



November 13, 2015

REPORT TO: Mayor and Council

FROM: Mark McCaig, CAO

SUBJECT: OPP Building Lease Extension.

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The Town recently received a lease extension for the Civic Centre space currently occupied by the OPP. This document for your consideration is known as the "third lease extension" to the "original lease" of 2001. This current extension would be for the period of June 1, 2016 to May 31, 2021.

The document for your consideration does not provide for any increases over the "second lease extension" of 2011. The market rent rate of \$20.87/ft<sup>2</sup> remains the same. Within that rate, the following breakdown occurs.

\$ 10.46	for each ft <sup>2</sup> of base rent
\$ 8.42	for each ft <sup>2</sup> of estimated Base Operating Costs
<u>\$ 1.99</u>	for each ft <sup>2</sup> of estimated Base Realty Taxes
\$ 20.87	

\*\* The estimated Base Operating Costs and estimated Base Realty Taxes are from 2009 figures.

Our relationship with the Province is such that they pay 46% of the costs of the total space occupied by the OPP. The remaining 54% is assumed by the Town as an OPP related cost. The province would pay an annual amount of \$88,264.05 to the Town.

Administration also draws Council's attention to one other aspect of the lease in 4(e) (ii). The wording refers to the condition that any janitorial services shall have bonded employees. This is currently not in effect and may be problematic. Our janitorial services are required to undergo security checks but bonding is probably not something the janitorial contractor would be willing to undergo. The Province should be advised of this aspect.

It is also important to note that the lease provides for a termination of the agreement by either party based on a one year notice period.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark McCaig".

Mark McCaig  
CAO