



ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY



813 WEST NORTHERN LIGHTS BLVD.

ANCHORAGE, ALASKA 99503

907 / 269-3000

FAX 907 / 269-3044

FOR IMMEDIATE RELEASE:
August 17, 2001

For more information contact:
Lynn Kenney, 269-3001

AIDEA funds loan to purchase North Star Hospital and Residential Treatment Center from Magellan Health Services and Columbia/HCA

ANCHORAGE – The Alaska Industrial Development and Export Authority (AIDEA) recently funded their portion of the Northrim Bank loan to Bragaw Street Properties and Debarr Road Properties for the purchase of North Star Hospital and Residential Treatment Center (formerly Charter North Star Behavioral Health System) from Magellan Health Systems and Columbia/HCA.

The facilities were purchased by a group of Alaskan investors who are dedicated to continuing to provide quality mental health services to our state. Kathleen Cronen will continue as Chief Executive Officer. Ms. Cronen has been CEO since 1988.

North Star Hospital provides inpatient acute psychiatric care for children, adolescents and adults. The Residential Treatment Center provides long-term treatment for children and adolescents.

AIDEA's participation increases its portfolio holdings in the statewide healthcare industry. The loan advances AIDEA's market penetration to 7.3 percent of the

total statewide market and represents 10.7 percent of their total Anchorage region portfolio. AIDEA's Board of Directors approved the loan in late July. AIDEA's participation represents 80 percent of the entire loan.

North Star plans to expand their current facilities to provide a greater percentage of in-state residential treatment needs. "Because there are such a limited number of residential care facilities in Alaska, literally hundreds of children have to leave Alaska each year for treatment. Facilities like North Star help assure that our children can receive excellent mental health care as close to home as possible," said Bob Poe, director of AIDEA. "This loan is a great investment for AIDEA because it allows us to help grow the increasingly important health care segment of Alaska's economy and allows more of it to be owned and operated by Alaskans," he added.

Northrim Bank approached AIDEA to invest in the project through the Loan Participation Program. The program provides long-term financing for new or existing projects in Alaska. AIDEA's participation under this program may total up to 80 percent of a loan originated by a commercial lending institution. Both taxable and tax-exempt financing is available under this program.

AIDEA was created by the Alaska State Legislature in 1967 to encourage economic growth and diversification in Alaska. AIDEA provides financing and assistance to businesses in Alaska, creating jobs for Alaskans and helping to diversify Alaska's economy.

###