



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Pat Newson, Director of Recreation and Facilities
Sharon Chambers, CAO
DATE: 06/06/2016
SUBJECT: Blyth Memorial Community Hall Lease
ATTACHMENTS: Lease – Draft 4.doc

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby approve the draft Lease Agreement in principal between the Township of North Huron and Blyth Arts and Cultural Initiative 14/19 Inc. and direct the Clerk to prepare an authorizing by-law for the June 20, 2016 Council meeting.

AND FURTHER THAT Council directs staff to take steps to inform the Blyth Centre for the Arts that upon signing the lease with Blyth Arts and Cultural Initiative 14/19 Inc. that the Joint Management Agreement of Blyth Memorial Community Hall with the Blyth Centre for the Arts will be terminated.

EXECUTIVE SUMMARY

A proposal to lease Blyth Memorial Community Hall was received by North Huron for consideration. After considerable research, discussions with involved parties, and legal advice, a lease agreement with 14/19 Inc. to lease the building has been drafted for Council's consideration.

The lease agreement attached to this report is a draft. Council is being asked to consider the lease agreement in principal while the remaining details of the lease agreement are completed by staff and lawyers. It is anticipated the final draft will be presented along with the by-law at the June 20, 2016 meeting.

DISCUSSION

The Township of North Huron received a proposal from 14/19 Inc. to lease the Blyth Memorial Community Hall to their organization. This is a mutually beneficial arrangement and North Huron has received support for this new management arrangement from the Blyth Centre for the Arts Board of Directors, the Blyth Legion and the Blyth Legion Ladies Auxiliary. Council has been assured that these stakeholders of Blyth Memorial Community Hall are supportive of this management change.

The lease agreement is for a 20 year term, and the building deficit, currently subsidized by North Huron rate payers will be assumed by 14/19 Inc. as part of the lease agreement. This results in an estimated savings of \$45,000 annually to the Township.

The lease agreement ensures that the current stakeholders of Blyth Memorial Community Hall will continue to enjoy the current use of the building and that 14/19 Inc as the new building operators will work with the stakeholders and the public to continue to grow the cultural opportunities in Blyth and Huron County through their management of the facility. Sub-lease agreements with

Blyth Centre for the Arts, the Blyth Legion and the Blyth Legion Ladies Auxiliary will be put in place to secure their needs and use of the facility. The lease agreement includes the broad terms of those covenants, however the specific details of the sub-lease agreements will be negotiated between the involved parties.

The lease agreement has conditions that secure the facility for public use as it has always been intended, and for the ongoing and long term maintenance and care of the facility.

Considerable thought and effort has been taken in drafting the lease agreement to ensure the future success for the community, the building, and the stakeholders.

FINANCIAL IMPACT

An annual operating budget savings of \$45,000 which staff are recommending to be directed to reserves for long term asset management for Blyth Memorial Community Hall.

FUTURE CONSIDERATIONS

The Blyth Arts and Cultural Initiative 14/19 Inc. have resources and a business plan that will grow the marketing and usage of the facility for current stakeholders and users, and potentially new users of the facility. Over the first few years of the lease, the Township will continue to work with all the building stakeholders to assist with the success of this plan. Council will continue to be kept informed.

RELATIONSHIP TO STRATEGIC PLAN

Our community is attractive and welcoming to new businesses and residents.
Our administration is fiscally responsible and strives for operational excellence.

Pat Newson, Director of Recreation and
Facilities

Sharon Chambers, CAO