



MOTION

Council Date: January 23, 2013

MOVED BY COUNCILLOR L. FERGUSON.....

SECONDED BY COUNCILLOR

That Item 8 of General Issues Committee Report 12-014 respecting Public Health Services Accommodation and Consolidation within the Downtown Core (PED11134(d)/FCS11063(d)/BOH11026(d)/CM11008(d)), approved by Council on May 23, 2012, be amended as follows:

- (a) By deleting the dates of May 1, 2014 and April 30, 2034 in sub-section (a)(i) and replacing them with the dates of June 1, 2014 and May 31, 2034 respectively;
- (b) By deleting dates of April 30, 2014 and May 1, 2014 in sub-section (a)(v) and replacing them with the dates of May 31, 2014 and June 1, 2014 respectively;
- (c) By adding the following as sub-sections (a)(vi) and (a)(vii) as follows:
 - (a)(vi) **Condition of Premises:** The leasehold improvements to the Premises will be completed by the Landlord at the Tenant's costs in accordance with the Tenant's plans. The Landlord will tender and submit bids from independent contractors to the Tenant for consultation prior to the selection of a contractor, to be hired by the Landlord for the completion of the improvements. The Landlord shall provide certificates of payment, as approved by an Architect, directly to the Tenant which shall be payable within thirty (30) days. The Landlord hereby confirms that it will eliminate its standard ten per cent (10%) supervision fee.

- (a)(vii) **Improvement Allowance:** The Landlord shall provide an allowance to a maximum of Ten Dollars (\$10.00) per square foot plus applicable taxes for improvements to the premises.
- (d) By deleting the date of May 1, 2014 in sub-section (b) and replacing it with the date of June 1, 2014 in lieu thereof.
- (e) By deleting sub-section (e) in its entirety and replacing it with the following in lieu thereof:
 - (e) That Recommendations (a) through (d) are subject to the condition that prior to execution of the Agreement, the City and Yale Properties have executed Minutes of Settlement in the outstanding litigation, in a form and content satisfactory to the Acting City Solicitor, in accordance with the terms set out herein.

to read as follows:

8. Public Health Services Accommodation and Consolidation within the Downtown Core (PED11134(d)/FCS11063(d)/BOH11026(d)/CM11008(d)) (Ward 2) (Item 7.1)

- (a) That a new lease between the City of Hamilton (the "Tenant") and Second Real Property Limited, be approved, subject to the following terms and conditions:
 - (i) **Term:** Twenty (20) years, commencing **June 1, 2014** and terminating **May 30, 2034** with an option to renew for a further ten (10) years to 2044;
 - (ii) **Property:** Robert Thompson Building, 110 King Street West, Suites 200, 300 and 400, Hamilton, comprising a gross rentable area of 52,300 square feet;
 - (iii) **Rental Rate:** From the date of commencement, being May 1, 2014, the Base Rental rate shall be:
 - (1) Years 1 to 4 at \$7.00 per square foot;
 - (2) Years 5 to 8 at \$10.00 per square foot;
 - (3) Years 9 to 14 at \$12.00 per square foot;
 - (4) Years 15 to 20 at \$14.00 per square foot;
 - (iv) **Operating Costs:** The Tenant shall be responsible for its full proportionate share of operating costs and property taxes accruing to the premises. These costs are forecasted to be \$13.35 per square foot in 2012; and,

(v) **Early Occupancy:** Upon execution of the Lease the Tenant (City) will have access to the premises to undertake leasehold improvements from January 1, 2014 to **May 31, 2014** wherein the Tenant (City) shall not be required to pay rent both base and operation during the period. Should the improvements be completed prior to **June 1, 2014**, the Tenant shall be permitted to occupy the premises during said period, in which case the operating costs shall become payable.

(vi) **Condition of Premises:** The leasehold improvements to the Premises will be completed by the Landlord at the Tenant's costs in accordance with the Tenant's plans. The Landlord will tender and submit bids from independent contractors to the Tenant for consultation prior to the selection of a contractor, to be hired by the Landlord for the completion of the improvements. The Landlord shall provide certificates of payment, as approved by an Architect, directly to the Tenant which shall be payable within thirty (30) days. The Landlord hereby confirms that it will eliminate its standard ten per cent (10%) supervision fee.

(vii) **Improvement Allowance:** The Landlord shall provide an allowance to a maximum of Ten Dollars (\$10.00) per square foot plus applicable taxes for improvements to the premises.

(b) That Legal Services be authorized and directed 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 commencing **June 1, 2014**;

(c) That all rent and operating costs be funded from Account 55358-677500 (Public Health Administration - Rent Office & Buildings);

(d) That the Mayor and City Clerk be authorized and directed to execute the Lease in a form satisfactory to the City Solicitor;

(e) That Recommendations (a) through (d) are subject to the condition that prior to execution of the Agreement, the City and Yale Properties have executed Minutes of Settlement in the outstanding litigation, in form and content satisfactory to the Acting City Solicitor, in accordance with the terms set out in Report LS12004(b).