

**CITY OF HAMILTON**

**COMMUNITY SERVICES DEPARTMENT**  
*Employment and Income Support Division*  
*and*  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
*Economic Development Division*

<b>TO:</b> Mayor and Members General Issues Committee	<b>WARD(S) AFFECTED:</b> Ward 2
<b>COMMITTEE DATE:</b> December 12, 2011	
<b>SUBJECT/REPORT NO:</b> Career Development Centre (CDC) Lease (CS11096/PED11213) (Ward 2)	
<b>SUBMITTED BY:</b> Joe-Anne Priel General Manager Community Services Department  Tim McCabe General Manager Planning and Economic Development Department	<b>PREPARED BY:</b> Sandra Kelly (905) 546-2424, Ext. 4500 Bill Farkas (905) 546-2424 Ext. 7019
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That City Council approve a new lease with CityHousing Hamilton Corporation (CHHC) subject to the following terms and conditions:
- (i) **Term:** Three (3) years commencing January 1, 2011 and terminating on December 31 2013;
  - (ii) **Property:** Career Development Centre, 181 Main St West, 3<sup>rd</sup> floor Hamilton, comprising a gross rentable area of 22,706 square feet of first floor, second floor and third floor space;

- (iii) **Rental Rate:** From the date of commencement, being January 1 2011, the City shall pay fixed rent of \$11.451 per square foot including HST for year 1, \$11.680 for year 2, and \$ 11.913 for year 3;
  - (iv) **Parking:** Lease provides 5 underground parking spaces at no cost; and,
  - (v) **Operating Costs:** Operating costs are included in the gross rent save and except cleaning, garbage, waste collection and disposal, security system, and interior décor and finishing.
- (b) That all rent and operating costs be funded from Account No. 672825-55358 and 672815-55358;
  - (c) That Legal Services be authorized to prepare a by-law under Section 110 of the Municipal Act to propose the leased space to become a City Capital Facility, whereby the City would be exempt from paying Realty Taxes at this location; and,
  - (d) That the Mayor, General Manager of Finance, and City Clerk be authorized and directed to execute the Lease in a form satisfactory to the City Solicitor.

#### **EXECUTIVE SUMMARY**

This Report seeks Council's direction to enter into a lease agreement with CityHousing Hamilton Corporation (CHHC) for lease of office space at 181 Main Street West first, second and third floors, site of the Career Development Centre.

The Career Development Centre has been located at this address since January 2005. There has been a Memorandum of Understanding in place since January 1 2006 that expired December 31 2010. The Employment Resource Centre, Helping Hands Program, Job Development, Employment Workshops and Employment Counselling are all located at the Career Development Centre.

***Alternatives for Consideration – Not applicable***

#### **FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:** Lease costs will be funded from the Community Services Operational Budget with a portion covered by 100% funding from the Ministry of Training, Colleges and Universities (MTCU) with the balance receiving

50% funding from Ministry of Community and Social Services, 50% net levy impact.

**Staffing:** There are no increases to staff levels associated with the recommendations of this Report.

**Legal:** Legal Services Division has reviewed the lease.

## **HISTORICAL BACKGROUND**

The Career Development Centre (CDC), located at 181 Main Street West, has been operational since January 2005. This location was selected due to the size of the space, access to public transportation, close vicinity to the downtown core and because the building was owned and managed by the CityHousing Hamilton Corporation. The funding for the original construction of the Centre was through Community Trust Funding and limited one time funding from the Ministry of Community and Social Services. The original rent was set at \$1 per year pending a more detailed analysis of potential revenues/savings realized by CHHC. From January 1, 2006 until December 31, 2009, the rent was set at \$252,000 per year, or approximately \$12.00 per square foot. The tenant acquired additional space in the building, so the rent was increased to \$272,000 for 2010. The rental costs for these years included cleaning services.

The CDC focuses on serving the job seeking community and employers by providing a place where people can find career opportunities and gain skills for successful employment.

The CDC provides a range of on-site resources, programs, and services to assist citizens of Hamilton with their job search efforts. At the CDC, a number of programs and services are offered to individuals receiving Ontario Works and Ontario Disability Support Plan assistance, including pre-employment workshops, job search resources, employment placement, and individual employment counselling.

The CDC houses a Resource Centre, partially funded by Ministry of Training Colleges and Universities, which is open to all citizens and provides computers, a library of job search resource books, work tables, photocopiers, telephones, printers, fax machines etc. Daily newspapers, resume programs, and access to job bank web sites are also available to assist with job searches. Resource Centre clerks are available to assist with basic inquiries or to solve technical problems.

### **POLICY IMPLICATIONS**

The recommendation is consistent with the City's Real Estate Portfolio Management Strategy Plan as approved by City Council on November 24, 2004 and Procedural By-Law No. 04-299. City Council, in approving the Consolidation of Routine Real Estate Matters, authorized the delegation of authority to approve the acquisition, disposition or lease as follows: to the General Manager or designate for a lease value not exceeding \$150,000 annual rental; to the City Manager or designate for a lease value not exceeding \$250,000 annual rental. As the annual lease payments are in excess of the above referenced limits, City Council approval is required to approve the recommendations contained within this report.

### **RELEVANT CONSULTATION**

- City Manager's Office, Legal Services Division
- Public Works, Facility Services Division
- CityHousing Hamilton Corporation

### **ANALYSIS / RATIONALE FOR RECOMMENDATION**

The Career Development is well located for Ontario Works and Ontario Disability Support Plan participants, as well as any resident of the City of Hamilton needing assistance with their job search efforts. This building is on a major transit route and the space is accessible. The Career Development Centre has been open at this location since January 2005 and houses 71 staff.

With the lease recommendation being adopted, the City will have secured a three year lease at a \$260,000 for year 1; \$265,200 for year 2; and \$270,504 for year 3; terminating December 31, 2013.

### **ALTERNATIVES FOR CONSIDERATION**

There are no alternatives for consideration.

### **CORPORATE STRATEGIC PLAN**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

***Skilled, Innovative & Respectful Organization***

- ◆ An effective work environment that enables effective communication, respectful culture, well-being and safety.

***Financial Sustainability***

- ◆ Lease Costs are cost shared with the Ministry of Community and Social Services and provides revenue for CHHC.

***Growing Our Economy***

- ◆ Resource Centre is open to any citizen of the City of Hamilton to assist with job search needs.

***Social Development***

- ◆ Improved customer service to clients and community stakeholders who use the Career Development Centre.

***Healthy Community***

- ◆ Compatible uses and/or social services are located within a close vicinity.

**APPENDICES / SCHEDULES**

None