

Office of School Facilities
Rose Diamond, Chief Facilities Officer

SUBJECT: RENEWAL OF LEASE AGREEMENT WITH MIAMI-DADE COUNTY FOR THE SOUTH DADE SKILLS CENTER, LOCATED AT 28300 SW 152 AVENUE, LEISURE CITY

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

Introduction

Since 1976, the Board has leased space at 28300 SW 152 Avenue, for the South Dade Skills Center, from Miami-Dade County (County). The District has 43,282 square feet of the 45,216 square foot facility available for educational purposes, and the County utilizes the 1,934 square foot balance for the Farm Worker Training Program.

The lease agreement with the County provides for an annual rent of \$1, with the District having responsibility for all building operations expenses, which includes building utilities, routine building and grounds maintenance, security and custodial services, as well as repair of major building components, such as exterior walls, windows, roof, air conditioning, plumbing and electrical systems. This year, the District undertook roof work, as well as upgrades to the fire alarm/public address system. In addition, as required by the lease, the District will pay a portion of the County's building management staff salaries, estimated at \$78,528 for 2005-06. The County will in turn reimburse the District for its proportional share of the building utility and maintenance costs for the 1,934 square feet of space it occupies, which was approximately \$12,848 for 2005-06. Cost to the District for all building operating expenses for the period of July 1, 2005 to June 30, 2006, minus the County's reimbursement, was approximately \$428,472, or approximately \$9.90 per square foot. Market rates for comparable lease space in the community range from approximately \$16 to \$16.50 per square foot (\$692,512 - \$714,153 per year for a building of the same size). This market rate does not reflect potential relocation costs to the District, including required tenant improvements, moving expenses and telephone/computer infrastructure costs.

Additional Information

The Board, at its September 8, 2004 meeting, authorized pursuing the possible purchase of the South Dade Skills Center or a trade for other Board-owned property not suitable for District use. The County has confirmed that it would consider selling the facility to the District, provided negotiations include community participation and arrangements were made to allow continued County presence within the building. Subsequently, the County's General Services Administration expressed an interest in acquiring a Board-owned site located at SW 74 Avenue and SW 43 Street, Miami, consisting of approximately four acres of vacant land located within a light-industrial area. Although this land had remained largely underutilized since its acquisition by the District in 1991, it is now anticipated to be the location of a replacement English Center.

As such, District and County staff will continue to explore alternate sites for such a purchase or trade. Should these discussions prove successful; an item will be brought forth to the Board for consideration.

Proposed Lease Renewal

The current term of the lease agreement will expire on November 30, 2006, and the Board has the option of renewing the agreement for an additional one-year period. All terms and conditions of the lease agreement will remain unchanged, including the annual rental rate of \$1. The following terms and conditions will also remain unchanged:

- the District is responsible for payment of a percentage of the County's building management staff, which is estimated at \$80,884 for 2006-07, as well as all building operations expenses, including the payment of water and sewer, electrical, gas, waste removal and any other utilities serving the facility, routine building and grounds maintenance, security and custodial services;
- the County shall reimburse the District for its proportional share of the building utility and maintenance costs for the 1,934 square feet of space it presently occupies, which is estimated at \$13,490 for 2006-07;
- the District is responsible for all other maintenance and repair of the building and its major components, such as exterior walls, windows, roof, air conditioning system and plumbing and electrical systems;
- the District has the right to cancel the lease at any time by giving the County sixty (60) days prior written notice; and
- the County has the right to cancel only if the District defaults under the terms of the lease and fails to cure such default.

Staff contacted the principal of the South Dade Skills Center, the Regional Center VI Superintendent, and the Associate Superintendent of School Operations, who indicated a continuing need for this facility to operate the South Dade Skills Center for the one-year period commencing December 1, 2006 and ending November 30, 2007.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the renewal of the lease agreement with Miami-Dade County for the South Dade Skills Center, located at 28300 SW 152 Avenue, at an annual rental rate of \$1, and substantially in conformance with the terms and conditions listed above. The term of the renewal option period will commence December 1, 2006 and will end November 30, 2007.

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