

2011 is already an active year for HSA PrimeCare with exciting new advisory, acquisition and development projects involving our healthcare clients and partners.

Below are some of the highlights from our 2011 projects.

HSA PrimeCare to Develop University of Chicago Cancer Center at Silver Cross Hospital Campus



HSA PrimeCare was selected by Silver Cross Hospital (“SCH”) and The University of Chicago Medical Center (“UCMC”) as its development partner to plan, develop and own a two-story outpatient cancer center on the campus of Silver Cross’ 290-bed replacement hospital located in New Lenox, Illinois. Scheduled to break ground this Spring, the building will comprise approximately 22,500 square feet and will be connected to the hospital.

The facility will feature a state-of-the-art radiation oncology treatment center including a linear accelerator and CT treatment area on the first floor jointly operated by UCMC and SCH. The second floor will house a medical oncology and chemotherapy treatment center operated by UCMC. Throughout the process, HSA has worked closely with UCMC and SCH in providing critical design and cost information to assist in the structuring of the operating partnership. Located prominently in the center of the hospital campus, the facility required a flexible design to allow for future expansion or redevelopment. The project team explored a range of design and material options and their cost implications, identified cost saving design features and assisted the hospital in striking a balance between cost, flexibility and operational objectives.

HSA PrimeCare to Start Construction on Loyola’s Gottlieb Memorial Hospital Outpatient Clinic in River Forest

HSA PrimeCare will soon commence development of a 9,800-square-foot medical office building at the southeast corner of North Avenue and Ashland Avenue in River Forest, Ill., in Chicago’s western suburbs.

The single-story medical building will be fully leased to Loyola University Health System’s Gottlieb Memorial Hospital, which plans to utilize the facility for urgent care, primary care, orthopedic care and radiology outpatient services. HSA Commercial will own and manage the facility.

“We want the best for our patients—and that means providing them with care that is delivered in state-of-the-art facilities that are close to home,” said Patricia “Trish” Cassidy, president, Gottlieb Memorial Hospital. “We have a good working relationship with HSA and we are confident that this project will be successful.”

After extensive market research and planning, Gottlieb Memorial Hospital selected HSA PrimeCare to manage an exhaustive search for infill sites in the densely populated River Forest area. The selected site, located on North Avenue approximately one-half mile west of Harlem Avenue, is occupied by a vacant two-story retail building. This building will be demolished for the construction of the new outpatient clinic and a parking lot with approximately 42 parking spaces. The estimated building completion is scheduled for the fourth quarter of 2011.



PrimeCare Acquires 107,000 SF State-of-the-Art Medical Office Building in Melbourne, Florida



PrimeCare acquired Crane Creek Medical Center, located at 2222 South Harbor City Blvd., Melbourne, Fla., in a joint venture with Chicago-based Harrison Street Real Estate Capital. The 107,000-square-foot, six-story medical office building, built in 2009, was purchased from a joint venture of Milwaukee-based Zilber Ltd. and the building's anchor

tenants, The B.A.C.K. Center and Osler Medical.

The B.A.C.K. Center, a neck and spinal specialty practice led by the renowned spinal surgeon Dr. Richard A. Hynes, currently occupies two floors totaling 68,000 square feet at Crane Creek. The B.A.C.K. Center offers spine surgery, neurosurgery, orthopedic, chiropractic and physical therapy services at this facility. The firm's office suite includes a pharmacy, a medical equipment company and a 6,400-square-foot auditorium in which the practice hosts educational programs and medical seminars. The remaining space is occupied by Osler Medical, a multispecialty medical group based in Brevard County.

"Crane Creek Medical Center is a state-of-the-art medical office building occupied by best-in-class tenants," said John Wilson, president, HSA PrimeCare "As we continue to execute our acquisition plan, these are the types of opportunities we want to pursue."



Mark
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Inside These Walls: Construction Strategies for Medical Office Facilities

From the outside, many medical offices look like conventional office buildings. But a look inside reveals a different story. Competition for patients, changes in healthcare service delivery and the evolution of new technologies have raised the bar for medical office and outpatient center development.

Linear Accelerators utilized for cancer treatment, for instance, often have very demanding structural and technical specifications. These machines, as well as large diagnostic equipment such as magnetic resonance imaging (MRI) machines and computerized tomography (CT) scanners, have increased the need for protective shielding, structural flooring and other special construction strategies.

In planning a medical office facility in New Lenox, Ill., our project team needed to incorporate an imaging practice into the facility design. Optimally, this equipment should be located on an exterior wall with a removable wall panel to easily replace the machine at the end of its useful life. The project presented a challenge in that the MRI needed

to be located toward the center of the building. We first consulted with the manufacturer for detailed information about housing and operating this particular kind of MRI machine. Then, to accommodate the very large and heavy piece of equipment, we installed heavy-duty flooring and structural supports that could sustain the machine's weight. Then, design elements were included to allow for the future removal and replacement of the machine.

Similarly, a cancer center project, in Michigan City, Indiana required a linear accelerator for radiation treatment, which generates high-energy X-rays that are hazardous if not properly contained. To contain the radiation, the treatment room was encased in a concrete vault—as thick as 6.5 feet at its deepest point. A licensed physicist was retained to inspect and approve the design of the linear accelerator vault.

Given the wide-ranging considerations involved, medical office development has become a specialty area. Today's healthcare organizations rightfully expect their project partners to not only be adept at balancing competing objectives, but also to have a deep understanding of the unseen construction strategies essential to a successful facility.

Leasing Update

by Robert Titzer, Executive Vice President



8330 Naab Road, Indianapolis is a 50,000 sf physicians building on the campus of St. Vincent Medical Center. In 2010, two new tenants opened offices in the building: Indianapolis Endocrinology and Dermatology and the Veteran's Administration. The VA center will provide counseling services to veterans and their families.

Silver Cross Medical Office Building, now open on the new Silver Cross replacement hospital campus in New Lenox, Illinois is now 100% leased with the signing of two leases. Southwest Dermatology leased 2,500 sf and Meridian Medical Associates (formerly Will County Medical Associates) leased 3,400 sf for primary care and allergy practices.



HSA PrimeCare continues to provide medical office property management services for **Ingalls Memorial Hospital** at its Family Care Center in Calumet City, Illinois and lease administration services to its physician office buildings in the South Suburban Chicago area. Ingalls Hospital has started construction on a new 34,000 sf addition to its Family Care Center in Flossmoor, Illinois, where HSA is providing leasing services for new physician tenants. Ingalls Health System includes a 563-bed hospital in Harvey, Illinois and a network of outpatient centers servicing the Chicago South Suburban area.

HSA PrimeCare Services

HSA PrimeCare is a division of HSA Commercial and its primary focus is on healthcare providers and hospital systems. HSA PrimeCare provides a full spectrum of services including:

- » Site Selection / Feasibility Analysis
- » Development
- » Leasing
- » Asset Monetization
- » Property Management
- » Finance

BroMenn Medical Center in Bloomington, Illinois

HSA PrimeCare partnered with **Advocate BroMenn Medical Center** in the master planning and programming of a new 90,000-square-foot medical office building in Bloomington, Illinois. BroMenn acquired an eleven acre site in Bloomington in late 2009 to address its strategic business plan to enhance the delivery of care to the east side of the hospital's primary market area. The building broke ground in the Fall of 2010 and is scheduled to open for patients in late 2011. The building will feature all outpatient therapy services; physical, occupational, and speech, an urgent care center, outpatient lab, women's radiology for mammograms and bone density tests.

Children's Memorial Hospital Outpatient Clinic

PrimeCare managed the interior construction of the **Children's Memorial Hospital's** 11,290-square-foot outpatient clinic at the **Silver Cross Health Center** at 1870 Silver Cross Boulevard, New Lenox, Illinois. The facility includes 20 exam rooms, an X-ray/Radiology room, a Procedure/Treatment room, and a fully-functional gym. Premier Design + Build Group were the contractors on the tenant improvement project.



The New Waiting Room: A Healthcare Asset

Until recently, physician practices had little motivation to focus on the waiting room; quality of care was the highest priority. However, today's consumers expect more than just competency.

Studies attest to the positive effect of the "healing environment," a concept that emerged as a concept in hospitals in the 1990s and has recently taken hold in medical office design. For example, a patient's blood pressure tends to be higher when measured in a doctor's office than at home, reflecting the anxiety many patients feel during even a routine check-up. "The Arts of Healing," a 1999 study published by the American Medical Association, showed that, in an in-patient facility, psychologically appropriate art substantially affected outcomes such as blood pressure, anxiety, intake of pain medication and length of hospital stay.

A comfortable environment encompasses not only artwork, but also furnishings, lighting, seating arrangements and even reading material. Residential furniture and softer lighting are more attractive than corporate, providing a relaxing, home-like ambience. Whereas fluorescent lights can make even healthy people appear somewhat ill, table lamps or diffused incandescent lights are warmer and more pleasing. Peaceful nature references, such as a fish tank, windows and pleasant outdoor views, plants or landscape paintings, are highly preferred by consumers, according to a 1997 joint study by The Center for Health Design and The Pickler Institute.

Loyola University Health System decided on a central waiting area for each floor in its new Loyola Outpatient Center in Maywood, Ill. Cozy seating areas create privacy zones for patients and families while providing abundant natural light near expansive windows and corridor areas that allow patients to move about, stretch their legs, and enjoy diverse views while waiting. Furnishings are practical and durable, but stylish enough to emphasize comfort; natural light and outdoor views add to the relaxed environment.

As consolidation continues among healthcare providers, consumers increasingly are seeking providers most able to focus on their specific needs. Thoughtful waiting room design not only provides comfort, but also can help a practice's bottom line.



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