

DESIGNATE 12,587 SQUARE FEET ON THE 21ST FLOOR AT 160 ELGIN STREET AS A MUNICIPAL CAPITAL FACILITY

DÉSIGNATION DES 12 587 PIEDS CARRÉS DU 21^E ÉTAGE DU 160, RUE ELGIN EN TANT QU'IMMOBILISATION MUNICIPALE

COMMITTEE RECOMMENDATIONS

That Council:

- 1. Designate Suite 2103 at 160 Elgin Street, comprising of 12,587 square feet of office space, as a Municipal Capital Facility for the purpose of general administration of the Municipality as further outlined in this report and as permitted under Section 110(6) of the *Municipal Act* and as defined in Ontario Regulation 603/06, as amended and that this designation be implemented by way of a Municipal Capital Facility Agreement between the City of Ottawa and 160 Elgin Portfolio Inc. and by presenting to Council a by-law for enactment, both in accordance with the requirements of the *Municipal Act*; and**
- 2. Authorize the Director, Real Estate Partnerships and Development Office, in consultation with the City Clerk and Solicitor, to finalize and execute the Municipal Capital Facility Agreement.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

- 1. désigne le bureau 2103 du 160, rue Elgin, comprenant 12 587 pieds carrés d'espaces à bureaux, en tant qu'immobilisation municipale aux fins de l'administration générale de la municipalité, comme le décrit davantage le présent rapport et le permet l'article 110(6) de la Loi sur les municipalités et le définit le Règlement de l'Ontario 603/06, tel que modifié, et que cette désignation soit mise en vigueur par le biais d'une Entente municipale sur les immobilisations entre la Ville d'Ottawa et le**

- 160 Elgin Portfolio Inc. et par la présentation au Conseil d'un Règlement municipal pour son adoption, conformément aux exigences de la Loi sur les municipalités, et;**
- 2. autorise le directeur du Bureau des partenariats et du développement en immobilier, en consultation avec le greffier municipal et chef du contentieux, à conclure et à mettre en œuvre l'Entente municipale sur les immobilisations.**

DOCUMENTATION / DOCUMENTATION

1. Nancy Schepers, Deputy City Manager, Planning and Infrastructure, report dated June 3, 2014 (ACS2014-PAI-REP-0011)

Nancy Schepers, Directrice municipale adjointe, Urbanisme et Infrastructure, rapport daté du 3 juin 2014 (ACS2014-PAI-REP-0011)

**FINANCE AND ECONOMIC
DEVELOPMENT COMMITTEE
REPORT 44
11 JUNE 2014**

311

**COMITÉ DES FINANCES ET DU
DÉVELOPPEMENT ÉCONOMIQUE
RAPPORT 44
LE 11 JUIN 2014**

**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

Personne ressource:

**Robin Souchen, Manager/Realty Services Branch, Real Estate Partnerships and
Development Office/gestionnaire, Direction des services immobiliers, Bureau de
partenaires immobiliers et du développement**

613-580-2424 x/poste 21549, robin.souchen@ottawa.ca

Ward: SOMERSET (14)

File Number: ACS2014-PAI-REP-0011

**SUBJECT: Designate 12,587 square feet on the 21st floor at 160 Elgin Street as a
Municipal Capital Facility**

**OBJET: Désignation des 12 587 pieds carrés du 21^e étage du 160, rue Elgin
en tant qu'immobilisation municipale**

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

1. Designate Suite 2103 at 160 Elgin Street, comprising of 12,587 square feet of office space, as a Municipal Capital Facility for the purpose of general administration of the Municipality as further outlined in this report and as permitted under Section 110(6) of the *Municipal Act* and as defined in Ontario Regulation 603/06, as amended and that this designation be implemented by way of a Municipal Capital Facility Agreement between the City of Ottawa and 160 Elgin Portfolio Inc. and by presenting to Council a by-law for enactment, both in accordance with the requirements of the *Municipal Act*; and
2. Authorize the Director, Real Estate Partnerships and Development Office, in consultation with the City Clerk and Solicitor, to finalize and execute the Municipal Capital Facility Agreement.

