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YORK REGION STRATEGIC ACCOMMODATION PLAN

The Finance and Administration Committee recommends:

1. **the presentation from J. Davidson, Commissioner of Corporate Services, B. Crowe, Director of Property Services, Carmen Suchorab and Diana Hari, SNC Lavalin Profac Inc., and Edward Mooney, Dromoland Property Investments Management Ltd. be received; and**
2. **the recommendations contained in the following report, August 18, 2005, from the Commissioner of Corporate Services, be adopted, subject to recommendation 3 being amended to read as follows:**
   "3. Council authorize staff to retain consultants to proceed with the initial phase, being a preliminary concept with design options, required studies and financial analysis, at a cost not to exceed $900,000."

1. RECOMMENDATIONS

It is recommended that:

1. Council approve the Strategic Accommodation Plan, including the recommendations and policies summarized in Appendix 1 of this Report;

2. Council approve, as a first priority, the phased development of a Central Services Centre on the owned lands adjacent to the Administrative Centre, to consolidate numerous older Regional facilities currently owned or leased in the Town of Newmarket;

3. Council authorize Staff to retain Consultants to proceed with detailed engineering, environmental, architectural, and other required studies, including specific design options and financial analysis at a cost not to exceed $2.84 million; and

4. Staff report back to Council with the study results, recommended development options and related costs, to request authorization to proceed with the development of a Central Services Centre, subject to budget approval.

2. PURPOSE

The purpose of this report is to request Regional Council to approve the Strategic Accommodation Plan completed by Profac/SNC Lavalin, which establishes a framework and specific policies relating to the strategic planning of Regional lands and facilities. The Plan will help guide corporate decision-making relating to the provision of sufficient and appropriate accommodation to meet departmental program requirements over the next 10 years, ensure better cost efficiency, and provide staff with the type and location of facilities required to more effectively serve its citizens over the long term.

2.1 Introduction

Facilities are the face of Municipal Government. York Region's facilities not only reflect the type of organization it is, but directly affect the delivery of services to its citizens and customers and are a major factor related to staff job satisfaction and retention. The importance of real estate, in the function of both government and private business, has gained considerable profile in recent years. It has become more apparent that its value and the financial benefits of its active management, is considerable when viewed from a portfolio-wide, rather than project-specific perspective.

In past decades, real estate operated in an independent manner, with its focus on managing buildings and property and on its related financial expenses. Real estate decisions were made in a singular manner, with little consideration given to overall corporate business strategies, which was significant, because the real estate portfolio represented a major balance sheet asset that generated very large operating costs. The pace of growth and change has forced all governments and businesses to re-examine how they manage all of their assets in relation to service delivery to ensure that limited resources are utilized to their full potential in servicing citizens and clients, while supporting employee health, safety, security and productivity.

The suitability, condition, and location of the Region’s facilities are key elements in the Corporation’s ability to achieve its goals of effective and cost-efficient service delivery, excellence in customer service, and employee satisfaction. By planning its accommodation in a strategic manner, the Region will avoid the mistake made by many organizations by attempting to simply minimize the capital and operating costs of its real estate. It is clear that a lack of strategic planning and the necessary investments required for an organization’s portfolio, can lead to unintended impacts of higher long-term costs due to deferred maintenance, unfavourable and expensive lease terms, unsuitable facilities, decreased levels of service delivery and lower workforce productivity and staff retention.

2.2 Purpose of a Strategic Accommodation Plan

The purpose of a Strategic Accommodation Plan is to establish an accommodation strategy to best achieve the Region’s objectives for service delivery over the next 10 years, within a fiscally responsible framework, and while supporting the Corporation’s primary goals for excellence in customer service and employee satisfaction. The Plan’s goals are to:

- Formulate an understanding of the great diversity of issues impacting the Region’s real property;
- Provide a context for ongoing corporate decision-making related to the management of the Region’s portfolio of land and facilities; and

- Establish an action plan for the continuing development of the Region’s portfolio to ensure its consistency with, and ability to support, corporate initiatives, objectives, and requirements.

Approving a Strategic Accommodation Plan will allow the Region to:

- Realize cost savings over the long term by providing a strategy to expand its owned portfolio of newer buildings to reduce leasing, maintenance, energy, and renovation costs;
- Be proactive in preparing to meet increasing accommodation challenges that correspond with continued high growth, governance and funding issues;
- Ensure that Regional properties are productively used, retained for future uses, or disposed of to generate revenue when not suitable for Regional purposes;
- Ensure that future Regional facilities are located in a manner that supports the Region’s Official Plan and other Regional policies including those relating to centres and corridors, transit, housing and others;
- Develop a portfolio of owned facilities designed to meet "made in York Region standards" with regard to issues including energy efficiency, accessibility, health, safety, security, quality and appropriateness; and
- Increase staff productivity by improving the environment in which Regional employees carry out their work.

3. BACKGROUND

In June 2003, the Property Services Branch retained Profac/SNC Lavalin to work with Regional staff to develop a Strategic Accommodation Plan (SAP). A project working group was established with senior staff from every department to provide each department’s current and future staff and program requirements. Simultaneously, an additional consultant was retained to undertake building condition audits for 23 staffed facilities to ensure that Profac had up to date information essential for the development of an accommodation strategy. All area municipal CAO’s were interviewed to discuss the Region's project and explore potential partnership opportunities. Profac contacted other Regional and local municipalities in the Province to gather further information. The Consultant also researched industry trends nationally and internationally to provide the departmental working group with a context for developing Regional strategies and solutions.

3.1 Phase 1 Report

Profac submitted a report on, “Industry Trends” in October of 2003, which provided a comprehensive review of national and international accommodation issues and solutions including: telecommuting; hotelling; satellite offices; outsourcing and charge backs; lease/own decisions; and public/private partnerships. The report concluded that hotelling could potentially be utilized in some instances where staff spend the majority of their day out of the office and do not require permanent office space. Other options might include telecommuting, where staff who have a limited role directly serving the public, could work at home a couple of days a week. The report recommended that the Region consistently review and consider more innovative ways of managing the Region's workplaces to achieve maximum efficiencies and effectiveness.

3.2 Phase 2 Report

A second report, "York Region Departmental Requirements/ Real Estate and Accommodation Practices of Other Municipalities", was completed in November of 2003. It documented interviews held with Regional departments relating to future staffing levels and facility-criteria, and presented the findings of interviews held with the Region's area municipalities. It concluded that most area municipalities face similar accommodation issues and are willing to work with the Region to explore potential opportunities to share land and facilities. A majority of the Region's local CAO's stated that they would like to see a formalized communication process established with the Region for the purpose of sharing information on land and facilities. The report also presented findings from other GTA municipalities relating to their current staffing and real estate and accommodation practices. The findings suggest that in 2003, York Region had the fewest number of staff per citizen than any of the surveyed Regions. It is recognized that each Region has unique circumstances such as differing policing requirements, levels of outsourcing and contracting of services, and water distribution responsibilities. The report concluded that the majority of municipalities:

- have only rudimentary components of real estate management practices in place, including basic inventories;
- do not have methodical accounting for property costs and revenues in place, although some Regions do have charge-back programs;
- have a clear desire to own their real estate,
- plan for expansion space when designing new facilities; and
- hotelling is utilized occasionally, but is not yet commonplace.

3.3 Phase 3 - Interim Report

In December 2003, an "Interim Report on Short to Medium Term Accommodation Requirements for York Region" was completed which formed the basis for the SAP's short term space requirements. It outlined specific accommodation issues currently facing the Region, including office facilities that have significant short term issues relating to quantity and quality of space, maintenance, safety, security and costs. The report provided staff projections, current and future space requirements, potential options and costs, and an analysis of leased versus owned space.

3.4 Phase 4 - Draft Accommodation Plan and Implementation Strategy

A Draft SAP was submitted to Senior Management for review at the end of 2003. The Plan recommended specific priority areas that the Region should focus on over the short and medium terms to ensure that staffing requirements match those of a rapidly growing population. The Plan also provided projections of long term accommodation requirements as a visioning exercise. The Draft SAP was presented to the departmental working group in March 2004, was subsequently revised, and received departmental sign-off in April 2004. Presentations to the Senior Management Group concluded in the summer of 2004. An information report on the Draft SAP was provided to Committee and Council at the end of 2004.

3.5 Final Strategic Plan With Regional Policies

In completing the final SAP, Profac incorporated all feedback obtained from Staff, Committee and Council, along with new Regional policies. A new departmental survey was also completed in April and May 2005 to update current and projected staff numbers and department program requirements and projections, and Profac was retained by York Regional Police to undertake a review of its proposed 2004-2008 Staffing and Facilities Plan.

4. ANALYSIS AND OPTIONS

The SAP's recommended 5 and 10 year strategies are based on a number of key factors. These include: future population growth, current and future program and service delivery requirements, staff projections, type, location and characteristics of space requirements, condition of owned and leased facilities, and current and future service distribution.

4.1 Key Factors in Strategic Planning

To ensure the Region has sufficient land and suitable facilities in appropriate geographic locations, it is essential to understand what the current situation is, what future service demand levels will likely be, what the impact will be on Regional programs, staffing and space requirements, what options are available, and what the costs will be to find alternatives or remain in existing facilities?

4.1.1 Population Growth and the Changing Nature of York Region

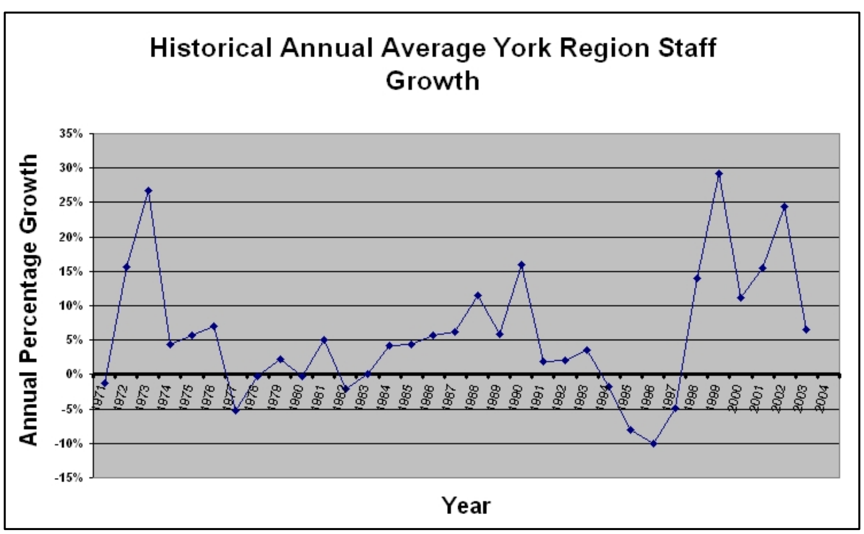
In reviewing the growth projections provided in the Regional Official Plan, it is clear that the Region’s population will continue to grow rapidly over the coming decades and in turn, the demand for Regional services will continue to grow at a rapid pace. The Region's current population is approximately 900,000, and it is projected to grow to over 1 million in the next 5 years, and close to 1.25 million by 2014. The majority of this growth will occur in designated Urban Areas. Larger communities tend to be more sophisticated and demanding with regard to service levels and delivery methods, and this will likely lead to an even greater demand for Regional services from residents and businesses, and a corresponding increase in the number of required staff.

4.1.2 Regional Staff Growth

In attempting to project the future number of Regional staff and the amount of required space, it became evident that the only accurate information to base staff projections on was the Region's historic annual staff growth rates which occurred under a broad range of economic conditions from 1971 to 2004. (Refer to Graph 1). The interviews revealed that it is extremely difficult for a large majority of Regional departments to estimate their future program, staffing and space requirements for any time period beyond 2-3 years, given the external factors that can influence service delivery, such as potential changes in funding, legislation or methods of service delivery. It is also clear that staff growth rates that have averaged 10% a year over the last 6 full years will not likely continue. The benefit of utilizing the historical staff growth rate is that it illustrates a long time period, which intrinsically contains both positive and negative economic cycles, related funding changes and legislative delegation of authority. It should be noted that the levels of growth seen since 1998, were due in large part, to the delegation of provincial responsibilities, recovery from a recession and a hiring freeze of the early to mid-1990's, and unexpected occurrences such as the SARS and West Nile Virus outbreaks.

By the end of 2004, Regional staff had grown from approximately 381 in 1971 to approximately 2,250, not including York Regional Police. Using this average annual historical staff growth rate of 5.91% recorded since 1971, it is projected that by the end of the year 2010, the Region will have an additional 925 staff. By the end of the year 2015, it is projected that staff will increase by another 1,056, for a total staff increase of approximately 1,981 over the next 10 years. Potential impacts on staffing levels will not necessarily be the same for all departments, as the required number of staff in particular service areas, such as Health Services, are mandated by the Province based on population. For others, staff and service levels may be entirely based on the availability of provincial and/or federal funding. While historic staff growth rates serve as one tool to project future staff levels and related space requirements, the Region will need to ensure that it plans for managed growth utilizing a phased approach, so as not to over-build, or waste valuable resources. As such, historic growth rates will be tempered by on-going validation of future staff growth and requirements by monitoring and completion of a new SAP every 5 years.

Graph 1:
Historical Annual Average York Region Staff Growth (1971- 2004)



4.1.3 York Regional Police Growth

York Regional Police are an important component of the SAP. They currently occupy 25% of the Administrative Centre and have a large number of other owned and leased facilities throughout the Region and form an important component of the Regional budget. Future decisions relating to their location and space requirements, especially in the Administrative Centre will have a significant impact on the Region's space requirements. The Region and the Police have been working together to identify any synergies in accommodation that may exist between them. In keeping with this objective, Profac was recently retained by York Regional Police to verify their latest staffing and restructuring plan and related space requirements for the next 10 years. The Police have experienced rapid growth similar to that of Regional staff. Since 1971, the Police have grown at an average annual historic growth rate of 5.85%. At the end of 2004, York Regional Police had approximately 1,447 total staff (sworn and civilian). It is estimated that Police staff will grow by an additional 553 by 2008.

4.1.4 Departmental Input

The details of each department's projected requirements are outlined in Chapter 3E of the SAP. Interviews with senior management and surveys were completed in late 2003, followed by an additional departmental survey in April 2005. The purpose was to update current staff numbers, and future staff requirements, and gain an understanding of what accommodation gaps currently exist, what each department's future accommodation needs will be, and how those needs may change in the coming years in relation to potential changes to service delivery models. Most departments are currently having difficulty accommodating staff growth in existing facilities, and most are projecting significant increases in staff over the next 2-5 years. A majority stated that there were limited opportunities to decrease the amount of new space required through alternative work arrangements, as the majority of Regional employees need to be accessible to the public or located at Regional facilities to carry out their work. There are a number of Regional services that are now provided 24 hours a day, 7 days a week, which require specialized facilities to meet their needs. It was noted that the majority of Regional buildings are located where the minority of citizens reside and that the Region should focus on accommodating new staff growth in the southern part of the Region.

4.1.5 Condition of Owned and Leased Facilities

In general, the majority of the Region's portfolio is in good condition. The Region does, however, have some significantly older buildings, particularly in Newmarket that require constant and considerable maintenance and renovations. In addition, the Region leases facilities where there were found to be health and safety concerns, problems with landlords, and excessive leasing costs. The SAP prioritizes which facilities should be replaced and recommends that the strategic planning required to replace these workplaces begin immediately, due to their poor quality, potential renovation and replacement costs, and time required to provide alternatives. The findings of the building condition audits are summarized as follows:

62 Bayview Parkway (Owned):

- Constructed in 1957, is in poor condition and contains asbestos;
- Windows need immediate replacement;
- The building equipment is original and near the end of its life;
- Immediate capital expenditure required is $654,840 and total capital costs over 20 years (including immediate capital expenditures) are $2,367,696.

22 Prospect Street (Building Owned, Land Leased):

- Building constructed in 1965 and is in fair to poor condition;
- Building not energy efficient and radiant heating and mechanical equipment requires replacement;
- Roof leaking, shortage of parking, leasing alternative parking;
- Immediate capital expenditure required is $293,180 and total capital costs over 20 years (including immediate capital expenditures) are $1,658,286.

55 Eagle Street (Owned):

- Former daycare centre built in 1972, currently used as Regional office space;
- Is in fair to poor condition; requires additional air conditioning capacity;
- Roof, windows and asphalt pavement need replacement;
- Immediate capital expenditure required is $261,262; and total capital costs over 20 years (including immediate capital expenditures) are $1,232,961.

The Tannery – 465 Davis Drive (Leased):

- Quality of space is poor; dark with poor lighting and overcrowded;
- Plumbing and roof leaks and heating and ventilation is poor; and
- Landlord not responsive to resolving operational complaints in a timely manner.

4.1.6 Distribution of Regional Services - Geographic Service Delivery Framework

The SAP establishes a geographic service delivery framework by dividing the Region into four accommodation zones to assist in analysing the current and future distribution of Regional services. Newmarket, as the seat of Regional Government, is currently the workplace for 52.2% of the Region's staff. Of note is the fact that while the Southern Accommodation Zone has approximately 73% of the Region's population, it has only 33.5% of the Region's workforce. The leased South Services Centre, in Richmond Hill, is the Region's second most significant building and currently serves as a focus for York's service delivery in the south end. The Town of Markham, the Region's most populated municipality, is the location of only 7% of Regional staff. Also of note, is the opening of the new Transportation Operations Centre on Bales Drive, which will result in a significant shift of Regional staff from the Central Zone to the Northern Zone in August 2005.

Table 1: Percentage of Regional Staff Located by Area Municipality

Accommodation Zone	Area Municipality	Total Staff	Staff Percentage by Area Municipality	Staff Percentage by Accommodation Zone
Newmarket	Newmarket	1,192	52.21%	52.21%
Northern	Georgina	84	3.68%	
	East Gwillimbury	138	6.04%	9.72%
Central	King	29	1.27%	
	Aurora	42	1.84%	
	Whitchurch-Stouffville	33	1.45%	4.56%
Southern	Vaughan	226	9.90%	
	Richmond Hill	378	16.56%	
	Markham	161	7.05%	33.51%
Total		**2,283**	**100.00%**	**100.00%**

4.2 Five Year Strategic Plan

4.2.1 Short Term Requirements for Replacement Space

In Newmarket, four Regional facilities require significant repair or replacement due to a number of issues outlined in section 4.1.5 of this report. Aging infrastructure and inadequate maintenance and repair funding have caused the older, owned buildings to become obsolete. There are also issues with poor building quality at leased locations. The Community Services and Housing Department recently leased an additional 7,314 gross square feet at 1091 Gorham Street as a housing office, which should also be included in plans for a consolidation and new facility in Newmarket. Table 2 shows the total space requiring replacement in Newmarket at nearly 107,000 gross square feet. These properties were selected based upon the building condition audits, site tours and interviews with on-site tenants as well as each department's senior management.

Table 2: Buildings Requiring Replacement in Newmarket

Location	Building Name	Gross Square Feet	Comments
465 Davis Drive	The Tannery	50,567	Poor quality leased space.
62 Bayview Parkway	Newmarket Social Services	26,776	Owned space built in 1957.
22 Prospect Street	Health Clinic	12,000	Owned space built in 1965.

55 Eagle Street	Community Services and Housing	10,000	Former childcare centre being used as office space.
1091 Gorham Street	Housing Office	7,314	Leased space to be replaced.
	Total	**106,657**	

4.2.2 Short Term Requirements for New Growth

The calculations for new space requirements were formulated using the Region's space standard of 185 useable square feet per employee (205 rentable square feet), plus a 15% gross up per industry standards and a 10% contingency. Given that a strategic plan sets the context for more detailed future studies and implementation plans, there will likely be variations in the exact size recommended by the SAP. Table 3 illustrates that over the short term, there will be a need for approximately 145,000 gross square feet of new space required in the next 5 years to accommodate Regional staff growth. This would be in addition to the 107,000 square feet required to replace existing poor quality space. In planning for the amount of space required for future growth, new facilities would be constructed to allow for 10 years of growth. Given projections for staff growth and replacement recommendations, a total of approximately 252,000 gsf of space is required in Newmarket for Regional staff within the next 5 years.

Table 3
Short Term Accommodation Strategy – Regional Staff (2005-2010)

Accommodation Zone	Type of Accommodation	Area Municipality	Additional Staff	GSF Required
Newmarket	New Space Requirements	Newmarket	Field: 203 HQ: 280 Total: 483	52,920 73,080 126,000
	Replacement Space	Newmarket		107,000
	Land Purchase for Transit/Rapid Transit	Newmarket		Specifics of facilities not yet known
Northern	Growth to be accommodated at Bales Drive	East Gwillimbury		
Central	None		0	0

Accommodation Zone	Type of Accommodation	Area Municipality	Additional Staff	GSF Required
Southern	Public Health Office	Vaughan	70	19,000
	Land Purchases Planned for Transit/Rapid Transit	Vaughan, Markham		Specifics of facilities not yet known
		Total for all Zones	**553**	**252,000**

The SAP outlines department requirements for space over the short term in each of the 4 zones and concludes that existing poor quality space in Newmarket should be consolidated into a new Central Services Centre to be constructed adjacent to the Administrative Centre. The Five Year Plan identifies the need for a new Public Health facility in Vaughan, as well as the new space that will be required in Newmarket to provide for existing staff growth over the next 5 years. The Region should initiate a study to identify the most appropriate site for a Public Health office within the City of Vaughan.

- Lands adjacent to the Administrative Centre in the south parking lot, including 55 Eagle Street and 85 Eagle Street (land leased by Children's Aid);
- A 3 acre parcel leased to the Town of Newmarket for a soccer field located in front of the Ray Twinney Recreation Complex and adjacent to the McCaffrey Fire Station (McCaffrey Lands); and
- Vacant lands in front of Newmarket Health Centre on Eagle Street, (which have not yet been studied).

Utilizing these owned lands would intensify their use and allow them to become productive assets within the Region's real estate portfolio, and would work toward implementing the Region's policies regarding the development of Regional Centres. With regard to a consolidated Regional building, the presence of Social Services and services provided directly to the public, such as Courts, makes it necessary to locate in highly accessible and visible space, with transit service, which these sites possess. The development of the Administrative Centre site by the Region would not only serve to consolidate Regional services to a single location, but would greatly assist in the implementation of the Regional and Local Official Plans by helping to further establish the Newmarket Regional Centre on lands the Region already owns. The intensification of these lands with additional institutional uses would serve to establish better pedestrian linkages to existing transit corridors, as well as the Newmarket Recreation Complex, Provincial Courthouse, and other institutional uses located within the Regional Centre. The provision of higher densities on the site would help to better integrate the component uses located within the Centre, and enhance its focus as a place of government and civic pride.

Currently, there are approximately 687 Regional staff and 316 Police staff working at the Administrative Centre. Relocating the Police from the 50,000 gross square feet occupied at the Administrative Centre to a separate headquarters, would allow for the growth in corporate space, as well as provide interim swing space to allow for upgrades. To accommodate growth in the Region's administrative staffing, the Administrative Centre should be dedicated to Regional needs. Once the Police are relocated, the Region should use this opportunity to reconfigure the space for maximum utilization. If the Police are re-located to their own headquarters, Regional growth associated with Administrative Centre functions could potentially be accommodated within the Administrative Centre for the next 5 years.

4.2.3 Accommodation Requirements for Rapid Transit

York Region is investing substantially in the development of a new Rapid Transit System (VIVA), and the expansion of its conventional transit system (YRT). A major component of the VIVA/YRT strategy is the acquisition of sites for future operation and maintenance facilities. The acquisition of these sites (one large facility at Yonge/407, and three smaller satellite facilities in Vaughan, Markham, and northern York Region), will likely provide opportunities for co-location with other Regional uses at these future sites.

The primary purpose of the site purchases is to meet VIVA/YRT requirements for operating and maintenance yards and depots, however, once the locations are determined, the Region should work to assess their potential for Regional requirements as outlined in the SAP. The new Regional staff and facilities associated with the Rapid Transit program should be considered part of the growth projections in the Southern and Northern Zones. Subject to the finalization of the Environmental Assessment, a 40-acre site at Highway 407 and Yonge Street is one of the sites currently being considered for purchase. Depending on the extent of transit needs, this site could potentially be used to replace leased sites in the Southern Zone, such as the South Services Centre, as well as being used to accommodate general growth across Regional Departments. The purchase and use of large, well located sites for the transit/rapid transit program should be planned for strategically within the context of the SAP.

4.3 Ten Year Strategic Plan

4.3.1 New Space Required for Growth in the Medium Term

The Health Services Department projects the need for three new facilities in the next 5 to 10 years, consisting of two new long-term care facilities and a Public Health office. Those three facilities alone would account for approximately 450 to 470 new staff, given current staffing levels at similar facilities. Table 4 does not include the requirements related to the two potential Long-Term Care facilities, as they are specialized residential facilities which will not be developed without a separate funding source.

The Transportation and Works Department requires a new works yard in the southeast part of the Region, which will be staffed by approximately 10 employees, based on the number of staff at other works yards. The remaining growth has not been accounted for by specific projects identified by the Departments, however, it is anticipated that population and associated staff growth will continue to occur in the Newmarket and the Southern Zones because of the mass of employees and programs existing in those areas.

Table 4
Medium Term Accommodation Strategy – Regional Staff (2010 – 2015)

Accommodation Zone	Type of Accommodation	Area Municipality	Additional Staff	GSF Required
Newmarket	New Space Requirements	Newmarket	Field: 231 HQ: 319 Total 550	60,060 82,940 143,000
Northern	Public Health Office (Other growth to be accommodated at Bales Drive)	Georgina East Gwillimbury	70	19,000
Central	None		0	0
Southern	Transportation Works Yard*	Markham	10	40,000
	New Office Space Requirements	Markham	240	62,000
		Total	**870**	**264,000**

***Note:** The amount of space suggested for the Transportation Works Yard for the purposes of the SAP assumes 10,000 gross square feet of office and 30,000 gross square feet of light industrial space for vehicle and materials storage. The two Long-Term Care Facilities (in Georgina and in Markham) are planned for the medium term. These two facilities are not included in the table because of their large size, specialized use, and dependence on separate funding. They are expected to have approximately 200 staff and 175,000 gross square feet each.

In addition to the need to accommodate new growth in Newmarket in the short term, there will also be a need to provide an additional 143,000 gross square feet for growth in the medium term, for a total of 376,000 gross square feet over the next 10 years. A proposed Central Services Centre of 179,000 gross square feet (107,000 plus 10 years of growth), takes into account needs for the short and medium term. The reason for this approach is that the Region, when building its own facilities, should plan for a new facility to meet more than just replacement space and immediate requirements. In this plan, the size estimated for new construction projects in the short term incorporates the Region’s needs for the entire 10-year time horizon.

During departmental interviews, only one department indicated a need for new facilities in the Northern Accommodation Zone. Health Services anticipates that it will need two new facilities in Georgina, a new long-term care facility of about 175,000 gross square feet, and a new Public Health office at about 19,000 gross square feet. It would be prudent to work with the Town early in the plan’s implementation to identify medium term Regional needs to uncover opportunities to use land already in public ownership, or for joint development of Regional and area municipality facilities.

Transportation and Works expects to require a new works yard in the southeast of the Region in approximately 5 years. This requirement is anticipated beyond 2008, however, because of current land prices, York Region should begin seeking a site for this facility immediately. Works yards are special purpose in nature, buildings are atypical, and land requirements are usually quite significant. If there are residential or recreational uses nearby, there is usually an excess land requirement needed as a buffer.

In the medium term, there will also be a need for approximately 62,000 gross square feet of additional space in the southern zone for general growth across all of York Region’s functions. Part of this anticipated requirement may be absorbed by Transportation and Work’s facilities related to the Transit/Rapid Transit program, or some of this growth might be accommodated by intensifying use of the South Services Centre. Given the existing South Services Centre in Richmond Hill and the potential development of a new health facility required in Vaughan, it is recommended that a new office facility be located in Markham, which currently is the largest municipality with the fewest Regional services. Therefore, the Region should begin discussions with the Town of Markham regarding the potential for locating a Regional office facility in Markham's rapidly developing Town Centre.

4.3.2 Summary of SAP Strategies for Regional Staff (2005-2015)

Table 5 shows the recommended SAP strategies for meeting the Region’s space requirements over the next 10 years to 2015.

Table 5: Summary of SAP Strategies (2005 – 2015)

Accommodation Zone	Short Term 2005-2010 GSF	Medium Term 2010-2015 GSF	Type of Accommodation	Area Municipality	Additional Staff
Newmarket	233,000		Growth plus replacement space	Newmarket	483
		143,000	New Growth	Newmarket	550
	Unknown		Land Purchased for Transit/Rapid Transit	Newmarket	
Northern		19,000	Public Health Office	Georgina	70
Central					
Southern	19,000		Public Health Office	Vaughan	70
		62,000	General Government Building(Growth)	Markham	240
		40,000	Public Works Yard	Markham	10
	Unknown		Land Purchases Planned for Transit/Rapid Transit	Vaughan, Markham	
Total	**252,000**	**264,000**			**1,423**

4.4 Space Requirements for York Regional Police

Profac has undertaken work for the York Regional Police to verify requirements with respect to four proposed facilities. The facilities are needed to meet the accommodation needs of the Investigative and Support Services units, the Training and Education Bureau, the 911 Communications Centre, and a new Field Office. York Regional Police have experienced rapid staff growth similar to the Region's staff. Rapid population growth has continued to put pressure on providing more and enhanced Policing services. The development and implementation of the York Regional Police 2004-2008 Staffing and Restructuring Plan, anticipates a higher than average staff recruitment to meet desired service levels and Vision 2026's goals for improved customer service and creating a safe and healthy environment for York Region's citizens.

Increases in Police staff have created challenges in the current accommodation portfolio, which is near or at capacity. The Police have met some of their accommodation needs through leasing space, as there is insufficient owned space available. Locating special purpose functions in leased space requires significant capital investment to suit Police requirements because the buildings were not specifically designed and constructed for

Police functions, so many of which require special purpose space as opposed to office space.

The Police have also identified the need for a new Training and Education Bureau by 2007/08. A number of the municipal fire departments have expressed interest in participating in a training centre to minimize individual costs through sharing facilities and training. The Region's Emergency Medical Services Unit has also expressed interest in sharing training services where similar needs arise such as in driver training, and marine paramedic training which is already performed in conjunction with the Police Tactical Unit. It has been determined that the Police require approximately 73,000 gross square feet of space for training, using the Regional space standard for office space, and calculating special purpose space requirements separately. An important consideration for the Police Training and Education Bureau is the land requirement, which will amount to approximately 40 acres due to the need for extensive outdoor facilities, including a driver-training track. Such a track would also be beneficial to EMS for driver-training purposes.

A 911 Communications Centre is required by 2008/09. A space estimate of 28,000 gross square feet was determined by using the Regional space standard for the office component, and the special purpose requirements were calculated separately. The Field Office space requirement was calculated using the Regional space standard, which happens to be the average space use at existing district offices, and it is required by 2008/09. York Regional Police will be re-examining their service delivery model within the southern tier to determine how field services will be delivered.

The scope of the analysis undertaken for the Police did not include a review of the administration and headquarters space requirements, which will impact on their required use of the Administrative Centre. Therefore, it is not possible, at this time, to determine future York Regional Police space requirements for headquarters and administrative functions. Relocating the 911 Communications Centre and the Investigative and Support Services Units out of the Headquarters space would vacate approximately 12,000 square feet of space for reuse by Police Headquarters and administrative purposes.

As with the Region, there may be a need to move non-headquarters related Police Units out of the Administrative Centre. The new Investigative and Support Services facility, if constructed with expansion space, could temporarily house some of these employees.

As shown on Table 6, space projections to 2015 for the 4 facilities included in the analysis total 316,000 gross square feet. Table 6 summarizes the gross square footage requirements for each proposed new facility. A preliminary assessment of the amount of land required for each facility is also shown.

Table 6: Total Estimated Space and Land Required by York Regional Police (2005 – 2015)

Department/Unit	Gross Square* Footage Required	Acres of Land Required	Expected Implementation Timeframe
Investigative and Support Services	175,000	11.0	2005/07
Training Bureau	73,000	40.0	2007/08
Field Office	40,000	2.7	2008/09
911 Communications Centre	28,000	2.3	2008/09
Total:	**316,000**	**56.0**	

*** These are preliminary figures**

4.5 Development Capacity of Regionally Owned Lands

Upon receiving Council authorization in November 2004, the Property Services Branch retained Malone Given Parson Ltd. to undertake planning, stormwater, geotechnical and Phase I Environmental studies of the Regionally-owned lands located in the south lot of the Administrative Centre (Eagle Street lands), and on the McCaffrey Road/Eagle Street site, beside the existing McCaffrey fire station (McCaffrey lands - currently leased to the Town of Newmarket for use as a soccer field/fire station). The purpose was to identify the development capacity of the sites within the existing zoning limits, and to suggest a variety of development options. Appendix 2 attached identifies these lands.

The highest density permitted on both the Eagle Street and McCaffrey Road lands is 150% gross floor area with a maximum building height of 6 storeys. The maximum development capacity of the McCaffrey lands was determined to be approximately 245,748 square feet, accompanied by 860 parking spaces, while the Eagle Street lands were determined to have a maximum capacity of approximately 508,450 square feet, with 1,772 parking spaces. Maximum development of the sites would only be possible using underground parking. Additional development options, thought to be more compatible with the surrounding neighbourhood, were also provided. These lower density development options included 3 and 4 storey buildings, with all surface parking or a combination of surface and subsurface parking. Malone Given Parsons concluded that the highest density scenarios would be feasible from the perspective of preserving the view of the Administrative Centre, low impact on residential uses, lack of shadow impacts, and traffic capacity. They did note, however, that the “maximum density options push the height envelope to six storeys which, while permitted in the current zoning, may be considered excessive for the area in context and could potentially diminish the existing Administrative Centre building as the focal point of this institutional area”. Depending on the chosen level of development of these two sites, there could potentially be sufficient development potential to accommodate the Region’s needs in the Newmarket area for the next 10 years. A cost/benefit of higher density development with subsurface parking, versus the lower cost option of lower density development with surface parking should be studied in further detail. There are risks in developing the property at lower densities which may result in the need to purchase additional lands at much higher costs. Detailed design and engineering studies are required to specifically determine the ultimate size and cost of such a development.

While there is a cost of constructing and maintaining excess space before it is required as permanent accommodation, there is an offsetting savings. This approach has been taken by Newmarket, Aurora, and Richmond Hill with success. Those municipalities now have owned space for expansion, and for the flexibility required to accommodate churn. There are savings associated with having owned space available to allow for avoidance of leasing space to accommodate churn, special projects, unforeseen program requirements, or to easily meet incremental growth in demand for space over an extended period of time. Developing the new Central Services Centre with pods, in a campus style phased approach, would assist in reducing risk.

4.6 Business Case Analysis - Central Services Centre

A business case analysis was undertaken by a financial consulting firm, Dromoland Property Investments Management Limited, to study the financial costs and benefits of consolidating multiple facilities located in Newmarket into one new location adjacent to the Administrative Centre. The analysis considered: the condition of existing owned and leased facilities; the availability of suitable leaseholds in the Newmarket area; market rentals and the value of future lease obligations; financing costs; lease costs on a built to suit by the private sector; and financial analysis and comparison of alternatives. Other factors included were energy savings and productivity gains. The business case concludes that, based upon a discounted net present value analysis, the Region by building its own facility rather than continuing to lease would save approximately $29 million over the life of the 140,000 sqft building and $50 million if the facility was 212,000 sqft, which reflects a fully built out scenario at the end of 10 years.

The comparison between the Region building and having a developer build a facility and leasing it back is even more pronounced, with the Region saving approximately $54 million (for the small facility of 140,000 sqft) and $79 million (for the fully built out scenario of 212,000 sqft) respectively. Sales revenues for 62 Bayview Parkway and the building at 22 Prospect Street have not been included.

