

5. DESIGNATE 23,795 SQUARE FEET AT 1221 CYRVILLE ROAD AS A MUNICIPAL CAPITAL FACILITY

DÉSIGNATION DES 23 795 PIEDS CARRÉS DU 1221, RUE CYRVILLE EN TANT QU'IMMOBILISATION MUNICIPALE

### COMMITTEE RECOMMENDATIONS

That Council:

1. Designate a portion of 1221 Cyrville Road, comprising of 23,795 square feet of office and warehouse space as well as the City parking spaces, as 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;
2. Implement the Municipal Capital Facility designation by way of a Municipal Capital Facility Agreement between the City of Ottawa and Sedco Limited and enact a by-law in accordance with the requirements of the *Municipal Act, 2001*, as outlined in this report; and
3. Authorize the Director, Corporate Real Estate 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 immobilisation municipale une partie du 1221, chemin Cyrville, comprenant 23 795 pieds carrés d'espace de bureau et d'entreposage ainsi que des places de stationnement municipal, aux fins de l'administration générale de la municipalité, comme le décrit davantage le présent rapport et le permet le paragraphe

**110(6) de la *Loi sur les municipalités*, et comme le définit le Règlement de l'Ontario 603/06, dans sa version modifiée;**

- 2. Applique a désignation d'immobilisation municipale, dans le cadre d'un accord relatif aux immobilisations municipales entre la Ville d'Ottawa et Sedco Limited, et de promulguer un règlement en vertu des exigences de la *Loi de 2001 sur les municipalités* et comme le précise le présent rapport;**
- 3. Autorise le directeur du Bureau des services immobiliers municipaux, en consultation avec le greffier municipal et avocat général, à conclure et à signer l'accord relatif aux immobilisations municipales.**

#### DOCUMENTATION/DOCUMENTATION

1. Director's report, Corporate Real Estate Office, dated 26 June 2018 (ACS2018-CSD-CRE-0009).

Rapport du Directeur, Bureau des biens immobiliers municipal, daté le 26 juin 2018 (ACS2018-CSD-CRE-0009).

**Report to  
Rapport au:**

**Finance and Economic Development Committee  
Comité des finances et du développement économique  
3 July 2018 / 3 juillet 2018**

**and Council  
et au Conseil  
11 July 2018 / 11 juillet 2018**

**Submitted on June 26, 2018  
Soumis le 26 juin 2018**

**Submitted by  
Soumis par:  
Gordon MacNair, Director, Corporate Real Estate Office / Directeur,  
Bureau des biens immobiliers municipal**

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immobiliers municipal, Direction générale des services  
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**Ward: BEACON HILL-CYRVILLE (11)**

**File Number: ACS2018-CSD-CRE-0009**

**SUBJECT: Designate 23,795 square feet at 1221 Cyrville Road as a Municipal  
Capital Facility**

**OBJET: Désignation des 23 795 pieds carrés du 1221, rue Cyrville en tant  
qu'immobilisation municipale**

## REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council:

1. Designate a portion of 1221 Cyrville Road, comprising of 23,795 square feet of office and warehouse space as well as the City parking spaces, as 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;
2. Implement the Municipal Capital Facility designation by way of a Municipal Capital Facility Agreement between the City of Ottawa and Sedco Limited and enact a by-law in accordance with the requirements of the *Municipal Act, 2001*, as outlined in this report; and
3. Authorize the Director, Corporate Real Estate 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. de désigner immobilisation municipale une partie du 1221, chemin Cyrville, comprenant 23 795 pieds carrés d'espace de bureau et d'entreposage ainsi que des places de stationnement municipal, aux fins de l'administration générale de la municipalité, comme le décrit davantage le présent rapport et le permet le paragraphe 110(6) de la *Loi sur les municipalités*, et comme le définit le Règlement de l'Ontario 603/06, dans sa version modifiée;
2. d'appliquer la désignation d'immobilisation municipale, dans le cadre d'un accord relatif aux immobilisations municipales entre la Ville d'Ottawa et Sedco Limited, et de promulguer un règlement en vertu des exigences de la *Loi de 2001 sur les municipalités* et comme le précise le présent rapport;

3. d'autoriser le directeur du Bureau des services immobiliers municipaux, en consultation avec le greffier municipal et avocat général, à conclure et à signer l'accord relatif aux immobilisations municipales.

## BACKGROUND

In October 2009, as approved by Council Report ([ACS2009-CMR-CPO-0016](#)), the City of Ottawa entered into a lease agreement with Sedco Limited (property owner) for approximately 23,795 square feet of office and warehouse space in addition to 23 designated parking spaces to house the Municipal Elections Office at 1221 Cyrville Road. A Lease Extension and Amending Agreement, approved within the 2018-Q1 Delegated Authority Report ([ACS2018-CSD-CRE-0008](#)), Document 1 - item number DEL2018-CREO-0056, dated April 10, 2018, provides for an extended lease term up to June 30, 2023. The recent extension also allows the City the opportunity to register the property as a Municipal Capital Facility (MCF). This report is seeking the approval to proceed with the MCF designation.

