

COMMUNICATION 136071

Received From: Diane Smithson, CAO
Addressed To: Committee of the Whole
Date: June 24, 2025
Topic: Potential Land Lease for Parking Lots

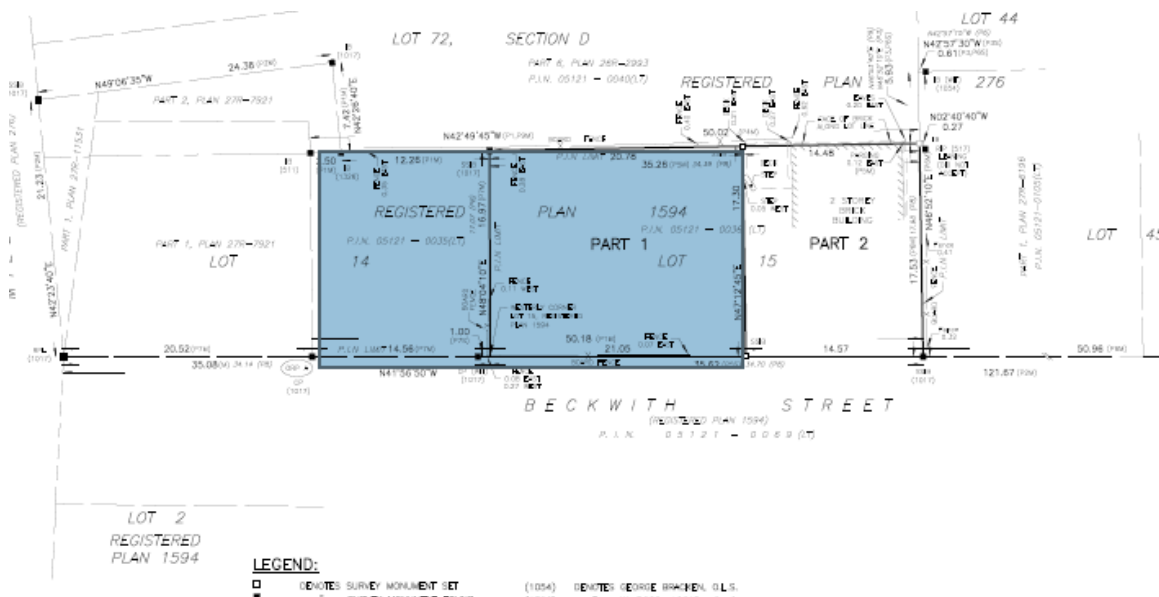
SUMMARY

The Town has been approached about leasing land along Beckwith Street for the purpose of providing additional parking for use by Town Hall Staff and the public to support downtown businesses. Staff is recommending that Council take advantage of this opportunity.

BACKGROUND

The Town has been approached by Ben Elliott who purchased the former Spartan Pizza lot on Beckwith Street and undertook a lot addition to acquire a portion of lands owned by the neighbour to the south (a total of 6,600 square feet) (see Figure 1), to inquire if the Town would be interested in entering into a five (5) year lease to use the lands for parking for Town Hall purposes during weekday business hours and/or for the public's use to supplement parking for the downtown.

Figure 1 – Lands Available for Parking Lot Use



With the growth in the Town, additional staff have been hired over the past number of years which has put a strain on parking in and around Town Hall. Additional off-street parking would be welcomed, which would also free up on-street parking.

DISCUSSION

The proposal from Mr. Elliott provided two (2) options under a triple-net lease arrangement where the Town covers maintenance, taxes, insurance and removal of asphalt at the end of the lease. It should be noted that the Town is exempt from taxation so the payment of taxes is not a consideration. He is asking for \$5 million commercial general liability insurance which would not have any additional cost implications for the Town. The maintenance component is with respect to snow plowing / removal in the winter. The two (2) options are as follows:

Option 1 – Town Funds the Site Preparation

Under this option, the Town would pay to prepare the site and install asphalt. The monthly lease amount would be \$1,500 / month or \$18,000 per year or \$90,000 over the 5-year period.

