


# Capital Asset Realignment for Enhanced Services (CARES)

Montrose / Castle Point Study  
Site

Local Advisory Panel Meeting

July 24, 2007





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## Local Advisory Panel (LAP) Meeting 4 Objectives

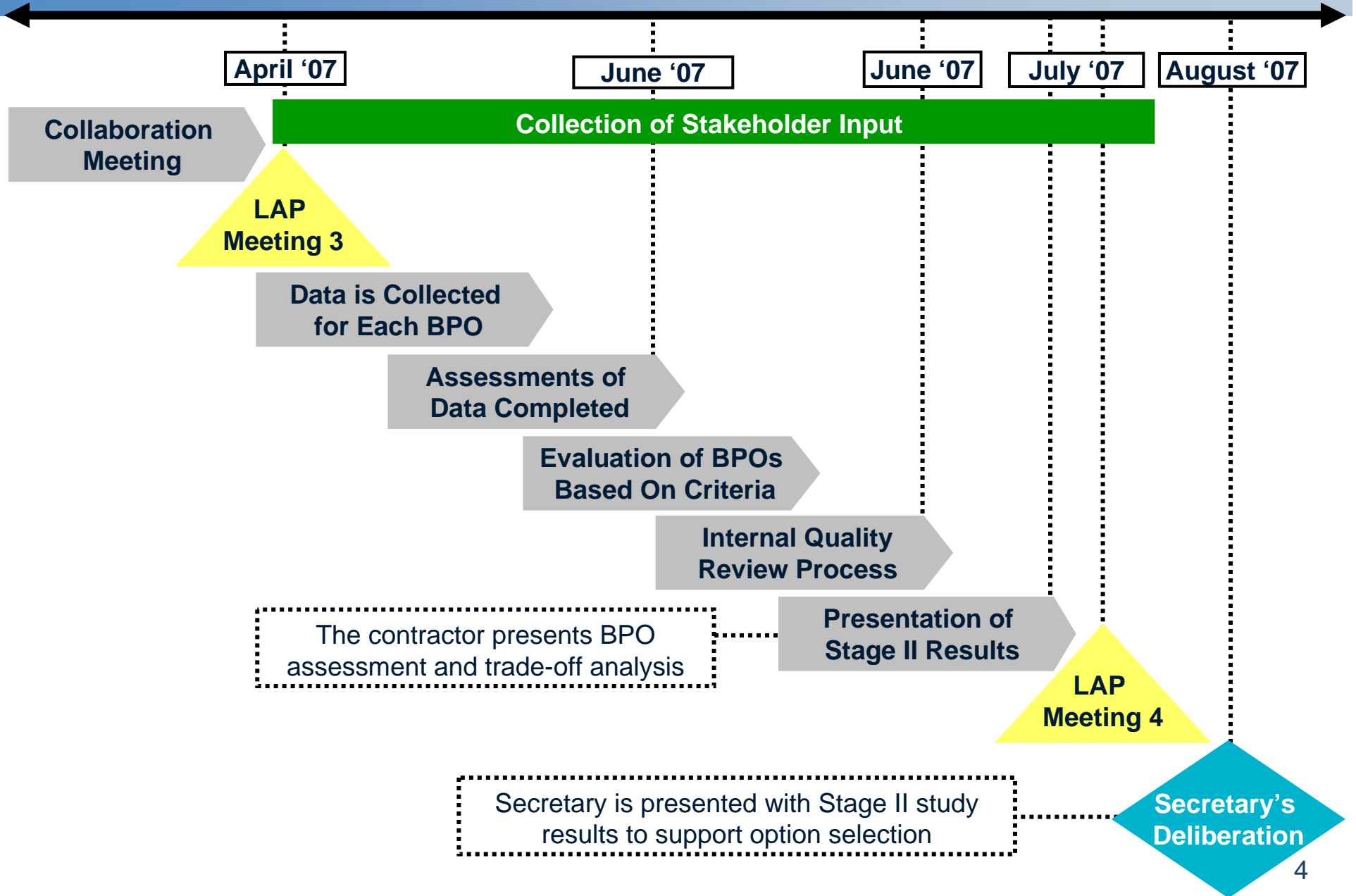
- Communicate Contractor Stage II study results
- Present Contractor evaluation of strengths and weaknesses for each Business Plan Option (BPO)
- Obtain feedback from the LAP and stakeholders regarding the study findings

# Facility Highlights

- The Montrose and Castle Point VAMCs are part of the Hudson Valley Health Care System
- Both VAMCs are a part of the Metro New York market of VISN 3
- The Montrose campus is located in northern Westchester County, New York and is 25 highway miles south of Castle Point which is located in Dutchess County, New York
- Montrose VAMC was built for a capacity of 1,984 hospital beds and now operates 291 beds; Castle Point VAMC was originally built for 600 tuberculosis beds and now operates 122 inpatient and nursing beds as well as ambulatory services
- Montrose sits on 193 acres and has more than 50 buildings and structures that total approximately 1,010,000 gross square feet, while Castle Point sits on 105 acres and has 45 buildings that total 508,000 gross square feet
- Montrose buildings were constructed between 1947 and 1950; most Castle Point buildings were constructed in the early 1920s



# Stage II Study Process



# 2004 Secretary's Decision Document

- The Secretary's May 2004 decision specified that:
  - VA will implement a consolidation of services between the Montrose and Castle Point campuses that will enhance patient care and make more effective use of VA health care resources
  - The consolidation will transfer acute psychiatric, long-term psychiatric and nursing home beds from the Montrose to the Castle Point campus
  - To accomplish this consolidation, VA will augment the mission at the Castle Point campus with new construction and reduce the footprint on the Montrose campus which will allow for reuse opportunities
  - By consolidating these services at Castle Point, VA can build one new state-of-the-art and appropriately sized nursing home designed to provide high quality nursing home care services
  - VA will continue to provide outpatient and domiciliary (also referred to as residential rehabilitation) services at the Montrose campus

## Current Health Care Services Available at Montrose After Psychiatric and Nursing Home Beds Are Shifted to Castle Point

<b>Category</b>	<b>Current Services Available</b>
<b>Ambulatory Medical and Dental</b>	Primary Care, Laboratory, Pharmacy, Cardiology, Eye Clinic, Pulmonary Care, Respiratory Care, Diabetes, Dermatology, Oncology, Pain Clinic, Orthopedics, Radiology, Physical Therapy, Occupational Therapy, Kinesio Therapy, Podiatry, Urology, and Dental services
<b>Ambulatory Mental Health</b>	Behavioral Health (including Substance Abuse), Day Treatment, Outpatient Mental Health: Homeless, Mental Health Intensive Case Management, Work Therapy, and Community Mental Health Residential Care services
<b>Residential Rehabilitation</b>	Substance Abuse, Post Traumatic Stress Disorder, and Domiciliary services

## Possibility of Additional Future Services

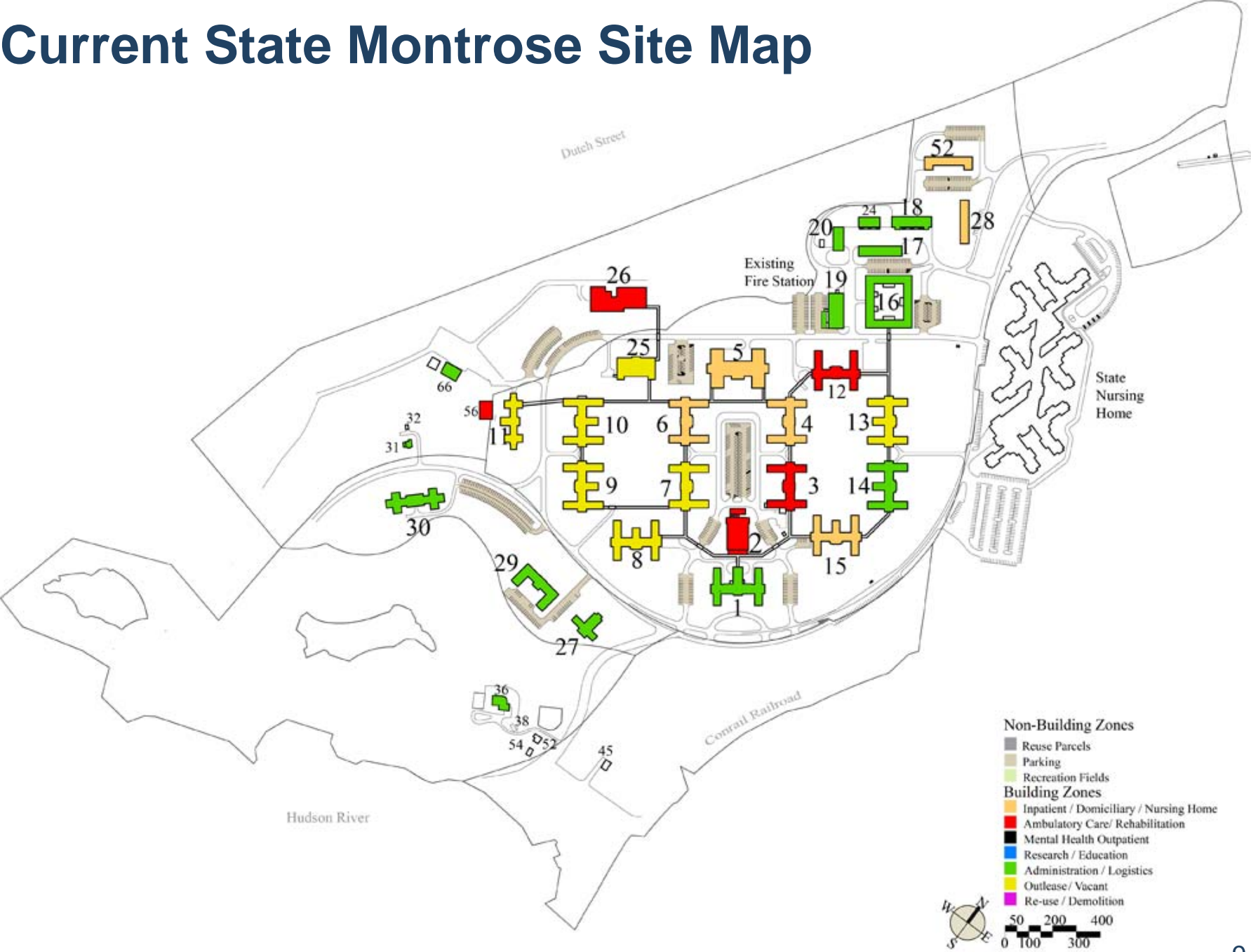
- Veterans and Montrose VA staff have met and discussed additional services which could be incorporated in a new outpatient facility at Montrose
- Before any decisions about the new facility are made, VA planners will analyze all proposed services and the most up-to-date projections for ambulatory and other services



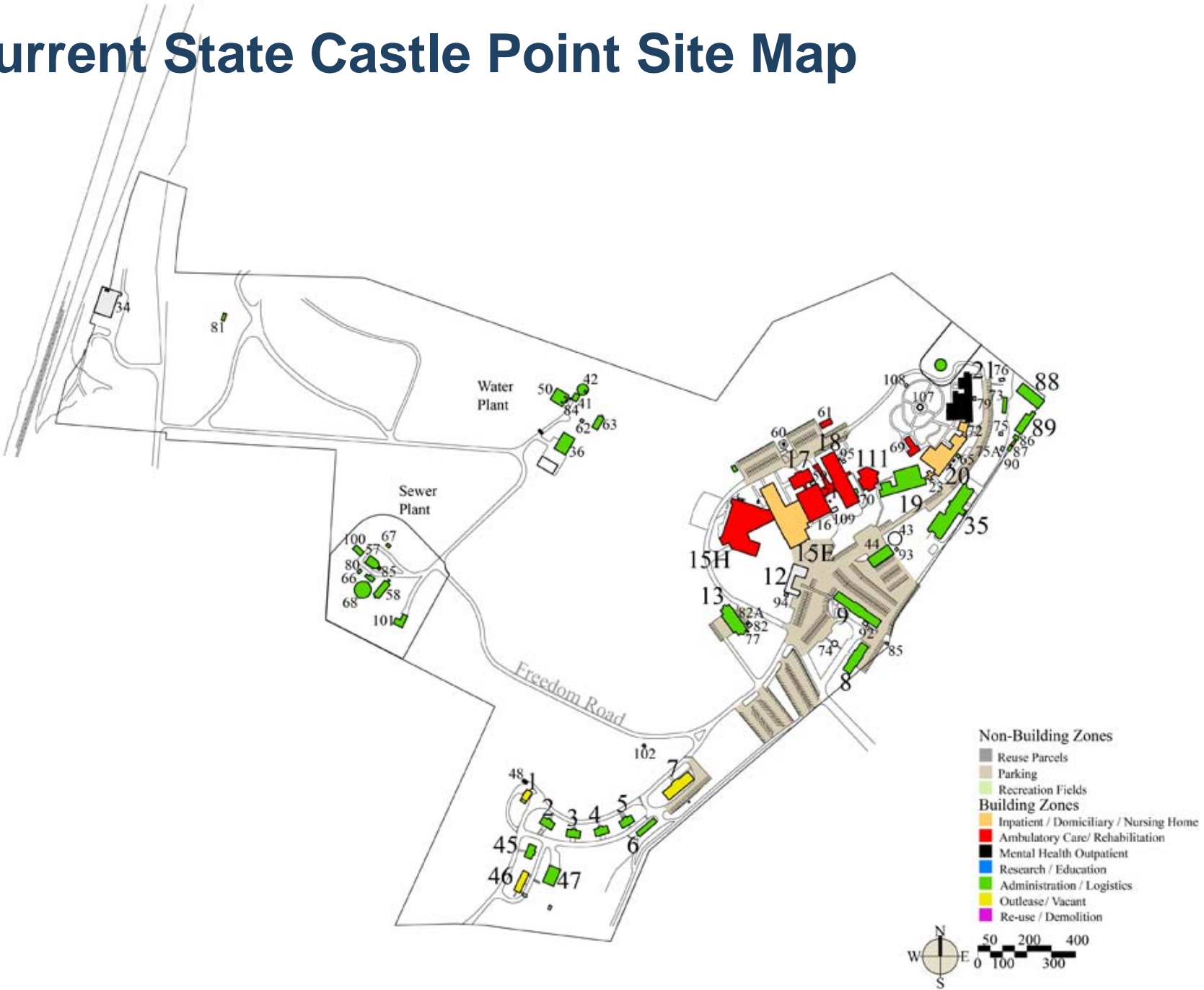
## Key Drivers Considered in Developing and Assessing Each Option

