



City of Prince Albert

RPT 2024-240

TITLE: Lease Agreement – Bioreactor Site Buildings

DATE: August 7, 2024

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the Lease Agreement between the City of Prince Albert and Garden River Contracting Ltd. for the two buildings located at the former Bioreactor Site legally described as SE ¼ 29-25-W2nd, be approved at a rate of \$18,802.74 per year plus a 2% per annum rate increase for each year after the first, for a five (5) year term, commencing June 1, 2024, to May 31, 2029; and,
2. That the Mayor and City Clerk be authorized to execute the Lease Agreement, and any other required documentation once prepared, on behalf of The City.

EXECUTIVE SUMMARY:

Garden River Contracting Ltd. has been leasing the two buildings located at the former Bioreactor Site since 2009. The current agreement requires yearly renewal. Administration reached out to the Lessee to inquire if they were interested in entering into a five (5) year term. The Lessee has confirmed their interest and Administration will draft a new agreement to reflect this change, subject to City Council approval.

BACKGROUND:

At the April 16th, 2021, City Council Meeting the lease agreement between the City of Prince Albert and Garden River Contracting Ltd. was approved. Garden River Contracting Ltd. has been a valued tenant, leasing the buildings at the former Bioreactor Site since 2009. Please see the attached 2021 City Council report for more information.

PROPOSED APPROACH AND RATIONALE:

Garden River Contracting Ltd. has expressed interest in entering into a Lease Agreement for a term of five (5) years. A five (5) year term will provide the tenant with stability and peace of mind while ensuring the City has a steady income stream for the subject property that would otherwise

generate no revenue. Based on Administration's review of the lease agreement, no significant changes are required and the lease rate will remain unchanged for the term. Once approved, Administration will make any minor changes needed to ensure the agreement is current.

For these reasons, Administration recommends approval.

CONSULTATIONS:

The Community Development Department has been in contact with the Lessee throughout the review process.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

The Lessee will be notified of City Council's decision. Subject to approval, the lease agreement will be finalized and executed.

BUDGET/FINANCIAL IMPLICATIONS:

Revenue will be realized through the lease agreement of \$18,802.74 for the term commencing on June 1, 2024. There will be an upward adjustment of 2% per annum on each anniversary date for four (4) years, commencing on June 1, 2025.

The City of Prince Albert paid the RM of Buckland a total of \$5,814.85 for the 2024 property taxes on this portion of land. The Lease Agreement for this property helps to offset this cost while also bringing in a profit.

\$18,802.75 – 2024 Revenue
\$(5,814.85) – 2024 Property Taxes
\$12,987.89 – Profit

OTHER CONSIDERATIONS/IMPLICATIONS:

Please note that over the years, the Lessee has complied with all requirements established in the Lease Agreement.

OPTIONS TO THE RECOMMENDATION:

There are no options to the Recommendation.

STRATEGIC PLAN:

A strategic priority that is being used to guide this lease agreement, as outlined in the City of Prince Albert Strategic Plan, 2023-2025 is Building a Robust Economy; as the specific area of focus, "Economic Diversity and Stability" is being utilized to "Create new, and support existing, partnerships to leverage the strengths of Prince Albert."

OFFICIAL COMMUNITY PLAN:

In the City of Prince Albert Official Community Plan, Section 15.8.3 states that the City has a surplus of land that could be considered for development under a number of policy scenarios. The use of the buildings located at the former Bioreactor Site align with this policy.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

ATTACHMENTS:

1. Location Map
2. Lease Agreement - Bioreactor Site Buildings (RPT 21-179)

Written by: Tanner Cantin, Development Coordinator

Approved by: Director of Community Development Department & City Manager