



The Regional Municipality of Durham Report

To: Works Committee
From: Acting Commissioner of Works
Report: #2023-W-25
Date: June 7, 2023

Subject:

Extension and Amendment of Lease with Campbell Drive Professional Building Inc. for Space located at 2 Campbell Drive, Suites 301 to 305, in the Township of Uxbridge, for use by the Social Services Department, Family Services and Income and Employment Support Divisions

Recommendations:

That the Works Committee recommends to Regional Council:

- A) That the Lease Extension and Amendment Agreement with Campbell Drive Professional Building Inc. for the premises located at 2 Campbell Drive, Suites 301 to 305 in the Township of Uxbridge, containing approximately 4,810 square feet of office space be approved with the following terms and conditions:
- i) The term of the lease is extended for a period of two (2) years commencing November 1, 2023 and ending on October 31, 2025, with the option to extend the lease for an additional five (5) years under the same terms and conditions except the rental rate, which is to be negotiated;
 - ii) The rental rate for the lease term will be \$72,150* per annum based on the net annual rate of \$15.00* per square foot per annum for the renewal term;
 - iii) The additional rental rate for the term of the lease will be \$72,150* per annum based on the rate of \$15.00* per square foot per annum to cover operating cost for the building, premises, and common areas maintenance costs. The amount per square foot for additional rent is to be adjusted annually based on actual costs;

- iv) The Regional Municipality of Durham will continue to be invoiced \$600* annually for the rental of a pylon sign;
 - v) The Landlord remains responsible for repairs and maintenance of the building, parking lot and other common areas; and
- B) That the Regional Chair and Clerk be authorized to execute all documents associated with the Lease Extension and Amendment Agreement.
-

Report:**1. Purpose**

- 1.1 The purpose of this report is to obtain approval to renew the lease with Campbell Drive Professional Building Inc., for space occupied by the Family Services and Income Support Divisions of Social Services located at 2 Campbell Drive in the Township of Uxbridge as per the terms and conditions outlined herein.
- 1.2 Dollar amounts followed by an asterisk (*) are before applicable taxes.

2. Background

- 2.1 Social Services, Family Services and Income Support Divisions have been leasing space in the building at 2 Campbell Drive since November 1, 2014. The current lease was negotiated for a period of two years, commencing November 1, 2021 and ending on October 31, 2023, with an option to renew for an additional two-year term.
- 2.2 The subject property contains approximately 4,810 square feet of office space and is for the Family Services and Income Support Divisions of Social Services in Uxbridge. The rental rate for the current lease is \$13.50* per square foot.

3. Previous Reports and Decisions

- 3.1 Report #2021-W-38, approved by Regional Council on November 24, 2021, granted approval for the extension of this lease for a period of two years commencing November 1, 2021 and ending October 31, 2023, with an option to renew the lease for a two (2) year term under the same terms and conditions except the amount for basic rent to be negotiated.

4. Terms of Renewal

- 4.1 The proposed lease renewal is for a term of two years. The Regional Municipality of Durham (Region) will have the option to renew the lease for another five (5) year term under the same terms and conditions subject to the rental rate being negotiated at the time of renewal.
- 4.2 The proposed annual rent for the lease term is \$72,150* payable in monthly instalments of \$6,012.50* based on the rate of \$15.00* per square foot per annum. This represents a \$1.50 increase over the previous rate which has not been increased since 2014.
- 4.3 The additional rent is estimated at \$72,150* per annum payable in monthly instalments of \$6,012.50* representing the Region's proportionate share of the operating costs based on the rate of \$15.00* per square foot per annum for the building, common areas and the leased premises including janitorial, utilities, and property taxes. The amount per square foot for additional rental will be adjusted annually based on actual costs.

5. Financial Implications

- 5.1 Financing for this lease renewal will continue to be provided from within Social Services Department Business Plans and Budget for this facility.
- 5.2 Since the approval of this lease renewal requires a long-term financial obligation for which payment is required beyond the term for which Regional Council was elected, the Regional Treasurer has updated the Region's financial debt and obligation limit. In accordance with Section 4 of the Ontario Regulation 403/02, the Region's Treasurer has calculated an updated long-term debt/financial limit and has determined that the limit has not been exceeded. Therefore, this lease renewal does not require the approval of the Ontario Land Tribunal.

6. Relationship to Strategic Plan

- 6.1 This report aligns with the following strategic goals and priorities in the Durham Region Strategic Plan:
- a) Goal 2.3: Enhance community safety and well-being;
 - b) Goal 2.3: Influence the social determinants of health to improve outcomes for vulnerable populations;

- c) Goal 2.4: Support a high quality of life for all through human services delivery;
- d) Goal 2.5: Build a healthy, inclusive, age-friendly community where everyone feels a sense of belonging;
- e) Goal 4.4: Expand access to existing life stabilization programs; and
- f) Goal 5.1: Optimize resources and partnerships to deliver exceptional quality services and values.

7. Conclusion

- 7.1 The Social Services Department has advised that they wish to continue to occupy the leased space at 2 Campbell Drive, in the Township of Uxbridge. It is recommended that the Lease Extension and Amendment Agreement be approved based on the above noted terms and conditions.
- 7.2 This report has been reviewed by the Finance Department.
- 7.3 For additional information, please contact Christine Dunkley, Manager, Financial Services and Corporate Real Estate, at 905-668-7711, extension 3475.

Respectfully submitted,

Original signed by:

Ramesh Jagannathan
MBA, M.Eng., P.Eng., PTOE
Acting Commissioner of Works

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer