



TUCSON UNIFIED SCHOOL DISTRICT

MEETING January 15, 2019
OF:

TITLE: Amendment II to the Agreement with Pepper Viner Investment Company II, LLC, for the Purchase of the Former Corbett Elementary School, with Authorization for the Operations Program Manager to Execute the Agreement

ITEM #: 3

Information:

Study:

Action: X

PURPOSE:

Approve an amendment to the Purchase and Sale Agreement with Pepper-Viner for the development of a residential subdivision on the former Corbett Elementary School at 5949 E. 29th St.

DESCRIPTION AND JUSTIFICATION:

The attached Amendment II to the Purchase and Sale Agreement is for the sale of the 6.9-acre, former Corbett Elementary School site to Pepper-Viner for a residential development. The amendment requested is as follows by the buyer:

Due to unforeseen excessive costs associated with the demolition of the property and associated asbestos abatement costs the buyer is requesting a \$65,000 discount on the purchase price of the property. The original purchase price of the property is for \$715,000. With this amendment the purchase price will be revised to \$650,000. The adjustment will be at closing of escrow.

The buyer has indicated that demolition costs were twice the amount originally anticipated - \$140,000 Estimated vs. \$296,800 bid amount. This cost makes the development of the property economically unfeasible.

It is recommended that the Purchase price adjustment be approved. Since the demolition price is an independent bid and related to the nature of the building it is not very likely that another buyer would have obtained a lower bid. It is not indicated that the buyer would have any other choice but to withdraw the purchase offer if the adjustment is not allowed. The buyer has demonstrated an excellent track record of completing the last two residential projects and it is in the best interest of TUSD to allow the project to be successful to remove the property from the excess inventory.

BOARD POLICY CONSIDERATIONS:

LEGAL CONSIDERATIONS:

For all Intergovernmental Agreements (IGAs), Initiator of Agenda Item provides the name of the agency responsible for recording the Agreement after approval:

For amendments to current IGAs, Initiator provides original IGA recording number:

Legal Advisor Signature (if applicable)

BUDGET CONSIDERATIONS:

	District Budget
	State/Federal Funds
x	OtherSale of Property Revenue
<u>Budget Cost</u>	<u>Budget Code</u>
\$0	No cost to District, will come out of sales price

Budget Certification (for use by Office of Financial Services only):

Date 1/9/19
I certify that funds for this expenditure in the amount of \$0 are available and may be:
Authorized from current year budget
X Authorized with School Board approval
Code: Fund:

INITIATOR(S):

Bryant Nodine/Operations Program Manager		1.9.19
Name	Title	Date

DOCUMENTS ATTACHED/ ON FILE IN BOARD OFFICE:

ATTACHMENTS:
Click to download
1.15.19 Pepper Viner - Amendment II (Corbett ES)

TUCSON UNIFIED SCHOOL DISTRICT	BOARD AGENDA ITEM CONTINUATION SHEET
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