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## **Staunton City Council authorizes a Memorandum of Understanding for the new Western State Hospital and redevelopment of the current hospital campus**

Since 2006, the Commonwealth of Virginia Department of Mental Health, Mental Retardation & Substance Abuse Services (DMHMRSAS) has planned to replace the Western State Hospital in Staunton. The General Assembly approved \$110+ million for the new hospital last year.

Governor Tim Kaine announced December 17, 2008 that the new hospital would be built on property within the City of Staunton's Virginia Crossroads Business Park. Construction will begin in late 2009 and is expected to take from 24 to 36 months. The Business Park is located at 310 National Avenue adjacent to the existing Western State Hospital property along Interstate 81 next to Staunton's eastern city limits.

The Staunton City Council tonight authorized City Manager Steve Owen to execute a Memorandum of Understanding with the Commonwealth of Virginia, subject to final modifications approved by the City Attorney, to outline the basic terms under which this cooperative effort between the state and the city will go forward. The parties to the MOU are the City of Staunton, the Staunton Industrial Development Authority, the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services, and the Virginia Department of General Services. The basic terms will be as follows:

1. The Staunton Industrial Development Authority will deed 70 acres of the property at 310 National Avenue to the DMHMRSAS for construction of the new Western State Hospital.
2. The DMHMRSAS will deed 266 acres of the existing Western State Hospital campus, excluding 31 acres occupied by the Commonwealth

Center for Children and Adolescents, to the Staunton Industrial Development Authority for future private redevelopment.

3. The Staunton Industrial Development Authority will lease back to DMHMRSAS the acreage required for operation of the existing Western State Hospital facility while construction of the new hospital takes place.
4. The City of Staunton will pledge \$15 million toward the construction costs of the new hospital.
5. The City's contribution toward the new hospital construction will be the last funds into the construction budget after the \$110+ million appropriated by the Virginia General Assembly for the project has been expended.

The City of Staunton anticipates that the City contribution to the construction costs will likely not be needed before 2011. The Staunton Industrial Development Authority has begun soliciting private development firms or consortiums of firms to act as the future master developer of the existing Western State Hospital campus. The Staunton Industrial Development Authority, working together with the City of Staunton, anticipates a mix of uses on the redeveloped hospital campus that may include offices, education facilities, retail, food services, lodging and entertainment. Proceeds from the future sale of the existing campus property for private redevelopment will be applied toward the \$15 million commitment from the City for construction of the new Western State Hospital.

The undeveloped land that is part of the existing Western State Hospital campus that is not needed for operation of the hospital while the new facility is constructed (about 150 acres) will be available for private development once all agreements are completed and the land transfers take place as Phase 1 of the private redevelopment of the property. The remaining area of the campus currently occupied by the existing hospital buildings (about 110 acres) will be available for development as Phase 2 once the new hospital is opened on the adjoining property.