

Request for Board Action Details

File #: 2023-195
Type: Administrative Item
Status: Passed
In control: Board of Commissioners
On agenda: 5/23/2023
Final action: 5/23/2023
Title: Sale of the Ramsey County Care Center Property to NUWAY Alliance
Sponsors: Property Management
Indexes:
Code sections:
Attachments: 1. Purchase and Sale Agreement, 2. Resolution

Date	Ver.	Action By	Action	Result
5/23/2023	1	Board of Commissioners	approved	Pass

Sponsor: Property Management

Title

Sale of the Ramsey County Care Center Property to NUWAY Alliance

Recommendation

1. Approve the sale of and Purchase and Sale Agreement for the Ramsey County Care Center property on Parcel #142922320001 with NUWAY Alliance, 2217 Nicollet Avenue South, Minneapolis, MN, 55404, in the amount of \$5,250,000.
2. Authorize the County Manager to create a Holding Project as a project budget in the 2023 Capital Projects Fund.
3. Authorize the County Manager to approve and execute the Purchase and Sale Agreement, settlements, closing documents, and other related real estate documentation associated with the disposition of the Ramsey County Care Center (Parcel #142922320001), in a form approved by the Ramsey County Attorney's Office.
4. Authorize the County Manager to execute amendments that do not have a financial impact on the disposition of the Ramsey County Care Center (Parcel #142922320001).
5. Authorize the County Manager to create a Ramsey County Care Center Closure Project within the Property Management budget.
6. Authorize the County Manager to reallocate up to \$340,000 from the Ramsey County Care Center 2022-2023 Capital Improvement Program Project budget to the Ramsey County Care Center Closure Project for one-time costs to complete the closure activities.
7. Approve the closure of the Ramsey County Care Center Capital Improvement Program Projects, with the remaining balances directed to the Capital Improvement Program contingent account.

Background and Rationale

On March 1, 2022, *The Future of the Ramsey County Care Center* was presented at a Ramsey County Board workshop. The County Manager recommended the closure of the facility due to challenges posed external environmental factors that would not dissipate, and a recognition that uncertainty over the Ramsey County Care Center would remain an ever-present issue for residents and staff under potential lease scenarios.

On September 21, 2022, the Ramsey County Care Center was permanently closed. Staff wishing to remain employed by Ramsey County were able to find alternative positions, and remaining clients were able to find alternative care. Personal property throughout the facility was subsequently sold, with revenue generated from the sale serving to offset the loss of revenue from operations. Property Management assisted in the closure of the facility and has continued to maintain the vacant 70,000+ square foot facility.

Property Management has sought opportunities to sell or lease the facility. The unique nature of the facility and its deferred maintenance have presented challenges to these efforts. On March 14, 2023, a closed meeting was held to consider an offer and counteroffer for the sale of the property. The terms for pursuing a sale of the facility to NUWAY Alliance were established. Thereafter, a letter of intent was successfully negotiated, and a purchase and sale agreement followed. The sale is expected to close in the next 60 days.

With the sale of the facility, approved 2022-2023 Capital Improvement Projects totaling \$2,365,861 are no longer required for their requested purposes. Reallocation of up to \$340,000 of these funds to a new project within Property Management for the one-time costs associated with closure of the facility and parcel separation for the sale is recommended. The remaining projects are recommended to be closed with balances directed to the Capital Improvement Program contingent account.

County Goals (Check those advanced by Action)

☐ Well-being ☐ Prosperity ☐ Opportunity ☒ Accountability

Racial Equity Impact

The racial equity impact of the sale is unknown.

Community Participation Level and Impact

There is no community engagement for the sale of this parcel.

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

Fiscal Impact

The disposition of the parcel will result in \$5,250,000 of revenue not included in the county's 2023 Capital Improvements budget. Revenue received from the disposition will be deposited into a Holding Project in the county's 2023 Capital Projects Fund. Requests for use of funds will be presented to the Ramsey County Board through the request for board action process.

Capital Improvement Program Project funding previously awarded to the Ramsey County Care Center totaling \$2,366,000 will be partially reallocated to fund the capital project associated with closure of the Ramsey County Care Center in the amount of \$340,000, with the remaining balances to be transferred to the Capital Improvement Program contingent account.

Last Previous Action

On April 18, 2023, the Ramsey County Board authorized up to \$6.5 million in General Fund Reserve for one-time costed related to the 2022 closure of the Ramsey County Care Center (Resolution B2023-059).

On March 14, 2023, the Ramsey County Board held a closed meeting to develop or consider offers or counteroffers for the purchase or sale of real property known as the Ramsey County Care Center in Maplewood, MN.

On March 8, 2022, the Ramsey County Board approved the County Manager's recommendation to close the Ramsey County Care Center (Resolution B2022-074).

Attachments

1. Purchase and Sale Agreement with NUWAY Alliance