

Business Operations
Facilities Planning
Ana Rijo-Conde, AICP, Administrative Director

SUBJECT: AUTHORIZE PLAT BY COMMUNITY PARTNERSHIP FOR HOMELESS, INC., FOR BOARD-OWNED LAND IN ORDER TO CLOSE AND VACATE A PORTION OF PUBLIC RIGHT-OF-WAY AND CONSTRUCT ADDITIONAL IMPROVEMENTS AT THE MIAMI HOMELESS ASSISTANCE CENTER, AND AUTHORIZE A LEASE AMENDMENT WITH COMMUNITY PARTNERSHIP FOR HOMELESS, INC., TO FACILITATE SAME AND REDUCE THE DISTRICT'S PROPORTIONAL SHARE OF ANNUAL OPERATING EXPENSES

COMMITTEE: FACILITIES PLANNING AND CONSTRUCTION

History

Since October 1995, the Board has leased 6,945 square feet of space at the Miami Homeless Assistance Center (Center), located at 1550 North Miami Avenue, from the Community Partnership for Homeless, Inc. (CPHI). Prior to that time, the Board entered into three separate agreements with CPHI as follows:

- a May 5, 1994 agreement to lease the Board-owned land to CPHI so that it may provide certain services, educational programs, activities and facilities for the use and benefit of the homeless population of Miami-Dade County ("Ground Lease");
- a November 22, 1994 agreement to participate in the construction of the educational component of the Center by paying CPHI \$769,477.34, as the District's proportional share of costs associated with the 6,945 square feet of space out of a total of 56,809 square feet ("Construction Agreement"); and
- a September 20, 1995 agreement to reimburse CPHI annually for the District's proportionate share of the operational expenses incurred due to the presence of the educational program ("Operating Agreement"). The 6,945 square feet of space is reserved for District use through October 2035 at a lease rate of \$1 per year.

Road Closure and Additional Construction

Due to the success of the Center and the need to expand its services to the community, CPHI initiated the acquisition of land adjacent to the Center, and developed plans for the construction of 8,848 square feet of additional office, storage and assembly facilities, for a new building size of 65,657 square feet. Prior to commencing this work, CPHI determined that it would be necessary to close and vacate a portion of unused public right-of-way since the proposed improvements would be constructed across this area. In 1996, CPHI initiated the process with the City of Miami (City) to plat the Board-owned site, along with the adjacent CPHI-owned land, in order to close and vacate the public right-of-way. Because Board-owned land was impacted, District staff executed a number of documents to facilitate this endeavor, and the City approved the plat in December 2001. Prior to this date, and in expectation of securing the plat, CPHI initiated its construction activities, and has recently completed the work (see location map). It should be noted, however, that a review of District files indicates Board approval was not formally granted for the replatting (which includes the reversion of half of the former right-of-way back to the Board) and additional construction. As such, to correct the record, staff is seeking the Board's concurrence and approval for the platting of the Board-owned site by CPHI (in order to close and vacate public right-of-way), and construction of 8,848 square feet of additional office, storage and assembly facilities. In addition, in order to conform to the intent of the existing Ground Lease between the District and CPHI, it will be necessary for CPHI to convey ownership of the .31-acre parcel of land (upon which a portion of the new construction was completed) to the District (see location map). The Ground Lease would be simultaneously amended to include this same .31-acre parcel as part of the demised premises being leased to CPHI.

The land to be conveyed to the Board is described as follows:

A triangular parcel of land comprising lots 5, 10, 11, and 16, Block 39 of "Map of Waddell's Addition to Town of Miami, Florida", according to the Plat thereof as recorded in Plat Book "B" at Page 53 of the public records of Miami-Dade County, Florida;

Together with the western one-half of the former public right-of-way formerly known as Yale Avenue (Northwest Miami Court), lying between Blocks 39 and 40, as shown on "Map of Waddell's Addition to Town of Miami, Florida", according to the Plat thereof as recorded in Plat Book "B" at Page 53 of the public records of Miami-Dade County, Florida, and which was closed by City of Miami Plat #1497-B.

