

## Staff Report

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**Report To:** City Council  
**Report From:** Pamela Coulter, Director of Community Services  
**Meeting Date:** November 20, 2023  
**Report Code:** CS-23-123  
**Subject:** Request to Assign Lease – Julie McArthur Regional Recreation Centre (JMRRC) Concession

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### Recommendations:

THAT in consideration of Staff Report CS-23-123 respecting Request to Assign Lease – Julie McArthur Regional Recreation Centre (JMRRC) Concession, City Council directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the assignment of lease with the same terms and conditions as the current agreement.

### Highlights:

- The Julie McArthur Regional Recreation Centre opened in 2012 under a joint operating agreement with the Family Y.
- The responsibility under the Joint Operating Agreement with the Y for the concession is entirely with the City.
- A request has been received from the current tenant to assign the lease to Saleem Khan or his Corporation.
- Council is requested to approve the assignment of the lease in accordance with the assignment provisions of the lease.

### Strategic Plan Alignment:

This report supports the delivery of Core Service.

## **Climate and Environmental Implications:**

There are no anticipated climate or environmental impacts.

## **Previous Report/Authority:**

[CS-22-096 Julie McArthur Regional Recreation Centre Concession](#)

## **Background:**

The City has an Operating Agreement with the Family Y for the Julie McArthur Regional Recreation Centre. The agreement addresses food service and gives the responsibility for all aspects of the provision of food services and vending machines in the common area space to the City. Any revenue received is to be allocated equally between the City and Y and held by the City in a reserve for capital improvement expenditures.

Initially, following the opening of the JMRRC, finding an operator for this space had been challenging; however, in 2018 the City executed a lease with Sister's Café who operated for nearly five (5) years and following that, signed an agreement with Shaiqua Rahman Restaurants Ltd. in September 2022 (Bylaw 2022-102). Since the death of Sharif Rahman in August of 2023, the concession has not been operating.

The City has received a request from Shayela Nasrin, as the signing authority for Shaiqua Rahman Restaurants Ltd. requesting the assignment of the lease to Saleem Khan or his Corporation.

## **Analysis:**

Staff have met with Mr. Kahn through a realtor (Mark Barbosa, Century 21) and he is hoping to begin operating the concession in November 2023. Staff did make arrangements for the new operator to also meet the Y staff. Mr. Khan has experience managing a restaurant and is also opening a new restaurant in the River District.

Section 4 of the current Agreement provides direction on Assignment of the Lease and provides that the Tenant shall not assign the lease or sublet the whole or part without first obtaining the consent of the City.

Section 4(3) of the current agreement provides as follows:

- (3) Any consent granted by the City shall be conditional upon the assignee, subtenant or occupant executing a written agreement directly with the City agreeing to be bound by all the terms of this Lease as if the assignee, subtenant or occupant had originally executed this Lease as Tenant.

Based on the current lease, the advice from the City solicitor is for a simple agreement to be executed by Mr. Khan and the City that would acknowledge that he and the City agree to be bound by the terms of the current lease.

The term of the current lease expires September 31, 2027. At that time, provided the tenant is in compliance, there is an option for a further three (3) year renewal.

### **Financial Implications:**

Under the terms of the current agreement, the annual rent is \$1,200 per year. In 2024, the rent is to be increased by the Consumer Price Index.

The tenant is also responsible for paying for the cost of any fixtures or improvements and is also responsible for any taxes should they become owed.

### **Communication Strategy:**

The City has notified the Y of the change and made arrangements to introduce the City's Manager of Arena Operations and Y staff to Mr. Khan.

### **Consultation:**

City Solicitor

### **Attachments:**

1. Shayela Nasrin, for Shaiqua Rahman Restaurants Ltd. Request

### **Recommended by:**

Pamela Coulter, Director of Community Services

### **Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Pamela Coulter, Director of Community Services at [pcoulter@owensound.ca](mailto:pcoulter@owensound.ca) or 519-376-4440 ext. 1252.