

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

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 Your File/V/Réf.

DATE 17 January 2000

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Planning and Development Approvals Commissioner

SUBJECT/OBJET **LEASE PROPOSAL - BARRHAVEN MALL, NEPEAN**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee approve a five year lease agreement with Melvin T. Barr Investments Ltd., commencing April 1, 2000 for 2207ft² of office space located at 900 Greenbank Road (Barrhaven Mall), City of Nepean, at a cost of \$ 118,968, plus GST (fit-up plus annualized rent) for the first year and \$52,968, plus GST for years 2 to 5 as per the lease agreement.

BACKGROUND

Due to the growth of the Healthy Babies Program, staff and program services can no longer be accommodated in existing space at 495 Richmond Road.

In particular, the growth in the Barrhaven area has created an increased demand for programs directed at children and young families. Rapid population growth is forecast to continue in this area with a further 33% population increase over five years. Leasing space in this area will assist staff in serving the community and making it more accessible to the local residents. This location will also provide a point of service for other public health programs in the area. As well, this lease provides an opportunity to reduce the current overcrowding problem for Health Department at 495 Richmond Road.

LEASE PROPOSAL

The proposed lease is for 2,207 ft² of office space located on the ground floor of a storefront facility, Barrhaven Mall. The annualized rent is \$ 52,968 with a base rent of \$14/ft² while operating costs and taxes are capped at \$10/ft² for the first year. The commencement date is April 1, 2000.

The Landlord is responsible for completing the necessary fit-up required prior to occupancy. The Region will rebate the landlord a lumpsum payment of \$ 66,000 once the work is completed to it's satisfaction. Therefore, the cost for the first year of the lease is \$118,968 (fit-up plus annualized rent) whereas each year thereafter the annualized rent will be \$52,968 as outlined in the lease agreement.

Other alternatives were explored in the Barrhaven area for lease accommodation with this option being considered the best alternative.

PUBLIC CONSULTATION

As this is an internal administrative matter only, public consultation on this lease was not considered necessary.

EXPENDITURE JUSTIFICATION

The addition of this space will improve the space situation at 495 Richmond Road and will improve the level of service to residents in the Barrhaven area. After investigation of the existing municipal holdings in the area, it is not anticipated that the transition to the new City will affect the need for this space.

FINANCIAL STATEMENT AND APPROVAL

Funds in the amount of \$ 52,968 plus GST have been provided in the 2000 Operating Budget, Account No. 151721 to cover the annualized rent whereas the estimated fit-up costs of \$ 66,000 plus GST has been provided in the Capital Building Retrofit Account 90012. Since the lease is a five year term, it represents a budgeted pre-commitment against future operating budgets.

Approved by

B. Edgington, A/Commissioner January 19, 2000