



Legislation Text

File #: 24-1811, **Version:** 1

Interoffice Memorandum

DATE: November 25, 2024

TO: Mayor Jerry L. Demings and County Commissioners

THROUGH: Mindy T. Cummings, Manager

FROM: Mindy T. Cummings, Manager

CONTACT: Mindy T. Cummings, Manager

PHONE: 407-836-7090

DIVISION: Real Estate Management Division

ACTION REQUESTED:

Approval and execution of Termination Agreement by and between Orange County, Florida and Central Florida Young Men's Christian Association, Inc. YMCA @ Blanchard Park, 10501 Jay Blanchard Trail, Orlando, Florida 32817. Lease File # 5021. District 5. **(Real Estate Management Division)**

PROJECT:

YMCA @ Blanchard Park
10501 Jay Blanchard Trail
Orlando, Florida 32817
Lease File # 5021

PURPOSE: To terminate a lease and provide for funding to the County.

ITEM: Termination Agreement

BUDGET: None

REVENUE: Account No.: 1050-062-1800-6990

FUNDS: \$352,000

APPROVALS:

Real Estate Management Division
County Attorney's Office
Risk Management Division
Capital Projects Division
Parks and Recreation Division
Facilities Management Division

REMARKS: On January 1, 1998, Orange County, Florida (County) and Central Florida Young Men's Christian Association, Inc. (YMCA) entered into that certain Lease and Operating Agreement (Lease) to construct and operate a YMCA Family Center (Facility) for the benefit of the public within Blanchard Park. In addition to entering the Lease, the County and YMCA entered into a Design, Construction and Funding Agreement for joint funding by the County and the YMCA, to construct the Facility. The initial term of the Lease was for 25 years with one 25-year option.

However, on September 28, 2022, Hurricane Ian caused the Facility to sustain significant flood damage. YMCA worked to make repairs to preserve the integrity of the structure, while options were evaluated to rebuild the Facility. The County and YMCA each conducted cost estimates and feasibility studies to repair the Facility, however the estimated costs were over seven million dollars. While the YMCA was insured for loss and received insurance proceeds for the damage sustained by Hurricane Ian, it was not enough to cover the cost to rebuild the Facility. In addition to the insurance proceeds, YMCA, as the lessee, applied for funding to Federal Emergency Management Agency (FEMA) and the Small Business Administration (SBA) for supplemental funding to rebuild the Facility.

The YMCA was not able to secure SBA funding, and funds through FEMA were denied. The YMCA appealed FEMA's decision, however, was denied on both appeals. Given the extent of the damage to the Facility, and the close proximity to the Michaels Dam and Little Econlockhatchee River, this location was deemed no longer feasible, as the Facility was at risk for future floodings. The County and YMCA mutually determined that it was not in the best interest of the public to rebuild the Facility and continue the Lease, but rather reclaim the area for additional public park amenities. The YMCA, according to the Termination Agreement, will contribute a portion of the insurance proceeds in the amount of \$352,000 (Funds), for the estimated cost to demolish the Facility and contribute towards the reclamation of the area for additional park amenities for Blanchard Park.

The Funds will be paid by the YMCA to the County within 30 days of the effective date of the Termination Agreement.

Project: YMCA @ Blanchard Park
Lease File #: 5021



TERMINATION AGREEMENT

This **TERMINATION AGREEMENT** (“**Agreement**”), is entered into as of the Effective Date (defined herein), by and between, **Orange County, Florida**, a charter county and political subdivision of the State of Florida (the “**County**”), and **Central Florida Young Men’s Christian Association, Inc.**, a Florida non-profit corporation (the “**YMCA**”).

RECITALS

A. WHEREAS, the parties entered into that certain Lease and Operating Agreement effective as of the 1st day of January 1998 (the “**Lease**”), authorizing YMCA to use a portion of the County’s real property located at 10501 J. Blanchard Trail, Orlando, Florida 32817 (the “**Property**”), to construct and operate a YMCA Family Center (“**Facility**”) for the benefit of the general public; and

B. WHEREAS, the parties contemporaneously with entering into the Lease also entered into the Design, Construction and Funding Agreement (the “**Design, Construction and Funding Agreement**”) for the joint funding by the County and the YMCA of the construction of certain improvements on the Property; and

C. WHEREAS, on September 28, 2022 Hurricane Ian caused the Facility to sustain significant flood damage; and

D. WHEREAS, the YMCA conducted remediation efforts to the Facility to preserve the integrity of the structure; and

E. WHEREAS, the YMCA conducted its own cost estimate study as part of the application for funding to the Federal Emergency Management Agency (“**FEMA**”) and the Small Business Administration (“**SBA**”); and

F. WHEREAS, the estimated costs under the YMCA estimate study to rebuild the Facility were over \$6 million; and

G. WHEREAS, the County also performed its own feasibility study to evaluate the cost to remediate the Facility and the estimated costs were over \$7 million; and

H. WHEREAS, the YMCA was insured for loss and did receive insurance proceeds (“**Insurance Proceeds**”) for the damage sustained by Hurricane Ian, but it was not enough to cover the cost to rebuild the Facility; and

Project: YMCA @ Blanchard Park
Lease File #: 5021

I. WHEREAS, in addition to the Insurance Proceeds, the YMCA explored alternative funding sources to supplement the insurance coverage to remediate the Facility; and

J. WHEREAS, on December 30, 2022, upon the receipt of the letter from the YMCA to request to enter into a holdover agreement, the County acknowledged that YMCA was still occupying the premises and would continue to do so pursuant to the lease. Both parties agreed to work on a month-to-month holdover agreement while the YMCA explored alternative funding sources; and

K. WHEREAS, the YMCA applied for FEMA funding but their appeal under reference FEMA-4673-DR-FL First Request for Public Assistance was denied on February 14, 2024. FEMA responses were delayed due to their volume of work; and

L. WHEREAS, the YMCA appealed this decision on April 3, 2024 but this was also denied. The YMCA submitted its final allowable appeal on June 8, 2024 but received final denial from FEMA on August 16, 2024; and

M. WHEREAS, given the extent of the damage to the Facility, the close proximity to the Michaels Dam and Little Econlockhatchee River, this location was deemed no longer feasible and put the Facility at risk for future floodings; therefore, the YMCA and the County mutually determined that it was not in the best interests of the general public to rebuild the Facility and continue the Lease but rather reclaim the area for additional public park amenities; and

N. WHEREAS, the parties hereto desire to terminate the Lease pursuant to the terms and conditions set forth herein; and

NOW THEREFORE, in consideration of the mutual promises and agreements set forth herein, the parties agree as follows:

1. Recitals and Exhibits. The above recitals and attached exhibits are true and correct and are hereby expressly incorporated herein by reference.

2. YMCA Contribution of Funds. In consideration of the mutual promises and agreements contained herein as well as consideration for the termination of the Lease and the Design, Construction and Funding Agreement, the YMCA shall pay to the County from the Insurance Proceeds the amount of **Three Hundred Fifty-Two Thousand Dollars (\$352,000.00 U.S. Dollars)** (the “**Funds**”). The Funds will be a contribution towards the estimated cost for the demolition of the Facility per Section 10 of the Lease and toward the cost to reclaim the area after the Facility is demolished. Any remaining insurance proceeds are the property of the YMCA to cover a portion of the site losses. All funds shall be applied by the County to the credit of the Orange County Parks and Recreation Division, Accounting Line: **1050-062-1800-6990**.

3. Termination of Design, Constructing and Funding Agreement. The parties hereby agree that if not already terminated due to the completion of the Facility, that the Design, Construction and Funding Agreement is terminated as of the Effective Date (defined below).

Project: YMCA @ Blanchard Park
Lease File #: 5021

4. **Effect of Termination of Design, Constructing and Funding Agreement.** Upon termination, the Design, Construction and Funding Agreement shall have no further force or effect. The parties shall each be released of all obligations and liabilities under the Design, Construction and Funding Agreement.

5. **Termination of Lease.** The parties hereby agree to terminate the Lease as of the Effective Date.

6. **Effect of Termination of Lease.** Upon termination, the Lease shall have no further force or effect. The parties shall each be released of all obligations and liabilities under the Lease, including, but not limited to, YMCA's obligation to repair, rebuild, or demolish and remove debris from any of its remaining structure(s) upon the Property. YMCA shall remove any tangible property and equipment from the Property no later than **thirty (30) days** after the Effective Date.

7. **Community Relations.** The parties agree to cooperate on the communication of this decision to the public as well as continue efforts to provide programming at Blanchard Park.

8. **Effective Date.** The Effective Date of this Agreement will be the date that the last of the following occurs: execution of this Agreement by the YMCA; approval and execution of this Agreement by the Board of County Commissioners; and receipt and deposit of the Funds with the County. The YMCA shall hand-deliver the Funds to the Orange County Real Estate Management Division, Attn: Manager at IOC II at 400 E. South Street, Orlando, Florida 32801 within **thirty (30) days** of delivery to YMCA of the Agreement executed by the Board of County Commissioners.

9. **Headers.** All headers, paragraph titles, and captions contained in this Agreement are for convenience only and shall not be deemed part of the context nor affect the interpretation of this Agreement.

10. **Entire Agreement.** This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and no representations, inducements, promises, or other agreements, oral, written, or otherwise, between the parties which are not embodied within this Agreement shall be of any force or effect.

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SIGNATURES AND EXHIBITS TO FOLLOW

Project: YMCA @ Blanchard Park
Lease File #: 5021

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the dates indicated below.

CENTRAL FLORIDA YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.,
a Florida not-for profit corporation



Kevin Bolding, CEO

[COUNTY SIGNATURES TO FOLLOW]

Project: YMCA @ Blanchard Park
Lease File #: 5021



ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

By: Jerry L. Demings
Jerry L. Demings
Orange County Mayor

Date: 17 December 2024

ATTEST: Phil Diamond, CPA, Comptroller
As Clerk of the Board of County Commissioners

for By: Jennifer Jan-Kimtz
Deputy Clerk
Date: DEC 17 2024