



City of North Bay Report to Council

Report No: CORP-2021-145

Date: December 3, 2021

Originator: Margaret Karpenko, Chief Financial Officer

Business Unit: Corporate Services

Department: Finance

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Subject: Tenancy Agreement with District of Nipissing Social Services Administration Board

Closed Session: yes ☐ no ☒

Recommendation

That the Mayor and Clerk be authorized to execute the Agreement between The Corporation of the City of North Bay and the District of Nipissing Social Services Administration Board.

That the execution by-law be presented for three readings on December 14, 2021 permitting the Corporation of the City of North Bay to enter into an Agreement with the District of Nipissing Social Services Administration Board.

Background

The District of Nipissing Social Services Administration Board ("DNSSAB") lease agreement for the third, fourth floor and parts of the first floor of City Hall expired on the 31st day of March, 2020. City Administration and a DNSSAB team have renegotiating a new lease as attached to Corp Report 2021-145. Below are some highlights of the tenancy agreement.

Term

The term of the lease shall be for ten (10) years commencing on April 1, 2020 and expiring on the 31st day of March 2030. There are options to extend for two five (5) year terms.

Termination

The lease provides for either party to terminate upon three hundred and sixty-five (365) days written notice to the other party.

Rent

Rent continues to be payable in equal installments on the first day of each month calculated by multiplying 21,153 square feet by the rate of \$14.50 per square foot commencing on April 1, 2020. The rate per square foot increases by 1.5% annually. The rate per square foot has been reduced to reflect market conditions during 2019 and 2020 for Class A office space.

Additional Rent

As with the prior lease, additional rent relating to cleaning, garbage recycling, elevator maintenance and telephone lines and equipment continue. The cost share amounts have been adjusted from 5/14th of actual Landlords costs to 25%. The adjustment resulted from an analysis of occupancy of total floor space in relation to total floor space in City Hall.

Parking

The number of staff parking spaces has been increased from 50 to 100 spaces with no more than 500 metres between the parking spaces and City Hall.

Insurance

The lease contains the City's standard requirements for insurance and indemnification.

Financial/Legal Implications

Financial and legal implications are discussed within the report.

Corporate Strategic Plan

- | | |
|--|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

Options Analysis

Option 1: That City Council authorize the Agreement between The Corporation of the City of North Bay and the District of Nipissing Social Services Administration Board.

Option 2: Do not authorize the Agreement between The Corporation of the City of North Bay and the District of Nipissing Social Services Administration Board. This option is not recommended.

Recommended Option

That the Mayor and Clerk be authorized to execute the Agreement between The Corporation of the City of North Bay and the District of Nipissing Social Services Administration Board.

That the execution by-law be presented for three readings on January 11, 2022 permitting the Corporation of the City of North Bay to enter into an Agreement with the District of Nipissing Social Services Administration Board.

Respectfully submitted,

Name: Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

I concur with this report and recommendation

Name Peter E.G. Leckie, B.A. (Hons.), LL.B.

Title: City Solicitor

Name David Euler, P.Eng., PMP

Title: Chief Administrative Officer

Personnel designated for continuance:

Margaret Karpenko, CPA, CMA

Chief Financial Officer /Treasurer

Peter E.G. Leckie, B.A. (Hons.), LL.B.

City Solicitor