- VA will continue to operate 164 nursing home beds
- Both campuses consist largely of buildings and infrastructure that are not ideally suited for the provision of modern health care services
- Each of the existing facilities are aged; Montrose was built 59 years ago while Castle Point was built in the 1920s with renovations/new construction in the 1950s and 1980s
- Substantial vacant buildings and/or unused land create significant potential for reuse at Montrose and Castle Point

# Current State Montrose Site Map



# Current State Castle Point Site Map



# Options Selected for Further Study by the Secretary for Stage II

<b>Option 1</b>	Baseline Montrose & Castle Point (Assumes a Shift in Inpatient Psychiatry and Nursing Home Services to Castle Point Mandated by the Secretary's Decision)
<b>Option 2 (Revised)</b>	Montrose, Construct New Residential Treatment Facilities and Ambulatory Care Facility East of Fire Station (North Campus)
<b>Option 4 (Revised)</b>	Montrose, Construct New Residential Treatment Facilities and Ambulatory Care Facility South of Fire Station
<b>Option 7</b>	Castle Point, Construct All New Facilities West of Existing Buildings
<b>Option 10</b>	Castle Point, Build New Nursing Home and Renovate Existing Facility
<b>Option 11A</b>	<p><b>Montrose:</b> Relocate Residential Treatment Facilities to Castle Point and Construct New Ambulatory Care Building East of Former Fire Station Location</p> <p><b>Castle Point:</b> Construct All New Facilities (Similar to BPO 7)</p>
<b>Option 11B</b>	<p><b>Montrose:</b> Relocate Residential Treatment Facilities to Castle Point and Construct New Ambulatory Care Building East of Former Fire Station Location</p> <p><b>Castle Point:</b> Renovate Existing Facilities and Build New Nursing Home and Domiciliary Facilities (Similar to BPO 10)</p>

# Stage II Evaluation Criteria

Evaluation Criteria	
<p><b>Capital Planning</b></p> <ul style="list-style-type: none"> <li>• Timeliness of completion</li> <li>• Timeliness of urgent corrections</li> <li>• Consolidation of underutilized space</li> <li>• Consolidation of vacant space</li> </ul>	<p><b>Use of VA Resources</b></p> <ul style="list-style-type: none"> <li>• Total operating costs</li> <li>• Total capital investment costs</li> <li>• Net present cost</li> <li>• Total considerations</li> <li>• Total annual savings</li> </ul>
<p><b>Reuse</b></p> <ul style="list-style-type: none"> <li>• Market potential for reuse</li> <li>• Financial (return on assets)</li> <li>• VA mission enhancement</li> <li>• Execution risk</li> </ul>	<p><b>Ease of Implementation</b></p> <ul style="list-style-type: none"> <li>• Reuse considerations</li> <li>• Capital planning considerations</li> </ul>
<p><b>Quality</b></p> <ul style="list-style-type: none"> <li>• Current quality levels are maintained across all BPOs</li> </ul>	<p><b>Ability to Support Other VA Programs</b></p> <ul style="list-style-type: none"> <li>• DoD Sharing</li> <li>• One VA Integration</li> <li>• Specialized VA programs</li> <li>• Enhancement of services to veterans</li> </ul>

# Analysis of BPOs



## **BPO 1: *Baseline Montrose***

- Workload projected to 2023 without any changes to facilities or programs except for nursing home and psychiatry (which under the Secretary's decision relocate to Castle Point). Outpatient Mental Health, medical clinics, and domiciliary services remain at Montrose.
- At Montrose, capital investments will be made to renovate and maintain existing buildings and infrastructure in order to meet modern, safe and secure standards.
- While there may be reuse potential of underutilized land and vacant buildings on the Montrose campus, reuse was not studied under this BPO.

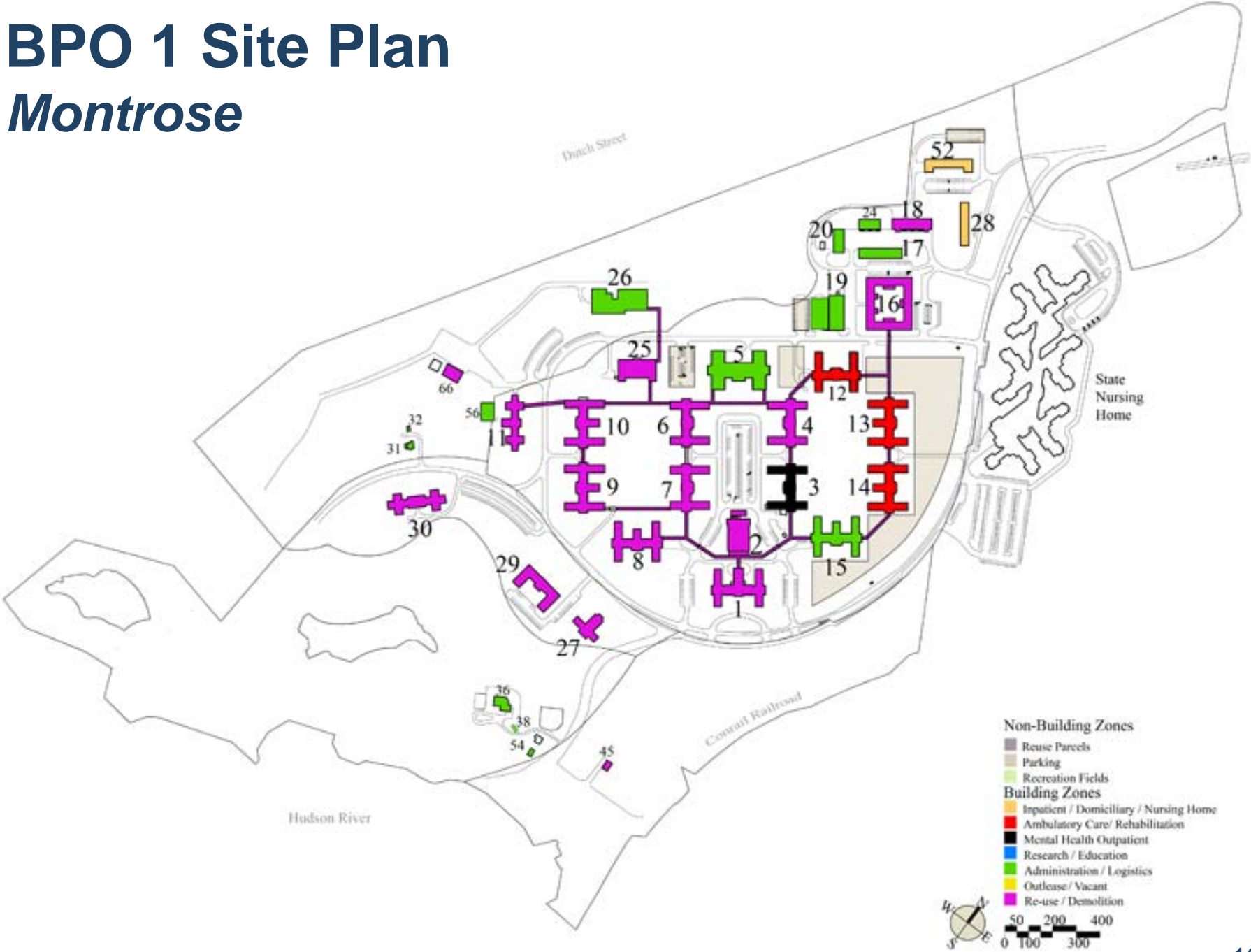
## **BPO 1: *Baseline Castle Point***

- Renovate existing buildings containing inpatient and outpatient services in phased renovations. Construct new space to accommodate inpatient psychiatry and nursing home services relocated from Montrose to Castle Point.
- At Castle Point, capital investments will be made to renovate and maintain existing buildings and infrastructure in order to meet modern, safe and secure standards.
  - Retain existing support buildings, fire station, and sewage treatment plant
  - Buildings 12 and 34 will be demolished
- While there may be reuse potential of underutilized land and vacant buildings on the Castle Point campus, reuse was not studied under this BPO.



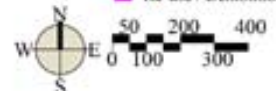
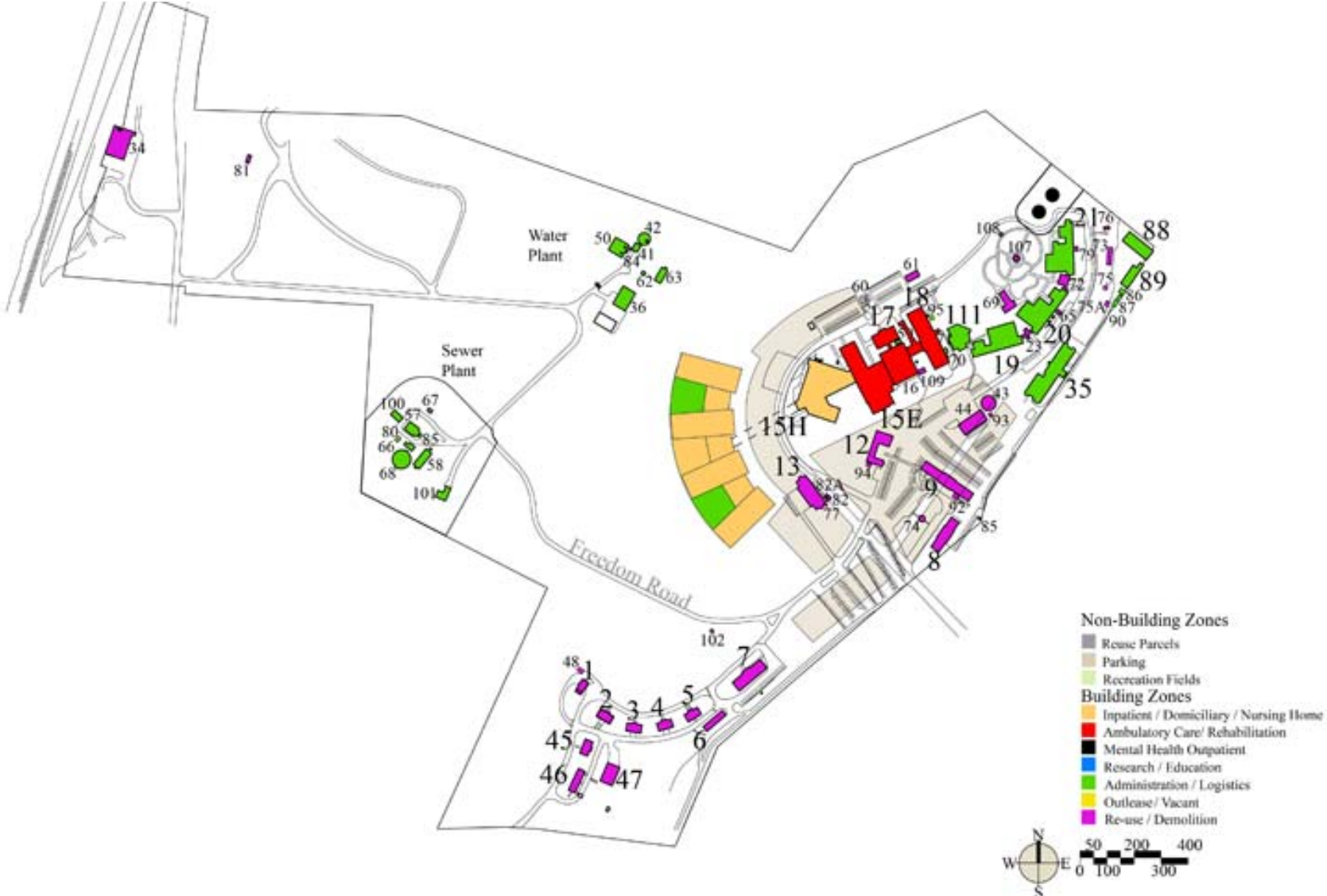
# BPO 1 Site Plan

