

Pomegranate ready to move ahead with psychiatric center for youths

by Jeff Bell
Business First

Pomegranate Health Systems of Central Ohio Inc. is ready to break ground on an psychiatric-care center for adolescents that has been in the works for nearly two years.

Construction of the \$6.6 million project at the West Edge Business Center in Franklinton will begin in March, said Bob Hall, the company's CEO.

Scheduled to open in November, the 45,000-square-foot center will include a 70-bed residential treatment facility for 8- to 17-year-olds with behavioral health problems.

It also will operate an outpatient center that can care for up to 40 youths at any given time. Pomegranate and Columbus officials unveiled the project in February 2005, but lining up financing the project took longer than expected Hall said.

Pomegranate recently bought the 5.3-acre West Edge tract for \$800,000 from Columbus Urban Growth Corp., an economic development organization created by the city 11 years ago.

Pomegranate will fund the project with \$5 million in taxable adjustable-

rate notes issued by Franklin County and backed by a KeyBank credit line that guarantees repayment. Also, \$1.6 million will come from the Ohio Community Development Finance Fund through a federal tax credit program aimed at encouraging private-sector investment in distressed areas.

"It was like an Ohio Bar Association meeting when we did the closing," Hall said. "It's a good financing mechanism, but it's complicated and involves a lot of players. That is why it took awhile to get it done."

About the demand

Pomegranate was drawn to Central Ohio because of what it sees as a shortage of residential treatment facilities for children and teens needing intensive psychiatric care, Hall said. Ohio Hospital for Psychiatry and Buckeye Ranch are the only area facilities providing that type of care, he said.

Pomegranate's for-profit parent company, Health Care Management Services Inc. of St. Clairsville, owns a 54-bed youth psychiatric treatment center in Belmont County in eastern Ohio that generates more than \$4 million a year in revenue and runs at 90 percent capacity, Hall said.

The Columbus center is expected to post revenue of \$4 million to \$5 million in its first year and will employ 150 workers.

The dearth of psychiatric facilities in Columbus sometimes forces Franklin

County Children's Services to refer youths under its care to facilities in other parts of Ohio or neighboring states.

"(Pomegranate) really fills the need for that type of facility for the Columbus area," said Mark Froehlich, Columbus Urban Growth's new CEO.

Froehlich said West Edge was a good choice for Pomegranate because Franklin County Children's Services operates its headquarters in the business park. Located off Mound Street, West Edge sits on the site of the former Sullivant Gardens public housing project. Columbus Paper Box Inc., Central Ohio Medical Textiles, Wolf Metals Inc., R.W. Setterlin Building Co. and Volunteers of America have operations at the business park.

Pomegranate's building will go up near Harmon Avenue and Pierce Drive.

Pomegranate Health Systems

Business: Operates residential treatment and outpatient facilities for children and adolescents with behavioral health problems.

Based: St. Clairsville

CEO: Bob Hall

Owner: Health Care Management Services Inc.

Employees: 112

Area employees: 150 projected

2006 revenue: \$4 million

Web site: phs-kids.com