

Office of Facilities Design and Construction
Raul F. Perez, Chief Facilities Design & Construction Officer

SUBJECT: THAT THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA AUTHORIZE THE SUPERINTENDENT TO PROCEED WITH THE REQUIRED DUE DILIGENCE FOR THE POTENTIAL REDEVELOPMENT OPPORTUNITIES AT THE FORMER J.R.E. LEE EDUCATION CENTER, LOCATED AT 6521 S.W. 62 AVENUE, SOUTH MIAMI

COMMITTEE: FACILITIES AND CONSTRUCTION

LINK TO STRATEGIC PLAN: EFFECTIVE & SUSTAINABLE OPERATIONAL PRACTICES

On April 29, 2020, the Board approved Agenda Item F-4 authorizing the Superintendent to explore expansion of the current collaboration with Miami-Dade County Public Housing and Community Development (County) to include the Related Urban Development Group (Developer) for provision of expanded parking facilities at Southside K-8 Center Annex and potential redevelopment opportunities at the former J.R.E. Lee Education Center, located at 6521 S.W. 62 Avenue.

The Southside K-8 Center Annex project was originally approved to proceed on July 25, 2018, when the Board authorized the Superintendent to finalize negotiations and execute a Ground Lease Agreement, a Project Work Letter and a Sublease Agreement (collectively, the "Project Agreements") with the County to provide for construction the Southside K-8 expansion on County-owned land, located at 945 S.W. 3 Avenue, Miami, Florida and facilitate development of 10 County-funded affordable and/or workforce housing units designated for teachers and/or other District employees.

On March 10, 2022, the Board considered and approved Agenda Item Revised F-3. The Related Urban Development Group ("Developer") is constructing a new affordable and/or workforce housing project, the Gallery at West Brickell (Gallery), with a parking garage on County-owned land adjacent to the Project. The Developer is constructing additional parking capacity within the Gallery garage to augment the school's parking. This collaboration entailed negotiating terms for the construction and for the long-term use of 59 spaces at the Gallery parking garage, under terms and conditions detailed in the parking agreement. This expanded collaboration enabled the District to have unique access to parking at an adjacent location, complete the Project on an expedited timeline

because the District no longer needs to construct additional floors for parking, realizing the most cost effective model for this project. This parking collaboration has saved the District an estimated \$3,130,000.

Negotiating with the Developer for the District's unique and specific parking needs required exploration of additional District redevelopment needs. The Developer does not build or manage parking beyond their own operations, but they were interested in collaborating with the District to develop additional workforce housing opportunities for District staff. Both the Developer and District had interest in exploring the redevelopment of the J.R.E. Lee Education Center, located at 6521 S.W. 62 Avenue, South Miami which is in close proximity to the Metrorail and in turn positioning the opportunity to become a transit-oriented development – a prioritized development strategy for the County enabling replication of the successful collaborations that have for Southside K-8 Annex and Phillis Wheatley. A non-binding Memorandum of Understanding was negotiated that authorizes a six-month window to explore the potential development opportunities. Any considerations for workforce housing would also require a developer investment in new and/or improved educational facilities on contemplated sites. The Memorandum of Understanding was executed on 08/02/2022, and it requires that any concept that emerges from this exploration shall require Board authorization prior to proceeding.

The School District and the Developer are exploring concepts and a framework for the potential capital project, in a preliminary manner. The project being considered includes workforce housing and developer investment in new and/or improved educational facilities with investments greater than the value of the appraised value of the JRE Lee Education Property and the Southside Annex Parking Solution. Board approval of the proposed project concept is required prior to proceeding on due diligence approved by the Board on August 15, 2022 via item H-9. The administration seeks authorization to proceed with the required research and negotiations to develop and finalize proposed agreements. These steps include, without limitation, the following:

- Developer shall deliver to the School Board full estimated costs of due diligence as precondition to procuring any and all required inspections, evaluations and reports as may be needed in the sole discretion of the School District.
- Description of the parties involved in the transaction, including those who are parties to any agreement wherein the School Board incurs liability. In identifying a party, the item should include the formal corporate name and fictitious names, if applicable. All related parties of interest must also be identified.
- Detailed description of ownership interests, including parties' interests, the size, shape, location, lot size (square footage), building size.
- Detailed description of the financial benefits to be obtained by all parties during the course of the agreements, including the benefits that accrue to the School Board.
- All restrictions and encumbrances, covenants, use restrictions, and any other interests that bind and inure to the benefit of parties, their successors and assigns, and any other party that acquires any right, title, or interest in the project.
- Development fees, lease payments, cash participation, net proceeds, payment provisions.

- For projects involving leasehold interest, a full financial analysis with respect to the anticipated revenues and fiscal impact of the development over the life of a lease and the percentage of revenue, if any; whether there are any archeological or historical designations or any biological, zoning or environmental problems (e.g., incinerators, active or inactive dump sites, toxic soil, underground storage tanks) on the property that could adversely impact the timely use of the property for the intended purpose.
- Condition of title to the site or any known title defects.
- Compatibility or incompatibility of present and projected uses of adjacent properties with the intended use.
- Estimated Timeline for Completion of the Project.
- District property appraisals must be conducted in accordance with Board Policy 7510.

RECOMMENDED:

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

- 1) finalize required due diligence research to inform the negotiations of project agreements;
- 2) provide updates to the Board on a quarterly basis regarding the progress of the negotiations; and
- 3) negotiate agreement with Developer and bring all proposed documentation back to the Board, at a subsequent meeting, for consideration and approval, should due diligence remain in alignment with District priorities and mission..