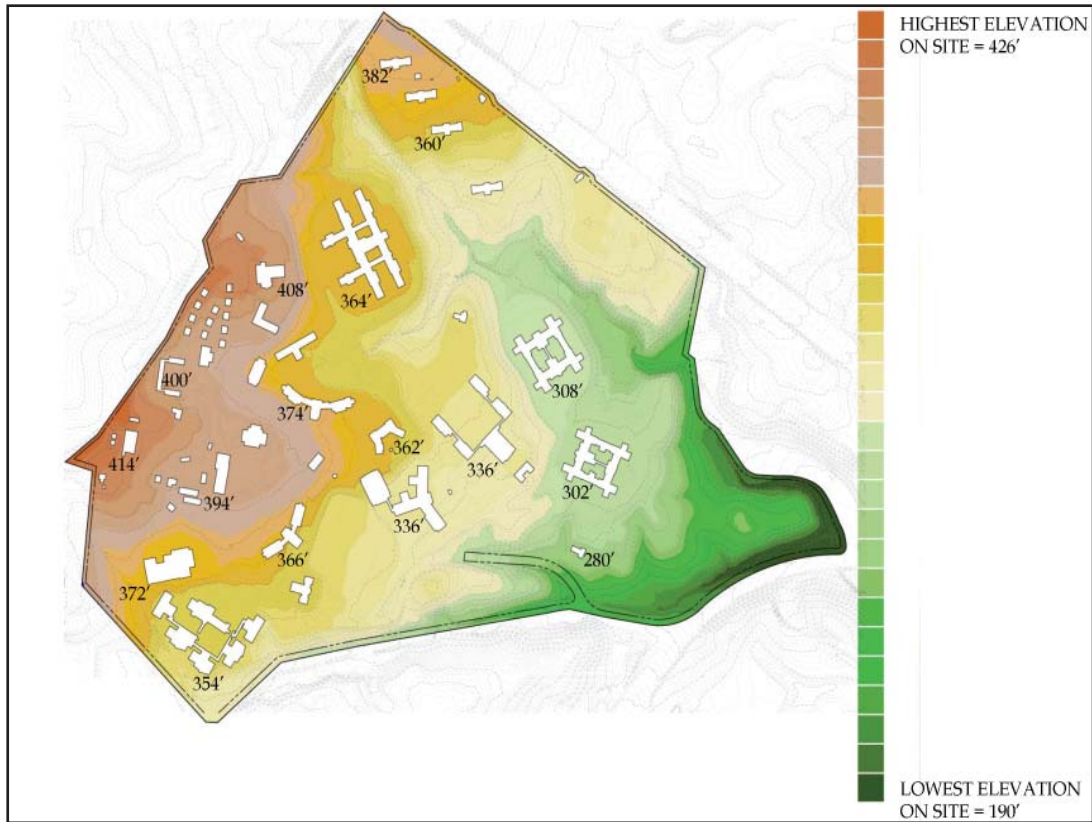
Protection and preservation of the existing stream valley system and associated buffers and forested areas, along with Priority 1 reforestation areas, is consistent with Smart Growth principles and state mandates.

## Topography

Topography on the site is rolling, and includes multiple steep slopes, with a total vertical differential of approximately 236 feet.



Exhibit 9. Site Topography Map



© Site Resources Inc.

The unique physical configuration of the site, with its environmental and topographic boundaries, constrains the opportunity to shift under-utilized development potential from one parcel to another. This contributes significantly to the overall pastoral character of the campus and the beautiful and expansive views to the Key Bridge and the City of Baltimore from the high point of the campus. Over more than a century, slopes have been modified to create plateaus for building and expansion.

Geotechnical conditions are not fully studied as a part of this report and could adversely impact the potential of any given parcel. However, based on geotechnical reports from the 2001 Master Site Plan study, rock was not anticipated to be a significant constraint, but additional investigation will be required prior to design and construction. Additionally, there are areas of fill, which may not have been placed in lifts to achieve the structural integrity required for the proposed uses.



## Historic Buildings

There are 24 historic buildings on the hospital campus scattered throughout the property (see Historic Resources – buildings highlighted in purple). A concentration of the historic buildings can be found in two principal areas. The older buildings, built before 1925, are located in the southwestern portion of the property. Buildings constructed between 1930 and 1944 are generally situated in the southeastern quadrant and known as the Stone Cottages. (After World War II, general expansion moved in a northerly direction with some scattered buildings constructed throughout the existing complex.) The property has 24 buildings listed on the Maryland Historical Trust's Inventory of Historical Properties, however the buildings are not listed on the National Register. They vary widely in scale, material, age and condition.

Exhibit 10. Historic Resources



© Site Resources Inc.

A determination will have to be made on a structure-by-structure basis to determine the suitability of any given structure for adaptive reuse and may impact the potential for economic and fiscal benefits depending on the use and resulting square footage to be obtained from the adaptive reuse. The proposed use and the cost of rehabilitation may be offset by available historic tax credits for a private developer. This would have to be determined at the time of design, based on the location of the structure(s) within a given parcel and the impact on the programmatic objectives for that parcel. The desire to retain a particular structure will be a consideration in determining the use and cost of redeveloping any given parcel. It is particularly significant for Parcel "D" that includes the Stone Cottages, because their central location within the parcel would preclude significant additional development if retained.





## Campus Infrastructure

Existing public infrastructure (i.e., water and sewer) is available to the site to support all of the redevelopment uses proposed. However, the campus infrastructure has had no substantive upgrades in the last 15 years. The underground steam and condensate lines were abandoned recently. The proposed higher intensity uses and the aging campus infrastructure will require significant upgrades. The funding and sequencing of campus infrastructure improvements would have to be determined based on any redevelopment plan once the timing of the replacement hospital is established.

Reuse of portions of the internal road network, existing site grades and infrastructure routes where possible is consistent with Smart Growth principles.

*Exhibit 11. Wade Avenue Entrance*



WADE AVENUE ENTRANCE

© Site Resources Inc.



## **Summary - Redevelopment Plan Land Bay Concept**

The proposed redevelopment plan for the Spring Grove campus and its interface with adjacent and nearby users is consistent with trends in campus development, both healthcare and academic. The demand for land, competition for available capital and the pursuit of Smart Growth principles, stimulate the consideration of shared uses.

Based upon consideration of numerous factors, including compatibility of uses with the proposed hospital; the topography of the campus; available land bay sizes and locations; and the feasibility of proposed uses on various parcels, the study team concludes that the optimal use of surplus Spring Grove Hospital Center land includes open space and mixed-use development. Additionally, because Maryland boasts significant innovation potential, a public-private partnership that involves UMBC would likely represent an extremely attractive and highly productive use of available acreage. The provision of open space in conjunction with mixed-use development is highly compatible with the proposed new hospital.

