

## Cliffcrest Branch – Lease Renewal

<b>Date:</b>	June 20, 2022
<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 endorsement for a five-year lease renewal agreement commencing on January 1, 2023 and terminating on December 31, 2027 for the premises occupied by the Cliffcrest branch in the Cliffcrest Plaza. Leases for branches located on privately-owned property require Library Board endorsement and City approval.

### RECOMMENDATIONS

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

1. endorses a lease renewal agreement with First Capital Holdings (Ontario) Corporation for the premises occupied by the Cliffcrest branch at 3017 Kingston Road for a five-year term to commence on January 1, 2023 and terminating on December 31, 2027, 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

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Under the terms of the proposed lease renewal agreement for 4,859 square feet, the annual base rent will be \$20.00 per square foot for the entire five-year term, compared to the current rate of \$18.50. The annual base rent will be \$97,180.00 for the first year, resulting in a budget pressure of \$7,288.50. When combined with the estimated annual common area cost and utilities of \$43,293.69, this results in a total operating cost of

\$140,473.69, which will be included in the 2023 operating budget submission. Refer to Attachment 1 for a summary of the operating cost over the five-year term.

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**

Cliffcrest branch was opened in October 1972 in the Cliffcrest Plaza at 2965-3049 Kingston Road. The library was relocated in the plaza to its current space in 2008.

## **COMMENTS**

The current lease for the Cliffcrest branch expires on December 31, 2022 and the terms of the lease renewal have been negotiated with the landlord, First Capital Holdings (Ontario) Corporation.

City Real Estate staff have confirmed that the proposed lease rates are reasonable and represent fair market value. Leases for branches located on privately-owned property require Library Board endorsement and City approval.

## **CONTACT**

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## **SIGNATURE**

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Vickery Bowles  
City Librarian

## **ATTACHMENTS**

Attachment 1:       Cliffcrest Branch Lease Renewal - Major Terms and Conditions

## Toronto Public Library

### Cliffcrest Branch Lease Renewal - Major Terms and Conditions

#### **Premises:**

Approximately 4,859 square feet of rentable space at 3017 Kingston Road, Toronto.

#### **Landlord:**

First Capital Holdings (Ontario) Corporation

#### **Term:**

Five years commencing on January 1, 2023 to December 31, 2027

#### **Use:**

Neighbourhood library operated by Toronto Public Library

#### **Base Rent:**

The base rent is \$20.00 per sq. ft. for the five-year term, or \$97,180.00 per year, plus HST.

#### **Additional Rent:**

The estimated rate for additional rent is \$5.91 per sq. ft. or \$28,716.69 per year, plus HST.

#### **Utilities:**

Utilities are estimated at \$3.00 per sq. ft., or \$14,577.00 per year, plus HST.

	Year 1	Year 2	Year 3	Year 4	Year 5
Base Rent	\$ 97,180.00	\$ 97,180.00	\$ 97,180.00	\$ 97,180.00	\$ 97,180.00
Additional Rent	\$ 28,716.69	\$ 29,591.31	\$ 30,465.93	\$ 31,389.14	\$ 32,312.35
<b>Subtotal</b>	<b>\$ 125,896.69</b>	<b>\$ 126,771.31</b>	<b>\$ 127,645.93</b>	<b>\$ 128,569.14</b>	<b>\$ 129,492.35</b>
Utilities	\$ 14,577.00	\$ 14,577.00	\$ 14,577.00	\$ 14,577.00	\$ 14,577.00
<b>Total</b>	<b>\$ 140,473.69</b>	<b>\$ 141,348.31</b>	<b>\$ 142,222.93</b>	<b>\$ 143,146.14</b>	<b>\$ 144,069.35</b>
HST	\$ 18,261.58	\$ 18,375.28	\$ 18,488.98	\$ 18,609.00	\$ 18,729.02
<b>Total</b>	<b>\$ 158,735.27</b>	<b>\$ 159,723.59</b>	<b>\$ 160,711.91</b>	<b>\$ 161,755.14</b>	<b>\$ 162,798.37</b>
<b>Total Net of HST Recovery</b>	<b>\$ 142,946.03</b>	<b>\$ 143,836.04</b>	<b>\$ 144,726.05</b>	<b>\$ 145,665.51</b>	<b>\$ 146,604.97</b>

*\*Additional Rent is estimated to increase annually by 3%*