



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

**COMMISSION AUDITOR'S
INFORMATIONAL RESEARCH**

**HOUSING, SOCIAL SERVICES, & ECONOMIC
DEVELOPMENT COMMITTEE MEETING**

October 14, 2020

12:00 P.M.

Virtual Meeting

Yinka Majekodunmi, CPA
Commission Auditor

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**Item No. 3A
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'S DESIGNEE TO PROVIDE AN EXECUTED COPY OF THE LEASE AGREEMENT TO THE PROPERTY APPRAISER'S OFFICE WITHIN THIRTY DAYS OF THE EXECUTION OF THE LEASE AGREEMENT

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.

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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 total estimated rental revenue to be generated for the County in the first five-years plus the one, five-year option to renew will be \$18,235.56 inclusive of an 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, cable, and 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)	\$11.70	1,591.32 (first year)	\$12.06	2.97% 

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 October 8, 2020 as illustrated below in Table 2.

Table 2: Due Diligence Review conducted on October 8, 2020.

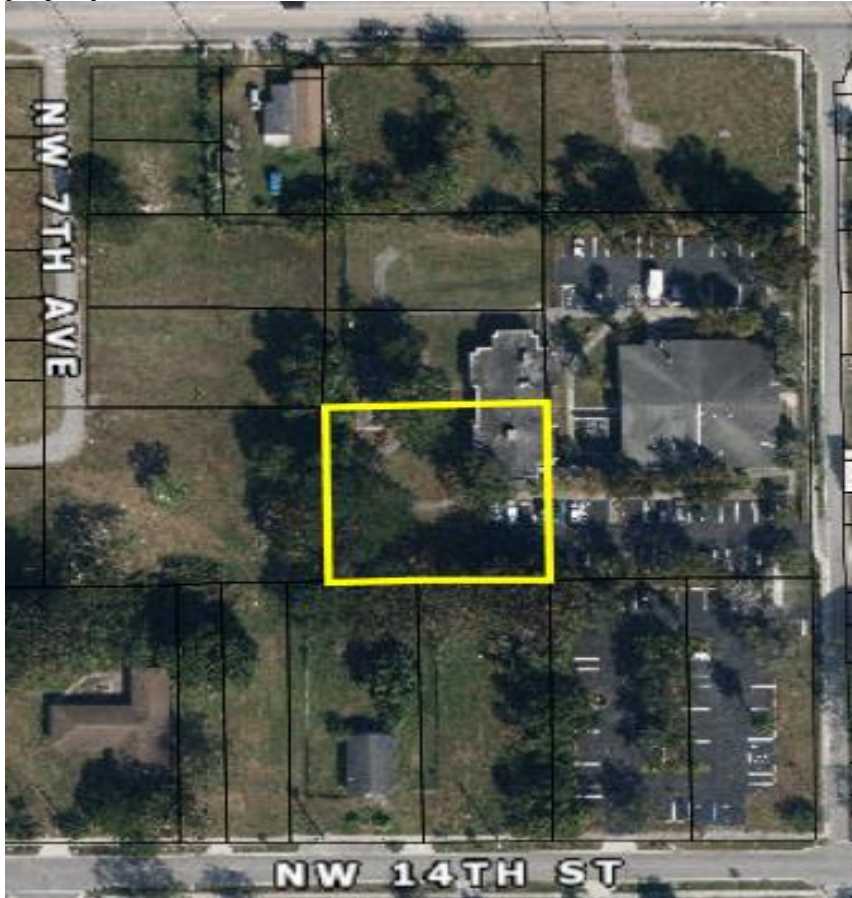
Tenant	Corporate Filing	West Law
Center of Information and Orientation, Inc.	Florida Not for Profit Corporation Principal Address: 181 N.E. 82 nd Street, 2 nd Floor, Miami, FL 33138	No Cases

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The map below was taken from the Property Appraiser's Office on October 8, 2020 and shows the location of the property.



<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

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OCA Conducted a review of general financial information such as revenues and expenses reported to the Florida Department of Agriculture and Consumer Services website on October 8, 2020.

Check a Charity powered by Florida Department of Agriculture and Consumer Services

Registration Number: CH9239

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>

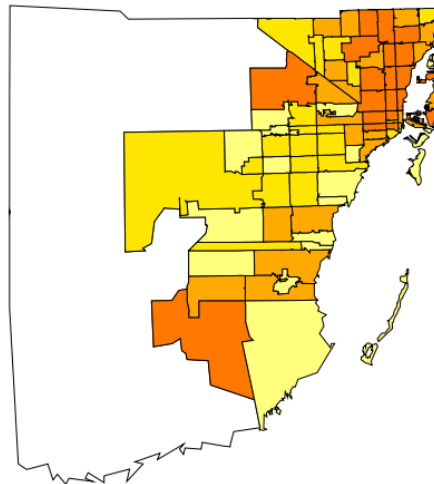
Below is an illustration of adults living with HIV by zip code taken from the Florida Department of Health's website on October 8, 2020.

**Adults (Age 13+) Living¹ with HIV by ZIP Code of Current Residence,
Miami-Dade County, Year-end 2018**

PLWH

0
1–118
119–237
238–433
434–1,953

N=27,908



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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>

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>

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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&yearFolder=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/aopdfdoc/aopdf/pdffiles/AO8-4.pdf>

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Item No. 3F
File No. 201964

Researcher: JFP Reviewer: PGE

RESOLUTION APPROVING THE TERMS OF AND AUTHORIZING EXECUTION BY THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE OF A LEASE AGREEMENT BETWEEN MIAMI-DADE COUNTY AND ALLIANCE RE HOLDINGS, LLC, A FLORIDA LIMITED LIABILITY COMPANY, FOR THE PREMISES LOCATED AT 777 BRICKELL AVENUE, SUITE NUMBER 300, MIAMI, FLORIDA, TO BE UTILIZED BY THE PUBLIC HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT, WITH AN ANNUAL COST OF OPERATING THIS FACILITY OF APPROXIMATELY \$1,199,926.98; AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO TAKE ALL ACTIONS TO EFFECTUATE SAME AND EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN; AND DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO PROVIDE AN EXECUTED COPY OF THE LEASE AGREEMENT TO THE PROPERTY APPRAISER'S OFFICE WITHIN 30 DAYS OF ITS EXECUTION

ISSUE/REQUESTED ACTION

Whether the Board should authorize execution of a lease agreement between the County and Alliance RE Holdings, LLC for use of property located at 777 Brickell Avenue, Suite Number 300 as office space for the Public Housing and Community Development Department (PHCD) at a fixed annual rental rate of \$1,199,926.98 for a period of 10 years with an option to continue to lease the space at the same fixed rate for an additional five years.

PROCEDURAL HISTORY

Prime Sponsor: Commissioner Eileen Higgins, District 5

Department/Requester: Public Housing and Community Development (PHCD)

This item has no procedural history.

ANALYSIS

The purpose of this item is to approve a lease agreement with Alliance RE Holdings, LLC to facilitate the relocation of PHCD's offices to less costly office space in furtherance of the department's efforts to reduce annual operating expenses. The proposed relocation from Overtown Transit Village (OTV) in District 3 to Brickell Office Plaza in District 5 is expected to yield cost savings in the amount of \$150,000 annually, according to the Mayoral Memorandum. The lease agreement is for 26,838 square feet of office space and 70 parking spaces, which will be made available for lease by PHCD employees at the negotiated rate of \$55 per month—the same rate currently paid by employees for parking spaces at the Overtown Transit Village garage.

The monthly base rent at Brickell Office Plaza will be \$99,993.92. Thus, the annual rental rate pursuant to the lease agreement is \$1,199,926.98, \$113,888 less than the amount paid in FY 2019-2020 for rent at OTV (\$1,313,815) as reported by PHCD. The annual rental rate will be fixed for a period of 10 years with an option to continue to lease the space at the same rental rate for an additional five years. The base rent does not include certain operating expenses, such as the cost of maintenance, utilities, and security.