## DISCUSSION

The property located at 1221 Cyrville Road consists of approximately 67,773 square feet. This report recommends a MCF designation and an exemption of the taxes levied for the municipal and school purposes for only the City's leased portion of the property, specifically 23,795 square feet and the 23 parking spaces designated for City use as shown in Document 1 at the end of this report.

An MCF designation will allow for an exemption on the City's leased portion of the property on taxes levied for municipal and school purposes. Section 110(6) of the *Municipal Act, 2001* permits the Council of a municipality to exempt taxes levied for municipal and school purposes on which the municipal capital facilities are located. Those property tax components are typically applicable to a commercial lease. The annual property tax cost savings for the Municipal Elections Office lease, based on 2017 actuals, is approximately \$75,271 plus Harmonized Sales Tax (HST). The total estimated savings for the remaining term of the lease is \$361,162 plus HST.

## RURAL IMPLICATIONS

There are no rural implications associated with the recommendations within this report.

## **CONSULTATION**

The Corporate Real Estate Office have consulted with the City Clerk and Solicitor's Office, as well as Revenue Services, in preparing this report.

No public consultation was required.

## **COMMENTS BY THE WARD COUNCILLOR(S)**

The Ward Councillor concurs with the recommendations in this report.

## **LEGAL IMPLICATIONS**

There are no legal implications impediments to approving the recommendations in this report.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with this report.

## **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this report.

## **ACCESSIBILITY IMPACTS**

There are no accessibility implications to implementing the recommendations set out in his report.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with the recommendations within this report.

## **TERM OF COUNCIL PRIORITIES**

The report recommendations support City Council's Financial Sustainability priorities.

## **SUPPORTING DOCUMENTATION**

Document 1 – Building Measurements and City Leased Space, plus 23 designated parking spaces to be designated a MCF included in this report.

Document 2 – Draft By-Law and Draft Municipal Capital Facility Agreement is contained in separate document. (*Held on file with the City Clerk*)

## **DISPOSITION**

The Corporate Real Estate Office (CREO) in consultation with the City Clerk and Solicitor, will finalize the Municipal Capital Facility Agreement.

The City Clerk and Solicitor will place the associated by-law on the agenda of Council for enactment.

CREO will work with the Landlord to have the MCFA signed. Pursuant to Sections 110(5) and 110(6) of the *Municipal Act, 2001*, the City Clerk and Solicitor will give notice of the by-law to the Minister of Education, the Municipal Property Assessment Corporation and the local school boards.

Revenue Services will process the required tax adjustments to be reflected on the tax account.

*\* Note: A minor correction was made to the English title of the report (correction is underlined in the report), pursuant to the City Clerk and Solicitor's Delegated Authority to correct clerical, spelling, or minor errors of an administrative nature as set out in Schedule C, Subsection 35 of Delegation of Authority By-Law 2016- 369.*

Document 1 - Building Measurements and City Leased Space

Figure 1: 1221 Cyrville Road - Building

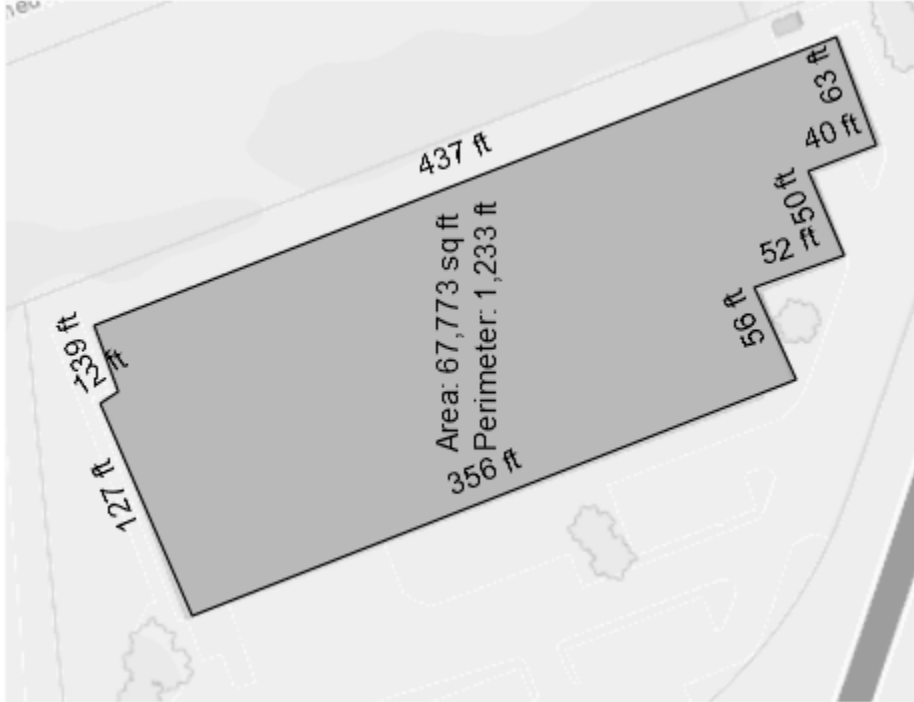




Figure 2: 1221 Cyrville Road – City Leased Space plus 23 Designated Parking Spaces

