

CHC  **NYS**

Community Health Care Association of New York State

Defining New Directions



Conference 2010

Facility Development— Evaluating & Harnessing Opportunities

Presented by:

Jon Denham, Principal

PLAN

ACQUIRE

BUILD

DENHAM
WOLF

Core Concepts

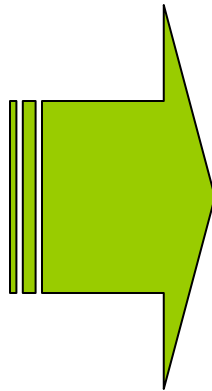
- Real estate should support the organization's mission, not the reverse
- For community healthcare organizations, the purpose of real estate is to improve and/or expand the provision of services
- Developing real estate is a complex multi-year endeavor resulting in multi-decade impacts on the organization
- The capital project development process inherently involves risk and uncertainty, which must be assessed and managed

	Year 1	Year 2	Year 3	Year 4	Year 5
Major Project Phases	Planning				
	Site Exploration & Acquisition				
		Design			
				Construction	

		Year 1	Year 2	Year 3	Year 4	Year 5
Major Project Phases						
		Planning				
		Site Exploration & Acquisition				
			Design			
					Construction	
Major Activities	ORGANIZATIONAL	Org. Development	Org. Development	Org. Development	Org. Development	Org. Development
		Assembling the Team	Assembling the Team	Assembling the Team		
	FINANCIAL	Fundraising	Fundraising	Fundraising & Financing	Fundraising	Fundraising
		CON Process	CON Process	CON Process		
	PHYSICAL	Phys. Programming	Preliminary Design	Final Design	Construction	Construction
		Site Exploration	Site Due Dil. & Acquisition			

		Year 1	Year 2	Year 3	Year 4	Year 5
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		Planning				
		Site Exploration & Acquisition				
			Design			
					Construction	
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	PHYSICAL	Phys. Programming	Preliminary Design	Final Design	Construction	Construction
		Site Exploration	Site Due Dil. & Acquisition			
Typical Consulting Team Members						
		Org. Dev. Consultant	Org. Dev. Consultant	Org. Dev. Consultant		
		Fundraising Consultant	Fundraising Consultant	Fundraising Consultant		
		Real Estate Consultant/ Project Manager	Real Estate Consultant/ Project Manager	Real Estate Consultant/ Project Manager	Real Estate Consultant/ Project Manager	Real Estate Consultant/ Project Manager
		Legal Counsel	Legal Counsel	Legal Counsel	Legal Counsel	Legal Counsel
		Architect/Engineer	Architect/Engineer	Architect/Engineer	Architect/Engineer	Architect/Engineer
			Property Owner(s)	Property Owner(s)	Property Owner(s)	Property Owner(s)
				Construction Manager	Construction Manager	Construction Manager
			Subcontractors/Vendors	Subcontractor/Vendors		

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		Design			
				Construction	
Approximate Capital Cashflow Requirements (assuming total capital budget of \$10 million, incl. reserves, etc.)				\$4,000,000	
				40%	\$3,500,000
					35%
			\$1,500,000		
			15%		
		\$950,000			
		10%			
	\$50,000				
	0.5%				



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