2. UNDER ONE ROOF - FUNDING REQUEST

COMMITTEE RECOMMENDATION

That Council approve a maximum expenditure of $720,000 from the Region Wide Capital Reserve Fund to provide a capital grant [$240,000] and an interest free loan [$480,000] to assist the Under One Roof co-location project with acquiring an appropriate property.

DOCUMENTATION

1. Social Services Commissioner's report dated 31 Jan 00 is immediately attached.

2. Additional documentation issued at the meeting is identified as Annex C and immediately follows the staff report

3. Extract of Draft Corporate Services and Economic Development Committee Minute, 07 Mar 00, immediately follows the additional documentation and includes a record of the vote.

REGION OF OTTAWA-CARLETON REPORT
RÉGION D'OTTAWA-CARLETON RAPPORT

Our File/N/ Réf.
Your File/V/ Réf.

DATE 31 January 2000

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

FROM/EXP. Commissioner, Social Services Depa rtment

SUBJECT/OBJET **UNDER ONE ROOF - FUNDING REQUEST**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee recommend Council approve a maximum expenditure of $720,000 from the Region Wide Capital Reserve Fund to provide a capital grant [$240,000] and an interest free loan [$480,000] to assist the Under One Roof co-location project with acquiring an appropriate property.

BACKGROUND

The proposed project, Under One Roof, consists of a number of agencies coming together to acquire and renovate space under one roof in order to improve the quality and accessibility of a range of services and programs. The cost savings realized through long term reduction in accommodation costs and administrative efficiencies will be re-allocated to enhance the services provided by all the participating agencies with direct benefits for the residents of Ottawa-Carleton.

Two Ottawa-Carleton agencies, the Family Service Centre and Citizen Advocacy, have been working together on this project for the last two years. The Credit Counselling Service of Ottawa-Carleton is also a partner.

The Family Service Centre of Ottawa-Carleton provides counselling to families and individuals. It also offers a peer counselling program for seniors, support services for caregivers, family life education services, advocacy and planning co-ordination. Services are offered using a sliding fee scale. The Regional Coordinating Committee to End Violence Against Women and the Sexual Assault Network are currently housed at the Family Service Centre and would be located at the new site.

Citizen's Advocacy of Ottawa-Carleton assists individuals who have disabilities by matching them in supportive relationships with volunteers. Credit Counseling Service of Ottawa-Carleton provides remedial and preventative counselling for people with credit difficulties. Other agencies, Christmas Exchange, Jewish Family Services, Immigrant and Visible Minority Women Against Abuse and Rideauwood, are currently considering joining the partnership. The balance of the space would be rented to other social service agencies.

The collaborative partnership model being proposed has been successfully utilized in other communities across Canada.

DISCUSSION

Site Selection

In 1998, the Under One Roof Steering Committee invited proposals from several Real Estate firms to assist in finding suitable properties for the proposed project. As a result of this competitive process, a Real Estate Consultant was retained. The Steering Committee also developed site selection criteria including availability, location, proximity to public transit, wheelchair accessibility, size, design flexibility and financial viability, taking into account both the price of the property and anticipated renovation and fit-up costs.

The Under One Roof Steering Committee identified over 30 potential sites and conducted more detailed investigations of 8 properties. The property at 312 Parkdale was found to be the most appropriate in terms of the site selection criteria. The site is still subject to satisfactory purchase negotiations and further architectural, engineering and environmental inspections and evaluations. The proposed Agreement of Purchase and Sale is conditional upon the satisfactory results of such inspections.

The partners have prepared a preliminary capital budget and financial program. Annex A contains an executive summary of the financial program. The total projected capital costs are $2.4 million. The participating agencies plan to contribute approximately $100,000 in equity, and have received a Trillium Grant to assist them with the preliminary project planning costs. Their financial plan includes a fundraising campaign to raise a further $250,000 with conventional financing for approximately 1.3 million or 55% of the total capital cost. All participating agencies will also contribute $1.00 per square foot, per annum to a replacement reserve fund, to ensure the continuing viability of the project and to cover long term maintenance costs.

FUNDING REQUIREMENTS

The partners have requested that the Region assist them through a combination of funding mechanisms. A capital grant of $240,000 and an interest free loan of $480,000 to be repaid in monthly installments over 10 years. The term of the loan would match the proposed term of their conventional mortgage financing, and secure the project against long term, interest rate fluctuation.

Their analysis indicates that the organizations would be able to save over $600,000 in accommodation costs alone over the first 15 years of occupancy, compared to the costs of renting. The annual savings grow exponentially after 10 years as the amount outstanding on the mortgage balance continues to decline. Annex B illustrates the projected savings compared to renting over 15 years.

ISSUES

The Region is currently a funder of two of the confirmed agencies and two of the proposed agencies. Although there will not be a reduction in Social Services funding commitment if this capital support is provided, it is clear that substantial funds ($600,000) over 15 years, will be available for increased service levels.

In advance of conveying any funds for this initiative that Council may approve, the Corporation will undertake the following steps.

A final review will be undertaken with the project components of the engineering and physical status of the proposed building to ensure that this project is appropriate.

A legal agreement between parties will be developed to ensure that the public funds that are invested will be protected by the Region securing mortgage against the title of the property. This will ensure that if the building is to be no longer used for its proposed use and is sold, the Region would reacquire all or some of its public funding. In addition, since the equity and/or rental partners in this venture may change over time, this agreement would ensure that the Region is consulted when these changes happen in order to ensure that new partners are capable of meeting their financial obligations to the project and enhance the overall project purpose.

CONSULTATION

There was no public consultation for this report.

CONCLUSION

Although the partners have distinct mandates and organizational independence, they anticipate opportunities for improving programs, services and client outcomes. There are many potential benefits: complimentary services accessible to clients at one location, elimination of unnecessary duplication in programs and services, efficient service delivery through shared space, support systems, staff and volunteer resources. This collaborative venture will allow significant long term payoffs in terms of increased client service for the residents of Ottawa-Carleton.

Approved by
Dick Stewart

FINANCE DEPARTMENT COMMENT

The awarding of a capital grant for $240,000 and a repayable, interest free loan for $480,000 were not included in the 2000 Budget as adopted by Council on December 22, 1999. Should the Committee wish to recommend that Council approve the total financial assistance package of $720,000, uncommitted funds are available in the Region Wide Capital Reserve Fund. The uncommitted balance in this Fund as of December 31, 1999, is approximately $2.8 million. This balance does not reflect the 1999 year end operating results of the Region Wide Operating Fund.

TRANSITION BOARD APPROVAL

The financial assistance package of $720,000 was not included in the 2000 budget as adopted by Council on December 22, 1999. Accordingly, under the Financial Guidelines as adopted by the Ottawa Transtion Board, this request will be subject to Board approval.

