



# City of Eustis

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TO: EUSTIS CITY COMMISSION  
FROM: TOM CARRINO, CITY MANAGER  
DATE: OCTOBER 19, 2023  
RE: W.I.N. 1 MINISTRIES INTEREST IN LEASING THE EUSTIS SERVICE CENTER AT 301 WEST WARD AVENUE

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## **Introduction:**

W.I.N. 1 Ministries has expressed interest in leasing the Eustis Service Center building at 301 West Ward Avenue.

## **Recommended Action:**

Staff is requesting direction on a potential lease agreement with W.I.N. 1 Ministries for the Eustis Service Center building at 301 West Ward Avenue.

## **Background:**

The Eustis Service Center is currently a City rental facility managed by the Recreation Department. The building was built in 1984 and is approximately 8,700 sf. In addition to the rental facilities, the building is also home to the City employee fitness center, which takes up about 800 sf of the building. The building also houses a staff office and equipment storage. As of September 11, 2023, the building had generated approximately \$18,800 in rental revenue and \$33,000 in program revenue for FY 22-23, resulting in 273 days of use.

W.I.N. 1 Ministries had previously expressed an interest in purchasing the property, and the City of Eustis conducted an appraisal in July 2023. The estimated value of the building in the appraisal was \$960,000, however, that value was cost prohibitive for W.I.N. 1 Ministries and discussions turned to a possible lease.

Staff would propose several provisions for a potential lease. The City has asked that the employee fitness center stay in the building and City employees would continue to have access to that portion of the building. It is recommended that the adjacent parking remain public. As such, the parking would be available to W.I.N. 1 Ministries, but it would remain public and continue to be maintained by the City. It would also be the recommendation of staff that W.I.N. 1 Ministries would be responsible for landscape maintenance of the site.

W.I.N. 1 Ministries has offered \$4,000 per month, or \$48,000 per year to rent the building. While the building is generating approximately \$33,000 through programming, some or all of that programming could potentially occur at other City locations. The City would forego approximately \$18,800 per year in rental revenue, however, that is more than made up for with \$48,000 in lease revenue. With continued use of the employee fitness center, the City would be leasing approximately 7,900 sf to W.I.N. 1 Ministries. At the offered \$4,000 per month, the City would be receiving approximately \$6.08 per square foot per year. On LoopNet, one nearby space was listed at \$12.50 per square foot per year while another was listed at \$13.00 per square foot per year. The offered \$4,000 per month would be below market, but one must consider the positive community impact of W.I.N. 1 Ministries.

W.I.N. 1 Ministries was established in 2006 in Eustis, and they have been very engaged in the community for many years. Services include counseling programs, education programs, health programs, and food pantry services. The Women's Ministry, Men's Ministry, and Youth Ministry have all offered much needed services and have been involved in countless community events. W.I.N. 1 Ministries serves as the Lake County Campus of Revelation School Ministries where 42 individuals earned various degrees over the last four years. In 2022, W.I.N. 1 Ministries also partnered with the City of Eustis Police Department on their Chaplaincy program, resulting in 12 certified chaplains.

Staff is seeking direction on the potential lease opportunity.

### **Community Input:**

There will be an opportunity for community input when Eustis City Commission considers this item.

### **Budget / Staff Impact:**

As proposed, the City would be forgoing \$18,800 in annual rental revenue to be replaced by \$48,000 in annual lease income for a net gain of approximately \$29,200 annually. The City would need to relocate several offices and equipment currently housed at the building. Those relocations would result in staff time and the need to identify space in other City-owned buildings.

### **Prepared By:**

Tom Carrino, City Manager