

Facilities Planning and Construction
Paul J. Phillips, Chief Facilities Officer

SUBJECT: AUTHORIZATION TO EXECUTE A LEASE AGREEMENT WITH STEVEN BOREK FARMS FOR THE USE OF BOARD-OWNED LAND FOR AGRICULTURAL PURPOSES

Since September 1986, the Board has leased a 10-acre parcel of vacant land located at S.W. 124 Avenue and S.W. 242 Street to Steven Borek Farms (Borek) to be used for agricultural purposes. The land is designated as a future elementary school site. The current lease expires March 15, 2000.

In order to determine the market rate for agricultural land in this area, staff secured an economic analysis from an appraiser in January 1998. The appraiser indicated that a rental rate of \$300 per acre, per year (\$3,000/year) for agricultural land in this area is consistent with market demand. The appraiser recently verified that market conditions have not changed since 1998 and that no rental rate adjustments are required for the proposed 2000-2001 lease term. Continued leasing of the property for agricultural use renders the land exempt from certain environmental mitigation payments. In the absence of agricultural usage, the property would revert to a wetland classification, with mitigation fees of approximately \$29,704 per acre for each acre impacted by future District construction activities.

Pursuant to negotiating procedures, a Management Team meeting was held on November 22, 1999, for direction on negotiating strategies and parameters. Based on this direction, staff has negotiated a new lease agreement with Borek that includes the following terms and conditions:

- a one year lease term from March 16, 2000 to March 15, 2001, with two one-year renewal option periods, at the Board's option;
- the annual lease rate shall remain at the current rate of \$341.25 per acre, per year (\$3,412.50/year);
- the lease rate shall be adjusted annually based on the Consumer Price Index (CPI) or 5%, whichever is greater;
- the Board shall have the right to access the property for the purpose of conducting on-site inspections/testing related to any design or construction related activities;
- either party shall have the right to cancel the lease agreement at any time by giving the other 120 days prior written notice; 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 lease agreement has been reviewed by the School Board Attorney's Office and by the Office of Risk and Benefits Management. The Deputy Superintendent for School Operations, Region Superintendent for Region VI and Office of Capital Improvement Projects recommend approval of the lease agreement.

A copy of the lease agreement will be placed on file in the Citizen Information Center and in 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 Steven Borek Farms, for the use of Board-owned land for agricultural purposes, at an annual rental amount of \$3,412.50, and under the terms and conditions set forth above.

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