

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

SUBJECT: AUTHORIZATION TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH SAM WU FOR A WAREHOUSE FOR THE RECORDS AND FORMS MANAGEMENT DEPARTMENT AND TO EXECUTE A SECOND LEASE AMENDMENT WITH TRADEZONE EXPO ASSOCIATES FOR THE RECORDS AND FORMS MANAGEMENT DEPARTMENT

At its August 23, 2000 meeting, the Board authorized staff to negotiate for the purchase of a 35,448 square foot building for the Records and Forms Management Department, located at 2740 N.W. 104 Court, Miami (see attached location map).

Pursuant to negotiating procedures, a Management Team (MT) meeting was held on September 13, 2000, 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 Mr. Wu. The District commissioned two separate independent appraisals for the subject property. One appraisal reflected a fair market value of \$2,380,000, and the other a fair market value of \$2,233,000. The average of the two appraisals is \$2,306,500. A purchase and sale agreement for this property has been negotiated under the following terms and conditions:

- the purchase price shall be \$2,200,000;
- the seller shall be responsible for the payment 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 provide a title commitment showing clear and marketable title to the property;
- the seller shall provide an updated title commitment at closing and after closing, an owner's policy of title insurance on behalf of the Board;
- the seller shall provide the Board with a signed and sealed property survey;
- the seller shall include the existing shelving in the purchase at no additional cost or expense;
- the seller shall deliver mechanical and electrical systems in good working condition;

- the seller shall pay the cost of installation for an overhead warehouse door by the closing date which shall not exceed \$10,000, and should the overhead warehouse door not be installed by the closing date, the seller shall reduce the sales price by \$10,000;
- the Board shall secure title insurance for the subject property at its own cost;
- the Board shall secure its own environmental assessment of the subject property;
- the Board shall secure its own structural and roof reports for the subject property;
- in the event that environmental and/or structural problems are discovered, the Board shall not be obligated to proceed with the purchase of the subject property; and
- subject to the conditional status of the title, and unless extensions are agreed to by the parties, closing can occur on or before December 31, 2000.

The subject property is legally described as:

BRITTANIA PARK FIRST ADDITION, East ½ of Lot 1, Block 2, less the S 125 feet and the N 155 feet thereof, as recorded in Plat Book 129, Page 21 of the Public Records of Miami-Dade County, Florida.

To provide an allowance for some unforeseen delay in the purchase process of the warehouse facility, a second amendment to the lease agreement for the Records and Forms Management Department is being recommended to allow a tenth renewal option period. The second amendment will not require any cost to the Board unless the tenth option is exercised. Board authorization and identification of a funding source will be required prior to the exercise of the tenth option. Since May 1991, the Board has leased 20,852 square feet of warehouse space for the Records and Forms Management Department from Tradezone Expo Associates. The Board, at its meeting of January 12, 2000, authorized a one-year renewal of the lease agreement. The renewal represented the last of nine one-year renewal option periods available under the lease agreement and the lease will expire on April 30, 2001. The tenth renewal option will provide an expiration date of April 30, 2002. All terms and conditions of the current lease agreement will remain in full force and effect which includes a sixty day cancellation provision.

Pursuant to negotiating procedures, a Management Team meeting was held on September 19, 2000, for direction on negotiating strategies and parameters. Based on this direction, it was recommended that the lease be amended to include the tenth renewal option period under the same terms and conditions which include a sixty day cancellation provision.

A copy of the proposed second lease amendment will be placed on file in the Citizen Information Center and the Recording Secretary's Office.

The Owner of the warehouse is Samson Wu, an individual.

RECOMMENDED:

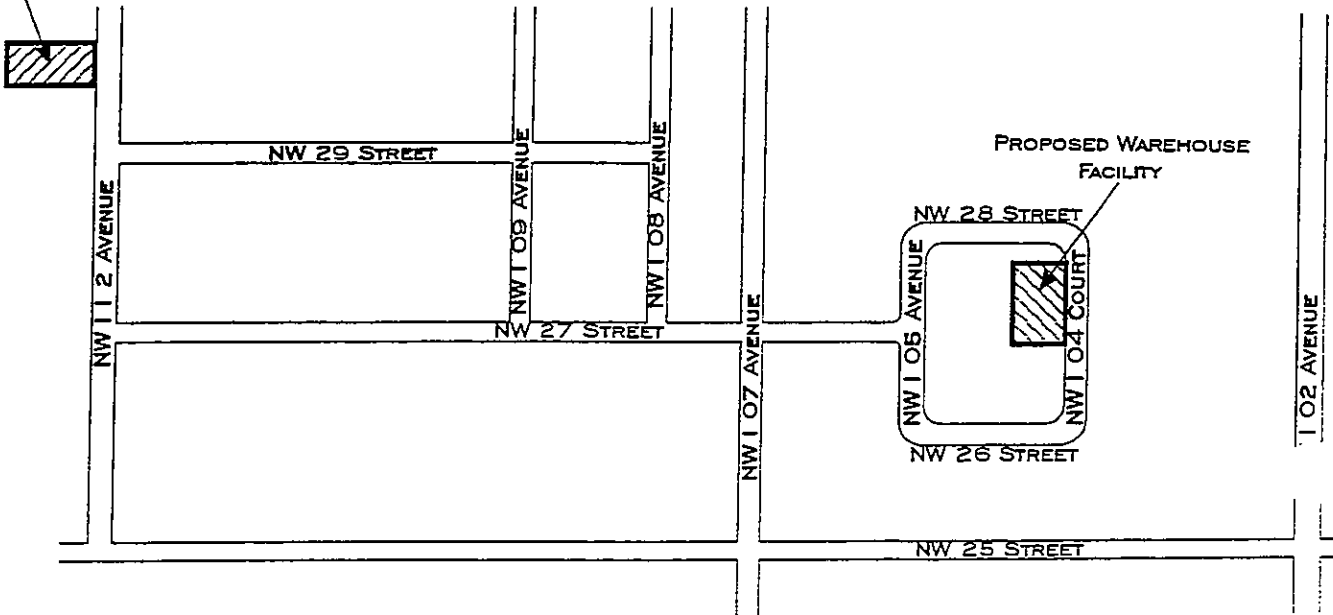
That The School Board of Miami-Dade County, Florida, authorize:

- 1) the Superintendent or his designee to execute a purchase and sale agreement for the purchase of the subject warehouse at a price of \$2,200,000, for the Records and Forms Management Department, under the terms and conditions set forth above;
- 2) the payment of environmental assessments related to the purchase of the subject warehouse;
- 3) the payment of the title insurance at an estimated cost of \$12,650; and
- 4) the Superintendent or his designee to execute a second lease amendment to provide a tenth renewal option with Tradezone Expo Associates for 20,852 square feet of warehouse space for the Records and Forms Management Department at 2700 NW. 112 Avenue.

KAC:adc

LOCATION MAP

CURRENT WAREHOUSE
FACILITY



LEGEND



PROPOSED WAREHOUSE
FACILITY



CURRENT WAREHOUSE
FACILITY

