

August 29, 2008

09-009

DELEGATE AUTHORITY TO NEGOTIATE POTENTIAL
REAL PROPERTY PURCHASES

PREPARED BY: Randy McEwen, District Vice President

FINANCIAL
RESPONSIBILITY: Wing-Kit Chung, Vice President, Administrative Services

APPROVED BY: Dr. Preston Pulliams, District President

REPORT: Matrix Development Corporation (Matrix) holds options to purchase three parcels of real property near the Rock Creek campus. The parcels are:

1N1180000300 Approximately 4 acres
1N1180000400 Approximately 1 acre
1N1180000501 Approximately 1.3 acres

The most recent (2007) Washington County Assessor real market values are \$1,020,320; \$319,400; and \$327,780, respectively.

The Matrix options expire 1 October 2008. Matrix has offered 1) to sell the options to PCC for a fee of approximately \$50,000 per acre; 2) to attempt to negotiate extending the options thru 15 January 2009 through an option "extension" payment of \$15,000 - \$30,000 per acre, for which PCC would reimburse Matrix. In the course of negotiating with owners, Matrix would declare its interest in assigning the extended options to PCC. The result is that the cost to PCC would be approximately \$365,000 per acre, plus closing and attorney fees if the College were to acquire any or all of these properties.

RECOMMENDATION: The Board delegate to the District President or his designee the authority to execute options, extension or assignment agreements, in consultation with the Board Chair and College legal counsel, for the three referenced properties.

Revised

August 29, 2008

09-009

DELEGATE AUTHORITY TO NEGOTIATE POTENTIAL REAL PROPERTY PURCHASES

PREPARED BY: Randy McEwen, District Vice President, with concurrence
of College Counsel

FINANCIAL
RESPONSIBILITY: Wing-Kit Chung, Vice President, Administrative Services

APPROVED BY: Dr. Preston Pulliams, District President

REPORT: Matrix Development Corporation (Matrix) holds options to
purchase three parcels of real property near the Rock
Creek campus. The parcels are:

1N1180000300 Approximately 4 acres
1N1180000400 Approximately 1 acre
1N1180000501 Approximately 1.3 acres

The most recent (2007) Washington County Assessor
real market values are \$1,020,320; \$319,400; and
\$327,780, respectively.

The Matrix Options provide for purchase at \$300,000 per
acre. The Options expire 1 October 2008. Matrix has
offered to assign the Options to PCC under the following
terms and conditions: 1) Matrix will attempt to negotiate
extensions of the options to 15 January 2009 with the
additional cost of obtaining the options paid for or
reimbursed by PCC; 2) PCC would reimburse Matrix the
amount that it has paid in earnest money; and 3) PCC
would make an additional payment to Matrix if PCC
exercises the option and closes. During extension
negotiations, Matrix would declare its interest in
assigning the options to PCC. Staff believes that the
proposed transaction provides an opportunity for PCC to
secure the properties at a reasonable price.

Because of the very short time frame in which to secure the extensions, Staff is requesting that the Board delegate to the District President the authority to negotiate and execute any necessary agreements to complete the transaction.

RECOMMENDATION: The Board delegate to the District President or his designee the authority to execute options, extension or assignment agreements, in consultation with the Board Chair and College legal counsel, for the three referenced properties.