

Office of School Facilities
Jaime G. Torrens, Chief Facilities Officer

SUBJECT: AUTHORIZATION FOR THE SUPERINTENDENT TO FINALIZE NEGOTIATIONS AND EXECUTE AN AMENDMENT TO THE JOINT USE AGREEMENT BETWEEN THE SCHOOL BOARD (AS LESSOR) AND TELEMUNDO NETWORK, INC. (AS LESSEE), FOR USE BY TELEMUNDO OF A 241-SPACE PARKING LOT AT J.W. JOHNSON ELEMENTARY SCHOOL, LOCATED AT 735 WEST 23 STREET, HIALEAH

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

LINK TO STRATEGIC PLAN: IMPROVE CONSTRUCTION SERVICES

Background

Since April 1995, J.W. Johnson Elementary School (School) and Telemundo Network, Inc. (Telemundo), have jointly utilized a 47,500 square foot parking lot on the School site, located at 735 West 23 Street, Hialeah (see location map). Telemundo uses the spaces to supplement existing parking facilities at the Telemundo corporate headquarters located one block from the School. Telemundo initially constructed 161 parking spaces at its sole cost and expense, which it expanded in 2005 by 80 additional parking spaces, bringing the total number of parking spaces constructed by Telemundo and leased at the School from 161 to 241. Telemundo has completed its initial five-year lease term, two two-year renewal options and the last of four one-year renewal option periods. The current term of the Joint Use Agreement (Agreement) will expire on April 9, 2008, and Telemundo has requested an amendment to extend the lease for one additional four-year period.

District Due Diligence Process

After securing concurrence from the Principal of J.W. Johnson Elementary School, the Regional Center I Superintendent, and the Associate Superintendent of School Operations that continued use of the parking lot by Telemundo will not impact ongoing School operations or planned activities, and in compliance with District leasing procedures, the Facilities Planning Department worked to establish a potential lease rate for the parking lot, based on a current market analysis. Given the lack of comparable parking lots for lease in the vicinity, a District commissioned appraiser reviewed property values in the general area to help establish a range for the rental value of the parking lot. As a result of this analysis, the appraiser provided an estimate of the range of fair market annual rent for the land underlying the site leased to Telemundo. Based on the range of value provided by the property appraiser, and given that Telemundo constructed the parking lot improvements and is responsible under the Agreement for all maintenance and upkeep of the improvements, staff negotiated a proposed new parking lot rental rate.

Proposed Amendment to Joint Use Agreement

It is recommended that the Superintendent be authorized to finalize negotiations and execute a lease amendment with Telemundo to extend the term of the Agreement for one additional four-year period (April 10, 2008 through April 9, 2012). The current annual lease rate of \$45,043.02 (\$15.58 per space monthly) will be increased by 4% to \$46,844.74 (\$16.19 per space monthly), for the period of April 10, 2008 to April 9, 2009, and by 4% each year thereafter for the next three years. No physical improvements requiring the use of District funds are necessary as a result of the proposed Board action. The proposed amendment to the current Agreement will include, substantially, the following terms and conditions:

- The current annual lease rate of \$45,043.02 (\$15.58 per space monthly) will be increased to \$46,844.74 (\$16.19 per space monthly), for the period of April 10, 2008 to April 9, 2009;
- The rental rate will increase by 4% to \$48,718.52 (\$16.84 per space monthly) for the period of April 10, 2009 to April 9, 2010;
- The rental rate will increase by 4% to \$50,667.26 (\$17.51 per space monthly) for the period of April 10, 2010 to April 9, 2011; and
- The rental rate will increase by 4% to \$52,693.95 (\$18.22 per space monthly) for the period of April 10, 2011 to April 9, 2012.

In addition, the Agreement will be amended to provide for the following:

- The Agreement shall be construed and enforced according to the laws of the State of Florida and the venue for any disputes shall be in Miami-Dade County Florida;
- In the event of any litigation between the parties under this Agreement, each party shall be responsible for its own attorney's fees and court costs through trials and appellate levels. The provisions of this paragraph shall survive the termination of this Agreement; and
- The Superintendent of Schools shall be the party designated by the Board to grant or deny all approvals required by this Agreement, or to cancel this Agreement.

