

Office of School Facilities  
Jaime G. Torrens, Temporary Chief Facilities Officer

**SUBJECT: AUTHORIZATION TO:**

- 1) **ADOPT RESOLUTION NO. 07-25, AUTHORIZING THE INITIATION OF EMINENT DOMAIN PROCEEDINGS UNDER A PRE-SUIT AGREEMENT AS TO VALUE, TO ACQUIRE AN APPROXIMATE .84-ACRE PARCEL IMPROVED WITH A FOUR-STORY OFFICE BUILDING LOCATED AT 1570 MADRUGA AVENUE, CORAL GABLES, FLORIDA, TO SITUATE STATE SCHOOL "LLL1", A PLANNED SENIOR HIGH SCHOOL FOR INTERNATIONAL STUDIES; AND**
- 2) **FINALIZE NEGOTIATIONS AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH MADRUGA RB-GEM, LLC, TO ACQUIRE THE SITE**

**COMMITTEE: FACILITIES AND CONSTRUCTION REFORM**

**LINK TO STRATEGIC PLAN: IMPROVE CONSTRUCTION SERVICES**

Introduction

In accordance with School Board Rule 6Gx13- 2C-1.083, the School Site Planning and Construction Committee (SSPCC), at its April 11, 2007 meeting, recommended that an agenda item be brought to the Board requesting approval of a Resolution authorizing the acquisition of an approximate .84-acre site improved with a four-story office building located at 1570 Madruga Avenue (Site), in the City of Coral Gables, by eminent domain and based on a pre-suit agreement with Madruga RB-Gem, LLC (Owner) as to value, in the amount of \$12,500,000. The SSPCC also recommended execution of a purchase and sale agreement (Agreement) with the Owner, in that amount. The pre-suit agreement as to value will provide the Owner with an opportunity to reinvest the proceeds with some tax benefits, as well as eliminate Documentary Stamps and Surtax on the Deed and ensures that The School Board of Miami-Dade County, Florida acquires clear title to the property.

The Site (see location map) will be used to situate State School "LLL1", a planned 603 student station senior high school for international studies. This new high school is intended to provide a continuum at the high school level for the District's existing International Studies Programs (ISP) currently in operation at the elementary and middle school levels. Students will pursue an academic curriculum with an international focus that address rigorous standards of both U.S. and European Union educational systems. The ISP was established in 1987 and has been supported by Memoranda of

Understanding between the Board and education ministries of France, Germany, Italy and Spain, as expressed through their respective consulates. Under the Memoranda of Understanding, the various ministries/consulates provide highly qualified teachers to support the program and other types of support such as technical assistance, staff development, and instructional materials. The French, Italian and Spanish Consulate representatives were in attendance at the April 11, 2007 SSPCC meeting and expressed their collective support for the proposed school and the location. Funding for acquisition in the amount of \$16,000,000 is allocated in the 2006-2007 fiscal year as part of the Five-Year Work Program. Funding for construction in the amount of \$15,041,310 is proposed in fiscal year 2007-2008.

#### Background Information

Due to the unique requirements of this program, and to provide potential developers with an opportunity to formulate an economically viable proposal, in 2006, the District issued a Request for Proposals (RFP) for the turn-key construction of an international studies senior high school. Only one developer responded to the RFP, providing three site options for construction of the new facility. The options presented could not meet the cost per student station criteria, and it was determined that this mechanism for building the new facility was not economically viable. As such, District staff directed its efforts into locating a site for purchase, and two potential sites were identified based on the established search parameters.

The first site, located at 1550 Madruga Avenue, is a rental office building consisting of 57,570 square feet and 109 parking spaces. There are approximately 82 existing tenants, 20 of which have long term leases, and the owner is unwilling to remove the tenants at his expense. The asking price is also above the value established in the District's appraisal and the owner is unwilling to negotiate on price. The second site, located at 1570 Madruga Avenue (Site), consisting of 47,500 square feet and 80 parking spaces, is the one being recommended for placement of the senior high school for international studies. This building has approximately 25 existing tenants (6 of which are long term); however, in this case, the Owner has agreed to remove the tenants at its expense prior to the filing of the condemnation lawsuit by the Board. This building was converted from a rental office building to office condominiums, but the Owner has indicated that no units have been sold. Additional details regarding the Site are provided below.

#### Additional Information

The Site is presently zoned "CB", and the City of Coral Gables Department of Planning and Zoning concurs that this zoning allows the operation of liberal arts schools such as the one proposed, without the need for a public hearing. Staff has conducted, or will be completing shortly, additional due diligence for the Site as required by Board rule. The Phase I Environmental Audit and an asbestos survey are currently underway and, if deemed necessary, a Phase II environmental assessment will be conducted prior to the filing of an Order of Taking. While responses from the Miami-Dade County Office of Historic Preservation, DERM's water control section and the Army Corps of Engineers are pending, they are expected to be received prior to the end of the inspection period provided under the Agreement and should all be favorable, as the building on site is not historic in nature and the developed and urban nature of the property eliminates the

possibility that environmental mitigation is required. A copy of completed due diligence records for the Site will be submitted to the Board as supplemental information, and a copy placed with Citizen's Information, along with a full record of all presentations made to the SSPCC on this proposed acquisition.

#### Recommended Board Action

The SSPCC has recommended to the Board that it initiate eminent domain proceedings to acquire the Site under a pre-suit agreement as to value, and that a purchase and sale agreement with Madruga RB-Gem, LLC, be executed, substantially in conformance with the following terms and conditions:

- The purchase price will be \$12,500,000 for the Site, inclusive of any and all Owner attorney fees and costs. The purchase price is approximately four percent (4%) above the high end of the negotiating parameters for a willing sale established in the District commissioned review appraisal. Those parameters were \$11,000,000 at the low end and \$12,000,000 at the high end;
- The District will not file the condemnation lawsuit, nor enter into a Stipulated Order of Taking and Final Judgment or deposit funds into the court registry unless and until the Owner removes all tenants from the premises, at its sole cost and expense, including all attorneys fees, costs, trade fixtures, leasehold damages and apportionment fees;
- The Board will deposit the sum of \$100,000 as earnest money into an escrow account to be held by the School Board Attorney's office, which shall be credited towards the total purchase price;
- The Seller shall be responsible for the payment of any and all outstanding taxes, special assessments or liens, if any; and
- The Board will be responsible for the cost of the Survey, Title Insurance Commitment and premium for the Title policy obtained by the Board for issuance of the Commitment.

The general legal description of the Site is attached hereto and labeled as Exhibit "A", but will be more specifically defined upon completion of a certified survey of the Site.

The Board Rule governing Site Acquisitions for willing sales requires an extraordinary vote from the Board (defined as a majority vote plus one additional vote of the Members present) when the purchase price exceeds the value established in the review appraisal. While this acquisition is being pursued under the umbrella of eminent domain, this provision is being followed since there is agreement between the parties up front as to all conditions, including sales price, and that value is approximately four percent (4%) over the high end of the negotiating parameters.

**RECOMMENDED:**

That The School Board of Miami-Dade County, Florida, by extraordinary vote (majority present plus one):

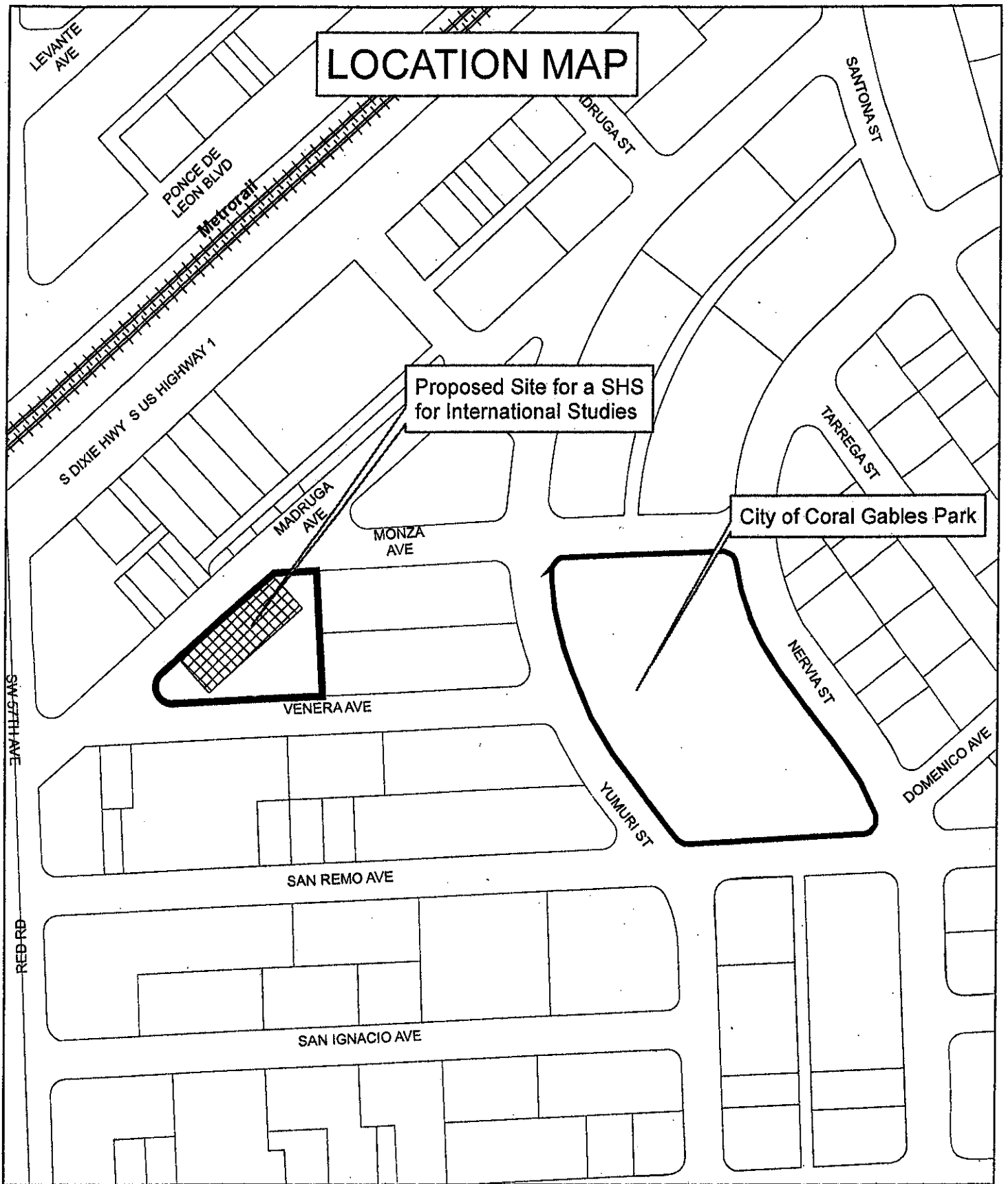
- 1) adopt Resolution No. 07-25, authorizing the initiation of eminent domain proceedings under a pre-suit agreement as to value in the amount of \$12,500,000, all inclusive, to acquire an approximate .84-acre site improved with a four-story office building located at 1570 Madruga Avenue, Coral Gables, to situate State School "LLL1", a planned senior high school for international studies; and
- 2) authorize the Superintendent to execute a purchase and sale agreement with Madruga RB-Gem, LLC, as well as any other necessary agreements or documents to effectuate the acquisition of the Site, at a purchase price of \$12,500,000, subject to the Owner removing all tenants from the premises, at its sole cost and expense, prior to the District filing the condemnation lawsuit, and prior to entering into a Stipulated Order of Taking and Final Judgment and depositing funds into the court registry.

