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Campus Board Meeting : 2003 : 08 : 19 : Supporting Documents

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University of South Florida St. Petersburg Campus Board

Issue:

Acquisition of the Fountain Inn property, a privately owned assisted care living facility in the heart of the USF St. Petersburg campus.

Proposed Action:

Pursuant to Section 1001.74(5) Florida Statutes (effective January 7, 2003), which grants the USF Board of Trustees the authority to acquire real property in its own name and without approval of the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (provided the real property is purchased with funds not appropriated by the Legislature), USF St. Petersburg proposes purchasing the Fountain Inn property at 250 6th Avenue South, St. Petersburg, FL (comprising a three-story, assisted care living facility, 47,000 gsf and adjacent land/parking area) located in the heart of campus.

Background Information:

Given the strategic location of the property, it will be utilized for future development of a multipurpose student complex that may include student housing, a student center, student support services, food services and a student health center. Following an extensive period of due diligence that has included (a) commissioning an existing conditions assessment by Valladarez & Company, Inc. (January 30, 2003), (b) a comprehensive commercial real estate advisory report by DeLa Vergne & Company (March 6, 2003), and (c) completion of an updated property appraisal (June 20, 2003) by Frank A. Catlett, MAI, SRA with Trigg, Catlett & Associates which estimates the value of the property as a going concern at \$4,280,000. The current, assessed taxable value of the property is \$2,069,700 (\$475,000 for land and \$1,594,700 for improvements).

The purchase price for the property has been agreed upon at \$2.25 M, with the difference between the current appraised value and purchase price being gifted to the University of South Florida by the owner. The real property will be used to construct buildings for the provision of necessary student services as identified above. Such amenities for students serve an identifiable University purpose and accrue to the benefit of USF St. Petersburg and its students. In consideration thereof, although not legally required to do so, the USF Board of Trustees agrees to pay 50% (\$7,876) of the costs of documentary stamps. The property will be purchased exclusively with non-appropriated auxiliary funds. Reimbursement of these funds will be made possible through proceeds from the larger bond-financed student multipurpose complex project.

Upon approval of the purchase agreement USF will deposit \$150,000 in earnest money toward the purchase of the property. The owner will be granted a period of up to 100 days to vacate the premises at which time USF will close and assume ownership of the property. The balance of the purchase price will be paid at closing. Upon possession, the property will be immediately secured prior to advancing with subsequent development.

Supporting Documentation:

A comprehensive commercial real estate advisory report by the DeLa Vergne & Company (March 6, 2003).
Purchase agreement.

Prepared by:

Karen A. White, Vice President and CEO
USF St. Petersburg