

## EXECUTIVE SUMMARY

### Agreement of Sale and Purchase between The School Board of Broward County, Florida and Broward County

As stated herein, the 7.29-acre Rock Island Acreage site is located at the southern corner of NW 17<sup>th</sup> Street and NW 23<sup>rd</sup> Avenue in the City of Fort Lauderdale. The real property was purchased by The School Board of Broward County, Florida (SBBC) on February 2, 2000 at a cost of \$678,947 (which includes a purchase price of \$650,000 and a closing cost of \$28,947) for the purposes of constructing an expansion to the then Arthur Ashe Middle School. However, the expansion to the School was never constructed and through the years, the real property remained vacant.

The Rock Island Acreage site was declared surplus by the School Board on April 20, 2010. Subsequently, the Facility Planning & Real Estate (FP&RE) Department implemented due diligent processes towards sale of the real property and on March 10, 2011, marketed the real property along with four (4) other School Board owned surplus properties via Request for Proposal (RFP) 11-033T. At that time, only one (1) of the four (4) marketed properties (the Metric Site) sold; but no bids were received for the Rock Island Acreage site.

At the October 25, 2011 School Board Workshop, the FP&RE Department presented information on five (5) School Board owned surplus properties (the three (3) real properties that did not sell, and two (2) additional real properties) with recommendation that the real properties be put back on the market to contribute towards addressing projected budget shortfall in the then Five-Year Adopted District Educational Facilities Plan. Included in the presented real properties was the Rock Island Acreage site. Due to ongoing questions by the Board regarding methods utilized at that time by the School District to market School Board owned surplus real properties, options presented to market the real properties were either via another RFP or via the services of a Commercial Real Estate Broker. However, neither options were implemented. Rather, the FP&RE Department was directed by the Board to market the real properties via other means.

Subsequently, approaches employed by the FP&RE Department at that time to sell the real properties included advertising the sale of the real properties via signs posted on each property, via an online real estate marketing service (Co-Star), advertised at selected local and national newspaper outlets, and via direct correspondence/communications to Broward County and pertinent municipalities and stakeholders such as the Fort Lauderdale Downtown Development Authority, Habitat for Humanity of Broward County, etc. Thereafter, the FP&RE Department obtained a full subscription to LoopNet, and in addition to the other mediums cited herein, utilized LoopNet to market the real property and other then School Board owned surplus properties.

During the period between 2013 and 2014, the FP&RE Department received inquiries from various entities regarding purchase of the real property, and in October 2014, received a Letter of Intent (LOI) for the real property. Subsequently, upon concluding negotiations with the then interested buyer, the FP&RE Department proceeded to draft a contract regarding the potential sale of the real property to the interested buyer. However, the contract was never scheduled for School Board consideration due to unforeseen challenges encountered by the then interested buyer.

At the April 28, 2015 School Board Workshop, the FP&RE Department presented to the School Board, the status of School Board owned surplus real properties (including the Rock Island Acreage site) that were currently surplus and marketed for sale, and potential real properties that could be surplus and marketed for sale. One outcome of the presentation was directive by the Board to henceforth market certain School Board owned real properties (including the Rock Island Acreage site) via RFP.

As stated in the Agenda Request Form (ARF) regarding this Board item, the RFP for the Rock Island Acreage site was issued on June 20, 2016 and upon conclusion of the RFP process, Broward County was selected as the successful awardee to purchase the Rock Island Acreage site.

Provision contained in this Agreement calls for an 85-day inspection period and a 180 days' governmental approval period. Thus barring any unforeseen circumstances, closing on the transaction would occur 30 days upon conclusion of the governmental approval period. As such, closing on this transaction is estimated to occur in December 2017. It should be noted that the School Board will not pay a real estate commission on this sale which would amount to a substantial savings to the Board.

At the December 20, 2016 Regular School Board Meeting (RSBM), the Board item regarding this Agreement was voted down by the School Board because at their December 6, 2016 meeting, the Broward County Board of County Commissioners (BCBC) approved an amended version of the Agreement, in which the BCBC deleted the language regarding development restriction on the property as contained in

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Exhibit "C" Special Warranty Deed of the Agreement. That restriction read as follows: **"Grantee, for itself and its heirs, successors and assigns, covenants and agrees that the Property shall never be used for educational uses. Educational uses include, without limitation, primary and secondary school facilities and charter school facilities. If, at any time, the Property is used in violation of the restrictions and covenants set forth herein, then the title and possession of the Property shall revert to the Grantor and its successors and assigns, and Grantee, and its heirs, successors and assigns, shall forfeit all right, title, and interest in and to the Property."**

During Board discussions at the December 20, 2016 RSBM regarding the vote down, District staff was directed to work with Broward County staff on a compromise restrictive language for Exhibit "C", Special Warranty Deed of the Agreement. Consistent with that directive, District and Broward County staff met, discussed, and agreed to the following compromise language, which was also reviewed and agreed to by Broward County Attorney, School District Cadre Attorney, and the District's Office of the General Counsel: **"Grantee, for itself and its heirs, successors and assigns, covenants and agrees that the Property shall never be used to enroll any students in classes earning credit towards graduation for kindergarten through Grade 12. In the event that the Grantee, its heirs, successors and assigns, violates the afore covenant, Grantor shall have all remedies available at law or equity, including but not limited to the right to injunctive relief."** Subsequently on February 7, 2017, the BCBC approved the Agreement with the latter restrictive language; hence the scheduling of this Board item for the School Board's formal action at today's meeting.