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# HALDIMAND COUNTY

## Report CS-SS-07-2018 Cayuga Courthouse Parking Lot Lease Renewal For Consideration by Council in Committee on April 24, 2018

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### OBJECTIVE:

To seek Council approval to renew the license agreement with the Province of Ontario for their use of County owned lands for a parking lot at the Cayuga courthouse location on Munsee Street North.

### RECOMMENDATIONS:

1. THAT Report CS-SS-07-2018 Cayuga Courthouse Parking Lot Lease Renewal be received;
2. AND THAT the Third License Extension and Amending Agreement between Haldimand County and Her Majesty the Queen, in right of Ontario as represented by the Minister of Infrastructure, for use of the County owned courthouse parking lot, on Munsee Street North, in Cayuga, be renewed, effective May 1, 2018 and expiring April 30, 2023, at an annual rental rate of \$3,000 plus applicable taxes;
3. AND THAT a by-law be passed authorizing the Third License Extension and Amending Agreement, as included as Attachment #2 to Report CS-SS-07-2018;
4. AND THAT the Mayor and Clerk be authorized to execute all necessary documents.

**Prepared by:** Sandra Marsh, Property Coordinator

**Reviewed by:** Dana McLean, Risk Management and Insurance Coordinator

**Respectfully submitted:** Karen General, CPA, CGA, General Manager of Corporate Services

**Approved:** Donald G. Boyle, Chief Administrative Officer

### EXECUTIVE SUMMARY:

Renewal of the License Agreement for the Province's use of the County-owned provincial courthouse parking lot, in Cayuga, will allow continued parking for court-related matters. Renewal of the Agreement involves the removal of two parking spaces previously included in the licensed area. The two parking spaces are required by the County for the construction of a new trailhead for public access to the Cayuga Bridge Trail. An increase in the annual license rate paid to the County has also been applied.

### BACKGROUND:

For numerous years, the Province of Ontario, or agents thereof, have leased portions of the County-owned property on the northerly side of the Provincial Courthouse, located on Munsee Street North in Cayuga, for additional access and for parking related to court house activities. The property is described as Part of PIN # 38224-0123 (LT), being Part of Victoria Street, Plan of the Village of Cayuga East of the Grand River, now Haldimand County, and Part of PIN # 38224-0122(LT), being Part of Ottawa Street, Plan of the Village of Cayuga East of the Grand River, and Part of Block G, north side of Victoria Street, Plan of the Village of Cayuga East of the Grand River, now Haldimand County. The subject lands are shown in yellow on Attachment #1.

The Second License Extension Agreement commenced on May 1, 2008 for a term of ten years, expiring on April 30, 2018, and provided the Licensee with the right to extend the license for three additional 5 year terms. The current annual license fee, pursuant to the expiring Agreement, is \$300 per year.

## **ANALYSIS:**

The Province is seeking to exercise its right to the first 5 year extension. The Third License Extension and Amending Agreement includes amendments to increase the license rate as well as adjustment to the leased space. The courthouse parking lot is currently able to accommodate parking for approximately 52 vehicles. It was determined that two parking spots would need to be removed from the subject lands covered by this agreement in order to provide an access area to the new County-owned walking trail known as the Cayuga Bridge Trail.

A survey of license fees identified that the current lease rate is extremely low when compared to similar properties. The current market rental rate obtained from various municipalities and public agencies is between \$10 - \$28 per parking space, if maintenance is the responsibility of the property owner. Since the Licensee is fully responsible for all maintenance of the parking lot, a lower rate would apply. The Province has agreed to an increase in the License fee, from \$300 per year to \$3,000 per year plus applicable taxes, which equates to approximately \$5 per month per parking space.

The Province has requested a five (5) year extension, commencing May 1, 2018 and ending on April 30, 2023, at an annual license fee of \$3,000 plus applicable taxes, payable in advance on the first day of each year during the extension term. A copy of the Third License Extension and Amending Agreement is included as Attachment #2. This agreement contains the same terms and conditions as the previous license, other than an increase in the license fee and the removal of two (2) parking spaces.

The renewal of the License Agreement with the Province will allow continued parking at the Cayuga courthouse for court-related activities.

## **FINANCIAL/LEGAL IMPLICATIONS:**

Approval of the rental rates as outlined in this report must be authorized by both Haldimand County as landlord, and the Province as tenant.

The annual base rental revenue generated from this license agreement is anticipated to be \$3,000 per year, and the Province will continue to be responsible for all required maintenance. The annual rental rate increase, as noted, will generate a small surplus in the Tax Supported Operating Budget.

## **STAKEHOLDER IMPACTS:**

Staff will continue to have access to the County's water tower located south of the courthouse parking lot.

Staff have confirmed the removal of two (2) parking spaces will be sufficient for the construction of a new trail entrance, allowing for access to the new Cayuga Bridge Trail.

**REPORT IMPACTS:**

Agreement: Yes

By-law: Yes

Budget Amendment: Yes

Policy: No

**ATTACHMENTS:**

1. Map of the subject property
2. Third License Extension and Amending Agreement