

MEMORANDUM

Agenda Item No. 14(A)(2)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: June 15, 2021

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution approving terms of and authorizing execution by the County Mayor of the First Amendment to the Lease Agreement between Miami-Dade County as tenant, and United States Development, Ltd., a Florida limited partnership, as landlord, for property located at 11865 Coral Way, Building K, 1st and 2nd floors, Miami, Florida, for use as the Miami-Dade Permitting and Inspection Center, inclusion of three months' rent abatement, and modification of the option to renew clause for a total savings of \$2,589,323.32 for the remaining term in the event that the options to renew are exercised; authorizing County Mayor to take all actions necessary to effectuate same and to execute all rights contained therein

Resolution No. R-578-21

The accompanying resolution was prepared by the Internal Services Department and placed on the agenda at the request of Prime Sponsor Commissioner Joe A. Martinez.



Gerí Bonzon-Keenan
County Attorney

GBK/uw

Date: June 15, 2021

To: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor



Subject: Resolution Approving First Amendment to Lease Agreement between Miami-Dade County and United States Development, Ltd., for Property Located at 11865 Coral Way, Building K, 1st and 2nd Floors, Miami, Florida
Lease No.: 30-4912-068-0010-L01

Recommendation

It is recommended that the Board of County Commissioners (Board) authorize execution of the First Amendment to Lease Agreement (Amendment) between Miami-Dade County (County) and United States Development, Ltd. (Landlord), a Florida Limited Partnership, for the use of property located at 11865 Coral Way, Building K, 1st and 2nd Floors, Miami, Florida, otherwise known as the Miami-Dade Permitting and Inspection Center (Premises) since its opening in 2001. More specifically, the resolution does the following:

- Authorizes the incorporation of financial concessions in favor of the County including a reduction of the base rent per square foot to \$21.50 (the County currently pays approximately \$23.22 per square foot), subject to annual escalation based on the Consumer Price Index and three months of rent abatement;
- Authorizes a reduction in the fourth and fifth option to renew terms from five years to two years; and
- Authorizes an additional three, two-year option to renew terms.

The Amendment becomes effective on the first day of the next month following the effective date of the resolution approving the Amendment.

Scope

The Premises is located in Commission District 11, which is represented by Commissioner Joe A. Martinez. Written notice of the Amendment was provided to the District Commissioner.

Fiscal Impact/Funding Source

Approval of the Amendment is projected to have a positive fiscal impact to the County. The rental rate reduction and three months of rental abatement will reduce the County's financial obligations in the lease by an estimated \$758,881.20 during the first year, totaling an estimated reduction of \$2,589,323.32 for the 10 year term remaining in the lease in the event the County exercises all options to renew. Other than the reduced rental rate, all other costs and expenses in the existing lease remain unchanged.

Track Record/County Monitor

The County has been monitoring the Landlord's performance in timely completing required maintenance work to the Premises. These maintenance requests during the term of the lease include inoperable restrooms, plumbing repairs, broken sink faucets, HVAC repairs, fire alarm and roof repairs. To date, the Landlord has satisfactorily addressed these issues and will continue to work with the County to ensure timely performance of required maintenance and repairs, as required pursuant

to the lease terms. Juliette Robinson Trotman of the Internal Services Department will be assigned as the track monitor for the lease as amended.

The company principal is Jorge L. Cruz, President.

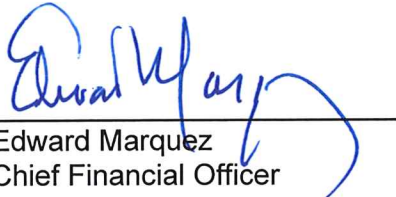
Delegated Authority

This item authorizes the County Mayor or the County Mayor's designee to execute the Amendment, and to exercise all other rights conferred therein, including but not limited to, exercising the options to renew and the right to cancel the lease as amended.

Background

The current lease was approved on July 6, 2000, by the Board through Resolution R-702-00, for a term of five years, with the option to extend the lease for five, five-year renewal periods. The first renewal period was exercised by the County and made effective from December 13, 2006 through December 12, 2011. The second renewal period was exercised by the County and made effective from December 13, 2011 through December 12, 2016. The third renewal period was exercised by the County and made effective on December 13, 2016 and will expire on December 12, 2021.

Due to significant changes in the real estate market for leased office space and the desire to provide the County with greater flexibility, County staff from the Internal Services Department and the Department of Regulatory and Economic Resources negotiated with the Landlord and agreed upon a reduced annualized rental rate from \$23.22 to \$21.50 per square foot, three months of rent abatement estimated to be \$574,910.01, and a modified renewal term from five-year to two-year periods. The fourth renewal period will then commence on December 13, 2021 and will expire on December 12, 2023. The lease was also amended to allow the Tenant to notify the Landlord that it is exercising its option to renew within ninety days of the end of each renewal term, rather than 180 days as set forth in the original lease, thereby providing the County with additional flexibility. The cancellation provision in the original lease remains the same, which allows the County to cancel by providing the Landlord written notice of such election within 60 days of each anniversary of the commencement date of the lease.



Edward Marquez
Chief Financial Officer



MEMORANDUM

(Revised)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: June 15, 2021

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 14(A)(2)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Statement of social equity required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☒ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____ to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved *Danielle Levine Carr* Mayor
Veto _____
Override _____

Agenda Item No. 14(A)(2)
6-15-21

RESOLUTION NO. R-578-21

RESOLUTION APPROVING TERMS OF AND AUTHORIZING EXECUTION BY THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE OF THE FIRST AMENDMENT TO THE LEASE AGREEMENT BETWEEN MIAMI-DADE COUNTY AS TENANT, AND UNITED STATES DEVELOPMENT, LTD., A FLORIDA LIMITED PARTNERSHIP, AS LANDLORD, FOR PROPERTY LOCATED AT 11865 CORAL WAY, BUILDING K, 1ST AND 2ND FLOORS, MIAMI, FLORIDA, FOR USE AS THE MIAMI-DADE PERMITTING AND INSPECTION CENTER, INCLUSION OF THREE MONTHS' RENT ABATEMENT, AND MODIFICATION OF THE OPTION TO RENEW CLAUSE FOR A TOTAL SAVINGS OF \$2,589,323.32 FOR THE REMAINING TERM IN THE EVENT THAT THE OPTIONS TO RENEW ARE EXERCISED; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO TAKE ALL ACTIONS NECESSARY TO EFFECTUATE SAME AND TO EXECUTE ALL RIGHTS CONTAINED THEREIN

WHEREAS, on July 6, 2000, through Resolution No. R-702-00, Miami-Dade County (County) and United States Development, Ltd. (Landlord) entered into a Lease Agreement (Lease) for a two-story office building comprised of approximately 106,960 square feet of air-conditioned/heated office space located at 11865 Coral Way, Building K, 1st and 2nd floors, Miami, Florida, including use of the entire parking lot containing approximately 600 parking spaces in the front of 11865 Coral Way and exclusive use of the north rear paved and lighted parking lot containing approximately 220 parking spaces; and

WHEREAS, the building is being utilized by the Miami-Dade County Permitting and Inspection Center; and

WHEREAS, the Lease grants an initial term of five years with the option to extend the Lease for five additional five-year renewal periods; and

WHEREAS, the Lease is currently in its third renewal period; and

WHEREAS, the County and the Landlord desire to amend the Lease in favor of the County: (i) to provide the County with greater flexibility to exercise its fourth option to renew period; (ii) to reduce the rental rate from \$23.22 to \$21.50 per square foot; (iii) to include three months' rent abatement; and (iv) to modify the remaining two option to renew clauses from five-year renewal periods to two-year renewal periods and to further grant the County an additional three (3), two-year option to renew periods; and

WHEREAS, this Board desires to accomplish the purpose outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The foregoing recitals are incorporated into this resolution and are approved.

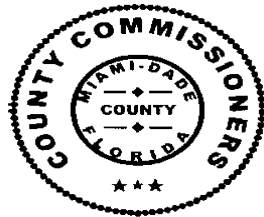
Section 2. This Board hereby approves the First Amendment to the Lease Agreement, in substantially the form attached hereto as Exhibit "A" and made a part hereof.

Section 3. This Board authorizes the County Mayor or the County Mayor's designee to execute the First Amendment to Lease Agreement, to take all actions necessary to effectuate same, and to exercise all rights conferred herein.

The foregoing resolution was offered by Commissioner **Joe A. Martinez**,
 who moved its adoption. The motion was seconded by Commissioner **Sally A. Heyman**
 and upon being put to a vote, the vote was as follows:

Jose "Pepe" Diaz, Chairman	aye		
Oliver G. Gilbert, III, Vice-Chairman	aye		
Sen. René García	aye	Keon Hardemon	aye
Sally A. Heyman	aye	Danielle Cohen Higgins	aye
Eileen Higgins	aye	Joe A. Martinez	aye
Kionne L. McGhee	aye	Jean Monestime	aye
Raquel A. Regalado	aye	Rebeca Sosa	aye
Sen. Javier D. Souto	aye		

The Chairperson thereupon declared this resolution duly passed and adopted this 15th day of June, 2021. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.



