

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON  
 MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT  
 RAPPORT

Our File/N/Réf. (12) 09-97-50020-000  
 Your File/V/Réf.

DATE 24 March 1998

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

FROM/EXP. Commissioner  
 Planning and Development Approvals Department

SUBJECT/OBJET **LEASE: 2525 CARLING AVENUE  
 EMPLOYMENT RESOURCE CENTRE - WEST**

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### DEPARTMENTAL RECOMMENDATION

**That the Corporate Services and Economic Development Committee recommend Council approve a 50 month lease agreement with R.D.H. Property Group Inc. for 7124 square feet of office accommodation located at 2525 Carling Avenue (Lincoln Heights Galleria Shopping Centre), in the City of Ottawa at an annual cost of approximately \$132,900, excluding GST.**

### BACKGROUND

The Employment Resource Centre occupies 6,500 square feet of space at 2525 Carling Avenue (Lincoln Heights Galleria Shopping Centre). The lease was entered into on November 1, 1995 and will expire on October 31, 1998. In August 1997, Human Resource Development Canada (HRDC) opened an Employment Centre adjacent to the Region's facility. This provided an opportunity for both levels of government to consider combining space and staff resources to offer improved service to our clients. Our goal in doing this is to serve approximately twice the number of unemployed residents of Ottawa-Carleton as we have been until now (from approximately 500 to 1000 per week). Joint sites for the delivery of employment support services have been successfully established in several other municipalities.

The additional 624 sq.ft. of space requested in this report will make the joint operation possible by providing common entry and employment support areas for both federal and municipal clients.

### LEASE PROPOSAL

The proposed lease is for 7,124 sq.ft. at 2525 Carling Ave. The current space is to be re-designed to amalgamate the Region's current space and HRDC's rentable area. This will result in an overall increase of 624 sq.ft. to accommodate the partnership needs. HRDC will continue to be responsible for their space of 6926 sq.ft. which terminates on July 31, 2002. The landlord will be responsible for providing the fit-up at a cost of \$193,000. This cost is to be paid by HRDC. The Region is responsible for the rental cost of the additional 624 sq.ft. of space required for the reconfiguration. This represents an annualized increase of \$ 16,773 or a total increased cost of approximately \$ 61,400 over the term of the lease to the Region.

The basic rent is \$ 7.25/sq.ft. with operating costs estimated at \$ 11.40/sq.ft. The lease agreement is for 50 months, commencing June 1, 1998 and terminating on July 31, 2002 which coincides with the HRDC lease. The landlord has provided a three month rent free contribution of \$11,505 for 1998. The rent and operating costs equate to approximately \$132,900 on an annualized basis, or \$ 18.65/sq.ft.

#### PUBLIC CONSULTATION

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

#### EXPENDITURE JUSTIFICATION

This lease proposal provides an opportunity for the Employment Resource Centre and HRDC to combine their services and offer improved service to their clients.

#### FINANCIAL STATEMENT

	1998	Annualized
	\$	\$
1998 Budgeted (as submitted)	120,000	132,900
Total Paid and Committed	<u>85,235</u>	<u>0</u>
Balance Available	34,765	132,900
<b>THIS REQUEST</b>	<b><u>118,886</u></b>	<b><u>132,900</u></b>
Balance Remaining	12,621	0

Funds have been provided in the 1998 Operating Budget, Account No. 012-12146-2610. This report represents a pre-commitment for future budgets.

CONCLUSION

The Property Services Division considers the Lease Proposal as reasonable and recommends acceptance.

*Approved by Nick Tunnacliffe*

FINANCE DEPARTMENT COMMENT

Approval of this request will represent a pre-commitment of the 1998 through 2002 Operating Budget and is subject of Council Approval.

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