

The Corporation of the Town of Niagara-on-the-Lake Information Report to Council

SUBJECT: Lease Agreement Updates – 14 Anderson Lane and 176 Wellington Street
DATE: 2025-05-13
REPORT #: OPS-25-015
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DEPARTMENT: Operations Services

BACKGROUND INFORMATION

This report is intended to provide Council with an update regarding lease agreements at two Town properties:

- 14 Anderson Lane – Community Centre
- 176 Wellington Street – Old Hospital Site

Tenant: Sweets & Swirls

Location: Community Centre Café - 14 Anderson Lane

Background

Town staff have had discussions with the owners of Sweets & Swirls Café (tenant) regarding exercising their extension on the current lease agreement (**Appendix I** – 4691-A – Community Centre Lease Extension Sweets & Swirls Cafe). The current lease expired December 31, 2024. The Town has a holdover agreement that expired on March 31, 2025. The tenant is interested in extending the agreement for another five (5) years (**Appendix II** – 2024 Café Lease Letter of Intent – Extension of Lease).

Financial Implications

As per Section 3 – Renewal Option of the current lease authorized under By-law 4691A-19 (**Appendix I**), staff have negotiated a rent amount for the next five (5) years with an expiry of December 31, 2029.

The 2025 rent will be \$8,418 and will include an annual rent increase by the lesser of 2% or the Statistics Quarterly, Construction Price Index annually. The tenant will also be required to pay the annually assessed property tax, \$4,472 (2024), on the space occupied within the Community Centre.

Conclusion

Based on the above information and the approved lease agreement (By-law 4691A-19 -Section 3), there is authorization to execute the extension for another five (5) years. Town staff will request the tenant's signature on the lease agreement. Once there is a signed agreement, Town staff will fully execute with signatures from the corporation's signing authority (Lord

Mayor and Town Clerk) (**Appendix III** – Draft Lease Agreement Extension – 14 Anderson Lane – Café – Sweets & Swirls – 2025-2029).

Tenant: Royal Oak Community School

Location: Old Hospital Site - 176 Wellington Street

Background

The Town purchased the Old Hospital Site (176 Wellington Street) from the Niagara Health System in March 2017. In that purchase, there were existing tenants that the Town assumed to assist with the property/building costs. Royal Oak Community School (ROCS) operates a community school occupying the first floor (5800 sq. ft.) of 176 Wellington Street. ROCS required additional space in 2020 due to COVID restrictions. They currently occupy the total area of the first floor in selected rooms identified in the agreement (**Appendix IV** – 176 Wellington St – Royal Oak School – Schedule A).

ROCS current lease agreement expires June 30, 2025. Town staff have had discussions with the ROCS Head of School and Board chair regarding future lease agreements. The Town will be starting public engagement for the 176 Wellington Street site this summer. Through this process, a recommendation on the future of the site will occur.

Financial Implications

Town staff will keep the lease agreement's payments the same as the tenant is currently paying on a monthly basis until the end of the year (2025).

Conclusion

Town staff are supportive of a holdover letter until December 31, 2025. This holdover will have a six (6) month notice of termination clause added. This letter will provide the ROCS stability until the end of the 2025 school year.

Discussions/negotiations will occur one (1) month before the expiration of the holdover on rental amounts for 2026, pending the outcome of the public engagement process.

Tenant: Terry Harford RMT

Location: Old Hospital - 176 Wellington Street

Background

The Town purchased the Old Hospital (176 Wellington Street) from the Niagara Health System in March 2017. In that purchase, there were existing tenants that the Town assumed to assist with the property/building costs. Terry Harford RMT operates a registered massage therapy clinic occupying one office in the lower level (288 sq. ft.) of 176 Wellington St. Harford RMT currently occupies one office identified in the agreement (**Appendix V** – 176 Wellington St – Harford RMT – Schedule A).

Mr. Harford's current lease agreement expires June 30, 2025. Town staff have had discussions with Mr. Harford regarding future lease agreements. The Town will be starting public engagement for the 176 Wellington St site this summer. Through this process, a recommendation on the future of the site will occur.

Financial Implications

Town staff will keep the lease agreement's payments the same as the tenant is currently paying on a monthly basis until the end of the year (2025).

Conclusion

Town staff are supportive of a holdover letter until December 31, 2025. This holdover will have a six (6) month notice of termination clause added. This timing is recommended to coincide with the ROCS holdover letter.

Discussions/negotiations will occur one (1) month before the expiration of the holdover on rental amounts for 2026, pending the outcome of the public engagement process.

ATTACHMENTS

- Appendix I – 4691A-19 Community Centre Lease Extension Sweets and Swirls Café
- Appendix II – 2024 Café Lease Letter of Intent – Extension of Lease
- Appendix III – Draft – Lease Agreement Extension – 14 Anderson Lane – Café – Sweets and Swirls – 2025-2029
- Appendix IV – 5070-18 – 176 Wellington – ROCS – Schedule A
- Appendix V – 5070-18 – 176 Wellington – Harford RMT - Schedule A