

SUMMARY EXPLANATION AND BACKGROUND: continuation

On December 17, 2013, the SBBC entered into an agreement with JAG Development Company, LLC (JAG) to purchase the property for \$9,750,000.00. The subsequent amendment of the agreement, termination, and reinstatement of the Agreement by JAG to purchase the property for between 9,400,000.00 to \$10,360,000.00. On July 22, 2014, the School Board approved Agenda Item LL-3 to reinstate the Agreement between the SBBC and JAG. Unfortunately on September 4, 2014, JAG again terminated the reinstated Agreement.

Upon this recent termination, the FP&RE Department resumed marketing the property at the minimum asking price of \$7,239,000.00. Thereafter, based on the offers received, the Department recommended for the SBBC to enter into contract with JLB Realty, LLC (JLB) to sell the property for \$11,396,000.00 as an upper purchase price contingent on JLB obtaining approval to build 296 multi-family residential units, and \$10,500,000.00 as a NLT purchase price. Subsequently, the SBBC approved the Sale and Purchase Agreement between it and JLB on January 21, 2015.

Indications are that JLB may only obtain approval to develop units at between 18 to 22 dwelling units to the acre, which translates to approximately 213 to 261 units. **Based on this range in units and with the price per unit remaining at \$38,500.00, the SBBC could realize from between \$8,200,500.00 to \$10,048,500.00, or up to 11,396,000.00 if JLB is permitted to build up 296 multi-family garden apartment units.** Thus given this primary challenge, JLB felt that it needed to restructure the initial Agreement reached with the SBBC. Subsequently, FP&RE Department staff met with representatives of JLB to discuss the nature of the restructured Agreement, and the understanding/conclusion reached are contained as requirements in this reinstatement and amended Agreement.

This Agreement has been reviewed and approved as to form and legal content by a District Cadre Attorney and the Office of the General Counsel, and upon its approval by the SBBC, due diligence processes towards purchase and closing on the property will commence.