

Community Opportunities Arising from the Transformation of Montgomery Hospital

Norristown, Pennsylvania

Background

- In January of 2006, Albert Einstein Healthcare Network (AEHN) and Montgomery Hospital Medical Center (MHMC) formed a partnership to improve access to advanced healthcare services for the citizens of central Montgomery county
- A centerpiece of the partnership is the construction of a new state of the art hospital
- A range of primary care and outpatient services will continue to be provided at the professional office building in Norristown
- As part of the agreement, MHMC would cease all inpatient services once the new hospital opened
- Dynamis Advisors, Inc. was engaged to identify potential reuses of MHMC's inpatient facilities

Dynamis Advisors, Inc.

- Dynamis Advisors was retained to assist the Einstein-Montgomery Partnership and the community to find a productive reuse of the inpatient facility
- Dynamis has a proven track record of helping clients find effective reuses of transformed facilities through partnerships and collaborations within their communities
- Worked with clients all over the country; most locally based client is St. Joseph's in Reading

Methodology

- Dynamis conducted over 100 interviews with community representatives, including:
 - > Community members
 - > Business owners
 - > Educators
 - > Elected and appointed officials
- In addition, Dynamis interviewed Board members, physicians and administrators from both AEHN and MHMC
- A physical evaluation of MHMC's existing facilities as well as a survey of the surrounding community was conducted to determine the potential reuses

Community's Priorities

- Through interviews with community members, Dynamis identified several priorities for MHMC's reuse:
 - > Access to high quality healthcare
 - > Improves tax base of Municipality
 - > Supports the revitalization of downtown Norristown
 - > Provides a positive influence on the community

Partnership's Objectives

- The Partnership's objectives can be summarized as follows:
 - To support the community's efforts to revitalize the Municipality of Norristown.
 - To work closely with the Municipality of Norristown to identify one or more organizations which will commit to developing Montgomery's inpatient facility into the selected reuse option.
 - To utilize the remaining MHMC property in the Professional Office Building for uses that expand access to healthcare in the community in a manner which is consistent with the Partnership's emerging vision and strategies

Montgomery Hospital Today

- Montgomery Hospital is located at 1301 Powell Street in Norristown
- The campus is composed of four buildings
 - Main (old) bed tower (1939)
 - Bed tower addition (1948)
 - McShae administrative building (1957)
 - Structured parking garage: 600 spaces (1985)
 - Professional office building (1986)
- After evaluation, it does not appear that the main (old) bed tower and the McShae administrative building are candidates for renovation.

Montgomery Hospital Today



- All suggested options call for demolition of the original bed tower, the addition and the McShae building on Wood Street.

Healthcare Services to Remain

- The Professional Office Building, located across the street from Montgomery Hospital on Powell Street, will remain in place
- The building will accommodate the Norristown community by providing space for healthcare services
- The building will have various physician offices and healthcare services, such as:
 - Primary Care including extended evening office hours
 - Multi-specialty Surgery Suite
 - Multi-specialty Medical Suite
 - Outpatient Rehabilitation
 - Diagnostic Imaging

