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TRANSPORTATION AND WORKS DEPARTMENT SPACE REQUIREMENTS – GATES OF YORK

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, December 17, 2003, from the Commissioner of Corporate Services and the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize a thirty month lease agreement in the amount of \$65,663 annually for the first two years and \$32,831 for the remaining six months for additional office space located at the Gates of York Plaza, 17310 Yonge Street in Newmarket.
2. Staff be authorized to take all action necessary to implement this transaction.
3. The Regional Chair and Clerk be authorized to execute the lease on behalf of The Regional Municipality of York.

2. PURPOSE

This report is to obtain authorization to enter into a lease agreement for additional office space at the Gates of York Plaza, 17310 Yonge Street, Newmarket to house Transportation and Works staff.

3. BACKGROUND

The Region continues to face accommodation pressures on a regular basis and this is not expected to change in the near term. All sites leased or owned in the Newmarket area are operating at or over one hundred percent capacity. These critical pressures will not diminish in magnitude until implementation of the following:

- ‘Space Needs Assessment’ recommendations at the Administrative Centre.
- Key decisions on future accommodation requirements based on a Regional Strategic Accommodation Plan.
- Intended use of accommodations at the Bales Drive site in early 2005.

On March 27, 2003, Regional Council authorized staff to negotiate a lease on behalf of the Transportation and Works Department for space at the Gates of York Plaza.

A lease was negotiated for a three-year term for space located on the south side of the plaza directly adjacent to the Administrative Centre. This area is currently occupied by Transportation and Works as well as other Regional staff.

To help alleviate critical space constraints at the Administrative Centre the Transportation and Works Department will be relocating specific groups of staff to the Bales site in early 2005.

On an interim basis, immediate space is required for 15 to 20 Transportation and Works staff which includes the pilot Water and Wastewater Optimization Project. This area will be used for the project training and implementation and will take place over a two-year period. This lease period is consistent with the project schedule allowing some contingency for any schedule slippage.

4. ANALYSIS AND OPTIONS

An additional 2,500 sq. ft. of space is available immediately at the west side of the Gates of York Plaza. Property Services staff have been able to negotiate a lease at terms and conditions similar to those negotiated earlier this year, including a common expiry date for both sites. Both Gates of York sites will continue to be used as interim measures for Transportation and Works staff until the Bales site is ready for occupancy and then for other Regional uses. Staff will be assigned to each of the two locations to maximize the space based on functionality and service delivery.

Minimal leaseholds will be required and these will primarily be voice, data and networking requirements. Lunch room and boardroom facilities will be shared with the existing leased area at the Gates of York.

This location is ideal, due to its proximity to the Administrative Centre allowing for interaction among staff at both locations.

5. FINANCIAL IMPLICATIONS

The Region's financial obligations for this space will include the following:

- Lease cost.
- Operating costs and realty taxes.
- Leasehold improvements (voice/data connections, security system, and painting, as required).

Table 1
Costs Associated with Lease Space

Rent Type	Cost per sq. ft.	Year 1	Year 2	Year 3	Total Cost
Base Rent	\$14.50	\$37,338	\$37,338	\$18,669	
O&M	4.00	10,300	10,300	5,150	
Realty Taxes	7.00	18,025	18,025	9,013	
Total	\$25.50	\$65,663	\$65,663	\$32,831	\$164,156

Note : Cost includes 3% G.S.T.

Annual lease costs highlighted above include base rent, operations and maintenance costs and all applicable taxes.

All costs can be accommodated within the proposed 2004 operating budget for the Transportation and Works Department.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

These recommendations address critical accommodation needs at the Administrative Centre and Transportation and Works Department space requirements over the short term, pending finalization of a Regional Strategic Accommodation Plan and occupancy at the Bales Drive location for Transportation and Works staff.

The Senior Management Group has reviewed this report.