

The Legacy/Kerby Project

Emanuel Medical Center

OR and ICU Expansion Project

Agenda

- ❖ Background
- ❖ Why is this necessary?
- ❖ Why is this good for Portland?
- ❖ Why is this good for the community?
- ❖ Why is this good for Legacy/Emanuel?

Background

- ❖ Project Concept – Develop larger state-of-the-art operating rooms, including outpatient, minimally invasive, and robotic surgery at Emanuel. Additionally, reconfigure part of OR with a pediatric focus to address specific needs of children
- ❖ Kerby Lot—Adjacent to Legacy's campus and abuts operating rooms
- ❖ Kerby Lot Current Use—Stage vehicles waiting for maintenance, repairs, and vehicle inspections



Background

- ❖ Options evaluated over two years
 - Parking garage
 - Closing Kerby Street
 - Relocating City Fleet
 - Develop parcels and improve surrounding parking lots
- ❖ Engaged architect to develop alternatives for parcels and parking lots

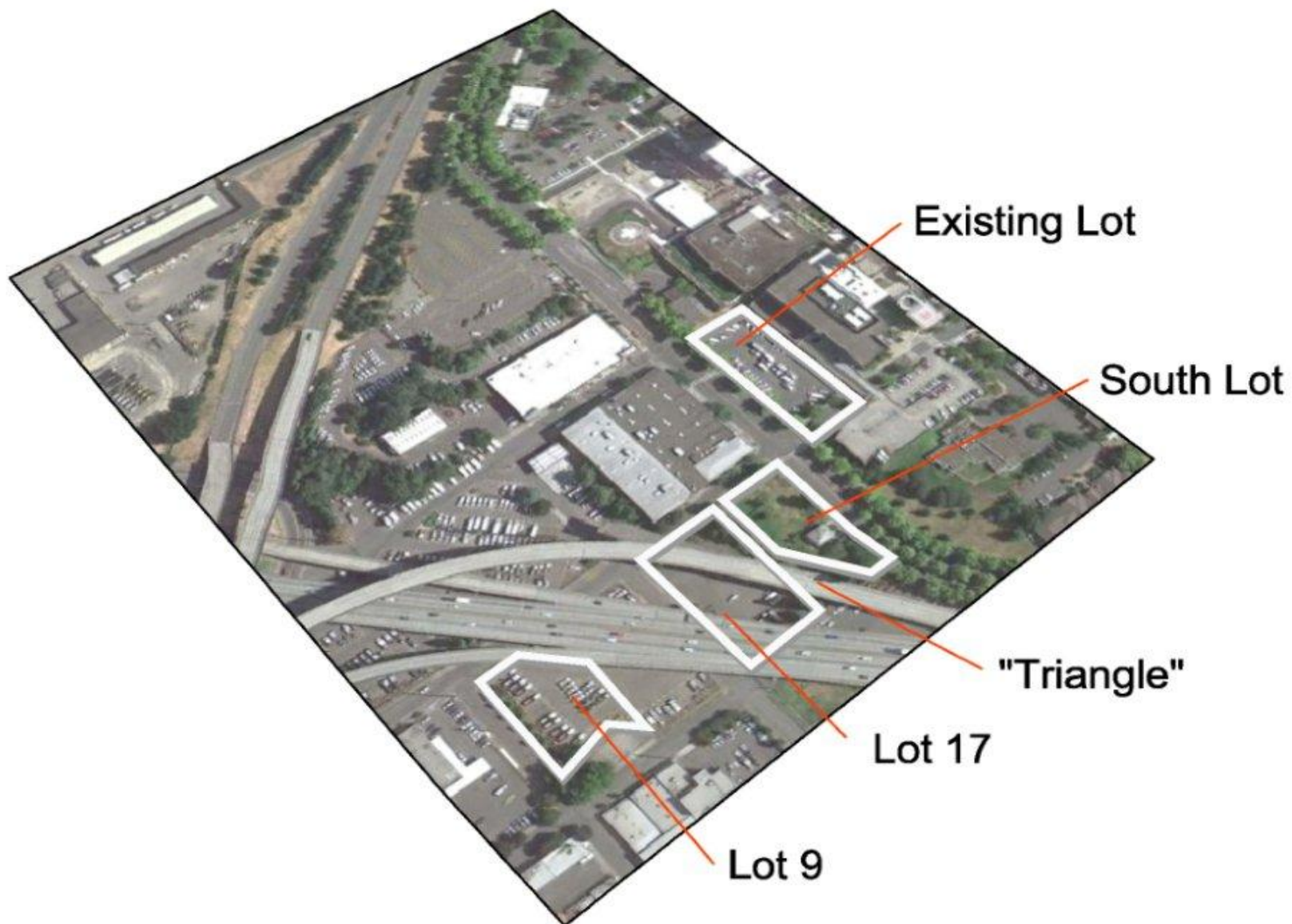
Background

❖ Develop parcels:

