

Staff Report

Council Meeting Date: February 24, 2025

Subject: CLKS.2025.10 – Paisley LCBO Lease Renewal

Report from: Emily Dance, Chief Administrative Officer

And Clerk Christine Fraser-McDonald

Attachments: Draft Lease Agreement

Recommendation

Be It Resolved the Council receives Report CLKS.2025.10 – Paisley LCBO Lease Renewal;

And further that a by-law be brought back to the next available Council meeting to bring force and effect to this lease agreement.

Background

The Liquor Control Board of Ontario (LCBO) has leased the building that it is housed in from the Municipality for a number of years.

Analysis

The Municipality leases the store premises comprising of a gross floor area of approximately one thousand two hundred and seventy-five (1,275) square feet on the ground level municipally known as 277 Queen Street North, Paisley, to the LCBO.

The existing lease will expire on March 31, 2026 and the LCBO and staff have been proactive in preparing a new lease.

Staff have reviewed the proposal and recommend to extend the term of the lease for a period of five (5) years commencing on the 1st day of April, 2026 and expiring on the 31st day of March, 2031.

The LCBO will pay a rent in the annual sum of \$15,172.50, plus applicable HST, which was calculated on the basis of \$11.90 per square foot of 1,275 square feet of the premises. The monthly instalments will be \$1,264.38, plus applicable HST. This is an increase of \$1.00 per square foot. This is an increase of \$1,275.00 per year.

As part of this new lease agreement, a new HVAC unit is required for the building. The Municipality will remove the existing A/C Condensing Unit that is currently servicing the building and will install a new A/C Condensing HVAC Unit based on the LCBO's requirements and specifications, at the Municipality's expense. The LCBO has requested that this work be completed no later than December 1, 2025.

The new HVAC system has been included in the 2025 Recreation and Facilities budget. The Recreation and Facilities Manager has been in contact with contractors requesting quotes for the new HVAC, but due to the inclement weather, they have not been able to attend the building.

Link to Strategic/Master Plan

6.5 Engaging People and Partnerships

Financial Impacts/Source of Funding/Link to Procurement Policy

There is a small increase in rental payments for this new agreement in the amount of \$1,275.00. At the end of each year, the difference between revenue and expenses is added to the Recreation Buildings reserve (account number 01-0000-7259) for such things as a new air conditioner which is expected to cost \$4,500 in 2025.

Approved by: Emily Dance, Chief Administrative Officer