



## MEMORANDUM

### Department of Public Works

**TO:** A. Jerome Fletcher II, ICMA-CM, MPA, City Manager  
**THROUGH:** Jason Yarborough, ICMA-CM, Deputy City Manager  
**FROM:** Chuck Speake, Public Works Director  
**DATE:** September 16, 2024  
**SUBJECT:** North Port Art Guild Lease of City Property on Sam Shapos Way

On May 15, 2012, the City of North Port (City) and the North Port Art Guild, dba the North Port Art Center (NPAC), entered into a lease agreement for NPAC's use of City owned buildings at 5948 and 5950 Sam Shapos Way, replacing a previous lease executed in May 2007. The 2012 lease included an initial term of five (5) years, and automatically renews year to year thereafter.

On September 28, 2022, Hurricane Ian made landfall in North Port as a Category 5 storm and caused significant damage to structures throughout the City, including the buildings leased by NPAC. Evaluation of these buildings by staff and Rostan Services, Inc., identified issues throughout the facilities. Sutter Roofing Company of Florida (Sutter) further evaluated the roof at NPAC and based on findings of leaks, rust, and impacts from heavy wind and rain, Sutter rated the roof at an overall condition of "F - less than 1 year of service life remaining." In addition, a Guaranteed Maximum Price (GMP) from Wharton Smith estimated all required repairs for the facility would cost approximately \$223,000. Improvements this extensive activate building code requirements that would necessitate bringing the facilities up to all current code standards.

Evaluation of the buildings indicated that the facilities do not have the structural integrity to support roofing in line with current code requirements, and repairs at this level could not be completed.

While the roof at the Art Center facility could not be replaced, it was sealed to prevent water intrusion. The lifecycle of this coating in Florida weather conditions is estimated at two years.

Section 17. Destruction of Premises, of the 2012 Lease states that in the event that the Leased Premises is destroyed or damaged to the extent of being unfit for the intended use, the Lessor may either rebuild or repair the Leased Premises, or terminate the Lease, at Lessor' s sole option. In addition, Section 3 of the lease outlines that the lease is terminable by either party for any reason upon ninety (90) days written notice.

The City of North Port values the services offered by NPAC to City residents and sought to begin dialogue early to provide time to develop a plan for the ongoing success of this organization. City staff met with representatives of the NPAC on August 30, 2024, to discuss the condition of the building and since the buildings are not candidates for full repair, the facility would reach the end of useful life on September 1, 2025.

The NPAC representatives noted that their previously developed strategic plan had already identified the need for a new location as the facilities did not provide enough space for NPAC's classes and growth objectives. During this

meeting the City and NPAC discussed potential partnerships in the area that have synergy with NPAC's goals and potential next steps.

Official notice of termination of the lease has not been supplied to NPAC, and would be required on or prior to June 1, 2025, to meet the terms in the lease.