Subject: Arts Centre Tenants – Rent Relief

Report Number: [Report Number]

Meeting Date: Wednesday, May 20, 2020

Recommendation: THAT Council waive the rent for the tenants at the Kincardine Centre for the Arts from March 17th until June 30, 2020, due to impacts from the COVID-19 Pandemic.

AND FURTHER THAT this situation be re-evaluated to determine if additional rent relief should be considered.

Date to be considered by Council: Wednesday, May 20, 2020

Report Summary:

On March 17, 2020, the Government of Ontario declared a State of Emergency in response to the COVID-19 Pandemic. As a result, all municipal facilities were closed, including the Kincardine Centre for the Arts. Further to the facility closure, the tenants’ major sources of revenue such as events, festivals and productions have been cancelled or severely reduced. As a result, the groups’ ability to pay rent has been affected. Therefore, staff are recommending that Council waive the rent for the tenants at the Kincardine Centre for the Arts from their original facility closure date of March 17, 2020 until June 30, 2020. This situation will be re-evaluated to determine if additional rent relief should be considered.

Origin: COVID-19 Pandemic

Existing Policy: Approval from Council

Background/Analysis: On March 17, 2020, the Government of Ontario declared a State of Emergency in response to the COVID-19 Pandemic. The closure of municipal facilities on March 17, 2020 included the closure of the Kincardine Centre for the Arts to the public and its tenants.
The tenant groups of the Kincardine Centre for the Arts include Bluewater Summer Playhouse, Grey-Bruce Woodturners, Kincardine Scottish Festival and Highland Games, Kincardine Theatre Guild and Victoria Park Gallery.

In addition to the March 17th facility closure, the COVID-19 Pandemic has led these groups to cancel events, festivals, and productions. This loss of revenue impacts on their ability to pay rent, as in most cases the above activities were their major revenue generating sources.

The re-opening of municipal facilities is connected to the provincial emergency order which now has been extended until at least May 19, 2020. However, even if the facility reopens in the near future, productions and events will remain cancelled, meaning groups will not be able to generate the revenue they would normally receive in a typical year or season.

As a result, staff is recommending that Council waive the rent for the tenants at the Kincardine Centre for the Arts from the March 17th closure date until June 30, 2020 and further that the situation be re-evaluated to determine if additional rent relief should be considered.

Staff are not aware of any Federal or Provincial grants that are currently in place to assist our arts and culture groups due to the COVID-19 Pandemic, however, if such grants do become available to these tenant groups, Council could consider having these groups repay the forgiven amount at that time if desired.

Community Plan and Integrated Community Sustainability Plan (ICSP) Considerations: To ensure the assets of the Municipality continue to be well promoted, valued, enhanced and supported.

Financial Implications: Rent relief for the 5 tenants for the period of March 17 – June 30th would amount to a combined total of $5,350 in forgone revenue for the Municipality and would contribute to the overall 2020 operating budget loss.

Attachments: N/A