



**STAFF REPORT
ACTION REQUIRED**

80 Bloor Street West Concourse Lease Amending Agreement

Date:	August 23, 2007.
To:	Government Management Committee
From:	Chief Corporate Officer, Director of Real Estate, Facilities and Real Estate Division
Wards:	Ward No. 27 – Toronto Centre Rosedale
Reference Number:	P:\2007\Internal Services\F&re\Gm07084F&re – (AFS 5654)

SUMMARY

The purpose of this Report is to obtain Council’s authority to revise the annual rental rate for 80 Bloor Street West Concourse. In accordance with the thirty-three year (33) lease agreement dated October 10, 1967 (which includes the option to renew for two further terms of 33 years each), the rental rate is to be reviewed every ten (10) years from the date the concourse area is opened for the general use of the public (October 1, 1974). This rate adjustment represents the third ten year review and covers the period from October 1, 2004 to September 30, 2014.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Council authorize the rental rate increase from \$20,254.00 per annum (\$13.00 per square foot) to \$29,602.00 per annum (\$19.00 per square foot) plus GST for the period commencing October 1, 2004 to September 30, 2014. All other terms and conditions of the lease remain the same.

Financial Impact

The Lease Amending Agreement will provide additional revenue of \$9,348 per annum which represents total revenue of \$93,480 over the Ten year term of the renewal which commences on October 1, 2004 to September 30, 2014.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agree with the financial impact information.

DECISION HISTORY

The original lease Agreement was adopted by the former Metro Council on September 19, 1967. In accordance with the Agreement, dated October 10, 1967, the annual charge for 80 Bloor Street West Concourse property is to be reviewed every Ten years from the date this area was first opened for the general use of the public, on October 1, 1974. This is the third review period since that date.

ISSUE BACKGROUND

Appraisal Services staff completed an appraisal of the property to estimate the current market rental value of the subject lease as of October 2004, at \$19.00 per square foot, per annum, projecting a total rental rate of \$29,400.00.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENT:

Appendix "A" Major Terms and Conditions
Appendix "B" Location Map

APPENDIX "A"
Major Terms and Conditions

Leased Premises:

80 Bloor Street West Concourse Pedestrian tunnel and commercial areas under city-owned lane extending westerly from Bay Street, North of Bloor Street West. (1,558 sq. ft of subsurface space).

Landlord:

Krugarand Corporation

Term:

Thirty-Three (33) Lease Agreement dated October 10, 1967 (which includes the option to renew for two further terms of 33 years each), the rental rate is to be reviewed every ten (10) years.

Minimum Annual Rent:

Nineteen (\$19.00) Dollars, net, per sq. ft. of rentable area per annum;

Realty Taxes

Tenant is responsible for payment of real property taxes.

Appendix B

