

HEALTH CARE PROPERTIES

Quarterly

Campus-adjacent construction



The Pinnacle at RidgeGate will deliver “campus-adjacent” space to tenants seeking a campus-style location without being in a hospital-owned facility.

by Jennifer Hayes

Adjacent marks the spot for the last significant development parcel at Sky Ridge Medical Center.

National Healthcare Development will break ground in the second quarter on Pinnacle at RidgeGate, an 80,000-square-foot medical office building to be constructed at the entrance to Sky Ridge in Lone Tree.

The site’s location, adjacent to the hospital off Interstate 25 and RidgeGate Parkway, offers a unique opportunity for tenants, noted Jecoa Byrnes, CEO of National Healthcare Realty.

“This is going to be the ideal building for medical practices that want to expand or relocate to Lone Tree and take advantage of a very dynamic health care ecosystem,” Byrnes said. “We are offering tenants the ability to have a premier campus-style location without all of the usual restrictions and com-

plications they would typically encounter in a hospital-owned medical building.

“This is the last significant development parcel around the Sky Ridge Medical Center,” he continued. “Any future medical development will have to take place across the freeway to the east, as the area immediately surrounding the hospital is now either built or under development.”

The “campus-adjacent” location also is a plus to tenants as it allows not only providers the convenience of being just a few steps from the campus but also allows tenants much more flexibility in terms of how they practice and how they affiliate with the hospital, added Byrnes.

“There is substantial interest from medical practices that want to be near the hospital but not necessarily buried inside the campus without signage and parking. We also are offering physician invest-

ment, which is something that the doctors can’t get by leasing space on the hospital campus.”

“We will be easy to find at the doorstep to the main hospital campus” said Rick Needham, president of National Healthcare Development. “Not only will we be the most convenient option, but we are creating a project that offers great parking and really well-designed floor plans to make the patient and provider experiences exceptional.”

The three-story building offers floor plates of approximately 26,600 sf – highly sought-after from medical practices that are growing in size and, consequently, need larger offices, said Byrnes, who is handling preleasing of the project.

Currently, only a few suites remain on each floor. Expected to be complete in summer 2019, Pinnacle at RidgeGate’s first tenant is Colorado Orthopaedics, which signed a 10,000-sf lease at the building. Additional tenant names

will be announced this spring and will include tenants new to the area as well as existing tenants that are moving from the hospital campus or from older medical offices nearby.

Lease rates for Pinnacle at RidgeGate aren’t being disclosed, however, “The developer worked hard to be able to offer competitive lease rates in the area for tenants who otherwise would be leasing second- and third-generation space as opposed to brand new Class A medical office space,” added Byrnes.

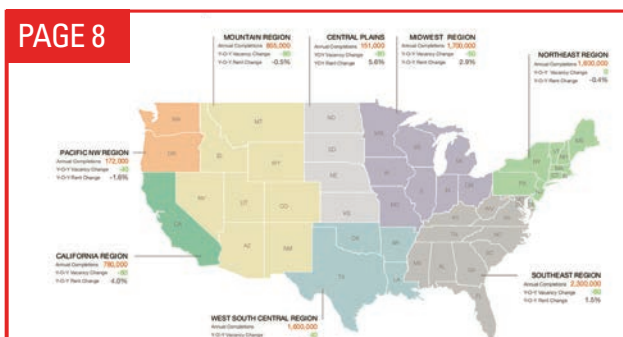
Boulder Associates is the project architect. Fransen & Pittman is the general contractor.

The development of Pinnacle at RidgeGate helps meet the need for MOB space in the market, National Healthcare emphasized as the city benefits from not only job creation efforts that have spurred an already

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INSIDE

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Activity tracker

A statistical look at where the metro Denver medical office market stands

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Migration

The migration of hospital service lines to outpatient facilities is driving demand

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Senior Housing

A peek at the development, openings and sales shaping the senior housing market

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Letter from the Editor

A look at health care in 2018

It's hard to believe that it's already 2018 and another Health Care Properties Quarterly is published!

The health care and senior property market was one of Colorado's strongest asset classes in 2017 and it will be interesting to see what this year brings and how everything from health care reform to taxes influences the industry.



It also will be interesting to see what new trends will shape the market and which will continue to impact the design, construction and location of health care properties in Colorado.

The first issue of the year takes a look at the recent activity within the market, including new projects coming out of the ground. As always, it seems the Denver metro area has a multitude of medical office buildings and senior living projects taking shape as well as hospital systems growing and expanding their presence on existing and new campuses.

As part of this growth, UCHHealth shines a spotlight on what the health system is doing in Colorado, in particular its goals to bring high-quality health care closer to home.

The movement to bring health care closer to home and that result also is discussed by Hord Coplan Macht, specifically how the move-

ment of hospital services lines from inpatient to outpatient facilities is shaking up the demand and design of these facilities and what are important considerations to factor in the decision-making process.

This issue of HCPQ also offers a glimpse at hot topics regarding health care properties from the contractor and engineering perspective.

Catamount Constructors examines what is driving health care technology and what role contractors play in this evolving aspect of the industry while BCER Engineering looks at the balance between fire and life safety with the aesthetics of a facility.

Additionally, the issue shares a look at the senior and housing care market, including a new series by Brownstein Hyatt Farber Schreck.

The law firm shared the first part of a series of articles discussing real estate issues that are unique to senior living facilities transactions. It's a great new addition to the quarterly, which also looks to the challenges in designing spaces for seniors that foster healthier residents as well as engagement with the great outdoors and the difficulties in retaining top executive directors for senior living and skilled nursing communities.

As always, thank you for reading!

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Pinkard Construction breaks ground in Boulder

Construction manager Pinkard Construction, with owner Frasier Meadows and Hord Coplan Macht Architects, recently held a celebration and blessing of Frasier Meadows' upcoming master plan expansion.

The event kicked off the \$90-plus-million (soft costs) construction project with a ceremonial demolition of the flood-damaged assisted living building on Frasier's 20-acre Boulder campus.

"Truly, Frasier's past is the foundation that inspires our future dreams. After the devastating 2013 flood that greatly affected us, a new genesis of our master plan began to take shape. It's been four years of planning and working with the residents, staff, the city and our master plan partners to arrive at this point – and we couldn't be more pleased for the future of Frasier," stated Frasier President Tim Johnson.

For the ceremonial demolition of the old assisted living building, residents, guests and staff were allowed to take turns operating huge backhoes to take "swipes" at the old building.

Designed by Hord Coplan Macht Architects, Frasier's master plan expansion includes 98 additional independent living apartments, a new arts and education building, an expanded wellness center and extensive renovations of dining venues.

Frasier is Colorado's only CARF-accredited continuing care retirement community. It is located at 350 Ponca Place in Boulder.

Littleton medical office building trades at 7.82 percent cap rate

A medical office property at 7325 S. Pierce St. in Littleton recently sold at a 7.82 percent cap rate.

The unidentified buyer paid \$2.33 million, or \$177.34 per square foot, for the more than 13,000-sf building.

Built in 1984, the property has undergone numerous capital improvements over the past year.

Pinnacle Real Estate Advisors



Frasier Meadows

The Frasier Meadows master plan expansion will include 98 additional independent living apartments.

LLC's Jeff Johnson, co-founder and principal with the Johnson Ritter Team, represented the seller in the transaction.

"After completing extensive renovations to the property and stabilizing the tenant base, the seller was able to offer the buyer a true turnkey investment property," stated Johnson.

Pinnacle also recently announced the sale of the Metro Urgent Care located at 7320 N. Federal Blvd. in Westminster.

The 4,018-sf building sold for \$1.7 million, or \$423 per sf.

Rob Edwards and Tom Ethington, principals of the firm, represented the seller in the transaction.

"We received a lot of interest on the property given the Metro Urgent Care is strategically located along a major retail corridor that sees over 55,000 vehicles per day, coupled with a brand new 7-Eleven and Starbucks currently under construction next door," stated Edwards.

"The seller was pleased in our ability to find an all-cash buyer who was willing to close quickly within 98 percent of list price."

Leisure Care, MGL partner on Belleview Station project

Seattle-based senior housing management company Leisure Care has partnered with local development firm MGL Partners to bring a new, contemporary senior living option to the Belleview Station area in May.

Offering independent living, assisted living and memory care services, The Carillon at Belleview Station will provide residents with a modern and active environment featuring high-end amenities commonly associated with a luxury hotel.

"We are looking forward to our new residents seeing firsthand what it feels like to live in a Leisure Care community," said Terry Raisio of Leisure Care. "And we are very happy to extend The Carillon brand to the Denver market after an extremely successful partnership with MGL bringing The Carillon at Boulder Creek to fruition."

Located in the Denver Tech Center's mixed-use Belleview Station neighborhood, residents will have

convenient access to the Belleview Station light rail and the surrounding neighborhoods. Amenities include a ground-floor restaurant with open views to the kitchen and chefs, and fireside seating. The Carillon at Belleview Station will feature a wellness suite on the second floor with a salon and spa, in addition to a fitness center. Residents also will enjoy views of the mountains from the 1,500-square-foot sky lounge on the top floor, which includes a full-service bar, TV and an outdoor terrace. Valet services also are available.

"We are excited to bring a new contemporary, stylish and comfortable option to Denver seniors who want to live in a transit-oriented neighborhood with lots of retail options nearby, such as restaurants, shopping and more," said Mike Gerber of MGL Partners. "It's also a convenient location for those who have family members working in the nearby areas."

Managed by Leisure Care, The Carillon at Belleview Station will feature six floors and 163 apartments, including 139 independent and assisted living suites and 24 memory care suites. Leisure Care also brings its lifestyle-enhancing services, including its signature health and wellness program and a full-service in-house travel agency.

Model apartments will be available to view in February at the project at 4855 S. Niagara St. in Denver.

CA Senior Living starts work on Atria Englewood community

CA Senior Living LLC, the senior housing investment and development division of Chicago-based CA Ventures, recently started construction on Atria Englewood, a seven-story, 130-unit senior living community in Englewood.

Atria Senior Living will operate the community, which will offer a mix of assisted living and memory care apartments when it opens in summer 2019. Atria is a leading operator of independent living, assisted living, supportive living and memory care communities, with nearly 200 locations across the U.S. and Canada, including two in the Denver area and a third in Longmont.

