

Staff Report

Presented By: Kristan Shrider, Director, Community Services
Meeting Date: April 27, 2026
Subject: Chesley St. Docking Committee Lease Renewal
Attachment(s): None

Recommendation

That Council adopt By-law 40-2026, being a By-law to authorize the entering into of a Lease Agreement with Chesley Street Docking Committee.

Report Summary

The Lease Agreement between the Town of Saugeen Shores (Lessor/Landlord) and the Chesley Street Docking Committee (Lessee/Tenant) for operations at 1 Chesley Street, Southampton expires on April 30, 2026. The parties have negotiated new terms and conditions, as identified in the Lease Agreement attached to By-law 40-2026 in the By-law section of the Agenda.

Background/Analysis

New Lease Term

The existing lease term ran from May 1, 2021 to April 30, 2026. The renewal is structured as a five-year lease, commencing April 30, 2026 and ending April 30, 2031. The permitted use remains consistent in purpose: the Docking Committee will operate and manage the seasonal private docking system (assigning and marking spaces, collecting docking fees for member docks, and requesting/undertaking site improvements subject to Town approval).

The 2021–2026 lease was a short-form agreement that addressed core matters (term, rent, basic responsibilities, insurance, termination) but contained limited definitions and fewer standard provisions typically used in municipal leasing. The 2026–2031 lease is the Town's Standard Lease Agreement Template, which adopts a structured format, organized into clear Articles covering: basic terms and definitions, premises and term, rent, Lessee obligations, Lessor obligations, maintenance/alterations, insurance/indemnification, defaults/remedies, and general provisions (notices, dispute resolution, force majeure, etc.). The revised format reduces ambiguity, improves consistency with other municipal leases, and strengthens enforceability if disputes arise.

Rent

The previous agreement listed only the 2021 fee and noted that facility rental fee increases are set annually by percentage increase based on the year 1 lease rate. The new lease includes a clear five-year rent schedule, improving predictability for both parties and supporting budget transparency.

Annual Amount:

2026: \$4,600.00 + HST

2027: \$4,830.00 + HST

2028: \$5,071.50 + HST

2029: \$5,325.08 +HST

2030: \$5,591.33 +HST

The new rent structure clearer long-range revenue expectations, and a clearer framework for payment administration.

Town and Lessee Responsibilities

In the prior lease, the “Chesley Street Park and Dock area” was referenced generally with a schedule map, but with less precision around shared vs. exclusive areas. The lease clearly distinguishes the Leased Premises from Common Areas (non-exclusive) such as the entry road, parking lot, parkland, washroom, fish cleaning station, and the public boat launch dock.

Additionally, the lease strengthens language protecting public access by clarifying that the Lessee has no authority to manage or alter the public Town dock and public access must remain unrestricted, building on the previous lease’s simpler non-obstruction requirement for the public launching ramp.

The 2021–2026 lease stated that dock ownership, maintenance, and replacement are the Tenant’s sole responsibility, and listed several grounds maintenance duties that were the Landlord’s responsibility (e.g., grass cutting, garbage removal, washroom cleaning, ramp/parking/road maintenance).

The 2026-2031 lease modernizes this by setting out broad Lessee maintenance obligations for the Leased Premises and improvements, while also including more specific operational statements that the Municipality will continue providing certain park-level services such as: collecting trash typically associated with park use, collecting bagged fish offal from the on-site freezer, and cleaning the washroom to Town parks service levels. The draft also includes a condition that the Lessee is responsible for maintaining the fish cleaning station cleanliness to the Municipality’s satisfaction.

Under the previous lease, any alterations or additions required written submission and written approval by the Landlord. 2026-2031 lease adds detail by distinguishing between minor/non-capital changes and capital improvements, requiring drawings/specifications and Town consent

for capital works, and clarifying that certain improvements (capital, permanent, or affixed) are treated as Town property unless otherwise agreed in writing.

Linkages

- Strategic Plan Alignment: Pillar 3: Building Valued Relationships
- Business Plan Alignment: Community Services Business as Usual

Financial Impacts/Source of Funding

Cost associated with this program are contained within the existing budget.

Prepared By: Adam Parsons, Manager, Parks and Facilities

Reviewed By: Kristan Shrider, Director, Community Services

Approved By: Kara Van Myall, Chief Administrative Officer