Approved by
J.C. LeBelle
Finance Commissioner

Annex A

UNDER ONE ROOF
312 PARKDALE | **PARKDALE PROPOSAL** | **19-Jan-00**

FINANCIAL PROGRAM - EXECUTIVE SUMMARY

CAPITAL BUDGET

Purchase Price	$1,450,000	60.2%
Other Acquisition Costs	50,225	2.1%
Fees and Charges (Soft Costs)	213,800	8.9%
Renovation & fit-Up (Hard Costs)	603,000	25.0%
Cost Reductions	0	0.0%
Contingency	90,500	3.8%
Total Capital Costs	**$2,407,525**	**100.00%**

FLOOR AREA ANALYSIS

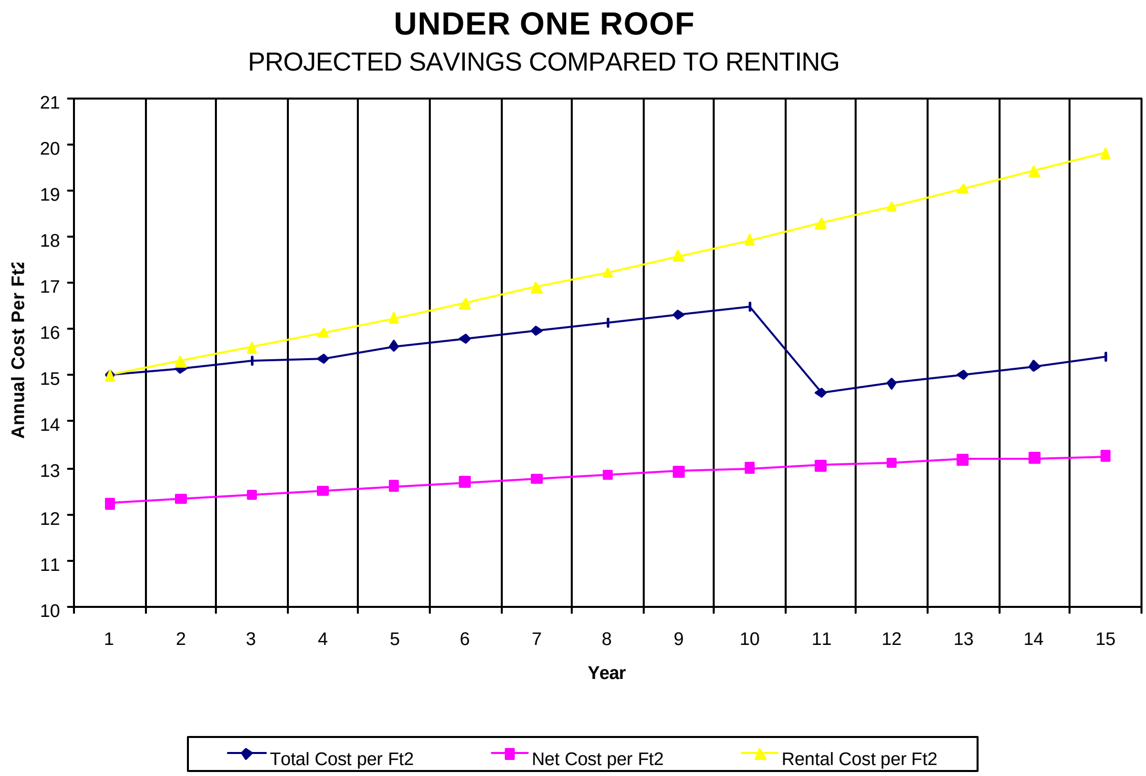
	RENTABLE	**USABLE**
Family Service Centre	9,900	9,000
Citizen Advocacy	1,870	1,700
Credit Counselling	2,310	2,100
Other Partner Agency	0	0
Rental Space for Other Agencies	9,420	8,564
Total Floor Area	**23,500**	**21,364**
Total Capital Cost per Square Foot	**$102**	**$113**

PROPOSED FINANCING

Equity Contributions	$85,000	4%
Grants & Fundraising	250,000	10%
ROC Capital Grant	**240,000**	**10%**
ROC Interest-free Loan	**480,000**	**20%**
Mortgage Financing	1,352,525	56%
Total Financing	**$2,407,525**	**100%**

ANNUAL COSTS

ROC Loan Repayment	$48,000	14%
Mortgage Payments	125,268	36%
Replacement Reserve Contributions	24,120	7%
Operating Costs	155,157	44%
Total Annual Cost	**$352,545**	**100%**
Total Annual Cost per Rentable Square Foot	**$15.00**	

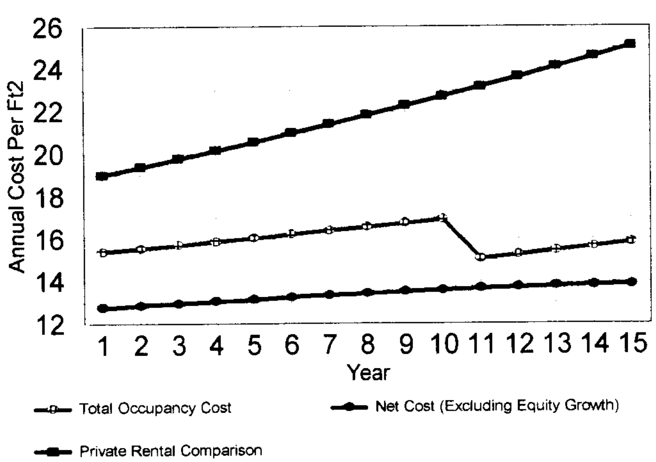

UNDER ONE ROOF
PROJECTED SAVINGS COMPARED TO RENTING
Annual Cost Per Ft2
21
20
19
18
17
16
15
14
13
12
11
10
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
Year
Total Cost per Ft2
Net Cost per Ft2
Rental Cost per Ft2

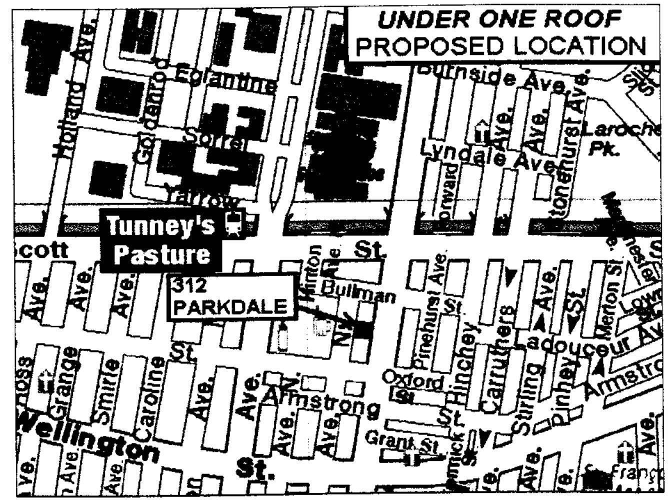
HIGHLIGHTS

06-Mar-00

OTAL PROJECT CAPITAL COST	$2,523,475
ROSS FLOOR AREA IN SQ. FT.	23,500
APITAL COST PER SQUARE FOOT	$107
ROJECTED TOTAL OPERATING OSTS OVER 15 YEARS	$5,608,181
OMPARATIVE PRIVATE MARKET ENTS OVER 15 YEARS	$7,721,511
ET SAVINGS OVER 15 YEARS	**$2,113,330**

PROJECTED SAVINGS COMPARED TO RENTING





LOCATION: 312 PARKDALE

REQUESTED FROM REGION	
CAPITAL GRANT	$240,000
NO INTEREST LOAN OVER 10 YEARS	$480,000

YEAR ONE COST PER SQ. FT.	$15.40
INCLUDING REPLACEMENT RESERVE ALLOWANCE PER SQ. FT OF	$1.16

UNDER ONE ROOF
312 PARKDALE **18-Feb-00**

FINANCIAL PROGRAM - EXECUTIVE SUMMARY

CAPITAL BUDGET

Purchase Price		$1,400,000	55.5%
Other Acquisition Costs		19,475	0.8%
Fees and Charges	(Soft Costs)	222,000	8.8%
Renovation & Fit-Up	(Hard Costs)	910,000	36.1%
Cost Reductions		(28,000)	-1.1%
Contingency	*(included in Hard Costs)*	0	0.0%
Total Capital Costs		**$2,523,475**	**100.00%**

