



M. JODI RELL
GOVERNOR

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL
COMMISSIONER

March 12, 2008

John Gleckler
Chief Finance Officer
St. Vincent's Development, Inc.
2800 Main Street
Bridgeport, CT 06606

Re: CON Determination Request; Report Number: 08-31106-DTR
St. Vincent's Development, Inc.
Real Estate Acquisitions in Bridgeport

Dear Mr. Gleckler

On February 14, 2008, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") determination request on behalf of St. Vincent's Development, Inc., for the acquisition of property in Bridgeport. OHCA has reviewed your request and makes the following findings:

1. St. Vincent's Development, Inc. ("Petitioner"), is a Connecticut not-for-profit corporation. The Petitioner operates to own real estate and related personal property and to support the mission of St. Vincent's Health Service Corporation.
2. St. Vincent's Health Service Corporation is the parent corporation St. Vincent's Medical Center, St. Vincent's Special Needs, Hall-Brooke Hospital and St. Vincent's College.
3. The Petitioner is not licensed by the Department of Public Health, does not provide any health care services and is not involved in the clinical operations of any entities in the St. Vincent's Health System.

4. The Petitioner is proposing to acquire properties in Bridgeport, Connecticut.
5. The properties include a medical office building located at 2660 Main Street, Bridgeport ("Medical Office Building") and three buildings on Anson Street, Bridgeport. All of the properties are located near St. Vincent's Medical Center ("Medical Center").
6. Each of the properties are owned by Main Street Center Partnership ("Seller"), a private Connecticut general partnership, not affiliated with the Medical Center or any other member of the St. Vincent's Health System.
7. Currently, a number of physicians rent space in the Medical Office Building. The Petitioner believes that maintaining a medical office building near the Medical Center would benefit the community and the medical staff at the Medical Center.
8. The Petitioner intends to make other use of the three remaining properties, either as investments or for support office space.
9. The proposed transaction does not involve any plan for the Petitioner or the Medical Center to offer any new or additional clinical services in the Medical Office Building.
10. In order to minimize capital expenditures associated with the transaction, the Petitioner will exchange an office property it owns located at 2909-2921 Main Street in Stratford for the Medical Office Building.
11. The balance of the purchase price for the Medical Office Building and the other structures will be paid in cash.
12. The Stratford property has been valued at \$4,550,000.
13. The total value for all the properties being transferred to the Petitioner is \$8,600,000, excluding \$100,000 in incidental closing costs.
14. The difference in the value of the property to be sold and the value of the properties to be acquired results in balance of \$4,150,000 in cash payments to be made by the Petitioner for all properties.
15. An adjustment of \$1,155,000 for the three buildings on Anson Street results in a cash balance of \$2,995,000. The \$2,995,000 balance is the cash capital expenditure to be made for the Medical Office Building.
16. The transaction will have no impact on any clinical service or operation of the Medical Center.

17. The property transaction is schedule to close prior to the end of March 2008.

Based on these findings, OHCA has determined that Certificate of Need approval is not required for you to proceed with the proposed transaction, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes, as no new services are being proposed and the capital expenditure is below the \$3,000,000 Certificate of Need statutory threshold.

Please be advised, in the future, if there is a proposal to implement health services or a capital expenditure above \$3,000,000 to be incurred, the Petitioner is required to seek further approval from OHCA.

Thank you for keeping OHCA informed of your plans regarding this proposal. If you have any questions regarding this letter, please contact Jack A. Huber, Health Care Analyst, Certification, Financial Analysis and Forecasting, at (860) 418-7034.

Sincerely,

Signed by Commissioner Vogel on March 12, 2008

Cristine A. Vogel
Commissioner

C: Rose McLellan, Licensing Examination Assistant, DHSR, DPH

CAV: jah