



REPORT

REPORT TO: Mayor Bonnette and Members of Council

REPORT FROM: Aaron Matthews, Director of Facilities

DATE: December 17, 2020

REPORT NO.: RP-2021-0002

RE: Monthly Rental and Lease Payment Deferrals

RECOMMENDATION:

THAT Report RP-2021-0002 dated December 17, 2020 regarding Monthly Rental and Lease Payment Deferrals be received;

AND FURTHER THAT monthly rental payments for Quarters 1 & 2 for Hillview Active Living Centres valued at \$32, 596 be waived for 2021;

AND FURTHER THAT the annual contribution by the Lions Club for use of Town space be reduced from \$5,000 to \$3,000 in 2021;

AND FURTHER THAT monthly rental payments for Quarters 1 & 2 for various leased spaces in Town facilities outlined in Report RP-2021-0002 valued at \$11,959 be waived, phased or deferred for 2021;

AND FURTHER THAT staff be directed to update the necessary documents to reflect the deferral of loan and waiving of rental payments outlined in Report 2021-0002;

AND FURTHER THAT the Acting CAO, after consultation with the Commissioner of Recreation and Parks, be authorized to administer incidental facility rental rates adjustments outlined in Report RP-2021-0002 through delegated authority;

AND FURTHER THAT staff report back on other facility rental rate reductions or loan deferrals required for the third and fourth quarters of 2021.

BACKGROUND:

The Town has agreements in place for various local organizations and businesses that support the department in the delivery of recreational programs and services. Loan or partnership agreements or monthly rental payments for specific businesses or groups have been approved by Council through specific by-laws or annual corporate rates and fee reviews.

In response to the Provincially mandated closure of all facilities and businesses in March 2020 Council responded by providing rental relief and waivers of lease payments to several groups noted in this report through Council Resolution No. 2020-129.

In addition, in response to challenges faced by community organizations as a result of COVID-19, the Town has supported local sport, recreation and youth serving organizations via rate relief to Aquatic User Groups through Council Resolution No. 2020-0180 and to Ice and Floor Sport Groups through Council Resolution No. 2020-0270.

COMMENTS:

The purpose of this report is to provide Council with the financial impact on requested lease, monthly rental and loan deferrals primarily in the first two quarters of 2021 for specific childcare, recreation and sport providers and community groups.

An impact of the COVID 19 pandemic is that sport and recreation groups, licensed care providers and daycare operators and other Town facility renters and lease holders are facing a 2021 season of uncertainty. Some groups noted in this report are currently able to operate at limited capacity while others must wait until Regional and Provincial restrictions ease so that planning for the 2021 season can begin. This report will focus on quarters 1 and 2 (January through to the end of June) with the hope that the introduction of vaccines and a relaxing of restrictions allow quarters 3 and 4 (July to December) to proceed with some semblance of normalcy.

Under the Province of Ontario's Framework for Reopening, licensed daycare providers and certain recreation groups such as Credit Valley Artisans were able to reopen in September 2020 with limited capacity. The restrictions on capacity, lack of ability to fundraise and inability to offer larger revenue generating activities has reduced these organizations' capacity to cover rental payments. As these organizations plan for 2021 it is anticipated that Provincial restrictions will continue to ease, and with-it activities will begin to return to normal. With this return to normalcy the impacted groups will again begin to operate as they have in the past and generate the necessary revenues to sustain operations.

In response to the gradual reopening of services in 2021 it is anticipated that the 100% rate relief provided in 2020 to these groups will not be necessary. A proposed phasing of rate relief would assist in their ability to return to normal. Specifically;

1 st Quarter (January to March)	50% relief
2 nd Quarter (April to June)	25% relief
3 rd & 4 th Quarter (July to December)	regular rates

Group	Location Rented/Leased	1 st Quarter Financial Impact-50%	2 nd Quarter Financial Impact-25%	Total Financial Impact
Maple Nursery	Cedarvale	\$1,342.00	\$671.00	\$2,013.00
Georgetown Daycare	Norval Community Centre	\$3,113.00	\$1,556.00	\$4,669.00
Credit Valley Artisans	Cedarvale Cottage	\$510.00	\$255.00	\$765.00
		\$4,965.00	\$2,482.00	\$7,447.00

At the onset of the pandemic, operations ceased for the Concert Band, Halton Hills Minor Baseball, Hillside Proshop and DG Golf Proshop all of whom rent office, storage and retail space at Town facilities. Each of these services/organizations are still not operating and there is currently no way of knowing when they will be able to resume service as normal. With this uncertainty it is proposed that rent relief continue at 100% for at least Quarters 1 and 2 in 2021.

