



## **KENAI PENINSULA BOROUGH**

144 North Binkley Street • Soldotna, Alaska 99669-7520

Toll-free within the Borough: 1-800-478-4441

**PHONE:** (907) 262-4441 • **FAX:** (907) 262-1892

[www.borough.kenai.ak.us](http://www.borough.kenai.ak.us)

**MIKE NAVARRE**  
**BOROUGH MAYOR**

### **MEMORANDUM**

**TO:** Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Mike Navarre, Kenai Peninsula Borough Mayor *MN*

**FROM:** Craig Chapman, Finance Director *C Chapman*

**DATE:** October 10, 2013

**SUBJECT:** Resolution 2013-072, Providing for the issuance of Revenue Bonds of not to exceed \$43,000,000 for a Specialty Clinic Building at Central Peninsula Hospital

---

The attached resolution authorizes the issuance of Revenue Bonds in the not to exceed amount of \$43,000,000 for the construction of a Specialty Clinic Building at Central Peninsula Hospital (CPH).

Central Peninsula Hospital continues to expand its health services to meet the needs of the community. To meet these needs, CPH is proposing to construct a three story Specialty Clinics Building (SCB) consisting of approximately 89,000 square feet.

This is phase V of a plan that was developed in 2003 and updated in 2006, 2009 and 2012. The construction of a SCB would be scheduled to start in 2014 with completion scheduled for late 2015 or early 2016. Benefits of the SCB include addressing the lack of space for the spine clinic, space for additional specialties, aligning service lines to include imaging, rehab therapy, infusion oncology, and physician clinics to foster a more integrated model of service deliveries that promotes efficiency and patient satisfaction.

Construction of the SCB will also allow CPH to complement services in the newly built Radiology Oncology Clinic. SCB services will provide for clinical integration and patient convenient care. Services will include a Positron Emission tomography (P.E.T)/64 =slice CT Scanner, MRI, x-ray machine, massage therapy, occupational therapy, speech therapy, physical therapy, a spine center, orthopedic clinic, surgical services clinic, neurology clinic, OB clinic, infusion therapy, a cancer resource library, endoscopy suites and seven leased physician clinics.

An additional benefit of the SCB will be the relocation of CPH owned physician specialty clinics which are presently located off campus in leased facilities. The CPH specialty clinics include surgical services clinic, orthopedic clinic, neurology clinic and pain management clinic. These specialty clinics currently provide the greatest demand for ancillary services such as lab, imaging and rehabilitation therapy. Relocating these clinics to the SCB while working toward physician-hospital alignment also affords the most efficient and effective service delivery.

If this resolution is approved, the bonds are expected to be sold in February 2014, with construction starting in the spring 2014. The resolution authorizes the Borough Mayor, Finance Director and Clerk to execute the documents and agreements necessary to complete the bond sale. The resolution limits the term of the bonds to 20 years and the interest rate to no more than 6 percent.

This project and issuance of the bonds are contingent upon receiving a Certificate of Need from the State of Alaska, Department of Health and Social Services and an addendum to the current lease and operating agreement with Central Peninsula General Hospital, Inc.