

**Black Creek Branch – Lease Renewal**

<b>Date:</b>	April 25, 2022
<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 Board endorsement for a five-year lease renewal agreement commencing on September 1, 2022 and terminating on August 31, 2027 for the premises occupied by the Black Creek branch. Leases for branches located on privately-owned property require Library Board endorsement and City approval.

**RECOMMENDATIONS**

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

1. endorses a lease renewal agreement with Westdale Construction Co. Limited for the premises occupied by the Black Creek branch at Sheridan Mall, 1700 Wilson Avenue, Unit 63-64, for a five-year term to commence on September 1, 2022 and terminate on August 31, 2027, substantially on terms and conditions set out in Attachment 1; and
2. authorizes the City Librarian to act on its behalf to seek City approval and execute the lease and related documentation.

**FINANCIAL IMPACT**

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Under the terms of the proposed lease renewal agreement for 5,782 square feet, the annual base rent will be as follows:

Year 1      \$14.00 per sq. ft.

Year 2	\$14.00 per sq. ft.
Year 3	\$15.00 per sq. ft.
Year 4	\$15.00 per sq. ft.
Year 5	\$15.00 per sq. ft.

The annual base rent will be \$80,948.00 for the first year and is unchanged from the rent paid under the current term. When combined with the estimated annual common area cost and utilities of \$112,228.62, this results in a total operating cost of \$193,176.62 and this is included in the approved 2022 operating budget. Refer to Attachment 1 for a summary of the operating 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.

## **DECISION HISTORY**

At its meeting on December 5, 6, 7 and 8, 2017, City Council considered [EX29.5 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. According to the authorities, for leases where the Library is a Tenant, or lease terms exceed one year, or base rent exceed \$50,000 for the entire term, City of Toronto approval is required for the lease.

## **ISSUE BACKGROUND**

Black Creek branch is situated in Sheridan Mall at 1700 Wilson Avenue. The branch has been in its current location within the mall since September 2002.

## **COMMENTS**

The current lease for the Black Creek branch expires on August 31, 2022 and the terms of the lease renewal have been negotiated with the landlord, Westdale Construction Co. Limited. City Real Estate staff have confirmed that the proposed lease rates are reasonable and represent fair market value. Leases for branches located on privately-owned property require Library Board endorsement and City approval.

City Council has directed that, where feasible, library branches should be located on City-owned property. In discussion with the City, there are currently no available City-owned sites to accommodate this branch.

## **CONTACT**

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115; E-mail: [lhughsam@tpl.ca](mailto:lhughsam@tpl.ca)

## **SIGNATURE**

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Vickery Bowles  
City Librarian

## **ATTACHMENTS**

Attachment 1: Black Creek Branch Lease Renewal - Major Terms and Conditions

## Toronto Public Library

### Black Creek Branch Lease Renewal - Major Terms and Conditions

#### Premises:

Approximately 5,782 square feet of rentable space at 1700 Wilson Avenue, Unit 63-64, Toronto.

#### Landlord:

Westdale Construction Co. Limited

#### Term:

Five years commencing on September 1, 2022 to August 31, 2027

#### Use:

Neighbourhood library operated by Toronto Public Library

#### Base Rent:

The base rent is \$14.00 per sq. ft. in Year 1 and 2, and \$15.00 per sq. ft. in Year 3 to 5, plus HST.

#### Additional Rent:

The estimated rate for additional rent is \$16.41 per sq. ft. or \$94,882.62 per year, plus HST.

#### Utilities:

Utilities are estimated at \$3.00 per sq. ft., or \$17,346.00 per year, plus HST.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Base Rent	\$ 80,948.00	\$ 80,948.00	\$ 86,730.00	\$ 86,730.00	\$ 86,730.00
Additional Rent	\$ 94,882.62	\$ 97,715.80	\$ 100,664.62	\$ 103,671.26	\$ 106,793.54
<b>Subtotal</b>	<b>\$ 175,830.62</b>	<b>\$ 178,663.80</b>	<b>\$ 187,394.62</b>	<b>\$ 190,401.26</b>	<b>\$ 193,523.54</b>
Utilities	\$ 17,346.00	\$ 17,346.00	\$ 17,346.00	\$ 17,346.00	\$ 17,346.00
<b>Total</b>	<b>\$ 193,176.62</b>	<b>\$ 196,009.80</b>	<b>\$ 204,740.62</b>	<b>\$ 207,747.26</b>	<b>\$ 210,869.54</b>
HST	\$ 25,112.96	\$ 25,481.27	\$ 26,616.28	\$ 27,007.14	\$ 27,413.04
<b>Total</b>	<b>\$ 218,289.58</b>	<b>\$ 221,491.07</b>	<b>\$ 231,356.90</b>	<b>\$ 234,754.40</b>	<b>\$ 238,282.58</b>
<b>Total Net of HST Recovery</b>	<b>\$ 196,576.53</b>	<b>\$ 199,459.57</b>	<b>\$ 208,344.05</b>	<b>\$ 211,403.61</b>	<b>\$ 214,580.84</b>

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