

For Information

DATE: February 29, 2012

REPORT TITLE: **PROJECT COMPLETION, 7120 HURONTARIO STREET**

FROM: R. Kent Gillespie, Commissioner of Employee and Business Services

OBJECTIVE

The purpose of this report is to provide a summary of the overall results of the 7120 Hurontario Street Project.

REPORT HIGHLIGHTS

- The 7120 Hurontario Street Mississauga facility was purchased in June 2010 to support the consolidation of a wide-range of programs and services at a central Mississauga location, while also reducing the volume of leased space.
- Renovations, fit-out, parking lot construction and relocations were completed between August 2010 and November 2011 resulting in the relocation of 1100 staff to 7120 Hurontario and 200 staff to 10 Peel, Suite B from six leasehold locations.
- The 7120 Hurontario Project was completed within budget at a total cost of \$51.9M
- The facility represents a prudent investment for the Region of Peel with a net annual operating savings of \$1.6M expected. As a Region-owned property, it will provide a valuable asset for Peel taxpayers and allow for future development as needs evolve.

DISCUSSION

1. Background

In June 2010, the Region of Peel acquired the 7120 Hurontario Street, Mississauga facility with the objective of further reducing leased space and consolidating a wide-range of programs and services together within Region-owned space. Included in the purchase was an adjacent parcel of land to support parking requirements and future development opportunities.

Building renovations, fit-out, parking lot construction and associated relocations were completed between the period of August 2010 and November 2011. The parking expansion resulted in the creation of an additional 564 parking spaces, bringing the total to just over 1300 parking spaces to meet the needs of the facility.

7120 Hurontario Street supported the successful consolidation of the majority of Public Health including the Office of the Medical Officer of Health, as well as a wide range of Human Services programs, services and staff at the Mississauga facility. The 200,000

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square foot facility also includes an employee learning and development centre and Access Peel Service Counter.

Detailed space planning and continued office optimization created the opportunity to move 400 additional staff through the project including 200 Public Works staff from 9445 Airport Road to 10 Peel, Suite B. The centralization of staff between 10 Peel and 7120 Hurontario allows for the realization of synergizes, improvement in office adjacencies, sharing of resources and organizational efficiencies.

Overall the project resulted in the relocation of approximately 1100 staff to 7120 Hurontario Street and 200 staff to 10 Peel, Suite B, from six leasehold locations: 150 Central Park Drive, 44 Peel Centre Drive, 21 Coventry Road, 9445 Airport Road, 6715 Millcreek Drive and 55 Standish Court. As indicated within the 2011 budget process, the reduction of leased property is expected to result in a net annual operating savings of \$1.6M.

2. Project Costs

The budget for 7120 Hurontario Street was \$52.1M including the purchase of the facility, adjacent parcel of land to the north, closing costs, fit-out/renovations, move and decommissioning costs. Following the optimization of space between 7120 Hurontario and 10 Peel, the relocation of Public Works and associated costs were added to the scope of the project. The below noted table includes a summary of the project expenditures:

Item	Budget	Final Expenditures
Building	\$28,251,270	\$28,251,270
Land	\$13,048,000	\$12,987,562
Closing Costs	\$1,049,489	\$1,028,128
Fit-Out	\$9,793,250	\$9,705,769
Total	\$52,142,009	\$51,972,729

The surplus of \$169,280 shall be retained pending the outcome of the final parking lot inspection (anticipated for summer 2012).

FINANCIAL IMPLICATIONS

Funding for this project was approved by Regional Council through resolution 2010-308.

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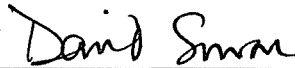
CONCLUSION

The 7120 Hurontario Street Project was completed within budget for a total cost of \$51.9M. The facility represents a prudent investment for the Region of Peel with a net annual operating savings of \$1.6M expected. As a Region-owned property, it will provide a valuable asset for Peel taxpayers and allow for future development as needs evolve.



R. Kent Gillespie
Commissioner of Employee
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Approved for Submission:



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