ITEM FIVE

MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee

FROM: Kathie G. Brooks, Interim City Manager for KGB

DATE: December 20, 2012

SUBJECT **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**

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 The Congresswoman no longer represents Miami Beach and does not need the space. Both spaces are depicted on the floor plan which is attached hereto and marked "Attachment 1."

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. The space occupied by Commissioner Barreiro's office is depicted on the floor plan which is attached hereto and marked "Attachment 2."

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 4th 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. At fair market rent, the 690 square foot space could lease for approximately $24,150 per year.

The 412 square foot 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. In an open market, Commissioner Barreiro's space could lease for approximately $14,420 per year.

CONCLUSION AND RECOMMENDATION

While the City could command fair market rents for the use of the two spaces, the current use of ground floor space by Commissioner Barreiro, and the proposed use of office space on the 4th floor by Representative Richardson facilitate enhanced public service to constituents. The City's contribution in making City space available for Miami Beach residents to meet with their County and State elected officials outweighs the benefits of collecting fair market rent for these properties.

Therefore, the Administration recommends that the F&CWPC accept the Administration's following recommendations, which would be subject to the City Commission's approval:

- Approve the City entering into a Lease Agreement with Representative David Richardson (and/or the Florida House of Representatives) for the use of 690 square feet of space located on the 4th floor of 1701 Meridian Avenue, for the total annual rent of $4,761 (or $397/mo). The recommended rent represents $6.90 per square foot to cover the City's common area maintenance costs and insurance expenses.

- Approve the City entering into a Lease Agreement with Commissioner Bruno Barreiro (and/or the Miami-Dade Board of County Commissioners) for the use of 412 square feet of space currently occupied in the ground floor of City Hall, 1700 Convention Center Drive, for one dollar per year. The one dollar represents legal consideration and is intended to honor the previously agreed upon terms for the use of the space. The recommendation to enter into a formal Lease Agreement is intended for the purpose of memorializing the agreement for the use of the space.

