



“When our management team felt it was time to consider getting out of the real estate business, we needed an expert opinion about our market, strategies, policies, operations and economics. Lillibridge gave us that and their expertise was invaluable. And when we needed a developer for the new Cancer Care Center, I was sure that with their many years of experience in all aspects of healthcare real estate Lillibridge was a great fit for the project.” –Tim Stone

CHIEF OPERATING OFFICER
DECATUR MEMORIAL HOSPITAL
DECATOR, IL

DECATUR MEMORIAL HOSPITAL (DMH) TRUSTED LILLIBRIDGE'S HEALTHCARE REAL ESTATE EXPERIENCE TO DEVELOP AN ON-CAMPUS CANCER CARE CENTER, TO ACQUIRE ITS LARGE PORTFOLIO OF PROPERTIES, AND PROVIDE PROPERTY MANAGEMENT FOR 32 FACILITIES.

When a group of physicians wanted to partner with the hospital on a new Cancer Care Center, DMH recommended Lillibridge.

Baker's Dozen, LLC is a group of physicians that were interested in building a new Cancer Care Center on the Decatur Memorial Hospital campus. When talks between the group and the hospital stalled, Tim Stone, Chief Operating Officer at DMH, suggested the group contact Lillibridge.

Lillibridge helped get the project moving by identifying costs to build the facility and rents for both the hospital, who was going to be a major tenant, and the Baker's Dozen group. Basically the team stepped in and said “here's what you need to do to get the Cancer Care Center built.” Lillibridge ultimately developed the facility on the group's behalf.

The new one-story 55,400 square foot Cancer Care Center is adjacent to Decatur Memorial Hospital and has been designed to be extremely patient-friendly. It houses many different departments including cancer research, radiation oncology, medical imaging and complementary services. A landscaped overlook serves as beautiful natural scenery for patients undergoing chemotherapy.

“Lillibridge was instrumental in bringing the stakeholders involved in the Cancer Care Center of Decatur together, and they provided a development process and focus so we could start the project in a timely manner,” says James L. Wade II, MD, FACP, Member of Baker's Dozen, LLC

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ACQUISITIONS

Lillibridge Advisors helped Decatur Memorial Hospital decide whether it was the right time to get out of the real estate business by providing a monetization assessment of 16 owned properties. In addition to several large medical office buildings on the campus, DMH facilities were also located on land surrounding the campus, and in several sites throughout the market.

Lillibridge researched the market to understand the real estate dynamics that would affect building values. The team also analyzed each property's income, operating expenses and taxes. It then determined the market value of each property and the portfolio as a whole. Finally, Lillibridge determined the potential impacts of monetization on DMH's financial statements and ratios. After reviewing Lillibridge's results, DMH and its Board were able to make an informed decision and decided to move forward with monetization.

PROPERTY MANAGEMENT

Lillibridge's advice extended to evaluating DMH's existing property management function

When DMH considered getting out of the day-to-day management of the buildings and hiring a professional management firm, it turned to Lillibridge for help in reviewing its current property management functions in relation to industry best practices.

Lillibridge performed a property management assessment for Decatur Memorial Hospital, evaluating how its current management practices compared to industry standards and best practices. The recommendations provided DMH with an action plan that their staff could follow to enhance operations in a number of areas.

Once DMH chose Lillibridge to acquire the properties, the team used their expertise to manage and update the properties

Early in 2009 Lillibridge acquired a 255,000 square foot portfolio from Decatur Memorial Hospital, which consisted of 13 buildings, 10 on the DMH campus. The company owns and manages all the properties and has instituted a remodeling program for selected properties.

"Lillibridge has an outstanding reputation for providing high levels of service to their physician tenants. On going management was an important consideration in selecting the purchaser of our properties," says Tim Stone, Chief Operating Officer, Decatur Memorial Hospital.

In addition to managing the 13 properties that it owns, the Lillibridge team was also hired to manage 19 additional facilities owned by DMH along with 5 in-hospital suites. The combined size of all 32 properties is more than 500,000 square feet. The portfolio is a challenge to manage because the buildings are spread over a 30-mile radius and range in age from brand new construction to 30+ years.

Despite the large size of the portfolio, Lillibridge has a commitment to being good stewards to the building and providing excellent service to the physicians. When tenants call with a question or issue their calls are returned within 24 hours. Lillibridge has instituted a remodeling program for select properties and is committed to completing the work by the end of 2009.