

ST. PETERSBURG CITY COUNCIL  
(ADMINISTRATIVE REPORT)

Meeting of June 18, 2009

TO: The Honorable Jeff Danner, Chair and Members of City Council

**SUBJECT:** A resolution authorizing the Mayor or his designee to execute a consent to the transfer of property located at 1735 9<sup>th</sup> Street South, from Bridges of America – The Pinellas Bridge, Inc., to Westcare Gulfcoast – Florida, Inc., and all other documents necessary to effectuate the transfer; and providing an effective date.

**EXPLANATION**

The City submitted application to the U.S. Department of Housing and Urban Development (“HUD”) in May 1999, to acquire the building located at 1735 9<sup>th</sup> Street South, St. Petersburg, Florida (“Property”) to be used as a substance abuse services center. A Request for Proposal (“RFP”) was announced by the City in 2000 to solicit a substance abuse treatment provider who would acquire, renovate the facilities, and provide services from the building including a 75-bed residential treatment facility for men. In September 2000, the City selected The Pinellas Bridge, Inc. (“Bridges”) to operate the facility. The facility was renovated and opened in June 2001, and began receiving clients on July 31, 2001. In December 2004, Services were funded by Department of Children and Families which funded an Access to Recovery (“ATR”) program which provided walk-in treatment services to the community.

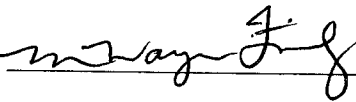
During June 2007, the ATR funding was discontinued and in May, 2008 talks began between WestCare Foundation and Bridges regarding the transfer of the facility and programs to the Westcare Foundation’s subsidiary Westcare Gulfcoast – Florida, Inc. (“Westcare”) In November, 2008, WestCare and Bridges signed an Agreement to transfer the facility and programs to WestCare. In May 2009, a formal request to transfer the building to WestCare was submitted to HUD, which was approved by HUD in June 2009. The City’s consent is also required.

**OBJECTIVE**

The City proposes to consent to the sale of Bridges to WestCare as approved by HUD. The sale would result in continued services at the facility by a service provider who is a known entity and provides similar services at its other facilities in the City.

**RECOMMENDATION:** Administration recommends approval of the attached resolution authorizing the Mayor or his designee to execute a consent to the transfer of property located at 1735 9<sup>th</sup> Street South, from Bridges of America – The Pinellas Bridge, Inc., to Westcare Gulfoast – Florida, Inc., and all other documents necessary to effectuate the transfer; and providing an effective date

Approvals:

Budget: 

Administration: 

Legal: 00109120.doc V. 2

Resolution No. 2009 - \_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE A CONSENT TO THE TRANSFER OF PROPERTY LOCATED AT 1735 9<sup>TH</sup> STREET SOUTH, FROM BRIDGES OF AMERICA – THE PINELLAS BRIDGE, INC. TO WESTCARE GULFCOAST – FLORIDA, INC. AND ALL OTHER DOCUMENTS NECESSARY TO EFFECTUATE THE TRANSFER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) sold the St. Petersburg Nursing Home located at 1735 9th Street South, St. Petersburg, Florida (“Property”) to the City in November, 1999; and

WHEREAS, the City subsequently transferred the Property to Bridges of America – The Pinellas Bridge, Inc. (“Bridges”) subject to and in accordance with that certain Waiver Agreement by and among the U.S. Department of Housing and Urban Development and The City of St. Petersburg, Florida and Bridges of America – The Pinellas Bridge, Inc. dated October 30, 2000, and recorded in the official records of Pinellas County, Florida in Official Records Book 11103, Page 429; and

WHEREAS, Bridges has contracted to sell the Property to Westcare Gulfcoast – Florida, Inc. (“Westcare”) and Westcare has agreed to acquire the Property subject to the terms of the 7 riders contained in the deed from HUD to the City; and

WHEREAS, HUD has approved the proposed transfer of the Property from Bridges to Westcare; and

WHEREAS, Bridges has provided certain assurances to the City, which are contained in letters from its attorney, ShuffieldLowman dated May 19, 2009 and its CPA’s Borcheck & Gase, dated May 13, 2009, both of which are attached to the Consent document as composite Exhibit “B”.

Prepared by:  
Richard B. Badgley  
Senior Assistant City Attorney  
City of St. Petersburg, Florida  
Post Office 2842  
St. Petersburg, FL 33731-2842

**CITY OF ST. PETERSBURG, FLORIDA**  
**CONSENT TO TRANSFER**

This Consent to Transfer is made this \_\_\_\_\_ day of June, 2009, by the City of St. Petersburg, Florida (“City”).

R E C I T A L S

A. The U.S. Department of Housing and Urban Development (“HUD”) sold the St. Petersburg Nursing Home located at 1735 9th Street South, St. Petersburg, Florida (“Property”) to the City in November, 1999.

B. The City subsequently transferred the Property to Bridges of America – The Pinellas Bridge, Inc. (“Bridges”) subject to and in accordance with that certain Waiver Agreement by and among the U.S. Department of Housing and Urban Development and The City of St. Petersburg, Florida and Bridges of America – The Pinellas Bridge, Inc. dated October 30, 2000 and recorded in the official records of Pinellas County, Florida in Official Records Book 11103, Page 429.

C. Bridges has contracted to sell the Property to Westcare Gulfcoast – Florida, Inc. (“Westcare”) and Westcare has agreed to acquire the Property subject to the terms of the 7 riders contained in the deed from HUD to the City.

D. HUD has approved the proposed transfer of the Property from Bridges to Westcare.

E. Bridges has provided certain assurances to the City, which are contained in letters from its attorney, ShuffieldLowman dated May 19, 2009 and its CPA's Borcheck & Gase, dated May 13, 2009, both of which are attached hereto as composite Exhibit "B" and made a part hereof by reference.

NOW THEREFORE, based upon these assurances and the consent of HUD to the transfer, the City hereby gives record notice of its consent to the transfer of the Property, as is more particularly described on Exhibit "A" from Bridges to Westcare.

IN WITNESS WHEREOF, the undersigned has executed this Consent as the duly authorized representative of the City as of the date and year first above written.

Witnesses:

The City of St. Petersburg, Florida

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
As its: \_\_\_\_\_

Sign: \_\_\_\_\_  
Print: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, \_\_\_\_\_ of the City of St. Petersburg Florida, a municipal corporation, on behalf of the corporation. He/she is personally known to me or has produced \_\_\_\_\_ as identification, and she/he appeared before me at the time of notarization.

(Seal)

\_\_\_\_\_  
NOTARY PUBLIC, State of Florida

Approved as to Content and Form:

\_\_\_\_\_  
City Attorney (Designee)  
By: \_\_\_\_\_  
Assistant City Attorney

Legal: 00108930.doc V. 1

**EXHIBIT "A"**

ALL that certain lot, piece or parcel of land, with the building thereon erected, situate, lying and being in the City of St Petersburg, County of Pinellas and State of Florida, described as follows:

Lot 1, Block 1 FAMILY AND SUBSTANCE ABUSE SERVICE CENTER REPLAT, according to the map or plat thereof as recorded in Plat Book 122, Page 10, of the Public Records of Pinellas County, Florida,

AND

Lot 17 of SUNNYSIDE SUBDIVISION, as recorded in Plat Book 1, Page 17, of the Public Records of Pinellas County, Florida, subject to the mineral rights reservation, if any, on Lot 17, Sunnyside Subdivision, in favor of Pinellas County, Florida recorded in O.R. Book 6432, Page 410 of the official records of Pinellas County, Florida.



# SHUFFIELDLOWMAN

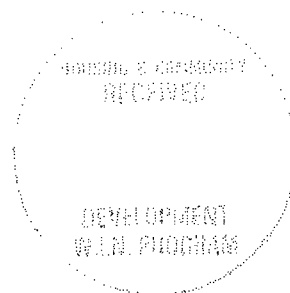
ATTORNEYS AND ADVISORS

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KELLIE M. SYMONS  
ERIC F. WERRENATH  
LYNNE R. WILSON  
PAIGE HAMMOND WOLPERT

May 19, 2009

**VIA FEDERAL EXPRESS**

Thomas DeYampert  
City of St. Petersburg  
175 Fifth Street North  
St. Petersburg, FL 33701



Re: Sale of the St. Pete Bridge

Dear Mr. DeYampert:

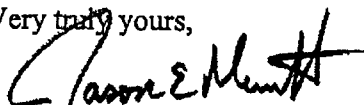
This letter is a follow up to our telephone conversation of Wednesday, May 6th regarding the proposed sale of the St. Pete Bridge by my client, Bridges of America The Pinellas Bridge, Inc. As you will recall, we discussed the need for my client to substantiate the expenditure of those certain funds received by it from Third World Missions, Inc. arising from the mortgaging of the subject property in the amount of \$1,250,000.00 as was permitted in that certain Waiver Agreement between the City of St. Petersburg, my client and the U.S. Department of Housing and Urban Development. Enclosed with this letter, please find correspondence from the accounting firm of Borcheck & Gase who serves as my client's accountant and who has conducted an inspection of my client's accounting records for the period between July 2000 through August 2001 during which the proceeds received from the above referenced loan were expended.

Based on conversations which I have had with the purchaser's attorney, Joe DiVito, as well as a voice mail which I have received from Bill Melvin with the U.S. Department of Housing and Urban Development, I understand that there has been some question raised regarding the amount of the invoices which have been previously submitted by my client in support of its request to have the equity participation provisions of the HUD Riders waived. I understand that there appears to be some discrepancy in the approximate amount of \$100,000. Rather than engaging in a detailed accounting and review of these invoices, I would submit that the total sum of those invoices in the approximate amount of \$1.1 million together with the additional amounts discussed in the enclosed letter, in the approximate amount of \$1.4 million should be sufficient to evidence the fact that my client's total expenditures for and to the subject property far exceed the \$1,250,000 purchase price which has been agreed upon between the seller and buyer.

*Thomas DeYampert*  
*May 19, 2009*  
*Page 2 of 2*

I trust that this letter and the enclosed correspondence from my client's accountants is sufficient to complete your review and approval of this transaction. However, should you have any questions or concerns regarding the same, please do not hesitate to contact me at your very earliest convenience. I appreciate your attention to this matter and the cooperation that you and the City of St. Petersburg have shown with respect to facilitating this transaction to this point.

Very truly yours,



Jason E. Merritt

JEM/dm

Enclosure

xc: Lori Brown (w/o enclosure)  
Marvel Quevedo (w/o enclosure)  
Joe DiVito (w/enclosure)  
Bill Melvin (w/o enclosure)



**BORCHECK & GASE**  
CPAs & BUSINESS DEVELOPMENT CONSULTANTS

Michael S. Borcheck, CPA, PA  
James E. Gase, CPA, PA  
Allison R. Williams, CPA, PA

May 13, 2009

Ms. Lori Costantino-Brown, President  
Bridges of America, Inc.  
2001 Mercy Drive  
Orlando, FL 32808

RE: Pinellas Building Costs

Dear Ms. Brown,

Upon request from The City of St. Pete, we have analyzed the original document which specified the use of funds from the original mortgage in the amount of \$1,250,000. As part of the transfer/purchase of the building located at 1735 Dr. Martin Luther King Street South, the City of St. Pete and the U.S. Department of Housing and Urban Development (HUD) agreed to allow funds from a First Mortgage to be used for acquisition costs as well as pre and post construction costs and start-up costs. The specified manner is as follows:


Hard Construction Renovation	\$ 700,000
Site Improvements	75,000
Security and Misc Const Cost	80,000
Start-Up:Pre-Program	200,000
Pre-Program Debt Svc(Sept-Dec)	30,000
Program Start-Up	90,000
Program Start-Up Debt Svc(Feb-June)	75,000


Total \$1,250,000

Based upon an inspection of the accounting records, we were able to determine the details of the majority of the above costs for the period of July 2000 through August 2001. The above mentioned funds were used to improve the building and site, as well as to provide funds for the program start-up activities, security, and debt service in the amount of \$1,426,948 for the period ending August 31, 2001. Please see our attached report and accompanying schedule.

280 West Canton Ave. • Suite 110 • Winter Park, Florida 32789 • (407) 622-6600 • Fax (321) 248-0266 • [www.cpasolution.com](http://www.cpasolution.com)

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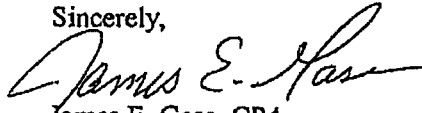
 American Institute of  
Certified Public Accountants

 Florida Institute of  
Certified Public Accountants

 Private Companies Practice  
Section of AICPA

I trust this provides you with support for the expenditures of the original mortgage monies being used within the specified scope of fund usages. Please feel free to contact me if you require additional information.

Sincerely,



James E. Gase, CPA

**BRIDGES OF AMERICA –  
THE PINELLAS BRIDGE, INC.**

**ANALYSIS OF  
MORTGAGE FUNDS USAGE**

**FOR THE PERIOD ENDING  
AUGUST 31, 2001**

**TABLE OF CONTENTS**

<b>Accountant's Report</b>	<b>1</b>
<b>Analysis of Mortgage Funds Usage</b>	<b>2</b>



**BORCHECK & GASE**  
CPAs & BUSINESS DEVELOPMENT CONSULTANTS

Michael S. Borcheck, CPA, PA  
James E. Gase, CPA, PA  
Allison R. Williams, CPA, PA

To the Board of Directors  
Bridges of America – The Pinellas Bridge, Inc.  
Orlando, Florida


We have compiled the Analysis of Mortgage Funds Usage of Bridges of America- The Pinellas Bridge, Inc. (a non-profit) for the period ending August 31, 2001, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.


A compilation is limited to presenting information that is the representation of management. We have not audited or reviewed the accompanying Analysis of Mortgage Funds Usage and, accordingly, do not express an opinion or any other form of assurance on it.

*Borcheck & Gase LLC*

May 13, 2009

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**Bridges of America-The Pinellas Bridge, Inc.  
 Analysis of Mortgage Funds Usage  
 For the Period Ending August 31, 2001**

09/30/2000	Start-Up Expenses	109,485
01/31/2001	Irwin Contractors	27,094
02/05/2001	Irwin Contractors	80,790
03/15/2001	Irwin Contractors	31,609
03/15/2001	Irwin Contractors	48,884
05/11/2001	DM Dennett & Assoc	4,869
05/31/2001	Irwin Contractors	14,208
06/28/2001	Irwin Contractors	203,097
07/14/2001	Locks/Keys	334
07/14/2001	Phone System 25%	3,066
07/20/2001	Signage	599
07/26/2001	Irwin Contractors	323,891
08/14/2001	West Coast Fence	20,575
08/14/2001	West Coast Fence	7,082
04/30/2002	Irwin Contractors	83,000
09/30/00	Start-Up Expenses	10,585
05/24/01	Aaron Rents - Office Furniture	42,789
06/27/01	PC Lan VAD - Computers	11,062
07/14/2001	Locks/Keys	717
07/14/01	Phone System 75%	9,198
08/31/01	Start-Up Expenses	11,654
Jan01-Aug 01	Debt Service Payments	35,712
Jan01-Aug 01	Salaries	232,637
Jan01-Aug 01	Payroll Taxes	9,971
Jan01-Aug 01	Insurance-General	41,571
Jan01-Aug 01	Insurance-Group Health	645
Jan01-Aug 01	Supplies-General	12,373
Jan01-Aug 01	Fire/Safety (bidg security while under construction)	32,965
Jan01-Aug 01	Job Advertisements	4,535
Jan01-Aug 01	Capital Expenditures-Other	11,951
		1,426,948

See accountant's compilation report.