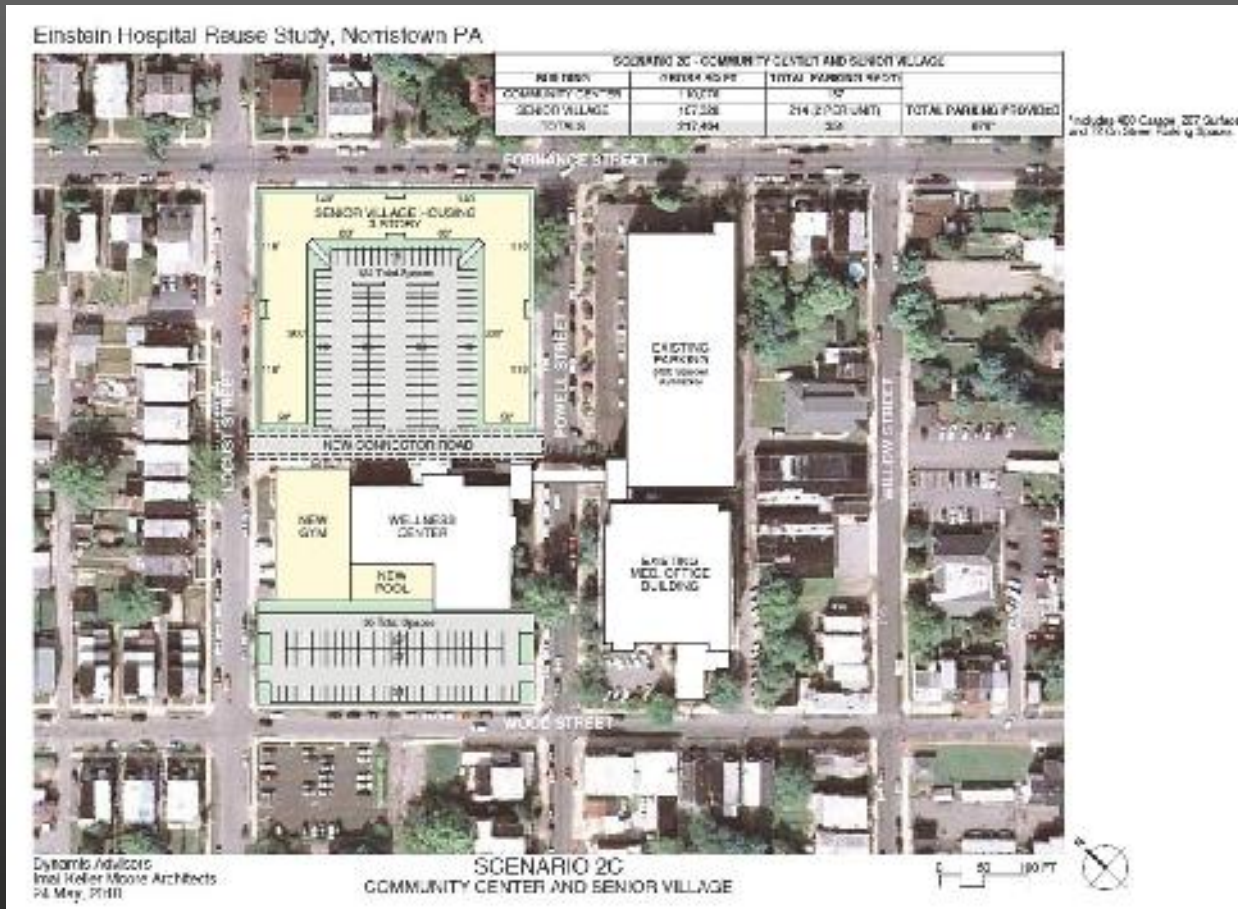
Potential Options

- ◎ From the interviews, Dynamis identified the following potential options:
 - > 1 : Community Center & Senior Village
 - > 2 : Community Center & Market Rate Housing
 - > 3 : Senior Village and Market Rate Housing
 - > 4 : Market Rate Housing
 - > 5 : Senior Village
- ◎ There was not critical mass for reuse of the building for pharmaceutical research

Scenarios

- 1: Community Center and Senior Village
- 2: Community Center and Market Rate Housing
- 3: Senior Village and Market Rate Housing
- 4: Market Rate Housing
- 5: Senior Village

Scenario 1: Community Center & Senior Village



In scenario 1, the community center would be 110,076 square feet. The remaining area would consist of a 3-story senior village (107,328 square feet or approximately 96 units). In addition a new connector street could be built between the community center and the senior village housing.

