

**KINGSBURG TRI-COUNTY HEALTH CARE DISTRICT
NOVEMBER 2016 MEASURE
SALE OF ASSETS AND TRANSFER OF FORMER HOSPITAL FACILITY**

**(IMPARTIAL ANALYSIS BY COUNTY COUNSEL PURSUANT TO
SECTION 9313 OF THE ELECTIONS CODE)**

This measure seeks voter approval for the board of directors (“Board”) of the Kingsburg Tri-County Health Care District (“District”) to sell a facility located at 1200 Smith Street in Kingsburg to Kingsmith Investments, LLC (“Kingsmith”). The measure was placed on the ballot by the Board.

The District is a local public health care district, organized under California’s Health Care District Law. California law states that a health care district may “transfer, at fair market value, any part of its assets to one or more corporations to operate and maintain the assets.” A transfer is deemed to be at fair market value if a qualified independent consultant/appraiser determines that the consideration to be paid is “fair and reasonable.” Before transferring a substantial portion of its assets to a private party, a health care district’s board of directors must submit to the voters of the district a measure approving the transfer by a simple majority vote. This measure implements the requirement to seek voter approval.

According to the resolution of the Board calling for the election, the Smith Street facility closed in 2010. The District sought to sell or lease the facility to continue operation as an acute care hospital, with no success. On February 25, 2015, the District entered into a lease with option to buy the facility (“lease/option agreement”) with Kingsmith, which currently subleases the property to a company that operates a mental health rehabilitation center on site. The property could be used to provide other professional services. Kingsmith has exercised its option to purchase the property/facility, for which voter approval is required. Prior to the consummation of the sale of the facility, the Board will obtain an opinion of a licensed appraiser on the fair and reasonable value of the property/facility.

The sale and transfer of the facility is subject to the terms of the lease/option agreement. The Board’s chairperson or vice chairperson will be authorized to execute all instruments in connection with the sale after review and advice of the District’s counsel. The measure makes no change to existing law.

DANIEL C. CEDERBORG
Fresno County Counsel



FILED

AUG 25 2016

FRESNO COUNTY CLERK
By Sandra
DEPUTY

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