



STAFF REPORT ACTION REQUIRED

Lease of Portion of St. Lawrence Hall

Date:	August 27, 2009
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 28 – Toronto Centre - Rosedale
Reference Number:	P:\2009\Internal Services\F&re\Gm09077F&re – (AFS 10498)

SUMMARY

This report seeks Council approval for a new lease with 685071 Ontario Inc. c.o.b. as Biagio Ristorante (“Biagio”), for part of the main floor and basement of 155 King Street East, a City-owned property known as the St. Lawrence Hall (the "Property").

RECOMMENDATIONS

The Chief Corporate Officer recommends that City Council:

1. Grant authority to enter into a Lease between the City of Toronto, as Landlord, and 685071 Ontario Inc. c.o.b. as Biagio Ristorante, as Tenant, for a five year term with an option to renew for a further five (5) year term, on terms substantially in accordance with Appendix “A”, and in a form acceptable to the City Solicitor.
2. Authorize the Chief Corporate Officer 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 to City Council for its determination and direction.

Financial Impact

This lease will generate \$228,040.81 in total rent per year for a total of \$1,140,204.05 over the five-year term. The resulting annual rent is outlined in the following chart:

Annual Net Rent	Additional Rent (Est.)	Total Annual Rent	Total for the Term
129,096.20	98,944.61	228,040.81	1,140,204.05

This represents an increase in rent of \$39,770.36 annually (including additional rent), for a total of \$198,851.80 over the five year term. There are no outstanding payments from the existing lease.

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

DECISION HISTORY

685071 Ontario Inc. c.o.b. as Biagio Ristorante has been leasing the subject Premises since 1988. The initial lease had a term of 10 years with an option to renew for another 10 years at which time it was renewed at the same rate, which was considered the market rate. The renewal term expired July 31, 2008 and the lease is currently in an “overhold” position.

COMMENTS

The Premises are comprised of approximately 3,300 square feet of Rentable Area on the ground floor, 2,500 square feet of Rentable Area in the basement and 2,400 square feet of Rentable Area on the outside courtyard of the St. Lawrence Hall.

Biagio Ristorante has developed a steady clientele over the past 20 years and is recognized as one of the best restaurants in Toronto. The restaurant’s style and presentation blends very well with the historical St. Lawrence Hall. Facilities & Real Estate staff carried out negotiations with the Tenant which resulted in terms and conditions for a lease agreement that are fair and reasonable and representative of market value, as confirmed by a 3rd party review.

CONTACT

Joe Casali
Director, Real Estate Services
Tel: (416) 392-7202
Fax: (416) 392-1880
jcasali@toronto.ca

Chuck Donohue, P. Eng.
Executive Director, Facilities & Real Estate
(416) 397-5151
(416) 392-4828
cdonohue@toronto.ca

SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix A - Major Terms & Conditions
Appendix B - Location Map