

# Birmingham

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savvybusiness profile

## Where Trust is More Than a Name Agility, knowledge and integrity are the keys to success for football legend Bart Starr and Attorney Rance Sanders at The Sanders Trust.

By Niki Sepsas

For 15 years, Bart Starr made a living by looking across a line of scrimmage into the eyes of linebackers and reading the defensive formations of teams pitted against his Green Bay Packers. He now looks across a conference table into the eyes of top executives with whom he and the professional team of which he is a proud member are negotiating multi-million dollar business deals.

"What I consistently perceive is the amount of respect and trust these people have for this company," Starr relates.

The company to which Starr is referring is The Sanders Trust.

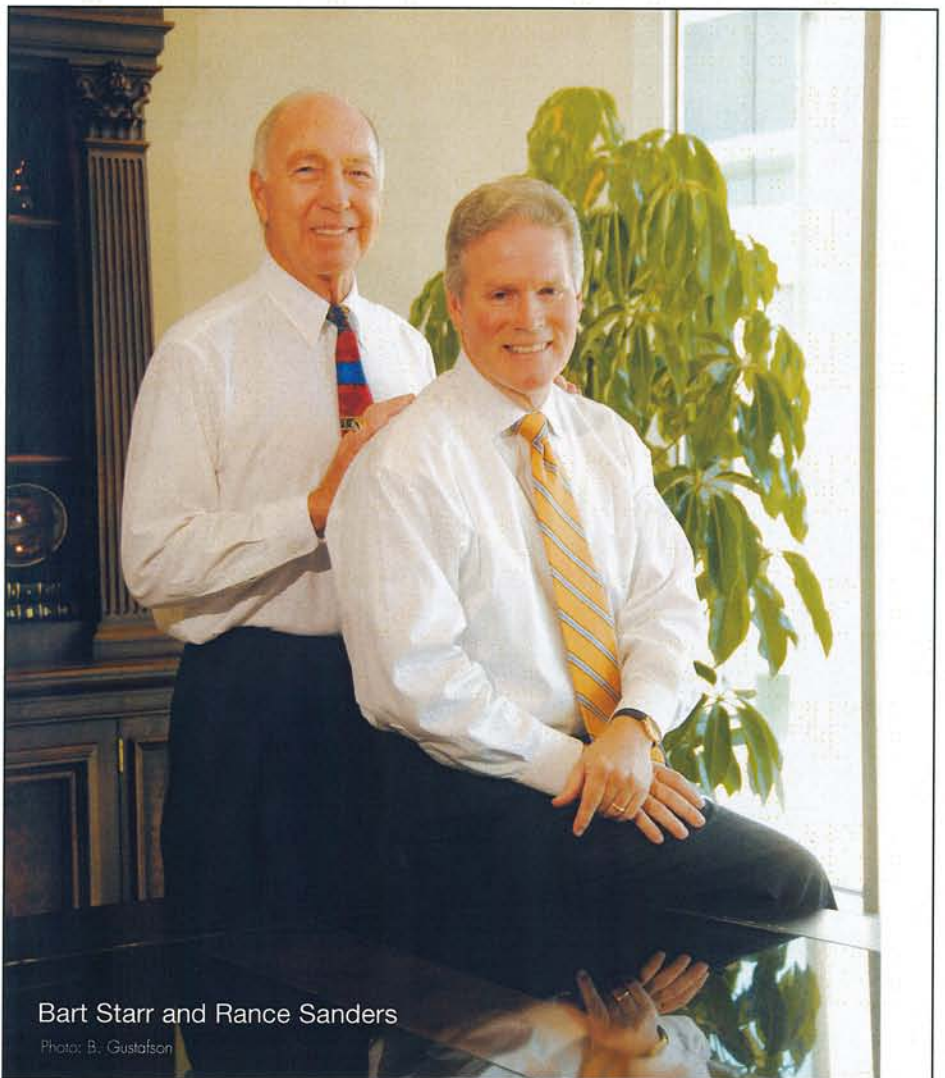
Rance Sanders, a Birmingham attorney with extensive healthcare experience in tax, equity and debt participation and real property law, had become a recognized leader in the investment community for healthcare clients through his conservative, low operating risk profile in executing investment strategies. Along the way, he built impressive credentials, including having served as faculty member for American Hospital Engineering and Building Owners and Managers International and as a board member of the Business Council of Alabama and Jefferson Title Corporation, the state's largest title insurance company.

Sanders partnered with Bart Starr in 1989 to found Starr Sanders Properties, where they developed and managed healthcare properties from Miami to Los Angeles. Having roomed with Bart Starr Jr. when the two were students at the University of Alabama, Sanders met his roommate's legendary father, but nei-

ther expected at the time that they would become business partners.

