

Highlights of Previous Lease Terms with the Saskatoon Farmers' Market Co-operative Limited

High Level Outcomes Summary:

1. City views this area as a key part of River Landing such that it will be an attraction for the community and visitors;
2. The Farmers' Market shall ensure that the Farmers' Market building is being utilized at or as near capacity as possible during business hours;
3. The Farmers' Market shall make reasonable efforts to increase the number of subtenants, such that on days when there is not a market per se, patrons shall have a reasonable and varied selection of products;
4. The Farmers' Market shall take steps to ensure that the Farmers' Market building is occupied and open for business; and,
5. Working cooperatively (that) the Farmers' Market building and the site will be more animated.

Terms Summary:

1. Term – The terms of the Agreement shall be five (5) years commencing on June 1, 2014 and expiring on May 31, 2019.
2. Rent – The parties agree that the annual rent for the Farmers' Market building shall be the sum of \$10.00; however, the City assumes no role in the day-to-day operations of the Farmers' Market building, and the Farmers' Market shall be responsible for payment of all operating costs, utilities, and property taxes for the Farmers' Market building. As an aspect of the rent, the Farmers' Market shall also be responsible for the maintenance reserve contribution that is required for all civic buildings in the amount of \$23,760 per annum, which is subject to adjustment on an annual basis to the current rate as identified by Suncorp Valuation Ltd. (This is the equivalent of 1.2 % of the new replacement value of the Farmers' Market building).
3. Heating and Ventilation – The current ventilation system has required an upgrade to provide adequate cooling in the summer months. As per the previous lease agreement, the City and the Farmers' Market agreed to a cost share arrangement for the capital cost of a new system. That system has now been installed, and the Farmers' Market has agreed to make payments for the work through additional rent to be paid over time, agreed upon based on cost. The cost to do this was \$41,966.40, and the Farmers' Market shall be repaying the City 50% of this cost plus interest of 2% by way of a series of monthly payments of \$367.79 per month for 60 months.
4. Occupancy Costs and Property Taxes – The leasee shall be responsible for all occupancy costs which include insurance, utilities, regular repairs, maintenance costs, leasehold improvements, and property taxes. The parties acknowledge that the property taxes payable by the Farmers' Market for the 2013 tax year shall be the sum of \$15,625.00, and that the property taxes in subsequent years are based on the approved municipal tax rate.

5. Hours of Operation - The Farmers' Market is committed to ensure the premise is operating at least between the hours of 10:00 a.m. and 4:00 p.m., Tuesday to Friday; Saturday from 8:00 a.m. to 2:00 p.m.; and Sunday from 10:00 a.m. to 3:00 p.m. Wherever possible, the Farmer's Market shall provide additional hours during weekdays, particularly during the summer months.

6. Animation of the Site - The Farmers' Market is committed to ensuring the building is being utilized at or near capacity. Since 2010, the Farmers' Market has diversified and is not just a Farmers' Market, but is an event rental facility, hosts special events, and operates a licensed commercial kitchen for rental and demonstrations. To further animate the site, the Farmers' Market has several permanent subtenants, approved by the City, which have fixed food service booths within the Farmers' Market building.

As well, the Farmers' Market continues to use, on a seasonal basis, the Market Square, and that arrangement will continue.