

Lease of 411 Victoria Park Avenue

Date:	April 22, 2009
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	36 – Scarborough South West
Reference Number:	P:\2009\Internal Services\F&re\Gm09040F&re – (AFS 9950)

SUMMARY

The purpose of this Report is to obtain Council’s approval to enter into a lease agreement with Brian Jacobsen to use the subject property as a golf driving range for a term of One (1) year commencing April 1, 2009.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Authorize the renewal of the lease with Brian Jacobsen (the “Tenant”), at 411 Victoria Park Avenue (the “Premises”) for a one year term substantially on the terms and conditions outlined in Appendix “A”, together with such other terms and conditions deemed appropriate by the Chief Corporate Officer and in form satisfactory to the City Solicitor.
2. Authorize the Chief Corporate Officer to administer and manage the lease 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

Revenue for the one year lease renewal will be approximately \$105,539. The Tenant is responsible for all operating costs and taxes, making the Agreement fully net and carefree to the City.

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

DECISION HISTORY

The subject property was originally acquired for the Scarborough Transportation Corridor. Pursuant to a proposal call in 2006, the existing tenant was selected to operate a golf driving range on the subject property. A lease Agreement was entered into for a five (5) year term commencing April 1, 1999 and ending October 31, 2004 with an option to renew for another four (4) years, and the City's right to terminate with six months notice. The renewal of the agreement was not executed. The tenant has continued to occupy the property as an overhold tenant since then.

On January 31, February 1 & 2, 2006, Council adopted Clause 28 of Report 1 of the Policy and Finance Committee and declared the property surplus for the purpose of transfer to TEDCO. That transfer has not occurred and the property is now intended to be transferred to Build Toronto in the future.

COMMENTS

It is expected that the subject property will be redeveloped in the future. In the interim, it is appropriate that the City continue to take full advantage of the use of the site. Additionally, Toronto Water has designed and will be installing a watermain on the property beginning in 2010. The project is expected to be completed in 2012. Given the uncertainty regarding the property, it is prudent to only offer continued use of the property on a year by year basis. The tenant has been made aware of the issues surrounding the site and F&RE staff are committed to working with all stakeholders to maximize the interim use of the site.

It is the opinion of City Staff that the rental rates are fair, reasonable and reflect market rent.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix "A" – Major Terms & Conditions
Appendix "B" - Map