

August 10, 2001

Facilities Planning and Construction
Suzanne A. Marshall, Chief Facilities Officer (Construction)

SUBJECT: AUTHORIZATION TO EXECUTE A LEASE AGREEMENT WITH CATHOLIC CHARITIES OF THE ARCHDIOCESE OF MIAMI, INC., FOR CLASSROOM SPACE FOR THE D.A. DORSEY EDUCATIONAL CENTER

Since May 1983, the Board has been utilizing 5,760 square feet of classroom space to conduct English classes at the Pierre Toussaint Haitian Catholic Center (Center). The Center is located at 130 N.E. 62 Street (see attached location map). Use of the Center has been coordinated through an annual affiliating agreement between D. A. Dorsey Educational Center (Dorsey) and the Catholic Charities of the Archdiocese of Miami, Inc. (Archdiocese).

The District has paid an annual rental rate of \$12,000 per year or \$2.08 per square feet for the last 18 years. Due to extensive renovations to the center, the Archdiocese has proposed a schedule of phased-in rate increases to offset these costs, over a five-year period, as described below:

Year 1 = \$3.06 per square feet or \$17,625.60 Annually
Year 2 = \$4.04 per square feet or \$23,270.40 Annually
Year 3 = \$5.02 per square feet or \$28,915.20 Annually
Year 4 = \$6.00 per square feet or \$34,560.00 Annually
Year 5 = \$7.00 per square feet or \$40,320.00 Annually

As a result of the proposed rate increase, the Bureau of Adult/Vocational/Alternative and Dropout Prevention Programs has requested a formal lease agreement and the Archdiocese has advised its willingness to enter into a new five-year lease agreement.

In compliance with District leasing procedures, staff surveyed the surrounding area for viable classroom space for either lease or lease - purchase. Based on staff's review of comparative facilities, the average rental rate is estimated to be \$16.10 per square feet. As such, the proposed rental rate increase is well below current market value.

Pursuant to negotiating procedures, a Management Team Meeting was held on May 21, 2001, for direction on negotiating strategies and parameters. Based on their direction, a lease agreement with the Archdiocese that includes the following terms and conditions was recommended:

- an initial five-year term, with two 5-year term renewal options;
- the rental rate shall not exceed \$7.00 per square feet which is to be phased in over the five-year term as noted above;
- the District shall have the right to cancel the lease at any time by giving the Archdiocese 60 days notice;
- the Archdiocese shall be responsible for maintenance of the facility and for payment of all utility costs; and
- the Superintendent shall be the party designated by the Board to grant or deny all approvals required by this lease agreement, or to cancel this lease agreement.

The proposed agreement has been reviewed by the School Board Attorney's Office and by the Office of Risk and Benefits Management. The principal of the D.A. Dorsey Educational Center; Associate Superintendent for the Bureau of Adult/Vocational, Alternative and Dropout Prevention Programs; and Deputy Superintendent of Education recommend approval of the agreement.

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

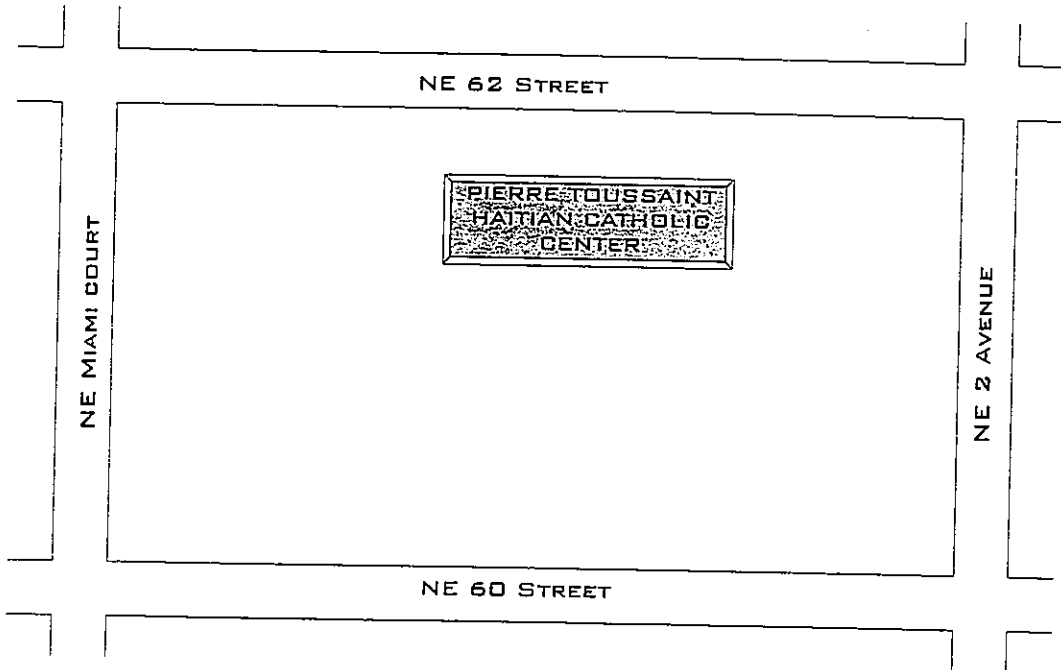
RECOMMEND:

That The School Board of Miami-Dade County, Florida, authorize the Superintendent or his designee to execute a lease agreement with Catholic Charities of the Archdiocese of Miami, Inc., for the use of classroom space at the rental rates noted below; and under the terms and conditions set forth above.


Year 1 = \$3.06 per square feet or \$17,625.60 Annually
 Year 2 = \$4.04 per square feet or \$23,270.40 Annually
 Year 3 = \$5.02 per square feet or \$28,915.20 Annually
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JB:hf

LOCATION MAP



LEGEND



5,760 SF OF CLASSROOM
SPACE ON SECOND FLOOR OF
130 NE 62 STREET BUILDING

