

Report to / Rapport au:

**OTTAWA POLICE SERVICES BOARD
LA COMMISSION DE SERVICES POLICIERS D'OTTAWA**

22 July 2019 / 22 juillet 2019

Submitted by / Soumis par:

Chief of Police, Ottawa Police Service / Chef de police, Service de police d'Ottawa

Contact Person / Personne ressource:

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SUBJECT: 21 CONCOURSE GATE – LEASE RENEWAL

OBJET: 21, CHEMIN CONCOURSE GATE – RENOUELEMENT DU BAIL

REPORT RECOMMENDATIONS

That the Ottawa Police Services Board approve the execution of a Lease Renewal with Clarke Properties Ltd. for approximately 4,691 sq. ft. of space located at 21 Concourse Gate for a period of 5 years commencing January 1, 2020.

RECOMMANDATIONS DU RAPPORT

Que la Commission de services policiers d'Ottawa approuve le renouvellement du bail conclu avec Clarke Properties Ltd. visant un espace d'environ 4?691 pieds carrés situé au 21, chemin Concourse Gate, pour une période de cinq (5) ans à compter du 1er janvier 2020.

BACKGROUND

The purpose of this report is to seek Board approval for a five year lease renewal of a property at 21 Concourse Gate. This approval is sought in accordance with the procedures outlined in the Financial Accountability Procedures Manual (FAP), whereby Board approval is required in order to pre-commit funding in future budget years.

The OPS has leased the space at 21 Concourse Gate since January 1, 2000. Originally the space was leased and fit-up to house operational units, but over time the space was reassigned to support enterprise level projects as no vacant space was available in our existing facilities. Currently, the space is occupied by the OPS Outreach and Recruiting

team. With the increased staffing in this section to support the hiring of 500 police officers over the next 5 years, the team had outgrown their existing space and were relocated to Concourse Gate on an interim basis.

As part of the Facilities Strategic Plan, Outreach and Recruiting will be relocated to the South Facility once phase B is completed on or around Q1 2024.

DISCUSSION

Outreach and Recruiting will remain at 21 Concourse Gate until they can relocate to South Facility Phase B, at which time they will co-locate with People and Culture. Exercising our option to extend this lease provides a stable interim solution for Outreach and Recruiting until the South Facility is delivered. It also provides the OPS with some flexibility should the South project encounter delays. With limited vacant space available in OPS facilities, 21 Concourse Gate will continue to provide interim solutions for special projects or swing space until completion of the term on December 31, 2024.

The City of Ottawa Corporate Real Estate Office conducted a Market Rent Estimate of 21 Concourse Gate and concluded that the proposed renewal rate falls in the middle of the lease range for comparable properties. The rental increase is deemed reasonable based on this assessment.

CONSULTATION

Public consultation is not a requirement for this report.

FINANCIAL IMPLICATIONS

Funding of \$117,500 for the Concourse Gate lease, utilities, repairs and maintenance was included in the 2019 operating budget and is allocated to the Facilities cost centre 124300. The new lease costs will be included in the 2020 Budget.

The current lease has a net rent of \$10 PSF and the proposed renewal increases the net rent to \$11 PSF. Although this represents a 10% increase to the base rent, the market value assessment and the duration of the lease period support the increase. Further, the OPS continues to benefit from the original capital investment as the space is appropriately fit up for our use and no additional capital investment is required for the rental period.

Lease Term	Net Rent PSF	Operating Costs (2018) PSF	Annual Rent (Est.)
Jan 1/2020 to Dec 31/2024	\$11.00	\$7.07	\$84,776.37

SUPPORTING DOCUMENTATION

N/A

CONCLUSION

To support the approved Facilities Strategic Plan, a requirement exists to continue to lease space at 21 Concourse Gate to support OPS operations. Once Outreach and Recruitment is relocated to the South Facility, Concourse Gate will be used as short term swing space to support the delivery of projects within the FSP. An excellent opportunity exists to continue the lease space at Concourse Gate at a reasonable cost.