

EXECUTIVE SUMMARY

Reinstatement of the 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 (FP&RE) 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.

Upon marketing of the property, JAG Development Company, LLC (JAG) emerged as the successful bidder due to its then offer of \$9,750,000 in 2013 to purchase the property. Additionally, its financial strength, national development experience, and the conditions contained in its LOI were determined to be more favorable to the District; hence on December 17, 2013, the School Board and JAG entered into the Agreement of Sale and Purchase (Agreement) to enable JAG to purchase the property. However on April 7, 2014, JAG terminated the Agreement for the reasons stated herein.

For reasons stated herein and in a memorandum dated May 30, 2014 to School Board members, the District marketed the property again in early June 2014, and upon the marketing, seven (7) entities (including JAG) submitted LOI's to the FP&RE Department to purchase the property. After further analysis of the submitted LOI's, the decision was made to reinstate the Agreement with JAG for the following reasons:

1. Of the seven (7) submitted LOI's, JAG made the highest offer of \$10,360,000 to \$9,400,000 to purchase the property.
2. JAG has already investigated and conducted a phase 1 environmental on the Property, and only needs thirty (30) additional days to conduct a phase 2 environmental. Alternate purchasers would require a full sixty (60) day inspection period, which would require additional time and may likely impact their offer to purchase the property after they complete their inspection of the Property.
3. JAG has had numerous meetings with the City of Plantation officials and the Hawks Landing (which is a major residential development that is adjacent to the School Board property) Neighborhood Associations.
4. JAG has already reviewed the property title commitment and survey and fully understands all the title and survey related issues regarding the property, and would not require a Title and Survey review period in the reinstated Agreement.
5. JAG is aware and understands the legal access issues affecting the property, and is prepared to immediately begin the state and local government Non-Vehicular Access Line (NVAL) amendment process.
6. To save time and avoid any potential issues, JAG is requesting amending and reinstating the Agreement that had already been fully negotiated and executed by it and the School Board.
7. The governmental approval period timeframe remains the same as in the original terminated Agreement, exempt for the thirty (30) days requested by JAG to conduct the phase 2 environmental. Also, it should be noted that the seven months JAG believes it needs to obtain the legal access to the property will be considered a component of the one year governmental approval period stated in the Agreement for JAG to obtain all necessary governmental permits and approvals it needs to construct its desired development on the property.

Executive Summary

Reinstatement of the 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)

8. The Closing remains the same as stated in the original terminated Agreement, which entails that closing shall take place thirty (30) days after the end of the governmental approval period.

Thus, based on the above cited reasons, it was determined that reinstatement of the terminated Agreement with JAG will be more beneficial to the School District. Additionally, it should be noted that the District did not pay a real estate commission on this sale which amounts to a substantial savings to the District.