



STAFF REPORT ACTION REQUIRED

BOOKEnds North Used Bookstore – Lease Renewal

Date: April 29, 2024

To: Toronto Public Library Board

From: City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board endorsement for a five-year lease renewal agreement commencing on May 1, 2024 and terminating on April 30, 2029, for the premises occupied by the Friends of the Toronto Public Library at North York City Centre, located at 5150 Yonge Street concourse level Unit C13. The space is used as a bookstore run by volunteers which sells withdrawn library materials and donated materials not added to the collection. Except for very minor leasing authority provided under the Municipal Code, leases for non-branch locations on privately owned property require Library Board endorsement and City approval.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. endorses a lease renewal agreement with The Canada Life Assurance Company for 1,584 square feet of space at 5150 Yonge Street, Unit C13, for a five-year term commencing May 1, 2024 and terminating April 30th 2029, substantially on terms and conditions set out in Attachment 1; and
2. authorizes the City Librarian to act on its behalf to seek City approval and execute the lease and related documentation.

FINANCIAL IMPACT

Under the terms of the proposed lease renewal agreement for 1,584 square feet, the annual base rent will be \$12.00 per square foot for a total of \$19,008.00 annually. Combined with the annual estimated common area cost and utilities of \$22,207.68, results in a total operating budget cost of \$41,215.68 for the first year which represents fair market value. This is included in the approved 2024 Operating Budget and future year costs will be included in future operating budget submissions. Attachment 1 provides a summary of the operating budget cost over the five-year term. Total cost for the five-year term is \$212,933.01.

All amounts are exclusive of Harmonized Sales Tax.

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

DECISION HISTORY

At its meeting on December 5, 6, 7 and 8, 2017, City Council considered [EX29.5 City-Wide Real Estate - Amendments to Municipal Code Chapters and Shareholder Directions](#) and adopted recommendations that amended the Municipal Code and provided the Toronto Public Library Board with new permanent limited authorities to enter into short-term leases and licenses as both landlord/licensor and tenant/licensee. According to the authorities, for leases where the Library is a Tenant, or lease terms exceed one year, or base

rent exceed \$50,000 for the entire term, City of Toronto approval is required for the lease.

ISSUE BACKGROUND

The BOOKEnds North used bookstore has been open since 1993 and is operated by volunteers known as Friends of Toronto Public Library. Withdrawn library materials and donated materials not added to the collection are sold at the store. A portion of the unit is also used for branch storage.

COMMENTS

The proposed lease renewal with Toronto Public Library as the tenant has a term in excess of one year and the base rent over the term is in excess of \$50,000, and therefore requires City approval. City's Corporate Real Estate Management staff have confirmed that the proposed lease represents fair market rent.

Net revenue at the store, which are donated to the Library, exceed \$50,000 and fully cover the cost of the lease.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1 Used Book Store located at 5150 Yonge Street Unit C13
Lease Renewal - Major Terms and Conditions

Used Book Store located at 5150 Yonge Street Unit C13 Lease Renewal - Major Terms and Conditions

Premises

Approximately 1,584 square feet of rentable space at 5150 Yonge Street, Unit C13, Toronto

Landlord

The Canada Life Assurance Company

Term

Five years commencing on May 1, 2024 to April 30, 2029

Use

Bookstore operated by Friends of Toronto Public Library

Base Rent

The base rent is \$12.00 per sq. ft. or \$19,008.00 per year, plus HST, and is projected to remain unchanged for the full five-year term.

Additional Rent:

The estimated rate is \$11.02 per sq. ft. or \$17,455.68 per year, plus HST, and is projected to increase 3% per year.

Utilities

Utilities are estimated at \$3.00 per sq. ft., or \$ 4,752.00 per year, plus HST, and is projected to increase 3% per year.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Base Rent	\$ 19,008.00	\$ 19,008.00	\$ 19,008.00	\$ 19,008.00	\$ 19,008.00	\$ 95,040.00
Common Area Cost	<u>17,455.68</u>	<u>17,978.40</u>	<u>18,516.96</u>	<u>19,071.36</u>	<u>19,641.60</u>	<u>92,664.00</u>
Gross Rent	36,463.68	36,986.40	37,524.96	38,079.36	38,649.60	187,704.00
Utilities	<u>4,752.00</u>	<u>4,894.56</u>	<u>5,041.40</u>	<u>5,192.64</u>	<u>5,348.42</u>	<u>25,229.01</u>
Total	41,215.68	41,880.96	42,566.36	43,272.00	43,998.02	212,933.01
HST	<u>5,358.04</u>	<u>5,444.52</u>	<u>5,533.63</u>	<u>5,625.36</u>	<u>5,719.74</u>	<u>27,681.29</u>
Total including HST	<u>46,573.72</u>	<u>47,325.48</u>	<u>48,099.98</u>	<u>48,897.36</u>	<u>49,717.76</u>	<u>240,614.31</u>
Total Net of HST Recovery	<u>\$ 41,941.08</u>	<u>\$ 42,618.06</u>	<u>\$ 43,315.52</u>	<u>\$ 44,033.59</u>	<u>\$ 44,772.38</u>	<u>\$ 216,680.63</u>