



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council Regular Session **MEETING DATE:** April 20, 2021
FROM: Mike Null, Assistant City Manager
SUBJECT: City Council approval of form of lease agreement with AMIkids Clay County, Inc. to lease a portion of the August Savage Arts and Community Center (ASACC) Classroom Building. *Mike Null*

BACKGROUND

AMIkids of Clay County, Inc. has approached the City about leasing space at the ASACC Classroom Building. They propose to lease four rooms to be utilized as classrooms and one room as an office. Attached is a flyer that was distributed at a previous City Council meeting where Maria Przybylski introduced the program and some of her students to the Council that gives information about their program and what they do.

Under the proposed lease agreement, the City of Green Cove Springs will fund and construct improvements to the five rooms as well as the gang bathrooms at the south end of the classroom building. AMIkids will be responsible to repay the construction cost of the five rooms plus a portion of the ADA improvements that will be required in the walkway area outside of the classrooms.

The amount of the repayment is estimated at \$250,000 at this time. Under this lease as drafted, AMIkids would repay \$25,000 as an upfront payment, then the balance monthly over ten (10) years at 2.5% interest. This would result in a monthly payment of approximately \$2,500 to repay the construction cost. In addition, they will pay a rental cost for the first ten (10) years in an amount sufficient to cover utilities (estimated at \$500 - \$700 per month).

Once construction is complete, the lease agreement will be modified to reflect the actual cost of construction. The monthly repayment amount will then be modified to reflect the new amortization.

Staff is recommending approval of the form of this lease agreement based on the numbers outlined above as well as authorization to work with a contractor to obtain a bid for the construction cost. Both items would be returned to Council at the May 4, 2021 City Council meeting for final approval to move forward.

FISCAL IMPACT

TBD

RECOMMENDATION

Approve the form of this lease agreement with AMIkids Clay County, Inc. and authorize staff to work with a contractor to obtain a bid for the construction cost. Direct staff to return both items to Council at the May 4, 2021 City Council meeting for final approval to move forward.