



April 3, 2006

REPORT TO GENERAL COMMITTEE

SUBJECT: Markham Food Bank
Request for Additional Funding

CONTACT/AUTHOR: Catherine M. Conrad, Town Solicitor

RECOMMENDATION:

That the report dated April 3, 2006 entitled "Markham Food Bank Request for Additional Funding" be received;

And that the Markham Food Bank be given a one time grant to a maximum of \$10,100.00, to cover a portion of the gross lease expenses for the Markham Food Bank for the period April 1, 2006 to March 31, 2007, from the Corporate Wide Contingency Fund, Account No. 840 841 7849; and

And that Town staff assist the Markham Food Bank in negotiating a one year Lease Extension Agreement.

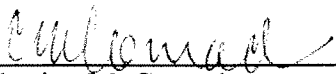
EXECUTIVE SUMMARY:

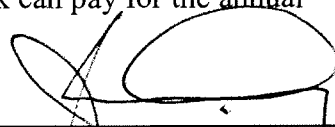
At its meeting on April 13, 2004, Council approved a third grant to cover the gross lease expenses of the Markham Food Bank for the period April 1, 2004 to March 31, 2006, in the amount of \$32,433.84. Council also encouraged the Markham Food Bank to seek corporate sponsorship or other funding sources to address future lease payment requirements. The Markham Food Bank is again requesting financial assistance from the Town to help cover the cost of their lease renewal for premises located at 70 Main Street, Markham.

The Markham Food Bank has been unable to find alternate locations. The premises have recently been sold and the new landlord is agreeable to extending their lease for a further term of one year, but at an increased rent, from \$9.00/sq ft to \$10.00/sq ft. The total cost for the one year extension is \$18,018.80 (\$10.00/sq ft x 1,684 sq ft + GST). The Food Bank has agreed to fund the increase in square footage of \$1,801.88 and the Town has \$6,214.41 remaining in a deferred account due to the difference in the actual amount paid, leaving a balance of \$10,002.51. The Markham Food Bank has had some success in obtaining donations, but are unable to pay the full lease rate proposed.

FINANCIAL HIGHLIGHTS:

The Markham Food Bank is requesting that the Town authorize a grant equal to the gross lease payments at the previous years' rate. The Food Bank can pay for the annual increase agreed to by the Landlord.


Catherine M. Conrad,
Town Solicitor


John Livey,
CAO

PURPOSE:

The purpose of this report is to seek authorization for funding for the Markham Food Bank.

BACKGROUND:

In 1998 the Markham Food Bank operated out of Town-owned premises located at 98 Church Street. The property was subsequently sold. The Markham Food Bank was one of five Markham Village based organizations that the Town committed to assist in relocating to alternate premises.

The Markham Food Bank currently occupies 1,684 square feet of lower level space at the rear of 70 Main Street, Markham, at a rental of \$9/sq ft. plus GST. In addition to coordinating the physical relocation of the Markham Food Bank to new premises, Council approved one-time funding to a limit of \$36,000 (\$12,000 per year) to cover gross lease expenses for a period of three years (1998-2001).

At its meeting on February 13, 2001, Council approved a further one time grant of \$36,000 to cover the gross lease expenses of the Markham Food Bank for the period April 1, 2001 to March 31, 2004. Council also encouraged the Markham Food Bank to seek corporate sponsorship or other funding sources to address future lease payment requirements.

At its meeting on April 5, 2004, Council approved a grant of \$32,433.84 to cover the gross lease expenses of the Markham Food Bank for the period April 1, 2004 to March 31, 2006. Council also encouraged the Markham Food Bank to seek corporate sponsorship or other funding sources to address future lease payment requirements.

The Markham Food Bank is again requesting financial assistance from the Town to help cover a portion of the cost of their April 1st, 2006 lease renewal for premises located at 70 Main Street, Markham. A letter from the Markham Food Bank addressed to the Town Clerk requesting financial assistance is attached to this report.

OPTIONS/ DISCUSSION:

The Markham Food Bank occupies 1,684 square feet of lower level space at the rear of 70 Main Street, Markham. The landlord had offered a two year extension at \$12 sq ft, which was a substantial increase. Subsequent to receiving the landlord's offer, staff has had discussions with Sheila Spinks, a volunteer at the Markham Food Bank and the landlord's property management company, Monreal Property Management Inc., and have confirmed that the offer for the rent is an increase from \$9/sq ft (\$1,263 per month) to \$10/sq ft (\$1,403.33 per month) plus GST (an 11% increase). The owner is willing to extend the lease for a further term of one year, provided that the rent is increased as indicated above.

There is currently a balance remaining in the account from the previous years' grants of \$6,214.41. The Food Bank has indicated that they would be able to cover the expenses for the increase in the gross lease amount, if the Town can cover the rent at the previous year's rate. The required rent is as follows:

1684 sq ft @ \$10.00 plus GST =	\$18,018.80 annually
Markham Food Banks' share	1,801.88
Remaining grant funds	6,214.41
Balance owing	10,002.51

The Markham Food Bank requests that the Town negotiate the lease renewal terms on their behalf.

Staff has also contacted other affiliated organizations and has learned that local Food Banks are typically sponsored by community groups and that premises are provided on a rent-free basis.

FINANCIAL TEMPLATE (Separate Attachment):

Attached.

ENVIRONMENTAL CONSIDERATIONS:

Not applicable.

ACCESSIBILITY CONSIDERATIONS:

Not applicable.

ENGAGE 21ST CONSIDERATIONS:

Funding the Markham Food Bank is consistent with the Town's goal of pursuing programs, services, facilities, and employment and housing opportunities that meet the needs and expectations of different age, income and ethnic groups. It is consistent with our goal of having a safe, secure and healthy community

BUSINESS UNITS CONSULTED AND AFFECTED:

The Finance and Clerk's Departments have been consulted in the preparation of this report.

ATTACHMENTS:

1. Copy of Letter from Sheila Spinks, Markham Food Bank
2. Copy of Letter dated March 13, 2006 from Montreal Property Management Inc.
3. Copy of April 5, 2004 Report

4. Copy of Financial Services Statement showing current balance from previous Grants

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