

Prospective sale of the Senior Center Facility

What began as a request a couple of months ago by the Alpena Area Senior Citizen Council, Inc. to extend the existing Senior Center lease agreement with the County of Alpena, has developed into a proposal to sell the Center to the Council.

The Seniors were requesting the lease extension because of brick and mortar grant commitments needing more security or longevity of control of the Facility. At first glance our County legal counsel maintained that the County could only sell the building under State Law for Fair Market Value. When that presentation was made to the Seniors it was quickly turned down as unaffordable. Upon further review with help from the Treasurer's office, the Register of Deed's office, the Commissioner's office and the Seniors, Tammy and I were able to put together a timeline of the relationship between the County and the Seniors. I will attach that timeline to this document.

The important part of that timeline is that the County purchased three lots in September of 1976 for \$50,000 (plus \$2500 of Senior money) using revenue sharing dollars. Soon the County signed a 25-year lease with the Seniors so that the Seniors could get a \$300,000 HUD grant and construct the current Center building. Other than the initial property purchase we could not find any other expenditures made by the County to the Seniors for the Center. There is a fund at the County that still has a \$39,500 balance that is residual Senior millage money that remains solely for repairs and maintenance of the Center. Our County legal counsel has given us a legal opinion that we can sell the building and the Seniors have agreed that they would like to purchase the building based on the following contingencies:

- Sale price to be \$60,000
- Sale will include a reversion clause whereby ownership of the Senior Facility property will revert to the County upon dissolution of the Senior Council and their service to the area's seniors is discontinued. The reversion clause will not be triggered if the Senior Council demolishes the existing building to build new or if the building and property are sold allowing the Senior Council to move to a new location.
- Additionally, the Senior Council will upon dissolution, deed to the County the three adjacent lots that the Senior Council owns and are currently used for parking for the Center.
- With the transfer of ownership to the Senior Council the County will avoid all future expenses related to this property.
- The current lease will terminate upon the sale of the Center and the Senior Council agrees to provide programs and services for our area's senior population in a like or similar manner to those currently offered.

- The current County fund balance of residual Senior millage (\$39,500) that is earmarked for renovations and maintenance at the Senior Center will remain at the County and will be available for the Seniors to draw down until exhausted.

The above caveats allowed our attorney to give us an opinion allowing for a sale less than the Fair Market Value.

Sale of this property should constitute a win-win solution for both parties. The County will avoid all future ownership costs and the Seniors will be able to satisfy the questions of ownership and control of the building for current and future grant opportunities and will not need the County's permission for anything relating to their building.

The Senior Council has some great plans to enhance the service to our area senior population and I ask you for your support in making this happen. If this meets the approval of Finance Chair Peterson and Commission Chair Adrian I would ask that it be added to the Finance and Regular Meeting Agendas for this month.

Presented by Commissioner Thomson

April 7, 2020