Option 2 – Owner Funds the Site Preparation

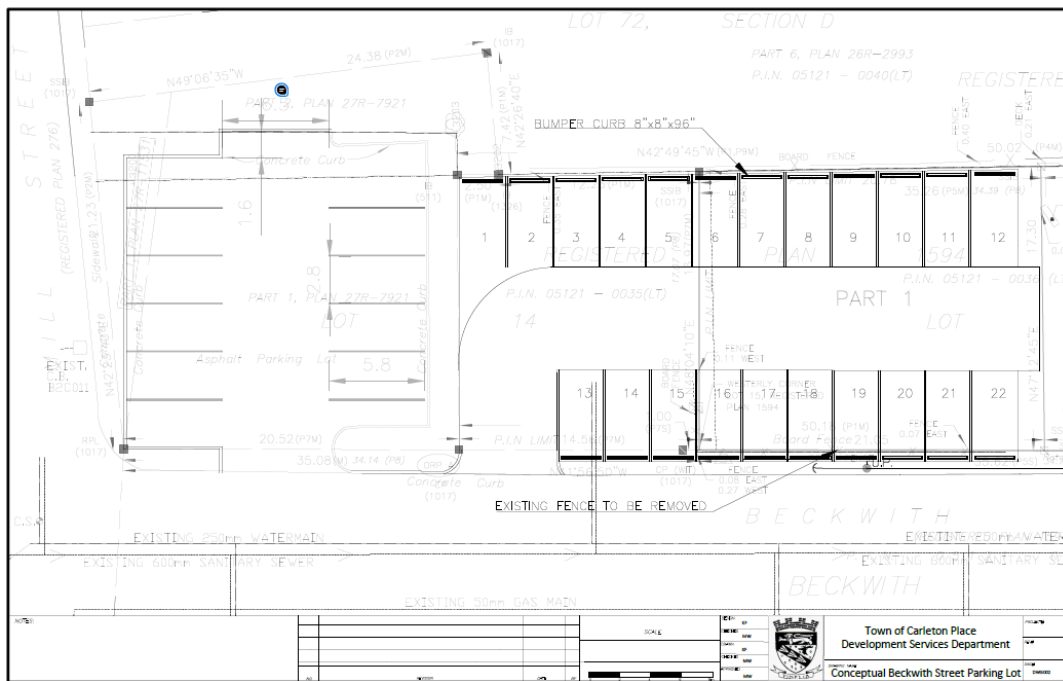
Under this option, the Owner would pay to prepare the site and install asphalt. The monthly lease amount would be \$2,500 / month or \$30,000 per year or \$150,000 over the 5-year period.

Site preparation includes grading, 12" of Granular B and 6" of Granular A, and one (1) 50 mm lift of asphalt.

The Owner indicated that given the work involved, the actual lease could not commence until sometime this fall (September / October timeframe).

Development Services Staff have reviewed the site and considered concepts that would result in the highest number of parking spaces while ensuring the site is functional from an access/egress perspective. From their analysis, they have determined that an additional 22 parking spaces can be accommodated on the site (See Figure 2). Due to the location of a hydro pole in the middle of Part 1 of Figure 1, it was determined that one (1) access point was preferable for both lots with the access point being on the former Spartan property.

Figure 2 – Parking Lot Layout



In addition, both leasing options reserve the right of the Owner to install, maintain and utilize fencing that he will install at his cost, for the purpose of displaying advertisements for local businesses (see Figure 3 below). He will work to identify a “heritage” design for the signage to complement the downtown aesthetic and perhaps incorporate some artwork from local artists.

Figure 3 – Fence Signage



First Right of Refusal

One of the best reasons to enter into the lease agreement is that the Owner is willing to provide a first right of refusal to the Town to purchase the lands if he decides to sell.

FINANCIAL IMPLICATIONS

Public Works utilized this year's tender pricing to estimate the cost of asphalt. There is also the option or the Town to prepare the site using Public Works' staffing/equipment which would save on costs as well. The estimated cost to prepare and pave the site is \$54,405 for both lots.

As there is little difference in the Town preparing the site versus the higher cost to lease the site under Option 2, and given the number of planned larger projects to be completed this year as part of the Town's annual budget and the additional unplanned Project 26, Staff is recommending Council authorize proceeding under Option 2. However, Staff has indicated that they would like the opportunity to be able to inspect the project at various stages as it is undertaken by the Owner.

The Town currently has \$33,000 in a parking reserve obtained from cash in lieu of parking that could be utilized to offset the cost of preparing the site. In addition, the Treasurer noted that there was \$24,529 that was in a former parking reserve which collapsed into the Strategic Reserve which could also be utilized to offset the site preparation costs / annual leasing costs for a total of \$57,529. Going forward as other development proposals are processed, there may be additional cash in lieu of parking amounts which can be utilized to offset the Town's annual leasing costs which will be incorporated into annual budgets if funds are available.

Additionally, if Council is interested, the Town could advertise the availability of parking passes in the new parking lot as not all spaces will be needed by Town staff. The revenue from selling these parking passes could be used to help offset the Town's annual leasing costs.

RECOMMENDATION

THAT Council pass a by-law to authorize staff to enter into a five (5) year lease agreement with Ben Elliott in accordance with Option 2 outlined in the report by the CAO dated June 24, 2025 for the use of two (2) lots he owns on Beckwith Street for the purpose of providing Town Hall / downtown parking; and

THAT the \$57,529 identified for parking in current reserves and any future cash in lieu of parking revenues be utilized to offset the Town's annual leasing costs.