- Existing Kerby Lot: 29,000 Square Feet
 - 42 standard parking spaces and 5 large vehicles spaces
- South Parking Lot: 24,000 Square Feet
 - 36 standard parking spaces and no large vehicle parking spaces

❖ Improve ODOT parking lots:

- Lot 9: 15 large vehicle parking spaces
- Lot 17: 6 standard parking spaces



Background

- ❖ Real Estate and Exchange Agreement
- ❖ Market value for the Kerby Lot is \$530,000
- ❖ In consideration:
 - \$1.1M cash payment
 - Legacy parcel (RMV \$90,000)
 - \$500,000+ for operations over 10 years

Background

❖ Additional Considerations:

- Use of large lot for emergency events
- Use of Kerby Lot for two years after closing

Project Description

**Lori J. Morgan, MD, MBA | VP, Chief
Administrative Officer**

Driving Factors For Growth and Expansion

- ❖ Aging population with increased medical needs
- ❖ Aging facilities
- ❖ Increased technology
- ❖ Fluctuating demands requiring more architectural flexibility

Legacy capital investment strategy

- ❖ **Campus-based Master Facility Plan**
- ❖ **Off-campus Ambulatory Plan**
- ❖ **New & Maintenance Infrastructure**
- ❖ **Medical equipment**
- ❖ **Simulation and Education**
- ❖ **Research**
- ❖ **Information Technology**
- ❖ **Physician Alignment**



Why is this good for Portland?

- ❖ Maintain Portland as the center for health care in the region
- ❖ \$150 Million construction project
- ❖ Estimated 250-300 construction jobs
- ❖ Additional 75-100 healthcare jobs (surgeons, nurses, technicians, housekeepers, etc.)
- ❖ Estimated \$9 Million in additional wages
- ❖ Additional supplies and services for operations and maintenance not yet quantitated
- ❖ Allows LEMC to continue to serve as a regional resource



Why is this good for the community?

Exhibit A

- ❖ In addition to being a regional resource for quaternary medical care Emanuel's defined mission includes being an economic driver for North Portland. We have been deeply involved with the community for 100 years.
- ❖ Programs have included:
 - ❖ **Home Ownership Program (ENHOP)- 1994-2004, over 100 employees purchased homes with assistance**
 - ❖ **Dawson Park– Participated in and financially support the Dawson Park revitalization project (2001)**
 - ❖ **Support of Community Organizations:**
 - ❖ African American Health Coalition, NW parish ministries and Oregon Lutheran Synod have long maintained free offices at Legacy Emanuel for years.
 - ❖ Eliot Neighborhood Association, Albina Rotary, NAMC Oregon have hosted their monthly meetings on the campus.
 - ❖ After a fire, Morning Star Missionary Baptist Church Legacy Emanuel provided the congregation with complimentary office space for 3 years (2007)
 - ❖ Donation of land for Ronald McDonald House on Emanuel campus.
 - ❖ **Donation of use of vacant lot, leftover from urban renewal, for the Albina Cooperative Garden** – a partnership with Legacy Emanuel, Project Grow at Port City, Eliot Neighborhood Association and Lloyd District Community Association.
 - ❖ **Annual Charity Drives for:** NE Emergency Food program, School drive that benefits local schools, Holiday gift drive benefiting Bradley Angle House



Why is this good for the community?

Exhibit A

❖ Emanuel Supports Community Education Programs:

❖ YES (Youth Employment & Scholarship) Programs:

- ❖ In 1999, Legacy Health established the YES program, an employment and college scholarship program for Hispanic, African American and Native American high school students.

- ❖ Involvement and support for SEI, REAP

- ❖ Job Shadow opportunities: Benson, Jefferson, Beaverton Health & Science and Center for Advanced Learning

- ❖ **Investment in Scholarship programs:** Hispanic Chamber, PCC Cascade, Skanner Scholarship program

❖ Community Prevention Education:

- ❖ Trauma Nurses Talk Tough, Risky Driver Education, CPR
- ❖ Helmet Fitting, Burn Prevention, Home Safety Assessments

Why is this good for the community? Exhibit A

❖ Continued success allows us to maintain on-going support for healthcare in the community

- ❖ Emanuel's Charity Care as percent of expenses: FY 11: 6.4%--\$36 million in costs
- ❖ Total unreimbursed costs as percent of expenses: FY 11: 15.9%--\$89.3 million
- ❖ Legacy's Community Health Fund, established in 1998, further assists community organizations by funding health initiatives in the Portland-Vancouver area-- between FY 99 and FY 13, \$6.4 million has been allocated to community-based programs and initiatives.
- ❖ Legacy donates \$100 to nonprofit health, human service or education organizations in honor of employees who volunteer on personal time 50 hours a year.
- ❖ Total Community Benefit (includes the services above and in-kind services)--FY 11: \$91.2 million—16.3% of expenses, a higher percent than any other hospital in the metro area.

