Town of
Micanopy
Florida

AGENDA ITEM: Consideration of Letter of Intent for Lease of 704 NE 1st Street (Former Fire Station)

Summary

The Town has received a Letter of Intent (LOI) from The Guild Enterprises, LLC to lease the former fire station located at 704 NE 1st Street for use as a fitness facility. The proposal includes tenant-funded building improvements, a five-year lease term with one five-year renewal option, a graduated rental schedule, and provisions addressing improvements, maintenance responsibilities, and operating conditions, including 24-hour member access with noise limitations to be incorporated into the final lease agreement. The LOI is non-binding and is intended to establish the business terms that will serve as the basis for preparation of a formal lease agreement.

Commissioner Ken Wessberg and the Town Administrator have worked with the Town's realtor, Bosshardt Realty, to negotiate the proposed business terms presented in the attached Letter of Intent. If the Commission concurs with the proposed terms, staff is requesting authorization for the Town Attorney and Town Administrator to work with the realtor and prospective tenant to prepare a formal lease agreement for execution consistent with the approved Letter of Intent.

Fiscal Impact

The proposed lease will generate rental revenue for the Town in accordance with the terms outlined in the Letter of Intent, subject to execution of a final lease agreement.

Staff Recommendation

Approve the Letter of Intent and authorize the Town Attorney and Town Administrator to work with the Town's realtor and prospective tenant to prepare and execute a lease agreement consistent with the approved terms.

Recommended Motion

Motion to approve the Letter of Intent for the lease of the former fire station located at 704 NE 1st Street and authorize the Town Attorney and Town Administrator to work with the Town's realtor and prospective tenant to prepare and execute a lease agreement consistent with the approved terms.

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES
GAINESVILLE

August 6th, 2026

Eric Ligman
Bosshardt Realty

RE: Proposal to Lease –
704 Northeast 1st Street
Micanopy, FL 32667

Dear Eric:

I have been authorized by my client to present you the following Letter of Intent to Lease the above referenced property with the following terms and conditions:
If you have any questions with respect to the foregoing, or if you require additional information, please contact me directly. Otherwise, I look forward to receiving your comments shortly.

Property:	Micanopy Fire building
Physical Address:	704 Northeast 1st Street Micanopy, FL 32667
Premises:	Approximately 3,160 square feet of Flex.
Tenant:	The Guild Enterprises LLC
Use/Permitted Use:	Tenant shall use the Premises for the operation of a fitness facility, including related retail sales, personal training, group fitness classes, and other uses incidental and customary to the operation of Tenant's fitness business. Landlord acknowledges that Tenant's intended use of the Premises includes the improvements and operations described in this Letter of Intent, subject to applicable laws, permitting, zoning, occupancy, and governmental approvals. Prior to execution of the Lease, Landlord and Tenant shall agree in writing on the proposed building improvements, including the scope of work, timeline for completion, responsible party for each improvement, and any other agreed-upon requirements. Any agreed-upon improvements shall be clearly incorporated into the Lease Agreement. Tenant's intended use may include 24-hour operations. Landlord does not object to the proposed hours of operation, provided that the Lease shall include reasonable provisions addressing noise and disturbance, particularly during overnight hours. Amplified music, group classes, or other activities that may create noise impacts on neighboring properties shall be limited after a specified time to be mutually agreed upon by Landlord and Tenant in the Lease.
Lease Start Date:	9/1/2026
Rent Start Date:	11/1/2026

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Gross Lease Term:	60 months plus one subsequent consecutive 5-year option at the conclusion of the intial 60 months
Base Rent:	Initial Base Rent Year 1- $10 psf - $2,633 a month Year 2- $11 psf - $2,896 a month Year 3- $12 psf - $ 3,160 a month Year 4- +3% increase psf - $3,255 a month Year 5- +3% increase psf - $3,352 a month
Security Deposit:	$2,000 security deposit
Monies Due Upon Lease Execution:	First month's rent ($2,633) + Lasts month's rent ($3,352) + ($1,000) security deposit. The total monies due upon Lease Execution shall be $8,985
Tenant Improvement	With Landlord's prior written approval, Tenant shall have the right to complete approximately $100,000 of tenant improvements for its intended use of the Premises, including, but not limited to: interior reconfiguration; demolition and removal of the existing kitchen and sleeping quarters; remodeling of the restrooms to meet ADA requirements; construction of new ADA-compliant restrooms, a private office, and a janitorial/storage room; plumbing, electrical, and HVAC work; improved lighting; flooring and paint; installation of gym flooring; and installation of fitness equipment. Prior to moving forward with a Lease, Tenant shall submit to Landlord a proposed timeline for completion of the tenant improvements, together with the proposed scope of work and any available plans or specifications. The final scope, plans, permits, construction timeline, and construction standards shall be subject to Landlord's reasonable approval and all applicable governmental requirements. All work requiring a license or permit shall be performed by properly licensed and insured contractors, and Tenant shall be responsible for obtaining all permits and approvals required for its work.
General Liability Insurance:	Tenant shall maintain commercial general liability insurance covering the Premises with limits of not less than $1,000,000 / $2,000,000. Landlord will be named as additional insured on policy. Tenant will provide Landlord with certificate of insurance prior to occupancy.
Other Terms:	Tenant Improvements; Renewal Options; Ownership of Improvements and Equipment: Landlord shall reasonably cooperate with Tenant in obtaining permits and approvals for the foregoing work. The parties shall discuss in good faith additional renewal options beyond the one 5-year option stated above, in light of Tenant's capital investment. Unless otherwise agreed in the Lease, Tenant shall own all trade fixtures, fitness equipment, furniture, and other removable personal property installed by Tenant. Tenant-installed improvements that are permanently affixed to the Premises shall be addressed in the Lease, including responsibility for removal, repair, and restoration at expiration or earlier termination.

