

Bill No. 666
2017

By-law No. A.- _____

A by-law to authorize and approve the Licence Agreement between The Corporation of the City of London and Heritage London Foundation, for use of the property located at 1017 Western Road, known as the Grosvenor Lodge, and to authorize the Mayor and City Clerk to execute the Licence Agreement.

WHEREAS section 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS it is deemed expedient for The Corporation of the City of London (the "City") to enter into the Licence Agreement with the Heritage London Foundation (the "Agreement");

AND WHEREAS it is appropriate to authorize the Mayor and the City Clerk to execute the Agreement on behalf of the City;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Agreement attached as Schedule "A" to this by-law, being Licence Agreement between the City and the Heritage London Foundation is hereby AUTHORIZED AND APPROVED.
2. The Mayor and the City Clerk are authorized to execute the Agreement authorized and approved under Section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on November 28, 2017.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – November 28, 2017
Second Reading – November 28, 2017
Third Reading – November 28, 2017

Schedule "A"

THIS AGREEMENT made in triplicate on the ____ day of _____ 2017.

BETWEEN:

THE CORPORATION OF THE CITY OF LONDON
(Hereinafter referred to as "the City") **OF THE FIRST PART**

- and -

THE HERITAGE LONDON FOUNDATION
(Hereinafter referred to as the "Licensee") **OF THE SECOND PART**

WHEREAS the City is the owner of certain lands, more particularly described as Plan Nil Pt Park Lots 2,3, RP 33R2219 Part 8, City of London (formerly Township of London, County of Middlesex, Province of Ontario and known municipally as 1017 Western Road (hereafter referred to as "Grosvenor Lodge");

AND WHEREAS the City has agreed to grant to Heritage London Foundation (HLF) an exclusive licence to use and occupy Grosvenor Lodge as a historic building that is primarily available to (but not limited to) heritage and environmental groups for the rental of office and meeting space and to use for administrative assistance. On occasion it is also available for rent to the general public for social events, weddings, and business meetings.

AND WHEREAS the said property has been designated as being of historic and architectural value pursuant to by-law No. L.S.P.-2332-635 (attached hereto as Schedule "A" to the Agreement);

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein and subject to the terms and conditions set out in this agreement, the parties agree as follows:

1. Term

- 1.1) This agreement shall be effective from and including the first day of January 2018 to and including the thirty-first day of December 2022, with two (2) options to renew for a further three (3) years each.
- 1.2) Notwithstanding section 1.1, either party may, upon not less than one hundred eighty (180) days written notice terminate this Agreement for any reason
- 1.3) Notwithstanding section 1.1, the Licensee shall have the option to give notice as outlined below of its intention to renew this agreement to the other party not less than six month before this agreement expires. In the event that the Licensee gives notice of an intention to renew this agreement, the City shall have thirty days from the date that notice is effective to give notice to the Licensee that it objects to the renewal and that the agreement shall expire according to section 1.1. If the City does not object to the renewal in the prescribed time, this agreement is renewed for a further three (3) year period, and section 1.1 shall be deemed amended to affect such renewal.

2. Notice

- 2.1) Any notice under this Agreement shall be sufficiently given by personal delivery or by registered letter, postage prepaid and mailed in a Canadian post office, addressed in the case of notice to the City, to the City Clerk, The Corporation of the City of London, P.O. Box 5035, London, Ontario, N6A 4L9, and in the case of notice to The Licensee, to the address for service or to any other address as may be designated in writing by the parties, and the date of receipt of any notice by mailing shall be deemed conclusively to be three days after the date of postage.

