



Subject: Enfield Earthkeepers Lease Renewal
To: Corporate & Residential Services Committee

Date Prepared: February 26, 2025

Related Motions: C21(359), C18(284), C08(53) rescinded, C22(91)

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Summary

In March 2022, Council moved motion C22(91) to enter into a new lease agreement with the Enfield Earthkeepers for the Former CN Train Station for a term of three (3) years, ending July 31, 2025, with a two (2) year option to renew. The renewal clause requires mutual agreement between the parties no later than three (3) months prior to the expiry of the current lease term.

In February 2025, the Earthkeepers formally requested to proceed with the two (2) year renewal term. This report gauges Council's mutual agreement to execute the renewal until July 31, 2027.

Financial Impact Statement

The lease is a nominal \$1.00 lease.

East Hants is responsible for exterior building repairs/replacement; operating expenses over the last three (3) years have been nominal, at less than \$500 a year (excluding insurance). Staff anticipate a slight increase in operating expenses over next few years.

Recommendation

Staff recommend executing the renewal term.

Recommended Motion

Move that the Corporate & Residential Services Committee recommend that Council authorize the CAO to execute the lease renewal term with the Enfield Earthkeepers for the Former CN Train Station for a renewal term of two (2) years, ending July 31, 2027.

Background

The former CN Train Station building (the "Building") is located at the intersection of Highway 2 and Elmsdale Road. The Municipality of East Hants ("East Hants") has leased the Building to the Enfield Earthkeepers (the "Earthkeepers") since 2008; with lease renewals in 2010, 2011, 2014, 2017, 2019 and 2022.

The Canadian National Railway Company ("CN") is the owner of the land upon which the Building sits; an approximately 0.4-acre parcel at the south-west corner of the intersection of Highway 2 and Elmsdale Road/Highway 214 (the "Land"). CN leases the Land to East Hants. All terms and conditions of the lease for the Building are dependent on East Hants' lease with CN for the Land.

Lease Overview

The current Building lease between East Hants and the Earthkeepers was executed in July 2022, and is set to expire on July 31, 2025 and contains one (1) renewal term of a further two (2) years, provided both parties reach mutual agreement no later than three (3) months prior to lease expiry. Rent is \$1.00. The lease allows for mutual termination with three (3) months' notice. It further allows East Hants to terminate the lease

should the Earthkeepers not meet certain obligations, such as maintaining the building and submitting annual reports.

The Earthkeepers occupy the upstairs seasonally and as office space for their coordinator. The Earthkeepers sub-lease the ground floor to Elmwood Childcare Centre. Elmwood Childcare Centre also uses the upstairs for their lunchroom. Provisions in the lease between East Hants and the Earthkeepers permit subletting with the written consent of East Hants.

Under the lease, the Earthkeepers are responsible for building maintenance and operations costs, utilities, summer grounds maintenance and snow removal. Their financial statements for 2023 and 2024 are attached to this report.

East Hants is responsible for structural building maintenance and repairs; this includes maintaining and keeping in good repair the roof, outside walls, foundation, and structural portions of the building. While there were slight increases in operating expenses in 2020 and 2021 (shared in previous reporting), expenses decreased to less than \$500/year in 2022, 2023, and 2024 respectively (excluding insurance). Staff anticipate a slight increase in operating expenses over next few years; however, expenses may fluctuate subject to building condition, insurance increases, etc.

Discussion

The renewal term would be per the same terms and conditions of the current lease.

Any further lease terms would be discussed through a future (~2027) staff report.

STRATEGIC ALIGNMENT

This file aligns with the key strategies of Corporate Excellence and Sustainable Infrastructure.

LEGISLATIVE AUTHORITY

The CAO Authority Policy, section 1.1.3 authorizes the CAO to negotiate and execute leases for terms that do not exceed one year, as per MGA s.31(2)(d)(iii).

Alternatives

Council may choose not to enter into the renewal term, providing the Earthkeepers with three (3) months' notice of intention to terminate the lease. Council would need to consider alternative options for the Building, such as:

- 1. Assume full operation of the Building, and consider entering into new lease(s) for the Building. Council would need to determine if they desire to enter into an agreement directly with the sub-tenant (Elmwood Childcare) or explore alternative tenant options on the open market.
- 2. Revisit surplus disposal of the Building.

Staff would bring back a separate report to discuss Council's desired alternative(s).

Attachments

2023 Annual Community Report 2023 Income Statement

2024 Annual Community Report

2024 Income Statement