



Interoffice Memo

DATE: April 30, 2015

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TO: MAUREEN MOUNTAIN, Campaign Relations Coordinator
Election Office of the Registrar of Voters

SUBJECT

**COUNTY COUNSEL ANALYSIS – HI-DESERT MEMORIAL HEALTH CARE DISTRICT
SPECIAL ELECTION TO BE HELD ON JUNE 23, 2015**

Measure ____ is submitted to the voters by the Board of Directors of the Hi-Desert Memorial Health Care District ("District") to authorize the Board to enter into a purchase agreement of certain assets and a long-term lease of certain real property with HDMC Holdings, LLC, an affiliate of Tenet Healthcare Corporation to operate and lease the real property of the Hi Desert Medical Center ("Medical Center"), the Continuing Care Center, and other outpatient clinics. State law allows a local hospital district to transfer, at fair market value, any part of its assets to one or more corporations to operate and maintain the assets.

The purchase/lease agreement will allow for the transfer of certain assets and operations of the District related to the Medical Center, the Continuing Care Center, and other outpatient clinics, and for the lease of real property to Tenet Healthcare Corporation. Tenet Healthcare will operate the Medical Center, the Continuing Care Center and other outpatient clinics for a period of thirty (30) years for an annual lease amount of \$2,000,000. This amount was determined by an independent appraiser to be fair market value. The District will continue to own and operate its federally qualified health centers and oversee the operations of the Hi-Desert Memorial Health Care Foundation.

If less than a majority of the voters approve this measure, the Board of Directors of the District will not be authorized to enter into the purchase/lease agreement with Tenet Healthcare Corporation and the District will continue to manage the Medical Center, the Continuing Care Center, and other outpatient clinics.

The above statement is an impartial analysis of Measure _____. If you desire a copy of the measure, please call the Hi-Desert Memorial Health Care District at (760) 366-6262 and a copy will be mailed to you at no cost.

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