



The Regional Municipality of Durham Report

To: Works Committee
From: Commissioner of Works
Report: #2025-W-16
Date: May 7, 2025

Subject:

Lease Renewal with PTC Ownership LP for Space Located at 1355 Kingston Road, Unit 14A in the City of Pickering, for Use by the Health Department

Recommendations:

That the Works Committee recommends to Regional Council:

A) That the Lease Agreement with PTC Ownership LP (the “Landlord”) for premises located at 1355 Kingston Road, Unit 14A, in the City of Pickering, containing approximately 3,584 square feet, be renewed with the following terms and conditions:

i) The renewal term is for a period of five (5) years commencing July 1, 2025, and ending on June 30, 2030;

ii) The gross rent for the term will be as follows:

Year	Term	Rate PSF*	Monthly Rent*	Annual Rent*
Year 1	July 1, 2025 – June 30, 2026	\$28	\$8,362.67	\$100,352
Year 2	July 1, 2026 – June 30, 2027	\$29	\$8,661.33	\$103,936
Year 3	July 1, 2027 – June 30, 2028	\$30	\$8,960.00	\$107,520
Year 4	July 1, 2028 – June 30, 2029	\$31	\$9,258.67	\$111,104
Year 5	July 1, 2029 – June 30, 2030	\$32	\$9,557.33	\$114,688

- iii) The Landlord will be responsible for all charges, impositions, and outlays relating to the Premises and the Building including, but not limited to, repairs, maintenance, and replacement of mechanical, electrical, and plumbing services, all utilities, realty taxes, and building and grounds maintenance; and
 - B) The Regional Chair and Clerk be authorized to execute all documents associated with the Lease Renewal.
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Report:**1. Purpose**

- 1.1 The purpose of this report is to obtain Regional Municipality of Durham Council approval to renew the Lease with the Landlord for the Health Department programming space as per the terms and conditions outlined herein.
- 1.2 Dollar amounts followed by an asterisk (*) are exclusive of applicable taxes.

2. Background

- 2.1 The Health Department is leasing space at 1355 Kingston Road, in the City of Pickering, for the operation of a Sexual Health Clinic since July 2010. The Health Department desires to renew the current Lease for the space, which expires on June 30, 2025.
- 2.2 Real Estate staff negotiated renewal terms for the premises with the Landlord, PTC Ownership LP.

3. Previous Reports and Decisions

- 3.1 The original Lease for the facility, Unit 14A, was executed on July 1, 2010, for a term of fifteen (15) years commencing July 1, 2010, and ending on June 30, 2025.

4. Terms of Renewal

- 4.1 The proposed renewal is for five (5) years, commencing July 1, 2025, and ending June 30, 2030.

4.2 The proposed gross annual rental rates for the renewal term are as follows:

Year	Term	Rate PSF*	Monthly Rent*	Annual Rent*
Year 1	July 1, 2025 – June 30, 2026	\$28	\$8,362.67	\$100,352
Year 2	July 1, 2026 – June 30, 2027	\$29	\$8,661.33	\$103,936
Year 3	July 1, 2027 – June 30, 2028	\$30	\$8,960.00	\$107,520
Year 4	July 1, 2028 – June 30, 2029	\$31	\$9,258.67	\$111,104
Year 5	July 1, 2029 – June 30, 2030	\$32	\$9,557.33	\$114,688

4.3 The current gross rental rate for the facility is \$25.20* per square foot or \$90,316.80* per annum.

4.4 The proposed gross annual rent is inclusive of all charges, impositions, and outlays relating to the Premises and the Building including, repairs, maintenance, and replacement, of mechanical, electrical, and plumbing services, all utilities, realty taxes, and building and grounds maintenance.

4.5 The Landlord will be responsible for the maintenance, repairs and replacement of the systems, facilities, and equipment necessary to operate the building, the parking lot, and other common areas.

5. Financial Implications

5.1 Financing for this Lease Renewal will continue to be provided from within the Health Department's annual 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 Council was elected, the Regional Treasurer has updated the Region's financial debt obligation 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 Local Planning Appeal Tribunal.

6. Relationship to Strategic Plan

6.1 This report aligns with the following Strategic Directions and Pathways in Durham Region's 2025-2035 Strategic Plan:

A) Healthy People, Caring Communities

- H1: Implement preventive strategies to support community health
- H3: Integrate and coordinate service delivery for positive life outcomes
- H4: Support the development of healthy children and youth

7. Conclusion

7.1 The Durham Region Health Department has advised that they wish to renew the Lease for Unit 14A at 1355 Kingston Road, in the City of Pickering for the operation of a Sexual Health Clinic. It is recommended that the Lease Renewal 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, Director of Corporate Infrastructure and Strategic Business Services, at 905-668-7711, extension 3475.

Respectfully submitted,

Original signed by:

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

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer