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**TO:** GENERAL COMMITTEE

**SUBJECT:** LEASE OF CITY OWNED PROPERTY - 17 ECCLES STREET NORTH

**WARD:** 2

**PREPARED BY AND KEY CONTACT:** A MILLS, MANAGER OF LEGAL SERVICES EXT. 5051

**SUBMITTED BY:** I. PETERS, DIRECTOR OF LEGAL SERVICES

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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### **RECOMMENDED MOTION**

1. That The Corporation of the City of Barrie (the "City") lease its property located at 17 Eccles Street North shown on Appendix "A" to Staff Report LGL002-19 being all of PIN # 587980167 (the "Subject Property") to The Salvation Army.
2. That the Lease Agreement include the following terms:
  - a) The rent paid for the term of lease shall be the City's cost to prepare the Subject Property for occupancy and not exceed \$10,000.00;
  - b) The term of lease will be from April 1, 2019 until December 31, 2019 unless extended by mutual agreement; and
  - c) The Tenant shall be responsible throughout the term of the lease for:
    - i) Arranging for and paying the costs of any repairs or upkeep that become necessary;
    - ii) Transferring over utility accounts and paying utility costs; and
    - iii) Maintaining liability insurance.
3. That the City Clerk be authorized to execute the Lease Agreement and any related documents necessary to extend, amend or terminate the Lease Agreement on the recommendation of and in a form satisfactory by the Director of Legal Services.

### **PURPOSE & BACKGROUND**

#### **Report Overview**

4. The purpose of this Staff Report is to seek Council approval to lease the Subject Property to The Salvation Army on an interim basis so as to provide accommodations to replace some of the eight rooms currently being rented at the Knights Inn hotel in support of its family shelter program.
5. City Council adopted motions 17-G-290 and 18-G-139 which directed staff to commence a property acquisition process for the Knights Inn hotel and the Subject Property and delegated authority to resolve those matters to the Director of Legal Services.
6. City staff reached agreements with the owner of the Knights Inn hotel that provided a possession date for the property of April 10, 2019 and the owner of the Subject Property that provided a possession date of March 4, 2019.

7. City staff became aware of The Salvation Army's arrangement with the Knights Inn hotel in early January of this year and took immediate steps to assist The Salvation Army which included extending the possession date of the Knights Inn hotel by one month and reviewing what City owned property could be made available for the Salvation Army's use.

### **ANALYSIS**

8. The extended possession date of the Knights Inn hotel provides The Salvation Army with certainty of accommodations until the Knights Inn hotel closure on March 31, 2019. Demolition of the buildings will occur shortly thereafter
9. The City is able to modify the Kidd's Creek project schedule so as to delay the demolition of the Subject Property until approximately the end of this year.
10. The Salvation Army has found some replacement accommodations for some of the lost rooms but additional space is required.
11. The Subject Property is divided into separate units and staff believe that two of the units are occupiable with improvements not expected to exceed \$10,000.00.
12. Entering into a Lease Agreement with The Salvation Army will assist them in replacing a majority if not all of the space formerly available at the Knights Inn hotel.

### **ENVIRONMENTAL MATTERS**

13. There are no environmental matters related to the recommendation.

### **ALTERNATIVES**

14. The following alternatives are available for consideration by General Committee:

#### **Alternative #1**

General Committee could choose not to lease the Subject Property to The Salvation Army and proceed with the immediate demolition of the building.

This alternative is not recommended as engineering staff have indicated they can delay demolition activities until the end of the year and leasing it to The Salvation Army will assist them in continuing to run their family shelter program.

### **FINANCIAL**

15. There will be no financial implications for the City resulting from the recommendation as the City will be receiving it's cost to ready the Subject Property for occupancy by way of rent and all additional costs associated with the lease will be the responsibility of the tenant.

### **LINKAGE TO 2018-2022 STRATEGIC PLAN**

16. The 2018-2022 Council Strategic Plan has not been finalized as of the writing of this Report.

APPENDIX "A"

Location of Subject Property