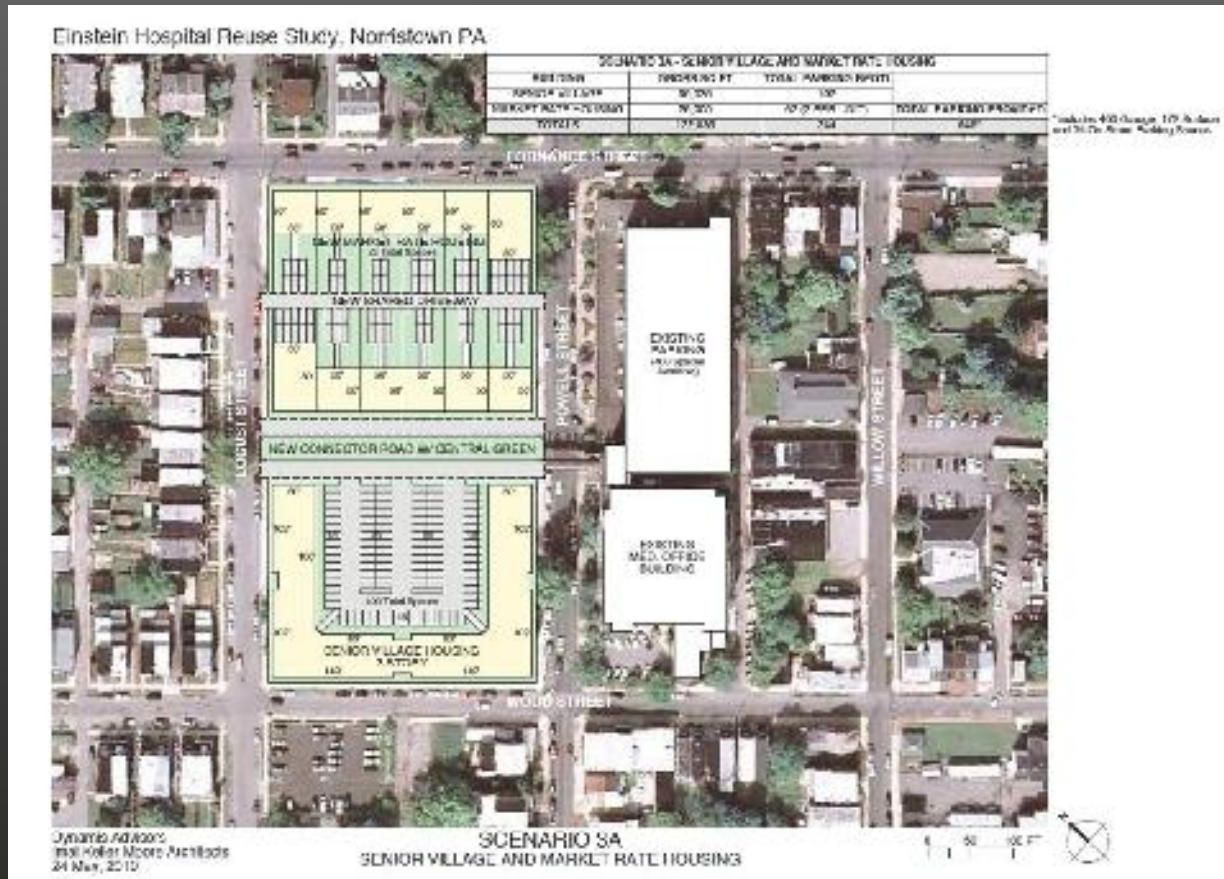
Scenario 2: Community Center & Market Rate Housing

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In scenario 2, the community center would be the same size as scenario 1 (110,076 square feet). The remaining area would consist of market rate housing (26,000 square feet or approximately 26 units).

Scenario 3: Senior Village & Market Rate Housing



In scenario 3, a senior village of 96,036 square feet (approximately 86 units) and 26,000 square feet of market rate housing (approximately 26 units) would be built. The two types of housing could be divided by a to be built connector road with central green.