## Montrose



# BPO 1 Site Plan

## Castle Point



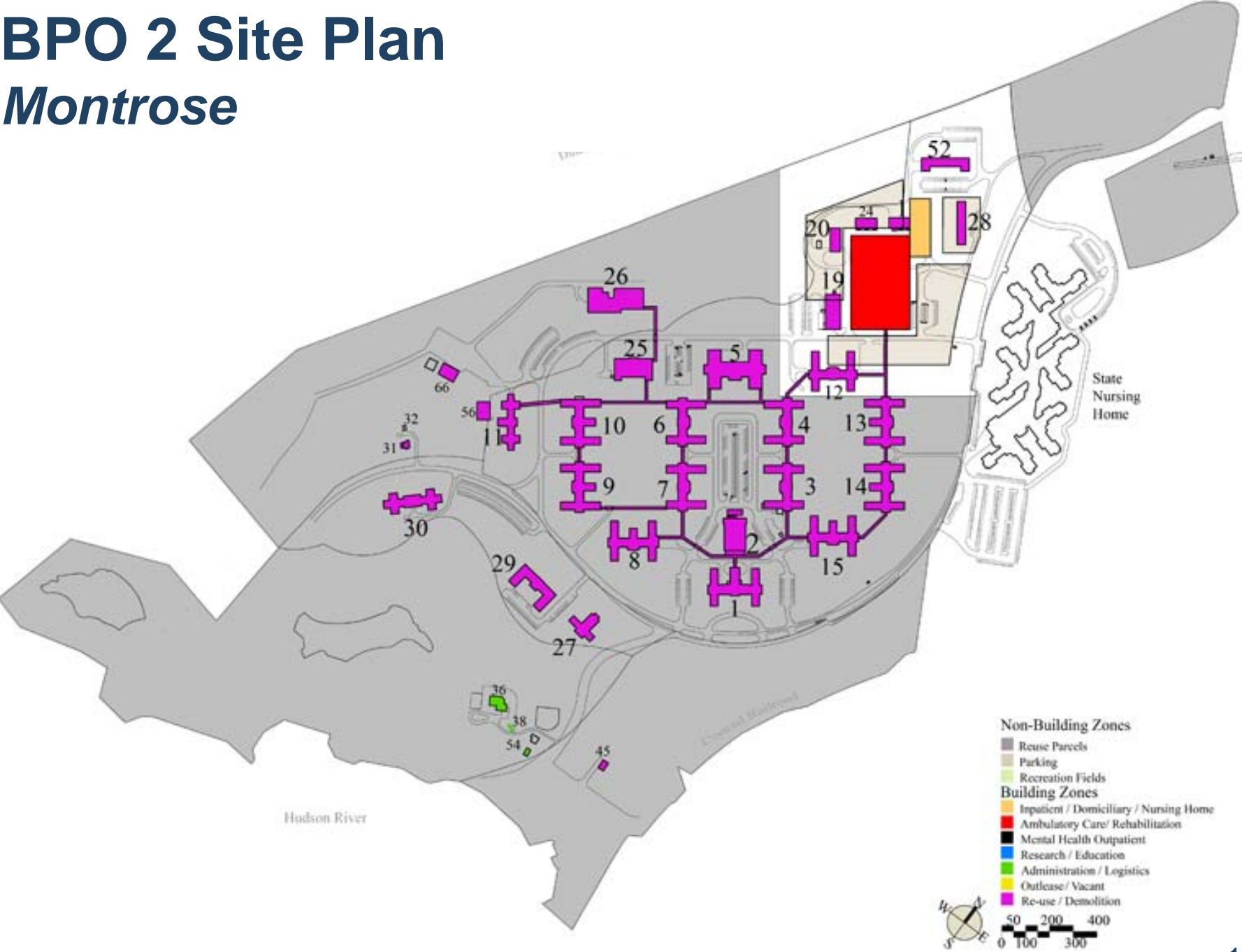
## **BPO 2: Montrose**

*Construct New Residential Treatment Facilities and Ambulatory Care Facility East of Fire Station (North Campus)*

- This BPO features new construction for Outpatient Mental Health, medical clinics, and residential treatment east of the fire station on the northeastern part of the campus.
- Most other existing buildings and infrastructure (including the water distribution system and waste water treatment plant) would be available for reuse opportunities.
- Parcels 1, 2, 3, 5, 6, & 7 and portions of parcel 4 are available for reuse.

# BPO 2 Site Plan

## Montrose



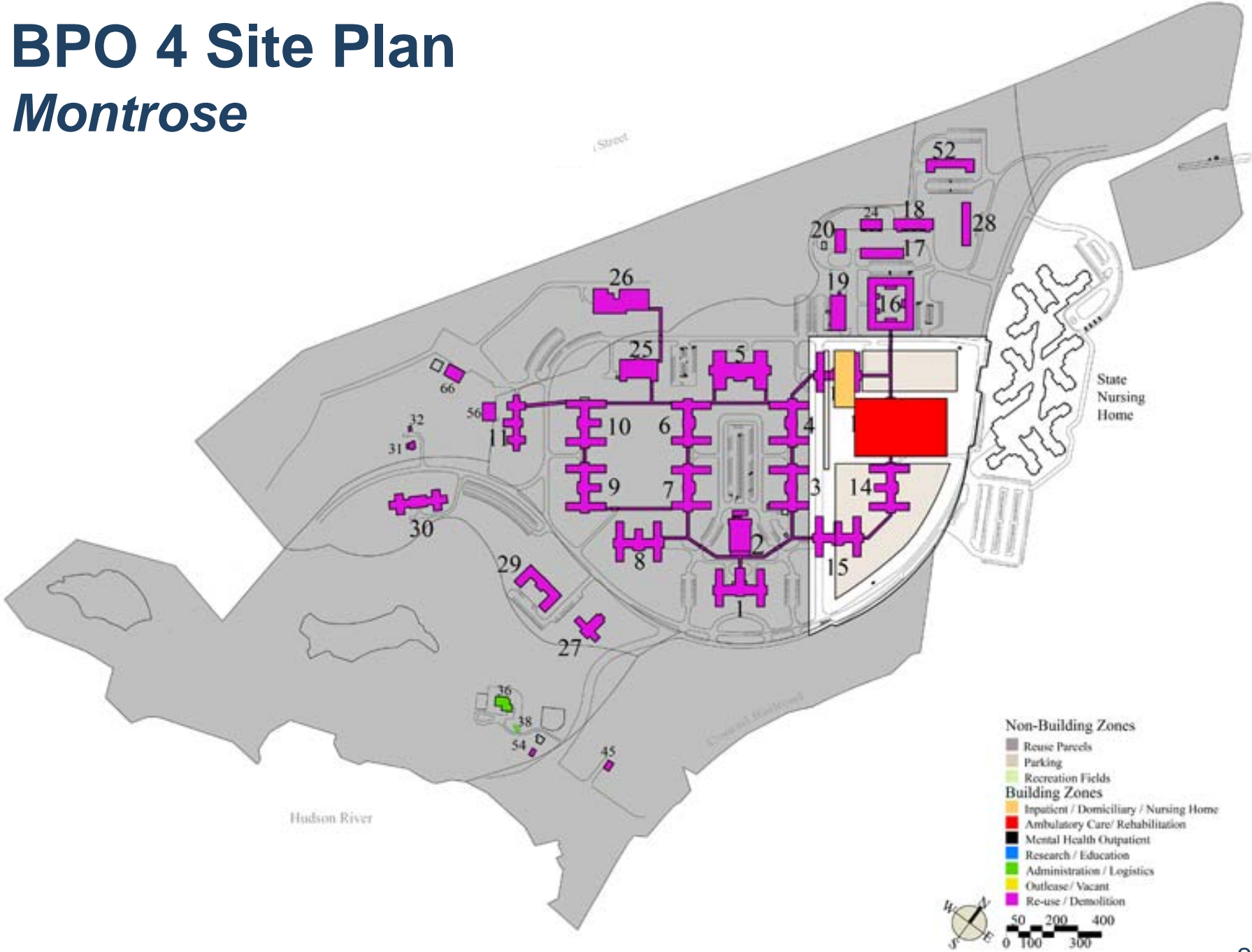
## **BPO 4: Montrose**

*Construct New Residential Treatment Facilities and Ambulatory Care Facility South of Fire Station (Site of Buildings 13 and 14)*

- New construction for Outpatient Mental Health, medical clinics, and residential treatment programs south of the fire station on the site of Buildings 13 and 14. Buildings 12, 13, 14 and 15 will be demolished to provide the necessary space for the new facilities.
- All other existing buildings and infrastructure (including the water distribution system and waste water treatment plant) would be available for reuse opportunities.
- Parcels 1, 2, 4, 5, 6, & 7 and portions of parcel 3 are available for reuse.

# BPO 4 Site Plan

## Montrose



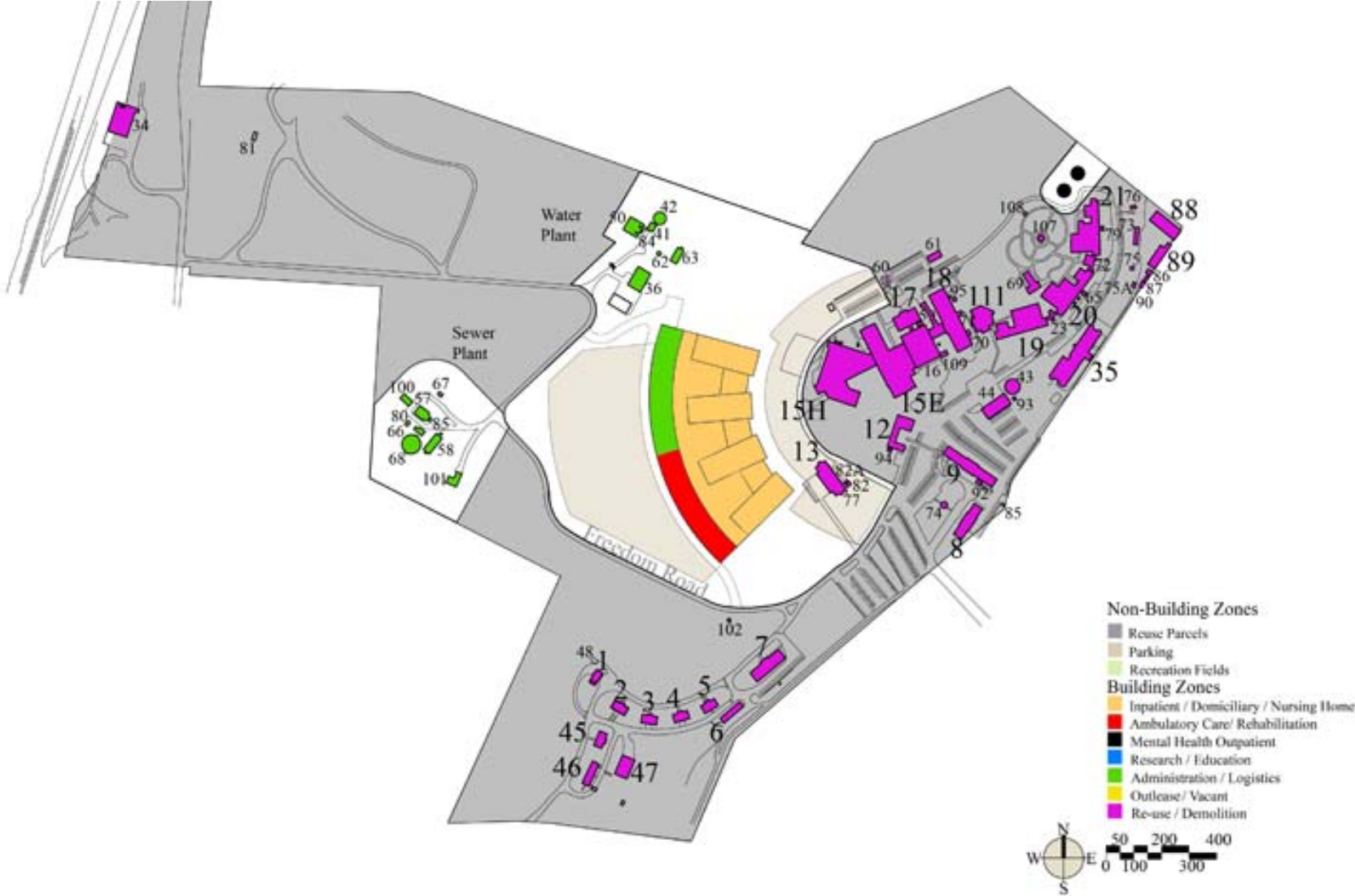
## **BPO 7: *Castle Point***

*Construct All New Facilities West of Existing Buildings*

- Construct a replacement facility on vacant land west of the existing buildings. Accommodate all inpatient, ambulatory care, and nursing home services including services relocated from Montrose (inpatient psychiatry and nursing home).
- Inpatient Spinal Cord Injury services are relocated to Bronx VAMC and outpatient Spinal Cord Injury services remain on campus.
- Expand and improve parking. Maintain or improve water and sewage treatment capacity, and fire station capability. All other buildings on the campus will be vacated.
- Parcels 1, 4, 7 and 8 are available for reuse

