

OFFICE OF THE COUNTY ADMINISTRATOR

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DATE: April 5, 2016
TO: Board of Supervisors
FROM: Dee F. Bruemmer, County Administrator
RE: Discussion of 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 and they 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.

Through negotiations with Vera French, the County can sell the Pine Knoll Facility 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.

On March 24, 2016 a public hearing was held regarding the sale. Only the Vera French Director spoke. No correspondence was received from any other interested party.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

April 7, 2016

APPROVING the sale of Pine Knoll at 2504 Telegraph Road to
Vera French Mental Health Center

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That Scott County Board of Supervisors approves the sale of 2504 Telegraph Road for \$1.00 to Vera French Mental Health Center.

Section 2. That in addition to the sale Scott County grants \$50,000 for the future maintenance of the facility. That grant will be paid following the closing for the property.

Section 3. Therefore, The Scott County Board of Supervisors authorizes the County Administrator to sign the necessary documents for the sale on their behalf.

Section 4. This resolution shall take effect immediately.