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Dear Chairpersons:

On behalf of Hines, Hammel, Green & Abrahamson (HGA), and Larson Allen Weishair, LLP (LA), it is our pleasure to present to the Clinical Campus Planning Initiative Steering Committee the enclosed Strategic Facility Planning Report for Phase I.

The Process Manager’s goal has been to provide, in concert with the Steering Committee, a set of analytical tools for decision making. It is our intent that each member of the partner organization will be able to utilize these tools as they proceed, individually and collaboratively, towards realizing the strategic plan for the partnership. We believe that this report represents the first definitive effort to clarify and integrate the goals and visions of the three clinical campus partners into a single comprehensive plan. We have worked, with guidance from the Steering Committee, towards a vision for establishing the programmatic, financial, and scheduling implications of a selected number of strategic facility planning options.

As stated in our original proposal, we believe this report is the first step that “…will enable the partnership to proceed through subsequent phases of planning and development with minimal risk, maximum confidence, and optimal speed.”

Due to the complexity of the vision and goals of the partnership, significant work remains to bring the proposed projects to reality. We are eager to continue our work on Phase II requirements and look forward to completing Phase II planning. We want to thank the Steering Committee and the Steering Committee Working Group for their time, cooperative participation, and crucial input to this report.

Very truly yours,

O. David McGinnis
Process Manager / Project Team Leader
Hines
Since 1997, the University of Minnesota and its Academic Health Center (AHC), Fairview Health Services (FHS), and University of Minnesota Physicians (UMP) have studied individual needs and alternative solutions relative to achieving programmatic, operational, and facility enhancements. These studies focused on the Minneapolis Campus of the University of Minnesota, the Fairview-University Medical Center, on both “sides” of the Mississippi River (the University Campus and the Riverside Campus), and the Academic Health Center Minneapolis District Plan (on the East Campus). For each organization, a major challenge to implementing solutions has been the lack of a holistic and integrative process to balance the known and anticipated needs of the partners with respect to Clinical Sciences Campus development within the AHC Minneapolis District Plan site. Potential solutions for one entity impacted at least one other entity.

This study begins to reconcile, integrate and synthesize a strategic plan for future clinical facilities, a revitalized campus, and identification of required capital and implementation issues. Through this process, the partners established a common vision, goals and objectives, master planning principles, as well as a more respectful and comprehensive understanding of each organization’s needs, challenges, and internal planning processes.

Representatives from each entity participated in a significant, collaborative, and mutually supportive planning process. A Steering Committee, comprised of key leaders from each organization, advised and guided the consultant team during the course of this study.

The vision statement establishes the underlying foundation for master planning of the Clinical Sciences Campus:

“The Clinical Sciences Campus Plan for the partnership will create the campus environment and healthcare facilities necessary to attain the partnership’s goal of local, regional, and international renown in patient care, research, and health professional education. The Clinical Sciences Campus Plan will, over the next 20 years, enable the partnership to lead the continuing evolution in health care, health professional education, and breakthroughs in clinical research and service…”

Core objectives were established that led to the development of phased implementation scenarios and capital cost models. The objectives included:

- Replace and consolidate children’s facilities by 2009.
- Enhance and consolidate the University’s clinical sciences with a new ambulatory care center by 2009 that improves patient access and services.
EXECUTIVE SUMMARY

- Consolidate clinical laboratories by 2009.
- Consolidate all Fairview-University Medical Center clinical operations on a “single site” on the University campus within 20 years while maintaining a viable Riverside clinical campus in the interim.
- Create consolidated facilities for the School of Public Health by 2009.
- Create the physical opportunity for the AHC to proceed toward the objectives of the AHC 2000 District Plan, including expanded research facilities (including the Lilliehi Heart Institute / Cancer Center), improved educational facilities, effective reuse of vacated space with the Phillips Wagensteen Building (PWB), and expanded community space.
- Synchronize Clinical Sciences Campus planning priorities with University-wide planning needs to consider residence halls and student housing, transportation and parking, and stadium planning.

To place context around the complexity of Clinical Sciences Campus planning, the AHC and Fairview-University Medical Center currently have approximately 4.5 million BGSF of space, with an estimated need to grow to 5.4 million BGSF. Growth is not a matter of simply accommodating an additional 800,000 square feet. It is the multifaceted task of replacing aging facilities, creating programmatic linkages and physical operating efficiencies, and developing an open and inviting academic health campus with future flexibilities.

At least a dozen campus development plan solutions were evaluated, leading to four major scenarios for further consideration. Each scenario includes two planning time periods, generally described as facility implementation before 2009 (Phase I) and implementation beyond 2010 (Future Phases).

The four scenarios are summarized below:

Scenario 1 – Non-Residence Hall Sites. This scenario seeks a physical solution that does not require potential use of student housing sites (specifically Pioneer and Centennial Halls) prior to 2009. Key elements include:

- Consolidated replacement children’s facilities, situated to the west of the Fairview-University Medical Center on East River Road in razed Children’s Rehab/ Mayo SW/ and Variety Club site with a connection through the Dwan Cancer Center.
- The ambulatory care center, with consolidated clinical labs, is situated immediately south or south east of the Oak Street ramp, with a three to four block tunnel or skyway connector to Fairview-University Medical Center.
- School of Public Health and “swing space” (to accommodate displaced functions) in a remodeled and expanded or potentially replaced Minnesota Department of Health building.
- Reuse of released PWB space for “swing space.”

Scenario 1’s most positive aspects include avoiding use of residence hall property before 2009, and “rapid” ability to construct the clinic building (assuming land is available). Several negative perspectives include needed acquisition of land for the clinic; distance between the clinic and Fairview-University Medical Center (for physicians, staff and patients); costs associated with a tunnel or skyway, (to connect the clinic with Fairview-University Medical Center) and potential operating inefficiencies between the current hospital and the expanded Children’s facilities.

Scenario 2 – Riverfront Sites. This scenario seeks a physical solution that requires use of Pioneer Hall and the East River Road parcel prior to 2009. Key elements include:

- Consolidated replacement children’s facilities situated immediately to the east of Fairview-University Medical Center (on razed Pioneer Hall site). The new facility can then be integrated with the current hospital.
- The clinic (with labs) is situated on the East River Road parcel and connected by skyway or tunnel to the replacement children’s facilities.
- School of Public Health and “swing space” solutions same as Scenario 1.

This scenario’s most positive attributes include immediate adjacency between the children’s facilities and Fairview-University Medical Center’s existing facilities (for optimal operating efficiencies and sharing of space), and the ability to construct the linked clinic on a timely basis. Key negative aspects include the requirement to replace Pioneer Hall and the reduction of river views by situating the clinic building on the East River Road parcel.

Scenario 3 – Integrated Linkage – Pioneer Site. This scenario suggests a physical solution that requires use of Pioneer Hall prior to 2009 for these key elements:

- Consolidated replacement children’s facilities situated immediately to the east of Fairview-University Medical Center’s existing facilities (on razed Pioneer Hall site). The new facility can then be integrated with the current hospital.
- The clinic (with labs) is also situated on this site and physically connected/integrated with children’s facilities.
- School of Public Health and “swing space” solutions same as Scenario 1.

This scenario’s most positive attributes include immediate adjacency between the clinic and children’s facilities, as well as the children’s facility and the current hospital (for optimal operating efficiencies and sharing of space). Similar to Scenario 2, the key negative aspect is replacement of Pioneer Hall prior to 2009.
EXECUTIVE SUMMARY

Recommendations will be presented to the CEOs and governing Boards in "Terms Sheet"), timing and architectural issues.

During the next four to six months, additional study and discussion will be needed related to financial assessments and commitments between the partner organizations, refinement of programmatic planning for the children's and clinic facilities, site acquisition / relocation negotiations (development of "Terms Sheet"), timing and architectural issues.

Recommendations will be presented to the CEOs and governing Boards in Fall, 2004.

BACKGROUND AND PLANNING CONTEXT

The power of partnerships is truly reflected in the relationship among Fairview, University of Minnesota Physicians, the University of Minnesota, and its Academic Health Center. As with other successful models, the value of the whole is greater than the sum of the individual parts.