"The acquisition of this site in a dense, affluent community near Denver reflects our commitment to



The more-than-13,000-square-foot building in Littleton sold as a turnkey investment.

Health Care News



The seven-story Atria Englewood will feature 130 senior living units.

delivering high-quality senior housing with the added benefit of proximity to urban conveniences,” said Ben Burke, president of CA Senior Living. “It’s exciting to bring our expertise in senior housing development to a part of Colorado with such high demand.

“The surrounding south Denver neighborhoods of Washington Park, Platte Park and Harvard Gulch began to flourish in the years following World War II and many residents have remained in the area over the years,” Burke continued. “As home values continue to rise in these sought-after neighborhoods, seniors are selling their homes and gravitating to more supportive, connected environments like Atria Englewood.”

When complete, Atria Englewood will offer a total of 106 assisted living apartments, with floor plans ranging from 380 to 1,200 square feet across a mix of studio, one- and one-bedroom-plus-den configurations, each with one bath. Assisted living units will feature in-unit washer/dryer and full kitchens. The apartments also will showcase condominium-quality finishes, such as quartz countertops, stainless steel appliances, oversized windows and high ceilings throughout.

The remaining 24 apartments will form the community’s secure Life Guidance memory care neighborhood. Residents who live in this portion of the community will benefit from an individualized approach to service and care, drawing on each resident’s personal history.

Atria Englewood also will incorporate cutting-edge technologies into the daily lives of residents. First-generation, wearable devices will enhance resident safety and well-being, monitor activity participation and measure staff efficiency, while virtual reality technology will be introduced into the community to foster social engagement and encourage learning.

“Our vision for the site challenged conventional wisdom of placing building amenities near the main entry,” said Matt Booma, executive vice president of CA Senior Living. “The views from the upper floors will be tremendous, so we programmed common areas on those levels as well. The thoughtful design decisions will enhance the

daily experience for our residents while the buildingwide technology will help maximize safety and engagement.”

The upper-floor amenities at Atria Englewood will include a rooftop terrace with fire pits and a sky lounge with scenic views of the Rocky Mountains. Other amenities will include separate dining and activity spaces for assisted living and memory care residents. Assisted living residents also will have access to a bistro/lounge and café for casual dining, as well as a theater, activity kitchen and club room, where they can socialize with neighbors and host family and friends. Assisted living and memory care residents will be able to enjoy separate outdoor courtyards.

The community is just one block from Swedish Medical Center, and as a midrise building set among other homes and businesses, including additional dining and retail options, Atria Englewood will offer residents the connectivity and convenience of suburban living just outside of a major metropolitan area.

“Our plan is to acquire additional infill sites in select markets throughout the country and build senior communities that, like Atria Englewood, are vertically oriented,” Booma said. “In addition to offering a more urban setting for residents, this strategy also addresses labor challenges facing senior communities in many markets. The adjacency to public transit provides access to a much deeper talent pool, which in turn enhances the residential experience.”

“We are excited to partner with CA Senior Living once again and bring our signature, industry-leading standards of service and quality to Atria Englewood,” said John Moore, chairman and CEO of Atria Senior Living. “The project puts us in a position to serve even more Denver families and expand our management services portfolio.”

Topping out held for expansion of St. Francis Medical Center

In November, GE Johnson and Penrose-St. Francis Health Services gathered with the community to

celebrate the topping out of an expansion project at the St. Francis Medical Center in Colorado Springs.

The additions to the hospital along East Woodmen Road include 168,580 square feet of new construction, comprising a four-story expansion and a new garden level that will feature covered parking and an emergency medical services lounge.

The first floor will be home to a new emergency department and additional shell space, while the second floor will add three new operating rooms, support space and additional shell space for future expansion. The third floor will include a wellness garden, neonatal intensive care unit expansion and ante partum rooms. The fourth floor will remain an area devoted to mechanical space.

“We’ve been working alongside Penrose-St. Francis Health Services for many years, so the chance to join them in bringing critical services to northeast Colorado Springs is incredible,” said Fred Wolfe, construction executive for the project. “We are using the integrated project delivery method, which allows us to work much more closely with all our project partners. It’s truly a special project to be a part of.”

Work began on the project in May and is on track for completion in early 2019.

New medical office campus coming to Colorado Springs

Plans are underway for a new medical office campus on the north side of Colorado Springs, adjacent to the expanding UC Health Memorial North Campus.

Mortenson Development in a joint venture with Realty Management Group recently announced plans to build a multiphased medical office campus at the intersection of Union Boulevard and Powers Boulevard, across from the UC Health Memorial Hospital and future Children’s Hospital of Colorado.

The project, formally known as the Pine Creek Medical Center, will include up to 50,000 square feet of Class A medical office space in the first phase.

Mortenson Development has

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The St. Francis Medical Center addition includes 168,580 square feet of new construction.

Health Care News

Continued from Page 5

selected National Healthcare Realty to be the exclusive broker to handle the marketing and preleasing of the new campus.

“Colorado Springs and most of northern El Paso County haven’t seen much in the way of new medical office building development in recent years” said Jecoah Byrnes, CEO of National Healthcare Realty.

“The hospital has performed very well under the UC Health brand, and there is a renewed interest by physicians who want to be near the hospital campus and in close proximity to their growing patient base. Add to that the overall lack of availability in the area, and we have received a very positive response from the local medical community.”

“Our location is really unmatched in the market” said Taber Sweet, development executive with Mortenson Development. “Our JV partner, Realty Management Group, had the long-term vision for this land and collectively, we have been able to create a very thoughtful health care project in a strong retail corridor. Now with the recent news of the Powers extension continuing north to Interstate 25, our location is just that much more accessible to people living north of the city in places like Northgate, Monument, Gleneagle and Black Forest.”

Davis Architects was awarded the design contract and Mortenson Construction will be the general contractor.

The first phase of the project is scheduled to break ground in the second quarter.

Avenida Partners starts work on Lakewood community

Avenida Partners LLC has begun construction of a 230-unit community for active adults age 55 and older in metro Denver.

KTGY Architecture + Planning designed the four-story Avenida Lakewood, located just 6 miles from downtown Denver, on 6.09 acres at the corner of Colfax Avenue and Owens Street.

Avenida Lakewood is the centerpiece of the Oak Station Marketplace mixed-use development serving the newly constructed Oak Station along the W light-rail line and it is within walking distance to King Soopers, as well as other shops and restaurants.

“This handsome 55-plus community embraces both Rocky Mountain and Denver skyline views, while giving residents vibrant living

options through upscale amenities on site and connections to what the entire metropolitan region offers a nearby access to the Oak light-rail station on the W Line,” said Terry A. Willis, AIA, LEED AP, principal of KTGY.

Avenida Lakewood features three garden courtyards, a wide variety of interior amenities and activities happening all day, every day.

“What makes Avenida Lakewood



The Avenida project will be located at the corner of Colfax Avenue and Owens Street in Lakewood.

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unique is its 'S'-shaped configuration organized around three distinct and lushly landscaped courtyards, for active, passive, pool and poolside activities topped-off with the rooftop sky lounge with private indoor/outdoor entertainment areas with views of the Rocky Mountain foothills and the downtown skyline, an exceptional feature in this area," stated Willis.

"Residents of Avenida Lakewood will enjoy resort-style amenities and beautiful, modern apartment homes without the responsibility of ownership. The goal is to make the residents' lifestyle as luxurious and effortless as possible, so they can enjoy every day to the fullest," said Robert D. May, managing partner with Avenida Partners.

Willis noted that Avenida Lakewood's design accommodates the slope of the site by creating a lower level at the bottommost end of the site and increasing the ceiling height in the amenity space at the center of the site. "The amenity space wraps the central courtyard boasting a heated saltwater pool, spa and outdoor dining, while the interior offers residents access to yoga and fitness rooms, beauty salon, lounge, TV room and movie theater, arts and crafts room, bistro/dining hall, living room, business center and conference area," Willis said.

Other community amenities include an elegant great room, pub and game room, dog park, outdoor patio and barbecue grills, garden plots, shuffleboard area and walking trails.

The apartment homes at Avenida Lakewood range in size from 793 to 1,238 square feet and include a mix of 92 one-bedroom apartments and 138 two-bedroom apartments. Some

of the apartment features include a private balcony, granite countertops, wood cabinetry with designer hardware, stainless steel appliances, and a washer and dryer in all homes.

"There is a tremendous demand for more senior housing as our population ages," said May. "And, by allowing Avenida Lakewood residents to choose which amenities and services they pay for rather than paying for what they don't use, seniors can make their money go much further. We hope to set a new higher standard for active-adult living in the Denver metro area with the debut of Avenida Lakewood."

The community is set to open in spring 2019.

HREI honors Denver-based NexCore Group

Denver-headquartered NexCore Group was honored as a winner in Healthcare Real Estate Insights magazine's annual national awards program.

The firm, which developed the Women's Care Florida Women's Health Center in Tampa, Florida, took top honors in the Best New Development, Medical Office Buildings and Other Outpatient Facilities, 50,000 to 99,999 square foot category.

Who's News

James W. Parker joined **MorningStar Senior Living** as new chief operating officer.

Parker has more than 30 years of operational and development expertise in the senior housing industry.

"We chose Jim after an extended national search for the ideal candidate, and are now honored to position him in this key leadership role. Jim will



James W. Parker

make it his central priority to lead from the foundation of our core values, and is committed to upholding our three-fold mission as the guiding principles of this company," said Ken Jaeger, founder/CEO of MorningStar.

For the past 10 years Parker has worked in leadership within the operations, finance and development of Spectrum Retirement Communities LLC, most recently as senior vice president of development and capital markets. In support of its communities, his transaction experience covers the breadth of investment profiles, including complex repositioning of turnaround properties, ground-up development, operations and acquisitions of stabilized core assets.

Earlier in his career, Parker served for 10 years as chief financial officer for Continuum Health Partnerships.

He graduated from the University of Northern Colorado with a Bachelor of Science degree in accounting and a Master of Business Administration.

Rob Stieg and **Kyle Robbins** joined Denver-based **NexCore Group** as senior vice presidents, design and construction.

In their new roles at NexCore, Stieg and Robbins are responsible for all aspects of project management, including delivery, selection and management of design and construction disciplines, budgeting and forecasting, schedule management, process workflow, and the entitlement and due diligence process.

