

**Committee of the Whole Meeting  
August 26, 2019**

**Report #ENG-2019-21**

**TOWN ADMINISTRATION INTERIM SPACE NEEDS**

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**Recommendation**

That Report #ENG-2019-21 be received;

And further that staff be directed to proceed with Option #5 for the interim accommodation solution and install the office trailers on the site at 25 Albert Street West, Alliston for a duration of up to five years;

And further that the costs for Option #5 be approved to an upset limit of \$505,000 plus H.S.T. to be funded from the approved Town Administration Centre Capital Project;

And further that a contingency in the amount of \$50,000 plus H.S.T. be approved to be funded from the approved Town Administration Centre Capital Project;

And further that staff be directed to work with the County of Simcoe to investigate the opportunity of purchasing the existing office trailers currently in use.

**Objective**

The objective of this report is to respond to Council's request for placing the New Town Administration Centre project on hold and provide recommendations for Interim Space Accommodation for a period of three (3) to five (5) years.

**Background**

On April 16, 2019 staff report #ENG-2019-10 was presented at a Committee of the Whole working session along with a presentation made by the CAO. During the presentation the topic of the Regional Government Review process, currently underway with the Province, was brought up for discussion and its potential impacts on the New Town Administration Centre Project. The following direction was issued at this Committee Working session:

- *The Committee of the Whole recommends:*
  - *That Report #ENG-2019-10 be received;*
  - *And further that the presentation of the CAO be received;*
  - *And further that the construction of the Administration Centre be placed on hold until the results of the Regional Government Review are known;*
  - *And Further that staff be directed to report back to Council with regard to:*

- *1. leasing space for the administrative needs for the next 3 - 5 years*
- *2. options with regard to the site located 25 Albert Street*
- *3. the immediate needs of the site located at 10 Wellington Street East*
- *4. other capital projects budgeted for as to whether or not the projects should proceed prior to the results of the Regional Government Review are known.*

This report will be responding to item #1 listed above.

### **Comments and Considerations**

In preparing this report the first step taken was to complete an inventory of available space within Town owned facilities to investigate if any efficiencies could be made in order to introduce additional staff workstations. The outcome of this review identified that a minimal amount of new workstation settings could be created, however, only enough to accommodate the current approved head count if all vacancies were filled. Conducting this review exhausted all existing available options without compromising current service level offerings. Although alternatives could be investigated to remove activity rooms from public use within our recreation facilities in order to accommodate staffing needs it was felt that reducing service levels within our recreation services was not viable solution.

The next step in this review was to understand our accommodation needs for the duration identified being three (3) to five (5) years. Given that the new Administration Centre Project had completed a thorough functional programming analysis, which identified the Town's anticipated staffing growth projections out to 2031, this information was utilized to identify our staffing projections for a five (5) year period. Based on the information provided in this document and aligned with an industry standard growth projection it is anticipated that the Town's staffing head count will increase at a rate of 3% per annum which equates to an average increase of three (3) new staff members each year. Of note, this staffing count only relates to positions which would be housed within the administration centre and does not take into account any operational increases for outside workers. Given this data, a total of fifteen (15) new staff would require workstation accommodations during the five (5) year period.

As such, and as part of the recommendations from the Committee of the Whole working session of April 16, 2019, staff began to investigate the availability of leased space within the Town boundaries, and the alternative of leased office trailers to be located on existing Town owned lands for a period of up to five (5) years. Based on the staffing needs for this period the investigation reviewed sites within a range of three thousand (3,000) to five thousand (5,000) square feet. With a need to accommodate staff increases from varying departments it was decided to approach the situation by taking the Engineering and Planning departments and relocating them to the new space to

allow for the vacated space on the second floor of 10 Wellington street to accommodate all future staff members.

The services of Ronan Realty were retained in order to identify current available vacancies within the Town meeting the criteria of vacant space between three (3) and five (5) thousand square feet suitable for use as Town administration space. A total of six (6) properties were brought forward for consideration, however two of those locations were since leased out during this process. The remaining four (4) potential locations that were analyzed as part of this report are as follows:

- Option #1 - 42 Victoria Street, Alliston
- Option #2 - 497 Victoria Street East, Alliston
- Option #3 - 119 Queen Street North, Tottenham
- Option #4 - 6668 3rd Line, Tottenham

Each of the sites listed above were viewed by staff and a costing exercise was conducted to identify the total cost for each site. The financial summary of this exercise can be found in the financial section of this report. Attachment #1 of this report offers additional information relating to each site location that was also considered during this review. This attachment will identify the site location and the characteristics of the space and site location. Each site location offered varying space sizes and also had restrictions to consider when evaluating.

