

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

- SUBJECT:**
- 1) **AUTHORIZE THE SUPERINTENDENT TO FINALIZE NEGOTIATIONS AND EXECUTE A LEASE AMENDMENT WITH FDG FLAGLER STATION II LLC, A DELAWARE LIMITED LIABILITY COMPANY (“FDG”), TO REINSTATE THE LEASE AGREEMENT AND MODIFY THE DEMISED PREMISES EFFECTIVE SEPTEMBER 14, 2015, AND EXTEND THE LEASE TERM FOR THE PERIOD ENDING DECEMBER 17, 2016, FOR USE BY THE DESIGN AND ARCHITECTURE SENIOR HIGH SCHOOL (DASH), LOCATED AT 4001 N.E. 2 AVENUE, MIAMI, FLORIDA, 33132; AND**
 - 2) **AUTHORIZE THE SUPERINTENDENT TO GRANT OR DENY ALL APPROVALS REQUIRED UNDER THE LEASE AGREEMENT, INCLUDING PLACING FDG IN DEFAULT, AND RENEWING, EXTENDING, CANCELLING OR TERMINATING THE AGREEMENT**

COMMITTEE: **FACILITIES AND CONSTRUCTION**

LINK TO STRATEGIC BLUEPRINT: **EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

Background

Since December 1990, the Board leased a portion of railroad right of-of way adjacent to the Design and Architecture Senior High School (“DASH”), located at 4001 N.E. 2 Avenue, Miami, Florida, 33132, from FDG Flagler Station II LLC (“FDG”), formerly known as Florida East Coast Railway, for the use of twenty five (25) faculty parking spaces. In addition to faculty parking, the leased area was used for daily food service delivery, building handicap accessibility and emergency egress, and offered the only viable location for the placement of school garbage dumpsters.

On August 18, 2015, FDG notified the District that new rail infrastructure associated with ‘All Aboard Florida’ was planned to be constructed for use in expanding rail service along the right-of-way, and the development of this new railway equipment and relocation of certain utilities located within the right-of-way would conflict with continued use of the area for parking purposes. As such, in conformance with the terms of the lease agreement (“Lease Agreement”), FDG cancelled the agreement, effective

September 17, 2015. Although the District was able to locate alternate parking facilities nearby to replace the twenty-five (25) faculty parking spaces, the District was unable to make alternate arrangements to accommodate daily food service delivery, building handicap accessibility and emergency egress, and placement of school garbage dumpsters. In response, and at the request of the District, FDG has agreed to reinstate the Lease Agreement, effective September 14, 2015, subject to the demised premises being reduced to an area measuring approximately 10' by 408', and located immediately adjacent to the school building. The size of the demised premises will be finalized subject to determining the exact location and potential impact on existing underground drainage structures. This will provide a corridor of sufficient width to accommodate ingress/egress to the facility, while providing FDG with the remainder of the former parking lot for its purposes (see location map). As a result of the reduction in the demised premises (from 11,202 square feet to approximately 4,080 square feet), annual rent shall be reduced from \$16,380 to approximately \$5,970. Due to the longstanding relationship with the District, FDG has also agreed to retain this rental rate unchanged for the period ending December 2016.

Proposed Lease Amendment

The Deputy Superintendent/Chief Operating Officer, School Operations, recommends entering into the above referenced lease amendment ("Lease Amendment"). Terms and conditions of the proposed Lease Amendment are, substantially, as follows:

- the Lease Agreement is reinstated effective as of the September 14, 2015, as if it were not previously terminated;
- the original demised premises shall be modified, effective as of September 14, 2015, to an approximate 10' x 408' area immediately adjacent to the school building;
- for the period beginning September 14, 2015, and ending December 17, 2016, the District shall pay FDG an annual base rental amount of approximately \$5,970.00; and
- for purposes of the Lease Agreement, the Superintendent of Schools shall be the party designated by the Board to grant or deny any approvals required by the Lease Agreement, including, without limitation, amending any of the exhibits to the Lease Agreement, renewing, extending, canceling or terminating the Lease Agreement, and placing FDG in default.

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

- the Lease Agreement will automatically renew for additional twelve month periods, unless terminated by either party at least 30 days before the expiration of each successive term;

- for each renewal period, the rental rate shall increase by the greater of 5% or the prevalent rate in the area;
- the District shall be responsible for maintaining and keeping the demised premises in good order and repair; and
- either party may cancel the Agreement at any time with 30 days prior written notice.

The proposed Lease Amendment has been reviewed and approved by the School Board Attorney's Office and the Office of Risk and Benefits Management for legal sufficiency and risk management issues, respectively.

RECOMMENDED:

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

- 1) authorize the Superintendent to finalize negotiations and execute a Lease Amendment with FDG Flagler Station II LLC, a Delaware Limited Liability Company ("FDG"), to reinstate the Lease Agreement and modify the Demised Premises effective September 14, 2015, and extend the lease term for the period ending December 17, 2016, for use by the Design and Architecture Senior High School (DASH), located at 4001 N.E. 2 Avenue, Miami, Florida, 33132; and
- 2) authorize the Superintendent to grant or deny all approvals required under the Lease Agreement, including placing FDG in default, and renewing, extending, cancelling or terminating the Lease Agreement.

IB:

Location Map

Design And Architecture
Senior High School

N.E. 2ND AVENUE

F.C.E. Railroad

N.E. 39TH STREET

10' approximately

Legend



Revised Demised Premises
- approximately 10' x 408'



Portion of parking lot returned to
FDG as of September 14, 2015



Not to scale