

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

Grant Application

Fiscal Year 2012

Please indicate the type of funding you are requesting:

X Project Grant

Quality of Life projects that advance the mission of MCDC and are eligible for funding in accordance with the Type B sales tax statute.

APPLICATION

ORGANIZATION INFORMATION

Name: Baylor Health Care System Foundation

Federal Tax I.D.: 75-1606705

Incorporation Date: 1978

Mailing Address: 3600 Gaston Ave., Barnett Tower, Suite 100

City Dallas

ST: TX

Zip: 75246-1800

Phone: 214.820.3136

Fax: 214.820.7092

Email:

Website: www.baylorhealth.com

Check One:

Nonprofit – 501(c) Attach a copy of IRS Determination Letter

Governmental entity

For profit corporation

Other

Professional affiliations and organizations to which your organization belongs:

Baylor Health Care System Affiliations

- The Joint Commission on Accreditation of Health Care Organizations;
- National Quality Forum;
- ANCC Magnet Commission for Nursing Excellence;
- National Nursing Staff Development Organization;
- "High Value Health Care Project" with Mayo Clinic, Cleveland Clinic, and others;
- The Dallas-Fort Worth Hospital Council

Affiliations:

- *HealthTexas Provider Network*, includes 450 physicians and 131 *HealthTexas* access points;
- Baylor Health Enterprises encompasses several tax-paying companies within Baylor Health Care System, including Baylor Tom Landry Health and Wellness; MEDCO, a construction company specializing in health care construction; a retail pharmacy; and a hotel located at Baylor University Medical Center at Dallas.
- Baylor Research Institute
- Texas A&M Health Science Center College of Medicine
- Baylor College of Dentistry
- Baylor University Louise Herrington School of Nursing

Medical Centers Owned, Operated and Joint Ventured by Baylor Health Care System:

- Baylor Jack and Jane Hamilton Heart & Vascular Hospital (joint venture with physicians)
- Baylor Medical Center at Carrollton (facility is leased from Metrocrest Hospital Authority)
- THE HEART HOSPITAL Baylor Plano (joint venture with physicians)

Medical Centers Joint Ventured by Baylor Health Care System

- Baylor Irving-Coppell Surgical Hospital (THVG joint venture with USPI)
- Baylor Medical Center at Frisco (THVG joint venture with USPI)
- Baylor Medical Center at Trophy Club (THVG joint venture with USPI)
- Baylor Orthopedic and Spine Hospital at Arlington (THVG joint venture with USPI)
- Baylor Surgical Hospital at Fort Worth (THVG joint venture with USPI)
- Mary Shiels Hospital (THVG joint venture with USPI)
- North Central Surgical Center (THVG joint venture with USPI)

THVG is Joint venture between Baylor Health Care System and United Surgical Partners International, Inc.

Hospitals in the Baylor Health Care System

- Baylor Annette C. and Harold C. Simmons Transplant Institute
- Baylor Medical Center at Carrollton
- Baylor Institute for Rehabilitation
- Baylor Specialty Hospital
- Baylor University Medical Center at Dallas
- Our Children's House
- Baylor All Saints Medical Center at Fort Worth
- Baylor Medical Center at Southwest Fort Worth
- Baylor Medical Center at Garland
- Baylor Regional Medical Center at Grapevine
- Baylor Medical Center at Irving
- Baylor Regional Medical Center at Plano
- Baylor Medical Center at Waxahachie
- Opening 2012 – Baylor Regional Medical Center at McKinney

Medical Centers Affiliated with Baylor Health Care System

- Glen Rose Medical Center, Glen Rose, Texas
- Memorial Hospital, Sulphur Springs, Texas
- Hunt Regional Health System, Greenville, Texas
- Wise Regional Health System, Decatur, Texas

