

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: April 5, 2010

SUBJECT: Blue Ridge Community Health Services – NC Rural Center Grant Proposal

ATTACHMENTS: Yes
1. Grant Application and Proposal Narrative

SUMMARY OF REQUEST:

Blue Ridge Community Health Services (BRCHS) has approached Henderson County regarding a grant opportunity for their new medical building. The Rural Health Care Initiative, through the NC Rural Center, is designed to spur economic activity and job creation by assisting in the construction and expansion of health care facilities. Grants of up to \$480,000 may be awarded for the construction and/or renovation of rural health care facilities. At least one new job should locate in the project building for every \$12,000 in grant funds. BRCHS proposes to create 15 new health center jobs, which projects to a request of \$180,000 in grant funds.

To apply for funding, BRCHS must partner with Henderson County, which would submit the application. Additionally, Henderson County would have to commit to provide a cash or in-kind match equal to 3% of the grant award. 3% of \$180,000 amounts to \$5,400.

If awarded, the funds would be granted to Henderson County. The County would loan the funds to BRCHS in the form of a deferred, forgivable loan. The loan would be secured with a loan performance agreement and promissory note signed by BRCHS.

This is the same application approved by the Board at the December 7, 2009 meeting. The first application did not receive funding, but the State encouraged Blue Ridge to apply for the next funding cycle, the application deadline for which is in May, 2010.

BOARD ACTION REQUESTED:

The Board is requested to approve Blue Ridge Community Health Services' request for funding and partnership with the County for this grant, and to authorize the Chairman to execute the necessary documents.

Suggested Motion:

I move the Board approve Blue Ridge Community Health Services' request for funding and partnership with the County for this grant, and to authorize the Chairman to execute the necessary documents.



FY 2009-10 Program Guidelines and Application Materials

Rural Health Care Initiative Grants Program Statement

The N.C. General Assembly has authorized funds to stimulate economic development and job creation in distressed areas through constructing critical water and wastewater facilities, addressing technology needs, reusing buildings, and implementing research and demonstration projects. The Rural Health Care Initiative is designed to spur economic activity and job creation by assisting in the construction and expansion of health care facilities. Priority will be given to small towns with a population of fewer than 5,000 and unincorporated areas. The guidelines and application for the Rural Health Care Initiative are provided in this information package and can be found on the Rural Center's website at www.ncruralcenter.org/reuse.

Program Overview

Grants of up to \$480,000 may be awarded for the construction and/or renovation of rural health care facilities. At least one new job should locate in the project building for every \$12,000 in grant funds. Grants must be matched by at least an equal amount of private and/or public funds. Acquisition, equipment and other costs not directly associated with the renovation/construction project will not be considered for funding or the match. Funds are granted to the unit of local government and loaned to the participating health care entity. The loan is deferred and forgivable, secured through a promissory note and loan performance agreement. If the number of jobs committed by the health care entity are created and maintained for six months the loan is forgiven. The contract period allows two years from the award date of the grant to fulfill the job creation requirements.

General Guidelines

Eligible Applicants

To be considered eligible for this program, an applicant must meet the following criteria:

1. Only units of local government in partnership with private or non-profit health care related entities are eligible to apply.
2. Applicants must be located in one of the state's 85 rural counties. A map of urban and rural counties is available on the Internet at: http://www.ncruralcenter.org/databank/rural_county_map.asp. The tier designations are available at <http://www.nccommerce.com/en/BusinessServices/LocateYourBusiness/WhyNC/Incentives/CountyTierDesignations/> through the North Carolina Department of Commerce website.

Program Details

- Up to \$480,000 is available to applicants to support the renovation or construction of health care related facilities.
- At maximum, the Rural Health Care Initiative can fund only ½ of the renovation project, or \$12,000 per job committed, whichever is less.
- Eligible health care facilities may include: hospitals, urgent care centers, physicians offices, hospice care, aging centers, mental health providers, physical therapy providers, free clinics, rural and community health centers, dental care, vision care, and safety net providers.

