

Planning Commission Staff Report

Meeting date: June 13, 2023

TO: Planning Commission

FROM: Liz Cabrera, Community & Economic Development Director

Subject: ZONING AMENDMENT – PMC SUBDIVISION
Petersburg Medical Center/Petersburg Borough

Recommended Motion: I move to recommend to the Borough Assembly that the Petersburg Borough Zoning Map be amended by rezoning the subject property, as described in Exhibit A, to Public Use with accompanying findings as presented.

The Petersburg Planning & Zoning Commission makes the following findings as to need and justification:

1. An application for an amendment to the zoning map was submitted by Phil Hostetter, CEO of Petersburg Medical Center.
2. The applications were approved for submission by the Petersburg Borough Assembly as owner of the property on April 17, 2023.
3. In Resolution 2023-04, approved on April 17, 2023, the Petersburg Borough Assembly dedicated the subject property for use by the Hospital Board for a new facility.
4. The legal description of the subject property is Lots 2 and 9 thru 12, inclusive, Block 240; Lots 1 thru 10, inclusive, Block 299; Lots 1 thru 17 and Green Belt, Block 300, and Lots 9 thru 17, inclusive, Block 301, Airport Addition to Petersburg, according to Plat No. 77-2, and Lot 18A, Thirteenth Street Relocation Subdivision, according to Plat No. 94-6.
5. The subject property is vacant land owned by the Petersburg Borough and will remain in borough ownership. Supporting ownership information is provided in writing in the form of US Patent 710415.
6. The surrounding area is well-developed with a mix of residential, recreational, and commercial activity. Government facilities in the vicinity include the Mountain View Manor Senior Housing and Assisted Living Facility, Petersburg Indian Association Tribal Offices, Petersburg ballfields and ice rink, and Petersburg Fire Hall.
7. The stated intended use for the property is construction of a new medical center. Approximately, 6 acres are proposed for initial development.
8. The current zoning of the subject property is a mixture of single-family residential (6 acres), multiple-family residential (1.1 acre), commercial-1 (2.4 acres), and open space-recreation (4.8 acres).
9. Current zoning districts for the subject property, except for commercial-1, are not compatible with the proposed intended use.
10. The purpose of the Public Use district is to provide areas for public uses, such as parks, playgrounds, government-owned buildings, and municipal facilities.

Planning Commission Staff Report

Meeting date: June 13, 2023

11. One of the goals the 2016 Petersburg Borough Comprehensive Plan is “Quality Health and Wellness Care” so that Petersburg residents are “healthy and well and have access to quality medical and behavioral health care services.” (See p 60).
12. The comprehensive plan notes that “[a]ccess to health care is an important factor in maintaining a high quality of life in remote Alaska communities. Residents in Petersburg Borough have access to a variety of health care services. The nonprofit Petersburg Medical Center (PMC) provides most health care services in the Borough...PMC is housed in a Borough-owned building. The facility has received a variety of upgrades in recent years including a new roof. However, the building is aging...”. (See pp 66-67).
13. The comprehensive plan references a 2015 condition assessment of the existing medical center that concludes that the “[t]he hospital has not changed significantly for 30 years, yet health care services, technology, regulations, policies and building codes have changed. ...the facility has reached a point where replacement of systems and finishes will be critical to maintaining reliable high quality health care delivery. A majority of the systems and components have exceeded or are near the end of their expected service life and should be replaced.” (See pp 66-67).
14. Applicant’s letter states that the Petersburg Medical Center envisions that the development of the subject property will create a medical campus and locating the new medical center in proximity to the Mountain View Manor facility is consistent with this long-term vision. Centralizing medical services increases efficiency and improves access to care.
15. On May 18, 2023, a notice of the public hearing was mailed at least fifteen working days before the public hearing to all owners of property within six hundred feet of the exterior boundary of the property that is the subject of the application (PMC 18.12.040(B)).
16. On May 26, 2023, notices of the public hearing were posted at the Municipal Building, and at the subject property (PMC 18.12.040(E)).
17. On June 1 and June 6, 2023, a notice of the public hearing was published in the local newspaper of general circulation (PMC 18.12.040(C)).
18. On June 13, 2023, a duly noticed public hearing was held by the Petersburg Planning Commission.
19. At the public hearing, the Planning Commission considered and reviewed applicant materials, public comments and testimony, and staff comments.

