



STAFF REPORT ACTION REQUIRED

16.

Cliffcrest Branch – Lease Agreement

Date:	June 11, 2007
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to obtain Toronto Public Library Board approval for a new lease for the expanded premises of the Cliffcrest Branch within the Cliffcrest Plaza, subject to Board and Council approval of a new capital project for the relocation of the branch, which is addressed in a separate report.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves a lease agreement with Capitol Management Corp. for the new premises within Cliffcrest Plaza for a ten-year period beginning around January 1, 2008, subject to Board and Council approval of a new capital project for the relocation costs, with:
 - a. the first five years at an annual base rent of \$15.65 per square foot or \$80,457, including Goods and Services Tax (GST) of \$4,554;
 - b. the second five years at an annual base rent of \$17 per square foot or \$87,397, including GST of \$4,947;
2. approves a request to City Council to pass a by-law to designate the new location which will be occupied by the Cliffcrest branch as a “municipal capital facility” in order to provide a property tax exemption for municipal and education purposes; and
3. authorizes and directs that appropriate Library staff take the necessary actions to give effect thereto.

FINANCIAL IMPACT

The current lease for the 2,800 square feet Cliffcrest branch is \$15.00 per square foot base rent or an annual cost of \$44,520, including GST. For the proposed new premises of 4,850 square feet, the proposed lease rate in the first five years is \$15.65 per square foot or an annual cost of \$80,457, including GST, which represents an annual base rent increase of \$35,937. Estimated common area maintenance and utilities of \$8 per square foot will total \$41,128 (including GST of \$2,328) annually, for a total first year annual operating cost increase of \$17,384 (including GST of \$984). The total increase in operating budget costs of \$53,321 (including GST of \$3,018) is expected to begin at the start of 2008, and this will be included as part of the operating budget submission for 2008.

The Director, Finance and Treasurer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

The Cliffcrest Branch was officially opened on October 13, 1972. It is a leased facility with a total floor space of 2,800 square feet. The library was retrofitted in the spring of 1985 and has also been recarpeted and repainted since then. The library serves a population of 15,000, and its circulation is over 140,000 per annum. Circulation has been increasing steadily over the past 9 years since amalgamation.

The current lease ends on August 31, 2007, and notice has been given by the landlord that the Library will not receive a further lease extension in the current space; the landlord is in discussions with another tenant who wishes to expand into space that the Cliffcrest Branch currently occupies. The landlord is interested in the Library remaining in the mall, and has offered alternate locations for the library to occupy. One of these locations consisting of 4,850 square feet could be adequate, but the relocation costs have not been budgeted. The landlord has offered to provide \$450,000 of funding towards leasehold improvements.

A request for the Board and Council approval of a new-capital project for the branch relocation costs is being addressed in a separate report.

City Council has directed that, where feasible, library branches should be located on City-owned property. City of Toronto Real Estate staff reviewed the catchment area with Library staff to determine if there was any City-owned property available, or city projects in the planning stage, or alternative privately-owned property. They were not able to identify any suitable property, owned by the City or owned privately, which could serve as an acceptable alternate library site.

COMMENTS

The Toronto Public Library's service planning guidelines specify a 7,000 square feet as the minimum size to provide adequate public service in a neighbourhood branch. The current

2,800 square feet branch is significantly below this minimum guideline and as the library is being forced to move, this offers the library an opportunity to consider occupying a larger space, 4,850 square feet, which would move the branch closer to the minimum size necessary to deliver adequate library services.

With regards to the proposed lease, City staff has advised that the \$15.65 per square foot net rent for the first five years is at the lower end of market rents in the area.

Library Branch leases require Library Board approval.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
E-mail: lhughsam@torontopubliclibrary.ca

SIGNATURE

Josephine Bryant
City Librarian