TOPIC FOR TUESDAY, OCTOBER 8, 2019:

What’s the latest on the construction of the new medical center? Is there a “budget shortfall” of $100 million? And, is there still a possibility that it can be built on the St. Luke’s Campus instead of the Downtown Utica location?

The fencing to encompass the construction site for the new medical center is being delivered shortly and will be put up around the entire footprint. A very visible sign of progress! A comprehensive plan has been developed to communicate all changes that will be occurring (e.g., road closures and timing) throughout the construction process in order to keep those living and working in the Downtown area informed.

There continues to be confusion about the revised budget estimate for the MVHS Regional Medical Center and the financing for the new location. Here is a brief explanation we have shared in recent Mohawk Valley Health System (MVHS) communication.

The initial budget estimate was done four years ago in 2015. Now that we are four years into the project and know what the design and layout of the new medical center will be, we can more accurately determine the actual cost of the project, which will be approximately $548 million. We secured financing for the medical center many months ago and are now finalizing the terms – there is no financial shortfall. MVHS is receiving $300 million through a New York State grant, raising $30 million through philanthropy and financing $270 million (similar to how you take out a mortgage for your own home). If you add up all of these numbers, it comes to $600 million while our budget is $548 million. Why is that? It’s because our financing also includes the cost of implementing Epic, our new electronic health record system, and the financing costs associated with borrowing money.

Building a new regional medical center at the St. Luke’s Campus is not an option and hasn’t been for quite some time. The new regional medical center will be built in Downtown Utica – and this will be very visible within the next week as the construction fence is built and abatement of the existing buildings begins.