

To: Toronto Public Library Board – February 17, 2003

From: City Librarian

Subject: **Bayview Neighbourhood Branch Library – Lease Extension Agreement**

Purpose:

To obtain Toronto Public Library Board approval for a five-year lease extension for the premises occupied by the Bayview Neighbourhood Branch Library. All new leases and lease renewals require Board approval.

Funding Implications and Impact Statement:

The annual cost of leasing the premises occupied by the Bayview Neighbourhood Branch Library is \$ 230,653 (includes common area maintenance and net taxes). There is an additional annual cost of \$37,871 to repay leasehold improvements. These amounts are accommodated within the Library's operating budget.

The basic rent for this 6,333 square foot location is \$30 per square foot plus \$5.36 per square foot in common area maintenance charges. The lease extension option, which covers the period from February 1, 2007 to January 31, 2012, maintains the base rent of \$30 per square foot for a further five years. Common area maintenance charges are subject to annual increases reflecting the landlord's current operating costs. Repayment of the leasehold improvement is amortized over nine years, including the extension, with the option to prepay any portion.

Recommendation:

It is recommended that the Toronto Public Library Board approve a lease extension for the Bayview Neighbourhood Branch Library with Select Properties Limited for a period of five (5) years, from February 1, 2007 to January 31, 2012, at an annual base rent of \$189,990 plus common area maintenance charges, repayment of leasehold improvements and net taxes.

Background:

At the July 26, 2000 meeting, the Library Board approved relocation of the Bayview branch to a new location within the shopping centre. The Board authorized staff to negotiate a lease agreement with Select Properties for a term of up to ten years for 6,500 square feet of space at a base rent of \$30 per square foot plus common area maintenance charges. Leasehold improvements paid by the landlord would be amortized over the term of the lease.

With the assistance of the City's Legal Division, staff have negotiated a five-year lease agreement incorporating the terms approved by the Board. The lease agreement includes an option to extend the term of the lease for a further five years at the same base rent provided the option is renewed within three months of the commencement of the lease.

Comments:

The agreement approved by the Library Board in 2000 provided for a larger branch library to meet the needs of the growing population in the area of Bayview and Sheppard Avenues. The Library had operated a neighbourhood branch in the Shopping Centre since 1966 and needed to come to acceptable terms with the landlord to continue providing service past the expiry of the previous lease in 2002.

With the assistance of the Councillor for Ward 24, the Library came to an agreement with the developer, Orlando Corporation, that the branch would relocate from its 4,291 square foot premises to larger premises in another area of the shopping centre. Implementation of this agreement was contingent on the leases of other tenants such that a suitable space could be assembled for the Library.

It was not until 2002 that the specifics of the relocation could be confirmed. Leasehold improvements were undertaken in the latter part of 2002, and the branch re-opened in its new 6,333 square foot location in January 2003.

The new location is quite satisfactory. To ensure continuity of service and stability of operating costs, it is recommended that the Board exercise its option to extend the term of the lease for a second five-year period.

Conclusion:

Extension of the lease agreement for Bayview Neighbourhood Branch Library ensures the continued operation of a branch library suitable to the needs of the community for an extended period at stable costs.

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Attachments:

Not applicable.