

OFFICE OF THE COUNTY ADMINISTRATOR

600 West Fourth Street
Davenport, Iowa 52801-1003

Office: (563) 326-8702
Fax: (563) 328-3285
www.scottcountyiowa.com



DATE: March 22, 2016
TO: Board of Supervisors
FROM: Dee F. Bruemmer, County Administrator
RE: Discussion of Public Hearing for the sale of Pine Knoll at 2504
Telegraph Road

The Pine Knoll property at 2504 Telegraph Road has been leased to Vera French since 1987. The facility is used as a residential care facility for people with mental illness. Scott County residents represent about 99% of the total population in the programs. The County retains ownership of the buildings and property.

Capital maintenance for Pine Knoll is the responsibility of the County. FSS has a budget of approximately \$23,000 each year for minor repair and improvements. The buildings have not undergone major renovation for decades. The County Financial Statement only reflects a bathroom remodel several years ago as an asset value. The land was reviewed by the City Assessor in February 2016 estimated a market rate of \$550,000.

In October of 2014 the County worked with Estes Construction to do an assessment of the buildings in order to determine the cost to bring the buildings up to life safety standards and do work on the major systems to keep the building operating for its current purpose. The Life Safety work totaled \$1,302,800. The interior and exterior repairs added another \$803,200. This work did not include upgrades to rooms or common areas that need to be addressed. Those improvements have not been included in the County's capital program.

Because of the size of the current residential program, continue operation at Pine Knoll is no longer feasible due to federal requirements. The Vera French Board is working to purchase property to operate smaller residential programs that will allow them to be reimbursed for these services. That relocation is most likely to occur in the next two years.

Through negotiations with Vera French the County can sell the Pine Knoll Facility now to Vera French for \$1.00 and give them a \$50,000 grant for building maintenance until they can relocate. Selling the property now relieves the County of the risk that one or more of the major systems in the facility will fail and require the County to replace it prior to the programs leaving. Over the last several years the County has spent more dollars than budgeted due to aging and failing systems. Also Vera French will be able to use the asset as possible offset to the costs of purchasing or building smaller facilities.

Attached is the letter from Vera French regarding the purchase.



VERA FRENCH

■ Quality, Accessible, and Comprehensive Mental Health Care

March 14, 2016

Scott County Board of Supervisors
600 W. 4th Street
Davenport, IA 52801

The Vera French Community Mental Health Center is tremendously grateful to accept the Pine Knoll property located at 2504 Telegraph Road, Davenport for the sum of \$1.00. We accept and appreciate the \$50,000 grant to be used to provide much needed maintenance. As you may know, 99% to 100% of the residents served at Pine Knoll are Scott County citizens. Vera French will continue to use the building and land to provide much needed residential care services for persons with mental illness until we are able to have new facilities that meet federal government regulations. 2016 marks the 70th year that Vera French has partnered with Scott County to provide services for, and protect, some of our most vulnerable citizens. On behalf of the Vera French Board of Directors, staff and clients we thank you for your commitment to persons with mental illness.

Sincerely,

Anne Armknecht, MBA HC
Chief Executive Officer
Vera French Community Mental Health Center
1441 W. Central Park Ave.
Davenport, IA 52804
(563.888.6245)
armknecht@verafrenchmhc.org
www.verafrenchmhc.org