# BPO 7 Site Plan

## Castle Point





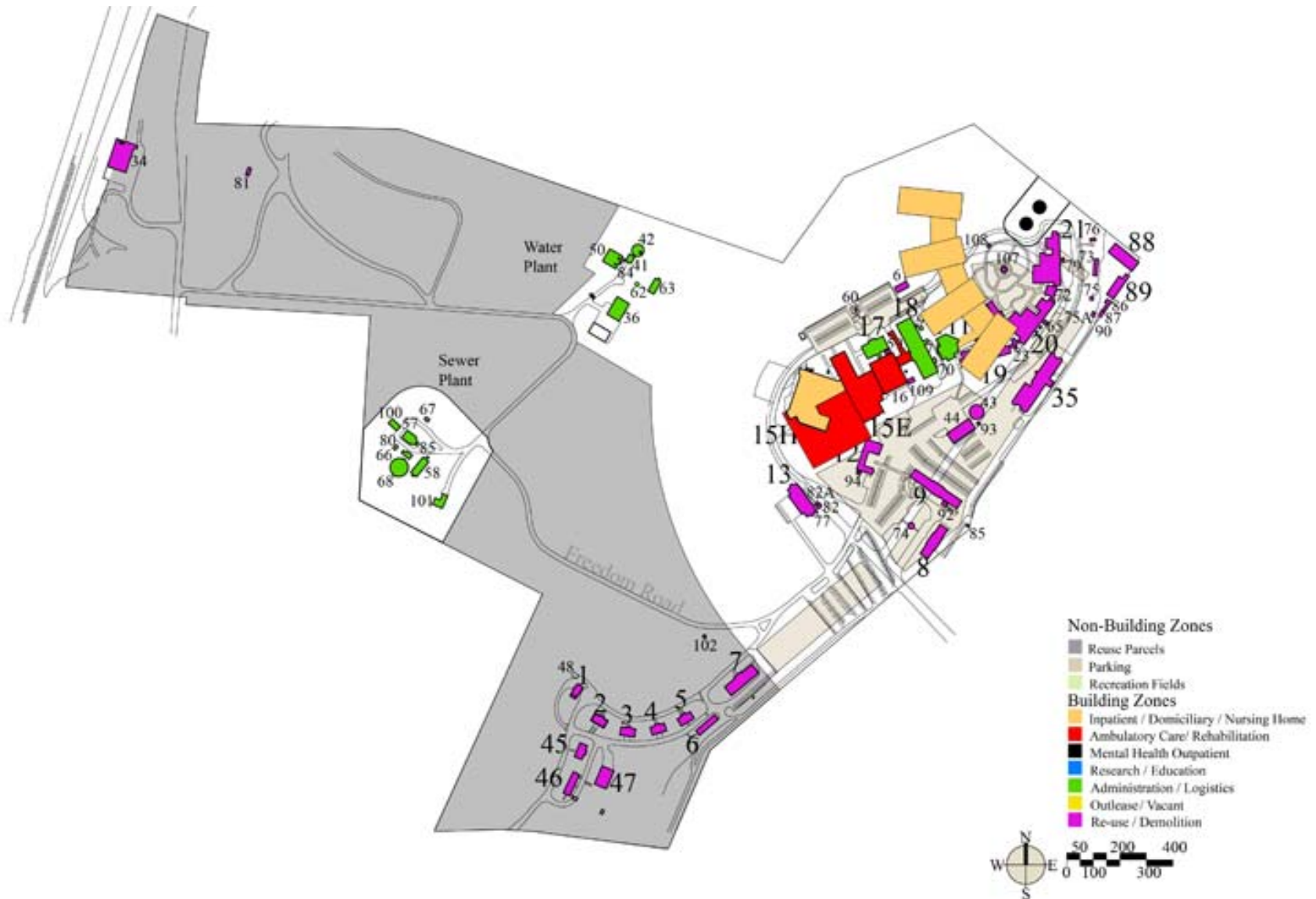
## **BPO 10: *Castle Point***

*Build New Nursing Home and Renovate Existing Facility*

- All current services at Castle Point will remain on campus with the exception of Inpatient Spinal Cord Injury services (which are relocated to Bronx VAMC). Outpatient Spinal Cord Injury services remain on campus.
- Build replacement nursing home to accommodate existing Castle Point services and those nursing home beds relocated from Montrose.
- Renovate buildings to accommodate existing Castle Point inpatient and ambulatory care services and inpatient psychiatry transferred from Montrose. Expand and improve parking.
- Parcels 4, 7, 8 and portions of 3 are available for reuse

# BPO 10 Site Plan

## Castle Point



## **BPO 11A – Created by LAP**

*Montrose: Relocate Residential Treatment Facilities to Castle Point and Construct New Ambulatory Care Building East of Former Fire Station Location*

*Castle Point: Construct Replacement Facility (Similar to BPO 7)*

- At Montrose, construct a new building for ambulatory care services east of former fire station. All other services (inpatient psychiatry, nursing home and residential treatment programs) are relocated to Castle Point. Expand and improve parking.
- At Castle Point (similar to BPO 7), construct a replacement facility on vacant land west of the existing buildings. Accommodate all inpatient, ambulatory care, and nursing home services including services relocated from Montrose (inpatient psychiatry, nursing home and residential treatment programs). Inpatient Spinal Cord Injury services are relocated to Bronx VAMC and Outpatient Spinal Cord Injury services remain on campus.
- At Montrose Parcels 1, 2, 3, 5, 6, & 7 and portions of parcel 4 are available for reuse, at Castle Point Parcels 1, 4, 7 and 8 are available for reuse

# BPO 11A Summary

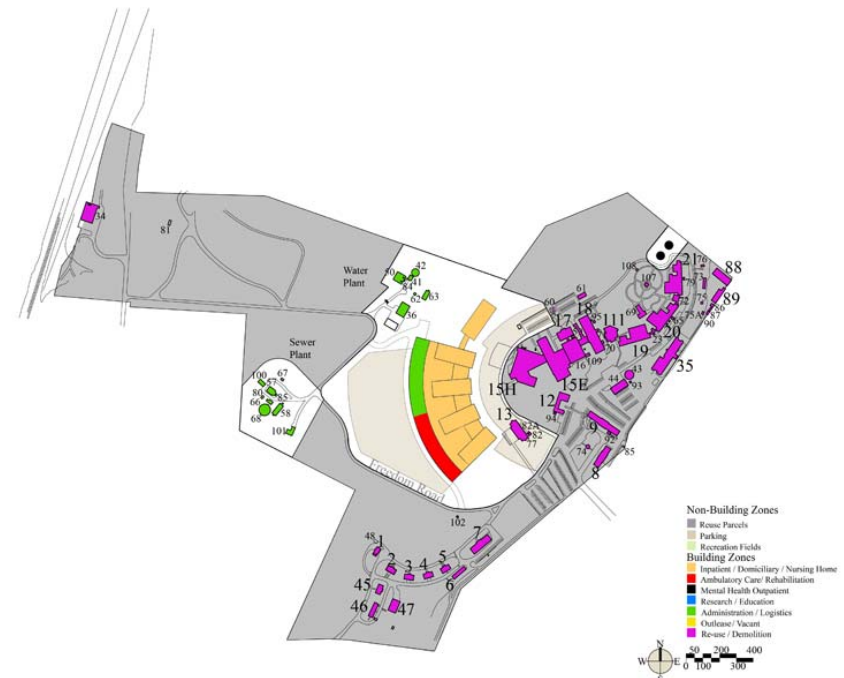
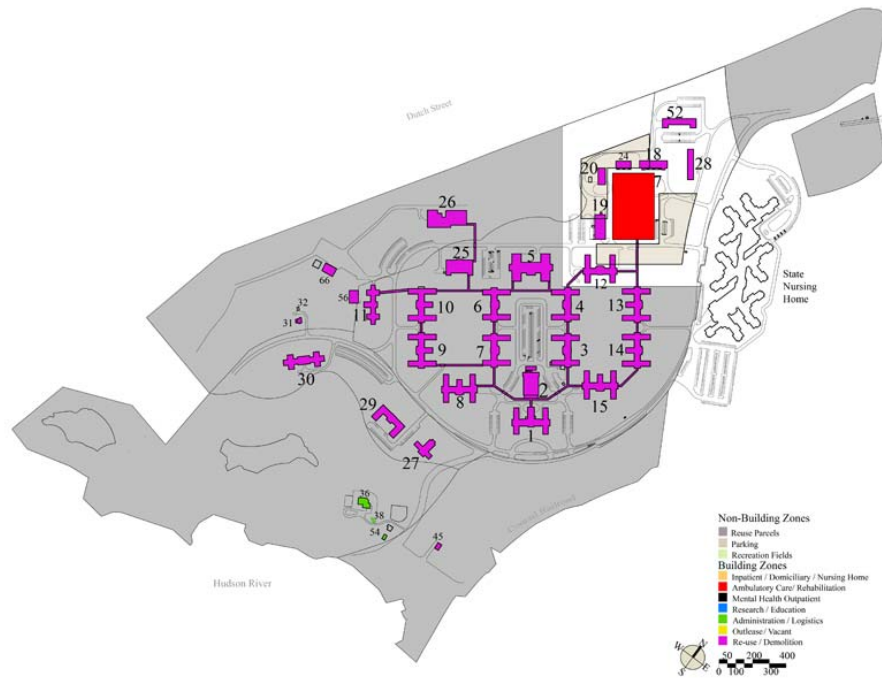
## Montrose & Castle Point

### Montrose

Relocate residential treatment facilities to Castle Point and construct new outpatient building

### Castle Point

Construct all new facilities (similar to BPO 7)



## **BPO 11B – Created by LAP**

***Montrose:** Relocate Residential Treatment Facilities to Castle Point and Construct New Ambulatory Care Building East of Former Fire Station Location*

***Castle Point:** Renovate Existing Facilities and Build New Nursing Home and Domiciliary Facilities (similar to BPO 10)*

- At Montrose, construct a new building for ambulatory care services east of former fire station. All other services (inpatient psychiatry, nursing home and residential treatment programs) are relocated to Castle Point. Expand and improve parking.
- All current services at Castle Point will remain on campus with the exception of Inpatient Spinal Cord Injury services (which are relocated to Bronx VAMC). Outpatient Spinal Cord Injury services remain on campus.
- Build replacement nursing home to accommodate existing Castle Point services and those nursing home beds relocated from Montrose.
- Renovate buildings to accommodate existing Castle Point inpatient and ambulatory care services and inpatient psychiatry. Accommodate residential treatment programs transferred from Montrose.
- At Montrose Parcels 1, 2, 3, 5, 6, & 7 and portions of parcel 4 are available for reuse, at Castle Point Parcels 4, 7, 8 and portions of 3 are available for reuse

# BPO 11B Summary

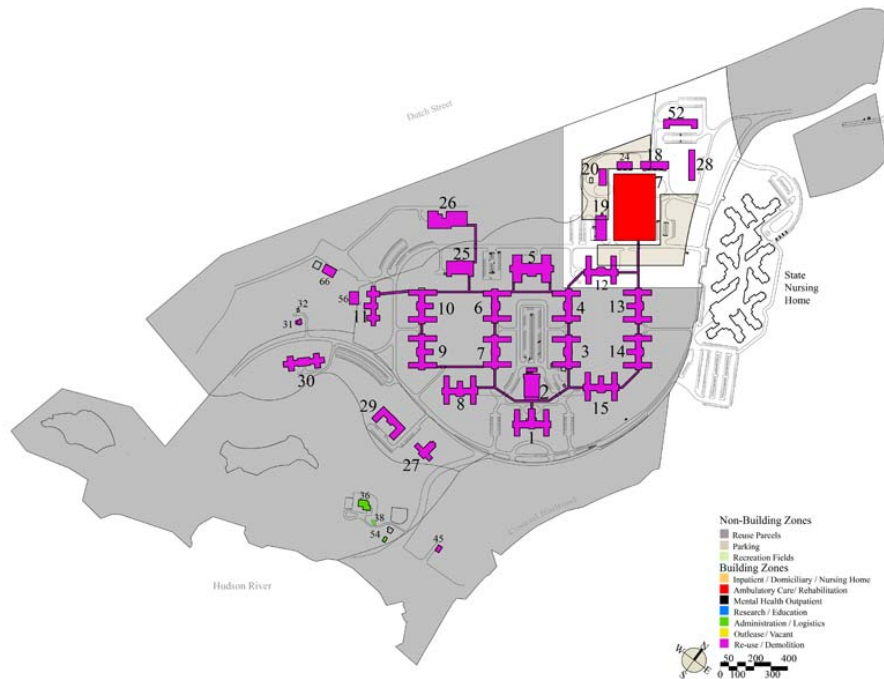
## Montrose & Castle Point

### Montrose

Relocate residential treatment facilities to Castle Point and construct New Outpatient Building

### Castle Point

Renovate existing facilities and build New Nursing Home and Domiciliary Facilities (similar to BPO 10)



# Capital Planning BPO Comparison

M: Montrose  
CP: Castle Point

	Total Duration	Design Construction/ Renovation Duration	Underutilized space	Change in vacant space
<b>BPO 1: Baseline</b>	M: 162 months CP: 216 months	M: 144 months CP: 198 months	M: 26% CP: 0%	M: 95 % decrease CP: 86% decrease
<b>BPO 2 &amp; BPO 7:</b> Montrose, construct new residential treatment facilities and ambulatory care facility east of Fire Station (North Campus); Castle Point, <b>construct all new facilities</b> west of existing buildings	M: 84 months CP: 90 months	M: 54 months CP: 66 months	M: 0% CP: 0%	M: 100% decrease CP: 100% decrease
<b>BPO 2 &amp; BPO 10:</b> Montrose, construct new residential treatment facilities and ambulatory care facility east of Fire Station (North Campus); Castle Point, build new nursing home and <b>renovate existing facility</b>	M: 84 months CP: 174 months	M: 54 months CP: 156 months	M: 0% CP: 5%	M: 100% decrease CP: 100% decrease

