

AGENDA

SPECIAL FINANCE COMMITTEE OF THE EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, July 30, 2025 – 4:00 pm

El Camino Health | 2500 Grant Road Mountain View, CA 94040 | Sobrato Boardroom 1

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT: **1-669-900-9128, MEETING CODE: 946 4813 3204#**. **No participant code.**

Just press #

To watch the meeting, please visit: [Finance Committee Meeting Link](#)

Please note that the livestream is for meeting viewing only and there is a slight delay; to provide public comment, please use the phone number listed above.

NOTE: In the event that there are technical problems or disruptions that prevent remote public participation, the Chair has the discretion to continue the meeting without remote public participation options, provided that no Board member is participating in the meeting via teleconference.

A copy of the agenda for the Special Finance Committee Meeting will be posted and distributed at least twenty-four (24) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at **(650) 988-3218** prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
1.	CALL TO ORDER / ROLL CALL	Don Watters, Chair	Information	4:00 pm
2.	CONSIDER APPROVAL OF AB 2449 REQUEST	Don Watters, Chair	Possible Motion	4:00 pm
3.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Don Watters, Chair	Information	4:00 pm
4.	PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons to address the Committee on any matter within the subject matter jurisdiction of the Committee that is not on this agenda. Speakers are limited to three (3) minutes each.</i> b. Written Correspondence <i>Comments may be submitted by mail to the Finance Committee of the El Camino Hospital Board of Directors at 2500 Grant Avenue, Mountain View, CA 94040. Written comments will be distributed to the Board as quickly as possible. Please note it may take up to 24 hours for documents to be posted on the agenda.</i>	Don Watters, Chair	Information	4:00 pm
5.	<u>APPROVE CHRISTINA LAI AS A COMMUNITY MEMBER OF THE FINANCE COMMITTEE</u>	Don Watters, Chair	Motion Required	4:06 – 4:21
6.	RECESS TO CLOSED SESSION	Don Watters, Chair	Motion Required	4:21 – 4:22
7.	CAPITAL REQUEST: MOUNTAIN VIEW CAMPUS COMPLETION – WING J PROJECT <i>Health and Safety Code Section 32106(b) – for a report and discussion involving healthcare facility trade secrets regarding new services or programs</i>	Ken King, CAO Tracey Lewis Taylor, COO	Discussion	4:22 – 4:37

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
8.	CAPITAL REQUEST: PROPERTY ACQUISITION – MOUNTAIN VIEW APN# 193-04-040 <i>Gov't Code Section 54956.8 – for a report and discussion involving negotiations prior to purchase, sale, exchange, or lease of real property.</i>	Ken King, CAO	Discussion	4:37 – 4:52
9.	CAPITAL REQUEST: PROPERTY ACQUISITION – LOS GATOS APN# 406-27-003 <i>Gov't Code Section 54956.8 – for a report and discussion involving negotiations prior to purchase, sale, exchange, or lease of real property.</i>	Ken King, CAO	Discussion	4:52 – 4:57
10.	LOS GATOS CAMPUS REDEVELOPMENT – DRAFT – PROJECT GOVERNANCE STRUCTURE <i>Health and Safety Code Section 32106(b) – for a report and discussion involving healthcare facility trade secrets regarding new services or programs</i>	Carlos Bohorquez, CFO Tracey Lewis Taylor, COO	Discussion	4:57 – 5:17
11.	RECONVENE TO OPEN SESSION	Don Watters, Chair	Motion Required	5:17 – 5:18
12.	CLOSED SESSION REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Gabe Fernandez, Governance Services Coordinator	Information	5:18 – 5:19
13.	<u>CAPITAL REQUEST: MOUNTAIN VIEW CAMPUS COMPLETION – WING J PROJECT</u> - Recommend for Board Approval	Don Watters, Chair	Motion Required	5:19 – 5:20
14.	<u>CAPITAL REQUEST: PROPERTY ACQUISITION – MOUNTAIN VIEW</u> <u>APN# 193-04-040</u> - Recommend for Board Approval	Don Watters, Chair	Motion Required	5:20 – 5:21
15.	<u>APPROVE PROPERTY ACQUISITION – LOS GATOS</u> <u>APN# 406-27-003</u>	Don Watters, Chair	Motion Required	5:21 – 5:22
16.	CLOSING COMMENTS	Don Watters, Chair	Information	5:22 – 5:27
17.	ADJOURNMENT	Don Watters, Chair	Motion Required	5:28 pm

Upcoming Meetings: August 25, 2025, November 17, 2025, February 2, 2026, March 9, 2026 (Joint FC | IC), March 23, 2026, May 26, 2026

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MEMO**

To: El Camino Hospital, Finance Committee
From: Don Watters, Chair, Finance Committee
Date: July 30, 2025
Subject: Appointment of Community Member to the Finance Committee

Recommendation:

Appoint Christina Lai as a community member of the Finance Committee (FC).

