

From: [Sylvester, Bryce](#)
To: [Milius, Katelyn](#)
Subject: FW: Surgical Development Partners - Letter of Intent - REPLY of 12-04-2015
Date: Friday, February 10, 2017 11:32:14 AM

Please send Frank Sossi the RFQ (email below). You can send him the same email you sent to our developer list

Thanks,
Bryce

From: Summers, Mike
Sent: Friday, February 10, 2017 11:20 AM
To: Sylvester, Bryce
Subject: FW: Surgical Development Partners - Letter of Intent - REPLY of 12-04-2015

From: Frank T. Sossi [<mailto:ftsossi@bmdllc.com>]
Sent: Friday, December 04, 2015 5:49 PM
To: Butler, Kevin; Alexander, Ed (alexander@surgicaldevelopmentpartners.com)
Cc: Summers, Mike; Madigan, Mary; Frank T. Sossi; Jack T. Diamond
Subject: RE: Surgical Development Partners - Letter of Intent - REPLY of 12-04-2015

SDP – LHA Letter of Intent
December 4, 2015

Mr. Butler:

Please see my reply in *Red italics below your comments*.

Please let us know if you would like to discuss the LOI or our responses.

Thanks,

Frank

Home	Bio	VCard
Frank T. Sossi Brennan, Manna & Diamond, LLC - Partner The Carnegie Building 75 E. Market St. Akron, Ohio 44308 Email: ftsossi@bmdllc.com - Fax: 330-253-1813 Direct Dial: (330) 253-5060 - Cell: 330-805-5812		
BRENNAN, MANNA & DIAMOND		

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From: Butler, Kevin [<mailto:Kevin.Butler@lakewoodoh.net>]
Sent: Friday, December 04, 2015 4:06 PM
To: Frank T. Sossi <ftsossi@bmdllc.com>
Cc: Summers, Mike <Mike.Summers@lakewoodoh.net>; Madigan, Mary <Mary.Madigan@lakewoodoh.net>
Subject: RE: Surgical Development Partners - Letter of Intent

Dear Mr. Sossi:

I and other city officials received your client's letter, dated November 30 and attached to your email below, regarding its stated interest in healthcare investments in Lakewood and Westlake. This letter responds on behalf of the city, its mayor and city council.

To begin, we find the timing of your client's letter alarming. After all, the city has been working on the future of healthcare in Lakewood for more than 11 months, undertaking hundreds of hours in due diligence, hosting dozens of community meetings, gathering the facts and hearing from our constituents and experts on the plan recommended to the city in January 2015.

We apologize for the timing. Our LOI for the Westlake Campus closely followed our becoming aware of the opportunity to acquire that facility on a separate basis. We also wanted to indicate in the LOI that if there was an interest by LHA or the City on potential alternatives for the main Campus in Lakewood remaining as a functioning hospital that we would also be available to discuss the possibilities.

In September, Lakewood City Council publicly voted to have me begin negotiations in earnest with the Lakewood Hospital Association and the Cleveland Clinic — and serious discussions among those parties have ensued. These negotiations and the instability at Lakewood Hospital do not permit us to, and we will not, delay any decisions we reach on how to maintain critical services and improve the health of our community.

In the interest of being responsive to this email can you please indicate to us the critical services and health improvement plans that are being proposed to be maintained for the community. It was our understanding that you were discussing the closure of the hospital with the Clinic. Our view is that a hospital could be maintained, which would appear to be an approach that is not being considered in the indicated negotiations .

Furthermore, given the timing of your client's letter, the lack of substance and details in that letter are especially concerning. If your client has an offer or some specific ideas for a proposal that would meet the healthcare needs of our residents in Lakewood, and is economically viable for the long term, your client must share that offer or those ideas immediately.

Please see points below – in addition if there is information related to the prior RFP – status of the facility – proposed plans for alternatives – we would appreciate seeing such materials so that we can begin a due diligence process. As indicated in our Letter of Intent, if it were executed, such materials would be treated as confidential and we would have structure for negotiations.

Thus, if your client has a specific offer for the provision of healthcare in Lakewood, the time is now to make it and to be precise. Here are some of those essential details that would need to be explained beyond a mere statement of general interest:

1. A critical component of viable healthcare delivery is the commitment and availability of physicians. What is your client's strategy and commitment to provide physicians?

We are currently working with at least 90 local independent physicians related to a potential hospital project in Lakewood. We would expect that the project would be structured in a similar manner to our other projects where the affiliated physicians would have meaningful input into the day-to-day activities of the hospital.

