

REGION OF OTTAWA CARLETON
 RÉGIONALE D'OTTAWA CARLETON

REPORT
 RAPPORT

Our File/N/Réf. (12) 09-97-50017-000
 Your File/V/Réf.

DATE 7 June 1999

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

FROM/EXP. Planning and Development Approvals Commissioner

SUBJECT/OBJET **LEASE PROPOSAL, 1590 SCOTT STREET, OTTAWA**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee approve a lease renewal for 16,582 sq.ft. of office space at 1590 Scott Street with Holland Cross Inc. for five years from October 1, 1999 to September 30, 2004, at an annual cost of \$ 374,114 plus GST.

BACKGROUND

The West District Office is located at 1590 Scott Street (Holland Cross). In 1994, Regional Council approved a five-year lease for 15,082 sq.ft. at this location. It was subsequently increased by 1,550 sq.ft. in 1997 resulting in a total rentable area of 16,852 sq.ft.

LEASE PROPOSAL

At the present time, the current lease for 16,852 sq.ft. has a basic rental rate of \$ 11.90/sq.ft. with operating costs at \$ 10.20 /sq.ft. The proposal would see a slight increase in the base rental to \$12/sq.ft. A recent lease survey completed by jjBarnicke Ltd. confirmed that the office market in this area is continuing to experience low vacancy rates. This has resulted in an increase in rental rates.

The lease extension will have the same terms and conditions as the existing lease agreement and will terminate on Sept. 30, 2004.

The landlord has agreed to grant a right of first refusal for additional space on the ground floor. This will provide the Social Services Department with flexibility as it continues to increase its focus on employment outcomes for clients.

PUBLIC CONSULTATION

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

EXPENDITURE JUSTIFICATION

The current lease will expire on September 30, 1999. The existing facilities are easily accessible for the clients served by the West District Office. As well, the space requirements are adequate for the current caseload services.

The lease proposal is considered to be reasonable and indicative of the market place.

FINANCIAL STATEMENT

	\$
Approved Budget	3,410,906
Total Paid and Committed	<u>(3,360,151)</u>
Balance Available	50,754
THIS REQUEST (plus GST)	<u> (421)</u>
Balance Remaining	<u><u>50,332</u></u>

Funds have been provided in the 1999 operating Budget No. 001-112143-502610. This lease represents a pre-commitment on future budgets. The request of \$ 421.30 represents the increase of \$0.10/sq.ft. from October 1st until the end of the year.

Approved by Nick Tunnacliffe, MCIP. RPP

Date: June 15, 1999

FINANCIAL DEPARTMENT COMMENT

Funds are available as indicated for 1999. This also represents a commitment against future operating budgets over the term of the lease.

*Approved by T. Fedec
on behalf of the Finance Commissioner*