

EXECUTIVE SUMMARY

First Amendment to Agreement of Sale and Purchase (South Area Portable Annex)

The South Area Portable Annex site (Parcel 235), which is approximately 27.092 acres, of which 4.989 acres consists of conservation area, is located at the southeast intersection of 172nd Avenue and Pines Boulevard in the City of Pembroke Pines (City). However, 2.617 acres of the Parcel is currently under a thirty (30) year lease (with 21 years remaining) to the City. Additionally, 99 portables are located on the Parcel.

As stated in the Agenda Request Form, the Agreement of Sale and Purchase between the School Board of Broward County, Florida (SBBC) and DR Horton, Inc., regarding the sale of the South Area Portable Annex 24.475 Acreage Site (Agreement) became effective on December 20, 2018. At that time and related to the Agreement, the land survey in the School's District real estate files for Parcel 235 (Property) indicated that the Property, minus the acreage leased to the City consisted of 24.257 acres. Upon the effectiveness of the Agreement, the implementation of certain provisions of the Agreement including Section 5, "Title" commenced; and during the title search called for in Section 5, the search revealed that a sliver of land (Parcel 2), located adjacent to the Property, and owned by SBBC, was not reflected in recent past surveys and the latest land survey in the School's District real estate files for the Property. Also, that SBBC did not hold fee simple title to a portion of the Property that is the subject of the Agreement. The portion of the subject Property is identified as Parcel 4 on the attached First Amendment to Agreement of Sale and Purchase (Amendment), south Area Portable Annex (Amendment). Rather as was discovered in the search, the use of the Parcel 4 property was dedicated to SBBC for utility, drainage, ingress, egress and road related purposes pursuant to the Plat of Pembroke Shores recorded in Plat Book 159, Page 31 of the Public Records of Broward County, Florida. Currently, DR Horton in conjunction with SBBC cadre attorney are working to obtain a deed for Parcel 4 from Hovnanian Developments of Florida, Inc., (the prior developer) for SBBC. It is important to note that the Amendment provides that SBBC will not be required to expend any funds in consideration for the transfer of Parcel 4 from the prior developer.

To remedy these discrepancies, Miller Legg conducted a new land survey for the Property, which resulted in the legal description and specific acreages of the various Parcels for the Property depicted in Exhibit "A-1" and resulting in a total acreage of 24.475 of the Property; a difference of 0.218 acres (i.e. 24.475 acres – 24.257 acres). Given this minor difference in acreage, staff reached out to the appraisers who appraised the Property to ascertain the value of the Property if this minor acreage was included in their initial appraisal. The new opinion of values provided by the appraisers were \$16,833,000, \$16,938,000, and \$18,860,000. The current minimum asking price that was established by the Negotiation Parameters Committee (NPC) for the Property was **\$17,400,000**. Calculations factoring the average of these new opinion of values (the same approach utilized by the NPC) into the current minimum asking price resulted in an increased dollar amount of \$17,600,000. However, it should be noted that DR Horton's bid price, and SBBC sale price of the Property to DR Horton, is \$21,025,000, which is significantly higher than the current minimum asking price of **\$17,400,000**, and the increased dollar amount of \$17,600,000.

Thus, this Amendment is being scheduled for SBBC approval to address the discrepancies found during the title search stated herein.

Additionally, as stated herein, DR Horton, Inc., is also requesting that additional thirty (30) days be added to its inspection period called for in the Agreement to make up for the number of days it lost in efforts undertaken by representatives of the parties to the Agreement to address the title defect. Therefore, the Amendment sought if approved by SBBC would result in the amendments to the Agreement, as specifically delineated in the Amendment:

It should be noted that currently, all pertinent staff are working expeditiously towards relocation of the Community School South (CSS) and English Speakers of Other Language (ESOL) Department in a timely manner to identified SBBC owned properties prior to closing on the sale of the property. See Attachment 5, revised timeline for the project.

Also, as has continuously been communicated in pertinent presentations and Board items related to the sale of this Property, the funding source to address all applicable costs, as determined to repair SBBC owned facilities, where the CSS and ESOL Department are slated for relocation, and the cost to relocate the CSS and ESOL Department, will ultimately be derived from proceeds realized from the sale of the Property.