



Board of Directors
4300 Bartlett Street
Homer, AK 99603
907-235-0325 ~ fax 907-235-0253

Honorable Mayor Mike Navarre
Kenai Peninsula Borough
411 Binkley Street
Soldotna, AK 99669

April 30, 2015

Dear Honorable Mayor Navarre:

Thank you for meeting with us in January to discuss our request for the acquisition and expansion of Homer Medical Center. As a result of that meeting, our Capital Strategic Planning Committee met based on your recommendation to acquire the Homer Medical Center but explore other options for expanded space. We decided to start from ground zero with the objectives to properly identify our long term geographic campus plan, inventory existing space and options within each, and review our Community Needs Assessment and programs that will complement the changes in our industry.

This proved to be a very worthwhile exercise and we appreciate your feedback. Reviewing our needs, changes in the industry, and programs that benefit our community was a necessary process that we may have glossed through in our initial decision to expand Homer Medical Center.

As a result of these meetings and planning sessions, we analyzed the "Pros and Cons" associated with different options, and we also took a closer look at the roof issue with Homer Medical. I have attached worksheets that have been developed throughout this process for your review. There were four other issues identified as a result of this exercise:

1. A Market Analysis was done on all of our leases to ensure we are paying fair market rates with a special consideration for any issues that may impact Stark Law. The results of this study indicate a need to make some minor changes that further supports the initial acquisition.
2. Our recent grant for a Patient-Centered Medical Home is a key part of our transition to the goals intended with the Affordable Care Act. Having a holistic, coordinated care model focused on a healthy population is more attainable with a centralized facility for primary care.
3. We are incorporating a "Functional Medicine" model which is a program for dealing with chronic illness and promoting healthy lifestyles through group sessions and education along with evidence-based medicine and natural healing techniques. The goals of the programs are to reduce costs to consumer, have a better outcome, and higher patient satisfaction. Having a campus plan that will support these efforts is an essential component to ensure success.
4. We have three providers joining our team, Dr. Downey, Dr. Johnson and Donna Rollins, ANP, and we currently do not have space for them in our existing primary care clinic.

Taking these four factors into consideration, and our priority objective of increasing clinical space for family practice, the Capital Strategic Planning Committee determined the best option is to acquire and expand the Homer Medical Clinic. Although we came to the same determination, we believe that we have done our "due diligence" in exploring other options and prioritizing the campus needs of the hospital.

We have enclosed the following for your review: 1) Overall Campus Geographic Plan; 2) Alternatives with "Pros and Cons" identified; 3) Project Cost information.

We look forward to meeting with you concerning this plan on May 11 during your visit to our hospital.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Woodworth".

Julie Woodworth / Committee Member / Board Member
South Peninsula Hospital, Inc.

ZONING INFORMATION

LEGAL: LOT 2-A, BLOCK 5 FAIRVIEW SUBDIVISION No. II
 KPB TAX I.D. No: 11500212
 CONDITIONAL USE: YES PER CITY OF HOMER
 STREET ADDRESS: 4136 BARTLETT STREET
 ZONING: RO (RESIDENTIAL OFFICE)
 PARKING:
 OFFICE ADDITION: 3,645 SF. / 300 = 13 STALLS REQUIRED
 39 ADDITIONAL PARKING STALLS PROVIDED

SETBACKS REQUIRED:

FRONT YARD: 20 FEET
 SIDE YARD: 20 FEET
 REAR YARD: 20 FEET



LOT COVERAGE:

78,408 SF. / 8,695 SF. = 11%

MAXIMUM HEIGHT OF STRUCTURES:

35'-0"

SYMBOLS LEGEND

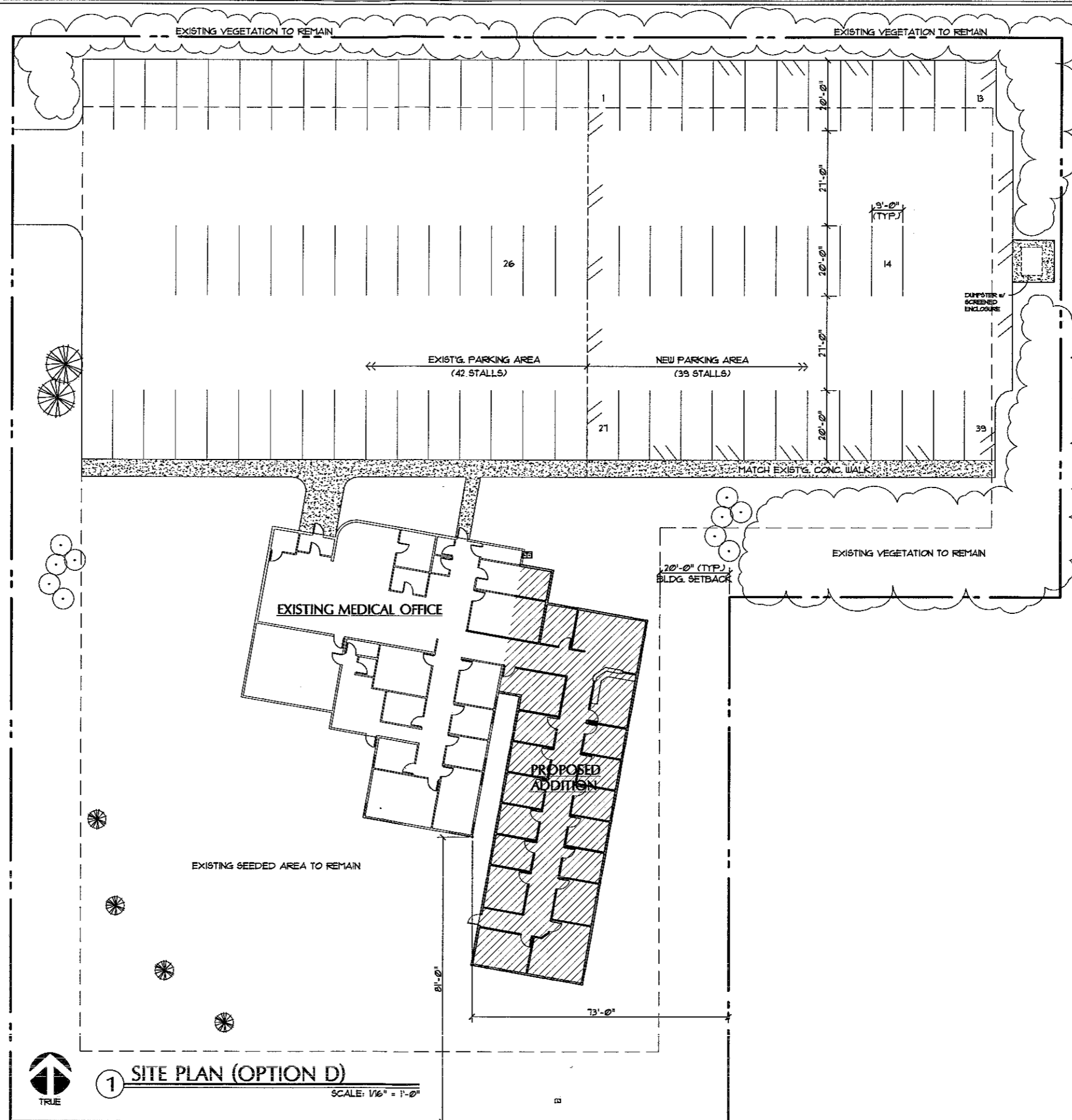
- T.S.-1 VAN ACCESSIBLE H.C. SIGNAGE, REF. 5/A12
- T.S.-2 "NO PARKING" SIGN, REF. 5/A12 SIM.
- T.S.-3 H.C. SIGNAGE, REF. 5/A12 SIM.
-  FIRE HYDRANT
-  C.B. CATCH BASIN (IN BIOFILTRATION SWALE) REF. CIVIL

SITE MATERIALS LEGEND

-  CONCRETE (SERVICE AREAS AND SIDEWALK SCORED AS SHOWN)
-  SEED MIX

GENERAL NOTES

- 1) VERIFY ALL DIMENSIONS WITH CIVIL.
- 2) COORDINATE LIMITS OF SITE IMPROVEMENTS WITH CIVIL.
- 3) COORDINATE SITE IMPROVEMENTS AFFECTING ADJACENT SITES WITH ADJACENT PROPERTY OWNERS.
- 4) COORDINATE SITE IMPROVEMENTS WITH UTILITY COMPANIES.
- 5) REFERENCE XXX SURVEY DATED XXX FOR PROPERTY BOUNDARIES, EASEMENTS, ETC.
- 6) REFERENCE XXX GEOTECHNICAL REPORT DATED XXX FOR SUBSURFACE DESIGN AND CONSTRUCTION INFORMATION.



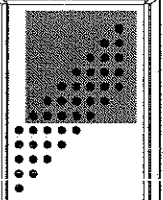
1 SITE PLAN (OPTION D)
 SCALE: 1/16" = 1'-0"

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LAWRENCE H. PEEK ARCHITECTS
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SPH/BELL PROFESSIONAL OFFICE ADDITION
 4136 BARTLETT STREET
 HOMER, ALASKA 99603
 SITE PLAN (OPTION D)

Date: 7/10/15
 Drawn: LHP
 Check: LHP
 Project: 13011



SHEET:
A1.1
 Of 2



1 FLOOR PLAN (OPTION D)
SCALE: NONE



OPTION D ADDITION:
 TOTAL EXISTING BUILDING: 5,050 SQUARE FEET
 TOTAL ADDITION: 3,645 SQUARE FEET
 GRAND TOTAL: 8,695 SQUARE FEET

ADDITION COST: \$220/s.f. X 3,645 s.f. = \$801,900
 RENOVATION COST: \$110/s.f. X 115 s.f. = \$12,650
 ADDITIONAL PARKING LOT COST: \$96,500
 PAVING OF ENTIRE PARKING LOT: \$100,000
 TOTAL CONSTRUCTION COSTS = \$1,011,050

PLUS DESIGN FEES, BUILDING AND CONDITIONAL
 USE PERMITS & EXPENSES = \$150,000
 TOTAL PROJECT COSTS = \$1,161,050

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SPH/BELL PROFESSIONAL OFFICE ADDITION
 4136 BARTLETT STREET
 HOMER, ALASKA 99603
 CONCEPT PLAN (OPTION D)

Date:	7/10/15
Drawn:	LHP
Check:	LHP
Project:	13011

SHEET:
A2.1
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