# Capital Planning BPO Comparison, Cont.

M: Montrose  
CP: Castle Point

	Total Duration	Design Construction/ Renovation Duration	Underutilized space	Change in vacant space
<p><b>BPO 4 &amp; BPO 7:</b> Montrose, construct new residential treatment facilities and ambulatory care facility south of Fire Station; Castle Point, <b>construct all new facilities</b> west of existing buildings</p>	<p>M: 84 months CP: 90 months</p>	<p>M: 54 months CP: 66 months</p>	<p>M: 0% CP: 0%</p>	<p>M: 100% decrease CP: 100% decrease</p>
<p><b>BPO 4 &amp; BPO 10:</b> Montrose, construct new residential treatment facilities and ambulatory care facility south of Fire Station; Castle Point, build new nursing home and <b>renovate existing facility</b></p>	<p>M: 84 months CP: 174 months</p>	<p>M: 54 months CP: 156 months</p>	<p>M: 0% CP: 5%</p>	<p>M: 100% decrease CP: 100% decrease</p>



# Capital Planning BPO Comparison, Cont.

M: Montrose  
CP: Castle Point

	Total Duration	Design Construction/ Renovation Duration	Underutilized space	Change in vacant space
<p><b>BPO 11A:</b> Montrose, relocate residential treatment facilities to Castle Point and construct new ambulatory care building east of former Fire Station location; Castle Point, <b>construct all new facilities</b></p>	<p>M: 84 months CP: 90 months</p>	<p>M: 54 months CP: 66 months</p>	<p>M: 0% CP: 0%</p>	<p>M: 100% decrease CP: 100% decrease</p>
<p><b>BPO 11B:</b> Montrose, relocate residential treatment facilities to Castle Point and construct new ambulatory care building east of former Fire Station location; Castle Point, <b>renovate existing facilities</b> and build new nursing home and domiciliary facilities</p>	<p>M: 84 months CP: 174 months</p>	<p>M: 54 months CP: 156 months</p>	<p>M: 0% CP: 5%</p>	<p>M: 100% decrease CP: 100% decrease</p>

# Financial Analysis (Use of VA Resources)

## BPO Comparison Assessment

<b>BPO Comparison</b>							
2003 Net Present Dollars (in millions)							
Reflects 30 year period 2003- 2033							
	BPO 1*	BPO 2 & BPO 7	BPO 2 & BPO 10	BPO 4 & BPO 7	BPO 4 & BPO 10	BPO 11A***	BPO 11B
Recurring Operating Cost	\$3,062	\$2,983	\$2,957	\$2,983	\$2,957	\$3,057	\$2,966
Non-recurring Capital Investment Offset by Reuse	\$499	\$408	\$392	\$414	\$398	\$400	\$396
Non-recurring Periodic Maintenance	\$13	\$17	\$12	\$17	\$12	\$17	\$12
<b>Total Net Present Cost**</b>	<b>\$3,574</b>	<b>\$3,409</b>	<b>\$3,362</b>	<b>\$3,414</b>	<b>\$3,367</b>	<b>\$3,474</b>	<b>\$3,374</b>
Operating Cost Efficiencies Compared to BPO 1	N/A	\$78	\$104	\$78	\$104	\$5	\$96
Total NPC Savings As Compared to BPO 1	N/A	\$165	\$212	\$160	\$207	\$100	\$200

\*There is no reuse revenue in BPO 1.

\*\***Net Present Cost (NPC)** is the sum of the annual discounted expense for each BPO over the 30 year study period. Discounting allows the NPC for each BPO to be compared to the other BPOs for the study site. NPC is the sum of the operating costs, the capital costs (both capital investments and periodic maintenance/replacement costs), and the considerations in discounted dollars.

\*\*\* **Recurring Operating costs for BPO 11A** are higher than BPO 2&7 for the following reason: BPO 11A includes the transfer of domiciliary (dom) from Montrose to CP. BPO 7-2 does not include the transfer of dom from Montrose to CP. Fixed indirect costs associated with dom are adjusted by different percentages for the two different BPOs. In BPO 7-2 dom stays at Montrose, where overall fixed indirect costs decrease (due to the reduction in building footprint and workload). In BPO 11A, dom is transferred to CP where overall fixed indirect costs increase (due to the increase in building footprint and workload). This results in fixed indirect costs for dom being higher for BPO 11A than BPO 7-2.

# BPO Comparison of Quality

**BPOs 1, 10, & 11B feature more renovation of facilities than BPOs 2, 4, & 11A which feature all new constructed facilities:**

## ◆Renovated Facilities:

- Capital improvements made to meet modern, safe, and secure standards, where existing conditions allow.
- Investment is made for current facilities only to rectify material deficiencies (e.g., in safety or security) such that they would provide a safe healthcare delivery environment.

## ◆New Facilities:

- New construction exceeds modern, safe and secure standards
- New clinical care facilities will have several benefits for patients and staff:
  - Larger patient rooms
  - More private rooms
  - Private bathrooms in all patient rooms
  - Additional treatment and therapy spaces
  - Larger support functions
  - Wider hallways
  - Improved patient entries and walkways
  - Support functions located in closer proximity to nursing space

All BPOs provide a **new nursing home** facility at Castle Point:

- ◆ Individual private bedrooms and bathrooms
- ◆ Plan configurations with groupings of “residential neighborhoods” rather than “long corridors of rooms”
- ◆ Increased area for support facilities for supplies and equipment
- ◆ Comfortable and attractive social meeting and activity areas
- ◆ Convenient physical access to amenities

# Ease of Implementation BPO Comparison

<p><b>BPO 1:</b> Baseline</p>	<ul style="list-style-type: none"> <li>▪ Likelihood of patient disruption at both campuses due to time delays and cost impacts resulting from complex phasing of in-place renovations</li> </ul>
<p><b>BPO 2 &amp; BPO 7:</b> <b>BPO 4 &amp; BPO 7:</b> <b>BPO 11A:</b></p>	<ul style="list-style-type: none"> <li>▪ Lowest likelihood of negative impact at Montrose and Castle Point due to shorter durations, less phasing during construction, single patient moves, and lower impact to historic or historically eligible buildings</li> </ul>
<p><b>BPO 2 &amp; BPO 10:</b> <b>BPO 4 &amp; BPO 10:</b> <b>BPO 11B:</b></p>	<ul style="list-style-type: none"> <li>▪ Lower likelihood of negative impact at Montrose due to shorter duration, less phasing during construction, the single patient move, and less impact to historic or historically eligible buildings</li> <li>▪ Higher likelihood of negative impact at Castle Point because renovation at Castle Point requires complex phasing during construction and renovations, and multiple patient moves causing time delays.</li> <li>▪ Management challenges and risks associated with relocating/contracting out for inpatient psychiatry and nursing home care over an extended period of time</li> </ul>

# Stakeholder and LAP Input

## ■ Stakeholder Input

- ◆ The third LAP meeting was attended by approximately 85 stakeholders, many of whom testified. However, stakeholders did not offer specific comments with regard to the BPOs under discussion
- ◆ Several speakers commented regarding the cancellation of a previous EUL proposal because of CARES
- ◆ We received 8 comment forms during the most recent comment period
- ◆ Generally, comment forms expressed concerns about all BPOs and did not distinguish between the BPOs

## ■ LAP Input

- ◆ At the second LAP meeting the LAP unanimously endorsed BPOs 4, 7 and 11
- ◆ BPO 2 was supported by a vote of 4-2 while BPO 10 was opposed by a vote of 1-5

# CARES & The Enhanced-Use Leasing Program

Office of Asset Enterprise Management



# What is Enhanced-Use Leasing Program?

Enhanced-Use Leasing (EUL) refers to legislative authority that allows VA to:

- Lease underutilized land or buildings on VA medical campuses;
- To a preferred developer who has been selected in an open competition;
- Through a long-term lease;
- In exchange for cash, goods or in-kind services that support or benefit veterans.

# Goals of Enhanced-Use Leasing Program

EUL Program looks to ensure that any reuse opportunities under consideration:

- Enhance the Department's mission;
- Are compatible with the fabric of existing neighborhoods;
- Maintain historical, aesthetic and cultural values of the site; and
- Preserve existing buildings, wherever feasible



# How Veterans Benefit from Enhanced-Use Leasing Program

## Revenues (Cash)

- Annual revenues from property ground rents used to offset capital needs for construction and delivery of veterans health care services

## In-Kind Consideration

- In-kind consideration may be in the form of renovation, repair, restoration or construction of the medical facilities needed, i.e. nursing home, domiciliary, outpatient clinic.

## Veterans' direct benefits through existing EULs:

- Priority placement and/or discounted rents for veterans and their spouses in housing units
- Homeless and transitional housing
- Senior services in congregate care and assisted living facilities

## Veterans' and community benefits through existing EULs:

- Research/medical facilities, child care, affiliate parking, community center and recreational facilities

# CARES and Enhanced-Use Leasing Program

CARES identified the tradeoffs of business plan options selected by the Secretary by studying:

- ◆ veterans' healthcare needs to configure an appropriately sized medical facility; and
- ◆ the anticipated capital requirements necessary.

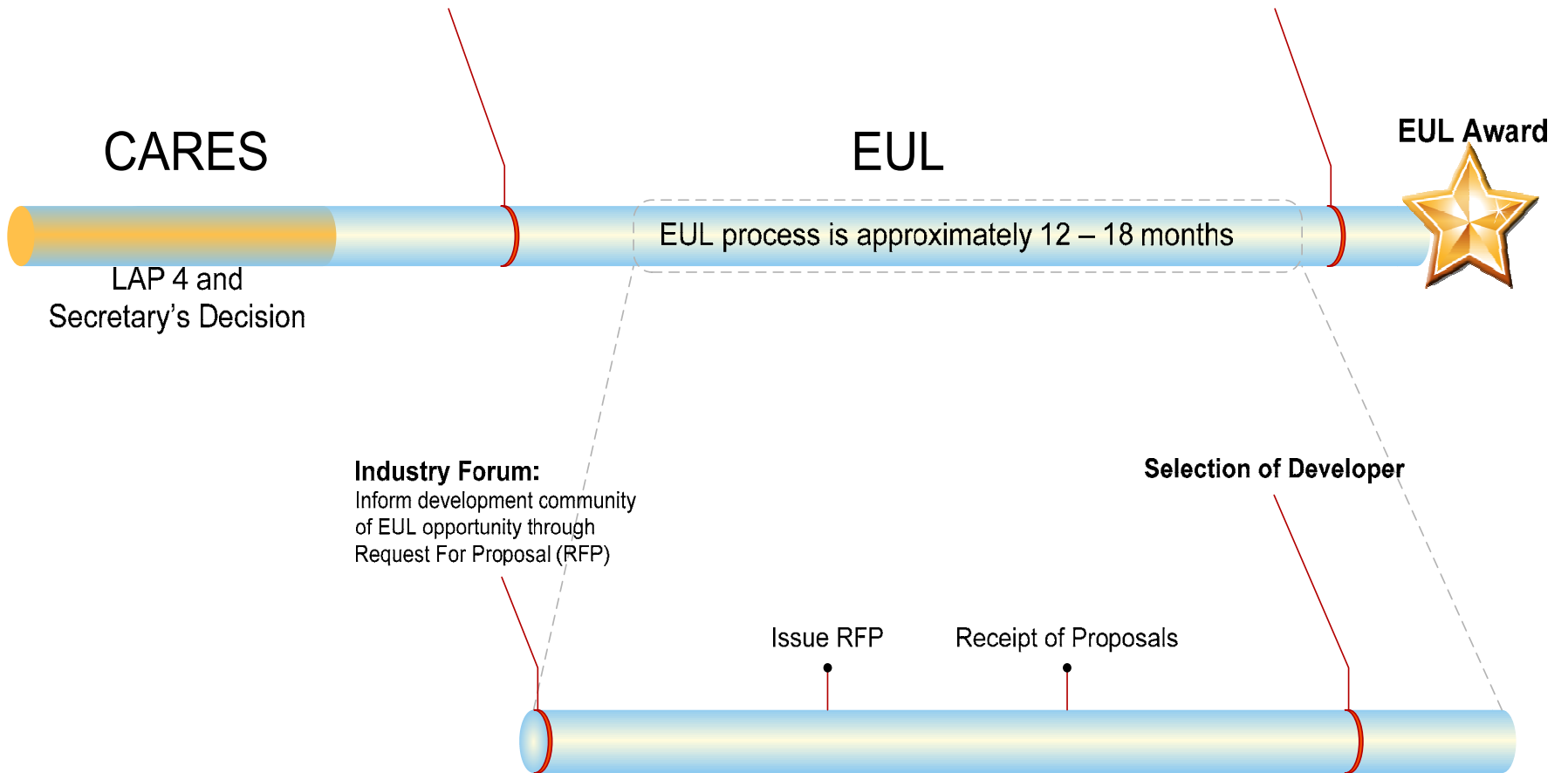
Through a separate real estate market assessment, CARES included the analysis of underutilized buildings or land potentially available for the Enhanced-Use Leasing Program

At the end of the CARES study, and once the capital planning for new construction or renovation of the medical facilities is complete, the EUL process begins

# Overview: Enhanced-Use Leasing Program

**EUL Public Hearing:**  
Notice to Veterans Service  
Organizations and Community  
of VA's intent to begin EUL process

**EUL Announcement:**  
Notice to Congress and  
Public Announcement of EUL



# Montrose Reuse/Redevelopment Setting

- Attractive campus-like atmosphere
  - ◆ Symmetrical layout of buildings that have similar architectural character
- Primarily residential surrounding uses
- Healthy economy (low unemployment, steady population growth, highly educated residents, etc.)
- Large contiguous parcels could potentially be made available for reuse
- Campus utility infrastructure (i.e., boiler plant, waste water treatment) may be made available for private sector reuse

# Montrose Reuse/Redevelopment Analysis

- Majority of buildings may be subject to historic preservation constraints
  - ◆ Redevelopment plan should consider adaptive reuse / renovation of existing buildings
- Potentially large amount of buildings and/or land may be made available for reuse
  - ◆ Redevelopment plan could be mix of new construction and adaptive reuse / renovation of existing buildings
  - ◆ Redevelopment of land and buildings may be greater than local market can readily absorb
    - Long-term, phased development
    - Mix of compatible uses

# Potential Reuse at Montrose Campus

## ■ Residential – Senior Housing

- ◆ All levels of senior housing that could feature Active Senior Apartments, Independent Living, Assisted Living, Skilled Nursing and a Continuing Care Retirement Community (CCRC) for veterans
- ◆ Provides senior housing preferences for veterans and their spouses and may draw additional users from local community
- ◆ Demographic data and market analysis indicate growing demand for senior housing in Westchester County

## ■ Residential – Apartments

- ◆ Could include both moderate and high-end apartment units
- ◆ Market analysis indicates an increasing demand for housing
- ◆ Stable rents that can support reuse

## ■ Community/Neighborhood Retail

- ◆ Visibility and access for parcel located along Route 9A
- ◆ Ancillary use and amenity to future residential development

# Montrose Reuse/Redevelopment Analysis Highlights

<p><b>BPO 2:</b> New Residential Treatment Facilities, Ambulatory Care Facility East of Fire Station</p>	<ul style="list-style-type: none"> <li>▪ Land and improvements available for reuse allow for potentially higher reuse proceeds than BPO 4</li> <li>▪ Maintains integrity of historic campus setting</li> <li>▪ Allows for a logical, uninterrupted progression of uses across the campus</li> <li>▪ Contiguous land and buildings available for development of residential community</li> </ul>	<p>164.2 Acres Available</p>
<p><b>BPO 4:</b> New Residential Treatment Facilities, Ambulatory Care Facility South of Fire Station</p>	<ul style="list-style-type: none"> <li>▪ Land and improvements available for reuse allow for potentially lower reuse proceeds than BPO 2</li> <li>▪ Planned demolition of eligible historic buildings could extend timeline for which reuse assets would be made available</li> <li>▪ Allows for a logical, uninterrupted progression of uses across the campus</li> <li>▪ Contiguous land and buildings available for development of residential community</li> </ul>	<p>172.5 Acres Available</p>
<p><b>BPO 11A:</b> Similar to BPO 2 less Residential Treatment Facility that Relocates to Castle Point</p>	<ul style="list-style-type: none"> <li>▪ Same as BPO 2</li> </ul>	<p>164.2 Acres Available</p>
<p><b>BPO 11B:</b> Similar to BPO 2 less Residential Treatment Facility that Relocates to Castle Point</p>	<ul style="list-style-type: none"> <li>▪ Same as BPO 2</li> </ul>	<p>164.2 Acres Available</p>

# Castle Point Reuse/Redevelopment Setting

- Campus surrounded by a growing community comprised primarily of single & multi-family residential developments
- Attractive site with potential for multiple reuse scenarios
  - ◆ Mix of highland, steep slopes, flat/lowland and waterside property
- Healthy economic & demographic trends
  - ◆ Rising population, steady incomes, etc.
  - ◆ Many area residents commute to White Plains and New York City
- Large contiguous parcels could potentially be made available for reuse
- Infrastructure for reuse available through coordination with local municipality



# Castle Point Reuse/Redevelopment Analysis

- Existing buildings have limited potential for adaptive reuse or renovation outside of current use
  - ◆ Reuse highly tenant dependent
  - ◆ Reuse scenario may consider demolition and new construction
- Redevelopment of land and buildings may be greater than local market can readily absorb
  - ◆ Long-term, phased development
  - ◆ Mix of compatible uses
- Buildings on campus are not listed as historic or eligible for historic status

# Potential Reuse at the Castle Point Campus

## ■ Residential – Senior Housing

- ◆ All levels of senior housing that could feature Active Senior Apartments, Independent Living, Assisted Living, Skilled Nursing and a Continuing Care Retirement Community (CCRC) for veterans needs
- ◆ Provides senior housing preferences for veterans and their spouses and may draw additional users from local community
- ◆ Demographic data and market analysis indicate growing demand for senior housing in Dutchess County

## ■ Residential – Apartments

- ◆ Consistent with surrounding land uses
- ◆ Market analysis indicates demand for apartment communities designed for all income and age segments (workforce, moderate and high-end)
- ◆ Low apartment vacancy rate (3-5%); stable rents

# Castle Point Reuse/Redevelopment Analysis Highlights

<p><b>BPO 7:</b> Construct New Facilities West of Existing Buildings</p>	<ul style="list-style-type: none"> <li>▪ Land and improvements available for reuse allow for potentially higher reuse proceeds than BPO 10</li> <li>▪ Land available for reuse is non-contiguous</li> <li>▪ Potential to adaptively reuse existing improvements limited</li> <li>▪ Timing of reuse negatively impacted by the campus phasing requirements</li> </ul>	<p>81.6 Acres Available</p>
<p><b>BPO 10:</b> Build New Nursing Home and Renovate Existing Facility</p>	<ul style="list-style-type: none"> <li>▪ Land and improvements available for reuse allow for potentially lower reuse proceeds than BPO 7</li> <li>▪ Land available for reuse is contiguous and contains fewer encumbrances</li> <li>▪ Timing of reuse not impacted by campus phasing requirements</li> </ul>	<p>60.6 Acres Available</p>
<p><b>BPO 11A:</b> Similar to BPO 7 plus Addition of Residential Treatment Facilities from Montrose</p>	<ul style="list-style-type: none"> <li>▪ Same as BPO 7</li> </ul>	<p>81.6 Acres Available</p>
<p><b>BPO 11B:</b> Similar to BPO 10 plus Addition of Residential Treatment Facilities from Montrose</p>	<ul style="list-style-type: none"> <li>▪ Same as BPO 10</li> </ul>	<p>60.6 Acres Available</p>

# BPO Tradeoff Analysis



# BPO 1: Baseline

## STRENGTHS

- There are no strengths relative to the other options.

## WEAKNESSES

- Longest duration at Montrose and Castle Point
- Higher degree of complexity at Montrose and Castle Point due to renovation and construction phases and relocation of services and patients
- Results in most underutilized and vacant space at Montrose and Castle Point
- Highest capital investment cost

## BPOs 2+7, BPOs 4+7 and BPO 11A

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>■ Shortest duration at Montrose (along with BPO 11B) and shortest duration at Castle Point</li><li>■ Lowest degree of complexity at Montrose and Castle Point based on construction phasing and patient moves</li><li>■ Lowest underutilized space at Montrose (along with BPO 11B) and at Castle Point (comparable to BPO 1)</li><li>■ Eliminates vacant space at Montrose and Castle Point (along with BPO 11B)</li></ul>	<ul style="list-style-type: none"><li>▪ Capital cost net of reuse proceeds are slightly higher than options involving BPOs 10 and 11B</li></ul>

## BPOs 2+10, BPOs 4+10, and BPO 11B

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>■ Shortest duration at Montrose</li><li>■ Lowest degree of complexity at Montrose based on renovation construction phasing and patient moves</li><li>■ Lowest underutilized space at Montrose</li><li>■ Eliminates vacant space at Montrose and Castle Point</li><li>■ Lower operating cost than BPOs 2+7, BPOs 4+7, and BPO 11A</li></ul>	<ul style="list-style-type: none"><li>■ Highest degree of complexity at Castle Point due to renovation and construction phases and relocation of services and patients</li><li>■ Longer duration at Castle Point than BPO 11A</li><li>■ Management challenges and risks associated with relocating/contracting out for inpatient psychiatry and nursing home care over an extended period of time</li></ul>

## Next Steps

- Stakeholder input about the BPOs will be collected for **14 days following the LAP meeting – through August 7**
- An implementation plan will be developed for each BPO and incorporated in the final report
- After the Secretary makes his decision, the Capital Investment Prioritization and Enhanced-Use Leasing processes will begin.



# How Can You Provide Input?

## Local Advisory Panel Meeting

- Provide testimony at the meeting
- Fill out a comment form at the meeting

## CARES Project Website

[www.va.gov/CARES](http://www.va.gov/CARES)

- An **electronic comments form** is available to share your views and opinions on the BPOs presented – specify ‘Montrose-Castle Point site’ as prompted
- Website provides public meeting information, agendas, meeting summaries, and links to background documents