- Applicants must show that the health care entity will create new, private-sector or non-profit jobs as a result renovation/construction project.
- The new jobs must be created within 24 months of the grant award and must be full-time (at least 35 hours per week). Full-time equivalents are not eligible. Priority will be given projects that provide benefits to employees.
- The Rural Health Care Initiative will support only renovation and construction costs. Funds cannot be requested for acquisition, equipment, or staffing.
- A match equal to the amount of the grant request/award is required and must contribute to the renovation/construction project.
- The unit of local government applicant must commit to provide a cash or in-kind match equal to three percent of the grant award. The unit of local government match may be applied toward the renovation cost, grant administration, and/or application preparation.
- If awarded, funds will be granted to the unit of local government. **The local government will loan the funds to the health care entity or property owner in the form of a deferred, forgivable loan. The loan will be secured with a loan performance agreement and promissory note signed by either the health care entity or property owner.** Loans will be forgiven after job creation goals have been met and verified. If job creation goals are not met, a pro rata share of loaned funds will be recaptured through "claw back" provisions in loan agreements. Sample Loan Performance Agreements and Promissory Note can be found at www.ncruralcenter.org/reuse.
- Construction/renovation should be complete within 18 months of the date of the award.
- Local governments receiving funds under this grant program will be expected to comply at a minimum with state regulations regarding procurement, including G.S 14-234.
- Recipients will be subject to state audit and reporting requirements.
- Progress reports will be required to be submitted on the status of the project.
- Priority will be given to towns with populations of 5000 or less and within counties or localities that are severely distressed as indicated by job losses, unemployment, poverty and disaster.

Application Requirements and Instructions

Applicants should use the checklist below as a guide and submit the following information and materials:

Application Form

- ❑ **Rural Health Care Initiative Grant Application (enclosed).** Applicants must complete the full application form. The unit of government's chief elected official **must** sign the application form. Applications must be completed fully to be considered.

Proposal Narrative

- ❑ **Business and Job Description.** Applications must describe each health care entity participating in the project and the number and quality of the jobs to be created. In this section, applicants should list the name and description of each participating health care entity. List the total number of net new jobs to be created. In the case of a relocating business, indicate how many jobs will be held for employees relocating from other sites. Relocating jobs may not be considered in the grant funding formula. Applicants should also provide a detailed job type matrix (management, clerical, etc.), wage rate, full-time positions, and benefits. (Wages and benefits will be evaluated compared to Department of Commerce standards as one of the factors in deciding on grant awards.)
- ❑ **Detailed Renovation/Construction Plan, Scope of Work and Cost Estimates.** Applicants should provide a description of the renovation/construction project to be completed. A detailed scope of work that identifies the work tasks and associated costs should be provided in line-item form. Legitimate contractor cost estimates must be attached.
- ❑ **Detailed Time Line for Construction and Business Occupation.** Applicants should provide a detailed time line for starting and completing the construction and for the creation of jobs in the building. Please note that Rural Center funding **cannot be applied toward expenditures made before the grant award date.**

Exhibits

- ❑ **Letters of Commitment.** Applicants should provide a signed letter of commitment from each health care entity that will locate in the building. The letters should include the number of current employees the company has and the number of new jobs the provider will commit to create within 24 months of grant approval. The letter should be executed by the CEO/CFO.
- ❑ **Local Government Letter of Commitment.** The unit of local government must provide a letter of commitment with this application, signed by the chief elected official. The letter must state the purpose of the project, indicate the local government's support for the project, and commit to provide the required local government match.
- ❑ **Funding Commitments.** Applicants must provide signed funding commitment letters from all sources of funds (grants, loans, private equity, and local government). The total amount of committed funds must be equal to or greater than the grant amount. If funds have not yet been committed, please indicate when final decisions are expected, with a status letter from the funding source.
- ❑ **Digital Photographs of Building.** For renovation/addition projects, applicants should provide digital photographs showing the building's current condition with images of the interior and exterior features. Include a CD of photographs, along with printed copies.
- ❑ **Development Team.** Applicants should attach a list of all members of the development team and their contact information to include local government contact, health care entity representative, and project manager as applicable.

Proposal Submission

- **Application Format.** Applicants should include one bound and tabbed original proposal along with three non-bound copies. Please do not use plastic page protectors.
- **Deadline.** Applications are accepted according to the deadlines listed below. Applications must be received at the Rural Center by 5:00 p.m. on the deadline date.

