



City of Eustis

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TO: EUSTIS CITY COMMISSION

FROM: TOM CARRINO, CITY MANAGER

DATE: NOVEMBER 2, 2023

RE: RESOLUTION NUMBER 23-100: COMMERCIAL LEASE AGREEMENT WITH W.I.N. 1 MINISTRIES, INC. FOR 301 WEST WARD AVENUE

Introduction:

Resolution Number 23-100 authorizes the City Manager to execute a Commercial Lease Agreement with W.I.N. 1 Ministries, Inc. for 301 West Ward Street.

Recommendation:

Staff recommends approval of Resolution Number 23-100.

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. 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 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.

On October 19, the Eustis City Commission had a discussion on renting the building to W.I.N. 1 Ministries. At that meeting, the Commission directed staff to prepare a draft lease for consideration.

There are several items of note in the draft lease. The two-year lease will begin on January 1, 2024 and run through December 31, 2025. W.I.N. 1 Ministries will pay \$4,000 per month, or \$48,000 per year to lease the space. While the adjacent parking will be available to W.I.N. 1 Ministries, it will remain public. As a result, the parking will be maintained by the City, though landscape maintenance will be the responsibility of W.I.N. 1 Ministries. The employee fitness center, which has direct

access from the exterior of the building, will remain accessible to City employees. Additionally, while the lease does prohibit lease assignment or subletting without written approval from the City, the lease does allow for room and special event rentals.

Alternatives:

1. Approve Resolution Number 23-100, authorizing the City Manager to execute the proposed lease agreement with W.I.N. 1 Ministries, Inc.
2. Deny Resolution Number 23-100.
3. Modify the proposed lease agreement understanding that W.I.N. 1 Ministries would have to agree to the modifications.

Community Input:

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

Budget and Staffing Impact:

While the building generated approximately \$33,000 in programming over the last year, some or all of that programming could potentially occur at other City locations. The City would lose approximately \$18,800 per year in rental revenue, however, that is more than made up for with \$48,000 in lease revenue. The total lease revenue over two years will be \$96,000.

Prepared by:

Tom Carrino, City Manager

Attachments:

Resolution Number 23-100 with Attached Proposed Commercial Lease