



## Legislation Text

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**File #:** 130164., **Version:** 1

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### **Approval and Authorization to Execute a Lease Agreement (B)**

**This item is a request to Approve and Authorize the Execution of a Lease Agreement with JVC Media of Florida, LLC.**

On October 22, 2012, the City of Gainesville entered into an Exclusive Right of Lease Agreement with Bosshardt Realty Services, Inc., Eric Ligman. On June 14, 2013, Mr. Ligman produced a prospective tenant for the southern suite at the Downtown Parking Garage, known as 60 Southwest 2<sup>nd</sup> Street. The prospective tenant is JVC Media of Florida, LLC, a radio broadcasting company. The proposed lease is for an initial term of seven (7) years, is at the market rental rate of \$12.50 per sq. ft., and includes three (3%) percent increases in rental rates every other year starting the second year. The provisions of the Lease Agreement also provide for two consecutive five (5) 1-year lease extensions. JVC is asking for the first nine months of rent to be waived in exchange for approximately \$109,000 of renovation costs. The total rent over the initial term of the Lease is approximately \$230,112 plus sales tax and utilities.

The Community Redevelopment Agency also produced a prospective tenant, Mojo Coworking. Mojo Coworking offers space to start-up small businesses associated with technology, design, service, art, and education, supporting downtown redevelopment, to meet and work in a networked environment. The proposed lease options with Mojo were for a five (5) year lease with the option to terminate after the second year with a six (6) month notice; or a two (2) year lease with the option of three (3) 1-year lease extensions. The proposal included a rental rate of \$12.50 per sq. ft., and included a three (3%) percent increase every two years. Mojo requested a four (4) month rent-free build out window, two reserved parking spaces in the Parking Garage with the option to purchase additional spaces at \$20 per month, assorted Landlord provided revisions to the suite, and possibly some redevelopment assistance from the CRA. The total rent over the term of the Lease could range from approximately \$58,781 to \$168,851, due to the options for the lease to range between two and five years.

Per City Resolution #100630, adopting the Real Estate Property Policies, Commission approval is required for leases or licenses that exceed five (5) years in term or \$50,000 in annual rent or other payment. Staff believes it would be in the best interest of the City to approve the lease with JVC Media of Florida, LLC.

The total revenue anticipated over the seven (7) year term of the lease is approximately \$230,112.

The City Commission: 1) approve the Lease Agreement with JVC Media of Florida, LLC for the space available at 60 Southwest 2<sup>nd</sup> Street, and 2) authorize the City Manager to execute the Lease Agreement with JVC Media of Florida, LLC, subject to approval by the City Attorney as to form and legality.