

ACTION REQUEST – Please choose a department	
To:	Warden and Members of Council
Date of Meeting:	November 15, 2021
Subject:	Lease Extension Agreement – Catering2Kidz

RECOMMENDATION:

That By-law No. 5323, being a by-law to authorize a lease extension agreement between the United Counties of Stormont, Dundas and Glengarry and Catering2Kidz, be read and passed in Open Council, signed and sealed.

EXECUTIVE SUMMARY:

This report recommends extending the existing lease for the commercial kitchen located in the former jail with Catering2Kidz, for an additional 1-year period (January 1, 2022 to December 31, 2022). Notwithstanding the end date, and amended lease fees, the terms and conditions associated with the original lease will remain as is.

BACKGROUND:

Catering2Kidz, the current tenants of the commercial kitchen in the former jail, have leased this space from SDG since 2012/2013. This space provides Catering2Kidz with commercial kitchen facilities from which to run their catering business while at the same time providing the County with a modest rental income for an otherwise unused area. Catering2Kidz have been an excellent tenant and staff are of the view that this arrangement remains beneficial for both parties.

The proposed 1-year extension maintains the current lease clauses and amends the lease rate for 2022 to match the 'residential' rent increase of 1.64%

The previous lease extension was for a 3-year term. The tenants have previously indicated a desire for 1-year extensions, and, considering that the County has recently started a feasibility study which may impact this space, staff agree that a 1-year extension at the present time is mutually preferable.

OPTIONS AND DISCUSSION:

- 1. Extend the Lease Agreement – Recommended.**
- 2. Do Not Extend the Lease Agreement – Not Recommended.** The current arrangement works well for both parties and there is no reason not to extend the lease for a further period of 1 year.

FINANCIAL ANALYSIS:

The proposed lease rate is as follows:

Commencing January 1st, 2022, the rent shall be in the amount of \$930.00 plus HST per month (1.64% increase over current rate). The lease rate covers all operating costs of the County (including the commercial property tax attributable to the operation).

LOCAL MUNICIPAL IMPACT:

None.

RELEVANCE TO STRATEGIC PRIORITIES:

Creating a mutually beneficial public-private partnership to make efficient use of existing infrastructure aligns with SDG's strategic direction No. 1, ***Service Delivery, a Smarter Approach.***

OTHERS CONSULTED:

- Rebecca Russell, Director of Financial Services
- Catering2Kidz (tenants)

ATTACHMENTS:

- By-law No. 5323
- Lease Extension Agreement

RECOMMENDED BY:



Benjamin de Haan, P. Eng
County Engineer

APPROVED BY:



T.J. Simpson, CAO