

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 GROUND LEASE AGREEMENT AND RELATED DOCUMENTS BY AND BETWEEN THE SCHOOL BOARD AND MIAMI-DADE COUNTY, FOR COUNTY-OWNED LAND, LOCATED AT 945 S.W. 3 AVENUE, MIAMI, FLORIDA 33130, IN ORDER TO AMPLIFY EDUCATIONAL CAPACITY IN THE BRICKELL AREA GENERALLY SOUTH OF THE MIAMI RIVER, AND TO FACILITATE DEVELOPMENT OF AFFORDABLE AND/OR WORKFORCE HOUSING

COMMITTEE: FACILITIES AND CONSTRUCTION

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

Introduction

As authorized by the Board at its meeting of September 6, 2017, the District has negotiated appropriate documents with Miami-Dade County ("County") to facilitate: 1) school capacity amplification to serve the Brickell area generally south of the Miami River through construction by the Board of an educational facility ("School") on the 0.233-acre County-owned former public housing site located at 945 S.W. 3 Avenue, Miami, FL, 33130 (the "Site"); and 2) affordable and/or workforce housing apartments on the Site ("Residential Component"), funded by the County.

District and County staff have collaboratively developed a proposed Ground Lease Agreement ("Ground Lease Agreement"), under which the County will lease the Site to the Board for construction and operation of the School by the District. In turn, the Board will sublease a portion of the facility to the County, separate and apart from the portion of the facility used for the School, which will be used by the County to house the Residential Component ("Sublease Agreement"). The School and Residential Component are referred to collectively as the "Project". Additional documents developed by the District and the County include, a Project Work Letter describing the details of the construction project and interaction between the two agencies, and the above referenced Sublease Agreement (the "Ancillary Agreements"). These additional documents are Exhibits to the Ground Lease Agreement.

Proposed Ground Lease Agreement

The Ground Lease Agreement provides substantially for the following:

- The County, at its sole cost and expense shall be responsible for demolition of all on-site improvements, and for any environmental remediation, if required;
- The term of the Ground Lease shall be ninety-nine (99) years, unless terminated sooner pursuant to the terms of the Ground Lease;
- Rental at One Dollar (\$1) per year;
- The Ground Lease Agreement shall be effective upon the later of: approval by HUD for the leasing of the land to the School Board, approval by the Board of County Commissioners of Miami-Dade County, approval by the Board, and verification by the District that all existing improvements on the Site have been demolished;
- The School shall be utilized by the Board for (i) any and all purposes related to and/or consistent with the construction and operation of a public school having approximately 700 permanent student stations, together with any and all ancillary and/or support spaces associated therewith, and (ii) any other educational purposes, including without limitation summer programs, adult education programs, intergenerational mentoring programs with senior citizens in the vicinity of the School and other existing, new and/or innovative programs;
- The County shall use the Residential Component for Affordable and/or Workforce Housing;
- The Board shall be responsible for the administration of the design, development and construction phases of the Project, including the Residential Component, with all permitting and inspections to be under the control of the District's Building Department. The County will fund its prorated share of all costs related to the design and construction of the Project, which share will be calculated based on the square footage of the area to be used by the County as a percentage of the total building area;
- The Board shall own the improvements, excluding the interior improvements to the Residential Component, which shall be the property of the County. At the end of the Term, title to and ownership of the Site and all improvements (exclusive of the Board's trade fixtures and furniture, fixtures and equipment not permanently attached to the improvements) shall automatically vest in the County, without any further action or agreement of the Parties;

- The District shall maintain and repair the School and shared portions of the facility, with the County to reimburse the District for its prorated share of the operating expenses associated with the shared facilities. The County shall maintain and repair the Residential Component;
- The District shall be responsible for all utilities serving the School, and the County shall be responsible for all utilities serving the Residential Component;
- If the Sublease with the County is terminated for any reason, the Board shall have the right to sublease the Residential Component to a Replacement Subtenant pursuant to a Replacement Sublease, without the consent or approval of the County;
- If the Board defaults and does not cure, the County shall be entitled to seek all legal and equitable remedies available, including, without limitation, cancellation of the Ground Lease Agreement;
- In the event of an uncured default by the County, the Board shall be entitled to seek all legal and equitable remedies available, including, without limitation, cancellation of the Ground Lease Agreement; and
- For purposes of the Ground Lease Agreement, the Superintendent of Schools shall be the party designated by the School Board to grant or deny all approvals and provide any other coordination required under the Ground Lease Agreement with respect to the design, construction, funding and acceptance of the Project. In addition, the Superintendent of Schools shall be the party designated by the School Board, to grant or deny all other consents or approvals required by the Ground Lease Agreement and Ancillary Agreements, or to exercise any right to place the County in default, declare an event of default, or to cancel the Ground Lease Agreement as provided for therein.

Execution of the proposed Ground Lease Agreement, Sublease Agreement and Project Work Letter by the District is subject to final approval of the Project by HUD and the Miami-Dade County Board of County Commissioners. The proposed Ground Lease Agreement and Ancillary Agreements referenced above have 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.

A copy of the Ground Lease Agreement, Sublease Agreement and Project Work Letter will be forwarded to the Board under separate cover and will be placed on file in the Citizen Information Center and in the Office of the Recording Secretary prior to the Board meeting of July 25, 2018.

RECOMMENDED:

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

- 1) finalize negotiations and execute:
 - a. a Ground Lease Agreement by and between the School Board and Miami-Dade County for County-owned land, located at 945 S.W. 3 Avenue, Miami, Florida 33130, to amplify educational capacity in the Brickell area generally south of the Miami River, and facilitate development of Affordable and/or Workforce Housing, under, substantially, the terms and conditions noted above, and
 - b. other related documents, including but not limited to a Project Work Letter and a Sublease Agreement.
- 2) execute amendments to the Ground Lease Agreement and Ancillary Agreements and take all other actions within the authority granted to the Superintendent by the School Board in the Ground Lease Agreement; and
- 3) grant or deny all approvals required under the Ground Lease Agreement and Ancillary Agreements, including, canceling or terminating the Ground Lease Agreement and Ancillary Agreements, and placing the County in default, as may be applicable.

JGT:arc