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Peninsula Health Care District and Sutter Health Announce Landmark Partnership to Advance Healthcare Access on the Peninsula

Proposed Medical Office Building Would Expand Access to Comprehensive Healthcare Services

BURLINGAME, Calif. (June 30, 2026) — Peninsula Health Care District (PHCD) today announced that it has entered into a non-binding term sheet (the Term Sheet) with Sutter Health/Mills-Peninsula Medical Center (Sutter Health) establishing a framework for the potential development of a new state-of-the-art medical office building and parking structure on District-owned property in Burlingame.

The proposed project represents a significant investment in the future of healthcare on the Peninsula and would bring approximately 200,000 square feet of new healthcare facilities to the region, expanding access to a broad range of medical services for residents throughout San Mateo County.

“This marks an important milestone in our ongoing commitment to improving community health and ensuring access to high-quality healthcare services for current and future District residents,” said Ana M. Pulido, MPA, Chief Executive Officer of Peninsula Health Care District. “By partnering with Sutter Health, we are helping create opportunities to expand healthcare services and access close to home while strengthening the region’s healthcare infrastructure. I would like to thank our Board of Trustees for their vision, leadership, and dedication to advancing the health and well-being of the communities we serve.”

"At its heart, this partnership is about people. It is about making it easier for individuals and families to receive outstanding care close to where they live, work, and raise their families," said Darian Harris, MHA, Chief Executive Officer of Sutter Health's Mills-Peninsula Medical Center. "Together, we have an opportunity to expand access, strengthen coordination across the continuum of care, and continue investing in the health of our community for generations to come. This agreement represents an important step toward meeting these growing healthcare needs of our community. We are grateful for our longstanding partnership with the Peninsula Health Care District and excited about what we can accomplish together on behalf of the patients and communities we are privileged to serve."

Under the Term Sheet, Sutter Health would have the opportunity to pursue the development of a new medical office building and related parking facilities on approximately two acres of District-owned land adjacent to the Mills-Peninsula Medical Center campus.

Proposed Healthcare Facility

The proposed medical office building could include a wide range of healthcare services, including:

- Physician and specialty medical offices
- Diagnostic testing and imaging services
- Ambulatory surgery center
- Preventive and wellness programs
- Specialty treatment services
- Medical and clinical education programs
- Related healthcare support services

The project also contemplates the development of a three-level underground parking structure with approximately 600 parking spaces to support the new medical office building and help address broader parking needs on the Mills-Peninsula Medical Center campus.

The Term Sheet establishes a framework for negotiating a future option agreement and long-term ground lease that would enable Sutter Health to develop and operate the facilities, subject to governmental approvals, entitlement processes, and Peninsula Health Care District approval rights.

Together, these investments reflect the shared commitment of Peninsula Health Care District and Sutter Health to strengthen healthcare infrastructure, expand access to high-quality care, and support the evolving healthcare needs of Peninsula residents for decades to come.

“The Peninsula Health Care District Board of Trustees is committed to fostering opportunities that improve the health and quality of life of the communities we serve,” said Lawrence W. Cappel, Ph.D., Chair of the Peninsula Health Care District Board of Trustees. “This partnership represents a major investment in the future of healthcare on the Peninsula. By expanding healthcare capacity and supporting long-term access to medical services, this project has the potential to deliver lasting benefits for residents throughout our service area.”

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About Peninsula Health Care District: Founded in 1947, the Peninsula Health Care District serves the communities of San Bruno, Millbrae, Burlingame, Hillsborough, San Mateo, and a portion of Foster City and South San Francisco by supporting the unique health and wellness priorities of our Peninsula communities, and safeguarding access to health services, today and in the future. PHCD fulfills its commitment to the community through oversight of District assets and infrastructure, providing direct services, planning for future healthcare needs, and

investing taxpayer dollars in local health-focused programs and partner organizations. For more information: peninsulahealthcaredistrict.org.

About Sutter Health: [Sutter Health](https://sutterhealth.org) is a not-for-profit healthcare system dedicated to providing comprehensive care throughout California. Guided by a commitment to advancing innovative patient care, healthy outcomes and community partnerships, Sutter is pursuing a bold plan to reach more people and make excellent healthcare more connected, accessible and personalized.

Today, its dedicated team of more than 64,000 employees and clinicians and 15,000+ affiliated physicians care for more than 3.6 million patients and are united by a shared focus on expanding care to serve more patients. Sutter delivers exceptional and affordable care through its hospitals, medical groups, ambulatory surgery centers, urgent care clinics, telehealth, home health and hospice services.

Recognized nationally for its workplace culture, Sutter Health has been named to [Modern Healthcare's 2026 Best Places to Work in Healthcare list](#) and [Forbes' America's Best Employers for Company Culture 2026](#). Learn more about how Sutter Health is transforming care at sutterhealth.org and vitals.sutterhealth.org.

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