

Agenda Item Report



Winnebago County
The Wave of the Future

DATE: September 23, 2022

FROM: Bill Topel, Director of Human Services, Mike Elder, Facilities Director

RE: Winnebago County Shelter Care Facility Purchase

General Description:

The property at 2831 Harrison St., Oshkosh, WI 54901 is currently owned by Lutheran Social Services and is being operated as Winnebago County Shelter Care. The building is for sale. Winnebago County is being given first consideration for purchase through 12/31/2022.

Action Requested:

Move to approve the purchase of the property for \$700,000 and an additional \$300,000 to renovate and bring the building up to code as a public property to come from either the General Fund or through borrowing

Procedural Steps:

Human Services Board

Oct. 3, 2022

Facilities Committee

Oct. 26, 2022

Personnel and Finance Committee:

Nov. 3, 2022

County Board

Nov. 15, 2022

Background:

- Established in State Statutes 938.22 and 48.67 and established since the 1980s
- Winnebago County contracted with several different vendors over 40 years.
- Services were abruptly ended with the available private vendor in Nov. 2021 due to inability to find workers. No other vendors provide this service any longer in the state.
- Youth and staff have had to go to Outagamie County (who temporarily agreed to take them).
- Services have been temporarily restored locally with another vendor agency and DHS staff but this will end on Dec. 31 of 2022
- We have until Jan. 1, 2023 to establish our own county run facility and program
- We currently rent the building which is zoned and licensed for a shelter care facility from Lutheran Social Services who has given us a lease through the end of this year and then plans to sell the building.
- We have entered into informal negotiations with LSS for a possible purchase of the building which they are interested in doing.
- We have included in the 2023 budget to add our own staff to run the program going forward with the dollars we previously used to contract with LSS.
- In September and October, we will work our way through parent committees of Human Services and Facilities, Personnel and Finance and the County Board to seek approval on the purchase of the building.
- The appraised value of this 9,320 sq. ft., 16 bed property is \$850,000. We estimate about \$150,000 of repairs in the roof, siding, parking lot and garage and another \$150,000 to bring the building up to code as a public building.
- LSS has informally agreed to reduce their asking price to \$700,000 in recognition of the \$150,000 in repairs, so the total capital project will be \$1,000,000 for this fully operational and licensed facility and to bring it up to code.

- The financial payback on the purchase of the building is expected to take 20 years based on a projection of costs associated with equivalent rent and other maintenance compared to what we had been paying in rent.

Policy Discussion:

Purchasing this property will allow for the County to run the Shelter Care program for many years to come. The property is zoned correctly, licensed correctly and has passed city inspection. There is no comparably sized property available on the market. There are no other alternative to owning the property as there are not other entities or counties willing to provide shelter care services to the county.

We have the opportunity of first consideration for buying the property from Lutheran Social Services who intend to sell it next year.

The only other option would be to build a new structure which would likely cost three to five times as much as purchasing the existing property and the timeframe for building would be at least two years or more.