

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

SUBJECT: AUTHORIZATION TO EXECUTE A LEASE AGREEMENT WITH OCWEN FEDERAL BANK, F.S.B., FOR SPACE FOR THE OPERATION OF A COMMUNITY EDUCATION CENTER AT THE CUTLER RIDGE MALL

Since October 1994, the Board has occupied 3,000 square feet of space, at the Cutler Ridge Mall, for a Community Education Center, from Ocwen Federal Bank, F.S.B., under a special license agreement. The current specialty license agreement will expire August 31, 2000. The user has indicated a continuing need for an adult education facility to service the residents of Goulds, Princeton, South Miami Heights, Perrine and Cutler Ridge. The landlord has advised a willingness to continue the relationship with the District; however, the program must move to a different location within the Mall because other tenants have been secured for the current space. The proposed location will provide a larger area (approximately 5,597 square feet), and the annual lease rate will be \$1; however, the space will require certain improvements. The landlord has offered to make the necessary improvements, at a cost to the District not to exceed \$50,000. The Bureau of Adult/Vocational, Alternative and Dropout Prevention Programs has verified that funding, in an amount not to exceed \$50,000, is available for this work.

In accordance with Division leasing procedures, when the duration of a new lease is expected to exceed three years or upon the completion of the original term of existing leases, 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 June 28, 2000, for direction on negotiating strategies and parameters. Based on this direction, terms and conditions of the proposed lease agreement are as follows:

- the lease shall be for approximately 5,597 square feet of space;
- a one year term with two renewal option periods at the Board's option, as long as there is space available within the Mall for use by the program;
- the annual lease rate shall be \$1;
- the landlord shall be responsible for improving the new demised area and the District shall reimburse the landlord for these costs in an amount not to exceed \$50,000;
- the Board shall be responsible for water, sewer and electrical charges related to the

use and operation of the demised area;

- either party shall have the right to cancel the lease at any time by giving the other party 30 days prior written notice;
- if landlord cancels the lease, or the program is relocated at the request of the landlord, the landlord will be required to relocate the program from the demised area to an area designated by landlord, with agreement by the principal, and landlord will improve and renovate the new proposed space to accommodate the needs of the program, at its own cost and expense; 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 principal of Miami Southridge Adult and Community Education Center; the Associate Superintendent of the Bureau of Adult/Vocational, Alternative and Dropout Prevention Programs; and the Deputy Superintendent for Education recommend approval of this lease agreement. The scope of work for the necessary improvements has been reviewed and approved by the principal and the supervisor of Job Order Contracts.

A copy of the proposed lease 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:

1. authorize the Superintendent or his designee to execute a lease agreement with Ocwen Federal Bank, F.S.B., for the use of space for the operation of a Community Education Center at the Cutler Ridge Mall, at an annual rental amount of \$1, and under the terms and conditions set forth above; and
2. reimburse Ocwen Federal Bank, F.S.B., for the costs to construct interior improvement to the demised area, in an amount not to exceed \$50,000.

JEM:slr