

OFFICE OF THE COMMISSION AUDITOR MIAMI-DADE BOARD OF COUNTY COMMISSIONERS

COMMISSION AUDITOR'S INFORMATIONAL RESEARCH

HOUSING, SOCIAL SERVICES, & ECONOMIC DEVELOPMENT COMMITTEE MEETING

September 9, 2020 12:00 P.M. Virtual Meeting

Yinka Majekodunmi, CPA Commission Auditor

Office of the Commission Auditor (OCA) 111 N.W. First Street, Suite 1030 Miami, FL 33128 (305) 375-2524

TABLE OF CONTENTS

DEPARTMENTAL ITEM

INTERNAL SERVICES

File No. 201699

Researcher: IL Reviewer: PGE

RESOLUTION APPROVING THE TERMS OF, PURSUANT TO SECTION 125.38, FLORIDA STATUTES, AND AUTHORIZING EXECUTION BY THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE OF A LEASE AGREEMENT BETWEEN MIAMI-DADE COUNTY AS LANDLORD AND CENTER OF INFORMATION AND ORIENTATION, INC., AS TENANT, FOR THE PREMISES LOCATED AT 1600 NW 6 COURT, ROOM 105, FLORIDA CITY, FLORIDA, TO BE UTILIZED AS ADMINISTRATIVE AND REFERRAL SERVICES TO INDIVIDUALS WITH HIV/AIDS, WITH A TOTAL RENTAL REVENUE TO THE COUNTY ESTIMATED TO BE \$18,235.56, FOR THE INITIAL FIVE YEAR TERM OF THE LEASE AGREEMENT AND THE ONE, FIVE YEAR OPTION TO RENEW; AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN; AND DIRECTING THE COUNTY MAYOR OR THE COUNTY MAYOR OR THE COUNTY MAYOR OR THE COUNTY MAYOR OR THE COUNTY MAYOR OF THE LEASE AGREEMENT TO THE PROPERTY APPRAISER'S OFFICE WITHIN THIRTY DAYS OF THE EXECUTION OF THE LEASE AGREEMENT (Item removed from agenda)

ISSUE/REQUESTED ACTION

Whether the Board should (1) declare surplus County-owned property located at 1600 N.W. 6th Court, Room 105, in Florida City; and (2) authorize the Mayor to enter into a lease agreement between Miami-Dade County as landlord and Center of Information and Orientation, Inc., a Florida not-for-profit organization as tenant, for the property to be utilized as administrative and referral services to individuals with HIV/AIDS, with a total rental revenue to the County of \$18,235.56 for a five-year term with one, five-year option to renew for the Internal Services Department (ISD).

PROCEDURAL HISTORY

Prime Sponsor: Commissioner Dennis C. Moss, representing Commission District 9 Department/Requester: ISD

There is no procedural history for this item.

ANALYSIS

This item is requesting Board approval to authorize a long-term replacement lease with Center of Information and Orientation, Inc. (COIOI), a Florida nonprofit entity engaged in delivering housing and referral services to individuals with HIV/AIDS. More specifically, the item declares surplus County-owned property located at 1600 N.W. 6th Court, Room 105, in Florida City and authorizes execution of a lease agreement between Miami-Dade County (Landlord) and COIOI for an initial five-year term plus one, five-year renewal term with a total rental revenue to the County of \$18,235.56.

The tenant has occupied this space since June 2, 2009 using it as its administrative office for delivery of services to individuals living with HIV/AIDS. Under Resolution No. R-35-14, the Board on January 22, 2014 approved the prior lease agreement with COIOI. The cumulative term of that lease was six years with total revenue to the County of 1,545.02. That lease expired on January 31, 2020 and COIOI remains in the space as a holdover tenant.

In addition to the housing and referral services for HIV/AIDS customers, COIOI provides strategies improving the quality of life to low-income residents via access to services such as: literacy, family strengthening, youth leadership, delinquency prevention, health and wellness, and emergency food and shelter assistance, leading to self-sufficiency and economic stability.

File No. 201699

Researcher: IL Reviewer: PGE

This County-owned property lies in District 9, which is represented by Commissioner Dennis C. Moss. This lease is before the Board for approval as the property was circulated amongst County departments with no department indicating a need for it, thus rendering it surplus.

The fiscal impact on the County is a \$12.06 per square foot with a total estimated rental revenue to be generated for the County in the first five-years plus the one five-year option to renew to be \$18,235.56 inclusive of annual three percent increase beginning on the second year of the lease term, and each subsequent year thereafter, including the option to renew period.

Under the lease, the County shall pay all charges for general facility maintenance and repairs, janitorial services, landscaping, improvements, water, electricity, and interior and exterior repairs. The Tenant will assume and promptly pay all costs associated with separately metered utilities including, but not limited to, telephone, internet and cable in for security monitoring systems for the premises.

Below is a comparison between what the payment was annually under the expired lease and what the payment will be annually under the proposed lease. See Table 1.

 Table 1 Comparing Rent under Expired and Proposed Leases

COIOI Expired Lease	Price Per Sq. Ft	Proposed Lease (COIOI)	Price Per Sq. Ft	Increase in Revenue
\$1,545.02 (last annual year of the expired lease)		1,591.32 (first year)	\$12.06	2.97% 1

The market rent for comparable spaces in this area ranges from \$19.00 to \$25.00 per square foot on an annual basis. Under this proposed lease, COIOI pays \$12.06 per square foot. This represents a roughly \$7.00 to \$13.00 savings per year based on the average market rent in the area.

OCA conducted a due diligence review of COIOI on September 3, 2020 illustrated on Table 2.

Table 2: Due Diligence Review

Tenant		Corporate Filing	West Law	
Center of Information	and	Florida Not for Profit Corporation	No Cases	
Orientation, Inc.				
		Principal Address: 181 N.E. 82 nd Street,		
		2 nd Floor, Miami, FL 33138		

The map below taken from the Property Appraiser's Office and shows the location of the property.

File No. 201699

Researcher: IL Reviewer: PGE



https://www.miamidade.gov/Apps/PA/propertysearch/#/

ADDITIONAL INFORMATION

Below is a comprehensive list of services provided by COIOI:

- 2020 Census Outreach
- Long-Term Rental Housing Assistance
- Emergency Food, Shelter and Utility Assistance
- Case Management for Medicaid Project AIDS Care
- HIV/AIDS Outreach
- After School Tutoring
- Employment Services for under- and unemployed
- Domestic Violence Awareness and Prevention
- Child Abuse Prevention
- Breast Cancer Awareness
- Food Bank

File No. 201699

Researcher: IL Reviewer: PGE

OCA conducted a review of the Charity's financials on the Florida Department of Agriculture and Consumer Services website on September 3, 2020.

Check a Charity powered by Florida Department of Agriculture and Consumer Services				
Registration Number :CH9239Expiration Date : 9/25/2020				
Revenue Source : IRS 990 w/ Schedule A (12/31/2018)				
Total Revenue : \$506,101.00	Program Services Expenses : \$499,283.00 95%			
Total Expenses : \$525,725.00	Administrative Expenses : \$26,442.00 5%			
Surplus/Deficit : -\$19,624.00	Fundraising Expenses : \$.00 0%			
https://csapp.800helpfla.com/CSPublicApp/CheckACharity/CheckACharity.aspx				

APPLICABLE LEGISLATION/POLICY

Florida Statutes Section 125.38 states that the Board of County Commissioners may if satisfied that such property is required for such use and is not needed for county purposes, may convey or lease the same at private sale to the applicant for such price, whether nominal or otherwise, as such board may fix, regardless of the actual value of such property. The fact of such application being made, the purpose for which such property is to be used, and the price or rent therefor shall be set out in a resolution duly adopted by such board. In case of a lease, the term of such lease shall be recited in the resolution. No advertisement shall be required.

http://www.leg.state.fl.us/statutes/index.cfm?mode=View%20Statutes& SubMenu=1&App_mode=Display_Statute&Search_String=125.38&URL=0100-0199/0125/Sections/0125.38.html

Resolution No. R-668-09, adopted by the Board on June 2, 2009, authorized the execution of a lease agreement at the Florida City Neighborhood Service Center, 1600 N.W. 6 Court, Florida City, with the Center of Information and Orientation, Inc., a Florida Not-for-Profit Corporation, for premises to be utilized as administrative offices, for a One year term with three (3) additional one-year renewal option periods and for a rental amount for the first lease year of the initial term at \$1,320.00, which is equal to \$10.00 per square foot on an annual basis. http://intra/gia/matter.asp?matter=091162&file=true&yearFolder=Y2009

