
HALDIMAND COUNTY

Report CSS-03-2019 Haldimand County Leases to Norfolk County For Consideration by Council in Committee on December 10, 2019



OBJECTIVE:

To approve a lease to Norfolk County for space to provide Health and Social Services to the Haldimand County community.

RECOMMENDATIONS:

1. THAT Report CSS-01-2019 Haldimand County Leases to Norfolk County be received;
2. AND THAT a lease of space (approximately 1340 square feet) at 100 Haddington Street, Caledonia to Norfolk County for the purposes of providing Health and Social Services in Haldimand County, at a rate of \$16.00 per square foot, for a term up to 5 years with a possible extension for a further five years, be approved;
3. AND THAT a lease of space (approximately 5017 square feet) at 117 Forest Street East, Dunnville to Norfolk County for the purposes of providing Health and Social Services in Haldimand County, at a rate of \$14.00 per square foot, plus shared space at a rate of \$5.00 per square foot, for a term up to 5 years with a possible extension for a further five years, be approved;
4. AND THAT the Mayor and Clerk be authorized to execute all necessary agreements.

Respectfully submitted: Cathy Case, General Manager of Corporate & Social Services

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

Due to the consolidation of Haldimand County administration offices into a central Cayuga location, the current leased space in Caledonia, which is sublet to Norfolk County Health and Social Services, will no longer be a viable option for Norfolk to continue to lease. It is critical that health and social services are available throughout the Haldimand County community. To retain such presence, future vacant space at the Haldimand County Caledonia Centre and the Dunnville Multi-Purpose Facility are being recommended for lease to Norfolk County. These spaces will allow the presence of the Health and Social Services Department in Haldimand.

BACKGROUND:

The Health and Social Services Department (HSS) currently has offices in Dunnville and Caledonia via a lease and sublease, respectively, with Haldimand County. Haldimand County is centralizing to an administration building in Cayuga. The Caledonia property will no longer be leased by the County and therefore the sublease will not continue. The Dunnville Satellite Office (located within the Dunnville Multi Purpose Facility) and the Haldimand County Caledonia Centre municipal office will close in early 2020 and will become available. A presence in both communities for HSS remains a priority to serve the vulnerable populations.

Haldimand County and Norfolk County staff have collaborated to determine the needs of the municipality, space requirements and costing. It has been determined that these locations are suitable for the provision of necessary services. During the 2019 Haldimand County Tax Supported Capital Budget deliberations, funding was approved for renovations to facilitate HSS continuing to operate in Caledonia and Dunnville. Norfolk County Council has approved the new leases with Haldimand County. This report is to secure approval from Haldimand for the new leases and begin implementation of the various renovations and moves required.

ANALYSIS:

Haldimand County Caledonia Centre

As a result of the central administration consolidation in Haldimand, office space will be available at 100 Haddington Street, Caledonia. Some of the space will be used to accommodate the Caledonia O.P.P. sub office per the Administrative Accommodation Review decisions made by Council in late 2015. Staff are recommending that the remaining space be leased to Norfolk County for the provision of health and social services. Health and Social Services staff have viewed the space and although it is smaller in size (1,340 sq. ft.), it will work, with a modernized office approach of providing hoteling or touch down space in Caledonia and expansion in Dunnville. The gross lease is consistent with the current market rate in Caledonia at \$16.00 per square foot. Since the space will be exclusive to the tenant, a shared space rate is not applicable.

Rent: 1,340 sq. ft. at \$16.00 psf = \$21,440

Total Annual Rent for Caledonia Space = \$21,440

Dunnville Multi Purpose Facility (DMPF)

Norfolk County Health and Social Services currently rents 2,944 square feet of space (plus 240 square feet of shared space) in the DMPF, next to the spaces that, individually, serve as the Dunnville Satellite Office and the Dunnville O.P.P. sub office. The space occupied as the Dunnville Satellite Office will become vacant as a result of the central administration consolidation in early 2020. Consequently, there will be an additional 2,073 square feet become available that HSS would like to expand into to offset the loss of space in Caledonia and allow for a more full service delivery to Haldimand County residents. Staff recommend that the total space of 5,017 square feet be leased to Norfolk County for the provision of health and social services at a gross lease rate of \$14.00 per square foot for a term of five years with an option to renew for a further five years. The gross lease is consistent with the current market rate in Dunnville at \$14.00 per square foot. The shared space would continue to be leased at a rate of \$5.00 per square foot.

Rental (current): 2,944 sq. ft. at \$14.00 psf = \$41,216

Rental (new): 2,073 sq., ft. at \$14.00 psf = \$29,022

Common Shared Space: 240 sq. ft. at \$5.00 psf = \$1,200

Total Annual Rent for Dunnville Space = \$71,438

Standard terms and conditions of leasing County property would apply, such as the requirement for insurance provisions, termination notice, etc. If Council approves the leases, staff will have the documents executed to take effect at time of occupancy, once renovations are completed. Renovations are anticipated to be completed by April 2020.

FINANCIAL/LEGAL IMPLICATIONS:

Haldimand County will receive rental revenue in the amount of \$92,900 annually if the leases are approved.

As these are costs for Health and Social Services programs, they will ultimately be cost shared with Haldimand County depending on the applicable cost sharing agreement.

There are no additional costs related to preparation and execution of the leases.

Renovation plans are in progress as per the capital budget approval in 2019, and the retention of Health and Social Services in both Caledonia and Dunnville are consistent with the intent of Council's long term Accommodation Strategy. Capital costs for HSS space within Haldimand County boundaries will be the responsibility of Haldimand County, while costs associated with the recent renovations of the HSS offices in Simcoe were borne by Norfolk County.

STAKEHOLDER IMPACTS:

Approval of the leases allows for the continuation of health and social services within Haldimand County. A presence within Haldimand County has been a priority for the municipality to ensure services are accessible within the community for those who may need them.

The Facilities Capital and Asset Management Division is managing the renovations at each location. Staff from Legal & Support Services will be assisting with logistical details related to the renovations to prepare the space for Norfolk County staff.

REPORT IMPACTS:

Agreement: Yes

By-law: Yes

Budget Amendment: No

Policy: No

ATTACHMENTS:

None.