

Business Operations  
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: AUTHORIZATION TO EXECUTE A LEASE AGREEMENT WITH  
CHAMBER CENTRE, INC., FOR REGION VI OFFICES, LOCATED  
AT 698 N. HOMESTEAD BOULEVARD, HOMESTEAD**

**COMMITTEE: FACILITIES AND CONSTRUCTION REFORM**

Since 1993, the Region VI offices have been housed in relocatable buildings located on the campus of Campbell Drive Middle School. Due to space constraints and the deteriorated condition of the relocatable buildings, these facilities are inadequate to meet the Region's long-term needs; particularly as it relates to safety-to-life, parking, maintenance and security issues. As a result, the Region has requested that alternate leased facilities be identified to meet its current and long-term space and operational requirements.

Staff conducted an extensive search of available office buildings within Region VI that could potentially house Region operations (see attached location map). As a result of this search, staff identified the Chamber Centre building, located at 698 N. Homestead Boulevard, Homestead (City), as the facility that would best accommodate the needs of the Region (see attached site plan). The Chamber Centre building was constructed in 2004, has ample parking and contiguous available office space, offers state-of-the-art building security measures and is available for immediate occupancy. Further, in addition to the 13,369 square feet of space to be leased for Region operations, the landlord will provide an additional 3,346 square feet of usable common area for exclusive District use, at no cost to the Board, for a total usable area of 16,715 square feet on two separate floors. The District would be the only tenant on those floors, and able to control access through electronic keys on the elevators. District staff performed required life-safety and infrastructure inspections of the building, and the owner has agreed to make all necessary corrections at his sole cost and expense.

After reviewing the available office locations, the Region VI Superintendent, Associate Superintendent for Region Operations and Deputy Superintendent for Curriculum and Instruction recommend that a lease agreement be authorized to allow occupancy of this location for Region VI operations. This is due, in part, to the adjacency of the building to major thoroughfares, contiguous available office space, sufficient parking and the ability to control access to the lease space.

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

- the lease shall be for 13,369 net square feet of office space on the 2<sup>nd</sup> and 3<sup>rd</sup> floors (6,412 and 6,957 square feet respectively). In addition, and at no cost to the District, the landlord will provide an additional 3,346 net square feet of usable common area (1,673 square feet of elevator lobby and restrooms on each floor), for exclusive use by the District. As such, the total space available for District occupancy is 16,715 square feet;
- a five-year lease term, with two five-year renewal options, at the Board's sole discretion. The term of the lease shall begin upon completion of the tenant improvements by the landlord and issuance of a Certificate of Occupancy (CO) by the City;
- the rental rate for 13,369 square feet of lease space will be \$16 per square foot, plus \$3 per square foot for common area maintenance, for a total rental cost of \$19 per square foot (\$254,011 annually). The effective rental rate for the combined 16,715 of leased and common area is \$15.20 per square foot, and shall remain unchanged for each year of the five-year lease period. This rental rate is exclusive of relocation costs, such as data and telephone-related improvements and relocating or purchasing furniture and equipment;
- the landlord shall modify the 16,715 square feet of leased and common areas to meet the Region's operational needs. Work shall include hiring an architect, installing interior walls, painting, carpet, interior doors, electrical, conduits for communication and CCTV, air-conditioning, lighting and fire-sprinkler systems. The cost of the work is \$31.40 per square foot (\$419,787). The landlord provides a \$15 per square foot allowance (\$200,535), with the balance of \$219,252 to be paid by the District at the time the CO is issued;
- as a condition of the lease, so as to facilitate necessary Region involvement with the opening of the 2005-06 school year, the landlord shall secure the CO for the construction of the leased and common areas no later than July 15, 2005. If the CO is not issued by July 15, 2005, the District reserves the right to delay occupancy for up to 45 days, during which time no rent will be due;
- neither party shall be permitted to cancel this lease during the first year of the agreement. Either party shall have the right to cancel the lease at any other time by giving the other party a minimum of 180 days prior written notice;
- in the event the lease is cancelled by the landlord during the second or third year of the term, the landlord shall reimburse the Board for the remaining portion of the District's out-of-pocket costs for tenant improvements (\$219,252), as amortized over a 3 year period;

- in the event the lease is cancelled by the District during the second or third year of the term, the District shall reimburse the landlord for the remaining portion of the landlord's out-of-pocket costs for tenant improvements (\$200,535), as amortized over a 3 year period;
- in the event all or portions of the lease space or the Chamber Centre building should be destroyed or so damaged by fire, windstorm or other casualty to the extent the District is unable to use the facility, as determined by the District's Department of Safety, the landlord is to repair or render these areas tenantable within 90 days from the date of destruction or damage, or such other period of time as may be mutually agreed upon. In the event the landlord does not render the facility tenantable in the stipulated time frame, the District shall have the right to cancel the lease without penalty;
- the landlord shall provide all building maintenance to the 16,715 of lease and common space, at no additional cost to the District;
- the landlord shall provide 40 designated parking spaces for District use (15 reserved and 25 unreserved);
- the landlord shall provide an electronic security and fire alarm system that is monitored 24 hours a day. The District may, at its option, post security staff in the 1<sup>st</sup> floor lobby and control access to the elevators serving the lease space by either manual or electronic means;
- the District shall be responsible for providing custodial services, electricity used within its lease space and for trash removal service, at its sole cost and expense;
- the landlord shall indemnify and hold the Board harmless from all liability which may arise as a result of the landlord's negligence, actions or failure to act under the terms of the lease agreement;
- the Board shall indemnify and hold the landlord 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 lease agreement; and
- the Superintendent of Schools 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.

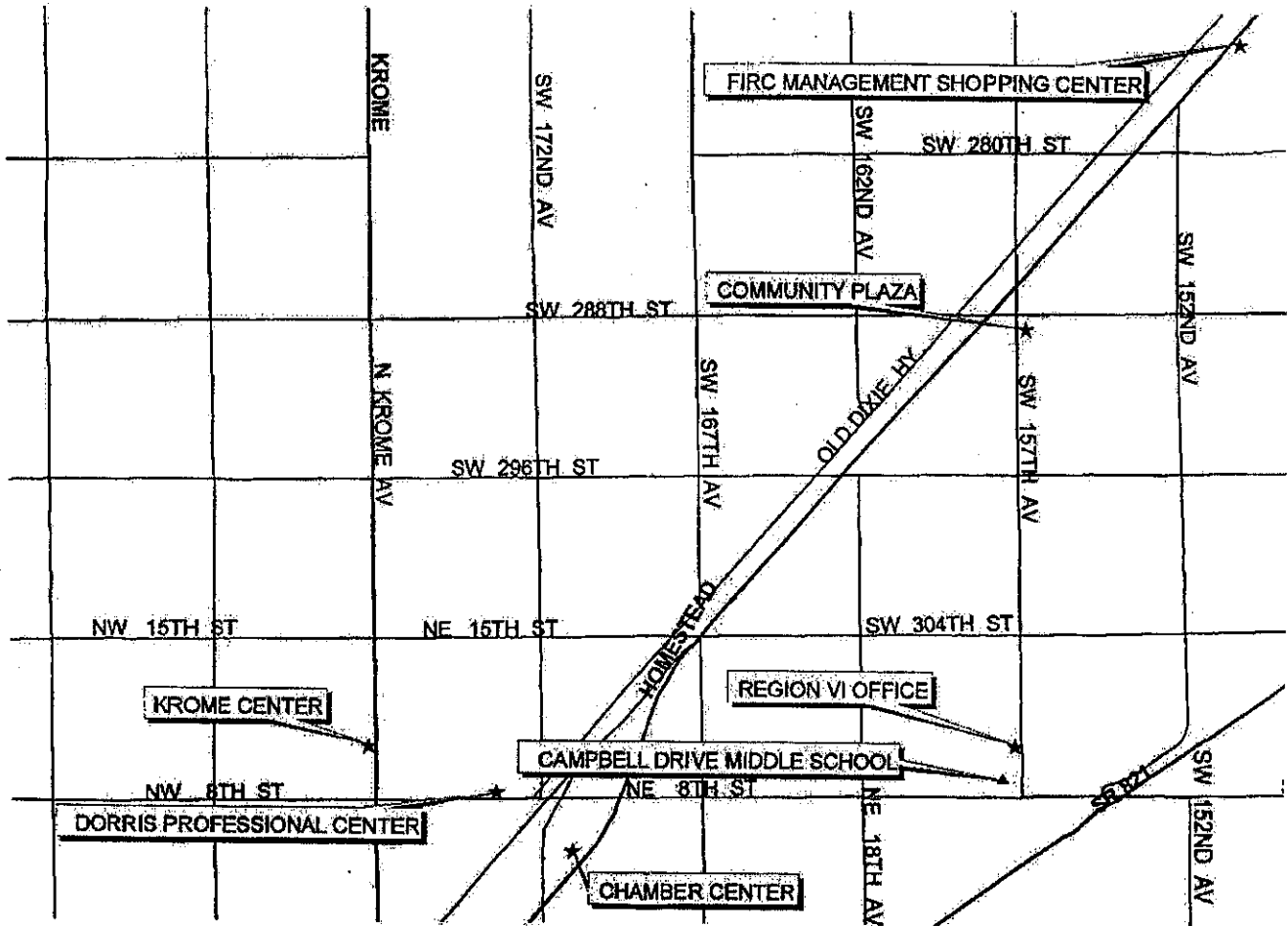
The proposed lease agreement will be reviewed by the School Board Attorney's Office and the Office of Risk and Benefits Management prior to its execution.

**RECOMMENDED:**

That The School Board of Miami-Dade County, Florida, authorize the Superintendent or his designee to execute a lease agreement with Chamber Centre, Inc., for Region VI offices, located at 698 N. Homestead Boulevard, substantially in conformance with the terms and conditions noted above, including a one-time reimbursement for tenant improvements of \$219,252 and an annual rental rate of \$254,011, and subject to resolution of any issues relating to compliance with the life-safety inspections performed by District staff.

DA:mo

# Location Map



# Site Plan

