



IMMEDIATE RELEASE

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North Pine Area Hospital District Board Approves Purchase Agreement for New Medical Campus Site

The approval of other consulting resources continues aggressive planning process.

Sandstone, MN – September 25, 2014 – The Board of North Pine Area Hospital District (Hospital District) took several actions making significant commitments toward the building of a new medical campus.

The Board approved a Predevelopment Agreement, which outlines steps the City of Sandstone, its Economic Development Authority (EDA) and the Hospital District will take to allow for construction of necessary infrastructure to support the project, such as streets, water mains and sanitary sewer. The City and EDA are actively exploring options to assist the infrastructure portion of the project, including the EDA applying for a grant with the Federal Economic Development Authority. The Board also authorized the execution of a purchase agreement for the 40-acre site formerly occupied by a portion of the Sandstone Airport. The parcel is east of the northbound lane of I-35 just south of the Sandstone exit, providing quick access and excellent visibility from the freeway.

“We are making tremendous progress thanks to the hard work and dedication of our Board,” states Ron Osladil, chairman of the North Pine Area Hospital District board. “These resolutions and the addition of the professional resources will propel us forward with all aspects of this complex process. The cost of building and equipping this new facility will be funded from existing revenues, not from the tax levy.”

In other actions, the District Board approved several professional services agreements including hiring an environmental engineer to conduct environmental site assessments and wetland delineation and a geotechnical firm to do preliminary soil borings. Previously, the Board had approved the expenditure of up to \$30,000 for these services. Actual cost will be \$6,950 less than that early estimate. Additionally, the Board approved contracts with a communications-consulting firm - The Links Group, a project management firm - Walker and Associates, Inc. and a financial placement agency - National Healthcare Capital, LLC.

Michael Hedrix, Pine Medical Administrator, announced that Essentia Health is exercising its option to extend its lease agreement with the Hospital District Board for an additional three years. During this period, the new facility will be completed and a new lease will be signed. The

new release outlines Essentia Health's obligations for repayment of any debt issued to finance construction of the new medical campus.

A resolution was also approved calling for a public hearing on the issuance of tax-exempt revenue obligations. Once scheduled, the Hospital District will issue a notice to be published not less than 14 days nor more than 30 days prior to the date set for the public hearing. Comments will be taken regarding the issuance of tax-exempt obligations to fund the construction and equipping of a new medical campus. This new campus will include a critical access hospital, a primary care clinic and an ambulance maintenance garage. The proposed obligations will be revenue obligations of the Hospital District payable from revenues of the Hospital District's medical center facilities.

About North Pine Area Hospital District

The North Pine Area Hospital District is a Minnesota political subdivision of the state whose purpose is to ensure that the area residents have access to high quality health care. Hospital districts have taxing authority to acquire, improve, and run hospital and nursing home facilities. The North Pine Area Hospital District owns the Sandstone hospital building and has chosen to contract for health care services with a professional provider, Essentia Health, which leases the facility from the Hospital District and manages and staffs the hospital. A Board composed of 17 individuals appointed/elected by their respective cities or townships, plus one at-large member governs the North Pine Area Hospital District.

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