



## County Council

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**Meeting Date:** Tuesday July 08, 2025

**Submitted by:** Cara Finn, Director of Economic Development  
Josh White, Procurement Services Manager

**Subject:** Award of RFP # MC-2025-09 – Economic Development  
Department Leasing of Office Space

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### **BACKGROUND:**

During the 2025 Middlesex County Budget process, staff advised the Budget Committee that the Economic Development Department would explore options for a larger and more visible office location, as the current space at the Komoka Wellness Centre has limited visibility and insufficient capacity. This initiative is in keeping with the County's broader decentralization strategy, which supports improved service access and regional presence.

Staff indicated that a public Request for Proposal (RFP) process would be undertaken in coordination with Procurement Services to identify a suitable location. Associated leasing and furnishing costs were included in the approved 2025 Budget. The pursuit of office space is independent of any future Council decision regarding the long-term delivery model for economic development services, whether in-house or through an economic development corporation.

### **ANALYSIS:**

Securing new office space for Middlesex County's Economic Development Department aligns with the County's Strategic Plan and long-term objectives. The office location is not tied to any particular service delivery model and was accounted for in both internal departmental and economic development corporation (EDC) budget scenarios to ensure continuity of service and operational viability.

The department's current office (266 square feet shared by five full-time staff) presents ongoing challenges related to air circulation, privacy, noise, and overall suitability. The existing space limits the Department's ability to work effectively and to meet with interest-holders in a professional environment.

A location outside of the London-based headquarters is consistent with the department's mandate to support investment and economic growth within Middlesex County. A dedicated, neutral, and professional space within the region will enhance service delivery, support staff retention, and contribute to fulfilling departmental responsibilities. Without such a space, there is increased risk of delays in economic development initiatives, missed opportunities, and diminished ability to engage effectively with partners, investors, and local interest-holders.

Commercial office space options in central Middlesex are limited and increasingly competitive. Proceeding at this time supports long-term accessibility and cost-effectiveness. Establishing a suitable office environment will enable staff to continue providing timely, high-quality service to County departments, local business associations, economic development committees, municipal partners, and interest-holders across the region.

Considering the aforementioned, and in keeping with budget expectations, an RFP was posted on the County's website on April 24, 2025 and was marketed on the various County websites and social media channels to drive interest. The RFP closed on May 28, 2025 with the County receiving three (3) submissions .

Respondent	Location	Notes
CBRE	Kilworth Business Park 22499 Jefferies Rd. Kilworth	Completed new unit next to Glendon roundabout. Build to suit.
Kevlar Development Group	13181 Ilderton Rd., Ilderton	Brand new building to be constructed.
Market Developments Inc.	184 Main St., Lucan	Building currently under construction

Evaluations were conducted which consisted of the following three (3) staged process:

### ***Stage 1 (30% Weighting)***

An evaluation of each Respondents written Proposal which were to include the following:

- A description of the facility proposed clearly identifying how it meets the Leased Premises Requirements set out in the RFP which consisted of at a minimum:
  - Convenient access to the Highway 401/402 corridor.
  - Suitable accessible office-use space for up to 10 staff, minimum 1500 square feet in modern condition
  - At least one dedicated contained meeting space that could hold at least 10 individuals
  - A functioning kitchen space and break room (oven not required)
  - Adequate accessible washroom facilities for department staff

- Ample dedicated parking for department staff and visitors
- High speed internet available for the office
- Dedicated reception / lobby area
- The ability to deliver the leased premises to the Department on a turnkey basis for complete operational occupancy by no later than October 01, 2025
- A floor plan drawn to scale of the proposed layout for the Leased Premises.
- A map showing the specific location for the proposed Leased Premises.
- An elevation view or exterior pictures of the proposed building from the street(s) side.
- Internal pictures of the proposed space, if available, or a replica of the same.
- A copy of the form of lease the proponent intends to use.
- If applicable, clarification of any costs the County will/may be liable for in addition to the lease payment (property maintenance, waste/recycling collection, taxes, etc.)

### ***Stage 2 (30% Weighting)***

Respondents who achieved a weighting of 20% out of 30% or greater in Stage 1 of the evaluation process moved on to the second stage which was a site visit of the Proposed Premises which would be evaluated based on how the potential office space met or would meet the requirements of the RFP stipulated in Stage 1.

The County's Director of Economic Development, County Engineer / Deputy CAO, Safety and Standards Officer, and Procurement Services Manager attended the site visit.

### ***Stage 3 (40% Weighting)***

Respondents who achieved a weighting of 40% out of 60% or greater combined in Stages 1 and 2 of the evaluation process moved on to the third stage which was an evaluation of the pricing of the proposals.

### ***Evaluation Result***

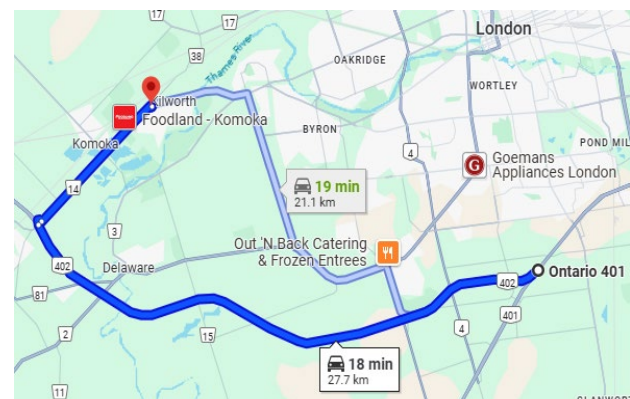
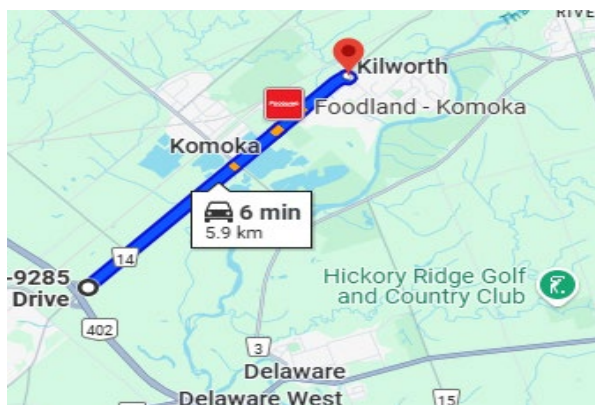
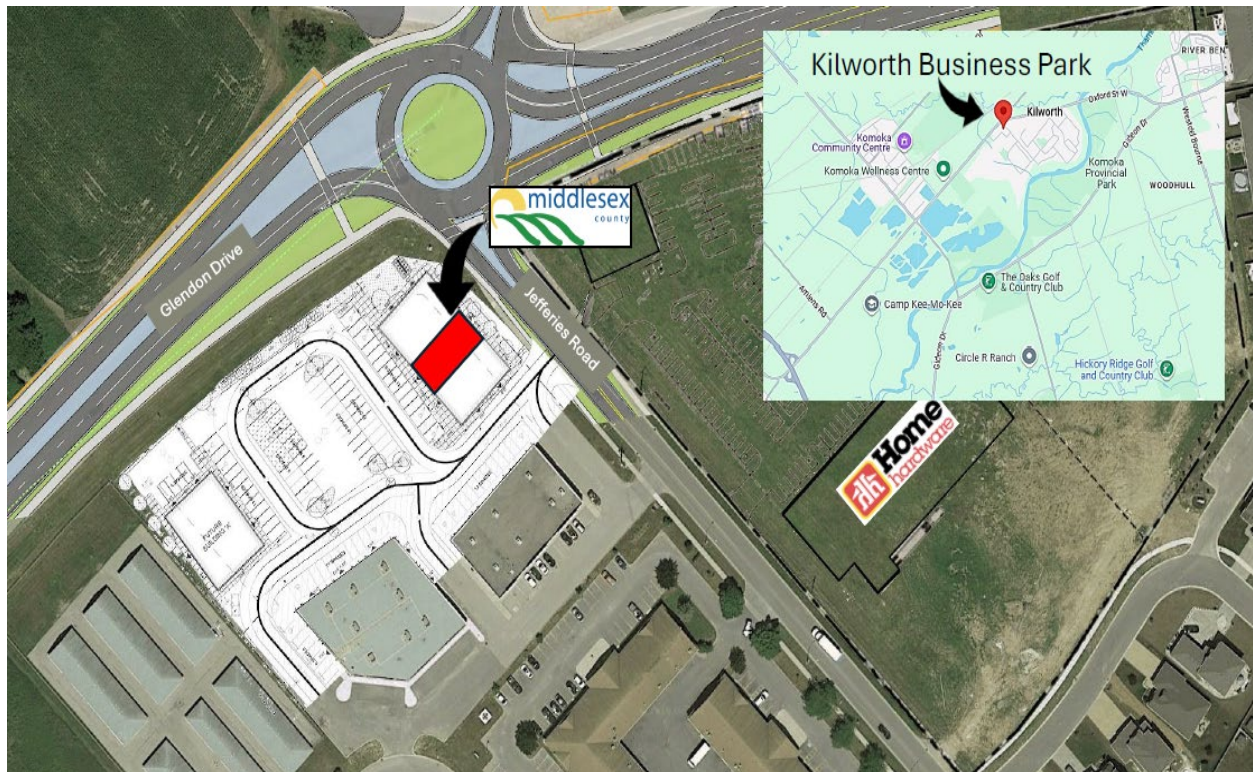
Upon completion of the evaluation process, the Proposal from CBRE at the Kilworth Business Park was the only Proposal which scored high enough to proceed past Stage 1 of the evaluation process and due to the office space being able to meet all the requirements of the Department outlined, staff is recommending the Proposal for award to Council.

