

Woodview Park Branch - Lease Renewal

Date:	April 25, 2022
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to obtain Toronto Public Library Board endorsement for a five-year lease renewal agreement commencing on June 15, 2022 and terminating on June 14, 2027 for the premises occupied by the Woodview Park branch. Leases for branches located on privately-owned property require Library Board endorsement and City approval.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. endorses a lease renewal agreement with S. Strashin & Sons Limited for the premises occupied by the Woodview Park branch at 16 Bradstock Road for a five-year term to commence on June 15, 2022 and terminate on June 14, 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

Under the terms of the proposed lease renewal agreement for 4,110 square feet, the annual base rent will be as follows:

Year 1	\$16.69 per sq. ft.
Year 2	\$16.69 per sq. ft.
Year 3	\$18.19 per sq. ft.

Year 4 \$18.19 per sq. ft.

Year 5 \$18.19 per sq. ft.

The annual base rent will be \$68,595.90 for the first year and is the same as the rent paid under the current term. When combined with the estimated annual common area cost and utilities of \$28,687.80, this results in a total operating cost of \$97,283.70 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

Woodview Park branch is situated at 16 Bradstock Road in a strip mall just north of Sheppard Avenue. The branch has been in this location since September 1964.

COMMENTS

The current lease for the Woodview Park branch expires on June 14, 2022 and the terms of the lease renewal have been negotiated with the landlord, S. Strashin & Sons 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

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Woodview Park Branch Lease Renewal - Major Terms and Conditions

Toronto Public Library

Woodview Park Branch Lease Renewal - Major Terms and Conditions

Premises:

Approximately 4,110 square feet of rentable space at 16 Bradstock Road, Toronto.

Landlord:

S. Strashin & Sons Limited

Term:

Five years commencing on June 15, 2022 to June 14, 2027

Use:

Neighbourhood library operated by Toronto Public Library

Base Rent:

The base rent is \$16.69 per sq. ft. in Year 1 and 2, and \$18.19 per sq. ft. in Year 3 to 5, plus HST.

Additional Rent:

The estimated rate for additional rent is \$3.98 per sq. ft. or \$16,357.80 per year, plus HST.

Utilities:

Utilities are estimated at \$3.00 per sq. ft., or \$12,330.00 per year, plus HST.

	Year 1	Year 2	Year 3	Year 4	Year 5
Base Rent	\$ 68,595.90	\$ 68,595.90	\$ 74,760.90	\$ 74,760.90	\$ 74,760.90
Additional Rent	\$ 16,357.80	\$ 16,851.00	\$ 17,344.20	\$ 17,878.50	\$ 18,412.80
Subtotal	\$ 84,953.70	\$ 85,446.90	\$ 92,105.10	\$ 92,639.40	\$ 93,173.70
Utilities	\$ 12,330.00	\$ 12,330.00	\$ 12,330.00	\$ 12,330.00	\$ 12,330.00
Total	\$ 97,283.70	\$ 97,776.90	\$ 104,435.10	\$ 104,969.40	\$ 105,503.70
HST	\$ 12,646.88	\$ 12,711.00	\$ 13,576.56	\$ 13,646.02	\$ 13,715.48
Total	\$ 109,930.58	\$ 110,487.90	\$ 118,011.66	\$ 118,615.42	\$ 119,219.18
Total Net of HST Recovery	\$ 98,995.89	\$ 99,497.77	\$ 106,273.16	\$ 106,816.86	\$ 107,360.57

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