

1 **A RESOLUTION OF THE FULTON COUNTY BOARD OF COMMISSIONERS TO**
2 **PROVIDE FUNDING FOR A FREESTANDING EMERGENCY DEPARTMENT IN THE**
3 **SOUTH FULTON AREA TO BE CONSTRUCTED AND OPERATED BY THE GRADY**
4 **HEALTHCARE CORPORATION THROUGH THE ISSUANCE OF BONDS VIA THE**
5 **FULTON-DEKALB HOSPITAL AUTHORITY; AND FOR OTHER PURPOSES.**

6
7 **WHEREAS**, the Fulton County Board of Commissioners has authority, pursuant to
8 the Constitution of the State of Georgia, Article 9, Sec. 2 ¶ 1(a), to adopt and amend
9 reasonable ordinances, resolutions, or regulations relating to its affairs for which no
10 provision has been made by general law and which is not inconsistent with the Georgia
11 Constitution or any local law applicable thereto; and

12 **WHEREAS**, the Fulton-Dekalb Hospital Authority ("FDHA") was created in 1941 to
13 address the medical needs of residents and the acquisition and construction of hospital
14 facilities to serve those residents; and

15 **WHEREAS**, FDHA achieves a great deal of its mission through the ownership and
16 funding of properties and assets that support the Grady Memorial Hospital Corporation
17 ("Grady") and its suite of health care programs; and

18 **WHEREAS**, the residents of South Fulton currently experience a gap in
19 emergency department services, with the nearest emergency department being located
20 twenty to forty minutes from where they live; and

21 **WHEREAS**, it is often critical to receive emergency care right away, and the
22 locating of an emergency department in South Fulton could significantly reduce this travel
23 time and provide emergency services to more than 360,000 residents who would then be
24 within only about ten miles of the facility; and

1 **WHEREAS**, Grady has committed to additional investments of two new outpatient
2 service facilities in the South Fulton area and desires to enhance the services in the area
3 further to handle an estimated 24,000 emergency department visits per year; and

4 **WHEREAS**, Grady has estimated that its capital costs for a freestanding South
5 Fulton emergency department will total approximately \$38 million; and

6 **WHEREAS**, Fulton County desires to contribute half of the capital cost to allow
7 Grady to move forward with establishing the freestanding South Fulton emergency
8 department; and

9 **WHEREAS**, Fulton County is empowered and desires to seek the issuance of
10 bonds through the FDHA to support these capital needs and to pay the annual debt
11 service on the bonds; and

12 **WHEREAS**, Fulton County may accomplish this support in a revenue neutral
13 manner through the reprogramming of a portion of contingency funds currently reserved
14 in the budget for behavioral health because \$9.4 million in state funding was appropriated
15 for behavioral health crisis center operating costs; and

16 **WHEREAS**, the Board of Commissioners finds it to be in the best interest and
17 welfare of its citizens to fund and support Grady's establishment of the freestanding South
18 Fulton emergency department.

19 **NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners
20 supports the establishment and funding of the freestanding South Fulton emergency
21 department.

22 **BE IT FURTHER RESOLVED** that the Board of Commissioners directs the Office
23 of the Fulton County Manager and the Finance Department to undertake all administrative

processes required to conduct a \$19 million bond issuance with a fifteen (15) year
payback period through the FDHA.

BE IT FURTHER RESOLVED that the contingency funds budgeted for annual
behavioral health operations shall be reduced from \$2.5 million to \$800,000.00, and that
the \$1.7 million deduction from that original amount created by this action shall be set
aside for the purpose of satisfying the annual debt service on the bond issuance.

BE IT FINALLY RESOLVED that this Resolution shall become effective upon its
adoption, and that all resolutions and parts of resolutions in conflict with this Resolution
are hereby repealed to the extent of the conflict.

SO PASSED AND ADOPTED, this 10th day of July, 2024.

