

Valley Health hospital to anchor Henderson's Union Village development

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Valley Health System wants to build the acute-care hospital that will be the primary tenant for the massive Union Village project in Henderson.

“We’re thrilled that they’re interested in embarking on this endeavor with us, and we’re looking forward to a long and prosperous relationship,” City Manager Jacob Snow said. “It’s good to have another hospital in the city of Henderson, and this is going to be the anchor for Union Village.”

The city council, sitting as the Redevelopment Agency, is scheduled to vote Tuesday evening on owner participation agreements with Union Village LLC, the project’s master developer, and Valley Health System LLC.

“It doesn’t mean that Union Village is a go, but this is a good sign,” Snow said.

The \$1.6 billion project on a total of 228 acres is being billed as the first integrated health village in the world. Plans for the project include a retail center, residential apartments, a senior care center and a cultural center.

Mayor Andy Hafen declined comment on Tuesday’s vote other than to say, “We’re looking forward to working with Union Village and the Valley hospitals.”

Council members approved a purchase agreement with the developer in June 2011. The deal calls for the city to sell 150.7 acres near U.S. Highway 95 and Galleria Drive for \$11.6 million.

But Snow has said the city will not sell the land until the developer has signed an agreement with the project’s primary tenant.

The developer previously had a one-year agreement to negotiate exclusively with Dignity Health, but that agreement ended at the start of January. Dignity Health owns the two St. Rose Dominican hospitals in Henderson.

Five hospital medical centers in Southern Nevada currently make up the Valley Health System: Spring Valley, Summerlin, Valley, Centennial Hills and Desert Springs.

When it acquires the land from the city, Union Village plans to sell about 30 acres to Valley Health System for construction of the hospital.

“We clearly have an expressed interest in building a hospital, but definitive agreements are still being worked on with the city,” said Karla Perez, regional vice president for Valley Health System.

The entire Union Village project, including the hospital, is expected to create more than 17,000 jobs and generate more than \$158 million in tax increment revenue.

Union Village is to be reimbursed with up to \$80.2 million to be paid from tax increment generated from its 120 acres.

According to background provided with Tuesday’s agenda item, Valley Health is asking for as much as \$33 million from the Redevelopment Agency.

Snow said the project would not be completed without redevelopment assistance. The site was once used as a gravel pit and was left with large areas where the ground was as much as 25 feet lower than the surrounding property.

Construction on the village is expected to begin in 2015 and be completed by the end of 2021.

David Baker, managing partner of Union Village, released the following statement this week:

“We’re excited about the continued progress for Union Village and are grateful for all the city’s support and the positive and workmanlike coordination with their always professional staff. While there is still work to be done, every day we are one step closer to bringing the world’s first integrated health village to Southern Nevada.”

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