Because additional uses cannot be developed until the hospital uses are consolidated within the designated 41.5 acre parcel, there may be an opportunity to phase redevelopment as existing uses are contracted from various individual parcels; however, careful consideration will need to be given to that sequence and the associated upgrade and expansion of infrastructure, all of which are dependent on available funding. From a site planning perspective, selection of users for specific parcels and the release of individual sections for development in an orderly sequence will minimize the early investment in infrastructure.

## **Economic Assessment for Redevelopment Plan**

As part of the consultant team, Sage Policy Group, Inc. (Sage) was tasked with weighing various options to determine respective economic and fiscal impacts and potential benefits to support the campus redevelopment. Sage Policy Group considers the overarching objective governing the economic potential of the redevelopment plan is that areas vacated by the hospital allow for a contiguous and orderly redevelopment pattern such that reuse is economically feasible and redevelopment costs are reasonable.

The analysis considers the economic benefit to be derived from constructing a consolidated hospital including the economic impact, including direct, indirect and induced effects on jobs, income and sales to be generated by the uses envisioned in the Redevelopment Plan; and the fiscal or tax revenue impact, including real property, individual income and direct income tax revenues to be generated by the proposed uses.

### **Economic Benefits of Consolidating the Hospital**

In order to create more efficient operations for State psychiatric hospitals, DHMH is considering consolidating the Spring Grove Hospital Center and its support functions. According to a 2011 study by SC&H Group, LLC, consolidation of the hospital would produce a net benefit of \$10.6 million annually in operational savings and \$3.9 million in avoided deferred maintenance-related expenses.



Land made available by the proposed consolidation would produce additional economic benefits for the surrounding area through the accommodation of investment and activities. The consolidation of the hospital campus opens up significant opportunities to attract investment to a major parcel of land that is supported by infrastructure and is proximate to key institutions such as UMBC.

## Location and Zoning

The location of the Spring Grove campus and its proximity to major interstates and UMBC represent a substantial market advantage vis-à-vis investment in other communities in central Maryland. With the north portion of the campus adjacent to historic Catonsville, which features various shops, restaurants and community support services and to the southeast of the Spring Grove campus the University of Maryland Baltimore County (UMBC) and its expanding research and technology park facilities, the Redevelopment Plan proposed in this report contemplates the use of the Spring Grove campus as an attractive connection between the two areas with the potential for increased economic activity in Catonsville. Other adjacencies to the campus include the German Orphan Home (now known as *The Children's Home*) on Bloomsbury Avenue to the northwest of the hospital property and Catonsville High School and Rolling Road Golf Club located to the southwest of the campus.

The campus is surrounded by a variety of land uses, including residential, educational and recreational uses. While most neighboring parcels to the northeast, south and northwest are zoned for residential use, the property due east of the hospital campus is zoned OR-2 for office use. The campus itself is currently zoned for O-T, office and technology uses<sup>1</sup>.

The 2001 *Master Site Plan* stated, “current zoning suggests that this parcel would be best suited for employment uses, but this does not mean that employment is the only option for the site. Several other uses are permitted by right or special exception, including schools, data processing services, hospitals, hotels, laboratories, and residential uses.” The zoning map in Exhibit 12 provides current zoning detail for the Spring Grove campus as well as for the surrounding area. Spring Grove is the pink parcel designated as “OT” toward the center of the map.

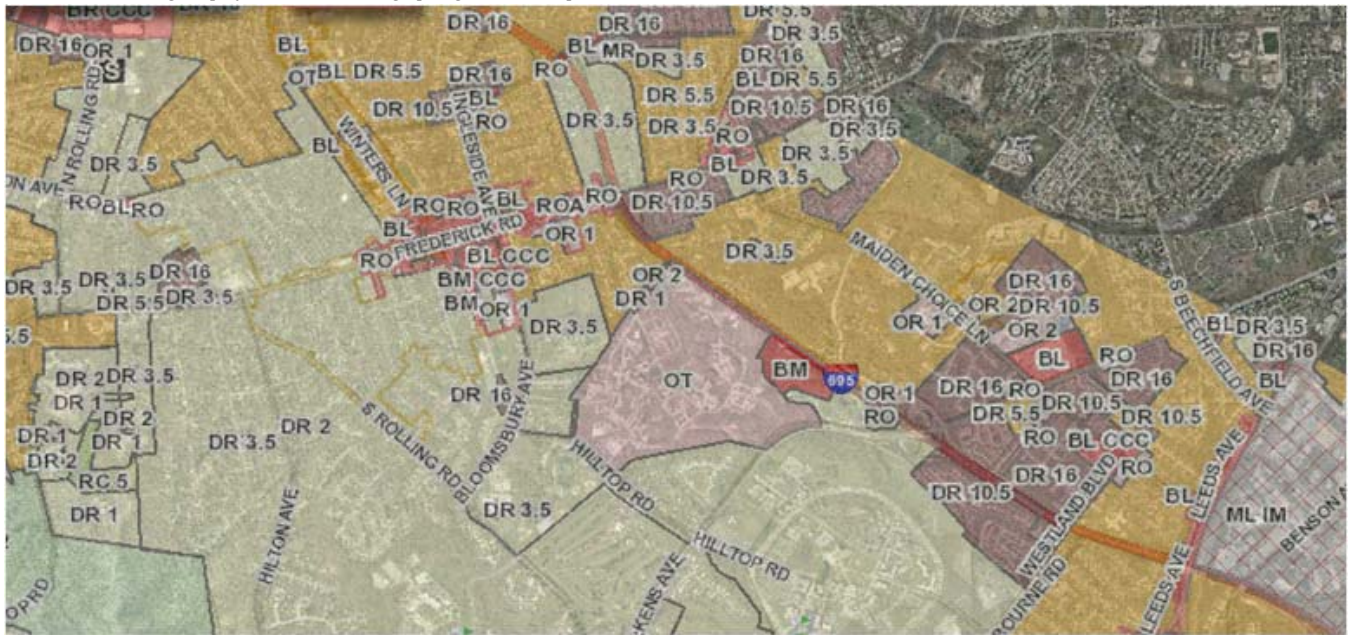
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<sup>1</sup> Office and Technology zoned areas permit employment-intensive office development in combination with certain high technology and residential development. Principal uses permitted in the O-T zone as a matter of right include: business, trade schools and colleges; computer and data-processing services; hospital; hotels and motels; laboratories; establishments for the manufacture, assembly, service, and/or repair of a broad range of high technology products; offices; parking structures; public utility facilities; research institutes; warehouses in combination with and attached to above uses (not free standing); residential uses; and commercial film production.





