

March 21, 2017

Marcus Mueller, Director
Kenai Peninsula Borough
Lands Department
144 N. Binkley St
Soldotna, AK 99669

Re: Withdrawal Management Facility 354 Tye Street– Purchase, Scope of Work and Estimate

Dear Mr. Mueller:

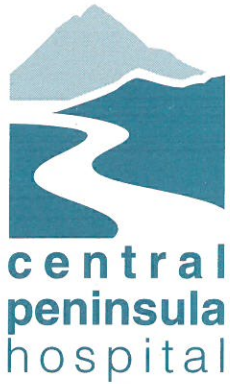
Some background regarding the need for the Tye Street facility. Central Peninsula Hospital (CPH) has been awarded a grant for Residential Substance Use Disorder (SUD) and Withdrawal Management Services from the State of Alaska. Now that we have been awarded the grant, an opportunity to purchase a facility at a reduced rate is available. It is a six bed, six bath facility that previously housed individuals with psychiatric or cognitive disabilities.

Following the Kenai Peninsula Borough (KPB) inspection of the facility at 354 Tye Street in Soldotna, the Borough made an offer on behalf of Central Peninsula Hospital to purchase the facility. As I understand it, the seller has accepted the offer of \$500,000 through the realtor contingent upon approval of the KPB Assembly. The building's most recent assessment on the KPB assessing website is for \$703,900 which will become effective June 1, 2017. The 2016 assessment amount is \$698,100.

The goal of the new service is to assist adults in safely withdrawing from alcohol and/or other drugs. These individuals are often frequent users of Emergency Medical Services (EMS), Public Safety, the CPH Emergency Room or inpatient psychiatric care services. The proposed six to eight bed facility will meet criteria for the American Society of Addiction Medicine (ASAM) Level of Care 3.7. This new level of care adds 24 hour medical management and evaluation of those in the facility. The service includes programs that provide observation, supervised evaluation and withdrawal management services delivered by qualified medical and nursing professionals for 24-hour observation, monitoring, and treatment. This service typically includes outpatient services, as well.

Following the purchase of the facility (if approved), it will need work as indicated in the Building Inspection Report conducted by KPB Capital Projects Manager, Dave May:

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Interior surfaces show heavy signs of use. Painted walls and ceilings, and carpets and stained concrete flooring all are at the end of their useful life and are in need of repainting (staining)/replacement.

Residential appliances are well worn. Building maintenance indicated that there are numerous appliances that are not functioning as they should.

The scope of the project will include: code requirements identified in the building report, new paint and flooring, casework, minor remodeling (for configuration), signage, furniture fixtures equipment (FF&E), information technology costs for hospital associated operations, and security system completion.

Central Peninsula Hospital anticipates managing the project with an estimated remodeling cost of \$240,900. We would recommend a not to exceed amount in the ordinance for \$240,900. That is the language I will be putting in a resolution to the CPGH, Inc. Board of Directors for the March 30, 2017 meeting. The resolution will also include the purchase and closing costs totaling \$504,000.

Please let me know if you have any further questions or need any additional details.

Thanks,

Bruce Richards
Director of External Affairs | Marketing | Foundation
Central Peninsula Hospital

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