The partnership is committed to excellence in clinical care, education, research, and scholarship. The partners recognize that quality patient care is greatly enhanced through integration and association with education and research across the health professions and that quality clinical education and research depend on quality patient care.

The partners bring great strengths: the University with its top ranked research and education programs, the University's comprehensive Academic Health Center with six disciplines that provide most of the state's health professionals; the faculty practice plan – University of Minnesota Physicians – that specializes in breakthroughs; and Fairview Health Services linking its nationally renowned academic medical center to community health care services. Each of these institutions is connected to each other's successes and leverages its partners' strengths to promote the health of the communities they serve.

Over the past seven years, the partners have invested heavily in the basis of that success: the integration of organizations, people, and programs. It is now time to develop a strategic plan for the clinical facilities, revitalized campus, and capital needed to sustain and promote the partnership vision to improve the health of families and communities in Minnesota and beyond.

The goal of this master planning exercise is to merge the individual planning aspirations for this University of Minnesota based site into a single, support-ive, collective vision in support of the clinical sciences.

The four main constituents that have come together to create this Clinical Science Campus planning vision are:

- Fairview Health Services
- University of Minnesota Physicians (UMP)
- University of Minnesota, and its Academic Health Center

Each constituent had in the recent past pursued independent planning initiatives for its programs within the vicinity of its current University of Minnesota based program locations. The Academic Health Center's District Plan for the year 2020 identified considerable remodeling and rebuilding at the heart of the current Health Sciences district. University of Minnesota Physicians (UMP) also identified program expansion and the need to relocate and
expand outpatient facilities. Similarly, Fairview-University Medical Center has pursued master planning scenarios that have identified consolidation of its Riverside and University Campus facilities, preferably on the East Bank near the existing Fairview-University Medical Center hospital and clinics. However, until this Clinical Sciences Campus planning effort, a collective and coordinated vision had not been pursued.

To create the Clinical Sciences Campus vision, a Steering Committee for the parties selected a Process Manager to develop and manage Phase I planning activities, the first step in creating this collective vision. The Process Manager Team is led by Hines Interests Limited Partnership (Hines), with the support of Hammel, Green & Abrahamson (HGA) and LarsonAllen (LA). The goals of Phase I of this Clinical Sciences Campus planning effort were to:

1. Develop a coordinated vision of the collaborative partnership that
   a. defines the inter-relationships of programmatic activities, and
   b. defines the corresponding degree of joint vs. separate business practices.
2. Develop a measurable set of mutually supported strategic goals and objectives.
3. Create a defined set of programmatic activities (i.e. clinic facility size and location, inpatient program consolidation, ancillary services location) that can be:
   a. tested for market appropriateness,
   b. analyzed from a financial (expense and revenue) perspective, and
   c. translated into space requirements by type of activity.
4. Develop preliminary fit plans including location options for the agreed upon programmatic activities (list of projects).
5. Provide order of magnitude cost estimates for planning, programming and further development of the revised plan, including individual elements of the plan and a phased implementation strategy in five year increments.

The Steering Committee desired to have the Phase I activities completed in the Summer of 2004 and committed to monthly meeting dates prior to the selection of the Process Manager. To augment the communication that would take place at the monthly Steering Committee meetings, a Steering Committee Working Group met bi-weekly. The Steering Committee Working Group consisted of the partner organizations and the Process Manager Team. The Steering Committee Working Group previewed as well as refined many of the Steering Committee presentations.

In addition to the Steering Committee and the Steering Committee Working Group, the Process Manager Team conducted select individual interviews and attended internal coordinating team meetings with each partner in the Clinical Sciences Campus. Discussions with Fairview-University Medical Center also included work sessions and coordination with McKinsey & Company, planning consultants for the children’s programs and facilities.

The outcomes of the Clinical Sciences Campus Phase I planning is a heightened understanding of the issues shaping the Clinical Sciences Campus. More importantly, the Phase I activities helped craft a shared vision statement, outlined core objectives, refined overall and individual program needs, and developed four different land use scenarios and their associated cost estimates.