Table 7:
140,000 Square Foot Facility

Present Value Analysis **Initial Consolidation**	**PV at 5.4% $-Millions**	**Increase in Cash Flow in first 10 years. $-Millions**	**Total Occupancy costs in Development are less than leasing starting in year**	**The "payback period" for development, achieved through reduced occupanc costs is -- years**
Leasing	$60 million			
Development of Additional Lands	$31 million	$15	11	13
Developer Built to suit/lease	$85 million			

Table 8:
212,000 Square Foot Facility

Present Value Analysis **Fully Built Out**	**PV at 5.4% $-Millions**	**Increase in Cash Flow in first 10 years. $-Millions**	**Total Occupancy costs in Development are less than leasing starting in year**	**The "payback period" for development, achieved through reduced occupanc costs is -- years**
Leasing	$101 million			
Development of Additional Lands	$52 million	$15	11	15.5
Developer Built to suit/lease	$130 million			

The report further concludes that it is better for the Region to build its own facility and consolidate for the following reasons:

- Property ownership allows the Region to house its staff more efficiently and cost effectively, using its favourable credit rating for financing and taking advantage of its property tax exemption as an owner.
- The Region's covenant is better than a Developer's, and therefore, a built to suit scenario with a long term lease back to the Region, creates value for the Developer at the Region's expense;
- The financial analysis favours ownership as the land cost has already been absorbed;

- The development of additional office space and parking in close proximity to the Administrative Centre helps solve the existing shortfall in parking, facilitates short-term accommodation needs by providing swing space, and provides more Regional services in one location to better serve the public;
- At present, the leasing market in Newmarket is too small to provide the long term space needs for the Region and development in the Newmarket Centre supports the Regional and Local Official Plans and the vision for the Region;
- The quality of the existing space is substandard and not suited to providing long term solutions for space;
- Consolidation in a new facility creates the opportunity for synergy with Regional staff who are off-site and helps increase staff productivity;
- Provides facilities that are much more energy efficient, secure and suitable, while realizing a further space saving of approximately 5-8% through improved use and consolidation of existing public spaces such as lobbies, meeting rooms, washrooms, and mechanical rooms;
- Increases the lifecycle of building improvements, maximizes utilization and reduces the non-salvageable costs when leased premises are vacated by as much as 50%; and
- Similar to the Administrative Centre, the facility would be paid off by debenture after 10 years, allowing the Region to participate in the general rise in the value of real estate over the long term

4.7 Relationship to Vision 2026

The Strategic Accommodation Plan supports a number of principles and goals of Vision 2026. The planning of new facilities in centres or along corridors would conform with the Regional Official Plan by being transit supportive and helping to create more vibrant urban communities. Better located and designed facilities would clearly respond to the needs of the Region’s residents and staff. New and consolidated health, community services and long term care facilities would help promote wellness and enhance human resources and partnerships. The SAP would lead to more partnerships and cost-sharing opportunities with area municipalities, proactively meet the needs of our customers, and would assist in establishing a sound fiscal strategy that will save significant taxpayer’s dollars over the long term. The SAP would clearly support the Corporation’s values of cost efficiency to taxpayers, excellence in customer service, and proactive planning for the future.

5. FINANCIAL IMPLICATIONS

The SAP is a high-level strategic and policy document designed to guide land and facility decisions on a Regional scale. It does not provide specific cost estimates which will vary significantly based on timing, location and individual design characteristics. Phased Implementation Plans will be undertaken and approved by Council for each individual project prior to undertaking the completion of detailed engineering, design studies and business case analysis. Specific project costs will be dependent on construction and land costs at the time each project is scheduled to proceed, and therefore, authorization will be required from Council for each separate implementation plan.

Authorization is being requested to proceed with detailed architectural, engineering, environmental and financial studies, together with a functional analysis at a cost not to exceed $2.84 million. These funds are available within the 2005 Property Services Budget.

6. LOCAL MUNICIPAL IMPACT

The implementation of a SAP will lay the framework for more convenient and better quality Regional services for the citizens of all of the Region's area municipalities, particularly in those areas where the majority of York's residents reside. The Plan will assist area municipalities plan for their service delivery by providing them with a blueprint of where the Region intends to develop its key service delivery nodes. This will enhance the potential for better communication and co-operation between the two levels of government in the development of future projects or the sharing of land or facilities.

7. CONCLUSION

There are clear signs that the Region's older facilities are having negative impacts on Regional service delivery and staff productivity. These include lack of parking, overcrowded work spaces, lack of space for growth, increased maintenance and renovation costs, increased leasing costs (currently 43 locations at a cost of approximately $5.5 million per year), and lack of services in highly populated areas. The situation in Newmarket is particularly critical as its facilities are quickly becoming obsolete and there is a limited leasing market. As it takes approximately 3 years to design and build a new facility, it is important that the Region take action by approving a Strategic Plan for its accommodation and a budget for its implementation in a well-organized, effective and cost-efficient manner. A business case has been completed which clearly supports the need to consolidate the older Regional portfolio in Newmarket as a first priority. Staff retained Consultants to complete various studies to thoroughly examine the development capacity of Regionally-owned lands adjacent to the Administrative Centre and these studies indicate there is significant development potential with no problematic development issues. Regional Council should approve the SAP and its policies and authorize staff to undertake detailed design studies and cost estimates for the development of a consolidated Central Services Centre.

The Senior Management Group has reviewed this report.

(In considering this report, the Committee also had before it a copy of the York Region Strategic Accommodation Plan dated August, 2005.
The attachments referred to in this clause were included in the agenda for the September 8, 2005 Committee meeting.)