



**Resolution for the Purchase of Real Estate
for the Morongo Basin Healthcare District**

Resolution No. 17-09

A RESOLUTION PROVIDING FOR THE PURCHASE OF REAL ESTATE.

WHEREAS, the Morongo Basin Healthcare District requires additional medical facilities, in the City of Twentynine Palms for the operation of its business and the welfare of its clients, and

WHEREAS, it would be desirable to own rather than rent said premises located at 6354 Split Rock, in the City of Twentynine Palms, County of San Bernardino, State of California from Renato F. Guzman, and includes two (2) Professional Buildings totaling approximately 3728 Square feet on a two (2) acre parcel, at an agreed purchase price of \$200,000 as further set forth in a purchase and sale agreement as annexed hereto, and

WHEREAS, the Morongo Basin Healthcare District will commission a Commercial Appraisal of the property prior to the close of escrow, and

WHEREAS, the purchase price of the property shall not exceed the appraised value;

NOW, THEREFORE, BE IT RESOLVED BY THE MORONGO BASIN HEALTHCARE DISTRICT BOARD OF DIRECTORS:

1. That Morongo Basin Healthcare District is committed to providing quality, convenient healthcare services to the communities of the Morongo Basin.
2. That on or about July 13, 2017 the Board of Directors voted to authorize the Chief Executive Officer or his /her designee, to sign for and accept assistance in the purchase of the said property for the purpose of providing a healthcare center for the City of Twentynine Palms in the amount not to exceed \$200,000.
3. The Chief Executive officer or her designated representative may approve for payment, out of funds appropriated in the District budget or otherwise approved by the Board of Directors for this purpose, or may disapprove any bills, debts, or liabilities asserted as claims against the Healthcare District as permitted in the Matrix of Authorization (LD-208). All matters outside the scope of authority of those authorized in the matrix will be referred to the Board of Directors for review and approval.


4. That the Board of Directors further voted to authorize the Chief Executive Officer or her authorized representative to execute the purchase and sale agreements required by the purchase of said property.


CERTIFICATION

This Resolution was passed and adopted at the regularly noticed meeting of the Board of Directors of the Hi-Desert Memorial Health Care District on the thirteenth day of July 13, 2017 at which a quorum of the Board of Directors was present, and at which the requisite percentage of the quorum voted to adopt the resolution and that the resolution has not been rescinded, modified or cancelled as of the date of my execution of the same and that it remains in full force and effect as of this date. I further understand that all parties to this transaction to include the seller of the property, are relying on the validity of this resolution in taking the actions to process said purchase of property described herein. The Resolution was passed and adopted by the following roll call vote of the Board of Directors:

- Director Armstrong: Yes No Abstain Absent
Director Doyle: Yes No Abstain Absent
Director Hoffman: Yes No Abstain Absent
Director Markle-Greenhouse: Yes No Abstain Absent
Director Sullivan: Yes No Abstain Absent

I declare under penalty of perjury, under the laws of the State of California that the foregoing is true and correct.

Approved: 
President of The Board

ATTESTED: 
Secretary of the Board of Directors



Motion 17-55
Staff Report/Recommendation
REAL ESTATE ACQUISITION
July 13, 2017

SUBJECT: Purchase of the Professional Medical Buildings at 6354 Split Rock, Twentynine Palms, California.

INTRODUCTION:

There is an opportunity to purchase a second clinic location in the City of Twentynine Palms. In the fall of 2016, the Healthcare Foundation received an estate donation from the Kenney Trust to provide healthcare services for the residents of Twentynine Palms. At that time, the District's Board of Directors agreed to supplement the cost of purchase of a second clinic location in Twentynine Palms.

ACTION ITEM:

Approval of the purchase of said property.

ASSUMPTIONS:

The community health center in Twentynine Palms is out of space and thus is not able to increase patient visits. The property at said location will provide clinic expansion and land for growth in the future.

FACTS BEARING ON THE ACTION:

- The purchase price of the property is \$200,000. The property includes two acres and two commercial buildings totaling 3,728 sq. ft.
- After building inspections, the buildings appear to be in good condition, but need to be made ADA compliant, paint and flooring, landscaping, and pavement repairs.
- The Kenney Trust donated \$115,770 for a healthcare project that would benefit the residents of Twentynine Palms.
- The District contribution for the purchase is \$84,230 plus escrow cost.
- District expenses for renovation and ADA compliance is approximately \$200,000.

DISCUSSION:

- A return on investment of District dollars is about one year. See attached Return On Investment (ROI).
- Renovating existing professional buildings shortens the time for opening compared to purchasing land and building a new structure.
- Opening a second clinic in Twentynine Palms would not only provide additional patient appointments, but would also provide for later hours, like an urgent care, closer to the center of Twentynine Palms.

CONCLUSION: Based on the following items, the purchase of this property is a positive action for the District:

- Provides additional clinic space.
- Foundation donation for healthcare services for the residents of Twentynine Palms.
Purchase of existing professional buildings and renovation allows for a shortened opening timeline.
- A positive ROI in one year.

ACTION RECOMMENDED:

Approve the purchase of the said property.

**Return on Investment
Second Clinic in 29 Palms**

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year to Date
Day of Operations	22	20	22	21	23	21	19	22	19	23	20	18	
Visits/Day	24	24	24	24	24	24	24	24	24	24	24	24	
Total Adult/Peds Visits	528	480	528	504	552	504	456	528	456	552	480	432	6,000
Revenue Total \$150/Visit	79,200	72,000	79,200	75,600	82,800	75,600	68,400	79,200	68,400	82,800	72,000	64,800	900,000
Operating Expenses													
Total \$106/visit	55,968	50,880	55,968	53,424	58,512	53,424	48,336	55,968	48,336	58,512	50,880	45,792	636,000
Net Income (Loss)													264,000

Return on Investment	
Purchase	200,000
Foundation	115,770
District	84,230
Renovations:	
Inside/ADA	125,000
Parking lot	50,000
Landscape	<u>25,000</u>
District Investment	284,230
ROI	13 mos