Don-
Have you read this?
Shall we respond?
Colleen

[MS-0398.025.013.002]

San Diego Hospice

RECEIVED
OCT 18 1991
Ans'd.....

October 14, 1991

Specialized care for people facing life-threatening illness

4310 Third Ave.
San Diego, CA
92103-1407
619-688-1600
FAX 688-1699

DOC. NO.
BOARD OF SUPERVISORS
FILED
OCT 11 1 PM '91
CLERK OF THE BOARD OF SUPERVISORS

Leon Williams, Supervisor
County Board of Supervisors
County Administration Center
1600 Pacific Highway
San Diego, California 92101

Re: San Diego Hospice In Jeopardy of Closing Its Center Due to Hazardous Waste Found on Site Purchased from the County of San Diego

Dear Supervisor Williams:

In 1984, The Joan Kroc Foundation gave an $18 million gift so that San Diego Hospice could fulfill a dream and build a Hospice Center, a model for the world. Today, I am writing to inform you that due to the County's response to San Diego Hospice regarding hazardous waste on site, our dream may be shattered. We may be forced very shortly to close down our Center.

In 1986, San Diego Hospice purchased land from the County of San Diego to build the new Hospice. Construction started in April, 1988 and only 4 days later, asbestos was discovered. Since that time, other wastes have been found on site, all resulting from previous County activities on this project.

We have, over the past 3 years been faced with the huge task of cleaning up a site riddled with hazardous wastes. For every day that construction was delayed we were also being charged $1270/day by our Contractor for construction delays due to hazardous waste. Since the funds donated to us by Joan Kroc were restricted and could not to be used towards abatement costs, we diligently worked with the County abatement channels to mitigate damages. In order to speed up the abatement process and reduce costs, we had our own people working day and night on abatement issues that would normally have been handled by the County's own work force.

Based on cost information provided to us by our Contractor and Architect of record on what it would cost us to clean up the hazardous waste (which did not include the expenses incurred by discovery of the 2nd fuel tank) we settled with the County so that construction could resume. Delay costs ran much greater as did the unforeseen discovery of yet another fuel tank, which as a result of severe leakage, has left us to bioremediation on site.

Our "good faith" settlement with the County has put us in an operating deficit, for which we are being asked to bear total financial responsibility.

We are now at the final phase of our critical path of financial solvency. We have less than one month of cash left. We have been turned down by seven lenders for short term financing as a result of our tainted land being refused as a basis for collateral! If the County refuses to provide any further relief as they have decided to date, we will have no alternative but to implement our Disaster Plan. This Disaster Plan will force us to lay off many of our employees and to close down our Center. We are out of time.

San Diego Hospice through this entire ordeal has done everything possible to mitigate costs on behalf of the County and maintain a low profile so as to keep the issues out of the public eye. Already we are starting to hear from some of our donors that they are appalled that their donated funds went towards cleaning up hazardous waste placed there by the County. We are a non-profit organization which cannot survive without their community support and their donated funds.

Please call me upon receipt of this letter should you have any further questions. As you can see by the letter enclosed from our legal counsel, our Board has directed us to pursue litigation. I think it would benefit us all to be able to resolve this in another way. Our very survival depends upon your timely response.

Sincerely,

Holly Lorentson

Holly Lorentson
President/CEO

HL/dp
Enclosures

P.S. If your time permits, San Diego Hospice will be highlighted this evening in a 15 minute special segment with C. Everett Koop on Cable 12 at 10:00 p.m.

LCW Did not vote negotiation/on this issue

History: sold the land for $3 M. (almost save away)