

Black Creek Branch – Lease Renewal

Date:	January 30, 2012
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to obtain Toronto Public Library Board approval for a five-year lease renewal agreement commencing on September 1, 2012 and terminating on August 31, 2017, for the premises occupied by the Black Creek Branch.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves a lease renewal agreement with Westdale Properties for:
 - a. a five-year term to commence on September 1, 2012 and terminate on August 31, 2017; and
 - b. an annual base rent as follows:
 - i) for years 1 and 2 at \$12.00 per square foot for an annual base rent of \$69,384.00, excluding Harmonized Sales Tax;
 - ii) for years 3 to 5 at \$13.00 per square foot for an annual base rent of \$75,166.00, excluding Harmonized Sales Tax;
2. authorizes and directs staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

Under the terms of the proposed lease agreement for 5,782 square feet, base rent for the first two years will be \$12.00 per square foot for an annual base rent of \$69,384.00, excluding Harmonized Sales Tax (HST), and this represents no change from the current lease rate, which provides for a base rent of \$12.00 per square foot for the last five years. When combined with the estimated annual common area cost and utilities of \$89,266.56, this results in a total operating cost in the first and second year of \$158,650.56 that has been provided for in the operating budget. In the third, fourth and fifth years, the annual

base rent increases by \$1.00 per square foot or \$5,782.00 for a total annual base rent of \$75,166.00, excluding HST.

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

BACKGROUND

The Black Creek Branch is situated in the North York Sheridan Mall at 1700 Wilson Avenue. The library is a small neighbourhood branch serving a community of 13,978. The surrounding area is composed of well-established single and semi-detached dwellings as well as a large number of apartment buildings. Four elementary schools and several daycares are located within walking distance. Black Creek serves a wide variety of customers in its mall location. Computer use is in high demand, and the Branch partners with organizations such as Ontario Early Years (OEY), Black Creek Community Health Centre (BCCHC) and Bright Days, a Spanish Community group, to offer programming to the community.

Located at the northwest corner of the intersection of Wilson Avenue and Jane Street, the North York Sheridan Mall is the most prominent shopping complex in the area. The mall provides ample parking, is well served by public transit routes and meets accessibility standards.

COMMENTS

The Black Creek Branch has been in its current location within the Sheridan Mall since September 2002, and has been paying a base rent of \$12 per square foot for the last five years. The current lease expires on August 31, 2012.

City Council has directed that, where feasible, library branches should be located on City-owned property. City of Toronto Real Estate staff reviewed the Black Creek Branch catchment area with Library staff to determine if there was any City-owned property available, or city projects in the planning stage, or alternative privately-owned property. They were not able to identify any suitable property, owned by the City or owned privately, which could serve as an acceptable alternative library site.

With regards to the proposed lease, City staff assisted with the negotiation and have confirmed that the proposed lease rates represents fair market value.

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

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SIGNATURE

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