



**STAFF REPORT
ACTION REQUIRED**

Lease Renewal – Ground Floor Space – 111 Wellesley Street East

Date:	October 18, 2007
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward No. 27 – Toronto Centre-Rosedale
Reference Number:	P:\2007\Internal Services\F&re\Gm07103F&re – (AFS 5576)

SUMMARY

The purpose of this Report is to obtain Council’s authority to renew the existing commercial lease with 1133708 Ontario Limited o/a Corner Kitchen for approximately 905 square feet of ground floor space at 111 Wellesley Street for the purposes of a fast food restaurant.

Corner Kitchen has exercised its right to renew the existing lease for a further term of five (5) years, effective October 1, 2007.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Council authorize the proposed renewal lease for the ground floor space at 111 Wellesley Street with 1133708 Ontario Limited commencing on October 1, 2007, for a period of five (5) years at a rental of \$2,000.00 net per month (\$24,000.00 per annum) for the term, consisting of an area of approximately 905 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

This lease will generate net revenue of \$24,000.00 per year, for a total of \$120,000.00 for the five (5) year term of the lease, commencing on October 1, 2007.

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

DECISION HISTORY

In 1993, Metro Toronto (now the City of Toronto) acquired the commercial portion of the subject property, comprising 4 floors of a 14 floor building from the Metropolitan Toronto Housing Company Limited (now Toronto Community Housing Corporation)..

The City subsequently entered into a lease with Messrs. Mohammed Denbil, Ismail Kalib and Saciid Jibrill for the commercial space on the main floor of the building for a fast food restaurant. The lease has been renewed on several occasions since that time.

In 2004, the existing lease was assigned from Messrs. Denbil, Ismail Kalib and Saciid Jibriil to 1133708 Ontario Limited at a rental of \$1,698.00 net per month via delegated authority (DAF #2004-018). All other terms and conditions of the existing lease remained the same.

ISSUE BACKGROUND

In accordance with the existing lease, Corner Kitchen provided 6 months notice of intent to exercise right of renewal, effective October 1, 2007.

COMMENTS

Staff have concluded negotiations with 1133708 Ontario Limited for the renewal of the existing lease for a further five (5) year term. The lessee shall have the option to renew the subject lease for a further five (5) year term at a rental rate to be negotiated at such time subject to a termination clause of one (1) year to be served by the City in writing to the lessee. Rental values were established based on market valuation of comparative rental properties.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix "A"
Appendix "B" Location Map