

	Report Title	Skate Shop Lease 2019-2024
	Report No.	RCP 19-12
	Author	Rick Cox, Director of Recreation, Culture & Parks
	Meeting Type	Council Meeting
	Council Date	March 11, 2019
	Attachments	Letter from M. Papaioannou Letter from D. Holman Skate Shop Contract 2019-2024

RECOMMENDATION

THAT Council receives Report RCP 19-12 – Skate Shop Lease 2019-2024 for information;

AND THAT Council awards the lease for the Skate Shop in the Tillsonburg Community Centre to Tillsonburg Skate Shop (Doug Holman) for May 1, 2019 through April 30, 2024.

EXECUTIVE SUMMARY

The lease for the skate shop at the Tillsonburg Community Centre (TCC) expires at the beginning of May, 2019. The current owner of the business, Michael Papaioannou, is in the process of retiring and selling the business. Whether or not there is a lease in place for the space is a key component of the valuation of the business. For the last several lease renewals, Mr. Papaioannou was the only respondent to the public invitation to submit bids. Staff recommends that a lease for 2019-2024 be awarded to Mr. Doug Holman to ensure continuity of service and maintain the lease revenue.

BACKGROUND

In March 2015, staff prepared and advertised an invitation to vendors to submit a proposal for the skate shop lease for the period of September 2015 through May 2019. Only one submission was received. Mr. Papaioannou has provided good service to the facility users and has been a good tenant. He has indicated his intent to retire and sell the business.

It is difficult to sell the business without having a lease in place. While the lease allows for a one-year extension past May 1, 2019, it does not allow for the lease to be transferred to another person or company unless approved in writing by the Town of Tillsonburg. As it is unlikely that there will be any other interested vendors, this report recommends, rather than extend the existing lease, that the Town issues a new lease to Mr. Papaioannou's selected purchaser, Mr. Doug Holman. The new proprietor has arrangements in place to work with Mr. Papaioannou during the transition to ensure the quality of service that TCC users are accustomed to will not be affected.

Mr. Holman is a Tillsonburg resident and is enthusiastic about the opportunity to continue to provide skate sharpening and other small services in the TCC location.

Staff recommends that the Town consent to the lease at the proposed rate schedule of \$2,734.60 per year for the first three years of the lease, increasing to \$2,853.25 for the final two

years of the lease. The tenant must also maintain \$5,000,000 liability insurance and WSIB coverage for the duration of the lease.

Council could consider not awarding the lease to Mr. Holman, and require that staff initiate a public invitation to vendors to see if there is additional interest. The last several invitations of this nature for the skate shop operation have not seen any interest beyond that of Mr. Papaioannou.

The term of the proposed lease is for five years, with provisions for one three-year extension, at the Town's sole discretion.

FINANCIAL IMPACT/FUNDING SOURCE

The current lease nets the Town \$2,280 per year. This revenue is reflected in the Recreation, Culture & Parks budget for 2019. Future budgets will reflect the increased lease amounts.

COMMUNITY STRATEGIC PLAN (CSP) IMPACT

1. Excellence in Local Government
 - ☐ Demonstrate strong leadership in Town initiatives
 - ☐ Streamline communication and effectively collaborate within local government
 - ☒ Demonstrate accountability
2. Economic Sustainability
 - ☒ Support new and existing businesses and provide a variety of employment opportunities
 - ☐ Provide diverse retail services in the downtown core
 - ☐ Provide appropriate education and training opportunities in line with Tillsonburg's economy
3. Demographic Balance
 - ☒ Make Tillsonburg an attractive place to live for youth and young professionals
 - ☒ Provide opportunities for families to thrive
 - ☐ Support the aging population and an active senior citizenship
4. Culture and Community
 - ☐ Promote Tillsonburg as a unique and welcoming community
 - ☒ Provide a variety of leisure and cultural opportunities to suit all interests
 - ☐ Improve mobility and promote environmentally sustainable living

Report Approval Details

Document Title:	RCP 19-12 - Skate Shop Lease 2019-2024.docx
Attachments:	- RCP 19-12 - ATT 01 - Letters.pdf - RCP 19-12 - ATT 02 - New Agreement _Skate Shop_2019-2024_.docx
Final Approval Date:	Mar 5, 2019

This report and all of its attachments were approved and signed as outlined below:



David Calder - Mar 5, 2019 - 1:16 PM