Stieg has enjoyed a 26-year career involving design and construction, project management, operations and



Rob Stieg

marketing strategy for many real estate projects across the country in health care, education, and the oil and gas industry. His health care experience has involved working with a multitude of health systems including Affinity Health Systems,

UCHealth and Baycare Health Systems.

Stieg holds Master of Architecture and a Bachelor of Environmental Design degree from Miami University Ohio.

Robbins brings more than 21 years of experience in the design, construction and development of real estate projects, with a primary focus on the health care industry.

His broad scope of project experience includes health care, high-tech, critical facilities, laboratory, hangar and flood control projects. His renovation and construction projects for health care clients such as Kaiser Per-



Kyle Robbins

manente, Adventist Health and John Muir Health include surgery, radiology, emergency, trauma, patient rooms, pediatrics, wound care, cancer treatment, acute care, pharmacy, dietary and dialysis facilities ranging in value from \$100,000 to \$260 million.

Robbins earned a Bachelor of Science degree in construction engineering management and a minor in business administration from Oregon State University. He is also an OSHPD Class A Healthcare Inspector and a LEED Accredited Professional.▲

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Market Update

A look at recent numbers defining the metro Denver and national medical office building market

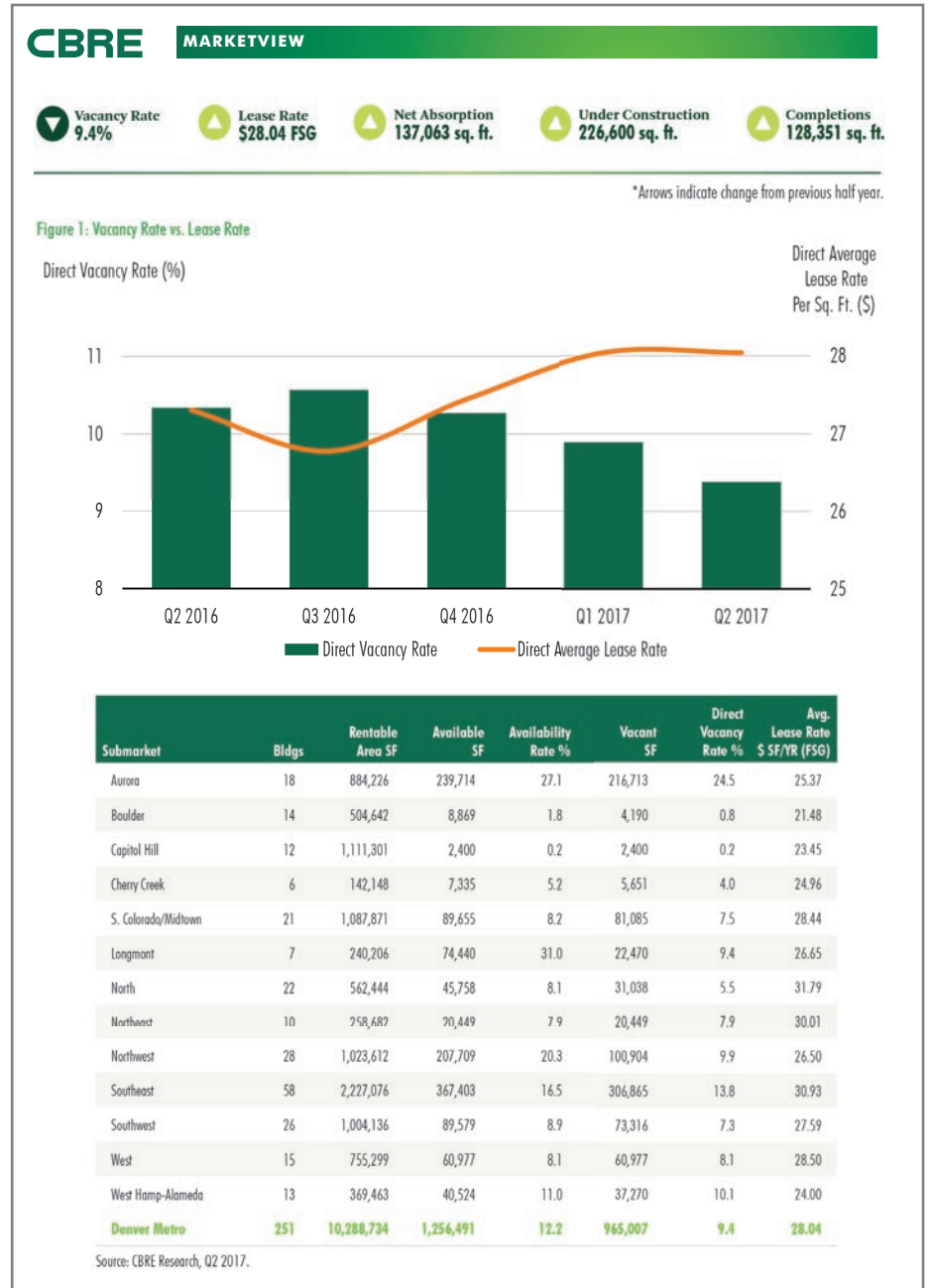
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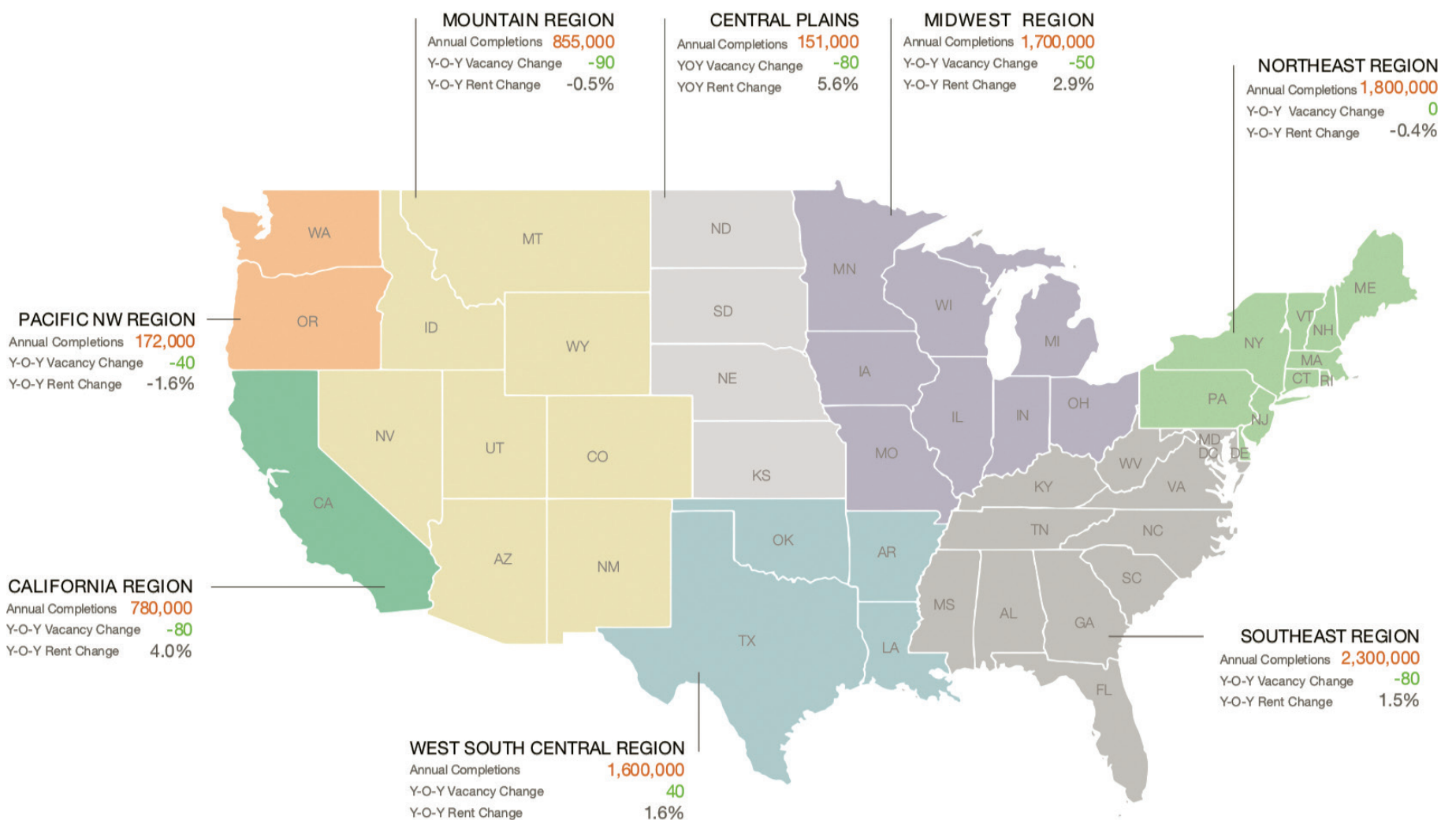
Metropolitan Denver MOB Submarket Comparisons 4Q17