3. Obligations of the Licensee

- 3.1) The Licensee shall at all times abide by Ontario Heritage Act, the City of London Alcohol Risk Management Policy, Special Events Policy and such other policies governing the use of City property as shall be reasonably applicable as may be amended from time to time.
- 3.2) The Licensee shall operate Grosvenor Lodge as a heritage and environmental, cultural and educational centre. The operations shall include but not be limited to conferences, seminars, business meetings, receptions, nuptial ceremonies, and other undertakings which will provide an opportunity for local architectural, historical, cultural, educational, and environmental non-profit groups to rent space, to meet, pool resources, conduct research projects and present their respective programs to the public. Grosvenor Lodge shall at all reasonable times be accessible to the public during normal hours of Grosvenor Lodge's operation
- 3.3) The Licensee shall have the right to set rates that it may charge for the use of the Grosvenor Lodge. Such gross revenues as may be generated through such rates are for the account of the Licensee. All such revenues shall be applied solely to the operation and maintenance of Grosvenor Lodge as a Heritage and Environmental Centre.
- 3.4) The Licensee shall be responsible for all expenses resulting from its operation of Grosvenor Lodge, including but not limited to, two thirds utilities, telephone, marketing and promotion, salary, catering, and business insurance expenses and taxes levied by all levels of government resulting from the operation and use of Grosvenor Lodge as herein provided, including the collection and remittance harmonized sales tax. The City will pay all utility bills on a monthly basis. The Licensee shall reimburse the City for two thirds of the cost of the utilities on a bi-annual basis beginning on the anniversary date of this agreement.
- 3.5) In each year of this agreement on or before May 31, the Licensee will report to the City on the previous years' program and financial activities of Grosvenor Lodge. Reports shall be in a form satisfactory to the City. The Licensee shall keep books and records in accordance with generally accepted accounting principles (GAP) for not for profit organizations and will allow the City to inspect such books and records at any time on reasonable notice.
- 3.6) The Licensee acknowledges that any capital improvements to Grosvenor Lodge, whether it, the City, or both parties paid for the improvements, become the property of the City and the Licensee forfeits all right to reimbursement for its contribution for such expenditures.
- 3.7) The Licensee shall promptly inform the City of any required maintenance or HLF approved capital improvements on the property which it regularly uses and accesses.
- 3.8) The Licensee shall not assign this Agreement without the prior written consent of the City. Any attempt to assign any of the rights, duties or obligations of this Agreement without such written consent is void.
- 3.9) The Licensee shall be responsible for the costs of all maintenance, repairs and cleaning of the buildings, and its components including without limitation to janitorial service, window cleaning, building security, pest control, sidewalk snow and ice removal, removal of litter, disposal of waste, emergency power, and preventative maintenance schedules for all systems. All maintenance, repairs and cleaning will be completed in a satisfactory and timely manner and in accordance with standards acceptable to the City.
 - a) The City shall be responsible for all repairs at a cost of more than \$2,500.00 per occurrence unless necessitated by the negligence of the Licensee, its officers, employees, agents, contractors, invitees or licensees.
 - b) The Licensee shall be responsible for all repairs at a cost of \$2,500.00 or less per occurrence unless necessitated by the negligence of the Licensee, its officers, employees, agents, contractors, invitees or licensees.
 - c) The Licensee shall be responsible for all improvements by any sublessee(s)
 - d) The City agrees, prior to the commencement of any repairs or maintenance, that reasonable notice be provided so as to minimize disruption to the Licensee's operations at Grosvenor Lodge.
- 3.10) The City and The Licensee will jointly conduct bi-annual inspections of Grosvenor Lodge. Prior to the execution of this Agreement, the City and The Licensee shall conduct an audit of the Grosvenor Lodge property which shall establish the standard for all future audits of the Grosvenor Lodge property. Such standards shall not be less than the City's standard for inspection and audit of facilities it owns or operates. Copies of these audits and any resulting work plans shall be made available to both parties.
- 3.11) The Licensee shall maintain a separate reserve fund for any yearly surplus generated from operations at

Grosvenor Lodge to fund maintenance of the building and/or to lower rent payments by member organizations.

3.12) Should the Licensee cease to exist or the agreement is terminated, all assets including the reserve fund, and lease hold improvements of the Licensee generated at Grosvenor Lodge, will become property of the City to be used to improve Grosvenor Lodge.

3.13) The Licensee shall work with the Manager of Culture to determine what furnishings and collections need to be maintained by the City.

