

Hospital expansion moves ahead, in phases

By [Dee Henry](#) | Hickory Daily Record

The planned \$70 million expansion of Catawba Valley Medical Center will continue, but will be broken into phases rather than being done at one time.

The first phase, which will focus on the Surgical Suite and is estimated to cost \$25 million, will begin next month and be financed through incentives available to the county through the American Recovery and Reinvestment Act of 2009.

"A good thing about this project is the debt will be repaid with revenues from the hospital's operation and won't be on the citizens in the county to repay the debt," said David Boone, chief financial officer for CVMC.

Boone and Tony Rose, CVMC president, will request the county allow the use of Build America Bonds and Recovery Zone Economic Development Bonds to fund the first phase of the project. The request is slated for the board of commissioner's regular meeting Monday, July 20.

Both types of bonds give refunds on the interest incurred on loans. County Finance Director Rodney Miller said the plan is to put two-thirds of the \$25 million under Build America Bonds, which will give 35 percent credit on the interest on the loan. The remaining one-third will be put under an Economic Recovery Zone Bond, which gives a 45 percent rebate on the interest.

Miller said Catawba County qualifies for the Economic Recovery Zone Bonds due to its high unemployment rate, 15.4 percent as of June 26.

The first phase, set to begin in August, is expected to last three to four years, Rose said. The work will include three new operating rooms added onto the existing operating room suite, followed by renovations to the existing operating rooms.

According to information from the hospital, at least 12 operating rooms will be operational at all times during the work period so no delays or impact to the surgery schedule should occur.

All new operating rooms will be at least 600 square feet, large enough to accommodate modern and future technology.

A feature of the new Surgical Suite will be a sterile core, offering separate entrances for patients and staff. Other areas will be designated for decontamination, equipment storage, anesthesia, offices and a break room.

Rose said the second phase of the project will be dedicated to a central energy plant, and upgrade for when the planned tower, Phase 3, goes operational.

Hospital staff had hoped to break ground for the project in January and had planned to issue a hospital revenue bond to finance it. However, the state of the credit market resulted in the recommendation to break the project into phases. Future phases of the project will be considered as more affordable fixed rate credit becomes available.

A resolution to approach the county commissioners for the funding was approved by the CVMC board of trustees June 22.

The hospital was constructed about 40 years ago.