As an alternative solution staff reviewed the option of leasing office trailers to deliver our interim accommodation needs. The office trailer solution can be offered through a short term leasing option or through the purchase of a used office trailer set-up. The options considered for this solution are as follows and only vary by site location of the office trailer:

- Option #5 - Office trailer located at 25 Albert Street West, Alliston
- Option #6 - Office trailer located at 6375 14th Line, Alliston (existing Depot #1 Location)
- Option #7 - Office trailer located at 56 Main Street, Beeton
- Option #8 - Office trailer located at 7300 Industrial Parkway, Alliston (NTRC)

The financial analysis on each of these four (4) options can be found in the financial section of this report. As the lease cost of the office trailers would remain constant across all three options the only variable is the cost to provide servicing to the trailer, such as water, sewer, and hydro connections. Additional costs would be incurred as part of Option #6 in order to create additional on-site parking and pathway access to the trailers. There could be a potential for additional costs as part of Option #8 as a result of additional fill required to bring the trailers up to parking level grade based on the recommended trailer location.

With each of the four (4) options for site locations also comes restrictions which were taken into consideration. When reviewing each site location it was determined that Option #6 if chosen would delay the delivery of the New Fire Station #4 by the five (5) year window, and Option #7 would delay the Beeton Recreation Facility by the same timeline of five (5) years. With Option #5 there are no direct impacts to other capital projects planned to be delivered. The site at 25 Albert street is utilized annually for the Mayors Charity Rodeo and this option would however require alternative solutions to be brought forward in order to support future years of this event. The site at the NTRC if chosen would only impact the delivery of the New Town Administration Building should this alternate site be selected once the Regional Government Review is known. Additional information on Options #5 thru 8 can be found in Attachment #1.

The recommendations of this report support the selection of Option #5 which requires the use of 25 Albert Street West. This is supported as it provides the most fiscally responsible solution for consideration, and offers the least impact to existing planned capital projects. The costs for this option in relation to other sites for the office trailer are greatly reduced due to the use of both on-site parking and overflow parking at the Alliston Memorial Arena which require no additional costs in order to accommodate.

### Financial Considerations

As part of the financial review of this report there is consideration given to both up front Capital requirements for tenant lease hold improvements or servicing connections for the trailer options as well as annual operating costs associated with lease rates and common area Maintenance, Utilities, Insurance, and Taxes (MUIT). While each of the costs described above vary among each option there is also a constant cost for each solution which would include the provision of IT equipment and distribution, furniture solutions for the space, and annual operating expenses for utilities, cleaning, and routine maintenance. The capital costs associated with IT and furniture have been incorporated into each option outlined in the table below. The operating costs for each solution for utilities, cleaning and routine maintenance will be brought forward as part of the 2020 Business Plan should this report be approved.

The table below provides a summary of costs associated with each option and equates the total cost to a cost per square foot to deliver the option in order to provide an equal comparison among the alternatives.

Option #	Total Cost of Option	Cost per square foot
1 - 42 Victoria St, Alliston	\$670,030	\$145.66
2 - 497 Victoria St East, Alliston	\$658,000	\$205.63
3 - 119 Queen St, Tottenham	\$1,390,000	\$278.00
4 - 6668 3rd Line,	\$860,000	\$286.67

<b>Tottenham</b>		
<b>5 - 25 Albert St, Alliston</b>	\$501,860	\$139.41
<b>6 - 6375 14th Line, Alliston</b>	\$581,860	\$161.63
<b>7 - 56 Main St, Beeton</b>	\$501,860	\$139.41
<b>8 - 7300 Industrial Pkwy, Alliston</b>	\$554,670	\$154.08

The chart above includes the following costs, lease rates, MUIT rates, lease hold improvement expenses, IT costs, and furniture costs for options 1 thru 4. The costs associated with options 5 thru 8 include lease rate of trailers, service connections for water, sewer, and hydro electricity, IT costs, and furniture.

While conducting our review of office trailer alternatives the Town was approached by the County of Simcoe with information relating to their current office trailer lease on site at the Emergency Services Campus on Fairview Road in Barrie. Based on the information provided the County of Simcoe and City of Barrie currently have a lease in place which expires at the end of 2019 for a 3,600 square foot office trailer which is identical to those being investigated as part of this process. The County of Simcoe and City of Barrie are currently looking to relocate out of their office trailers and terminate the lease prior to the expiry of their term in order to expedite the site servicing and grading works to be completed on the project. As such there is an opportunity presented to work with the County in an effort to negotiate the ability to purchase these existing trailers and utilize them on site for the five (5) year duration. At the end of the five year duration the trailer will have reached the end of its useful life and we would have to dispose of the trailers and potentially recoup a small amount for the salvaged material.

