

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: AUTHORIZATION TO AMEND LEASE AGREEMENT WITH A.A. HOLDINGS, LLC, FOR THE SCHOOL FOR APPLIED TECHNOLOGY, LOCATED AT 225 NE 34 STREET

COMMITTEE: FACILITIES AND CONSTRUCTION REFORM

Background Information

Since September 1999, the Board has leased 12,760 square feet of space located at 225 NE 34th Street (see location map), for the School for Applied Technology (School) from A.A. Holdings, LLC. This alternative education program for at-risk students currently serves approximately 140 students. The District occupies the entire third floor of this facility and is entitled to use 30 parking spaces. The District has completed its initial three-year lease term and is in the last of three one-year renewal option periods. The term of the lease agreement will expire September 22, 2005. Given the ongoing need for this program, staff contacted the landlord, who has expressed a willingness to amend the lease to allow continued District occupancy.

In light of the foregoing, staff is recommending that the Board amend the lease agreement to provide two additional one-year renewal option periods. The annual rental rate shall be \$19.50 per square foot (\$248,820 annually) for the period of September 23, 2005 to September 22, 2006. The renewal option term shall be adjusted by either a 5% increase or by the increase in the June Consumer Price Index (CPI), whichever is less. No physical improvements requiring the use of District funds are necessary as a result of the proposed Board action. All other terms and conditions of the lease agreement will remain unchanged, including the following:

- the landlord is responsible, at its sole cost and expense, for providing all utilities, custodial services and building maintenance;
- the District has the right to cancel at any time by giving the landlord 180 days prior written notice; and
- the landlord 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 School for Applied Technology, the Region IV Superintendent and the Associate Superintendent of Regional Operations, who indicated a continuing need for this leased facility for the School for Applied Technology for the one-year period commencing September 23, 2005 and ending September 22, 2006.

Additional Information

Due to limited available classroom space at this site and escalating rental rates in the vicinity of the School, the Region IV Superintendent has requested that the District explore alternate locations for this program, in an attempt to locate a facility that may prove more operationally efficient and cost effective for the District. This could include use of existing Board-owned facilities, or relocation to other less costly available lease space. District staff will initiate such an investigation and, if possible locations are identified, a cost-benefit analysis will be completed to determine the economic viability of moving this program. Should this search prove successful, staff will bring a recommendation to the Board to relocate the School, at which point the District can cancel the existing lease agreement, without penalty, with 180 days prior written notice.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida, authorize the Superintendent or his designee to execute a lease amendment with A.A. Holdings, LLC, for space for the School for Applied Technology, substantially in conformance with the terms and conditions noted above, and at an annual rental amount of \$248,820. The term of the renewal period will commence September 23, 2005, and will end September 22, 2006. All other terms and conditions of the lease agreement will remain unchanged.

LOCATION MAP

