



COUNTY COUNCIL OF TALBOT COUNTY

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March 19, 2007

Joseph P. Ross, Pres. & CEO
Shore Health Systems, Inc.
219 S. Washington St
Easton, MD 21601

COPY

Dear Mr. Ross:

This is a follow up to discussions you had with Councilman Peter Carroll on Tuesday 13th March concerning relocation of the Easton Memorial Hospital to a site owned by Talbot County adjacent to the Community Center just north of Easton. I've enclosed a map of the site. The total area would be approximately 90 acres with a proposed lot line adjustment, as shown; it will have substantial road frontage on both US Route 50 and Maryland Route 662.

Location. This location has a number of positives. It is centrally located but without the traffic problems typically associated with prime locations. It is only 7.6 miles from the intersection of US Rt. 50 and 404, providing ready access to central and western Queen Anne's County. It is also just north of the intersection of US Rt. 50 and Md. Rt. 309 (Cordova Road), with direct access only 8.2 miles from northern Caroline County and eastern Queen Anne's County. It is less than 10 miles from the Caroline County border on Md. Rt. 328 (Matthewstown Road), the most direct route from Denton and central Caroline County. Southern Caroline County will use Md. Rt. 331 to Black Dog Alley. All emergency vehicles from Caroline and eastern Talbot would turn north on Black Dog Alley and avoid Easton traffic altogether. Parenthetically, the County is currently widening Black Dog Alley between Rt. 338 and Chapel Road. Easton residents as well as those that live in the western neck areas could get to the new hospital without having to travel on US Rt. 50 by going the back way along Rt. 662, past Chesapeake Publishing and the MVA, but could also use US Rt. 50 if they chose. Dorchester and south Talbot would be served by US Rt. 50, also currently being widened through the Town of Easton. Substantial road frontage and a dynamic new campus on US Rt. 50 at this location would make the new facility highly visible, easy to find, and clearly memorable to hundreds of thousands and ultimately millions of highway users.

Infrastructure. The existing road network provides easy, central access. Any highway, cross-over, or intersection improvements would be directly related to hospital access to the site and the increased traffic associated with the hospital itself. There would be no spill-over, unrelated traffic problems the hospital would inherit from surrounding businesses or local traffic. The US Rt. 50/Md.Rt. 309 intersection brings all State and County roads mentioned above together and is already signalized. Improvements to the US Rt. 50/Md. Rt. 309 intersection, if any were required or desired, would be coordinated between the State Highway Administration and the County.

Water and sewer are essential and expensive to design, permit, and construct for a stand-alone system required if the hospital were to move to Md. Rt. 404. Proximity to Easton would allow the hospital to tie into Easton's existing water and sewer system at a fraction of the cost, in coordination with Easton, of course. Assuming Town approval, tie-in might occur in several different ways, by extension of water and sewer outside the Town boundaries, or by the County purchasing capacity and making it available to the hospital and adjacent Talbot County Community Center, which is currently on well and septic. The County doesn't speak for the Town or Easton Utilities on this issue, but the County has had brief discussions with Easton Utilities concerning similar projects in the past so we believe we can work cooperatively with the hospital, Easton Utilities and the Town in any process considered mutually advantageous.

Airport. This site's proximity to the airport provides unique advantages that the hospital's long-range, strategic planners may want to consider. This airport is already the second busiest in the State of Maryland, behind BWI. Current plans call for extension of its runway to allow non-stop, direct flights to Europe and beyond and installation of the latest all weather landing systems so we will have unencumbered operating capability.

Transportation. Public transportation would be provided by regularly-scheduled bus service to and from downtown Easton, coordinated with existing bus schedules to other parts of the County and beyond. The County provides funding for bus transportation, participates in strategic planning, and would certainly do everything within its power to insure that a regional medical facility at this site would have an adequate public transportation network to fulfill employees' and patients' needs for public transportation.

Physician attraction and retention. The County could apply for grants and low-interest loans for capital acquisition and infrastructure improvements to construct a state-of-the-art medical office complex adjacent to the hospital site. These lower capital costs would boost economic opportunities for physicians and physician groups. These facilities and economic opportunities would present an attractive package, coupled with the attractive Eastern-shore lifestyle, great selection of beautiful waterfront properties, good schools, water-sports, golf, performing arts, excellent public-safety, and other recreational and dining amenities that make this area very attractive.

Terms. The County proposes to make this parcel available to SHS for a new hospital without charge for as long as SHS operates that hospital on that site. Should the hospital be closed or move, the County may require the land returned in its original condition or that it be purchased at the prevailing market value. Further the County will make sewer and water available to the property line, minimizing connection costs.

This site without any financial incentives from the County has great merit based on its size, location, available infrastructure, emergency access, visibility, convenience, and existing lack of traffic and other congestion.

The County and all our citizens need the hospital to stay in the immediate Easton area. Clearly, the Town of Easton is of the same mind. This proposal is our offer to make this happen. So the County wants to clearly provide you and the Board of Directors of Shore Health Systems, Inc., and the Board of the University of Maryland Medical Systems Corporation with its sense of why this issue is so important to this community.

Every community is composed of many integral parts and ours is no different. Ideally, each contributes to the public well-being so that, in the final tally, the sum of the whole is greater than its parts. Clearly the contribution of Easton Memorial Hospital to this community has been, and continues to be, much more than simply an ordinary or replaceable integral part. Its presence makes this community much greater *as a whole*. The hospital is where most of the members of this community and their children and grandchildren have been and are born, their health restored when ill, and, at the end, where life passes on. As a community, we are fortunate to have had community forbearers, dedicated hospital leadership, healthcare professionals, philanthropists, and community leaders with the foresight and the commitment necessary to create and develop such a fine hospital.

But while health care is obviously the hospital's primary mission, the hospital is also the central and dominant force in this community's economic life. The \$180 million gross annual revenue generated by the hospital is the key to the economic engine driving this community's economic health. Consequently, loss of the hospital will have extremely depressing and harmful economic effects on Easton's and Talbot County's economy.

Talbot County certainly recognizes the prerogatives of the Boards of Directors, both at Shore Health Systems, Inc., and at the University of Maryland Medical Systems Corporation, to pursue what is best for the continued growth and success of the hospital. In moving forward the County clearly understands that your and both Boards' leadership has been and will be central to the hospital's continued success. The County looks forward to becoming an integral partner in developing a win-win solution for the hospital and for the community by providing a new home for the hospital for the next 100 years as the community has for the last.

Joseph P. Ross, Pres.& CEO
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As stated above, this is a critical issue to all County citizens and we look forward to your prompt review and response.

TALBOT COUNTY, MARYLAND

Thomas G. Duncan

By: Thomas G. Duncan, Pres.
Talbot County Council

TGD/ppc