



Board Meeting Date: January 25, 2006

Agenda Item # RE4

**SCHOOL DISTRICT OF PALM BEACH COUNTY
BOARD AGENDA ITEM SUMMARY
REAL ESTATE SERVICES**

APPROVED

I recommend the School Board approve the Third Amendment to the Agreement for Purchase, Sale and Exchange between GL Homes of Florida II Corporation and the School Board involving the existing Hagen Road Elementary School site; and authorize the Chairman and Superintendent to sign all necessary documents.

- The School Board approved the Agreement for Purchase, Sale and Exchange (the "Agreement") at its August 31, 2005 special meeting, and approved a First Amendment to the Agreement at its October 12, 2005 special meeting and a Second Amendment to the Agreement at its November 9, 2005 special meeting.
- The Agreement involves the conveyance to the School Board of an approximately 13-acre site for a new elementary school, plus cash considerations, in exchange for the conveyance to GL Homes of Florida II Corporation of 40 acres of land that consists of the approximately 14-acre existing Hagen Road Elementary School site and approximately 26 acres of vacant land adjacent to and west of the existing school site (see location map, Exhibit "A").
- The Agreement, as amended, provides each party with the right to conduct inspections of their respective exchange properties and to terminate the Agreement if for any reason the terminating party is not satisfied. The School Board has until January 31, 2006 to so terminate.
- A comprehensive environmental audit of the 13-acre proposed new elementary school site conducted by the School Board staff and its agents revealed the existence of a kerosene tank and associated lines and several used oil tanks.
- Pursuant to the Third Amendment to the Agreement, GL Homes agrees to remove the kerosene tank and all associated lines and the used oil tanks and to use its best efforts to obtain a letter of "No Further Action" from the appropriate regulatory agencies with respect to these tanks and lines prior to October 31, 2006. The May 1, 2006 closing on the School Board's acquisition of the 13-acre site under the Agreement will not be affected.
- Pursuant to the Third Amendment, in the event GL Homes does not obtain the No Further Action letter by October 31, 2006, the School Board shall have the right to terminate the Agreement and either convey the 13-acre site back to GL Homes or retain title to the 13-acre site. If the School Board terminates the Agreement and elects to convey the 13-acre site back to GL Homes, GL Homes will pay the School Board \$2,800,000, which is the cash equivalent of the property GL Homes will be credited with conveying to the School Board under the Agreement at the May 1, 2006 closing. If the School Board does not terminate the Agreement, then GL Homes must obtain the No Further Action letter by October 31, 2007 and any

obligations of the School Board under the Agreement to commence construction of the new school or open the new school will be automatically extended for one year. In the event GL Homes does not then obtain the No Further Action letter by October 31, 2007, the Agreement shall terminate and the School Board shall have the right to either convey the 13-acre site back to GL Homes for the \$2,800,000 amount or retain title to the 13-acre site.

- While not part of the Third Amendment to the Agreement, for the School Board's information, the environmental audit of the 13-acre proposed new elementary school site also revealed the presence of certain conditions that will require the School Board to perform clean up work that is typical to numerous other sites acquired by the School Board and is always handled as part of construction. The specific work on the 13-acre site will be abandonment of existing wells and septic systems, removal of solid waste including a mobile home, and clean up of minor petroleum spills in isolated areas of stained soils.
- The result of the School Board not approving the Third Amendment is termination of the Agreement.

BOARD GOAL(S): 6 **KEY RESULT(S):** 10

LEGAL SIGN-OFF Yes BRL N/A

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FINANCIAL IMPACT	N/A
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CONSENT AGENDA ITEM