



Legislation Text

File #: 20-1714, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality

AGENDA DATE: September 23, 2020

COUNCIL DISTRICT(S): 9

DEPARTMENT: Office of Economic Development

EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize City assignment of Tenet Hospitals Limited Texas Enterprise project to BT East Dallas JV, LLP under the Texas Enterprise Zone Act, as amended (Texas Government Code, Chapter 2303) to the Office of the Governor, Economic Development and Tourism division, through the Economic Development Bank - Financing: No cost consideration to the City

BACKGROUND

I Doctors Hospital at White Rock Lake ("Doctors Hospital"), located at 9440 Poppy Drive in Dallas, has been providing generations of Dallas residents with a broad spectrum of advanced healthcare programs and clinical services in general medicine, surgery, pediatrics and obstetrics since it opened in 1959.

Tenet Hospitals Limited's ("Tenet") Doctors Hospital was designated as a Texas Enterprise Project on March 3, 2014 for the period October 11, 2013 through March 3, 2019.

On January 1, 2016, Doctors Hospital was acquired by a new joint venture until February 28, 2018. The joint venture, between Baylor University Medical Center, an affiliate of Baylor Scott & White Health, and Tenet Hospitals Corporation's affiliate, Healthcare Network Texas, Inc. was named BT East Dallas JV, LLP ("BT East").

Under its stewardship, Doctors Hospital under BT East remained committed to the capital investments included in the Texas Enterprise Project Application submitted and approved on March 3, 2014. The capital improvement investment, made by both BT East and current Doctors Hospital owner Pipeline East Dallas, LLC, has been approximately \$11.1 million and have included a new robotic surgical system, patients' beds, operating room tables and lighting, a nurse call system, transport stretchers, and other supplies and equipment. These capital investments were obtained and put in service over the required five-year designation period and have allowed the hospital to continue to provide care and service to the Dallas community.

BT East has requested, and Office of Economic Development staff recommends, that the City of Dallas approve the assignment of the related Tenet Texas Enterprise Project Application for its duration of its ownership from January 1, 2016 through to February 28, 2018. The assignment of this project designation is essential to the operations at the qualified business site in that it will allow BT East to fulfill the capital investment and job retention commitments required to obtain the sales and use tax refunds which have or will be claimed under this project designation.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 26, 2014, City Council authorized the nomination of Tenet Hospitals Limited designation as an Enterprise Project under the Texas Enterprise Act, as amended by Resolution No. 14-0391.

Information about this item was provided to the Economic Development Committee on September 8, 2020.

FISCAL INFORMATION

No cost consideration to the City.