



Corporation of the Municipality of Temagami

Report No.
2018-026

Memorandum to Council

Staff
 Committee

Subject:	Train Station Lease
Agenda Date:	November 13, 2018
Attachments:	Correspondence from Living Temagami; Correspondence from Temagami Chamber of Commerce; Correspondence from Temagami Community Foundation; Draft Lease

RECOMMENDATION

BE IT RESOLVED THAT Council receive Report 2018-026 regarding the Train Station lease; AND FURTHER THAT Council rescind resolution 17-239 establishing the rent for the Train Station at \$1,600 per month plus utilities; AND FURTHER THAT Council establish a reasonable rent, including an allowance for utilities for each area of the Temagami Train Station to be leased; AND FURTHER THAT Council approve the draft lease and direct Staff as to which area should be leased to which group; AND FURTHER THAT Council establish a maximum 'donation in kind' to be considered when offering a lease for a lower amount than the reasonable rent determined; AND FURTHER THAT, once signed, Council directs Staff to prepare By-Laws to approve the leases for Council's consideration.

INFORMATION

The topic of the Temagami Train Station and leasing the facility has been discussed for some period of time. After initial consultation, Council, at their meeting held on April 6, 2017, considered and passed Resolution 17-239, which established the rent for the Train Station at \$1,600 per month plus utilities.

Later in 2017, Council requested Expressions of Interest to lease the Station. On June 27, 2017, Council considered and passed Resolution 17-439, supporting in principle, the Living Temagami Expression of Interest and directed a short-term lease be prepared, with the Information Centre located in the south end of the station.

The short-term lease mentioned in Resolution 17-439 has not yet been completed. While there may be different factors resulting in this, part of the difficulty is that the amount being offered, \$250 per month including utilities, does not meet the direction provided by Council with Resolution 17-239. Add to this, the inclusion of the Information Centre in awarding the Expression of Interest, without changing previous Council approvals regarding the operation of the Information Centre led to further difficulties in creating a lease that would satisfy all of the direction that Council had provided to Staff.

Further information included in this memorandum relates to the letter sent to each Member of Council by the Temagami Community Foundation also expressing interest in space at the Temagami Train Station. While this letter does appear to be outside of the expression of interest and the use approved in Resolution 17-439, in September 2018, Council did establish an Ad-Hoc Committee (Resolution 18-382) charged, with determining the best possible use for the train station. This letter is being included in this report for completeness, with no comment of what the best possible use may be.

If we consider the rent established by Resolution 17-239 (\$1,600 plus utilities) to be a reasonable estimate of the value provided through any rental of the lease, annualized this would equate to \$19,200 rent plus approximately \$12,000 annually for utilities for a total of \$31,200. It should be understood that any lease, or a combination of leases that are less than that amount would, in essence, have the effect of

a Municipal Grant to that organization preapproved through the lower lease amount. While this is permissible under Section 107 of the Municipal Act, it is also important that the Municipality is transparent in this activity.

Presently, the draft lease does not include any provision for utilities. If the station is to be leased to different organizations, an allowance for utility cost, perhaps based on the percentage of space used, could be included in the fair value.

As well, especially with the notion that the lease being charged is below the reasonable rent level, the draft lease includes a provision that fees earned for space the organization rents out are shared with the Municipality. This could be capped at the reasonable rent established for each area.

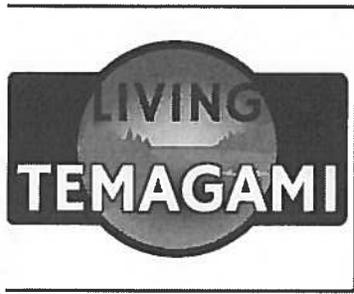
Prepared by:

Reviewed by:

Craig Davidson, Treasurer/Administrator

Name, Position

Name, Position



Living Temagami

~ Heritage & Culture Centre ~

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June 11, 2018

Dear Mayor and Council,

It has come to the realization of Living Temagami the shared occupation of the Train Station with the Temagami and District Chamber of Commerce for the Train Station is creating issues, mostly as a result of confusion as to who is in charge and who is responsible for what and how the shared space is to work. When Living Temagami was successful in its submission of the Expression of Interest for the use of the Train Station we were asked by the CAO if we wanted to have a lease with the town and then we would have a lease with the Chamber or if we preferred the town have a separate lease with the Chamber. We stated we were open to either option in an effort to work together as best as possible in sharing the space, however if both parties had separate leases with the town and it was not working we would then request to have the lease as originally intended with Living Temagami the main lease holder and Living Temagami would then have a lease with the Temagami Chamber of Commerce. One thing we were very clear on was the office and mezzanine must be shared space and not the exclusive space of the Chamber as that was what we based our Expression of Interest on, especially the mezzanine for our programming. Living Temagami have been trying to work with the Chamber for over a year and have supported all of their efforts and events. The main issue seems to be that the Chamber of Commerce is under the impression they are in charge of the building and what goes on it, when in fact the opposite is true based on the Resolution from Council regarding the accepted Expression of Interest. Without leases in hand this has been to no avail. To date there are no leases in place from the Municipality with either organization, therefore Living Temagami have drafted the leases for council to review and hopefully have signed and put into effect as soon as possible so the organizations can work better together.

Living Temagami have hired two students for the summer that will be starting work next week. We have requested from the Chamber that we work together to schedule the four students as effectively as possible to allow the Train Station to be open so tourists and visitors can access the information booth and the gallery. We would like to be open 7 days a week for at least 8 hours a day. The Chamber has preferred the front door not be open or there be access to the information centre when they do not have staff there, mostly regarding the possible theft of their merchandise. We are hoping the installation of the security cameras will help alleviate their concerns. The front door of the building and the gallery needs to be open when there are staff or volunteers from either organization in place to assist patrons in entering the premises.

On June 25th we will have the honour of hosting the travelling exhibition of the works of our own Artist Benjamin Chee Chee. The opening ceremonies are will be July 1st at 3 pm and will run to 5. We are working very hard to have the Station to look it's best in tribute to this iconic Canadian Artist and have asked for support from the Chamber in making sure everything is neat and tidy and looking it's very best by June 25th so our organizations and the town of Temagami are presented in a professional light. We are not certain the Chamber understands how important this event is as our request and suggestions have not been met very positively. It would be appreciated if the Municipality could budget for proper brochure racks to be purpose built to fit the station space and serve to enhance the architectural beauty of the building. This would aid the Chambers in its continuing efforts to try to organize and maintain the materials on display in a neat and tidy state which is very difficult with the several repurposed display racks that are not working very well.



October 12, 2018

Mayor and Council – Municipality of Temagami

Temagami Community Foundation is interested in entering into a rental agreement with the Municipality of Temagami for the upper level of the Train Station. The space would be used as an office for the Foundation and would be staffed in the off season on a part time basis and it is envisioned to be staffed full time during the busy summer season.

Temagami Community Foundation is looking to increase their presence in the Town's downtown core and the train station would be a perfect fit to accomplish this and would be a benefit to the downtown community as a whole with increased traffic into town and the train station by board members, donors and annual meetings to have a home base to attend. We are launching a major fund raiser by end of year selling raffle tickets with a first prize being a New Truck and New Boat combination, 2nd prize Canoe and monthly early bird draws all being held in conjunction with the Temagami Community Market Days.

Temagami Community Foundation is offering to pay \$3600.00 annually and upon signing a rental agreement would want to install their sign on the property.

We look forward to discussing our proposal before the 2018 year end.

Sincerely,

Bill Kitts

Co-Chair

Temagami Community Foundation

Jack Tuomi

Vice Chair

Temagami Community Foundation



November 6, 2018

Mayor Hunter & Craig Davidson

RE: Train Station Updated Proposal

Good Morning:

The Board of Directors met recently and had further discussions on the train station and have come up with this proposal for your consideration.

The Temagami Community Foundation has already written to the Municipality expressing interest in renting the upstairs of the station for their office and to help give them a presence in town. Our two groups, (the Chamber of Commerce COC and the Temagami Community Foundation TCF) are very interested in working together to make this work for all parties. That said if TCF is awarded the space the COC could potentially have the information centre open upwards of 30 hours a week during the off season and 7 days a week, full time in peak season.

The upstairs would be used exclusively by TCF for an office for the Foundation. The Information Centre Space would not change, but the current office would become the exclusive office of the Chamber of Commerce and we are willing to pay an additional \$200. a month to have it. We would then want the south end of the building to have new locks put in place and the centre door would have a deadbolt installed. The two groups collectively would add \$6000 to the municipality to offset the cost of the train station.

The Chamber of Commerce has always enjoyed a good relationship with the Municipality. We strive to support local business not only our members but other as well. Our plan is sustainable over the long term and even if the student grant program were to go away we could still manage this venture. We are willing to sign a 3-year lease to that end. Once a lease is in place we will move forward with plans for new fittings and fixtures to improve the Information Centre.

Thank you for your consideration.