Modifying Terms of Operating Agreement to Reduce Annual District Cost

The Operating Agreement is currently structured to require CPHI to provide an estimate of the District's proportional share of operating expenses for the coming year, with this

amount to be paid to CPHI as rent. The actual cost is not determined until a certified annual audit is completed by CPHI and forwarded to the District. Because of the time delay in generating this audit, additional rent is collected or a rent credit given the following year, as a result of CPHI having under or over estimated the District's actual expense. This accounting method has proven unwieldy and does not allow either the District or CPHI to accurately budget for the expense. District and CPHI staff has discussed ways to improve this process and, as a result, it is recommended that the Operating Agreement be amended to provide for a more typical and less complex method of computing this expense. In addition, as a result of the addition of 8,848 square feet to the overall physical plant, and after reviewing actual District use of available space within the facility, CPHI has agreed to reduce the District's proportional share of operating expenses from 12.81% to 8.58%. In an attempt to establish a new billing method to reimburse CPHI for the District's proportional share of operating expenses, District staff reviewed the audited actual annual expenses since 1996. These expenses have increased an average of 2% per year. The last available annual audit covers 2000-01, and verified an actual District expense of \$93,458.56. The amount proffered by CPHI as its estimate of District operational expenses for the 2001-02 lease term is \$94,490; and increase of less than 2%. Assuming an increase of 2% for 2002-03, and based on revising the District's proportional share of operating expenses to 8.5%, staff is recommending that a baseline amount of \$64,568 be established for 2002-03, (under the current method of calculating District reimbursement, and assuming a 2% increase for 2002-03, the amount of District reimbursement would be approximately \$96,400). Thereafter, this amount shall be adjusted annually by the percentage increase reflected in the Consumer Price Index. In no event, however, would this amount increase by more than 3% per year.

Terms of Proposed Lease Amendments

The proposed amendments to the Ground Lease and Operating Agreement include the following terms and conditions:

- concurrent with the conveyance of the above referenced .31 acres of land from CPHI to the Board, the Ground Lease shall be amended to include the additional .31 acres of land as part of the demised premises leased to CPHI;
- the Operating Agreement shall be amended to reflect a reduction in the percentage of District utilization from 12.81% to 8.58%, and this revised amount shall be used as the basis for establishing the annual reimbursement to CPHI for the District's proportional share of operating costs;
- effective October 6, 2002 (2002-03 lease term), the annual amount of the District's proportional share of operating costs for the Center shall be established at a baseline of \$64,568. This amount shall be adjusted annually thereafter, for the remaining term of the agreement, by the percentage increase reflected in the

Consumer Price Index (CPI), for the month of September. In no event, however, shall this amount increase by more than 3% per year;

- at the request of either the Board or CPHI, the other party agrees to review the then current amount being paid by the District as its proportional share of operating costs and to negotiate for a possible revision to this amount based on market conditions. Any such proposed modification of the amount being paid by the District shall require Board approval; and
- the Superintendent shall be the party designated by the Board to grant or deny all approvals required by the Ground Lease and Operating Agreement, or to cancel the agreements.

The construction drawings for the additional office, storage and assembly space have been reviewed by the Building Official for compliance with District criteria. The proposed amendments to the Ground Lease and Operating Agreement shall be reviewed and approved by the School Board Attorney's Office; the Office of Risk and Benefits Management; and the Assistant Superintendent for the Bureau of Adult/Vocational, Alternative and Dropout Prevention Programs, prior to execution.