Group	Location Rented/Leased	1 st Quarter Financial Impact-100%	2 nd Quarter Financial Impact-100%	Total Financial Impact
HHMB	Office/storage at Cedarvale	\$1,674.00	\$1,674.00	\$3,348.00
Concert Band	Storage at Cedarvale	\$117.00	\$117.00	\$234.00
Hillside ProShop	MMSP	\$525.00	\$75.00	\$600.00
DG Golf Proshop	ACC	\$300.00	\$30.00	\$330.00
		\$2,616.00	\$1,896.00	\$4,512.00

In 2018 the Georgetown Lions Club signed a Memorandum of Understanding with the Town for use of certain Town spaces for storage and meeting space. In return, the Lions Club contributed \$5,000 annually to support Town Recreation services, including in COVID impacted 2020. These dollars are generated by the Lions Club through various community fundraisers, such as Head for the Hills and the Charity Golf Tournament. As the COVID pandemic eliminated or severely restricted all community gatherings in 2020 these fundraisers were not able to take place impacting the Lions

Club ability to meet the annual payment to the Town. The Lions Club is proposing to contribute \$3,000 in 2021, a reduction of \$2,000. It is hoped that the regular contribution will resume in 2022.

Group	Location Rented/Leased	Financial Impact for 2021	Total Financial Impact
Lions Club of Georgetown	Mold-Masters Sportsplex–Alcott Hall	\$2,000.00	\$2,000.00

Town of Halton Hills programs, services and facilities closed on March 14, 2020 as a result of the COVID pandemic, this included the Hillsvie Active Living Centres. Under the Provinces Framework for Reopening limited activities have now begun to be offered. As of yet there is no certainty when these services will resume as normal. The Hillsvie Board of Directors contribute annually to 25% of the total operating budget. Considering Provincial restrictions and that any phased reopening will be at a substantially reduced capacity the Board anticipates minimal revenue recovery to offset this expense. In 2021 it is assumed that this inability to contribute the full 25% to the operating budget will continue through, at least, Quarters 1 & 2. The proposed financial impact recalculates the 25% contribution excluding facility related costs to help offset the revenue loss.

Group	1 st Quarter Financial Impact- 100%	2 nd Quarter Financial Impact- 100%	Total Financial Impact
Hillsvie Active Living Centres	\$16,298	\$16,298	\$32,596

Other regular, low revenue room rentals will be captured in the permit cancellation tracking completed as part of overall department budget projections.

RELATIONSHIP TO STRATEGIC PLAN:

NA - This is an emergency financial matter.

FINANCIAL IMPACT:

The reduction of the contribution to Recreation Services by the Georgetown Lions Club will have a financial impact of \$2,000 in 2021.

The phased relief or waiving of monthly lease/rental payments or scheduled contributions will have a financial impact in 2021 of:

1 st Quarter (January to March)	\$7,581
2 nd Quarter (April to June)	\$4,378
TOTAL	\$11,959

The impact of reducing the Hillview membership contribution will have a financial impact in 2021 of: \$32,596.

Total 2021 Financial Impact Reported: \$46,555.

CONSULTATION:

The Town Treasurer has been consulted and has provided approval.

PUBLIC ENGAGEMENT:

Staff has engaged with each of the respective groups referred to in this report.

SUSTAINABILITY IMPLICATIONS:

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The report's recommendations are not applicable to the Strategy's implementation.

This report supports the pillar of Sustainability.
Economic Prosperity

COMMUNICATIONS:

Each daycare, recreation and sport provider and facility user impacted will be informed of Council's decision regarding the disposition of this report.

CONCLUSION:

The impact of COVID 19 has impacted upon the ability of monthly rental/lease holders to pay rent. In order to support these local groups and businesses, staff is recommending phased rate relief of monthly lease/rental payments in the first half of 2021. Minor amendments to the rates outlined in this report would be administered by the Acting CAO through delegated authority; any revenue impacts associated with the latter half of 2021 would be the subject of a subsequent report as necessary.

Reviewed and Approved by,

A handwritten signature in cursive script that reads "Wendy O'Donnell." The signature is written in dark ink on a white background.

Wendy O'Donnell, Deputy Treasurer and Senior Manager of Revenue

A handwritten signature in cursive script that reads "Warren Harris." The signature is written in dark ink on a white background.

Warren Harris, Commissioner of Recreation and Parks and Acting Chief Administrative Officer