

Office of School Facilities
Rose Diamond, Chief Facilities Officer

SUBJECT: AUTHORIZATION FOR THE SUPERINTENDENT TO FINALIZE NEGOTIATIONS AND EXECUTE A LEASE AGREEMENT WITH 9500 BUILDING, LLC, FOR APPROXIMATELY 27,233 SQUARE FEET OF OFFICE SPACE, LOCATED AT 9500 NW 41 STREET, CITY OF DORAL, TO CONSOLIDATE VARIOUS DIVISIONS OF THE MIAMI-DADE SCHOOL POLICE DEPARTMENT INTO A NEW HEADQUARTERS AND DISTRICT EMERGENCY OPERATIONS CENTER

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

The Miami-Dade School Police Department (MDSPD), currently houses its Headquarters/Operations, Investigations/Patrol, Property/Evidence, Communications and Administrative Divisions at four separate District locations. These functions currently utilize approximately 17,058 square feet of space and operate with 86 personnel. In order to further improve the level of service provided by MDSPD, and bring together key divisional responsibilities including a District Emergency Operations Center (EOC), a request was made by MDSPD to locate a single facility to consolidate these operations. Such an action will lend itself to meeting Florida Law Enforcement accreditation for the MDSPD, as authorized by the Board at its meeting of October 22, 2003.

District staff conducted an extensive search of available office buildings within the central portion of the County, to locate available facilities that could potentially house MDSPD and EOC operations. As a result of that search, and subsequent consultations with MDSPD, an existing building owned by 9500 Building, LLC (landlord), located at 9500 NW 41 Street, City of Doral, was deemed to be best suited to accommodate these needs (see attached location map).

The proposed facility consists of a main building with 12,710 square feet on the first floor and 8,860 square feet on the mezzanine, and an ancillary building consisting of 1,813 square feet, for a total of 23,383 square feet. As part of the tenant improvements, the landlord is willing to build-out the remaining portion of the mezzanine for District use, to provide a total usable area of 27,233 square feet. The building is designed as a sole tenant facility, has ample parking (approximately 80 spaces), is easily accessible and located near major thoroughfares, can be easily secured and will be available for commencement of interior renovations in April 2006, for a projected occupancy of January 2007. District staff performed required life-safety and infrastructure inspections of the building, and the landlord has agreed to make all necessary corrections. Any such costs pertaining to general operation of the building (those costs not directly attributable to MDSPD, EOC and District operational requirements), ADA compliance, roofing, installation

of an elevator and general office building code compliance issues, will be provided at the landlord's cost. All other proposed tenant improvements relating to the specific needs of the MDSPD and EOC, as well as any other District design or construction requirements, will be at the sole cost of the District.

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

- the lease shall be for 12,710 square feet on the 1st floor, and 12,710 square feet on the 2nd floor (after the mezzanine area is expanded to include an additional 3,850 square feet of space), within the main building (see Building "A" on location map), plus 1,813 square feet within an auxiliary building (see Building "B" on location map), for a total of 27,233 square feet of office space;
- a ten-year lease term, with the base rental rate not to exceed \$14.12 per square foot (\$384,528 annually), for the first year of the term. Thereafter, the rental rate will be adjusted by 3% during each remaining year of the initial ten year term;
- two five-year renewal option periods, at the Board's sole discretion. The rental rate during the first five-year renewal option period shall be adjusted at an amount not to exceed 4% per year. The rental rate for the first year of the second five-year renewal option period shall be established at the market rate in effect ninety (90) days prior to the renewal of the Agreement. Each subsequent year within this second renewal option period will be adjusted at an annual rate not to exceed 3%;
- a reimbursement to the landlord in an amount not to exceed \$792,480 (\$2.91 per square foot) for tenant improvements to the 27,233 square foot leased area, which shall include hiring an architect, installing interior walls, painting, carpeting, interior doors, electrical, plumbing, structural, paving/resurfacing, conduits for communication and CCTV, upgrading air-conditioning, lighting, fire sprinkler systems, and making required modifications to meet all applicable code requirements. This amount will be amortized over the initial ten-year term and paid in equal monthly amounts estimated at \$6,604. At the end of the initial ten-year term, this obligation shall cease. As such, the total combined rental obligation for the first year of the term shall not exceed \$17.03 per square foot. This rental rate is exclusive of relocation costs, data and telephone-related improvements and relocating or purchasing furniture and equipment;
- neither party shall be permitted to cancel the lease during the first year of the agreement. Subsequently, the District may cancel at any time by providing the landlord with a minimum of 180 days prior written notice. Other than in the event of default by the District, which default is not cured, the landlord may not cancel the agreement;
- in the event the lease is cancelled by the District during the second through tenth year of the initial term, the District shall reimburse the landlord for the unamortized portion of the District's estimated \$792,480 tenant improvement cost;

- in the event all or portions of the lease space are determined to be non-tenantable, as determined by the appropriate governmental entity, for reasons other than damage caused by fire, windstorm or other casualty, to the extent the District is unable to use the facility, the landlord is to render these areas tenantable within 90 days from the date of receipt of notice from the District, 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. During all times that the lease space, or a portion thereof, is rendered non-tenantable for reasons other than damage caused by fire, windstorm or other casualty, the District's obligations under the lease, including payment of rent, shall be proportionately abated;
- in the event of damage to the lease space caused by fire, windstorm or other casualty, the District will be responsible for full restoration of the facility, and there will be no rent abatement. The District will provide property insurance or evidence of self insurance in the event of damage or destruction to the facility or grounds;
- the District shall be responsible for all utilities, including, without limitation, electricity, water and sewer and trash removal;
- the landlord shall be responsible for elevator maintenance, landscape maintenance, parking lot and fence maintenance, window cleaning, existing exterior lighting, exterior building painting, major building systems (i.e. structural, mechanical, electrical and plumbing), and all building capital repairs/replacements (HVAC, Electrical, Plumbing, etc.);
- the District shall be responsible, at its sole cost and expense, for providing all routine janitorial/custodial services and routine building maintenance (e.g. replacing light bulbs, air conditioning filters, interior painting and other routine maintenance issues);
- the landlord shall allow the District, at the District's sole cost and expense, to install fuel tanks for Police vehicle use;
- 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.

