



**A JOINT RELEASE ON BEHALF OF  
THE CITY OF CHILLICOTHE, SAINT LUKE'S HEALTH SYSTEM,  
AND HEDRICK MEDICAL CENTER**

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**For Immediate Distribution**

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**NEW HOSPITAL TO BE LOCATED AT US HIGHWAYS 36 & 65**

*Project scheduled for February 2010 vote; City funding will not raise taxes.*

*CHILLICOTHE, Mo.* – The City Council heard an update about Chillicothe's plans for a new hospital last evening. Wipfli, LLC, the City of Chillicothe's consultant, presented updated project proposals and financial projections including a final site recommendation for the new hospital. Representatives from Chillicothe's city-appointed hospital committee, Hedrick Medical Center and Saint Luke's Health System also attended the Council meeting.

Discussion among the Council and other individuals in attendance confirmed, once again, that an affirmative public vote for the project in February would not lead to a tax increase, but would show community support for a new hospital.

Bob Walker, an architect and seasoned project manager with Walker & Associates, who was retained by Wipfli, LLC to conduct a thorough site assessment and selection, presented his recommendations on the preferred site for the new hospital. Walker noted that the process for the site selection began with a public request for site proposals. Twelve site proposals were received including eight privately-owned sites and four city-owned sites. Site evaluations were conducted at each location by Walker and representatives of the City of Chillicothe, Hedrick Medical Center, and Saint Luke's Health System. Key criteria used to assess the sites included total acreage available, accessibility and visibility from US Highways 36 and 65, and expected site development costs.

Walker's recommendation was the city-owned site at the southeast intersection of US Highways 36 and 65. He recommended this site because of its advantages over other sites, including no cost for land acquisition, existing access to utilities, and the site's convenient access with the potential for high visibility. "Building a new hospital at this site could create a new gateway to Chillicothe," Walker said.

According to Terry Rumery, the City's economic developer, hospital campus development at this location may lead to further business development for Chillicothe as other

businesses look to take advantage of the daily traffic generated by the hospital and the easy access from Highway 65.

Updating the Council on the current state of the project's planning activities, John Dao and Kelly Arduino, Wipfli consultants, reviewed developments regarding the hospital space allocations and project budget. The Wipfli team held more than 40 meetings with Hedrick Medical Center physicians and hospital leaders to gain input for determining the recommendation for appropriate scope and size for the new hospital. Wipfli is currently recommending a new hospital that would be 85,000 to 90,000 square feet. The hospital campus would also include additional adjacent medical office space for community physicians and other health related businesses.

As currently recommended, the new hospital is projected to cost between \$30-35 million. This project cost involves no tax increase. The hospital will be financed through a combination of debt supported by hospital lease payments to the City, contributions from the City's capital improvement sales tax fund, and charitable donations. One of the first steps in securing adequate financing for the project is the public election to be held in February, which will support the City using monies from the existing capital improvement sales tax to be used for the new hospital.

"On November 23, the City Council unanimously voted to grant the citizens of Chillicothe the opportunity to express their desire for a new hospital," stated Chillicothe Mayor Chuck Haney. "The special election in February will allow the community to express their desire for portions of the current capital improvement sales tax should be used to support the construction of a new hospital. Because the capital improvement tax is already in place, this is a vote that will result in no tax increases to the public. It would be a vote of support to use existing tax dollars to enhance Chillicothe's great health care jobs and our high-quality health care services," he continued.

Saint Luke's Health System, Hedrick Medical Center's managing partner reported advantages it has witnessed in other communities where a new hospital has been developed. "These advantages include improved patient preference, enhanced community pride, strengthened ability to recruit and retain high quality physicians and other hospital professionals," Don Sipes, vice-president for Saint Luke's Health System said. "There is great competition among hospitals to attract quality doctors and other professional staff. The hospital facility and functionality are key considerations in employees' decisions about where to live and work. We need to maintain the great staff at HMC and be able to recruit in the future."

Mike Palmer, Hedrick Medical Center's board chair, added that the idea of a new hospital has been a strong selling point in recruiting four new physicians to the community recently. He further noted that a new hospital will allow for more cutting-edge technology and more conveniences for the highly-trained staff currently at the hospital.

In closing the presentation, Walker returned to discuss the on-going process to finalize an architect. Three firms have been selected from a group of nine for further interviews. Members of the City of Chillicothe, Wipfli, Hospital board and administration, and Saint Luke's Health System will make site visits this week to review comparable projects by each firm. Next week, the group will select the architect who will begin preliminary design for the new hospital. Walker noted that the timing to select an architect is critical because current economic conditions have produced low bond costs and ultra competitive construction costs.

Concluding the discussion, Sipes informed the City Council that Saint Luke's Health System is pleased to be working with the City and Wipfli to develop a project that solidifies quality health care services, assures quality jobs remain in Chillicothe, and matches the financial requirements of the project with the City and Hospital's ability to responsibly afford a new hospital. "While there are many moving parts and many more discussions to be held, Saint Luke's Health System is excited to continue building on its very successful seven-year relationship in Chillicothe. As has been the case throughout this time, we look forward to a long-term partnership with the City to provide enhanced facilities and services so that patients will have local access to high-quality care – right here in Chillicothe."

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*Hedrick Medical Center is a member of Saint Luke's Health System, which consists of 11 area hospitals and many primary care practices and provides a range of primary, acute, tertiary, and chronic care services. The health system is an organization in which the physicians and hospitals, functioning as an integrated unit, assume responsibility for the delivery of comprehensive, cost-effective, quality health care for people in the metropolitan Kansas City area and the surrounding region.*

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