Submarket Type	# of Bldgs	Total SF	Vacant SF	Vacancy %	4Q17 Absorption	YTD Absorption	Weighted Average Rental Rates*
Aurora	18	859,226	61,917	7.21%	-216	49,775	\$23.49
Off-Campus	11	342,573	12,635	3.69%	-3,088	37,215	\$21.50
On-Campus	7	516,653	49,282	9.54%	2,872	12,560	\$24.00
Boulder/Longmont	20	583,095	4,249	0.73%	4,665	18,221	\$24.96
Off-Campus	14	339,607	4,249	1.25%	4,665	18,221	\$24.96
On-Campus	6	243,488	0	0.00%	0	0	N/A
Central	52	3,285,195	150,807	4.59%	-16,673	27,493	\$29.21
Off-Campus	30	1,114,437	69,763	6.26%	-22,217	34,741	\$30.08
On-Campus	22	2,170,758	81,044	3.73%	5,544	-7,248	\$28.46
Northeast	17	539,635	32,684	6.06%	-4,789	18,762	\$24.33
Off-Campus	13	235,843	30,714	13.02%	-4,789	16,972	\$29.18
On-Campus	4	303,792	1,970	0.65%	0	1,790	N/A
Northwest	42	1,271,113	94,548	7.44%	-11,240	-5,785	\$28.44
Off-Campus	35	761,341	54,808	7.20%	3,413	10,634	\$25.44
On-Campus	7	509,772	39,740	7.80%	-14,653	-16,419	\$32.57
Parker/Castle Rock	16	351,062	33,151	9.44%	-2,096	9,008	\$27.13
Off-Campus	14	255,874	26,372	10.31%	-4,523	4,704	\$25.84
On-Campus	2	95,188	6,779	7.12%	2,427	4,304	\$32.14
Southeast Suburban	44	1,992,508	246,927	12.39%	-48,561	6,664	\$25.51
Off-Campus	37	1,526,921	164,772	10.79%	-6,726	40,386	\$25.93
On-Campus	7	465,587	82,155	17.65%	-41,835	-33,722	\$24.67
Southwest	13	455,195	66,632	14.64%	-10,641	20,258	\$25.18
Off-Campus	13	455,195	66,632	14.64%	-10,641	20,258	\$25.18
West	27	1,040,524	90,586	8.71%	5,472	-7,702	\$20.92
Off-Campus	20	623,330	59,834	9.60%	5,472	-15,442	\$17.71
On-Campus	7	417,194	30,752	7.37%	0	7,740	\$27.18
Totals	249	10,377,553	781,501	7.53%	-84,079	136,694	\$25.46
Off-Campus	187	5,655,121	489,779	8.66%	-38,434	167,689	\$25.09
On-Campus	62	4,722,432	291,722	6.18%	-45,645	-30,995	\$28.17

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System Spotlight

Fast-growing areas spurring need for physicians

As Colorado expects to gain 3 million new residents between now and 2050, Aurora-based UHealth is bringing board-certified family and internal medicine providers to communities where growth is prompting the need for more primary care physicians.

The strategy centers around the goals of bringing high-quality care closer to home. In the southeast metro Denver community of Castle Rock, UHealth Castle Rock Medical Center already is providing patients with primary care, urgent care, occupational medicine and physical therapy. In southwest Denver, UHealth Sterling Ranch Medical Center is being built – part of a new residential master-planned community in Douglas County to which more than 30,000 people are expected to move to within the next 20 years. The medical center, which also will offer primary care, urgent care, occupational medicine and physical therapy, is located next to the community's welcome center and will offer Sterling Ranch residents access to all the leading-edge care associated with the UHealth system when it opens later this year.

Also on the horizon is UHealth Highlands Ranch Hospital, set to open in early 2019. Mortenson Construction is the general contractor on the project. Located near Lucent Boulevard



Diane Cookson
President,
UHealth
Highlands Ranch
Hospital

and C-470, the full-service hospital will feature a Level III NICU, cancer center, advanced cardiac services, women's services and an intensive care unit. It will offer patients being seen at Castle Rock and Sterling Ranch medical centers – as well as at a number of other primary care locations nearby – access to advanced medicine and clinical trials not offered anywhere else along the Front Range.

And, right in the Cherry Creek neighborhood of metro Denver, UHealth is building a specialty care facility that will open in late 2019. UHealth Cherry Creek Medical Center will offer services close to home for patients already seeing primary care and urgent care providers at nearby UHealth Steele Street Medical Center and elsewhere.

In addition, the health system is welcoming new providers either as new hires or as independent practices choosing to join UHealth. Providers may be a part of UHealth

'Our mission and the mission of population health really is to help manage the health of our patients so they are healthy – so they are staying out of the hospital and living extraordinary.'

-Will Cook, UHealth University of Colorado Hospital

Medical Group or the University of Colorado School of Medicine faculty. Since February, nine UHealth primary care practices – with multiple providers – have come on line or are about to – and that's just in the Denver metro area alone. UHealth is investing in additional practice opportunities in Greenwood Village, Broomfield, Highlands Ranch, Parker and Littleton, to name a few.

Additional clinics have on-boarded and continue to do so in both

Southern and Northern Colorado. The challenge is just keeping up with the growth of neighborhoods.

"We know that it is difficult in various areas for patients to find primary care doctors and find practices that are accepting new patients," said UHealth University of Colorado Hospital President and CEO Will Cook. "It is important for UHealth to bring highly qualified primary care providers to these communities – specifically inside the communities – where our patients live, work and play. And our electronic medical record system integration provides a seamless transition of care when patients are referred to a UHealth specialist."

• Why are primary care physicians so crucial? "Routine visits with a primary care doctor are the key to maintaining your health," said Dr. Mihir Patel, a Castle Rock resident and family medicine physician who is caring for the community's patients at UHealth Castle Rock Medical Center.

"Through regular preventive care screenings and physicals, we assist patients in learning how to lead a healthier life. We coordinate care with specialists as needed, keep an eye on all medications that a patient might be using, and recommend changes in diet or lifestyle to promote longevity and wellness."

Through UHealth Integrated Network, dozens of facilities and over 2,000 providers have come together to advance the health of people throughout Colorado.

"We focus on developing models of delivering care that better the health of the entire patient population while improving health outcomes, patient experience, provider and staff satisfaction, and the affordability of health care. This allows our participating providers to focus on putting their patients first," said Jean Haynes, UHealth chief population health officer.

The clinically integrated network of providers and health care facilities, which formed in 2016, aims to improve care coordination among its partners to manage costs and improve the quality of care for patients.

"Our mission and the mission of population health really is to help manage the health of our patients so they are healthy – so they are staying out of the hospital and living extraordinary," Cook said. "Patients are excited that they don't have to drive hours and hours to get to UCH for care we are now providing in their communities." ▲



UHealth Highlands Ranch will open in early 2019.



UHealth also is building a specialty facility in Cherry Creek.

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Design

Impact of move from inpatient to outpatient settings

A significant trend in the health care industry is the migration of hospital service lines from inpatient to outpatient facilities, which is creating a churn in demand for outpatient facilities.

Several key factors, including reimbursement requirements, regulatory requirements and design influences, will affect costs and leasable rates for these facilities and should be considered in the decision-making process when acquiring an existing building or constructing a new facility.

• **Reimbursement from Centers for Medicare and Medicaid Services.**

If a tenant is licensed through the hospital and receiving reimburse-



Tina L. Du Mond,
AIA, ACHA,
EDAC, LEED GA
Senior health care
architect, Hord
Coplan Macht,
Denver

ment from CMS, it is possible for that to drive up the cost to build or renovate an outpatient center. Recent rulings from CMS and The National Fire Protection Agency should be taken into account.

• **Freestanding emergency departments and ambulatory surgery centers.**

The increased patient acuity in freestanding EDs and ASCs drive stricter health care and building



Jim Albert,
AIA, ACHA,
EDAC
Principal, Hord
Coplan Macht,
Denver

code requirements. This, in turn, affects the type of construction and structural system that may be used for the building. Retrofitting an existing multistory medical office building for these uses adds challenges and expense with the required upgrades, regulatory requirements and separation

from nonreimbursed-based tenants.

• **Retail centers.** Vacant retail centers and big-box stores are a great opportunity for hospitals to relocate outpatient services. They are frequently located close to the patients they are trying to attract, and the large, open floor plans allow for flexible, multidisciplinary centers. One caution is that mechanical, electrical and plumbing requirements may require upgrades to these systems.

• **"Right-sized" design.** Today's outpatient facilities have what is known as a "sweet spot" for size and height that enables the building to attract and keep reimbursed licensed hospital-based tenants. With the current inpatient to outpatient migration trend, we have seen or likely will see the following services migrate out: ambulatory surgery, oncology, digestive health, sports performance and cardiovascular services.

Several of these services will alleviate the current inpatient burden on hospitals, which in turn will create a more cost-effective model for hospitals when done in an outpatient setting. CMS has finalized an increase in payments for hospital outpatient services and the trend is for hospitals to see an uptick in payment rates for outpatient services that are imaging services and nondrug related.

Additional design considerations for efficient and effective outpatient facility design include:

• **Floor-to-floor height.** Floor-to-floor heights are highly critical for many reimbursed licensed hospital-based practices, as well as nonreimbursed practices, such as imaging departments and freestanding emergency departments. Renovated multistory buildings may not be able to meet these required heights, which may drive large hospital tenants to new construction or former retail settings.

• **Tenant square footage.** As hospitals move to provide an integrated model of outpatient care, their space requirements within a single lease can easily exceed 10,000 to 15,000 sf. The larger footprint allows for an improved patient experience by offering a mixture of services and a one-stop-shop for patients outside of the hospital. Smaller, less flexible spaces may go unleased for long periods of time or cause frequent turnover.

• **Depth of space.** Depth of space and common areas should be designed to create the best square



