

BOARD POLICY

EBA

BUSINESS MANAGEMENT DISPOSITION OF REAL PROPERTY

APRIL 20, 2015

The Board of Education believes that it is in the interest of the Livonia Public Schools School District to preserve, maintain and retain ownership of its lands and buildings that have current or future educational value. ~~The primary covenant of this policy is that the sale and permanent dispossession of the real property of this district is disfavored.~~ The Board will analyze any unsolicited or solicited requests for the sale and permanent dispossession of its real property to determine whether there is an interest for the district to sell or dispossess assets which substantially outweigh the Board's primary policy disfavoring such action. **Disposition will require an independent appraisal or broker's opinion of value.**

In the event the Board of Education decides to exercise its property powers to see real estate, the Board must authorize the conditions for sale. **The Board reserves the right to reject any and all offers at its sole discretion.** No property will be offered for sale until an independent appraisal is completed. **Employees of the school district and members of the Board of Education shall be prohibited from purchasing directly or indirectly any real estate offered by the district.**

The Board may authorize the administration to use qualified consultants who have expertise in land development matters on an hourly basis. The compensation paid to consultants can never be based upon percentage or commission formulas unless approved by the Board in which case the Board would seek a payment formula which allowed the district to opt for the lesser of either a fixed payment schedule or a percentage on a commission formula. **(now in Admin. Proc)**

Proceeds derived from the sale of real estate will be held in trust in a special capital project fund account identified separately from any other capital project funds which shall be used for purchasing other real estate for the district and/or for renovating, replacing, or developing real estate, facilities, or long term assets as authorized by the Board of Education, unless the fund balance of the district's General Fund is below 5% of the total expenditures at which time the Board of Education may determine to utilize proceeds in the General Fund to protect programs. **(now in Admin. Proc)**

The Superintendent, or his/her designee, may identify any School District real property or buildings no longer required for School District purposes and recommend to the Board the procedure(s) to be followed for the sale or disposition of such real property in each particular instance. Board approval is required for the process to be followed as well as for the ultimate sale or other manner of disposition. In any event, the Board reserves, in its sole and absolute discretion, the right to accept or reject any and all offers.

Employees of the school district with knowledge of the property value and members of the Board of Education with knowledge of the property value shall be prohibited from purchasing directly or indirectly any real estate offered by the district.

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BOARD POLICY

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BUSINESS MANAGEMENT DISPOSITION OF REAL PROPERTY

~~APRIL 20, 2015~~

The Board of Education believes that it is in the interest of the Livonia Public Schools School District to preserve, maintain and retain ownership of its lands and buildings that have current or future educational value. The Board will analyze any unsolicited or solicited requests for the sale and permanent dispossession of its real property to determine whether there is an interest for the district to sell or dispossess assets. **Disposition will require an independent appraisal or broker's opinion of value.**

The Superintendent, or his/her designee, may identify any School District real property or buildings no longer required for School District purposes and recommend to the Board the procedure(s) to be followed for the sale or disposition of such real property in each particular instance. Board approval is required for the process to be followed as well as for the ultimate sale or other manner of disposition. In any event, the Board reserves, in its sole and absolute discretion, the right to accept or reject any and all offers.

Employees of the school district **with knowledge of the property value** and members of the Board of Education **with knowledge of the property value** shall be prohibited from purchasing directly or indirectly any real estate offered by the district.

ADMINISTRATIVE PROCEDURE

EBA

BUSINESS MANAGEMENT

DISPOSITION OF REAL PROPERTY

1. If any school-owned real estate is determined as no longer needed for public school purposes, the Board ~~will~~ **may choose to** dispose of it ~~in~~ **and will follow** the manner prescribed by state law.
- ~~2. Disposition may require an independent appraisal or broker's opinion of value.~~
3. The Board may authorize the School District's Administration to use a qualified consultant(s) who has expertise in land sale/development matters on an hourly basis to assist the Board with such disposition. The compensation paid to consultants cannot be based upon percentage or commission formulas unless approved by the Board, in which case the Board would seek a payment formula which allows the District to opt for the lesser of either a fixed payment schedule or a percentage on a commission formula.
4. Proceeds derived from the sale of real property, other than that encumbered with bonded debt, shall be held in a separate capital projects funds which shall be used solely for capital project purposes, i.e., purchasing other real property for the School District or to be used for constructing, repairing, improving, renovating or developing other School District real property or buildings. However, if the School District's General Operating Fund balance is less than the amount recommended by the guidelines set by the Michigan School Business Officials (MSBO), the Board of Education may agree to place such proceeds in the General Operating Fund or any other fund/account of the District as so designated by the Board.
- ~~5. Property formerly serving as District schools or classrooms may be rented at current market prices toward the goal that it will be income producing for the district. Please see DFG, EBH and KG for details on leasing and rentals.~~

CROSS REF: DFG - Fees, Payments and Rentals; EBH - Leasing and Renting; KG - Use of School Facilities