**FULTON COUNTY BOARD OF
COMMISSIONERS**

Sponsored by:

Robert L. Pitts, Chairman (At-Large)

ATTEST:

Tonya R. Grier, Clerk to the Commission



APPROVED AS TO FORM:

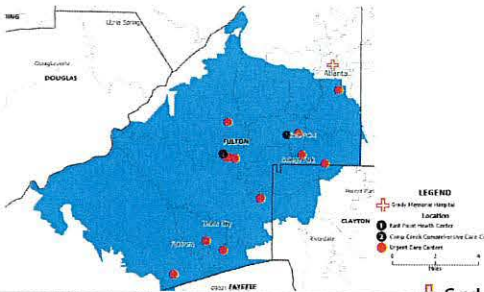
Y. Soo Jo, County Attorney



Why a Freestanding ED?

Freestanding ED	Community	Grady
➤ The freestanding emergency department provides the next level of care beyond primary care and urgent care • Addresses community need – gap in access • Provides basis for system growth • Creates foundation for downstream growth to the health system	➤ The community has urgent care, but needs access to true emergency services (shouldn't have to drive downtown) • Expansion of pediatric services is a huge need (families currently must drive to Hughes Spalding or further) • Mental health is a big need – including crisis intervention services • Real-time access to social services • Consider mobile integrated health care (visit patients after they are released from the hospital or FSED) ➤ Survey feedback • 67% would support a new, local Grady location. • 72% would be likely to use it. • 63% would support an elected official who supported Grady bringing a new service location to the neighborhood.	➤ Grady has already committed to additional investment in the South Fulton market with the expansion of two new outpatient access points. Investing in a new FSED will further establish a footprint in the market. ➤ Grady is known for emergency care and our mission build a healthier community. ➤ There are 360,000+ residents in the defined service area of nine zip codes (radius of ~10 miles). This population is expected to continue to increase at over 1% per year to over 380,000 by 2028. ➤ The nearest Emergency Room access points are 20 to 40 minutes away depending on where individuals live within the South Fulton market. Most travel north towards downtown or midtown. ➤ 8 of the 10 top ZIP codes in terms of ED visit volume in Fulton County originate from this market (over 100,000 annual visits in total) – suggesting demand for a freestanding ED.

Urgent Care Centers



Services

Category	Assumption
Total Capacity	16 Bays (12 adult, 4 pediatrics)
Volume estimates	Initially 24,000 visits per year
Jobs	Estimates of approximately 90 FTEs
Services	Emergency services and wrap around support
Connectivity to Grady	Ambulance stationed at the FSED for transfers; helipad planning on the site
Future planning	Observation, outpatient clinics, acute care hospital

Financial Analysis

Original Cost Assumptions

Fiscal Year	Expenses	Cost
FY25/26	Construction Cost	\$12,250,000
FY26	Fixed Equipment	\$3,900,000
FY26	Moveable Equipment	\$925,000
FY26	Other	\$50,000
	Subtotal	\$17,125,000
FY24	Contingency	\$2,000,000
FY24	Architect Fees	\$1,200,000
FY24	Site Cost	\$15,000,000
FY24/25	Site Prep/Due Diligence	\$2,200,000
FY24	Other	\$750,000
	Subtotal	\$21,150,000
FY24/25/26	Admin & Legal Fees	\$325,000
FY24	CON Prep	\$50,000
	Subtotal	\$375,000
	Total	\$38,650,000

Note: These costs and square footage do not consider observation beds.

- With further study of the community's needs and additional input from our clinical teams, we have added observation beds, a community room and additional clinical support spaces for growth.
- Financial projections show a positive operating margin and free cash flow, totaling \$15.2 million over the first 5 years.

Financial Projections

Margins & FCF	2027	2028	2029	2030	2031	2032
Oper. Margin	\$1,246,371	\$1,369,961	\$1,507,556	\$1,645,036	\$1,782,401	\$1,919,647
EBIDA	\$1,246,371	\$2,511,628	\$2,649,222	\$2,786,703	\$2,924,068	\$3,061,314
CAPX	\$0	\$0	\$0	\$0	\$0	\$0
FCF	\$1,246,371	\$2,511,628	\$2,649,222	\$2,786,703	\$2,924,068	\$3,061,314

Sum of operating cash flows '27 to '32 = \$15.2M

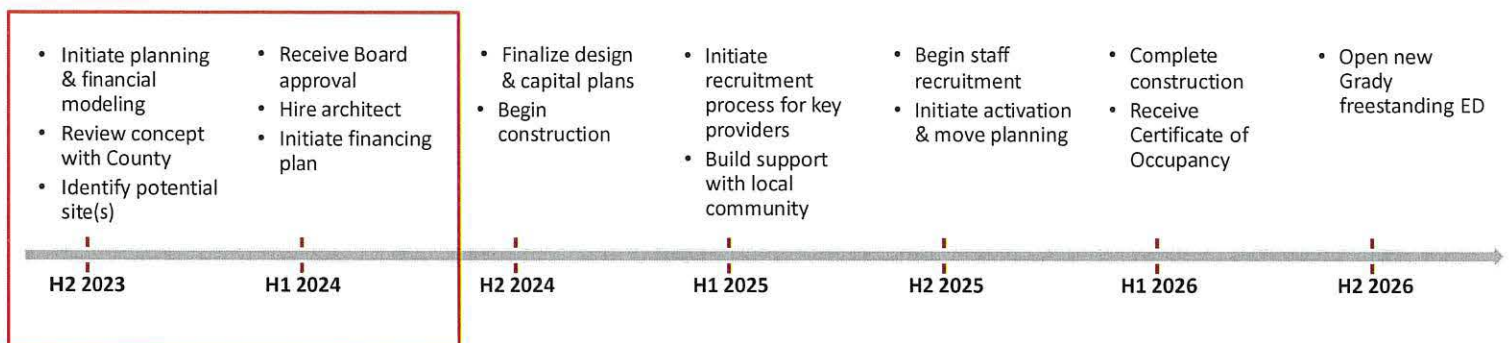


Source: Construction Cost/SF and Site Cost provided by Grady; Other Costs based upon WHA market research

DRAFT – Confidential & Proprietary

South Fulton: Potential FSED Timeline

- Grady's current campus is site-constrained and access to emergency care has been limited in south Fulton. A campus in south Fulton would provide better access to an underserved market and help decant some of the congestion on the main campus.
 - Opening a freestanding ED on the future site could serve as the initial "building block" for future development.



Potential Benefits to all Stakeholders



Benefits for South Fulton Patients/Families	Benefits for the City/County	Benefits for Grady
➤ Bring emergency services – adult and pediatric – closer to the community and reduce the current 25+ minute drive to the closest ED ➤ Provide access to emergency, crisis intervention and select diagnostic services in a facility that is custom-built for the community's needs ➤ Enhance clinical outcomes by providing life-saving care more quickly to community residents, with a streamlined transfer model to get patients to Grady when needed	➤ Create access to high-quality healthcare in a community that is devoid of choices ➤ Support facility that directly meets the needs of the community ➤ Improves emergency care wait times across the region by increasing the number of available emergency room bays ➤ A new healthcare “center of gravity” in south Fulton would create new jobs and serve as an economic driver for that community ➤ The new campus could eventually grow into a more meaningful ambulatory and inpatient destination, so fewer residents have to leave the market for care	➤ Allows Grady to extend its footprint to south Fulton County and expand its patient base ➤ Augments the investments that Grady is making in expanding ambulatory access in the region ➤ Strengthens Grady's access in a community that is growing and aging ➤ Shifts some of the patient volume originating from south Fulton out of Grady's ED and beds, which creates capacity for backfill

How Fulton May Choose to Fund

- Issue bonds through Fulton Dekalb Hospital Authority
- \$19m with a 15 year payback
- Estimated annual debt service of \$1.7m
- Redirect a portion of the \$2.5m originally reserved for BHCC operating contingency and agree to operate the facility within the state funding provided.