

Deputy Superintendent of Schools
Henry C. Fraind

SUBJECT: AUTHORIZATION TO EXECUTE A LEASE AGREEMENT WITH 225 BUILDING PARTNERSHIP FOR SPACE FOR THE SCHOOL FOR APPLIED TECHNOLOGY

Since 1994, the Board has leased space within the University of Miami Knight Center for the operation of an alternative education program for at-risk students (School for Applied Technology), from the University of Miami (University). The University has notified the District that the lease will be terminated effective September 1, 1999. The user has indicated a continuing need for a facility to service this alternative education program, and staff has located suitable replacement facilities at 225 N.E. 34 Street (see attached location map). In accordance with Division leasing procedures, when the duration of new leases is expected to exceed three years, or upon the completion of the original term of the existing lease, the Division shall perform an analysis to determine lease costs versus the costs associated with lease-purchase or purchasing a similar facility. Based on the information provided by the user, District staff performed the cost analysis and the results indicate that leasing remains the District's most cost-effective option.

Pursuant to negotiating procedures, a Management Team meeting was held on May 10, 1999, for direction on negotiating strategies and parameters. Based on this direction, terms and conditions of the proposed lease agreement are as follows:

- a three year term, with three one-year renewal option periods, at the Board's option;
- the landlord shall construct, at his expense, all interior improvements necessary to operate the District's educational program;
- if the landlord fails to secure a City of Miami Certificate of Occupancy by September 1, 1999, unless delayed due to actions of the District or natural disaster, the landlord will reimburse the District for all costs and damages incurred by the District as a result of the landlord's failure to complete the work;
- the landlord shall provide all utilities, custodial services and building maintenance;

- the District shall have the right to cancel the lease at any time by giving the landlord 180 days prior written notice. However, if the District defaults under the terms of the lease, and fails to cure the default , or if the District cancels without cause during the first three years of the lease, the Board will be required to reimburse the landlord for the unamortized portion of the landlord's costs for the build-out of the leased space (in a total amount not to exceed \$255,200);
- other than if the District defaults under the terms of the lease, and fails to cure the default, the landlord will have no right to cancel the lease during the initial three year term and all subsequent option periods;
- the annual rent for each of the three years of the base term shall be \$203,522(\$15.95 per square foot);
- the annual rent during each of the three option periods shall increase by 5% or the Consumer Price Index (CPI), whichever is less; and
- the Superintendent shall be the party designated by the Board to grant or deny all approvals required by this lease, or to cancel this lease.

The proposed agreement has been reviewed by the School Board Attorney's Office and by the Office of Risk and Benefits Management. The Assistant Superintendent, Office of Alternative Education & Dropout Prevention, and Deputy Superintendent of Education recommend approval of this lease agreement.

A copy of the proposed agreement will be placed on file in the Citizen Information Center and the Recording Secretary's Office.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida, authorize the Superintendent or his designee to execute a lease agreement with 225 Building Partnership, for space for the School for Applied Technology, at an annual rental amount of \$203,522, and under the terms and conditions set forth above.

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LOCATION MAP