FLOOR AREA ANALYSIS

	RENTABLE	*USABLE*	
Family Service Centre	9,900	9,000	42.1%
Citizen Advocacy	1,870	1,700	8.0%
Other Partner Agency	8,250	7,500	35.1%
Other Partner Agency	0	0	0.0%
Credit Counselling	1,595	1,450	6.8%
Other Tenant Agency	0	0	0.0%
Rental Space for Other Agencies	1,885	1,714	8.0%
Total Floor Area	**23,500**	**21,365**	**100.0%**
Total Capital Cost per Square Foot	**$107**	**$118**	

PROPOSED FINANCING

Partner Agency Contributions	$85,000	3.4%
Grants & Fundraising	418,475	16.6%
Regional Capital Grant	***240,000***	***9.5%***
Regional Interest-free Loan	***480,000***	***19.0%***
Mortgage Financing	1,300,000	51.5%
Total Financing	**$2,523,475**	**100.0%**

ANNUAL COSTS

Regional Loan Repayment	$48,000	13.3%
Mortgage Payments	130,915	36.2%
Replacement Reserve Contributions	27,300	7.5%
Operating Costs	155,686	43.0%
Total Annual Cost	**$361,901**	**100.0%**
Annual Cost to Partner Agencies	**$15.40**	**per Square Foot**
Gross Rent to Tenant (Non-Partner) Agencies	**$16.40**	**per Square Foot**

UNDER ONE ROOF
312 PARKDALE

18-Feb-00

CONSOLIDATED CAPITAL BUDGET			TOTAL COST			*FORMULA OVERRIDE*
			WITHOUT GST	GST	TOTAL WITH GST	*(working column)*
PROPERTY ACQUISITION						
1. Purchase Price			**$1,400,000**	$98,000	$1,498,000	*1,400,00*
2. Closing Costs						
-Land Transfer Tax		19,475		0	19,475	....
-Real Estate Commission	(if not paid by vendor)	0		0	0	....
-Other Closing Disbursements		0		0	0	....
Total		----------	**19,475**			
Total Land Cost			**1,419,475**	98,000	1,517,475	
FEES AND CHARGES						
3. Development Charges, Imposts and Levies						
-City	$0.00 per ft2	0				....
-Hydro	(based on size of service)	0				....
-Parkland	0.00% of $1,400,000	0				....
-Region	$1.50 per ft2	0				....
based on:	0 ft2 new construction	----------	0	0	0	
4. Surveys	(Trillium start-up funding)		0	0	0	....
5. Soils Tests	(Trillium start-up funding)					
-Geotechnical		0		0	0	....
-Environmental Site Assessment		0		0	0	....
-Other:		0		0	0	....
Total		----------	0			
6. Appraisal	(Trillium start-up funding)		0	0	0	....
7. Pre-Occupancy Operating Costs	3 months					
-Property Taxes		11,000		0	11,000	*11,0*
-Other Operating Costs		28,000		1,960	29,960	*28,0*
Total		----------	**39,000**			
8. Insurance During Construction	(liability policy)		**1,500**	0	1,500	*1,5*
9. Architectural & Design Services						
-Architect / Design Fees	9%	85,000		5,950	90,950	*85,0*
-Disbursements		4,000		280	4,280	*4,0*
-Other:		0		0	0	....
Total		----------	**89,000**			
10. Legal Fees and Disbursements			**10,000**	700	10,700	*10,0*
11. Other Consulting Services						
-Project Management & Coordination		25,000		1,750	26,750	*25,0*
-Project Manager's Disbursements		500		35	535	*5*
-Other:		0		0	0	....
Total		----------	**25,500**			
12. Pre-Occupancy Carrying Costs	3 months					
-Mortgage Finder's/Broker's Fees		0		0	0	....
-Pre-Occupancy Financing	9.00%	45,000		0	45,000	*45,0*
-less: Bank Interest Revenue	0.00%	0		0	0	....
Total		----------	**45,000**			
13. Building Permit Fees	$11.00 /$1,000		**10,000**	0	10,000	....
14. Other Municipal Applications and Permits						
-Rezoning / Official Plan Amendment	(if required)	0		0	0	....
-Severance	(if required)	0		0	0	....
-Site Plan Control Application		0		0	0	....
-Sign Permit Application		0		0	0	....
-Other:		0		0	0	....
Total		----------	0			

15. Federal Goods and Services Tax (GST)							
-Total Goods and Services Tax @	7.00%	172,516		included in each line			
-Less Credits * @	100% of total GST	(172,516)			(172,516)	Rounding:	
Net GST after rebate @ net rate of:	0.00%	----------	0			(	
16. Other Soft Costs							
-Accounting & Capital Cost Audit		2,000		140	2,140	2,000	
-Ads for Construction Pre-Qualification		0		0	0	....	
-Other:		0		0	0	....	
-Other:		0		0	0	....	
Total		----------	2,000				
Total Fees and Charges			222,000	10,815	60,299		
RENOVATION & FIT-UP							
17. Construction Contract							
-Demolition & Fit-up	23,500 @ $14.50	340,750		23,853	364,603	....	
-Mechanical		201,000		14,070	215,070	201,00C	
-Electrical		144,000		10,080	154,080	144,00C	
-Skylight & Roof Repairs		50,000		3,500	53,500	50,00C	
-Perimeter Windows & Contingency		100,000		7,000	107,000	100,00C	
-Site Development		20,000		1,400	21,400	20,00C	
-Environmental Remediation		25,000		1,750	26,750	25,00C	
-Signage	(building, parking and interior signs)	10,000		700	10,700	10,00C	
-Building Security System		9,250		648	9,898	9,25C	
-Voice & Data Conduit		10,000		700	10,700	10,00C	
-Allowances		0		0	0	....	
-Other:		0		0	0	....	
Total	23,500 ft2 @ $38.72	----------	910,000				
18. Other Hard Costs							
-Ottawa Hydro	(included in construction)	0		0	0	....	
-Furniture & Equipment	(each group responsible)	0		0	0	....	
-Telephone Systems	(each group responsible)	0		0	0	....	
-Moving Costs	(each group responsible)	0		0	0	....	
-Miscellaneous Hard Costs		0		0	0	....	
-Other:		0		0	0	....	
Total		----------	0				
Total Fit-Up			910,000	63,701	973,701		
COST REDUCTIONS							
19. Less Cost Reductions							
-Ontario Sales Tax Rebate *	(only applicable to registered charities)						
@	3.21% of $880,750	(28,000)		0	(28,000)	....	
-Other:		0		0	0	....	
Total		----------	(28,000)				
Total Cost Reductions			(28,000)	0	(28,000)		
CONTINGENCY	0.0% of	$910,000	0	0	0	....	
TOTAL CAPITAL COST	for 23,500	Square Feet	$2,523,475	$172,516	$2,523,475		

* note: The corporate structure under which the property is held and developed will affect how the development is treated in terms of GST Input Tax Credits and the Ontario PST rebate. Further investigations are required to confirm whether both Input Tax Credits and the PST rebate can apply. Input Tax Credits require that the property be owned by a body registered to collect and remit GST. The PST rebate only applies to charitable organizations registered with Revenue Canada. It may not be possible to be both simultaneously.

ER ONE ROOF
ARKDALE

18-Feb-00

TIAL & FINANCIAL ANALYSIS

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		TOTAL PROJECT	FAMILY SERVICE	CITIZEN ADVOCACY	RIDEAUWOOD INSTITUTE	OTHER PARTNER	RENTAL SPACE
TNER AGENCY SPACE REQUIREMENTS							
VORKSPACE & SUPPORT SPACE		**17,091**	7,200	1,360	6,000	0	2,531
IRCULATION @	25.00%	**4,273**	1,800	340	1,500	0	633
OTAL USABLE SPACE (FT2)		**21,364**	9,000	1,700	7,500	0	3,164
LDG. SERVICES & GROSS-UP @	10.00%	**2,136**	900	170	750	0	316
OTAL RENTABLE SPACE (FT2)		**23,500**	9,900	1,870	8,250	0	3,480
VERALL SPACE RATIO		**100.00%**	42.13%	7.96%	35.11%	0.00%	14.81%
QUITY PARTNERS SPACE RATIO		**100.00%**	49.45%	9.34%	41.21%	0.00%	0.00%
OTAL USABLE SPACE (TUS)		**21,364**	9,000	1,700	7,500	0	3,164
OTAL RENTABLE SPACE (RS)		**23,500**	9,900	1,870	8,250	0	3,480
ANT AGENCY SPACE REQUIREMENTS							
REDIT COUNSELLING				*Usable:*	*1,450*	Rentable:	1,595
THER TENANT AGENCY					*0*		0
ENANT AGENCY SPACE AVAILABLE					*1,714*		1,885
OTAL TENANT RENTABLE SPACE (FT2)					*3,164*		3,480
CE DISTRIBUTION & CAPITAL COST BREAKDOWN							
TOTAL SPACE DISTRIBUTION RATIO		**100.00%**	42.13%	7.96%	35.11%	0.00%	14.81%
QUITY PARTNERS SPACE DISTRIBUTION RATIO		**100.00%**	49.45%	9.34%	41.21%	0.00%	0.00%
APITAL COST BY TOTAL SPACE RATIO		**$2,523,475**	$1,063,081	$200,804	$885,901	$0	$373,689
APITAL COST BY EQUITY PARTNERS RATIO		**$2,523,475**	$1,247,872	$235,709	$1,039,894	$0	$0
ITY PARTNER CONTRIBUTIONS		***3%***	***of Total Capital Cost***				
PARTNER EQUITY CONTRIBUTIONS		**$85,000**	$60,000	$25,000	$0	$0	$0
PARTNER AGENCY-SPECIFIC GRANTS		**$0**	$0	$0	$0	$0	$0
TOTAL PARTNER CONTRIBUTIONS		**$85,000**	$60,000	$25,000	$0	$0	$0
SHARE OF PARTNER CONTRIBTIONS		**100.00%**	70.59%	29.41%	0.00%	0.00%	0.00%
UIRED PROJECT FINANCING							
TOTAL CAPITAL COST		**$2,523,475**	$1,247,872	$235,709	$1,039,894	$0	$0
LESS PARTNER CONTRIBUTIONS		**($85,000)**	($60,000)	($25,000)	$0	$0	$0
TOTAL FINANCING REQUIRED		**$2,438,475**	$1,187,872	$210,709	$1,039,894	$0	$0
EQUITY PARTNER FINANCING RATIO		**100.00%**	48.71%	8.64%	42.65%	0.00%	0.00%
IONAL CAPITAL GRANT		***10%***	***of Total Capital Cost***				
REGIONAL GRANT AMOUNT		**$240,000**	$118,681	$22,418	$98,901	$0	$0
SHARE OF CAPITAL GRANT		**100.00%**	49.45%	9.34%	41.21%	0.00%	0.00%

DER ONE ROOF
PARKDALE

18-Feb-00

ATIAL & FINANCIAL ANALYSIS

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	TOTAL PROJECT	FAMILY SERVICE	CITIZEN ADVOCACY	RIDEAUWOOD INSTITUTE	OTHER PARTNER	RENTAL SPACE
GIONAL INTEREST FREE LOAN	*19%*	*of Total Capital Cost for*		*10*	*YEARS @*	*0.00%*
REGIONAL LOAN AMOUNT	**$480,000**	$237,363	$44,835	$197,802	$0	$0
PAYMENTS PER MONTH	**$4,000**	$1,978	$374	$1,648	$0	$0
PAYMENTS PER YEAR	**$48,000**	$23,736	$4,484	$19,780	$0	$0
SHARE OF LOAN PAYMENTS	**100.00%**	49.45%	9.34%	41.21%	0.00%	0.00%
ANNUAL PER FT2 OF RS	**$2.04**	$2.40	$2.40	$2.40	$0.00	$0.00
NVENTIONAL MORTGAGE	*52%*	*of Total Capital Cost for*		*25*	*YEARS @*	*9.00%*
MORTGAGE AMOUNT	**$1,300,000**	$633,279	$112,333	$554,388	$0	$0
PAYMENTS PER MONTH	**$10,910**	$5,314	$943	$4,652	$0	$0
PAYMENTS PER YEAR	**$130,915**	$63,773	$11,312	$55,829	$0	$0
SHARE OF MORTGAGE PAYMENTS	**100.00%**	48.71%	8.64%	42.65%	0.00%	0.00%
ANNUAL PER FT2 OF RS	**$5.57**	$6.44	$6.05	$6.77	$0.00	$0.00
DITIONAL FUNDING REQUIRED	*17%*	*of Total Capital Cost*				
JOINT GRANTS & FUNDRAISING	**$418,475**	$206,938	$39,088	$172,448	$0	
SHARE OFADDITIONAL FUNDING	**100.00%**	49.45%	9.34%	41.21%	0.00%	0.00%
MMARY OF NON-BORROWED FUNDING						
TOTAL PARTNER CONTRIBUTIONS	**$85,000**	$60,000	$25,000	$0	$0	$0
JOINT GRANTS & FUNDRAISING	**$418,475**	$206,938	$39,088	$172,448	$0	$0
REGIONAL GRANT AMOUNT	**$240,000**	$118,681	$22,418	$98,901	$0	$0
TOTAL EQUITY	**$743,475**	$385,620	$86,506	$271,350	$0	$0
SHARE OF TOTAL EQUITY	**100.00%**	51.87%	11.64%	36.50%	0.00%	0.00%
MMARY OF MORTGAGE / LOAN FINANCING						
REGIONAL LOAN AMOUNT	**$480,000**	$237,363	$44,835	$197,802	$0	$0
MORTGAGE AMOUNT	**$1,300,000**	$633,279	$112,333	$554,388	$0	$0
TOTAL LOANS	**$1,780,000**	$870,641	$157,168	$752,190	$0	$0
LOAN PAYMENTS PER MONTH	**$14,910**	$7,292	$1,316	$6,301	$0	$0
LOAN PAYMENTS PER YEAR	**$178,915**	$87,510	$15,796	$75,609	$0	$0
SHARE OF LOAN PAYMENTS	**100.00%**	48.91%	8.83%	42.26%	0.00%	0.00%
ANNUAL PER FT2 OF RS	**$7.61**	$8.84	$8.45	$9.16	$0.00	$0.00
PLACEMENT RESERVE ALLOWANCE	*3.00%*	*of Construction Cost*				
REPLACEMENT RESERVE	**$27,300**	$13,500	$2,550	$11,250	$0	$0
CONTRIBUTIONS PER MONTH	**$2,275**	$1,125	$213	$938	$0	$0
ANNUAL PER FT2 OF RS	**$1.16**	$1.36	$1.36	$1.36	$0.00	$0.00