MIAMI-DADE COUNTY, FLORIDA
 BY ITS BOARD OF
 COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Melissa Adames**
 Deputy Clerk

Approved by County Attorney as
 to form and legal sufficiency.

Debra Herman

FIRST AMENDMENT TO LEASE AGREEMENT

BETWEEN

UNITED STATES DEVELOPMENT, LTD AND MIAMI-DADE COUNTY

THIS FIRST AMENDMENT TO LEASE AGREEMENT is made and entered into this____ day of _____, 2021, by and between UNITED STATES DEVELOPMENT, LTD, a Florida Limited Partnership (the "Landlord"), and MIAMI-DADE COUNTY, a political subdivision of the State of Florida (the "Tenant").

RECITALS

WHEREAS, by Resolution No. R-702-00 adopted by the Miami-Dade County Board of County commissioners ("Board") on July 6, 2000, the Board authorized a Lease Agreement between Landlord and Tenant (the "Lease") for a five (5) year period, with five (5) additional renewal option periods for certain space located at 11865 Coral Way, Building K, 1st and 2nd Floors, Miami, FL 33175; and

WHEREAS, the Lease is currently in its fifth year of the third renewal term, which will end on December 12, 2021; and

WHEREAS, Landlord and Tenant are desirous of amending the Lease in order to provide Tenant with greater flexibility to exercise its fourth option to renew, including a three month rent abatement, and a modified option to renew.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to this First Amendment to Lease ("Amendment") agree as follows:

1. The foregoing recitals and provisions are hereby adopted and incorporated into this Amendment as if fully set forth herein.
2. **Effective Date**: The Effective Date of this Amendment shall be the first day of the month following ten days after the date of its adoption by the Board of County Commissioners (the "Board") unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by the Board by a two-thirds vote.

3. Term: The fourth and fifth renewal periods of the Lease shall be for a term of two (2) years each with three **(3)** additional two (2) year renewal periods thereafter. Upon the Effective Date of this Amendment, the fourth renewal term shall automatically be exercised with a term commencing on December 13, 2021 and expiring on December 12, 2023.

4. Article XIX Option to Renew is amended in its entirety to read as follows:

Provided the Tenant is not in default, the Landlord hereby grants to Tenant through its County Mayor or Mayor's designee, an option to extend the term of the Lease on the same terms, conditions, and provisions as contained in the Lease, by giving Landlord notice in writing at least ninety (90) days prior to the expiration of any renewal period. The Landlord hereby grants the Tenant the option to extend the term of the Lease for three (3) additional two (2) year renewal periods. Should Tenant neglect to exercise any extension option by the date specified herein, Tenant's right to exercise such option shall not expire until sixty (60) business days after notice from Landlord of Tenant's failure to exercise the option. The monthly rent for the demised premises payable during the renewal options period shall be subject to Article XX of the Lease.

5. Article XXI Termination Rights of Tenant:

NOT AMENDED (REMAINS AS IN THE ORIGINAL LEASE)

6. The rent payable by Tenant to Landlord, as set forth in the Witnesseth section shall be modified as follows:

Rent:

The Base Rent shall be \$21.50 per square foot for the initial year of the fourth renewal period of the Lease. Tenant's obligation to pay Base Rent shall be abated for three (3) months after the Effective Date, and Tenant's obligation to pay Base Rent shall begin the fourth month after the commencement of the fourth renewal period. The Tenant agrees to pay Base Rent to the Landlord beginning the fourth month after the commencement of the fourth renewal period in the amount of \$1,724,730 .03 annually, payable in nine (9) equal monthly installments of\$ 191,636.67. The foregoing annual amount reflects the rent abatement amount of \$ 574,910.01. Every year thereafter, the rent shall be adjusted in accordance with Article XX of the Lease.

7. All terms and conditions of the Lease that are not modified by, or inconsistent with, this Amendment remain in full force and effect. The terms of this Amendment shall supersede any terms inconsistent herewith in the lease.

IN WITNESS WHEREOF, Landlord has caused this First Amendment to Lease to be executed by its duly authorized representative, and Tenant has caused this First Amendment to Lease to be executed in its name by the County Mayor, as authorized by the board of County Commissioners, all on the day and year first hereinabove written.

LANDLORD
UNITED STATES DEVELOPMENT, LTD.

By: [Signature]
Jorge L. Cruz, President.

Signed in the presence of:

[Signature]

Print Name:

Domundo Alcaray

[Signature]

Print Name:

ANUSKA SOSA

(OFFICIAL SEAL)

ATTEST:
HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

TENANT

MIAMI DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

By: _____
Name: Daniella Levine Cava
Title: Mayor

Approved by the County Attorney as
To form and legal sufficiency. _____