



PROPOSED BOND MEASURE -NEHALEM BAY HEALTH DISTRICT

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Improving health care close to home, providing long-term senior care options, creating a path for essential worker housing

Frequently Asked Questions and Answers

Tillamook County Ballot Measure #29-175

If the bond measure passes what is the Nehalem Bay Health District proposing to do?

The District's strategy has three objectives, fundamentally aimed at enhancing the well-being of the overall community by improving health and senior care and supporting health care workers. To better fulfill that mission, the District is proposing to:

- Construct a new, modern health center and pharmacy, replacing an outdated building with one large enough to offer specialty and dental care
- Make major renovations and modernizations to the 40-year old Nehalem Valley Care Center, one of the few skilled nursing facilities on the Oregon coast
- Demolish the old hospital building and associated environmental cleanup. This site preparation is a critical step in developing workforce housing, on District land, primarily geared for health care workers and other essential workers in our community

Why is the District proposing a new health center and pharmacy?

If the measure passes, a new, larger, modern facility would provide more health care services and options close to home and available to everyone.

The current [Nehalem Bay Health Center and Pharmacy](#) (formally the Rinehart Clinic) has outgrown its current building. The existing clinic was constructed in the early 1980s. Exam rooms and staff space are limited. Pharmacy space is cramped.

A new health center and pharmacy would double the size of the existing facility, create more exam rooms, expand the pharmacy, and creating the space necessary to offer additional medical care like dental, pediatric, geriatrics medicine and other specialty health care services.

And the new health center will be in a more visible and convenient location along Highway 101 and more accessible to the community.

What is planned for the existing skilled nursing facility, the Nehalem Valley Care Center?

If passed revenue from the proposed bond measure would support extensive renovation and modernization of the 40-year old building housing the Nehalem Valley [Care Center](#), a licensed 50-bed skilled nursing facility. Planned renovations include updates of patient rooms, common areas, fire/safety and mechanical systems, as well as kitchen modernization. The district is also exploring reconfiguration of a portion of the facility to offer memory care services currently not available in the community.

Is worker housing part of the plan?

If the measure passes, The District's strategy is to use a portion of the bond revenue to undertake site preparation work related to the old hospital building, a necessary step toward repurposing property for workforce housing,

particularly housing for health care workers. Any housing will reflect community values, including zoning and density requirements. The District intends, once site preparation is complete, to partner with a private or non-profit housing developer to undertake the housing component of the overall plan.

If passed, what would be the overall price tag of the projects?

Construction/site development

- Construction of the health center/pharmacy, including soft costs (permitting, design, construction management and contingency) is estimated at \$12.2 million
- Renovation and modernization of the Care Center at an estimated cost of \$2.3 million
- Demolition of the old hospital and related site preparation is estimated at \$1 million

Pre-development costs (already paid by the District)

- Land purchase cost: \$266,000 (completed in 2021)
- Environmental studies, archeological evaluation, surveys, site planning and schematic design: \$106,000 (approximately \$45,000 of this total was paid through CARES Tillamook and Business Oregon grants).
- **Total:** \$15.8 million

If the measure passes, how will the project be paid for?

The District secured [\\$3 million in federal funding](#) supported by the Oregon congressional delegation (thanks to Senators Merkley and Wyden), as well as a \$512,000 federal grant from Health Resources and Services Administration (HRSA) to the Nehalem Bay Health Center that will help support construction and equipment needs. Voters will have the opportunity to vote on the measure in May 2023 which includes a \$10.25 million general obligation bond. At the same time, the District is actively seeking additional state of Oregon, foundation and private funding for the projects, as well.

If passed, how would this project affect my property taxes?

If voters pass the bond measure to finance a portion of the project costs, bonds would mature in 26 years or less from the date of issuance and may be issued in one or more series. The annual average tax rate is estimated to be \$0.37 per \$1,000 of taxable assessed property value. For illustration, a property with an assessed value of \$300,000, and an annual average tax rate of \$0.37 per \$1000 of assessed value, may experience an increased tax of \$170.00 annually, or approximately \$0.46 per day. Actual rates may vary based upon interest rates incurred and changes in assessed value. The projected tax cost for the measure is an estimate only, based on the best information available from the county assessor at the time of the estimate.

Depending upon state, foundation and other funding opportunities, the District may not need to issue the full \$10.25 million amount requested in the bond measure.

If passed, what would be the economic impacts for the community?

The proposed project would help preserve 75 to 80 current local health care related jobs at the Care Center and current clinic. Expanded and improved facilities can also lead to additional employment opportunities, a situation aided by the recent development of a nursing education program at [Tillamook Bay Community College](#). The Care Center is also developing onsite training for certified nursing assistants.

How do we know local residents would use the new facility?

We know that many north county residents travel, sometimes substantial distances, for health care services. A modern, expanded health center able to offer more services and accommodate more patients will, at a minimum, give local residents more health care options.

