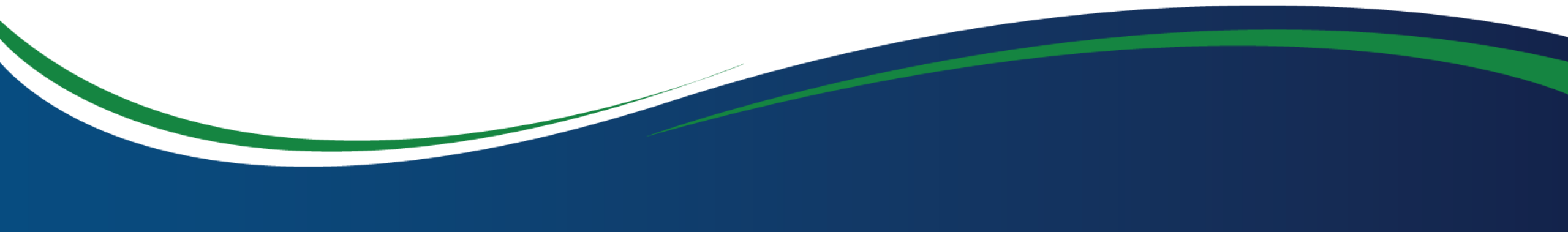




SUMMIT PACIFIC
• MEDICAL CENTER •

Hospital Expansion



What we do:

- **Critical Access Hospital:**
 - 24/7 Emergency Department, Inpatient Acute Department , Level II Cardiac Center, Level III Stroke Center, Level IV Trauma Care, Lab department, Radiology Department, Swing bed program, Inpatient Therapy, Respiratory Therapy
- **Inpatient Behavioral Health Facility:**
 - 16-bed involuntary treatment facility
- **Four rural health clinics:**
 - Family Medicine, OBGYN, Pediatrics, Internal Medicine, Urgent Care, Family Medicine Residency, low-barrier walk-in / MAT clinic, Mental Health clinic,
- **Specialty Services:**
 - Gastroenterology, Physiatry, Sleep Medicine, Infusion, Cardiology (January 2024), Pain Clinic (January 2024)
- **Wellness Center:**
 - Conference centers, community education classrooms, café with large production kitchen, Physical Therapy Gym with Rock Wall, 36 Primary Care clinics, Outpatient Lab, Outpatient Imaging, Outpatient Pharmacy
- **Population Health:**
 - Mobile clinics, patient transportation, outpatient nutrition, health coach, care coordinators, patient navigators, Food Rx, Exercise Rx, Blue Zones, and much more.....

