

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: July 11, 2024

PREPARED BY: Anthony J. Mejia, City Clerk

REQUEST: *STUDY SESSION: DESERT HEALTHCARE DISTRICT'S PROPOSED HOSPITAL LEASE AGREEMENT "NON-COMPETE" PROVISION, WHICH RESTRICTS TAXPAYER FUNDS AND ELECTED BOARD'S OVER THE NEXT 30 YEARS*

RECOMMENDATION:

Receive a presentation and provide feedback regarding the Desert Healthcare District's proposed new Hospital Lease Agreement with Tenet Healthcare which includes a "*non-compete*" provision.

BACKGROUND:

On May 28, 2024, the Desert Healthcare District (the "District") Board received a presentation from Tenet Healthcare ("Tenet") regarding a new Hospital Lease Agreement for Desert Regional Medical Center (the "Lease"). The presentation referenced a new 30-year Lease, which would allow Tenet, a Dallas-based entity, to take ownership of the hospital at the end of the 30-year lease. The new Lease would include a "*non-compete*" provision similar to the current lease. If approved by the District Board, this item would be put on the November 5, 2024, ballot for District voters to decide.

The City Council is requested to receive a presentation and provide feedback regarding the proposed lease. There is a companion item on tonight's agenda under the Action Calendar, requesting the City Council consider adopting a resolution opposing the "*non-compete*" provision.

Legal Review:

This report has been reviewed by the City Attorney's office.

FINANCIAL IMPACT:

There is no financial impact associated with this study session.