

Feb 22, 2012



City Council Committee Report

To: Mayor & Council

Fr: John Nabb, Facilities Coordinator

**Re: Lease Agreement - 446562 Ontario LTD. (Hings) Chipman Street
Parking Lot**

Recommendation:

That Council give three readings to a by-law to authorize the execution of a three year lease agreement with 446562 Ontario Ltd. effective January 1, 2012 to December 31, 2014 for municipal property located in the Chipman Street Parking Lot.

Background:

The lease agreement with 446562 Ontario Ltd (Hing) expired December 31 2011, however the terms of the lease agreement continued and payment received since that time, pending completion of new lease agreement as prepared by our facilities coordinator based on previous documentation provide by the City Solicitor .

The Lessee 446562 Ontario Ltd (Hing) has indicated they wish to enter into a new lease agreement for a 32 square foot piece of property in Chipman Street Parking Lot to provide adequate space for a garbage container. The new lease agreement (net amount) will provide for an annual 3% escalation clause, based on a minimum property lease rate of \$350.00 per anum.

After review of the expired property lease and others similar it was noted that the per sq ft charge of \$5.70 per sq ft on such a small amount of property was not covering staff and admistration costs, as such a minimum lease rate has been developed to ensure all costs related to this and similar leases provide full cost recovey. It's worth noting this original lease dates back to 2003 and the dollar per square foot amount has never been increased.

Budget: N/A

Communication Plan/Notice By-law Requirements:

Notice by agenda of Operations Committee,Council,City Clerk, Finance and Facilities Dept