Application Deadline

December 14, 2009

Date of Award

February 24, 2010

**All grant materials should be submitted to the Rural Health Care Initiative Grants Program,
North Carolina Rural Economic Development Center, 4021 Carya Drive, Raleigh, NC 27610,
Attn: Melody Adams.**

**RURAL HEALTH CARE INITIATIVE
2009-2010 GRANT APPLICATION**



APPLICANT INFORMATION (Must be a Unit of Local Government)

Legal Name of Applicant: Henderson County County: Henderson

Name and Title of Chief Elected Official: William L. Moyer

Mailing Address: #1 Historic Courthouse Square, Suite 1 Street Address: #1 Historic Courthouse Square, St 1

City: Hendersonville State: NC Zip: 28792

Telephone: 828.697.4808 FAX: 828.692.9855 E-Mail: wmoyer@hendersoncountync.org

Unit of Local Government Contact Name and Title: Amy Brantley, Research and Budget Analyst

Telephone: 828.697.4809 FAX: 828.692.9855 E-Mail: brantley@hendersoncountync.org

Project Manager Name and Title (if different than above.): Milton Butterworth, Dir. Community Relations

Organization Name: Blue Ridge Community Health Services, Inc.

Telephone: 828.233.2225 FAX: E-Mail: mbutter@brchs.com

County Tier Designation: Tier 3 Municipality/County Unemployment Rate : 8.8 %

Job Losses in the Municipality/County during the Past 24 Months: 2,469

Municipality/County Poverty Rate: 2000 - 9.7% Municipality/County Population: 2008 - 102,367

Project Information

Amount of Rural Center Grant Request: \$ 180,000 Project Title: BRCHS - New Medical Building

Number of Businesses to be created: -1- relocating Number of Jobs to be created: -15-

In the table below list each participating health care entity, current number of employees and the proposed number of new jobs to be created.

<u>Health Care Entity Name</u>	<u>Contact Name</u>	<u>Address</u>	<u>E-mail Address</u>	<u>Phone</u>	<u>Current Number of Jobs</u>	<u>Number of Jobs Proposed</u>
Blue Ridge Community Health Services (BRCHS)	Milton Butterworth	P. O. Box 5151 Hendersonville, NC 28791	mbutter@brchs.com	828.233.2425	72	15

Loan Performance Agreement and Promissory Note

Who will sign the Loan Performance Agreement and Promissory Note? (See page 2)

Building Owner Health Care Entity

Name: Blue Ridge Community Health Services, Inc. Company:

Jennifer Henderson, CEO (Health Care Entity is building owner)

Address: PO Box 5151, Hendersonville, NC
jhender@brchs.com

Telephone: 828-692-4289

Email:

Budget Information

Total Project Cost (including acquisition, construction, equipment, and administration): \$ 4,935,308

Total Cost of Building Renovation/Construction Project: \$ 4,935,308

Total Public Investment: \$ 185,400

Total Private Investment: \$ 4,947,000

Indicate the source, amount, proposed use, status, and date of availability for each funding source anticipated to fund the entire project.

Source	Amount	Use	Proposed or Committed	Date Available
Capital Campaign - Lead Donor (Yr1 of 2yr pledge)	\$ 100,000	Building Construction Project	Committed	12/1/2010
Capital Campaign - Board & Staff (Yr1 of 3yr pledge)	\$ 15,000	Building Construction Project	Committed	1/1/2011
Henderson Cty, 3% match	\$ 5,400	Construction	Committed	6/30/2010
Bank Financing	\$4,832,000	Construction	Committed	3/31/2010
	\$			
	\$			
	\$			
Rural Health Care Initiative	\$ 180,000	Construction	Proposed	6/30/2010
Total	\$5,132,400			

Certification by the Local Government Chief Elected Official

The attached statements and exhibits are hereby made part of this application, and the undersigned representative of the applicant certifies that the information in this application and the attached statements and exhibits is true, correct, and complete to the best of his/her knowledge and belief. He/She further certifies that:

1. as Authorized Representative, he/she has been authorized to file this application by formal action of the governing body;
2. that the governing body agrees that if a grant from the North Carolina Economic Infrastructure Program as funded by the appropriation from the General Assembly is awarded, the applicant will provide proper and timely submittal of all documentation requested by the Grantor Agency (Rural Center); and
3. that the applicant has substantially complied with or will comply with all federal, state, and local laws, rules, regulations, and ordinances as applicable to this project.

Signature of Chief Elected Official

Typed Name and Title

Date

NC Rural Center Rural Health Care Initiative

2009-2010 Grant Proposal "BRCHS – New Medical Building"

Henderson County

Blue Ridge Community Health Services (BRCHS)

Overview

For over 45 years, Blue Ridge Community Health Services (BRCHS) has served as the medical home for those most in need in Henderson County. The mission of BRCHS is *to enhance the health of individuals and families within the community, with emphasis on the underserved*, regardless of their ability to pay, their culture or their language. A critical component of the local health care system, BRCHS provides primary care, mental health, and dental services to nearly 16,000 residents (2009).

Blue Ridge Family Practice the anchor of the main BRCHS campus has been housed in a renovated farmhouse built prior to 1957. In July 2009, BRCHS evacuated the family practice building when an engineering report stated, "Conditions pose a long term health concern for the tenants and the structure". Two weeks later, operations were forced to move into temporary donated space that offers only a short-term fix due to availability of and deficiencies in this space. Some temporary exam rooms don't even have running water.

We are, in essence, a medical home to patients that is without a permanent home. After evaluating several potential remedies, BRCHS has determined that the most cost-effective solution to meeting the long-term needs of the community is to construct a new medical facility at the current site of the abandoned family practice building. The land is already owned by the organization and demolition of the old building is now complete.

The engineering report concluded that the facility "has exceeded its useful life." Widespread water infiltration led to visible evidence of black mold posing a health risk for patients and staff. Damage to wiring resulted in exposed bare metal causing a fire threat. There were two separate PVC roofs and both were rotting and difficult to repair, contributing to ongoing water problems and mold. Warranties on 2 modular units (added to the original structure 26 years ago) expired more than a decade ago. Structural deficiencies included weak flooring in both the main house and the modular units that would not support needed equipment. There were nine HVAC units, all more than 15 years old. Duct work was inconsistent throughout the building. The handicapped ramp was 96 feet long and difficult to negotiate. Many parts of the building were not handicapped accessible at all.

Repairs to bring the existing facility to fully functioning status would have likely equal or exceed the cost of new construction and would not have provided the functionality and efficiency of a new structure. The temporary facility now housing the practice is inadequate to accommodate the number of patients needing care. Without completion of the proposed facility, the Blue Ridge Family Practice, the primary source of affordable health care for the low income and uninsured in the region, will essentially be homeless.

The overall goal of the BRCHS New Medical Building Project is to continue providing critical health services for the medically underserved, while improving efficiency and capacity by constructing a new medical facility at the current site, adding space for three additional medical providers along with pharmacy, radiology and laboratory services. The added capacity is expected to increase the size of the practice by 4,600 patients annually, create 15 new health center jobs and 104 new construction jobs. The construction phase is anticipated to add \$3.7 million dollars in income to the area. "The economic activity generated from on-going operations of [this project] will annually support a total of 23 jobs (15 direct jobs and 8 indirect jobs). On-going operations will annually add \$1.2 million dollars in income to the county." (*Economic Impact Summary.*, Asheville Area Chamber Comm.,7/09).

Community Need

Henderson County, a rural area in western NC, is the largest producer of apple crops in NC, and 13th largest in the US. (Agriculture Census 2007) Agriculture is an important part of the Henderson County economy. Other major crops include tomatoes, the largest such crop in NC; nurseries; horticulture; and dairy. Many migrant farmworkers come to the area every year to harvest local crops. Migrant farmworkers typically earn less than \$10,000 annually and approximately 85% are uninsured. (National Agricultural Workers Survey 2000). The county population is rapidly increasing, growing by 48% between 1990 and 2008, from 69,285 to 102,367. (Census) While there are many service jobs supporting the retirement population and tourism, these are often low paying with no benefits. More than 30% of residents have incomes below 200% of federal poverty. (Census) Henderson County is designated as a Health Professional Shortage Area (HPSA) for primary care, dental, and mental health. The county's low-income population as well as the migrant farmworker population are designated Medically Underserved Populations. (HRSA, HPSA/MUA Database, 2009) Access to affordable health care is a critical need for this population, and demand for this care is increasing.

