

Lease Renewal - City-owned Land – Rear of 255 Spadina Road

Date:	August 16, 2007
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward No. 22 – St. Paul’s
Reference Number:	P:\2007\Internal Services\F&re\Gm07087F&re – (AFS 5571)

SUMMARY

The purpose of this Report is to obtain Council’s authority to renew the existing lease with Alan Howard Waldorf School for City-owned land to the rear of 255 Spadina Road, for purposes of a children’s play area.

Alan Howard Waldorf School currently leases approximately 5,130 square feet of City-owned land to the rear of 255 Spadina Road at a rental of \$540.00 per month and wishes to renew the existing lease for a further term of seven (7) years along with proposed landscaping to the demised premises.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Council authorize the proposed renewal lease for the demised premises to the rear of 255 Spadina Road with Alan Howard Waldorf School commencing on September 5, 2005, at a rental of \$580.00 net per month (\$6,960.00 per annum) for the 1st and 2nd, years, \$600.00 net per month (\$7,200.00 per annum) for the 3rd and 4th years, and \$720.00 net per month (\$8,640.00 per annum) for the 5th, 6th and 7th years of the renewal term consisting of an area of approximately 5,130 square feet and based substantially on the terms and conditions as set out in the attached Appendix “A” and in a form acceptable to the City Solicitor; and

2. the Chief Corporate Officer be authorized to administer and manage the lease agreement including the provision of any consents, approvals, notices and notices of termination provided that the Chief Corporate Officer may, at any time, refer consideration of such matters (including their content) to City Council for its determination and direction.

Financial Impact

The total revenue for the seven (7) year term of the lease, commencing September 5, 2005, is estimated to be \$54,240.00 net of GST. Since the Tenant has continued to occupy lands and pay the existing rent of \$540.00 per month on an overhold basis, the actual payments for that period (Sep 2005 to Sep 2007) will include only outstanding amounts, as per the terms and conditions of the renewed lease.

Period	Monthly Rent	Yearly Rental	Total
Sep 2005 to Sep 2007	\$580.00	\$6,960.00	\$13,920.00
Sep 2007 to Sep 2009-	\$600.00	\$7,200.00	\$14,400.00
Sep 2009 to Sep 2012	\$720.00	\$8,640.00	\$25,920.00
TOTAL			\$54,240.00

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

DECISION HISTORY

The Alan Waldorf School originally entered into a lease agreement with the City for a one (1) year term from September 5, 2000 to September 4, 2001 via delegated authority (DAF #2000-127). That agreement was subsequently renewed for a further four (4) year term at a rental of \$540.00 per month via delegated authority (DAF #2005-029).

ISSUE BACKGROUND

The Alan Waldorf School has been leasing approximately 5,130 square feet of City-owned land to the rear of 255 Spadina Road for the purposes of a children's play area since 2001. The existing lease expired on September 4, 2005. The Alan Howard Waldorf School has continued to occupy City-owned lands on an overhold basis but the agreement with the Alan Howard Waldorf School was never formalized. The Waldorf

School wishes to formalize their lease agreement with the City as they are preparing significant improvements to the landscaping of the children's play area.

COMMENTS

Staff have concluded negotiations with the Howard Waldorff School for the renewal of the existing lease for a further seven (7) year term, with an option to extend for a further period of five (5) years after that at a market rate to be established at that time. Appraisal Services have conducted an appraisal of the lands and have established a market value for the site, which is reflective of the neighbourhood rental amounts.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix "A"
Appendix "B" Location Map

APPENDIX 'A'
Major terms and Conditions

Lease Premises:

255 Spadina Road (Rear), consisting of an area of approximately 5,130 square feet.

Tenant

Alan Howard Waldord School

Term:

Seven (7) years; having a Commencement Date of September 5, 2005 and ending on September 4, 2012, subject to the following:

1. The School shall be entitled to undertake, carry out and provide, at its sole cost and expense, any and all landscaping, installations, plantings, ground cover and other improvements to the Property (the "Work") required to be performed or provided in order to render the Property complete, ready and suitable for the Use. Prior to undertaking any Work, the School shall submit drawings and specifications (the "Plans") to the City and shall obtain the City's written consent to such Plans, which shall not be unreasonably withheld. The School shall be required to include the following elements in the Plan:
 - No Work, sloping or grading of the Property shall interfere with or adversely affect the water pooling or draining at any of the properties or buildings adjoining the Property;
 - The Work shall not disrupt the existing below ground fuel tank, pipes and any appurtenances thereto, and any digging or excavation of any soil, fill or other material on the Property, or any subsurface installation of any post, fence or other structure shall be undertaken only after consultation with the City; and
 - No emergency exits from the School's building or from buildings on adjoining properties shall be blocked or encumbered by any of the Work;
2. The School shall be responsible, at its sole cost and expense, to maintain, repair and keep clean and free of debris i) the Property, ii) any and all of the Work it has undertaken on the Property, and ii) all catch basins on the Property;
3. The School shall remove all Works on termination of the lease term and shall restore the Property to its original condition as of the date of hereof unless it receives written notice from the City that it is entitled to abandon the Works as of the termination of the lease;

Rent:

The proposed lease will be completely net and carefree to the City, and the Tenant shall pay rent in equal monthly instalments on the fifteenth of each and every month as follows:

Years 1 & 2 \$580.00 net per month (\$6,690.00 per annum)
Years 3 and 4: \$600.00 net per month (\$7,200.00 per annum)
Years 5, 6 and 7: \$720.00 net per month (\$8,640.00 per annum)
GST is payable by the School on all elements of rent, including realty taxes, if applicable

Option to Extend:

The School shall have the option to renew for a further five (5) years from September 5, 2012 to September 4, 2017;

Option to Terminate:

The City shall have the option to terminate the lease with six (6) months notice to the School following the fifth year of the lease term. The City shall also have the option to alter the area of the Property with six (6) months notice to the School following the fifth year of the lease term;

Appendix "B"
255 Spadina Road



