

Argus Courier - Medical office building planned next to PVH

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MEDICAL OFFICE BUILDING PLANNED NEXT TO PVH

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While matters such as Wayne Fairchild's departure from Petaluma Valley Hospital, the Petaluma Health Care District's lease with St. Joseph Health System to operate PVH and activities of the new South Sonoma County Medical Group have grabbed local health-care headlines, another significant development — the construction of a new medical office building — simultaneously has been percolating.

And within the next two years, it could be built, and thereby dramatically alter Petaluma's health-care landscape.

"Several years ago, I approached Basin Street Properties administrators to find out if they would be interested in helping to construct a medical office building adjacent to Petaluma Valley Hospital," said Daymon Doss, CEO of the PHCD, adding that they determined that a two-story, 40,000-foot building would be needed.

"Then, about three years ago, when Dr. Gary Greensweig [the chief medical officer for St. Joseph Health System of Sonoma County] and I were talking about physician recruitment," Doss continued. "He said that one of the barriers Petaluma faces is that there is no office space available for incoming physicians near the hospital, and that most of the existing offices in the area aren't modern.

"We thought that it would be good to have a building on the Petaluma Valley Hospital campus shared by physicians specializing in areas such as family practice, internal medicine, cardiology and OBGYN."

A patch of lawn and trees between the hospital and North McDowell Boulevard seemed a good spot for the building. The land is owned by the PHCD, but was leased to St. Joseph, so the parties began working out an agreement in which St. Joseph would no longer lease

the property.

“In consideration of St. Joseph’s willingness to no longer lease the property, we agreed to re-stripe and re-surface the parking area, and to build two new parking lots — along the creek separating Luchessi Park and the hospital, and by the helicopter pod in the back of the hospital,” Doss said.

The PHCD has forwarded a parking easement agreement to Basin Street Properties for its approval. Once Basin Street Properties adds attachments to finalize the document, it will be sent to St. Joseph administrators.

Also, St. Joseph wants to assure that some services in the new building do not compete with those offered at PVH.

“St. Joseph personnel don’t want operations that would harm use of the hospital,” Doss said. “For example, they wouldn’t want certain X-ray or MRI labs, or outpatient surgery services that are independent of them.”

A purchase and sale agreement was authorized on Thursday, and now a group of investors will be needed to finance the building, which Doss said likely will cost \$8 million to \$10 million to build.

“I don’t believe there will be a shortage of investors for this type of venture,” he said. “The health-care district will invest about \$1 million, and local investors, including physicians, have expressed interest.”

The building could house around 20 physicians, he said.

“I would love to see six to eight family-practice physicians, six to eight internal medicine physicians, three to four cardiologists and maybe two OBGYNs in the building. And St. Joseph may take this opportunity to put an outpatient lab and radiology services there,” Doss said.

He feels that the building would make health-care services more accessible to residents and enable local doctors to share billing services, waiting rooms and other essentials of their practice.

“Local physicians have been waiting for such a building for a long time, and strongly support it,” Doss said. “It would save them a lot of time and money.

“And it would be a magnet for attracting new physicians, many of whom are not interested into going into a practice by themselves.”

Now that agreements between the PHCD, St. Joseph, Petaluma Valley Hospital and Basin Street Properties are nearing completion, the city of Petaluma will become involved.

“We will begin conversations with the city of Petaluma,” Doss said. “We will be getting more specific about the impact of the building, and go through the process of building the structure.

While acknowledging that snags are very possible, he is optimistic that construction will begin soon.

“I’m hopeful that in 18 to 24 months, we’ll have the grand opening of the building,” he said.

And he views the building as a vital component of the rapidly evolving health-care situation in Petaluma.

“It’s part of a larger piece that is coming together,” he said.

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