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LEASED STORAGE SPACE

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, December 1, 2005, from the Commissioner of Corporate Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize a three-year lease for 3,000 square feet, having a total lease obligation of $72,000 plus an estimated $13,500 for utilities, to commence on February 1, 2006, located at 359 Enford Road, Units 6 and 7, Richmond Hill, to be utilized as storage space.

2. The Regional Chair and the Regional Clerk be authorized to sign the necessary agreement with Bert F. Grant Management Limited for the leasing of space, subject to review by Legal Services.

2. PURPOSE

The purpose of this report is to obtain authorization from Regional Council to enter into a lease agreement for a three-year term, to provide centralized storage space in York Region, which will be utilized by York Region Transit (YRT) and Property Services.

3. BACKGROUND

York Region has recently launched the VIVA rapid transit system which has many new marketing, facilities and technology storage requirements for equipment, parts and materials. This includes ticket vending machines and bus stop components, marketing event items and printed promotional materials.

This is an existing and continuing operational need with requirements that will increase as YRT and YRTP expands.

YRT has maximized use of the space on the 5th floor of the South Services Centre, for office accommodation. Currently, there is no space available for storage at this location.

YRT requires this storage space to be located in the south end of the Region, relatively close to the South Services Centre.
Property Services also faces a shortage of storage space which is required for furniture and equipment.

A further search of all Region owned and leased property was conducted, no available storage space was identified. There was also an external search initiated to identify a suitable facility.

4. ANALYSIS AND OPTIONS

No other available storage space currently exists within the Region's portfolio.

5. FINANCIAL IMPLICATIONS

Property Services staff have entered into negotiations with the landlord and have reached an agreement, whereby gross rent for this location will be $8.00 per square foot for the term of the lease, plus the cost of utilities.

Table 1
Lease Cost Analysis

Lease Year	Annual Gross Rent
1	$24,000.00
2	$24,000.00
3	$24,000.00
TOTAL	$72,000.00

Annual costs noted in Table 1 include base rent, operating costs and realty taxes, but do not include costs for utilities. Utilities will be paid directly by the Region to the utility providers, and is approximately $1.50 per square foot. Funds have been included in the 2006 budget for this lease.

This lease agreement complies with the Region's policy relating to financing leases contained in the Capital Financing and Debt Policy approved by Council in January 2003.

6. CONCLUSION

Entering into a three-year lease arrangement at this location will provide the Region with much needed storage space, in an accessible and convenient location.

The Senior Management Group has reviewed this report.