Baylor Medical Center at McKinney Affiliations

- ManeGait
- McKinney Health Challenge (City of McKinney, McKinney Kiwanis, McKinney ISD, McKinney Main Street)
- McKinney Relay for Life
- Chambers of Commerce in McKinney, Prosper, Celina, Anna, Melissa, Fairview/Allen & Farmersville
- Community Lifeline
- Children and Community Health Clinic
- McKinney Rotary
- McKinney Lions
- Samaritan Inn

REPRESENTATIVE COMPLETING APPLICATION:

Name: Amy McNabb

Title: Director

Mailing Address: 3600 Gaston Ave., Barnett Tower, Suite 100

City: Dallas

ST: TX

Zip: 75246-1800

Phone: 214-820-4771

Fax: 214-820-7092

Email: amy.mcnabb@baylorhealth.edu

CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:

Name: Elizabeth Denton

Title: Director

Mailing Address: 3600 Gaston Ave., Barnett Tower, Suite 100

City: Dallas

ST: TX

Zip: 75246-1800

Phone: 214-820-4070

Fax: 214-820-7092

Email: elizabeth.denton@baylorhealth.edu

FUNDING

Total amount requested: \$272,432

PROJECT

Start Date: contingent on receiving funding

Completion Date: eight weeks after start date

BOARD OF DIRECTORS

Please see attached

LEADERSHIP STAFF

Please see attached

I. Applying Organization

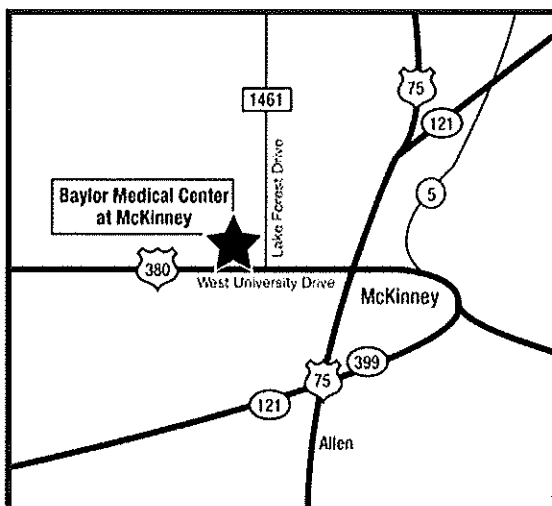
Describe the mission, strategic goals and objectives, scope of services, day to day operations and number of paid staff and volunteers.

The Baylor Health Care System

Founded as a Christian ministry of healing, Baylor Health Care System's mission is to serve all people through exemplary health care, education, research and community service. For more than 100 years, we have supported this mission by demonstrating Baylor's values of integrity, servanthood, quality, innovation and stewardship.

Baylor will continue that focus as we work toward our vision to be trusted as the best place to give and receive safe, quality, compassionate health care. Baylor established four system-wide business objectives to help us measure our progress:

- Deliver safe, quality, patient-centered care, supported by education and research
- Be leaders in community service
- Be responsible financial stewards
- Be the best place to work and care for patients



Baylor Medical Center at McKinney

The Baylor's System objective in McKinney is to build a medical center to serve the fast-growing region in Collin County anchored by McKinney, Texas, one of the fastest growing cities in nation.

As the population continues to grow at an accelerating rate, the need for additional full-service medical facilities is eminent. There is no major hospital north of McKinney to Sherman, west to Frisco, or east to Greenville. In the next few years, the region will need at least 160 more beds to meet the medical needs of a growing population.

Baylor Medical Center at McKinney (Baylor McKinney) is located on the northwest corner of Highway 380 and Lake Forest Drive, with ample space to grow with the population. Baylor McKinney will immediately increase the capacity for health care services for the City of McKinney and for smaller communities in the region that have no clinic or hospital at all.

Baylor McKinney's goal is to be a full-service, 95-bed acute care facility. It has state-of-the-art technology in all treatment areas and will feature many elements of a healing environment: natural light, soothing colors, differing wall and floor textures, artwork, and open green spaces. Patient rooms will have a spa-like feel, with many amenities and ample room for visitors. Baylor Medical Center at McKinney opened July 6, 2012. Construction cost is \$195 million.