## CARES Central Mailstop

Montrose-Castle Point Study

VA CARES Studies

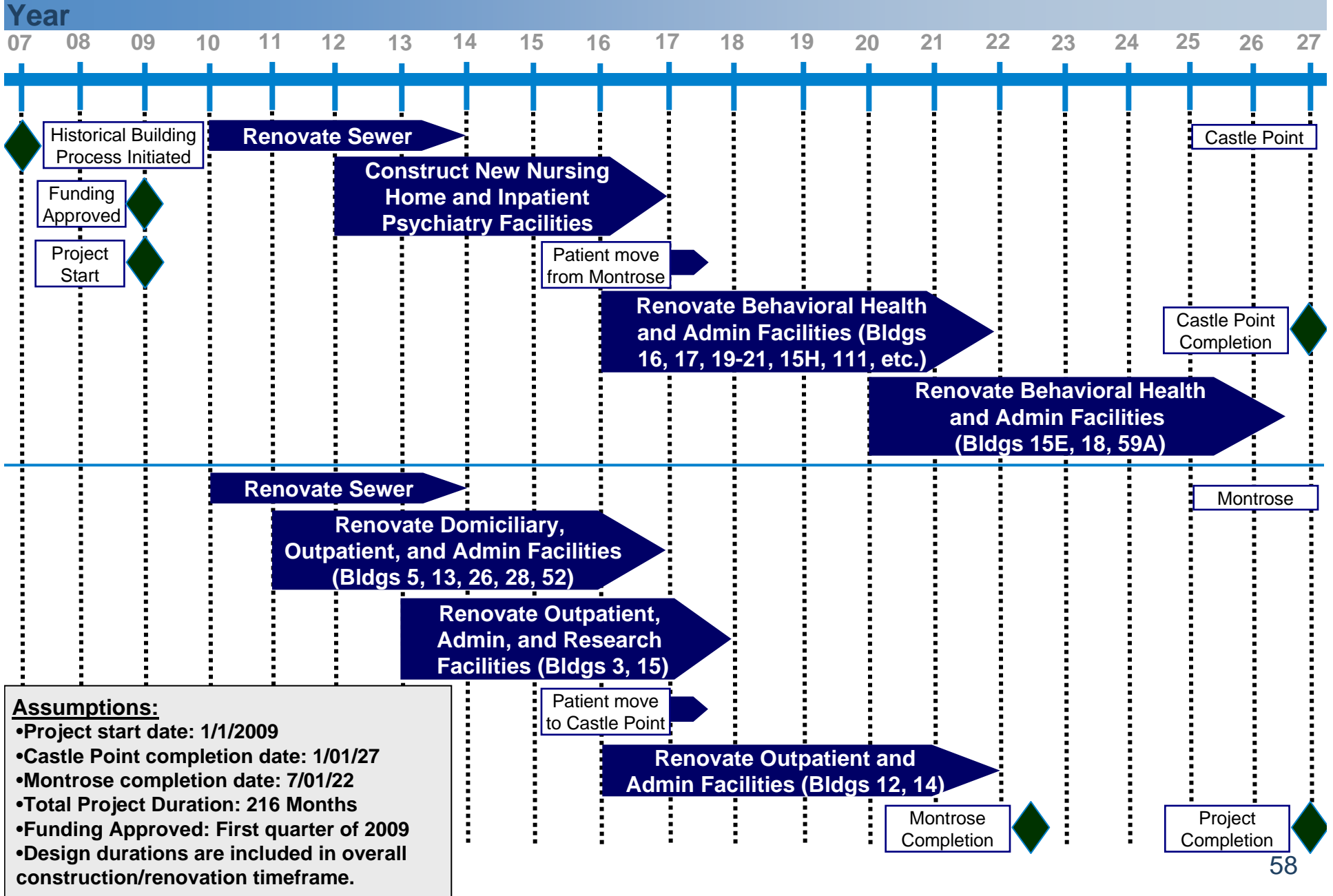
PO Box 1427

Washington Grove, MD 20880-1427

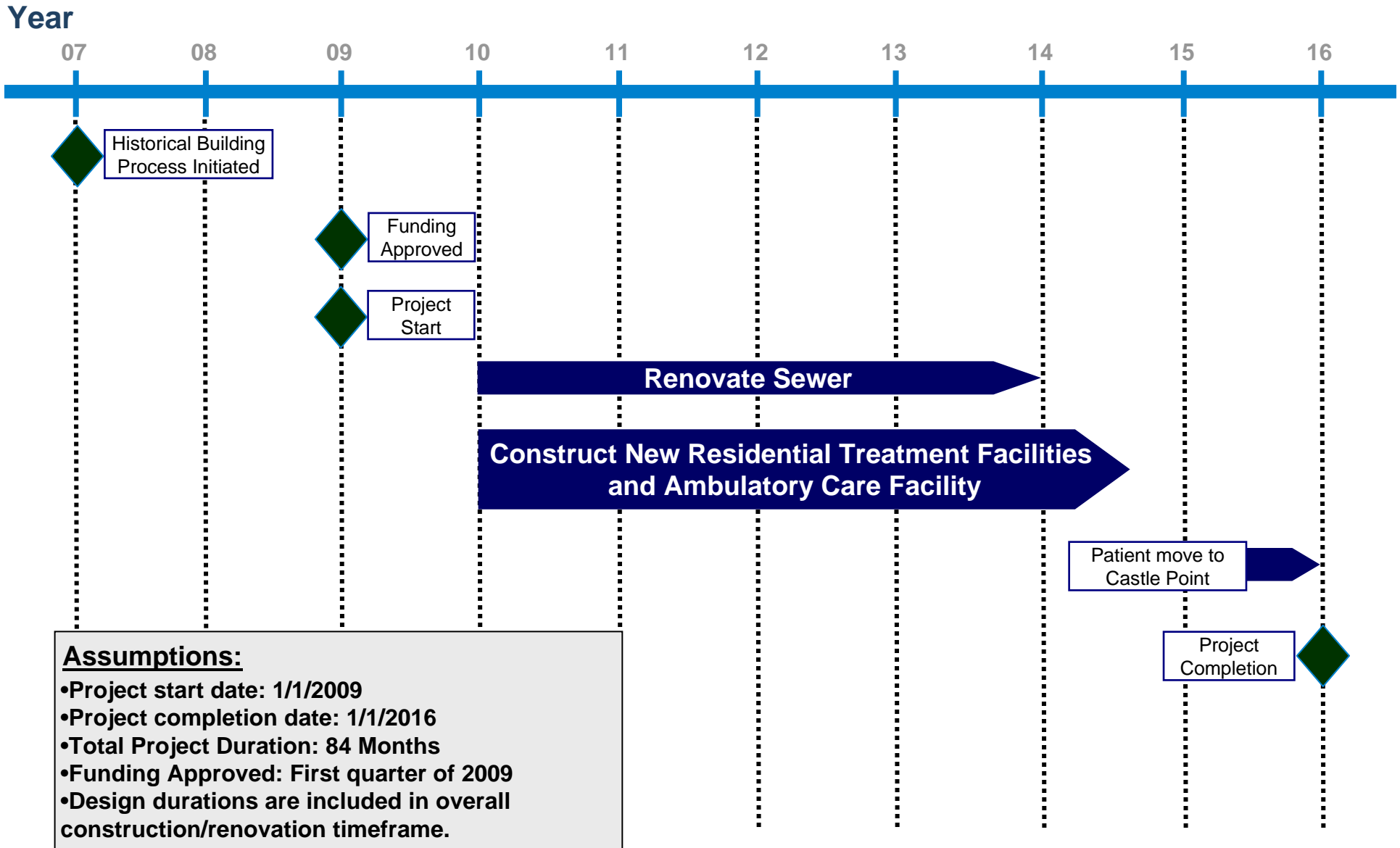
# APPENDIX



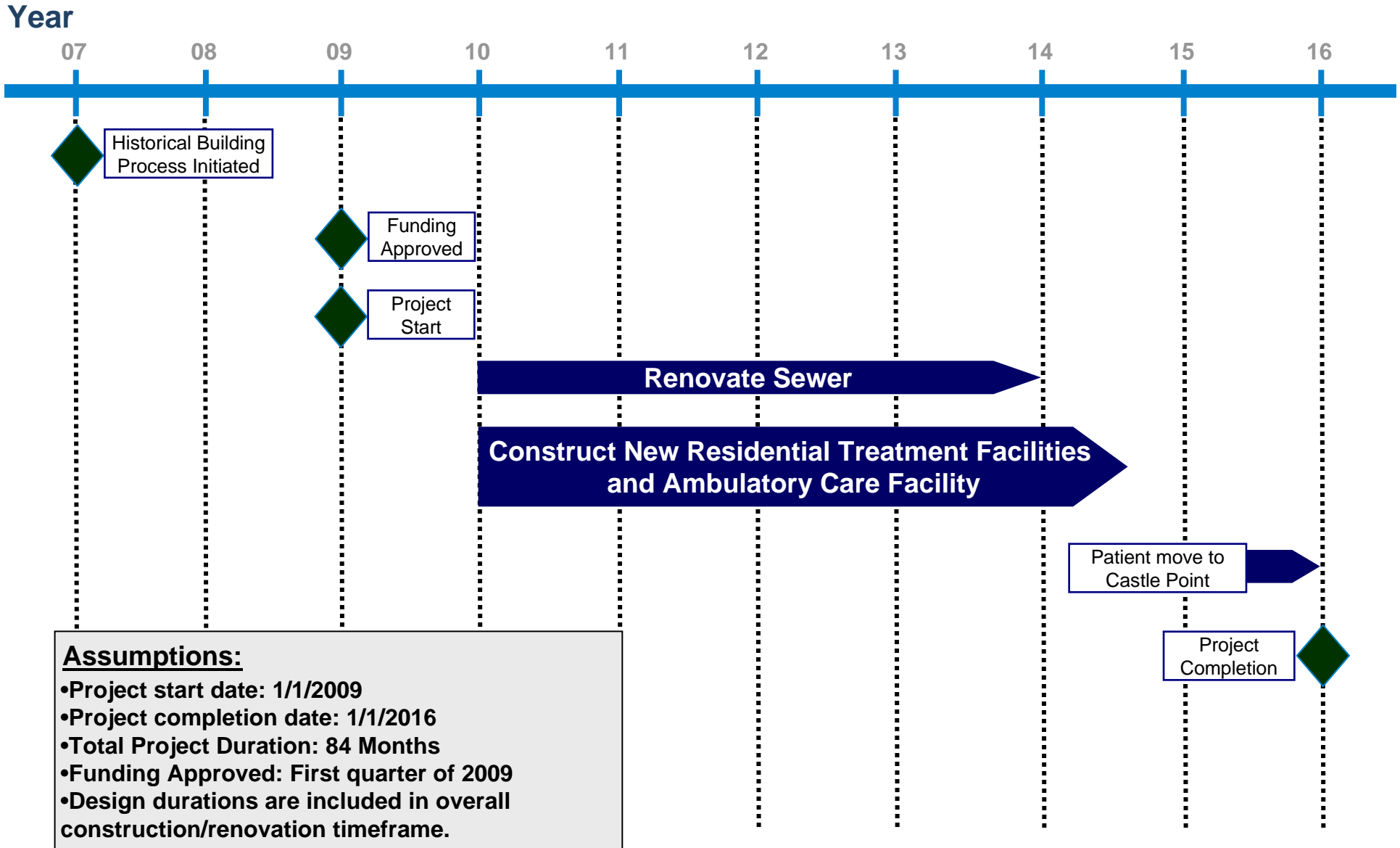
# Montrose/Castle Point BPO 1 Project Timeline



