

Steeles Branch – Lease Renewal

Date:	September 27, 2021
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board endorsement for a five-year lease renewal agreement commencing on September 1, 2021 and terminating on August 31, 2026, for the premises occupied by the Steeles branch located at the Bamburgh Gardens Shopping Plaza.

This lease renewal requires Library Board endorsement and City of Toronto approval.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. endorses a lease renewal agreement with Bamburgh Gardens Properties Inc. for the premises occupied by the Steeles branch, 375 Bamburgh Circle, Units C106 and C107 for a five year term to commence on September 1, 2021 and terminate on August 31, 2026, 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.

FINANCIAL IMPACT

Under the terms of the proposed lease renewal agreement for 5,453 square feet, the annual base rent will be as follows:

Year 1 \$21.50 per sq. ft.

Year 2	\$22.00 per sq. ft.
Year 3	\$22.00 per sq. ft.
Year 4	\$22.50 per sq. ft.
Year 5	\$22.50 per sq. ft.

The annual base rent will be \$117,230.50 for the first year, which is unchanged from the monthly rate charged since September 2020. When combined with the estimated annual common area cost and utilities of \$63,909.16, this results in a total operating budget cost of \$181,148.66. Refer to Attachment 1 for a summary of the operating budget cost over the five-year term.

All amounts are exclusive of Harmonized Sales Tax.

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

ISSUE BACKGROUND

Steeles Branch is situated in Bamburgh Gardens Shopping Plaza, at 375 Bamburgh Circle just south of the intersection of Steeles Ave. East and Warden Ave. The branch has occupied space in this plaza since 1987.

Steeles Branch is a small and busy neighbourhood branch with annual circulation of 198,868 and annual physical visits totaling 162,606 in 2019. The branch operates out of a leased space totalling 5,453 square feet which is well below the service standard minimum of 10,000 square feet for a neighbourhood branch. The branch serves diverse populations from residential neighbourhoods comprised of both single family dwellings and apartment buildings. The branch has attracted new customers from the nearby vertical communities, many of whom are newcomers.

COMMENTS

The City assisted in obtaining comparable market rent rates within Ward 23 – Scarborough North. The proposed terms are favourable and are below the median rent in the area and the City's projected rent estimates.

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

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Steeles Branch Lease Renewal - Major Terms and Conditions

Steeles Branch Lease Renewal - Major Terms and Conditions

Premises:

Approximately 5,453 square feet of rentable space, Units C106 and C107, at Bamburgh Gardens Shopping Plaza, 375 Bamburgh Circle, Toronto.

Landlord:

Bamburgh Gardens Properties Inc.

Term:

Five years commencing on September 1, 2021 to August 31, 2026.

Use:

Neighbourhood library branch operated by Toronto Public Library.

Base Rent:

The base rent is \$21.50 per sq. ft. in Year 1, \$22.00 per sq. ft. in Years 2 and 3, \$22.50 per sq. ft. in Years 4 and 5, plus HST.

Additional Rent:

The estimated rate for additional rent is \$8.92 per sq. ft. or \$47,550.16 per year, plus HST.

Utilities:

Utilities are estimated at \$3.00 per sq. ft., or \$16,359 per year, plus HST.

	Year 1	Year 2	Year 3	Year 4	Year 5
Base Rent	\$ 117,239.50	\$ 119,966.00	\$ 119,966.00	\$ 122,692.50	\$ 122,692.50
Additional Rent	\$ 47,550.16	\$ 48,967.94	\$ 50,440.25	\$ 51,967.09	\$ 53,548.46
Subtotal	\$ 164,789.66	\$ 168,933.94	\$ 170,406.25	\$ 174,659.59	\$ 176,240.96
Utilities	\$ 16,359.00	\$ 16,359.00	\$ 16,359.00	\$ 16,359.00	\$ 16,359.00
Total	\$ 181,148.66	\$ 185,292.94	\$ 186,765.25	\$ 191,018.59	\$ 192,599.96
HST	\$ 23,549.33	\$ 24,088.08	\$ 24,279.48	\$ 24,832.42	\$ 25,037.99
Total	\$ 204,697.99	\$ 209,381.02	\$ 211,044.73	\$ 215,851.01	\$ 217,637.95
Total Net of HST Recovery	\$ 184,336.88	\$ 188,554.10	\$ 190,052.32	\$ 194,380.52	\$ 195,989.72

**Additional Rent is estimated to increase annually by 3%*