

County Signs Lease Agreement With Healing Place As Opening Date Nears

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Construction, shown in October 2021 above, is nearing an end at the county-owned The Healing Place facility. (Photo courtesy of New Hanover County)

New Hanover County has signed a lease agreement with The Healing Place of New Hanover County Inc.

The agreement with the nonprofit organization outlines the dynamic the two entities have agreed to as construction nears an end for the county-owned opioid and alcohol recovery center at 1000 Medical Drive.

Work to bring the facility to fruition has been underway for years. In 2018, Trillium Health Resources transferred 8.7 acres of undeveloped land to New Hanover County for the construction of the treatment center.

New Hanover County officials later approved moving forward with a 200-bed facility in 2020. The \$25 million construction project is now just weeks away from completion, according to a county memo item on the lease agreement.

The Healing Place, Trillium's chosen operator, will pay the county \$1 annually to lease the building. Initial equipment, linens and materials will be provided by the county, but thereafter, The Healing Place will be required to <https://www.wilmingtonbiz.com/county-signs-lease-agreement-with-healing-place-as-opening-date-nears/2023/01/10/county-signs-lease-agreement-with-healing-place-as-opening-date-nears/24031>

replace operating materials on its own. Based out of Kentucky, The Healing Place established a new nonprofit to operate the Wilmington facility.

Each year, the county will provide funding to the nonprofit to cover the cost of 50 beds. Treatment will be provided at no cost to underserved adults struggling with addiction via an overnight emergency shelter, non-medical detoxification services and a 12-step long-term recovery program.

The Healing Place will be responsible for all utility payments and the county will fund any major necessary repairs. Lasting nearly 10 years, the lease term ends in July 2032.

In prior agreements, the county and Trillium worked out that the county's future debt service payment obligations will be reduced from the health care entity's annual allocation.

Recently, representatives of The Healing Place alerted county officials of a potential need for stopgap funding, roughly \$700,000, which commissioners recently discussed during a Jan. 5 agenda review meeting. County manager Chris Coudriet said the request was news to county officials and that a future funding request is possible. "There is liquidity to operate," he said. "They may have to make an ask."

State funds will be used to support the facility's operation, Coudriet added.

The agreement, approved at Monday's regular board meeting, includes a stipulation that either party may terminate the lease without cause with 270 days' notice.