



Corporation of the Municipality of Temagami

Memo No.
2018-M-055

Memorandum to Council

Staff

Committee

Subject:	Train Station Lease
Agenda Date:	September 11, 2018
Attachments:	Correspondence from Councillor Burrows

RECOMMENDATION

This memorandum is:

To be received for information

INFORMATION

Two previous resolutions have been considered and passed as it relates to the train station.

Resolution 16-372 passed on July 21, 2016 stated that the Municipality put out an RFP as soon as possible for a multi-year lease for the Train Station and further that a requirement would be that the lessee would pay the full cost of services so there is no costs to the taxpayers.

Resolution 17-439 passed on June 29, 2017, stated that Council support in principle the Living Temagami expression of interest, with a short term lease, to be prepared and reviewed in November with the Information Centre in the south end of the station.

The lease was presented in draft form in January of this year with a written in amount of \$250 per month and lines through the sections related to property taxes and utilities.

The cost of utilities for 2017 attributed to the Train Station were \$10,333.47. This is significantly higher than the total of \$3,000 offered as rent. On average over the past year and a half, it appears that the monthly utility costs are between \$600 and \$1500 per month, depending on the month.

While Council could provide new direction related to the costs to the taxpayers, this decision should be made with the pertinent information.

It may be a consideration for Council to request a reasonable rent (based on market conditions) and that the costs for utilities and taxes are in addition to the rental amount and then consider, on request, a contribution to Living Temagami. This would separate the Train Station lease from the Community Contributions approved from time to time by Council.

It should be noted that the decision on if an activity is taxable from a property tax perspective is the role of MPAC. Snack Bars in Arenas and spaces where items are offered for sale are typically considered to be commercial activities and have, in the past, been assessed as such by MPAC.

As well, as of yet, the draft lease is silent as it relates to the Visitor's Centre and use of the space by the Chamber, this appears to be a concern as noted in the letter from Councillor Burrows, which is attached to this report. With a lease established at the reasonable rate noted above, then there could be more control over the use of the building. Until then, if the municipality is covering the majority of the costs then it is the Municipality that should continue to determine how the building is used.

In summary, further direction is required from Council as the previous directions received are inconsistent. To have a draft lease which appears not to include any cost for utilities or possible future taxation does not follow the earlier direction that the Train Station be leased with such terms so it would not be at a cost to the taxpayers.

Prepared by:

Reviewed by:

Craig Davidson, Treasurer, Administrator
Name, Position

Name, Position