Exhibit 12. Zoning Map of Area Surrounding Spring Grove Campus



Source: Baltimore County

### **Redevelopment Plan Economic Considerations**

This property is entirely a State of Maryland-publicly owned campus. Located in a Priority Funding Area the Spring Grove campus is particularly suited to redevelopment. Over the past several years the State and the County have considered the future redevelopment of the Spring Grove campus. In 2001 DHMH contracted with Cochran, Stephenson & Donkervoet to develop a *Master Site Plan: Options for Reuse*. The Baltimore County 2006 Task Force – Spring Grove 2010: Community, Collaboration, Consensus recommended that the Baltimore County Council designate the Spring Grove campus as a Renaissance Opportunity Area as established by the *Renaissance Redevelopment Pilot Program* (Bill 120-04 and Bill 51-05, as amended). The Task Force although mindful of the benefits of the expansion of the UMBC technology park placed recreational uses as a higher priority. However, recommendations from that report appear not to have translated into implementation. The Baltimore County 2010 Master Plan also encouraged recreational use at Spring Grove.

#### **1. Baltimore County Recreational Area**

The Redevelopment Plan assigns recreational areas and facilities on certain parcels that do not have historic structures and that are easily accessible to the public. The State of Maryland assigns to a County an average goal of 30 acres of parkland per 1,000 citizens. The Baltimore County Department of Recreation & Parks estimated in 2001 that the Catonsville area had a theoretical deficit of parkland, with 21.7 acres of parkland per 1,000 citizens. This ratio is almost identical to the countywide average of 21.9 acres per 1,000 citizens.



Absent an incorporation of recreational space with other developments, funding for recreational space will be dependent primarily on public funding. Baltimore County provides primary funding for the Department of Recreation & Parks. The County recently had its AAA credit rate re-affirmed, with the implication being that there may be some capital budget capacity to invest in a recreation facility at the SGHC.

In addition to County funding there is potential funding that the State of Maryland provides through Program Open Space. These funds are intended to support recreation opportunities and are tied to the collection of State Transfer Tax on real property. These funding sources are highly susceptible to the fiscal conditions of individual jurisdictions.

## 2. University of Maryland-Baltimore County (UMBC)

The University of Maryland-Baltimore County seeks to expand its research park and to supply additional research space. Today, the bwtech@UMBC Research Park is a five building, 41-acre university-affiliated business park with over 350,000 square feet of Class A office and laboratory space designed for technology companies and research institutions. More than twenty organizations are currently tenants of the Park, including the U.S. Geological Survey, NASA/Goddard Earth Science and Technology Center, Retirement Living TV and RMF Engineering. The Research Park represents a public-private partnership that offers tenants a partnership with UMBC faculty, students, technology, programs and facilities. If acreage were allocated toward UMBC at Spring Grove, additional public-private partnership opportunities would be made available over time.

R&D and high-tech facilities are clearly complimented by applicable zoning regulations, are physically feasible on most parcels, and are financially feasible and profitable. Private companies desire locations proximate to major research universities like UMBC and the success of this approach is proven by the success of the university's Research & Technology Park as well as by other locations through the Baltimore metropolitan area. Rehabilitation of certain historic structures, specifically the Stone Cottages on Parcel D may accommodate offices/labs for such facilities and is likely to be financially feasible, at least eventually and with the assistance of historic preservation tax credits. It should be noted, however, that the location and configuration of the Stone Cottages – if rehabilitated - will limit the total square footage yield of Parcel D as opposed to new construction.

Since 1989, the two UMBC Research Park and Tech Centers have brought nearly 100 companies to its campus. There are currently 42 companies, with 700 good paying jobs at these two sites. These companies and their affiliation with UMBC have afforded students and faculty with research opportunities, internships and full-time jobs following graduation. These companies also contribute significant tax revenues to the State and County.

UMBC's reputation as a research hub continues to expand. The University continues to produce fruitful partnerships between companies, faculty, students and professionals associated with the Research & Technology Park. Embracing UMBC's presence at SGHC would generate significant potential social and economic benefit



### 3. Mixed-Use Development

Mixed-used development is also proposed in the Redevelopment Plan. Exhibit 13 provides a breakdown of a mixed-use development scenario. A per 1,000 square footage base was used by the study team to provide an understanding of the possible components of a mixed-use development and was also used to model potential economic impacts and potential availability of support for TIF financing.

*Exhibit 13. Possible Mix of Uses*

Component	SF/Rooms/Units
<i>Commercial</i>	
Office	300,000
Anchors	115,000
Book store	20,000
Specialty retail	271,500
Grocer	55,000
Service retail	22,000
Restaurants	69,800
Cinema	30,000
Health club	40,000
Limited service hotel	125
Extended stay hotel	125
<i>Residential</i>	
High-rise condos (valued at \$376,842)	43
Low to mid-rise condos (valued at \$375,159)	159
Townhouse/loft style condos (valued at \$376,728)	48

Source: MuniCap, Inc.

#### **Economic Impact of Potential Uses**

Two proposed uses for the Spring Grove campus are particularly susceptible to economic impact quantification. These are the proposed uses by UMBC and the mixed-use development. The study team calculated economic and fiscal impact for the proposed UMBC expansion and mixed-use development on a per 1,000 square foot basis.

#### **Key Analytical Concepts and Definitions**

- The need to consider multiplier effects

Economic activity created by commercial development on the Spring Grove campus would generate multiplier effects that impact the economies of Baltimore County and Maryland and expand the benefits created directly through on-site activity. In the language of economics, these additional economic activities are termed the indirect and induced effects of the jobs, income and sales generated directly by the development.





- Defining direct, indirect, and induced effects

*Direct and Indirect Effects.* The jobs physically located at the development are considered direct effects. Indirect effects occur when, for example, the companies located in the development require goods and services from other firms in the Baltimore County and/or Maryland (inputs). These businesses purchase everything from materials to accounting and advertising services and lease equipment from local firms. In turn, these suppliers to contractors will buy office supplies and electric power among many other items and services from other local firms. In its totality, this succession of purchases by suppliers and suppliers of suppliers produces indirect effects (often also known as business-to-business purchasing effects).

*Induced Effects.* The wages and income received by the employees of any development and of the succession of suppliers that is linked to the development create additional effects. A portion of these wages is spent in Baltimore County and in Maryland for a broad range of consumer purchases from housing and groceries to entertainment and holiday gifts. The economic activity associated with these purchases is termed the “induced effect” and these effects are generated during both construction and post-construction phases. The model attempts to account for each dollar that is absorbed by the local labor force and to determine how those dollars are likely to be spent across product and service types. Most importantly, the model’s multipliers reflect the likelihood that purchases by households will be made locally as opposed to outside of the community. The higher the share of purchases made locally, the greater are the induced economic effects.

Direct, indirect, and induced effects can be measured along three dimensions: employment (measured in full-time and part-time jobs), income (measured in dollars), and output or sales of goods and services (measured in dollars). These effects are estimated using proprietary software and a computer model created specifically for this analysis<sup>2</sup>.