Section 2. Based on the preceding findings, the Petersburg Planning Commission makes the following determination:

1. The subject property is vacant land owned by the Petersburg Borough and will remain in borough ownership.
2. The existing zoning of the subject area is inconsistent with the intended use of the site as the location of a new medical center.
3. The purpose of the Public Use district includes government-owned buildings and municipal facilities and is consistent with the intended use of the subject property.

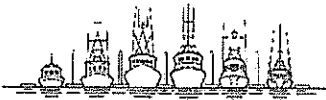
Planning Commission Staff Report

Meeting date: June 13, 2023

4. The proposal is found to be of a beneficial nature to the community by maintaining and enhancing access to health care and by seeking to improve efficiency and access to care by locating the new medical center in proximity to Mountain View Manor Assisted Living Facility and Senior Housing apartments.
5. The proposal responds to the 2015 condition assessment cited in the comprehensive plan that notes replacing major systems and components of the medical facility will be critical to maintaining reliable high quality health care delivery.
6. The proposal is consistent with and furthers the goal of the comprehensive plan that Petersburg residents have access to quality medical and behavioral health care services.

Chair, Planning Commission

Secretary, Planning Commission



PETERSBURG BOROUGH LAND USE APPLICATION

CODE TO:	110.000.404110
BASE FEE:	\$195
PUBLIC NOTICE FEE:	\$70
TOTAL:	\$265

DATE RECEIVED: _____ RECEIVED BY: _____ CHECK NO. or CC: _____

APPLICANT/AGENT	LEGAL OWNER (IF DIFFERENT THAN APPLICANT/AGENT)
NAME Phil Hofstetter, CEO, Petersburg Medical Center	NAME Petersburg Borough
MAILING ADDRESS PO Box 589	MAILING ADDRESS PO Box 329
CITY/STATE/ZIP Petersburg, AK 99833	CITY/STATE/ZIP Petersburg, AK 99833
PHONE 907-772-5724	PHONE 907-772-4425
EMAIL phofstetter@pmc-health.org	EMAIL sgiesbrecht@petersburgak.gov

PROPERTY INFORMATION

PHYSICAL ADDRESS or LEGAL DESCRIPTION:
See attachment.

PARCEL ID: See attachment ZONE: See attachment OVERLAY: n/a

CURRENT USE OF PROPERTY: vacant LOT SIZE: See attachment

PROPOSED USE OF PROPERTY (IF DIFFERENT):
New medical center

CURRENT OR PLANNED SEWER SYSTEM: Municipal DEC-approved on-site system

CURRENT OR PLANNED WATER SOURCE: Municipal Cistern/Roof Collection Well

LEGAL ACCESS TO LOT(S) (Street Name):
Haugen Drive, Excel St, N 12th St, N 13th St

TYPE OF APPLICATION & BASE FEE

- 19.84 Zoning Change (\$100)
- 18.18 Record of Survey (\$50) (Note: No Public Notice Fee)
- 18.20 Minor Subdivision/18.24 Preliminary Plat/18.19 Replat (\$75 + \$10 per lot)
- 18.24 Final Plat (\$25 per lot)

SUBMITTALS:

For Zoning Change, please submit letter stating the new zoning and explaining the need for the change.
For Subdivision approvals, please submit a prepared plat map as required by borough code.

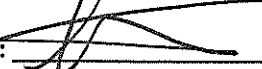
SIGNATURE(S):

I hereby affirm all of the information submitted with this application is true and correct to the best of my knowledge. I also affirm that I am the true and legal property owner(s) or authorized agent thereof for the property subject herein.

