Office of School Facilities

Jaime G. Torrens, Chief Facilities Officer

SUBJECT:

AUTHORIZE THE SUPERINTENDENT TO:

- 1) FINALIZE NEGOTIATIONS AND EXECUTE AMENDMENTS TO THE LEASE AGREEMENTS WITH DACRA DESIGN 4141, LLC, AND HALF-CIRCLE PROPERTY, LLC, TO EXTEND THE TERM OF USE BY THE DESIGN AND ARCHITECTURE SENIOR HIGH SCHOOL, AND
- 2) GRANT OR DENY ALL APPROVALS REQUIRED UNDER THE LEASE AGREEMENTS WITH DACRA DESIGN 4141, LLC, AND HALF-CIRCLE PROPERTY, LLC, INCLUDING RENEWING, EXTENDING, CANCELLING OR TERMINATING THE LEASE AGREEMENTS

COMMITTEE:

FACILITIES AND CONSTRUCTION REFORM

LINK TO

STRATEGIC FRAMEWORK:

FINANCIAL EFFICIENCY/STABILITY

Background Information

The School Board ("Board") currently leases 14,344 square feet of office space within the Mid II Office Building ("Office Building"), located at 4141 NE 2 Avenue, Miami, from Dacra Design 4141, LLC ("Dacra"), for classrooms, an exercise room, and exhibit gallery (collectively, the "Lease Space") for the adjacent Design and Architecture Senior High School ("DASH"). In addition, the Board also leases twenty-five (25) parking spaces ("Parking"), located at 3720-3750 Biscayne Boulevard from Half-Circle Property, LLC ("Half Circle"), for DASH staff parking. Both lease facilities are owned by the same landlord.

The current term of the lease agreements with Dacra and Half Circle will expire on June 30, 2014, and each may be extended at the option of the Board for one additional three-year period. Given the immediate lack of suitable alternate Board-owned facilities, limited size of the school, high student demand and unique program offerings, it is recommended that both lease agreements be amended to extend the respective terms thereof for one additional three-year period.

Proposed Amendments to Lease Agreements with Dacra and Half Circle

Given the above, it is recommended that the existing lease agreements with Dacra for the Lease Space, and with Half Circle for Parking be amended to extend the respective terms thereof for the period of July 1, 2014 through June 30, 2017, under, substantially, the following terms and conditions:

Dacra Lease

- the term of the lease agreement shall be extended for the three-year period commencing July 1, 2014 and ending June 30, 2017;
- the current rental rate of \$21,790.93 per month will increase for the period of June 30, 2014 through June 30, 2015 by the percentage increase in the Consumer Price Index ("CPI"), not to exceed 5%; and
- the rental rate for the period of July 1, 2015 through June 30, 2016, and July 1, 2016 through June 30, 2017, will increase each year by the percentage increase in the CPI, not to exceed 5%.

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

- in addition to rent, the District will continue to reimburse the landlord for its proportionate share of Common Area Maintenance (CAM) for the Office Building;
- the District shall retain responsibility for all custodial/maintenance services within the Lease Space;
- DASH staff shall continue to have use of 10 unreserved parking spaces, at no additional cost:
- the District shall retain responsibility for all utilities serving the Lease Space; and
- Dacra and the District shall each have the right to cancel the agreement as of June 30 of any calendar year by giving at least 120 days prior written notice to the other.
 In addition, either party may cancel the agreement if the other party defaults and fails to cure the default.

Half Circle Lease

- the term of the lease agreement shall be extended for the three-year period commencing July 1, 2014 and ending June 30, 2017;
- the current rental rate of \$796.44 per month will increase for the period of June 30, 2014 through June 30, 2015 by the percentage increase in the CPI, not to exceed 5%; and

 the rental rate for the period of July 1, 2015 through June 30, 2016, and July 1, 2016 through June 30, 2017, will increase each year by the percentage increase in the CPI, not to exceed 5%.

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

• Half Circle and the District shall each have the right to cancel the lease agreement with 90 days advance written notice.

The two amendments will be reviewed by the School Board Attorney's Office and the Office of Risk and Benefits Management prior to execution. The Region Superintendent, Central Region Office and the Principal of DASH concur with the two amendments.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to:

- finalize negotiations and execute amendments to the lease agreements with Dacra Design 4141, LLC, and Half-Circle Property, LLC, to extend the term of use by the Design and Architecture Senior High School under, substantially, the terms and conditions noted above, and
- grant or deny all approvals required under the lease agreements with Dacra Design 4141, LLC and Half-Circle Property, LLC, including renewing, extending, cancelling or terminating the lease agreements.

MCA:mca