

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input type="checkbox"/> High <input type="checkbox"/> Low
Submitted by:	Brian Geerts, Director Community Services	Meeting Type: Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>	
Meeting Date:	September 26, 2022		
Report No.:	Community Services-120-22		
Submit comments to Council			

Subject/Title: 2022 Lease Renewals

RECOMMENDATION:

THAT Council receive this report for information purposes AND

FURTHER THAT a bylaw be prepared to authorize the Mayor and Municipal Clerk to execute a lease amendment agreement with the West Northumberland Curling Club for the Jack Heenan Arena at 206 Furnace St for the additional purposes as approved by Council on August 22, 2022, until the end of their current lease: August 31 2029.

FURTHER THAT a bylaw be prepared to authorize the Mayor and Municipal Clerk to execute a lease agreement with Pure Edge Skate Services (David Marshall) for the Pro Shop space (234 sq. feet) within the Cobourg Community Centre, 750 D'Arcy St for the purpose of skate and sport services for the period of June 1, 2022 until May 31, 2026.

1. STRATEGIC PLAN

People - The Town supports and cares for the social and physical wellbeing of its citizens

Places - The Town protects, preserves and promotes its natural assets, heritage, arts, culture and tourism

Programs - The Town provides efficient and effective corporate, community, business and recreational services for its residents, businesses and visitors

Partnerships - The Town engages in strong, sustainable public-private partnerships to improve the quality of life for everyone

Prosperity - The Town plans for, markets and develops assets for economic resiliency and financial security

2. PUBLIC ENGAGEMENT

Both lease arrangements have been reviewed and endorsed by the Parks and Recreation Advisory Committee at open public meetings.

3. PURPOSE

The leases described herein provide important community, cultural, and retail experiences to residents and non-residents alike. Through this shared delivery model, the Town allows local entrepreneurs and community-minded groups to provide cost-effective services that the Town would not likely elect to direct-deliver, and also would not likely be feasible to commercially operate as a stand-alone entity.

4. ORIGIN AND LEGISLATION

Community Services uses a wide variety of partnerships to effectively deliver services to the community. These partnerships build community capacity and more effectively engage citizens than direct service delivery alone.

It is helpful for this discussion of service delivery models to understand the difference between an Agreement and a Memorandum of Understanding. An agreement relates to the acceptance of reciprocal rights and duties which the parties involved intend to exchange, or a mutual assent to refrain from doing something and the agreement forms a contract. Agreements include an offer, acceptance, consideration, and terms. Memoranda of Understanding are typically used prior to parties making an agreement, or to outline a list of expectations of how the parties will operate in the same environment. Memoranda of Understanding may or may not form an enforceable contract.

The leases outlined in this report are Agreements and form contracts.

5. BACKGROUND

The West Northumberland Curling Club entered into a lease agreement for the Jack Heenan Arena for curling purposes on August 31 2019, with the lease expiring on August 31, 2029. The approved lease amendment will improve the number of activities the club can provide to the community and increase their ability to meet their financial obligations to the town.

Pure Edge Skate Services offers hockey and figure skating customers a superior standard in skate blade maintenance and retail sports supplies at the CCC. Pure

Edge offers an important sports service that draws customers to the community centre as well as supporting existing users of community and competitive sports programming.

6. ANALYSIS

The lease amendment for the West Northumberland Curling club allows additional summer activities and the opportunity to reinvest the revenue back into the facility and further programs. The lease amendment will be reconsidered in 2029 at when the lease is reviewed.

The lease renewal for Pure Edge Skate Services (David Marshall) includes the interior of the Pro Shop area within the CCC for a total of 234 square feet. The Pro Shop may be open when within the CCC hours. According to section 2.04 of the current agreement, the lease may be renewed with mutual agreement of the parties.

7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The West Northumberland Curling Club lease amendment improves the club’s ability to meet their current and future financial obligations. For example, there are significant upgrades required if the entire facility is to remain accessible; the additional revenue opportunities granted through this extension will allow the club to fund and maintain such improvements.

Pure Edge Skate Services lease renewal is for 5 years, from May 2022-May 2027 at a 2% increase per calendar year. The Pro Shop is approximately 234 square feet; the 2022 rate per square foot is above the reported average for Toronto commercial rental space and therefore provides good revenue and value to the community. The Toronto Regional Real Estate Board published in June of 2022 that the average commercial/retail lease rate was \$22.74. The ProShop rate per square foot for 2022 will be \$23.97; full rate breakdown is shown in Table 1.

Table 1: Pro-Edge ProShop Lease Rates 2022-2026

	\$/sq. ft.	12 mo. Equiv.	Term	Adj. per term
2022	\$ 23.97	\$ 5,608.98	June 1-Dec 31	\$ 3,271.91
2023	\$ 24.45	\$ 5,721.16	Jan 1-Dec 31	\$ 5,721.16
2024	\$ 24.94	\$ 5,835.58	Jan 1-Dec 31	\$ 5,835.58
2025	\$ 25.44	\$ 5,952.29	Jan 1-Dec 31	\$ 5,952.29
2026	\$ 25.95	\$ 6,071.34	Jan 1-May 31	\$ 2,529.73

8. CONCLUSION

The renewal of these agreements represents a local success story in recreation services and is a clear demonstration of the Town's commitment to optimized public-private partnerships.

Report Approval Details

Document Title:	2022 Lease Renewals - Community Services-120-22.docx
Attachments:	
Final Approval Date:	Sep 14, 2022

This report and all of its attachments were approved and signed as outlined below:

Tracey Vaughan, Chief Administrative Officer - Sep 14, 2022 - 2:59 PM