MCA:mca

# LOCATION MAP

Proposed Site for a SHS  
for International Studies

City of Coral Gables Park



**RESOLUTION NO. 07-25**

**A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA ("BOARD"), DECLARING THE ACQUISITION OF THE REAL PROPERTY LEGALLY DESCRIBED ON EXHIBIT "A" HERETO IN FEE SIMPLE, AS NECESSARY FOR PUBLIC USE AND FOR THE BOARD PURPOSE OF PROVIDING SCHOOLS TO THE RESIDENTS OF MIAMI-DADE COUNTY, AND AUTHORIZING THE ACQUISITION OF SAID PROPERTY BY PURCHASE OR EMINENT DOMAIN; PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the Board is responsible for providing schools to the residents of Miami-Dade County; and

**WHEREAS**, the Board's staff has recommended, based upon study and planning analysis, consideration of alternative sites, safety, costs, environmental factors, and long range area planning, that the property legally described on Exhibit "A" hereto be acquired in fee simple for a site for a school, which is a school purpose; and

**WHEREAS**, the Board's staff has recommended, based upon study and planning analysis, consideration of alternative sites, safety, costs, environmental factors, and long range area planning, that the property legally described on Exhibit "A" hereto provides the most appropriate location for school sites, which is a school purpose, to serve the residents of Miami-Dade County in this portion of the County; and

**WHEREAS**, the Board has determined that the Board's acquisition of the property legally described on Exhibit "A" hereto is necessary for the purpose of providing a needed site for schools, which is a school purpose, to serve the residents of Miami-Dade County in this portion of the County, and that the acquisition of said property is for a public use and public purpose and is in the best interests of the public welfare and the Board; and

**WHEREAS**, Chapters 73, 74 and 1013, Florida Statutes, empower the Board to acquire property through eminent domain when the acquisition of such property is necessary for any public school purpose or use; and

**WHEREAS**, the Board desires to authorize and approve the acquisition in fee simple of the property described on Exhibit "A" hereto by purchase or eminent domain, including, the use of the procedures for "quick takings".

**NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA:**

**SECTION 1.** That the above recitals are true and ratified and adopted by this reference.

**SECTION 2.** That the School Board of Miami-Dade County hereby authorizes the acquisition by purchase or eminent domain of that certain real property more specifically described in the attached Exhibit "A", incorporated by this reference.

SECTION 3. That the Superintendent of Schools and the School Board Attorney or their designee are authorized and directed to survey said property and to employ one or more real estate appraisers for the purpose of securing one or more appraisals of value of the property described above for the purpose of acquiring said property, and to negotiate in good faith with the owner(s) of said property in an effort to acquire the property.

SECTION 4. That the Superintendent of Schools and the School Board Attorney or their designee are hereby authorized and directed to proceed to take all necessary steps for the Board to acquire in its own name in fee simple by purchase or eminent domain proceedings the real property described on Exhibit "A" hereto, and to prepare in the name of the Board all papers, pleadings and other instruments required for that purpose and to prosecute all eminent domain proceedings to judgment.

SECTION 5. That the Superintendent of Schools and the School Board Attorney or their designee are hereby authorized and directed to take such further actions as are reasonably required to fully accomplish the purposes herein directed.

SECTION 6. That this Resolution shall take effect immediately upon its passage.

ADOPTED this Sixteenth day of May, A.D., 2007

THE SCHOOL BOARD OF MIAMI-DADE COUNTY,  
FLORIDA

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT "A"**

RE: Folio # 03-4130-009-0890

Lots 1, 2, 3, 16, 17 and 18, all in Block 202, of SECOND REVISED PLAT OF CORAL GABLES RIVIERA SECTION, PART 14, according to the Plat thereof, as recorded on Plat Book 28, at Page 32, of the Public Records of Miami-Dade County, Florida.

Also known as Folio #s:       03-4130-034-0010; 03-4130-034-0020; 03-4130-034-0030;  
                                  03-4130-034-0040; 03-4130-034-0050; 03-4130-034-0060;  
                                  03-4130-034-0070; 03-4130-034-0080; 03-4130-034-0090

Condominium Units 1A, 2A, 2B, 3A, 3B, 4A, 4B, 5A, 5B, all of MADRUGA CORPORATE CENTER CONDOMINIUM, according to the Declaration of Condominium thereof, as recorded in Official Records Book 24100, at Page 2802, of the Public Records of Miami-Dade County, Florida; together with an undivided interest in the Common Elements and Limited Common Elements appurtenant thereto.