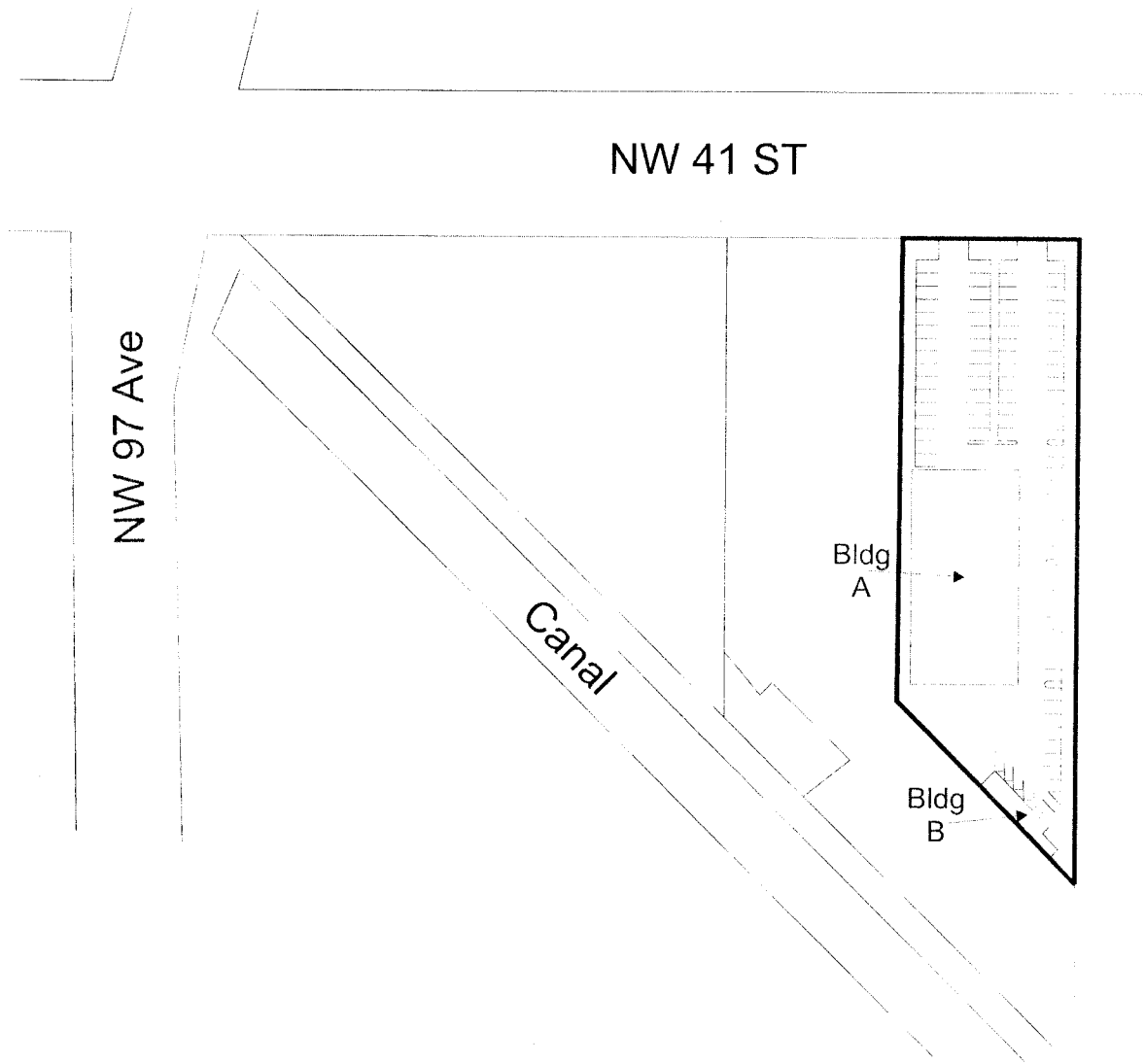
Information detailing the sites considered for locating the MDSPD/EOC, and the rationale for recommending this building, will be submitted to the Board under separate cover.

The Chief of Police and District Security recommends entering into the proposed 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 9500 Building, LLC, for approximately 27,233 square feet of office space, located at 9500 NW 41 Street, City of Doral, to consolidate various Divisions of the Miami-Dade School Police Department into a Headquarters and District Emergency Operations Center, substantially in conformance with the terms and conditions noted above, including a total District lease expense for the first year of the term, estimated at \$ 463,777, to include resolution of any issues required to comply with life-safety and infrastructure deficiencies noted in District staff inspections.


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LOCATION MAP



REVISED

LEGEND

 PROPOSED MDSPD HEADQUARTERS

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