



Staff Report

Report To: Dan Best, Chief Administrative Officer

From: **Rebekah Msuya-Collison, Director of Legislative Services/Clerk**

Date: August 12 2019

Report: CL 19-2019

Subject: Renewal of Land Lease Agreement with South Huron Automotive

Recommendations:

That South Huron Council receives the report re: Renewal of Land Lease Agreement with South Huron Automotive; and

That South Huron Council approves the draft extension Land Lease Agreement; and

That Council authorize the Mayor and Clerk to execute the renewal agreement between the Municipality and South Huron Automotive with an option to extend for one successive five year period.

Purpose:

To obtain approval to renew existing lease agreement with South Huron Automotive.

Background and Analysis:

The Municipality entered into a 5 year lease in October 2014 with South Huron Automotive for the lease of municipal lands located at the Francis Street extension off of Alexander Street (located between 99 Alexander Street and 71 Alexander Street). This lease expires October 6, 2019 and has an option to renew for an additional 5 year term.

Staff reviewed the existing lease and made some changes in the proposal including:

1. Paragraph 1.3 – increase of payment (CPI increase)
2. Paragraph 1.4 – addition of late payment clause
3. Paragraph 1.11 – addition not to assign or sub-let without leave
4. Paragraph 4.2 – addition to reflect changes in consumer price index for Ontario;

In the event the municipality does not wish to lease the lands in the future, section 8 provides for the termination of the agreement.

Operational Considerations:

During the term of the Agreement the lessee is to maintain the premises. No other operational considerations have been considered for this report.

South Huron's Strategic Plan:

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key priorities and strategic directions. The following elements are supported by the actions outlined in this report:

- ✓ Administrative Efficiency and Fiscal Responsibility
- ✓ Transparent, Accountable, and Collaborative Governance
- ✓ Dedicated Economic Development Effort

Financial Impact:

The lease will result in a net rent income of \$1,220.40 per year for a total of \$6,102.00 for the full lease term of 5 years. In the event that the site becomes liable for municipal taxes as a result of the lessee's use, the lessee will be responsible for all municipal taxes, including local improvements, realty taxes and business taxes assessed against the site during the term of the agreement.

Legal Impact:

There are no legal implications as a result of the information outlined within this report.

Staffing Impact:

No staffing implications have been identified for this report.

Policies/Legislation:

Municipal Act By-Law 73-2014

Consultation:

D. Giberson, Director of Infrastructure and Development

S. Becker, Director of Financial Services
A. Wolfe, Administrative Assistant

Related Documents:

By-Law 73-2014

Respectfully submitted,

Rebekah Msuya-Collison, Director of Legislative Services/Clerk