



## Report to Council

Department: Community Services  
Division: Community Services  
Date: August 12, 2024  
Prepared by: Jake Morassut, Director, Community Services  
Report Number: Community Services-2024-32  
Subject: Revised Lease Agreement with Chittle Sports Academy at the Essex Centre Sports Complex  
Number of Pages: 6

### Recommendation(s)

**That** Community Services-2024-32 entitled Revised Lease Agreement with Chittle Sports Academy at the Essex Centre Sports Complex prepared by Jake Morassut, Director, Community Services dated August 12, 2024, be received, and

**That** the Town of Essex enter into By-Law 2340, being a lease for workout space at the Essex Centre Sports Complex with Pat Chittle, operating as Chittle Sports Academy, to operate within the Libro Rink Hallway.

### Purpose

To have Council approve entering into a lease agreement with Pat Chittle, operating as Chittle Sports Academy, to operate a workout facility at the Essex Centre Sports Complex in the Libro Rink Hallway.

## Background and Discussion

On June 17<sup>th</sup>, 2024, through resolution R24-06-251, Council directed Administration to further review the proposed lease agreement with Chittle Sports Academy to address some concerns with the proposed agreement. As a follow-up to Council, Administration worked with Chittle Sports Academy **and the Essex 73's** on the below areas and adjusted the lease agreement accordingly:

- Defined Family Fitness – Chittle Sports Academy will no longer have Defined Family Fitness as part of their proposal. If Chittle Sports Academy wants to pursue this in the **future, they will seek Council's approval prior to any implementation.**
- Length of Lease – Council expressed they would like to see a longer lease term, so Chittle Sports Academy has agreed to a three-year lease, with the option to extend and additional three years, pending mutual agreement.
- Area of Lease – Chittle Sports Academy **and Administration worked with the Essex 73's** on a defined location on where the wall separation will take place. Chittle Sports Academy will reduce their square footage by 171 square feet to accommodate the **Essex 73's request. This was agreed upon with the Essex 73's.**
- Square Foot Rate – Chittle Sports Academy has agreed to increase the per square foot rate from \$4.20 per square foot to \$6.00 per square foot. This will change the revenue, with the square footage adjustment to \$13,578.00 (including HST) per year for the leased space, plus annual Consumer Price Index (CPI) increases in future years.
- Chittle Sports Academy is looking to start this lease as of September 1<sup>st</sup>, 2024 rather than immediately.

Original Report to Council on June 17<sup>th</sup>, 2024 is below:

Chittle Sports Academy submitted a proposal in February 2012 to the Town of Essex to lease space at the Essex Centre Sports Complex to operate a sports training facility. Space on the first floor below the stands in the Libro Rink was allocated to Chittle Sports Academy on a

three (3) year lease with an option to renew. In 2015, Chittle Sports Academy formally requested to exercise their option to extend the lease with a reduction in leased space for the off-ice training which was approved by Council. During that timeframe, the off-ice training was not as successful as the on-ice training, so Chittle Sports Academy requested to lease only two (2) dedicated rooms for a total square footage of three hundred and forty-three square feet (343 sq. ft.), down from the original one thousand, eight hundred and sixty square feet (1,860 sq. ft.). In 2021, this lease agreement was extended for an additional three years, which is formally expiring in August 2024.

As this lease is expiring in August 2024, Administration worked with Chittle Sports Academy on a renewal; however, Chittle Sports Academy indicated that they were looking to expand to the hallway again, with a further request to utilize additional storage rooms. Administration conducted an internal needs assessment and determined that we could not fully accommodate the request in its entirety; however, we are able to provide a custodial room and another storage room, both of which were previously used as file storage. As part of the 2022 Capital Budget, Council allocated to allow for a file storage system to be built in the Maedel Community Centre, so these files are now no longer needed at the Essex Centre Sports Complex.

Chittle Sports Academy indicated that they wanted an immediate start date of June 1<sup>st</sup>, 2024; however, for Administration to prepare the lease agreement they were told the earliest date we could get approval from Council was June 17<sup>th</sup>, 2024. As they wanted to start classes immediately, the group was permitted to rent the Shaheen Community Room but were not authorized use of the hallway until this appears before Council for a decision. Chittle Sports Academy was also informed that any work they did in the hallway in advance of the lease agreement going to Council would be at their own discretion and there is the possibility Council does not enter into the agreement—if this was the case, the area would have to be fully restored to its previous state.

