

The Corporation of the City of Kawartha Lakes

Council Report

Report Number RS2018-004

Date: January 30, 2018

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: 6

Subject: Proposed Lease Agreement between the City of Kawartha Lakes and Trillium Lakelands District School Board

Author Name and Title: Laura Carnochan, Law Clerk – Realty Services

Recommendations:

That Report RS2018-004, **Proposed Lease Agreement between the City of Kawartha Lakes and Trillium Lakelands District School Board**, be received;
and

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix B on behalf of the City of Kawartha Lakes, being a Lease Agreement with Trillium Lakelands District School Board for the purpose of leasing space within City property located at 19 Market Street, Fenelon Falls.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

Trillium Lakelands District School Board ("TLDSB") has been leasing space from the City of Kawartha Lakes since 2001 pursuant to a Lease Agreement dated October 1, 2001 (attached as Appendix A). This Agreement expired on September 30, 2007. TLDSB has continued to utilize the space since the expiration of the Agreement, relying on the same terms of the original lease.

As the existing Lease has expired, Staff have negotiated a new Lease Agreement with the same terms for this space, save and except the term of the Agreement, amount of yearly rent, and the area of the leased premises.

The proposed Lease Agreement was discussed by the Land Management Committee on December 14, 2017 and it was the recommendation of the Committee that the terms of the proposed lease be approved.

As this space will potentially be required by the City for future expansion of the Fenelon Falls Library, it is the recommendation of the Land Management Committee that this lease be approved for a two year term.

The purpose of this report is to provide Council with an opportunity to consider the terms of the proposed Lease Agreement and for Council to provide direction required to execute this Agreement. The proposed Lease Agreement is attached at Appendix B.

Rationale:

This Lease has been set-up as a gross lease (meaning all costs, including operating costs, utilities and maintenance, are included in the amount provided for "rent"), with an annual rent of \$20,150.16. This reflects TLDSB's apportioned share of the operating costs for the building.

This is being set up as a gross lease for ease of administration. This means that the City will charge one fee, which will reimburse the City for all costs associated with the lease (maintenance and utilities; realty taxes are not payable on this building).

Other Alternatives Considered:

Council could direct that the Lease Agreement not be renewed. This is not recommended in this circumstance as the City currently has no need for this space and because TLDSB has continued to utilize the space for the purpose of offering Adult Education and Training, which is a valuable service to area residents.

Financial/Operation Impacts:

Since 2004, TLDSB has been paying rent in the amount of \$1,217.00, plus HST, per month. The proposed Lease Agreement sets out an increase to \$1,679.18, plus HST, per month, for the first year of the lease, and a further increase to \$1,729.56, plus HST, per month, which would more accurately reflect TLDSB's apportioned share of the operating costs of the building.

Relationship of Recommendations to the 2016-2019 Strategic Plan:

The recommendation in this report aligns with the strategic goal of a vibrant and growing economy and with the strategic enabler of efficient infrastructure and asset management.

Consultations:

Land Management Committee
Manager, Building and Properties
Director of Community Services

Attachments:

Appendix A – Expired Lease, dated October 1, 2001



Appendix A - Expired
Lease Agreement.pdf

Appendix B – Proposed Lease Agreement



Appendix B -
Proposed Lease Agree

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Department Head: Robyn Carlson

Department File: L17-17-RS016