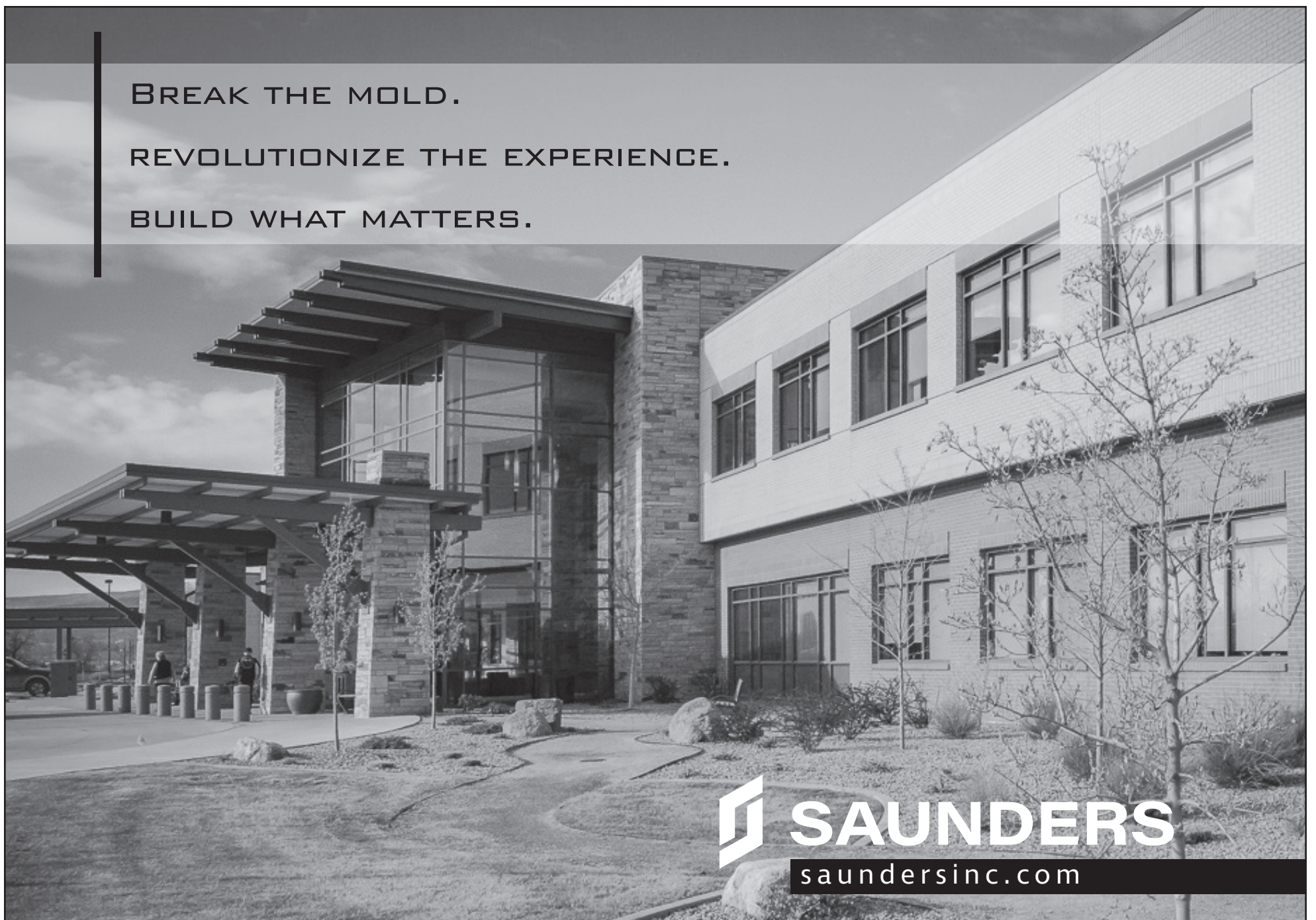
The trend of hospital services lines migrating from inpatient to outpatient settings continues to impact demand for outpatient facilities.

Please see Du Mond, Page 23

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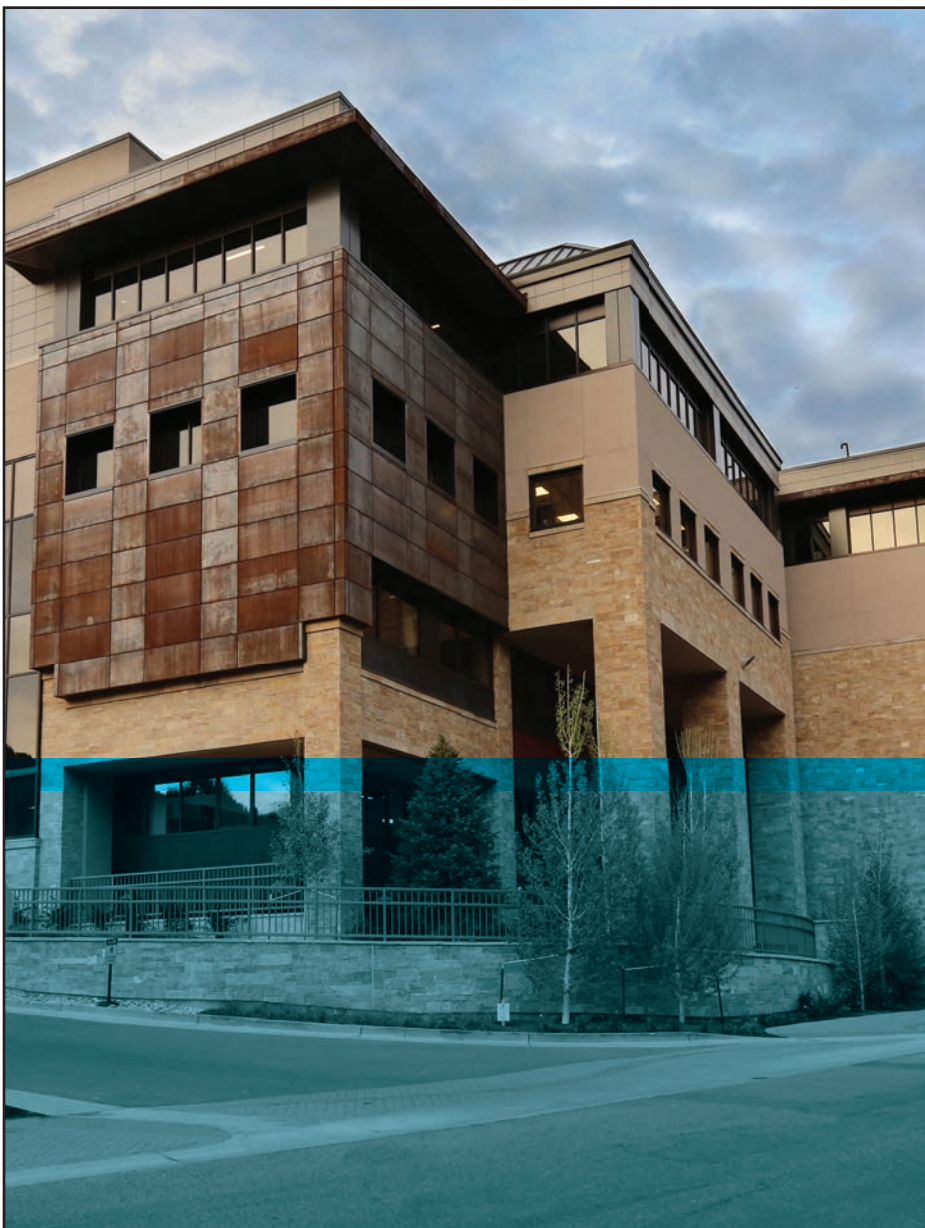
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Construction

The contractor's role in health care technology

“Technology made large populations possible; large populations now make technology indispensable.”
- Joseph Krutch

Although writer Krutch passed away in 1970, long before the modern inventions of today, he clearly saw the potential that technology would bring to our lives. In recent Health Care Properties Quarterly articles, we highlighted parking conveniences and building smaller, stand-alone facilities as ways health care facilities are enhancing patient experiences, while also reducing overhead costs and increasing operating efficiencies. Another key area enhancing patient experiences is technology integration.

One example of technology that is making an impact on the patient experience is the integration of self-service kiosks in hospitals and medical facilities. Self-service kiosk technology works beautifully in airports, banks, supermarkets, fast-food restaurants, movie rental facilities and the list goes on. Medical facilities seem the next logical application for this convenient, user-driven technology.

Kroger supermarkets' The Little Clinic continues to expand convenience and accessibility for its patients with “We'll Hold Your Spot,” an online tool that allows patients to reserve a place in line before they get to a clinic. Once patients arrive at the clinic, they use a self-service kiosk to check themselves in for care.

The Little Clinic and numerous



Brian Mulnix
Business
development,
Catamount
Constructors Inc.,
Denver

other medical facilities regularly embrace technology for patient check-in and to distribute general information. Patients check-in for an appointment on their own and complete registration forms. Through queuing software and digital monitors, emergency room patients gain an estimated wait time for a doctor to visit them. Through informational kiosks in exam rooms, patients learn prevention and potential treatment for medical diagnoses. Kiosks also are used for vetting vendors before they receive access to the back office.

Inside these health care facilities, cutting-edge technology is used for maximum patient convenience. For example, facilities are bringing imaging technology into the patient rooms instead of moving patients to a centralized imaging location.

What's Driving the new Technology for Health Care Organizations?

Enhancing patient experiences, reducing administration costs and increasing operational efficiencies are driving new technology for health care organizations. These three drivers represent the future for hospital construction.

Health Facilities Management's 2016 Hospital Construction Survey, conducted in cooperation with the American Society for Healthcare Engineering, surveyed nearly 250 U.S. hospitals regarding their construction (renovation and new build) objectives. Overwhelmingly, patient convenience was the primary objective and workflow efficiency was the key to improving the patient experience.

Specifically, long registration times, breakdowns in staff communication and delays in patient care were top barriers to efficiency. To combat these issues, hospitals are turning to kiosk services, as well as flexible, adaptable patient rooms and furniture. Modular designs offer freedom for facilities to adapt spaces for future needs.

Hospitals also rely on new technology to improve communication and decrease interruptions, including zoned rooms and departments for paging efficiencies.

“The advance of technology is based on making it fit in so you don't really even notice it, so it's part of everyday life,” as Bill Gates once said.

Contractors play a pivotal role in integrating cutting-edge technology into their health care clients' projects. At the core, contractors need to understand their clients' current and future needs for a facility, partner with excellent technology subcontractors and focus on project coordination.

Contractors need to integrate the technology into the interior design of the facility so the end

result is a relaxed environment where patients have ample access to comfortably check themselves in and get needed medical information. Contractors also must work closely with specialty contractors to deliver homelike patient rooms with built-in wired and wireless technology infrastructures, such as electronic beds, bar-coding equipment, HVAC and lighting controls.

Technology and mobility is built into the wall systems and mounting apparatus with the goal of process efficiency that leads to enhanced patient experiences and reduced operational costs.

For renovations, many health care facilities remain operational during construction, representing additional challenges. Construction vibration often impacts technology used in operating rooms, imaging rooms and lab operations. Contractors should perform appropriate vibration testing prior to construction and also coordinate work so the project won't interrupt the client's normal business operations.

Simply put, contractors must be knowledgeable about current and upcoming technology needs for hospitals. We must know our health care clients' objectives, secure appropriate partnerships with specialty subcontractors, coordinate projects expertly and serve as trusted advisers for clients.

When health care clients integrate indispensable technology into patient areas so it fits in and they don't even notice it, contractors have done their jobs well.▲

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Engineering

Fire and life safety – architecture and eloquence

There has been a significant change in how health care is managed over the last five to 10 years. Hospitals have evolved from handling emergency and inpatient care to a more mixed-use health care campus, focused on wellness and outpatient services in addition to their core service offerings. Today, patients might visit a health care campus for a weekly physical therapy appointment, an MRI or even to take a pre-op course designed to instruct future patients on aftercare requirements. The focus of the health care campus has shifted to be a comprehensive hub that provides a variety of services.

