



**CITY OF KINGSTON**  
**REPORT TO COUNCIL**

**Report No.: 12-376**

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**TO:** Mayor and Members of Council

**FROM:** Denis Leger, Commissioner, Transportation, Properties & Emergency Services  
Hal Linscott, City Solicitor and Director, Legal Services

**RESOURCE STAFF:** Alan McLeod, Senior Legal Counsel

**DATE OF MEETING:** November 6, 2012

**SUBJECT:** Approval of Assignment of Four Points Hotel Parking As Part of Property Transfer

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**EXECUTIVE SUMMARY:**

This report describes a request which has been received from J.S. Melo Inc for consent to the assignment of an existing agreement related to the parking at the Four Points Sheraton hotel. The City and J.S. Melo Inc entered into a 99 year lease agreement in 1996 as amended in 1999 providing the City with a leasehold interest in 77 parking spaces in the underground parking garage forming part of the property. In late September 2012, J.S. Melo Inc gave the City notice that it had entered into an agreement for the sale of the hotel to Concord-Select Kingston GP, Inc. Staff have been able to negotiate terms that continue the existing arrangement while providing for the transfer of hotel ownership. It is recommended accordingly that Council approve the assignment of the parking lease agreement to the new ownership group.

**RECOMMENDATION:**

**THAT** Council consent to the assignment of the Lease Agreement to Concord-Select Kingston GP, Inc. as amended with J.S. Melo Inc and also authorize the Director of Legal Services to negotiate, approve and execute any agreements required to give effect to this direction of Council.

November 6, 2012

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**AUTHORIZING SIGNATURES:**ORIGINAL SIGNED BY COMMISSIONER

Denis Leger, Commissioner of Transportation, Properties &amp; Emergency Services

ORIGINAL SIGNED BY DIRECTOR OF LEGAL SERVICES

Hal Linscott, City Solicitor and Director of Legal Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

**CONSULTATION WITH THE FOLLOWING COMMISSIONERS:**

Lanie Hurdle, Community Services	N/R
Cynthia Beach, Sustainability and Growth	N/R
Jim Keech, President & CEO, <i>Utilities Kingston</i>	N/R

***(N/R indicates consultation not required)***

**OPTIONS/DISCUSSION:**

This report describes a request made to the City to grant consent to the assignment of an existing agreement related to the parking at the Four Points Sheraton Hotel as part of a larger transfer of ownership of the property from J.S. Melo Inc to a new ownership group, Concord-Select Kingston Limited Partnership. In 1996, the City and J.S. Melo Inc entered into a lease agreement providing the City with interest in 77 parking spaces in the underground parking garage forming part of the property. This agreement was amended in 1999 and has a term of 99 years with a renewal option for another 99 years.

In late September 2012, J.S. Melo Inc gave the City notice through its legal counsel that it had entered into an agreement for the sale of the hotel and that the parking leasehold agreement would need to be assigned to the new ownership group as part of the overall transaction. Staff have been able to negotiate terms that confirm there are no outstanding financial issues between the parties related to the City’s parking rights. The new ownership group has confirmed that they would abide by the existing agreement upon the receiving the assignment of the Lease Agreement. No terms of the lease agreement are being amended by the parties as part of this recommended approval.

As part of those negotiations, it was confirmed to the parties to the overall transaction that staff would recommend the consent to the assignment of the lease agreement on the basis described in this report. It is recommended that Council approve the assignment of the parking lease agreement.

**EXISTING POLICY/BY LAW:**

As approved by Council, the City is party to a lease agreement with J.S. Melo for parking spaces in the underground garage dated 15 October, 1996 as amended by agreement made 22 January, 1999.

**NOTICE PROVISIONS:**

No Notice provisions are required.

**ACCESSIBILITY CONSIDERATIONS:**

There are no accessibility considerations directly related to this report.

**FINANCIAL CONSIDERATIONS:**

As a result of successful negotiations with J.S. Melo Inc., there are no financial considerations directly related to this report.

**CONTACTS:**

Denis Leger, Commissioner, Transportation, Properties & Emergency Services	613-546-4291 ext 1328
Hal Linscott, City Solicitor and Director, Legal Services	613-546-4291 ext 1296

**OTHER CITY OF KINGSTON STAFF CONSULTED:**

Alan McLeod, Senior Solicitor  
Sheila Kidd, Director of Transportation Services

**EXHIBITS ATTACHED:**

N/A