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil :

1. désigner le bureau 2103 du 160, rue Elgin, comprenant 12 587 pieds carrés d'espaces à bureaux, en tant qu'immobilisation municipale aux fins de l'administration générale de la municipalité, comme le décrit davantage le présent rapport et le permet l'article 110(6) de la Loi sur les municipalités et le définit le Règlement de l'Ontario 603/06, tel que modifié, et que cette désignation soit mise en vigueur par le biais d'une Entente municipale sur les immobilisations entre la Ville d'Ottawa et le 160 Elgin Portfolio Inc. et par la présentation au Conseil d'un Règlement municipal pour son adoption, conformément aux exigences de la Loi sur les municipalités, et;
2. d'autoriser le directeur du Bureau des partenariats et du développement en immobilier, en consultation avec le greffier municipal et chef du contentieux, à conclure et à mettre en œuvre l'Entente municipale sur les immobilisations

BACKGROUND

In 2010 the City of Ottawa began leasing approximately 12,587 square feet of office space to house the Rail Implementation Office on the 21st floor at 160 Elgin Street. As the Rail Implementation Office needs to remain at this location for at least three further years, the Lease has been extended to 31 August 2017. The City has the option to renew the lease for a further one year after 31 August 2017.

DISCUSSION

The Lease Renewal, approved by the Deputy City Manager, Planning and Infrastructure (DEL2014-REPDO-0047), commences 1 September 2014 and terminates on 31 August 2017. For the term of the renewal, the base rent is \$11.00 per square foot. For 2014 the operating costs are estimated at \$13.89 per square foot. The realty taxes are \$10.46 per square foot.

In order to minimize these costs it is necessary to ensure that Suite 2103 at 160 Elgin Street is treated as a Municipal Capital Facility as set out in Section 110 of the Municipal Act and as defined in Ontario Regulation 603/06 for property tax purposes. In accordance with subsection 110 (6) of the Municipal Act, a municipality may exempt from municipal and school taxes a portion of land on which the municipal capital facility is located and are subject to a Municipal Capital Facility Agreement.

The rent savings to be realized over three years by designating 2103-160 Elgin Street as a Municipal Capital Facility are approximately \$415,086.90 plus HST.

RURAL IMPLICATIONS

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

CONSULTATION

The Real Estate Partnerships and Development Office has consulted with Legal Services and the City Clerk's Office as well as Finance Office in preparing this report. No public consultation was undertaken.

COMMENTS BY THE WARD COUNCILLOR(S)

Ward Councillor Holmes concurs with the recommendations of this report.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report. Pursuant to subsections 110(1) and 110(6) of the *Municipal Act, 2001* a municipality may enter into an agreement for the provision of municipal capital facilities for the purpose of exempting the facilities from municipal and school taxes. Ontario Regulation 603/06 as amended provides the eligible classes of municipal capital facilities which include facilities used for the general administration of the Municipality, as further described in this report.

RISK MANAGEMENT IMPLICATIONS

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

FINANCIAL IMPLICATIONS

The rent savings to be realized over three years by designating 2103-160 Elgin Street as a Municipal Capital Facility are approximately \$415,086.90 plus HST. The savings will align the Rail Implementation Office's lease costs to the lease budget.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with the recommendation of this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with the recommendation.

TECHNOLOGY IMPLICATIONS

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

TERM OF COUNCIL PRIORITIES

The recommendations of this report support the following Financial Responsibility (FS) strategic priority of City Council - 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

Document 1 - (Draft By-law)

Document 2 (Draft Municipal Capital Facility Agreement) immediately follow this report

DISPOSITION

Realty Services, in consultation with Legal Services Branch, will finalize the Municipal Capital Facility Agreement. Legal Services Branch will place the by-law on the agenda of Council for enactment. City Clerk will notify the Municipal Property Assessment Corporation. Realty Services will work with Landlord to have the Municipal Capital Facility Agreement signed.