ER ONE ROOF
ARKDALE

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TIAL & FINANCIAL ANALYSIS

	TOTAL PROJECT	FAMILY SERVICE	CITIZEN ADVOCACY	RIDEAUWOOD INSTITUTE	OTHER PARTNER	RENTAL SPACE
MARY OF BASE FINANCING REQUIREMENTS						
TOTAL MONTHLY COSTS	**$17,185**	$8,417	$1,529	$7,238	$0	$0
TOTAL ANNUAL COSTS	**$206,215**	$101,010	$18,346	$86,859	$0	$0
SHARE OF TOTAL COSTS	**100.00%**	48.98%	8.90%	42.12%	0.00%	0.00%
ANNUAL PER FT2 OF RS	**$8.78**	$10.20	$9.81	$10.53	$0.00	$0.00
CULATION OF NET RENT REQUIREMENTS	*Note: Rents for tenant agencies set at net cost plus $1 per ft2*					
POTENTIAL RENTS FOR TENANT AGENCIES						$9.78
TOTAL TENANT RENTS APPORTIONED TO PARTNERS	**$0**	($16,830)	($3,179)	($14,025)	$0	$34,034
TOTAL ANNUAL RENTS	**$206,215**	$84,179	$15,167	$72,834	$0	$34,034
NET ANNUAL RENTS PER FT2	**$8.78**	$8.50	$8.11	$8.83	$0.00	$9.78
RATING COST ESTIMATES						
PROPERTY TAXES	**$44,165**					
HEAT	**$8,600**					
HYDRO & WATER	**$37,000**					
REPAIRS & MAINTENANCE	**$17,000**					
CLEANING & SECURITY	**$21,620**	*$0.92*	*per square foot*			
SNOW REMOVAL	**$1,900**					
MANAGEMENT & INSURANCE	**$12,373**					
MISCELLANEOUS & CONTINGENCY	**$13,029**					
ANNUAL OPERATING COSTS	**$155,686**					
OPERATING COSTS PER FT2	**$6.62**	$6.62	$6.62	$6.62	$0.00	$6.62
OPERATING COST BREAKDOWN	**$155,686**	$65,587	$12,389	$54,656	$0	$23,055
QUIRED ANNUAL RENTS	*Excluding Vacancy Allowance*					
TOTAL UNADJUSTED RENTS REQUIRED	**$361,901**	$149,767	$27,556	$127,490	$0	$57,089
ANNUAL GROSS RENTS PER FT2	**$15.40**	$15.13	$14.74	$15.45	$0.00	**$16.40**
CANCY ALLOWANCE ADJUSTMENTS	*With Vacancy Allowance of*		*20%*	*of Annual Tenant Gross Rent*		
TENANT VACANCY ALLOWANCE						($11,418)
APPORTIONNED TO PARTNERS	**$11,418**	$5,646	$1,067	$4,705	$0	
POTENTIAL RENTAL INCOME REQUIRED	**$373,319**	$155,413	$28,622	$132,195	$0	$57,089
ADJUSTED RENTS PER FT2	**$15.89**	$15.70	$15.31	$16.02	$0.00	$16.40
EFFECTIVE RENTAL INCOME	**$361,901**	$155,413	$28,622	$132,195	$0	$45,671
EFFECTIVE RENTS PER FT2	**$15.40**	$15.70	$15.31	$16.02	$0.00	$13.12
MPARABLE MARKET RENTS FOR EQUIVALENT SPACE	**$19.00**	**per ft2, or**	**$13.00**	**net plus**	**$6.00**	**operating**

R ONE ROOF
ARKDALE

AR PROJECTION

Mortgage Interest Rate: *9.00%*
Total Rentable Space: *23,500* *square feet*
Annual Inflation Rate: *2.00%*
Comparable Year 1Private Market Rent: *$19.00*

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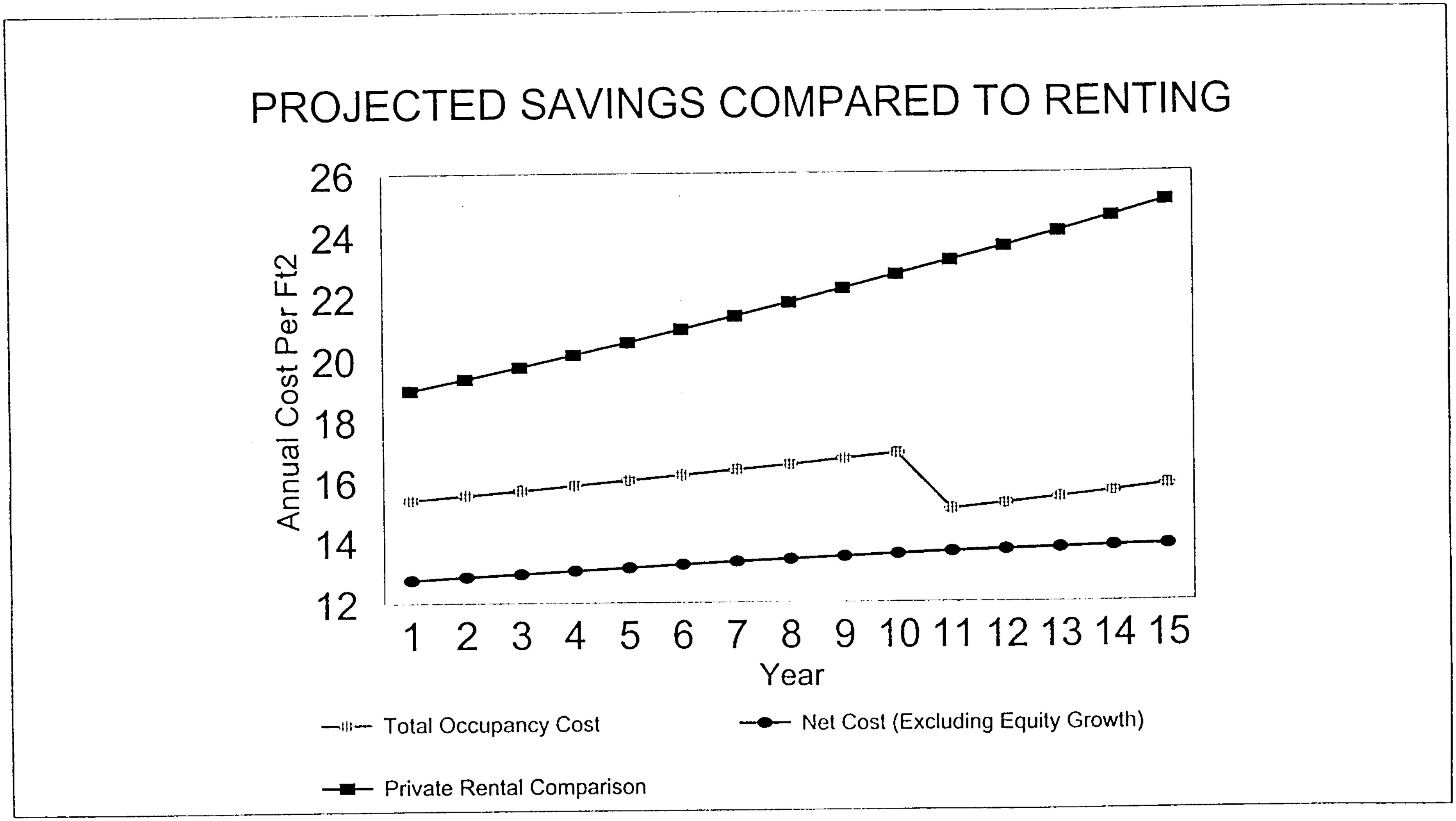
	Year 1 *2000*	Year 2 *2001*	Year 3 *2002*	Year 4 *2003*	Year 5 *2004*	Year 6 *2005*	Year 7 *2006*	Year 8 *2007*	Year 9 *2008*
& EQUITY									
Capital Cost	$2,523,475	$2,523,475	$2,523,475	$2,523,475	$2,523,475	$2,523,475	$2,523,475	$2,523,475	$2,523,475
Regional Loan Outstanding	$480,000	$432,000	$384,000	$336,000	$288,000	$240,000	$192,000	$144,000	$96,000
Mortgage Principal	$1,300,000	$1,286,085	$1,270,918	$1,254,386	$1,236,367	$1,216,725	$1,195,316	$1,171,979	$1,146,543
Total Outstanding Debt	$1,780,000	$1,718,085	$1,654,918	$1,590,386	$1,524,367	$1,456,725	$1,387,316	$1,315,979	$1,242,543
Equity	**$743,475**	**$805,390**	**$868,557**	**$933,089**	**$999,108**	**$1,066,750**	**$1,136,159**	**$1,207,496**	**$1,280,932**
Regional Loan Repayments	$48,000	$48,000	$48,000	$48,000	$48,000	$48,000	$48,000	$48,000	$48,000
Mortgage Payments	$130,915	$130,915	$130,915	$130,915	$130,915	$130,915	$130,915	$130,915	$130,915
Mortgage Interest Paid	$117,000	$115,748	$114,383	$112,895	$111,273	$109,505	$107,578	$105,478	$103,189
Mortgage Principal Reduction	$13,915	$15,167	$16,532	$18,020	$19,642	$21,409	$23,336	$25,436	$27,726
Total Debt Repayment	**$61,915**	**$63,167**	**$64,532**	**$66,020**	**$67,642**	**$69,409**	**$71,336**	**$73,436**	**$75,726**
JAL CASHFLOW	*assumes annual operating cost inflation rate of*					*2%*			
Mortgage Payments	$178,915	$178,915	$178,915	$178,915	$178,915	$178,915	$178,915	$178,915	$178,915
Per Square Foot	$7.61	$7.61	$7.61	$7.61	$7.61	$7.61	$7.61	$7.61	$7.61
Replacement Reserve	$27,300	$27,846	$28,403	$28,971	$29,550	$30,141	$30,744	$31,359	$31,986
Per Square Foot	$1.16	$1.18	$1.21	$1.23	$1.26	$1.28	$1.31	$1.33	$1.36
Operating Costs	$155,686	$158,800	$161,976	$165,216	$168,520	$171,890	$175,328	$178,835	$182,412
Per Square Foot	$6.62	$6.76	$6.89	$7.03	$7.17	$7.31	$7.46	$7.61	$7.76
Total Annual Cost	$361,901	$365,561	$369,294	$373,101	$376,985	$380,947	$384,987	$389,109	$393,312
Per Square Foot	**$15.40**	**$15.56**	**$15.71**	**$15.88**	**$16.04**	**$16.21**	**$16.38**	**$16.56**	**$16.74**
UAL NET COST									
Total Annual Cost	$361,901	$365,561	$369,294	$373,101	$376,985	$380,947	$384,987	$389,109	$393,312
Total Debt Reduction	$61,915	$63,167	$64,532	$66,020	$67,642	$69,409	$71,336	$73,436	$75,726
Net Cost after Debt Reduction	$299,986	$302,394	$304,762	$307,082	$309,343	$311,537	$313,651	$315,672	$317,587
Per Square Foot	**$12.77**	**$12.87**	**$12.97**	**$13.07**	**$13.16**	**$13.26**	**$13.35**	**$13.43**	**$13.51**
'ATE MARKET RENTAL COMPARISON	*assumes overall annual inflation rate of*					*2%*			
Annual Base Rent	$305,500	$311,610	$317,842	$324,199	$330,683	$337,297	$344,043	$350,923	$357,942
Per Square Foot	$13.00	$13.26	$13.53	$13.80	$14.07	$14.35	$14.64	$14.93	$15.23
Operating Costs	$141,000	$143,820	$146,696	$149,630	$152,623	$155,675	$158,789	$161,965	$165,204
Per Square Foot	$6.00	$6.12	$6.24	$6.37	$6.49	$6.62	$6.76	$6.89	$7.03
Total Annual Cost	$446,500	$455,430	$464,539	$473,829	$483,306	$492,972	$502,832	$512,888	$523,146
Per Square Foot	**$19.00**	**$19.38**	**$19.77**	**$20.16**	**$20.57**	**$20.98**	**$21.40**	**$21.83**	**$22.26**