In a survey the health district commissioned in 2019 community members were asked: “Would you consider accessing more of your health care services [through a health district location] if additional services were available to you?”

Eighty-three percent of respondents said either “yes” or “maybe” and only 11 percent said “no.”

If passed, where would the new health center and pharmacy be located?

The health center and pharmacy would be located on a 1.3 acre site in Wheeler, adjacent to Highway 101 and Hospital Road. The site is owned by the Nehalem Bay Health District. The property is zoned to permit the construction of the new facility and will provide the parking required by the city. The site is outside the tsunami inundation zone.

If passed, how would the facilities be operated after construction and renovation?

Much as they have operated for many years. The District would continue to own the facilities and would partner with the non-profit Nehalem Bay Health Center and Pharmacy, a federally qualified health center that operates the clinic and currently leases the building from the District. The District envisions either a lease or a management agreement with a qualified nursing home manager to operate the Care Center.

What happens if the bond measure does not pass?

The proposed projects would not be completed, and property taxes would not be increased.

What is the history of the Health District?

The District, defined under Oregon law as a “[special district](#)” was created many years ago and over time came to own the old Wheeler hospital, the Care Center senior nursing facility and the clinic building. All the buildings sit on the District’s approximately 5 acre property in Wheeler. In 2021, the District purchased, using reserve funds, a 1.3 acre lot in Wheeler as the proposed site of the new health center. Under Oregon law, [health districts have broad authority](#) to offer services that address public health needs. The District is governed by a five person elected board and has a part-time employee who serves as the District’s CEO.

Why doesn’t the District pay for this project proposal from its own funds?

The Nehalem Bay District is the smallest health district in Oregon (in population and budget) and is funded by approximately \$45,000 in annual property tax support, approximately \$10,000 in timber tax revenue, approximately \$160,000 in lease and rental income, and modest interest income totaling approximately \$215,000 annually. This budget covers administrative, maintenance, insurance and capital costs. The District does not have financial resources or reserves to fund the project.

The District has not received property tax funding beyond its annual levy since the early 1980s.

What type of work has been done to prepare for the projects?

The District, with the help of a team from Portland State University and after considerable public outreach and engagement, created a five-year strategic plan that was approved by the board in 2019. The plan is available at the District’s [website](#).

Essentially the plan positions the District as a collaborator/partner with direct providers of health care and related services. The plan also called for the development of strategies to strengthen local primary health care, strengthen existing program (such as the Care Center) and devise approaches to address the chronic and increasing critical shortage of available housing, particularly for health care workers.

As a result of the strategic plan, the District partnered with [CARE Tillamook](#) – CARE provided a \$40,000 grant to the District – to do site evaluation and preliminary planning, including analysis of the property on Highway 101 in Wheeler. The District next employed an architecture firm to do next level site planning, scoping work for a new health center/pharmacy and assessment of housing options.

Geotechnical and environmental assessments were undertaken at the proposed health center site, as well as an archeological assessment supervised by the state of Oregon. All these studies indicated the site was suitable for construction of a new health center, and the District purchased the property. Architects next produced a site plan and parking layout, and in late 2022 completed a detailed schematic design of the health center and pharmacy. The architect firm next commissioned detailed construction cost estimates.

Early in 2022, the District applied through the office of [Oregon Sen. Jeff Merkley](#), for Congressionally Directed Funding, in the amount of \$3 million to support construction of the health center/pharmacy. That request was included in the omnibus spending bill that [passed Congress and was signed by the president](#) in December 2022.

Also, during 2022, a detailed capital budget and maintenance plan was developed for the Care Center, and preliminary site planning for housing was undertaken.

If the measure passes, what would happen to the North County Food Bank?

The North County Food Bank has been housed for some time in the old hospital building. The District and the non-profit Food Bank board are discussing how best to continue providing Food Bank services.

If passed, is there an estimate as to when construction and renovation could begin?

Assuming the bond measure passes in May and bond issuance occurs in late summer, construction on the health center/pharmacy could begin in the second quarter of 2024. Care Center renovations could commence once bonds have been sold.

Who has advised the District on bonding, construction, etc.?

The District retained as bond counsel the law firm [Orrick, Herrington and Sutcliffe](#), the firm's Portland office has vast experience in public financing, including extensive experience with health care facilities and housing.

The District is also working with David Ulbricht, the director of [advisory services](#) for the Special District Association of Oregon, who is generally regarded as a pre-eminent Oregon expert on municipal financing. The District has also utilized the experience of [Eileen Eakins](#), it's general counsel, who is a top advisor to many Oregon special districts.

Site planning for the health center and pharmacy, as well as schematic design and construction cost estimates have been developed by the architectural firm of [Scott Edwards](#) in Portland, also a firm that has extensive health care and housing experience.
