



## Report

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**Subject:** Lease Agreement with Artel Inc. for 112 Broadway

**Department:** Community Services

**Division:** Economic Development

**Report #:** CMS-2024-025

**Meeting Date:** 2024-11-18

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### Recommendations

**That report CMS-2024-025, Lease Agreement with Artel Inc. for 112 Broadway, be received; and**

**That Council approve the four-year lease agreement between Artel Inc. and the Town of Orangeville for the period of January 1, 2025 to December 31, 2028; and**

**That Council pass a by-law to enter into an agreement and to authorize the Mayor and Clerk to execute the agreement and any other documents required to complete the transaction.**

### Overview

The Town of Orangeville currently leases 112 Broadway from Artel Inc. for use as a municipal parking lot. The existing four-year agreement expires on December 31, 2024. A new four-year agreement is proposed to allow for the continued use of the 30 parking spaces in this convenient downtown location. The agreement outlines a 2025 cost of \$28,267.20 plus HST with a 4.5% annual increase until 2028.

### Background

Since 2016, Council has approved a series of agreements with Artel Inc. to lease 30 parking spaces at 112 Broadway. The Town uses the leased property for the purposes of a municipal parking lot. The property is conveniently located in downtown Orangeville, abutting Broadway. It offers accessible and convenient parking options for visitors and residents. Town-owned infrastructure including an electrical outlet, promotional kiosk, and garden beds are installed on the north end of the property, creating an informal community gathering place.

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## Analysis/Current Situation

The existing four-year agreement expires on December 31, 2024. The Town of Orangeville and Artel Inc. have indicated interest in establishing a new lease agreement for the term of January 1, 2025 to December 31, 2028. The terms of the previous agreement will be maintained with one exception; termination notice has been extended from two months to six months to provide both parties with more time to react to potential changes in the property's use. Should Artel Inc. sell the property and terminate the lease, the Town will only be responsible to pay a percentage of the total per annum cost agreed to based on the months of use.

In 2024, the annual lease cost was \$26,534.40 plus HST. The new four-year agreement proposes a 2025 base cost of \$28,267.20 plus HST with a 4.5% annual increase. The requested increases are based on inflation and property value adjustments. The revised lease costs have been reflected in the proposed operating budget for 2025 to 2028.

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## Corporate Implications

The annual rates for each year of the agreement are:

2025: \$28,267.20    2026: \$29,538.22    2027: \$30,868.49    2028: \$32,257.57

All rates are plus HST. Rent is payable in quarterly installments on January 1, April 1, July 1, and October 1 of each year for the duration of the agreement.

As in past agreements, in addition to the lease cost noted, the Town is responsible for paying municipal taxes, charges and assessments, maintaining the property including ice and snow removal, and maintaining public liability and property insurance of \$5 million.

## Conclusion

Entering into a four-year agreement with Artel Inc. for the lease of 112 Broadway will ensure valuable parking spaces are maintained in downtown Orangeville.

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## Strategic Alignment

### Strategic Plan

Strategic Goal: Community Vitality

Objective: Vibrancy and Well-Being

## **Sustainable Neighbourhood Action Plan**

Theme: Economic Development and Culture

Strategy: Preserve Orangeville's small-town appeal, while bolstering robust businesses and tourism opportunities that support a healthy economy.

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### **Notice Provisions**

Not Applicable

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Respectfully submitted,

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Culture

**Attachment(s):** 1. Lease Agreement 112 Broadway 2025-2028