

REPORT TO COUNTY COUNCIL

477 Griffin Way Lease Agreement Expansion

To: Warden and Members of County Council

From: Acting Director of Public Works

RECOMMENDATIONS

1. That County Council approve a revised five-year lease agreement with Griffin Way Developments Inc. to include additional space for a training center for Paramedic Services, as outlined in Report PW 2024-41;
2. And further, that the Chief Administrative Officer and the Director of Public Works be authorized to execute all documents related thereto.

REPORT HIGHLIGHTS

- The purpose of this report is to seek County Council authorization to execute a revised lease agreement for Paramedic Services to establish and operate a training facility at 477 Griffin Way in Woodstock, which would be an expansion to the existing leased warehouse space currently at the location.
- The expanded lease agreement, which will replace the previous agreement approved in Report PW 2023-02, is anticipated to begin in January 2025 and will be for a term of five years, with an optional five-year extension.
- This agreement would address a need for larger training space to better serve the growing Paramedic Services group, while avoiding further capital expenditures that would otherwise be required for a less effective solution at 377 Mill Street.

IMPLEMENTATION POINTS

Following County Council approval, staff will proceed with executing the lease agreement as outlined in this report. A lease offer has been accepted by Griffin Way Developments Inc. on a condition of receiving County Council approval no later than October 31, 2024.

Financial Impact

The 2024 budget included \$132,300 in cost allocations for the existing and expanded lease costs, with the assumption that the expanded lease would only be in place for 6 months of the year. The budget estimate was based on the existing lease factoring in an increase for the additional build out costs for the third unit but was completed prior to any design discussion. Considerable time was spent on optimizing the design to get the cost down, but ultimately the costs were higher than anticipated which caused staff to defer the start of the agreement. With the lease agreement now expected to commence in early 2025, there will be an operations surplus for Griffin Way in 2024.

The draft 2025 Business Plan and Budget includes \$182,000 for the existing and expanded lease cost for all three units of the building. It should be noted that the 2024 budget included only 6 months of the expanded lease, and the 2025 budget was already planned to increase by approximately \$31,200 to account for the full year of operations and scheduled rate increase, meaning the resulting net base budget increase for the revised lease is \$18,500. There is \$15,000 of one-time funding for IT cabling and security access expansion, and an additional \$10,000 in capital funds budgeted for presentation equipment for the training room. Based on current funding models, 50% of the previous year's approved operational budget related to this lease will be covered through the annual provincial funding which Paramedic Services receives, with the remaining 50% impacting the tax levy. As there was a budget increase in 2024 for the lease expansion, that amount will be 50% funded in 2025, with the full budget amount identified in this report being 50% funded in 2026 and onward.

The proposed lease agreement outlines a lease square foot cost of \$26.00/sq.ft. (excluding HST) for 2025, which increases by 4% annually over the course of the lease. The proposed lease rate represents an increase of the existing \$19.76/sq.ft. for year 2 of the initial lease, which is driven by the additional build out costs for the training space that is being constructed by the Landlord. For the total square footage of 6,825 sq.ft. included in the expanded lease agreement, the annual lease value for the first year is \$177,450 plus HST.

Table 1 – Estimated Annual Lease Costs

Year	Lease Cost (per sq.ft.)	Lease Cost
2025	\$26.00	\$177,450
2026	\$27.04	\$184,548
2027	\$28.12	\$191,919
2028	\$29.25	\$199,631
2029	\$30.42	\$207,616

In anticipation of approval and as a means of shortening the move-in time, staff have issued a purchase order for \$9,240 to allow the landlord to proactively begin interior design work. This step should shorten the interior build-out time by getting an early start on design for construction permits. It has been negotiated that this fee will be reimbursed back to the County upon signing of the lease agreement. If the lease agreement is not approved, the County will be responsible for paying for design expenses incurred to date.

