6
LEASES FOR PARAMEDIC RESPONSE STATIONS IN THE CITY OF VAUGHAN

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, September 13, 2007, from the Corporate Services and Commissioner of Community Services, Housing and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. The Region enter into leases for the existing paramedic response stations located at 835 Clark Avenue West (Clark) and 9290 Keele Street (Keele) as outlined in this report.

2. The Regional Chair and the Regional Clerk be authorized to sign the necessary leases with the City of Vaughan (City), subject to review by Legal Services.

3. The Commissioner of Corporate Services be authorized to sign lease extension agreements, if required, for two additional one-year terms with the City, subject to review by Legal Services.

2. PURPOSE

This report recommends that the Region enter into leases for York Region Emergency Medical Services (EMS), so that it may continue to operate response stations located in the City of Vaughan.

3. BACKGROUND

EMS has been co-locating their Paramedic Response operations with Vaughan Fire and Emergency Services at the Clark station consisting of 1,103 square feet of dedicated space and 922 square feet of shared space since October 2001, and at the Keele station consisting of 1,200 square feet of dedicated space since 1999, without formal leases.

Property Services and the City of Vaughan have now negotiated the terms and conditions of the leases required for these properties. The new leases will be effective June 1, 2005 (Clark) and January 1, 2006 (Keele) respectively.

4. ANALYSIS AND OPTIONS

The City has also agreed to provide the Region with renewal options for two additional one-year terms and to provide the Region with a termination right, so long as the Region provides the City with six months prior written notice.

5. FINANCIAL IMPLICATIONS

Property Services and City staff have reached tentative agreements, whereby the annual gross lease obligation for the Clark station and the Keele station will be subject to a five percent increase compounded annually, as shown in Table 1 and Table 2 below.

Table 1
Lease Cost Analysis for the Clark Station

<table>
<tr><th colspan="2">Annual Rent</th><th>Terms and Conditions</th></tr>
<tr><td colspan="2">Existing Rent</td><td></td></tr>
<tr><td>May 2005</td><td>$14,438.00</td><td></td></tr>
<tr><td colspan="2">Proposed Rent Obligation</td><td></td></tr>
<tr><td>Lease Year 1 (June 1, 2005 to December 31, 2005- partial lease term)</td><td>$ 8,843.28</td><td rowspan="5">Commencing as of June 1, 2005, for a term of three years and seven months, with two further one-year renewal options at an annual rent increase of five percent.

The Region will have a six-month termination right.</td></tr>
<tr><td>Lease Year 2 (January 1, 2006 to December 31, 2006)</td><td>$15,917.90</td></tr>
<tr><td>Lease Year 3 (January 1, 2007 to December 31, 2007)</td><td>$16,713.79</td></tr>
<tr><td>Lease Year 4 (January 1, 2008 to December 31, 2008)</td><td>$17,549.48</td></tr>
<tr><td>Total Proposed Lease Obligation</td><td>$59,024.45</td></tr>
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Table 2
Lease Cost Analysis for the Keele Station

<table>
<tr><th colspan="2">Annual Rent</th><th>Terms and Conditions</th></tr>
<tr><td colspan="2">Existing Rent</td><td></td></tr>
<tr><td>December 2005</td><td>$11,496.00</td><td></td></tr>
<tr><td colspan="2">Proposed Rent Obligation</td><td></td></tr>
<tr><td>Lease Year 1 (January 1, 2006 to December 31, 2006)</td><td>$12,070.80</td><td rowspan="4">Commencing as of January 1, 2006, for a term of three years, with two further one-year renewal options at an annual rent increase of five percent.

The Region will have a six-month termination right.</td></tr>
<tr><td>Lease Year 2 (January 1, 2007 to December 31, 2007)</td><td>$12,674.34</td></tr>
<tr><td>Lease Year 3 (January 1, 2008 to December 31, 2008)</td><td>$13,308.06</td></tr>
<tr><td>Total Proposed Lease Obligation</td><td>$38,053.20</td></tr>
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These lease agreements comply with the Region's policy relating to financing leases contained in the Capital Financing and Debt Policy, approved by Council in January 2006.

City staff are presently responsible for all operating costs under these gross leases.

All costs associated with these leases have been included in the approved 2007 EMS budget.

6. LOCAL MUNICIPAL IMPACT

The residents of the City of Vaughan will receive continued emergency medical services from these existing stations.

7. CONCLUSION

Leases are required for the Clark and Keele Paramedic Response Stations and it is recommended that the Region enter into the leases as outlined in this report.

The Senior Management Group has reviewed this report.