



City of Eustis

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TO: EUSTIS CITY COMMISSION
FROM: TOM CARRINO, CITY MANAGER
DATE: FEBRUARY 16, 2023
RE: DISCUSSION OF CHAMBER OF COMMERCE LEASE

Introduction

Due to foundation settlement, the City-owned building at 1 West Orange Avenue occupied by the Lake Eustis Area Chamber of Commerce has for years experienced flooring issues. While the City explores solutions, representatives of the Chamber have asked for a reduction in rent as portions of the building have limited use.

Recommended Action

Staff is seeking consensus on the requested reduction in rent.

Background

In June 2019 the Eustis City Commission approved Resolution Number 19-50 authorizing the City Manager to execute a commercial lease with the Lake Eustis Area Chamber of Commerce for the building located at 1 West Orange Avenue in Eustis. That lease establishes monthly rent at \$800 per month and is for a five-year term with three five-year extensions.

Due to foundation settlement, flooring in the building has been an issue over the years. Public Works staff have periodically made improvements to stabilize the floor. Currently, approximately half of the building has limited use due to more flooring issues. The City is planning to have a consultant (structural engineer) examine the building and offer solutions/pricing.

In the interim, due to about half of the building having limited use, representatives of the Chamber of Commerce have requested reduction in rent from \$800 per month to \$400 per month. The building is approximately 2,436 square feet. At \$800 per month, the price per square foot for the space is approximately \$0.33 per month or \$3.94 per year. Any reduction in rent would require an amendment to the existing lease, which would have to come before the Eustis City Commission for approval.

Community Input

There will be an opportunity for community input when Eustis City Commission considers this item. There will also be an opportunity for additional public input if the Eustis City Commission modifies the existing lease.

Budget / Staff Impact:

If the Commission approves the requested reduction, that would result in \$400 per month in lost revenue, but it is difficult to determine the period of the reduction prior to a professional evaluation of the building.

Prepared By:

Tom Carrino, City Manager

Attachments

Resolution Number 19-50

Signed Lease