



The Corporation of the Town of Tecumseh

Community & Recreation Services

To: Mayor and Members of Council

From: Beth Gignac, Director Community & Recreation Services

Date to Council: December 12, 2023

Report Number: CRS-2023-02

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

Recommendations

It is recommended:

That Council, pursuant to By-law 2013-64, **authorize** Administration to execute a further five (5) year Renewal Lease Agreement commencing January 1, 2024 between The Corporation of the Town of Tecumseh and Powertech Hockey Development (2013) Ltd. to continue to provide a specialized sport training/programming service at the Tecumseh Arena, satisfactory in form and content to the Town's Solicitor;

And that the Renewal Lease Agreement **incorporate** a monthly rental fee of \$2,700 plus H.S.T. from January 1, 2024 to December 31, 2028.

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/programming 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) months 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.

At the regular Council meeting of November 13, 2018, the members considered Parks & Recreation Report No. PRS-2018-20 and subsequently passed motion RCM-321/18 which reads as follows:

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 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.

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 two 5-year agreements, 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 January 1, 2024 for a term of five (5) years, with a monthly rent of \$2,700 plus H.S.T. from January 1, 2024 to December 31, 2028.

Consultations

Legislative 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 increase in rent for the upcoming term of agreement is four percent. The net revenue from the lease, approximately \$21,000, is allocated to the Arena Lifecycle Reserve to fund future maintenance costs.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input checked="" type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input checked="" type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

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:

Brett Palmer
Senior Manager Recreation Services

Reviewed by:

Beth Gignac, BA Hons
Director Community & Recreation Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None