Services at Baylor McKinney will include: obstetrics and gynecology, gastroenterology, orthopedics, endoscopy, general surgery, heart and vascular, neurology, neurosurgery, internal medicine, emergency care and outpatient services.



II. Project

Outline details of the Project for which funds are requested. Include information regarding scope, goals, objectives, target audience.

Baylor Health Care System Foundation is seeking funding from the McKinney Community Development Corporation to help fund a walking/jogging trail in Baylor McKinney's Overlook Park that will tie into the city's planned hike and bike trail system.

Baylor Medical Center at McKinney's Overlook Park with pond and trail is being built on more than four acres of green space adjacent (on the south side) to Baylor McKinney's lighted, security-controlled Visitor's Parking Lot. Overlook Park will include an overlook, pond (approximately two acres), a walking/jogging trail (approximately one-half mile), a fountain/water feature, benches, trash receptacles, two security cameras, an emergency call station, and landscaping with native trees and the City's signature crepe myrtles. The Park will be maintained by Baylor Medical Center at McKinney.

In addition to serving Baylor McKinney's patients and their families, and its employees and volunteers; Overlook Park will serve the general public; and the number of people in the community who use the trail will increase as the area surrounding the medical center develops. Expansion of the city's Hike and Bike Trail System will further increase use of the park by the McKinney community.

Baylor Medical Center at McKinney Overlook Park - Open Access

Bounded by, and accessible from, U.S. Highway 380 to the south and Lake Forest Dr. to the east, Overlook Park will be open to all Baylor patients, families, visitors, and the general public. It also will be accessible from the City of McKinney Hike and Bike Trails System. Free public parking is available in the 250-car Visitor's Parking lot adjacent to the Park; use of the Park is free.

The park and walking/jogging trail will have multiple access points that will include two walkways from the Baylor McKinney Visitor's Parking Lot, and three separate points in the city-wide hike and bike trail system as shown on the City of McKinney's Comprehensive Plan.

On the east, the Park will connect to the city's planned Lake Forest trail; and the Park also will be accessible from a planned trailhead on the south side of Highway 380 (this access point will require pedestrians to cross 380 to access the Park). Leading from the north side of the Park will be a sidewalk that will connect the Park to a trailhead to the north once the city's trail system is complete. The trail also will be wheel-chair accessible.

The Trail and Overlook Description - The concrete trail will completely encircle the two-acre pond. On the south and east sides of the pond (adjacent to 380 and Lake Forest Dr.), the trail's width will be 12 feet to accommodate walkers, runners and bicycle traffic. On the north and west sides of the pond the trail will be six-feet wide and designed primarily for walkers and joggers. Six benches with trash receptacles will be built adjacent to the trail. The trail also will have ¼ mile markers. The highlight of the trail will be a south-facing elevated overlook on the north side of the pond; the overlook area which will be flanked by a stand of the City of McKinney's signature crape myrtle trees.

Landscaping - Landscaping will include regional shade and ornamental trees; and climate-appropriate grasses, groundcover and annuals. Varieties of shade trees will include:

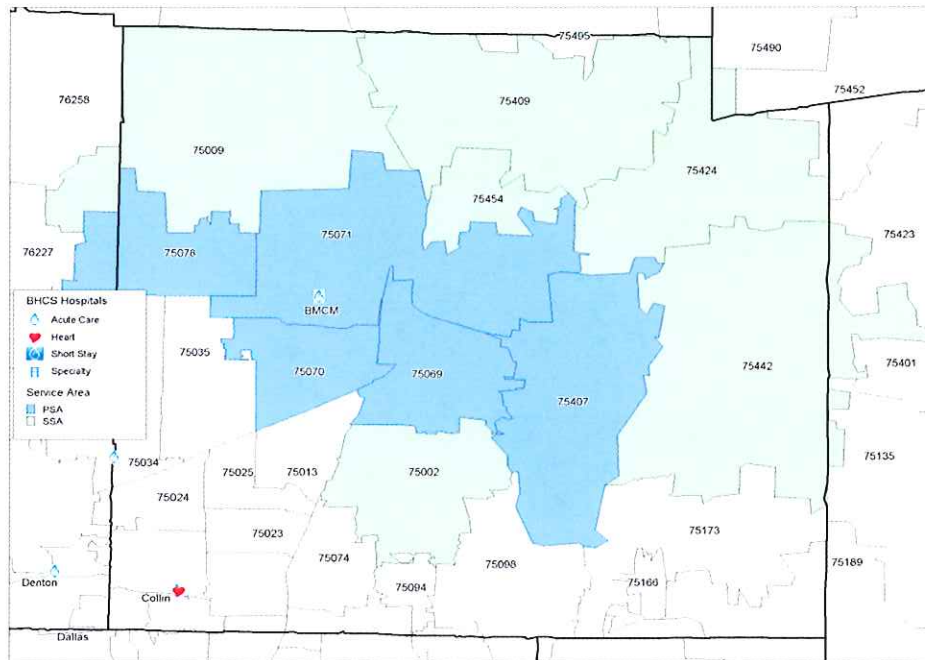
- 26 Schumard Oaks
- 11 Live Oaks
- 2 Allee Elms
- 7 Weeping Willows
- 4 East Red Cedars

Landscaping also will include 30 crape myrtle trees of various varieties; ground cover (Asian jasmine, big blue liriop and purple muhley grass) and seasonal annuals.

Water and Irrigation – Along with the construction of Baylor McKinney, a pond was created and a water well was drilled to feed the pond and irrigate the park; the well will supply up to 80% of the hospital's landscape irrigation needs and minimize use of the city's water supply. The source of the well water is the aquifer, and it is tied to a "smart" irrigation control system that serves the Park along with the entire Baylor-McKinney campus. The smart irrigation system uses a sophisticated system of controllers and sensors to maximize efficiency and environmental sustainability.

Goals/Objectives – Baylor McKinney is building Overlook Park as an extension of its goal to encourage healthy behaviors among members of the McKinney community by providing an attractive, safe space for healthy outdoor activity, relaxation and reflection for its patients and their families, employees and volunteers, and the greater McKinney community.

Target Audience – The anticipated primary and secondary areas Baylor McKinney will serve are illustrated on the graphic below: blue is primary and green is secondary.



The primary target audience is patients and their families, hospital staff/volunteers and the general public.

- *Patients* - Planners expect approximately 4,432 inpatient visits during the first year of operation with an approximate 68% increase by calendar year 2017 to nearly 7,445 inpatients. The expected number of outpatient visits to Baylor McKinney during the first year of operation is 30,259. Outpatient visits are expected to increase to 50,242 by 2017. Expected emergency department visits are anticipated to be 16,800 for the first year; and emergency department volumes are expected to increase to 31,340 by 2017. The hospital opened with 95 beds, but the campus can expand to 400 beds. In addition, the physician office building, adjacent to the medical center, will increase traffic to the campus.
- *Hospital staff and volunteers* - The medical center's 500 staff members and volunteers and 250 physicians (currently credentialed) also will use the Overlook Park.
- *General public* - Anticipated commercial and residential development will drive increased use of Overlook Park by the general public. Population growth for the targeted population for Baylor McKinney is expected to increase by 19.8% over the next five years, which is 4% higher than the national average growth rate of 15.8%. Expected growth of the City of McKinney in the areas adjacent to Baylor McKinney and the eventual completion of the city's Hike and Bike Trail System will drive increased use of the Baylor's Overlook Park walking/jogging trail.

Describe how the proposed Project fulfills strategic goals and objectives for the organization.

Baylor's objective is to be trusted as the best place to give and receive safe, quality, compassionate health care. To achieve this result, Baylor maintains a commitment to the four pillars of our mission: patient care, education, research and community service.

