How to Successfully Design/Develop a Full-service Ophthalmic Center

American Society of Ophthalmic Administrators
Course 3779 - Monday, May 9, 2016 @ 3:30 pm

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Financial disclosure
- I have the following financial interests or relationships to disclose
- John Marasco is an owner and principal of Marasco & Associates a healthcare architecture & consulting firm and would like to design your next healthcare facility

The team – the “A-Team”
- Experience is the key to success
  - Make sure you’ll be working directly with the principals
  - 5, 10 or even 15 projects isn’t experience – 50+ is
  - Your team should’ve made every mistake in the book
  - You shouldn’t be teaching you should be learning
  - You don’t know what you don’t know
- Key members
  - ASC/Business Consultant
  - Attorney
  - Accountant
  - Realtor
  - Banker
  - Architects/Engineers/Interior Designers
  - Equipment Planner
  - General Contractor/Sub-contractors
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Code requirements

- CMS/State Health Department (ASC)
- National Fire Protection Association (NFPA)
  - 99 – Health Care facilities
  - Electrical/Gas/Vacuum/Environmental Systems & Equipment, Emergency Management...
  - Chapter 18 = New & Chapter 19 = Existing Classification of Occupancy & Hazard of Contents, Means of Egress, Fire protection...
  - 3.7 = Outpatient Surgical Facilities (ASC’s).
- OR Class & Clearances, Pre/Post-operative Holding Number & Clearances, Public/Patient Administration/Surgical/Staff Support Areas, Temperature Control & Zoning, Filtration/Air Exchange & Humidity Control Levels, Medical Gas Outlets & Valve Zones...

Code requirements

- Local building codes
- Planning & Zoning
  - Building Setbacks & Easements, Allowable Materials, Parking Ratios, Loading Zones, Landscaping Percentages & Plant Types...
  - International Building Code (IBC), California Building Code...
  - Use & Occupancy Classification, Building Heights & Areas, Types of Construction, Fire & Smoke Protection, Means of Egress, Accessibility, Energy Efficiency, Structural Design, Electrical/Mechanical/Plumbing Systems, Elevators...
- Americans with Disabilities Act (ADA)
  - American National Standard Institute (ANSI)
    - Floor Surfaces, Changes in Level, Turning Space, Clear Floor Space, Knee Clearance, Accessible Routes, Doors & Doorways, Ramps, Elevators, Parking Spaces, Loading Zones...

Common design mistakes

- Ignore sub-specialty needs
- Provide poor soundproofing
- Provide poor HVAC control
- Ignore long term operating costs
- Don’t individually switch lights
- Don’t provide automatic doors
- Don’t separate patient & staff flows
- Provide ample safety lighting
- Use bumper guards in ASC
- Use convertible gurneys in ASC
- Over build for wants not needs
- Over prioritize the cost of land
- Ignore future expansion
- Ignore future sub-specialties
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Real-estate development

- Don’t forget the “A-Team”
- Ownership options
  - Own
  - Joint venture
  - Lease
- Construction options
  - Design – Bid – Build
  - Design – Build
  - Project manager?
  - Works well for complex remodels
  - Design – Bid – Design – Bid – Build
  - All the good stuff and none of the bad
- Make changes during design not construction
- Competition is up therefore prices are down
- How long will the low prices last?

Construction costs

- Location within the USA
  - Southern central states – low cost (Fayetteville, AR)
  - National average – (median cost)
  - Northern West & East coasts – high cost (New York, NY)
- Size
  - 5,000SF
  - 15,000 SF
  - 35,000 SF
  - New Optical: $195-$248-$325/SF
  - New Practice: $203-$259-$339/SF
  - New Surgery: $330-$382-$500/SF
  - Site Work*: $7-$11/SF
  - Remodel Optical: $96-$123-$165/SF
  - Remodel Practice: $105-$154-$175/SF
  - Remodel Surgery: $201-$257-$336/SF
  - Demolition**: $9-$11-$14/SF
- 1st quarter 2016 RS Means estimates, 10-15% annual increases
  - * 5-6 SF of site for every 1 SF of building, + future expansion
  - ** Add if demolition of existing interior space is required
  - Call me for your exact costs

Facility costs

- Other construction cost drivers
  - Union towns
  - Temporary material shortages
  - LEED or "green" building technologies
  - Quality & esthetic appeal
  - Architectural & SMEP Engineering fees
    - 7-12% of the construction cost
  - Interior Design fees
    - $1-3/SF for Finishes
  - Property development fees
    - Impact fees, tap fees, water retention fees…
  - Financing & interest during construction costs
    - 5-7% of the borrowed money
  - Fixed, Operating & Tax (FOT, NNN or CAM) expenses
    - $5-10-25/SF depending on location
Thank You
Any Questions?

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