In addition to economic impacts, possible uses will create fiscal impacts defined as new streams of tax revenue for Baltimore County and the State of Maryland. As with economic impacts, the model works to account for each dollar spent and the manner in which this spending is to occur. For instance, in Maryland, services are generally not subject to retail sales taxes. The model accounts for this. This analysis includes estimates of property tax, income tax, sales tax, other taxes and applicable fees. These taxes are calculated inside of Sage’s model using published tax rates. This ensures internal consistency between estimated economic and fiscal impacts. However, to ensure that the IMPLAN model is properly calculating positive tax revenues impacts, Sage separately calculated tax impacts manually. Sage has determined that the Sage-modified IMPLAN model has produced robust estimates of both economic and fiscal impacts.

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<sup>2</sup>The analysis is based on software and data created by the Minnesota IMPLAN Group, Inc. Using IMPLAN data, Sage produced a customized economic and fiscal impact model specific to this analysis. IMPLAN employment multipliers encompass total wage and salary employees as well as self-employed people in the region. Both full-time and part-time workers are measured to create an estimate of annual average jobs. CEW (Covered Employment and Wages) data, Regional Economic Information System (REIS), and County Business Patterns are used in conjunction to create the IMPLAN database because no one data set provides enough information to create a complete set of IMPLAN multipliers. In general, CEW data provide the County level industry structure for IMPLAN, while County Business Patterns’ data are used to make non-disclosure adjustments to CEW data, and REIS data are used to control totals (i.e., prevent double-counting). These data are critical to the analysis because the model works to capture the manner in which the proposed property development will interact with the local labor market in terms of demand for human capital and need for skill sets not sufficiently supplied by the local workforce.



## Economic Impacts

- Quantitative Impacts

The study team has measured impact per square foot along three dimensions – output/sales, employment and wages. Office development (as proposed by a potential mixed-used developer), would generate the highest direct output per square foot, while scientific research and development services (as proposed by UMBC) would produce only somewhat less output. However, the UMBC-related uses would support higher paying direct jobs (\$80,000 on average). Office use would be associated with an average direct wage of \$50,308. Restaurant workers (another aspect of the mixed-use development investment) would be associated with average annual wages of \$18,302 while grocery store workers would be associated with \$30,512. Use by the restaurant would generate the most direct jobs (though low paying) with 9 jobs per square foot while the office use would generate 4.2 workers. Scientific research and development services would generate 3.3 workers per 1,000 square feet. Exhibit 14 provides relevant statistical and methodological detail.

*Exhibit 14. Direct Economic Impact of Potential Commercial Uses of Land*

Type of Development	Direct Jobs per 1,000 SF	Average Annual Direct Wage	Direct Output/Sales per 1,000 SF	Maryland Jobs Multiplier	Maryland Wages Multiplier	Maryland Output Multiplier
Office	4.2	\$50,308	\$1,090,226	2.07432	1.62611	1.91437
Scientific R&D	3.3	\$80,000	\$501,233	1.98620	1.61200	1.93980
Restaurant	9.0	\$18,302	\$477,429	1.29061	1.66485	1.74071
Grocery Store	2.0	\$30,512	\$138,222	1.38368	1.58700	1.75705
Retail	2.0	\$23,386	\$112,544	1.30159	1.58421	1.77068
Anchor Retail	1.7	\$23,383	\$95,727	1.30159	1.58421	1.77069
Hotel	1.1	\$30,146	\$61,647	1.59833	1.69602	1.72174
Cinema	0.6	\$25,918	\$49,643	1.76097	2.50006	1.91771
Health Club	0.7	\$19,836	\$23,662	1.25178	1.67074	1.98403

Note: Red-shaded areas are those uses proposed by private mixed-use development; Green-shaded areas are uses proposed by UMBC. Source: MuniCap, Inc., UMBC, IMPLAN, Sage

Once Maryland-specific economic multipliers are considered, office use would generate more than \$2 million per 1,000 square feet while scientific research and development services would generate just short of \$1 million and restaurants would generate just over \$800,000. The lowest impacts, in terms of output, would be a health club (\$47,000 per 1,000 square feet), cinema (\$95,000 per 1,000 square feet), and a hotel (\$106,000 per 1,000 square feet). Exhibit 15 provides summary detail regarding total economic impact per 1,000 square feet for various proposed uses.



Exhibit 15. Total Economic Impact of Potential Commercial Uses of Land

Type of Development	Total Jobs per 1,000 SF	Total Annual Wages per 1,000 SF	Total Output per 1,000 SF
Office	8.7	\$343,587	\$2,087,093
Scientific R&D	6.6	\$429,867	\$972,293
Restaurant	11.6	\$273,706	\$831,062
Grocery Store	2.8	\$98,606	\$242,863
Retail	2.7	\$75,515	\$199,280
Anchor Retail	2.3	\$64,101	\$169,502
Hotel	1.7	\$54,537	\$106,140
Cinema	1.1	\$41,038	\$95,200
Health Club	0.8	\$21,541	\$46,947

Note: Red-shaded areas are those uses proposed by private mixed-use development; Green-shaded areas represent uses proposed by UMBC. Source: MuniCap, Inc., UMBC, IMPLAN, Sage

### Fiscal Impacts

Commercial or residential development produces fiscal impacts for local, State and federal governments. These impacts include property tax revenues, income tax revenues, sales tax revenues for the State, and other special tax revenues such as admissions and hotel taxes. The study team calculated the real property, individual income, and direct income tax revenues expected to be generated by proposed mixed-use and UMBC uses. Similar to the economic impact analysis, government revenues are expressed on a square footage basis. Fiscal impacts are provided for Baltimore County and Maryland.

Readers should note that the impacts described below maybe somewhat illusory. This is because a decision to move forward with development in a particular location may attract economic activity from other locations or may lead to other potential projects being delayed temporarily or permanently. Therefore, the impacts described below should probably be considered gross impacts as opposed to net impacts.

That said, to the extent that the proposed development would attract investment market share to Baltimore County that would otherwise be located in other communities, these impacts should be considered actual net impacts. In fact, the proposed development's proximity to infrastructure and UMBC would represent a substantial market advantage vis-à-vis investment in other communities, including in portions of Howard and Anne Arundel counties.

The exhibit below summarizes study team findings. Office use, at \$40,274 in fiscal impact per 1,000 square feet, would generate the largest revenues for the State of Maryland on a per 1,000 square foot basis. Restaurants would generate the second most revenues, followed by a grocery store and anchor retail. Top revenue earners for Baltimore County include cinemas, which generate admission tax revenues, scientific research and development services, restaurants, and hotels, which among other things generate hotel tax revenues. Exhibits 16-19 provide relevant statistical detail.



