

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

SUBJECT: THAT THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZE THE SUPERINTENDENT TO FINALIZE NEGOTIATIONS AND EXECUTE A LEASE AMENDMENT WITH FDG FLAGLER STATION II LLC, A DELAWARE LIMITED LIABILITY COMPANY ("FDG"), TO MODIFY THE DEMISED AREA EFFECTIVE SEPTEMBER 18, 2015, AND EXTEND THE LEASE TERM FOR THE PERIOD OF DECEMBER 18, 2016 THROUGH DECEMBER 17, 2017, FOR USE BY THE DESIGN AND ARCHITECTURE SENIOR HIGH SCHOOL, LOCATED AT 4001 N.E. 2 AVENUE, MIAMI, FLORIDA 33132

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"). The area was originally used by DASH for faculty parking, daily food service delivery, building handicap accessibility and emergency egress. Effective September 18, 2015, the lease agreement was amended to significantly reduce the demised premises to a 10 foot wide corridor, due to new rail infrastructure being installed within the right-of-way. Subsequent to amending the agreement, FDG advised the District that certain underground drainage structures serving DASH are currently located partly outside of the demised premises. FDG has agreed to allow these improvements to remain in place, rather than require the District to remove them at the Board's expense, provided the description of the demised premises is amended to include them, and the rental rate modified to reflect that the underground drainage structures have been utilized by the District without compensation to FDG since September 18, 2015. In addition, FDG has agreed to extend the lease term, inclusive of both the 10 foot wide corridor and the area containing the underground drainage structures, from December 18, 2016 through December 17, 2017.

Proposed Lease Amendment

The Deputy Superintendent/Chief Operating Officer, School Operations, recommends entering into the above referenced lease amendment ("Lease Amendment"). Accordingly, it is recommended that the Board authorize entering into the Lease Amendment with FDG under, substantially, the following terms and conditions:

- The demised premises will be modified, effective September 18, 2015, to include the underground drainage structures serving DASH, with a one-time rental amount of \$2,569.65 to be paid to FDG as additional rent for use of this area for the period of September 18, 2015 through December 17, 2016;
- Effective December 18, 2016, the demised premises shall include both the 10 foot wide corridor and the area containing the underground drainage structures;
- The Lease Agreement with FDG shall be extended for the period of December 18, 2016 through December 17, 2017;
- The annual rental rate for the full leased parcel shall increase by 5% to \$8,762.25 for the period of December 18, 2016 through December 17, 2017; and
- The total payment due at this time, as indicated above, is \$11,331.90 (one-time rental amount of \$2,569.65 as additional rent for the period of September 18, 2015 through December 17, 2016, plus annual rent for the full leased parcel for 2016-17 of \$8,762.25).

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;
- either party may cancel the Agreement at any time with 30 days prior written notice; 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 placing FDG in default, and renewing, extending, canceling or terminating the Lease Agreement.

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, and found to be in compliance.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida, authorize the Superintendent to finalize negotiations and execute a Lease Amendment with FDG Flagler Station II LLC, a Delaware Limited Liability Company ("FDG"), to modify the demised area effective September 18, 2015, and extend the lease term for the period of December 18, 2016 through December 17, 2017, for use by the Design and Architecture Senior High School, located at 4001 N.E. 2 Avenue, Miami, Florida 33132, with rental payments due totaling \$11,331.90, and under, substantially, the other terms and conditions noted above.

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