

Guildwood Branch – Lease Renewal

Date:	October 20, 2008
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 agreement commencing on December 1, 2008 and expiring on November 30, 2013, for the premises occupied by the Guildwood Branch.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves a lease agreement with Revenue Properties Company Limited for a five-year term to commence on December 1, 2008 and expire on November 30, 2013 with:
 - a. an annual base rent as follows:
 - i. from December 1, 2008 to November 30, 2010 - \$12.50 per square foot for an annual base rent of \$37,625 excluding Goods and Services Tax (GST);
 - ii. from December 1, 2010 to November 30, 2011 - \$13.50 per square foot for an annual base rent of \$40,635;
 - iii. from December 1, 2011 to November 30, 2012 - \$14.25 per square foot for an annual base rent of \$42,893;
 - iv. from December 1, 2012 to November 30, 2013 - \$14.50 per square foot for an annual base rent of \$43,645; and
 - b. common area maintenance and utilities which are based on actual costs estimated at \$9.17 per square foot for total annual costs of \$27,602 excluding GST; and

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 3,010 square feet, the annual base rent will be \$37,625, excluding GST, for the first two years, which represents no change

over the current lease. In years three through five, the annual base rent increases by an additional \$3,010, \$5,268 and \$6,020 respectively excluding GST. The estimated annual common area cost and utilities of \$27,602, excluding GST, for a total operating budget cost in the first year of \$65,227 and will be included in the 2009 operating budget request.

The Director, Finance and Treasurer has reviewed this Financial Impact Statement and is in agreement with it.

BACKGROUND

Since August 1973, the Guildwood Branch has occupied rental space at 123 Guildwood Parkway in Scarborough. The existing lease, with a total lease cost of \$61,073 per annum plus GST comprised of a based rent of \$12.50 per square foot and common area maintenance and utilities of \$7.79 per square foot, will expire on November 30, 2008.

COMMENTS

City Council has directed that, where feasible, library branches should be located on City-owned property. City of Toronto Facilities and Real Estate staff reviewed the Guildwood 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. City staff also reviewed planned developments and redevelopments within the area and assessed current market rates for similar leased spaces. City staff were not able to identify any suitable property, owned by the City, which could serve as an acceptable alternate library site.

With regards to the proposed lease, City staff has advised that the proposed annual base rent represents fair market rent.

Library Branch leases require Library Board approval.

CONTACT

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SIGNATURE

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