

RECOMMENDATIONS:

The SPC on Utilities and Corporate Services recommends that Council:

(1) Authorize the proposed lease subject to the following fundamental terms and conditions:

(a) PROPERTY:

Portion of:

PLAN 1513445

BLOCK 3

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

Comprising 652.00 sq. m (7,017 sq. ft.), more or less, as shown hatched in red on Attachment 1a.

Municipally known as 250 EAST HILLS SQ SE

(b) PARTIES:

Landlord: Riotrin Properties (Calgary East) Inc. and 2185278 Ontario Limited

Tenant: The City of Calgary

(c) CONSIDERATION:

Years 1 through 5:

\$231,561.00 plus G.S.T per year payable in advance in equal monthly instalments of \$19,296.75 plus G.S.T beginning at the start of the first year of the Term.

Years 6 through 10"

To be negotiated between the Landlord and the Tenant, but in any event shall not be less than the rent payable in years 1 through 5 and shall not exceed \$259,629.00 plus G.S.T per year payable in advance in equal monthly instalments beginning at the start of the sixth year of the Term.

(d) TERM AND COMMENCEMENT DATE:

Ten (10) years commencing on the day immediately following the fixturing period, but in any event no later than 2023 January 01.

(e) PERMITTED USES:

To be used as a temporary firehall for emergency response and other fire department related uses.

(f) SPECIAL TERMS AND CONDITIONS:

- (i) Tenant agrees to pay its pro rata or allocated share of the operating costs, which are estimated to be \$4.22 per square foot per annum for 2021. Notwithstanding anything to the contrary contained herein, to the extent the tax assessment in respect of the property taxes pertaining to the Property is reduced by virtue of the Tenant's tenancy in the building, the Tenant shall receive a corresponding reduction in the payment of operating costs. The 2021 property taxes are estimated to be \$8.14 per square foot per annum.
- (ii) Two (2) options to extend for five (5) years each. For both options to extend, the Property shall be taken as-is, and the rent shall be as agreed upon between the Landlord and the Tenant.
- (iii) The fixturing period shall be up to 180 days gross-free rent period (free of basic rent and additional rent, except the Tenant shall be responsible for all utility charges used by the Tenant or consumed in the Property during the fixturing period) of exclusive possession of the Property and expires 180 days after the fixturing period begins.
- (iv) There shall be no deposit provided by the Tenant.
- (v) The Tenant shall not be responsible for any removal, repair or restoration of any leasehold improvements in the Property upon the expiry of the Term or any extension term thereof, but shall remove all of the Tenant's equipment and any fixtures and installed by the Tenant and leave the Property in good repair, reasonable wear and tear excepted.
- (vi) The Tenant shall be allowed to install its standard typical signage on the main directory of the building and on the door of the Property, subject to Landlord's prior written approval.
- (vii) The Landlord shall at its sole cost and expense, complete the Landlord's work which shall be the development of a standard commercial shell building.
- (viii) The Landlord shall at the Tenant's sole cost and expense, complete the Tenant's build-out as required pursuant to CFD's outlined specification. The Landlord is responsible for any permits required for the Tenant's build-out, however the cost of which shall be Tenant's. Upon completion of the Tenant's build-out, the Tenant shall reimburse the Landlord for the costs associated with same in a lump sum payment not to exceed three million (\$3,000,000) dollars, plus GST. Any costs over and above shall be at the sole cost and expense of the Landlord unless such increased cost is as a result of a change requested by the Tenant.

- (ix) Prior to commencing design and construction of the building, the Landlord shall consult with the Tenant and continue to keep the Tenant engaged throughout the entire design and construction of the building.
- (x) The lease agreement to be prepared by the Landlord on the Landlord's standard form of lease subject to such amendments as are requested by the Tenant and agreed to by the Landlord, all parties acting reasonably.
- (xi) The Tenant may register a notice or caveat with regard to the lease in a form approved by the Landlord.
- (xii) No real estate commission shall be payable to any agent, broker or consultant by the Tenant or Landlord and both parties confirm neither has engaged any agent, broker or consultant in this regard.