

COMMITTEE OF THE WHOLE MAY 3, 2004

LEASE AGREEMENT WITH ROYALCREST ACADEMY

Recommendation

The Commissioner of Community Services and the Director of Recreation and Culture in consultation with the Legal Department recommend:

1. That the City of Vaughan enter into a lease agreement with RoyalCrest Academy for the use of the lower level multi-purpose room at the Maple Community Centre for the 2004/2005 school year for the purposes of operating children's programs, in accordance with the terms of the Letter of Intent (see Attachment No.1) and all other required legal, financial, constructions and risk management components, and in a form satisfactory to the Commissioner of Community Services and the Commissioner of Legal and Administrative Services; and
2. That a by-law be enacted to authorize the execution of said agreement.

Purpose

The purpose of this report is to obtain Council's authorization to enter into a lease agreement with RoyalCrest Academy to lease space at the Maple Community Centre for the 2004/2005 school year for the purposes of operating children's programs.

Background - Analysis and Options

RoyalCrest Academy is a new private school in Vaughan catering to toddlers through grade eight. Their permanent location on Keele Street in Maple will not be ready until 2005 and they are therefore in need of a temporary location to house their students for the 2004/2005 school year.

The Maple Community Centre is currently under construction and the expanded fitness centre is scheduled to open in August of 2004. Recognizing that the fitness centre has been temporarily relocated to the lower level multi-purpose room (the former bocce court area in the basement) once the new fitness centre is operational this area will become available for programs and rentals. RoyalCrest Academy has requested that they be allowed to lease this area as a temporary location for their school. They have agreed to assume the responsibility for any changes required for the site, returning the site to its original condition at the end of the lease and for paying the agreed upon rate(s) of all related expenses including but not limited to rent, permits, insurance, licenses etc.

The Department of Recreation and Culture's long term strategy is to conduct a needs assessment of the programs and services needed in Maple and the goal is that this vacated space will eventually house programs and services that have been identified as gaps in current service levels. This research will be completed in the spring of 2005 and the launching of any new programs and services will be in the fall of the same year.

As a result there is an opportunity to lease the space that will result in additional revenue for the city while having no adverse impact to the current programs and services.

RoyalCrest has delivered an executed Letter of Intent (see Attachment No.1) setting out the essential terms of the lease agreement. These terms will be negotiated through our legal and real estate divisions and appropriate fees, requirements and restrictions will be imposed accordingly.

Relationship to Vaughan Vision 2007

One of the strategic priorities outlined in the Vaughan Vision is to improve services through value added, cost recovery and partnership initiatives. This unique form of partnership with RoyalCrest will ultimately benefit service to Vaughan residents. The in surge of revenue from the lease will be re directed towards customer needs and wants.

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

Entering into a lease agreement with RoyalCrest Academy will be mutually beneficial. RoyalCrest Academy will be able to operate their program for their participants who are most likely to be Vaughan residents while Vaughan will benefit by the additional revenue for an area that has not yet been available to the residents and therefore will not impact the users and programs.

Attachments

1. Letter of Intent

Report prepared by:

Mary Reali, Customer Service and Administration Manager, Ext 8234

Respectfully submitted,

Marlon Kallideen
Commissioner of Community Services

Letter of Intent

Scope:

This letter will serve as a Letter of Intent between the City of Vaughan and the RoyalCrest Academy. It will outline the terms and conditions relating to RoyalCrest's interest in temporarily leasing space at the Maple Community Centre to operate children's programs.

Upon approval of such terms and conditions by both parties, staff will proceed with processing a lease through our Legal Department to get the necessary approvals from the City of Vaughan Council. Once Council's approval is obtained, the Legal Department will proceed to prepare a lease.

Background:

RoyalCrest Academy is interested in leasing the basement multi-purpose room and the south east corner of the administration office located in the Maple Community Centre. They will be operating educational programs for children until such time as their permanent facility is built. Currently the multi-purpose room is acting as a temporary fitness centre until construction of its permanent location on the 2cd floor is completed.

Terms and Conditions:

Leased Area:

The basement multi-purpose room(515 m² / 5540 sq.ft.) and the south east corner of the administration office (7.9 m² / 85 sq.ft.) At the Maple Community Centre.

Term:

South east corner of the administration office, May 3rd, 2004 to June 30th, 2005.

Multi-purpose room: once construction has been completed on the 2cd floor on or about July 31st, 2004 to June 30th, 2005.

Rent:

\$96.84 per sq.m. (\$9.00 per square foot) payable on the first of each month with first and last month's due upon signing.

Facility Improvements:

The costs of any improvements or changes to the leased space will be the responsibility of RoyalCrest Academy and must first be approved by the City of Vaughan, Buildings and Facilities Department.

Common Area Costs HVAC, other Utility and Other Costs:

The pro-rated portion (based on the size of the leased space) of the City of Vaughan's insurance, maintenance, cleaning costs etc will be the responsibility of RoyalCrest. The amount will be determined by the City of Vaughan on September 30th for 2004 and by April 30th, 2005 for the 2005 portion. The amount will be payable 30 days following notice.

Taxes:

Any taxes payable on the leased area will be the responsibility of RoyalCrest.

Use and Programs:

Multi-purpose room: 5 individual rooms separated with dividers will house the different program areas. Three of the rooms will hold 15 children and the remaining two will hold 20 with the maximum being 85 at one time. The ages of the children will range from JK to grade 4.
South, east corner of the administration office area: office use.

...2

Maintenance:

RoyalCrest shall maintain its leased areas in good order. The cleaning, general, light repairs and minor maintenance will be the responsibility of RoyalCrest. Major repairs will be the responsibility of the City of Vaughan, Building and Facilities Department and may be charged back to RoyalCrest depending on the nature. The City of Vaughan shall have the right to enter the space for the purpose of repairs, maintaining or constructing any public utility or property.

Security:

RoyalCrest will be responsible for security of the leased space and will provide access to the City of Vaughan Building and Facilities as required. Notwithstanding any other provisions the City of Vaughan shall have unrestricted access to the space in an emergency situation.

Insurance:

RoyalCrest will be responsible for providing the necessary insurance indemnifying the City of Vaughan with a liability clause of 5 million dollars. The City of Vaughan will be named as an additional insured and the policy shall include a cross-liability endorsement.

Workplace Safety and Insurance Board:

RoyalCrest will be required to submit a statement from the Workplace Safety and Insurance Board when requested to do so.

Occupational Health and Safety Act:

RoyalCrest shall assume all of the responsibilities set out in the Act and its regulations.

Licensing:

RoyalCrest is responsible for obtaining all necessary permits and licenses necessary to operate the program. The City of Vaughan will be responsible for applying for the Building Permit. The costs of obtaining approval from authorities having jurisdiction will be the responsibility of RoyalCrest Academy.

Signage:

RoyalCrest will be allowed to place an advertising sign on the outside of the Community Centre in a location approved by the City of Vaughan for a period of 2 months beginning May of 2004. Indoor signage will be allowed and must first be approved by the City of Vaughan.

Use of Community Centre Amenities:

RoyalCrest will pay the Council approved rental rate(s) for the use of other facilities in the Maple Community Centre such as the gym, pool, bowling and arena and will be subject to the terms and conditions of the facility booking process. The 2004 rates are:

Gym	\$66.00/hourly.
Arena:	\$135.00/hourly.
Bowling:	\$25.00 per lane or \$90.00 for 4 lanes.
Pool:	\$34.00 per child.

Subletting or Assignment:

There shall be no right of RoyalCrest to sublet or assign the lease.

Dated: _____

RoyalCrest Academy
Name/Title: