

THE REGIONAL MUNICIPALITY OF YORK
POLICE SERVICES BOARD

REPORT OF THE CHIEF OF POLICE

24 SEPTEMBER 2008

Renewal of Lease

RECOMMENDATIONS

1. That the Board authorize a renewal of the lease agreement between the Board and Newmarket Property Corporation for Unit 225 at the Yonge Mulock Centre situated at 16775 Yonge Street, Newmarket, consisting of 1,338 square feet of office space and 650 square feet of storage space for a period of 3 years effective December 1, 2008, and terminating November 30, 2011; and
2. That the Chief be authorized to execute the lease agreement with Newmarket Property Corporation subject to approval of the Region's Legal Services as to form and content; and
3. That the lease agreement provide for an option to renew for a further period of 3 years, and the Chief of Police be authorized to exercise the renewal option on behalf of the Board, subject to fulfillment of the conditions set out in this report; and
4. That pending approval of the above recommendations, the Board provide notice of the lease to the Region's Treasurer for reporting purposes under the Region's Financing and Debt Policy.

SYNOPSIS

York Regional Police currently leases space at the Yonge Mulock Centre situated at 16775 Yonge Street, Newmarket, for various units of York Regional Police. The landlord, Newmarket Property Corporation, is prepared to agree to a further lease renewal of Unit 225 covering the terms referred to in recommendation 1 commencing December 1, 2008.

The lease herein referred to has an annual payment obligation of approximately \$36,000 and, accordingly, is considered a "non-material lease" under the Region's Capital Financing and Debt Policy. Therefore, the Board does not require Regional Council's prior approval to enter into it, but the Board must give notice of it to the Region's Treasurer for reporting purposes under that Policy.

FINANCIAL IMPLICATIONS

The current lease rate amounts for 2008 are as follows:

Current 2008 lease rates to November 30, 2008:

Unit	Leased Square Footage	Lease Rate
Storage Space NW Corner	650	\$400 per month +GST
Unit 225	1338 sq ft	Total \$25.60/sq. ft. + GST. = \$2,854.40/mth. + GST. = \$34,252.80/yr. + GST.

The proposed annual lease payments for the 16775 Yonge Street are as follows:

Unit	Term	Lease Rate	% Increase
Storage Space	3 years	\$400 per month + GST	0%
225	Year 1 Dec 1, 2008, to Nov 30, 2009	Rent \$15.00 sq. ft +GST. TMI \$11.37 sq. ft +GST Total \$26.37/sq. ft +GST = \$2940.25/month +GST= 35,283.06/yr+GST	3%
225	Year 2 Dec 1, 2009, to Nov 30, 2010	Rent \$15.50 sq. ft +GST. TMI \$11.37 sq. ft +GST Total \$26.87/sq. ft +GST = \$2996.00/month +GST= 35,952.06/yr+GST	1.02%
225	Year 3 Dec 1, 2010, to Nov 30, 2011	Rent \$16.00 sq. ft +GST. TMI \$11.37 sq. ft +GST Total \$27.37/sq. ft +GST = \$3051.75/month +GST= 36,621.06/yr+GST	1.02%

In addition, the Lessee agrees to pay for all other costs of occupancy, including insurance on the contents, the cost of maintenance, repair and replacement for those components of the HVAC system at an estimated cost of \$0.39 per square foot per year, paid monthly as additional rent.

Region of York Risk Management is aware of the lease agreement for insurance purposes and will provide the insurance certificate of not less than \$2,000,000 as required in this Lease.

Sufficient funds exist in the 2008 budget to cover the lease period of December 2008.

BACKGROUND

Since August 2002, the Board entered into lease agreements at the Yonge Mulock Centre to provide off-site facilities for York Regional Police. Unit 225 has been leased since October 2005 to provide space for our Legal Services Unit. With the growth of the Legal Services Unit and the recent lease of additional space at the Yonge Mulock Centre, Legal Services was relocated and six members of the Court Services Bureau moved into Unit 225 in July.

The 18 members of the office staff of Court Services are currently housed in 1,500 square feet of office space at the Eagle Street Courthouse. The space is inadequate for their needs so to relieve some of the space pressures, it was necessary to move 6 members out of the facility. As the Mulock location was in close proximity to the Eagle Street Courts, it was the most convenient location to house the members.

The new Investigative Services and Support Services facility is expected to be ready for occupancy by mid-2010. All staff of Investigative Services and Property currently assigned to Yonge and Mulock and Headquarters will be moved to the new facility. The Court Services staff reporting to Mulock will not be moving to the new facility and will require this space and future growth space. The Ministry of the Attorney General is conducting a Court Facility Review for all of the tenants of the Eagle Street Court facility, however, until such time as more space is provided to York Regional Police; alternative locations for staff are required. The timelines for a possible courts expansion is unknown.

The Yonge Mulock location is equipped with the necessary technology to support the units currently located at the site. Significant investments have been made to provide the necessary voice, data and security requirements.

The leased space at the Yonge Mulock Centre is also utilized for numerous units including Alarms, Community Services, Court Services, Crime Stoppers, Investigative Services, Legal Services, Paid Duty, Professional Development, Professional Standards, Property, Quality Assurance, Recruiting and Staff Development. At present, 133 members work out of this location.

Average lease rent rate for professional office space in the Newmarket area is between \$12 and \$22 per square foot, plus TMI. The rates provided by Newmarket Property Corporation are competitive. The most cost effective method of accommodating this unit at the Yonge Mulock location is to remain in their present location.

APL/bs

Armand P. La Barge, O.O.M
Chief of Police