

- 8. LEASE RENEWAL – 2339 OGILVIE ROAD, SOCIAL SERVICES EAST OFFICE**
- RENOUVELLEMENT DE BAIL – 2339, CHEMIN OGILVIE, CENTER DE SERVICES SOCIAUX EST**

COMMITTEE RECOMMENDATION

That Council:

- 1. Approve the renewal of the lease for the Social Services East Office for a further five year term commencing July 15, 2016 and terminating on July 14, 2021. The total consideration for the term is estimated to be \$5,002,094 plus HST; and**
- 2. Delegate authority to the Director of the Real Estate Partnerships and Development Office to execute the lease renewal in accordance with the terms and conditions outlined in this report.**

RECOMMANDATION DU COMITÉ

Que le Conseil :

- 1. approuve le renouvellement du bail du Centre de services sociaux Est pour une période supplémentaire de cinq ans débutant le 15 juillet 2016 et prenant fin le 14 juillet 2021. Le montant total de la location pour cette période est estimé à 5 002 094 \$, TVH en sus;**
- 2. délègue au directeur du Bureau des partenariats et du développement en immobilier le pouvoir de signer le bail, conformément aux modalités décrites dans le présent rapport.**

**FINANCE AND ECONOMIC
DEVELOPMENT COMMITTEE
REPORT 13
13 AVRIL 2016**

114

**COMITÉ DES FINANCES ET DU
DÉVELOPPEMENT ÉCONOMIQUE
RAPPORT 13
LE 13 AVRIL 2016**

DOCUMENTATION / DOCUMENTATION

John L. Moser, Acting Deputy City Manager, Planning and Infrastructure, report dated 28 March 2016 / Directeur municipal adjoint par intérim, urbanisme et infrastructure, rapport daté le 28 mars 2016 (ACS2016-PAI-REP-0010)

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**COMITÉ DES FINANCES ET DU
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**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
5 April 2016 / 5 avril 2016**

**and Council
et au Conseil
13 April 2016 / 13 avril 2016**

**Submitted on March 28, 2016
Soumis le 28 mars 2016**

**Submitted by
Soumis par:
John L. Moser, Acting Deputy City Manager/directeur municipal adjoint par
intérim, Planning and Infrastructure/Urbanisme et Infrastructure**

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Ward: BEACON HILL-CYRVILLE (11)

File Number: ACS2016-PAI-REP-0010

**SUBJECT: LEASE RENEWAL – 2339 OGILVIE ROAD, SOCIAL SERVICES EAST
OFFICE**

**OBJET: RENOUELEMENT DE BAIL – 2339, CHEMIN OGILVIE, CENTER DE
SERVICES SOCIAUX EST**

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend that Council:

- 1. Approve the renewal of the lease for the Social Services East Office for a further five year term commencing July 15, 2016 and terminating on July 14, 2021. The total consideration for the term is estimated to be \$5,002,094 plus HST; and**
- 2. Delegate authority to the Director of the Real Estate Partnerships and Development Office to execute the lease renewal in accordance with the terms and conditions outlined in this report.**

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande ce qui suit au Conseil :

- 1. Approuver le renouvellement du bail du Centre de services sociaux Est pour une période supplémentaire de cinq ans débutant le 15 juillet 2016 et prenant fin le 14 juillet 2021. Le montant total de la location pour cette période est estimé à 5 002 094 \$, TVH en sus;**
- 2. Déléguer au directeur du Bureau des partenariats et du développement en immobilier le pouvoir de signer le bail, conformément aux modalités décrites dans le présent rapport.**

BACKGROUND

The City has been leasing approximately 34,857 square feet of office space in the Beacon Hill Shopping Centre at 2339 Ogilvie Road since 2001. The space houses the Community and Social Support Centre (East).

The Community and Social Support (CSSC) Branch has the responsibility for the delivery of the Ontario Works program under contract with the Province of Ontario and includes financial assistance and employment services. These programs are delivered

at four centres across Ottawa: 2339 Ogilvie Road (East); 100 Constellation (West); 370 Catherine Street (Central) and 2020 Walkley Road (South). Other Community and Social Services Department (CSSD) services delivered at the four centres include Child Care subsidy, Home Support Services, and the Domiciliary Hostel program.

CSSC clients are typically those with the most barriers to employment and other services and many are single parents and new Canadians. The four CSSC sites are geographically located to facilitate access to these key social supports for clients across the city.

The renewal of the CSSC East office lease will allow clients to continue to access these important services in their geographic area. This lease renewal will align the lease terms for this site with those for the CSSC South office and the CSSC Central office. All three leases will now expire in 2021 which will allow future service delivery planning options to be explored by CSSC.

CSSC lease expenditures are cost shared with the Ministry of Community and Social Services under the Ontario Works Contract.

DISCUSSION

The CSSC directed the Real Estate Partnerships and Development Office (REPDO) to seek renewal of the lease for approximately 34,857 square feet of office space at 2339 Ogilvie Road for a further five year term. This renewal will allow the CSSC to continue service delivery to residents in its location of choice.

Discussions with the Landlord have resulted in a lease renewal for a further five year term commencing July 15, 2016 and terminating on July 14, 2021. REPDO has negotiated base rent of \$11.00 per square foot per annum for a total over the renewal term of \$1,917,135 plus HST. Operating rent for the renewal term will commence at \$16.67 per square foot per annum and is estimated to increase annually by 3%. The total estimated operating rent costs for the renewal term are \$3,084,959 plus HST. The total estimated renewal costs for the term are \$5,002,094 plus HST.

The negotiated base rent of \$11.00 per square foot is a reduction from the current rent of \$13.50 per square foot.

The City will have an option to renew this lease for a further three year term.

The City will also have a one-time option to terminate this lease on July 15, 2019 should the programming operating in the space be cancelled or amalgamated in its entirety with other City programs or services. The City will be responsible for providing at least six months written notice as well as payment of three months gross rent.

RURAL IMPLICATIONS

There are no rural implications associated with the recommendations of this report.

CONSULTATION

The Real Estate Partnerships and Development Office consulted with CSSC and Legal Services in the completion of this lease renewal.

COMMENTS BY THE WARD COUNCILLOR(S)

Ward Councillor Tierney is supportive of this report.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations contained in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with the recommendations of this report.

FINANCIAL IMPLICATIONS

This lease renewal represents a total estimated cost over the five year term of \$5,002.094 plus HST and will be charged to account 171716-502610.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with the recommendations of this report.

TERM OF COUNCIL PRIORITIES

This report's recommendation supports the following strategic priorities of City Council:

- Financial Responsibility (FS): Practice prudent fiscal management of existing resources and make sound long-term choices that allow City programs and services to be sustainable.
- Healthy and Caring Communities (HC): Help all residents and visitors enjoy a good quality of life and a sense of community well-being by providing healthy, safe, secure, accessible and inclusive places and services.

DISPOSITION

Upon approval, the Real Estate Partnerships and Development Office will execute the Lease Renewal with the Landlord.