



## COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Kathie G. Brooks, Interim City Manager

DATE: December 12, 2012

SUBJECT **REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE OF A DISCUSSION TO CONSIDER TWO LEASE AGREEMENTS: ONE LEASE WITH STATE REPRESENTATIVE DAVID RICHARDSON FOR 690 SQUARE FEET OF OFFICE SPACE CONSISTING OF SUITES 402A AND 402B LOCATED AT 1701 MERIDIAN AVENUE; AND ANOTHER LEASE WITH COMMISSIONER BRUNO BARREIRO FOR 412 SQUARE FEET OF OFFICE SPACE LOCATED ON THE GROUND FLOOR OF CITY HALL; SAID DISCUSSION TO INCLUDE THE SETTING AND ADVERTISING OF PUBLIC HEARINGS FOR THE JANUARY 16, 2013, COMMISSION MEETING**

### ADMINISTRATION RECOMMENDATION

Refer the item.

### BACKGROUND

#### State Representative David Richardson

On August 2012, David Richardson was elected by the voters to represent District 113 in the Florida House of Representatives, and he was sworn into office on November 20, 2012. Members of the Florida Legislature are each provided with a small budget to operate an office in the district that they represent.

The Miami Beach Visitors' and Convention Authority (VCA), which currently occupies approximately 541 square feet of space on the fourth floor of 1701 Meridian Avenue (hereinafter referred to as Suite 402A), intends to vacate the space in order to occupy a larger vacant space on the east side of the same floor. An additional 149 square foot space, adjacent to the current VCA office (hereinafter referred to as Suite 402B), is vacant and was previously used part-time on Tuesday mornings by staff from the office of Congresswoman Ileana Ros-Lehtinen. The Congresswoman no longer represents Miami Beach and does not need the space.

Representative Richardson has viewed the current VCA space and the space vacated by Congresswoman Ros-Lehtinen and has determined that it meets his needs to serve as his district office.

The VCA is in the process of initiating the renovations for its future space and the VCA's contractor is currently in the permitting phase. Therefore, and until the VCA can vacate its currently occupied space, Representative Richardson has requested use of Suite 402B until the VCA vacates Suite 402A, and then will occupy both spaces. In the meantime, the temporary use of Suite 402B will allow Representative Richardson's office to begin to conduct its operations, install equipment, print business cards, and more importantly provides a space for constituents to meet with him.

Throughout Florida there is precedent for the provision of affordable municipal office space to State Representatives. For example, the City of Vero Beach leases office space to Representative Debbie Mayfield for \$185 per month; Representative Martin Kiar utilizes office space at Parkland City Hall; Senator Alan Hays leases space in Deland City Hall for \$200 per month. Additionally, Congressman Alcee Hastings rents space at Delray Beach City Hall for \$300 per month.

Florida House District 113 includes all of the City of Miami Beach, North Bay Village, and part of Downtown Miami and East Little Havana. It is in the City's best interest to have Representative Richardson's district office centrally located and accessible to the majority of his constituents, and to the residents of Miami Beach. The City has provided low cost or free office space to other governmental entities in the past, such as County Commissioner Bruno Barreiro, the Miami-Dade Clerk of Courts, and Congresswoman Ileana Ros-Lehtinen's staff.

#### Miami-Dade County Commissioner Bruno Barreiro

The City will also work with County Commissioner Bruno Barreiro to enter into a lease agreement for the use of 412 square feet of space on the ground floor of City Hall. Commissioner Barreiro's staff indicated a lease had been approved at one time. However, the Administration is not able to locate a previous lease between the City and Commissioner Barreiro at this time. It is in the City's best interests to memorialize the terms of the use of City-owned space for the benefit of our residents.

Commissioner Barreiro was first elected as a Miami-Dade County Commissioner in 1998 and has been re-elected for subsequent terms to represent District 5, which includes portions of the City of Miami Beach. Soon after being first elected, Commissioner Barreiro began using City space known as the Answer Center (located between the main entrance elevators in City Hall and currently occupied by Community Services) to meet with City residents and attend to constituents' needs in a convenient and accessible government location. In approximately 2001, Commissioner Barreiro moved his City Hall office to the 412 square foot space on the ground floor of City Hall. Commissioner Barreiro was most recently re-elected in November 2012 and wishes to continue to occupy City space in order to continue serving Miami Beach residents with their constituent needs. Commissioner Barreiro's current rent is \$1 per year.

#### ANALYSIS

The 690 square foot space to be occupied by Representative Richardson could command, in an open market, approximately \$35 per square foot gross. The City currently leases space to a physician on the 4<sup>th</sup> floor, adjacent to the VCA space, at \$37.61/sf, which includes \$6.00 per square foot for operational expenses (utilities and common area maintenance expenses) and .90 per square foot for insurance. Cleaning and trash removal within the office/leased space is not included in the rent. The office space in the 1701 Meridian Avenue building is not assessed real estate taxes by Miami-Dade County.

The 412 space occupied by Commissioner Barreiro could command a similar or higher rent per square foot than the office space at 1701 Meridian Avenue because it is ground-floor space and is located in the City Hall building. However, the limited size may be a factor. The City does not currently charge rent for this space. The maintenance for this office is included in the City's janitorial contract and includes trash removal and vacuuming services. While we do not charge Common Area Maintenance or insurance charges to Commissioner Barreiro, our estimated CAM costs would be \$6.90/sf, which is what we are charging the doctor in the 1701 Meridian Avenue leased space.

At fair market rent, the space would lease for approximately \$24,150 per year, and Commissioner Barreiro's space would lease for would be approximately \$14,420 per year.

**CONCLUSION**

The Administration recommends that the Mayor and City Commission refer this matter to the Finance and Citywide Projects Committee for discussion and consideration of available options for leasing City-owned office space to State Representative David Richardson and County Commissioner Bruno Barreiro.

  
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