



CENTRAL HEALTH

CommUnityCare | Sendero

Hancock Headquarters Consolidation and Clinical Expansion

Capital Project Budget

June 14, 2021



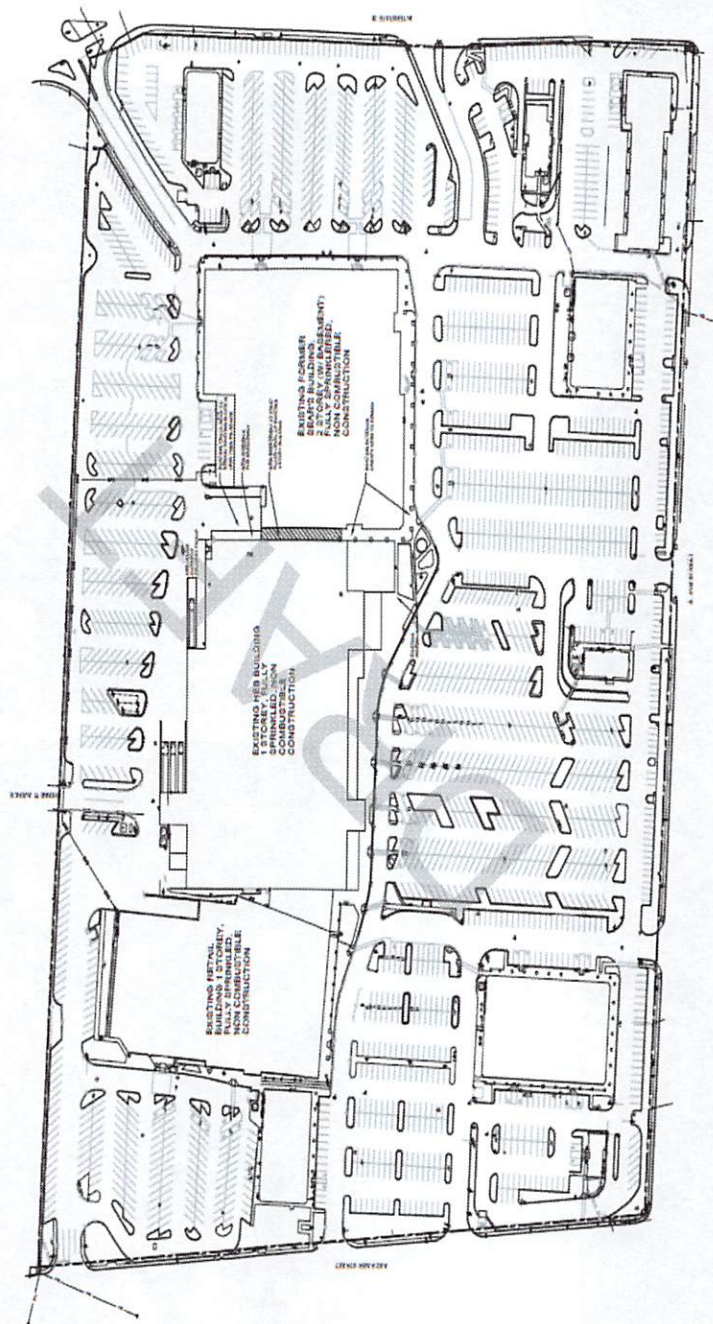
Overview

- **Request approval of Hancock Administrative Consolidation and Clinical Expansion**

- Acquisition and renovation of former Sears Building located in Hancock Center
- Purchase CommunityCare Hancock Clinic Building
- Anticipate approximately 90,000 sq. feet consolidated administrative space and 106,000 sq. feet of clinical space
- Financial highlights include:
 - Transition from leases to ownership results in substantial long-term savings
 - Long term asset appreciation
 - Financed through the issuance of 20 year Certificates of Obligation

