

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** Supervisor Venable

**SUBMITTAL DATE:**  
December 31, 2003

**SUBJECT:** Allocation of Loan Funds to Hemet Valley Medical Center

**RECOMMENDED MOTION:** That the Board:

1. Authorize loan repayments of 3<sup>rd</sup> District Development Agreement (DA) funds from the City of Hemet, City of San Jacinto and the United Way in the amount of \$2,900,000 to be used to help finance the construction of a new emergency room at Hemet Valley Medical Center; and
2. Authorize the Assistant County Executive Officer/EDA to prepare and execute, with County Counsel approval, amendments to the existing loan documents and a grant agreement with Hemet Valley Medical Center to facilitate the use of the loan funds for the construction of the new emergency room.

**BACKGROUND:**

Previous Board action approved loans to the City of Hemet in the amount of \$1,500,000, to the City of San Jacinto for \$1,000,000 and to the United Way in the amount of \$400,000. The terms of these loans generally provide for 0% interest with the full amount payable in 5 years, 7 years for the Hemet loan. The action today would authorize the repayment of these loans to be accelerated and the proceeds to be used to help finance the construction of a new emergency room at Hemet Valley Medical Center. Also, the Assistant CEO/EDA, would be authorized to negotiate the accelerated payments with the three borrowers, execute amendments to the loan agreements, and negotiate and execute a grant agreement with Hemet Valley Medical Center providing for construction of the new emergency room.

Hemet Valley Medical Center is a facility owned by Valley Health System which is a Public Health Care District that owns and operates three acute care facilities and one skilled nursing facility. The District covers 882 square miles in the San Jacinto Valley and Southwest Riverside County. Valley Health System facilities provide about \$5,000,000 in uncompensated care annually, which greatly benefits the County and its lower income residents. The proposed emergency room will replace an existing facility which is about 40 years old at a cost of \$5,500,000. I am recommending we use these DA funds, which are not due to be repaid for several years, to help facilitate the construction of this vital public facility.

  
Jim Venable, Supervisor Third District

Dept't Recomm.:  Consent  Policy  
Per Exec. Ofc.:  Consent  Policy

**Prev. Agn. Ref.:**

**District:**

**Agenda Number:**

3.24