



The Corporation of the Town of Tecumseh

Corporate Services & Clerk

To: Mayor and Members of Council

From: Laura Moy, Director Corporate Services & Clerk

Date to Council: February 9, 2021

Report Number: CS-2021-03

Subject: Parking Lot Lease Agreement Renewal
12150 Tecumseh Road – J. Kalbol Enterprises Inc.

Recommendations

It is recommended:

That CS-2021-03 entitled “Parking Lot Lease Agreement Renewal – 12150 Tecumseh Road – J. Kalbol Enterprises Inc.” **be received;**

And that Council consider, and direction **be given**, on the terms proposed by J. Kalbol Enterprise Inc. for renewal of a Parking Lot Lease Agreement for the Town of Tecumseh’s exclusive use of 26 parking spaces at 12150 Tecumseh Road, as outlined in CS-2021-03.

Background

The Corporation of the Town of Tecumseh (Town) entered into a Parking Lot Lease Agreement (Original Agreement) with Mary Ellen Morand (Morand) in April 1999. The Original Agreement provided the Town exclusive use of 29 parking spaces on Morand’s lands located at 12150 Tecumseh Road.

In May 1999, the Town also entered into a Site Plan Control Agreement (SPCA) with Morand in order to permit an expansion to the building on the subject site (commonly known at that time as Riverside Rentals) and certain other site improvements, including surfacing of the parking areas. The SPCA was subject to the provisions of the Original Agreement.

Under the Original Agreement, Morand agreed to asphalt and stripe the parking areas and to install storm water catch-basins. The parking area includes 46 spaces. The Town was given the exclusive use of 63 percent (29) of the parking spaces, with the remaining 37 percent (17)

spaces being allocated to Morand. The location of the parking spaces allocated to the parties was by mutual agreement from time to time.

The cost to construct the parking area was shared in proportion to the space allocation. Therefore, the Town paid 63 percent of the cost of the works (\$17,561).

The Town agreed to pay Morand a yearly fee during the term of the Original Agreement, equal to the land taxes levied against the parking spaces allocated to the Town.

The term of the Original Agreement was for ten (10) years following construction of the parking area. The construction occurred in May 2000 and accordingly, the Original Agreement expired in 2010.

The subject property was sold in July 2009 to J. Kalbol Enterprises Inc. (Kalbol). Desire was expressed by the new owner to renew the terms of the Original Agreement for a further five (5) year term. In November 2010, the Town entered into an Amending Agreement with Kalbol, extending the original end date as set forth in the Original Agreement to December 31, 2015. The Amending Agreement was further extended for an additional five (5) year term to expire December 31, 2020.

The Original Agreement and the Amending Agreements are collectively referred hereafter as the Agreement.

Comments

The Town has requested a further extension of the term of the Agreement, for a further five (5) year term to expire December 31, 2025, from Kalbol.

The Town financially invested in the parking spaces through its share of the cost to construct the parking area. The subject property is divided by a municipal alley (as depicted on the attached map) which was also improved by these works. [\[Attachment 1\]](#)

The parking spaces were obtained by the Town to provide additional parking in the 'Downtown' corridor to benefit local businesses and patrons. The parking area is identified as "Parking Lot 2" by way of signage and benefits the local businesses due to the limited on-street parking in the 12000 block of Tecumseh Road, in particular during peak business hours.

In addition to the parking spaces being highly utilized by patrons, the parking space allocation supports the objectives of the Town's Community Improvement Plan. The parking spaces provide increased accessibility for patrons to access local businesses thereby encouraging economic sustainability.

Under the Agreement, the Town assumed responsibility for normal maintenance of the parking area, including snow removal, cleaning and striping. Maintenance is undertaken by the Public Works and Environmental Services Department, in conjunction with other municipal maintenance works.

Repairs to the area, including resurfacing, patching and repair of potholes, have been shared on a 63/37 percent basis, in keeping with the parties' respective allocations, under the

Agreement. In 2018/2019 repairs consisted of minor spot repairs of asphalt, sealing of the asphalt and repairing the parking spots.

Mr. Kalbol is agreeable to renewal of the Agreement for a 5-year term, however with the following adjustments:

- Lease Payment: \$6,990 (net of snow removal)
- Repair costs to be shared on a 50/50 basis

Kalbol's proposed lease payment is based on \$1 per space for 26 parking spaces, which are now currently delineated for parking, for each calendar day of the year (365 days), less the estimated cost of the Town providing snow removal services (\$2,500). Kalbol is seeking a lease payment for the Town's use of the parking spaces rather than reimbursement of a portion of the tax levy.

With respect to the repairs, the negotiated agreement is to move to a 50/50 cost share from 63/37, with the Town continuing to be responsible for all maintenance costs, except snow removal.

If Council is agreeable to these proposed terms, an agreement will be prepared, satisfactory in form to the Town's Solicitor, and a by-law presented to authorize the Mayor and the Clerk to execute the agreement.

Consultations

Financial Services
Planning & Building Services
Public Works & Environmental Services

Financial Implications

The annual fee paid to use the parking spaces was, in past years, based on the taxes levied over same. Over the past three years, the fees paid were:

2020 \$1,968

2019 \$1,995

2018 \$1,904

Kalbol is seeking compensation for the Town's use of the parking spaces rather than a tax rebate for that portion of the property.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh’s plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town’s leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Sue White
Administrative Assistant to Director Corporate
Services & Clerk

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Deputy Treasurer & Tax Collector

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Environmental
Services

Reviewed by:

Laura Moy, Dipl. M.M., CMMIII HR Professional
Director Corporate Services & Clerk

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Map of Area