- BRCHS users are increasing, growing from 13,079 in 2006, to 15,780 in 2009. (BRCHS Patient Information System - UDS)
- Of BRCHS patients, who reported income, 84% live below 200% of the Federal Poverty Level (FPL); 67% live below 100% of the FPL (BRCHS Patient Information System - UDS)

- Over 60% of BRCHS patients and nearly 70% of adult patients are uninsured. (BRCHS Patient Information System - UDS)
- Since February 2009, BRCHS has seen approximately 4,000 new uninsured patients to the organization.
- Of patients served in 2008, 2,045 were uninsured children, 6,691 uninsured adults, and 2,426 migrant or seasonal farmworkers. (BRCHS Patient Information System - UDS)
- Over the last two years, there has been a sharp increase in unemployment in Henderson County, contributing to increasing numbers of uninsured patients seeking care at BRCHS: August 2007 – 3.3%; August 2008 – 6.2%; August 2009 – 8.8%. (NC Employment Security Commission, August 2009)
- Currently, new patients have an average 32 day wait to schedule an appointment.

Business and Job Description

Blue Ridge Community Health Services is a federally qualified community health center that is poised to enter into the required Loan Performance Agreement associated with this opportunity. Services include family medicine, pediatrics, dental, mental health, community outreach, and school-based health. (The family practice, the pediatric practice, and mental health services will be consolidated into one new building through this project.) BRCHS offers a full continuum of care including preventive and acute care, and management of chronic illnesses.

The underserved and uninsured of Henderson County experience difficulty accessing affordable radiology, laboratory, and pharmacy services. To address these issues, BRCHS is planning to place laboratory, radiology, and pharmacy services in the proposed new medical facility. A full-service laboratory will include comprehensive blood work and microbiology. Radiology services will include ultrasound, bone densitometry, mammography, as well as general radiology services. The planned in house pharmacy will serve BRCHS, incorporating the following critical elements.

- Coordinated care between the pharmacist and the primary care physician;
- Clinical education or Medication Therapy Management;
- Culturally and linguistically appropriate care for BRCHS patients, best served in Spanish.
- By participating in the 340B pharmacy program, BRCHS is able to offer prescriptions at a significant discount, and depending on a patient's income, could be offered at a sliding scale, with generics as low as three dollars.

BRCHS will provide physician support for these services by organizing patient referrals, providing medical interpretation, facilitating the exchange of medical information between the service provider and the primary care provider, and following-up on the patient's care. These

co-located services planned as part of this project will significantly improve comprehensive care for the underserved of Henderson County.

As a result of the proposed project, BRCHS will be relocating its main medical site and pediatric center from temporary facilities to one new medical facility. All 72 full-time jobs will be held for BRCHS employees relocating from other sites, while 15 new fulltime jobs will be created in the proposed new medical building.

The expanded capacity proposed through this project will result in the addition of three full time medical providers (two physicians and one midlevel). To support these additional providers, BRCHS proposes to add four full time clinical support personnel and one full time accounts receivable job in administrative support. The new on-site pharmacy proposed will create one full time pharmacist and one full time pharmacy technician. Additional personnel necessary to support proposed expanded capacity include an interpreter, three radiology technicians, and a laboratory technician.

