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The Regional Municipality of Durham Report

To: Works Committee
From: Commissioner of Works
Report: #2026-W-12
Date: April 8, 2026

Subject:

Lease Agreement with Lakeridge Health at 451 Paxton Street, in the Township of Scugog (Port Perry) for the Regional Municipality of Durham Social Services Department

Recommendations:

That the Works Committee recommends to Regional Council:

- A) That the Lease Agreement with Lakeridge Health, for premises located at 451 Paxton Street, in the Township of Scugog (Port Perry) containing approximately 96.99 square metres (1,044 square feet) of rentable space be approved with the following terms and conditions:
 - i) The term of the lease is twelve (12) months commencing March 1, 2026, and ending February 28, 2027; with one option to extend the lease for three renewal terms of one year on the same terms and conditions
 - ii) The basic rent structure for the lease term is as follows:
 - a) March 1, 2026 to February 28, 2027: \$2.00* per annum;
 - b) The Regional Municipality of Durham agrees to pay or cause to be paid all charges for the cleaning of the premises by the Landlord in the amount of \$70.00* per week, to be invoiced to the Region on a quarterly basis
- B) The Regional Chair and Clerk be authorized to execute all documents associated

with the Lease Agreement.

Report

1. Purpose

- 1.1 The purpose of this report is to obtain approval to carry out a lease with Lakeridge Health as per the terms and conditions outlined herein.
- 1.2 Dollar amounts followed by an asterisk (*) are before applicable taxes.

2. Background

- 2.1 The Long-Term Care and Services for Seniors Division of the Social Services Department has leased 96.99 square metres (1,044 square feet) of space in the building located at 451 Paxton Street, in the Township of Scugog (Port Perry), since November 2021. The lease has undergone multiple extensions, with the most recent term ending February 28, 2026. The Region has been occupying the space on a month-to-month basis since the end of the term.

3. Previous Reports and Decisions

- 3.1 The Original lease was executed on November 16, 2021 for a term of one year ending October 31, 2022. The Lease has been renewed several times since that date. The Lease was renewed in 2023 for a further one-year term commencing March 1, 2023 and ending February 28, 2024. The Lease was renewed and extended in 2024 for an additional one-year term commencing March 1, 2024 and ending February 28, 2025. Most recently, the lease was renewed and extended in 2025 for an additional one-year term commencing March 1, 2025 and ending February 28, 2026.
- 3.2 Corporate Real Estate staff have discussed the on-going program requirements with the client department and have evaluated the need for the continued use of this space. Given the Landlord's ability to grant the lease for nominal amount, together with the specific need for services in this geographic location, the renewal of this Lease is recommended.

4. Renewal of Lease

- 4.1 The proposed Lease Agreement is for a term of one year commencing March 1, 2026, and ending February 28, 2027. The agreement provides the Region with

an option to extend the lease for three renewal terms of one year under the original terms and conditions.

4.2 The proposed rental rate for the term of the lease is as follows:

a. For the period of March 1, 2026, to February 28, 2027, the annual rent is \$2.00*.

4.3 The Regional Municipality of Durham agrees to pay or cause to be paid all charges for the cleaning of the premises by the Landlord in the amount of \$70.00* per week, to be invoiced to the Region on a quarterly basis.

4.4 The Region will have the right to terminate this agreement with ninety days' notice to the Landlord.

5. **Financial Implications**

5.1 Financing of this Lease Agreement will continue to be provided within the Social Services Department, Long-Term Care and Services for Seniors Division Business Plans and Budget for this facility.

5.2 Since approval of this agreement requires a long-term financial obligation for which payment is required beyond the term for which Council was elected, the Regional Treasurer has updated the Region's financial debt obligation and obligation limit. In accordance with Section 4 of the Ontario Regulation 403/02, the Region's Treasurer has calculated an updated long-term debt/financial limit and has determined that the limit has not been exceeded. Therefore, this lease extension does not require the approval of the Ontario Land Tribunal.

6. **Relationship to Strategic Plan**

6.1 This lease extension supports key priorities outlined in Durham Region's 2025-2035 Strategic Plan, advancing the Region's commitment to providing equitable, sustainable, and integrated human services.

6.2 Strategic Direction: Connected and Vibrant Communities

a) C1 – Align Regional infrastructure and asset management with projected growth and community needs:

- This lease ensures continuity of service delivery in a key location that supports local access to essential Social Services programs.

b) C7 – Create accessible, lively, and culturally welcoming public spaces:

- Maintaining service presence at the Port Perry hospital contributes to community connection and improves accessibility for residents who rely on in-person supports.

6.3 Strategic Direction: Healthy People, Caring Communities

a. H2 – Collaborate with partners to respond to complex social issues including mental health, addictions, and community well-being:

- The Long-Term Care and Services for Seniors Division’s programming directly supports vulnerable residents and provides stabilization services.

b. H3 – Integrate and coordinate service delivery to improve life outcomes, including supports related to poverty prevention and housing:

- Continued operation of this location enables seamless, coordinated access to services aimed at improving resident well-being.

6.4 Strategic Direction: Strong Relationships

a. S3 – Collaborate across local municipalities, agencies, and community partners to deliver efficient and coordinated services:

- The long-standing relationship with the landlord and the maintained physical presence in Port Perry enable continued partnerships with local service agencies.

b. S5 – Ensure accountable and transparent decision-making While responsibly managing resources:

- Renewing the lease provides fiscal predictability and supports long-term service planning within approved departmental budgets.
- By supporting stable delivery of human services, the proposed lease meaningfully contributes to advancing Durham Region’s

Community Vision of connected, caring, and welcoming communities that improve people's lives.

7. Conclusion

- 7.1 Social Services Department has advised that they wish to renew the lease at 451 Paxton Street in the Township of Scugog (Port Perry). It is recommended that the Lease Agreement be approved based on the above noted terms and conditions.
- 7.2 This report has been reviewed by the Finance Department and the Legal Services Department.
- 7.3 For additional information, contact David Dunn, Director, Transportation and Field Services, on behalf of Christine Dunkley, Director of Corporate Infrastructure and Strategic Business Services at 905-668-4113 extension 3422 and Chidinma Amobi, Manager of Financial Services and Corporate Real Estate at 905-668-4113 extension 3841.

Respectfully submitted,

**Original signed by David Dunn,
Director, Transportation and Field Services
for**

Ramesh Jagannathan, MBA, M. Eng, P. Eng, PTOE
Commissioner of Works

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer