
DELIVERED ELECTRONICALLY

May 25, 2023

Mr. Douglas DiVello, President and CEO
Grace Cottage Family Health and Hospital
P.O. Box 216
185 Grafton Rd.
Townshend, VT 05353

RE: Docket No. GMCB-003-23con, Construction of a New Primary Care Practice Building and Demolition of the Stratton House/North Clinic Building, Project Cost: \$19,152,993.

Dear Mr. DiVello:

Thank you for your responses to the first set of questions. Please respond to the following:

1. Explain in more detail the extent to which you explored other options including renovating existing space or a combination of renovation and new construction; the cost associated with each option explored; and reasons why each option explored was not selected.
2. The total cost of the project is \$19,152,993 with \$4,152,993 from financing and \$15 million derived from “potential” fundraising and grant writing sources from eight sources listed in Appendix B of your response to Q001. The fundraising goals and dollar amounts received in past years have been \$1.9 million or less. If your fundraising meets projections, explain in detail how soliciting significant donations for this project will impact your ability to fundraise in future years to cover any deficits in annual operating expenses and the impact on potential future rate increase requests if you are not able to cover annual operating expenses through fundraising.
3. The \$15 million in fundraising and grant writing for this single project is a large amount relative to the total project cost. In your response to question 4 in the first set of questions, you state that 75% of the budget will be raised prior to starting construction in early 2024. Regarding the \$7,665,000 in individual donations, provide the actual dollars pledged to date (specify date), actual dollars received to date (specify date). Also provide



a timeline showing the projected dollars to be received from: 1) fundraising and 2) grant writing month by month for 2023-2024.

4. In a table format, list each of the eight sources of potential funding for the proposed project shown in Appendix B in response to Q001, and the month and year when you expect to receive notice regarding your request for funds, and your contingency plan for covering each if one or more is not successfully met.
5. Based on the fundraising table in Appendix A in response to Q001, in a table format for each year listed (2008-2022), specify the total amount raised, and of that, the amount used to cover operating expenses and the amount used for projects.
6. You stated that Grace Cottage is working with VT/NH USDA officials to ensure you are eligible to apply for a USDA loan. Provide details regarding when you began discussions with the VT/NH officials, what you have learned to date (specify date), and a timeline for applying for and securing USDA financing for this project, and where you are in that process.
7. Provide detailed information regarding the “federal appropriation” of \$1,500,000 reflected in the list of potential funding for the proposed project in Appendix B in your response to Q001.
8. Provide a much more detailed response to each section in Statutory Criteria 2 (a), (b)(i), (b)(ii), and (c).
9. Confirm whether the portion of the existing building you plan to demolish is on the National Register of Historic Places and/or the State Register of Historic Places.

In responding, restate the question in bold font and respond in unbolded font. Send an electronic copy to me at donna.jerry@vermont.gov and one hard copy (three-hole punched) with a Verification Under Oath to my attention at the Green Mountain Care Board, 144 State Street, Montpelier, Vermont 05633.

If you have any 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, GMCB