As one could imagine, this shift has changed the way design and engineering professionals configure and equip health care campuses. Fire and life safety design might not seem as fascinating as engineering a parking structure, but it's vital to the one thing that is always the top priority in a health care setting – safety.

Up until the last decade, fire and life safety engineering services within a health care setting were primarily concerned with adhering to various federal, state and local codes, as well as compliance agencies. Now, fire and life safety engineers also have to consider the vast health care campus that provides an assortment of services, each with its own set of regulations. Code and compliance requirements vary for each area of the campus. It is essential that the campus is interconnected for patient and employee ease in maneuvering.

This transition to a mixed-use health care campus requires fire and



Todd Brand
Associate fire
protection engineer,
BCER Engineering
Inc., Arvada

life safety engineers to develop creative solutions to address sections of the facility differently based on whether it is an outpatient service, administrative floor, education classroom or emergency services. Each use case requires different fire and life safety solutions.

The role of fire and life safety engineers is a delicate dance between maintaining the aesthetic and utility of a structure, with modifying the design to safeguard against potential hazards. In a mixed-use health care setting, it is important to develop solutions and educate the design team without diminishing the intent and spirit of the campus. A good fire and life safety engineer will take a consultative role to acknowledge and work within each discipline associated with a campus.

Fire Protection Architecture

When developing solutions to address the complex nature of health care campuses, fire and life safety engineers combine the following professional disciplines to effectively manage mixed-use health projects: fire protection, fire protection engineering, architecture and politics. Knowing fire and human behavior provides the necessary foundation for fire and life safety engineers to compartmenten-

talize and suppress. Fire protection provides a high-level view of what can be expected during a fire and how to properly prepare staff with evacuation tools and fire prevention programs.

Fire protection engineering marries science and engineering principles to protect people and environments from the destructive effects of fire and smoke. In a medical campus, where some occupants are mostly incapable of self-preservation, the planning and coordination of smoke compartments is vital to ensuring patient safety. In addition to designing the appropriate smoke barriers to limit the size of the compartments the supporting fire protection, mechanical and egress systems also must be considered.

When smoke control systems are required, such as in atrium spaces, the systems are a significant part of health care facilities' fire safety considerations. The systems are designed to allow the appropriate time for hospital staff to coordinate patient evacuation, without risking the health and safety of patients and staff. Smoke management is often one of the more complicated aspects of fire and life safety engineering, and even more so when handling a health campus with varied service offerings. Coordinating mechanical and electrical controls is essential to ensure the systems operate properly to achieve the life safety goals of the protected spaces.

Health care campus design, layout, space planning and construction requires the consultative role of a professional fire and life safety engineer to keep with the overall vision

of the project, while addressing proper safety and regulatory concerns. Working within the planned architecture and use of the spaces, the engineer provides guidance and design of the many interrelated fire protection and life safety systems to ensure that the often challenging code requirement of those systems are satisfied.

As an example, it is often necessary to separate the different uses of a space with fire-resistive-rated construction serving as either fire or smoke barriers. While building a wall is not a challenging design task, coordinating the location of the required walls while providing open and inviting access to all of the adjacent spaces requires the experience and creative thinking that a fire and life safety engineer can provide.

Health care facilities are subject to the scrutiny of multiple entities, including local, state, federal and private accreditation authorities. These entities rarely, if ever, operate or enforce the same edition or have the same interpretation of the applicable codes and standards. The fire and life safety professional brings clarity to the code application process.

Architecture and eloquence are mixed arts, whose end is sometimes beauty and sometimes use. Due to the nature of the mixed-use health care campus, it is critical for the fire and life safety engineers to carry out the vision of stakeholders while allowing the environments to operate safely without an interruption in care and service.▲



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Senior Housing & Care

Senior housing and care construction starts, openings

September, October, November 2017

Construction Starts



Golden Lodge Senior Living, a 70-unit assisted living and 36-unit memory care property in Golden, began construction in August. The architect is OZ Architecture and the general contractor is Shaw Construction. The property will be owned by Golden Lodge Senior Living LLC and will be managed by WellAge Senior Communities. The property is expected to open in late 2018.



Real Estate Equities Development LLC began construction of Village Cooperative of Fort Collins, a 52-unit, age-qualified, market-rate cooperative community with member buy-ins. The general contractor is Halcyon Construction and the architect is REE Architecture LLC. The property is expected to open this year.



Construction of Balfour at Lavender Farms, a 57-unit assisted living expansion to the existing Balfour Senior Living campus in Louisville, began in October. The general contractor is Brinkmann Constructors and the architect is DTJ Design. The property will be owned and managed by Balfour Senior Living.



Resort Lifestyle Communities began construction of Sky Pointe Retirement Resort, a new 130-unit independent living property in Littleton, in July. The property will be owned by Sky Pointe Retirement Community LLC and will be managed by Resort Lifestyle Communities LLC. The general contractor and architect is Cameron General Contractors. The property is expected to open this month.

M.E.M. Westminster Property LLP broke ground on Vistas at Panorama Pointe in Westminster in September. Vistas is a 69-unit, age-qualified, income-restricted apartment property, funded with 4 percent low-income housing tax credits and state tax credits. Vistas is adjacent to Residences at Panorama Pointe, an age-qualified, income-restricted apartment property that opened in 2011. The general contractor is Shaw Construction and the architect is LAI Design Group. The property will be owned by M.E.M. Westminster Property LLP.



Frasier, a community in Boulder that includes independent living, assisted living, memory care and skilled nursing, began construction on a 98-unit independent living expansion in October. The new independent living building is part of a larger master-plan expansion that will later include a new arts and education building, an expanded wellness center, as well as extensive renovations of dining venues. The general contractor is Pinkard Construction and the architect is Hord Coplan Macht Architects.



Epoque Golden, a new 120-unit, market-rate, age-qualified apartment property, began site work in November. The architect is Lawrence Group and the general contractor is FCI Constructors. The property is being developed by Forum Real Estate Group.



Gunnison Valley Health Senior Care Center, a 50-bed skilled nursing facility, began construction in August. This new facility will replace the existing skilled nursing building and will include mostly private rooms. Of the 50 skilled nursing beds, 12 will be secure memory care beds for patients with dementia. The architect is Davis Partnership Architects. The property will be owned by Gunnison Valley Health and is expected to open in the fall.

Senior Housing & Care

Senior housing and care construction starts, openings

Openings



A grand opening ceremony was held on Sept. 19 for Balfour at Stapleton, a new, 58-unit assisted living and 16-unit memory care community in Denver. The property was developed by Balfour Senior Living in partnership with Northstar Commercial Partners. The architect was Davis Wince and the general contractor was Brinkmann Constructors. The property will be managed by Balfour Senior Living.



Welbrook Grand Junction Transitional Rehabilitation, a 50-bed skilled nursing subacute/rehab facility, opened in September. The architect was Lantz-Boggio Architects. The property is owned by Welbrook Senior Living and managed by Embree Healthcare Group.

living and 26-unit memory care community. The architect was Rosemann & Associates PC and the general contractor was Bradbury Stamm Construction. The property is owned by Confluent Development LLC and managed by Cappella Living Solutions.



A grand opening ceremony was held Nov. 14 for The Retreat at Sunny Vista, a 38-unit assisted living and 28-unit memory care community adjacent to Sunny Vista Living Center in Colorado Springs. The architect was Lantz-Boggio Architects and the general contractor was Pinkard Construction. The property is owned by Sunny Vista Living Center and is managed by Cappella Living Solutions.



Center at Park West, a new, 54-bed skilled nursing subacute/rehab facility in Pueblo, opened in August. The architect was TreanorHL (formerly H+L Architecture) and the general contractor was H.W. Houston Construction. The property is managed by Veritas Management Group.



A grand opening was held Sept. 13 for The Meadows at Montbello, an age-qualified, income-restricted apartment property in Denver. The property serves seniors within the 30 to 60 percent area median income level and was funded using 4 percent low-income housing tax credits and state tax credits. The general contractor was BC Builders LLC and the architect was Parikh Stevens Architects. The property is owned and managed by Volunteers of America.



Peregrine Senior Living at Glenwood Springs is a 60-unit assisted living and 24-unit memory care community that opened in September. The architect was Mudrovich Architects and the general contractor was Golden Triangle Construction Inc. The property is managed by Peregrine Senior Living and is owned by First Phoenix Group.



The Center at Foresight, a new, 54-bed skilled nursing subacute/rehab facility in Grand Junction, opened in August. The general contractor was GH Phipps Construction Cos. and the architect was Boulder Associates. The property is managed by Veritas Management Group.



Rocky Mountain Assisted Living Thornton, a 16-unit assisted living and 16-unit memory care community, opened in October. The general contractor is Creekside Development and the architect is MA Architects. The property is owned and managed by Rocky Mountain Assisted Living.



Kestrel Apartments, a new income-qualified apartment community in Louisville that includes 71 age-qualified apartments, opened in November. The architect was Humphries Poli Architects and the general contractor was Milender White Construction. The property is owned and managed by the Boulder County Housing Authority.



A grand opening ceremony was held Sept. 30 for Bethesda Gardens Monument, a new, 47-unit assisted living and 13-unit memory care property in Monument. The general contractor was Brinkmann Constructors and the architect was Lantz-Boggio Architects. The property is owned by Bethesda Senior Living Communities.



A grand opening ceremony was held Oct. 21 for Cappella of Grand Junction, a 40-unit assisted

*These listings of construction starts, openings, and property sales are as reported by Boulder-based **The Highland Group**. For questions, contact info@thehighlandgroupinc.com or 720.565.0966.*

Senior Housing & Care

Considerations for purchase, sale agreements

This article is Part 1 of a series of articles discussing real estate issues that are unique to senior living facilities transactions.

The number of U.S. citizens over the age of 65 is projected to increase by 79 percent by 2030. By 2050, those over the age of 60 globally will outnumber those under the age of 15 – an unprecedented event. This demographic shift, together with the market's perception of future demand for housing options for an aging population, is driving a marked increase in the number of senior housing developments across Colorado.

