

**RESOLUTION NO. .**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**MEASURE K: RESOLUTION AUTHORIZING A GRANT AGREEMENT WITH AHMC SETON MEDICAL CENTER LLC AND AHMC HEALTHCARE INC. FOR THE TERM OF DECEMBER 7, 2021 THROUGH JUNE 30, 2027 IN AN AMOUNT NOT TO EXCEED \$10,000,000 IN MEASURE K FUNDS**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS, Measure K** is the half-cent general sales tax initially approved by San Mateo County voters in November 2012, and extended in November 2016 for a total of thirty years; and

**WHEREAS**, AHMC Seton Medical Center LLC (“AHMC Seton”) is a California limited liability company and the licensed operator of AHMC Seton Medical Center, a general acute care hospital located in Daly City (“Seton Hospital”); and

**WHEREAS**, AHMC Healthcare Inc. (“AHMC Healthcare”) is a California corporation headquartered in Alhambra, California and AHMC Seton is a corporate affiliate of AHMC Healthcare; and

**WHEREAS**, AHMC Seton Medical Center Coastside (“Seton Coastside”), located in the unincorporated Moss Beach area of San Mateo County, operates a an emergency department, outpatient ancillary services, and a skilled nursing care facility for inpatient residents, and is also a part of the AHMC Healthcare system; and

**WHEREAS**, Seton Hospital and Seton Coastside play an important role in the County’s healthcare delivery system, including by delivering healthcare services to patients who are dependent on safety net services; and

**WHEREAS**, pursuant to applicable law and certain conditions imposed by the California Attorney General on AHMC Seton and AHMC Healthcare in connection with AHMC Healthcare's acquisition of Seton Hospital and Seton Coastside, certain seismic upgrades and improvements to Seton Hospital facilities must be completed ("Seismic Project"); and

**WHEREAS**, this Board of Supervisors and the voters of San Mateo County have recognized the importance of ensuring seismically safe hospitals and emergency rooms; and

**WHEREAS**, at its meeting on March 10, 2020, this Board of Supervisors voted to afford financial assistance to the entity acquiring Seton Hospital contingent on, among other things, that entity continuing to operate Seton Hospital as a full service hospital consistent with the conditions imposed by the California Attorney General related to the entity's acquisition of Seton Hospital; any grant funding from the County being appropriately secured as determined by County staff and counsel; Seton Hospital and Seton Coastside continuing to provide services that afford county-wide public benefit; the acquiring entity providing the County with satisfactory business plans and financial statements for Seton Hospital; and the acquiring entity providing annual reports reflecting satisfaction of these conditions; and

**WHEREAS**, subsequent to acquisition of Seton Hospital and Seton Coastside by AHMC Healthcare and AHMC Seton, and following up this Board's vote to afford financial assistance to Seton Hospital, County staff has negotiated an agreement with AHMC Seton and AHMC Healthcare for a term of December 7, 2021 through June 30, 2027, pursuant to which the County would commit to provide AHMC Seton \$10,000,000 in financial assistance from **Measure K** funds, provided that the funds are used only for

the Seismic Project, and subject to other terms and conditions set forth in the agreement that incorporate the financial assistance conditions included in the Board of Supervisors' action of March 10, 2020; and

**WHEREAS**, the above-referenced agreement states that the financial assistance provided for therein is subject to full or partial repayment by AHMC Seton and AHMC Healthcare in the event that Seton Hospital or Seton Coastside ceases to fully operate during the term of the agreement or if either AHMC Healthcare or AHMC Seton fails to comply with any of the terms or conditions imposed by the California Attorney General on AHMC Healthcare's acquisition of Seton Hospital and Seton Coastside; and

**WHEREAS**, this Board of Supervisors has reviewed this agreement with AHMC Seton and AHMC Healthcare as to both form and substance and desires to enter into it.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the President of this Board of Supervisors be and is hereby authorized and directed to execute said agreement for and on behalf of the County of San Mateo, and the Clerk of the Board shall attest the President's signature thereto.

**BE IT FURTHER RESOLVED** that the County Manager or designee is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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