

1. REQUESTED MOTION:

ACTION REQUESTED: Approve Purchase Agreement for the acquisition of the Sun Trust Bank Building, located at 2000 Main Street, Fort Myers (STRAP No. 13-44-24-P4-00410.0010) in the amount of \$16,925,000 pursuant to the terms and conditions set forth in the Purchase Agreement. Authorize the Division of County Lands to handle and accept all documentation necessary to complete this transaction, and authorize cash payment of fees to close from General Fund Reserves. Request approval to initiate the debt financing process (including selection of underwriters, bond counsel, and disclosure counsel) for an estimated \$41.5 million toward implementation of the Justice Center Master Plan. Also approve Budget Transfer and Resolution to move \$17,200,000 from General Fund Reserves to the Capital Improvement Fund, increase the Justice Center Expansion project and amend FY02/03-06/07 CIP accordingly.

WHY ACTION IS NECESSARY: The Board must accept all real estate conveyances to Lee County and approve the initiation of the debt financing process.

WHAT ACTION ACCOMPLISHES: The purchase of the Sun Trust Bank Building for necessary office space and allows for the debt financing process to begin.

2. DEPARTMENTAL CATEGORY: 02

COMMISSION DISTRICT #: 2

AAA

3. MEETING DATE:

08-26-2003

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON

TIME REQUIRED:

5. REQUIREMENT/PURPOSE:

- (Specify)
- STATUTE 125
 - ORDINANCE
 - ADMIN.
 - OTHER

6. REQUESTOR OF INFORMATION

- A. COMMISSIONER _____
- B. DEPARTMENT Construction & Design
- C. DIVISION _____
- BY: Jim Lavender, Public Works Director

7. BACKGROUND: The Division of County Lands has been negotiating the terms and conditions for the purchase of the downtown Fort Myers Sun Trust building, located at 2000 Main Street, for necessary office space. This acquisition consists of ±4.4 acres, approximately 121,000 sq. ft. of leasable building area, and approximately 430 parking spaces. The building was constructed in 1987.

The owner, Fort Myers Ventures I, LLC, has agreed to sell the subject property to the County for \$16,925,000. The seller is responsible for the payment of documentary stamps. Closing costs are estimated to be \$275,000 for a total estimated cost of \$17,200,000.

The subject property was appraised by two appraisal firms: W. Michael Maxwell & Associates and Integra Realty Resources. W. Michael Maxwell, MAI and Gerald A. Hendry, MAI of W. Michael Maxwell and Associates valued the subject property at \$15,400,000. Woodward S. Hanson, MAI and Michael Doyle of Integra Realty Resources valued the subject property at \$14,500,000. The difference between the two appraisal values is 6.2% (900,000). The current owner purchased the subject in February 2002 for \$14,000,000.

Petroleum pollution exist upon the site in two areas and under two different clean up criteria; the north area and south area. The north area, where the building is located, is within the State of Florida's clean up program; the Super Fund. The south area, where the parking lot is located, is required to be cleaned by the owner. The current owner is in the process of cleaning the area, but has not finalized it yet. As a precaution, a provision has been included in the Purchase Agreement to retain \$200,000 in escrow until the south area receives a Site Rehabilitation Completion Order from the State of Florida.

Funds will be available in account 20864630100.506110

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services			G County Manager
<i>J. Hunter</i> 8-11-03		<i>N/A</i>	<i>811</i>	<i>Rec. by Collier</i>	<i>OA</i>	<i>OM</i>	<i>RISK</i>	<i>GC</i>

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

Date: *8/12/03*
Time: *11:25 am*
Forwarded To: *Co. Adm. 8/12/03 11:30 am*

RECEIVED BY
COUNTY ADMIN
8/12/03
COUNTY ADMIN
FORWARDED TO:
8/12/03

Financial Analysis

Implementation of the Justice Center Master Plan is expected to cost \$73.8 million between FY02-03 and FY12-13. After deducting funds already requested in the Capital Improvement Program (\$2.9 million) and anticipated income from leasing of space in the SunTrust Building (\$5.8 million), a balance of \$65.1 million needs to be funded.

Summary of Financial Program to Meet Funding Needs

Purchase of SunTrust Building from General Fund Reserves -	\$17,200,000
FY03-04 through FY06-07 Expenditures funded from Bond Issue -	41,473,687
FY07-08 through FY11-12 Expenditures funded from CIP -	<u>6,412,500</u>
TOTAL	\$65,086,187

An evaluation was made regarding the possibility of cash funding the SunTrust Building acquisition or adding it to a bond issue. The table below compares those two options and the differences in average annual debt service and the effect on overall costs (principal and interest). Figures are based upon an issue date of February 1, 2004.

Average Annual Debt Service Comparison

	Including SunTrust Building	Excluding SunTrust Building	Difference
	\$58,673,687	\$41,473,687	
20 Year Term	\$4,325,548	\$3,060,232	\$1,265,316
25 Year Term	\$3,901,977	\$2,760,565	\$1,141,412
30 Year Term	\$3,628,331	\$2,567,068	\$1,061,263

Principal and Interest Comparison over the Term of the Debt

	Including SunTrust Building	Excluding SunTrust Building	Difference
20 Year Term	\$89,394,663	\$63,244,799	\$26,149,864
25 Year Term	\$100,150,745	\$70,854,491	\$29,296,254
30 Year Term	\$111,268,808	\$78,723,418	\$32,545,390

The analysis also considered the earnings that could be made if \$17.2 million was invested at the June, 2003 Florida State Board of Administration (SBA) rate of 1.44% for 30 years. The figure for interest earnings is \$5.9 million. The interest costs for financing the \$17.2 million over 30 years is \$15.1 million. The average interest rate on the bonds is 4.57%.

The evaluation indicates that funding the SunTrust Building acquisition from cash would lower debt service (principal and interest) by \$1.3 million annually and \$26.1 million during the life of the debt if the 20-year loan term is chosen.

RESOLUTION

Amending the Budget of Capital Improvements-Fund 30100 to incorporate the unanticipated receipts into Estimated Revenues and Appropriations for the fiscal year 2002-2003.

WHEREAS, in compliance with the Florida Statutes 129.06(2), it is the desire of the Board of County Commissioners of Lee County, Florida, to amend the Capital Improvements-Fund 30100 budget for \$17,200,000 of the unanticipated revenue from the General Fund Reserves and an appropriation of a like amount for construction costs and;

WHEREAS, the Capital Improvements-Fund 30100 budget shall be amended to include the following amounts which were previously not included.

ESTIMATED REVENUES

Prior Total:		\$104,992,431
Additions		
GC5810130100.381000.900100	Interfund Transfers from 00100	17,200,000
Amended Total Estimated Revenues		\$122,192,431

APPROPRIATIONS

Prior Total:		\$104,992,431
Additions		
20864630100.506540	Construction Improvements	17,200,000
Amended Total Appropriations		\$122,192,431

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Lee County, Florida, that the Capital Improvements-Fund 30100 budget is hereby amended to show the above additions to its Estimated Revenue and Appropriation accounts.

Duly voted upon and adopted in Chambers at a regular Public Hearing by the Board of County Commissioners on this ____ day of _____, 2003.

ATTEST:
CHARLIE GREEN, EX-OFFICIO CLERK

BOARD OF COUNTY COMMISSIONERS
LEE COUNTY, FLORIDA

BY: _____
DEPUTY CLERK

CHAIRMAN

APPROVED AS TO FORM

OFFICE OF COUNTY ATTORNEY

DOC TYPE YA
LEDGER TYPE BA

