

**Bayview Branch – Lease Renewal**

<b>Date:</b>	September 13, 2011
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

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The purpose of this report is to obtain Toronto Public Library Board approval for a four-year lease renewal agreement commencing on February 1, 2012 and terminating on January 31, 2016, for the premises occupied by the Bayview Branch.

**RECOMMENDATIONS**

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**The City Librarian recommends that the Toronto Public Library Board:**

1. approves a lease renewal agreement with Orlando Corporation for:
  - a. a four-year term to commence on February 1, 2012 and terminate on January 31, 2016; and
  - b. an annual base rent as follows:
    - b.i) for year 1 at \$30.00 per square foot for an annual base rent of \$189,990.00, excluding Harmonized Sales Tax;
    - b.ii) for years 2 and 3 at \$35.00 per square foot for an annual base rent of \$221,655.00, excluding Harmonized Sales Tax;
    - b.iii) for year 4 at \$42.50 per square foot for an annual base rent of \$269,152.50, excluding Harmonized Sales Tax;
2. authorizes and directs staff to take the necessary action to give effect thereto.

**FINANCIAL IMPACT**

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Under the terms of the proposed lease agreement for 6,333 square feet, for the first year the annual base rent will be \$189,990.00, excluding Harmonized Sales Tax (HST), which represents no change from the current lease rate. When combined with the estimated annual common area cost and utilities of \$37,048.08, this results in a total operating

budget cost in the first year of \$227,038.08 that has been provided for in the operating budget. In the second and third years, the annual base rent increases by \$5.00 per square foot or \$ 31,665.00 for a base rent of \$221,655.00. In the fourth year, the annual base rent increases by a further \$7.50 per square foot or \$47,497.50 for a base rent of \$269,152.50. The rent increases after the first year will create budget pressures which will need to be managed.

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

## **BACKGROUND**

There has been a branch in the Bayview Mall since May of 1966. The population in the area has expanded due to development along the Sheppard subway line. The use of the Bayview Branch has doubled since 2001 with an annual circulation of 372,036 in 2010. It is now the sixth busiest neighbourhood branch.

## **COMMENTS**

The Bayview Branch has been in this location since January 2001, and has been paying a net rent of \$30 per square foot for that period. The current lease expires on January 31, 2012.

City Council has directed that, where feasible, library branches should be located on City-owned property. The current capital budget provides for construction of a library, projected to begin in 2016. This project to relocate the branch on City property in the area will reduce the operating costs of the branch and is co-located with a City-owned community centre. This lease renewal is necessary to cover the period prior to relocating the branch.

With regards to the proposed lease renewal, City Facilities and Real Estate staff assisted with the negotiation and has confirmed that the proposed lease rates represent fair market value.

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

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian