

Business Operations
J.E. Surash, P.E., Chief Business Officer

SUBJECT: LEASE AGREEMENT WITH THE BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA FOR THE USE OF APPROXIMATELY 40 ACRES OF STATE-OWNED SURPLUS LAND FOR EDUCATIONAL PURPOSES, LOCATED BETWEEN I-75 AND NW 97 AVENUE, AND BETWEEN NW 172 TERRACE AND NW 183 STREET, MIAMI, FLORIDA

COMMITTEE: FACILITIES MANAGEMENT

Introduction

Since October 2003, and in anticipation of significant residential development planned between NW 138 Street and NW 186 Street, and between Interstate 75 (I-75) and NW 97 Avenue, District staff have been in contact with the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (State) in an attempt to acquire vacant State-owned land in that area to serve as future school sites. The State has advised that a combined total of approximately 40 acres, located between Interstate 75 (I-75) and NW 97 Avenue and between NW 172 Terrace and NW 183 Street (subject property), may be available for lease by the District (see location map).

Since State guidelines mandate that property held by the State can only be divested after all State agencies have been granted a right of first refusal, the District's requested use of the subject property was routed through various State Agencies to ascertain immediate and future needs for this property. In February 2004, District staff was notified by the Department of Environmental Protection, which retains jurisdiction of this property, that the State was willing enter into a long term lease with the District to allow for the construction of new schools. A sale of the subject property to the District does not seem to be a viable option, since the sale of all State-owned surplus property must be accomplished through a competitive bid process open to the public.

District staff has initiated the due diligence process to determine the suitability of the subject properties, including a determination of the presence of wetlands. In addition, District staff has commissioned environmental assessments of the subject property, scheduled for completion by mid-June 2004.

**GOOD CAUSE
E - 16**

On May 13, 2004, staff was notified by State officials that another State agency had changed its prior position with regard to use of the subject property, expressing a need for same. Notwithstanding the above, because the District has undertaken significant steps to determine the feasibility of siting schools on the subject property in reliance on the State's indication that the subject property was available for leasing, the State is allowing the District a limited period of time to consummate the lease agreement, necessitating immediate Board action.

Proposed lease agreement

In conformance with State criteria for the leasing of surplus State lands, terms and conditions of the proposed lease are, substantially, as follows:

- the term of the lease shall be for fifty-years, with no renewal provision, and the subject property may only be used for a public school;
- the subject property will be leased to the District at no annual rent. However, the District shall pay the State an annual administrative fee of \$300;
- the District shall prepare and submit an Operational Report for the subject property, in accordance with the relevant sections of the Florida Administrative Code, within ten months of the effective date of the lease, and shall not proceed with development until the Operational Report has been approved;
- the District shall maintain policies of fire, extended risk, and liability insurance coverage. Such policies of insurance shall name the State and District as co-insureds. In the alternative, the District may provide certificates of self-insurance for casualty and liability insurance;
- the District shall assume full responsibility and pay all liabilities which may be lawfully assessed, including ad valorem taxes, drainage and special assessments or taxes of every kind, and all mechanic's or materialman's liens;
- all buildings/structures shall be constructed at the expense of the District, and ownership of same shall vest with the State at the termination of the lease;
- time is expressly declared to be of the essence;
- the District shall be responsible for the payment of all charges for public utilities;
- the District shall make available all financial records relating to the lease, and the State shall have the right to audit such records or require the submittal of an annual independent audit;
- the subject property is leased in an "as is" condition;

- the District can terminate the lease and surrender the subject property by providing the State with six months prior written notification;
- in the event of breach of the terms of the lease agreement by the District, the District shall have 60 days to cure, failing which the State may either terminate the lease and recover damages from the District, or maintain the lease and exercise all available rights and remedies;
- the State may, at its discretion, require the District to provide a current Phase I and/or Phase II environmental site assessment;
- the District shall not do or permit anything to be done which purports to create a lien or encumbrance of any nature against the subject property; and
- the District shall maintain the subject property in a state of good condition, working order and repair.

