

09/11/2024

Re: Follow up to 07/27/2024 work session

Dear County Commissioners,

Since our last meeting, we have been researching the statute that was mentioned relative to how Teton County could legally grant ownership of the physical property that comprises the Hospital and all its operations to Teton Valley Health Care (TVHC). The auction approach presents risks we would like to avoid. We have learned through our research that the same statute used to establish the lease between TVHC and Teton County in 2013, Idaho Code § 31-3508, also provides an option for property to be conveyed using the same governance structure as was established with the lease. This statute also provides additional guidance that the property would be returned to Teton County if TVHC ceases to operate as a nonprofit hospital.

Enclosed with this letter is the analysis from Kim Stanger with Holland & Hart that describes the research they completed to help us understand if there is legal precedent that would either support or restrict the County from conveying property in a situation like ours. None was found. For what it is worth, Kim also inquired with the Attorney General's Office to find out if they would become involved in a transaction like this, and they would not.

Our interpretation is even though Idaho Code § 31-3508 does not contemplate a two-step lease then conveyance transaction (avoiding an auction), we do not see anything that would prevent it. In fact, we believe we would prevail in any arguments against it. We also want to reiterate our understanding there will be a financial component to any transaction so the County will realize value that is acceptable to both parties. As a starting point, we would like to ask the County to consider our interpretation and decide if your interpretation of Idaho Code § 31-3508 agrees with ours.

It is not our intent to get or give a commitment to conveying the property with this letter. We only want to find out where the County stands on our interpretation.

Respectfully,



Troy Christensen

Enclosure: Holland & Hart statute analysis