

By Brian Leaf

Print Page

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City, MercyRockford make peace on \$485M hospital deal

ROCKFORD — The city of Rockford has made peace with MercyRockford Health System in a deal that will keep the health care provider from moving a proposed \$485 million medical campus to Wisconsin.

The agreement, announced tonight in a news release, will go to the City Council on Monday.

The deal contains the reduction in building permit fees that MercyRockford Health System wanted. MercyRockford agreed to expand commercial development adjacent to the new hospital from 20 to 60 acres and to include a hotel with at least 80 rooms — provisions sought by the city.

MercyRockford is a nonprofit organization and does not pay property taxes. But stores, bars, restaurants and hotels generate city sales taxes that could offset some of the costs of extending police, fire, emergency and other services to the hospital campus.

"We are very excited to have reached an agreement and to move forward on our East Riverside campus hospital project, as well as future hotel and retail developments," said Javon Bea, president and CEO of MercyRockford. "Today's decision brings us one step closer to breaking ground on the largest project in Rockford's history."

The former Rockford Health System bought the 262-acre property at the junction of Interstate 90 and East Riverside Boulevard in 1998, with an eye toward future expansion. But plans didn't come together for a hospital on the site until Rockford Health System merged with Mercy Health System, based in Janesville, Wisconsin.

Construction could start this month, with completion expected in June 2019.

The city and MercyRockford feuded publicly this week over terms of an annexation agreement. MercyRockford wanted \$1.8 million in building permit fees cut to \$900,000. The city wanted more taxable development on the property.

"This is a big win for MercyRockford and a big win for the Rockford region, and we very much appreciate their commitment to Rockford through their investment, not only at Riverside and I-90, but at the Rockton (Avenue) medical campus as well," Rockford Mayor Larry Morrissey said.

Ald. Jamie Getchius, R-2, and Tom McNamara, D-3, both said they are excited to see the development move forward.

Getchius said the amount of acres set aside for commercial development will help alleviate some of the tax burden for residents, and McNamara spoke of the number of jobs the massive development will bring to the region.

Loves Park Mayor Darryl Lindberg called the border development "good for everybody."

"Being across the street from a development like that will bring all kinds of possibilities — restaurants, hotels, jobs — and when you combine that with the [Sportscore Two expansion](#), it just makes that a wonderful spot for development."

Staff writer Chris Green contributed to this report.

Brian Leaf: 815-987-1343; bleaf@rrstar.com; [@b_leaf](https://twitter.com/b_leaf)



MercyRockford Health System used this display at a zoning hearing Wednesday to show how it might develop 262 acres at Interstate 90 and East Riverside Boulevard into a \$485 million hospital campus. PHOTO PROVIDED

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Print Page