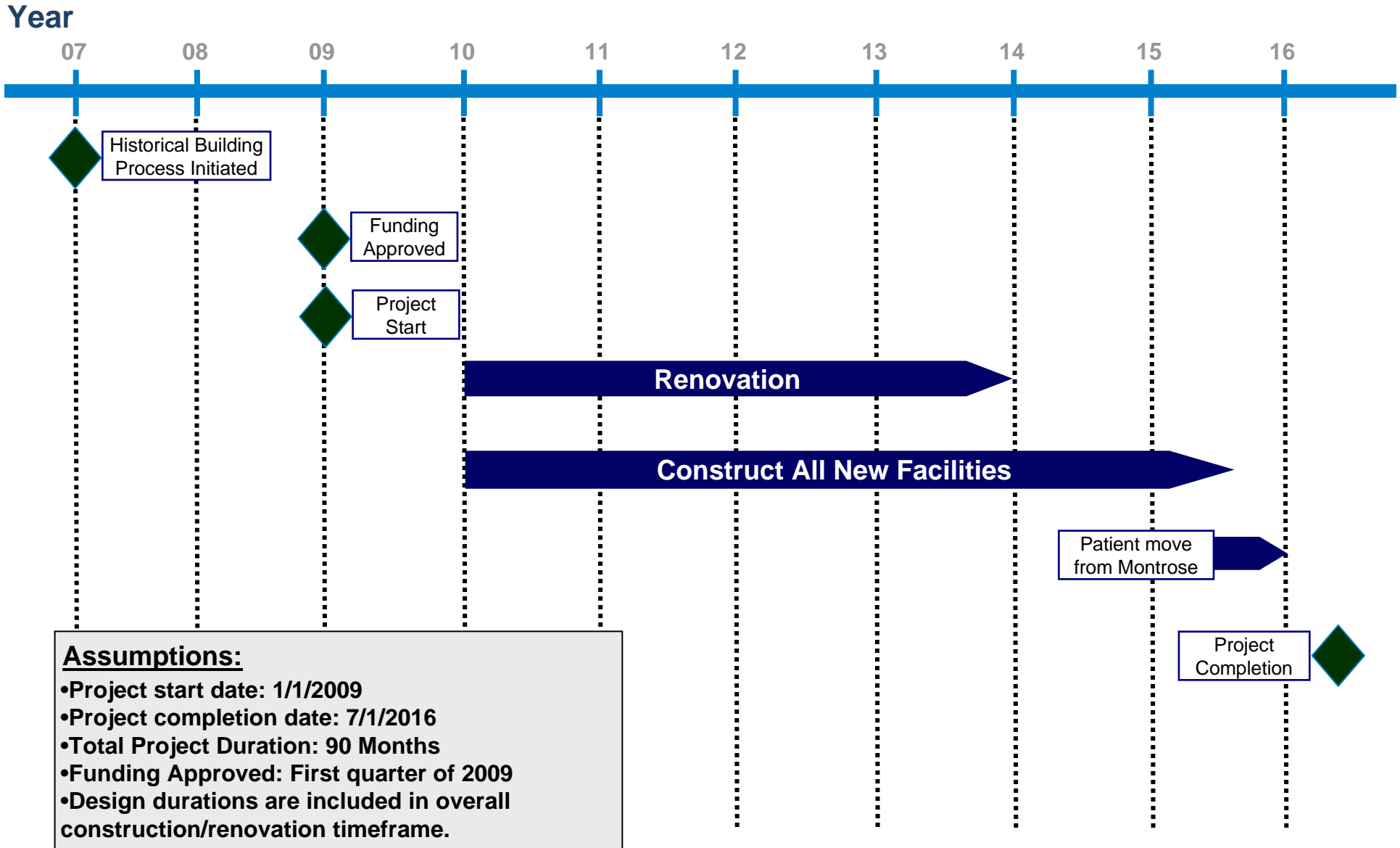
# Montrose BPO 2 Project Timeline



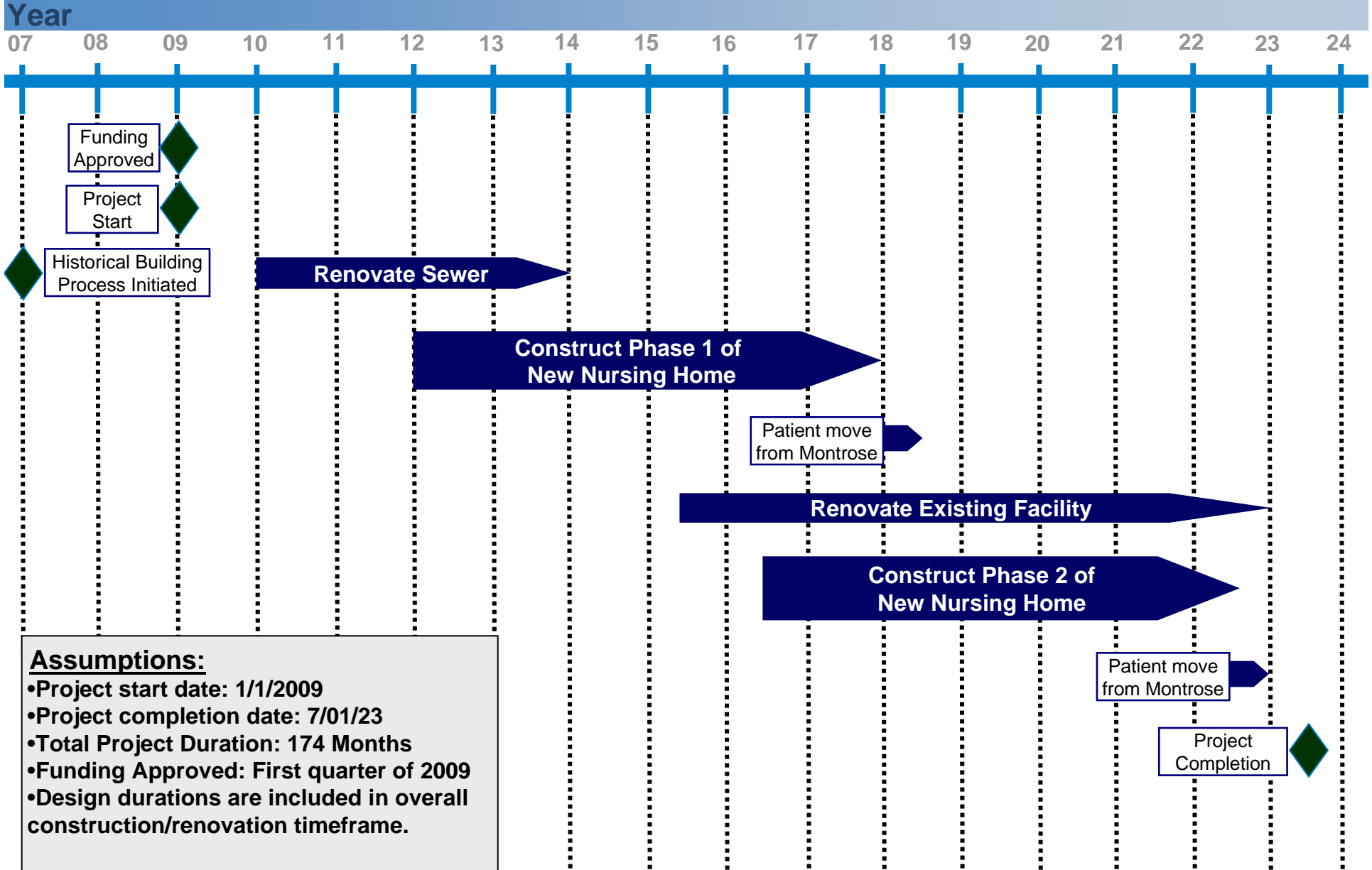
# Montrose BPO 4 Project Timeline



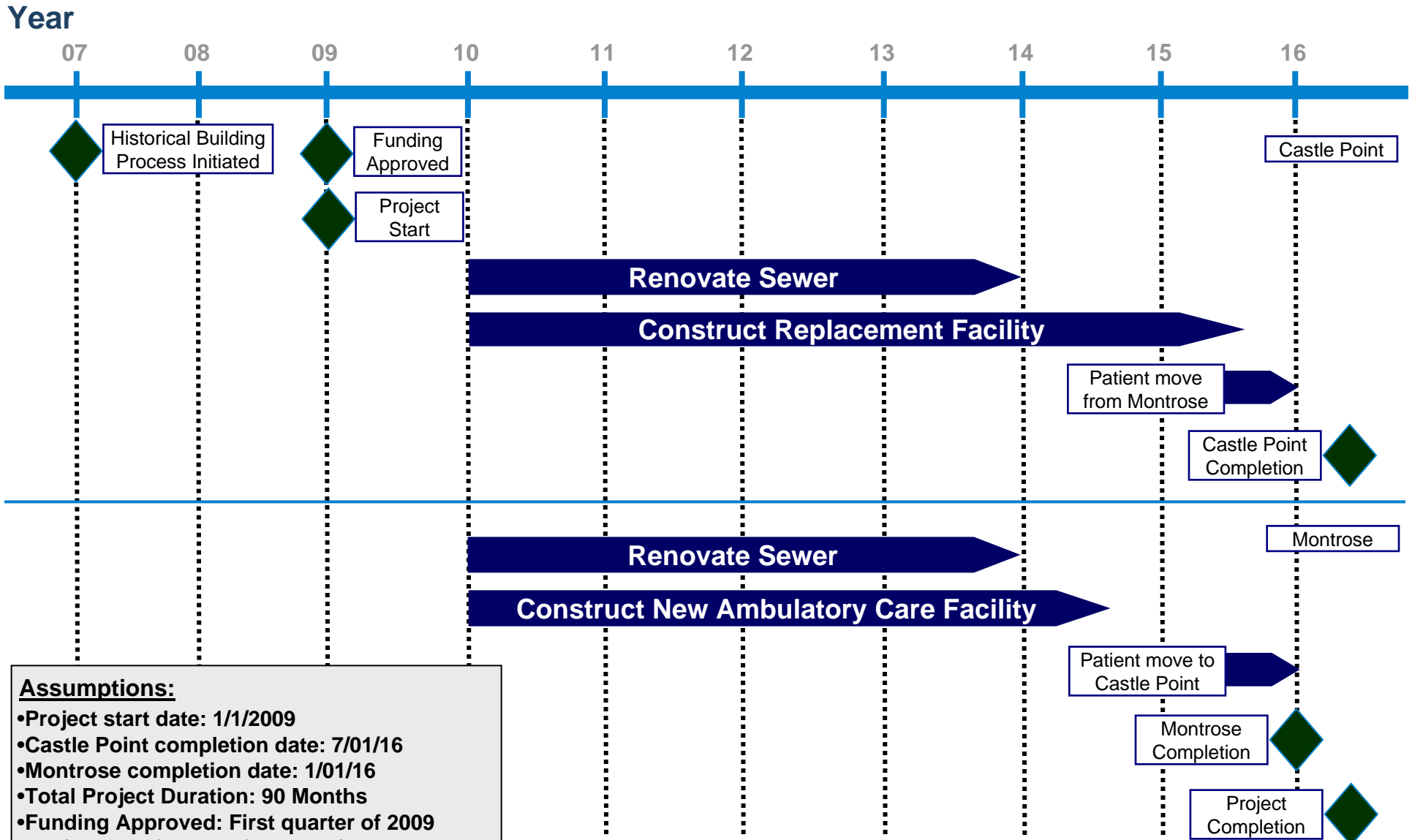
# Castle Point BPO 7 Project Timeline



# Castle Point BPO 10 Project Timeline



# Montrose/Castle Point BPO 11A Project Timeline

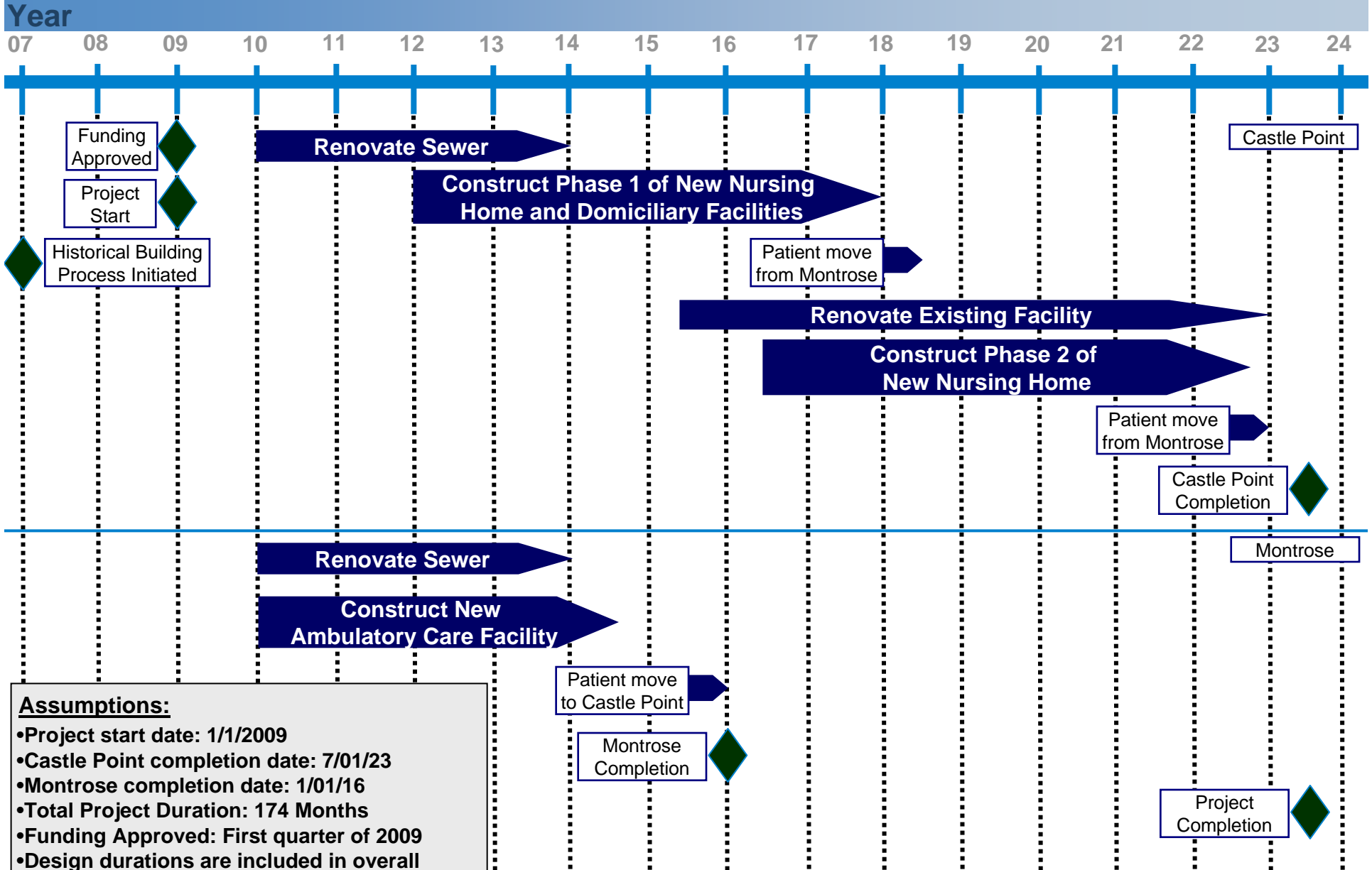


**Assumptions:**

- Project start date: 1/1/2009
- Castle Point completion date: 7/01/16
- Montrose completion date: 1/01/16
- Total Project Duration: 90 Months
- Funding Approved: First quarter of 2009
- Design durations are included in overall construction/renovation timeframe.



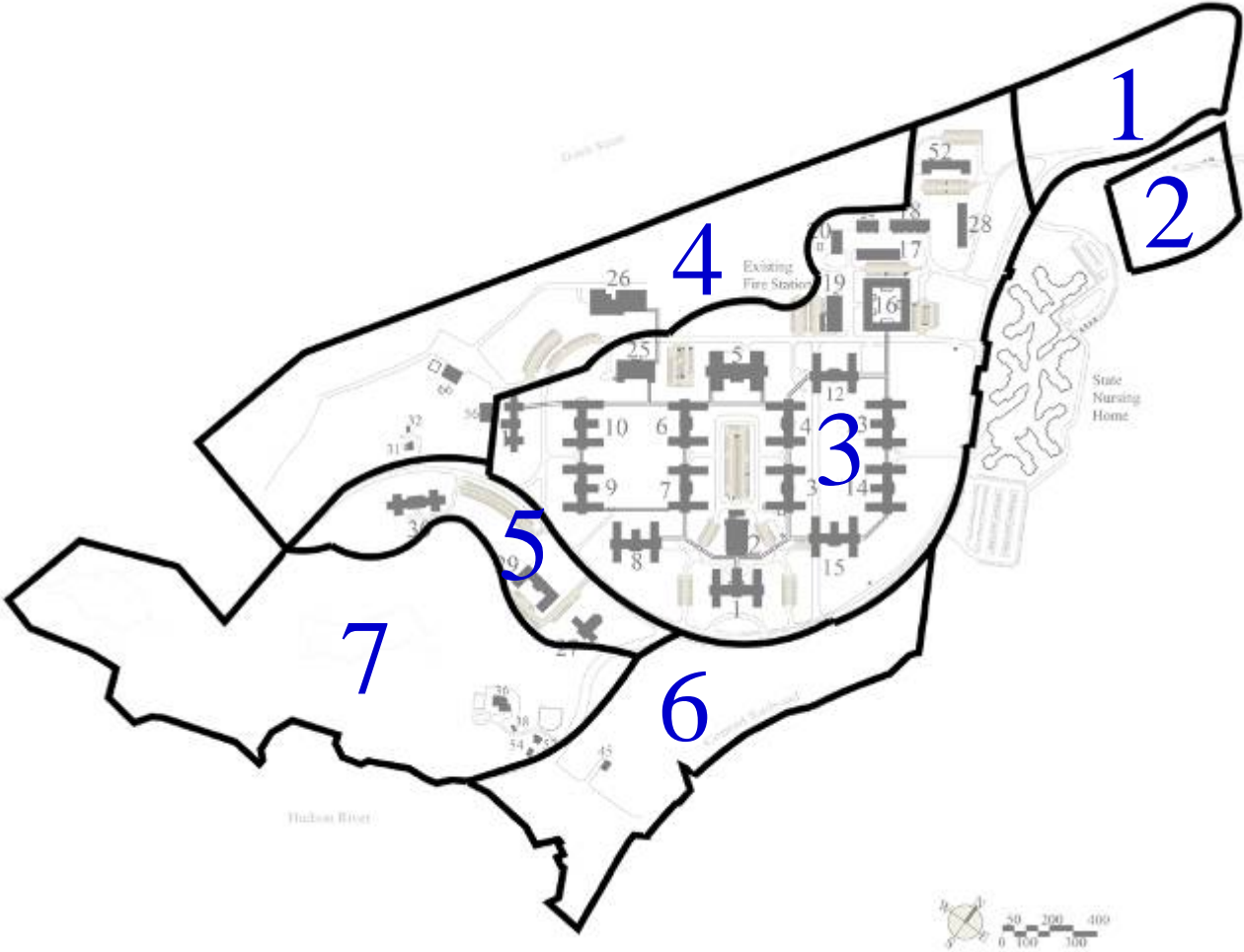
# Montrose/Castle Point BPO 11B Project Timeline



**Assumptions:**

- Project start date: 1/1/2009
- Castle Point completion date: 7/01/23
- Montrose completion date: 1/01/16
- Total Project Duration: 174 Months
- Funding Approved: First quarter of 2009
- Design durations are included in overall construction/renovation timeframe.

# Montrose Site Parcels



# Castle Point Site Parcels

