

## **MUNICIPALITY OF CHATHAM-KENT**

### **Economic Development Services**

#### **Chief Administrative Office**

**TO:** Mayor and Members of Council

**FROM:** Stuart McFadden, Acting Director

**DATE:** June 29, 2018

**SUBJECT:** Community Future Development Corporation – Lease of  
124 Thames Street, Chatham

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#### **Recommendation**

It is recommended that:

1. The Municipality of Chatham-Kent enter into a lease agreement with the Community Futures Development Corporation (CFDC), for the lease of office space to house the Economic Development Services' from September 1, 2018 to August 31, 2020 with the option to extend or renew, if mutually agreed upon.

#### **Background**

Administration has been approached by the Board of CFDC asking the Municipality to consider the co-location of the Municipality's Economic Development Department and Small Business Centre at the CFCD office at 124 Thames Street, Chatham. A similar offer was discussed in 2010.

The Economic Development and Small Business Centre staff have always worked very closely with the CFDC staff, and have maintained an excellent working relationship. The organizations provide complementary services that support business development and job creation. Co-locating the offices is expected to improve the efficiency, coordination and overall client experience provided by both organizations.

CFDC believes co-locating of the offices will result in opportunities for their organization to provide additional financing and support to business development activities within Chatham-Kent. Furthermore, the opportunity to bring these agencies under one roof streamlines service delivery from the client's perspective by providing a confidential and professional space to conduct their business activities.

The co-location would result in improved communications and coordination among the partners involved in job creation efforts. This location would combine business start-up

consultation with the Small Business Centre with potential financial resources available from CFDC, greatly reducing time and frustration from the clients.

### **Comments**

The highlights of the lease agreement are as follows:

1. The lease shall be for a period of two years commencing September 1, 2018, and expiring August 31, 2020, unless otherwise renewed or extended.
2. The lessee agrees to pay the sum of eighteen thousand dollars (\$18,000.00) plus tax per year.
3. The annual lease payment is an "all in" payment, which includes all building maintenance, utilities (hydro/gas/water), use of parking lot and winter snow removal costs.
4. Lease provides for two exclusive offices and priority use of one office for the Small Business Centre. Eight workstations will be placed in the central common area in an open concept format.
5. The two-year lease offers an opportunity to evaluate the benefits of co-locating the two organizations and to determine if the results of the co-location justify the additional rental costs paid by the Municipality.

### **Consultation**

The Chief Administrative Officer, Chief Legal Officer and Manager of Legal Services were involved in the development of the lease agreement. The Supervisor of IT Service Delivery provided estimated costs that would be expected to connect the building to the municipal network and for yearly internet service.

### **Financial Implications**

The two-year lease starting September 1, 2018 until August 31, 2020 is valued at \$36,000.00. Cost to provide IT network services is estimated at \$7,000.00. The IT costs could be significantly lower if the equipment removed from the 445 Grand Avenue building can be repurposed in the CFDC Building. Purchase of eight workstations is estimated at \$16,000.00.

Prepared by:

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Stuart McFadden, Acting Director  
Economic Development Services

Reviewed by:

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Don Shropshire  
Chief Administrative Officer

Attachments: None

C. Dave Taylor, Manager, Legal Services  
Adam Walters, Supervisor, IT Service Delivery

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