Applicant(s):  Date: 11-3-2007

Owner: _____ Date: _____

Owner: _____ Date: _____

Owner:  Date: _____

Description of Subject Property:

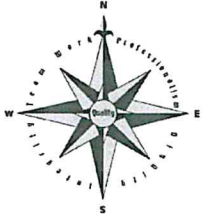
Exhibit A

PIDN	LEGAL	BLOCK	LOT AREA (SF)	ZONING
01-006-280	LOT 2	240	10,000	Single-family residential
01-006-279	LOT 9	240	10,000	Single-family residential
01-006-273	LOT 12	240	13,500	Single-family residential
01-006-275	LOT 11	240	13,502	Single-family residential
01-006-277	LOT 10	240	14,780	Single-family residential
01-006-359	LOT 1	299	9,808	Single-family residential
01-006-361	LOT 2	299	10,000	Single-family residential
01-006-363	LOT 3	299	10,000	Single-family residential
01-006-365	LOT 4	299	10,000	Single-family residential
01-006-350	LOT 5	299	15,865	Single-family residential
01-006-351	LOT 6	299	13,789	Single-family residential
01-006-353	LOT 7	299	10,856	Single-family residential
01-006-355	LOT 8	299	10,628	Single-family residential
01-006-357	LOT 9	299	10,400	Single-family residential
01-006-358	LOT 10	299	9,998	Single-family residential
01-006-330	LOT 1	300	14,935	Single-family residential
01-006-332	LOT 2	300	14,714	Single-family residential
01-006-334	LOT 3	300	14,485	Single-family residential
01-006-336	LOT 4	300	14,257	Single-family residential
01-006-338	LOT 5	300	14,737	Single-family residential
01-006-340	LOT 6	300	19,081	Open-Space Recreational
01-006-341	LOT 7	300	14,316	Open-Space Recreational
01-006-342	LOT 8	300	15,466	Open-Space Recreational
01-006-344	LOT 9	300	13,500	Open-Space Recreational
01-006-346	LOT 10	300	13,500	Open-Space Recreational
01-006-347	LOT 11	300	13,500	Open-Space Recreational
01-006-348	LOT 12	300	13,500	Open-Space Recreational
01-006-300	LOT 13	300	13,384	Open-Space Recreational
01-006-301	LOT 14	300	19,166	Commercial-1
01-006-303	LOT 15	300	13,500	Commercial-1
01-006-305	LOT 16	300	13,500	Commercial-1
01-006-306	LOT 17	300	13,500	Commercial-1
01-006-317	Greenbelt	300	112,737	Open-Space Recreational
01-006-420	LOT 9	301	9,000	Commercial-1
01-006-421	LOT 10	301	9,000	Commercial-1
01-006-422	LOT 11	301	9,000	Commercial-1
01-006-425	LOT 12	301	9,000	Commercial-1
01-006-401	LOT 13	301	9,559	Commercial-1
01-006-403	LOT 14	301	11,992	Multi-family Residential
01-006-405	LOT 15	301	9,000	Multi-family Residential
01-006-407	LOT 16	301	9,000	Multi-family Residential
01-006-409	LOT 17	301	9,000	Multi-family Residential
01-006-411	LOT 18A	301	9,437	Multi-family Residential

Street Area 106,000

TOTAL Site 734,892 Square Feet

16.8707989 Acres



Petersburg Medical Center

103 Fram Street
PO Box 589
Petersburg, AK 99833

Phone: 907-772-4291
Fax: 907-772-3085

April 4, 2023

Liz Cabrera
Community Development Director
Petersburg Borough
PO Box 329
Petersburg, AK 99833

Dear Ms. Cabrera,

This letter provides the zoning related information requested in the Land Use Application dated April 3, 2023 that will create the new Petersburg Medical Center Subdivision.

Change

- Change the existing zoning (Single-Family Residential, Open-Space Recreational, Commercial-1, Multi-Family Residential) of the 43 lots in the attachment to the referenced application, to Public Use.

Need

- Lot 1: This new 9.2 acre lot will be the site for the new Petersburg Medical Center.
- Lot 2: This new 4.4 acre lot will be reserved for future public use development.

PMC and the Borough envision that the development of these two lots will create a Medical Campus. Locating the new Medical Center in close proximity to Mountain View Manor is consistent with this long-term vision. Centralizing medical services increases efficiency and improves access to care.

One of the goals of the borough's comprehensive plan is Quality Health and Wellness Care so that Petersburg residents are "healthy and well and have access to quality medical and behavioral health care services." See P. 60-61. The plan recommends two action items:

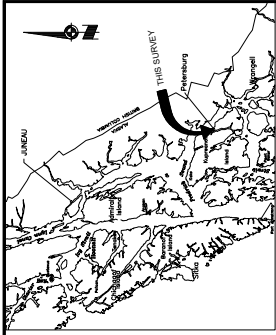
- a. Maintain and enhance medical care in the community. Identify the minimum level of desired care for the Petersburg Borough and prepare strategies on how to maintain that care. Work with regional partners to meet the health care needs of the greater region.
- b. Ensure the financial viability of the Medical Center.

The change in zoning will allow PMC to construct a new modern Medical Center, set the stage for a medical campus, and help the Borough meet one of the goals in its comprehensive plan.

Sincerely,

A handwritten signature in black ink, appearing to read 'Philip Hofstetter', with a long, sweeping flourish extending to the right.

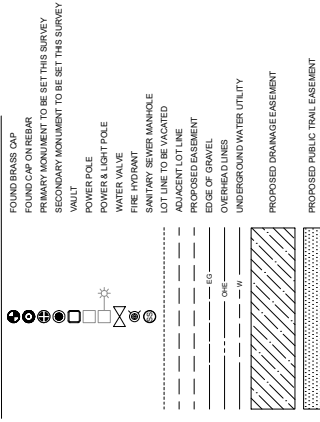
Philip Hofstetter
CEO



GENERAL NOTES

1. THE BASIS OF BEARING IS PLAT 77-2 AIRPORT ADDITION SUBDIVISION.
2. ALL DISTANCES ARE LOCAL GROUND DISTANCES.
3. FIELD SURVEY CONDUCTED AUG. 31 - SEPT. 1, 2022.

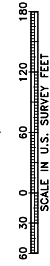
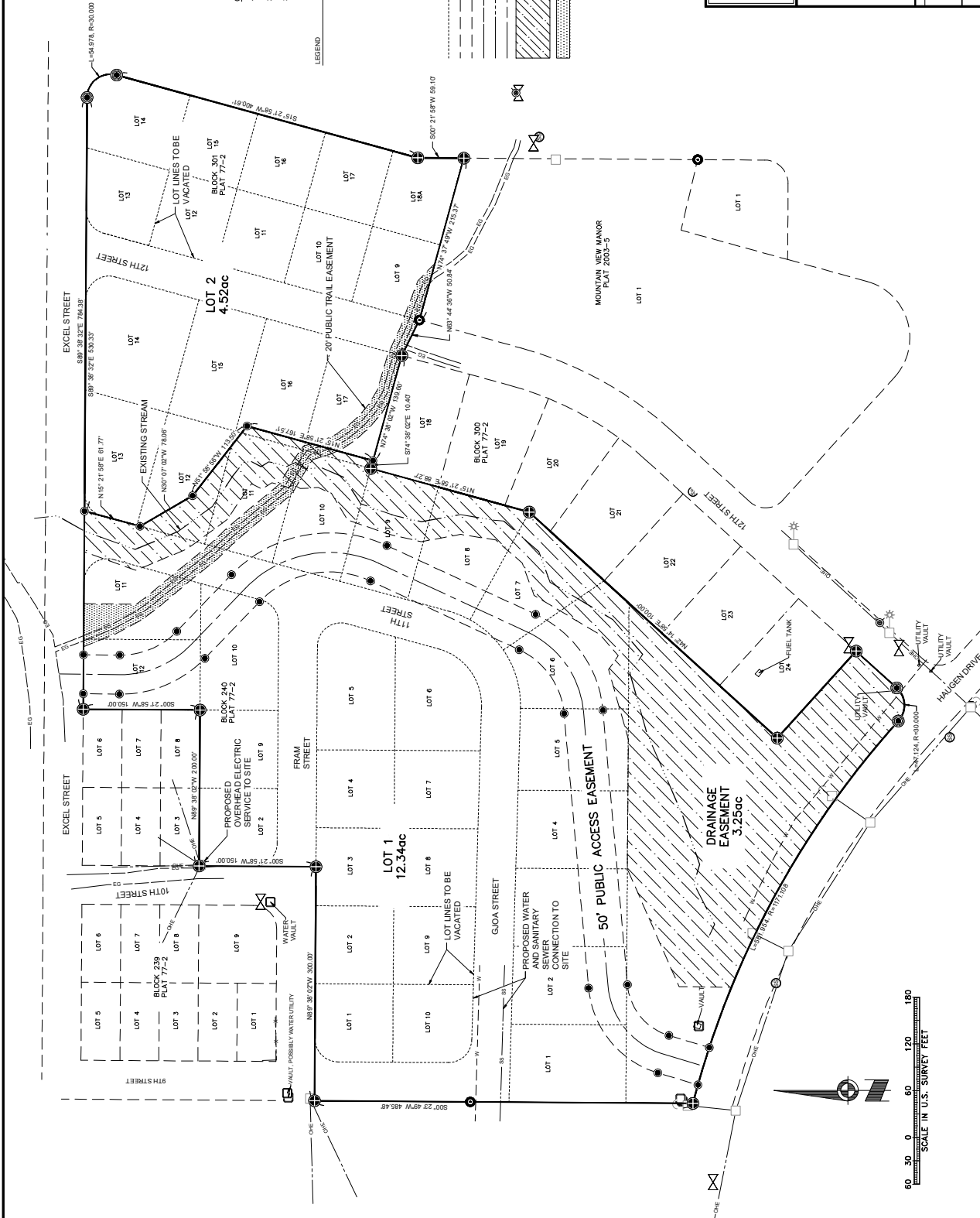
LEGEND



NAME OF SURVEYOR:
RESPEC
 9109 MENDENHALL MALL RD. STE. 4
 JUNEAU, AK 99801
 PHONE: 907.586.1800
 FAX: 907.586.3771
 A/E/C/C 183270

PETERSBURG MEDICAL CENTER SUBDIVISION
 A PLAT OF A CONSOLIDATION AND RESUBDIVISION OF LOTS 2, 3-11, BLOCK 240, LOTS 14-6, BLOCK 289, LOTS 1-17, BLOCK 290, AND LOTS 1-8, BLOCK 301, AIRPORT SUBDIVISION, CONTAINING 16.88 ACRES SECTION 27, TOWNSHIP 58 SOUTH, RANGE 79 EAST PETERSBURG RECORDING DISTRICT

OWNER	PETERSBURG BOROUGH
PREPARED BY	PETERSBURG, ALASKA
DATE	4/7/2022
PROJECT NO.	1719-2000
SHEET NUMBER	1 OF 1



Petersburg Medical Center Replacement

Project Information



May 2023

Petersburg Medical Center (PMC) has provided medical services to the community of Petersburg for over 100 years. The current hospital was originally built in 1955, and became a federally designated Critical Access Hospital in 2001. In 2015, a team of architects and engineers conducted an assessment of the existing facility and found that it was well beyond its useful life. Many building systems do not meet current codes, are no longer manufactured or supported, and require constant maintenance which is very difficult because parts and knowledgeable personnel are no longer available.

The building is not energy efficient and is expensive to operate. In addition, it cannot support increased technology demands which are essential for the delivery of modern healthcare. The report also documented that many functional improvements were needed in order to comply with current guidelines related to infection control, patient safety, patient privacy, food service and sanitation. In 2020, NAC Architecture completed a Master Plan and recommended that PMC construct a new energy-efficient replacement building.

Key Improvements Planned

- Meeting the most current regulations and best practices for healthcare delivery
- Fully-accessible building and site, including parking, entrances, and covered dropoffs.
- Enhanced privacy for treatment, ER, and registration
- Private rooms for Long Term Care and Acute Care
- Layout that maximizes staffing efficiency to maintain current staffing levels and provide opportunities for expanded services
- Energy-efficient design for long-term utility cost savings
- Welcoming and functional spaces for training, education, and community events – large meeting rooms, plus activity and dining spaces in Long Term Care
- Site connections to existing trails and existing nature



BUDGET AND FUNDING

The preliminary total estimated project cost, including design, construction, inspection, project management, medical equipment, contingency, etc. is \$85 million.

