

Facilities Operations, Maintenance and Planning  
Ana Rijo-Conde, Interim Assistant Superintendent

**SUBJECT:            AUTHORIZATION TO EXECUTE A SUBLEASE AGREEMENT  
                         WITH U.S. PARKING & ASSOCIATES, INC., FOR PARKING AT  
                         THE 1444 BISCAYNE BOULEVARD BUILDING GARAGE AND  
                         CANCELLATION OF THE LEASE AGREEMENT WITH THOMAS  
                         R. POST FOR USE OF 75 PARKING SPACES LOCATED AT  
                         1340 N.E. 2 AVENUE**

**COMMITTEE:        FACILITIES MANAGEMENT**

Background Information

The School Board (Board) currently leases a parking lot, consisting of 117 parking spaces and located at 1411 N.E. 2 Avenue, from the Florida Grand Opera, Inc. (Opera), for District staff and visitors (see location map). The Opera has advised, however, that due to the upcoming construction of its new facility on the site, District use of the Opera Lot may not be extended beyond the December 31, 2003 expiration date of the agreement, or may be canceled sooner. In light of the foregoing and given the shortage of parking within the vicinity of the School Board Administration Building (SBAB) complex, District Office Operations requested that staff investigate other lease options to meet the District's parking needs.

Subsequent to completing its investigation of available alternate Opera Lot parking facilities, staff was contacted by Thomas R. Post (Post), who leases 75 parking spaces to the District at 1340 N.E. 2 Avenue (Post Lot), for staff and visitors (see location map). Post advised that he received a Notice of Violation from the City of Miami (City) for lack of compliance at this location with a new City ordinance (Ordinance). The Ordinance requires surface parking lots in certain areas to adhere to set-back requirements and to be improved with landscaping, decorative fencing and other such items. Post requested that the District make the required improvements, at its sole cost and expense, or determine whether the property is exempt from the Ordinance by virtue of the District's occupancy and use of the site. Absent such an exemption and a willingness on the part of the District to provide the site improvements, Post advised that he may be forced to cancel the agreement. The lease allows either party to cancel the agreement with 30 days advance notice.

Upon staff's request, the School Board Attorney's Office has issued an opinion which indicates that the District is not exempt from the Ordinance. In addition, Maintenance Operations has provided a preliminary estimate of \$80,000 to make the site improvements required by the Ordinance to the Post Lot. A further detailed investigation would be required before Maintenance Operations would be able to render a more exact cost.

Staff has contacted Post, who has verified an inability to construct the improvements at his cost, without raising the rental rate substantially to compensate. In addition, should the Board be willing to construct the improvements at its cost, Post is unable to modify the lease agreement to provide uninterrupted use of the site by the District at no rent, for a period of time sufficient to allow the District to amortize the cost of improvements. Given the continuing need for the 75 parking spaces, and the likely ability of the District to continue use of the Opera Lot for at least the next several months, it is staff's recommendation that the Superintendent be authorized to cancel the lease agreement for the Post Lot, effective September 30, 2003, with the 75 parking spaces to be replaced at an alternate leased facility. The District will continue leasing the Opera Lot to meet current staff parking requirements.

#### Sublease Agreement with U.S. Parking & Associates, Inc.

Staff conducted an extensive search of available parking facilities within close proximity of the SBAB complex, and verified that the 1444 Biscayne Boulevard Building garage (1444 Garage) is the most suitable option, given the number of parking spaces available for District use and its close proximity to the SBAB complex. U.S. Parking & Associates, Inc. (U.S. Parking), operators of the 1444 Garage, expressed a willingness to enter into a sublease agreement with the Board for use of 75 parking spaces. The 1444 Garage is owned by Biscayne Management Corporation (Biscayne Management), but is being operated and managed by U.S. Parking pursuant to a lease agreement with Biscayne Management. It should be noted that apart from the 150 parking spaces currently leased to the District under a separate agreement, Biscayne Management's lease agreement with U.S. Parking prohibits Biscayne Management from leasing additional parking spaces at the 1444 Garage directly to the District.

