

## LEASE HOLDER NEGOTIATIONS

### Issue

An analysis of fitness centre leasing rates is included to establish the new market and/or discount rate for the lease with Natural High Fitness for the purpose of advertising under section 70 of the *MGA*.

### Motion Arising From In Camera

No motion arising is required as there is an open Council meeting item. The percentage of lease waiver amounts will need to be included in the open resolution.

### Report

Administration contracted with a third party to attempt to establish 'current market' conditions for the establishment of a new leasing rate. Unfortunately, the information is not readily available and most landlords chose not to share the current lease rates or incentives they are providing. This is to protect the market moving forward. The closest information Administration was able to obtain highlights that the current rate being charged to Natural High Fitness (\$██████) is within the current Okotoks lease rate thresholds that could be readily determined (\$██████).

Based on the limited information available, and the fact that a new market threshold could not be established, Administration recommends that the lease be given a 100% waiver of market lease rates for January to May 2022 and a 50% waiver from June to December 2022. A new market rate will attempt to be established in late 2022.

As a further update, Natural High Fitness has agreed to amend the lease to include terms that allow for the equipment to transfer to the Town of Okotoks if they are unable to meet the terms and conditions of the new leasing conditions.

### Attachment(s)

1. Market rate analysis letter
2. Natural High Fitness Background and Messaging

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\*Redacted under FOIP s. 16(1)