



SUBJECT: Potential economic benefits of the Hamilton Road – Bunn Street to Commerce Parkway project
DATE: July 1, 2019
TO: City of Bloomington Engineering Division Staff
FROM: City of Bloomington Economic Development Department Staff

The proposed Hamilton Road – Bunn Street to Commerce Parkway Project (the “Project”) would completely link both ends of the existing Hamilton Road corridor (the “Corridor”). The Project will increase the promotion of regional connectivity by linking the east and west sides of the city thus providing an additional safe and efficient route to work and home for many residents of the city and residents of rural communities south of the city.

State Farm is the largest employer in Bloomington with over 14,000 employees split between two campuses in the city. One of the primary beneficiaries of the Project will be the thousands of employees of the State Farm “Corporate South” campus which is located along the Corridor directly to the east of the Project. Upon completion of the Project, these State Farm employees will enjoy a safe and efficient travel path to and from their residences located on the southwest side of the city (Pepper Ridge and Fox Creek subdivisions, etc.) and rural communities south of the city along State Route 51 (Crestwicke subdivision, Village of Heyworth, Village of Wapella, City of Clinton). State Farm Park, an 85+ acre private recreation area, is located along the corridor to the west of the Project. Completion of the Project will improve access to State Farm Park, assisting in the retention and attraction of talent to locate in Bloomington and work for State Farm.

The completion of the Project (a project which has been on hold for many years) is very likely to result in significant new private investment at multiple vacant in-fill development sites throughout the Corridor while also increasing customer traffic and sales at dozens of existing businesses along the Corridor. Projections indicate that traffic volumes along the Corridor will increase once the Project is complete. These increased traffic volumes will be beneficial to existing auto-oriented businesses located throughout the Corridor.

Existing businesses in the immediate vicinity of the Project are especially likely to experience significant traffic increases far outpacing existing daily averages due to the present lack of thru access. West of the Project is essentially a rural lane (Rhodes Lane) and east of the Project is a sleepy light-industrial / commercial cul-de-sac (Commerce Parkway). Completion of the Project will activate the immediate vicinity of the Project area, likely attracting private investment which would lead to increased property values and increased retail and service transactions generating increased property tax and sales tax revenues for the city and other units of local government.

For illustrative purposes, the four sites along the Corridor are detailed below. The present-day condition of each site and potential Project enabled development opportunities are detailed.

Site One: Southeast Corner of Hamilton Road and Bunn Street

This approximately six (6) acre site is presently undeveloped and has been farmed for many years. As farmland, its assessed value for property tax purposes is based on its total agriculture use value as determined by the State Farmland Assessment Review Committee rather than the fair market value of the property. For tax year 2018, this site generated only \$176.90 in property tax revenue for all local taxing districts. Completion of the Project is likely to promote the development of this site for a use other than farmland thus boosting its fair market value post development. Applying a conservative future market value of \$2.00 per



square foot (a comparable value for developed commercial properties approximately 700 to 1,000 feet to the west of this site along the Corridor) would result in the generation of approximately \$15,000 in new annual tax revenue from this site to be shared by the local taxing districts. This projected revenue figure is only derived from the potential increased land value and does not include property tax revenue that would be generated by any future building(s) on this site as market forces at the time of development will dictate the type of building(s) based on the ultimate intended use. This site is zoned B-2 "Local Commercial District" and could support commercial uses including financial, medical, child daycare, retail, and multi-family housing.

Site Two: 1707 E Hamilton Rd – Former Lumber yard south of the intersection of East Hamilton Road and Commerce Parkway

Located at the eastern edge of the Project is a 6.61 acre modern former lumber yard property that is improved with nine (9) buildings all constructed in 1991 with approximately 66,570 square feet under roof. When it was in operation, the lumber yard sold building materials and hardware to contractors and retail consumers. The retail component of the business would likely have performed better had the Project been completed many years ago as originally planned by city officials. Without the completion of the Project in the near future, this site is likely to sit vacant for an extended period due to a lack of visibility and lack of easy access to points west of the city. With the completion of the Project, average daily traffic along the Corridor (and directly in front of this site) will increase, boosting the attractiveness of this site to a potential new user. Completion of the Project will also improve access for this site to I-74 via the Corridor, increasing the appeal of this site to a commercial / industrial user. This site is zoned M-1 "Restricted Manufacturing District" and could support a variety of industrial and commercial / retail uses.

Site Three: Southeast Corner of Hamilton Road and Morrissey Drive / Route 150

This approximately nine (9) acre site is presently undeveloped and has been farmed for many years. It is located adjacent to a fully signalized intersection along State Route 150. All utilities are in place to support commercial development. For tax year 2018, this site generated only \$186.26 in property tax revenue for all local taxing districts due to its classification as farmland. Completion of the Project and the increased average daily traffic traveling by this site would be likely to promote the development of this site for a use other than farmland, thus boosting its fair market value post development. Applying a conservative market value of \$5.00 per square foot (a comparable value for developed commercial properties within the immediate vicinity of this site) results in the potential generation of approximately \$54,000 in annual tax revenue from this site to be shared by the local taxing districts. This projected revenue figure is only derived from the potential increased land value and does not include property tax revenue that would be generated by any building(s) on the site as market forces at the time of development will dictate the type of building(s) based on the ultimate use. Given its "hard corner" location at a fully signalized intersection, this site lends itself to development as a gas station / convenience store, pharmacy, bank, or other auto-oriented retail use which has the potential to generate employment opportunities and retail sales tax related revenues for the city. This site's B-1 "General Commercial District" zoning would support the aforementioned uses.

Site Four: Northwest corner of Hamilton Road and South Main Street / US 51

This approximately 55 acre site located at a fully signalized intersection on the west side of the Corridor was the former site of a regional livestock sales pavilion known as "The Sale Barn"



which was demolished in 2012. This site remains improved with a five (5) acre gravel parking lot and two natural grass soccer fields which the city's Parks & Recreation Department rents from the property owner for community use. The remainder of this site is farmland. The majority of this site has not been annexed into the city despite being surrounded by city-annexed development. All city utilities are in place around the perimeter of this site and it is essentially "shovel ready." The completion of the Project would likely increase the potential development of this site as a major employment / retail center with the potential for multi-family residential development buffering the adjacent established single-family residential development. Completion of the Project would increase the connectivity of this site to the east side of the city thereby increasing exposure of the site to passing motorists, especially State Farm employees who would drive by the site via the Corridor on their way to work and home. Upon annexation, this site would likely be zoned B-1 which could support multiple retail uses including a grocery store, gas station / convenience store, pharmacy, bank, or other intense retail use which would be compatible with the Main Street / US 51 frontage.

This site has been previously identified by city staff as a prime development site for a 15,000 square foot or larger grocery store. The southwest portion of the city is currently designated as a USDA Food Desert. The lack of a grocery store in this area of the city has been reported to be hindering the build-out of established residential subdivisions to the west and reportedly also contributes to a \$10,000 to \$15,000 lower price differential for existing single-family homes when compared to similar homes located on the east side of the city which are closer to existing grocery stores.