

 COBOURG	THE CORPORATION OF THE TOWN OF COBOURG
	STAFF REPORT
TO:	Mayor and Council Members
FROM: TITLE:	Ian D. Davey, BBA CPA CA Treasurer / Director of Corporate Services
DATE OF MEETING:	November 2, 2020
TITLE / SUBJECT:	Northam Industrial Park – Lease Agreements
REPORT DATE:	October 28, 2020

1.0 STRATEGIC PLAN
N/A

2.0 PUBLIC ENGAGEMENT
N/A

3.0 RECOMMENDATION

That Council receive the report for information purposes and further that by-laws be prepared to authorize the Mayor and Municipal Treasurer to execute agreements with Baxter's Bakery (Cobourg) Inc., Horizon Plastics International Inc. and Parkland Fuel Corporation.

4.0 ORIGIN

The Corporation of the Town of Cobourg owns and operates Northam Industrial Park located in central Cobourg. The park was acquired from the Ontario Realty Corporation on March 4, 2003. Management services are provided by Delcom Management Services. The park consists of 14 buildings totalling approximately 895,000 square feet of mixed commercial and industrial space. The park operates consistently at close to 100% full occupancy.

During 2020 there have been three new lease agreements negotiated, the details of which have been reviewed with Council in closed session and Council has authorized the Treasurer / Director of Corporate Services to proceed with these agreements.

5.0 BACKGROUND

Northam Industrial Park is managed by Delcom Management Services on behalf of The Corporation of the Town of Cobourg and takes the lead role in negotiating all tenant lease agreements. All leases are competitive with current market rents in our area.

6.0 ANALYSIS

The following agreements have been reached during 2020:

- a) Baxter's Bakery (Cobourg) Inc. has agreed to lease approximately 89,000 square feet formerly occupied by Weston Foods (Canada) Inc. This lease will run through March 31, 2031 with the option for two consecutive renewal terms of five years each which could potentially extend this agreement through March 31, 2041.
- b) Horizon Plastics International Inc. has been a long-standing tenant of the Park and currently lease 247,328 square feet in Building 3, Building 4W, Building 4C, Building 4 Truck Dock, Building 16 and the Causeway that joins Building 3 with Building 4W. This lease was effective January 1, 2020 for a five year period expiring December 31, 2024 with the option for two additional extension options which if exercised would extend this agreement through to December 31, 2034.
- c) Parkland Fuel Corporation has been a tenant in the park since 2005 and lease 8,000 square feet of land for use as an Oil Tank Compound and supply depot for local distributors. The lease renewal agreement is retroactive to December 1, 2019 for five years expiring November 30, 2024. The tenant is entitled to one further five year renewal which would take this agreement to November 30, 2029.

7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT

Northam Industrial Park has operated on a profitable basis since it was acquired in 2003. During that time the initial investment has been recovered in full and proceeds from the Park have made significant financial contributions to other capital projects throughout the Town.

The completion of these three agreements will place the Park on a solid financial footing for several years to come.

8.0 CONCLUSION

That Council direct that individual by-laws be prepared authorizing the Mayor and Municipal Treasurer to execute agreements with Baxter's Bakery (Cobourg) Inc., Horizon Plastics International Inc. and Parkland Fuel Corporation for the lease of space within Northam Industrial Park.

9.0 POLICIES AFFECTING THE PROPOSAL
N/A

10.0 COMMUNICATION RESULTS
N/A

11.0 ATTACHMENTS
A diagram illustrating the approximate area occupied by each of the three tenants.

12.0 AUTHORIZATION ACKNOWLEDGMENT



Ian D. Davey, BBA CPA CA
Treasurer / Director of Corporate Services