Why is this good for the community? Exhibit A

❖ We will be able to continue to work with and support our numerous non-profit partners, which include:

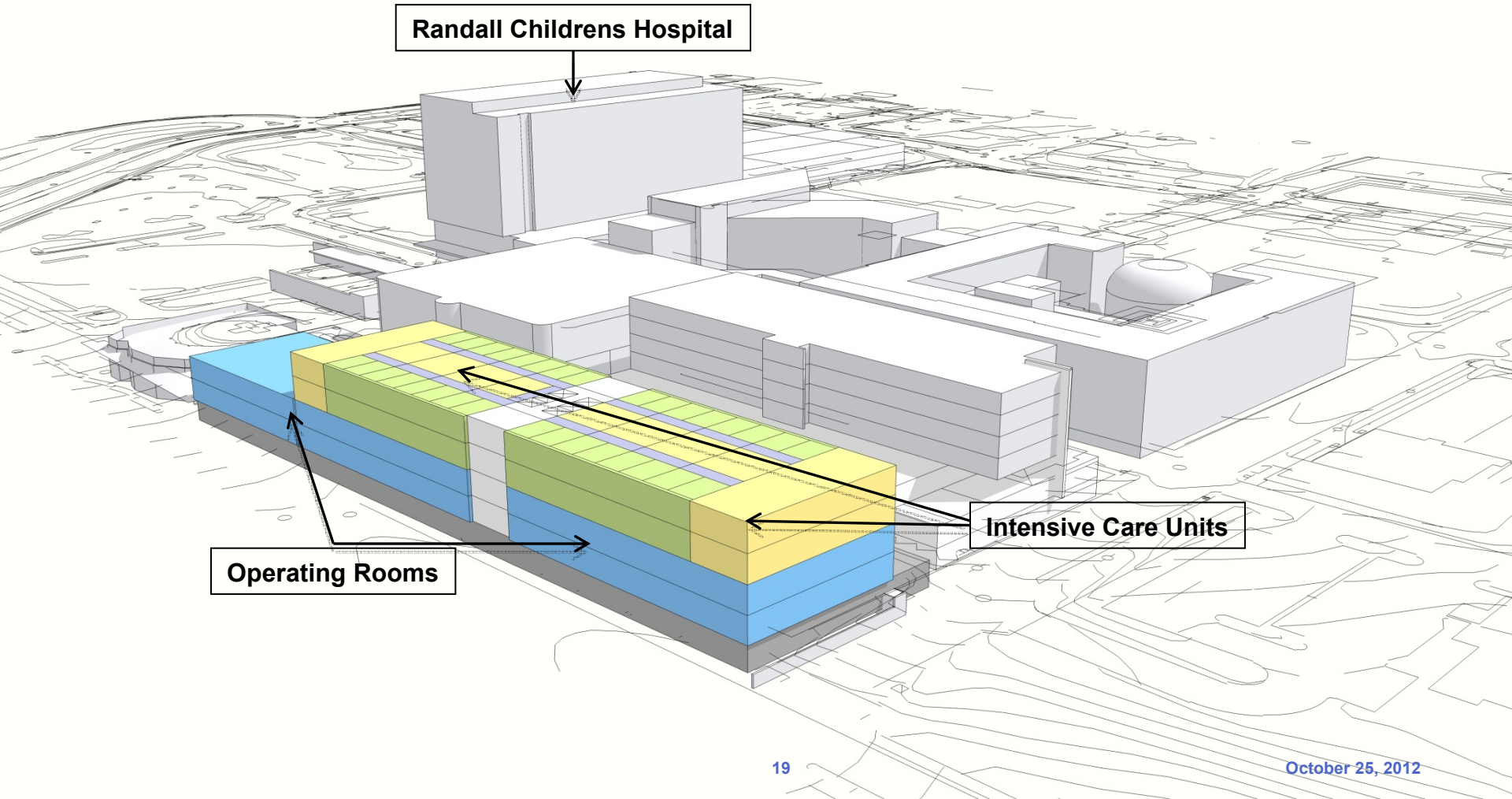
- ❖ African American Chamber of Commerce
- ❖ African American Health Coalition
- ❖ Albina Rotary
- ❖ Baby Blues connection
- ❖ Big Brothers Big Sisters Columbia Northwest
- ❖ Black United Fund
- ❖ Cares NW
- ❖ Children's Cancer Association
- ❖ Children's Heart Foundation
- ❖ Eliot Neighborhood Association
- ❖ Girls Incorporated
- ❖ Good in the Neighborhood
- ❖ Habitat for Humanity
- ❖ Juvenile Diabetes Research Foundation (JDRF)
- ❖ The Leukemia & Lymphoma Society
- ❖ Lloyd Community District Association
- ❖ March of Dimes
- ❖ MLK Loaves & Fishes
- ❖ National Association of Minority Contractors
- ❖ Native American Rehabilitation Association
- ❖ Native American Youth & Family Services
- ❖ New Avenues for Youth
- ❖ NE Broadway Business Association
- ❖ NW Kidney Kids
- ❖ NW Mothers Milk Bank
- ❖ NW Parish Nurse Ministries
- ❖ OAME (Oregon Association Minority Entrepreneurs)
- ❖ Oregon Hospice Association
- ❖ Oregon Impact
- ❖ Portland Business Alliance – Partners in Diversity
- ❖ Portland Parks and Recreation
- ❖ Portland School Foundation
- ❖ Portland Workforce Alliance
- ❖ REAP Inc. (Reaching & Empowering All People)
- ❖ Ronald McDonald House Charities
- ❖ Skanner Foundation
- ❖ SEI
- ❖ Trillium Family Services
- ❖ Urban League of Portland

Why is this good for Legacy Emanuel

- ❖ New ORs allow us to utilize new technology
- ❖ New facilities allow us to bring our high acuity areas up to current code
- ❖ Adjacency to OR will allow us to utilize current space and maintain efficiencies in current space
- ❖ Additional ICUs will help prevent going on divert for lack of bed space
- ❖ New construction allows us to build rooms with better flexibility to accommodate changing medical practice
- ❖ Better facilities attract both physicians and patients

Emanuel Medical Center – OR / ICU

Exhibit A



Community collaboration with construction Exhibit A

- ❖ **Community Engagement with Randall Children's Hospital construction:**
 - ❖ NAMC Oregon was invited to participate early in the process for of the building of Randall Children's Hospital.
 - ❖ In all NAMCO members benefited from \$3,000,000 in construction costs. Legacy and Hoffman also supported Training and Capacity building workshops through NAMCO partner MCIP Program.
 - ❖ Throughout the construction process Legacy executives construction update presentations to community organizations such as the Eliot neighborhood association, Lloyd Community District Association, Albina Rotary, Oregon Association of Minority Association amongst others.
- ❖ **Emanuel Reconciliation Project:**
 - ❖ Year long project to understand and preserve the history of the Urban Renewal projects in the Eliot neighborhood.
 - ❖ Development of exhibit of Eliot Neighborhood history.
 - ❖ Covenant with the neighborhood to commit to ongoing dialogue and neighborhood participation in developments on the Emanuel campus.
- ❖ **Community Engagement with Campus Master Facility Plan**
 - ❖ Ongoing dialogue and neighborhood participation in developments on the Emanuel campus.

Thank you

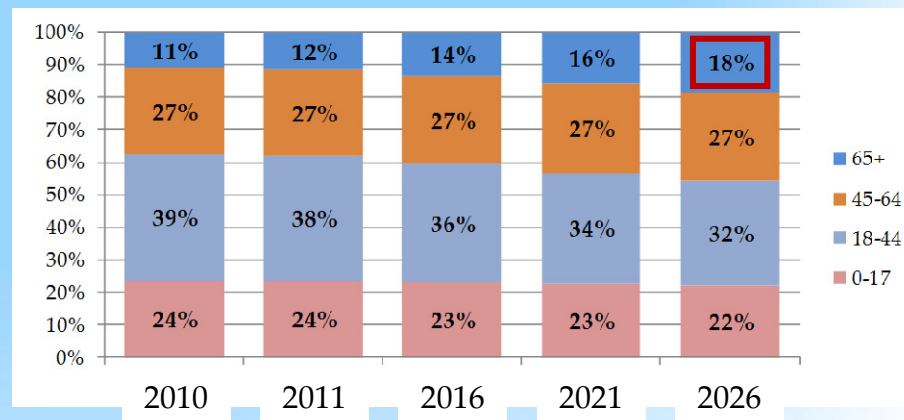


Fluctuating demand: The “gray” wave Exhibit A

Compound Annual Growth Rate (CAGR)

Geographies	All Ages	65+
Total GPA	1.3%	4.5%
Oregon	1.0%	3.6%
Washington	1.1%	4.0%
United States	0.8%	3.0%

Trended Percent of Population by Age Cohort



The GPA's population growth is forecasted to exceed state and national growth rates, with the greatest growth in the 65+ age cohort.