As part of our recommendation we are proposing that staff be directed to work with the County and investigate this option further. If during this investigation it is determined that we are able to purchase the trailers at a lesser cost than that identified above in Option #5 then we would proceed on that basis for the delivery of interim accommodations. This alternative would only proceed if there is cost efficiencies to be had over the lowest cost alternative of Option #5.

Respectfully submitted:




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Daniel Burton

Supervisor of Building Construction

Attachments:

[Attachment #1 - Lease Space and Trailer Alternatives](#)

<b>Approved By:</b>	<b>Department:</b>	<b>Status:</b>
Rick Vatri, C.E.T., Director of Engineering and Development	Engineering	Approved - 18 Jul 2019
John Henry CPA, CMA, Director, Financial Services / Treasurer	Finance	Approved - 18 Jul 2019
Bruce K. Hoppe, MCIP, RPP, Interim GM, Infrastructure & Development	Planning	Approved - 18 Jul 2019
Blaine Parkin, P. Eng., CAO	CAO	Approved - 18 Jul 2019

Option #	Address	Square Footage of Space	Property Description	Total Costs	Property Restrictions or Constraints
1	42 Victoria Street, Alliston	4600	Old Giant Tiger building, space has been fit-out with drywall perimeter with provisions for power and future data connections, with vinyl composite tile floor finish and suspended ceiling finish with lighting and HVAC distribution. Units of varying sizes available that could be merged together to meet the needs of the Town. Space from 2,300 sqft to 6,900 sqft available.	\$ 670,030.00	This particular location is within the downtown core of Alliston in close proximity to the existing Town Hall location, therefore parking is limited however the municipal lot at the corner of Wellington and Centre street could be used.
2	497 Victoria Street East, Alliston	3200	Red Pine Inn banquet hall. Existing banquet hall with commercial grade kitchen within 3,200 sqft of space. Commercial kitchen still set up with open hall space with carpet and finish wall and ceiling space.	\$ 658,000.00	This location would require additional cost and expense in order to remove the commercial kitchen or reduce the available square footage in order to accommodate this remaining in place.
3	119 Queen Street North, Tottenham	5000	Existing vacant medical office building with approximately 12,000 sqft of space available for lease. The space is currently divided with private room settings complete with plumbing for sink connection within each. There is no open space for workstation type settings and space is completely finished with carpet and drywall finishes. Common area and finishes are dated to the original age of the building and the space would not comply with current AODA regulations for accessibility.	\$ 1,390,000.00	Currently the accessibility to the space, the limited access to natural light, the expensive lease hold costs are all negatives associated with this space. This property would also equate to the longest timeline for completion of lease hold improvements due to the amount of work required.
4	6668 3rd line, Tottenham	3000	New construction plaza, end unit at approximately 3,000 sqft. The unit is open space with steel stud and drywall perimeter with exposed structure above.	\$ 860,000.00	This is a new site with a total of three multi unit buildings. The site has a total of 88 parking spaces with 6 additional barrier free spaces. The facility was visited twice during mid day time periods and all but 34 spaces were available. Given that the space is for approximately 20-25 staff parking by be a concern raised by patrons who visit us or the other tenants in the spaces.
5	25 Albert Street, Alliston	3600	Proposed trailer compound set up on the existing vacant land area to the west of the existing facility. Utilize the parking on the east side of the building and overflow parking at he AMA.	\$ 501,860.00	The proposed location of the trailers would remove the ability to host the mayors charity rodeo within the site location in future years. The site trailers could add logistical constraints if the Town Administration Centre project was to proceed at 25 Albert Street.
6	6375 14th line, Alliston	3600	Proposed trailer compound set up on the existing vacant land area to the south east of the existing depot one facility. Site works would be required to accommodate parking and travel within the site.	\$ 581,860.00	This site location would impact the timing and ability to deliver the New Fire Station #4 and Fire Headquarters on this site. The servicing and parking would pose high costs due to site constraints.
7	56 Main Street in Beeton	3600	Proposed trailer compound set up on the existing vacant land at 56 and 50 Main street in Beeton. An existing building on this parcel of land was recently demolished and services were disconnected and cut back to the property limit. This would make for an easy servicing connection.	\$ 501,860.00	This site location would impact the timing and ability to deliver the New Beeton Recreation Facility planned to be constructed.
8	7300 Industrial Parkway (NTRC)	3600	Proposed trailer compound set up on the existing vacant land in the South West corner of the NTRC property in Alliston. The services would be in close proximity making connections easy to achieve.	\$ 554,670.00	This site location could impact the timing of the New Administration Centre if this alternative site is selected once the results of the Regional Government Review are known. The location of the trailers are also along the front of the property along Industrial Parkway which may not be esthetically pleasing for a 5 year period.