



STAFF REPORT ACTION REQUIRED

Lease Extension and Amending Agreement for Use of City Lands Adjacent to 1121 Bellamy Road North

Date:	October 1, 2009
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 38 – Scarborough Centre
Reference Number:	P:\2009\Internal Services\F&re\Gm09083F&re – (AFS 10661)

SUMMARY

The purpose of this report is to obtain authority to enter into a Lease Extension and Amending Agreement with Margaret Wiley Seaver for use of City lands adjacent to 1121 Bellamy Road North. The proposed agreement is for a five (5) year term, commencing on October 1, 2009 and ending on August 31, 2014.

RECOMMENDATIONS

The Chief Corporate Officer recommends that Council:

1. Authorize a Lease Extension and Amending Agreement with Margaret Wiley Seaver (the “**Tenant**”), to use and occupy approximately 7,112 square feet of vacant land adjacent to 1121 Bellamy Road North, (the “**Property**”), substantially on the terms and conditions as set out in Appendix “A” and on such other terms and conditions as approved by the Chief Corporate Officer, or his or her designate, and in a form and content acceptable to the City Solicitor.
2. Authorize the Chief Corporate Officer to administer and manage the Lease Extension and Amending 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 Tenant shall pay a base rent, payable in equal monthly instalments, as shown in the table below, plus applicable taxes. Total revenue from base rent for the five (5) year term is expected to be \$57,251.60. The Lease is net and carefree to the City and the Tenant is responsible for property taxes and all operating and maintenance costs.

Time Period	Net Rent per Square Foot	Net Rent per Annum	Net Rent per Month
Oct. 1, 2009 – Sep. 30, 2010	\$1.50	\$10,668.00	\$889.00
Oct. 1, 2010 – Sep. 30, 2011	\$1.55	\$11,023.60	\$918.63
Oct. 1, 2011 – Sep. 30, 2012	\$1.60	\$11,379.20	\$948.27
Oct. 1, 2012 – Sep. 30, 2013	\$1.65	\$11,734.80	\$977.90
Oct. 1, 2013 – Sep. 30, 2014	\$1.75	\$12,446.00	\$1,037.17

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

DECISION HISTORY

At its meeting on August 16, 1976, City Council authorized the lease of approximately 4,940 square feet of vacant land to Emmanuel Farkas. Mr. Farkas was the owner of the adjacent land and building at 1121 Bellamy Road North, and used the city-owned lands for parking purposes. Emmanuel Farkas sold his interest in 1121 Bellamy Road North to the Tenant in 1985. As a result, the lease between the City and Mr. Farkas was terminated and the City entered into a lease with the Tenant, dated September 27, 1985, as approved by the Board of Control of Item 9, Report 45 at its meeting held on September 23, 1985. At the end of the three year term, the Tenant continued on a year to year overhold basis until the lease was renewed on November 29, 2002 for a two year term under DAF authority 2002-154. The lease was renewed again on May 1, 2004 under DAF authority 2004-010. The lease renewal expired on September 30, 2005. The Tenant has been overholding on the Property since then.

ISSUE BACKGROUND

The subject property (a 28 ft. x 254 ft. strip of parking space) is a portion of vacant land on the Highland Creek Watercourse. Mr. Farkas requested use of the space for parking purposes for his retail building (1121 Bellamy Road North). The City agreed to enter into a lease for the subject lands as it did not interfere with the City's use of or access to the Highland Creek Watercourse.

COMMENTS

The Tenant is current with its rental payments to date. Facilities and Real Estate staff consider the terms and conditions of the proposed Lease Extension and Amending Agreement to be fair and reasonable, and at market rates.

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 and Real Estate
(416) 397-5151
(416) 392-4828
cdonohue@toronto.ca

SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

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