



Council Report

Report Number: RS2021-010

Meeting Date: February 23, 2021

Title: **Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Courtroom Space)**

Description: Lease Agreement for Courtroom and Office Space for use by Provincial Offences division

Author and Title: Laura Carnochan, Law Clerk – Realty Services

Recommendations:

That Report RS2021-010, **Proposed Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes – 440 Kent Street West (Courtroom and Office Space)**, be received;

That the Mayor and Clerk be authorized to execute the Lease Agreement attached as Appendix B on behalf of the Corporation of the City of Kawartha Lakes, being a Lease Agreement with Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services for the purpose of leasing courtroom and office space for use by the Provincial Offences division; and

That a By-Law (attached as Schedule C) authorizing the signing of the Lease Extension and Amending Agreement between Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Government And Consumer Services and The Corporation of the City of Kawartha Lakes for courtroom space at 440 Kent Street West, Lindsay, be forwarded to Council for adoption.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The Corporation of the City of Kawartha Lakes has been leasing space at 440 Kent Street West, Lindsay for the purpose of courtroom and office space for the Provincial Offences division.

The current Lease Agreement (attached as Appendix A) will expire on March 31, 2021.

The space leased by the City consists of 2,182 square feet of second floor courtroom and office space.

The proposed Lease Extension and Amending Agreement (attached as Appendix B) sets the base rent for the ground floor space as follows:

Years 1 and 2 - \$11.50 per square foot (\$25,093.00 per annum)

Years 3, 4, and 5 - \$11.75 per square foot (\$25,638.50 per annum)

A proportionate share of the building's operating costs (which may vary from one year to the next) is also allocated to the City under the Lease. The proposed Lease estimates the operating cost allocation for the City's rented space at \$8.99 per square foot (\$19,616.18 per annum), subject to annual adjustments.

Sales tax will be payable in addition to each of the above-noted rental amounts.

Rationale:

The terms and conditions of the proposed Lease are substantially the same as the current Lease Agreement in place for the courtroom and office space at 440 Kent Street West.

The proposed Lease extension is for a period from April 1, 2021 to March 31 2026 and the City has one further allowable extension following that term.

The Manager of Realty Services and City Solicitor have reviewed the proposed Lease and have expressed agreement, in principle, subject to Council approval.

Other Alternatives Considered:

Council could direct that the Lease Agreement not be renewed. This is not recommended in this circumstance as the City is currently utilizing the space for the Provincial Offences division and alternative space is not available at this time.

Alignment to Strategic Priorities

The recommendations set out in this Report align with the following strategic priority:

- Good Government
 - Effective management of the municipal building and land portfolio

Financial/Operation Impacts:

The annual cost of the proposed lease is \$25,093.00, plus HST, for Years 1 and 2. This amount includes the base rent for the courtroom and office space. This is an increase of \$3,883.96 from the current rate. The annual rent will increase by \$545.50 in Year 3 and there will be no further increases to the base rent for the remainder of the term.

In addition, the City is responsible for additional rent for its proportionate share of the building's operating costs. The proposed Lease estimates the additional rent at \$19,616.18 per year. This amount is subject to annual adjustments and may increase or decrease from year to year.

The proposed increases have been reviewed by the Manager of Realty Services and City Solicitor and determined to be a reasonable increase.

Consultations:

City Solicitor

Attachments:

Appendix A – Current Lease Agreement (440 Kent Street West – Courtroom/Office Space)



Appendix A -
Current Lease Agree

Appendix B – Proposed Lease Extension and Amending Agreement (440 Kent Street West – Courtroom/Office Space)



Appendix B -
Proposed Lease Exte

Appendix C – By-Law to Authorize the Execution of the Lease Extension and Amending Agreement for 440 Kent Street West (Courtroom/Office Space)



Appendix C -
By-Law to Authorize

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Department File: L17-20-RS060