

BUDGET COMMITTEE REFERRAL:

- Recreation and Culture Rates and Fees: Commercial Lease

RECOMMENDATIONS:

- That the information be received.

KEY FACTS:

- Information sharing.

COMMENTS/OPTIONS:

Tenancies and associated rates or rents within town Recreation Facilities differ from commercial realty MLS comparisons for a variety of reasons. As such, benchmarking to MLS is not necessarily an effective comparison.

As part of the annual rates and fees, inflationary rates are applied to the current five lease categories. The commercial lease rate is applied per square foot based on the size of the leased space.

Opportunities for commercial leases in our facilities are only identified when the Town has no current need for the identified space. The proposed new use must complement the current facility program offerings. There are also other unique factors that inform the commercial rate outlined in the 2022 Rates and Fees Schedule:

- Lease spaces within recreation and culture facilities are always leased in an 'as-is' condition and any necessary upgrades are at the expense of the leaseholder;
- Access to the leased space is always interior to the main entrance;
- These commercial service providers are subject to the operating hours of the town;
- Facility foot traffic is dependent upon the town's programming; and
- There is no exterior signage allowed advertising the commercial service.

As an example, a restaurant operating within an arena facility would be limited to town set hours of operation and would not be able to leverage the same type of walk in traffic as a commercial location. The type of recreational activities taking place would have a direct impact on the volume of visitors and potential customers attending the facility and the duration of their visit (e.g. gameplay/tournaments vs. practices). In comparison, a restaurant in a commercial plaza with exterior advertising signage draws more regular business from neighbourhood and drive by traffic. Currently, existing commercial leases within town recreation and culture facilities are specifically for food service providers or allied health care providers. Those opportunities are posted through an expression of interest process.