



## COUNTY OF LAKE

### Administrative Office

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**CAROL J. HUCHINGSON**

County Administrative Officer

**DATE:** August 14, 2017

**TO:** Board of Supervisors

**FROM:** Carol J. Huchingson, County Administrative Officer

**SUBJECT:** Response to 2016-17 Grand Jury Final Report: "Taxpayers potentially lose millions on real estate investments"

The County Administrative Office appreciates the time and energy invested by each member of the Grand Jury in preparation of your report. Please see our discussion of your findings, below.

### Findings

F1 Disagree

The point of this finding is not clear.

F2 Disagree

Holiday Harbor is insured for replacement value. Docks are excluded from insurance coverage unless the County requests such coverage.

F3 Agree

No further comment.

F4 Disagree

The point of this finding is not clear.

F5 Disagree

Holiday Harbor was closed in 2016 for safety reasons. The remaining boats had current quagga mussel stickers at one time but were later abandoned there by owners, and have not moved since.

F1 #2 Disagree

Refer to response to F5.



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F2 #2 Agree

No further comment.

F3 #2 Disagree

The point of this finding is not clear. There is no direct correlation between college enrollment and maintenance of the Castle property.

F4 #2 Disagree

The point of this finding is not clear.

F5 #2 Agree

The Castle property is only partially renovated.

F6 Agree

Parking at the castle is limited and would require expansion depending on future use.

F7 Disagree

The point of this finding is not clear. It is common practice for County staff to be involved in acquisition, management and development of commercial real estate.

F8 Disagree

While the vision for Holiday Harbor could not be realized before the Redevelopment Agency was eliminated by the state, the 4-year college program at the Castle has benefited the County and the community as a whole with a number of successful Bachelors and Masters level graduates.

### Recommendations

R1 Disagree

The point of this recommendation is not clear.



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R2 Agree

Holiday Harbor is being relisted for sale, however, if successful, the process will take longer than sixty days.

R3 Agree

Refer to response to R2. In addition, County Administration is working with Water Resources to secure a contractor to remove the sunken boat.

R4 Disagree

Refer to response to F5.

R5 Disagree

The owners of the abandoned boats have been non-responsive to repeated efforts demanding that they take necessary action with respect to their boats.

R6 Disagree

As of this writing, the Castle property is still tied up through the lease agreement with Marymount. The Castle cannot be repurposed in any way until the parties come to terms. Nonetheless, there has been considerable interest in the Castle since it was announced that Marymount had departed.