### ***Property Details***

The recommended property is currently completed with other tenants in place and operating within adjacent units. The potential unit itself is completed to the point of drywall

and if awarded the owner will begin renovations at the County's request with no concerns over meeting the October 1, 2025 completion and move-in deadline.

The location itself is 1,849.3 square feet and approximately a 6-minute drive from Highway 402 and an 18-minute drive to Highway 401. The property is also highly visible being next to the Glendon Drive roundabout.



As part of their Proposal CBRE provided a sample floor plan, which County Engineering was engaged to assist with a more detailed version, and renderings which are attached to this report. County Information Technology has also been consulted on the potential space to ensure there would be no significant challenges or issues with the new space and location.



As part of the final design process staff will ensure that the Middlesex Accessibility Advisory Committee has the opportunity to review to ensure compliance.

## FINANCIAL IMPLICATIONS:

The initial term proposed for leasing the recommended location is for five (5) years and it broken down in the table below:

Table 1: Lease Rates

Description	Sq. Footage	Rate per sq. ft.	Total Cost Annually	Total Cost Initial 5-Year Term
<b>Useable Space</b>	1,849	Y1 \$22.91* Y2&3 \$32.07 Y4&5 \$33.68	\$42,367.50* \$59,314.50 \$62,289.64	<b>\$285,576</b>
<b>Operating Cost**</b>		Y1 \$8.20 Y2&3 \$8.68 Y4&5 \$8.74	\$15,167.57 \$16,014.92 \$16,163.67	<b>\$79,525</b>
<b>Total Gross Rental</b> Useable Space Plus Operating Cost		Y1 \$31.11 Y2&3 \$40.73 Y4&5 \$42.42	\$57,535.07 \$75,329.42 \$78,453.31	<b>\$365,101</b>

\* Y1 Rate per sq. incorporates first 3 months free rent incentive. Actual Annual Cost before discount is \$56,489.33 or \$30.55 per sq. ft.

\*\* Includes property maintenance, waste/recycling collection, property taxes, building insurance, management and administration.

With the Respondent providing three (3) months net rent (Useable Space Amount) free only Operating Costs would be due to the landlord for the three months of occupancy for the remainder of 2025, a total of \$3,791.89 ( $\$15,167.57 / 12 * 3$ ).

The Department has \$27,750 allocated for property rental within 2025 County Budget and has prepaid the rental of its current space to the end of Q3. The total cost of rent for the current space through Q3 of 2025 is \$4,498.

As mentioned in the Analysis section of this report, the Respondent if awarded will be providing the Department a “Turnkey” premises which includes the following:

- Base building construction (roof, walls, concrete floor, windows, doors, sidewalks)
- All interior partitions and demising walls as illustrated in the attached sample floorplan


- Electrical panel with 110/208 Volt 200 Amp service
- Electrical distribution including lights, switches and duplex receptacles
- Suspended ceilings with recess T8 fluorescent lighting throughout
- Rooftop HVAC units including distribution ductwork, controls and diffusers
- Fully equipped accessible washroom with toilet, sink, lower millwork and accessories
- Kitchen sink with upper and lower millwork, area for fridge
- Smooth concrete floor with Department's choice of floor covering from Respondent's samples
- Walls taped, sanded and finish coat painted in the Department's colour choice



The Respondent's costs for providing a "Turnkey" premises excluding furniture is amortized over a 10-year period and included as part of the rental rates within Table 1: Lease Rates. As stipulated, the initial lease term for the property would be for 5 years. Towards the conclusion of the initial lease term the County does have the opportunity to exercise a mutually agreed upon option to renew the lease agreement for an additional 5 years which is to be at market rent mutually agreed upon subject to arbitration. If the County were to not renew the agreement past the initial 5-year period, a \$30,000 plus HST payment would be due to the Respondent for the remaining 5 years the construction of a Turnkey space was amortized for. Staff is committed to provide Council details of the potential lease agreement renewal for consideration and direction once terms are determined.

There is an additional \$75,000.00 within the 2025 Capital Budget for the consideration of leaseholds including accessibility, IT and any necessary upgrades or furnishings for the office, plus a further \$10,000.00 to help furnish the new office as one of the Department's Visitor Centres for Tourism.

#### **ALIGNMENT WITH STRATEGIC FOCUS:**

This report aligns with the following Strategic Focus, Goals, or Objectives:

<b>Strategic Priority</b>	<b>Goal</b>	<b>Objectives</b>
Economic Development 	Enhance overall economic well-being and community prosperity by fostering a sustainable and thriving local economy	<ul style="list-style-type: none"> <li>• Develop and implement an Economic Development approach for the County, focusing on key priorities, actions, and areas of growth while providing strong support for small businesses and entrepreneurs, including agriculture-related businesses.</li> </ul>

Strategic Priority	Goal	Objectives
Collaboration & Partnerships 	Strengthen collaboration with local municipalities and regional partners to improve economic efficiency, enhance service delivery, and support regional development in alignment with community priorities	<ul style="list-style-type: none"> <li>Optimize service delivery through inter-municipal collaboration and shared services to improve efficiency and seamless operations.</li> </ul>
Adaptability and Agility 	Modernize the County's administrative capabilities to strengthen decision-making, improve service delivery, and achieve better community outcomes	<ul style="list-style-type: none"> <li>Strengthen internal administrative capabilities to ensure key support services have the necessary resources to meet community needs and support organizational growth.</li> <li>Enhance the County employee value proposition to attract, retain, and support a talented workforce through competitive benefits, professional growth opportunities, and a positive workplace culture.</li> </ul>

### RECOMMENDATION:

**THAT** the Award of RFP # MC-2025-09: Economic Development Department Leasing of Office Space Report be received for information;

**THAT** Council Award RFP # MC-2025-09 to CBRE in the amount of \$365,101.00 excluding HST for the 5-year lease term;

**THAT** staff be directed to provide Council terms of any potential renewal of the lease agreement past the initial 5-year term for direction when received;

**AND THAT** the Director of Economic Development be authorized to execute the lease agreement with CBRE in a form satisfactory to the County Solicitor.

*Attachment: Floorplan*

Provided Renderings and Photos

