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## Memorandum

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**To:** Budget Standing Committee

**cc:** S. Chemnitz; D. Oakes; K. Douglas; M. Kreuk

**From:** Dan Dillon, P.Eng., Director of Transportation and Environmental Services

**Date:** May 16, 2018

**Subject:** 6-8 Academy Street – Declaration as Surplus

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At its meeting of April 16, 2018, the Budget Standing Committee (BSC) received a memo from staff related to Asset Management – Facilities – Additional Information, and further directed staff to, among other requests, "... prepare a separate report, by the end of the second quarter, on surplussing 6 and 8 Academy Street". This memo addresses that request.

### Background

The City owned property located at 6-8 Academy Street is a single storey brick building built in 1989 and is approximately 6,000 sq ft in area. The building currently houses 9 staff and associated files from the Fire Prevention Division of the Fire and Emergency Services (FEMS) Department. These staff and files occupy approximately 2,000 sq ft of the building. The remaining 4,000 sq ft is utilized for corporate file storage.

The operating costs for the building average approximately \$30,000 per year. Other than potential future security upgrades for the FEMS staff, there are no imminent major capital works proposed for the facility.

As the building at 6-8 Academy Street currently has a corporate use, prior to declaring the building surplus, other actions would need to occur to accommodate those corporate uses.

### FEMS Staff Relocation

In order to relocate the existing FEMS – Fire Prevention staff, two options are available:

- **Relocation to Leased Premises** – In order to maintain the FEMS – Fire Prevention Staff in the general downtown area, the City would need to lease an equivalent area in the downtown. In addition to an area for staff and files, consideration would also need to be given to the proximity of available parking for the staff's personal and corporate Fire Prevention vehicles which are currently parked at the Carlisle Street garage. The estimated annual leasing costs for this

option are approximately \$35,000. This does not include any one-time set-up or moving costs.

- **Relocation to Fire Hall #1 (Geneva St)** – If FEMS – Fire Prevention Staff were to have to move from their current location, it would be the preference of FEMS management that they be relocated to Fire Hall #1 on Geneva Street. In order to accommodate such a move, there would need to be significant capital works undertaken at Fire Hall #1. Given other capital budget pressures, these works are not currently planned for within the next two years.

## **Corporate File Storage**

In order to relocate the files currently stored at 6-8 Academy Street, other off-site arrangements would need to be made. Legal and Clerks Services staff have investigated options for off-site storage of corporate files that are currently located at various City facilities, including 6-8 Academy Street. While the utilization of such a third-party off-site storage company would incur on-going annual costs, one of the benefits would be the ability to better utilize the spaces currently occupied by these files. Legal and Clerks Services have indicated that they will be including consideration of a third-party off-site storage services as part of their draft 2019 Operating Budget submission.

## **Conclusion**

Given the existing corporate uses for 6-8 Academy Street, staff believe that it would be premature at this time to declare the property surplus. As future operating and capital budgets allow for the relocation of the FEMS – Fire Prevention staff and the utilization of a third-party off-site storage service to accommodate the existing file storage, staff will re-examine the ultimate corporate need and use for the property.