

THE HONOURABLE DIANE ARCHIE  
MINISTER OF INFRASTRUCTURE

### **Payments for Leased Space**

Mr. Speaker, I have a Return to Written Question asked by the Member for Yellowknife North on February 9, 2023 regarding the Payments for Leased Space.

Mr. Speaker, the Department of Infrastructure maintains a portfolio of general office space in accordance with the Government of the Northwest Territories' Leasing of Improved Real Property Policy. This policy is publicly available online and includes more detailed information regarding some of the exclusions and inclusions on the types of leases administered by the GNWT. Leasing of improved real property is excluded from the Business Incentive Policy.

In addition, the Department of Infrastructure is not able to provide details on individual leases, including costs and lease terms. If this information were to be made public, it may impact the commercial real estate market and influence pricing for future leases.

Infrastructure and the Department of Executive and Indigenous Affairs intend to work together to review the Leasing of Improved Real Property Policy once the review of the GNWT Procurement Review is complete.

I would also like to answer the specific questions raised by the Member, including providing lease fees paid by the GNWT to the following companies, broken down by individual lease and building space, for the last ten years as follows:

**1. All lease payments made to Northview Canadian High Yield Residential Fund (Northview) and its predecessor companies, broken down both by residential leases and commercial**

**leases per year:**

The GNWT has six commercial office space leases with Northview, which are administered by the Department of Infrastructure for a total annual lease cost of \$8.9 million. This includes the base rent plus operations and maintenance.

**2. All lease payments made to KingSett Capital, which is the co-owner of Northview, for the last ten years and broken down by residential and commercial leases per year.**

The GNWT has four commercial office space leases with KingSett Capital, which are administered by the Department of Infrastructure for a total of \$6.5 million. This includes base rent plus operations and maintenance.

In relation to these first two questions, the Department of Infrastructure is not responsible for GNWT residential leases and is therefore not able to provide information related to residential leases.

**3. The total of future lease commitments to the above companies and the expiration date of each of those leases:**

The total future lease commitments for leases related to Northview is \$20.1 million, which includes base rent plus operations and maintenance. The total future lease commitments for leases related to Kingsett Capital is \$26.855 million, which includes base rent plus operations and maintenance.

**4. A clear breakdown of how each of the leases were tendered and in what year they went out for public competition, if at all.**

The GNWT is required to initially obtain new office space by public tender or Request for Proposals, except where Executive Council has authorized negotiations. The Department of Infrastructure cannot influence which businesses choose to pursue these opportunities.

The following information can be disclosed for the last 10 years of commercial office space leases held by the GNWT:

- 47 leases were transferred to the Department of Infrastructure by other GNWT departments;

- 9 federal leases were transferred to the GNWT during devolution;
- 28 current leases were acquired via public procurement; and,
- 9 leases were negotiated, with approval from the Executive Council.

Later today, at the appropriate time, I will table additional information to the Member's questions regarding payments for commercial leased space administered by the Department of Infrastructure.

Thank you, Mr. Speaker.