

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. 09-99-50069-000
Your File/V/Réf.

DATE 18 September 2000

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

FROM/EXP. Planning and Development Approvals Commissioner

SUBJECT/OBJET **LEASE RENEWAL**
 ANDY BEARS FOOD SERVICES INC., 111 LISGAR

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee approve the renewal of a lease between the Regional Municipality of Ottawa-Carleton and Andy Bears Food Services Inc., involving 1302 square feet of floor space in the Ottawa-Carleton Centre for a further term of five years, at an annual, minimum rent of \$21,000.00 plus GST.

BACKGROUND

When the Ottawa-Carleton Centre was originally constructed, space was made available for the provision of food services. This floor space was not fit-up as part of the initial contract, but was to be completed at a later date. In 1990 Executive Committee directed staff to locate an operator prepared to undertake both the fit-up of the floor space and all related costs. In 1991, following approval of a lease proposal from Anderson Norris, the Region entered into a lease with Andy Bears Food Services Inc..

The Andy Bears' lease included an initial term of eight years, commencing 30 March 1992. It also provided Andy Bears the option to renew the lease for two, additional, five-year terms. The initial term of the lease has now expired, and Andy Bears has notified the Region that it wishes to renew the lease for an additional five years.

DISCUSSION

In the event the tenant has given notice of intent to renew, the lease provides that the renewal will be on the same terms and conditions as the initial lease, save for rent and insurance requirements.

Negotiations with the tenant in terms of rent and insurance have resulted in the following settlement:

- Tenant will pay basic rent calculated at 6 % of annual gross sales (excluding sales from Andy Bears outdoor BBQ wagon), with a minimum, annual basic rent of \$21,000.00 plus GST . Basic rent will include one reserved parking stall at a location to be mutually agreed upon by the parties;
- Tenant will pay all business and other taxes, license fees, rates and assessments against the Premises, or in any way related to the presence of the Tenant's operation, the business operated therein, the improvements made thereto, and the personal property located therein;
- Tenant will not pay municipal realty taxes (including school taxes) and local improvement taxes, rates, and duties if assessed against the Ottawa-Carleton Centre, but will pay any of these taxes rates and duties payable by reason only of the presence of the Tenant's operation;
- Tenant will not pay any share of the costs incurred by the Landlord in insuring, operating, and maintaining the Ottawa-Carleton Centre, including costs attributable to the common areas and facilities of the Ottawa-Carleton Centre;
- Tenant will pay cost of all utilities used or consumed in the Premises, subject to there being a maximum monthly charge of \$800.00 for hydro electric services consumed in the premises;
- Tenant will make amendments to Clauses 8.01 b), 8.01 c), 8.02, and 8.04 under Article 8 – Insurance in the existing lease, as previously agreed to;
- Tenant shall have the right to cater Council and Committee meetings of the Landlord, provided the tenant can match the catering services of third party businesses in terms of both price and quality as determined by the landlord acting reasonably.

PUBLIC CONSULTATION

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

NEW CITY IMPACT

This lease will provide a minimum annual revenue to the new city of \$21,000.00.

OTTAWA TRANSITION BOARD

In accordance with Ottawa Transition Board Regulation 100/2000 - Section 4, Guidelines - Financial Guideline No. 1, Section 5.1 b) this transaction requires the approval of the Board.

FINANCIAL STATEMENT

This lease will provide a minimum annual revenue to the Corporation in the amount of \$21,000.00, which will be credited to account 117135 407005.

COMMENT

The terms and conditions of the proposed lease renewal are in keeping with the findings of an independent appraisal that was commissioned to assist in negotiations. Approval is therefore recommended as outlined above.

Approved by
Nick Tunnacliffe, MCIP, RPP