As part of its strategic plan to meet this objective, Baylor Medical Center at McKinney is committed to working within McKinney and the surrounding areas to build a stronger, healthier community. By providing an outdoor space and walking/jogging trail that is free and accessible to the general public, Baylor is serving the community.

Timeline for completion

Project start date: Contingent upon receiving funding. Contractor has provided an eight-week schedule for project completion

Project end date: Eight weeks after start date

Plans for future expansion

There are no plans for expanding Overlook Park and the walking/jogging trail beyond the initial construction.

Project Grants – please complete the section below:

- An expansion/improvement? Yes No
- A replacement/repair? Yes No
- A multi-phase project? Yes No
- A new project? Yes No

Has a feasibility study or market analysis been completed for this proposed project?

A feasibility study/market analysis was completed for the overall Baylor Medical Center at McKinney project. It is attached.

Provide specific information to illustrate how this Project will enhance quality of life and further business development in the City of McKinney, and support one or more of MCDC’s goals:

This project directly impacts the MCDC’s goal of developing and strengthening the physical amenities for recreational and leisure opportunities.



Baylor McKinney has joined the City of McKinney, McKinney Main Street, McKinney ISD, Kiwanis Club of McKinney and American Heart Association to promote wellness activities throughout the community. We challenge McKinney residents to become the most fit community in the nation

The walking trail at the Baylor Medical Center at McKinney will support this effort by strengthening the City’s parks and physical amenities for recreational, leisure and tourism opportunities, as the trail will link to the City’s planned hike and trail system. The medical center, and the surrounding green space (with walking trail), also will add the City’s appeal as one of the best places to live or visit in the United States and enhance quality of life for McKinney’s residents

Has a request for funding, for this Project, been submitted to MCDC in the past?

- Yes No

III. Financial

- Provide an overview of the organization's financial status including the impact of this grant request.

Cost of construction for the Baylor Regional Medical Center at McKinney was approximately \$195 million; overall cost of the Overlook Park including the walking/jogging trail is \$1.2 million. The project cost of the walking/jogging trail is \$382,493, the requested amount of \$272,432 will enable Baylor McKinney to complete a walking/jogging trail within Overlook Park.

- Please attach your budget for the current year and audited financial statements for the preceding two years. If financials are not available, please indicate why.

Current budget and audited statements are being submitted for the Baylor Health Care System Foundation, as it is the fiscal agent for philanthropic funding in the Baylor Health Care System.

What is the estimated total cost for this Project?

\$382,493

(Budget is attached)

What percentage of Project funding will be provided by the Applicant?

71%

Are Matching Funds available? Yes No

Are other sources of funding available? Baylor Medical Center at McKinney is contributing \$110,061 toward to cost of Overlook Park walking/jogging trail.

Have any other federal, state, or municipal entities or foundations been approached for funding? Funding has not been sought for the walking/jogging trail; however, philanthropic funding from corporations, private foundations and individuals is being sought and has been committed for patient-centered projects and programs the Baylor Regional Medical Center at McKinney. To date, members of the greater McKinney community have contributed approximately \$1.6 million in philanthropic funding to patient-centered projects and programs at Baylor McKinney.

IV. Marketing and Outreach

Describe marketing plans and outreach strategies for your organization and for the Project/Promotional Activity/Community Event for which you are requesting funding – and how they are designed to help you achieve current and future goals.

Baylor Medical Center at McKinney's marketing plan includes community outreach, advertising, public relations, physician relations and employee relations strategies. From a community outreach standpoint, the medical center will host health events, large and small, inside and outside the medical center. From health screenings to childbirth education classes, the medical center will reach a wide

array of audiences. Independent Bank Auditorium, which seats 150, will be used for health seminars and screenings. We will host events on campus on a weekly basis.

