

Hidalgo County Head Start Program

Policy Council Regular Agenda

DATE: November 16, 2016

SUBJECT: Discussion/Approval of Plan for Disposition of Granjeno Building

RATIONALE/NEED: The Granjeno building is used for storage and has not been used for Head Start services for more than ten (10) years. Administration proposes to secure official approval from the Department of Health and Human Services (DHHS) for disposition of the building.

RECOMMENDATION: Administration recommends approval.

COST:

RELATED INFORMATION INCLUDES: Memorandum, County of Hidalgo - Safety Division Incident Report and ACF-IM-HS-12-08

INITIATED BY: Edmundo Garcia, Assistant Director for Operations

REVIEWED BY: Teresa Flores, Executive Director

EXECUTIVE DIRECTOR'S APPROVAL: 

Memorandum Date 11.07.16

Re: Granjeno Building



Hidalgo County Head Start Program Memorandum

Date: November 7, 2016
To: Hidalgo County Policy Council
Hidalgo County Commissioner's Court
From: Teresa Flores, Executive Director
Subject: Granjeno Facility

Our Granjeno Head Start facility located at 6610 S. FM 494, Mission Texas, is a 2,304 Sq. Ft. modular structure constructed in 1995 with Federal Dollars for a total cost of \$127,742. This two classroom facility is situated on land leased to a private owner for \$500 per month. As the population of eligible Head Start children shifted from the Granjeno area to nearby emerging municipalities and more Head Start centers were constructed, the need for this facility to be utilized as a Head Start center became less essential, and Granjeno was converted into a storage facility for used classrooms supplies and equipment.

In May of 2016 the structure was badly damaged by the destructive strong winds that came through the valley. The Program informed the County and an incident report was prepared by the County's Safety Division. Please see attached report and photos. The Department of Health and Human Services was also informed of the damage since the structure has a "Notice of Federal Interest" filed with the County Clerk's Office, and as such we must seek disposition instructions from the awarding agency in accordance with Federal Grant requirements (45CFR Part 75.318).

Under the terms of the grant, modular facilities in use for 15 years or more can be disposed of using the "simplified disposition method" (ACF-IM-HS-12-08). This allows us to dispose of the unit when approval is received from the funding agency. Modular units can be disposed of by; "Retaining ownership for non-Head Start or Early Head Start use (describe use); Sale to a third party; Donation or transfer for no value received (identify recipient); Demolition or removal for salvage value only or; Other". Once approval is received and release from federal interest is obtained, we can proceed to dispose of the property.

The county is in the process of settling with the insurance company for all damages incurred during this bad weather event and will be distributing the settlement proceeds before the end of the year. After careful consideration administration proposes to utilize proceeds to pay for allowable expenses under the grant, and to demolish the structure, for the following reasons:

- This facility is no longer necessary to serve children in the area.
- Cost of relocating modular facility, based on previous experience, is unsustainable within for operating budget.
- Determining the fair market value of this unit is costly in relation to its value.
- Program will save \$6,000 per year in rental cost.

The Program is asking for authorization to contact the Department of Health and Human Services and obtain the release of federal interest in order to demolish the structure and terminate the lease agreement.

County of Hidalgo – Safety Division
Incident Report Re: Granjeno Building

County of Hidalgo
Safety Division
9805 North 10th Street
McAllen Texas, 78504

Incident Report

Type of Report: Property Loss/County Buildings/Structures Case #: 16-06-01-1445

Date Reported: 6-1-2016 Date Occurred: 5-31-16 / 6-1-2016

Geographical Area by Hidalgo County Commissioners Precinct: Pct 1 Pct 2 Pct 3 Pct 4

Location: 6610 S. FM 492

City: Granger State: Texas Zip Code: 78572 G.P.S.: 26° 08' 12" N
(Mission Area) 98° 17' 963" W

Name of Building or Property: HeadStart Building

Function or Operation: Equipment storage

Type: Owned Leased Rented Inter-local

Property Insured: Yes No

Cause of Damage (describe): High Winds / Rain.

Emergency Management Assigned Event Name: May 31, 2016
Event

Damage Level: Affected Minor Major Destroyed

Damage Exceeds Deductible: Yes No

Estimated Cost of Repairs: unt.

Exterior Information

Type of Construction: Wood frame

Type of Roof: Composite Shingles

Type of Fence: Chain Link Type of Sidewalk: NA

Landscaping: Trees / shrubs

Driveway and Parking Type: Caliche

Case #: 16-06-01-1445

Exterior Damage Description: Roof section missing.
Storage shed (Frame) overturned.
Trees snapped. Fence damage.

Interior Information

Interior Location: Ceiling collapse in Room (East end)

Type of Flooring: Vinyl Tile Type of Ceiling: Acoustic Tile

Type of Walls: Dry Wall Type of Doors: Wood Frame / Glass.

Content/Furnishing Damage: Yes No (If Yes Describe)

Assorted Maintenance Supplies / saws /
class room furniture

Building Has Alarm System.

Interior Damage Description: Ceiling Collapse.

Additional Comments: (Note: Add additional comments or information as necessary on Incident Report Continuation page with case number and page number in order)

Photos Taken and Submitted: Yes No

Video Available / Submitted: Yes No

Supplement Form attached: Yes No

Safety Officer: Roy Quintanilla Employee No.: 013781

Approved By: [Signature] Employee No.: 013781

DAMAGE LEVEL

Affected. This category includes dwellings with some damage to structure and contents but which are habitable without repairs.

Minor. Minor damaged encompasses a wide range of damage and is generally the most common type of damage. Minor damage exists when the home is damaged and uninhabitable, but may be made habitable in a short period of time with home repairs.

Some of the items that determine minor damage are listed below:

- Can be repaired within 30 days.
- Has less than 50% damage to structure.

Major. Major damage is when the home has sustained structural or significant damages, is uninhabitable and requires extensive repairs. Any one of the following may constitute major damage.

- Substantial failures to structural elements of the residence (e.g., walls floors, foundation, etc.).
- Has more than 50% damage to structure.
- Damage that will take more than 30 days to repair.

Destroyed. Destroyed means the structure is a total loss or damaged to such an extent that repairs are not economically feasible. Any one of the following may constitute a status of destroyed:

- Structure is not economically feasible to repair.
- Structure is permanently uninhabitable.
- Complete failure of major structural components (e.g., collapse of basement walls/foundation, walls or roof).
- An unaffected structure that will require removal or demolition (e.g., beachfront homes that will be removed due to local ordinance violations as a result of beach erosion, other issues that cause a permanent state of imminent danger, such as mudslides, etc.).

The degree of damage a structure has sustained is categorized as follows:

Affected (Category "0") Structure currently habitable. Cosmetic damage e.g. missing shingles. Generally less than \$100 in damage. 0 to 6 inches of water in a single-family dwelling.

Minor (Category "1") Structure currently uninhabitable. Will require minor repairs to be made habitable. 7 to 24 inches of water in structure and 0 to 6 inches of water in mobile home.

Major (Category "2") Structure currently uninhabitable. Will require major repairs to be made habitable. 25 to 47 inches of water in a single-family dwelling or apartment. 7 to 23 inches of water in a mobile home.

Destroyed (Category "3") Structure permanently uninhabitable. Cannot be repaired. 48 or more inches of water in a single-family dwelling or apartment. 24 or more inches of water in a mobile home.

**HOT FACTS
MSW
COMMERCIAL PROPERTY CLAIM FORM**

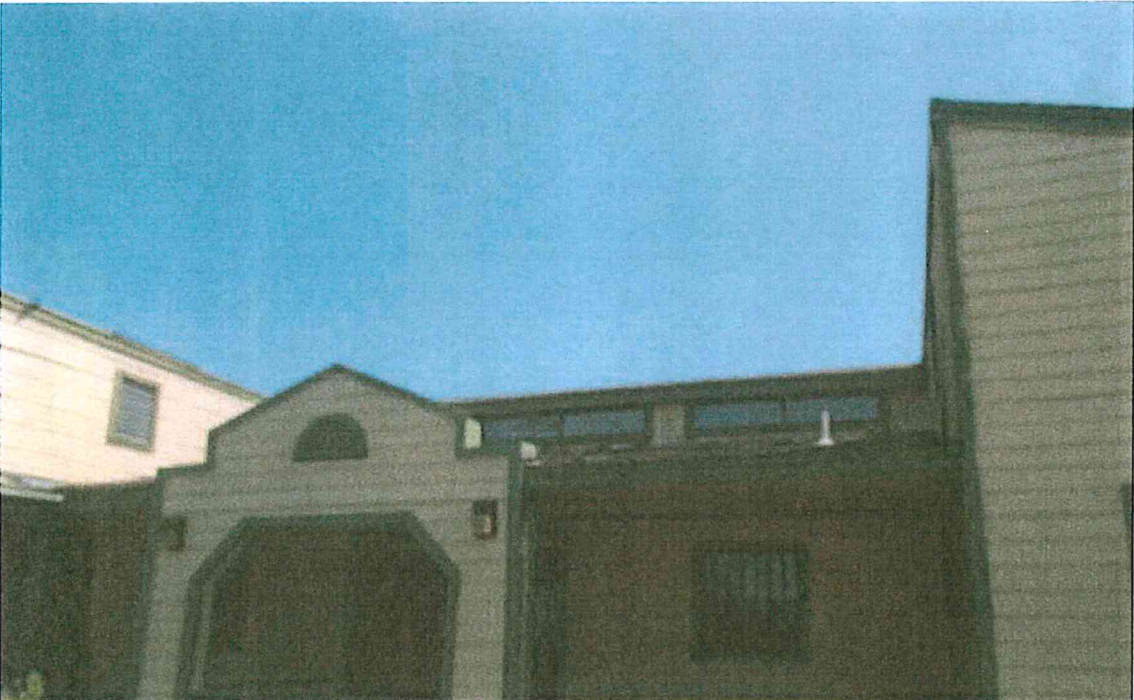
DATE:	6-1-2016	# PAGES:	1
TO:	Frank DeLeon	COMPANY:	MSW OF TEXAS
FAX NO:	(713) 877-8974	CITY:	HOUSTON, TX
PHONE #:	(713) 420-1420		
EMAIL:	Fdeleon@mcgriff.com		
FROM:	Ray Quintanilha	COMPANY:	County of Hidalgo TX
FAX NO:	(956) 318-2658	CITY:	McAllen, TX
PHONE #:	(956) 318-2644		

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DATE OF OCCURRENCE	Overnight 5-31-16 into 6-1-16
TIME:	10:00 PM - 2:00 AM.
CONTACT & PHONE:	Ray Quintanilha 956-318-2644
TYPE OF LOSS:	Minor Rating / Structure.
DESCRIPTION OF OCCURRENCE:	1 Building... / Minor ratings. roof & ceiling damage & Fence damage. trees & limbs snapped.
LOCATION:	Headstart Building - 6610 S. Fm 482 Gonzales TX.
POLICE DEPT. CONTACTED:	Multiple Agencies
INCIDENT NUMBER:	16-06-01-1445
REMARKS:	Possible Tornadoic event. Contact our office so that a safety officer can be assigned to escort Insurance Adjuster.
MANAGER & DATE:	Ray Quintanilha 6-1-2016

Property Loss / County Buildings / Structures: 16-06-01-1445

Location: 6610 S. FM 492; Granjeno, TX (Head Start Building)



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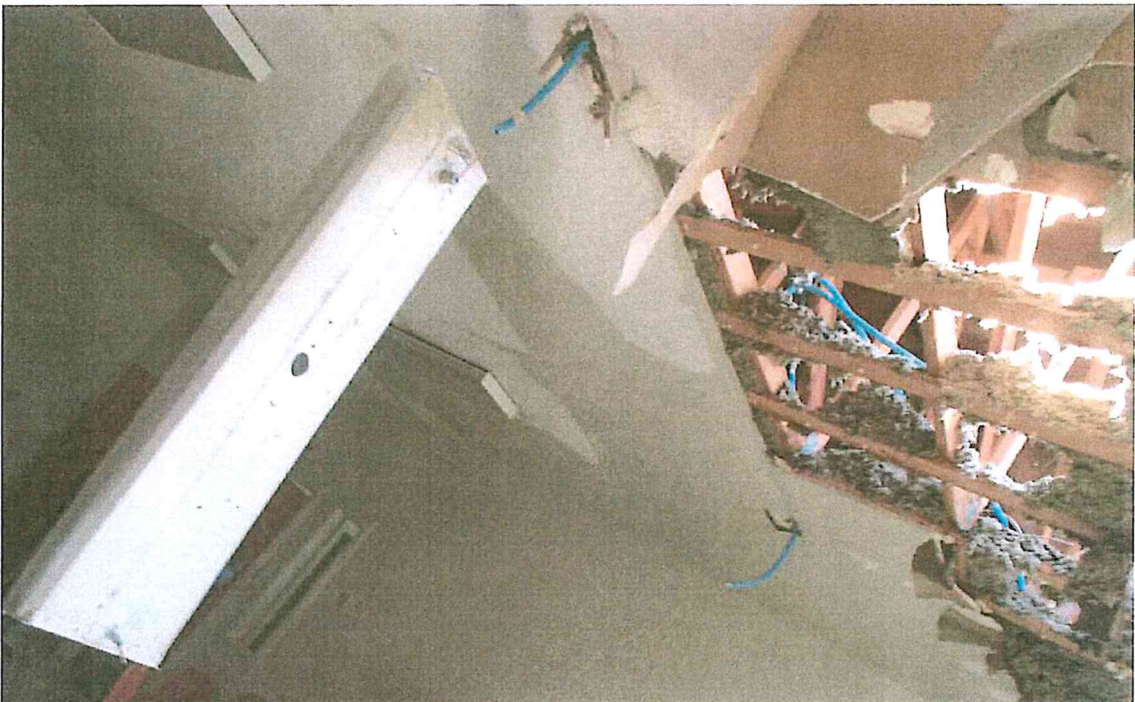
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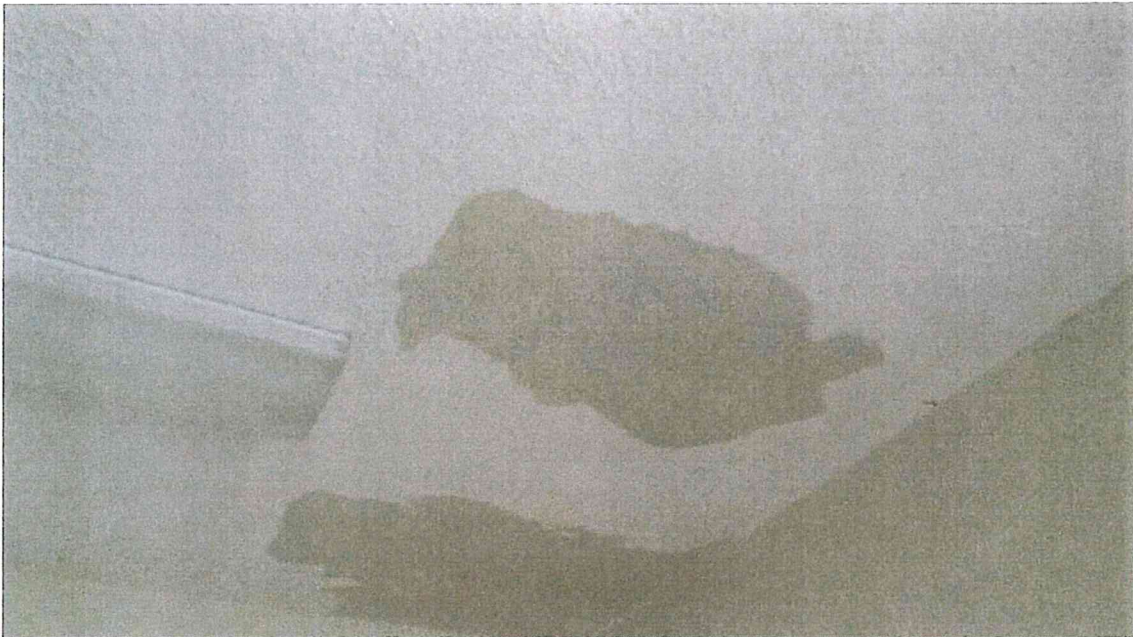
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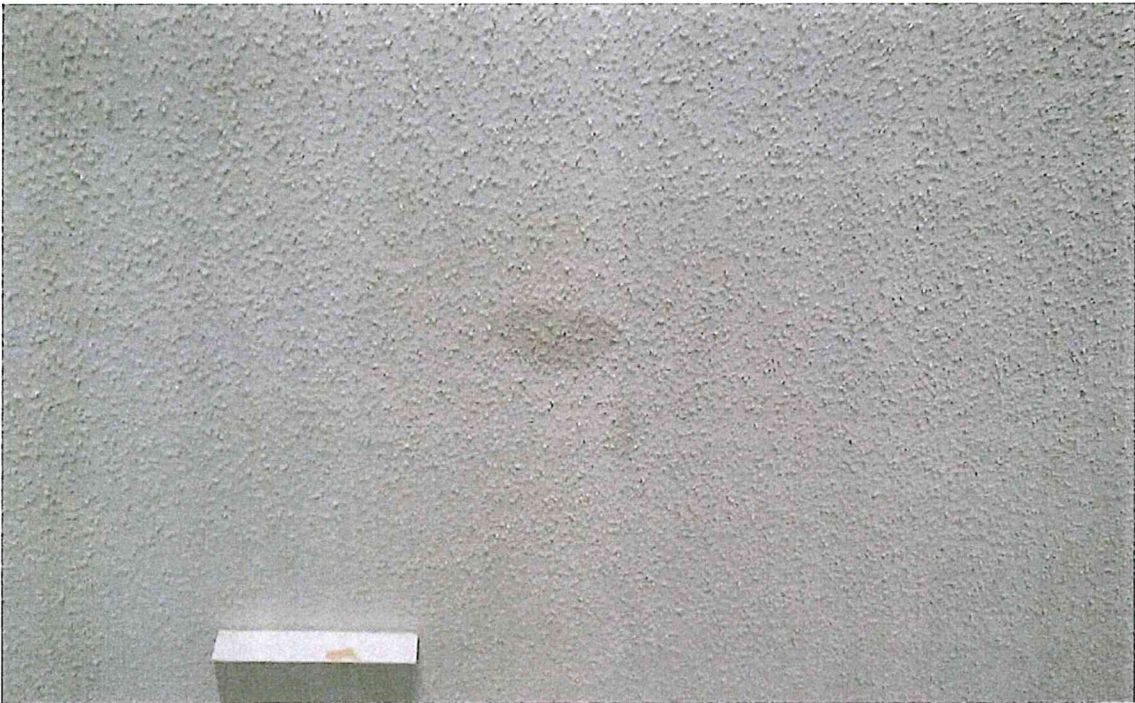
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Administration for Children and Families (ACF)

ACF-IM-HS-12-08

“Facilities, Modular Units, Disposition, Federal Interest”

ACF Administration for Children and Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
	1. Log No. ACF-IM-HS-12-08	2. Issuance Date: 11/30/2012
	3. Originating Office: Office of Head Start	
	4. Key Words: Facilities, Modular Unit, Disposition, Federal Interest	

INFORMATION MEMORANDUM

TO: All Head Start and Early Head Start Grantees and Delegate Agencies

FROM: The Office of Head Start

SUBJECT: Disposition of Older Modular Units

INFORMATION:

The Head Start Performance Standards found at 45 CFR Part 1309 address purchase, construction, and major renovation of facilities. The term "modular unit" is defined in 45 CFR §1309.3 as "a portable prefabricated structure made at another location and moved to a site for use by a Head Start grantee to carry out a Head Start program."

Tangible personal property includes equipment and supplies. Equipment is defined by its acquisition cost (\$5,000 or more per unit) and its useful life (greater than 1 year). If the equipment is intended to be "fixed" rather than "movable," it must be classified as "real property." Real property means land, including land improvements, structures, and appurtenances thereto, excluding movable equipment. Consequently, a modular unit may be properly classified as equipment if it is movable, but should be classified as real property if it is fixed or appurtenant (attached) to the land upon which it is located.

The classification of a modular unit as equipment or real property is important when the property is no longer needed for program use. The provisions in 45 CFR §74.32(c) and §92.31(c) apply to the disposition of real property, while the provisions in 45 CFR §74.34(g) and §92.32(e) apply to disposition of equipment.

Modular units which are purchased or undergo major improvements using Head Start funds are subject to a federal interest. For modular units classified as real property, a notice of federal interest must be filed in the appropriate official records for the jurisdiction where the real property is located per 45 CFR §1309.21. Modular units classified as equipment require the posting of a notice of federal interest in a conspicuous location on the unit per 45 CFR §1309.31.

Head Start and Early Head Start programs have purchased and utilize modular units in the delivery of services to children and families. Many modular units currently owned by Head Start and Early Head Start grantees have been in use for a substantial number of years. Some of the units are dilapidated and no longer suitable for program purposes. Determination of the fair market value of these modular units is costly in relation to their value and some are in poor condition and cannot be moved to another location to facilitate sale.

This Memorandum establishes a simplified disposition process that grantees may use to request release of the federal interest in certain older modular units that are no longer needed for program services. This process applies only to modular units that have been in use for at least 15 years since

their acquisition or, if subject to a major renovation, 15 years since their most recent major renovation. This process is available for qualified modular units, regardless of whether they are classified by the grantee as equipment or real property.

PROCESS:

1. The grantee must submit a written request for disposition of the modular unit to the Regional Grants Manager, including:
 - a. A statement, including factual basis for the statement, that the modular unit is no longer needed for program purposes.
 - b. The serial number or other identifying information for the modular unit.
 - c. The date of acquisition of the modular unit.
 - d. The acquisition price of the modular unit.
 - e. The date of any major renovation(s) of the modular unit.
 - f. The total value of any major renovation(s) of the modular unit.
 - g. The completion date of any major renovation(s) to the modular unit.
 - h. How the grantee proposes to dispose of the modular unit.
 - Retain ownership for non-Head Start or Early Head Start use (describe use)
 - Sale to a third party
 - Donation or transfer for no value received (identify recipient)
 - Demolition or removal for salvage value only
 - Other (describe)
2. The grantee must also submit a copy of the notice of federal interest currently filed in the official records (if classified as real property) or posted (if classified as equipment) for the modular unit.
3. Upon review of the request for disposition of the modular unit, the Grants Manager is to address the following to determine eligibility for simplified disposition:
 - a. At least 15 years has passed since the grantee acquired the modular unit or since the modular unit underwent its most recent major renovation, if any, whichever last occurred.
 - b. The grantee has demonstrated to the satisfaction of the reviewer that the modular unit is no longer needed for Head Start or Early Head Start program purposes.
 - c. The grantee has identified a method of disposal for the modular unit other than abandonment. Abandonment of a modular unit is not an acceptable method of disposition since it continues risk of liability for the modular unit.
4. If the conditions noted above are met, the Grants Manager shall consent to the proposed disposition of the modular unit, provide the grantee with written consent to disposition, and release the federal interest in the property.
5. Proceeds received from the sale of older modular units are classified as program income and must be reported by the recipient and used only for allowable program costs in accordance with applicable cost principles and the terms and conditions of the award. Proceeds are federal in source and cannot be used as non-federal share.

CITATIONS:

45 CFR Part 1309; 45 CFR §1309.3; 45 CFR §1309.21; 45 CFR §1309.31
45 CFR §74.32(c); 45 CFR §92.31(c); 45 CFR §74.34(g); 45 CFR §92.32(e)

Please direct any questions on this Information Memorandum to your Office of Head Start Regional Office.

/ Yvette Sanchez Fuentes /

Yvette Sanchez Fuentes
Director
Office of Head Start