

Saskatoon Land Office Lease Extension- 201 3rd Avenue North- Essex Plaza

ISSUE

Saskatoon Land's lease of 201 3rd Avenue North expires on June 30, 2022. Saskatoon Land requires short-term office accommodations until long-term relocation plans are finalized.

RECOMMENDATION

1. That a lease renewal between the City of Saskatoon and General Management Services Ltd. for 201 3rd Avenue North for an additional three-years, with the ability to terminate the agreement upon six months' prior notice, be approved; and
2. That the City Solicitor be requested to review the agreement and have it executed by His Worship the Mayor and the City Clerk under the Corporate Seal.

BACKGROUND

Saskatoon Land has leased 201 3rd Avenue North from General Management Services Ltd. (GMS) through various agreements since 2003. The current term of the lease agreement, expiring on June 30, 2022, was approved at the June 11, 2019 meeting of the Standing Policy Committee on Finance. The report noted that:

“The Administration will formulate a long-term plan for the permanent relocation of the workgroups over the next three to five years.”

DISCUSSION/ANALYSIS

The current term of Saskatoon Land's lease expires on June 30, 2022 and there are currently no suitable City-owned options available to Saskatoon Land staff for immediate occupancy. Saskatoon Land has two, three-year renewal options in the lease agreement with GMS; however, additional flexibility to the term is desired. For this reason, Saskatoon Land approached GMS to request the inclusion of a termination option upon six months prior notice. GMS has agreed to this request and Saskatoon Land could therefore extend the lease of 201 3rd Avenue North upon the same terms as previous but with the option to terminate on six months notice. Notable terms of the extension agreement would include;

- Area - 4,969 square feet (3,812 sf main floor, 1,157 sf upper floor).
- Rent - \$72,970.00 per annum (\$15.50 psf main floor, \$12.00 psf upper floor) plus GST.
- City responsible for all operating costs associated with the premises.
- Three-year lease renewal term expiring June 30, 2025.
- City has the option to terminate the agreement at any time after January 1, 2023 by providing a minimum of six months prior written notice.

FINANCIAL IMPLICATIONS

If the agreement were to be amended and renewed as proposed, Saskatoon Land would continue to pay \$6,080.83 per month plus occupancy costs until such time a more suitable City-owned location is secured and move-in ready.

Funding for the lease agreement with GMS is available under the approved Saskatoon Land operating account.

OTHER IMPLICATIONS

There are no environmental, privacy, legal, or social implications identified.

NEXT STEPS

Saskatoon Land will continue to work with Facilities Management on a long-term relocation plan.

REPORT APPROVAL

Written by: Jeremy Sibley, Property Agent, Saskatoon Land
Reviewed by: Frank Long, Director of Saskatoon Land
Approved by: Clae Hack, Chief Financial Officer

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