



STAFF REPORT ACTION REQUIRED

11.

Bayview Branch – Lease Renewal

Date:	June 23, 2014
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to obtain Toronto Public Library Board approval for a three-year lease renewal agreement, commencing on February 1, 2016 and terminating on January 31, 2019, for the premises occupied by the Bayview Branch. This lease extension is necessary to provide a bridge to the end of the construction of the new Bayview Branch which is to be relocated to a shared use facility with Parks, Forestry and Recreation and a daycare.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves a lease renewal agreement with bcIMC Realty Corporation for the premises located at 2901 Bayview Avenue, Unit 123A:
 - a. a three-year term to commence on February 1, 2016 and terminate on January 31, 2019;
 - b. annual base rent of \$42.50 per square foot, excluding Harmonized Sales Tax, for the term of the lease; and
2. authorizes and directs staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

Under the current approved three-year lease, the base rent is \$35 per sq. ft. for February 1, 2013 to January 31, 2015, increasing to \$42.50 per sq. ft. from February 1, 2015 to January 31, 2016. The base rent in the final year of the lease will be \$269,152.50, which represents an increase of \$47,497.50 and will be a budget pressure for 2015.

Under the terms of the proposed lease extension for February 1, 2016 to January 31, 2019, the base rent will be \$42.50 per square foot for the three-year term of the lease, which represents no change from the rate in last year of the current lease.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

BACKGROUND

At the July 26, 2000 meeting, the Library Board approved relocation of the Bayview Branch to a new location within the shopping centre. The current lease runs from February 1, 2012 to January 31, 2016.

The population in the area has expanded due to development along the Sheppard subway and the branch currently serves a population of 47,532. Future development plans will support continued population growth. The use of the Bayview Branch doubled between 2001 and 2010 with an annual circulation of 372,036 in 2010. Use has continued to increase and in 2013, when the nearby Fairview Branch was closed for renovations, circulation was 499,535, an increase of 8.7%, along with increases in information requests, holds, workstation use and visits. Bayview Branch is the sixteenth busiest neighbourhood branch, with visits of 205,216 in 2013.

While the Bayview Branch provides a full range of neighbourhood library services, the branch is limited in its ability to meet the growing demand for services in the current location. There is no program room and branch space is at a premium at this busy location.

COMMENTS

The approved 2014 - 2023 capital plan includes a project for relocation of the existing 6,333 square foot leased facility and the construction of an expanded library on City-owned land. The new building will be located at Sheppard Ave. East and Bessarion Road, immediately south of the Bessarion subway. This project is now in the planning stage. The new facility will include a recreation centre, pool, child care and a 12,000 square foot neighbourhood branch. It is anticipated that construction will start in 2016 and be completed in 2018. The new lease provides a bridge to the end of the construction and opportunity to confirm the project schedule for this capital project as the plans proceed. There will be a reduction in operating costs of the branch when it moves to the new facility.

City Council has directed that, where feasible, library branches should be located on City-owned property and the planned relocation will achieve this objective. With regards to the proposed lease renewal, City staff assisted with the negotiation and has confirmed that the proposed lease rates represents fair market value.

All leases for branches located on privately-owned property require Library Board approval.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;
E-mail: lhughsam@torontopubliclibrary.ca

Anne Bailey; Director, Branch Libraries; Tel: 416-397-5944;
E-mail: abailey@torontopubliclibrary.ca

SIGNATURE

Jane Pyper
City Librarian