

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 30, 2018

Item 4, Report No. 2, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on January 30, 2018.

4 LEASE EXTENSION FOR HUMAN ENDEAVOUR AT THE MICHAEL CRANNY HOUSE

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Deputy City Manager, Community Services, dated January 23, 2018:

Purpose

To extend the City's lease with Human Endeavour for the continued use of the Michael Cranny House ("MCH") on a month-to-month basis until a new framework is developed to standardize the leasing process for all City facilities.

Recommendations

1. That the necessary by-law be enacted to authorize a revival, amending and extending agreement to revive, amend and extend the lease between the City and Human Endeavour for the use of the MCH dated May 1, 2015 (the "Original Lease") on a month-to-month basis, substantially under the same terms and conditions, including a maintenance fee of \$1,200 plus HST per month (the "Lease Extension"); and
2. That the Mayor and the City Clerk be authorized to execute all documentation required to complete this transaction.

Report Highlights

- The Original Lease with Human Endeavour has terminated.
- A lease revival, amending and extending agreement should be executed to clarify and update the parties' obligations with respect to the lease arrangement.
- A necessary by-law should be enacted to authorize the Lease Extension until a new framework to standardize the leasing process for all City facilities is developed and brought forward to Council in 2018.

Background

The MCH is located at 439 Glenkindie Avenue on the north side of Major Mackenzie Drive between Jane and Keele Streets in Maple.

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The MCH is currently used by two tenants: Human Endeavour, which has occupied three (3) office spaces (1,050 sq. ft., approximately 80% of building) since 2008; and Santafest, which has occupied one (1) office space (350 sq. ft.) since 2000. Both Human Endeavour and Santafest are City-approved Community Service Organizations.

The Original Lease permits Human Endeavour to use the City-owned facility for the sole purpose of providing community services and programs for the benefit of City residents; it automatically terminated because Human Endeavour was unable to obtain a provincial grant by October 30, 2016. As a result, it needs to be revived, amended and extended to permit the continued use of the facility under clear terms. Human Endeavour was consulted and agrees with the City's proposal to proceed with a month-to-month extension of the Original Lease. This extension will allow the City to develop new terms, policies and procedures to standardize the leasing process for City-owned facilities and bring forward a new leasing framework to Council for consideration.

Extending the Original Lease will allow Human Endeavour's programs and activities to continue without interruption and clarify and update the parties' obligations with respect to the lease arrangement.

Previous Reports/Authority

[By-Law 080-2015](#)

Analysis and Options

In 2013, Human Endeavour advised Council and staff that they wished to apply for a Trillium Grant to upgrade the MCH electrical and mechanical systems, replace the windows and make the building wheelchair-accessible. One of the requirements of the application was that Human Endeavour have a valid lease agreement for a minimum 5-year term. On December 10, 2013, Council authorized the Original Lease with By-Law 080-2015.

The Original Lease contained the following terms and conditions:

- i) That if by October 30, 2016, Human Endeavour was not successful in obtaining a grant, the lease would terminate automatically; and
- ii) That Human Endeavour be responsible for 80% of all operating and maintenance costs related to the property during the term.

Though Human Endeavour was unsuccessful in obtaining the Trillium Grant, both parties have continued to act according to the terms of the Original Lease since October 30, 2016 until the present, and Human Endeavour has indicated to the City that they

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wish to continue to do so. The Original Lease requires Human Endeavour to pay 80% of maintenance costs, estimated at \$1,200 plus HST per month, to be reconciled annually. Staff recommend that the City continue to charge this amount to ensure reasonable cost recovery for utilities and maintenance.

Financial Impact

Human Endeavour will continue to pay 80% of the maintenance fees, which are estimated at \$1,200 plus HST per month. Please note that these fees are subject to annual reconciliation and may change during the extension term. The maintenance fee includes the cost of utilities and basic operating costs such as cleaning and garbage removal.

Broader Regional Impacts/Considerations

There are no regional implications associated with this report.

Conclusion

Dave Merriman, Manager, Facility Maintenance Services in consultation with the Office of the City Solicitor and the Director of Financial Planning and Development Finance and Deputy City Treasurer, recommends the City's lease with Human Endeavour for the Michael Cranny House should be revived, amended and extended to clarify and update the parties' obligations. This will allow staff to develop a new leasing framework to be brought forward for Council consideration in 2018.

Attachments

Not applicable

Prepared by

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