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Hospital plans major expansion

by KATIE DUNN • Staff Writer

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WISE — More than four years ago, Mountain States Health Alliance and Norton Community Hospital jointly purchased the Norton Square Shopping Center. At the time, hospital officials simply said the 10-acre property had been purchased for future expansion.

That expansion is now on the horizon. The Wise County Industrial Development Authority on Tuesday approved a resolution supporting the issuance of revenue bonds to aid an ambitious project that will transform the shopping center into what Mark Leonard, Norton Community's chief executive officer, dubbed a "medical mall."

The county board of supervisors and Norton City Council must also approve the issuance. The county will likely address the request at its Sept. 13 meeting and Norton at its Sept. 4 meeting.

The resolution adopted by the county IDA earlier this week stipulates that the bond issuance will not exceed \$11 million. If approved, the bonds will help Mountain States and Norton Community finance two projects expected to cost \$9.5 million.

PROJECT SCOPE

The first project involves converting the 100,000-square-foot Norton Square into a strictly medical facility.

A number of existing physicians' offices — including Community Physicians-Norton doctors — will move there, as well as a retail pharmacy. Leonard said there will also be office space for specialists to use on a rotational basis, as well as for specialists, including orthopedic surgeons and pulmonologists, that the hospital plans to recruit. Space for laboratory and diagnostic imaging services will be included, as will additional medical office space for physicians wishing to be closer to the hospital.

Renovations and expansions to existing facilities, including an outpatient rehab facility, Fit One Fitness Center, Community Home Care and the Occumed Health Center and Sports Clinic, are also in the plan.

Leonard said improvements will be made to the shopping center's

parking lot, and a connector, possibly a stairwell or elevator, will be installed between Norton Square and the hospital.

The second project involves renovating an existing 7,000-square-foot space in the hospital that now houses operating rooms. The hospital will no longer need this space once its \$12.3 million surgical center is completed in December. Leonard noted that the hospital will move into the facility sometime in January.

Upgrades to the former surgical wing will better accommodate the hospital's laboratory and pharmacy services.

Leonard mentioned that architectural and design work, which is being done by Thompson & Litton of Wise, should begin soon.

COMMENTS

Carl Snodgrass, executive director of the county IDA, commented that the hospital's project does affect Wise County's employment base. He noted that of the 406 people Norton Community employs, 285 are county residents. He added that of the 95 medical doctors working for the hospital, 78 live in the county.

Leonard agreed that the planned improvements will benefit current and future employees.

"Certainly we see these continued commitments and changes that we're making is helping us position Norton Community so that we are responsive to the community long-term, but also so that we can ensure we're viable long-term as an employer," he said. "We believe that we need to change and adapt as our industry and as the public's expectation of us are changing. We believe this medical mall concept will compliment that and show that we are well positioned for the future."

Snodgrass then asked Leonard whether this expansion might foster future job growth.

Leonard said that is hard to predict and will depend on the demand and long-term need. The hospital will continue to aggressively recruit physicians, orthopedic surgeons, pulmonologists, general surgeons and gynecologists, all of whom will require support staff, he explained. He added that he hopes this project and the new surgical facility will make Norton Community even more marketable.

NO CITY BONDS

Even though Norton is not involved in the issuance, City Manager Fred Ramey wrote in an email Wednesday that the type of bond issuance being proposed requires the governing body of the jurisdiction where the property is located to also approve the request.

When asked why Norton's Industrial Development Authority had not handled the bond request, Ramey explained that the city is considering refinancing a \$7.5 million debt related to Norton Elementary and Middle School. Since it intends to issue its own bonds this year, it couldn't also issue tax-exempt bonds for the hospital project because the city and its IDA are treated as a single unit under federal tax law, he wrote. "For this reason they (Norton Community) approached our neighboring IDA for assistance, which we would have been happy to assist a county business if the tables were turned."

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