

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

SUBJECT: THAT THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZE THE SUPERINTENDENT TO:

- 1) EXECUTE A SUBLEASE AGREEMENT (SUBLEASE AGREEMENT) AND A COOPERATION AGREEMENT (COOPERATION AGREEMENT) WITH NKMIA, LLC, A DELAWARE LIMITED LIABILITY COMPANY (NKMIA), IN CONNECTION WITH A FASHION AND DESIGN COMPLEX ALIGNED WITH THE DESIGN AND ARCHITECTURE SENIOR HIGH SCHOOL (DASH) FASHION DESIGN PROGRAM, TO BE LOCATED ON COUNTY-OWNED LAND, AT 1175 N.W. SOUTH RIVER DRIVE, MIAMI, FLORIDA 33136; AND**
- 2) EXECUTE ANY OTHER DOCUMENTS THAT MAY BE REQUIRED TO EFFECTUATE THE SUBLEASE AGREEMENT AND COOPERATION AGREEMENT, AND TO EXECUTE AMENDMENTS TO THE AGREEMENTS WITHIN THE AUTHORITY GRANTED TO THE SUPERINTENDENT BY THE SCHOOL BOARD; AND**
- 3) GRANT OR DENY ALL APPROVALS REQUIRED UNDER THE SUBLEASE AGREEMENT AND COOPERATION AGREEMENT, INCLUDING, WITHOUT LIMITATION, RENEWING, CANCELING OR TERMINATING THE AGREEMENTS, AND PLACING NKMIA IN DEFAULT, AS MAY BE APPLICABLE**

COMMITTEE: FACILITIES AND CONSTRUCTION

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

Introduction

At its meeting of October 5, 2016, the Board authorized the Superintendent to pursue the development of additional educational opportunities aligned with the fashion industry through a possible partnership with NKMIA, LLC, a Delaware Limited Liability Company (NKMIA), in connection with a proposed fashion and design complex to be located on

land owned by Miami-Dade County (County), at 1175 N.W. South River Drive, Miami, Florida 33136 (Site). Naeem Khan, principal designer and owner of the fashion brand currently located in New York City, has entered into a lease agreement with the County as NKMIA, for the above referenced Site, with the purpose of using the location as NKMIA's fashion and design headquarters (Fashion Headquarter). As part of the lease with the County, NKMIA has committed, among other items, to construct a minimum of 30,000 sq. ft. to house fashion related activities and to create a minimum of fifty (50) new skilled full-time jobs for County residents.

Additional Information

Pursuant to Board authorization, District staff and NKMIA have further explored a possible partnership under which NKMIA would design and build on the Site a +/- 26,580 gross square foot building (School) and sub-lease same to the Board under mutually agreeable terms and conditions; the School would be located on the Site adjacent to the proposed Fashion Headquarter. The adjacency of the two uses is expected to create the kind of learning/practice synergy not available anywhere else in the County, perhaps even the Country, and where a cutting edge educational learning approach would serve as a creativity incubator along many different fashion platforms. Among them:

- the integration of high level technology in fashion design and production, including fashion and jewelry design, illustration and computer modeling;
- pattern making, textiles and color theory;
- fashion entrepreneurship, such as business development, branding, merchandising and marketing; and
- the art of product placement and associated business and financial aspects.

Proposed Sublease and Cooperation Agreements

District Offices, including Academics and Transformation, School Operations and School Facilities, have participated in discussions to formulate a proposed Sublease Agreement as well as a Cooperation Agreement, aligned with the Design and Architecture Senior High School (DASH) fashion design program. Below are key elements of these proposed agreements.

Sublease Agreement:

- Design and construction costs associated with an approximate 26,580 gross square foot building for the School to be borne exclusively by NKMIA, with the exception of furniture, fixtures and equipment needed to operate the program, which would be provided by the District;
- All due diligence costs, including environmental assessments, to be borne by NKMIA as well as any costs associated with required Site remediation;
- NKMIA to provide the School with exclusive use of 25 parking spaces located adjacent to the Site;
- An initial 20-year sub-lease term, which would commence on the first day of June following the date of issuance of a Certificate of Occupancy (CO) by the City of Miami Building department for the School. If the CO is

issued subsequent to June 1, the Board may elect, at its sole option, to establish the commencement date of the Sublease Agreement as of such date;

- Additional six extensions of 10 years each, at the Board's sole option;
- Extension of the Sublease Agreement shall automatically serve to extend the Cooperation Agreement;
- Ability for the District to cancel the Sublease Agreement without penalty after the first nineteen years with one year's advance notice, or default by NKMIA, which default is not cured;
- NKMIA may only cancel the Sublease Agreement in the event of default by the District, which default is not cured;
- The School shall have the right to conduct fashion related seminars, workshops, training sessions, conventions and other similar gatherings and events;
- A rental rate for the first year of \$35 per square foot, inclusive of parking, or \$930,300 annually, with annual adjustments of 3% in years 2 through 20;
- In the event the Sublease Agreement is renewed, the annual rental rate shall be \$1/year beginning with year 21, and for each subsequent year thereafter;
- NKMIA to be responsible for on-going maintenance and repair of the Heating Ventilation and Air Conditioning System, electrical, structural, roofing and plumbing systems, as well as maintenance and repair of exterior walking surfaces, grounds, landscaping, parking lots, fences and gates, irrigation systems and exterior doors and windows, at no additional cost to the Board;
- District to be responsible for routine maintenance of the interior portion of the School, as well as the School's utilities and custodial services; and
- The Superintendent or his designee shall have the authority to grant or deny all approvals related to ongoing collaboration with NKMIA, any construction within the School or any other routine operational issues. In addition, the Superintendent shall have the authority to execute amendments to the Sublease Agreement within the authority granted him by the Board, and is authorized to grant or deny any approvals required under the Sublease Agreement, including placing NKMIA in default, and renewing, extending, canceling or terminating the Sublease Agreement.

Cooperation Agreement:

NKMIA would provide direct assistance for the development of enhanced, specialized curriculum for DASH to include:

- A minimum of eight (8) classes or workshops per semester conducted by mutually agreed upon guest artists, including recognized industry professionals, fashion designers, and influencers from the fashion industry

working and teaching side by side in the design labs with teachers and students;

- A minimum of four (4) annual master workshops/seminars/lectures with Naeem Khan and/or other specified fashion designers on mutually agreed upon topics and formats related to the curriculum;
- A pre-scheduled, annual student orientation to the NKMIA Design complex/facility for incoming 10th grade students within the DASH Fashion Design program during the fall, in order to provide an overview of the Fashion Design program components and the partnership support contained within the 11th and 12th grade years of study;
- Industry specific technical support for review, design and development of instructional units to include, but not limited to, the following areas: illustration, textiles and construction, pattern making, color theory, accessory design, fashion entrepreneurship, business development, branding, merchandising, marketing/product placement, and business/financial elements appropriate to the fashion industry;
- Annual internships for the senior class and employment opportunities for the DASH Fashion Design program students;
- Annual industry specific technical support for student projects in collaboration with a designated faculty member in the student's senior year.

In addition, NKMIA would:

- Provide consultation and support to enable the District to integrate high-level industry specific technology, including but not limited to, 3-D printing and textile/embroidery creation;
- Provide a general purpose classroom with a fully functional fashion runway in the School facility;
- Assist with DASH Fashion Design Program marketing and recruitment plans/activities with inclusion on the Naeem Khan's and NKMIA's website;
- Provide marketing support for the expansion of the DASH Fashion Program from the current program consisting of approximately 100 students with an expansion maximum of 400 students;
- Provide input to the Fashion Design program curriculum;
- Designate an industry representative to serve on the DASH Advisory Board; and
- Provide advice on the development of an annual summer institute program, as well as extended learning opportunities that focus on the fashion design industry.

The proposed Sublease Agreement and Cooperation Agreement have been reviewed by the School Board Attorney's Office and the Office of Risk and Benefits Management for legal sufficiency and risk management issues, respectively, and found to be in compliance. A copy of the Sublease Agreement and Cooperation Agreement shall be made available for inspection and review prior to the Board meeting.

RECOMMENDED:

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

- 1) execute a Sublease Agreement (Sublease Agreement) and a Cooperation Agreement (Cooperation Agreement) with NKMIA, LLC, a Delaware limited liability company (NKMIA), in connection with a fashion and design complex aligned with the Design and Architecture Senior High School (DASH) fashion design program, to be located on County-owned land, at 1175 N.W. South River Drive, Miami, Florida 33136; and
- 2) execute any other documents that may be required to effectuate the Sublease Agreement and Cooperation Agreement, and to execute amendments to the Agreements within the authority granted to the Superintendent by the School Board; and
- 3) grant or deny all approvals required under the Sublease Agreement and Cooperation Agreement, including without limitation, renewing, canceling or terminating the Agreements, and placing NKMIA in default, as may be applicable.

JGT:arc