



## STAFF REPORT ACTION REQUIRED

14.

### Albert Campbell Branch – Lease Agreement for Alternate Service Location

<b>Date:</b>	June 17, 2019
<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 (TPL) Board endorsement for a two-year lease agreement commencing on August 1, 2019 and terminating on July 31, 2021, as part of the alternate service plan for Albert Campbell branch. The branch will be closing for approximately two years as it undergoes a renovation, and library services will be provided to the community through this temporary location at a reduced level of service. The proposed lease space is located at Birchmount Plaza, 462 Birchmount Road, Unit 1A.

This lease agreement requires Toronto Public Library Board and City of Toronto approval.

#### **RECOMMENDATIONS**

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

1. endorses a lease agreement between the Toronto Public Library and Key Anlouis Investments Limited for space located at 462 Birchmount Road, Unit 1A, for a two-year term, substantially on terms and conditions set out in Appendix A;
2. authorizes the City Librarian to act on its behalf to seek City approval and execute the lease and related documentation; and
3. requests City Council to approve a Municipal Capital Facility Agreement for the leased space.

#### **FINANCIAL IMPACT**

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The cost to the Library for the two-year term, inclusive of base rent and additional rent, will be approximately \$58,978.25, excluding HST for 1,345 square feet. Base rent is \$18.90 per square foot for the two-year term and additional rent is \$2.98 per square foot with an

estimated 3% increase in Year 2. Total utilities will be approximately \$8,070.00 excluding HST for the two-year term.

With a projected lease start date of August 1, 2019, the annual cost to the Library excluding HST is as follows: \$13,943.17 in 2019; \$33,514.04 in 2020; and \$19,591.05 in 2021 as shown in Table 1 below:

**Table 1: Costs of Albert Campbell Alternate Service Location Lease**

<b>Fiscal Year</b>	<b>2019 (5 months)</b>	<b>2020</b>	<b>2021 (7 months)</b>	<b>Total (24 months)</b>
Base Rent (Before HST)	10,591.88	25,420.50	14,828.63	50,841.00
Additional Rent (Before HST)	1,670.04	4,058.54	2,408.67	8,137.25
<b>Subtotal</b>	<b>12,261.92</b>	<b>29,479.04</b>	<b>17,237.30</b>	<b>58,978.25</b>
Utilities (estimate \$3/sq.ft.)	1,681.25	4,035.00	2,353.75	8,070.00
<b>Total</b>	<b>13,943.17</b>	<b>33,514.04</b>	<b>19,591.05</b>	<b>67,048.25</b>

If the renovation project is not complete at the end of the term, TPL and the Landlord mutually agree to extend the lease on a month-to-month basis at the same rate of \$18.90 for base rent.

There will be an estimated \$200,000 required in construction expenditures to prepare the space for library use.

Savings from the closure of the existing branch will be used to fund the lease and the construction costs in the alternate service location and to meet the annual gapping target.

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. 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. As such, for leases where the Library is a tenant, lease terms exceeding one year and base rent exceeding \$50,000 for the entire term must be approved by the City of Toronto.

## **BACKGROUND**

As a district branch in the south-west sector of former Scarborough, the Albert Campbell branch serves an immediate community of over 50,000 residents, including the Oakridge and Kennedy Park Neighbourhood Improvement Areas. The 26,100 square foot branch is slated to close for approximately two years while it undergoes renovation. Focus groups with residents and community feedback sent to representatives of all levels of government have confirmed the need for an alternate library service during the closure. There are very few

other services or accessible indoor public spaces in the Albert Campbell neighbourhood. Library staff will be deployed to conduct some outreach and programming activities with local schools, day care facilities and community agencies. However, community members have stressed the value placed on access to collections and computer services by marginalized residents who do not have the means to travel to another library branch. It is very important that the library establish an alternate service location to serve residents in this high needs community during the renovation of the Albert Campbell branch.

## **ALTERNATE SERVICE PLAN**

In order to address the library service needs of residents, an alternate service plan will include a limited number of ongoing library services including:

- a curated browsing collection of popular library materials for residents of all ages;
- a place for customers to pick up their holds;
- a book drop for customers to return library materials;
- access to free wifi;
- two public access workstations for use of the Library's online resources and the Internet with access to printing;
- a multifunctional device providing printing, copying and scanning service.

Due to the size of the identified space, no programming will be conducted in the alternate service location. Library staff will continue to work in the community and with area agencies to maintain connections to library services.

The proposed lease space will also include a space where shipments of library materials can be received and sent, as well as a staff room that will include a computer and small break area.

Details regarding the service hours for the alternate service are currently in development. The local Councillor has been informed of this alternate service plan.

## **COMMENTS**

No renovations have taken place since the facility opened in 1971. Building deficiencies were identified in consultants' reports. The project is considered necessary as a means to upgrade branch mechanicals and cabling capacity so that the district branch can continue achieving its second tier services objectives to its neighbourhood and to the broader area of its district.

Renovation will advance achieving the TPL's goal to address its building infrastructure state of good repair backlog, and to respond to modern library service requirements, including, but not limited to, improved accessibility to spaces available for programming and room rental, provision of access to and instruction in the use of new technology through the inclusion of a digital innovation hub, support of early literacy for children enhanced by the addition of a KidsStop, visibility of the collection through effective display of library materials, improved computer access, new and evolving technological requirements for connectivity, and reading

and study space for all age groups. The project will bring the district branch to a state of good repair. The project will also see the revitalization of an outdoor reading space.

The two-year lease term at the adjacent Birchmount Plaza will serve as the alternate service location during the branch closure. Measuring at 1,345 sq. ft., which is only 5% of the current branch size, this temporary location will provide a significantly reduced level of service as noted above. There is no other suitable location close to Albert Campbell branch, and the accessibility of the alternate service location was a priority in this plan, as residents clearly stated that many walk to the branch.

All leases for branches located on privately-owned property require Library Board approval. Leases on privately-owned property with a term over one year or total base rent over \$50,000 require City of Toronto approval. This lease agreement therefore requires City approval.

## **CONTACT**

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## **SIGNATURE**

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Vickery Bowles  
City Librarian

## **ATTACHMENT**

Appendix A:    Albert Campbell Branch Lease Agreement for Alternate Service Location - Major Terms and Conditions

**ALBERT CAMPBELL BRANCH LEASE AGREEMENT FOR ALTERNATE SERVICE LOCATION****MAJOR TERMS AND CONDITIONS****Premises:**

Approximately 1,345 square feet of rentable space, Unit 1A, at Birchmount Plaza, 462 Birchmount Road, Toronto.

**Landlord:**

Key Anlouis Investments Limited

**Term:**

Two years commencing on August 1, 2019 to July 31, 2021.

**Extended Term:**

The Tenant and the Landlord mutually agree to extend the lease on a month to month basis. All other conditions to remain the same, including base rent of \$18.90 during the extended term.

**Use:**

Temporary library branch operated by the Toronto Public Library.

**Base Rent:**

\$18.90 per sq. ft. or \$25,420.50 per year, plus HST.

**Additional Rent:**

The 2019 rate for additional rent is \$2.98 per sq. ft. or \$4,008.10 per year, plus HST. The increase to additional rent is capped at 5% per year.

**Utilities:**

Utilities are estimated at \$3.00 per sq. ft., or \$4,035.00 per year, plus HST.

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