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City to chip in for survey of public land under Colorado River Medical Center

NEEDLES — City council took action to increase a \$75,000 cap in expenditures dedicated to the sale of Colorado River Medical Center to \$90,000 in order to partially fund a survey required by the federal Bureau of Land Management which holds reversionary interest in part of the land on which the facility was built.

The money would partially fund a required cadastral survey and any minor revisions to the survey and parcel map for the 2.3 acres held by the BLM. Resolution is necessary to closing escrow for the real property portion of the sale.

Rick Daniels, city manager, said the suggestion was to raise the cap by \$10,000 to cover surveying and related costs. It was previously agreed upon by the city and Community Healthcare Partners, Inc., to split the costs of the surveys required by the BLM, he said. The survey was advertised as a request for proposals and CHPI was able to find a surveyor who would charge less than any the city found, he continued.

Daniels said the surveyor would charge \$14,000 plus additional charges to make some modifications to the parcel map, making the total cost \$20,000. The thought is to use CHPI's surveyor and share that cost; the split would be a total of \$10,000. That is the total Daniels suggested for the cap increase.

The cost would come out of sale proceeds. The costs discussed relate to a cap and not actual costs. Those costs may be less than the cap suggested.

Bing Lum of Community Healthcare Partners, Inc., in the process of purchasing the hospital, said he felt the cap should be at \$15,000; the reason being the cost of the survey and possible revisions and other expenses could end up more than the \$10,000 and again that would be a cost that would rest with him and CHPI, he continued.

The sale of the hospital is being completed in two steps. The first part of escrow is already completed for the business and equipment side of the operation.

The second part is for the real property and includes purchasing the land from the BLM in order to avoid future issues with the reversionary rights they still maintain. The second part of escrow has meant going back and doing a cadastral survey, which is performed for all land that was once considered part of the U.S. Public Domain.

Knowing surveys would be needed, part of the purchase agreement included provisions that the city would help pay for certain expenses up to \$75,000. The request was to increase that cap to \$85,000 to help cover the cost of the cadastral survey and possible amendments.

Daniels said the council didn't have to go with his suggestion of the \$10,000 cap. They could go more if they wanted to, he added.

John Pinkney, city attorney, and Cheryl Sallis, who was the hospital board clerk, said they felt the city isn't required to increase the cap. Pinkney said the city doesn't have to feel obligated to increasing the cap because both parties agreed to a cap already as laid out in the purchase agreement. It would be a business decision by the council, he added.

Sallis reminded the council they have already shared several expenses and have reached their limit.

Shawn Gudmundson, council member, said he didn't want \$5,000 to be the difference in getting the process completed. He said he felt it was worth the city's effort to increase the cap by \$15,000 in order to close the deal, he added.