

January 29, 2003

Business Operations
Larry W. Stanearth, Chief Business Officer

SUBJECT: AUTHORIZATION TO EXECUTE A FOURTH LEASE AMENDMENT WITH MIAMI SHORES/BARRY UNIVERSITY "CONNECTED LEARNING COMMUNITY" (CLC), INC., FOR THE USE OF SIX BOARD-OWNED PORTABLE CLASSROOMS

COMMITTEE: FACILITIES PLANNING AND CONSTRUCTION

Introduction

Since August 1997, the District has leased six Board-owned portable classrooms to the Miami Shores/Barry University "Connected Learning Community" (CLC), Inc. (Charter School), for use as a temporary facility to operate its charter school program. The lease agreement provided no renewal options and was to terminate on June 30, 2000. Prior to the expiration of the original lease term, the Charter School advised the District that although it was pursuing plans for a permanent facility, it could not relocate its operations before June 30, 2000. As a result, the Charter School requested a lease extension for an additional one-year period, and on March 15, 2000, the Board authorized the execution of a lease amendment, which extended the lease term through June 30, 2001. Since then, the lease term has been extended two subsequent times, each for an additional one-year period, to allow the Charter School continued use of the portable classrooms until the Charter School's permanent facility is constructed. The current lease term will expire on June 30, 2003 and the Charter School has advised the District that although it is finalizing plans for the construction of its permanent facility, it does not anticipate completion of this new facility by June 30, 2003. Accordingly, the Charter School has once again requested that the lease agreement be amended to extend the term for an additional three-year period commencing July 1, 2003 and ending June 30, 2006.

The current rental rate paid by the Charter School is \$494 per month for each of the six portable classrooms (\$35,568 annually). This amount represents the minimum cost for the District to lease portable classrooms during the 2001-02 lease term, exclusive of set-up and removal costs. The Department of Maintenance Operations indicated that the District would not re-use these units due to their poor physical condition and retrofitting same would be cost-prohibitive. Given the foregoing, the lease rate charged to the Charter School during the 2002-03 lease term remained fixed at \$494 per month for each of the six portable classrooms (\$35,568 annually).

It is recommended that the Board enter into a three-year extension of the lease term commencing July 1, 2003 and ending June 30, 2006, with the rental rate to remain fixed at \$35,568 annually during the first-year of the three-year extension. The annual rental rate of \$35,568 will be adjusted annually during the second and third year of the three-year extension by either a 5% increase or the increase in the January Consumer Price

Index, whichever is less; and either party may cancel the lease agreement at any time by giving the other party 120 days prior written notice.

All other terms and conditions of the lease agreement will remain in full force and effect, including the following:

- the Charter School is responsible for all utilities and maintenance of the portable classrooms; and
- the Board may also cancel the lease if the Charter School defaults under the terms of the lease and fails to cure the default, or in the event of damage or destruction to the portable classrooms.

Staff contacted the Associate Superintendent of School Operations, who recommended entering into a fourth lease amendment with the Charter School to extend the lease term for an additional three-year period, in order to allow the Charter School sufficient time to construct its new permanent facility. The proposed fourth lease amendment will be reviewed and approved by the Associate Superintendent of School Operations, the Office of Risk and Benefits Management and the School Board Attorney's Office, prior to its execution.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida, authorize the Superintendent or his designee to execute a fourth lease amendment with Miami Shores/Barry University "Connected Learning Community" (CLC), Inc., for the use of six Board-owned portable classrooms, for an additional three-year period commencing July 1, 2003 and ending June 30, 2006, at a first year rental rate of \$35,568, and in conformance with the other terms and conditions set forth above.

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