RECOMMENDED:

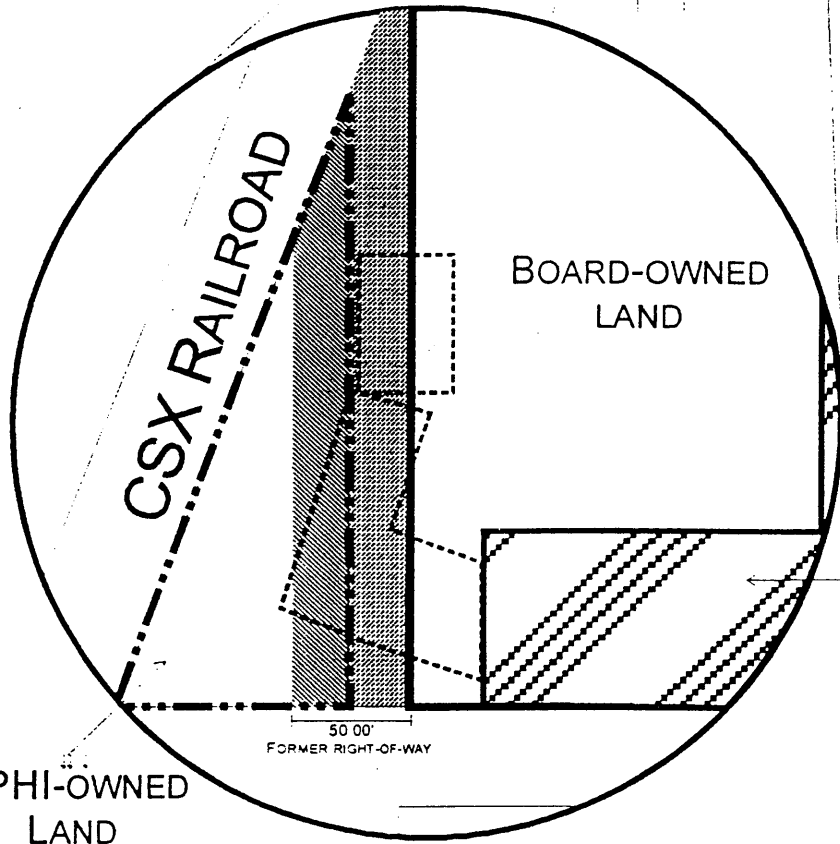
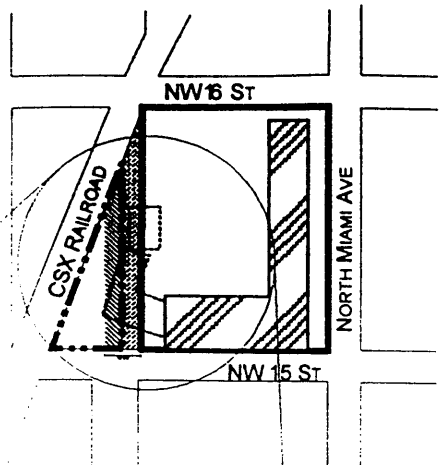
That The School Board of Miami-Dade County, Florida:

1. accept the conveyance of .31 acres of land from Community Partnership for Homeless, Inc. (CPHI), and simultaneously include the additional land as part of the demised premises currently leased by the Board to CPHI;
2. authorize the construction of 8,848 square feet of additional improvements by CPHI on the demised premises;
3. authorize the platting of certain Board-owned land by CPHI for the purpose of closing and vacating public right-of-way; and
4. authorize the Superintendent or his designee to execute lease amendments with CPHI to reduce the Board's proportional share of operational expenses associated with the operation of the educational component from 12.81% to 8.58% and establish \$64,568 as the baseline amount due for the period of October 6, 2002 through October 5, 2003 (a savings of approximately \$31,832 from the former method of calculating reimbursement for District operational expenses) and under the terms and conditions set forth above.

MAL:rr

LOCATION MAP



(NOT TO SCALE)



EXISTING HOMELESS ASSISTANCE CENTER BUILDING

CPHI-OWNED LAND

LEGEND

- RECENT CONSTRUCTION BY CPHI OF ADDITIONAL OFFICE, STORAGE AND ASSEMBLY FACILITIES.
-  PORTION OF FORMER RIGHT-OF-WAY THAT REVERTED TO CPHI.
-  PORTION OF FORMER RIGHT-OF-WAY THAT REVERTED TO BOARD.
- . . - . .31 ACRE PARCEL OF LAND, PLUS HALF OF FORMER RIGHT-OF-WAY, TO BE CONVEYED TO BOARD.

