


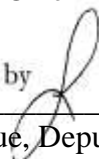
Item No. 11.1.6
Halifax Regional Council
January 14, 2014

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 9, 2013

SUBJECT: Lease Renewal, 81 Ilsley Avenue, Dartmouth – Corporate Information Management

ORIGIN

This report originates with a request from Corporate Information Management to renew the HRM lease holdings at 81 Ilsley Avenue, Dartmouth, for the retention and expansion of the Municipal Records Center.

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.

Halifax Regional Municipality Charter, Section 111(5). The Municipality may enter into a lease, lease-purchase or other commitment to pay money over a period extending beyond the end of the current fiscal year, if, where the total commitment exceeds five hundred thousand dollars, the proposed commitment has been approved by the Minister.

RECOMMENDATION

It is recommended that Halifax Regional Council authorize the Mayor and Clerk to enter into a Lease Agreement between Eastport Properties Limited (Landlord) and the Halifax Regional Municipality (Tenant), for the subject premises, as per the terms and conditions outlined in this report and Tables 1 and 2 of the Confidential Information report dated December 19, 2013, pending Ministerial approval.

BACKGROUND

In accordance with Section 38 of the Halifax Regional Municipality Charter and the Halifax Regional Municipality Administrative order No. 31 (approved by Council January 14, 2003), the Municipality has a requirement to manage the entire life cycle of municipal records.

In June of 2003, Halifax Regional Council approved a 10 year lease with East Port Properties Limited at 81 Ilsley Avenue for 11,700 square feet, which commenced October 1, 2003. The various municipal records storage facilities were consolidated and centralized into this location.

In April of 2005, through delegated authority in compliance with the Transaction Policy as approved by Regional Council on October 8, 2002, the Chief Administrative Officer approved an amendment to the original lease with Eastport Properties Limited adding an additional 7,800 square feet to the original lease agreement (co-terminus with the head lease), which provided 3,900 square feet for the Records Management expansion; 2,925 for TPW Works Depot and 975 for C&RS Field Schedulers. Subsequently, the TPW Works Depot and staff were relocated to Turner Drive in 2012, and the C&RS Field Schedulers will be relocated to the second Floor of Alderney Gate, providing an opportunity for the Municipal Records Center to expand with the current leased premises.

The lease agreements expired as of November 1, 2013, and currently the Halifax Regional Municipality is over-holding with the Landlord under the current terms and conditions pending lease renewal.

DISCUSSION

The Municipal Records Center provides semi-active long term storage of HRM's vital records for all Business Units as well as the storage and care of HRM's archival holdings. As part of the long term strategic planning to improve HRM's record storage and retention efforts, the Municipal Records Center is working with business units to identify, early in the process of creating records, whether they are archival in nature, permanent records or how long the records should be retained before being destroyed. In addition, the Municipal Records Center is working with Planning and Infrastructure to determine the best long-term solutions for HRM's Municipal Records Center.

In the interim, additional space is required in order to meet the growing demands for HRM business units for the low-cost, centralized storage of semi-active, vital, long term operational and archival records. Alternatives were examined including moving the center and/or contracting to an off-site records storage/retrieval firm. Both of these options would present significant higher costs that would exceed the cost to expand the existing facility with adjacent warehouse space already leased by HRM.

Staff has been successful in negotiating an overall lower rental rate, which includes a modest Tenant Allowance to assist in the required upgrading of the offices to better suit the operational

requirements and to assist in retrofitting the warehouse to accommodate the additional racking system requirements.

The following are the key terms and conditions being recommended for Council's approval:

Table 1

Property Address	81 Ilsley Avenue, Dartmouth
Tenant	Halifax Regional Municipality
Landlord	Eastport Properties Limited
Area	19,500 sq. ft.
Base Rent	<i>See Private and Confidential Report dated December 19, 2013</i>
Additional Rent	<i>Terms of Private and Confidential Report shall be released once the parties enter into an agreement.</i>
Total Rent	
Term	Five (5) year term
Conditions/Special Clauses	1. Early Termination Option December 31, 2016; upon receipt of six (6) months written notification. Tenant agrees to pay back the unamortized portion of the Tenant Allowance if the Early Termination Option is exercised. 2. Subject to Ministerial Approval.
Commencement Date	Anticipated Lease commencement date is March 1, 2014.
Tenant Fit Up Allowance	Landlord is providing a Tenant Allowance of \$87,750 towards the required upgrades to the interior offices and warehouse space payable to HRM within 45 days of signing the lease and landlord will complete base building work of approximately \$14,300.

FINANCIAL IMPLICATIONS

See Private and 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 Municipal Records Center currently houses over 25,000 boxes of semi-active and archival records. HRM is responsible for the storage and preservation of records in accordance with the guidelines established by Regional Council under Administrative Order 31. The cost to move, store, and access those records in any other manner would be substantially higher than the recommended option.

ATTACHMENTS

Attachment 1 – Lease Premises Site Plan

If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Brenda MacPherson, Coordinator, Leasing, Real Estate & Land Management, Planning and Infrastructure, 490-5935
Angela Smith, Manager, Information Management, Corporate Information Management, Chief Administrative Office, 490-1288

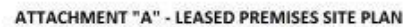
Report Approved by: _____
Cathy Mellett, Municipal Clerk, Office of the Municipal Clerk, Chief Administrative Office, 490-6456

Report Approved by: _____
Diane Moulton, Manager, Facilities Management, Transportation & Public Works, 490-1356

Report Approved by: _____
Peter Stickings, Manager, Real Estate & Land Management, P&I 490-7129

Financial Approval by: _____
Greg Keefe, Director of Finance & ICT/CFO, 490-6308

Report Approved by: _____
Jane Fraser, Director, Planning and Infrastructure, 490-7166



BUILDING SUMMARY		
R. CODE	TOTAL NET AREA	TOTAL GROSS AREA
WAB	1026	11079
RECHD	208	2207
BUILDING TOTAL NET AREA = 1234		
BUILDING TOTAL GROSS AREA = 2308		

Notepad

1. THE INFORMATION MAY BE USED TO CONDUCT RESEARCH AND/OR FOR OTHER PURPOSES THAT ARE NOT NECESSARILY COMMERCIAL IN NATURE.
2. CHECK AND IDENTIFY ALL INFORMATION ON SITE, AND REPORT ALL FINDINGS AND OBSERVATIONS TO THE LOCAL LAW ENFORCEMENT AGENCY.
3. CONDUCTORS ARE TO TAKE PRECAUTIONS TO AVOID, TO THE MAXIMUM FEASIBLE, THE RELEASE OF HAZARDOUS MATERIALS TO THE ENVIRONMENT.
4. THESE DOCUMENTS ARE TO BE USED ONLY FOR THE INTENDED PROJECT AND ARE NOT TO BE REPRODUCED OR USED FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN PERMISSION OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY.

Date	No.	Description
Revisions		



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1. *Journal of the American Medical Association*, 2000; 283: 2686-2692.
 2. *Journal of the American Medical Association*, 2000; 283: 2693-2698.
 3. *Journal of the American Medical Association*, 2000; 283: 2699-2704.

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Halifax Regional Municipality

81 Enderby Avenue, Units 18 to 12

Dartmouth, Nova Scotia

Existing Floor Plan - Second Floor

Shane 1491

Phase				
Item	End of 2011	Score	SD = 1.07	Unit

Item No.	Part No.	Part Name	Unit	QTY	Price	Total
1	A100

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