



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Corporate Assets and Strategic Planning Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	May 20, 2015
SUBJECT/REPORT NO:	Lease Agreement - Hamilton & District Soccer Association - 75 Balsam Avenue North (PW15036) (Ward 3)
WARD(S) AFFECTED:	Ward 3
PREPARED BY:	Delfina Duarte Superintendent Business Services & Technology (905) 546-2424, Extension 6627 Rom D'Angelo Director, Facility Management & Capital Programs (905) 546-2424, Extension 4617
SUBMITTED BY:	Gary Moore, P.Eng. Acting General Manager Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That the City of Hamilton enter into a Lease Agreement, including subsequent renewals, with The Hamilton & District Soccer for the property known as 75 Balsam Avenue North (Tim Horton's Field), subject to the following terms:
- (i) Property: Approximately 656.60 square feet, consisting of two offices (2W-331 and 2W-332) as outlined on Schedule A to Report PW15036. The space will be leased on an "as is" basis save an except that an entry door will be installed between both offices prior to Lease execution.
 - (ii) Term: Five (5) years commencing August 1, 2015 and terminating on July 31, 2020.
 - (iii) Renewal Options: The Lessee shall be entitled to extend the Lease for one (1) further term of five (5) years at market rates.
 - (iv) Early Termination: Either party shall have the option of early termination, without cause, at any time during the term of this lease, upon providing notice in writing within 180 calendar business days of the date of early termination
 - (v) Rental Rate:
 Year 1: \$16.50/sq. ft. gross (\$902.85 /month or \$10,833.90 /annum)
 Year 2: \$16.75/sq. ft. gross (\$916.50 /month or \$10,998.05 /annum)

Year 3: \$17.25/sq. ft. gross (\$943.86 /month or \$11,326.35 /annum)

Year 4: \$17.50/sq. ft. gross (\$957.54 /month or \$11,490.50 /annum)

Year 5: \$18.00/sq. ft. gross (\$984.90 /month or \$11,818.80 /annum)

Rental Rates are subject to HST.

- (b) That all rent be credited to account 46114 - 792284.
- (c) That the Mayor, General Manager of Public Works and City Clerk be authorized and directed to execute the Lease, as well as, subsequent renewals in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The new Tim Horton's Field was constructed to serve the needs of the community in providing long term social, health and wellness benefits to residents in the surrounding areas. This included providing new recreation opportunities.

In fact, its first and primary purpose was to serve as the CIBC Hamilton Pan Am Soccer Stadium hosting the soccer games throughout the 2015 world renowned event. In addition, the surrounding area, known as the "Stadium Precinct" will be redeveloped to include a new Recreation Centre/ Seniors Centre as well as a new ten to twelve acre park. In addition, the nearby old Dominion Glass site on Chapple Street will be resurrected to Brian Timmis Soccer Stadium. The creation of a centralized recreation district lends itself well to serving as the head office for the Hamilton & District Soccer Association. The mission of the Association is to promote, organize, support and facilitate soccer in collaboration with its member clubs while ensuring equal opportunity and fairness from social play to the highest competitive levels. Along with the Ontario Soccer Association and Canadian Soccer Association it provides information, coordination, support and fiscal responsibility for its members.

This report seeks Council's approval to enter into a new Lease agreement as well as, subsequent renewals with Hamilton & District Soccer Association.

Alternatives for Consideration - Not Applicable

FINANCIAL - STAFFING - LEGAL IMPLICATIONS

Financial: The rental rates of \$16.50 per square foot with subsequent annual increases will provide the City with additional revenues throughout the life of the Lease.

Staffing: There are no increases to staff levels associated with the recommendations in this report.

Legal: Legal Services were involved in the development of the Lease Agreement.

HISTORICAL BACKGROUND

This is a new lease and as such there is no history to report on.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The report recommendations are consistent with the City's Real Estate Portfolio Management Strategy Plan as approved by City Council on November 24, 2004, and Procedural By-Law No. 04-299. City Council, in approving the Consolidation of Routine Real Estate Matters, authorized the delegation of authority to approve the acquisition, disposition or lease as follows:

- General Manager or designate for a lease value not exceeding \$150,000 annual rental; and
- City Manager or designate for a lease value not exceeding \$250,000 annual rental.

As the lease is a new agreement, Council approval is required to approve the recommendations contained in this Report.

RELEVANT CONSULTATION

Internal Consultation

- Facility Management and Capital Programs - Staff from Facilities have been involved in the preparation of the lease agreement
- City Manager's Office, Legal Services - Staff from the City Manager's Office have assisted in preparing the lease agreement.
- Corporate Services, Risk Management reviewed the agreement for risk assessment

External Consultation

- The Hamilton & District Soccer Association

ANALYSIS AND RATIONALE FOR RECOMMENDATION

This lease is beneficial to the City, to the Tenant and to the community as it promotes the vision for the Stadium Precinct. With the approval of the Lease and subsequent renewals, City of Hamilton will continue to receive the financial benefit of rental income and utilize this space as effectively as possible.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2012 - 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.1 Continue to grow the non-residential tax base.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.3 Enhance customer service satisfaction.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" - Location of Premises within Building