Through advertising and public relations initiatives, the medical center will highlight hospital services, events, and physicians. The medical center uses traditional advertising such as billboards, ads, direct mail, along with social media and web-based marketing. In addition, Baylor Health magazine is sent to 30,000 homes in the McKinney service area. Overlook Park will be featured in our magazine and in our print materials.

Physician relations is yet another aspect of our marketing strategy and includes physician liaison visits, physician mixers, call center and web referral service oversight, and communications. The medical center works diligently to keep our physicians and office staff informed of hospital services and updates. Employee relations and communications is another important part of our marketing strategy and includes the employee web site and newsletter.

Overlook Park will be an important part of our Thrive Wellness campaign, which encourages staff to keep active by creating incentives for healthy living.

V. Metrics to Evaluate Success

Outline the metrics that will be used to evaluate success of the proposed Project.

The initial metric used to assess the project's success will be the timely completion of the project. Future success of the project will be measured by patient, employee and community use of the walking trail and feedback/satisfaction surveys.

Acknowledgements

If funding is approved by the MCDC board of directors, Applicant will assure:

- The Project/Promotional Activity/Community Event for which financial assistance is sought will be administered by or under the supervision of the applying organization;
- All funds awarded will be used exclusively for the purpose described in this application;
- MCDC will be recognized in all marketing, outreach, advertising and public relations as a funder of the Project/Promotional Activity/Community Event. Specifics to be agreed upon by applicant and MCDC and included in an executed Performance Agreement;
- Organization's officials who have signed the application are authorized by the organization to submit the application;
- Applicant will comply with the MCDC Grant Guidelines in executing the Project/Promotional Activity/Community Event for which funds were received.
- A final report detailing the success of the Project/Promotional Activity/Community event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion of the Project/Promotional Activity/Community Event.
- Up to 80% of the approved grant may be provided, on a reimbursement basis, prior to conclusion of the Project/Promotional Activity/Community Event with submission of invoices/receipts to MCDC.

The final 20% will be forwarded upon MCDC's receipt of unpaid invoices/receipts; documentation of fulfillment of obligations to MCDC; and final report on the Project/Promotional Activity/Community Event.

- The required performance agreement will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120th day after the date the MCDC notifies the applicant of the violation.

We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.

Chief Executive Officer

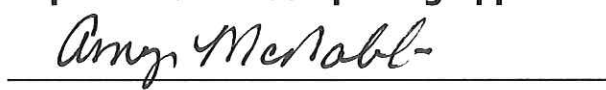


Signature

Rowland K. Robinson
Printed Name

July 12, 2012
Date

Representative Completing Application



Signature

Amy McNabb
Printed Name

July 12, 2012
Date

INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.



BOARD OF TRUSTEES

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FORMER EXEC. VP, DALLAS MAVERICKS
& NBA BOARD OF GOVERNORS

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DIRECTOR/SHAREHOLDER
ABERNATHY, ROEDER, BOYD & JOPLIN, P.C.

TRACEY BANKS, M.D.
OB/GYN
ADRIATICA –WOMEN'S HEALTH

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SENIOR PARTNER & PORTFOLIO MANAGER
SMITH ASSET MANAGEMENT GROUP, LP

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ENCORE WIRE CORPORATION

GERALYN KEVER
CORPORATE COMMUNICATIONS CONSULTANT
MCKINNEY CITY COUNCIL, DISTRICT 2

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PASTOR
FIRST BAPTIST CHURCH MCKINNEY

W. RUSS LESSMANN
EXECUTIVE VICE PRESIDENT
INDEPENDENT BANK

BOB SANFORD
RETIRED

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U.S. DISTRICT JUDGE
U.S. COURTHOUSE

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COMMUNITY VOLUNTEER
CHAIR, MCKINNEY ISD BOARD

JEFF E. TAYLOR, M.D.
INTENSIVIST/PULMONOLOGIST
BAYLOR PLANO

MICHAEL D. WADSWORTH
PORTFOLIO MANAGER
MC SMITH INTERESTS

Baylor Medical Center at McKinney

Leadership

Scott Peek, FACHE

President

Scott Peek, president of Baylor Medical Center at McKinney, has been employed with Baylor Health Care System since 2001. Mr. Peek was chosen as the 2009 Young Executive of the Year.



