

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

**SUBJECT: AUTHORIZATION TO EXECUTE A LEASE AMENDMENT AND RENEW
THE LEASE AGREEMENT WITH PARAMOUNT PROPERTY
DEVELOPERS, INCORPORATED, FOR SPACE FOR THE SOUTH DADE
ADULT CENTER ANNEX**

Since October 1992, the Board has leased 12,000 square feet of space, located at 632 Washington Avenue, Homestead, for the South Dade Adult Center Annex, from Paramount Property Developers, Incorporated (Paramount). On May 17, 2000, the Board authorized Paramount to upgrade the building's fire alarm system and to construct additional fire barriers around the proposed child care area, at a cost to the District not to exceed \$25,000, in order to allow the use and occupancy of the building for a child care facility. Should the Board elect to exercise all remaining option periods, the current lease term will expire on September 30, 2003. In order to provide the District with additional time to amortize its capital investment, the landlord has indicated a willingness to amend the current lease to provide five additional one-year option periods. This will effectively allow the Board to amortize its recent capital investment over a period of approximately eight years, through September 30, 2008, should it elect to exercise all option periods.

Pursuant to negotiating procedures, a Management Team meeting was held on May 22, 2000, for direction on negotiating strategies and parameters. Based on this direction, staff has negotiated a lease amendment with Paramount, that includes the following terms and conditions:

- five additional one-year renewal option periods through September 30, 2008; and
- all other terms and conditions of the lease agreement shall remain in full force and effect.

Concurrent with the approval of the proposed lease amendment, the lease will be renewed for the term beginning October 1, 2000, and ending September 30, 2001. This represents the second of nine one-year renewal option periods available under the current lease agreement, as amended.

The lease specifies that the current annual lease rate of \$120,832.80 (\$10.07 per square foot), shall be adjusted by either a 4.5% increase or by the increase in the June Consumer Price Index (CPI), whichever is less. As the June CPI is anticipated to be no more than 4%, this would effectively increase the annual lease rate by no more than \$4,833.31. However, in no event could the cost exceed \$126,270.28 (\$10.52 per square foot). No physical improvements requiring the use of District funds are necessary as a result of the proposed Board action.

The proposed lease amendment has been reviewed by the School Board Attorney's Office and the

Office of Risk and Benefits Management. The principal of the South Dade Adult Center Annex; Associate Superintendent for Adult/Vocational, Alternative and Dropout Prevention Programs; and Deputy Superintendent of Education recommend approval of the proposed lease amendment and renewal.

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

RECOMMENDED:

That The School Board of Miami-Dade County, Florida:

1. authorize the Superintendent or his designee to execute a lease amendment with Paramount Property Developers, Incorporated, to provide five additional one-year renewal option periods; and
2. renew the lease at an annual rental amount not to exceed \$126,270.28. The term of the renewal period will commence October 1, 2000, and will end September 30, 2001. All other terms and conditions of the lease agreement will remain unchanged.

VGv:slr