

Health Care Real Estate

As one of the nation's premier health care law firms and recently named one of the Top 10 Largest Real Estate Practice Groups in the country by *Real Estate Law360*, Polsinelli has developed a real estate practice with substantial experience advising health care clients in their real estate transactions. We understand our clients' business and provide them with straightforward, business-oriented legal advice that has practical application within their unique context. From hospital system acquisitions and sales to medical office building and other health care facility development, our attorneys understand how to build and manage medical properties such as hospitals, ambulatory care centers, cancer centers, urgent care clinics, medical office buildings, senior and assisted living centers, rehabilitation centers, laboratories, administration and other ancillary facilities.

As the health care market consolidates, our attorneys tackle complex, large-scale acquisitions of entire health care systems and their large portfolios of owned and leased properties. Our cross-discipline approach to these acquisitions brings our real estate attorneys together with corporate, health care, environmental, intellectual property and litigation attorneys to provide comprehensive, proactive advice to our clients.

When on the disposition side, our attorneys use their experience in handling some of the largest national hospital acquisitions to help health care organizations, which are selling assets, understand how to properly position their assets. We run our clients' portfolios through the same rigorous due diligence process that a buyer's counsel would to identify and resolve issues before they become deal breakers.

In a time of decreasing reimbursements, we provide clients with vehicles for monetizing assets to increase capital and can suggest creative joint venturing structures to provide vehicles for constructing new facilities when capital is constrained.

Our Health Care Real Estate practice has extensive experience in representing medical landlords and tenants in structuring leases, from ground leases and master leases, to subleases and time-share leases, for both on-campus and off-campus facilities. Our attorneys work in tandem with our Health Care practice to ensure such arrangements are compliant with the Stark Law, Anti-kickback Statute and other federal and state health care regulations. We also provide landlords with tools for developing compliance policies and procedures to manage leasing portfolios, including advice on negotiating sound property management and broker listing agreements for medical office buildings.

Matters

- Fortune 500 Health Provider Leases – Provided leasing services to a Fortune 500 health care provider with more than 1,700 locations across the United States.

- Represented a major health system with respect to its leasing of medical offices, on and off campus spaces and administrative facilities. Assisted with construction of new facilities and relocation's and structure joint ventures, negotiate construction agreements and obtain entitlements.
- The University of Kansas Hospital Authority Medical Office Building – Represented hospital in negotiation of lease and construction agreement for development of a 202,000-square-foot medical office building addition to the hospital campus in Kansas City, Kansas. Represented hospital in negotiation of construction agreement and long-term lease of approximately 90 percent of the building to provide medical offices for the University of Kansas Medical Center campus for use by the physician group serving the University.
- Medical Office Building Development and Leasing – Represented a health care system, as tenant, in a build-to-suit lease for the construction and operation of a 120,000-square foot medical office building and adjacent 770 parking space parking garage in Tacoma, Washington.
- Hospital Leasing – Represented a multiregion association of hospitals in the drafting and negotiation of all its real estate leases, including relocation of corporate headquarters, ground leases and subleases of medical office buildings, as well as review of leases attendant to the affiliation between two separate existing hospital systems.
- Time Share Leases – Structured and developed time share leasing arrangements to comply with highly technical health care regulations, including federal Stark and Anti-kickback regulations. Developed methodologies for addressing high-risk issues and administrative challenges of medical office leasing.
- Reposition Medical Office Building – Repositioned a five-story medical office building and parking garage as part of a hospital asset sale by negotiating new lease and sublease agreements with all tenants and subtenants in the building.
- Hospital and Physician Leases – On behalf of a large hospital system in California, handled the negotiation and drafting of medical office leases and developed the system's physician lease form.
- Hospital Leasing – Represented a multiregion association of hospitals in the drafting and negotiation of all its real estate leases, including relocation of corporate headquarters, ground leases and subleases of medical office buildings, as well as review of leases attendant to the affiliation between two separate existing hospital systems.
- Five-Campus Hospital System Acquisition – Represented national health care institution in \$1.2 billion acquisition of membership interest in a five-campus hospital system in Houston, Texas.
- Sale of Hospital Campus to a University System – Represented a hospital in the sale of its campus in Baltimore, Maryland to a university system, which included disposition of a hospital, cancer center, medical office building, parking garages, condominiums and other facility buildings and properties.
- Physician Group Acquisitions – Represented a hospital system in real estate purchase and lease components of acquiring multiple location cardiac practice.
- Ground Leases – Represented a national association of Catholic hospitals in preserving the system's business interests through protective restrictions and covenants in ground leases of land to third party developers of medical office buildings, mixed-use developments (e.g. hotels and restaurants) and healthcare related services (e.g., air ambulance services) on property adjacent to existing, affiliated hospitals.
- Ground Lease for Ambulatory Campus – Represented a hospital system land owner in a long-term ground lease and approval of the construction of a hospital medical office building for an ambulatory campus.
- Acquisition of Cardiac Hospital – Represented national hospital system in the acquisition of a 52-bed, physician-owned cardiac hospital and its 29-physician affiliated practice.
- Senior Living Facilities – Represented lender in enforcement proceedings for \$100 million in loans for three luxury senior living apartment projects, including the negotiation of third-party management agreements, the "short sale" of one project and the subsequent sale and refinancing of the others.