	Year 10 2009	Year 11 2010	Year 12 2011	Year 13 2012	Year 14 2013	Year 15 2014	15 YEAR TOTALS
T & EQUITY							
Capital Cost	$2,523,475	$2,523,475	$2,523,475	$2,523,475	$2,523,475	$2,523,475	
Regional Loan Outstanding	$48,000	$0	$0	$0	$0	$0	
Mortgage Principal	$1,118,817	$1,088,596	$1,055,655	$1,019,749	$980,612	$937,953	
Total Outstanding Debt	$1,166,817	$1,088,596	$1,055,655	$1,019,749	$980,612	$937,953	
Equity	**$1,356,658**	**$1,434,879**	**$1,467,820**	**$1,503,726**	**$1,542,863**	**$1,585,522**	
Regional Loan Repayments	$48,000	$0	$0	$0	$0	$0	**$480,000**
Mortgage Payments	$130,915	$130,915	$130,915	$130,915	$130,915	$130,915	**$1,963,719**
Mortgage Interest Paid	$100,694	$97,974	$95,009	$91,777	$88,255	$84,416	**$1,555,173**
Mortgage Principal Reduction	$30,221	$32,941	$35,906	$39,137	$42,660	$46,499	**$408,546**
Total Debt Repayment	**$78,221**	**$32,941**	**$35,906**	**$39,137**	**$42,660**	**$46,499**	**$888,546**
UAL CASHFLOW							
Mortgage Payments	$178,915	$130,915	$130,915	$130,915	$130,915	$130,915	**$2,443,719**
Per Square Foot	$7.61	$5.57	$5.57	$5.57	$5.57	$5.57	
Replacement Reserve	$32,626	$33,279	$33,944	$34,623	$35,315	$36,022	**$472,110**
Per Square Foot	$1.39	$1.42	$1.44	$1.47	$1.50	$1.53	
Operating Costs	$186,060	$189,781	$193,577	$197,448	$201,397	$205,425	**$2,692,351**
Per Square Foot	$7.92	$8.08	$8.24	$8.40	$8.57	$8.74	
Total Annual Cost	$397,600	$353,974	$358,435	$362,986	$367,627	$372,361	**$5,608,181**
Per Square Foot	**$16.92**	**$15.06**	**$15.25**	**$15.45**	**$15.64**	**$15.85**	
IUAL NET COST							
Total Annual Cost	$397,600	$353,974	$358,435	$362,986	$367,627	$372,361	**$5,608,181**
Total Debt Reduction	$78,221	$32,941	$35,906	$39,137	$42,660	$46,499	**$888,546**
Net Cost after Debt Reduction	$319,379	$321,033	$322,530	$323,849	$324,968	$325,863	**$4,719,635**
Per Square Foot	**$13.59**	**$13.66**	**$13.72**	**$13.78**	**$13.83**	**$13.87**	
/ATE MARKET RENTAL COMPARISON							
Annual Base Rent	$365,101	$372,403	$379,851	$387,448	$395,197	$403,101	**$5,283,139**
Per Square Foot	$15.54	$15.85	$16.16	$16.49	$16.82	$17.15	
Operating Costs	$168,508	$171,878	$175,316	$178,822	$182,399	$186,047	**$2,438,372**
Per Square Foot	$7.17	$7.31	$7.46	$7.61	$7.76	$7.92	
Total Annual Cost	$533,609	$544,281	$555,167	$566,270	$577,595	$589,147	**$7,721,511**
Per Square Foot	**$22.71**	**$23.16**	**$23.62**	**$24.10**	**$24.58**	**$25.07**	


