



Committee Report

To: Warden Chris Peabody and
Members of the Corporate Services Committee

From: Edward Henley
Director of Corporate Services

Date: January 26, 2023

Re: 207 Cayley Street Courthouse Lease Renewal

Staff Recommendation:

That a by-law be introduced authorizing the Warden and Clerk to execute a 5-year lease agreement for 207 Cayley Street “Courthouse” between the Corporation of the County of Bruce and His Majesty the King in Right of Ontario as represented by the Minister of Infrastructure.

Background:

The current lease of 207 Cayley Street to the Ministry of the Attorney General (M A G) and its predecessors has been in place since 1988 and has been extended seven times. The seventh extension was approved at a Corporate Services Committee meeting on July 6, 2017 for the period January 1, 2018 until December 31, 2022. The lease ownership has been shifted from M A G to the Ministry of Infrastructure (M O I). The Minister of Infrastructure desires to extend the lease for an eighth time. (see attached renewal)

Updated renewal rates have been determined after discussions with the Ministry’s agent, C B R E, on behalf of the M O I. No lease improvements are being requested at the time of this renewal.

Ontario Infrastructure and Lands Corporation (O I L C) applies a real estate fee of \$1.50 per square foot of the rentable area of the premises plus applicable sales taxes to the brokerage (C B R E). This real estate fee is common across the Province and is repaid during the term of the lease although the landlord is required to pay the brokerage fees in year one. This fee remains the same amount from 2018 and is recovered in the first year of the lease. The 6-month termination clause remains.

Financial/Staffing/Legal/IT Considerations:

There are no staffing, legal or IT considerations associated with this report.

Table 1: General Lease information

Lease #	L-7789
Location	207 Cayley Street, Walkerton
Expiry Date	December 31, 2022
Description	Courthouse

Table 2: Lease Financial Information

Lease Financial Information	2018 Renewal	2023 Renewal
Base rate per square foot	\$10.75	\$11.25
Real Estate Fees per square foot - one-year	\$1.50	\$1.50
Operating cost per square foot	\$10.95	\$12.84
Annual rent excluding real estate fee	\$392,661.50	\$435,908.55
Extraordinary costs top up	To be billed	To be billed

Interdepartmental Consultation:

None.

Link to Strategic Goals and Elements:

None identified.

Approved for Submission:

Derrick Thomson
Chief Administrative Officer