

Maximizing Capital for Inpatient Programs

On Campus – Off Balance Sheet

St. Elizabeth Regional Medical Center Partners to Develop Medical Office Building

St. Elizabeth Regional Medical Center has been serving the residents in and around Lincoln, Nebraska since 1889 and has experienced extraordinary increases in demand for inpatient services in an aging facility. In addition, the campus had developed a need for a medical office building which could accommodate key programs, evolving technologies and medical office space for a rapidly growing medical staff. A significant reinvestment in campus capacity became necessary as it had been 30 years since the construction of the current medical center.

Due to the extensive remodeling requirements of the inpatient facility, funding for a medical office building was in doubt. Access to capital was imperative and developing medical office space was a challenge due to competing rental rates in the medical office market. This established difficult

economic expectations on the part of the physicians.

To overcome these hurdles, St. Elizabeth partnered with Frauenshuh Healthcare Real Estate Solutions to create highly competitive lease packages, which were structured without hospital or physician guarantees. By using competitive terms and patiently educating physicians as to the efficiencies offered by on-campus medical office space, St. Elizabeth was able to not only attract physicians from the competing hospital, but physicians from other off-campus facilities as well.

The entire facility was financed off-balance-sheet and the terms of the leases all complied with hospital audit committee operating lease criteria. Frauenshuh began construction



on the medical office building with 65 percent of the space pre-leased and the project opened 92 percent occupied.

The 105,000 square foot, four-story facility is now home to a number of specialty physician practices as well as some of St. Elizabeth's services, including patient admissions, registration and Nebraska's only 100 percent digital imaging center.

St. Elizabeth Regional Medical Center relied on Frauenshuh Healthcare Real Estate Solutions for the successful implementation of its medical office building strategy.



"By creating highly competitive and flexible leasing packages, Frauenshuh was able to secure long-term physician commitment to our campus."

Robert Lanik, Chief Executive Officer
St. Elizabeth Regional Medical Center

To learn how Frauenshuh Healthcare Real Estate Solutions can help you achieve your facility development and capital access goals, contact them at 952.829.3480 or www.frauenshuh.com.



FRAUENSHUH COMPANIES
Healthcare Real Estate Solutions

A National Resource for Physicians, Hospitals and Health System Leaders