

DATE OF MEETING | APRIL 20, 2020 |

AUTHORED BY | LAURA MERCER, DIRECTOR, FINANCE |

SUBJECT | CITY FACILITY LEASING & RENTAL RELIEF |

OVERVIEW

Purpose of Report:

To provide Council with information on City facility leasing and rentals proposed financial relief program under the COVID-19 Financial Response, Relief and Recover Framework.

BACKGROUND

The City owns several facilities that have all/part leased or rented by many different organizations. Each year the Financial Plan includes budget for this revenue source. The revenues come from a diverse group of organizations including, but not limited to, the RCMP, non-profit organizations, Fortis BC, Shaw, etc. |

DISCUSSION

As the Province of BC declared a Provincial Health Emergency due to the COVID-19 Pandemic on March 17, the City has had to temporarily close all of the Parks, Recreation and Culture (PRC) facilities.

In the 2020-2024 Financial Plan, \$987,762 (excluding parking) has been budgeted for lease and rental revenues for the 2020 year. Of this amount, PRC has \$374,485 of City facility rentals included in the budget for 2020. As the PRC facilities have been closed, the organizations that have leased/rented space in these facilities have been required to temporarily close as well.

The Community Services Building, located at 285 Prideaux Street, is owned by the City and is home to several non-profit organizations. Under these extraordinary circumstances, these organizations have also been impacted by the COVID-19 Pandemic. All other facility leases/rentals are located in sites that have not ceased operations.

Consistent with the COVID-19 Financial Response, Relief and Recover Framework, Council is requested to consider providing these organizations with temporary relief from monthly lease/rent payments for the duration of the closure. This will provide some immediate financial relief to those organizations who are unable to conduct their business due to the closures. Staff anticipate that lease/rental revenue would continue to be received from all the locations that have not been closed due to the COVID-19 Pandemic.

As these facilities incrementally start to reopen, the lease/rent payment for the first month will be prorated based on their re-open date.

Financial Implications

The following chart breaks the facility lease/rental revenue down by department. It also shows the amount of the relief if the closures persist until December 31, 2020. The \$245,380 represents the anticipated revenue loss for nine (9) months (April to December).

City of Nanaimo Facility Leases and Rentals 2020 Budget		
	Budget	Relief
RCMP	\$ 290,893	\$ -
Real Estate Services	254,000	14,400
Public Works	48,384	-
Nanaimo Fire Rescue	20,000	-
Parks, Recreation & Culture	374,485	230,980
	\$ 987,762	\$ 245,380

CONCLUSION

Staff will bring a report to the Regular Council meeting on 2020-April-27 at which time Council will be asked to decide on a lease and rent payment relief option.

SUMMARY POINTS

- The City owns several facilities that have leased/rented space in them and the annual budget for 2020 for this revenue stream is \$987,762.
- PRC facilities have been closed due to the COVID-19 Pandemic and has budgeted lease/rental revenue of \$374,485 for 2020.
- Council is being asked to consider giving rental and lease payment relief to those organizations that have been closed to do the PRC facility closures.
- The estimated cost of the temporary lease/rent payment relief is \$245,380 if the closures are in effect to December 31, 2020.

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