

Clause 9 in Report No. 3 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 16, 2017.

9

Lease Extension at
130, 140 Mulock Drive and 570 Sandford Street, Newmarket

Committee of the Whole recommends adoption of the following recommendations contained in the report dated January 26, 2016 from the Commissioner of Corporate Services:

1. Council authorize a lease extension for existing office space and parking located at the corner of Mulock Drive and Sandford Street (130 Mulock Drive, 140 Mulock Drive, Unit 1 and 570 Sandford Street) in Newmarket, for a five year term.
2. The Commissioner of Corporate Services be authorized to execute all Lease Amending and Extending Agreements with 2523442 Ontario Inc., (for 130 and 140 Mulock Drive) and Dave Wood Holdings Ltd., (for 570 Sandford Street).

Report dated January 26, 2017 from the Commissioner of Corporate now follows:

1. Recommendations

It is recommended that:

1. Council authorize a lease extension for existing office space and parking located at the corner of Mulock Drive and Sandford Street (130 Mulock Drive, 140 Mulock Drive, Unit 1 and 570 Sandford Street) in Newmarket, for a five year term.
2. The Commissioner of Corporate Services be authorized to execute all Lease Amending and Extending Agreements with 2523442 Ontario Inc., (for 130 and 140 Mulock Drive) and Dave Wood Holdings Ltd., (for 570 Sandford Street).

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130 and 140 Mulock Drive and 570 Sandford Street, Newmarket

2. Purpose

The purpose of this report is to request Council approval for extending the lease of the office space and parking at 130 and 140 Mulock Drive and 570 Sandford Street, Newmarket, for use by Community and Health Services staff. The leased space is required until the Administrative Centre Annex is complete.

Private Attachments (1) and (2) to this report are private as they relate to the proposed acquisition of land by the municipality.

3. Background

The Region has leased space on Mulock Drive since 2010

In February 2010, Regional Council approved the lease of the office space at 130 Mulock Drive in Newmarket. The Property Services Branch was relocated from the Administrative Centre to the Mulock offices to accommodate Regional growth. In September 2011, the Region began leasing the adjacent parking lot located at 570 Sandford Street to provide additional parking. In April 2012, the Region entered into a lease for 140 Mulock Drive, Unit 1, to accommodate additional staff growth.

The current leases include a total of 13,733 square feet of office space and additional parking spaces at the Sandford Street Lot. The Region leases the space on a month to month basis as permitted by the existing agreement, pending renewal upon Council approval. The start date of this lease extension will be retroactive to July 1, 2015 and it will end on June 30, 2020. The location map for 130 Mulock, 140 Mulock Drive and 570 Sandford Street is included as Attachment 1.

4. Analysis and Implications

The Mulock space is located close to the Administrative Centre and accessible by public transit

The Mulock space is located close to the Administrative Centre, which is a 4km round trip. The location is accessible by public transit and is only 450 metres away from the Yonge Street corridor, which provides additional transit options. The ground-level space is accessible for staff and the public. All of the above make this an ideal location from which to continue the operation of Regional office space.

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Existing leasehold improvements at this location already meet Regional standards

When the Region initially leased the Mulock space, leasehold improvements were completed to create a functional place for office needs. Leasehold improvements have been constructed in accordance with Regional standards, to suit a wide variety of Regional users with minimal reconfiguration, and the units are fully furnished. Extending the lease will allow the Region to further benefit from the investment already made at this location.

The Mulock space supports the Region's short-term accommodation planning

Regional Council approved the acquisition of 145 Harry Walker Parkway in 2013 to provide office and warehouse space as part of the long-term accommodation plan. Recently, Corporate Services staff relocated from 130 and 140 Mulock Drive to 145 Harry Walker Parkway, thus freeing up the Mulock office space to accommodate other Regional staff.

Community and Health Services will relocate from the Administrative Centre to the Mulock space, which will create the necessary space for growth at the Administrative Centre. The Mulock space offers competitive lease rates and a central location that serves the needs of Community and Health Services staff. The Mulock buildings will be reviewed as part of the Accommodation Master Plan (AMP), which is currently underway, to determine whether this space will be required to accommodate future growth. If this space is required to meet staff growth requirements beyond 2020, a report will be presented to Regional Council requesting authorization for a lease extension.

Remaining at Mulock Drive offers good value for the Region

Regional staff conducted a market search for leased and purchased spaces that would accommodate a comparable number of staff as the Mulock office space. There were few options available on the market within the desired area and what was available would require significant leasehold improvements. Regional staff have reviewed the market comparables and the competitive lease rates for the Mulock space are more favourable than securing another location.

5. Financial Considerations

The funding required to complete this lease extension is currently included in the Corporate Services budget. The rates remain the same for 130, 140 Mulock Drive and Sandford Street for the first three years of the extension. An increase

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of \$0.50 per square foot is incorporated into the lease for 130 Mulock Drive for the final two years, however, the other two leased spaces remain at the same rates. Detailed financial information can be found in *Private Attachment (1)*.

6. Local Municipal Impact

Maintaining a presence on Mulock Drive will ensure that access to Regional services is not interrupted and costs associated with relocating facilities are not incurred. Extending this lease will provide the Region with a suitable, centrally located facility for continued service delivery.