Jobs Created	Job Type	FT Jobs	Annual Salary	Total Salary	Total Fringe Benefits	Total Salary and Benefits
Family Practitioners	Medical	2	\$140,000	\$280,000	\$56,000	\$336,000
PA/Midlevel	Medical	1	\$80,000	\$80,000	\$16,000	\$96,000
Clinical Support	Medical	4	\$29,540	\$118,160	\$23,632	\$141,792
Pharmacist	Medical	1	\$100,000	\$100,000	\$20,000	\$120,000
Pharm. Tech	Medical	1	\$50,000	\$50,000	\$10,000	\$60,000
Interpreter	Enabling	1	\$27,333	\$27,333	\$5,467	\$32,800
Radiology Tech	Medical	3	\$42,500	\$127,500	\$25,500	\$153,000
Lab Tech MT/MLT	Medical	1	\$37,000	\$37,000	\$7,400	\$44,400
Accounts Receivable	Admin. Support	1	\$25,230	\$25,230	\$5,046	\$30,276
Total Salary & Benefits		15	\$531,603	\$845,223	\$169,045	\$1,014,268

Construction and Renovation Plan, Scope of Work and Cost Estimates

A 27,098 square foot medical facility is planned to replace the former Blue Ridge Family Practice building that will accomplish the following goals:

- Family Practice and Pediatrics combined space for 15 medical providers, 30 exam/treatment rooms state-of-the-art equipment and Electronic Health Records that will support the highest quality care;

- Collaboration with Pardee Hospital to provide services currently unavailable on campus, including a Laboratory and Radiology Suite (digital radiology, mammography, ultrasound and bone densitometry), and Pharmacy (currently 8 miles off-site) to be located onsite, for patient availability and efficiency;
- Integration of Mental Health Services (1 psychiatrist and 3 Licensed Counselors) and primary care;
- Capacity to add additional services on the second floor as funding is identified and secured. Possibilities include “rotating specialists” in a Specialty Timeshare Suite as access to specialists remains a barrier for our patients; a Community Room for health education meetings; Child Care services for staff, etc.

The construction project will address capacity issues, as well as create a safe, comfortable, and professional environment for patients and staff. An attractive waiting area will allow for separation of sick and well patients, also providing private space for referrals and financial screening. Improved and expanded space for nursing and support staff will improve patient flow through the building. State-of-the art equipment will support the delivery of the highest quality care. The main family practice and pediatric center will be located together in the new building with the efficiency of sharing clinical support staff, patient check-in, nursing stations and other resources.

The new building will also feature an onsite laboratory and pharmacy, as well as a radiology suite. The proposed in-house pharmacy will be fully integrated with the primary care practice, including areas for waiting and counseling, and a large storage area for efficient distribution of medications. Laboratory services will also be located onsite efficient to patient flow and convenient to patient and provider needs. Radiology services will be housed in a special imaging suite onsite, offering services ranging from mammography to digital x-ray.

BRCHS is developing support for the project through a capital campaign and other funding sources outlined on the application form. A Chief Development Officer with more than 25 years of development & community relations experience was recently hired. Steve Kirkland previously served as the local United Way Executive Director, where he led record-setting fundraising. In addition to the committed resources listed on the associated application form, BRCHS has worked hard in the early stages of this project to identify a variety of committed and potential sources of funding.

- Capital Campaign (CC) – Lead Donor Year Two of two year commitment - \$100K (2012)
- CC – Board and Staff Years Two & Three of three year commitment - \$30K (2011-2012)
- Capital Campaign – projected donors and grants - \$850K (2010-2011)
- Increased patient revenue in year one of the new building - \$720K (Spring 2011-2012)
- Lease of space for lab and radiology committed by Pardee Hospital - \$630K (2011-2014)

- Estimated proceeds from sale of properties committed by BRCHS Foundation - \$750K

Project implementation will be led by Greg Page, Project Manager and Hermosa Executive. Hermosa, a minority owned business, provides development management, general contracting, and design/building management for a variety of projects, with a specialty in medical facilities. Hermosa is actively managing the feasibility study (complete), planning, design, equipment, and development of the BRCHS – New Medical Building project. Page has extensive experience and is well-equipped to handle the issues that can typically create difficulties such as approval and zoning issues, schedule delays, and cost overruns.

Consolidated Budget

Description	Cost
General	\$ 135,200
Professional Costs	\$ 357,705
Construction Costs	\$ 4,276,993
Funding and Closing	\$ 165,410
Total Project Costs	\$4,935,308

See attachment, Contractor (Hermosa) Project Cost Estimate for more detail.

