

Kennedy / Eglinton Branch Lease

Date:	February 25, 2008
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to inform the Toronto Public Library Board of a new lease which has been negotiated for the expanded premises of the Kennedy / Eglinton Branch within the Liberty Square Shopping Plaza. At the meeting on June 11, 2007, the Board approved a report allowing staff to enter into lease negotiations with the landlord, should capital funding for the branch expansion be approved by Council.

FINANCIAL IMPACT

Under the terms of the proposed lease agreement for 6,713 square feet, the annual base rent (excluding Goods and Services Tax (GST)) will be:

<u>Period</u>	<u>Rent/Sq.Ft.</u>	<u>Annual Rent</u>
Years 1 and 2:	\$17.66 / sq. ft.	\$118,552
Years 3, 4 and 5:	\$18.70 / sq. ft.	\$125,533
Year 6:	\$19.07 / sq. ft.	\$128,017
Year 7:	\$19.45 / sq. ft.	\$130,568
Year 8:	\$19.84 / sq. ft.	\$133,186
Year 9:	\$20.24 / sq. ft.	\$135,850
Year 10:	\$20.64 / sq. ft.	\$138,567

The total base rent for the ten-year term of the lease, commencing April 15, 2008, is estimated to be \$1,280,000 plus GST. The estimated annual common area cost and utilities will be \$75,000, plus GST, for a total operating budget cost in the first year of \$194,000. The new lease starts on April 15, 2008 and the additional cost for the new space of \$58,000 has been provided for in the 2008 operating budget.

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

DECISION HISTORY

The Board approved a report at its June 11, 2007 meeting for a potential new capital project for the expansion of the Kennedy / Eglinton Branch. In a confidential attachment, the Board also approved financial parameters for staff to negotiate a new lease, should funding for the expansion project be approved by Council.

COMMENTS

The Kennedy / Eglinton expansion project was approved by Council at its meeting on January 29 and 30, 2008 and so terms for a new lease have been negotiated with the landlord, Milord Realty Inc. The terms for the new lease are within the financial parameters already approved by the Board.

The Library Board has been given authority to approve branch leases by a blanket consent approved by Council at its meeting of October 26 and 27, 1999 provided that the term of the lease, including renewal options, is not in excess of ten years and base rent is not in excess of \$1 million over the term of the lease. As the proposed lease is for a total base rent value of \$1,280,000, then Council approval is required. A report seeking Council approval for the lease is appended as Attachment 1, and will be first reviewed by Government Management Committee at its meeting on February 14, 2008.

In a separate report to Government Management Committee and then to Council, appended as Attachment 2, a request is being made to the Municipal Property Assessment Corporation to designate the leased new space as a Municipal Capital Facility which will make it tax exempt.

CONTACT

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SIGNATURE

Josephine Bryant
City Librarian

Attachment 1: Government Management Committee – Lease Expansion and Renewal –
2380 – 2386 Eglinton Ave East – Toronto Public Library

Attachment 2: Government Management Committee – Kennedy / Eglinton Library
(2380–2386 Eglinton Avenue East) – Designation as a Municipal
Capital Facility