

Bridlewood Branch Relocation – New Lease Agreement

Date:	February 22, 2021
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to obtain Toronto Public Library Board endorsement for a new twenty-year lease at Bridlewood Mall for an expanded Bridlewood branch in a different and improved location within the mall. The proposed lease for approximately 20,000 square feet (sq. ft.) represents a 12,000 sq. ft. or 150% expansion and is expected to commence on September 1, 2022. The lease includes a generous 14-month fixturing period and a significant landlord leasehold contribution of \$50 per sq. ft. or approximately \$1.000 million.

The move to a larger space is an opportunity that arises infrequently and the City has leased approximately 33,000 sq. ft. of space to the Toronto Employment and Social Services division (TESS), directly adjacent to the space proposed for the Library, which will present opportunities for collaboration. The recommendation to invest in a larger Bridlewood branch has been validated by the Facilities Master Plan and despite its current size, the branch is Toronto Public Library's (TPL) third-busiest neighbourhood branch.

The proposed Bridlewood branch lease requires Library Board endorsement and City Council approval. The capital project for the larger space is included in the Council-approved 2021-2030 Capital Budget and Plan, which is being adopted by the Board in a separate report.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. endorses a licence agreement for Bridlewood branch between the Library and Bridlewood Mall Management Inc. for unit 230 at Bridlewood Mall, 2900

- Warden Avenue, Toronto, for a 14-month term expected to start on July 1, 2021, which represents the fixturing period, substantially on terms and conditions set out in Appendix A;
2. endorses a new lease agreement for the Bridlewood branch with Bridlewood Mall Management Inc. for unit 230 at Bridlewood Mall, for a 20-year term expected to start on September 1, 2022, substantially on terms and conditions set out in Appendix A;
 3. authorizes the City Librarian to act on its behalf to seek City approvals and execute the lease and related documentation; and
 4. requests City Council to approve a Municipal Capital Facility Agreement for the leased space.

FINANCIAL IMPACT

Based on the estimated square footage of 20,000 square feet, the total operating expenditure to the Library for the twenty (20) year term, beginning approximately September 1, 2022, is estimated to be \$9.350 million as detailed in Appendix B. The increase in annual costs compared to the current branch lease will be approximately \$0.317 million in the first year of the lease and will be included in future budget submissions.

The lease provides for a generous 14-month fixturing period, expected to start on July 1, 2021, where no semi-gross rent is paid on the 20,000 sq. ft. of space.

The lease will include a significant landlord leasehold contribution of \$50 per sq. ft. or approximately \$1.000 million to help fund the renovations to the space.

Included in the approved 2021-2030 Capital Budget and Plan is a capital project to renovate the new Bridlewood branch (Mall Branch) space with a value of \$7.299 million funded by development charges of \$2.360 million, Landlord leasehold contribution of \$1.000 million and debt of \$3.939 million.

Any other impacts to the operating budget for the larger branch will be included in the 2023 operating budget submission.

All amounts are exclusive of Harmonized Sales Tax.

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

DECISION HISTORY

At its meeting on August 25, 26 and 27, 2010, City Council considered Scarborough Community Council Item [SC37.31, 2900 Warden Avenue - Official Plan and Rezoning Applications - Final Report](#). This report amends the official plan for the lands at 2900 Warden Avenue and outlines the terms of the Section 37 agreement for the improvement or expansion of community services and facilities on site or in the area. The Section 37 agreement specified a cash contribution of \$1,600,000 to fund the expansion of the Bridlewood branch, subject to the development happening on the site. The development has not proceeded and collection of any Section 37 funding is uncertain so it is not included in the project capital budget.

At the meeting of August 25 and 26, 2010, Council considered [MM52.15 Bridlewood Library Capital Project and Lease - by Councillor Del Grande, seconded by Councillor Ainslie](#) and approved a capital budget and 20-year lease for the expanded Bridlewood branch, approximately 8,000 sq. ft., subject to Library Board approval.

At the meeting on September 20, 2010, the Library Board considered [Bridlewood Branch – Capital Project and Lease](#) and endorsed a 20-year lease and capital project for an expanded Bridlewood branch, approximately 8,000 sq. ft.

ISSUE BACKGROUND

Bridlewood is currently a 7,690 sq. ft. neighbourhood branch in Bridlewood Mall at 2900 Warden Ave. Although having been relocated several times for expansion, the branch has stayed within the mall since it opened in 1976. Bridlewood branch is located in Ward 22, which has a population of 105,540. The ward's population has increased by 1.0% between the 2011 and 2016 Census, and largely consists of adults (52%), followed by seniors (21%), children ages 0-14 yrs. (14%) and youth ages 15-24 yrs. (12%). At 7,690 sq. ft., the branch is undersized which means that much needed library services can not be made available.

TPL's Service Delivery Model is a framework to envision the possibilities that result from an investment in library infrastructure and service delivery. Neighbourhood branches provide collections and services that meet many of the needs of the immediate community. The Service Delivery Model identifies 15,000–20,000 square feet as the optimal size for a neighbourhood branch. At its current size, Bridlewood is well below the minimum and despite its size, Bridlewood is TPL's third-busiest neighbourhood branch. In 2019, the branch had over 434,000 visits and circulated over 419,000 items.

