



**STAFF REPORT  
ACTION REQUIRED**

**Lease – City Owned Lands Situated at the rear of 208  
Bloor Street West**

<b>Date:</b>	June 18, 2008
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Ward No. 20 (Trinity–Spadina)
<b>Reference Number:</b>	P:\2008\Internal Services\F&re\Gm08058F&re – (AFS 8000)

**SUMMARY**

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The purpose of this Report is to obtain Council’s authority to enter into a four (4) year lease renewal agreement with 208 Bloor Street West Inc. (the “Tenant”) for the City-owned lands situated at the rear of 208 Bloor Street West commencing on January 1, 2007 and expiring on December 31, 2010 for parking purposes. The proposed lease would be substantially on the terms and conditions outlined in Appendix “A” to this Report.

**RECOMMENDATIONS**

**The Chief Corporate Officer recommends that:**

1. Council authorize the proposed lease for the City owned lands situated at the rear of 208 Bloor Street West consisting of approximately 610 square meters (6,564 square feet) to 208 Bloor Street West Inc. (the “Tenant”), for a four (4) year period, commencing on January 1, 2007 and expiring on December 31, 2010 for parking purposes. The basic rent will be \$39,000 per annum, plus realty taxes, 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;
2. The Chief Corporate Officer be authorized to administer and manage the renewal 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 annual basic rent to the City will be \$39,000, plus GST and realty taxes. The total revenue for the four (4) year term of the lease, commencing retroactively on January 1, 2007 and ending on December 31, 2010 is \$156,000, plus GST and realty taxes and operating cost related to the leased area. The current and applicable rent and realty taxes have been paid up-to-date.

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

## **DECISION HISTORY**

By Lease dated July 1, 1991, the Tenant has been leasing the City-owned lands which consist of approximately 610 square meters (6,564) square feet at the rear of the property at 208 Bloor Street West for parking purposes (the “Leased Premises”). The Lease was renewed every five years, and the last renewal which expired on June 30, 2001, was generating a basic annual rent of \$20,000. Since then, the Tenant remained in an overholding position, while the City’s Parking Authority (the “TPA”) considered the possibility of using the lands for its own purposes.

## **ISSUE BACKGROUND**

Recently, TPA advised it has no interest in the subject lands. Thus, the Tenant and the City negotiated terms and conditions for a new lease renewal agreement.

## **COMMENTS**

The term of the lease will be four (4) years commencing on January 1, 2007; expiring on December 31, 2010. The agreement is subject to termination which may be exercised by the City upon giving one (1) month’s notice, at any time during the Term. The Leased Premises are required by the TTC for the protection of its subway structures lying below the property and for an emergency exit on the portion of the site. Furthermore, TTC has requirements to accommodate transformer vaults, fire ventilation equipment and air shafts on the Leased Premises, the construction of which is estimated to commence early in 2011. As such, if the tenant is unable to access the Leased Premises as a result of testing by TTC, rent will abate for those days. Should installation of monitoring equipment reduce the number of parking spaces available to the Tenant, rent shall be pro-rated accordingly. All other terms and conditions shall remain the same as in the Lease. The rent and realty tax have been paid to date, and the tenant is not in default of its obligation under the terms of the lease. The rent and other terms and conditions of the lease agreement reflect current market value according to market research and valuation conducted by the F&RE staff.

## **CONTACT**

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## **SIGNATURE**

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Bruce Bowes, P. Eng.  
Chief Corporate Officer

## **ATTACHMENTS**

Appendix "A" – Major terms and conditions  
Appendix "B" – Location Map