

**Item No. 11.1.5**  
**Halifax Regional Council**  
**January 14, 2013**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original signed by   
Richard Butts, Chief Administrative Officer

Original Signed by   
Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** December 19, 2013

**SUBJECT:** Duke Tower Lease Renewal, Suite 408 Corporate Training Center

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**ORIGIN**

This report originates with a request from Human Resources, to renew the existing Corporate Training Center lease at Duke Tower for an additional three (3) year term.

**LEGISLATIVE AUTHORITY**

Halifax Regional Municipal Charter Section 61, Power of the Municipality Regarding Property, subsections (5) The Municipality may (a) acquire property, including property outside the Municipality, that the Municipality requires for its purposes for the use of the public.

**RECOMMENDATION**

It is recommended that Halifax Regional Council authorize the Mayor and Clerk to enter into a lease renewal for the existing Corporate Training Center premises at Duke Tower, between Crombie REIT (Landlord) and the Halifax Regional Municipality (Tenant), as per the terms and conditions outlined in this report and Tables 1 and 2 in the Private and Confidential Information Report dated December 19, 2013.

## **BACKGROUND**

The Corporate Training Center has been located on the fourth floor of Duke Tower since 2006. The Center is still satisfying the requirement; however, Human Resources would like to explore a possible relocation of the training center to outside of the downtown core or perhaps having two training centers, retaining the Duke Tower site with an additional center in the Dartmouth area.

## **DISCUSSION**

Staff approached Crombie REIT expressing an interest to enter into a lease renewal for a three (3) period, with an option to renew. This would provide Human Resources with adequate time to undertake a corporate training needs assessment and provide HRM with the option to terminate the Duke Tower corporate training center in the short term, or renew in the long term based on the outcome of this business unit's needs assessment.

Staff negotiated a rental rate in keeping with the market rate for a renewal of lease space in this location. The following are the key terms and conditions being recommended for Council's approval:

Table 1

|                                 |   |
|---------------------------------|---|
| <b><i>Property Address</i></b>  | 5251 Duke Street, Duke Tower, Suite 408   |
| <b><i>Tenant</i></b>            | Halifax Regional Municipality   |
| <b><i>Landlord</i></b>          | Crombie REIT  |
| <b><i>Area</i></b>              | 3,924 square feet   |
| <b><i>Base Rent</i></b>         | <i>See Private and Confidential Report dated December 19, 2013</i>                            |
| <b><i>Additional Rent</i></b>   |   |
| <b><i>Total Rent</i></b>        |   |
| <b><i>Term</i></b>              | Three (3) years with two (2) five (5) year options to renew                                   |
| <b><i>Conditions</i></b>        | Same terms and conditions as the current lease excepting term, rent rates and renewal option. |
| <b><i>Commencement Date</i></b> | Lease renewal dated April 1, 2014   |

## **FINANCIAL IMPLICATIONS**

See Confidential Report dated December 19, 2013.

## **COMMUNITY ENGAGEMENT**

Not applicable.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with this report.

## **ALTERNATIVES**

Council could decide not to approve this lease proposal. **This is not the recommended action.** The Corporate Training Center at Duke Tower is programed through Human Resources and the trainers/facilitators utilizing this center are primarily housed within the Duke Tower complex. The short term renewal will provide staff the opportunity to study the long term requirements for corporate training throughout the organization and provide Planning and Infrastructure an opportunity to response to the recommended long term space requirements.

## **ATTACHMENTS**

Attachment 1 – Lease Premises

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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ATTACHMENT "A"

4th Floor Duke

