

EXECUTIVE SUMMARY

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

The Elementary D-1 School Site (No. 352.1) is a 12-acre gross property that is located at the southeast corner of Broward Boulevard and Hiatus Road in the City of Plantation. The property was purchased by the School Board on March 13, 1997 at a cost of \$1,993,500 for the purposes of constructing a future elementary school. However on April 20, 2010 and consistent with Section 1013.28, Florida Statutes (FS), the School Board approved the surplus of the property to indicate that it was no longer needed for educational purposes. Subsequently, District staff implemented due diligent processes and on March 10, 2011 marketed the property along with four (4) other School Board owned surplus properties via Request for Proposal (RFP) 11-033T. At that time, only one of the four (4) marketed properties (the Metric Site) sold; however, no qualified offer was received for the Elementary D-1 School Site.

At the October 25, 2011 School Board Workshop, staff presented information on five (5) School Board owned surplus properties (the three (3) properties that did not sell and two additional properties) with recommendation that the properties be put back on the market to contribute towards addressing projected budget shortfall in the Five-Year District Educational Facilities Plan. Included in the presented properties was the Elementary D-1 School Site. Options presented to market the properties were either via another RFP or via the services of a Commercial Real Estate Broker. However, neither option was implemented. Rather, staff was directed to market the properties via other means.

Approaches employed by the Facility Planning & Real Estate Department to sell the properties included advertising sale of the 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.

As stated herein, the current value for this property was based on an appraisal dated June 6, 2012, and staff's intent was to order new appraisals for the property by the end of October 2013, given that over the past year, the Department only received sporadic inquiries on the property. However, commencing in September 2013, the Department received over forty (40) inquiries on the property. Of these inquiries, six (6) entities submitted Letters of Intent (LOI) to purchase the property. However, the offer (\$9,750,000) made by JAG Development Company, LLC (JAG), their financial strength, national development experience, and the conditions contained in their LOI were more favorable to the District; hence the recommendation to enter into the Agreement of Sale and Purchase with JAG.

It should be noted that since the opportunity to order new appraisals for the property was not realized due to the offers presented, staff proceeded to conduct due diligence and obtained information on recent comparable land sales within the vicinity of the property; and the information obtained indicates that the offer from JAG was more favorable to the District. Furthermore, the District did not pay a real estate commission on this sale which amounts to a substantial savings to the District.