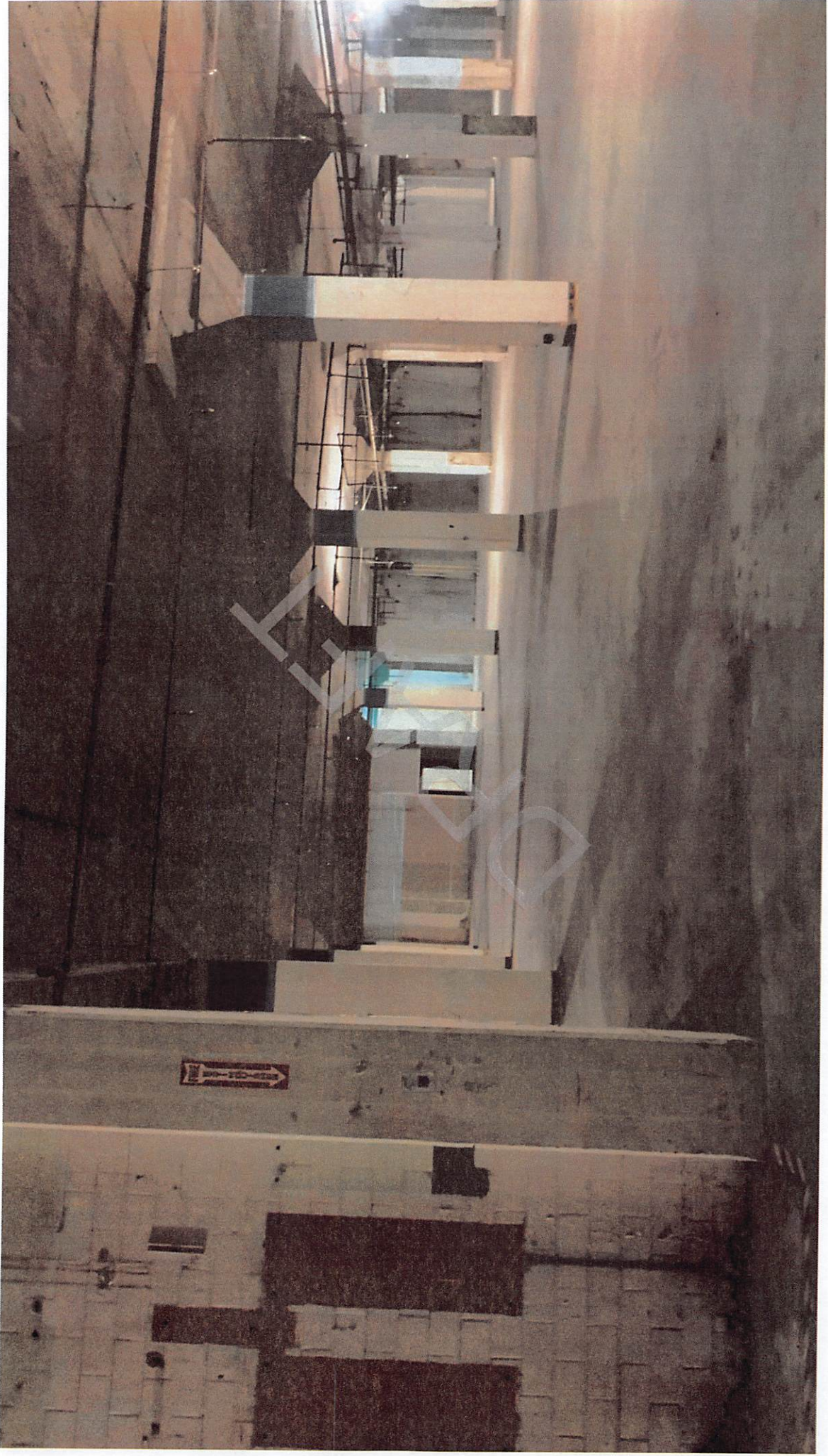


Hancock Center Map



Current







Potential Exterior Elevation



Potential Exterior Elevation



Potential Exterior Elevation



Capital Project Budget

Budget Element	Budget Amount
Due Diligence & Project Assessment	\$ 46,700
Acquisition & Regulatory	\$ 18,834,000.00
Professional Services	\$ 2,352,425.00
Community Engagement	\$ 44,500
Construction	\$ 32,439,425
Furniture, Fixtures & Equipment	\$ 2,522,000
Project Management & Administration	\$ 507,635
Owner Contingency	\$ 5,839,097
Total Estimated Project Cost	<u>\$ 62,586,000</u>

Estimated Cost - \$320 per sq. foot



Project Timeline

Project Milestone	Finish
Business Concept Development	09/11/20
Business Case Due Diligence & Evaluation	11/30/20
Executive Team Review & Approval	01/20/21
Central Health Board Approval - Acquisition & Design Funding	03/31/21
Purchase Agreement	04/14/21
TCCC Approval	04/30/21
Purchase Transaction	07/15/21
Project Team (Via Central Health Purchasing)	11/30/21
Concepts Development / Selection	12/30/21
Concept Design Complete	01/30/22
Construction Documents Complete	06/30/22
Construction Bids / GMP Development	07/30/22
Permit and Construction Funding	09/08/22
Construction Notice to Proceed	09/09/22
Construction	12/30/23
Substantial Completion	12/30/23
Administrative Occupancy - Initial	01/30/24
Project Close Out	03/30/24
Project End	03/30/24



Project Acquisition/Funding Status

- ✓ **Contract Execution Authority**
- ✓ **Approval for Intent to Issue Contractual Obligations**
- ✓ **Receive Rating for Contractual Obligation issuance – Assigned Moody's Aa2**
- **Contract Execution/Capital Budget Approval**
- **Acquisition Completed**
- **Approval of Sale of Certificates of Obligation – August 9 -10**



Questions

- Staff requesting approval of Hancock Capital Project Budget in the amount of \$62,586,000

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END OF PRESENTATION

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Taxpayer Impact – Average Homestead TAV