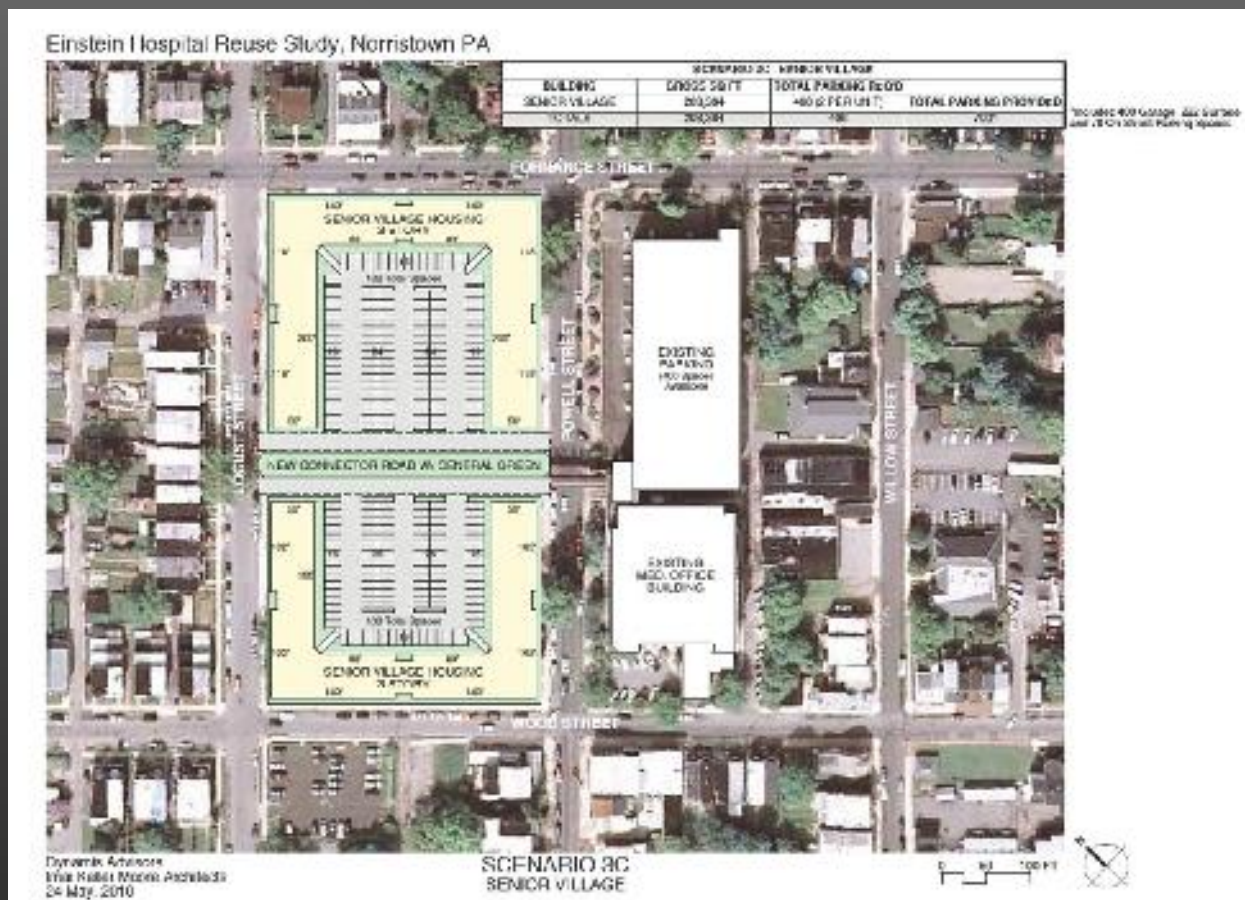
Scenario 4: Market Rate Housing

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In scenario 4, 52,000 square feet (approximately 52 units) of market rate housing would be built. Further, a new connector road with central green could be built between the two sections of market rate housing.

Scenario 5: Senior Village



In scenario 5, a senior village of 192,000 square feet (approximately 192 units) would be developed. A central cross street with central green could be built to divide the senior village into two sections.

Conclusion

- ◉ Dynamis believes that scenarios in options 1 through 5 are consistent with Norristown's revitalization plan.
- ◉ Options are reflective of the community, Norristown municipality, Montgomery County as well as the Einstein-Montgomery Partnership's objectives
- ◉ Three specific developers have expressed interest in developing and managing the uses in all presented options.
- ◉ These options reflect what Dynamis heard in their interviews. The report does not preclude other potential uses.

Next Steps