

TO: CITY MANAGER

2002 November 19

FROM: MAJOR CIVIC BUILDING PROJECT
COORDINATION COMMITTEE

SUBJECT: LEASE ARRANGEMENTS FOR LOUGHEED TOWN CENTRE COMMUNITY
POLICE OFFICE

PURPOSE: To seek Council's approval to enter into a five year lease, with a five year renewal option, with 20 Vic Management Inc. at Lougheed Town Centre, to establish a Community Police Office.

RECOMMENDATION:

1. **THAT** Council authorize the execution of a five year lease, with a five year renewal option, with 20 Vic Management Inc. for approximately 3,700 square feet of space within the Lougheed Town Centre, for the establishment of a Community Police Office under the terms contained in this report.

REPORT

1. **BACKGROUND:**

A Community Police Office (CPO) was established at Lougheed Town Centre (previously known as Lougheed Mall) in 1996 October. The lease for that office space has now expired. The Mall owners (20 Vic Management Inc.) have recently undertaken major renovations within the mall, which has necessitated the relocation of the Community Police Office to temporary quarters elsewhere in the mall. In this regard, 20 Vic Management Inc., have allocated approximately 3,700 square feet of floor space in the northwest quadrant of the Mall adjacent to the new London Drugs for the permanent CPO. The new offices will be accessed from the public parking lot through a storefront corridor at the exterior of the Mall.

2. **TERMS OF THE PROPOSED LEASE:**

The property owner has offered the City a five year lease, with a five year renewal option in the subject premises commencing in early 2003 upon completion of the tenant improvements.

The proposed lease rate is \$1.00 per annum, with the City paying for "in-premise" utilities and city taxes. The City will also maintain the necessary levels of insurance and will be responsible for the cost of operating the premises as a Community Police Office. Under the conditions of the lease, the property owner will provide the RCMP with six dedicated parking spaces within the Mall's parking lot, on a 24 hour basis.

3. **CONSTRUCTION:**

The estimated construction cost of the tenant improvements for the proposed CPO is approximately \$187,000 plus 7% GST. The City will contribute a maximum amount of \$150,000 towards the cost of the design and construction of the space with the balance to be borne by 20 Vic Management Inc. The City will also cover the purchase of furnishings and equipment (ie. tables, chairs, lockers, etc.).

Subject to receiving the necessary approvals to enter into a lease agreement, the Mall owners are prepared to proceed with the final design and construction which is estimated to take approximately 10 weeks to complete.

4. **PROJECT BUDGET AND FINANCING:**

The budget for the proposed Community Police Office has been established as follows:

Construction and design costs (City's contribution)	\$150,000
Furniture, Fixtures and Equipment	<u>60,000</u>
Total (inclusive of GST @ 3%)	\$210,000

This project is funded by a general revenue fund contribution from the RCMP. The contribution is derived from a reallocation of savings from the RCMP contract costs.

5. **SUMMARY AND CONCLUSIONS:**

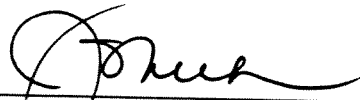
The RCMP's Community Police Office is currently located in temporary quarters within Lougheed Town Centre with a need for a more permanent lease arrangement.

TO: City Manager
RE: Community Police Office-Lougheed Town Centre

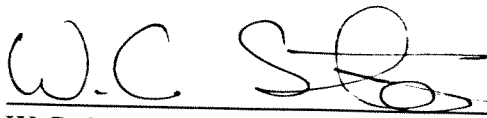
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The lease offer from the owner is for five years with an option to renew for another five. The proposed lease rate is \$1.00 per annum with the City paying for in-premise utilities and taxes.

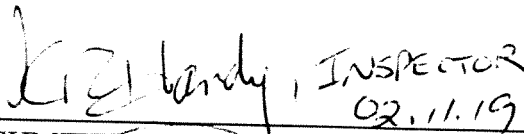
It is recommended that Council authorize the execution of the lease under the terms outlined in this report.



J.S. BELHOUSE, CHAIR, MAJOR CIVIC BUILDING
PROJECT COORDINATION COMMITTEE



W.C. SINCLAIR, DIRECTOR ENGINEERING



C. SCHMIETENKNOP, OFFICER IN CHARGE

JC/TA:mdw

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cc: Deputy City Manager
Director Finance
City Solicitor
Director Parks, Recreation & Cultural Services
Chief Building Inspector