Summary:

1. **Situation:** Due to a Committee Position vacancy. Per the Board's Charter, the FC shall be comprised of two (2) or more Hospital Board members. The Committee may also include 2-4 Community¹ members with knowledge of finance committee practices, executive leadership and/or Financial Management.
2. **Authority:** Per the Charter, new Community members shall be appointed by the Committee and approved by the Board. All community committee appointments shall be for a term of three years expiring on June 30th.
3. **Background:** Given the need to add a community member to the Finance Committee, the Hospital Board Chair in consultation with the Finance Committee Chair and ECH CEO, recommended to the Hospital Board that Christina Lai transition from the Governance to the Finance Committee effective FY2026. Ms. Lai's appointment to the FC was approved by the Board at the June 2025 meeting.

Ms. Lai has over 25 years of legal experience serving as Corporate Counsel for various companies in Silicon Valley. Ms. Lai currently services a Vice President, Deputy General Counsel and Corporate Secretary for Robinhood. Prior to her role at Robinhood, Ms. Lai held similar roles at Applied Materials and Yahoo. Ms. Lai received her AB in International Relations from Stanford University and JD from the University of California at Los Angeles (UCLA). She has served as a community member and has significantly contributed to the Governance Committee since 2014.

4. **Outcome:** Vote to approve Ms. Lai's appointment as a community member of FC.

Recommendation:

- Recommend appointing Christina Lai as a community member of FC.

List of Attachments:

- None

Suggested Finance Committee Discussion Questions:

- None

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MEMO**

To: El Camino Hospital, Finance Committee
From: Ken King, CAO
Tracey Lewis Taylor, COO
Date: July 30, 2025
Subject: MV Campus Completion Project – Funding Request

Recommendation:

To recommend Board approval for the funding not to exceed \$80.5 million for Phase 3B (Wing J) of the Mountain View (MV) Campus Completion Project.

Summary:

This is the final funding request for the MV Campus Completion Project which upon completion will represent the completion of the Master Facilities Plan for the MV Campus approved by both the Hospital and District Boards in June 2016. The project will provide increased capacity and access for patients at the Mountain View Campus.

1. Situation:

The final phase Wing J Expansion is needed to support the volume growth in the Emergency Department, the Procedural Environments and the Inpatient Units.

The Medical Observation Unit will serve to improve patient throughput and safety by having a dedicated Unit for patients who are currently cared for in the Emergency Department and on Inpatient Units. The Post Procedure Unit will serve to improve patient throughput and safety by having a dedicated “Short Stay” unit that will allow for growth of procedural volume and increase the capacity of the existing pre and post procedure area on the 2nd Floor of the Main Hospital. Collectively these units will increase overall capacity for inpatients, without adding additional licensed beds.

2. Authority: Capital Expenditures exceeding \$5 million require approval by the Board of Directors as recommended by the Finance Committee.

3. Background: The Master Facilities Plan for the MV Campus was approved in June 2016 by the El Camino Health Board of Directors, the El Camino Healthcare District Board of Directors and the City of Mountain View. The Master Facilities Plan included the following elements:

Expansion of the North Garage
Construction of the IMOB (Sobrato Pavilion)
Construction of the BHS Building (Taube Pavilion)

← **STEP 1 COMPLETED**

Expansion of the Women’s Hospital (Orchard Pavilion)
Demolition of Old Main Hospital and **MV Campus Completion**

← **STEP 2 IN PROCESS**


4. Assessment: The first three phases of the MV 2016 Facilities Master Plan have been completed (see below). The final phase has received preliminary funding, but the request today will allow for completion of the project.