Through pre-construction planning efforts, the project team has made all reasonable efforts to identify and minimize future problems. Meetings with government officials, including City Planning, have provided assurance that the project design complies with zoning ordinance and plan approval is expected. The project schedule includes time frames for each activity based on duration estimated by agency officials, design professionals, and based on Hermosa's experience. An appropriate level of contingency is included in the budget to cover unforeseen situations. The critical path schedule is the primary tool which will be used to monitor progress of the project. This schedule will be updated at regular intervals throughout the project and will be reviewed in detail during the design process and at each jobsite meeting. Key areas of risk have been addressed. The risk of cost overrun is addressed by including an appropriate amount of contingency in the project budget. The project schedule includes durations that will allow some delays to be absorbed without impacting the completion date. The project schedule is well within the duration required by the grant. Exposure to liability on the jobsite is addressed through Hermosa's safety program, which reminds workers of safe practices and enforces OSHA regulations; insurance; construction contracts which protect the owner from liability; and performance bonds, which may be required from larger subcontractors. EVM is a technique for tracking physical progress of a project that incorporates scope of work, schedule, and cost. The cost of work for each subcontractor will be itemized in sufficient detail so a

simple assessment of the percent complete for each line item can easily be made on a monthly basis. This assessment, along with visual inspection of the work in place, will determine physical progress as compared to the project schedule. Additionally a retainage amount of 10% will be withheld from invoices until after completion of the work. In this way, the owner is protected from a situation where a contractor may fail to complete work properly.

Timeline for Construction and Business Occupation

Activity	Duration	Start	Finish
Pre-Development	120	February 1, 2009	June 1, 2009
Architectural Schematic Design	60	May 1, 2009	June 30, 2009
Civil Engineering – Design Development	45	June 8, 2009	July 23, 2009
Move Existing Services to Temporary Locations for Duration of Construction	30	July 1, 2009	July 31, 2009
Civil Construction Drawings	30	September 5, 2009	October 5, 2009
Architectural Design Development, Construction Drawings	60	December 5, 2009	April 5, 2009
Civil Plan Review – Sitework Permit	90	April 6, 2010	July 4, 2010
Architectural Plan Review - Building Permit	60	May 5, 2010	July 4, 2010
Structural Steel Fabrication	65	June 15, 2010	August 18, 2010
Ground Breaking	Milestone		July 5, 2010
Sitework	45	July 5, 2010	August 19, 2010
Building Construction – Blue Ridge Medical Center	240	August 20, 2010	February 18, 2011
Move In - Blue Ridge Medical	21	February 19, 2011	March 12, 2011
Construction Project Completion	Milestone		March 12, 2011

The BRCHS – New Medical Building project is nearing the end of the design stage. Project progress includes completion of a feasibility study, site planning, and schematic design. We have met with local officials regarding zoning, ordinances, and the approval process. Although we are not ready to formally submit, the initial response from officials is favorable. The architectural design effort and civil engineering work are nearing completion. Demolition of the original family practice structure is complete and site preparation is poised to begin. Following development plan approval and receipt of building permits, construction work will commence. Construction development team members, including architect (along with architect’s structural, mechanical, electrical, and plumbing design professionals), civil engineer, geotechnical

engineer, and construction contractor, are all accountable to the project manager to meet detailed schedule commitments.

Job Creation Timeline

Date	Duration	Action
Aug. 2010	210 DAYS	Recruitment of medical providers
Oct. 2010	150 DAYS	Medical provider Interviews; hire medical providers; medical provider contracts signed
Nov. 2010	120 DAYS	Recruitment of support staff
Dec. 2010	90 DAYS	Interview support staff; medical provider applications forwarded to insurance carrier
Jan. 2011	60 DAYS	Final decisions on support staff; open provider schedules
Feb. 2011	30 DAYS	Schedule employees for new employee orientation; add medical providers and support staff to payroll;
Mar. 2011	0 DAYS	Open in new medical building

Working from a job creation timeline that corresponds with the completion of the construction project has the potential for the organization to open the new medical building fully staffed, allowing for maximum benefit to the community as soon as possible. The recruitment of medical providers is increasingly difficult in this time of provider shortage; however, this timeline builds in nearly a twelve month cushion for the successful completion of job creation goals within twenty four months of the grant award (June 30, 2012).