The most recent agreement with the Internal Services Department (ISD) for rental of office space at OTV was for a five-year term beginning October 1, 2014 and terminating September 30, 2019. This agreement lists the annual rent for fiscal year 2014-2015 as \$1,359,150, with the stipulation that rent would be adjusted each year in accordance with the County Budget Manual. PHCD did not recall receiving an executed lease agreement for FY 2019-2020 and forward. However, the amount budgeted for PHCD's rent at OTV for FY 2020-2021 was \$1,200,000, reflecting discussions with ISD of discounted rent in order to stay at OTV.

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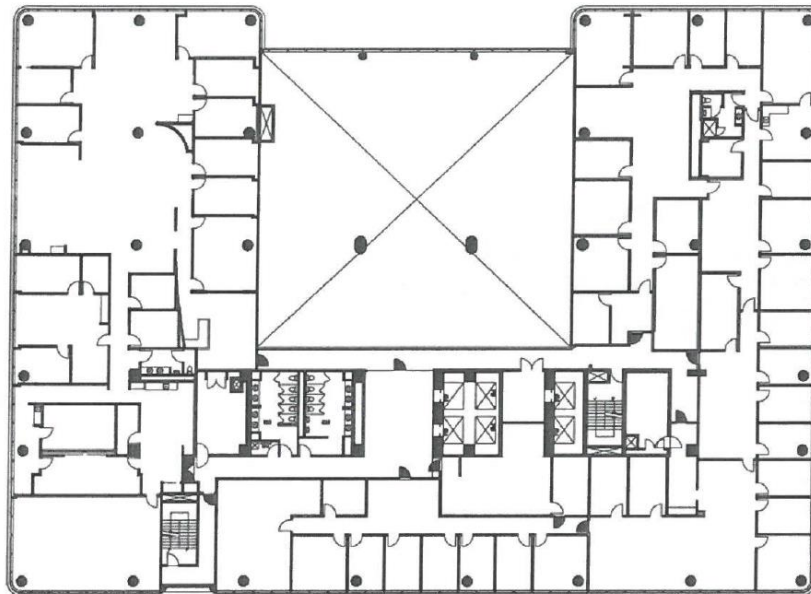
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The graphics below depict Brickell Office Plaza, and the layout of the office space in the building to be leased by PHCD (Suite 300).



The Premises



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OCA's due diligence of lessor, Alliance RE Holdings, LLC, is detailed below.

Awarded Firm	Corporate Registration	Tax Collector's Office	Florida DBPR	Litigation (Westlaw)
Alliance RE Holdings, LLC	Florida Limited Liability Company Active Principal Address: 777 Brickell Avenue, Suite 805 Miami, FL 3313 Filed: December 18, 2013	Business Address: Municipalities Loc Commercial Lessors, FL 33888	No account on file.	No relevant cases.

DEPARTMENTAL INPUT

OCA posed the following questions to the Public Housing and Community Development on October 13, 2020. The department's responses are denoted below in italics. Some questions are pending response as of the date of publication.

- 1) What is the comparable market rent in downtown and the surrounding areas (Brickell and Overtown) for the amount of space needed for PHCD's offices?
- 2) What PHCD divisions will work from this new space? Will services be delivered to the community from this space?
- 3) Is the current office space at Overtown Transit Village of a comparable size, or does the new space include additional space that is required due to a change in the scope of work to be performed?
- 4) Why is the lease for a term of 10 years as opposed to five years?
- 5) How long has PHCD leased the Overtown Transit Village premises?
PHCD moved into OTVN in August 2009.
- 6) The current lease with ISD appears to have expired in September 2019. Is PHCD currently leasing the Overtown premises as a holdover tenant? If so, is there a cost penalty being assessed during the holdover period?
- 7) Given that the landlord signed the new lease on June 29, 2020, what accounts for the delay in executing the agreement?
This item was delayed due to COVID-19 priority agenda items.

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APPLICABLE LEGISLATION/POLICY

Section 2-8.6.5 of the Code of Miami-Dade County governs the purchase, sale or lease of real property.

https://library.municode.com/fl/miami_dade_county/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-8.6.5PUSALEREPR

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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).