

Early Learning Coalition of
Miami-Dade/Monroe, Inc.

Office Space
Search

Introduction

- President of Paul L. White & Associates, Inc., a commercial real estate consulting company
- Director, KW Commercial Real Estate
- 36 years of commercial real estate experience
- 12 years as the President of Allen Morris operating companies & divisions
- Expert consultant for courts and attorneys
- Retained by the Early Learning Coalition through Gray-Robinson Law firm on an hourly basis

Assignments

- Assist with the preparation of a Request for Proposal for the solicitation of Commercial Real Estate Tenant Representation Services
- Analyze existing Lease with Hines and negotiate the terms for a potential renewal

Request for Proposal

- Draft RFP reviewed
- Specific provisions for Tenant Representation services outlined
- Timeline for services drafted
- Search area defined
- RFP reviewed by legal counsel
- Estimated compensation for TR broker from \$75,000 to over \$200,000
- Ready for Advertisement

Tenant Representation Brokerage Services

- Research all potential sites within the search area
- Qualify all potential sites to meet Coalition criteria
- Obtain commission agreements from potential sites
- Request proposals from potential sites
- Analyze proposals
- Conduct site visits
- Negotiate business aspects of lease agreement
- Coordinate execution and delivery of the lease
- Assist with all aspects of tenant relocation

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Hines Renewal Proposal

- **PREMISES:** Current Space
- **RENEWAL TERM:** 6 years
- **COMMENCEMENT DATE:** November 1, 2009
- **BASE RENTAL RATE:** \$9.00 PSF or \$7.67 PSF
- **OPERATING EXPENSES:** \$15.00 PSF
- **GROSS RENT:** \$24.00 PSF or \$22.67 PSF
- **FREE RENT or TENANT IMPROVEMENTS:** \$126,656

Tenant Improvements

- New carpet throughout suite
- Paint entire suite
- Paint ceiling grid where rusted
- Replace/move ceiling tiles in several areas
- Move door for ADA bathroom
- Improve existing bathrooms
- Improve kitchen by main elevators
- Replace damaged window treatments
- Test and balance HVAC system

Building Improvements

- Replace 10 damaged windows – Building Expense – no bearing on cost of lease

Hines Renewal Proposal (cont.)

- **BROKER INVOLVEMENT:** None
(no brokerage fee paid)
- **OFFER EXPIRATION:** September 8, 2009

Comparison to Last Year of Current Lease

	Current Lease - Final Year		New Negotiated Renewal	
Square Footage	15,832		15,832	
Term	N/A		6 Years	
Occupancy Costs	Aggregate	PSF	Aggregate	PSF
Base Rent	\$196,000	\$12.38	\$142,488	\$9.00
Free Rent			(\$21,109)	(\$1.33)
Operating Expenses	\$247,296	\$15.62	\$237,480	\$15.00
Gross Rent	\$443,296	\$28.00	\$358,859	\$22.67
Rent Credit	\$0	\$0.00	\$0	\$0.00
Moving Expenses	\$0	\$0.00	\$0	\$0.00
Effective Rent	\$443,296	\$28.00	\$358,859	\$22.67
Employee Parking	\$42,300	\$2.67	\$42,300	\$2.67
Visitor Parking	\$5,400	\$0.34	\$5,400	\$0.34
Total Occup. Costs	\$490,996	\$31.01	\$406,559	\$25.68

Tenant Impr/Free Rent	\$126,656	<u>SAVINGS</u>
Last Year Rent Credit	\$84,437	\$84,437
Moving Expenses	\$330,129	\$330,129
<u>2010 Savings:</u>		\$414,567