**Population
Growth**

Demographics

**Payment
Models**

Vision

CHNA

Mission



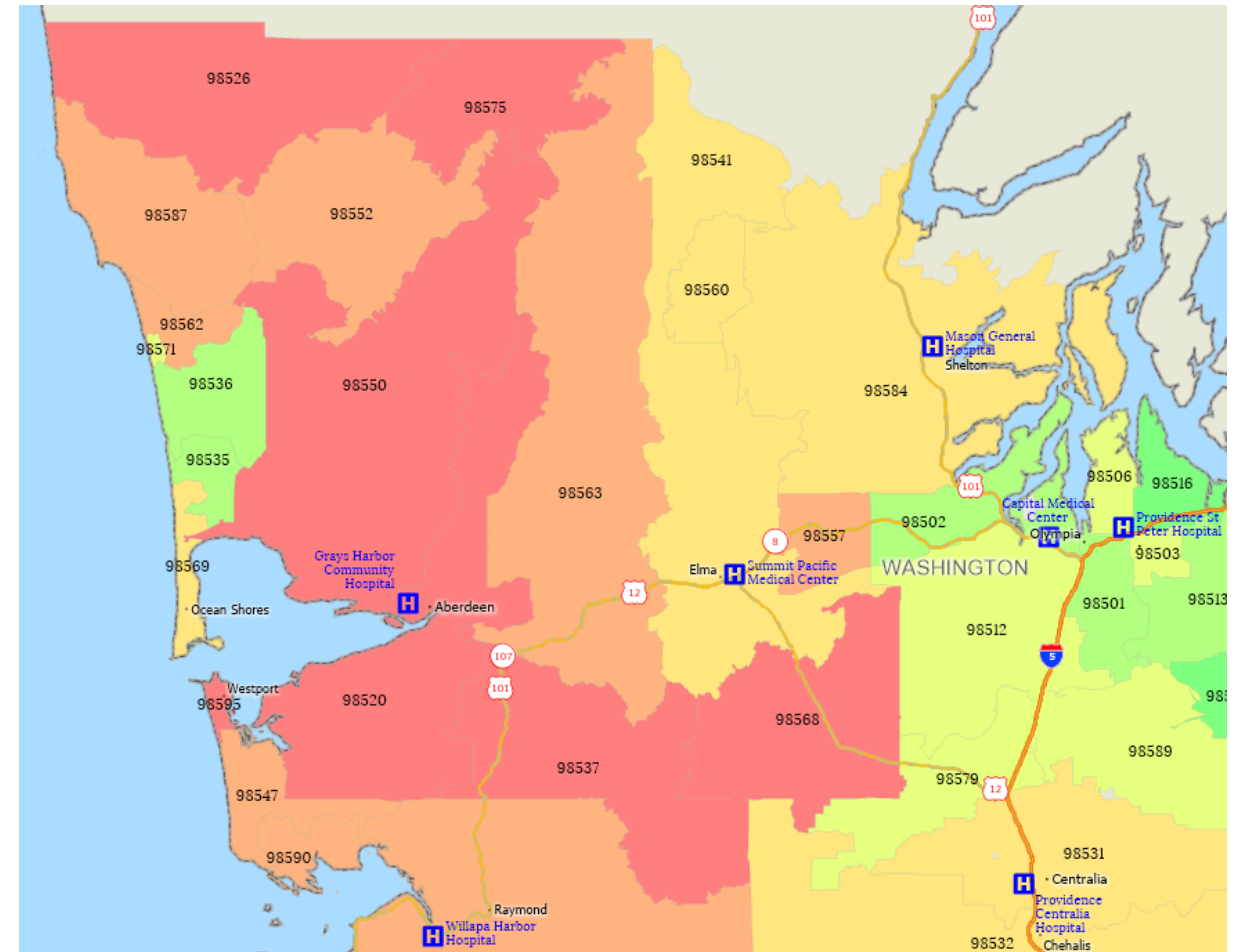
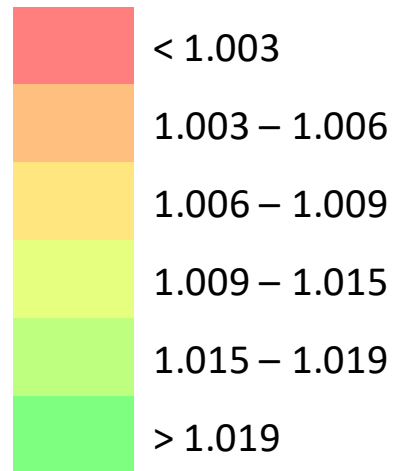
System of Health and Wellbeing

SPMC's PSA is anticipated to grow at rates slightly below those observed in Olympia

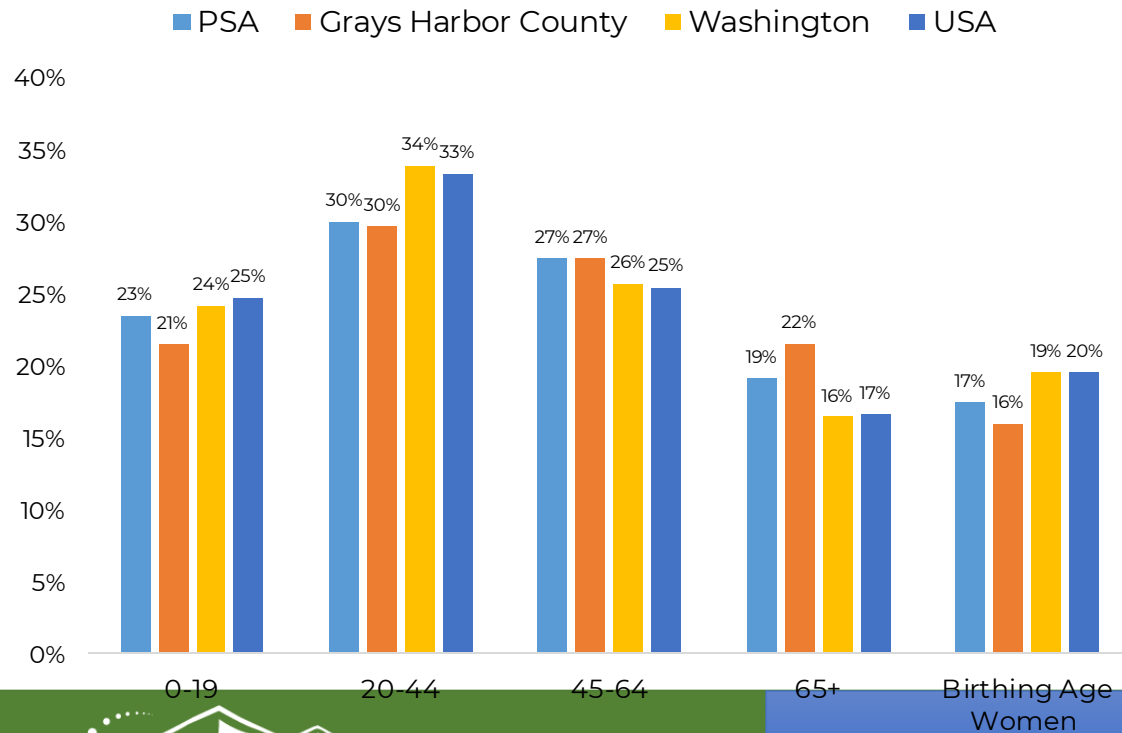
2020 – 2025 CAGR

- Higher growth rates diffuse along US-12 and WA-8 from Olympia to Elma, with much lower CAGR rates observed for western Grays Harbor County

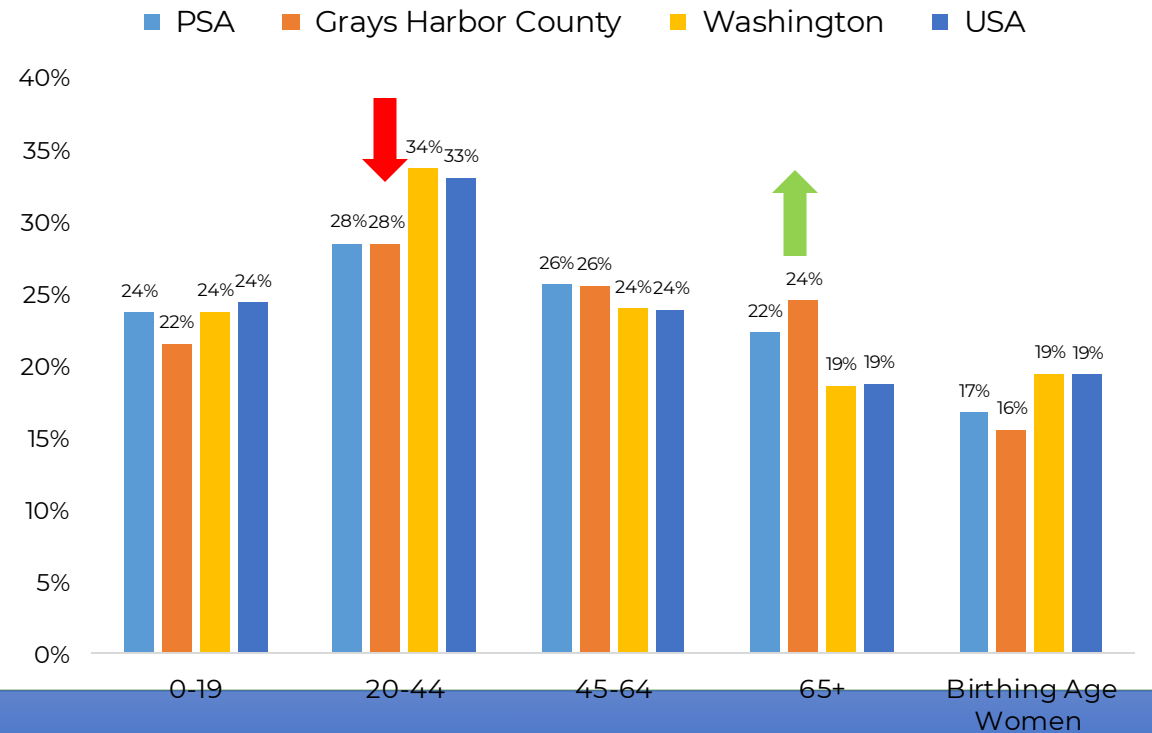
- SPMC leadership team decided on a CAGR of 1.01 to account for higher anticipated population growth