The agreement remains the same as the existing lease agreement, with a few added sections. The new sections ensure that Chittle Sports Academy is responsible to:

- **Ensure a block wall is built with door access to provide safety for the Essex 73's room,**
- The **Essex 73's** must be able to utilize this area as a throughway for moving their equipment on game days;
- Chittle Sports Academy cannot operate outside of the regular facility hours due to the lack of washroom access; however, they are looking to convert an unutilized custodial room to a washroom to allow for expanded access and eliminate the need to enter the public areas of the facility. A certified contractor with WSIB coverage and insurance must be utilized, all at their own expense; and
- Chittle Sports Academy must provide access to staff and/or user groups, as authorized by the Director of Community Services, to storage rooms or the hallway for throughway access.

## Financial Impact

The initial lease required the proponent to pay a monthly rate of seven hundred and sixty-four dollars and fifteen cents (\$764.15) plus Harmonized Sales Tax (HST) on the first day of each month. The Proponent, on the past lease renewal, requested that the rent be reduced to five hundred dollars (\$500) plus HST from 2015-2018 which was approved by Council.

**The Proponent's peak operating times are from September to April when the Essex Centre Sports Complex is in full operation but the Proponents training was significantly reduced when ice is removed from May to August and the Essex Centre Sports Complex is open less in the summer months.** The Proponent requested the annual monthly lease payments be reduced to reflect the new leased space of only three hundred and forty-three square feet (343 sq. ft.) which would be one hundred and five dollars and seventy-five cents (\$105.75) plus the HST effective September 1, 2018, which was approved by Council.

The existing lease rate added Consumer Price Index (CPI) amounts to the existing rate, and corrected for the expanded area of 2,263 square feet. The total proposed lease rate is fourteen thousand eight-hundred eighty dollars and sixty cents (\$13,78.00) including HST, or one-thousand two-hundred forty dollars and five cents (\$1,131.50) per month, including HST.

All revenues will go into the Essex Centre Sports Complex operating budget, to assist with offsetting increasing operating expenses.

As the Proponent also rents ice, floor and room space for the Academy outside of the lease agreement which generates additional revenue for the Essex Centre Sports Complex, Town Administration recommends renewing the lease with the added square footage and additional terms.

While lease agreements, whereby the Town is the lessor, are not specifically identified in the **Town's current procurement by-law 2129**, the Town follows the same general guidelines used for general acquisition. In Section 27.02, the policy allows for the ability for administration to make a recommendation for a defined term, in the absence of an existing contract renewal option, **if in the Town's best interest to do so. Given the dollar threshold, unique space layout** and operating restrictions required, it is believed a formal bid process would not likely produce significant pricing differences.

## Consultations

Kate Giurissevich, Director, Corporate Services/Treasurer

Joe Malandruccolo, Director, Legislative Services/Clerk

Doug Sweet, Chief Administrative Officer

## Link to Strategic Priorities

- Embrace asset management best practices to build, maintain, and continuously improve our municipally owned infrastructure.
- Leverage our Town's competitive advantages to promote jobs and economic investment.**
- Take care of our natural environment and strengthen the sense of belonging to everyone **who makes Essex "home"**.
- Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.
- Build corporate-level and community-level climate resilience through community engagement and partnership and corporate objectives.

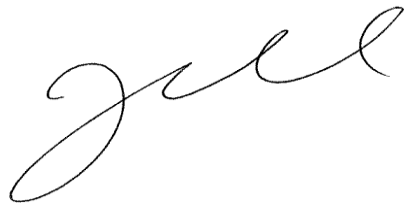
## Report Approval Details

Document Title:	Revised Lease Agreement - Chittle Sports Academy - Community Services-2024-32.docx
Attachments:	- By Law 2340 Lease Agreement - Chittle Sports 2024.pdf
Final Approval Date:	Aug 7, 2024

This report and all of its attachments were approved and signed as outlined below:



**Kate Giurissevich, Director, Corporate Services - Aug 7, 2024 - 9:13 AM**



**Joseph Malandrucolo, Director, Legal and Legislative Services/Clerk - Aug 7, 2024 - 11:18 AM**



**Doug Sweet, Chief Administrative Officer - Aug 7, 2024 - 11:19 AM**