



SANDRA ESKENAZI MENTAL HEALTH CENTER - OPIOID TREATMENT PROGRAM  **51,000 SQFT**

DESCRIPTION OF SITUATION AND HOW IT RELATES TO HEALTHCARE

Innovcare | Innovative Healthcare Real Estate redeveloped a distressed 51,000 square foot building in Southeastern Indianapolis into a master site plan with an investment of over \$15,000,000 which consists of a 15,000 square foot fully renovated Sandra Eskenazi Mental Health Center(SEMC) Opioid Treat Program(OPT), a fully renovated 30,000 square foot retail/office building, and a 10,000 square foot built to suit retail building. The original property was a 51,000 square foot strip mall that continuously lost tenants and had severely deteriorated over the span of previous ownership.

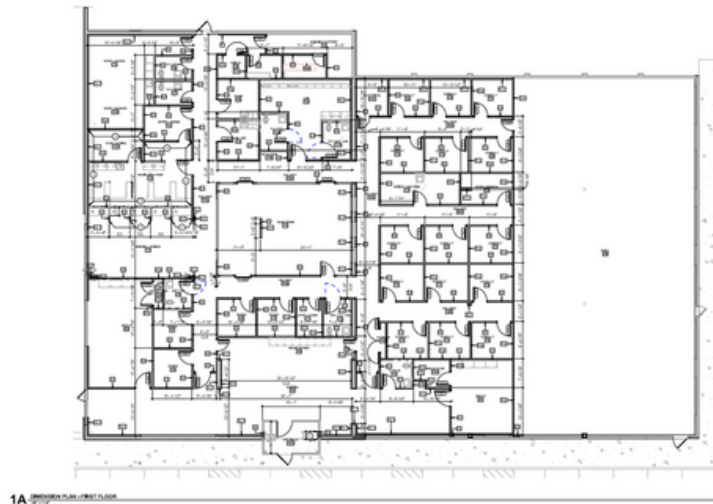
Innovcare decided to split the 51,000 sf building into two fully renovated stand-alone buildings due to the 500 ft radius needed for Eskenazi Health, the anchor tenant, for OPT use. This location was vital to Eskenazi Health SEMC's expansion plans due to the site sitting on the border of the two Indianapolis zip codes with the highest opioid deaths in the city. This site will provide services that include medications, counseling, and case management for Opioid Use Disorder in a community with the highest need for these treatments. With Eskenazi Health as an anchor tenant, and the \$ 1 Billion dollar Investment from the City of Indianapolis for the new Criminal Justice Center, Innovcare was able to bring national retailers to the table where they normally would not consider. This project was considered a keynote project for Eskenazi Health as it will be their biggest OPT to date.



ESKENAZI BUILDING RENDERING



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FLOORPLAN

CHALLENGES PRESENTED AND OUR SOLUTIONS

Rising Rents In An Inflationary Environment | Developer had to navigate a rising material cost and rising rate environment while keeping competitive market pricing. The developer worked with its construction management and architect partners to hold pricing and reduce cost. Developer worked with its lending partners to reduce risk to provide at market rates.

Complicated Zoning - Use Variance | The developer had to navigate a 500 ft radius from a dwelling district required for the use case of an OPT for the tenant. The 500 ft radius touched a commercial building that was never re-zoned and was still zoned residential. The radius also touched the perimeter of one residential property. The developer was able to get two support letters from each of these properties. The developer worked with councilmen, neighborhood groups, the city of Indianapolis, and healthcare professionals that resulted in over 25 support letters for the use variance which resulted in approval from the city.

Hospital Licensure | The tenant needed the facility to meet its hospital licensure standard due regulatory authorities. This resulted in a substantial upgrade to the MEP stack of the project. The Developer, working with its general contractor and lending partners came up with a creative financing solution to fund the additional cost of the upgrade without re-trading rents. Additionally, the Developer worked with its engineers and architects to minimize the effect of the utilities upgrades on the construction schedule as well as the overall budget.