2. A critical component of meeting the healthcare needs of the citizens of Lakewood is the scope of services and service model expected to be provided. What are the services we can expect to receive from your client and what populations will it serve? What is the service model? For example:

- a. Is your client expecting to provide inpatient care, and if so, how many beds would be available?

Yes we would expect to provide inpatient and outpatient care. Our preliminary impression is that we would want to start with 60 to 100 inpatient beds and preserve the licensing on the remainder. Our focus would be on the healthcare needs of the community, as seen by our affiliated physicians. On a preliminary basis we believe that programs for wellness, chronic disease and appropriate ED services would be included.

- b. What medical needs would these beds serve?

General Acute Care Hospital services, based on the new Budget Bill that was enacted November 2, 2015 it is imperative to retain Hospital status on the site to allow for HOPD status for any outpatient or medical office activities on the site.

- c. Would your client provide emergency room service? If so, who would operate this service?

Yes there would be an ED operated by the hospital

3. The existing hospital facility is in need of significant investment to maintain clinical viability. It has been estimated that this investment is in the neighborhood of \$90 million. What are your client's plans to upgrade this facility, if any? How will your client finance such investments? Does your client expect to purchase the existing facility? Lease it?

As you are aware we have not toured the facility or reviewed the blueprints or the current conditions. In order not to interrupt services we would anticipate that we would use portions of the existing facility and determine the more cost effective and clinically appropriate approach to either rehabilitating the existing facility, adding on or new construction. We could work with LHA on a lease and lease funding arrangement or we could discuss a sale to a 3rd party landlord.

Of course, there are numerous other questions that would need to be addressed in order for the city to fully understand your client's interest. These are only a few among them.

The city received and considered your October 7 letter about the property at 850 Columbia Road in Westlake, and the Mayor had a subsequent phone conversation with Mr. Alexander two days later. We expected that your client would have explained its interest in greater detail soon afterward. Those details still have not arrived.

I spoke to Mr. Alexander a few minutes ago and it would appear that this is NOT his understanding of the conversation with the Mayor. His understanding was that the Mayor would be getting back to SDP on the Westlake Campus opportunity as it related to the City's willingness to sell that campus as a separate transaction. To date our only reply has come from you, today.

Very truly yours,

Kevin M. Butler, Director of Law
City of Lakewood | Law Department
(216) 529-6034
kevin.butler@lakewoodoh.net

From: Frank T. Sossi [<mailto:ftsossi@bmdllc.com>]
Sent: Monday, November 30, 2015 4:48 PM
To: fourgablemgmt@aol.com; Summers, Mike; Butler, Kevin; Madigan, Mary
Cc: Alexander, Ed (ealexander@surgicaldevelopmentpartners.com); Frank T. Sossi
Subject: RE: Surgical Development Partners - Letter of Intent

LHA – SDP LOI
November 30, 32015

Mr. Gable et al:

I wanted to share with you by email the Supplement to the SDP Letter of Intent and hope that you will consider this information in your deliberations regarding the LHA assets.

Please feel free to call me at 330-805-5812 if you have any questions.

Thanks,

Frank

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From: Frank T. Sossi
Sent: Wednesday, November 25, 2015 10:46 AM
To: fourgablemgmt@aol.com; Mike.Summers@lakewoodoh.net; kevin.butler@lakewoodoh.net; mary.madigan@lakewoodoh.net
Cc: Alexander, Ed (ealexander@surgicaldevelopmentpartners.com) <ealexander@surgicaldevelopmentpartners.com>; Frank T. Sossi <ftsossi@bmdllc.com>
Subject: Surgical Development Partners - Letter of Intent

SDP – LHA – Letter of Intent
November 25, 2015

Mr. Gable et al:

It has come to our attention that there has been some confusion related to the Surgical Development Partners, LLC (“SDP”) Letter of Intent of October 7, 2015 (the “LOI”). In drafting the LOI we worked from the Clinic website and the Tax Records on the County GIS system. Both of the these sources included both the 805 and 850 Columbia Road addresses.

I was able to get back up here this week and physically observe the property and want to clarify that the SDP LOI proposed Terms of the Project estimated at \$9,000,000 is for the 850 Columbia Road Building, the property on the north west corner of the intersection of Columbia Road and Interstate 90, ONLY. I apologize for any confusion on this matter and hope that you will consider the LOI as applying to that building at the \$9,000,000 estimate.

As indicated in the LOI there is also an interest in discussing with LHA and the City other plans or uses for the Lakewood Hospital main campus.

Please consider this email as NOTICE that SDP has extended the reply date for the LOI to December 31, 2015 and that we would be pleased to discuss the LOI by phone or in person as may meet your needs.

We appreciate the opportunity to work with you and to assist you in providing healthcare for your communities.

Thanks,

Frank

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