Exhibit 16. Total Fiscal Impact of Potential Commercial and Residential Uses of Land

	Baltimore County Tax Revenues per 1,000 SF	Maryland Tax Revenues per 1,000 SF
Office	\$6,812	\$40,274
Restaurant	\$7,768	\$34,896
Grocery Store	\$2,488	\$33,547
Anchor Retail	\$2,342	\$23,869
Scientific Research and Development Services	\$8,012	\$14,491
Cinema	\$8,253 <sup>3</sup>	\$5,355
Hotel	\$7,650 <sup>4</sup>	\$3,932
Health Club	\$1,349	\$3,802
Retail	\$3,605	\$2,768
Condominiums/Townhomes	\$3,556	\$1,896

Note: Red-shaded areas are those uses proposed by private mixed-use development;

Green-shaded areas represent uses proposed by UMBC. Source: MuniCap, Inc., State of Maryland, Sage

Exhibit 17. Property Tax Impact of Potential Commercial and Residential Uses of Land<sup>5</sup>

	Assessed Value per SF	Value per 1,000 SF	Baltimore County Property Tax Revenue per 1,000 SF	Maryland Property Tax Revenue per 1,000 SF
Restaurant	\$365	\$365,000	\$4,015	\$409
Cinema	\$260	\$260,000	\$2,860	\$291
Condominiums/Townhouses	\$235	\$234,844	\$2,583	\$263
Retail	\$230	\$230,000	\$2,530	\$258
Office	\$182	\$182,000	\$2,002	\$204
Hotel	\$180	\$180,000	\$1,980	\$202
Scientific R&D	\$176	\$176,428	\$1,941	\$198
Anchor Retail	\$130	\$130,000	\$1,430	\$146
Grocery Store	\$99	\$99,000	\$1,089	\$111
Health Club	\$96	\$96,000	\$1,056	\$108

Note: Red-shaded areas are those uses proposed by private mixed-use development; Green-shaded areas represent uses proposed by UMBC. Source: MuniCap, Inc., State of Maryland, Sage

<sup>3</sup>Figures include 10 percent amusement tax for ticket sales.

<sup>4</sup>Includes 8 percent hotel tax for rooms.

<sup>5</sup>Assessed values of The Promenade development estimated by MuniCap, Inc. Assessed values of UMBC proposed uses are based on assessments of 5523 Research Park Drive (valued at \$142.55 per square foot) and 5520 Research Park Drive (valued at \$195.26 per square foot).





Exhibit 18. Income Tax Impact of Potential Commercial and Residential Uses of Land<sup>6</sup>

Type of Development	Baltimore County Wages per 1,000 SF	Maryland Wages per 1,000 SF	Baltimore County Income Tax Revenues per 1,000 SF	Maryland Income Tax Revenues per 1,000 SF
Scientific R&D	\$306,457	\$429,867	\$6,071	\$14,293
Office	\$242,786	\$343,587	\$4,810	\$11,424
Restaurant	\$189,427	\$273,706	\$3,753	\$9,101
Grocery Store	\$70,622	\$98,606	\$1,399	\$3,279
Retail	\$54,248	\$75,515	\$1,075	\$2,511
Anchor Retail	\$46,049	\$64,101	\$912	\$2,131
Hotel	\$37,276	\$54,537	\$738	\$1,813
Cinema	\$21,649	\$41,038	\$429	\$1,365
Condominiums/Townhomes <sup>7</sup>	\$49,102	\$49,102	\$973	\$1,633
Health Club	\$14,771	\$21,541	\$293	\$716

Note: Red-shaded areas are those uses proposed by private mixed-use development; Green-shaded areas represent uses proposed by UMBC. Source: MuniCap, Inc., State of Maryland, Sage

Exhibit 19. Sales Tax Impact of Potential Commercial Uses of Land

Direct Retail	Direct Sales per 1,000 SF	Maryland Sales Tax Revenue per 1,000 SF
Grocery Store	\$502,625	\$30,158
Restaurant	\$477,429	\$28,646
Retail	\$423,100	\$25,386
Anchor Retail	\$359,875	\$21,593
Cinema	\$61,647	\$3,699
Health Club	\$49,642	\$2,979
Hotel- Rooms + Other	\$31,944	\$1,917

Note: Red-shaded areas are those uses proposed by private mixed-use development; Green-shaded areas represent uses proposed by UMBC. Source: MuniCap, Inc., State of Maryland, Sage

### Other Economic Considerations

In addition to working with the Spring Grove Hospital Campus itself, new development should be compatible with the surrounding area and meet unmet needs. Factors to consider when assessing compatibility of proposed uses include quality of life, the current real estate market, and expressed community goals.

<sup>6</sup>Income tax revenue estimates are based on the assumption that 70 percent of wages are taxable.

<sup>7</sup>Income based on direct income from households only.



- Quality of Life

The notion of quality of life is difficult to quantify economically given vastly different definitions of the concept. However, almost everyone seems to appreciate open space and recreational opportunities. Moreover, given the deficit of parkland in Catonsville and Baltimore County, the study team finds that recreational uses make abundant sense, including the provision of cricket fields, which has been identified as a need to support the changing demographic in Baltimore/Howard counties. The study team has incorporated recreational space in the Redevelopment Plan balanced with office and mixed use.

- State of the Real Estate Market

While commercial and residential uses would generate economic and fiscal impacts, these impacts can only be produced in the context of a sufficiently strong local economy and supportive development conditions. The study team finds that office space and R&D-related space produce the greatest amount of economic and fiscal impact per square foot. However, there is a finite level of demand for these types of square footage and therefore the ultimate mixed-use build out will likely include other components, including retail.

Presently, the Catonsville/Ellicott City market is saturated with retail inventory. According to the latest market report by CB Richard Ellis, the submarket has 6.3 million square feet of retail space, the second most among all Baltimore Metropolitan Area submarkets. Moreover, the submarket also has an availability rate of 10.9 percent, the fifth highest/worst rate among all submarkets featured in Exhibit 20 below. By contrast, the Baltimore County West Side category, which includes the Catonsville area, is associated with one of the region's lowest office vacancy rates. This is reflected in Exhibit 21.

*Exhibit 20. Baltimore Metropolitan Area Retail Market Statistics as of 2011Q2*

Retail	Inventory SF	Availability Rate	Average Asking Lease Rate (\$ SF/YR)
Annapolis	3,911,110	4.0%	\$34.44
Baltimore CBD	5,450,330	13.7%	\$24.15
Bel Air	5,492,535	6.2%	\$18.87
Northern Bowie/Crofton	430,373	9.2%	\$23.81
<b>Catonsville/Ellicott City</b>	<b>6,275,461</b>	<b>10.9%</b>	<b>\$18.86</b>
Cecil	1,260,944	13.5%	\$17.50
Columbia	4,647,633	4.5%	\$31.63
Essex/Dundalk	4,260,645	9.6%	\$18.38
Glen Burnie	6,156,294	11.6%	\$18.85
Laurel/Jessup	1,493,483	4.5%	\$27.92
Mount Airy	1,302,258	4.1%	\$20.00
Owings Mills	5,184,180	11.3%	\$20.75
Severna Park-Pasadena	4,867,214	7.9%	\$20.89
Towson/Timonium	7,666,368	10.4%	\$26.15
Westminster	3,093,869	6.4%	\$22.50
White Marsh	5,048,206	6.0%	\$23.01

