



Cheyenne Regional Medical Center—Physicians Office Building

2301 HOUSE AVENUE, CHEYENNE, WYOMING

Quick Glance

- 140,000 SF MOB
- On Hospital campus
- Attached to Hospital
- Sale of MOB and transition of property management
- Transition of ownership to Hospital from REIT

Benefits

- Professional and seamless transition of management for existing tenants and new ownership
- Physicians Relations Continuity
- Building opened Vendor Relations Continuity

Services

- Physician Relations
- Property Management
- Leasing
- Tenant Finish Coordination

THE CHALLENGE

Cheyenne Regional Health Services Corporation (Owner) purchased the MOB from a publicly traded REIT in December, 2008. The challenge was to create the impression of a seamless transition of ownership and property management for the tenants. Additionally, many leases were lower than market value and incorrectly measured, creating compliance issues for the Hospital/Owner.

THE SOLUTION

The Hospital awarded Health Connect Properties (HCP) the contract for property management and leasing to provide leasing services, tenant finish coordination services, tenant relations and property management services. HCP was successful in hiring the property management team that had managed the building under the previous ownership. This resulted in the seamless transition that the Hospital was hoping for and was a significant step for the continuation of excellent relationships with the physician tenants. With respect to the non-compliant leases, HCP performed a fair market value report for the Owner and began the difficult task of lease negotiations with expiring tenants who were significantly under market. In addition, the leases contained incorrect rentable square footage and HCP coordinated the re-measurement of the building within the standards set by BOMA. HCP has been successful in renegotiating approximately 95% of those non-compliant leases. The remaining 5% will be complete in 2013 upon expiration of the existing leases. HCP has performed many tenant finish projects, coordinating the space planning and construction phases of each tenant space through final punch list, signoff and occupancy. HCP has also completed the refurbishment of the common areas and new monument and directory signage. In addition to the property management and leasing, HCP continues to consult with the Owner on its various other real estate related projects.

REFERENCE

Jason Shenefield, VP/COO, Cheyenne Regional Medical Center, (307) 633-7185-jason.shenefield@crmcwy.org

Kerry Warburton, CFO, Cheyenne Regional Medical Center, (307) 633-7622-kerry.warburton@crmcwy.org