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LEASED OFFICE SPACE AT THE TANNERY MALL

The Finance and Administration Committee recommends the adoption of the recommendation contained in the following report, November 29, 2006, from the Commissioner of Corporate Services:

1. RECOMMENDATION

It is recommended that this Report be received by Committee and Council for information purposes.

2. PURPOSE

The purpose of this Report is to provide Committee and Council with information regarding a forty-four month lease that commenced on August 25, 2006, for office space consisting of 941 square feet, located at the Tannery Mall, 465 Davis Drive, Unit 218, in the Town of Newmarket. This office space was required by Court Services.

The lease was approved by the Chief Administrative Officer of York Region on August 16, 2006, under the delegation of authority from Council over the summer recess.

3. BACKGROUND

Court Services is reconfiguring its space at the South Service Centre, in the Town of Richmond Hill. As a result, the Director's office was relocated to the Tannery Mall, in the Town of Newmarket. The space is for the Director and two support staff.

4. ANALYSIS AND OPTIONS

Property Services Branch had conducted a search for office space in order to accommodate staff at a new location. Coincidentally, space became available at the Tannery Mall adjacent to the existing Court Services space.

5. FINANCIAL IMPLICATIONS

Property Services Branch had reached an agreement with the landlord, whereby the said space would be leased by the Region upon the same terms and conditions as the existing lease, and whereby gross rent for this location be \$17.00 per square feet. It was also agreed that the landlord would provide leasehold improvements to the space, at a cost to

be shared between the landlord and the Region, as per the attached Schedule “A”. The Region’s share for the cost of the leasehold improvements was approximately \$6,000.00, plus G.S.T.

Table 1
Lease Cost Analysis

Annual Gross Rent	Total Gross Rent Obligation for the Lease Term
\$15,997.00	\$58,655.52

Annual costs noted in Table 1 include base rent, operating costs, realty tax and utilities.

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 2006.

7. CONCLUSION

This office space at the Tannery Mall will accommodate staff in a convenient and cost-effective location, pending Council direction on overall Regional service delivery options in the Newmarket area.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause was included in the agenda for the January 11, 2007 Committee meeting.)