Source: CB Richard Ellis



Exhibit 21. Baltimore Metropolitan Area Office Market Statistics as of 2011Q3

Office	Inventory SF	Overall Vacancy Rate %	Avg. Asking Lease Rate (\$ SF/YR)
Baltimore City CBD	12,460,537	20.7%	\$20.85
Baltimore City East	4,616,855	18.5%	\$24.39
Baltimore City West	1,803,447	27.3%	\$16.92
Baltimore City North	934,763	13.0%	\$18.51
Midtown/Mt. Vernon	657,508	12.8%	\$17.13
Annapolis	2,475,503	17.9%	\$19.10
BWI	7,803,042	15.0%	\$23.74
Columbia	11,779,850	17.7%	\$19.10
Ellicott City	489,181	4.7%	\$18.74
Route 2/3	858,894	14.3%	\$18.04
Baltimore County East	1,173,117	18.1%	\$19.55
Reisterstown Road Corridor	4,232,070	15.7%	\$16.49
Harford County	1,652,811	20.3%	\$28.00
Hunt Valley	3,907,523	12.2%	\$17.60
Towson/Timonium	6,363,569	13.7%	\$18.17
<b>West Side</b>	<b>2,446,348</b>	<b>11.1%</b>	<b>\$17.61</b>

Source: CB Richard Ellis

- Maryland and the New Economy

The potential role to be played by UMBC at SGHC is a compelling one in part because of the ongoing need for the Maryland economy to commercialize laboratory-generated innovations. In 2010 the Information Technology and Innovation Foundation released its fourth iteration of its State New Economy Index. The index embodies five categories: knowledge jobs, globalization, economic dynamism, digital economy, and innovation capacity. Maryland currently ranks third and that rank has been improving.

Exhibit 22. ITIF State New Economy Index, 2010 Top 10 Overall Scores

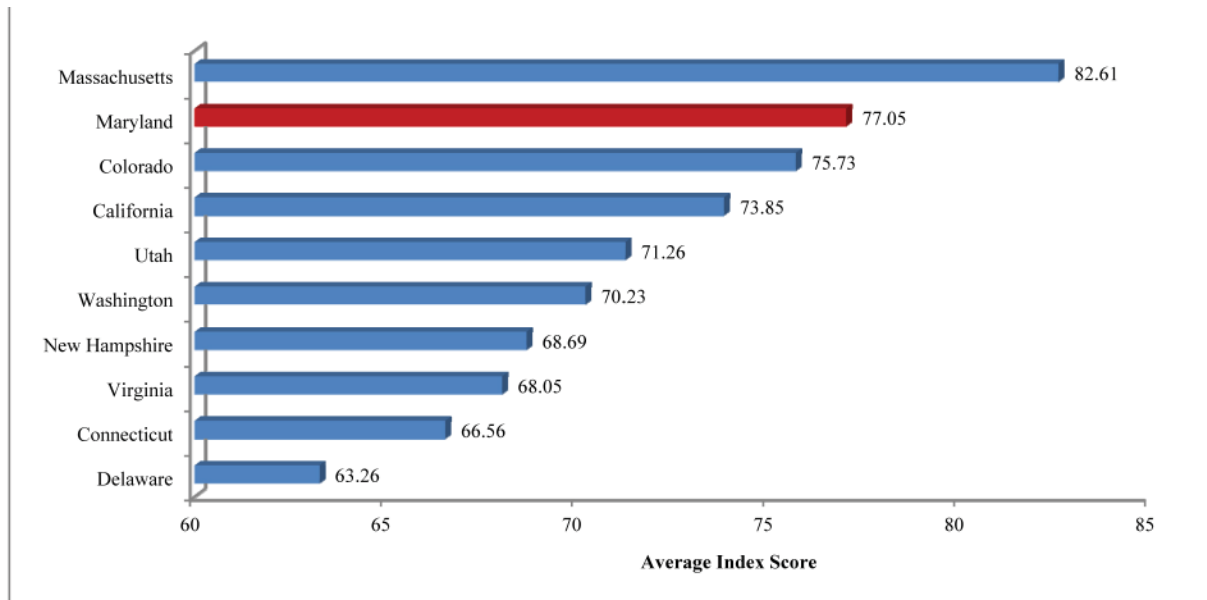
2010 Rank	State	1999 Rank	2002 Rank	2007 Rank
1	Massachusetts	1	1	1
2	Washington	4	4	4
<b>3</b>	<b>Maryland</b>	<b>11</b>	<b>5</b>	<b>3</b>
4	New Jersey	8	2	2
5	Connecticut	5	6	6
6	Delaware	9	7	7
7	California	2	5	5
8	Virginia	12	8	8
9	Colorado	3	9	9
10	New York	16	11	10

Source: ITIF



Similarly, Maryland ranks high in the Milken Institute State Technology and Science Index. Exhibit 23 reflects that Maryland's technology dynamism ranks only behind Massachusetts. The implication of these rankings is that Maryland retains massive innovation potential, which creates an ongoing demand for the types of amenity-rich space required by scientists and other researchers. All things being equal, this consideration supports UMBC-related uses.

*Exhibit 23. Milken Institute State Technology and Science Overall Index Top 10, January 2011*



Source: Milken Institute

### Medicaid and the Community Mental Health System Implications

Both state and federal governments contribute to Medicaid. In a majority of states, the federal payment covers the majority of a given expense with the state's contribution covering the remaining cost. Maryland, however, is one of 13 more affluent states for which Medicaid costs have historically been split evenly between the federal and state government. In recent years, Medicaid has represented the most rapidly expanding major budgetary item in Maryland.

Unlike many other health facilities, Spring Grove is almost fully funded by the State of Maryland and receives little federal support. According to the Maryland Department of Budget and Management, in FY2012, the State will provide more than 95 percent of the Center's total funding or \$75.9 million of the total \$79.6 million. Remaining income will come from special fund sources such as assisted living services, student training donated funds, employee housing and donations (\$2.6 million); reimbursable fund income or income from other departments, such as the USM-Baltimore, DHMH-Regulatory Services and DHMH (\$1.0 million); and federal fund income, including the school breakfast program and library services program (\$22,092).

- Limited Medicaid Potential

Redevelopment of the Spring Grove campus offers limited opportunities to maximize federal Medicaid dollars. In order to tap federal Medicaid funds, the State must provide funds for Medicaid-eligible services.





Select community mental health services (e.g., outpatient services) would be eligible for matching federal Medicaid dollars. Although the percentage of the match can vary, these services are generally funded at a 50/50 State to federal match.

Several years ago the Maryland Legislature created the Community Services Trust Fund (CSTF), which requires net proceeds from the sale of Mental Hygiene Administration property to be placed in the CSTF. Interest income is to be used to expand community services. Accordingly, proceeds from the sale of Spring Grove property would be placed in the Community Services Trust Fund and invested. The income from those investments could be used to fund mental health community services eligible for Medicaid funding.