Penny St. Germain
Treasurer/Director

Temagami & District Chamber of Commerce

P.O. Box 57, Temagami, Ontario P0H 2H0

Tel: (705) 569-3344

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THIS INDENTURE made as of the 11 day of June 2018

In pursuance of THE SHORT FORMS OF LEASES ACT

BETWEEN

The Corporations of the Municipality of Temagami

Herein called the Landlord”

OF THE FIRST PART AND

Name of Organization

Herein called “Tenant”

OF THE SECOND PART

In consideration of the rents reserved and the covenants and agreements contained in the Lease on the part of the Tenant, the Landlord hereby leases to the Tenant Living Temagami ~ Heritage & Culture Centre (hereby known as Living Temagami) those certain premises situate in the Municipality of Temagami, in the of District of Nipissing, more particularly described as the Temagami Train Station, 6715 Highway 11 North, Temagami, ON hereinafter called the “Leased Premises” for a term commencing on the 30th day of June 2017.

The rent in respect of the leased premises shall be payable to the Landlord in advance in equal monthly installments of **\$\$\$\$** dollars each, on the 1st day of each month during the term, the first payment becoming due and being payable on the 1st day of July 2017.

In addition, 10% of rental income received by **Name of Organization** through their sublet of any portion of the Leased Premises shall be added to the rental payment on the 1st day of the month following receipt of such revenue.

The rent is to be reviewed for a winter rate on November 30 of each year and to return to the agreed upon rate the 1st of April of each year.

TENANTS COVENANTS

The Tenant hereby covenants with the Landlord ad follows:

- (a) **Rent:** To pay the rent hereby reserved in the manner and on the days specified herein;
- (b) **Alterations:** Not to make any alterations or additions to the Leased Premises without prior consent of the Landlord and any such alterations or additions to be made at the expense of the Tenant. The Landlord will not unreasonably withhold its consent;
- (c) **Maintenance:** To keep the Leased Premises in good repair, reasonable wear and tear only excepted;

- (d) **Commercial General Liability Insurance for Bodily Injury or Death and Property Damage Insurance:** At the date of execution of this lease and from time to time thereafter, to provide the Landlord a Certificate of Insurance that the Tenant commercial general liability insurance policy for bodily injury or death and property damage in force which insures the Tenant in respect of injury to or death of any person or property damage in the amount of at least one million (\$1,000,000) dollars and name the Landlord as an additional insured.
- (e) **Fire Insurance:** At the date of execution of this lease by the Tenant , and from time to time thereafter, to provide the Landlord a Certificate of Insurance that the Tenant has insured its fixtures and personal property against loss or damage by fire, lightning, explosion, water damage and all other standard supplementary perils in an amount of not less than one hundred per cent (100%) replacement value of the said fixtures and personal property;
- (f) **Subletting:** Not to sublet the said Leased Premises or any part thereof nor to assign this Agreement without the written consent of the Landlord, which consent shall not be unreasonably withheld; excluding agreements to lease to the **Name of the Organizations Excluded or the uses that could be sublet.**
- (g) **Signs:** Not to use the outer walls or windows of the said Leased Premises for any notice or nameplate except as approved by the Landlord; all signage or notices must not detract from the aesthetics of the building or premises.
- (h) **Repairs:** To repair, according to notice in writing, damage by reasonable wear and tear and by fire, lightening and tempest only excepted;
- (i) **Indemnity:** To indemnify the Landlord against all liabilities, claims damage or expenses arising out of any act or neglect of the Tenant or its servants, employees, agents, invitees or licensees in and about the Leased Premises, or arising out of any breach, violation or non-performance of any of the terms of this lease by them or any damage to the persons or property of the Tenants servants, employees, agents, invitees or licensees, other than by reason of the negligence of the Landlord;
- (j) **Clear of Obstruction:** To keep the entrance(s) about the Leased Premises clear of snow and ice and of all other obstructions according to the by-law and regulations of the municipality;
- (k) **Trade or Business:** To use the leased Premises for the purpose of the Tenant carrying on business as and not to carry on or permit to be carried on therein any other trade or business without the consent in writing of the Landlord;

2. LANDLORD'S COVENANTS

The Landlord covenants with the Tenant:

- (a) **Structural Repairs:** To maintain and repair all windows, doors, plumbing and electrical fixtures and to make repairs to walls, floors and ceilings of the leased premises with may be necessary. In addition the landlord will be responsible for providing and changing the lightbulbs in all permanent lighting in the building. Other items discovered to be needing updating or repair to be discussed.
- (b) **Quiet Enjoyment:** For quiet enjoyment;
- (c) **Parking:** To permit the employees, invitees and guests of the Tenant to park automobiles in the parking spaces reserved for the Tenant and designated by number, should this need be;

3. PROVISOS

Provided always and it is hereby agreed as follows:

- (a) **Tenant's Fixtures:** Subject to the other provisions of this lease, the Tenant may remove its fixtures.
- (b) **Damage and Destruction:**
- (i) Provided that if during the term herein or any renewal thereof the Leased Premises shall be destroyed or damaged by fire or the elements then the following provisions shall apply:
- (a) If the Leased Premises shall be so badly injured as to be unfit for occupancy, and as to be incapable of being repaired with reasonable diligence within one hundred and twenty days of the happening of such injury, then the term hereby granted shall cease and be at an end to all intents and purposes from the date of such damage or destruction, and the Tenant shall immediately surrender the same, and yield up possession of the Leased Premises to the Landlord, and the rent from the time of such surrender shall be apportioned;
- (b) If the demised Leased Premises shall be capable, with reasonable diligence, of being repaired and rendered fit for occupancy within one hundred and twenty days from the happening of such injury as aforesaid, but if the damage is such as to render the Leased Premises wholly unfit for occupancy, then the rent hereby reserved shall not run or accrue after such injury, or while the process of repair the same with all reasonable speed, and the rent shall recommence immediately after such repairs shall be completed.
- (c) If the Leased Premises shall be repaired within one hundred and twenty days as aforesaid, and if the damage is such that the said Leased Premises are capable of being partially used, then until such damage shall have been repaired the rent shall abate in the proportion that the part of the Leased Premises rendered unfit for occupancy bears to the whole of the Leased Premises.
- (d) **Landlord's Liability:** The Landlord shall not be liable nor responsible in any way for any loss of or damage or injury to any property belonging to the Tenant or to employees of the Tenant or to any other person while such property is on the Leased Premises unless such loss, damage or injury shall be caused by the negligence of the Landlord or of its employees, servants or agents the Tenant shall obtain their own liability insurance to cover loss or damage to their property;
- (e) **Re-Entry:** If the rent reserved or any part thereof shall not be paid on the day appointed for payment, whether lawfully demanded or not, or in the case of breach or non-observance or non-performance of any of the covenants or agreements herein contained or referred to on the part of the Tenant to be observed and performed, the Landlord shall be entitled thereafter to enter into and upon the Leased Premises or any part thereof in the name of the whole the

- same to have again, repossess and enjoy as of its former state, anything herein contained to the contrary notwithstanding;
- (f) **Overholding:** If the Tenant shall continue to occupy the Leased Premises after the expiration of this Lease, with or without the consent of the Landlord, without any further written agreement, the Tenant shall be a monthly Tenant at the monthly rental herein mentioned and on the terms and conditions herein set out except as to length of tenancy;
 - (g) **Notice of Re-rental:** To permit the Landlord during the last two(2) months of the term to affix and retain on any part of the exterior of the Leased Premises a notice that the premises are for rent and during the same period to permit the premises to be viewed at all reasonable times by any person authorized by the Landlord or his agent;
 - (h) **First Right of Refusal:** At the termination of the term or any renewal of this Lease, the Landlord will grant to the Tenant the first right of refusal to rent the Leased Premises on such terms and conditions as the Landlord is willing to accept from any other party, the Tenant to have fifteen (15) days within which to notify the Landlord of its acceptance or refusal of such an offer to rent, that time to run from the date it receives written notice of such an offer from the Landlord.
 - (i) **Early Possession:** Upon payment of the first and last months' rent, as provided for in this Lease and the execution of this Lease by both the Landlord and Tenant, the Tenant shall be entitled to possession of the Leased Premise and upon taking possession of the Leased Premises all other provisions in this lease shall apply.
 - (j) **Entry to view condition and Notice of disrepair:** The Landlord may enter and view the state of repair of the Leased Premises and the Tenant will repair according to notice in writing, If the Tenant refuses or neglects to make the repairs in such notice, the Landlord may make them and charge the cost of them to the Tenant as additional rent. The rent shall not abate while those repairs are being made, by reason of loss or interruption of the business of the Tenant because of any such work, and the Landlord agrees to complete the work expeditiously.
 - (k) **Right to show Leased Premises:** The Tenant acknowledges that the Landlord or its agents shall have the right to enter the Leased Premises at all reasonable times to show them to prospective purchasers, encumbrancers, lessees or assignees, and may also, during said time preceding the termination of the terms of this lease, place upon the Leased Premises the usual type of notice to the effect that the Leased Premises are for rent, which notice the Tenant shall permit to remain on them.

4. EFFECT OF LEASE

This lease and everything herein contained shall extend to and bind and may be taken advantage of by the heirs, executors, administrators, successors and assigns as the case may be of each of the parties hereto.

5. **NOTICE:** Any notice in writing which either party may desire to give to the other with regard to any matter or thing in this lease contained may be validly and effectually given in writing to the Landlord.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED

In the presence of

_____) _____

Witness

_____) _____

Witness