



STAFF REPORT	
SUBJECT: Discussion and Consideration of a Purchase and Sale Agreement for approximately three acres of City-owned Property to Adventist Health Clear Lake to Construct a Future Medical Office Building	MEETING DATE: Dec. 7, 2023
SUBMITTED BY: Alan Flora, City Manager	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to approve a purchase and sale agreement for approximately three acres of city-owned property for future construction of a medical office building by Adventist Health Clear Lake.

BACKGROUND/DISCUSSION:

The City of Clearlake has been working with Adventist Health Clearlake for nearly five years on the development of new medical facilities in the City. As the City’s plans have progressed for development of the former Pearce Field, there was a mutual interest developed in Adventist Health medical facilities becoming a key anchor to the larger development of retail at the site.

The agreement under consideration would provide land for the future development of a medical office building (MOB)/rural health clinic of at approximately 38,000 sq feet. The facility would provide a wide range of medical services including family medicine, pediatrics and various specialties. The clinic is expected to generate approximately 165,000 patient visits per year, once open in 2026. The agreement outlines other key terms of the deal which result in the City performing environmental review for this project, as well as the remainder of the former Pearce Field site, beginning in 2024; installation of public infrastructure improvements to the site; and discounted sale price of the land. Adventist Health will invest approximately \$50 million in construction of the future facility. The City will also hold additional adjacent land for a period of time for the possible construction of future medical facilities such as an imaging center and/or new hospital.

OPTIONS:

1. Approve the purchase and sale agreement with Adventist Health Clear Lake and Authorize the Mayor to sign the Agreement.
2. Other direction

FISCAL IMPACT:

None \$ Budgeted Item? Yes No

Budget Adjustment Needed? Yes No If yes, amount of appropriation increase: \$

Affected fund(s): General Fund Measure P Fund Measure V Fund Other:

Comments:

STRATEGIC PLAN IMPACT:

- Goal #1: Make Clearlake a Visibly Cleaner City
- Goal #2: Make Clearlake a Statistically Safer City
- Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- Goal #4: Improve the Image of Clearlake
- Goal #5: Ensure Fiscal Sustainability of City
- Goal #6: Update Policies and Procedures to Current Government Standards
- Goal #7: Support Economic Development

Attachments:

1. Proposed Purchase and Sale Agreement