Bart Starr had retired from professional sports in 1983. As quarterback for the Green Bay Packers from 1956 until 1971, he had led the team to victo-

ries in Super Bowls I and II and received MVP honors in both contests. He later served as head coach and general manager at Green Bay from 1975 until 1983. In 1977, Starr was inducted into the NFL Hall of Fame.



Bart Starr and Rance Sanders

Photo: B. Gustafson



Starr found that even though the time was right for him to leave professional sports, he was not ready for retirement. His interest in healthcare real estate led him to develop more than 25 medical facilities in excess of \$500 million in value, and he oversaw property management services to buildings of 6.8 million square feet nationwide.

The sale of Starr Sanders Properties in the 1990s afforded Sanders the opportunity to create a real estate investment trust in 1997 that would stand out from other similar companies that were coming of age at the time. Sanders' vision was for a privately held REIT that would be more flexible, nimble, and could offer quicker response to potential clients.

"The underlying principle of the REIT is that healthcare companies can run more efficiently if their available capital is devoted to operations rather than tied up in real estate," explains Sanders, the president and CEO of The Sanders Trust. "Hospital administrators, physicians and other healthcare providers are recognizing that it is not essential to own 'brick and mortar.' Purchasing the real estate assets of hospitals, clinics and other healthcare operations frees capital trapped in illiquid brick and mortar permitting hospital administrators and doctors to re-invest funds in higher margin, mission-critical activities. Our mission at The Sanders Trust is to facilitate a healthcare system's use of their real estate assets to achieve their optimal strategic value."

Sanders put together a seasoned management team to create a unique business model for the new company, and Bart Starr came onboard in 2007. Both men feel the partnership was meant to be.

"I became interested in Rance's concept for a privately owned REIT that would be flexible enough to move quickly in carefully selected develop-

ment and acquisition opportunities nationwide," states Starr, the company's vice chairman. "I was especially impressed with the quality of leadership that Rance brings to this team. He leads by example and he lives what he espouses. It is a great pleasure for me to be associated with this company."

Sanders is just as quick to point to Starr and the talent and business acumen that surfaced after the quarterback hung up his football jersey. "Bart Starr is known for the integrity that has identified him throughout his career," Sanders notes. "That integrity is key to establishing the level of trust necessary to compete with the many REITs in the marketplace today. I am thrilled to be partners with Bart once again."

Sanders' team has obviously unlocked the secret to establishing and maintaining that trust. From a start-up business in 1997, The Sanders Trust portfolio now lists \$265 million in developed or acquired property in ten states. The company has inked several impressive deals this year that promise to further boost those numbers.

In May, the Sanders team closed a \$14 million deal for the 58,000 square foot Amarillo Heart Center in Amarillo, Texas. That acquisition was followed in July with the \$34 million purchase of five medical office buildings in Appleton, Wis., from ThedaCare Health, the largest healthcare system in the northeastern Wisconsin market. Sanders points to Starr's knowledge of the region as instrumental in their firm closing the deal.

"I wasn't familiar at all with the area and its available healthcare services," Sanders relates. "Bart's extensive knowledge of the region and his background there were invaluable in our negotiations. The other 12 firms that submitted bids were large public companies, but we were the ones ThedaCare chose to partner with. It all comes back to integrity and trust."

The Sanders Trust now partners with some of the nation's leading names in the field of healthcare:

- HCA and Community Health System, the two largest for-profit hospital companies in the U.S.

- Bon Secours Health System, a large Catholic not-for-profit system

- Ohio Health, one of the largest providers in Ohio

- ThedaCare Health, the largest provider in northern Wisconsin

- Metro Health of Michigan, one of the largest providers in Michigan

- U.S. Department of Veterans Affairs

- U.S. Food and Drug Administration

- U.S. Social Security Administration

"I feel confident that in the next 10 years we will grow to become a billion dollar company," Sanders says. "The REIT concept is a win/win situation for hospitals and other healthcare providers. Hospitals and health systems benefit. Physician clinics and surgery centers benefit. There is a tremendous demand for medical office buildings today. We understand this sector of the market and our size and flexibility allow us to move quickly into carefully selected markets. We are presently receiving two to three calls per day from potential clients asking if we would be interested in meeting with them to discuss a possible purchase agreement. Of those, we'll probably review maybe 300 proposals and act on six or seven a year. We will continue to be selective as to the markets we want to serve and the facilities with which we enter a partnership."

Vince Lombardi, the legendary coach of the Green Bay Packers, obviously saw something in Bart Starr when the young quarterback from Montgomery was selected in the 17th round of the NFL draft in 1956. Starr evidently acquired some of Coach Lombardi's gift for recognizing exceptional talent as evidenced by his selection of The Sanders Trust as the team on which he plays today. ☐

## THE SANDERS TRUST

*Strategic Healthcare Properties Nationwide<sup>SM</sup>*

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