

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

ADVENTIST HEALTH SYSTEM/WEST 1991

Staff Summary

Resolution No. 2009-04

February 26, 2009

BACKGROUND:

In 1991, CHFFA issued pooled revenue bonds to fund a revolving loan program for Adventist Health System/West (“Adventist”) and Sutter Health. Under the revolving loan program, CHFFA made loans to finance various capital equipment and building acquisitions for Adventist and Sutter Health. In early 2007 Sutter Health withdrew from the Program by redeeming the bonds relating to their loans. Adventist entities continue to participate in the remaining \$28.4 million portion of the Program.

The initial loans to Adventist were for a term ending March 1, 2009 upon repayment to the Bond Trustee, such funds are again available for a new loan to Adventist for appropriate projects approved by CHFFA.

Adventist has advised staff that it is critical for Adventist to have the new loan in place by March 1, 2009 upon repayment of their existing loans. This will keep Adventist’s cost of financing to a minimum while maximizing the use of the Revolving Loan Program.

Adventist is in a position to promptly requisition the newly loaned funds for the Projects described on Exhibit A. Each project site was included in the original published TEFRA notice in 1991 and Adventist has provided appropriate CEQA documentation.

STAFF RECOMMENDATION:

Staff recommends the Authority approve the proposed new loan to be made to Adventist Health System/West from remaining Program proceeds, with the term of the new loan to end on August 1, 2021 (the final maturity date of the 1991 Pooled Bonds).

EXHIBIT A

The Projects to be financed with the additional Loan dated as of March 1, 2009 to Adventist Health System/West includes acquisition, construction, renovation, improvement (including seismic improvements and retrofitting) and equipping of the following health facilities:

White Memorial Medical Center
1720 Cesar E. Chavez Ave.
Los Angeles, CA 90033

Glendale Adventist Medical Center
1509 Wilson Terrace
Glendale, CA 91206

Description of Adventist Projects for 2009 Loan from Pool Funds

White Memorial Medical Center
1720 Cesar E. Chavez Avenue
Los Angeles, CA 90033

Campus master plan seismic-related improvements:	\$ 9,000,000
Medical equipment related to new patient tower:	<u>2,400,000</u>
Total: White Memorial Medical Center	\$11,400,000

Glendale Adventist Medical Center
1509 Wilson Terrace
Glendale, CA 91206

Patient tower and seismic improvements:	\$14,800,000
Medical equipment related to new patient tower:	<u>2,200,000</u>
Total: Glendale Adventist Medical Center	\$17,000,000

Both White Memorial Medical Center and Glendale Adventist Medical Center are contracted Medi-Cal providers. The construction projects at White and Glendale have both fully satisfied CEQA requirements; construction and improvements have been underway for some time. Certain improvements taking place within the footprint of the existing buildings and equipping of those facilities are not the type of project subject to CEQA.