The branch is undersized to service its current catchment population of 38,899. Approved development projects in the area will add at least 5,000 more residents over the next ten years. In addition, the branch serves a large multi-cultural community and many newcomers settle in the branch's catchment area. The move to larger premises is also supported by the Facilities Master Plan.

The current lease for Unit 157A expires on October 31, 2030.

The proposal is to relocate the branch to the upper level on the north end of the mall and occupy approximately 20,000 sq. ft.

COMMENTS

Talks of Landlord redevelopment at 2900 Warden Avenue have been ongoing since City Council approved the Official Plan and Rezoning in 2010. Bridlewood Mall Management Inc., the owner of Bridlewood Mall, approached the Library in late 2019 to discuss relocating and expanding the branch.

City Corporate Real Estate Management (CREM) contacted TPL in early 2020 to inquire about these discussions, as they were also seeking to enter into a lease agreement at Bridlewood Mall for TESS and were considering collaborating with the Library for co-located spaces. At the meeting on September 20, 2020, City Council considered [GL12.19 Toronto Employment and Social Services Lease at 2900 Warden Ave, Suite 225](#) and approved a lease of approximately 33,000 sq. ft. for TESS. As the TESS space is immediately adjacent to the Library's proposed 20,000 sq. ft., this will provide opportunities for complementary programming and possibly shared spaces.

The proposed larger Bridlewood branch will include:

- a. Great exposure from the mall exterior and natural day light in the branch;
- b. Redesigned open flexible, floor plan and barrier free access for the public, options for study and seating, enclosed, sound-proof, functional programming spaces for branch and community use;
- c. Improved zoned areas for teens in particular, as well as areas for children, adults and seniors will be created, including an interactive early literacy centre for children aged 0 – 5 and their caregivers;
- d. A Youth Hub space will be included in the expanded branch. Youth Hubs are welcoming drop-in spaces for teens with access to homework help, activities and workshops, snacks and a broad range of current technology
- e. Access to WiFi connectivity and device charging in furniture throughout the branch; and
- f. Redesigned service delivery space and staff work areas.

The proposed new location in the mall will allow the current branch to maintain operations while the new space is being prepared, which will minimize service disruption for customers. TPL has worked on the proposed lease in consultation with CREM and the local Councillor has been advised of the proposed expansion to the Bridlewood branch.

The proposed Bridlewood branch lease requires Library Board and City Council approval. By Council approving a Municipal Capital Facility Agreement, the new space will be exempt from property taxes.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Appendix A – Major Terms and Conditions of Bridlewood Lease
Appendix B – Bridlewood Lease Payments By Year

Appendix A

Major Terms and Conditions of Bridlewood Lease

Premises:

Approximately 20,000 square feet of rentable space, Unit 230, at Bridlewood Mall, 2900 Warden Avenue, Toronto.

Landlord:

Bridlewood Mall Management Inc.

Term:

Lease term of twenty years estimated to commence September 1, 2022 following the fixturing period.

Fixturing Period:

Licence during fixturing period of 14 months estimated to commence July 1, 2021. During the Fixturing Period, the Library will be responsible for complying with all other terms of the Offer, including payment of utilities and insurance.

Use:

Neighbourhood library operated by the Toronto Public Library.

Semi-Gross Rent:

Semi-gross rent includes the proportionate share of common area charges, with the exception of utilities.

Years 1 to 10:	\$22.25 per sq. ft. or \$445,000 per year, plus HST
Years 11 to 15:	\$24.00 per sq. ft. or \$480,000 per year, plus HST
Years 16 to 20:	\$25.00 per sq. ft. or \$500,000 per year, plus HST

During the fixturing period there is no semi-gross rent payable.

Tenant Leasehold Improvement Allowance:

The Landlord is offering \$50.00 per sq. ft. as an inducement to enter into the lease, for a total of \$1,000,000.

Capital Costs:

The cost to prepare the space for library use is estimated at \$7.299 million which will be funded by development charges of \$2.360 million, Landlord contribution of \$1.000 million and debt of \$3.939 million.

Appendix B

Bridlewood Lease Payments By Year

Commencement Date	Semi-gross rental payments
September 1, 2022	445,000
September 1, 2023	445,000
September 1, 2024	445,000
September 1, 2025	445,000
September 1, 2026	445,000
September 1, 2027	445,000
September 1, 2028	445,000
September 1, 2029	445,000
September 1, 2030	445,000
September 1, 2031	445,000
September 1, 2032	480,000
September 1, 2033	480,000
September 1, 2034	480,000
September 1, 2035	480,000
September 1, 2036	480,000
September 1, 2037	500,000
September 1, 2038	500,000
September 1, 2039	500,000
September 1, 2040	500,000
September 1, 2041	500,000
Subtotal	9,350,000
Harmonized Sales Tax	1,215,500
Total (inclusive of Harmonized Sales Tax)	10,565,500