



THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

Subject: Lighthouse Caretaker Lease Agreement Renewal

Report Number: Building-2020-01

Meeting Date: Monday, March 9, 2020

Recommendation: THAT the Council of the Municipality of Kincardine enter into a Caretaker Lease Agreement with the Kincardine Yacht Club (K.Y.C.) for the care and operation of the Kincardine lighthouse and associated grounds as per Report Number Building-2020-01;

Date to be considered by Council: Monday, March 16, 2020

Report Summary:

The Municipality currently has a Caretaker Lease Agreement with the Kincardine Yacht Club for the care and operation of the Kincardine lighthouse and associated grounds. The agreement has been in place coming up on 10 years and the arrangement has worked well. The agreement expires at the end of May and the recommendation is to enter into a new agreement with an expiry date of March 31, 2025.

Origin: Current Lighthouse Lease Agreement expires May 31, 2020.

Existing Policy: By-law No. 2010-083 KYC Lighthouse Agreement By-law.

Background/Analysis: The current Lighthouse Lease Agreement between the Municipality and the Kincardine Yacht Club (KYC) is set to expire on May 31, 2020.

The draft Lighthouse Lease Agreement is attached and demonstrates the public caretaker aspect of the lease with the KYC for the continued long-term care and public use of the lighthouse as a museum during the summer months.

The lease requires the KYC to:

- Fund all operation costs of the lighthouse
- Fund all interior maintenance issues associated with the lighthouse

- Pay all utility bills, including a low-level heat through the winter months
- Fully fund and operate a public museum during July and August of each year

Cost of the lease will remain the same at \$2 per year.

The KYC must have an Insurance policy in the amount of \$2,000,000 per occurrence, with the Municipality of Kincardine named as additional insured and fully indemnified and held harmless against all suits judgements and claims.

Other than a couple housekeeping items there are two suggested changes to the agreement.

- 1) The current agreement term was 10 years, at the request of the KYC the renewal agreement will be for a 5-year term.
- 2) Deleting the review of insurance every two years and adding a sentence to allow the Municipality the right to modify the insurance requirements as required.

The KYC are proposing to continue to be the caretaker for the lighthouse and they also have an agreement for the Kincardine Harbour. The term for the harbour is a 5-year term. The recommendation is that the two agreements run parallel with the same expiry date. Therefore, in order to have the agreements on the same schedule it is recommended that the Lighthouse Lease Agreement be a 5-year agreement that will come into effect on June 1, 2020 and expire on March 31, 2025.

The lighthouse and museum are a valuable tourism attraction for the municipality. The KYC has maintained the lighthouse in good working condition for the term of the existing agreement. There was complete co-operation from KYC with all renovation projects at the lighthouse.

Community Plan and Integrated Community Sustainability Plan (ICSP)

Considerations: Preserve the Municipality of Kincardine's cultural heritage.

Financial Implications: There are no direct financial implications to the Municipality as a result of this report. The KYC operate the Marina and the Lighthouse on a profit-sharing basis with no impact to the taxpayer.

Attachments: Draft Agreement