



GRAND VALLEY

STAFF REPORT

To: Mayor and Members of Council
From: Meghan Townsend, CAO/Clerk
Meeting Date: December 9, 2025
Report Number: 2025-222
Subject: Grand Valley Medical Centre - lease and request for financial assistance

Recommendation

THAT Council receives Report – Grand Valley Medical Centre – lease and request for financial assistance

AND FURTHER THAT Council authorizes the Mayor and Clerk to sign the Lease Amending Agreement as presented and directs staff to prepare and present the necessary by-law for passing.

Executive Summary

Purpose

To present the Lease Amending Agreement with Highland Health Network and a discussion on their request for financial assistance.

Key Findings

- Highland Health Network has signed the Lease Amending Agreement, attached to this report as Attachment 1.
- Funding their request for up to \$28,500 is possible through rent refunds over 2026.

Financial Implications

If Council approves their funding request, the reserve for the Medical Centre would not increase as rapidly as it would otherwise. However, all expenses would be covered and no tax levy support would be necessary.

Report

Background

At the November 25, 2025 meeting, Council received a delegation from representatives of Highland Health Network, who are the physicians providing medical services in the Town’s Medical Centre at 21 Main Street North. Their lease, program expansions and renovations were discussed, and the representatives asked for Council to contribute to the renovation costs up to 50% of their estimate. Council directed staff to report back to Council with recommendations on how this request could be accommodated. Further, they also asked staff to report back on the various terms of the lease, including responsibility for winter sidewalk maintenance.

Discussion

Amending Lease Agreement:

Attachment 1 presents the amending agreement for the current lease. In this amendment, the rent amount and square footage are changed so that the lease with Highland Health Network encompasses the entire building. Highland Health Network have signed back this amending agreement, so it is presented here along with an authorizing by-law (Attachment 2) so that Council can approve its signing.

Current Provisions in Existing Lease:

In order to determine if the request for funding can be accomplished with no impact to the tax levy, a review of the lease provisions is required. The following chart summarizes the financial and other obligations of the lease:

Obligation	Dollar Value	Comment
Basic Rent	4671 sq ft @\$1.085/sqft/mth= \$5068.34/mth = \$60816.48/yr (plus HST)	
Additional Rent	Property Taxes & Sewage=\$8600 Hydro/Water=\$3600	Tenant's contribution to Operating Costs,

	Gas= \$1200 Repair & Maintenance- yearly recovery Driveway Snow Removal-yearly recovery Town Insurance= \$1964 Admin Fee= 15% of charges	Realty Taxes, payments for utilities, and all other amounts, excluding Basic Rent. The Town repairs the Building and maintains the infrastructure, and bills the tenant for costs. Tenant has own insurance for rental and own operations.
Cleaning of Building	At Tenant Expense	
Snow Removal	At Tenant Expense	Town – Parking Lot Tenant – walkways and entrances (clause 9.1)
Signage	At Tenant Expense	Town prior authorization required

Basic Rent is paid to the Town. Use of the basic rent has not yet been determined, but will be for cash flow purposes and surplus could become the reserve toward future capital repairs to the building envelope.

Additional Rent is provided to the Town to reimburse the Town for all operating expenses of the building. The Town will not need to spend the Basic Rent to pay these expenses because the Tenant is reimbursing all costs.

Additional Responsibilities were also included for the Tenant to assume, including snow clearing off walkways and entrances, signage, and all interior renovations. The Board used to provide these services or share the cost of the services with the tenants.

Therefore, the operational expenses of the Medical Centre are covered by the Tenant. There would only potentially be property tax levy implications if a significant capital investment was needed and reserves were not available to cover the cost. However, the Town could direct that the Centre’s Basic Rent be used to reimburse the Town for property tax support.

Current Financial Position of the Centre:

The bank account for the Medical Centre currently sits at \$160,000.

Staff are reviewing the close out process for the Board. Reimbursement to the former member municipalities may be necessary to a maximum of \$122,750, including \$66,400 to Grand Valley.

Options for providing up to \$28,500 in financial assistance:

If desired, the Town's \$66,400 could be left in the Centre's bank account to go toward the upcoming renovations to the building (the awning and foundation repairs), or some of it used to contribute to the Highland Health Network request.

If the Town wishes to be reimbursed and put this levy money toward something else, the Town could agree to reimburse Highland the \$28,500 upon review of receipts and final costs spent on the interior renovation, taking this contribution out of the Basic Rent received in 2026.

Financial Impact

No impact to tax levy. Potential \$28,500 decrease to capital reserve if the Highland Health Network request is granted.

Consultations

Lease for 21 Main Street North

Attachments

Attachment 1 – Lease Amending Agreement – Highland Health Network

Attachment 2 – By-law to authorize the execution of a Lease Amending Agreement between the Corporation of the Town of Grand Valley and Highlands Health Network Inc. for 21 Main Street North, Grand Valley (Grand Valley Medical Centre).

Attachment 3 – Current Lease with Highland Health Network

This report was submitted by

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This report was approved by

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