



STAFF REPORT ACTION REQUIRED

Lease Renewal at 1333 Sheppard Ave. E

Date:	October 21, 2009
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 33 – Don Valley East
Reference Number:	P:\2009\Internal Services\F&re\Gm09103F&re – (AFS 10683)

SUMMARY

The purpose of this report is to obtain authority to enter into a lease renewal agreement with Healthcare Properties Holdings Ltd. for space at 1333 Sheppard Avenue East in the amount of 1,483 square feet for the continued use by Toronto Fire Services as an administrative office.

RECOMMENDATIONS

The Chief Corporate Officer recommends that City Council:

1. Authorize entering into a Lease Renewal Agreement with Healthcare Properties Holdings Ltd. for a five (5) year term, commencing May 1, 2009 and expiring on April 30, 2014, based substantially on the terms and conditions set out in the attached Appendix “A”, and other terms and conditions acceptable to the Chief Corporate Office, and in a form acceptable to the City Solicitor.
2. The Chief Corporate Officer be authorized to administer and manage the lease agreement, include the provision for 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

Total lease costs for the five (5) year term are \$14.75 per square foot which is approximately \$237,205 net of taxes

The lease cost for 2009 in the amount of \$31,627 net of taxes was included in the 2009 Operating Budget.

The balance of the lease costs in the amount of approximately \$205,779 will be included in Toronto Fire Services future Operating Budget in cost centre FR0043.

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

DECISION HISTORY

An initial agreement to lease this location, commencing April 15, 1999 and ending on April 30, 2004 and providing a five (5) year extension, was authorized by Council as per Report 11(1) of the July 29, 30 and 31 1998 Council Meeting. The initial annual basic rental rate was \$12.00 per square foot. As approved by DAF 2004-108, dated August 2004, the lease was extended from February 1, 2004 to January 31, 2009, at an annual basic rent of \$13.00 per square foot.

COMMENTS

Toronto Fire Services has operated an administration office at the subject location since February 9, 1999 and continues to require these offices at this location.

The City has applied for Municipal Capital Facility for the subject location and once application is approved, will not pay any property taxes.

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

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

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