



Report to Council

Department: Community Services
Division: Community Services
Date: May 17, 2021
Prepared by: Doug Sweet, Dir. of Community Services/Deputy CAO
Report Number: Community Services-2021-05
Subject: Request for Interest – Colchester Park Bike Rental Lease Space
Number of Pages: 6

Recommendation(s)

The following three recommendations are provided for Council's consideration:

1. That Community Services Report 2021-008 **entitled** "Request for Interest – Colchester Park Bike Rental Lease Space" **be received**; and
2. That Council **approve** entering into an agreement with The Grove Bike Co. for leased space within Colchester Park located 325 Jackson Street in Colchester for three years commencing on May 20, 2021 and concluding on April 30, 2024 with an option to renew for an additional two years beginning on May 1, 2024 subject to the general terms and conditions as outlined in By-Law 2021; and further
3. That Bylaw 2021 **receives** First, Second, Third readings and be finally passed at the May 17, 2021 Council meeting.

Purpose

To obtain Council approval to enter into an agreement with the Grove Bike Co. to lease space within Colchester Park located at 325 Jackson Street in Colchester for their seasonal bike rental business.

Background and Discussion

The Town of Essex for the past 3 years had a partnership with Farm Dog Cycle to offer bike rentals at the Colchester Harbour. In the spring of 2021, the Town was notified by Farm Dog Cycle they would not be offering this service moving forward, and Town Administration had a number of informal requests from other groups to offer a bike rental service in the Colchester Park area. With apparent interest by third parties to still offer a bike rental service in the Colchester Park area, Administration issued a Request for Interest on April 16th, 2021 for any interested parties who may wish to offer a bike rental service in the Colchester Park area with a closing date of April 30, 2021.

The Town only received one proposal which was from the The Grove Bike Co. To review the submitted proposal the Town developed a committee which consisted of the Director of Community Services, the Assistant Manager of Parks and Facilities, the Manager of Planning, Town Solicitor/Clerk, Assistant Manager of Finance, Economic Development Officer and the Assistant Manager of Businesses Services.

Below are the key points from The Grove Bike Co. proposal:

- **Able to locate their portable Bike Rental container (40' x 8' x 8') along Jackson Street** with the opening onto the trail within Colchester Park (see Appendix A). The cost to add a concrete pad and remove the necessary fence sections would be the responsibility of The Grove Bike Co..
- A 5-year term, with the first right of renewal, if it is mutually agreed, after the initial term.

- The operational season would be from May to October and daily operating hours would be 8:00 am to 8:00 pm, which may be adjusted depending on the day of the week or seasonal fluctuations.
- Use of land at no charge (intend to keep the unit at the designated location throughout the term, including the months that it is not operational).
- Use of hydro at no additional cost (water and internet access would also be requested, if this service is available through the municipality).
- The Town of Essex will agree to store fence pieces that are removed and support us through the initial and/or annual set-up.
- **The active promotion of THE GROVE BIKE CO. through its' social media, marketing and tourism initiatives.**
- All renters would be required to sign an indemnity waiver.

After reviewing the proposed submission, the committee is recommending the Town enter into a lease agreement with The Grove Bike Co. to lease space within Colchester Park for bike rentals as per their proposal, with the committee's additional recommendations:

- Location of the bike rental location seems to be ideal as this space is not being utilized and does not affect traffic sight-lines off Jackson Street or Richardson Lane.
- **The allocated 320' space in Colchester Park to be leased at a monthly rate of \$150.66 per month (including HST) for the six months of operation with CPI being added annually to the lease payments.**
- The term be for only 3 years with an option for an additional 2 year renewal
- That the Lessee shall throughout the term of this lease, at their own expense, keep in force for the benefit of the Lessor and the Lessee, comprehensive general liability insurance in respect of injury to or death of one or more persons or property damage with limits of not less than two million (\$2,000,000.00) per occurrence and insurance against loss or damage by fire in respect thereof of the demised premises and any and all improvements and equipment appurtenant thereto, to a value of two million

(\$2,000,000.00) under an all-risk policy and covering loss of rent by the Lessee during any reconstruction period;

- The Grove Bike Co. would be responsible for all costs to add a concrete pad for the container and all connection costs for hydro to the container.

Administration is recommending Council approve entering into a lease agreement with The Grove Bike Co. for start up in 2021 as per the attached lease agreement and that The Grove Bike Co. be able to start business in 2021 as soon as all lease conditions are met.

Financial Impact

The lease will require the Tenant pay an annual rate of \$903.96 including harmonized sales tax. It is recommended for the lease agreement that the Consumer Price Index (CPI) be incorporated into the annual rate as of May 1st prior to the the new annual term beginning.

The Tenant shall also be required to provide monthly rental payments in the form of six post-dated cheques based on the recommended renewed rental amount or a one time annual payment as provided above at the time of entering into this Lease Agreement.

Consultations

Assistant Manager of Parks and Facilities

Manager of Planning

Town Solicitor/Clerk

Assistant Manager of Finance

Economic Development Officer

Assistant Manager of Businesses Services

Appendix "A" – The Grove Bike Co. Proposed Location

THE GROVE HOTEL is seeking to partner with the Town of Essex to bring its newest adventure – THE GROVE BIKE CO. – to the Colchester Harbour. We are thrilled to be offering the option of electric Rad Runners and traditional cruiser-style bikes for rent along the south shore. *We are set and ready to ride... are you?*



Link to Strategic Priorities

- Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.
- Improve the Town's capacity to meet the** ongoing and future service needs of its citizens while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.

Report Approval Details

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| Document Title: | Request for Interest - Colchester Park Bike Rental Lease Space - Community Services-2021-05.docx |
| Attachments: | - Grove Bike Waiver - Final with Essex.pdf - By Law 2021 for Grove Bike Rentals in Colchester Park.pdf |
| Final Approval Date: | May 12, 2021 |

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

Chris Nepszy, Chief Administrative Officer - May 12, 2021 - 11:23 AM