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Parkland preps \$1.3B project

Bond vote passage paves way for multiyear plan to replace, augment hospital

Dallas Business Journal - by [Joyce Tsai](#) Staff writer

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Now that the bond election is over, the hard work of building can finally begin.

In a landslide, voters cast their ballot in support of a \$747 million bond that will allow **Parkland Hospital** to build a new hospital. About 82% of Dallas voters favored the bond package and 18% opposed.

First came the celebration, and now comes the hard work — and the flurry of efforts involved — in getting this massive \$1.27 billion project planned, designed, built and opened.

The project has a lot of moving parts: first, an 862-bed hospital of about 1.7 million square feet to replace Parkland's current 675-bed facility. Other components are a 380,000-square-foot outpatient center, a 275,000-square-foot office center, parking for about 6,000 vehicles and a physical plant. Other support facilities will be built on Parkland-owned property north of Medical District Drive and east of Harry Hines Boulevard, while campus buildings are planned west of the DART line that is scheduled to open by 2010.

"We're very excited and appreciate the overwhelming support of the Dallas County community," said John Dragovits, Parkland's chief operating officer, "and now it's up to us to provide that stewardship in the county to execute and deliver a new Parkland that the community can be proud of and support."

Parkland posted three business opportunities on its Web site after the bond passed: a request for qualifications for a master architect, a request for proposals for construction management for the acute-care hospital and campus site work, and a request for proposals for a program controls manager to design and coordinate the project's communications, information technology and information systems. Deadlines are Dec. 11.

April Foran, Parkland's director of communications, declined to specify an estimated dollar value of the jobs. "Our internal team will negotiate fees and there is always some back and forth on that," she said.

Dragovits said that the recent economic downturn has led to two major changes in the construction climate for the project.

Because of local and regional slowdowns in construction, the hospital may be able "to position itself for more advantageous pricing," since the cost of materials is decreasing, he said.

And because "credit markets are still somewhat frozen" and interest rates are higher than anticipated, Parkland doesn't plan to rush issuing the bond. That shouldn't slow construction because Parkland currently has \$250 million in cash set aside for the project that will provide the necessary funding for the next 12-18 months, Dragovits said. "Since we are not under any immediate time pressures, we have the luxury of being opportunistic and taking advantage of the credit markets as they defrost," he said.

So the challenge now is "just pulling together the best and brightest teams to assist us in the planning," he said.

In June, Parkland chose Karlsberger Healthcare Consultants Inc. to develop an operational planning and facilities program for the replacement hospital, which will determine room sizing and relationships for clinical and nonclinical areas, and the project overall.

Dragovits said that Parkland's schedule of action will unfold in greater detail over the next nine months, once an architect is chosen and a masterplan is in place. Parkland is targeting a groundbreaking in late 2010 or early 2011 — with the hospital to open by the end of 2014.

Mary Scott Nabers, president and CEO of government relations consulting firm **Strategic Partnerships Inc.**, said Parkland's project "is going to create lots of jobs and opportunities at a time when unemployment is reaching historical highs."

And small and minority businesses will benefit. It also shows "while the private sector may be shutting down, the public sector has a lot of money to spend," she said.

John C. Hero, business development manager for Plano general contractor Hill and Wilkinson Ltd., said because of the size of this project, "you're going to see a lot of major designers and major contractors team up in joint ventures for these projects."

Tom Harvey, senior vice president and principal with architecture firm **HKS Inc.**, said on the design side of the project there potentially could be 20 to 30 design entities, including specialty consultants. In its totality, Harvey estimated the project could draw work from 60 to 70 different businesses.

To those in the health care construction and design fields, winning a project like this, "it's tantamount to doing the Cowboys stadium," he said.

"You don't get projects of this size and scale often, and for a designer in health care, it is a once-in-a-lifetime opportunity — and a huge opportunity for responsibility and stewardship of the county's budget."

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