



Council Report

Report Number RS2020-027

Meeting Date: December 15, 2020

Title: 180 Kent St. Lease – Innovation Cluster

Description: One-year tenancy with Innovation Cluster – Peterborough and the Kawarthas – tenant to pay rent in the form of small business counselling services (payment in kind) and City landlord to pay utilities

Author and Title: Robyn Carlson – City Solicitor

Recommendations:

That Report RS2020-027, **180 Kent St. Lease – Innovation Cluster – Peterborough and the Kawartha**, be received; and

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix A on behalf of the Corporation of the City of Kawartha Lakes, being a Lease Agreement with the Innovation Cluster - Peterborough and the Kawarthas.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The Innovation Cluster – Peterborough and the Kawarthas, incorporated under the Corporations Act, Ontario, Ontario Corporation Number 1596890 (herein referred to as “Innovation Cluster”), has an office in Peterborough. The purpose of this entity is to support small business expansion by providing counselling services.

The City has previously approved funding for 2020 to the Innovation Cluster to an upset limit of \$50,000.00, to support a presence for the Innovation Cluster in the Kawartha Lakes and to have the Innovation Cluster support businesses within the Kawartha Lakes. This project was called the “Kawartha Lakes Innovation Cluster Pilot Project”:

12.1.18 CW2019-063

That the presentation of Rebecca Mustard, Manager of Economic Development, and Michael Skinner, President and CEO of Innovation Cluster- Peterborough and Kawartha, regarding the Innovation Cluster, be received

Carried

12.3.14 COW2019-140

CR2019-390

Moved By Councillor Ashmore

Seconded By Councillor Veale

That Report ED2019-015, **Incubation Pilot Program Funding Support**, be received;

That the project titled Kawartha Lakes Innovation Cluster Pilot Project be approved for an application to the Kawartha Lakes Community Future Development Corporation with a total project costs of up to \$100,000.00 with the City’s 50% contribution from the Economic Development Innovation Reserve; and

That the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this application.

Carried

8.3.15 CW2019-173

That Report ED2019-020, **Kawartha Lakes Innovation Cluster Pilot Project Proposal**, be received; and

That the Mayor and Clerk be authorized to execute any documents and agreements required to enter into an agreement with the Innovation Cluster- Peterborough Kawartha to deliver the Kawartha Lakes Innovation Cluster Pilot until December 31, 2020.

In or around Fall 2019, the Municipal Law Enforcement Office vacated space at 180 Kent Street West, Lindsay (and has moved to 37 Lindsay St. S.). The Economic Development, Building and Property and Realty Services Divisions met with the Innovation Cluster, which was still looking for physical office space for its initiative in the City of Kawartha Lakes. The Innovation Cluster determined that the space vacated by the Municipal Law Enforcement Office was appropriate for its needs.

The City and the Innovation Cluster agreed to enter into a lease wherein the City would provide the space at no cost to the Innovation Cluster, excluding any leasehold improvements, for the term of the pilot project itself:

Carried

8.3.28 CW2020-061

That Report RS2020-003, **180 Kent Street Lease – Innovation Cluster**, be received; and

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix A on behalf of the Corporation of the City of Kawartha Lakes, being a Lease Agreement with the Innovation Cluster, Peterborough and the Kawartha.

Carried

The Innovation Cluster moved into the space in or around February 11, 2020, and has completed leasehold improvements.

The service agreement and the lease terminate on December 31, 2020. The current lease is attached as Appendix B. The purpose of this report is to recommend that Council enter into a further one-year lease with the Innovation Cluster on the condition that it enter into a further one- year contract for services with the City. A report from the Economic Development Division respecting the contract for services is on the same Council Agenda for consideration, accordingly.

Rationale:

The space to be leased by the Innovation Cluster consists of 845 square feet of exclusive use and a further 211 square feet of shared use on the main floor of the building, and further shared space access to City washrooms, boardrooms and kitchen. City staff will also co-locate in the space to provide business start-up counselling services.

The Innovation Cluster and its invitees were not able to use the leased space between March 2020 and November 2020, as the space has shared washrooms with City staff. This presents additional risk to staff: Both a health and safety concern during the current pandemic, as well as a security concern. In December, 2020, the City was able to address those concerns by providing restricted washroom access to the Innovation Cluster. Specifically, the Innovation Cluster has been provided lanyards for washroom access and Cluster staff and invitees must undertake a daily screening process prior to entry to the facility.

The consideration for the lease is the small business counseling services in accordance with section 108 of the *Municipal Act, 2001*, which allows for the Innovation Cluster to pay rent in the form of payment in kind. The Innovation Cluster will pay for its own Internet and telephone, but will not pay for its water, sewer, heat and electricity, or any costs for maintenance or cleaning. The lease has been valued at \$15 per square foot of exclusive use space, to a total of \$12,672.00 per annum.

The proposed lease is attached as Appendix A.

Other Alternatives Considered:

None.

Financial/Operation Impacts:

The current occupancy reduces the available space for staff expansion at 180 Kent St. W., however, without a complete space needs analysis, it is difficult to conclude when or if the City will require this space for its own operations.

Servicing Implications:

This report and recommended resolutions align with the Guiding Principle of “Partner and Collaborate”. Moreover, this report and recommendations support the strategic priority of “A Vibrant and Growing Economy”.

Consultations:

Manager of Building and Property

Director of Community Services

Manager of Economic Development Services

Director of Development Services

Manager of Realty Services

Attachments:

Appendix A – Proposed Lease



Schedule A -
Proposed Lease.pdf

Appendix B – Current Lease



Appendix B -
Current Lease.pdf

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Department Head: Robyn Carlson