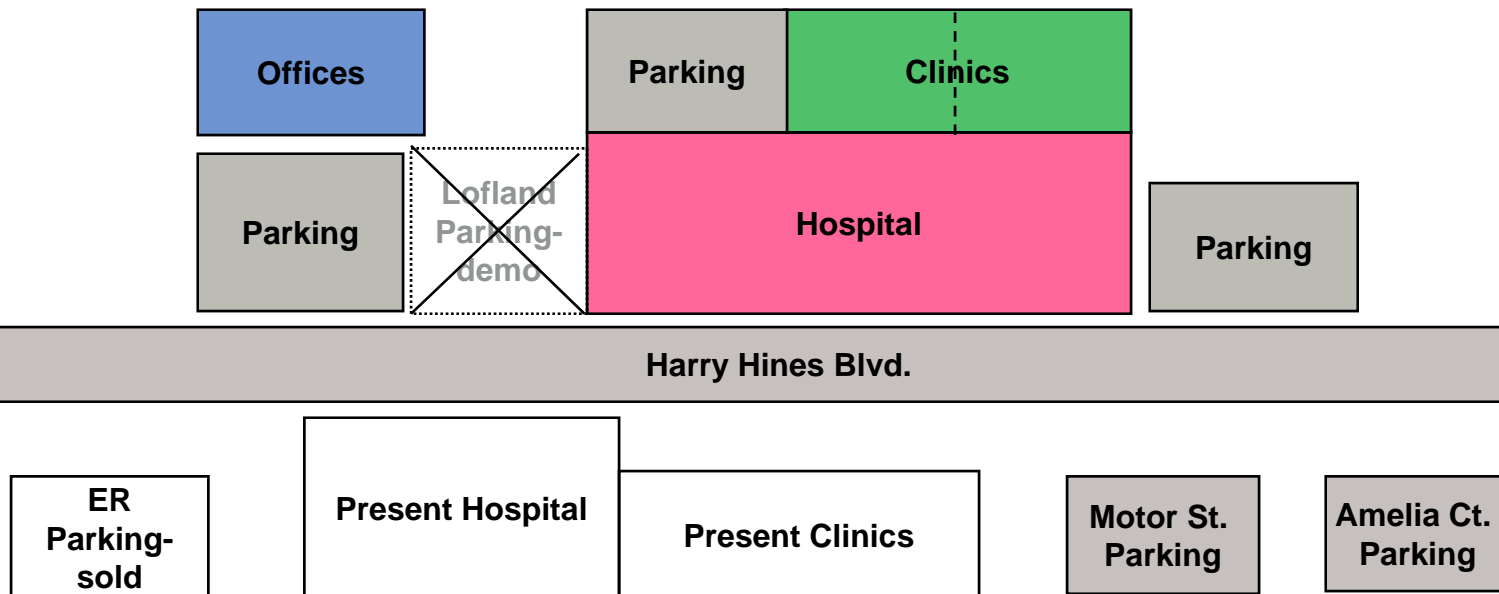


Master Facility Plan Proposed Project

Master Facility Plan: Revised Total Project

On March 14, 2008, the Blue Ribbon Panel recommended that Parkland pursue completion of the total master facility plan project (hospitals, clinics and office buildings and parking) with estimated total project costs of \$1,371 million.

On June 24, 2008, the DCHD Board of Managers approved a revised project—which meets the requirements of the Blue Ribbon Panel recommendation—calling for new campus on the north side of Harry Hines Blvd. by using a single efficient hospital, moving space to lowest cost facilities, maximizing surface parking, which reduced estimated total project costs by \$100 million to \$1,271 million.





Revised Total Project Scope and Costs

New Replacement Hospital

862 adult beds, 1.68 million square feet, open April 2014

\$ 1,053 million (83%)

<i>Adult bed complement:</i>	<u>Completed</u>	<u>Shelled</u>	<u>Total</u>
Current	675	0	675
Proposed	<u>816</u>	<u>46</u>	<u>862*</u>
Capacity Increase	141 (21%)	46	187 (28%)

Clinic Buildings

387,000 square feet, open April 2014

105 million (8%)

Office Buildings

269,000 square feet, open January 2011

50 million (4%)

Parking (2,035 new garage spaces, 2,800 new surface spaces)

42 million (3%)

Net Land Purchases, Sales, Demolition, etc.

21 million (2%)

Total Project Costs

\$ 1,271 million

* - 862 beds, plus 60 beds for an expanded PMR service and 46 beds for enhanced inpatient services, equals the 968 beds per the PwC/Blue Ribbon Panel study—location which is yet determined. The new replacement hospital also includes 117 newborn and 96 NNICU beds and is included in the project's cost.

Proposed Project Financing

G. O. Bond Proceeds:

Series 2009	\$ 534 million
Series 2011 or 2012	163 million
Revenue Bond Proceeds	42 million
Philanthropy	150 million
Interest on Bond Proceeds	32 million
Future Cash (Note 1)	100 million
Cash Reserves	<u>250 million</u>
Total Project Costs	\$ 1,271 million

G. O. Bond Size	\$ 705 million
Revenue Bond Size	<u>42 million</u>
Total Bonds	\$ 747 million
G. O. Bond Tax Support	2.5 cents

Tax on Median Homeowner (Note 2) \$ 46.24

Note 1 - Future cash of \$100 million in excess of operating cash reserves would be required to be transferred to the project fund prior to beginning construction on the \$105 million clinic buildings.

Note 2- Includes operations tax support of 1 cent beginning in 2014; median home value = \$132,000.

Master Facility Plan Option Recommendations

The Board has endorsed the project with a total cost not to exceed \$1,271 million. The maximum amount of bonds (\$747 million) was based on the assumptions below:

1. The maximum amount that could be serviced by ad valorem tax rate for Parkland will not exceed 2.5 cents per one-hundred dollars of assessed valuation of taxable property after all the authorized bonds are issued.
2. The estimated \$105 million for the clinic will not be paid for from bond proceeds, but will be constructed using available cash reserves when and as available.
3. Annual hospital system revenues of the District will be set aside and applied to pay the debt service on at least \$42 million of bonds issued for the purposes of providing parking facilities.
4. \$250 million of existing cash reserves will be applied to fund a portion of the planned improvements.
5. \$150 million of estimated philanthropic gifts for the purpose of paying a portion of the project costs.

The Board of Managers will be acting on necessary resolutions at its July Board meeting.