

The Corporation of the City of Kawartha Lakes

Council Report

Report Number RS2018-027

Date: September 25, 2018

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: 13

Title: Proposed Lease Agreement between Dunsford Community Centre Inc. and the City of Kawartha Lakes (26 Community Centre Road, Dunsford)

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

Recommendations:

That Report RS2018-027, Proposed Lease Agreement between Dunsford Community Centre Inc. and the City of Kawartha Lakes (26 Community Centre Road, Dunsford), be received; and

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix B on behalf of the Corporation of the City of Kawartha Lakes, being a Lease Agreement with Dunsford Community Centre Inc. for the purpose of leasing space for the Dunsford Library for a one year term.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

The Corporation of the City of Kawartha Lakes has been leasing space from Dunsford Community Centre Inc. since 2016 pursuant to a Lease Agreement dated December 9, 2015 (attached as Appendix A). This Agreement expired on December 31, 2017.

The space rented by the City consists of 1,237 square feet of occupied space, including washrooms solely used by the library staff and patrons.

The Dunsford Library is open three days each week, operating a total of 12 hours per week.

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 and the amount of the yearly rent.

The proposed Lease Agreement was discussed by the Land Management Committee on December 14, 2017 and it was the reluctant recommendation of the Committee that the terms of the proposed lease be approved for a one-year period – given the current occupation of the building, on the understanding that the library would look to more affordable long term options.

The proposed Lease Agreement was discussed by the Library Board on January 11, 2018 and it was the recommendation of the Board that the rental amount as per the prior term be retained.

Due to the high cost of the lease in comparison to the minimal hours of operation, the Library Board will be assessing the viability of this lease past the expiration of the Agreement's term on December 31, 2018. The Library Board will be reviewing this issue at its October 4, 2018 Board meeting.

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.

Appendix C is a general location map and Appendix D is a photo of the Dunsford Community Centre.

Rationale:

The annual cost of the proposed lease is \$20,200.72. This is an increase of \$67.11 from the 2017 rate. The additional payment of \$67.11 was approved by the Library Director/CEO.

Other Alternatives Considered:

Council could direct that the Lease Agreement not be renewed. This is not recommended in this circumstance as the Library is currently continuing to utilize the space and there is no alternative space available at this time.

Financial Impacts:

The cost of the lease for the Dunsford Library space has increased by \$67.11 from 2017. This is because the landlord had initially proposed an annual rent increase of 4% from 2017 rates. As lease negotiations were ongoing at the time, a one month payment honouring the increase of 4% was provided in January 2018. Rent for the remainder of the year was paid at the 2017 rate (\$16.28 per square foot, inclusive of operating costs).

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
Library Director/CEO

Attachments:

Appendix A – Expired Lease for Dunsford Library, dated December 9, 2015



Appendix A - Expired
Lease Agreement.pdf

Appendix B – Proposed Lease Agreement for Dunsford Library



Appendix B -
Proposed Lease Agree

Appendix C – General Location Map



Appendix C - General
Location Map.pdf

Appendix D – Photo



Appendix D -
Photo.pdf

Department Head E-Mail: rcarlson@kawarthalakes.ca

Department Head: Robyn Carlson

Department File: L17-17-RS015