

Eglinton Square Branch – Lease Renewal

Date:	June 16, 2008
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to obtain Toronto Public Library Board approval for a five-year lease agreement commencing on January 1, 2009 and terminating on December 31, 2013, for the premises occupied by the Eglinton Square Branch.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves a lease agreement with Oxford Properties Group for a five-year term to commence on January 1, 2009 and terminate on December 31, 2013 with:
 - a. an annual base rent as follows:
 - i. from January 1, 2009 to December 31, 2009 - \$19.00 per square foot for an annual base rent of \$89,604 excluding Goods and Services Tax (GST);
 - ii. from January 1, 2010 to December 31, 2011 - \$20.00 per square foot for an annual base rent of \$94,320;
 - iii. from January 1, 2012 to December 31, 2013 - \$21.00 per square foot for an annual base rent of \$99,036; and
 - b. common area maintenance and utilities which are based on actual costs estimated at \$18.63 per square foot for a total annual cost of \$87,859 excluding GST; and
2. authorizes and directs staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

Under the terms of the proposed lease agreement for 4,716 square feet, the annual base rent will be \$89,604, excluding GST, for the first year, which represents no change over the current lease. In years two through three, the annual base rent increases by an

additional \$4,716. In years four through five, the annual base rent increases by an additional \$4,716. The estimated annual common area cost and utilities of \$87,859, excluding GST, for a total operating budget cost in the first year of \$177,463 and will be included in the 2009 operating budget.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

BACKGROUND

Since January 1965, the Eglinton Square Branch has occupied rental space on Eglinton Avenue in Scarborough. The existing lease, with a total lease cost of \$ 177,463 per annum comprised of a base rent of \$19 per square foot and common area maintenance and utilities of \$18.63 per square foot, will expire on December 31, 2008.

COMMENTS

City Council has directed that, where feasible, library branches should be located on City-owned property. City of Toronto Real Estate staff reviewed the Eglinton Square Branch 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. City staff also reviewed planned developments and redevelopments within the area and assessed current market rates for similar leased spaces. City staff were not able to identify any suitable property, owned by the City, which could serve as an acceptable alternate library site.

With regards to the proposed lease, City staff has advised that the proposed annual base rent represents fair market rent.

Library Branch leases require Library Board approval.

CONTACT

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SIGNATURE

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