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**CORPORATE STORAGE REQUIREMENTS
LEASE EXTENSION - STEVEN'S COURT, NEWMARKET**

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, November 27, 2003, from the Commissioner of Corporate Services:

1. RECOMMENDATIONS

It is recommended that:

1. Subject to the approval of the 2004 budget, Regional Council authorize a three year lease extension in the amount of \$26,909 annually for the first two years and \$27,543 for the third year for existing storage space of 2,462 square feet located at 625 Steven's Court 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 extension on behalf of The Regional Municipality of York.

2. PURPOSE

This report is to obtain authorization to enter into a lease extension (presently used for EMS Stores) for corporate storage space at 625 Steven's Court, Newmarket.

3. BACKGROUND

In January 2000 the Region assumed responsibility for Emergency Medical Services from the Province. At that time the Steven's Court location was leased to provide a central location for the storage and distribution of supplies to various Paramedic response stations throughout the Region.

Since the assumption of the Emergency Medical Services function, changes have taken place to the service delivery model in the Newmarket area previously approved by Council. This included consolidation of two locations shared with York Central Fire Services to the new site at 520 Cane Parkway, which includes a renovated four bay garage, crew quarters and office space for administrative and support staff.

4. ANALYSIS AND OPTIONS

Emergency Medical Services staff have advised that they wish to further consolidate operational requirements at the 520 Cane Parkway location, including the relocation of current inventory and stores from the Steven's Court site. This consolidation will require leasehold improvements and will be implemented in the second quarter of 2004 contingent upon Health and EMS Committee and Council approval of the 2004 budget.

Property Services Branch was recently given the mandate by Senior Management for the procurement of furniture for all Regional departments. Existing surplus furniture is presently stored in the underground parking area of the Administrative Centre (between 10-30 surplus workstations are stored at any one time) and Cane Parkway. Storage capacity to hold adequate inventory necessary to meet current and future client service demand is not suitable. In addition the Cane Parkway site will be converted to the EMS Training and Stores Facility.

In 2004, the Property Services Branch will be developing a corporate-wide furniture acquisition strategy. An integral part of this strategy will be the housing of inventory of various furniture components required to meet client demand. As part of this strategy the Property Services Branch has recently acquired 30 used workstations (at a savings of \$100,000), required for swing space and emergency situations.

In total 50-60 workstations both surplus and those required for emergency, churn, and corporate inventory will require approximately 1,000 sq. ft.

As our Regional Purchasing By-law (A-0304-2002-031) requires that all surplus assets be circulated to area municipalities prior to disposal, a storage facility is required. In addition, an inventory of common parts will be required to be maintained and stored.

Utilization of the space will focus on three key components; namely, a consolidated storage facility for property-related assets a small office for Property Services Operations and Maintenance staff responsible for servicing 65 Regional satellite facilities and a secure vehicle storage space.

In addition to the 1,000 sq. ft. noted above, 1000 sq. ft. will be for the storage of four vehicles and equipment (trailer, scaffolding, small tools, ladders, etc.) and 500 sq. ft. will be for a small office and rooms for maintenance supplies (fluorescent lighting, lighting filters, HVAC equipment, etc.) for total allocation of 2,500 sq. ft.

Staff have been able to negotiate a three year extension to the existing lease at an increase of \$0.50 per sq. ft. over our initial three year term. The Region has already installed voice/data connections and a security system at this site. In addition, the footprint and existing layout will be sufficient to meet Property Services requirements with no additional investment, once the EMS stores are relocated to Cane Parkway.

5. FINANCIAL IMPLICATIONS

The Region's financial obligations for this space of 2,462 square feet are shown in Table 1 below.

Table 1
Costs Associated with Lease Space

Rent Type	Cost per sq. ft.	Year 1	Year 2	Year 3	Total Cost
Base Rent	\$6.00	\$15,215	\$15,215	\$15,849	
O&M	\$2.50	\$6,155	\$6,155	\$6,155	
Realty Taxes	\$2.25	\$5,539	\$5,539	\$5,539	
Total	\$10.75	\$26,909	\$26,909	\$27,543	\$81,361

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

**Base Rent 3rd year \$6.25 per sq.
ft.**

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

Leasehold improvements will not be required as voice/data connections and a security system are all in place.

All costs can be accommodated within the proposed 2004 operating budget for EMS (1st quarter and 2nd quarter) and Property Services Branch (3rd quarter and 4th quarter).

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

These recommendations will alleviate current storage shortages at the Administrative Centre and will provide the Property Services Branch adequate future storage space to maintain adequate inventories of fixtures, furniture and equipment to meet client service demands.

The Senior Management Group has reviewed this report.