Adaptive Reuse of Vacated Hospitals and Healthcare Buildings

A Strategic Approach

Introductions

I. Why Adapt and Reuse
II. How to Execute Success
III. What You Should do Next
Q & A

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Adaptive Reuse of Vacated Hospitals and Healthcare Buildings

Options for Existing Facilities

1. Sell the building
2. Demo and reuse the property
3. Adaptive Reuse

Why Adapt and Reuse

There **IS** Value in an Existing Facility:
1. Value to the community
2. Typically well maintained
3. Fill un-met needs
4. Location. Location. Location.
5. Sustainable

Value to the Community

1. Service Multiple Generations
2. Manage Population Health
3. Prepare for Future Unknown Conditions

A Healthy Community makes a Healthy Tax Base and Fosters a Vital Community
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Typically Well Maintained

- Buildings still in use
- Infrastructure maintained
- Maintained for sale or rehab
- Community acceptance
- Historic significance

Fill Un-Met Needs

- Capacity
- Service lines
- Housing opportunities
- Business opportunities
- Education opportunities
- Daycare
- Research and development
- Civic needs

Location. Location. Location.

- Convenience
- Familiarity
- Proven
- Accessible
- Acceptable
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Sustainable

Comparative Analysis

Adaptive Reuse
- Lower first costs
- Known operational costs
- Known site variables
- Existing utilities
- Existing foundation, core and shell
- Efficiency in planning, design and construction
- Inherent community acceptance
- Immediate catalyst for economic development
- Existing technology

New Greenfield
- Higher first costs
- Unknown operational costs
- Unknown site variables
- New utilities
- New foundation, core and shell
- Ramp up time in planning, design and construction
- Potential community acceptance
- Potential catalyst for economic development
- New technology

Finding the RIGHT Team
- The right EXPERTISE
- The right APPROACH
- The right EXPERIENCE
- The right PURPOSE
- The right PEOPLE
- The right COLLABORATION

Solution Process

Project Validation

Initial Pre-Development & Development Services

Final Development & Construction Services

<table>
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<tr>
<th>DELIVERABLES</th>
<th>Development Recommendation</th>
<th>Certificate of Occupancy</th>
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<tbody>
<tr>
<td>Situation Analysis</td>
<td>Typically 4-6 Weeks</td>
<td></td>
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<tr>
<td>Feasibility Assessment</td>
<td>Typically 12-16 Weeks</td>
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<tr>
<td>Schedule Varies</td>
<td>Schedule Varies by Project Size and Scope</td>
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Phase 1

Project Validation
Consultation Services
• Market Analysis
• Strategic Assessment
• Facility Assessment
• Financing Options Analysis
• Preliminary Project Sizing
• Preliminary Functional Plans
• Site Option Analysis
• Preliminary Site Planning
• Preliminary Economic Analysis
• Preliminary Development Schedule

Well-defined (lower risk)
Situation Analysis / Feasibility Assessment

Facility Assessment

• Site safety
• Operational efficiency
• Community access and use
• Survey of existing finishes
• Life-cycle of systems
• Identify shortcomings
• Establish levels of priority
• Input from engineers
• Itemized maintenance list

Balancing Wants vs Needs


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Phase 2

Initial Pre-Development & Development Services

Contracted Services
• Development Agreement(s)
• Development Schedule
• Building and Site Design
• Building Product Specification
• Final Functional Program
• Final Economic Analysis
• Regulatory Approvals
• Project Documentation
• Guaranteed Construction Cost

A well defined development recommendation (or rejection)

Phase 3

Final Development & Construction Services

Pre-Construction Services
• Prepare Construction Documents
• Bid Administration
• Project Financing
• Regulatory Approval

Construction Services
• Permit Acquisition
• On-Site Supervision
• Construction Coordination
• Cost Control Administration
• Construction Documentation
• Punchlist Preparation
• Construction Finalization

Certificate of Occupancy

Lessons Learned

• Investors
• Investment Pool
• Seed Money
• Preplanning for Success
• Team Abilities
• Guaranteeing Costs
• Leadership Changes
• Political Changes
• Reimbursement Changes
• New Design Options
• Technology Maximization
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Codes Requirements

- Permitting
- Zoning
- Local town ordinances
- DHS
- DSPS
- CMS
- FGI guidelines
  differences and issues

Standards Requirements

- Permitting
- Zoning
- Local town ordinances
- DHS
- DSPS
- CMS
- FGI guidelines
  differences and issues

Phased Move-In Process

- Start planning early – during the design process
- Get the right planning tools
- Get pricing up front and competitively procure FF&E and installation
- Same drill as at home, just more and higher tech
  1. Validate New Space
  2. Pack Up
  3. Clear Out
  4. Move In
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Innovative Solutions

- Skilled Care
- Assisted Living
- Intergenerational Day Care
- Business Office
- Education & Dorm
- Business Incubator
- Civic Center
- Wellness Center
- Clinic

Platteville Mixed Use Development

- 22,000 sf library
- 72-room hotel
- clinic
- 97 parking stalls
- Catalyst for economic development

Senior Living Memory Care Facility

- 388 units including memory care
- Sustainable
- Creative, inclusive financial model
- Industry unique investment group
- Local capital market structure
- Healthcare systems-endorsed model
- Created for all income levels
- High quality care for moderate income residents
- New technology utilized

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Innovative Solutions

Bethany – Waupaca, WI
- 96,000 sf addition; 14,500 sf renovation
- 104 assisted living; 86 skilled nursing
- New, skilled nursing addition
- Converted existing skilled nursing to assisted living CBRF

Future Innovations

- Lean Strategies
- Transportations (ex: impact of driverless cars)
- Robotics
- Patient Tracking
- Remote Telemedicine
- Alternative Energy Functionality

Benefits of Adaptive Reuse

1. Value to the community
2. Front door familiarity
3. Sustainable
4. Known site regulatory issues
5. Faster delivery and fewer headaches!
6. Less site and utilities re-design
7. More acceptable transition
8. Employment opportunities
9. Economic development catalyst
10. Cost savings
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Q&A