Communications

Upon approval of this report, Facilities staff will communicate with the realtor to get the lease agreement fully executed. Once complete, Facilities staff will continue to work with both the landlord and Paramedic Services to maintain communication during the interior build-out phase and coordinate acceptance of the space as well as move-in activities. The Facilities team will continue to provide support to Paramedic Services on an ongoing basis as needed, in a similar manner to all other facilities that are owned and operated by the County.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the [2023-2026 Strategic Plan](#) on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendations in this report supports the following strategic goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
Goal 1.3 – Community health, safety and well-being		Goal 3.1 – Continuous improvement and results-driven solutions

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

Historically, there has been a training space at the Paramedic Services Headquarters located at 377 Mill Street in Woodstock. During the COVID-19 pandemic, this space was converted into warehousing to support the Logistics team in the County's pandemic response. On January 25, 2023, County Council approved the initial lease agreement for 477 Griffin Way through Report PW 2023-02. This lease provided 4,462 sq.ft. for the purposes of warehouse and storage space to support the Paramedic Services Logistics team. The lease covered two out of three existing units within the facility.

As the warehousing space shifted to Griffin Way with the initial lease, there was still a need at the Mill Street location for additional office space to support a growing workforce, as well as a need to not only maintain, but also expand training facilities. One previously identified bottleneck at 377 Mill Street was parking capacity to allow paramedics staff to attend training sessions in addition to regular staff needs at that location. Upon further investigation and design, it was determined that the cost to expand the existing parking lot would have been around \$325,000 and would still not accommodate a full staff load in addition to the growing training needs. Staff determined that it was more cost effective to divert a training space and the associated infrequent parking load to an alternate site and create more office space at the Mill Street location which could accommodate the increase in office staff.

As part of the 2024 Business Plan and Budget, funds were allocated to support the expansion of the lease agreement into the third unit at 477 Griffin Way, effectively allowing the County to lease out the entire building. The expansion is for the purpose of creating a training space for the Paramedics group to assist with the required training needs for the growing team. The site already has plenty of parking and the training space can be built to accommodate a larger volume of employees which will be crucial in looking to the future.

Comments

In recent years, the Paramedic Services team has grown in conjunction with supporting higher call volumes throughout the community. Along with that team growth also comes an increased requirement for regular training activities for paramedic staff. All paramedics are required to attend two or three in-person training sessions per year. Currently there are approximately 10 classes per session with up to 15 paramedics staff plus facilitators in attendance. Other education and training uses would be for new employee orientation which requires 2 weeks of classroom time, and the peer support team would use the training space for regular meetings and training sessions. In addition, staff returning to work from leaves of absence require time with the education department to review and refamiliarize themselves with equipment, medical directives, etc.

In the interim, Paramedic Services have been relying on municipal partners for this needed training space, mainly the Thamesford Fire Department. The lack of a County training space to meet this regular operational need has put a burden on these partners which is not a long-term solution.

The Griffin Way site is an ideal location for a training space for a number of reasons:

- The site currently has ample parking to accommodate personnel.
- The interior build-out training room can accommodate 15-20 people.
- Additional office space will also be accommodated, as well as some storage space in the rear of the unit to slightly expand the Logistics warehousing.
- The location is central to Woodstock, adjacent to the Logistics Warehousing.
- Minimal capital costs (mainly for IT equipment).
- Operational cost sharing with the Province.
- There is opportunity for interdepartmental use of the space across the County organization to maximize functionality.

Facilities staff have been collaborating with both Paramedic Services and the landlord for several months to work through build-out options and negotiate lease costs and terms. The lease would include a base five-year agreement which is anticipated to begin in January 2025, along with an additional five-year extension option. If an extension is exercised, the lease rate would be negotiated at that time based on current market conditions but would no longer include any costs related to the interior build-outs.

As with the initial lease, the landlord will complete the interior renovations of the third unit in the building to construct the training space, that will also include office space, washrooms, and an extension of the existing Logistics warehouse space at the rear of the unit. These costs have been built into the lease agreement, with the County only paying directly for security and the IT presentation setup. The lease rate is being revised for the entire building to spread the costs over the full 6,825 sq.ft. evenly. While this is a significant increase over the initial lease agreement, the new agreement includes for a different space type than simply warehousing, and this costing is in line with the cost per square foot of other commercial leases the County is involved with (ie. the Courthouse and Public Health facilities).

CONCLUSIONS

In order to continue to support the expanding operations of the Paramedic Services department, staff recommend that the County enter into an expanded five-year lease agreement for all three units at 477 Griffin Way in Woodstock. The location, along with the proposed lease terms, provide a cost-effective option that balances current and future needs as the Paramedic Services team plans out their long-term strategy for servicing the community.

SIGNATURES

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Original signed by

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Departmental approval:

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