PROJECTED SAVINGS COMPARED TO RENTING
Annual Cost Per Ft2
26
24
22
20
18
16
14
12
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
Year
Total Occupancy Cost
Net Cost (Excluding Equity Growth)
Private Rental Comparison

Annual Property Operating Data

Name:	**UNDER ONE ROOF**	Date:	18-Feb-00
Location:	**312 PARKDALE**	Price:	$2,523,475
Type of Property:	OFFICE	Existing Loan:	$0
Size of Property:	23,500 ft2 Rentable	Equity:	$325,000
Purpose:	Potential Financing		

ALL FIGURES ANNUAL

Proposed	Balance	Payment	#Pmts/Yr.	Interest	Term
1st	$1,300,000	$130,915	12	9.00%	10 year
2nd (ROC)	$480,000	$48,000	12	0.00%	1

OPERATING INCOME					
POTENTIAL RENTAL INCOME (GROSS)	23,500	ft2 @	$15.89	**$373,319**	
Less: VACANCY & CREDIT LOSSES	3.1%	of	$373,319	**($11,418)**	
(note: most space will be occupied by partner agencies)					
EFFECTIVE RENTAL INCOME					**$361,901**
Plus: OTHER INCOME					
GROSS OPERATING INCOME					**$361,901**
OPERATING EXPENSES					
PROPERTY TAXES				**$44,165**	
HEAT				**$8,600**	
HYDRO & WATER				**$37,000**	
REPAIRS & MAINTENANCE				**$17,000**	
CLEANING & SECURITY				**$21,620**	
SNOW REMOVAL				**$1,900**	
MANAGEMENT & INSURANCE				**$12,373**	
MISCELLANEOUS & CONTINGENCY				**$13,029**	
TOTAL OPERATING EXPENSES	@	$6.62	per ft2		**$155,686**
NET OPERATING INCOME (NOI)					**$206,215**
Less: ANNUAL DEBT SERVICE (ADS)					**($178,915)**
CASH FLOW BEFORE TAXES	*(note: taxes not applicable for non-profit agencies)*				**$27,300**

NOI/ADS RATIO: ***1.15***
CAPITALIZATION RATE: ***8.17%***

FINAL VALUE ESTIMATE

It is my opinion, based on the data contained within this report and other data that was gathered contiguous thereto, the Market Value of 312 Parkdale Avenue, Ottawa, the subject property, as at **January 28, 2000**, was:

PRESENT CONDITION - UNRENOVATED

ONE MILLION FOUR HUNDRED THOUSAND DOLLARS
($1,400,000.00)

AFTER RENOVATIONS AS DESCRIBED

TWO MILLION FIVE HUNDRED THOUSAND DOLLARS
($2,500,000.00)

February 8, 2000
(Date)

Peter D. Boddy, AACI, P.App

Proposed Renovations and Estimated Costs

The owners' agent provided the following detail regarding the proposed renovation/demolition and additions that will be made to the subject improvement:

- demolish all interior partitions except those that would be located in the new proposed development.
- remove existing boiler/furnace
- replace existing AC units and furnace on roof
- install carpet on concrete and tiled areas in warehouse section and install new ceilings where necessary
- install new washrooms where required
- likely require a new roof
- likely require all new electrical and mechanical systems

It was indicated that all demolished material will be salvaged and re-used where possible. It was also indicated that as much space as possible will be allocated to common areas including washrooms, lobby, boardrooms, shipping and all other support systems such as fax and photocopying room, coatroom, etc. It was estimated that with an area of 23,500 square feet, costs would be about $10.00 per square foot for fit-up, $2.00 per square foot for fees and between $6-7.00 per square foot for mechanical and electrical.

The estimated total cost of the proposed renovations is estimated to be between $18.00-$19.00 per square foot. Given that the foregoing data is estimated only and could be subject to change, it is considered reasonable, to complete this mandate, to use an estimate of $20.00 per square foot for the cost of renovations which indicates a total renovation cost of $470,000.00.

Estimate of Value - After Renovations

An estimate of value for the subject property, after the proposed renovations as indicated, will only be developed by the Income Approach.

Given the extent of the proposed renovations, the existing structure will be almost completely new, with the exception of the existing walls and slab floor.

In the previous estimate of value by the Income Approach made above, the subject improvement and leaseability, was compared to other office/warehouse structures as well as office structures that were presently leased.

The two properties that were most similar to the subject, had average lease rates that ranged from about $10.00 to $14.00 per square foot and these same rates applied to both gross and net leases.

It is not an unusual practice for owners to offer gross leases as incentives and to escalate the lease at a second period, to a net basis. A review of quality office space that is presently available in the vicinity of the subject property indicated that there is only a limited supply of such space.

476 Holland Avenue - a 700 square foot office is presently offered for lease at $9.50 net per square foot, with expenses of $11.50 for a total cost of $21.00 per square foot.

411 Roosevelt Avenue - a sublet office of 1,623 square feet is presently offered at $16.27 gross per square foot.

After considering the extent of the proposed renovations, it would be reasonable to estimate that the subject space, when totally converted to quality office use, would lease for $13.00 per square foot net.

As the subject space is to be converted completely to office accommodation, expense costs would increase over those costs applied previously to the existing structure. In my opinion it would be reasonable to estimate the expense costs at $6.00 per square foot.

It is also noted that in its existing state, the subject property was valued above, based on the premise of a single tenant/owner occupier. On this basis it was reasonable to calculate values based on the gross building area of 23,500 square feet.

After renovations it is expected that there will be a multi-tenant/owner occupier and even though there will be numerous areas that will be common space, it would be reasonable to estimate the value of the property, after renovations, on a leaseable area basis as opposed to a gross basis.

It is estimated that the leaseable area of the structure would be about 10% less than gross, at 21,150 square feet. Expense costs will be calculated on the gross building area. The after renovation data shown above is incorporated below in the Revised Stabilized Income and Expense Statement.

REVISED STABILIZED INCOME & EXPENSE STATEMENT
AFTER RENOVATIONS

Gross Rental Revenue	
Office 21,150 sq.ft. x $13.00 =	$274,950.00
add Recovery Income @ $6.00	$141,000.00
Gross Potential Income	$415,950.00
less Vacancy & Bad Debt (3%)	$ 12,478.00
Effective Gross Income	$403,472.00
less Operating Costs	$141,000.00
Net Operating Income	**$262,472.00**

CAPITALIZATION

The renovations proposed for the subject improvement, will have a significant impact on the estimate made for a capitalization rate.

The renovations will have the effect of extending the physical life of the building and thereby extending the period during which an investor could reasonably expect a cash flow to accrue.

Further, the renovations will also enhance the marketability of the space, again adding value in the eyes of the investment community. Of prime importance is the fact that a "new" building would greatly reduce the risk to an investor in the market.

In the estimate of value by the Income Approach shown above, a capitalization rate was estimated from data available in the market. Given the added features available after renovations, including the reduced risk, it would be reasonable to estimate a capitalization rate of less than 11.0%, say at 10.5%.

Net Operating Income	$262,472	=	$2,499,733.00
Capitalization Rate	10.5%		
	rounded		$2,500,000.00

ESTIMATE OF VALUE BY THE INCOME APPROACH AFTER RENOVATIONS **$2,500,000.00**

Extract of Draft Minute
Corporate Services and Economic
Development Committee
7 March 2000

UNDER ONE ROOF - FUNDING REQUEST
- Social Services Commissioner's report dated 31 Jan 00

Councillor R. van den Ham expressed his support for the concept of agencies working together to reduce costs. He requested staff comment on the feasibility of the proposal. The Social Services Commissioner, D. Stewart, said staff have evaluated this proposal from a number of perspectives, and from the point of view of the partners and their fiscal health, feel the plan is sustainable and the projections are sound. The proponents are known to the Department as bona fide agencies operating in the community for a number of years. With respect to the physical plant, staff will have to employ due diligence to ensure that the engineering pre-work undertaken attests to its worthiness. Mr. Stewart said the proponents have had professionals review this aspect, and everything is satisfactory at this time.

Councillor van den Ham made reference to savings in the order of $600,000 accruing to the agencies over 15 years and to the fact these funds will be available for increased service levels. He said he would like to see a portion of those funds be returned to the taxpayers of Ottawa-Carleton, perhaps $10,000 per year, given that the Region will be providing $240,000. He posited this could be done by proportionately reducing the funding each participating agency gets by $10,000 per year.

The Regional Chair, Bob Chiarelli, asked that the Finance Commissioner provide additional details about the financial viability of the proposal and how it represents a good deal for both the agencies and the Region. Mr. LeBelle indicated his staff have reviewed the business case for this particular project and found it to be one of the most solid they have seen. There were concerns about whether or not the agencies themselves could withstand the charges attributed to them as partners, however staff are now comfortable this is the case. Mr. LeBelle clarified the total contribution requested is $720,000, $480,000 of which is an interest-free loan and $240,000 is a grant.

Councillor M. Meilleur pointed out that the community will "get its money back" in the form of additional staff and increased service from the agencies. The Councillor said she has been encouraging this approach and is working with other agencies to do the same: for these reasons she was pleased to support the recommendation before Committee.

Extract of Draft Minute
Corporate Services and Economic
Development Committee
7 March 2000

Councillor R. Cantin asked how the loan will be secured. Commissioner Stewart replied that the Region will hold a mortgage against the title of the property for the duration of the loan. The proponents are in agreement with this option. Councillor Cantin expressed the hope that the partner agencies will not be setting up services that are fully dependent on increased funding, making it difficult for the Region to reduce its funding once people are used to this.

Councillor G. Hunter stated that any funding taken from overhead and put into service delivery is good for the residents of Ottawa-Carleton. The Councillor mentioned that the Region has a history of helping agencies in the manner proposed by staff, citing a recent example of such assistance and inquiring about the status of that loan. Commissioner Stewart said the last information was that the building has not yet been sold: the Region has a mortgage against the title of that property and will eventually receive the funds it has invested. Councillor Hunter wanted to know whether assurance has been given that there is no cross-involvement between buyer and seller. Commissioner Stewart assured the Committee that this is a straight business proposition.

At this point, Chair Chiarelli called upon representatives from the partnership group to make a presentation to Committee.

Linda George, President, Citizens' Advocacy of Ottawa-Carleton, began by saying the partner agencies are financially strong organizations because of good management. The group's presence before Committee is a result of inspiration and not of desperation. The agencies have a combined history of 110 years of providing service to the community. Ms. George said Citizen Advocacy of Ottawa-Carleton has, for the past 26 years, provided support to people with disabilities to maximize their capacity to live independently and as integrated members of the community.

Peter Findlay, Vice President, Family Service Centre Board, said the agency has been operating for 85 years. It provides counselling to families and individuals, peer counselling programs for seniors, support services for caregivers, family life education, advocacy and planning co-ordination. The Regional Co-ordinating Committee to End Violence Against Women (RCCEVAW), and the Sexual Assault Network are currently housed in The Family Service Centre, and will be relocated in the new site.

Ms. George continued by saying that the need for the agencies' services are expanding in the community due to the increasing population and its diversity. As well the cost of providing service continues to grow.

Extract of Draft Minute
Corporate Services and Economic
Development Committee
7 March 2000

Social Service agencies have also experienced a significant funding squeeze over the past few years, and the combination of these factors has driven agencies to find creative and collaborative options to enhance service delivery in the community. The partner agencies identified accommodation costs as the second largest and most volatile of expenditures. The project will provide an opportunity to come together in a shared space, owned by the agencies and custom-designed. Ms. George said the Trillium Foundation has provided a grant to cover project management costs. She said stabilizing accommodation or occupancy costs will provide immediate and long-term economies as well as a business-like environment in which to operate. Another benefit will be that agencies will be able to focus resources, both human and financial, on providing service to meet existing and expanding needs of clients.

Mr. Findlay provided an update on financial expectations and projections. He noted that 55% of the space in the proposed building is firmly committed. Another 40% has conditional commitment and the partners are confident that conditions will work themselves out as work progresses and there are strong expressions of interest for the remaining 5%. There are indications that the proposed rental revenues are solid. There has also been third party verification of comparable rental market rates since the first draft of the proposal. The planning assumption is that comparable available space on the rental market in the year 2000 would be $19.00 per square foot and this is the comparative base used in the proposal. Mr. Findlay said the partners have also had third party verification that the actual purchase price of the building is appropriate for the subject property. The major impact of the financial update is that the net savings over 15 years, using the starting point of $19.00 per square foot for comparable rental space, is now slightly over $2 million. A second observation is that the cost benefit starts to accrue from day one.

Ms. George concluded the presentation by saying that regional support for this initiative will be a dramatic indication of Council's commitment to the provision of quality service in the community. It will also demonstrate Council's leadership role and be of great support to the agencies when they approach other funding sources. Ms. George said that, other than the financial benefits alluded to, the agencies will enjoy efficiencies in space allocation and in client accessibility. As well, the organizations will be able to work enhanced service synergies.

Councillor A. Loney wanted to know about the discontinuation of the proposed use, and whether the Region would recover all or some of its public funding if the building were sold. Commissioner Stewart replied that a legal agreement will be developed to cover the conveyance of funds.

Extract of Draft Minute
Corporate Services and Economic
Development Committee
7 March 2000

If the building is sold five years from now, all the funds will be returned, but if the sale happens in 15 to 18 years, the Region might consider receiving less since there has been a constructive use of the public investment. Councillor Loney asked why the non-profit agencies would not be party to proceeds if the building were sold at some time in the future. Commissioner Stewart said the report reflects the pattern whereby funds have been conveyed to other voluntary and non-profit organizations, particularly child care centres. The Region has phased-in any return on investment in the event a building is sold or not used for its original purpose. Should the Committee's instructions to staff be that this not be done, staff would acquiesce.

Councillor Loney wanted to know what would happen to its residual share of the building should one of the agencies cease operation: would it automatically go to the other partners or would they have to buy up that agency's share. Dr. Tim Simboli, Executive Director, the Family Service Centre replied that the legal agreement is in the construction phase at this stage and a number of options are being explored. He added that the project will work better with member agencies as opposed to renter agencies, and that he could foresee a situation where the partners would try to replace the one that is leaving.

Councillor Loney said his concern was that, in the early years, the loss of a substantial partner could result in the financial projections not being as good as outlined in the proposal. As for the subsequent years, it would simply be a matter of ensuring the building remains for the use of non-profit agencies that benefit the area. He encouraged the proponents to look at any means possible to ensure this is the case. Should the agencies no longer be able to function, their assets would continue to benefit the community. The partner agencies could also make the entry of a newer agency a lot easier, since it likely would not have the asset base that they have.

That the Corporate Services and Economic Development Committee recommend Council approve a maximum expenditure of $720,000 from the Region Wide Capital Reserve Fund to provide a capital grant [$240,000] and an interest free loan [$480,000] to assist the Under One Roof co-location project with acquiring an appropriate property.

CARRIED
(B. Hill and
R. van den Ham dissented)