

Staff Report

Report To: City Council
Report From: Pamela Coulter, Director of Community Services
Meeting Date: March 29, 2021
Report Code: CS-21-029
Subject: Request by Georgian Shores Marina to Assign Lease Agreement respecting Pylon Sign

Recommendations:

THAT in consideration of Staff Report CS-21-029 respecting a request by Georgian Shores Marina to Assign a Lease Agreement respecting a Pylon Sign, City Council:

1. Consents to the assignment of the lease from Georgian Shores Marina to Maple Leaf Marinas Holdings GP Inc.;
2. Directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the Assignment of Lease document; and
3. Requests the payment of the \$100 administration fee for the assignment of the lease in accordance with the Fees and Charges By-law.

Highlights:

- The City has an existing lease agreement for a pylon sign on City lands adjacent to 3rd Avenue West.
- The assignment of the lease from Georgian Shores Marina to Maple Leaf Marinas Holdings GP Inc. is requested in conjunction with the sale of private lands.

Strategic Plan Alignment:

1. *Retain and grown existing local businesses and business opportunities.*
10. *Maximize revenue sources and funding opportunities*

Background:

In 2017, City Council considered a request by Georgian Shores Marina to erect a Pylon Sign on a portion of City lands at the north east corner of the intersection of 3rd Avenue West and 24th Street West (see Attachment 1).

The lease agreement was approved by By-law 2017-061.

The City received correspondence dated March 24, 2021 from Mr. Douglas Grace requesting the City assign the lease agreement to Maple Leaf Marinas Holdings GP Inc. who are in the process of purchasing the property. An assignment of lease has been provided with the request.

Analysis:

The Marina does not have frontage on 3rd Avenue West and a sign along 3rd Avenue at 24th Street West is an important part of wayfinding with respect to the Marina. The sign was constructed in accordance with the Sign By-law with a permit in 2017.

The existing lease with the City has a section on “assignment” and provides that:

- The tenant is not permitted to assign the lease without the City’s written approval; and
- The assignment does not relieve the tenant from obligations under the lease including the obligation to pay rent. The annual rent in 2017 was \$500 per year subject each year to a CPI adjustment.

It is recommended that Council consent to the assignment of the lease and authorize a by-law to allow the Mayor and Clerk to execute the Assignment of Lease. Any adjustment in the rent amount between the current tenant and future tenant should be handled by the solicitor acting for the vendor and purchaser relating to the associated land sale which does not include the City.

Given the timing of the sale, the by-law is presented on March 29, 2021 as well.

Financial Implications:

Rent is paid under the lease.

The City incurred no expenses in the creation of the assignment of lease. This was provided by the Solicitor on behalf of Georgian Shores Marina.

There is a \$100 fee in the City's Fees and Charges By-law associated with this type of request.

Communication Strategy:

None required.

Consultation:

Report CS-17-075 on the initial request and lease agreement included consultation with the County of Grey, GSCA and internal City departments. Further consultation is not required to assign the lease.

The City solicitor reviewed the assignment document.

Attachments:

1. Location of sign and leased lands
2. Correspondence from Mr. Douglas Grace respecting Assignment of Lease

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 or 519-376-4440 ext. 1252.