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Local institutions to finance hospital construction

Construction moves forward on hospital



Photo by: Courtesy photo

Plans for an expanded Southwest Memorial Hospital include an inpatient wing, a two-story medical office building with a clinic, an EMS ambulance station and some emergency department upgrades.

By Stephanie Alderton
The Journal

The Southwest Health System and Montezuma County Hospital District Board of Directors announced Dec. 22 that financing has been secured for the expansion of Southwest Memorial Hospital.

The hospital plans to install an inpatient wing, a two-story medical office building with a clinic, an EMS ambulance station and some emergency department upgrades on the current Southwest Memorial Hospital Campus at 1311 N. Mildred Road in Cortez. Construction on the foundation for the new wings has begun, and the EMS station, which includes a garage and personnel living quarters, is set to be completed within a few months.

Vectra Bank Colorado will lead a syndicate of local financial institutions to provide construction and permanent financing for the new health care facilities. **Four Corners Community Bank**, The Dolores State Bank, First National Bank of Cortez, First SouthWest Bank and First National Bank of Durango will also collaborate to finance the construction.

“This is really amazing for a community like ours, because the banks usually compete against each other,” Brad Wayt, board chairman of the Montezuma County Hospital District, said. “But they decided to come together for the good of the community.”

The Department of Local Affairs granted \$2 million to the health care facility building project. These funds are generated from the Energy and Mineral Impact Assistance Fund. According to DOLA, their intent in administering this grant program “is to do as outlined in statute and promote sustainable community development, increase livability and resilience of communities through strategic investments in asset-building activities.”

Wayt received notice of the grant award from DOLA's executive director, Irv Halter. The grant was awarded based on a variety of factors such as its connection to energy impact, degree of need, measurable outcomes, amount of request, relationship to community goals, level of local match, community support and management capacity. Nunn Construction of Colorado Springs serves as the construction manager, and Davis Partnership Architects and Matocha Associates are the architects for the project.

Part of the project is also being funded by tax dollars. Ballot initiative 5A passed in 2015, allowing the hospital district board to collect 4 cents on every \$10 of nonexempt purchases in Montezuma County, beginning in 2016 for a total of 15 years. Revenue from this limited use and sales tax will go toward the hospital. The expansion is expected to cost around \$32.7 million total, including design, construction, permits and various other expenses. Wayt is confident that, with the help of the banks, the hospital district will have no trouble paying off those expenses.

Sam Proffer, interim director of the city's planning and building department, said the expansion will add about 60,000 square feet of buildings to the hospital campus.

"It's a big deal for this community in terms of the size and scope of the construction, and just for the town to have a hospital that size," he said. "A lot goes into a project like this."

His department has spent most of the last year working with the project designers on infrastructure details, making sure the expansion plans include all the safety features required for a hospital under Colorado building codes. Construction on the new wings will likely begin in January.

The project is set to be completed in 2018.
