



MUNICIPALITY OF THAMES CENTRE

REPORT NO. CS-010-24

TO: Mayor and Members of Council
FROM: Director of Community Services and Facilities
MEETING DATE: May 27, 2024
SUBJECT: VON Lease Agreement – New Space

RECOMMENDATION:

THAT Report No. CS-010-24 **BE RECEIVED** for information;

AND THAT Council **APPROVE** the recommended Lease Agreement for the new space VON Middlesex-Elgin (VON) will be occupying upon completion of the renovation to that portion of the FlightExec Centre;

AND THAT the Mayor and Clerk be **AUTHORIZED** to execute the Facility Lease Agreement, substantially in the form of the agreement attached, as included in the by-law portion of the agenda.

PURPOSE:

The purpose of this report is to finalize a lease agreement between the Municipality and VON, before they move into their new space at the FlightExec Centre.

BACKGROUND:

VON has been renting a temporary space since just before the construction began for the FlightExec Centre renovation, which will ultimately provide VON with a new/larger space, along with a new/larger auditorium and a new/larger Lions Active Living Centre.

COMMENTS:

Please refer to the attached Lease Agreement, recommended by staff, and agreed to and signed by VON. This will take effect when VON takes possession of their new space at the FlightExec Centre. The most recent update from MCI Design-Build has final walkthrough of the new VON space in late June, followed by the final days in June for MCI to address any deficiencies identified during this walkthrough. As a result, July 1, 2024 is a likely date that VON can take possession of their new space.

The main changes are found in section 1, Tenant's Covents, items i) through l), which are recommended insurance-related updates from the Municipality's insurance broker. Besides those changes, the square footage information has been updated to reflect the new larger footprint that will be leased by VON. The existing 2024 lease rate per square foot that is currently being charged to VON will be applied to the new square footage for the balance of this year.

FINANCIAL IMPLICATIONS:

The 2024 budget accounted for this change in rental revenue from VON. Staff is recommending this short term agreement in order to allow a more thorough market analysis before proposing a long term agreement with this valued community partner for 2025 and beyond.

STRATEGIC PLAN LINK

Pillar: *Active Living*

Goal: *Increase the accessibility and programming of recreational services, especially to community youth and seniors*

CONSULTATION:

Emily Schinbein, Director of Financial Services/Treasurer

Jill Smith, Manager – Home and Community Care, Community Support Services, VON

Rick Orr, Owner, Orr Insurance & Investment

Aaron Stark, Project Manager, MCI Design-Build

REFERENCES:

None

ATTACHMENTS:

Facility Lease Agreement

Prepared by: S. MacDonald, Director of Community Services & Facilities

Reviewed by: D. Barrick, Chief Administrative Officer