

Business Operations
Larry W. Stanearth, Chief Business Officer

SUBJECT: AUTHORIZATION TO EXECUTE A LEASE AMENDMENT WITH STEVEN BOREK FARMS, INC., FOR THE USE OF VACANT BOARD-OWNED LAND AT SW 124 AVENUE AND S.W. 242 STREET, FOR AGRICULTURAL PURPOSES

COMMITTEE: FACILITIES MANAGEMENT

Since September 1986, the School Board (Board) has leased a 10-acre parcel of vacant land located at S.W. 124 Avenue and S.W. 242 Street to Steven Borek Farms, Inc. (Borek Farms) to grow green beans, peppers and tomatoes (see location map). The land is designated for future District use, however, a funding appropriation is not included in the current Five-Year Work Program. Borek Farms has completed the last of the renewal option periods available under the current lease agreement and the term will expire on March 15, 2003. Borek Farms has requested that the lease be amended to extend the term for an additional one-year period commencing March 16, 2003 and ending March 15, 2004, with two one-year renewal option periods, at the Board's sole option.

A 1998 District commissioned appraisal of the property indicated that a rental rate of \$300 per acre per year (\$3,000 annually) for agricultural land in this area was consistent with market demand. The appraiser recently advised that demand for agricultural land has declined since 1998 and that the current lease rate of \$376.23 per acre per year is in excess of most other rental amounts being paid in the area. Based upon the foregoing, it is recommended that the Board enter into a lease amendment with Borek Farms under the following terms and conditions:

- a one-year extension of the lease term commencing March 16, 2003 and ending March 15, 2004, with the current rental rate of \$376.23 per acre per year to be adjusted by the increase in the January 2003 Consumer Price Index (CPI); and
- two one-year renewal option periods, at the Board's sole discretion, with the rental rate to be adjusted annually by either a 5% increase or the increase in the January CPI, whichever is greater.

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

- the Board's right to access the property for on-site inspections/testing related to design or construction activities;
- the parties' right to cancel by giving the other 120 days prior written notice;

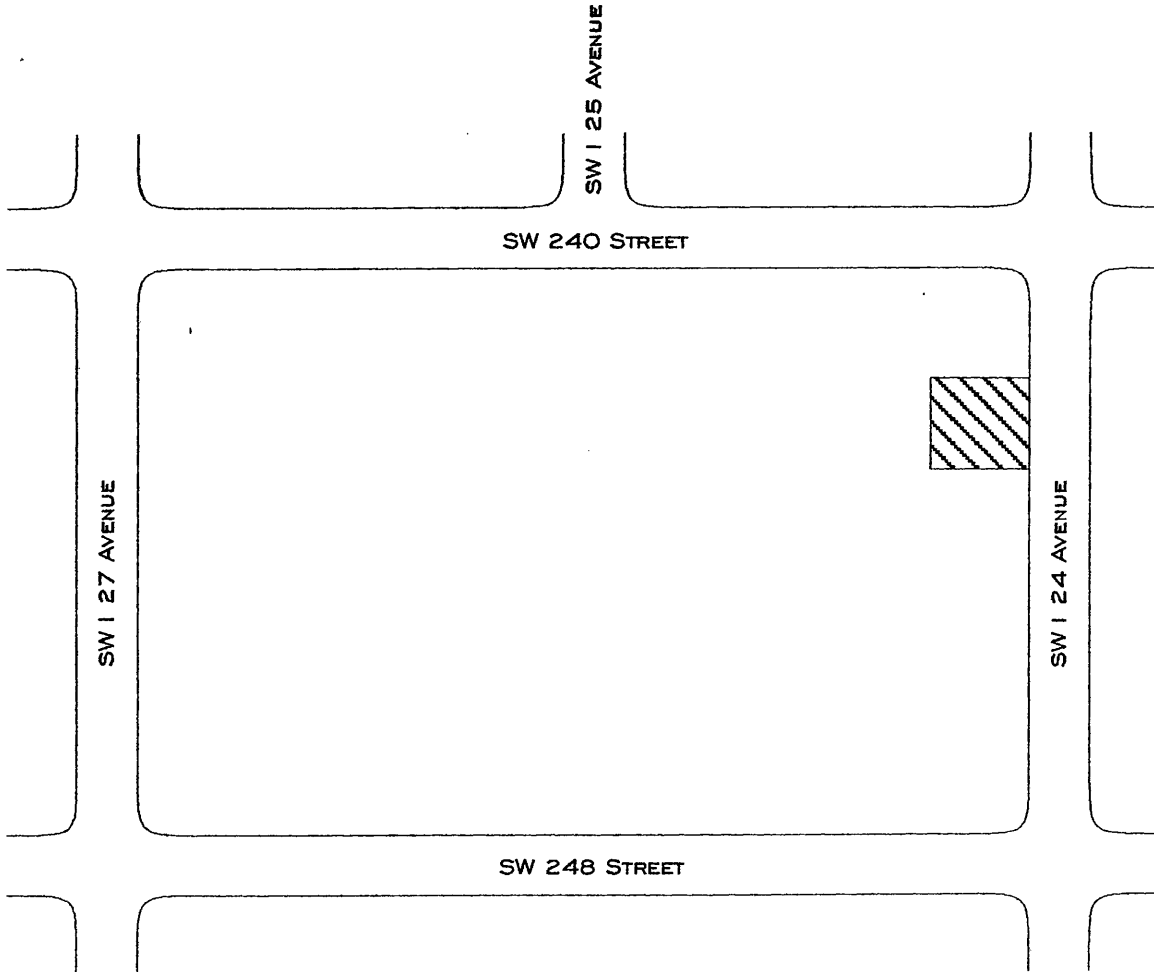
- Borek Farms, responsibility, at its sole cost and expense, to maintain the premises;
- Borek Farms, responsibility, to provide Material Safety Data Sheets (MSDS) to the Board stating the type and quantity of any substances used on the premises; and
- the Board's right to conduct soil or sub-soil testing to determine if any hazardous materials or substances exist within the premises as a result of the activities of Borek Farms.

The Director of Advanced Planning, the Executive Director of the Office of Capital Improvement Projects, the Region VI Superintendent, and the Associate Superintendent of School Operations indicated that development of the subject property is not presently included in the District's 5-year Work Plan, and as such, do not object to the renewal. Should conditions change, the District would be able to cancel with 120 days prior written notice. The proposed lease amendment will be reviewed and approved by 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 lease amendment with Steven Borek Farms, Inc., for the use of vacant Board-owned land at S. W. 124 Avenue and S.W. 242 Street, to extend the lease term for an additional one-year period commencing March 16, 2003 and ending March 15, 2004, at an annual rental rate of \$3,762.30 (as further adjusted by the January 2003 Consumer Price Index), and in conformance with the other terms and conditions set forth above.

MMC:rr

LOCATION MAP



LEGEND

 DEMISED PREMISES