

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

# 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

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

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

## First Year Comparison

	Current Lease Final Year		New Negotiated Renewal		Sublease Space		New Lease Agreement	
<b>Square Footage</b>	15,832		15,832		13,167		15,832	
<b>Term</b>	N/A		6 Years		5 Yrs 8 Mos		5 Years	
<b>Occupancy Costs</b>	<b>Aggregate</b>	<b>PSF</b>	<b>Aggregate</b>	<b>PSF</b>	<b>Aggregate</b>	<b>PSF</b>	<b>Aggregate</b>	<b>PSF</b>
<b>Base Rent</b>	\$196,000	\$12.38	\$142,488	\$9.00				
<b>Free Rent</b>			(\$21,109)	(\$1.33)				
<b>Operating Expenses</b>	\$247,296	\$15.62	\$237,480	\$15.00				
<b>Gross Rent</b>	\$443,296	\$28.00	\$358,859	\$22.67	\$368,676	\$28.00	\$348,304	\$22.00
<b>Rent Credit</b>	\$0	\$0.00	\$0	\$0.00	\$16,887	\$1.28	\$16,887	\$1.07
<b>Moving Expenses</b>	\$0	\$0.00	\$0	\$0.00	\$58,224	\$4.42	\$66,026	\$4.17
<b>Effective Rent</b>	\$443,296	\$28.00	\$358,859	\$22.67	\$443,787	\$33.70	\$431,217	\$27.24
<b>Employee Parking</b>	\$42,300	\$2.67	\$42,300	\$2.67	\$42,300	\$3.21		
<b>Visitor Parking</b>	\$5,400	\$0.34	\$5,400	\$0.34	\$5,400	\$0.41		
<b>Total Occup. Costs</b>	\$490,996	\$31.01	\$406,559	\$25.68	\$491,487	\$37.33	\$431,217	\$27.24
<b>Tenant Imp/Free Rent</b>	0		\$1.33		Negotiable		Negotiable	
<b>Annual % Increase</b>	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
<b>2555 Ponce de Leon</b>	<b>2555 Ponce de Leon</b>	<b>5th Floor</b>	<b>15,832</b>	<b>\$22.67</b>	<b>6 Years</b>
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
<b>2525 Ponce</b>	<b>2525 Ponce de Leon</b>	<b>5th Floor</b>	<b>15,832</b>	<b>\$24.00</b>	<b>5 Years</b>
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
<b>2525 Ponce</b>	<b>2525 Ponce de Leon</b>	<b>7th Floor</b>	<b>5,157</b>	<b>\$35.57</b>	<b>2.5 years</b>
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