




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 20, 2022
SUBJECT/REPORT NO:	Lease Extension – Royal Canadian Mounted Police (RCMP), 777 Highway No. 8, Stoney Creek (PED22053) (Ward 10)
WARD(S) AFFECTED:	Ward 10
PREPARED BY:	David McCullagh (905) 546-2424 Ext. 1647
SUBMITTED BY:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

Discussion of Confidential Appendix “B” to Report PED22053 in closed session is subject to the following requirement(s) of the City of Hamilton’s Procedural By-law and the *Ontario Municipal Act, 2001*:

- A proposed or pending acquisition or disposition of property for City or a local board purpose.

RATIONALE FOR CONFIDENTIALITY

Appendix “B” to Report PED22053 proposes a real estate transaction, and therefore it is appropriate to address in-camera, pursuant to the *Ontario Municipal Act, 2001*.

RATIONALE FOR MAINTAINING CONFIDENTIALITY

Appendix “B” to Report PED22053 is to remain Confidential as real estate transactions involve commercially confidential information and the outcome of negotiations, pending approval of Council.

RECOMMENDATION (CLOSED SESSION)

None.

RECOMMENDATION (OPEN SESSION)

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Lease Extension – Royal Canadian Mounted Police (RCMP), 777
Highway No. 8, Stoney Creek (PED22053) (Ward 10)- Page 2 of 5**

- (a) That an Agreement of Annual Rent For Lease Extension Term between the City of Hamilton (Lessor) and Her Majesty The Queen In Right Of Canada, as represented by the Minister of Public Safety and Emergency Preparedness Canada, responsible for the Royal Canadian Mounted Police (Lessee), for the subject premises located as identified in attached Appendix “A” to Report PED22053, and based substantially on the terms and conditions outlined in Appendix “B” to Report PED22053, and such other terms and conditions deemed appropriate by the General Manager of the Planning and Economic Development Department, be entered into by the City of Hamilton;
- (b) That all rental proceeds continue to be received into Dept. ID Account No.46035-791514;
- (c) That all costs related to the Agreement of Annual Rent For Lease Extension Term with Her Majesty The Queen In Right Of Canada, as represented by the Minister of Public Safety and Emergency Preparedness Canada, responsible for the Royal Canadian Mounted Police (Lessee), including the real estate and legal costs of \$77,951.39, be funded from Dept. ID Account No. 55778-791514 and credited to Dept. ID Account No. 55778-812036 (Real Estate – Admin Recovery);
- (d) That the General Manager, Planning and Economic Development Department or designate, acting on behalf of the City as Lessor, be authorized to administer the existing Lease and the Agreement of Annual Rent For Lease Extension Term with Her Majesty The Queen In Right Of Canada, as represented by the Minister of Public Safety and Emergency Preparedness Canada, responsible for the Royal Canadian Mounted Police (Lessee) and provide any requisite consents, approvals, and notices related to the Agreement of Annual Rent For Lease Extension Term;
- (e) That the City Solicitor be authorized to amend and waive terms and conditions on such terms as considered reasonable to complete the leasing transaction, respecting the Agreement of Annual Rent For Lease Extension Term with Her Majesty The Queen In Right Of Canada, as represented by the Minister of Public Safety and Emergency Preparedness Canada, responsible for the Royal Canadian Mounted Police (Lessee);
- (f) That the Mayor and Clerk be authorized and directed to execute the Agreement of Annual Rent For Lease Extension Term with Her Majesty The Queen In Right Of Canada, as represented by the Minister of Public Safety and Emergency Preparedness Canada, responsible for the Royal Canadian Mounted Police (Lessee), or such other form and all other necessary associated documents with all such documents to be in a form satisfactory to the City Solicitor;

- (g) That Appendix “B” to Report PED22053, respecting Lease Extension – Royal Canadian Mounted Police (RCMP), 777 Highway No. 8, Stoney Creek, remain confidential and not be released as a public document.

EXECUTIVE SUMMARY

By way of a Notice Letter dated November 1, 2021, the Lessee, pursuant to the relevant provision of the Lease, did exercise the Lessee’s option to extend the Lease for a further five years commencing June 1, 2022 and being on the same terms and conditions, save and except the rent which was to be negotiated as set forth in the Lease.

This Report seeks approval to finalize the rental terms that have been negotiated as set forth in the Lease.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Transaction as outlined in Appendix “B” to Report PED22053 attached;

That all rental proceeds continue to be received into Dept. ID Account No. 46035-791514; and,

That all costs related to the Agreement of Annual Rent For Lease Extension Term, including the real estate and legal costs of \$77,951.39, be funded from Dept. ID Account No. 55778-791514 and credited to Dept. ID Account No. 55778-812036 (Real Estate – Admin Recovery).

Staffing: N/A

Legal: Legal Services will be required to assist in the preparation of the contemplated Agreement of Annual Rent For Lease Extension Term and any necessary documents required to complete this leasing transaction.

HISTORICAL BACKGROUND

The Royal Canadian Mounted Police (RCMP) had been looking to consolidate their various locations to better service the Hamilton area as well as the Niagara Region and had selected the former Stoney Creek City Hall as a possible site.

Council, on July 13, 2005, in approving Committee of the Whole (COW) Report 05-011 Item No. 23, approved Joint Report PED05091/PW05031/FCS05054 authorizing the

completion and entering into a Lease Agreement with Her Majesty The Queen In Right Of Canada, as represented by the Minister of Public Safety and Emergency Preparedness Canada, responsible for the Royal Canadian Mounted Police (Lessee) for a 15-year term, commencing June 1, 2007 and expiring May 31, 2022.

The Lessee, during the term has continuously occupied and operated its business from the leased premises and, consistent with its exercising for a further term, in early 2021 completed renovations and improvements to the leased premises.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Portfolio Management Strategy – Real Estate Management Plan

City Council, at its meeting of November 24, 2004, adopted the City's Portfolio Management Strategy Plan, which established a formalized process to be consistently applied across all areas of the City to guide the management of the City's real property.

RELEVANT CONSULTATION

- Public Works, Facilities Planning and Business Solutions;
- Corporate Services Department, Legal and Risk Management Services Division; and,
- Financial Planning Administration and Policy Division.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The RCMP has kept the Lease and their tenancy in good standing and has continuously occupied and conducted business from the leased premises.

Not being or having been in default, the Lessee appropriately exercised its available option to extend the Lease for a further five-year term. Thereby granting a further leasehold interest to the Lessee for this five-year extension term as exercised.

The recommendations in this Report are consistent with the provisions associated with the extension option exercised by the Lessee.

The terms and conditions outlined in confidential Appendix "B" to Report PED22053 attached are deemed fair, reasonable and at market value.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED22053 – Location Map, Identification of Building containing
the Leased Premises

Appendix “B” to Report PED22053 – Confidential - Major Terms and Conditions

DM/jd