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TERMINATION OF THE LEASE FOR THE REGION'S PROPERTY LOCATED AT 20898 DALTON ROAD, TOWN OF GEORGINA

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report dated October 20, 2009, from the Commissioner of Corporate Services.

1. RECOMMENDATIONS

It is recommended that:

1. The Region be authorized to enter into a termination agreement to terminate the lease between the Region and The Corporation of the Town of Georgina (Town), for the Region's property located at 20898 Dalton Road, in Georgina.
2. The Regional Chair and the Regional Clerk be authorized to sign a termination agreement with the Corporation of the Town of Georgina, subject to the approval of Legal Services.

2. PURPOSE

The purpose of this report is to seek Council authorization to enter into a termination agreement to terminate the lease between the Region and the Town, for the Region's property located at 20898 Dalton Road, Town of Georgina, as the Town has vacated the premises and no longer requires it.

3. BACKGROUND

The Town of Georgina has been leasing a portion of the Region's facility since 2005 to operate a recreational program for children and youth

In 2004, the Region purchased property previously owned by the York District Catholic School Board in order to operate a multi-service centre on Dalton Road, together with the Town. The Town contributed \$50,000 towards the purchase of the property, to operate a recreational facility in the gym and portable of the property. The Region renovated the classroom portion of the building to house an emergency shelter/transitional housing complex for youth. This program is being operated by The Governing Council of the Salvation Army in Canada (Salvation Army) as an emergency youth hostel.

The Region and the Town entered into a five-year lease agreement, expiring on April 30, 2010 for the Town to occupy the gym and portable for a nominal fee. It was agreed that the Town would maintain their portion of the facility and provide ground maintenance to the property.

In 2008, the gym and portable required extensive remediation repair due to water infiltration issues. The Town relocated to Sutton Public School to continue operating their program on a temporary basis and later decided to remain at this location. Therefore, they no longer require to lease the gym and portable and have requested to terminate the lease.

4. ANALYSIS AND OPTIONS

The Region has taken back the space and it's being used by the Salvation Army to provide recreational programs for its youth occupying their hostel

In 2008, it was agreed by the parties that the Region would take possession of the Town's space and terminate the lease so long as the Town agreed to continue providing snow ploughing services for the remainder the winter year.

The Region has since remediated the space at its cost and it is now being utilized by the Salvation Army to provide recreational programs for its youth that are occupying the hostel. The portable was deemed uninhabitable and has been disposed of.

5. FINANCIAL IMPLICATIONS

There are no financial implications associated with this termination as the Town has been charged a nominal fee for rent. However, the Region is now providing ground maintenance for the property at its cost, which is estimated to be \$14,000 annually.

The cost of the remediation work was approximately \$73,500.

6. LOCAL MUNICIPAL IMPACT

There is no municipal impact associated with this termination agreement as the premises will continue to be used for youth recreational programs.

7. CONCLUSION

Termination of the lease is recommended as the Town has vacated the premises and have relocated to another location.

For more information on this report, please contact Paul Roberts, Manager, Realty Services, Property Services Branch, at Ext. 1424.

The Senior Management Group has reviewed this report.