First Year Comparison

	Current Lease Final Year		New Negotiated Renewal		Sublease Space		New Lease Agreement	
Square Footage	15,832		15,832		13,167		15,832	
Term	N/A		6 Years		5 Yrs 8 Mos		5 Years	
Occupancy Costs	Aggregate	PSF	Aggregate	PSF	Aggregate	PSF	Aggregate	PSF
Base Rent	\$196,000	\$12.38	\$142,488	\$9.00				
Free Rent			(\$21,109)	(\$1.33)				
Operating Expenses	\$247,296	\$15.62	\$237,480	\$15.00				
Gross Rent	\$443,296	\$28.00	\$358,859	\$22.67	\$368,676	\$28.00	\$348,304	\$22.00
Rent Credit	\$0	\$0.00	\$0	\$0.00	\$16,887	\$1.28	\$16,887	\$1.07
Moving Expenses	\$0	\$0.00	\$0	\$0.00	\$58,224	\$4.42	\$66,026	\$4.17
Effective Rent	\$443,296	\$28.00	\$358,859	\$22.67	\$443,787	\$33.70	\$431,217	\$27.24
Employee Parking	\$42,300	\$2.67	\$42,300	\$2.67	\$42,300	\$3.21		
Visitor Parking	\$5,400	\$0.34	\$5,400	\$0.34	\$5,400	\$0.41		
Total Occup. Costs	\$490,996	\$31.01	\$406,559	\$25.68	\$491,487	\$37.33	\$431,217	\$27.24
Tenant Imp/Free Rent	0		\$1.33		Negotiable		Negotiable	
Annual % Increase	3%		3%		3% to 4%		3% to 4%	
	2555 Ponce de Leon		2555 Ponce de Leon		80 SW 8th Street		Televisa Tower	

SUBLEASE ISSUES: Length of Term, Size of Space and Space Configuration

Office Space Search

Name	Address	Suite	Total SF	FS Rate	Term
Televisa Tower	6355 NW 36th Street	?	20,000	\$22.00	5 Years
2555 Ponce de Leon	2555 Ponce de Leon	5th Floor	15,832	\$22.67	6 Years
United Way Building	3250 SW Third Ave	2nd & 3rd	13,000	\$23.00	5 Years
1805 Ponce	1805 Ponce de Leon	?	15,000	\$25.00	5 Years
5835 Blue Lagoon Dr	5835 Blue Lagoon Dr.	Penthouse	16,108	\$25.00	5 Years
Republic Building	2153 Coral Way	?	16,000	\$26.00	5 Years
InterAmerican Plaza	701 SW 27th Avenue	10th or 11th	12,634	\$26.00	5 Years
2100 Ponce	2100 Ponce de Leon	?	12,760	\$27.00	5 Years
(formerly World Trade Center)	80 SW 8th Street	?	13,167	\$28.00	5 Years
5200 Waterford	5200 Blue Lagoon Dr.	920	11,033	\$31.50	5 Years

Sublease Search

Name	Address	Suite	Total SF	FS Rate	Term
5200 Blue Lagoon Dr.	5200 Blue Lagoon		14,265	\$22.00	3 Months
2525 Ponce	2525 Ponce de Leon	5th Floor	15,832	\$24.00	5 Years
80 SW 8th Street	80 SW 8th Street		13,167	\$28.00	5.5 Years
One Biscayne Tower	2 S. Biscayne Blvd.	38th Fl	16,008	\$28.00	6 Years
6100 Waterford	601 Waterford Drive	Suite 310	10,150	\$29.25	4 Years
SunTrust Building	777 Brickell Avenue	3rd	13,000	\$30.00	10 Years
Miami Center	201 S. Biscayne Bld	9th Floor	13,775	\$31.50	3 Years
Bank of America Twr	100 SE 2nd Street	34th Fl	13,849	\$32.00	1 Year
Alhambra Towers	121 Alhambra Circle	15th Fl	12,026	\$33.00	1.5 Years
SBS Tower	Coconut Grove	4th & 5th	16,744	\$33.00	5 years
One Brickell Square	801 Brickell Avenue	1100	17,900	\$34.50	2 Years
2525 Ponce	2525 Ponce de Leon	7th Floor	5,157	\$35.57	2.5 years
355 Alhambra Circle	355 Alhambra Circle	Suite 950	13,735	\$36.00	5 years

SUBLEASE ISSUES: Length of Term, Size of Space and Space Configuration

Courses of Action

- **Option 1** – Accept the Hines renewal proposal
- **Option 2** – Go forward with the Request for Proposal for Commercial Real Estate Tenant Representation Services