

Facilities Planning and Construction
Paul J. Phillips, Chief Facilities Officer

**SUBJECT: AUTHORIZATION TO EXECUTE A PURCHASE AND SALE AGREEMENT
WITH RLC, LTD., FOR A PROPERTY FOR THE SOUTH DADE ADULT
EDUCATION CENTER**

At its May 12, 1999 meeting, the Board authorized staff to negotiate for the purchase of a 23,327 square foot building for the South Dade Adult Education Center, located at 109 N.E. 8 Street, Homestead, Florida (see attached location map).

Pursuant to negotiating procedures, Management Team (MT) meetings were held on May 24, 1999 and October 12, 1999, in order to identify the specific parameters and strategies to be used in negotiating for the purchase of this property. Based on the MT recommendations, staff entered into negotiations with RLC, Ltd. The District commissioned two separate independent appraisals for the subject property. One appraisal reflected a fair market value of \$1,200,000, and the other a fair market value of \$1,405,000. The average of the two appraisals is \$1,302,500. A purchase and sale agreement for this property has been negotiated under the following terms and conditions:

- the purchase price shall be \$1,526,012.50;
- the seller shall be responsible for the cost of any outstanding taxes, special assessments or liens on the subject property;
- the seller shall be responsible for the requisite documentary stamps/surtax on the deed;
- the seller shall secure an updated abstract or a title commitment for the subject property;
- the Board shall secure title insurance for the subject property at its own cost;
- the Board shall secure a signed and sealed survey and its own environmental assessment of the subject property;
- in the event that environmental problems are discovered, the Board shall not be obligated to proceed with the purchase of the subject property;
- the seller shall remove or cure any liens and encumbrances, unless otherwise agreed to by the Board; and
- the closing shall occur within 90 days of Board action, unless delayed by the District. This is being done to minimize the Board's rental obligation.

The subject property is legally described as:

Lots A, B, C, and D, in block 20, of Tatum's Ridgedale Addition to Homestead, Florida, according to the Plat thereof, recorded in Plat Book 4, at Page 95 of the Public Records of Miami-Dade County, Florida and Block 19 of Tatum's Ridgedale Addition to Homestead, Florida, a subdivision of the South one-half (S ½) of the Southwest one-quarter (SW 1/4) of the Southwest one-quarter (SW 1/4) of Section 7, Township 57 South, Range 39 East, being the second amended plat, recorded in Plat Book 4, at Page 95 of the Public Records of Miami-Dade County, Florida.

The negotiated purchase price for the subject property is approximately 17.18% above the average appraised value of the property; therefore, requiring an extraordinary vote of the Board to authorize the execution of a purchase and sale agreement. The reasons for recommending a purchase price in excess of appraised value are as follows:

- The estimated cost for the District to purchase a site and construct a similar facility is approximately \$3,033,642.
- The owners have reduced their original asking price from \$1,950,000, to the negotiated price indicated and staff does not believe that a lower price can be negotiated.
- Since 1987, the District has expended approximately \$2,491,744 to lease this facility. The current monthly rental rate is 1.34% of the negotiated purchase price.
- School Operations and the Bureau of Adult/Vocational, Alternative and Dropout Prevention Programs have indicated that even in the event funding is eliminated for adult education programs, this building would be suitable for a number of other programs.

The Deputy Superintendent for School Operations and the Associate Superintendent for Adult/Vocational, Alternative and Dropout Prevention Programs recommend approval of this purchase.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida, authorize:

1. the Superintendent or his designee to execute a purchase and sale agreement for the purchase of the subject property at a price of \$1,526,012.50 for the South Dade Adult Education Center, under the terms and conditions set forth above;
2. the payment of environmental assessments and survey related to the purchase of the subject property; and
3. the payment of title insurance at an estimated cost of \$7,000.

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LOCATION MAP

