



Council Report

Report Number: RS2021-020

Meeting Date: June 15, 2021

Title: **Proposed Lease Agreement between The Corporation of the City of Kawartha Lakes and Pigeon Lake Yacht Club Inc.**

Description: Proposed Lease Agreement for Pigeon Lake Yacht Club Inc.'s use of City-owned Property located at 121 Boyd Street, Bobcaygeon

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

Recommendations:

That Report RS2021-020, **Proposed Lease Agreement between The Corporation of the City of Kawartha Lakes and Pigeon Lake Yacht Club Inc.**, be received;

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix C on behalf of The Corporation of the City of Kawartha Lakes, being a Lease Agreement with Pigeon Lake Yacht Club Inc. for its use of the City-owned property located at 121 Boyd Street, Bobcaygeon for the purpose of operating a yacht club.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Pigeon Lake Yacht Club Inc. (hereinafter referred to as the "Yacht Club") has been leasing the City-owned property municipally known as 121 Boyd Street, Bobcaygeon since 1999.

The subject property is approximately 3 acres of waterfront property on Pigeon Lake. The property includes two buildings, which the Yacht Club use for storage and a clubhouse. Appendix A is an aerial photo of the subject property.

The Yacht Club's previous Lease Agreement (attached as Appendix B) expired in November 2019.

Staff have negotiated a new Lease Agreement with the Yacht Club, which is attached as Appendix C. The proposed Lease Agreement essentially keeps the same terms as the original Lease, but in an updated format in keeping with the current City standard for Lease Agreements. The rental amount has been lowered to the original starting amount in the original Lease, in order to offset the cost of property taxes, which the Yacht Club will now be responsible for paying.

While Staff initially proposed a five-year term (which would not have required Council approval), the Yacht Club requested a 10-year term, in order to justify spending funds for required long-term capital improvements.

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.

Rationale:

The annual rent has been set at \$1,812.14, plus HST, increased annually by the same percentage as the City's tax rate increase. This is in keeping with the terms of the original Lease Agreement between The Corporation of the Village of Bobcaygeon and the Yacht Club.

The Yacht Club will continue to be responsible for all operational and capital costs related to the Yacht Club, as well as all utilities.

The Yacht Club will further be responsible for paying an assessed tax levy related to the subject property.

The Yacht Club has reviewed the proposed Lease Agreement and provided its consent to the terms by returning an executed copy to the City.

Other Alternatives Considered:

Council could direct that the Lease Agreement not be renewed. This is not recommended in this circumstance as the City has no other use for the subject property at this time. The City could attempt to lease the property to another party, but would be responsible for all maintenance and utility costs until such time as another Lease could be negotiated.

Alignment to Strategic Priorities

The recommendations set out in this Report align with the following strategic priorities:

- An Exceptional Quality of Life
 - Ensure recreation and leisure programs are available to all residents
- Good Government
 - Effective management of the municipal building and land portfolio

Financial/Operation Impacts:

The proposed Lease Agreement will provide the City with a net revenue of \$1,812.14, plus HST, increased annually by the same percentage as the City's tax rate increase. Further, the responsibility for property taxes will be shifted to the Yacht Club, removing this cost from the City.

Consultations:

Land Management Team

Attachments:

Appendix A – Aerial Photo



Appendix A - Aerial
Photo.pdf

Appendix B – Expired Lease Agreement



Appendix B -
Expired Lease Agree

Appendix C – Proposed Lease Agreement



Appendix C -
Proposed Lease Agr

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Department File: L17-17-RS017