Resolution No. R-461-13, adopted by the Board on June 4, 2013, establishes County policy to require inclusion of a reverter or lease termination provision in conveyance documents when conveying County-owned property by sale or lease under Florida Statute Section 125.38.

http://intra/gia/matter.asp?matter=130909&file=true&yearFolder=Y2013

Resolution No. R-791-14, adopted by the Board on September 3, 2014, directing the Mayor or the Mayor's designee to provide the Miami-Dade County Property Appraiser a copy of all leases and operating agreements involving County-Owned property.

http://www.miamidade.gov/govaction/matter.asp?matter=141723&file=true&fileAnalysis=false&yearFolder=Y2014

Resolution No. R-35-14, adopted by the Board on January 22, 2014, Board approved a lease with the Center of Information and Orientation Inc., for a one-year term, with five, one-year options to renew generating a cumulative value of \$9,420.12.

http://intra/gia/matter.asp?matter=132358&file=true&yearFolder=Y2013

File No. 201699

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Resolution No. R-333-15, adopted by the Board on April 21, 2015, established the County policy requiring disclosure of the market value of market rental in legislative items authorizing the conveyance or lease of County-owned property to promote disclosure and fiscal responsibility.

http://intra/gia/matter.asp?matter=150446&file=true&yearFolder=Y2015

Resolution No. 1054-16, adopted by the Board on, November 1, 2016, directing the County Mayor or the County Mayor's designee and the public health trust to (1) identify all single occupancy restrooms located in buildings and facilities that are owned, operated or leased by the County and the public health trust and to replace any gender signage with gender neutral/gender inclusive signage on or near the opening of such single occupancy restrooms; (2) take appropriate steps to ensure that County and public health trust employees are made aware of this resolution, to include a provision in all county and public health trust future leases and agreements to require tenants to comply with this resolution, and to ensure that all persons are afforded access to such single occupancy restrooms based on availability unless such denial is based on security or other nondiscriminatory reasons http://intra/gia/matter.asp?matter=162300&file=true&yearFolder=Y2016

Resolution No. R-380-17, adopted by the Board on April 4, 2017, requires that the County Mayor or County Mayor's designee provide written notification to District Commissioners in which County-owned property lies no less than four weeks prior to (1) any issuance of a request for proposal or expression of interest regarding the sale, lease, or development of such property or (2) placing any item on the agenda of the Board or any committee of the Board requesting the approval, sale, lease, or surplus of County-owned property. http://intra/gia/matter.asp?matter=170414&file=true&vearFolder=Y2017

Resolution No. R-407-19, adopted by the Board on April 9, 2019, directing the County Mayor designee to provide written notification to the public prior to the non-competitive sale or lease of county-owned property for certain purposes.

http://intra/gia/matter.asp?matter=190474&file=true&yearFolder=Y2019

Administrative Order (A.O.) No 8-4 sets forth the County's processes and procedures for the sale, lease or otherwise dispose of County-owned real property lies solely with the Board of County Commissioners. Before action is taken on any proposed sale or lease of County-owned real property, unless expressly excluded herein, a recommendation will be requested from the Planning Advisory Board, to indicate whether such proposal is in the public interest and also recommending proper land use classification if applicable. Should a recommendation not be received from the Planning Advisory Board within the time period provided within this administrative order, the Planning Department Director will provide a recommendation on the proposal.

http://www.miamidade.gov/aopdf/doc/aopdf/pdffiles/AO8-4.pdf

CONTRIBUTORS

Phillip G. Edwards, Esq., Legislative Research Manager Isidoro R. Lopez, Esq., Research Analyst

The Office of the Commission Auditor, Miami-Dade Board of County Commissioners

The Office of the Commission Auditor (OCA) was established in September 2002 by Ordinance 03-2 to provide support and professional analysis of the policy, service, budgetary and operational issues before the Miami-Dade Board of County Commissioners. The Commission Auditor's duties include reporting to the Board of County Commissioners on the fiscal operations of County departments, as well as whether the fiscal and legislative policy directions of the Commission are being efficiently and effectively implemented

These research notes, prepared in collaboration with the Miami Dade County departments as subject matter experts, is substantially less detailed in scope than an audit in accordance with the Generally Accepted Auditing Standards (GAAS). The OCA plans and performs the review to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its objectives; accordingly, the OCA does not express an opinion on the data gathered by the subject matter expert(s).