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Poplar Bluff Poised for **Two Hospitals**



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POPLAR BLUFF POISED FOR TWO HOSPITALS, DEVELOPER SAYS

Saturday, March 12th, 2011 | By: Tim Krakowiak, Managing Editor

The statewide medical community has their eyes on Poplar Bluff with “overwhelming interest” following the hospital’s recent decision to locate outside of the proposed \$400 million Eight Points development site north of town, according to one of the St. Louis developers.

“Eight Points is about the business leaders, members of the community, city, county, school district, chamber of commerce, MoDOT (Missouri Department of Transportation), DED (Missouri Department of Economic Development) and state and government representatives coming together to address the needs of the community that drives economic growth and development which will create jobs and make this region more competitive,” said Ryan Kiser, a partner of K2 Commercial Group. “The needs of the community do not disappear with a decision that one person or one entity makes.”

Poplar Bluff Regional Medical Center officials recently announced their intent to build a new \$170 million hospital, seven stories high and 425,000 square feet, on the south side of PP Highway, after more than a year of negotiations with K2 to become the anchor of its 212 acquired acres on the crossroads of U.S. 60 and 67.

Pending certificate of need approval, Health Management Associates headquartered in Naples, Fla., would continue to operate PBRMC and utilize portions of its current North campus—owned by Medical Properties Trust—as a rehabilitation and psychiatric center, according to the press release from PBRMC issued Feb. 26.

“The lease term expires in February 2014, and MPT is considering various alternatives in the event Poplar Bluff Regional Medical Center does not elect to extend the lease term,” said an MPT spokesman in Birmingham, Ala. “MPT is presently not committed to any particular course of action.”

According to Kiser, MPT, which is a real estate investment trust, is going to bring health care competition back into the local marketplace. “Medical Properties Trust will finance the development of a new hospital on the Eight Points site south of Oak Grove Road,” Kiser said.

Poplar Bluff officials have speculated that consideration is being expressed by Saint Francis Medical Center of Cape Girardeau, along with Barnes-Jewish Hospital and St. John’s Mercy Medical Center, each of St. Louis, but no statement was made on behalf of any of the hospitals when contacted.

Upon receiving approval from the DED, the Butler County Commission and City of Poplar Bluff passed a resolution for an Enhanced Enterprise Zone with a 25-year tax abatement on the 75 acres of Eight Points designated for a hospital.

“In order to develop the property and make it a profitable venture, you need the Enterprise Enhancement Zone,” said Marion Tibbs, Butler County assessor. “I think it is necessary to entice someone to build a new hospital.”

MoDOT agreed in July to join in a \$4.5 million cost participation agreement with the city on constructing an interchange at Oak Grove and Bypass 67, and making improvements to the intersection on the Business 67 end. Survey work has already begun.

“We’re going to sit tight for a month or two and let the dust settle from Poplar Bluff Regional choosing a different site,” said Bill Robison, southeast district planning manager for MoDOT. “If the city’s committed to the job creation and development occurring that is good for the state, we have help. I don’t think we ever felt like we were in the driver’s seat.”

The four-lane expansion project of U.S. 67 from Poplar Bluff to Fredericktown is slated for early completion at the end of the summer. Shelby Road, a collaborative effort by local businessman Paul Duckett and the City of Poplar connecting Highway 67 to Route PP, was opened for traffic in November.

“Our city is driven by sales tax dollars, and instead of having to be reactive, we’ve been able to be proactive in our budgetary planning,” stated Tracy Edington, Poplar Bluff mayor. Before Eight Points was in the picture, he noted, the city had set aside funds to four-lane Oak Grove Road.

“We jumped through all the hoops to spur development of the property, and it’ll go. These things take time whenever you have folks coming in and committing a lot of resources,” said councilman of nine years, Loyd Matthews. “Evidently, Poplar Bluff Regional got a better deal on PP Highway, and that’s just part of the free enterprise system.”

Steve Halter, president of the Greater Poplar Bluff Area Chamber of Commerce, pointed out that K2 first began studying the economy of Poplar Bluff in 2008, and that is a “lot of time invested to let one change deter the vision.”

K2 maintains options on 37 pieces of property on which the developers have been in discussions to bring retail, hotels, restaurants, a bank and a senior living center or multi-family development, and to create more than 1,000 new jobs, according to Kiser. He said he expects commitments from three major retailers by the end of the summer.

A medical facility was not initially part of the plan, according to Kiser, but as K2 learned the needs of the community from leaders, the direction changed. Job creation could not be directly related to retail development projects with MoDOT’s cost share, so the EEZ was pushed to assist a hospital operator in driving down the long-term cost, Kiser explained.

In return for the tax abatement, Kiser continued, the community would secure infrastructure that is addressed in the city’s comprehensive plan while also eliminating the school districts’ safety concerns at the 5th and 6th Grade Center and Oak Grove Elementary.

“K2 Commercial Group and Ryan Kiser were not ‘locals’ when they arrived here in Poplar Bluff but they have in the last eighteen months become so,” said Vicki Henderson, owner of RE/MAX Real Estate Group. “They saw something in our community that apparently we locals had not yet seen. That is, after all, their jobs.”

With PBRMC’s decision to not be a part of Eight Points, “the door is now open for the return of competition in the medical services [provided] in our community,” Henderson added.

“If we look at history prior to 1999, Poplar Bluff enjoyed two competing hospitals which provided an atmosphere of strong competition for quality, cost and service,” Kiser said, referring to Doctor’s Regional Medical Center and Lucy Lee before they consolidated into one inpatient operation. “Due to the astonishing community leakage to Cape, St. Louis, northern Arkansas and Paducah to address their health care needs, the community’s voice has been heard loud and clear and they don’t want health care standards to be set by a single provider.”

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