FUNDING STACK*		
SOURCE	AMOUNT	NOTES
Health Resources and Services Administration Grant	\$8M	Secured
Borough	\$1.8M	Contribution-In-Kind
Treasury Grant	\$20M	Pending

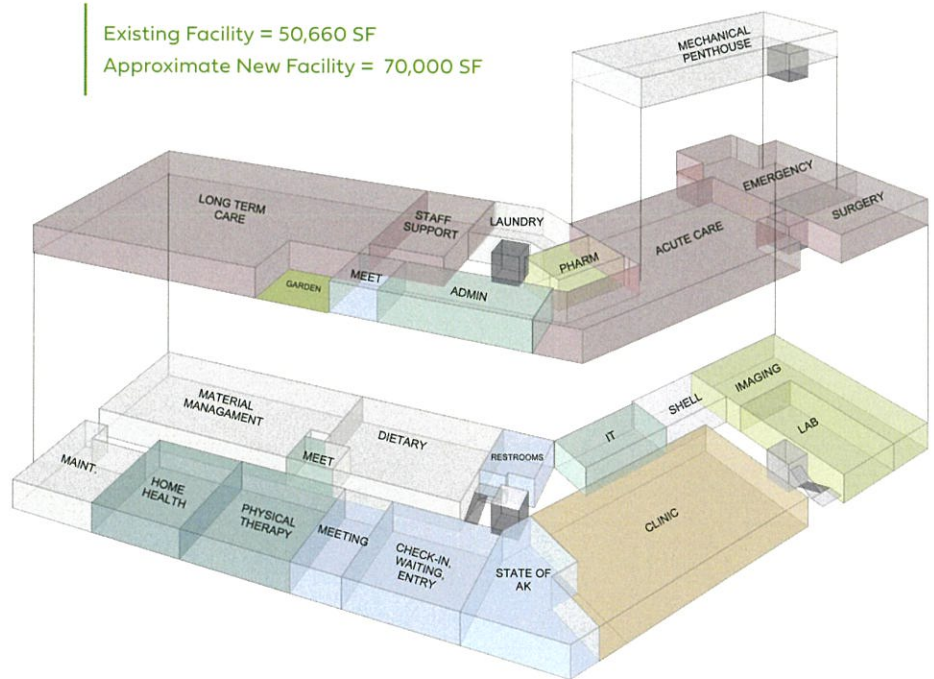
*Other federal, state and philanthropic grant opportunities are being pursued to complete the primary funding stack. PMC will also conduct a capital campaign for some specific project needs.

PROGRESS TO DATE

- November 2015:** Building condition assessment survey
- January 2020:** Master plan completed, including site options assigned by Borough
- May 2021:** Borough Resolution 2021-04 donates land, supports phased construction and getting the project shovel ready
- May 2022:** North Haugen and Excel sites selected for further study
- September 2022:** Site due diligence studies; Bettisworth North selected as project architect
- January 2023:** Preliminary design completed
- February 2023:** Borough Motion making the project their #1 priority for federal funding
- March 2023:** NEPA process started
- April 2023:** Borough Resolution 2023-04 approves North Haugen site, start of rezone/replat, and the Dawson contract for pre-construction services; final geotechnical investigation
- May 2023:** 404 permit application submitted to USACE; community open house

TWO STORY CONCEPT DIAGRAM

Existing Facility = 50,660 SF
Approximate New Facility = 70,000 SF



NEXT STEPS

2023

2024 - 2026

SPRING/SUMMER
Open houses and community input, Space planning and design continues

FALL
Start site work

WINTER 2024
Design complete

SPRING 2024
Start building construction

SUMMER 2026
Move into new building

Share your thoughts

Your feedback is important. Please link to the community survey here to share your input.



Learn more about the project:
www.pmcak.org/new-facility.html