Senior living facilities encompass several different types of housing arrangements and levels of care. Independent living communities are designed for residents who do not need individual services or care, but offer amenities and programming appealing to seniors, including meal services and entertainment options. Assisted living facilities are multifamily properties that provide a midrange of services for residents who are unable to live independently. Some assisted living facilities include memory care floors for residents suffering from Alzheimer's disease and dementia. Skilled nursing facilities provide a higher level of care that includes daily nursing care and rehabilitation services. A modern trend in senior housing is continuing care retirement communities, which offer a combination of the foregoing level of services, with the



Rick Thomas
Associate,
Brownstein Hyatt
Farber Schreck,
Denver

intent that residents can age in a single facility and move to a more intensive level of care if and when needed. Because certain senior housing facilities provide medical care, they are regulated and licensed at the state level (and even for those that are not licensed at the state level, such as an independent living facility in Colorado, issues associated with the Fair Housing Act and the Americans with Disabilities Act take on a clearer focus and importance). To help preempt regulatory and licensing roadblocks, there are several key considerations for parties when drafting purchase and sale agreements for licensed senior living facilities due to the unique regulatory requirements that vary by state.

One key consideration when structuring a purchase and sale of a licensed senior living facility is whether the sale will constitute a "change of ownership." If so, the purchaser will be required to apply for and obtain a license for the operation of the facility post-closing. Therefore, it is imperative to understand what constitutes a "change of ownership" in the applicable state. For example, in some states, such as Arizona, California and Florida, the sale of the prop-



Noelle Riccardella
Shareholder,
Brownstein Hyatt
Farber Schreck,
Denver

erty comprising the facility does not, alone, constitute a change of ownership. In these states, the operator of the property holds the license. As long as the operator does not change, there is no change of ownership. If the facility is being acquired from an owner-operator, the parties may be able to avoid a change of ownership by structuring the transaction as a sale-leaseback transaction. If the property is managed by or leased to a third party, the parties may be able to avoid a change of ownership if the purchaser can assume or enter into a new management agreement or lease with the existing operator.

If the transaction is not structured to avoid a change of ownership, then the parties must draft the purchase and sale agreement to address the purchaser's application for an operational license for the facility (a "CHOW application"). A major issue in processing CHOW applications is timing. Most states have regulations or statutes that state the number of days in which the regulatory agency will process a CHOW application. Accordingly, the seller will want to include provisions in the purchase agreement that require the purchaser to submit a "completed" CHOW

application by a certain date to accommodate the parties' targeted closing date. The purchaser, on the other hand, will want to negotiate for flexibility regarding the closing date if the CHOW application is not processed by the regulatory agency in a timely fashion. Another issue that must be addressed is what happens if the purchaser is unable to obtain the required licensure. A purchaser will want to include issuance of a license or regulatory approval as a condition to the purchaser's obligation to close. The seller, on the other hand, should require that the buyer use commercially reasonable and good faith efforts to obtain all required licenses and regulatory approval.

If the purchaser is financing the acquisition with a loan, it must address several additional issues. For example, most lenders require the issuance of an opinion letter stating that the facility will be licensed and able to operate on the closing date. The purchaser should arrange for health care counsel to issue this opinion early in the due diligence process.

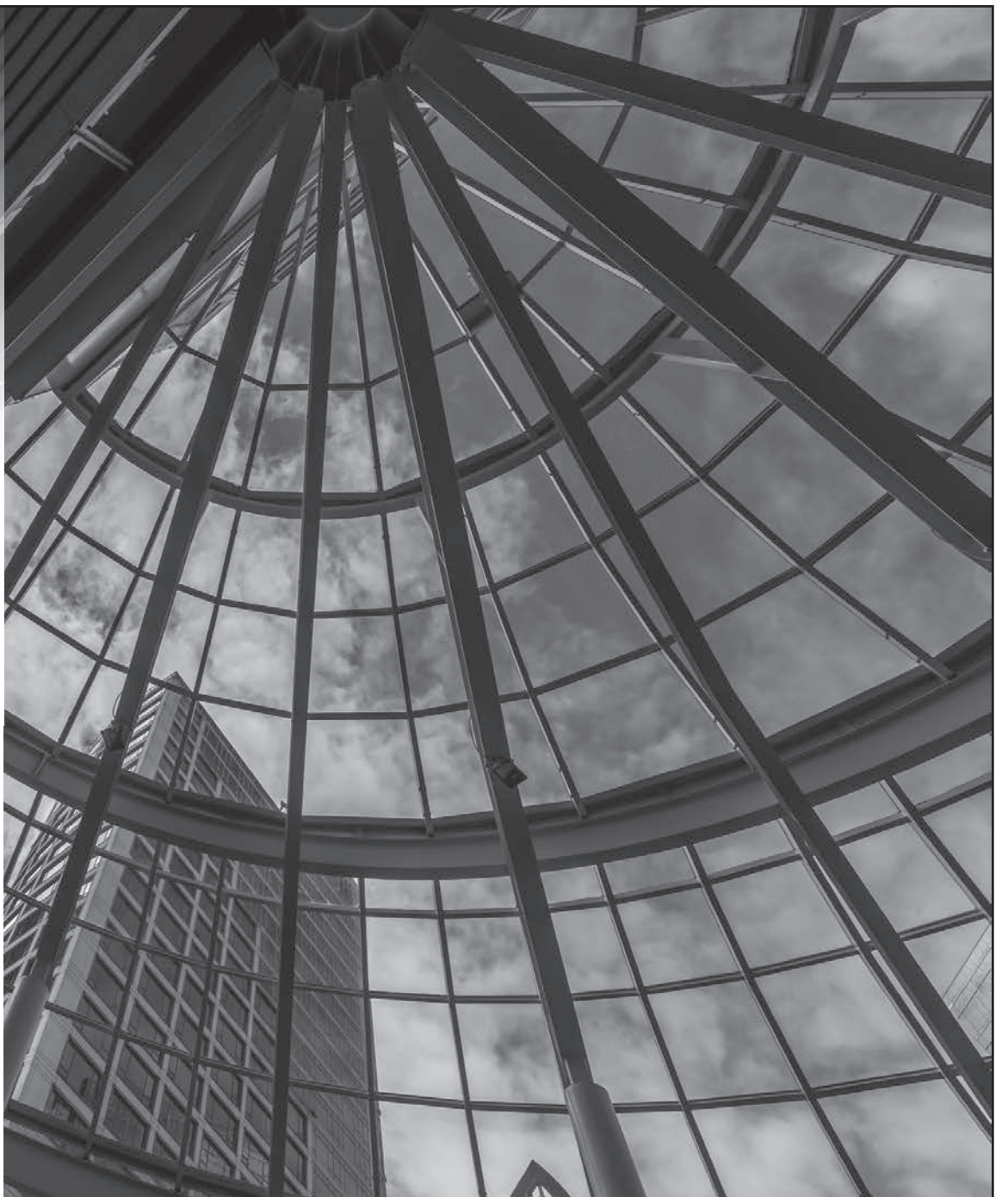
While the above represents several key issues relevant to the purchase and sale of senior living facilities, it is not an exhaustive discussion of the issues that need to be addressed when negotiating and structuring the transaction. Senior living facilities are specialized properties and, as such, transactions related thereto must be carefully tailored, taking into account the various regulatory requirements and hurdles. ▲

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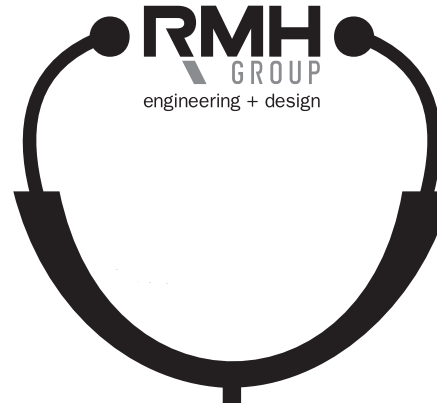
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Design elements for healthier, ecofriendly results

This time of year, we often turn our thoughts toward our health. Yes, that includes protecting ourselves from the flu and putting snow tires on our vehicles, but we're primarily referring to how our interior design approach can impact senior living residents' health and wellness. Not only that, but we're always thinking about how smart design and sustainable materials can impact the health and future of our environment.

You may think that implementing these types of design upgrades would cost a fortune or delay your project, or even be impossible to retrofit within existing buildings. None of this is the case. There are several ways you can keep the health and safety of your residents top of mind, while also doing right by the environment.

• **Solid surface countertops.** Already prevalent in health care design, solid surface countertop material is becoming more and more popular in senior living environments. That's because they offer a smooth, fully engineered and extremely low-maintenance product that falls somewhere between plastic lami-



Julia Bailey
Senior interior designer, OZ Architecture, Denver

nate and quartz countertop material in terms of cost. There's even a new technology with metallic ions infused within, which effectively self-cleans, meaning residents with physical impairments can rest easier. Look for brands like Corian, Meganite and EOS.

• **Photocatalytic**

tile floors. Another health-conscious product comes in the form of photocatalytic ceramic tile. Photocatalytic technology uses a light-activated process to promote antibacterial properties on the tiles' surface. Using it on bathroom floors and walls and in common spaces can help reduce the spread of germs within an aging and immune-sensitive community. Active is one brand that manufactures this type of antibacterial floor and wall tiles.

• **PVC-free flooring.** Vinyl flooring is known to contain the synthetic plastic polymer PVC, or polyvinyl



Design choices can impact senior living residents' health and wellness.

chloride. Rather than use this form of manmade plastic, some designers prefer to use linoleum, which is both natural and durable, and it is made from renewable materials. For a more modern look, however, PVC-free floor tiles that mimic vinyl planks or sheets are gaining popularity. These utilize natural materials that are free of PVC, chlorine and volatile organic compounds. Unlike vinyl composite tile, they don't need to be waxed yet they boast solid durability and anti-static, anti-combustion properties – plus, a subtle texture makes them more slip-resistant for resident safety. One brand to look for is Upofloor.

• **Quartz rather than granite or marble.** When designing countertops or other stone features, eco-savvy designers

usually favor quartz, since it is an engineered stone. It resembles granite or marble, but doesn't need to be mined from an Italian quarry, making it more environmentally friendly. Quartz also is incredibly strong, and since it is created with resinous binders, it is nonporous and therefore resists bacteria for lower maintenance and durability – ideal for installation in senior living environments where low-maintenance, high-quality and long-lasting products are highly desirable.

