

**STATE BOARD OF EDUCATION**  
**Consent Item**  
September 23, 2020

**SUBJECT:** Sublease Agreement, 1220 Willis Avenue, Daytona Beach, Florida

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**PROPOSED BOARD ACTION**

Authorize Commissioner of Education to take measures to effect the proposed sublease.

**AUTHORITY FOR STATE BOARD ACTION**

Section 1001.02, F.S.

**EXECUTIVE SUMMARY**

The Florida Department of Education's Division of Blind Services (DBS) currently leases real property located at 1220 Willis Avenue, Daytona Beach, Florida 32114, through Master Lease 3150 (ML3150) with the Board of Trustees of the Internal Improvement Trust Fund (BOT). A portion of the property—originally a gift to DBS from the federal government—is subleased to SMA Behavioral Health Services, Inc. (SMA), a non-profit providing behavioral health services. The sublease, originally granted at a nominal rate, will expire in 2026.

Presently, SMA has proposed a revised sublease extending through 2075. In exchange, SMA has offered to pay cash rent, construct new buildings on the site, and provide behavioral health services, training and employment opportunities to DBS and its clients. Given recent appraisals estimating the parcel's annual rental value around \$46,000, SMA has proposed \$25,000 per year in rent and, in satisfaction of the use restrictions in ML3150, an annual contribution of behavioral health services and training valued at no less than \$30,000.

Despite initial questions as to legal feasibility, DBS enjoys a rare position which allows it to enter into the proposed agreement and retain the revenues therefrom. Specifically, the rent arrangement averts constitutional concerns regarding gratuities, the services conferred satisfy the requirements of ML3150, and Chapter 413, Florida Statutes, specifically allows DBS to receive and retain monies or properties by gift—rental revenue naturally flowing therefrom. This proposal arguably maximizes the use of the subject property, and further conveys significant value to DBS, the State, and the citizens of Florida.

Presently, the parties have negotiated an agreement which has been tentatively approved by the BOT. To finalize the agreement, the Commissioner of Education requires authority to execute a release of the current sublease and to execute the new sublease document.

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**Supporting Documentation Included:** Release of sublease; Sublease agreement

**Facilitator/Presenter:** Jason D. Borntreger, Assistant General Counsel