All other terms and conditions of the Agreement will remain unchanged, including the following:

- either party may cancel the Agreement at any time, with 120 days prior written notice;
- the parking lot may be jointly used by District and Telemundo staff and visitors on a first-come, first-served basis;

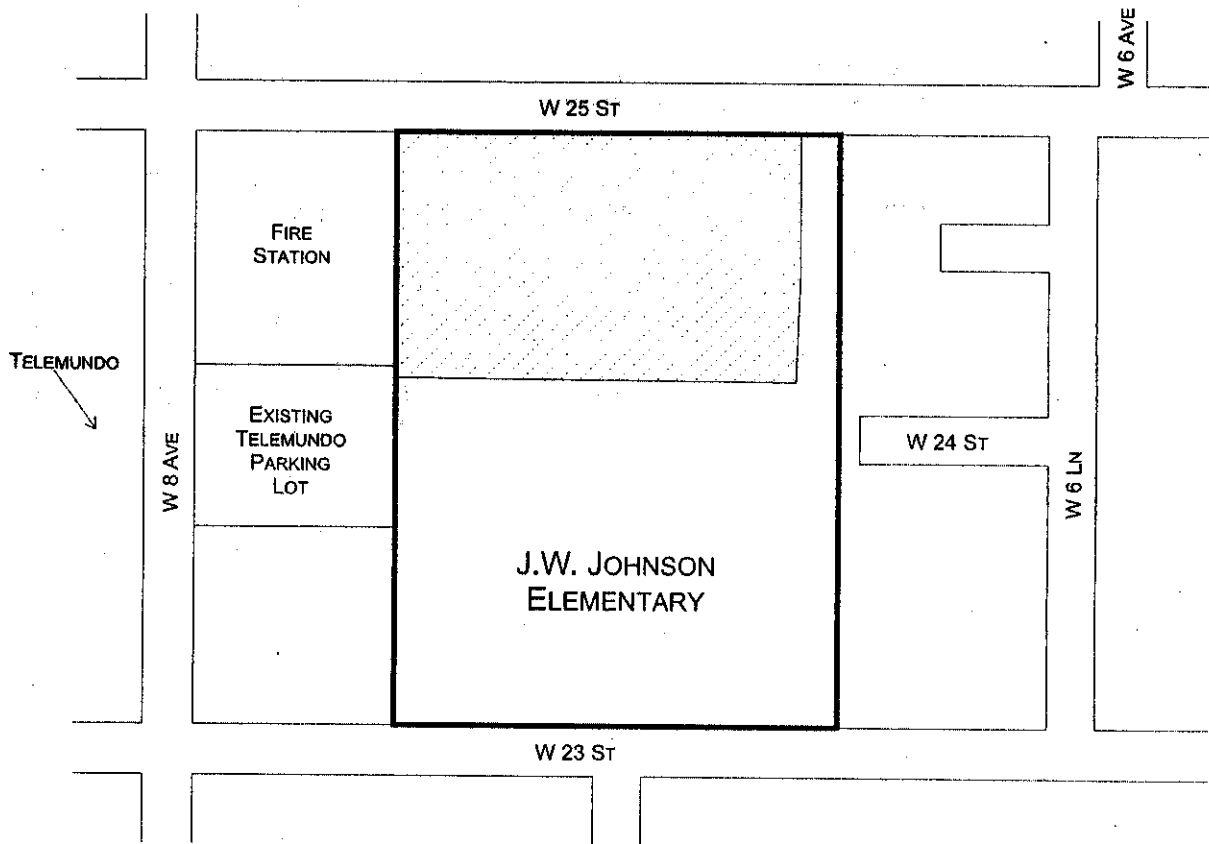
- Telemundo is responsible for obtaining all licenses, permits, use approvals or other approvals required for the continued use of the parking lot;
- Telemundo shall procure and maintain general liability insurance coverage throughout the term of the agreement. Additionally, Telemundo shall indemnify the Board from and against any actions arising in connection with Telemundo's use and occupancy of the parking lot;
- Telemundo shall be responsible for payment of all utilities and for maintenance and repair of the parking lot, at its sole expense; and
- at the termination or expiration of the agreement, the parking lot and all other permanent fixtures and improvements shall become the property of the District.

As noted above, the Principal of J.W. Johnson Elementary School, the Regional Center I Superintendent, and the Associate Superintendent of School Operations recommend that the District renew the agreement for a four-year period commencing April 10, 2008, and ending April 9, 2012. The proposed amendment will be reviewed by the Office of Risk and Benefits Management and the School Board Attorney's Office prior to its execution.


RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to finalize negotiations and execute an Amendment to the Joint Use Agreement between the School Board (as lessor) and Telemundo Network, Inc. (as lessee), for the use by Telemundo of a 241-space parking lot located at J.W. Johnson Elementary School, at a rental rate of \$46,844.74 for the first year of the term commencing April 10, 2008, and ending April 9, 2012, and in conformance with the other terms and conditions noted above.

IB:

LOCATION MAP



LEGEND

 241 SPACE BOARD-OWNED PARKING LOT LEASED TO TELEMUNDO