As you move forward in 2018, consider the ways in which your design choices and small upgrades can make a big difference when it comes to resident health and environmental impact. ▲

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Senior Housing & Care

Benefits, methods to foster outdoor engagement

Anyone care to hazard a guess about how much time Americans, on average, spend indoors? Most will respond between 60 and 80 percent, however, the actual number is closer to 90 percent. As we age, this percentage inevitably increases. Approximately, 10,000 Americans turn 65 every day and by the year 2030, one in five Americans will be 65 or older. Needless to say, we are a population that is increasingly spending its time indoors, regardless of evidence-based research supporting the numerous benefits of the contrary. These sobering trends have commanded the attention of those who manage, design and invest in senior living communities. Therefore it is no surprise that a large majority of award-winning senior living design projects are those that encourage greater outdoor engagement. What follows is a discussion of the benefits and methods for reversing this trend and increasing the health and wellness of our senior population.

• **Benefits.** The health benefits of connection and exposure to the elements is as old as the practice of medicine. Hundreds of years ago, medieval hospitals combined treatment, prayer and access to the elements for recovering patients. Today, a wide variety of research institutions are conducting controlled studies to illustrate specific benefits. PMC Canada published a study in 2012 to illustrate the benefits of sunlight for recovery, sleep quality and decreased hospitalization for bipolar depression. Numerous studies have shown that



Charlie Schmidt
Director of
design, Lantz-
Boggio Architects,
Englewood

sunlight increases Vitamin D, which fights inflammation, improves the immune system, increases bone health and decreases depression – all of which are common in seniors.

In 2005, the University of Pittsburgh conducted a study of spinal surgery recovery times with relation to the outward views of recovery rooms. Patients with natural, scenic views recovered more rapidly and required less medication than those with views to an alley or brick wall. This illustrates a particularly important concept for seniors – even the views themselves have benefits. Further studies of outdoor activities by the University of Michigan in 2014 demonstrated that outdoor nature walks improved depression and stress levels, both of which are all too common for seniors.

Aside from local studies, the field has interested researchers in medical communities and institutions all over the globe. A 2014 study by the Nippon Medical School in Japan demonstrated increased white blood cells in subjects after six hours of exposure to a wooded environment. Regardless of age, location or circumstance, the benefits of outdoor engagement remain a growing interest for research publications and medical journals throughout the industry; especially

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with regard to senior care.

• **Methods.** It's no surprise that outdoor amenity spaces in senior living communities must be safe to enter, occupy and travel through, however, the appearance of safety also plays a key role in the success of encouraging outdoor engagement. Architectural and technologically based security features incorporated to improve surveillance, lighting, visibility, privacy and protection from intruders are all necessary features, but if the tenants don't perceive the area as safe, the engagement diminishes. Privacy fencing, walls and other methods to visually enclose outdoor space in aesthetically pleasing ways are fundamental in getting seniors outdoors.

Walking surfaces must be designed to reduce fall risks, and handrails must be available in cases where acuity levels require them. Ideally, indoor public spaces such as living, dining or activity rooms are located immediately adjacent, or open directly, to the outdoor space with direct visibility throughout the day. Keeping outdoor spaces visible from communal indoor spaces not only reinforces the sense of safety

but also fosters familiarity and encourages engagement.

Transitions from indoor environments to outdoor environments also must be carefully considered. Spaces immediately adjacent to the exterior should provide ample glazing to help equalize light level differences between natural sunlight and indoor lighting. Doorways should include roofs and overhangs designed to provide shade and weather protection. In warmer climates, seniors simply will not leave cooler, indoor climates for hot, exterior climates unless shade structures are directly visible and easily accessible. The same rule applies for heating elements and sunny areas in cooler climates.

In addition to climate and transition considerations, outdoor spaces designed with specific functions can drastically improve outdoor engagement. Walking paths in senior living communities are ubiquitous and provide numerous benefits to physical, mental and spiritual health – only reinforcing why walking remains the most common exercise among seniors. Looping

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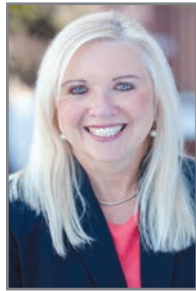
Senior Housing & Care

Growing, retaining top executive directors is key

Go on any recruitment website and you will see dozens of job openings for executive directors for senior living or skilled nursing communities throughout the United States, including Colorado. The salary, benefits and other “perks” for these types of positions typically are highly competitive. There are tremendous growth opportunities. Many organizations doing ongoing recruitment are new and beautiful in design and offer an incredible place to work as a manager.

Yet in spite of all that health care and senior living real estate has to offer, we often struggle to find and retain excellent leaders. Local and national companies have recognized the importance of a focused leadership development strategy for recruitment, ongoing growth and support, and ultimate retention within the organization. A great executive director is paramount to creating a successful real estate asset in today’s market.

So, what does today’s senior living executive director need to be successful as the leader and ultimately remain as a long-term part of the property and/or organization? Make no mistake about it, whether the property is an



Nancy Schwalm
Chief business development officer, Vivage Senior Living, Lakewood

assisted or independent living community, memory care residence or skilled nursing facility, the role of the leader grows more challenging and complex every year, resulting in high turnover in leadership positions.

The role of executive director is a busy one. The ED is typically on-call 24/7 for emergencies, critical customer needs, staffing issues and a host of other areas. Today’s customer is incredibly savvy and equally clear on his expectations for high-quality service delivery, requiring the executive director to have excellent interpersonal and customer relations skills. Health care real estate assets are multimillion dollar investments entrusted to the daily operation of the executive director, who also must have strong business and financial management skills.

The executive director must be astute in executing a business plan,



Retention of leaders is key to success in health care and senior living real estate.

including maximizing occupancy, exercising cost controls and identifying ways to increase revenue. Senior residents are staying in their homes longer, so they move into senior communities with a higher level of cognitive needs and clinical care requirements. The executive director must be solid in understanding the regulations and staffing levels required to ensure quality of care for each resident. Most executive directors are usually not engineers; however, the ED also needs to have a working knowledge of the physical plant and life safety requirements for a safe and well-functioning environment. The executive director soon discovers how important the culinary experience is to nearly every resident of the community, so she must have a great vision and working

knowledge of a superior dining product. It’s easy to see why it is so hard to not only find that amazing leader for the property, but also keep her.

Owners, operators and asset managers are learning the critical importance of creating an environment and organizational model where leaders can grow and thrive in this important profession. Leaders are significant to the overall daily success of the property and, ultimately, serve as a key part of the asset. Organizations like ours in Colorado and national operators like Brookdale and Five Star have developed and implemented robust leadership development and peer mentoring programs to better support and retain executive directors in their properties.▲

Yet in spite of all that health care and senior living real estate has to offer, we often struggle to find and retain excellent leaders.



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medical environment but also Lone Tree and Douglas County offer some of the strongest demographics in the

nation with more than 80 percent of residents maintaining private health insurance and accessing medical services at least once annually.

“There is absolutely a need for

this product type,” said Byrnes.

“The hospital recently completed a large bed tower and medical office expansion and they are fully occupied now. The success of Sky Ridge

is another example of the amazing growth that’s happening in Lone Tree and Douglas County, which equates to the need for more medical office space.” ▲

Du Mond

Continued from Page 12

footage ratios for the tenants’ practices. Spaces that are too shallow or too deep will cause a suite size to be irregularly shaped, create life

safety conflicts and small unleased spaces.

The trend of inpatient service lines migrating to outpatient settings does not appear to be slowing down. “Right-sized” outpa-

tient building design will become increasingly important, in addition to knowledge of the regulatory factors affecting licensed hospital-based providers reimbursed by CMS and a solid understanding of which

service lines are migrating out. Teams who have these at the forefront will be successful in meeting the increased demand and maintain long-term health care tenant leases.” ▲

Schmidt

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paths that return the traveler to their starting point encourage use, as do paths with interesting features such as lookouts, gazebos and surface material variety. Like indoor to outdoor transitions, it’s important to incorporate visually shaded and sunny paths in their respective climates. Structures that promote interaction such as barbecues, picnic tables and fire pits also increase outdoor engagement while encouraging important social opportunities. Exercise- and game-related activities like yoga, aerobics, tai chi, bocce ball, pickle ball, horseshoe pits and shuffleboard lanes also can be incorporated to establish specific outdoor functions. To enable a wide variety of active uses, turf lawns are relatively easy to maintain, more forgiving to falls and even can help to reduce noise pollution.

Seating in outdoor areas should be plentiful, accessible and comfortable. Movable options allow seniors to form groups, generate privacy and alter the space’s function. Chairs

and benches should have sturdy arms to assist occupants in lowering and raising themselves, and all seating should maintain climate and weather protection considerations. Seating materials shouldn’t just be comfortable, they should appear comfortable, which is why concrete and metal should be avoided when possible.

Plants and landscaping used in senior outdoor spaces are other contributing factors in increasing outdoor engagement. In general, plants should be widely varied and adaptable to multiple seasons. Plants that flower and annual and perennial flowers that change throughout the year keep the grounds attractive and interesting. Vegetable and flower gardens also are an excellent way to provide variety while encouraging seniors to get outdoors. Bird feeders, nesting boxes and ponds can attract birds, which can promote both active engagement and passive observation. Taking care of other living beings, whether they are plants or animals, reaps physical and emotional benefits for seniors.



Plants are a contributing factor in increasing outdoor engagement.

We are irrevocably linked to the natural world just outside our doors. As design professionals in the senior living industry, we are bound to strengthen these links and further the mission of the institutions we shape and build – to open our buildings, both literally and figuratively, to the many benefits of the world outside. Today’s senior living envi-

ronments go beyond simple accommodation to environments where seniors thrive as they benefit from features that promote healthy living. Buildings that encourage and provide easy access to a variety of outdoor spaces further the mission of the institutions as a whole by promoting health, happiness and well-being.” ▲

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PAM PYMS
Managing Director
pam@blueprintHCRE.com



HAYDEN BEHNKE
Senior Associate
hayden@blueprintHCRE.com



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