4. Insurance

4.1) Throughout the term of this Agreement, the Licensee shall obtain and maintain the coverage shown below and shall provide that this coverage will not be cancelled or permitted to lapse unless the insurer notifies the City in writing at least thirty (30) days prior to the date of cancellation or expiry:

- a) Third party general liability insurance covering all claims for negligence, nuisance, property damage and personal injury, including death, arising out of the use of the Grosvenor Lodge by the Licensee. Such policy shall include the City as an additional insured with respect to this Agreement and be in an amount not less than five million (\$5,000,000.00) dollars including personal injury liability, contractual liability, non-owned automobile liability, employer's liability, and shall contain a severability of interests and cross liability clauses.
- b) Standard all risk property insurance covering the property of the Licensee, including leasehold improvements, in an amount not less than the full replacement cost value with a deductible of no more than \$2,500.00; such policy shall include a waiver of subrogation in favour of the City; and
- c) Business interruption insurance covering loss of gross income arising from a peril insured under 4.1. (b) in an amount not less than 80% of estimated annual income. and
- d) Standard all risk tenants legal liability insurance covering the Grosvenor Lodge in an amount not less than two hundred fifty thousand (\$250,000.00) dollars, and

4.2) The Licensee shall not do, omit to do, or permit to be done or omitted to be done on or at the Grosvenor Lodge anything that may increase premiums or void coverage under the property insurance policies carried by the City on the Grosvenor described in this Agreement, and

4.3) The insurance described in 4.1 above will not be cancelled or permitted to lapse unless the insurer notifies the City in writing at least thirty (30) days prior to the date of cancellation or expiry. Evidence of such insurance shall be delivered to the City promptly at inception of this Agreement and thereafter prior to the insurance renewal date. Failure to satisfactorily meet these conditions relating to insurance shall be deemed a breach of this Agreement.

4.4) The City reserves the right to request such higher limits of insurance or other types of policies appropriate to this Agreement as the City may reasonably require from time to time.

5. INDEMNITY

5.1) The Licensee shall indemnify and hold the City harmless from and against any liability, loss, claims, demands, costs and expenses, of every nature and kind whatsoever, including reasonable legal fees, occasioned wholly or in part by willful conduct or otherwise by reason of or on account of the Licensee's use or occupation of the Grosvenor Lodge or arising out of any breach, violation or non-performance on the part of the Licensee of any covenant or provision in this Agreement, whether arising from actions of the Licensee or by its employees, servants, agents, subcontractors or others the Licensee is responsible for at law. Such indemnification shall continue in effect after expiry of this Agreement with respect to any matter arising during the use, occupation, and operation of the Grosvenor Lodge by the Licensee during the currency of this Agreement.

5.2) The Licensee agrees that in the event that any third party obtains an injunction preventing the use of Grosvenor Lodge by the Licensee, the Licensee will not hold the City in any way responsible for any losses incurred thereby, whether by the Licensee or any other party and agrees to indemnify the City for all costs and expenses arising from such losses.

5.3) The City shall indemnify and save harmless the Licensee from and against any and all claims, actions, damages, losses and liabilities and expenses (including, without limitation bodily injury including death, personal injury and property damage) arising from or out of ownership or maintenance by the City of Grosvenor Lodge, its surrounding land and outbuildings or occasioned in whole or in part by any act or omission of the City, its officers, employees, agents contractors, invitees or licensees.

6. Dispute Resolution

6.1 In the event of a dispute arising out of or in connection with this License, the parties undertake to attempt to settle the dispute by engaging in good faith with the other in a process of mediation before commencing arbitration or litigation.

7. General

7.1 The Licensee acknowledges and agrees that nothing in this agreement shall be construed or interpreted so as to create Landlord and Tenant relationship between the parties. The Licensee further acknowledges and agrees that this Agreement is a grant of license for the specified purposes, and no a grant of a leasehold interest in the property

7.2 The Licensee will provide public access to Grosvenor Lodge for the Sunday of Doors Open Event weekend assuming such an event occurs within the period of this agreement.

The City hereby acknowledges receipt of a triplicate copy hereof.

IN WITNESS WHEREOF the Company has affixed its corporate seal, attested by the hands of its duly authorized officers this _____ day of _____, 2017.

THE HERITAGE LONDON FOUNDATION

Per: Brenda J. McQuaid

Name: Brenda J. McQuaid.