The rental rate offered by U.S. Parking of \$36 per parking space per month (inclusive of the City of Miami mandated 20% parking surcharge) is significantly lower than the standard rate otherwise offered at this facility of \$60 per parking space per month. Sufficient funds are available in the 2003-04 District Lease Budget to pay rent for the Opera Lot, along with the 1444 Garage, for the period ending June 30, 2004. At such time as the Opera notifies the District of its intent to cancel the lease for the Opera Lot, the District will have the option, upon thirty (30) days notice, to lease up to a total of 100 additional parking spaces from U.S. Parking at the 1444 Garage, subject to availability. However, since the future availability of additional parking spaces in the 1444 Garage is unknown, staff will immediately begin an investigation of possible alternative solutions for long-term staff parking needs, and will bring a plan of action to the Board for further direction.

Accordingly, it is recommended that the Board enter into a sublease agreement with U.S. Parking for use of 75 parking spaces at the 1444 Garage for District staff. This would be in addition to the 150 parking spaces currently leased by the Board at the 1444 Garage under a separate lease agreement with Biscayne Management.

The proposed sublease agreement will include, substantially, the following terms and conditions:

- the sublease shall be for 75 parking spaces at the 1444 Garage, to be made accessible to the District through the issuance of 75 garage access cards;
- a one-year term, with two one-year renewal options, at the Board's option, but subject to the renewal or extension of U.S. Parking's lease agreement with Biscayne Management;
- the rental rate shall be \$30 per parking space per month, plus the City of Miami 20% parking surcharge, for a total of \$36 per parking space per month (\$2,700 monthly). Should the City of Miami parking surcharge ordinance cease to exist, the rental rate shall be adjusted to \$30 per parking space per month (\$2,250 monthly). In the event the City of Miami is required to refund parking surcharge payments, U.S. Parking will assist in the District's efforts to secure a refund of all parking surcharge fees paid under this agreement;
- the District shall make a one-time deposit of \$375 (\$5 per garage access card) to U.S. Parking, which deposit shall be refunded to the District at a rate of \$5 for every usable card returned upon the expiration, termination or cancellation of the agreement;
- in the event any garage access cards are lost, stolen or damaged during the term of the agreement and the District requests a replacement card, the District shall pay U.S. Parking \$10 for each replacement card issued;
- U.S. Parking may increase the rental rate annually during each of the renewal option periods to an amount to be negotiated and approved by both parties, prior to the renewal date;
- in order to meet future parking needs, the District may, upon thirty (30) days advance notice, lease up to a total of 100 additional parking spaces from U.S. Parking, subject to availability, under the same terms and conditions, including the negotiated rental rate then in effect. In such event, U.S. Parking shall issue up to a total of 100 additional garage access cards to the District and the monthly rental amount shall be adjusted proportionately;
- in order to meet the parking needs of any new tenants occupying vacant office space within the 1444 Biscayne Boulevard Building (1444 Building), U.S. Parking may, upon thirty (30) days advance notice, reduce the number of parking spaces leased to the District at a rate of four parking spaces for every one thousand square feet of newly leased space. In such event, the monthly rental amount shall be adjusted proportionately;

- either party shall have the right to cancel the sublease agreement at any time, without penalty, by giving the other party 90 days prior written notice;
- U.S. Parking shall be responsible for providing custodial services and utilities and for maintaining and repairing the premises;
- U.S. Parking shall indemnify and hold the Board harmless from all liability which may arise as a result of U.S. Parking's negligence, actions or failure to act under the terms of the sublease agreement;
- the Board shall indemnify and hold U.S. Parking harmless, to the extent of the limitations included within Florida Statutes, from all liability which may arise as a result of the Board's negligence, actions or failure to act under the terms of the sublease agreement; and
- the Superintendent of Schools shall be the party designated by the Board to grant or deny all approvals required by this sublease agreement, including leasing up to a total of 100 additional parking spaces, or to cancel this sublease agreement.

#### Cancellation of the Post Lot Lease Agreement

As previously noted, staff is recommending cancellation of the Post Lease, effective September 30, 2003. However, previous Board action authorized use of the facility only through August 31, 2003. As such, it will be necessary for the Board to authorize an extension of the agreement through September 30, 2003. The rental rate of \$2,036.25 monthly would remain the same during this one-month period, as well as the separate parking surcharge payment to the City of \$407.25, for a total payment of \$2,443.50.

The Supervisor of District Office Operations and Administrative Director of Business Operations recommend entering into the proposed sublease agreement with U.S. Parking, as well as canceling the Post Lot lease. The proposed sublease agreement with U.S. Parking will be reviewed by the Supervisor of District Office Operations, the Administrative Director of Business Operations, the School Board Attorney's Office and the Office of Risk and Benefits Management, prior to its execution.

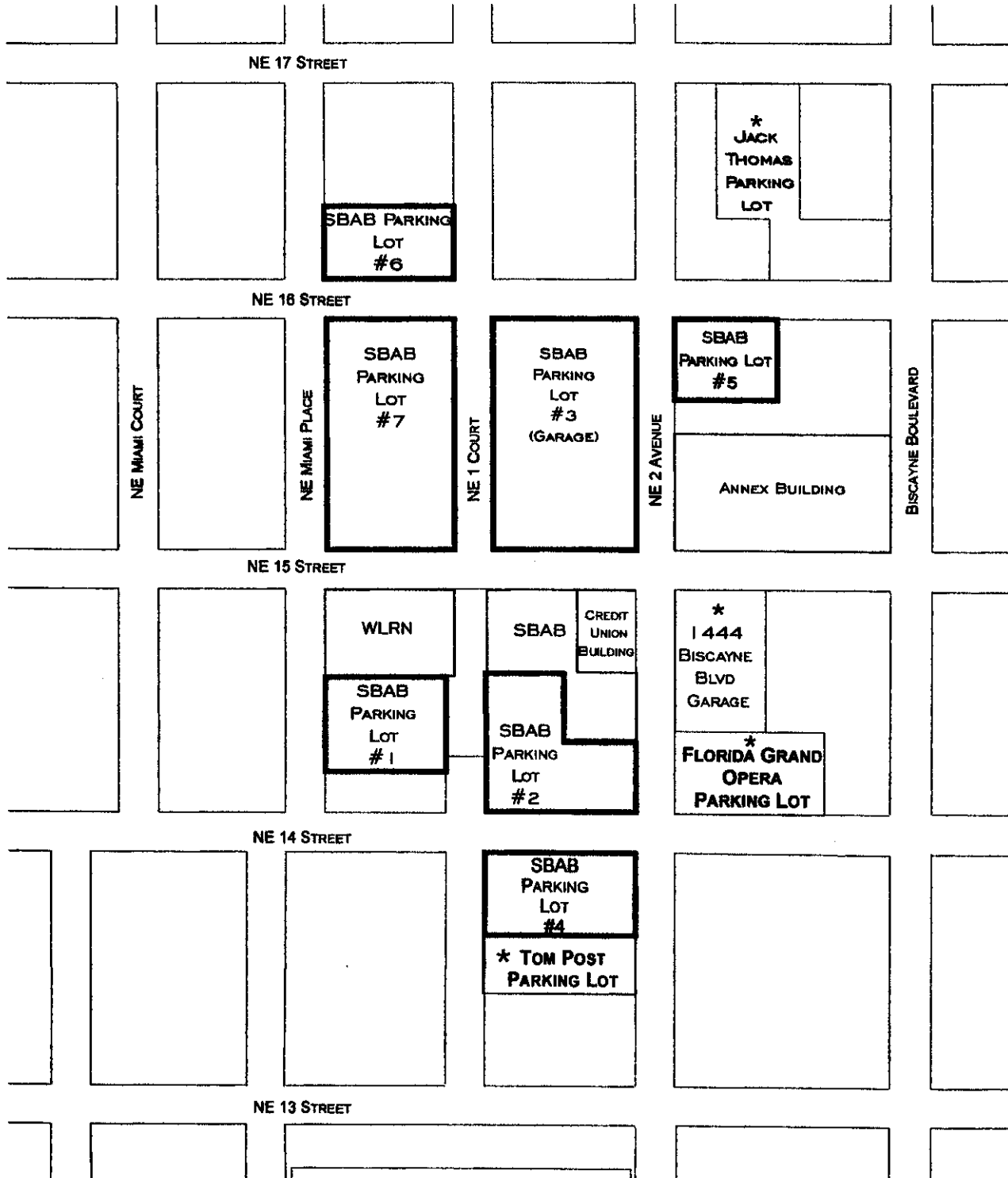
**RECOMMENDED:**

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

1. authorize the Superintendent or his designee to execute a sublease agreement with U.S. Parking & Associates, Inc., for use of 75 parking spaces within the 1444 Biscayne Boulevard Building garage, at a monthly rental rate of \$2,700 (\$32,400 annually), and one-time deposit of \$375 for the garage access cards, and substantially in conformance with the terms and conditions set forth above, and to lease up to 100 additional parking spaces under the above-referenced sublease agreement with U.S. Parking & Associates, Inc, with a corresponding rent adjustment;
2. authorize the extension of the lease agreement with Thomas R. Post for use of 75 parking spaces located at 1340 N.E. 2 Avenue, for the period of September 1, 2003 through September 30, 2003, with payment of rent at \$2,036.25, and payment of a separate parking surcharge to the City of Miami of \$407.25, for a total payment of \$2,443.50; and
