

EXECUTIVE SUMMARY

Reinstatement of the Agreement of Sale and Purchase between The School Board of Broward County, Florida and JLB Realty, LLC for the Purchase of the Site Commonly Referred to as Elementary D-1 School Site (No. 352.1)

Section 1013.28, Florida Statutes (FS) allows a school board to dispose of any land or real property that is by resolution of the board, determined to be unnecessary for educational purposes. On April 20, 2010, the School Board approved the surplus of the 11.84 acre Elementary D-1 School site which is located at the southeast corner of Broward Boulevard and Hiatus Road in the City of Plantation. In the subsequent marketing of the property at the asking price of \$7,239,000.00 (the highest appraised value), the District received several inquiries on the property and subsequently on December 17, 2013, entered into contract with JAG Development Company, LLC (JAG) to purchase the property at \$9,750,000.00 (the then highest offer price by an entity). On March 4, 2014 the Agreement was amended at JAG's request to extend JAG's inspection period on the property. On April 7, 2014, JAG terminated the Agreement citing a lack of legal access from either Broward Boulevard or Hiatus Road to the property, its desire to conduct a phase 2 environmental on the property, and needing an additional sixty (60) days to do so. Upon the termination, the Facility Planning & Real Estate (FP&RE) Department resumed marketing the property and thereafter received offers from seven (7) entities (including JAG) to purchase the property. Of the submitted offer's, JAG offered the highest price of \$10,360,000.00 as an upper purchase price contingent upon JAG obtaining approval to build 296 mid-rise residential units, and \$9,400,000.00 as a Not Lower Than (NLT) purchase price. 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 the final 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 buy 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. On January 21, 2015, the SBBC approved the Sale and Purchase Agreement between it and JLB.

Since the Agreement became effective, FP&RE Department staff and representative(s) of JLB maintained ongoing communications and held several meeting regarding JLB's efforts to pursue entitlements on the property. However, a primary concern expressed by JLB was that upon their initial due diligence, they realized that they would face challenges in obtaining approval from the City of Plantation to develop the property at their envisioned density to construct up to 296 multi-family garden apartment units. Rather, their research indicated that they may only obtain approval to develop the units at between 18 to 22 dwelling units per acre, which translates to approximately 213 to 261 units. Given this primary challenge, JLB felt that it needed to restructure the initial Agreement reached with the SBBC. In additional discussions to address this matter FP&RE Department staff reached consensus with JLB on the restructured nature of a reinstated and amended Agreement. Based on this consensus, the price per unit will remain at \$38,500.00 and as such, the SBBC could realize from between \$8,200,500.00 if JLB successfully obtains approval to develop 213 multi-family garden apartment units, to \$10,048,500.00 if JLB obtains approval to develop 261 develop multi-family garden apartment units, and up to \$11,396,000.00 if JLB obtains approval to develop 296 develop multi-family garden apartment units. Additionally, the consensus entailed that provisions in the reinstated and amended Agreement would also require the following:

1. A six (6) month period entitlement and inspection period.
2. An initial deposit of \$500,000.00, an increase from the current deposit of \$300,000.00.
3. Incremental portions of the deposit becoming non-refundable at specified milestones in the Agreement.

Also, it should be noted that the SBBC will not pay a real estate commission on this sale which would amount to a substantial savings to the SBBC.