Title: President

I/We Have the Authority to Bind the Corporation

IN WITNESS WHEREOF the Corporation of the City of London has hereunto caused to be affixed its Corporate Seal attested by the hands of its proper signing officers pursuant to the authority contained in By-law No. _____ of the Council of the Corporation of the City of London passed the _____ day of _____, 2017

THE CORPORATION OF THE CITY OF LONDON

Matt Brown, Mayor

Catharine Saunders, City Clerk

Schedule "A"

CITY OF LONDON

HERITAGE DESIGNATION

BY-LAW NO.	L.S.P.-2332-635
PASSED ON:	December 19, 1977
REGISTERED ON:	January 9, 1978
AS NUMBER:	503173
AMENDED BY:	L.S.P.-2332(a)-340
PASSED ON:	November 4, 1991
REGISTERED ON:	November 6, 1991
AS NUMBER:	899731

DESIGNATION OF:

1017 Western Road, Grosvenor Lodge

LEGAL DESCRIPTION:

All that portion of Park Lots 2 and 3, north of Grosvenor Street in the City of London, in the County of Middlesex, in the Province of Ontario and designated as Part 8 on a plan deposited in the Land Registry Office of Middlesex East (No. 33) as Plan 33R2219.

NAME AND ADDRESS OF OWNER(S):

London Regional Art and Historical Museums
421 Ridout Street North
London, Ontario
N6A 5H4

HISTORICAL REASONS:

Historically, Grosvenor Lodge is interesting as one of the best examples of the country estates that were developed on the outskirts of the City in the prosperous mid-1850's.

Grosvenor Lodge is a monument to two early citizens of London, both of whom played important roles in the City's development. Samuel Peters came to Canada as a surveyor in 1835, but soon established himself in London as an entrepreneur who, like many of his contemporaries, explored various lines of business: he ran a grocery store, a distillery, and an abattoir, and he invested his earnings in real estate, so that he eventually owned considerable tracts of land. He owned and developed Petersville, the area west of Blackfriars' Bridge. He also created a country estate for himself and his family, and in 1853 he built Grosvenor Lodge there as the family home.

The house was designed for his uncle by Samuel Peters, Jr., also a surveyor, who had maintained the practice of his initial profession. The younger Peters was London's first city engineer and its first resident professional architect. In these three capacities, he proved largely responsible for the layout and the appearance of the early city; unfortunately, very few of the buildings he designed are still standing.

Each Samuel Peters proved a representative of the many immigrants who sought, and found, greater prosperity and distinction in the New World than they enjoyed in the old.

ARCHITECTURAL REASONS: (for detailed descriptions of interior and exterior features please refer to the Lawson Museum Restoration Planning Study 1990)

(Interior)

Grosvenor Lodge is a witness to the architectural skill of Samuel Peters, Jr. In plan, it provides a good example of a substantial Georgian residence of the period, but its façade, inspired by a manor house in the Peters' native Devonshire, is an excellent example of the Tudor Revival style. The Tudor influence is also found inside in the mantelpieces, in the paintings which still adorn some of the ceilings, and in the designs of the stained glass windows. The house is unusual in the large number of fine original features, both Tudor and Georgian, which it still retains; as a result, it provides a rare resource for studying the tastes and lifestyles of a prosperous mid-nineteenth-century family.

The following interior spaces of the main house are worthy of designation:

Main Hall, stairs, and upper hall - staircase and all elements including the stained glass windows and ceiling paintings;

Drawing Room (Southeast Corner) door, window and baseboard trim and marble fireplace with bichromatic tile work, bay window and coved ceiling are particularly noteworthy;

Library (southwest corner), door and base trim and black marble fireplace, bay window and original hardware, coved plasterwork and medallion are noteworthy;

Dining Room - trim, gothic fireplace, and plasterwork are noteworthy;

Den (north of Drawing Room) - all trim areas and plasterwork are noteworthy;

Southeast Bedroom - all trim areas, grey marble fireplace, painted ceiling are noteworthy;

Southwest Bedroom - all door, window and baseboard trim, painted ceiling (concealed) and grey marble fireplace are noteworthy.

(Additional Exterior)

Garden House - small six-sided, board and batten structure to the southwest of the main house. May have had a small cupola originally.

Carriage House - white brick one and a half storey building with gambrel roof with unusual window and dormer treatments.