KGB/MAS/AP

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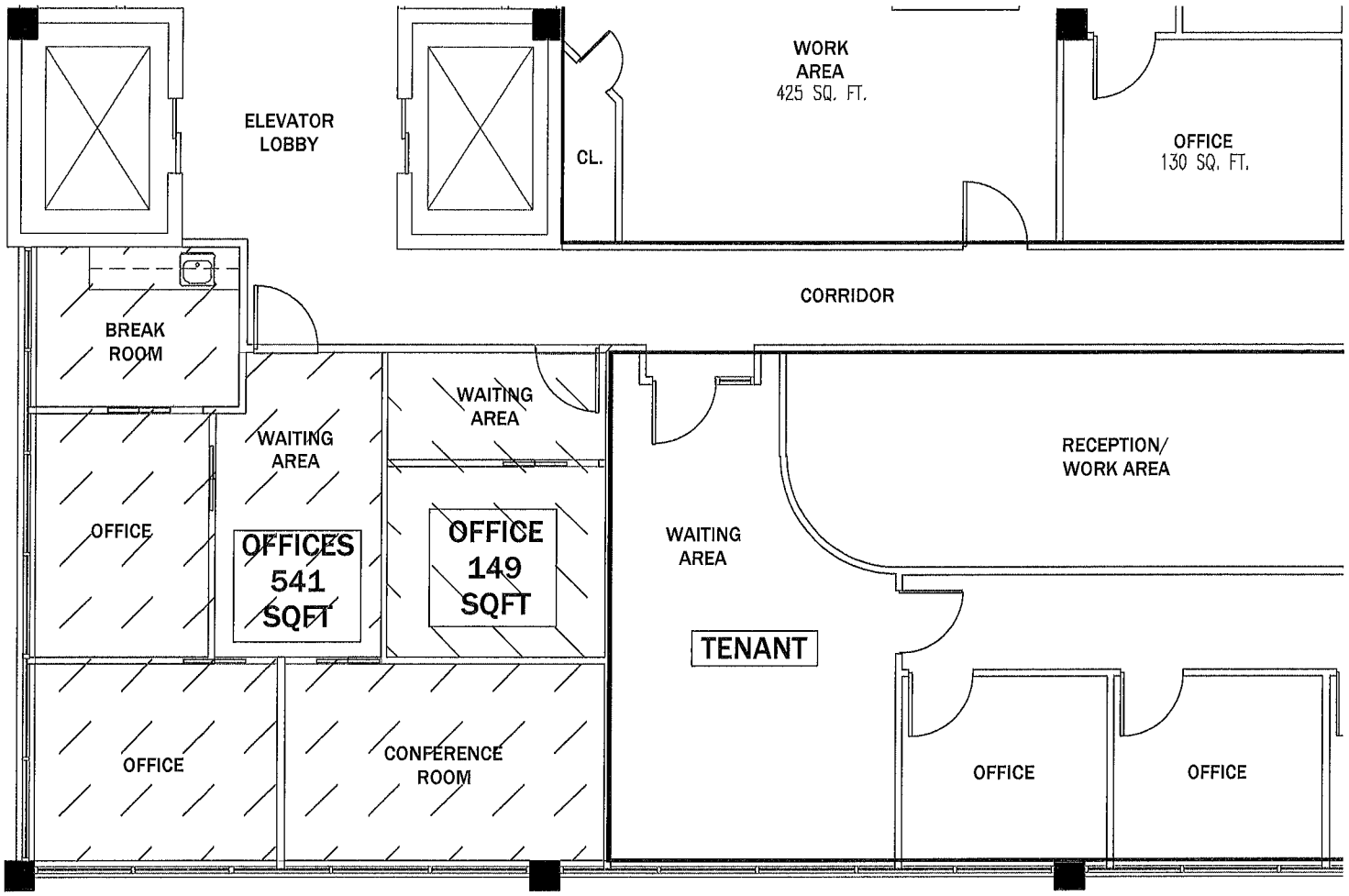
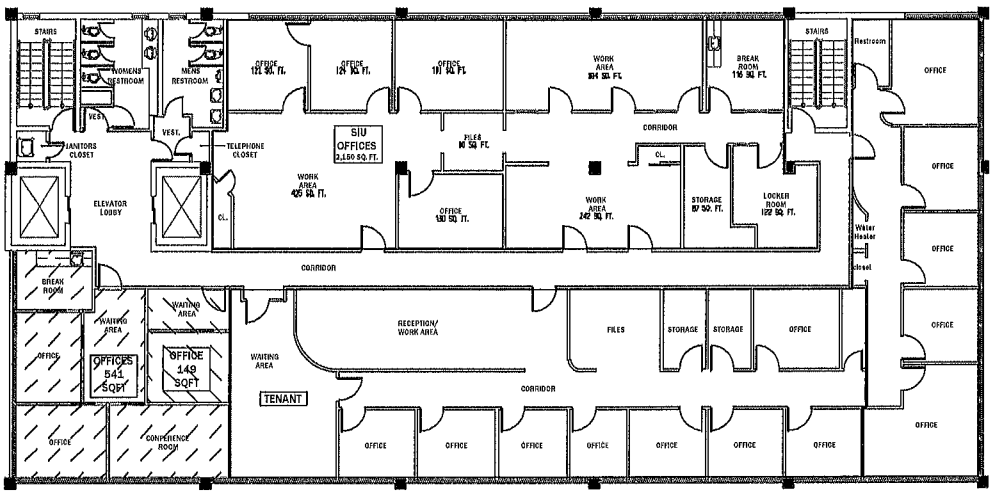


OFFICE PLAN

NORTH

SCALE: 1/8" = 1'-0"



FOURTH FLOOR PLAN

NORTH

SCALE: NTS

SHEET NO.	1 of 1
DRAWN By:	Raul J Doncoche
APPROVED By:	Alina Parash
DATE:	12/14/2012
REVISION DATES	12/14/2012

PROJECT TITLE:

4th Floor Office Space
777 Building
1701 Meridian Avenue

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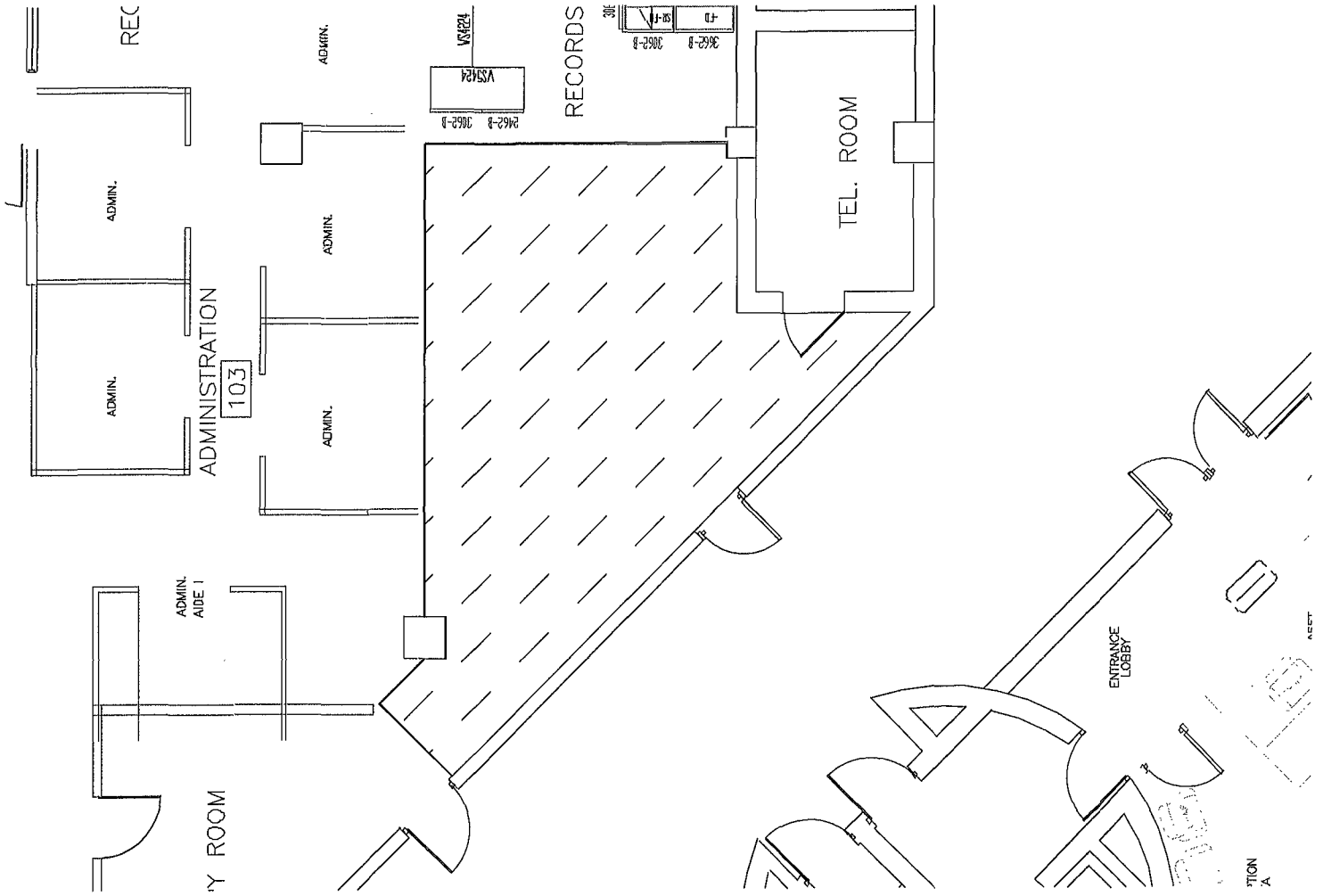
ATTACHMENT 1



OFFICE PLAN

NORTH

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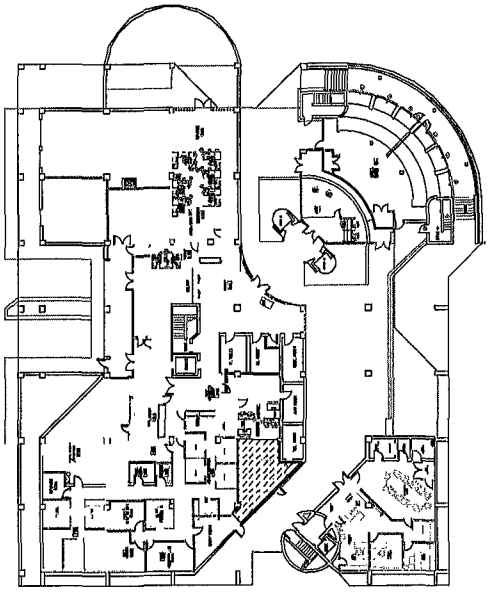

FOURTH FLOOR PLAN

NORTH

SCALE: NTS

SHEET NO. 1 of 1	DRAWN BY: Raul J Gonzalez	APPROVED BY: Anne Parrish	DATE: 12/14/2012
REVISION DATES 12/14/2012	PROJECT TITLE: Miami–Dade County District 5 Commissioners Office Miami Beach City Hall 1700 Convention Center Drive	MIAMIBEACH	ATTACHMENT 2