
DELIVERED ELECTRONICALLY

February 24, 2022

Eric Miller, SVP and General Counsel
The University of Vermont Health Network
462 Shelburne, Road, Suite 301
Burlington, VT 05401

RE: Docket No. GMCB-004-22con, University of Vermont Medical Center Employee Housing Development.

Dear Mr. Miller:

Thank you for your letter dated February 14, 2022, requesting a jurisdictional determination for the development of employee housing.

Your letter states that seeing an innovative opportunity to make affordable housing available to its employees, UVMMC has been negotiating a possible arrangement with a developer. The goals of the arrangement are to ensure availability of apartments to members of UVMMC's workforce, often at discount, and in a manner that is at least cost neutral to UVMMC. UVMMC would either directly or through one of its corporate affiliates, make an up-front capital investment of less than \$3,000,000 in the project through the purchase of a passive equity interest in a new corporate entity formed and managed by the developer to construct and own the proposed apartment building. The developer would own 51% of the new entity and actively manage all of its affairs and operations. Additionally, the new corporate entity would borrow the additional capital to construct the apartment building and UVMMC would not be responsible for that debt or those expenditures, which would be borne by the developer. The developer would bear the responsibility to apply for, negotiate and finalize the financing arrangements and may be required to guarantee the debt. UVMMC will not guarantee the debt and will not be responsible for any additional capital costs, including construction cost overruns. The developer will oversee and manage the construction of the apartment building. UVMMC would enter into a ten-year master lease agreement of the apartment building to ensure that employees have first option to rent the apartments.

Based on the representations contained in your letter, the project is not subject to certificate of need (CON) review under 18 V.S.A. § 9434(b)(1) at this time.



As you proceed with developing and implementing this project, if there are any changes in type, scope, arrangements, or cost of the project (including, but not limited to, changes in annual capital and/or operating expenses), please contact the Board immediately so we may determine whether any further process is necessary. Failure to do so as required by Green Mountain Care Board Rule 4.301(4) may result in sanctions, as specified in 8 V.S.A. § 9445.

If you have further questions, please do not hesitate to contact me at 802-760-8162.

Sincerely,

s/ Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board

cc. Laura Beliveau
Staff Attorney