The **MV Campus Completion** Project Consists of the following elements:

MV Campus Completion Project – Strategy Discussion
July 30, 2025

- | | | |
|--------------|-------------------------------------|---------------------------|
| 1. Phase 1. | Temporary Service Yard | Completed |
| 2. Phase 2. | Demolition of the Old Main Hospital | Completed |
| 3. Phase 3A. | New Service Yard Construction | Completed |
| 4. Phase 3B. | Wing J Expansion | Current Funding Requested |

This final funding request for Phase 3B is not to exceed \$80.5 million. This funding is needed to construct the units outlined above for a 42,838 square foot hospital building expansion on 3 floors, with a connecting corridor and all related site work. The funding breakdown is as follows:



	Approved October-19	Approved December-23		Current Request	Total Project
	Phases 1 & 2	Phase 3A	Phase 3B Design Only	Phase 3B Final Funding	
Construction	\$16,796,773	\$11,831,289		\$69,095,843	\$97,723,905
Soft Costs	\$5,727,247	\$2,220,939	\$5,150,000	\$5,047,439	\$18,145,625
FF&E	\$100,000	\$220,000		\$2,470,000	\$2,790,000
Contingency	\$2,262,402	\$577,772		\$3,830,664	\$6,670,838
Totals	\$24,886,422	\$14,850,000	\$5,150,000	\$80,443,946	\$125,330,368
Rounded	\$24,900,000	\$14,850,000	\$5,150,000	\$80,500,000	\$125,400,000

5. Other Reviews: The Financial Analysis shows a positive financial return due to growth and retention of approximately 10,000 emergency patients and 1,500 elective procedural patients in the 10-year period between FY2027 and FY2037. The analysis indicates a ROI of 24% over ten years with a NPV of \$3.6M with a 2.5% discount rate.
6. Outcomes: The 22-month construction schedule will begin in mid-August, with a target date for completion in June 2027.
7. List of Attachments:
 - None

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MEMO**

To: El Camino Hospital, Finance Committee
From: Ken King, CAO
Date: July 30, 2025
Subject: Property Acquisition – APN # 193-04-040

Recommendation:

Management recommends that the Finance Committee recommend approval by the Board of Directors, the purchase of a property located at 399 W. El Camino Real in Mountain View at a cost not to exceed \$22.2 million.

Summary:

1. Situation: We have the opportunity to purchase a Class A general office building in a prominent location on El Camion Real in Mountain View.
2. Authority: The Finance Committee recommends Board Approval of real estate transactions exceeding \$5 million.
3. Background: This particular property that is located at 399 W. El Camino Real, Mountain View.
4. Assessment: The property at 399 W. El Camino Real is a three-story +/- 32,000 square foot building with below grade parking, sitting on approximately 0.64 acres of land. It is at the corner of El Camino Real and Bonita, between Castro Street and Phyliss Ave. It is easily accessible from both Northbound and Southbound lanes on El Camino Real. The building is Class A General Office Building originally constructed in 2004 and has been well maintained. The purchase and sale agreement is conditioned upon Board approval and the price is \$22.2 million or approximately \$688 per square foot.
5. Outcomes: We anticipate closing escrow no later than October 31st, allowing time for the seller to execute a 1031 Exchange.

List of Attachments:

- None

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MEMO**

To: El Camino Hospital, Finance Committee
From: Ken King, CAO
Date: July 30, 2025
Subject: Real Estate Property Acquisition - APN # 406-27-003

Recommendation:

To approve the acquisition of property located at APN # 406-27-003 in Los Gatos at a cost not to exceed \$3.25M.

Summary:

1. Situation: There is an opportunity to purchase a residential property that is adjacent to our Los Gatos Hospital Campus. We currently own the property next door, and it is used for housing recruits and transitioning executives.
2. Authority: By policy the Finance Committee is required to approve capital expenditures up to \$5 million.
3. Background: We have known for several years that owning the residential properties adjacent to our Los Gatos Campus would provide us with recruitment housing in the short term and available land in the long term.
4. Assessment: The purchase price for this property is \$3.25 million including fees and closing costs. (The purchase price for the property excluding fees and closing costs is \$3.05 million. The premium price we are paying is in part because this was an unsolicited offer, the property was not for sale and the existing owner has two long-term tenants. The owner desires to find a suitable relocation property for both tenants via a 1031 Exchange. These and other factors contributed to the premium.
5. Outcomes: The goal is to have the property close escrow by the end of September 2025 and have the property vacated on or before September 2026.

List of Attachments:

- None