

Summit Pacific Medical Center Completes Financing for its Expansion & Renovation Project



***Rendering of future expansion project*

(ELMA, WA) – Grays Harbor County Public Hospital District No. 1 is excited to announce a successful pricing of its Series 2023 tax-exempt revenue and refunding bond issuance. Proceeds from the transaction will primarily fund a \$58.1 million hospital expansion and renovation project. It is noteworthy that the bond issuance will be supported solely by the Hospital’s revenues and no new taxes will be levied.

While the District operates healthcare facilities and clinics in both Elma and McCleary, the project will improve and expand its flagship critical access hospital- Summit Pacific Medical Center (“SPMC” or the “Hospital”) in Elma.

SPMC currently operates 10 acute care beds in its 40,000 sq ft. facility originally built in 2013. The project will nearly double its current footprint with a 30,000 sq ft. expansion that will allow the Hospital to increase capacity to its 25-bed licensed limit. The project will also provide 5 additional observation beds, 24/7 MRI and increase its emergency department spaces from 10 to 16.

The added bed capacity comes at an important time for the Hospital, which has experienced a significant increase in patient demand that began shortly before the onset of the COVID epidemic. Recently, the

Hospital District's service area has experienced meaningful population growth and is forecasting a 24% increase in its aged population over the next 7 years.

Recent capacity constraints at the Hospital resulted in the suspension of its swing bed program which provides long-term care to patients in need. With increased bed capacity on the horizon the Hospital plans to relaunch its vital swing bed program and expand essential services to meet the needs of the community.

Josh Martin, CEO of Summit Pacific Medical Center states, "The objective for this growth to the campus is to enhance healthcare services available to Grays Harbor residents today and meet the needs of our growing community for years to come."

In addition to the increased bed capacity, the project calls for renovations to the existing facility that will improve patient flow throughout the hospital. These improvements, coupled with plans to provide additional service lines in the near future, will aim to provide improved patient care and experience.

It is anticipated the project will break ground in early 2024 and will be completed by Spring 2026. The Hospital will continue to provide the community with its award-winning quality of care uninterrupted through the construction period.

The financing was a culmination of a strong coordinated team effort by firms including Cain Brothers, a division of KeyBanc Capital Markets (Underwriter), PFM Financial Advisors LLC (Financial Advisor), Orrick, Herrington & Sutcliffe LLP (Bond Counsel), Public Finance Consultants (Advisor), Foster Garvey (Underwriter's Counsel), Dick Bratton Project Manager LLC (Project Manager) and Dingus Zarecor & Assoc. (Auditor & Consultant). The Series 2023 bonds are scheduled to settle on November 16, 2023.

"It was essential that we explored alternative financing options for this expansion to keep the debt and tax off our community," Martin said. "It is incredible to have completed our financing journey; to achieving a revenue bond rating from S&P and garnering two and a half times oversubscription for our bonds - this is a big win for Summit Pacific and the community. This highlights the strength and viability of our hospital district – not many public hospital districts have accomplished this in the country, and we should all be proud."

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