

City Staff Report

Original signed by: City Manager Johnson

Report Date: March 17, 2021

Meeting Date: March 23, 2021

To: City Manager

From: Manager of Economic Development & Tourism

Subject: Food Hub Operating Agreement and Sub-Lease Agreement

Purpose

The purpose of this report is to receive Council approval to enter into two agreements with the newly formed Sprout Kitchen Society:

- 1) Operating Agreement for Sprout Kitchen Food Hub
- 2) Sub-lease agreement for 101 Marsh Drive

Summary

Operating Agreement

The Operating Agreement outlines the responsibilities of Sprout Kitchen Society in order to achieve sustainability as outlined in the Implementation Plan, and to meet the requirements of the funding provided by the Province of British Columbia and Northern Development Initiative Trust.

The Operating Agreement outlines the supportive funding previously approved by Council. No additional funding is committed beyond 2022.

The term of the operating agreement aligns with Council's commitment to support operating costs, plus one additional year, and provides the option to extend until the end of the City's current lease agreement with the Building Owner.

Lease Agreement

The lease agreement follows a similar format to the agreement between the City and Quesnel Downtown Association for the leased space in Spirit Centre.

The lease agreement term matches the term of the Operating Agreement, with the option to extend to the end of the City's lease agreement with the building owner.

Terms of the lease agreement match the terms of the agreement between the City and the Building Owner, with the City subsidizing the lease costs in 2021, as outlined in the Operating Agreement.

A sublease agreement may make the Food Hub space eligible for a permissive tax exemption.

The City's lease agreement with the Building Owner requires that the City obtain permission from the building owner prior to sub-leasing the space. Permission is pending at the time of writing this report.

Recommendation

#1 – Operating Agreement

THAT Council enter into the attached agreement with the Sprout Kitchen Society for the operation of the Food Hub;



AND THAT the Mayor and City Manager be authorized to execute such documentation as required to complete the Agreement;

#2 – Lease Agreement

THAT Council enter into the attached lease agreement with Sprout Kitchen Society with the permission of the Building Owner;

AND THAT the Mayor and City Manager be authorized to execute such documentation as required to complete the Agreement.

Strategic Objective

Build and launch Food Hub

Financial Implications

Council has previously committed up to \$15,000 in 2020, 2021, and 2022. Council committed an additional \$39,000 in 2021 to offset costs in the early days of operations.

Background

Sprout Kitchen Society currently exists of three board members in order to establish the society: Lynda Atkinson (Temporary Chair), Jas Sabberwal, Andrew Adams. Additional board members will be added in accordance with the Implementation Plan.

Attachments

Sprout Kitchen Operating Agreement 2021-2023

Sprout Kitchen Sub-Lease Agreement 2021-2023