

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

**SUBJECT: AUTHORIZATION TO EXECUTE A LEASE AGREEMENT WITH
BISCAYNE MANAGEMENT CORPORATION FOR SPACE AT THE 1444
BISCAYNE BOULEVARD BUILDING**

Additional office space is needed for the central School Board Administrative Complex to relocate existing personnel or to house new personnel. Suitable office facilities are available for lease at the 1444 Biscayne Boulevard Building; however, certain space will require build-out to accommodate relocation, whereas a portion of the needed space is in a move-in condition. Negotiations for space requiring build-out cannot proceed until office designs are developed and construction cost information is provided by the owner. However, all necessary information required to proceed with negotiations for that space which requires no build-out is available.

Pursuant to negotiating procedures, Management Team meetings were held on November 16, 1999 and November 22, 1999, for direction on negotiating strategies and parameters. The Management Team recommended that a lease agreement for the 1444 Biscayne Boulevard Building be pursued in two phases, with negotiations proceeding in the first phase for that space which requires no build-out. Based on the Management Team's direction, terms and conditions of the proposed lease agreement for the first phase space are as follows:

- the lease shall be for approximately 9,985 square feet of space in suites 104, 201 and 220. This space will accommodate specific staff from Management and Accountability, the Bureau of Procurement and Materials Management, One Community One Goal and the Office of Workforce Development (WAGES). There is no build-out cost associated with the leasing of this space.
- a one year term, with two one-year renewal option periods, at the Board's option;
- the annual rent for the base term shall be \$18 per square foot (approximately \$179,730 annually);
- the annual rent after the first year shall increase by 5% or the Consumer Price Index (CPI), whichever is less;
- the landlord will provide all utilities, custodial services and building maintenance at no additional cost to the District;
- the landlord will provide 50 parking spaces at no additional cost to the District;

- either party shall have the right to cancel the lease at any time by giving the other party 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 Board currently leases 200 parking spaces at the 1444 Biscayne Boulevard Building for use by District staff, at a rate of \$28 per space per month. The 50 parking spaces which are to be included as part of this lease for office space can be subtracted out of the Board's existing parking lease with Biscayne Management Corporation, through a lease amendment, at a cost savings to the District of \$16,800 annually. With this reduction, the effective annual rent for the base term will be \$16.32 per square foot. Should the lease agreement for office space be approved and executed, the amendment to the parking lease will be brought back to the Board for consideration.

In accordance with Division leasing procedures, the Division performed an analysis to determine lease costs versus the costs associated with lease-purchase or purchasing a similar facility. Based on information indicating approximately 10,000 square feet of space requiring no build-out for a term of no more than three years, District staff performed a cost analysis and the results indicate that leasing is the District's most cost-effective option.

The proposed agreement has been reviewed by the School Board Attorney's Office and by the Office of Risk and Benefits Management. The Deputy Superintendent for Education, the Deputy Superintendent for Management and Accountability and the Associate Superintendent for the Bureau of Procurement and Materials Management recommend approval of this lease.

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 Biscayne Management Corporation, for approximately 9,985 square feet of office space in the 1444 Biscayne Boulevard Building for District staff, at a rental rate of \$18 per square foot (approximately \$179,730 annually), and under the terms and conditions set forth above.

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