



**STAFF REPORT
ACTION REQUIRED**

Woodside Square Branch – Lease Renewal

Date: December 5, 2022

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 December 1, 2021 and terminating on November 30, 2026, for the premises occupied by the Woodside Square branch located at Woodside Square.

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 2624237 Ontario Corp. for the premises occupied by the Woodside Square branch, 1571 Sandhurst Circle, Unit 207C for a five year term commencing on December 1, 2021 and terminating on November 30, 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 9,944 square feet, the annual base rent will be as follows:

Year 1	\$12.00 per sq. ft.
Year 2	\$13.00 per sq. ft.
Year 3	\$13.00 per sq. ft.
Year 4	\$14.00 per sq. ft.
Year 5	\$15.00 per sq. ft.

The annual base rent will be \$119,328.00 for the first year, which is unchanged from the monthly rate charged since December 2016. When combined with the estimated annual common area cost and utilities of \$104,412.00, this results in a total operating budget cost of \$223,740.00. 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.

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

The Woodside Square Branch has occupied rental space at its current location at Woodside Square, main intersection of Finch Ave. E. and McCowan Rd., since May 1989. The branch was expanded from 4,256 square feet to 9,944 square feet in 2006.

Woodside Square Branch is a very busy neighbourhood branch. The branch operates out of a leased space which is just 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 Woodside Square mall has been undergoing re-development that will impact the branch. Staff has been in negotiations with the landlord for a number of months and the proposed lease includes terms which protect the Library's interest, including the replacement of windows that will be impacted by the redevelopment, to be paid by the landlord.

The City assisted in obtaining comparable market rental rates and the proposed lease terms are considered favourable and below the median rent in the area.

All leases for branches located on privately owned property require Library Board endorsement. This lease renewal requires City approval.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Woodside Square Branch Lease Renewal - Major Terms and Conditions

Woodside Square Branch Lease Renewal - Major Terms and Conditions

Premises:

Approximately 9,944 square feet of rentable space at 1571 Sandhurst Circle, Toronto.

Landlord:

2624237 Ontario Corp.

Term:

Five years commencing on December 1, 2021 to November 30, 2026

Use:

Neighbourhood library operated by Toronto Public Library

Base Rent:

The base rent is \$12.00 per sq. ft. in Year 1, \$13.00 per sq. ft. in Years 2 and 3, \$14.00 per sq. ft. in Year 4, and \$15.00 per sq. ft. in Year 5, plus HST.

Additional Rent:

The estimated rate is \$7.50 per sq. ft. or \$74,580.00 per year, plus HST.

Utilities:

Utilities are estimated at \$3.00 per sq. ft., or \$29,832.00 per year, plus HST.

	Year 1	Year 2	Year 3	Year 4	Year 5
Base Rent	\$ 119,328.00	\$ 129,272.00	\$ 129,272.00	\$ 139,216.00	\$ 149,160.00
Additional Rent	\$ 74,580.00	\$ 74,580.00	\$ 74,580.00	\$ 74,580.00	\$ 74,580.00
Subtotal	\$ 193,908.00	\$ 203,852.00	\$ 203,852.00	\$ 213,796.00	\$ 223,740.00
Utilities	\$ 29,832.00	\$ 29,832.00	\$ 29,832.00	\$ 29,832.00	\$ 29,832.00
Total	\$ 223,740.00	\$ 233,684.00	\$ 233,684.00	\$ 243,628.00	\$ 253,572.00
HST	\$ 29,086.20	\$ 30,378.92	\$ 30,378.92	\$ 31,671.64	\$ 32,964.36
Total	\$ 252,826.20	\$ 264,062.92	\$ 264,062.92	\$ 275,299.64	\$ 286,536.36
Total Net of HST Recovery	\$ 227,677.82	\$ 237,796.84	\$ 237,796.84	\$ 247,915.85	\$ 258,034.87