2020 Population Distribution



2025 Population Distribution



Hospital Expansion

- 30,000 square foot and 7,000 square-foot renovation will consist of:
 - ▶ expanding its existing facility to increase the number of acute care beds from 10 to 20 and allowing it to flex up to its license of 25 beds
 - ▶ renovation and expansion of the current emergency department from 10 to 16 treatment spaces to increase areas for triage and patient holding, provide designated mental health treatment rooms, increase trauma rooms, expand patient waiting
 - ▶ the relocation of the helipad to the facility's roof
 - ▶ expansion of the imaging department to include 24/7 MRI services
 - ▶ expanded lab to include 2nd chemistry analyzer
 - ▶ Remodeled and expanded hospital café to accommodate more patients and guests
 - ▶ design changes to improve patient flow and throughput, enhance patient experience and safety, and allow for more flexibility and versatility of clinical space

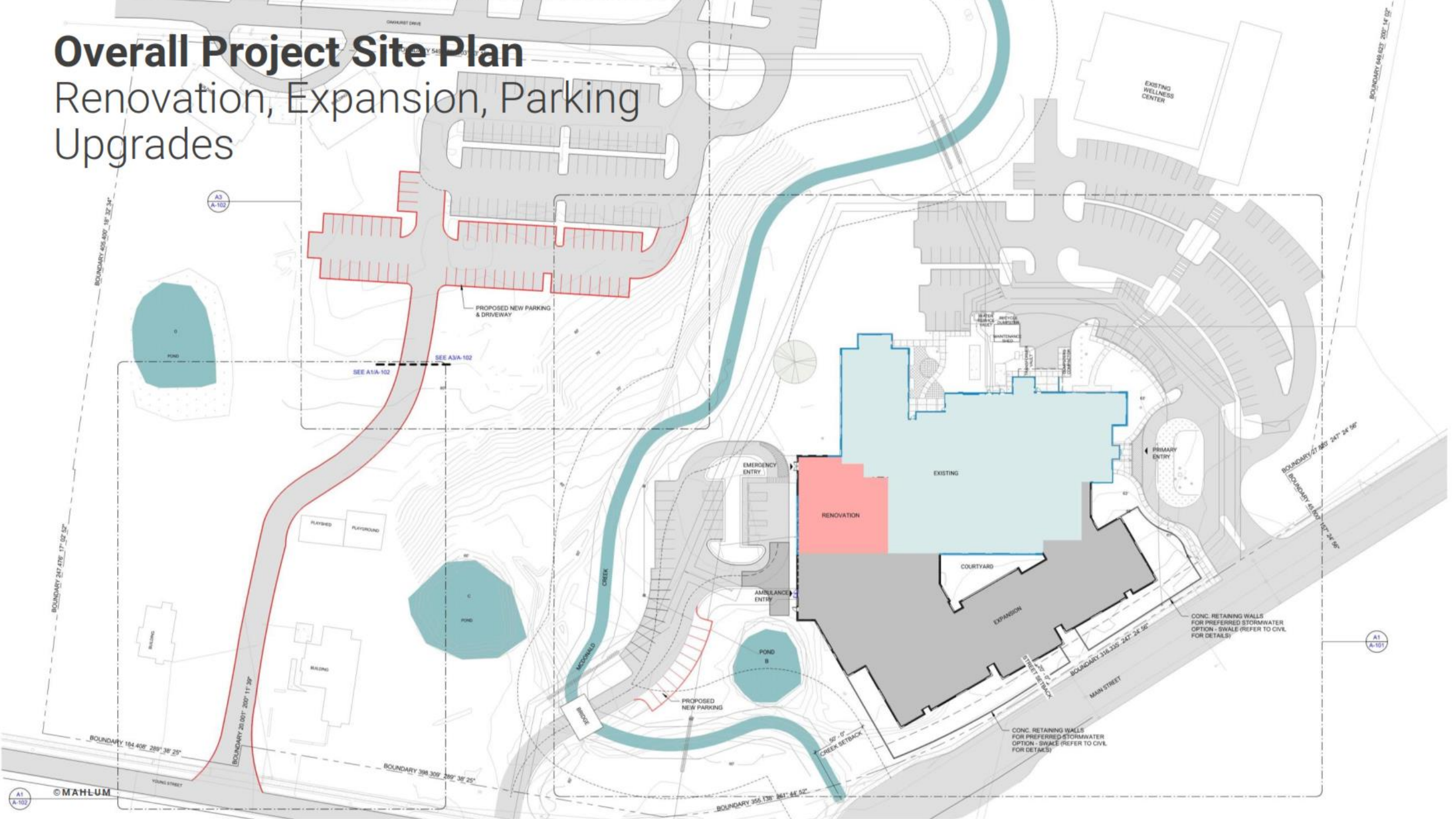
Future expansion zone:





Overall Project Site Plan

Renovation, Expansion, Parking Upgrades











Hospital Expansion Cost

- Guaranteed Maximum Price (Total Cost) = \$60 million

Hospital Expansion Financing Options

1. Capital Market (Banks)
2. United States Department of Agriculture (USDA)
 - Direct Loan
 - Guarantee Loan
3. Limited Tax General Obligation (Community Tax)
4. Revenue Bonds
 - Unrated
 - Rated

S&P Bond Rated “BB+” - Public Traded Municipal Bonds

- Definition :

- The reference to “publicly traded” is to Summit Pacific’s revenue bonds, which were sold on November 2, 2023, by Summit Pacific to the underwriter Cain Brothers, a Division of KeyBanc Capital Markets Inc. Under a Purchase Contract with Summit Pacific, Cain Brothers sold the Bonds to investors in the public bond market.

- S & P Rating Definition:

- For long-term ratings, the best grade is AAA, which means that the company is highly likely to meet its financial obligations. The worst is "D," which means the issuer has already defaulted
- S&P Bond rated household names include:
 - Dell Computers (BB+)
 - GoodYear Tires (BB-)
 - Ford (upgraded to “BBB-” 9/23)
 - Netflix (upgraded to “BBB-” 2022)
 - Tesla (upgraded to “BBB-” 2022)
 - Tmobile (upgraded to “BBB-” 2022)

Advantages of Revenue Bond Financing

- No Levy/Bond asked of community in 15 years
- No increase in taxes to community members
- No special price increase to services to support project
- As bond rated status is upgraded in the future, district will have the ability to refinance debt at a lower rate
- Maintaining project start date will create critical/timely services to the community
- Accelerated time-line to construct results in improved patient quality of care, safety, access, reduced risk, SAVES LIVES....

Savings to District Over 30 years for Revenue Bonds vs. Alternative

- No refinance of USDA, maintaining current debt at favorable rates (savings of approximately \$1M per year)
- Refinanced Dougherty loan which had unfavorable rates
- Lower cost of issuance as compared to commercial lenders (savings of up to \$4.2M in closing)
- Achieved a bond rated status (savings of \$400k per year)
- Summit Pacific was able to meet the project start date, avoiding cost inflation impacts related to delay (10% project increase per year)

TOTAL SAVINGS TO DISTRICT = \$70,000,000





2024 Events

Community Events Including:

- Blue Zones
 - ▶ [Facebook: Activate Grays Harbor](#)
 - ▶ [Bluezones.com : Activate Grays Harbor](#)
- Medical Foundation Golf Tournament
- Ride the Harbor for Health – “Tour de Wellness”
- Health Fair / 5k Walk and Run
- Ladies Night Out
- Harbor Lights- Laser Light show
- Summit Fights Hunger



Questions?

