

Sunshine Coast University Hospital Business and Industry Development Opportunities Reference Group



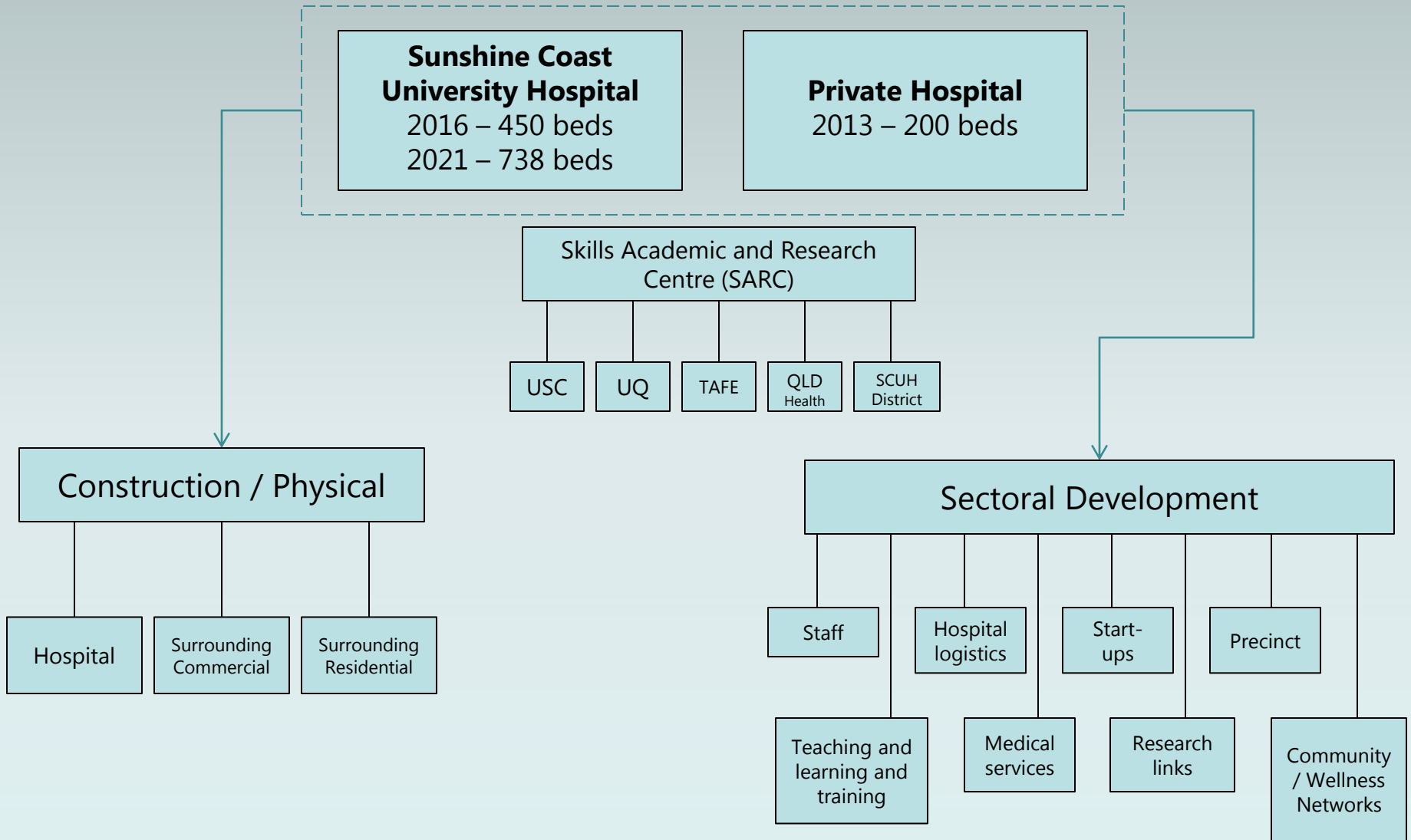
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Property and Development
7 February 2011



This Presentation

1. Construction / physical – specific, direct and immediate impacts / issues
2. Sectoral / cluster development
3. Some North American case studies

Business and Industry Opportunities



(1) Construction / Physical

specific, direct and immediate impacts ... but some residuals

Scale: Capex (alone!) \$1.97 billion

(Sunshine Coast GRP ~ \$ 9.4 billion)

<http://www.oesr.qld.gov.au/products/publications/experimental-estimates-grp/experimental-estimates-grp-2005-06.pdf>



Gold Coast University Hospital Station shell construction progress (August 2010)

Source: <http://www.goldcoastrapidtransit.qld.gov.au/publications/photo-galleries.php>

Maximising Local Business Opportunities

Parameters:

- National Competition Policy
- State Policy [Purchasing and Procurement; Local Industry Participation Plans (LIPP)]
- Role of State Government / Queensland Health etc.
- Role of principal contractor

Note:

- ‘Full, fair and reasonable opportunity’
- Formal plan for participation if valued over \$5million (\$2.5 in Regional Queensland)
- Role of Industry Capability Network (ICN)
- ‘Partnerships’ and innovation to make it easy / benefit all
- Project ‘unbundling’; use of generic types/standards
- Dissemination of **relevant** , timely information and encourage networks
- Recognize ‘local – contestable – imported’ components (often not so obvious!).

Maximising Local Business Opportunities (cont)

Some Principles (from case studies)

1. Strategic

- Start early... think through opportunities in detail
- Understand / accept the parameters (previous slide)... ask for key things
- Challenge existing strategic alliances
- Role / approach of the principal contractor will be critical (encourage 'point of difference')
- Need a single, knowledgeable, respected point of contact (+ web site etc.)
- Local authority role critical

2. Operational

- Keep communication to job / contracts not general announcements
- Develop up a real directory / capability statement (scale, certifications, machines etc) in all categories
- Make S.M.E's aware of what will be required of them... licences, safety certificates, how to tender / expectations of large contractors etc. plus attitude!
- Do not overly raise expectations but encourage proactive steps to positions
- Get in as soon as contracts are let ... or before!!!



Professor Mike Hefferan, SCUH Business and Industry Reference Group, 7 February 2011

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Maximising Local Business Opportunities (cont)

Some Principles (from case studies)

3. Typically

- Sector leaders emergemanagement attitude is very important
- Allows them to improve systems / incrementally grow (but need to service existing clients as well)... will not 'bet the farm'
- The principal contractor like local suppliers and will help them 'skill up' but will not compromise the project for them
- Success often comes from unlikely firms (think laterally / unbundle stuff)
- Specially established supply firms or corporations not normally favoured
- Secure, steady work with payment guaranteed
- Few follow the principal contractor to the next job... but will be better firms for it.

(2) Sectoral development

Some 'comes with the hospital'

- Hospital logistics and services
- Staff
- Teaching and learning and training
- Medical and scientific services

Others elsewhere

- Research links and networks (presence of major companies)
- Start-ups
- Precinct cluster

Major strategy

- Community wellness
- Aging

(2) Sectoral (cluster) development

- **SCUH as a hub**
 - visitations
 - staff
 - transportation
- **SCUH – direct support / immediate cluster**
 - logistics / services
 - direct medical / pathology
 - short term accommodations / parking etc
 - personal services / food
 - specialist medical
 - devices / technology
 - pharmaceutical
 - social support
 - not-for-profits

(2) Sectoral (cluster) development (cont)

- **Educational**
 - SARC (Skills, Academic and Research Centre) plus TAFE site
 - Links back to USC, Nambour etc
 - Seek research funding / centre
- **Firms development**
 - Some presence of large firms
 - Research must evolve but opportunities will emerge (links with Innovation Centre)
 - Leave site / space for expansion / organic growth / unexpected opportunities
- **Residential**
 - Medium density (and range of affordability / styles / types)
 - With diversity of uses – community
- **Wellness, knowledge and liveability**
 - Not just a service cluster around a hospital!
 - Develop as a community in its own right

(2) Sectoral (cluster) development (cont)

A 'bare' hospital can be the 'neighbour from hell'

- **This precinct must be...**
 - based on 'health, wellness and knowledge'
 - properly identify the site / precinct 'footprint'....and stay committed (long haul!)
 - walkable, 'village' emphasis on diversity and liveability, porous ground level
 - set up development plan and infrastructure in advance
 - authentic design.. emphasis on public spaces and streets
 - flexibility for future
 - critical node for public transport and private traffic properly accommodated

(3) Some North American case studies

1. McGill University Health Centre, Montreal, Canada
2. University of Toronto, Discovery District, Downtown Toronto – MaRS Innovation
3. Illinois Medical District, Chicago, Illinois, U.S.A.
4. University of California San Francisco, Mission Bay Campus, California, U.S.A.

Premise

- Need to be kept in context...North American environment quite different in:
 - scale
 - depth and wealth of universities / research
 - philanthropy
- However, some concepts are highly relevant and very valuable....

Some recurring themes

- Opportunistic site becoming available e.g. McGill and Mission Bay
- Full control of the site – with strategic plan, mission, and governance – legal identity
- Legislative support (right through to resumption powers in some cases!)
- A lead role by the universities involved
- Very sophisticated, well established links with the private sector – mature relationship
- Little identified role for economic development agencies – self fulfilling
- Little provision for ancillary uses – sites within / or close to the existing urban fabric plus development sites are available for the private sector
- Critical mass
- Recognised leadership / catalyst
- Long haul!

What do we really mean by a University Hospital...

- Just replicating the same / physically move demand?
- What roles do university / research play?
- Tertiary and quaternary care / specialisation offer?
- Connectivity...
 - to affiliated health services?
 - to urban environment?

Case Studies

- 1. McGill University Health Centre, Montreal, Canada**
2. University of Toronto, Discovery District, Downtown Toronto – MaRS Innovation
3. Illinois Medical District, Chicago, Illinois, U.S.A.
4. University of California San Francisco, Mission Bay Campus, California, U.S.A.

New home to:

- Royal Victoria Hospital
- The Montreal Children's Hospital
- The Montreal Chest Institute
- A Cancer Centre
- Research Institute of MUHC
- Centralised ambulatory services for 25 departments



Centre universitaire de santé McGill
McGill University Health Centre

The Glen Campus

For more information [click here](#)

Québec 



Future site of McGill University Health Centre Glen Campus Montreal, Quebec

Facts and Figures

Land area:	17.4 hectares
Finished building:	300,000 square meters
Parking and grounds:	92,900 square meters
Accommodation:	154 paediatric + 346 adult single-patient rooms with private bathrooms
Project Cost:	CN \$1.343 billion
Other infrastructure:	CN \$ 90 million (roadwork, sewerage, etc.)
Expected completion:	2014

Key learnings from McGill University Health Centre

- It took 44 weeks to put the brief together including technical, research and functional brief.
- 2 groups for tender – with 'fairness advisor'; each orientation was well scripted. Tender awarded 1 April 2010. Losing bidder was paid a fee.
- Projected to be built in 4 years, 2,500 workers on site.
- MUHC had their own independent experts (20 staff + 12 independent experts)
- Single-mindedness, clarity of instruction and coherence of vision by research leader, CEO, Development Manager and senior executives.
- Real initiatives on allied and primary health care to alleviate demand on hospital system

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MaRS Innovation, Toronto

‘Medical and Related Sector’ – MaRS – a public-private bio medical innovation foundation

Facts and Figures

Finished building:	69,680 square meters
Capacity to expand:	69,680 square meters
Site purchase cost:	CN \$14 million (private funds)
Project Cost:	CN \$100 million (public funds)
Started	2005

Idea: Pave the way for Canada's science and technology to reach the global marketplace. Reality: Phase II development makes MaRS part of Alexandria's global network of research-related properties and one of North America's largest innovation hubs.

to

More on MaRS Innovation Discovery District [click here](#)

Photo taken 6 May 2010

Idea: Promote collaboration among scientific, social, business and investment sectors to stimulate the knowledge economy and improve the lives of Canadians.



Key learnings from MaRS Innovation

- Public private partnership 14 individual benefactors (\$1 m each!) with the vision to purchase land, and major government partners to support (Government of Ontario, Government of Canada, City of Toronto, University of Toronto)
- Identity through innovative use of historic building (old hospital) – in Discovery District (UT Downtown Campus)
- Supports academic research, garage companies, students through to commercialisation
- In-house market research group and large companies on-site
- Real estate income to fund business advisory support and incubator; popular amenities
- Investment in ICT and technology in building attracts high tech and bio tech
- Active participation of business through advisory groups / mentors

THIS WORKS!

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More on IMD [click here](#)

Facts and Figures

- The IMD consists of 187 hectares in the west side of Chicago
- State legislation helped create a special-use zoning district – since 1941
- Largest urban health care, educational, research and technology districts in the U.S.A.
 - \$ 300 million in federal research awards annually
 - houses 2,200 hospital beds
 - has 20,000 employees / receives 75,000 visitors daily / houses 200 public and private entities
- Run by an independent 7-man commission (with powers of eminent domain)
 - \$3.3 billion in economic activity
 - 50,000 direct and indirect jobs
 - \$80 million in annual state taxes / \$34 million in annual local taxes
 - \$2 billion in direct and indirect employment compensation

Development Opportunities and Incentives:

- Flexible configurations
- Build to Suit
- Tax Incremental Financing District
- Enterprise Zone and Empowerment Zone
- Full precinct control



Photo taken 10 May 2010

Key learnings from Illinois Medical District

- Establishment of independent body (Commission) to oversee vision – backed by legislation
- Long term land management strategy (power of 'eminent domain' is critical)
- Rigorous locator selection and criteria without limiting entrepreneurial ideas
- Need to also control physical maintenance of grounds, traffic management, garbage collection, public relations and signage, etc.
- Increasing security issues (bio-terrorism etc.)
- Importance of transport – to and from district. Immediately adjoining Chicago downtown.
- Limited residential accommodation facilities within the district

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Mission Bay Redevelopment Facts & Figures

- 122 hectares mixed-use
- Mid-rise and high-rise buildings (maximum height – 48 meters)
- 6,000 residential (incl 1,900 affordable units – 30%+)
- 24 hectare life science research UCSF Campus
- 40 hectare commercial / industrial use
- 4.6 hectares retail / 500 room hotel
- 16 hectares public open space + 3 hectares on UCSF Research Campus
- New 500-student public school, library, police and fire stations



More on SFRA [click here](#)

UCSF Mission Bay Facts and Figures

Completed to date:

- 4 research buildings (81,011 square meters)
- Campus community centre
- University housing complex
- First phase of specialty hospital to commence 2010 – 289 beds
 - Children's Hospital
 - Cancer Hospital
 - Women's Hospital
- Phase 2 + 261 beds

Project Cost: US\$1.686 billion

Funded by donations: US\$ 600 million target (\$330 million raised)

(UCSF is the second largest recipient of U.S. Federal medical research grants after John Hopkins)

↑ Housing
↑ Koret Quad
↑ MUNI Light Rail
↑ Rutter Center
Conference Center
FAMRI Library

Omniox
seachange
pharmaceuticals
improta

Key learnings from UCSF Mission Bay

- Level of philanthropic involvement in the U.S.
- Importance of public transport / connectivity to (nearby) CBD
- Pull of UCSF – new hospital as an anchor to spur surrounding entrepreneurial development (and developers who are already familiar with the sector)
- Large site with strategic plan for long term development
- Important role San Francisco Redevelopment Agency in overall planning

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