7. Conclusion

The Region entered into a lease for the space on Mulock Drive in 2010 and will continue to utilize the space to accommodate Regional growth requirements in the Administrative Centre. The Region has made leasehold improvements to the space and its close proximity to the Administrative Centre makes it a good operational location. Overall, the Region has achieved good value from its investment and it is recommended that the lease be extended for an additional five years.

For more information on this report, please contact Michael Shatil, Director, Property Services Branch at 1-877-464-9675 ext. 71684.

The Senior Management Group has reviewed this report.

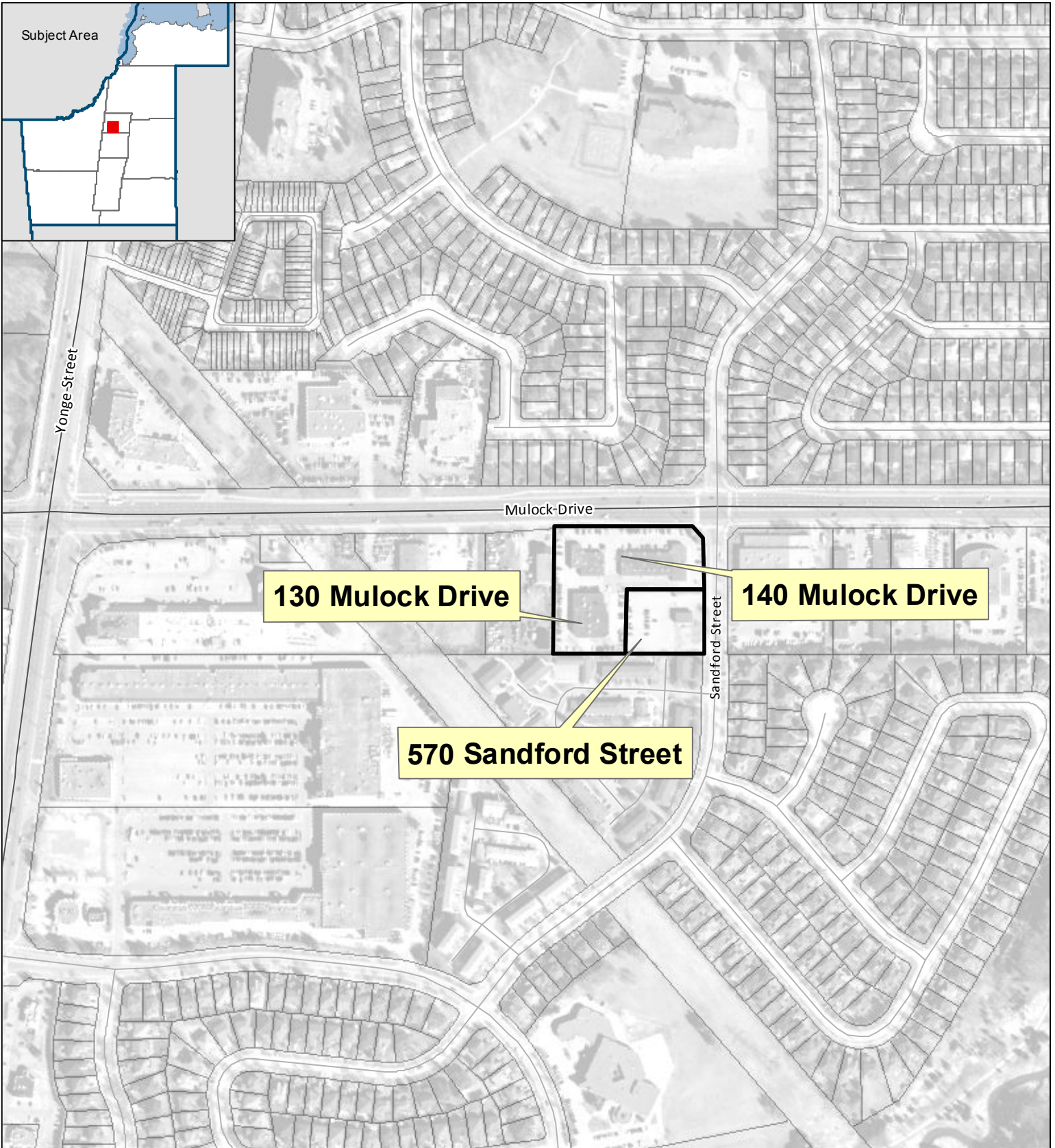
January 26, 2017

Attachments (1)

Private Attachments (2)

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Accessible formats or communication supports are available upon request



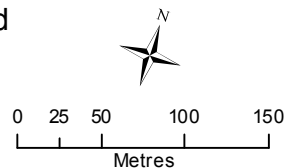
Produced by:
The Regional Municipality of York
Property Services, Corporate Services
December 2016

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Imagery:
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Location Plan

Lease Extension
130, 140 Mulock Drive and
570 Sanford Street
Town of Newmarket
February 9, 2017



Legend

-  Subject Properties
-  Parcel
-  Road