The proposed consolidation of the Spring Grove Hospital Center would provide 60 acres available for sale. However, as a practical matter, 60 acres may not be available. UMBC is vying to utilize part of this acreage and recreational purposes represent another potential use. The remaining parcel under a conceptual plan – Parcel J – encompasses 21.9 acres. That is the portion likely to be utilized for mixed-use development. Proceeds would emerge from sale to a presently unidentified private developer.

Based on an estimated land value of \$400,000 per acre<sup>8</sup>, the sale of 21.9 acres could generate \$8,760,000. Were these funds invested at a four percent interest rate, \$350,400 in annual income would be produced<sup>9</sup>. Federal Medicaid matching funds would add another \$350,400 for a total of \$700,800 in eligible community services (additional money available to the CSTF).

### Tax Increment Financing Potential

Tax increment financing or TIF represents an oft-utilized public financing tool available to support community-based investments. With tax increment financing, future tax revenue that will be collected once existing property is improved is typically dedicated to financing upfront infrastructure investments (through the issue of a TIF bond) that enable private investment to move forward. Because TIF allows for the utilization of funds to be generated by the investment itself, it is sometimes referred to as a “self-financing” tool.

In Maryland, State Statute Sections 14-201 through 14-214 provide every municipality and county government the authority to issue bonds backed by the ad-valorem (proportional) tax on the properties developed in a special district. Section 14-206 mandates that the issuer of the bond designate a “development district” and assess the amount of the original assessable base. Section 14-205 states that the proceeds received from bonds can be used for:

1. The cost of purchasing, leasing, condemning, acquiring land or other property in the designated development district area, or as necessary for a right-of-way or other easement to/from the development district area;
2. removal of undesirable material;
3. surveys and studies;
4. relocation of businesses or residents;

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<sup>8</sup>SDAT. Relates to proximate Research Park Drive property.

<sup>9</sup>Four percent is used for illustrative purposes. Interest rates are presently extremely low and 4 percent may be optimistic. As of this writing, the 10-year Treasury is yielding 2.06% (12/9/11; 12:34pm).



5. installation of utilities, construction of parks and playgrounds, and other necessary improvements including streets and roads to, from, or within the development district, parking, lighting, and other facilities;
6. construction or rehabilitation of buildings provided that such buildings are to be devoted to a governmental use or purpose;
7. reserves or capitalized interest;
8. necessary costs of issuing bonds; and
9. payment of the principal and interest on loans, money advanced, or indebtedness incurred by a county or municipality, for any of the purposes set out in the section.

This analysis presumes that the only property tax revenues available to support TIF bonds would emerge from the development's mixed-use component. If 21.9 acres were made available for mixed-use development, an estimated \$1.47 million in Baltimore County property tax revenues would be generated per annum at full build-out. State property tax revenue would take this total to slightly above \$1.6 million.

Based on the assumptions of an annual interest rate of 7 percent and an annual payment schedule of 30 years, the study team estimated the available bonding capacity related to the property tax increment that would be made available to Baltimore County. Total TIF bonding capacity would total \$18.4 million. In other words, this is the money that would be available upfront to invest in infrastructure to support the redevelopment of SGHC.

Exhibit 24 provides a potential amortization schedule over 30 years. Note that by the end of the 30-year period, all TIF bonds would be repaid. Therefore, the tax revenues generated at that time would inure to the benefit of Baltimore County and would not be offset by debt service payments. However, during the 30-year period, annual debt service would total \$1,470,235.

Stakeholders should note that if, for instance, 50 acres were developed as mixed-use, the bonding capacity would rise, perhaps to as high as \$46.3 million.



Exhibit 24. TIF Bond Availability in Baltimore County Based on 21.9 Acres of Mixed-Use Development

Year	Beginning Balance	Interest	Principal	Payment	Ending Balance
1	<b>\$18,415,620</b>	\$1,283,167	\$187,068	\$1,470,235	\$18,228,552
2	18,228,552	1,269,644	200,591	1,470,235	18,027,962
3	18,027,962	1,255,143	215,092	1,470,235	17,812,870
4	17,812,870	1,239,594	230,641	1,470,235	17,582,229
5	17,582,229	1,222,921	247,314	1,470,235	17,334,916
6	17,334,916	1,205,043	265,192	1,470,235	17,069,724
7	17,069,724	1,185,872	284,363	1,470,235	16,785,361
8	16,785,361	1,165,316	304,919	1,470,235	16,480,442
9	16,480,442	1,143,273	326,962	1,470,235	16,153,480
10	16,153,480	1,119,637	350,598	1,470,235	15,802,882
11	15,802,882	1,094,292	375,943	1,470,235	15,426,940
12	15,426,940	1,067,115	403,120	1,470,235	15,023,820
13	15,023,820	1,037,974	432,261	1,470,235	14,591,559
14	14,591,559	1,006,726	463,509	1,470,235	14,128,050
15	14,128,050	973,218	497,017	1,470,235	13,631,033
16	13,631,033	937,289	532,946	1,470,235	13,098,087
17	13,098,087	898,762	571,473	1,470,235	12,526,615
18	12,526,615	857,451	612,784	1,470,235	11,913,830
19	11,913,830	813,152	657,083	1,470,235	11,256,748
20	11,256,748	765,652	704,583	1,470,235	10,552,165
21	10,552,165	714,717	755,518	1,470,235	9,796,647
22	9,796,647	660,101	810,134	1,470,235	8,986,513
23	8,986,513	601,536	868,699	1,470,235	8,117,815
24	8,117,815	538,738	931,497	1,470,235	7,186,318
25	7,186,318	471,400	998,835	1,470,235	6,187,483
26	6,187,483	399,194	1,071,041	1,470,235	5,116,442
27	5,116,442	321,769	1,148,466	1,470,235	3,967,976
28	3,967,976	238,746	1,231,489	1,470,235	2,736,487
29	2,736,487	149,721	1,320,514	1,470,235	1,415,973
30	1,415,973	54,261	1,415,974	1,470,235	0

Source: Sage; Yahoo Real Estate, Comprehensive Mortgage Calculator

### Financing Option for Construction of a New Hospital Building

There are several financing approaches that can be explored for consideration in financing a new psychiatric hospital. Each approach has a potential impact on the State's Capital Debt Affordability Criteria as established by the State's *Capital Debt Affordability Committee* (CDAC). These financing approaches could include:



- General Obligation Bonds issued by the State of Maryland Treasurer's Office
- Capital Lease-backed bonds issued by the Maryland Economic Development Corporation (MEDCO)
- Operating Lease-backed bonds issued by MEDCO and secured with an Operating Lease
- Private financing by a private owner-developer secured with an Operating Lease from the State.

It is beyond the scope of this report to provide any financial analysis of these options, and without a full Program of Requirements for the new hospital with a related cost estimate an analysis cannot be done. If the State decides to construct a new hospital and a Program of Requirements and a cost estimate are developed, at that time the various financial and budgetary impacts of those financing options could be analyzed.

It is important to note that there are a number of competing demands on a limited amount of general obligations bond debt that the State can issue. Recent estimates indicate that there is \$10 billion in demand and a limit of \$5 billion in GO bonds that can be issued over the next five years. Regardless of a financing approach chosen there will be an impact of the State's debt affordability criteria. A large, costly project such as a new psychiatric hospital will have a major impact on the State's debt affordability criteria.

### Summary of Findings

- There are a number of stakeholders who have indicated an interest in using surplus SGHC property. These include Maryland DHMH, Baltimore County, UMBC, and private developers proposing mixed-use development;
- The study team finds that office space and R&D-related space produce the greatest amount of economic and fiscal impact per square foot. However, there is a finite level of demand for these types of square footage and therefore the ultimate mixed-use build out will likely include other components, including retail;
- The opportunities to attract additional Medicaid funding to the campus are limited, but through the Community Trust Fund, additional federal Medicaid contribution could be generated. Specifically, the study team estimates that sale of property to private developers could yield \$8,760,000, which would generate \$350,400 dollars of interest at a 4 percent interest rate. This interest income could be used to attract matching federal Medicaid dollars;
- The increase in property values and Baltimore County property tax collections could support TIF bonds worth \$18.4 million. This is under the assumption that 21.9 acres of the campus would be utilized for mixed-use development.
- If 21.9 acres of the Spring Grove campus were to be utilized as a mixed-use development, fiscal revenues generated could amount to \$2.7 million in income tax collections for the state and \$1.2 million in collections for Baltimore County. In addition, sales tax revenue could approach approximately \$6.2 million annually for the State of Maryland.







**Spring Grove Hospital Center  
Redevelopment Plan  
Charrette Participants  
September 16, 2011**

<b>Name</b>	<b>Title</b>	<b>Agency / Firm</b>
Josh Neiman	Assistant Director for Development	Maryland Economic Development Corporation (MEDCO)
Betsy Barnard	Director, Office of Capital Planning	Maryland Department of Health & Mental Hygiene (DHMH)
Will Andalora	Agency Project Architect	Maryland Department of Health & Mental Hygiene (DHMH)
Ellen Hemmerly	Executive Director	University of Maryland, Baltimore County Research Park
Lynn Schaefer	Vice President, Administration & Finance	University of Maryland, Baltimore County
Lisa Akchin	Associate VP, Marketing & Public Relations	University of Maryland, Baltimore County
Dan Gundersen	Executive Director	Baltimore County - Economic Development
Andrea Van Arsdale	Director	Baltimore County Office of Planning
Barry Williams	Director	Baltimore County Dept. of Recreation & Parks
Will Carpenter, M.D.	Director	Maryland Psychiatric Research Center
David Helsel, M.D.	Chief Executive Officer	Spring Grove Hospital Center
Michael Fisher	Principal-in-Charge	Site Resources, Inc.
Stacy Fisher	Principal	Site Resources, Inc.
Fritz Behlen	Senior Planner	Site Resources, Inc.
James Palmer	Landscape Architect	Site Resources, Inc.
Steve Preston	Designer	Site Resources, Inc.
Chris Bormann	Healthcare Principal	HDR Architecture
Brian Norkus	Design Principal	HDR Architecture
Carl DeLorenzo	Policy Analyst	Sage Policy Group, Inc.
Mark Herkersman	Principal	Brown Craig Turner Architects

Invited but unable to attend:

Mary Sheperd  
Bob Brennan

Deputy Director for Facilities Mgmt. SGHC  
Executive Director & Secretary

DHMH  
MEDCO







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







### CONCEPTUAL LAND BAY KEY

PARCEL	USE	ACREAGE	NOTES
<b>A</b>	RECREATION	8.1 ACRES +/-	
<b>B</b>	RECREATION	7.5 ACRES +/-	PARCEL CONTAINS CEMETERY
<b>C</b>	OFFICE	3.9 ACRES +/-	
<b>D</b>	OFFICE	8.6 ACRES +/-	
<b>E</b>	RECREATION	4.4 ACRES +/-	
<b>F</b>	RECREATION	7.5 ACRES +/-	PARCEL CONTAINS LANDFILL
<b>G</b>	OFFICE	7.8 ACRES +/-	
<b>H</b>	OFFICE	6.8 ACRES +/-	
<b>I</b>	OFFICE	1.8 ACRES +/-	
<b>J</b>	COMMERICAL/ MIXED-USE	21.9 ACRES +/-	
<b>K</b>	OFFICE	8.8 ACRES +/-	
<b>L</b>	SPRING GROVE HOSPITAL	41.5 ACRES +/-	
<b>M</b>	RESIDUAL PARCELS	3.8 ACRES +/-	AREAS COULD BE USED TOWARDS FOREST BUFFER MITIGATION / ADDITIONAL RECREATION OPPORTUNITIES
	FOREST		
	FOREST BUFFER	41.9 ACRES +/-	
	HISTORIC BUILDINGS		
	NON-HISTORIC BUILDINGS		
	PRIMARY ROADS AND ACCESS POINTS	15.4 ACRES +/-	
	SECONDARY ROADS AND ACCESS POINTS		
			
	PATHWAYS		
TOTAL		189.7 ACRES +/-	

Land Bay Concept Plan Option A Legend

### CONCEPTUAL LAND BAY KEY

PARCEL	USE	ACREAGE	NOTES
<b>A</b>	RECREATION	8.1 ACRES +/-	
<b>B</b>	OFFICE	7.5 ACRES +/-	PARCEL CONTAINS CEMETERY
<b>C</b>	OFFICE	3.9 ACRES +/-	
<b>D</b>	OFFICE	8.6 ACRES +/-	
<b>E</b>	RECREATION	4.4 ACRES +/-	
<b>F</b>	RECREATION	7.5 ACRES +/-	PARCEL CONTAINS LANDFILL
<b>G</b>	OFFICE	7.8 ACRES +/-	
<b>H</b>	OFFICE	6.8 ACRES +/-	
<b>I</b>	OFFICE	1.8 ACRES +/-	
<b>J</b>	COMMERICAL/ MIXED-USE	21.9 ACRES +/-	
<b>K</b>	RECREATION	8.8 ACRES +/-	
<b>L</b>	SPRING GROVE HOSPITAL	41.5 ACRES +/-	
<b>M</b>	RESIDUAL PARCELS	3.8 ACRES +/-	AREAS COULD BE USED TOWARDS FOREST BUFFER MITIGATION / ADDITIONAL RECREATION OPPORTUNITIES
	FOREST		
	FOREST BUFFER	41.9 ACRES +/-	
	HISTORIC BUILDINGS		
	NON-HISTORIC BUILDINGS		
	PRIMARY ROADS AND ACCESS POINTS	15.4 ACRES +/-	
	SECONDARY ROADS AND ACCESS POINTS		
			
	PATHWAYS		
TOTAL		189.7 ACRES +/-	

Land Bay Concept Plan Option B Legend