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Deleted: With Landlord approval, Tenant shall have the right to complete approximately $100,000 of tenant improvements for its intended use of the Premises, including: interior reconfiguration; demolition and removal of the existing kitchen and sleeping quarters; remodeling of the restrooms to meet ADA requirements; construction of new ADA-compliant restrooms, a private office, and a janitorial/storage room; plumbing, electrical, and HVAC work; improved lighting; flooring and paint; installation of gym flooring; and installation of fitness equipment. The final scope, plans, permits, and construction standards shall be subject to Landlord's reasonable approval and applicable governmental requirements.¶

<u>Signage:</u>

Tenant shall be responsible, at Tenant's sole cost and expense, for the design, permitting, installation, maintenance, repair, and removal of all Tenant signage.

Tenant shall be permitted to install front fascia signage and shall have monument signage, subject to compliance with all applicable municipal codes, ordinances, permitting requirements, and signage regulations.

Complete signage rights, specifications, approval process, and removal obligations shall be further defined in the Lease Agreement.

Deleted: Tenants shall be granted front facia and monument signage. All work shall be completed in accordance with the Rules and Regulations of the Governing Municipality and shall receive prior written approval from the Landlord. Complete signage language shall be further defined within the Lease Agreement.

<u>Hours of Operation:</u>

Tenant shall be permitted to provide member access to the Premises 24 hours per day, 7 days per week, through controlled key fob and/or mobile application entry. Staffed business hours, if any, may be established by Tenant in its discretion. Tenant shall operate in compliance with applicable laws, ordinances, security requirements, and the terms of the Lease.

<u>Maintenance:</u>

Landlord shall be responsible for maintenance and repair of the exterior and structural portions of the building, including the roof, exterior walls, foundation, and other exterior building systems, except to the extent any damage is caused by Tenant, Tenant's employees, agents, contractors, customers, or invitees.

Tenant shall be responsible for routine maintenance of the Premises and all systems serving the Premises, including regular maintenance, filter changes, and preventative servicing of the existing HVAC system serving the office area. For the existing office HVAC system, Tenant shall be responsible for repairs up to $500.00 per occurrence. Any repair costs exceeding $500.00 per occurrence shall be Landlord's responsibility, unless the repair is required due to Tenant's negligence, misuse, or failure to properly maintain the system.

Tenant shall be solely responsible for the maintenance, repair, and replacement of any equipment, FF&E, fixtures, improvements, HVAC units, or other systems installed by Tenant, including any fitness equipment or tenant-installed mechanical, electrical, plumbing, or HVAC equipment.

Deleted: All maintenance of the Premises and exclusively used areas of the Property, shall be the responsibility of the Landlord.

<u>Utilities:</u>

Tenant shall be responsible for the direct payment of all Utilities servicing the Premises.

<u>Parking:</u>

Parking is available on an unassigned basis at no additional cost to the Tenant.

<u>Lease Agreement:</u>

Landlord shall prepare its standard form of lease incorporating the business terms herein and the additional terms concerning permitted use, tenant improvements, 24/7 controlled access, renewal options, and ownership of improvements and equipment described above, subject to the review and approval by counsel for Landlord and Tenant. The terms of this letter shall not survive a fully executed Lease.

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Confidentiality:

Tenant acknowledges that the proposed use of the property will be presented to the Town Commission on **Tuesday, August 11th at 7:00 PM**. Tenant is welcome to appear at the meeting, and Landlord highly recommends that Tenant attend in order to answer any questions related to Tenant's proposed use.

The meeting will be held regarding the property located at:
706 NE Cholokka Boulevard
Micanopy, Florida

Deleted: Tenant agrees to keep the contents of this Letter of Intent confidential. This Letter of Intent is intended solely for Tenant's limited use in considering whether to pursue negotiations with Landlord.

Broker Disclosure & Compensation:

Each party represents to the other that no real estate brokers other than Brent Line of Lee & Associates Gainesville has been involved with the transaction contemplated herein. Landlord shall pay a cooperating brokerage commission to Tenant's Broker in the amount of three percent (3%) of the aggregate Base Monthly Rent for the Base Term of the Lease Agreement to Lee & Associates Gainesville. Commission shall be paid out 100% at lease commencement.

Non-Binding Clause:

It is expressly understood by the Parties that this Letter of Intent shall serve only as an outline of the general terms and conditions under which the Parties would consider entering into a formal Lease Agreement. This Letter of Intent is not a contract and is not meant to be binding on either Party. The preliminary considerations expressed in this Letter of Intent are subject to, and conditioned upon, the negotiation and execution of a Lease Agreement.

Response Date:

The Terms contained herein shall expire at 5:00 pm on 08/12/26.

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Sincerely,

Brent Line
Vice President
Lee & Associates Gainesville
Cell: 352-281-0996
bline@lee-associates.com

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Agreed and accepted on behalf of the Tenant:

The Guild Enterprises LLC

By: ______________________________

Name: Timothy McBride

Date: ______________________________

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Agreed and accepted on behalf of the Landlord:

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By: ________________________________

Print Name: ________________________

Title: _______________________________

Date: _______________________________

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