

**200 BREWER WAY – ACADÉMIE WESTBORO ACADEMY, REVENUE LEASE
RENEWAL**

**200, VOIE BREWER – ACADÉMIE WESTBORO, RENOUVELLEMENT D'UN
BAIL À REVENUS**

COMMITTEE RECOMMENDATION

That Council approve a Gross Revenue Lease Renewal Agreement for the Académie Westboro Academy (the “Lessee”) to continue to occupy the land and building located at 200 Brewer Way for a period of five (5) years, from 15 August 2014 to 14 August 2019 (the “Third Renewal term”), at a gross annual rent of \$227,850 plus HST as applicable for the Third Renewal Term.

RECOMMANDATION DU COMITÉ

Que le Conseil approuve une Entente de renouvellement d'un bail générant des recettes brutes afin que l'Académie Westboro (le « Locataire ») continue d'occuper le terrain et le bâtiment situé au 200, voie Brewer proposé vise une période de cinq (5) ans, allant du 15 août 2014 au 14 août 2019 (la « Troisième période de renouvellement »), et le versement d'un loyer annuel brut de 227 850\$ plus la TVH applicable durant la Troisième période de renouvellement.

DOCUMENTATION / DOCUMENTATION

1. Nancy Schepers, Deputy City Manager, Planning and Infrastructure, report dated June 3, 2014 (ACS2014-PAI-REP-0012)

Nancy Schepers, Directrice municipale adjointe, Urbanisme et Infrastructure, rapport daté du 3 juin 2014 (ACS2014-PAI-REP-0012)

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique**

**and Council
et au Conseil**

**June 3, 2014
3 juin 2014**

**Submitted by
Soumis par:**

**Nancy Schepers, Deputy City Manager / Directrice municipale adjointe, Planning
and Infrastructure / Urbanisme et Infrastructure**

Contact Person

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Ward: CAPITAL (17) / CAPITALE (17)

File Number: ACS2014-PAI-REP-0012

**SUBJECT: 200 BREWER WAY – ACADÉMIE WESTBORO ACADEMY, REVENUE
LEASE RENEWAL**

**OBJET: 200, VOIE BREWER – ACADÉMIE WESTBORO, RENOUVELLEMENT
D'UN BAIL À REVENUS**

REPORT RECOMMENDATIONS

**That the Finance and Economic Development Committee recommend that
Council approve a Gross Revenue Lease Renewal Agreement for the Académie**

Westboro Academy (the “Lessee”) to continue to occupy the land and building located at 200 Brewer Way for a period of five (5) years, from 15 August 2014 to 14 August 2019 (the “Third Renewal term”), at a gross annual rent of \$227,850 plus HST as applicable for the Third Renewal Term.

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande que le Conseil approuve une Entente de renouvellement d’un bail générant des recettes brutes afin que l’Académie Westboro (le « Locataire ») continue d’occuper le terrain et le bâtiment situé au 200, voie Brewer proposé vise une période de cinq (5) ans, allant du 15 août 2014 au 14 août 2019 (la « Troisième période de renouvellement »), et le versement d’un loyer annuel brut de 227 850\$ plus la TVH applicable durant la Troisième période de renouvellement.

BACKGROUND

In March 1999, Westboro Academy entered into negotiations with the City of Ottawa to lease the Property at 200 Brewer Way for a period of five years, from 15 August 1999 to 14 August 2004, to operate a bilingual co-educational school for grades 1 through 8. The proposed lease agreement (the “Original Lease”) was presented to City Council in June 1999, at which time the terms and conditions of the Original Lease were approved. Specifically, the property is described as a one storey building of approximately 11,625 square feet of space, a fenced in play area, and twenty-six (26) parking spaces (the “Property”).

Under paragraph 1(b) of the Original Lease, the Lessee has a renewal option of three further terms of five years. The Lessee exercised its first renewal option in February 2004 to continue to occupy the Property for a period of five years from 15 August 2004 to 14 August 2009 (the “First renewal Term”) at a gross rental rate of \$16.80 per square foot plus GST for a total gross annual rent of \$195,300 plus GST. The rental rates for the First Renewal Term were based on an independent appraisal report prepared on behalf of the City of Ottawa.

In February 2009, the Lessee exercised its second renewal option to continue to occupy the Property for a period of five years from 15 August 2009 to 14 August 2014 (the “Second Renewal Term”) at a gross rental rate of \$18.60 per square foot plus GST/HST for a total gross annual rent of \$216,225 plus GST/HST. The rental rates for the

Second Renewal Term were based on an independent appraisal report prepared for the City of Ottawa.

DISCUSSION

In February 2014, the Lessee exercised its third renewal option to continue to occupy the Property for a period of five years from 15 August 2014 to 14 August 2019 (the ‘Third Renewal Term’) at a gross rental rate of \$19.60 per square foot plus HST for a total gross annual rent of \$227,850 plus HST. The rental rates for the Third Renewal Term are based on an independent appraisal report prepared for the City of Ottawa. During the Renewal Term, the Lease will be subject to all terms and conditions set out in the Original Lease, except for the amended annual gross rental rate. This is the final renewal option pursuant to the Original Lease Agreement.

The subject property is zoned L1 [335] – Community Leisure Facility Zone. The current use as a school is a grandfathered use since the commencement of the Original Lease in 1999.

An Administration Fee for this Renewal Agreement is not applicable as the Lessee is a charitable organization with a registered Canada Revenue Agency number. Accordingly, an Administrative Fee can be waived pursuant to City of Ottawa By-law 2012-109.

RURAL IMPLICATIONS

There are no rural implications associated with the recommendation of this report.

CONSULTATION

This is considered to be an internal administrative matter and accordingly public consultation was not undertaken. Parks Recreation and Cultural Services Department, Asset Management Branch, and Parks Buildings and Grounds Services Branch have been consulted on this matter and are aware of staff’s recommendation for the renewal of this Agreement.

COMMENTS BY THE WARD COUNCILLOR(S)

Ward 17 - Capital – David Chernushenko. Councillor Chernushenko has been consulted and has no objections.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendation of this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with the recommendation of this report.

FINANCIAL IMPLICATIONS

This Lease represents revenue totalling \$1,139,255.00 for the Third Renewal Term. Rental payments will be deposited into 171316.

ACCESSIBILITY IMPACTS

The leased building does not contain accessibility features, and was leased to the Lessee in this condition at the time of the Original Lease in 1999. The Lessee would be responsible for any alterations or installations made to the premises at its own expense.

Realty Services staff have consulted with the Corporate Accessibility Unit on this matter.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with the recommendation of this report.

TECHNOLOGY IMPLICATIONS

There are no technological implications resulting from the recommendations in this report.

TERM OF COUNCIL PRIORITIES

The renewal of this Lease Agreement supports the following strategic priority of City Council:

Financial Responsibility (FS) – Practice Prudent fiscal management of existing resources and make sound long-term choices that allow core City services to be sustainable now and into the future; and its objective FS2 – maintain and enhance the City's financial position.

SUPPORTING DOCUMENTATION

There are no supporting documentation.

DISPOSITION

Following Council's approval Realty Services Branch will finalize the Lease Renewal Agreement.