

Memorandum to the Council of Corporation of the Municipality of Temagami

Subject: Temagami Train Station Lease Agreements

Memo No: 2025-M-055

Date: March 13, 2025

Attachment: None

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Recommendation

BE IT RESOLVED THAT Council receives Memo 2025-M-055 as presented;

AND FURTHER BE IT RESOLVED THAT Council selects the items to be included in the Base Rent;

AND FURTHER BE IT RESOLVED THAT Council repeals By-Law No. 2-1600 and By-Law No. 22-1601, and enacts By-Law No. 25-1803.

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Executive Summary

This memorandum provides an overview of the 2025 lease agreement for the Temagami Train Station, focusing on key updates to the lease terms and the required actions from Council. It outlines the background of the lease agreements, including the evolution of rent, utilities, insurance, and maintenance responsibilities. The report also highlights the need for Council to review and confirm specific provisions for inclusion in the lease agreement, particularly concerning rent and additional charges. Furthermore, the memorandum proposes repealing By-Law No. 2-1600 and By-Law No. 22-1601, replacing them with By-Law No. 25-1805 to authorize the new lease agreement.

Background

The Municipality of Temagami has maintained a long-standing relationship with the Chamber of Commerce and Living Temagami, both of which have occupied the Temagami Train Station since 2017. Lease agreements have evolved over time to address operational and financial realities. With the expiration of previous agreements in December 2023, Council is now considering a renewal of the lease under updated terms for 2025.

Key Milestones in Lease Agreements

- 2018 Lease Agreements: Established at \$500/month per tenant, inclusive of utilities.
- COVID-19 Adjustments: Temporary rent relief was provided upon request.
- 2021 Lease Extensions: Agreements were extended until December 2023 at the same rental rate.
- March 2022: By-Laws #22-1600 and #22-1601 passed, formalizing the lease agreements.
- 2024 Considerations: Proposal to increase rent to \$550/month for the first year, with annual renegotiation thereafter.

- Resolution #24-418 (September 12, 2024): Council received a request letter from the Chamber of Commerce and directed staff to consult with Living Temagami and report back.
- Tenant Negotiations & Agreement Delays: Tenants agreed to switch sides within the building, which led to additional negotiations and delays in finalizing the lease terms.

Key Differences Between Lease Agreements (2021 vs. 2025)

As the Municipality of Temagami seeks to update the lease agreement for the Temagami Train Station, several legal and structural differences have emerged between the 2021 and 2025 lease terms. These changes reflect evolving needs, legal requirements, and Council directives. Below is a comparison of the key differences between the two agreements, which include revisions in rent, insurance, maintenance responsibilities, and legal oversight.

Category	2021 Lease Agreement	2025 Lease Agreement
Rent	\$500/month (fixed)	\$550/month (Year 1) (Resolutions #24-290 & #24-292)
Utilities	Included	Tenant responsible
Insurance	\$1,000,000 coverage	\$2,000,000 coverage (Resolution #352)
Renewal Clause	Not explicitly stated	Subject to Council approval
Subletting	Allowed with permission	Allowed with additional conditions
Alterations	Allowed with approval	Stricter oversight by landlord
Maintenance	Shared responsibility	Tenant responsible for repairs/upkeep
Legal Oversight	Minimal	Requires legal and insurance review before execution
By-law Compliance	Not specifically addressed	Lease subject to applicable municipal bylaws
Tenant Liability	Limited requirements	Stronger enforcement measures in case of default

Rent Provisions Approved by Council

The 2025 lease agreement includes the following rent provisions, as approved by Council:

- Base Rent: In accordance with Resolutions #24-290 and #24-292, the rent shall be \$550 per month for each side of the building (i.e., \$550 for the North side and \$550 for the South side), totaling \$1,100 per month (\$13,200 per annum).
- Rental Insurance: As per Resolution #352, insurance premiums (Rental Insurance) shall remain the tenant's responsibility and will not be included in the base rent.

Required Council Direction

Council is required to confirm whether the base rent should include all provisions, excluding rental insurance), or if additional exclusions should apply. Additionally, Council must provide direction regarding the inclusion of certain provisions in the Additional Rent section of the lease. Breakdown of Additional Rent Responsibilities is as follows:

- Utilities: Gas, electricity, water, heat, air conditioning, Internet.
- Services Supplied to the Premises: If provided by the landlord.
- Maintenance: Tenant responsible for general upkeep.
- Taxes & Duties: Includes GST, sales tax, and business taxes.
- Administrative Fees: Reasonable fees charged by the landlord.
- Real Property Taxes: Proportionate share of real property taxes as assessed.

By-Law Repeal and Replacement for Lease Execution

To finalize the lease agreement, Council must repeal By-Laws #22-1600 and #22-1601 and replace them with By-Law #25-1805. This action will ensure that the updated lease terms are legally authorized and consistent with the rental conditions agreed upon by Council.

Conclusion

In conclusion, the Municipality of Temagami's updated lease agreement for the Temagami Train Station reflects key changes to address evolving operational and financial needs. Council's review and approval of the base rent provisions, as well as decisions regarding additional rent responsibilities, are essential for finalizing the lease agreement. The repeal of the outdated By-Laws and the enactment of By-Law #25-1805 will provide the necessary legal framework for the execution of the new lease agreement. Council's prompt action will ensure that the terms are clear, fair, and aligned with municipal goals.