



The Corporation of the Town of Tecumseh

Parks & Recreation Services

To: Mayor and Members of Council

From: Paul Anthony, Director Parks & Recreation Services

Date to Council: November 13, 2018

Report Number: PRS-2018-20

Subject: Lease Agreement Renewal
Powertech Hockey Development (2013) Ltd.

Recommendations

It is recommended:

THAT a five (5) year Renewal Lease Agreement commencing December 1, 2018 **be approved** between The Corporation of the Town of Tecumseh (Town) and Powertech Hockey Development (2013) Ltd. (Powertech) to provide a specialized sport training/programming service at the Tecumseh Arena (Renewal Agreement);

AND THAT the Renewal Agreement call for a monthly rental fee of \$2,500 plus H.S.T. for the month of December 2018; and \$2,600 plus H.S.T. from January 1, 2019 to December 31, 2023;

AND FURTHER THAT Powertech would have the right to further renew the lease agreement upon written notification at least six (6) months before the expiration of the Renewal Agreement, for a further five (5) years, subject to a the rental fee being renegotiated;

AND FURTHERMORE THAT a **by-law be prepared** authorizing the Mayor and the Clerk to execute the Renewal Agreement satisfactory in form to the Town's Solicitor.

Background

At the regular Council meeting of November 12, 2013, the members considered Parks & Recreation Report No. 37/13 and subsequently passed motion (RCM-390/13) which reads as follows:

THAT a five year agreement commencing December 1st, 2013 be approved between the Town of Tecumseh and 1681384 Ontario Inc. operating under the name of Powertech Hockey Group (Powertech) to provide a specialized sport training/programing service at the Tecumseh Arena;

AND THAT the lease agreement call for a monthly fee of \$2,500 plus H.S.T. for the period of the agreement December 1, 2018 to December 31, 2018;

AND FURTHER THAT Powertech would have the right to renew the agreement, to be exercised at least six (6) month before the expiration of the term hereby granted for two (2) further periods of five (5) years, on the same terms as provided in the agreement. The rental fee will be renegotiated prior to any renewals; should Powertech Group choose not to exercise their option to renew, the agreement will expire on December 31, 2018;

AND FURTHERMORE THAT a by-law be prepared authorizing the Mayor and the Clerk to execute an Agreement between the Town of Tecumseh and Powertech, satisfactory in form to the Town's solicitor.

Comments

Powertech, as per the Lease Agreement, has notified the Town of its intent to renew for a further 5-year period to continue to offer a specialized sport training/programming service at the Tecumseh Arena.

During the first 5-year agreement, Powertech met all of its obligations and has provided a quality sports training program for athletes of all ages and abilities. The agreement has also resulted in increased ice rentals which, in turn, has provided additional revenue to the Arena facility. The partnership has been a win/win for the Town and Powertech.

It is recommended that Council authorize a renewal agreement between Powertech and the Town of Tecumseh commencing December 1, 2018 for a term of five (5) years, with a monthly rent of \$2,500 plus H.S.T. for the month of December 2018, and \$2,600 plus H.S.T. from January 1, 2019 to December 31, 2023.

Powertech would have the right to renew, to be exercised at least six (6) months before the expiration of the term hereby granted, for one (1) further period of five (5) years, on the same terms as provided in the agreement. The rental fee would be negotiated prior to the renewal.

Since entering into the lease agreement with Powertech, it has obtained a new certificate of incorporation amending its legal name from 'Powertech Hockey Group' to 'Powertech Hockey Development (2013) Ltd.' The renewal agreement will reflect Powertech's corporate name change.

Consultations

Corporate Services & Clerk
Financial Services

Financial Implications

The public-private partnership with Powertech provides financial support annually and provides a service that the Town cannot provide in-house.

The net revenue from the lease, approximately \$14,000, is allocated to the Arena Lifecycle Reserve to fund for future maintenance costs.

Link to Strategic Priorities

| Applicable | 2017-18 Strategic Priorities |
|-------------------------------------|---|
| <input checked="" 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 type="checkbox"/> | Ensure that the Town of Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making. |
| <input checked="" type="checkbox"/> | Integrate the principles of health and wellness into all of the Town 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:

Paul Anthony, RRFA
Director Parks & Recreation Services

Recommended by:

Tony Haddad, MSA, CMO, CPFA
Chief Administrative Officer

| Attachment Number | Attachment Name |
|------------------------------|----------------------------|
| None | None |