3. authorize the Superintendent or his designee to cancel the lease agreement with Thomas R. Post for use of 75 parking spaces located at 1340 N.E. 2 Avenue, effective September 30, 2003.

MMC:rr

# LOCATION MAP



**LEGEND**

\* PARKING LOTS CURRENTLY LEASED BY BOARD



## RENT SCHEDULE

<b>LEASED PARKING FACILITIES</b>			
<u>Location of Parking Facility</u>	<u># of spaces</u>	<u>Amount of Rent</u>	<u>Use</u>
1. Thomas Post lot 1340 NE 2 <sup>nd</sup> Avenue (surface lot)	75	\$29,322/year <b>(\$32.58/space/month)</b>  this amount includes the 20% City of Miami parking surcharge and is broken down as follows: \$24,435/year or \$27.15/space/month for rent & \$4,887/year or \$5.43/space/month for surcharge fee	serves District staff & visitors in SBAB complex
2. Biscayne Management Corp. 1444 Biscayne Blvd. (parking garage)	150	\$50,400/year <b>(\$28.00/space/month)</b>	serves District staff in SBAB complex
3. Jack Thomas Lot 235 NE 16 Street (surface lot)	100	\$31,500/year <b>(\$26.25/space/month)</b>	serves District staff & visitors in SBAB complex
4. Florida Grand Opera lot 1411 NE 2 <sup>nd</sup> Avenue (surface lot)	117	\$32,193.72/year <b>(\$22.93/space/month)</b>	serves District staff in SBAB complex

**Notes:**

- (1) The lease agreement with the South Florida Educational Federal Credit Union for use of 25 Board-owned parking spaces was canceled by the Credit Union effective May 1, 2003. As such, the parking spaces are now available for use by District staff.
- (2) At the October 23, 2002 meeting, the School Board approved the renewal of the parking lot lease agreement with the Florida Grand Opera, Inc. (Opera) for the period of January 1, 2003 through December 31, 2003. Due to the upcoming construction of the Opera's new facility on the subject site, District use of the parking lot may not be extended beyond the December 31, 2003 expiration date.