



STAFF REPORT ACTION REQUIRED

Lease Renewal for Scarborough Heights Park Allotment Gardens with Toronto Community Housing Corporation

Date:	April 14, 2010
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward No. 36 (Scarborough-Southwest)
Reference Number:	P:\2010\Internal Services\RE\Gm10022re(AFS #11737)

SUMMARY

The purpose of this report is to obtain authority to enter into a 5 year renewal of the Lease Agreement between the City of Toronto (the “Landlord”) and Toronto Community Housing Corporation (the “Tenant”) that uses the City’s land for the purpose of allotment gardens for the exclusive use of the senior residents of the nearby McClain Park Apartments.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council grant authority to enter into a 5 year less one day renewal of the Lease Agreement with the Tenant regarding the use of the City’s land substantially on the terms and conditions outlined in Appendix “A” of this Report, such other terms deemed appropriate by the Chief Corporate Officer and in a form acceptable to the City Solicitor.

2. City Council grant authority to the Chief Corporate Officer to administer and manage the renewed 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 matter (including their content) to City Council for its determination and direction.

Financial Impact

The renewal of this Lease Agreement will generate the following revenue, net of GST, commencing retroactively on May 1, 2006:

Year	Period	Annual Revenue net of GST
1	May 1, 2006 to April 30, 2007	\$510.00
2	May 1, 2007 to April 30, 2008	\$520.00
3	May 1, 2008 to April 30, 2009	\$530.00
4	May 1, 2009 to April 30, 2010	\$540.00
5	May 1, 2010 to April 29, 2011	\$550.00
	Total Revenue	\$2,650.00

The total revenue to the City over the five (5) year term is \$2,650.00 net of GST. There are no outstanding payments under the current terms.

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

DECISION HISTORY

As authorized via clause no. 4 of Report no. 8 of the Parks, Recreation and Property Committee on the 12th day of April, 1984, the former Metropolitan Toronto leased vacant parkland comprising an area of 0.45 acre located on the south side of Glen Everest Road and east side of Wynnview Court in Scarborough Heights Park to the former City of Scarborough as allotment gardens for use by the senior residents at the adjacent McClain Park Apartments, for 5 years from June 1, 1984 to May 31, 1989 for a nominal rate of \$2 per year. As authorized by Report no. 7(4) of the Parks, Recreation and Property Committee adopted in Council on the 10 & 11th day of May, 1989, the lease was renewed for one year commencing on June 1, 1989 to May 1, 1990 for an annual net rent of \$565.00. The following Lease Agreements were entered via the authority of Report no. 5(1)9 REC(C) of the Management Sub-Committee adopted in Council on the 10th day of April 1979, which authorized the Commissioner of Parks and Property to rent Metropolitan-owned properties at market value without requiring prior approvals except in cases where rentals are for a term in excess of two years:

- a new lease agreement was entered into with the Metropolitan Toronto Housing Company Limited (now “Toronto Community Housing Corporation” or “TCHC”) as the “Tenant”, for 2 years from June 1, 1990 to June 1, 1992 with the net rent of \$594.00 p.a. for the first year and the rent to be consistent with the recreational rate on the 2nd year.
- the lease was renewed for 2 years from June 1, 1992 to May 31, 1994 with the net rent of \$655.20 p.a. for the first year and the rent to be consistent with the recreational rent in the 2nd year.
- a new lease agreement was entered into for 2 years from June 1, 1994 to May 31, 1996 with the net rent of \$688.00 per annum.
- After 5 months of overholding from June 1, 1996 to September 30, 1996, the lease was renewed for 5 months for the growing season from May 1, 1997 to September 30, 1997 for a monthly net rent of \$71.67.
- A renewal proposal was entered into for 5 months from May 1, 1998 to September 30, 1998 for a monthly net rent of \$80.53.

A 5 month lease agreement was entered, as authorized by DAF 99-096, from May 1, 1999 to September 1999, for a monthly net rent of \$80.53. Via DAF 2000-058, the lease agreement was renewed for 5 months from May 1, 2000 to September 30, 2000 for the same monthly net rent of \$80.53.

The lease agreement was renewed for 5 years by DAF 2001-083 from May 1, 2001 to April 30, 2006. The annual rent for the first year was \$413.14 net, plus all applicable taxes related to the leased area. For the remaining 4 years, the annual net rent was adjusted to \$426.47 per annum in accordance with increases in the Consumer Price Index (C.P.I.).

ISSUE BACKGROUND

The Lease Agreement expired on April 30, 2006 and the Tenant has been in an overholding position since May 1, 2006.

Negotiations were conducted with the Tenant and agreement was reached for another period of five (5) years less one day commencing from May 1, 2006 to April 29, 2011 on the terms and conditions as outlined in Appendix A. Parks, Forestry and Recreation Division has no objection to this Lease Renewal.

COMMENTS

The annual basic rent reflects current market value according to market research and valuation conducted by Real Estate Services Division staff.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

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