Melissa Winter, MSN, RN, NEA-BC

COO, CNO

Melissa Winter, MSN, RN, NEA-BC, chief operating officer and chief nursing officer, has been with Baylor Health Care System since 2006. She was named the 2010 Young Executive of the Year.



Steve Roussel, MBA

CFO, CCO

Steve Roussel, chief financial officer and chief compliance officer, has been employed with Baylor Health Care System since 1998.



McKinney Walking Trail and Pond Overlook Budget

CsiNo	Description	ProjectTotal
. 010000	General Conditions	38,250
. 015639	Tree Protection	1,440
. 024100	Demolition	1,250
. 030001	Project Support	33,858
. 033001	Concrete - Will be funded by Baylor	63,181
. 042001	Masonry	40,494
. 071919	Water Repellent	1,166
. 071919-A1	Water Repellent Alternate 1	351
. 079200	Joint Sealants	2,251
. 099100	Painting	1,000
. 260501	Electrical	22,860
. 272101	Voice & Data	1,000
. 281301	Security System	16,543
. 310501	Earthwork - Will be funded by Baylor	46,880
. 312500	Erosion Control	3,000
. 321723	Pavement Markings	750
. 329700	Landscape/Irrigation	64,230
. 334113	Storm Drainage	16,769
. 334613	Foundation Drainage	9,750
	Total of CSI Sections	365,023

FINAL ADJUSTMENTS		ProjectTotal
	Sales Tax-Exempt	
	TOTAL	365,023
	Building Permit Allowance	2,500
	AGC Fees up to \$3mm	410
	TOTAL	367,933
	Builder's Risk Insurance	215
	General Liability Insurance	1,374
	TOTAL	369,522
	Fee-4%	12,971
	TOTAL	382,493
	TOTAL	382,493
	Less Baylor Contribution - Concrete	(63,181)
	Less Baylor Contribution - Earthwork	(46,880)

GRAND TOTAL - CDC Request	272,432
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Baylor Health Care System Foundation
Summary Proposed FY13 Budget
(000's)

	Financial Plan 2013
Net Assets Released	\$ 25,141
OPERATING EXPENSES:	
Foundation Expenses:	
Salaries and Benefits	\$ 3,953
Health Benefits	315
Rent	352
Corporate Overhead	1,126
Other Foundation Expenses	2,069
Foundation Operating Expenses	\$ 7,815
System Support:	
Operations and Salaries	\$ 27,658
Capital	6,076
Total System Support	\$ 33,734
Total Operating Expenses	\$ 41,549
Loss from Operations	\$ (16,408)
REVENUE - Page 2	
Contributions	\$ 26,000

INTERNAL REVENUE SERVICE
District Director

DEPARTMENT OF THE TREASURY
1100 Commerce St., Dallas, TX 75242

Baylor Health Care System Fdn.
3500 Gaston Ave.
Dallas, TX. 75246-2017

Person to Contact:
Mary A. Smith

Telephone Number:
(214)767-6023

Refer Reply to:
EP/EO:MC:4940 DAL

Date:
Jan. 11, 1995

EIN:
75-1606705

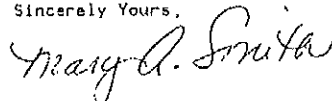
Dear Sir or Madam:

Our records show that Baylor Health Care System Foundation is exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code. This exemption was granted Oct. 6, 1978 and remains in full force and effect. Contributions to your organization are deductible in the manner and to the extent provided by section 170 of the code.

We have classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code. Your organization is described in section 509(a)(3) of the code.

If we may of further assistance, please contact the person whose name and telephone number are shown above.

Sincerely Yours,



EP/EO Correspondence Examiner
Customer Service Section