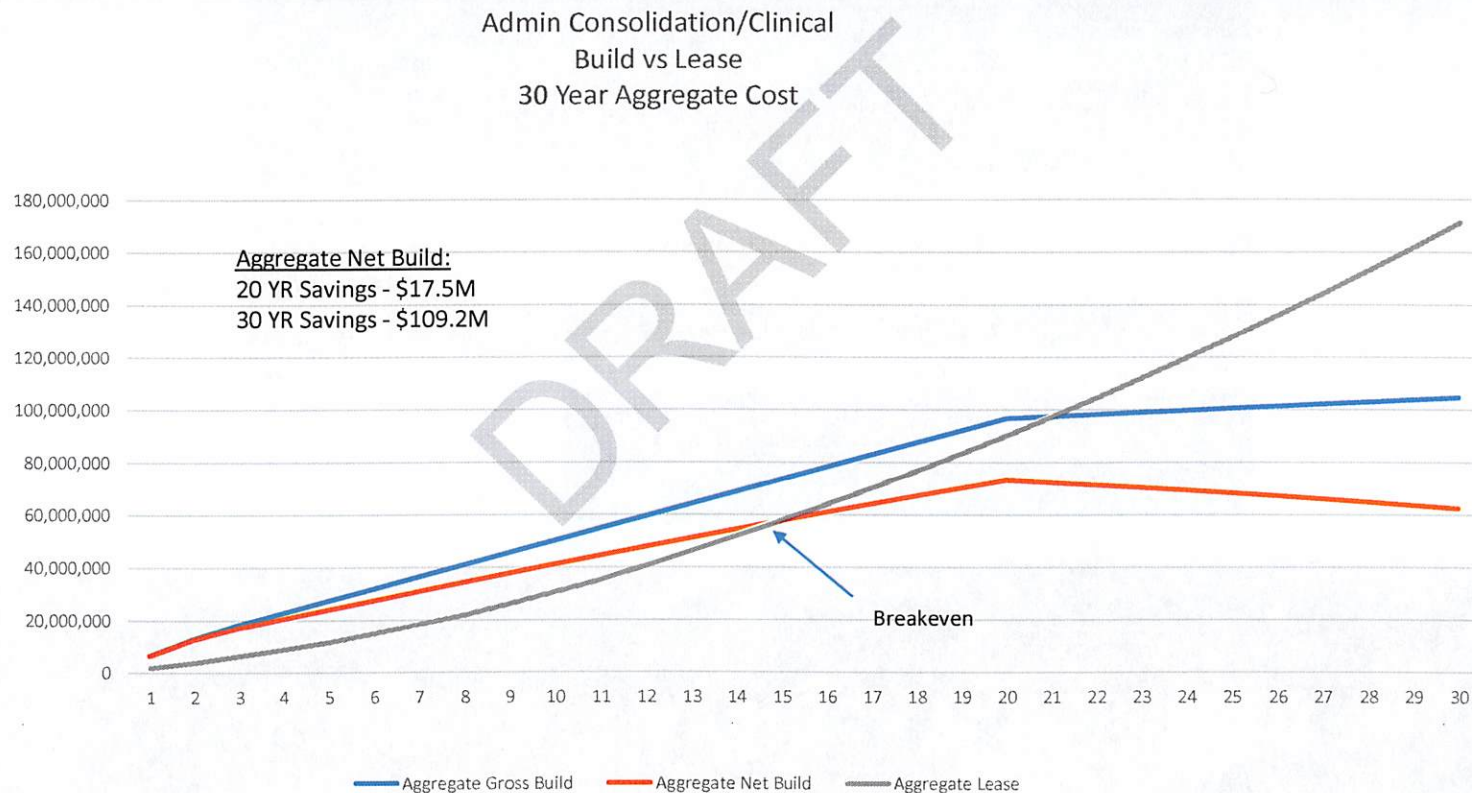
	Approved FY 21	Additional Debt Svc	Difference
M&O	\$0.109717	\$0.109717	\$0.00
Debt Service	\$0.000589	\$0.000589	\$0.00
Admin and Clinical Acquisition & Construction	\$0.000000	\$0.001960	\$6.97
Del Valle/Hornby Bend Clinics Construction	\$0.000000	\$0.000472	\$1.68
Total Tax Rate	\$0.110306	\$0.112738	\$8.65
Avg. HS Tax Bill	\$392.00	\$400.65	\$8.65

Using FY21 Property Tax Rate data, the property tax impact of an annual debt service payment of \$5.21M to the average homestead of \$355,379 is an increase of \$8.65



Comparison Build vs. Lease

20 and 30 YR Savings – Net of Lease Payments



Key Events for a 2021 Bond Sale

- Overall timeline from initial approval to closing of the Bond is generally 3-4 months
- Central Health Board & Travis County Commissioners Court each must adopt a Resolution to publish a Notice of Intent to issue Certificates of Obligation
- Notice of Intent must be published on the Central Health and County website and in a local newspaper of record, twice in consecutive weeks
- 45-Day Wait Period between date of first publication of the Notice of Intent and approval of the bond sale
- Obtain a Bond Rating
- Distribute a Preliminary Official Statement and Notice of Sale to potential Underwriters/Bidders
- Bond Sale – Pricing and Sale of Bond to Underwriters
- Central Health Board & Travis County Commissioners Court – Adoption of an Order authorizing the sale and issuance of Certificates of Obligation
- Bond Counsel sends materials to Texas Attorney General for approving validity opinion
- Closing/Delivery of funds approximately 3-4 weeks after the sale of COs