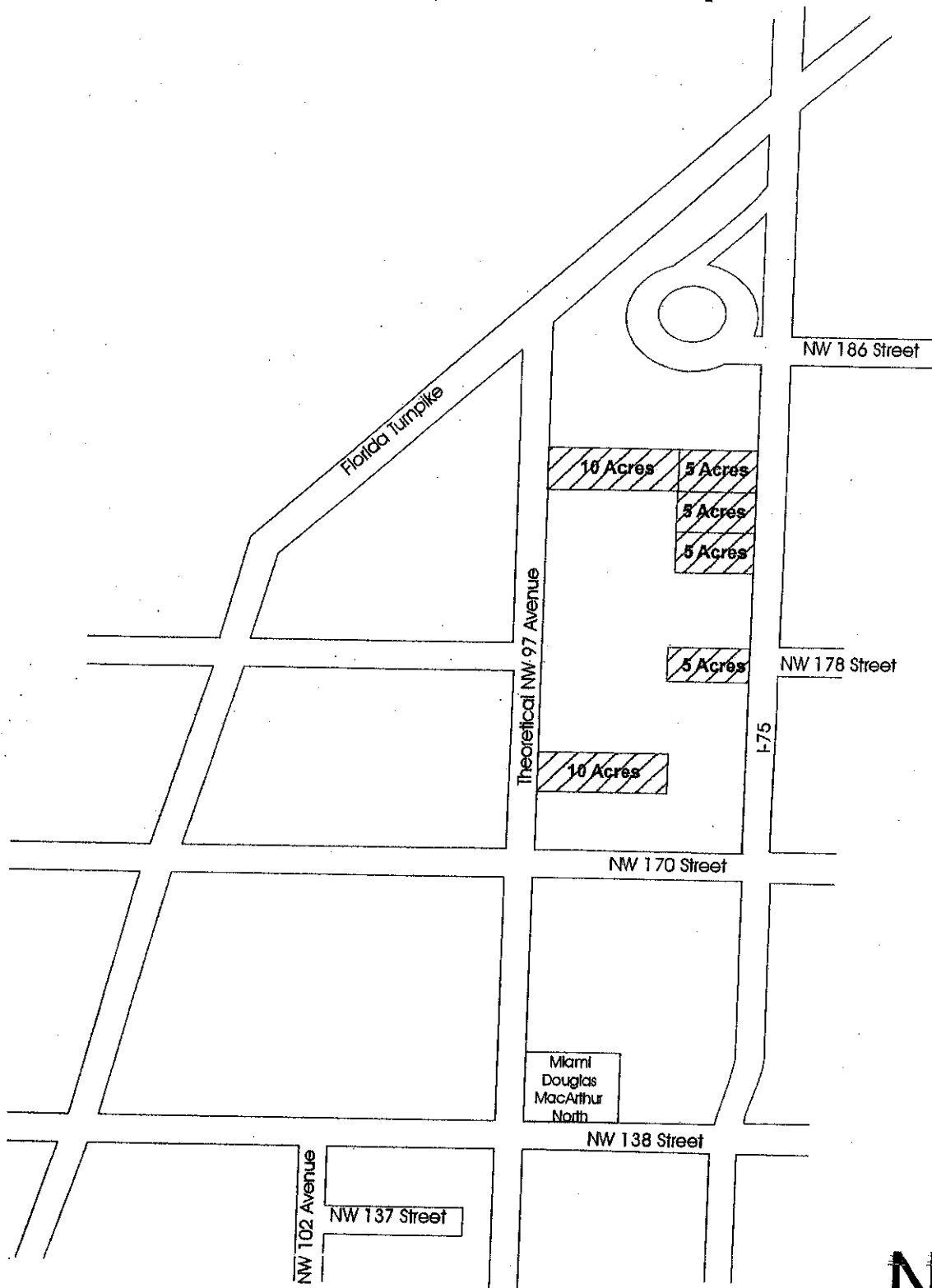
Subsequent to entering into the proposed lease agreement, and at the conclusion of all due diligence, should the District not wish to proceed with use of the subject property, the State has advised that it will immediately issue a Release to the District. The lease agreement will be reviewed by the School Board Attorney's Office and the Office of Risk and Benefits Management prior to execution.

This item does not appear in the published agenda. There is good cause to vary from the agenda in order to execute a lease agreement with the State of Florida by the end of May 2004, in order for the District to avail itself of a unique opportunity to acquire 40 acres of leased land, at no annual rent, to meet anticipated demands for future student stations in an area planned to undergo significant residential development.


RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to execute a lease agreement with The Board of Trustees of The Internal Improvement Trust Fund of The State of Florida, for the use of approximately 40 acres of State-owned surplus land for educational purposes, located between I-75 and NW 97 Avenue and between NW 172 Terrace and NW 183 Street, Miami, Florida.

JB:rr

Location Map



LEGEND

 COMBINED TOTAL APPROXIMATELY 40 ACRES OF VACANT LAND

NOT TO SCALE

