

Lease Renewal Agreement for Warden Woods Child Care Centre – 74 Firvalley Court

Date:	May 16, 2011
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	35 – Scarborough Southwest
Reference Number:	P:\2011\InternalServices\RE\Gm11019re (AFS# 13935)

SUMMARY

The purpose of this report is to obtain City Council authority to enter into a lease renewal agreement with the Landlord, the Mennonite Church Eastern Canada, for the continued use of a portion of the property known municipally as 74 Firvalley Court where the City currently operates a facility known as the Warden Woods Child Care Centre.

RECOMMENDATIONS

The Chief Corporate Officer recommends:

1. City Council authorize the Lease Renewal Agreement with the Mennonite Church Eastern Canada for use of approximately 3,500 square feet of floor space within the property known municipally as 74 Firvalley Court, substantively on the terms and conditions 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 acceptable to the City Solicitor.
2. City Council authorize the Chief Corporate Officer or designate to administer and manage the Lease Renewal Agreement including the provision of any consents, approvals, waivers, and notices of termination provided that the Chief Corporate Officer may, at any time refer consideration of such matter to City Council for its determination and direction.

3. The City Solicitor be authorized to complete the transaction on behalf of the City, including paying any necessary expenses, amending the relevant dates and amending and waiving terms and conditions, on such terms as she considers reasonable.
4. The appropriate City Officials be authorized and directed to take whatever action necessary to give effect thereto.

FINANCIAL IMPACT

Basic rent, over the full five year renewal term, will cost the City \$226,771.68 plus HST. Janitorial, cleaning and utility costs for the full five year renewal term are estimated to be \$198,218.40 plus HST. Funding is available in the Approved 2011 Operating Budget for Children's Services, and will be accommodated for in future budgets.

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

DECISION HISTORY

Under the authority of Metropolitan Toronto Parks, Recreation and Property Committee Report No. 1 (1), adopted by Council on January 30, 1991, The Municipality of Metropolitan Toronto entered into a lease agreement with the Mennonite Conference of Eastern Canada for approximately 3,500 square feet of area within 74 Firvalley Court. Under Delegated Authority report number 2000-037 the Lease was renewed for a term of one year. Under Delegated Authority report number 2001-103 the Lease was again renewed for a term of one year. Under Delegated Authority report number 2002-161 the Lease was renewed for a term of two years. Under Delegated Authority report number 2006-112 the Lease was renewed for a term of five years.

ISSUE BACKGROUND AND COMMENTS

The Warden Woods Community has experienced large scale residential redevelopment in recent years. The added residential component has increased demand for child care in the neighbourhood. Maintaining the services provided by the Warden Woods Child Care Centre is therefore vital to the immediate community as it transitions into a larger more dynamic residential neighbourhood.

Real Estate Services Staff consider the terms and conditions of this proposed Lease Renewal, as detailed in Appendix "A", to be fair, reasonable and at market rate.

CONTACT

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

SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix "A" – Major Terms and Conditions
Appendix "B" – Locations Maps

Appendix "A" Major Terms and Conditions

Landlord: The Mennonite Church Eastern Canada

Tenant: City of Toronto.

Demised Area: Approximately 3,500 square feet of area with the structure municipally known as 74 Firvalley Court.

Term: Five (5) years, commencing May 1, 2009 and expiring April 30, 2014.

Basic Rent:

Year 1: May 1, 2009 – April 30 2010 : \$3,712.70 per month - \$44,552.40 per annum
Year 2: May 1, 2010 – April 30 2011 : \$3,712.70 per month - \$44,552.40 per annum
Year 3: May 1, 2011 – April 30 2012 : \$3,824.08 per month - \$45,888.96 per annum
Year 4: May 1, 2012 – April 30 2013 : \$3,824.08 per month - \$45,888.96 per annum
Year 5: May 1, 2013 – April 30 2014 : \$3,824.08 per month - \$45,888.96 per annum

Utilities:

The City shall pay for the length of the Lease Renewal Term a proportionate share of electricity, natural gas, and water. The proportionate share is set at 27.69%. When completing the annual reconciliation an annual credit allowance of \$4,000.00 will be applied to the utility payments the City will make.

Janitorial and Cleaning Services:

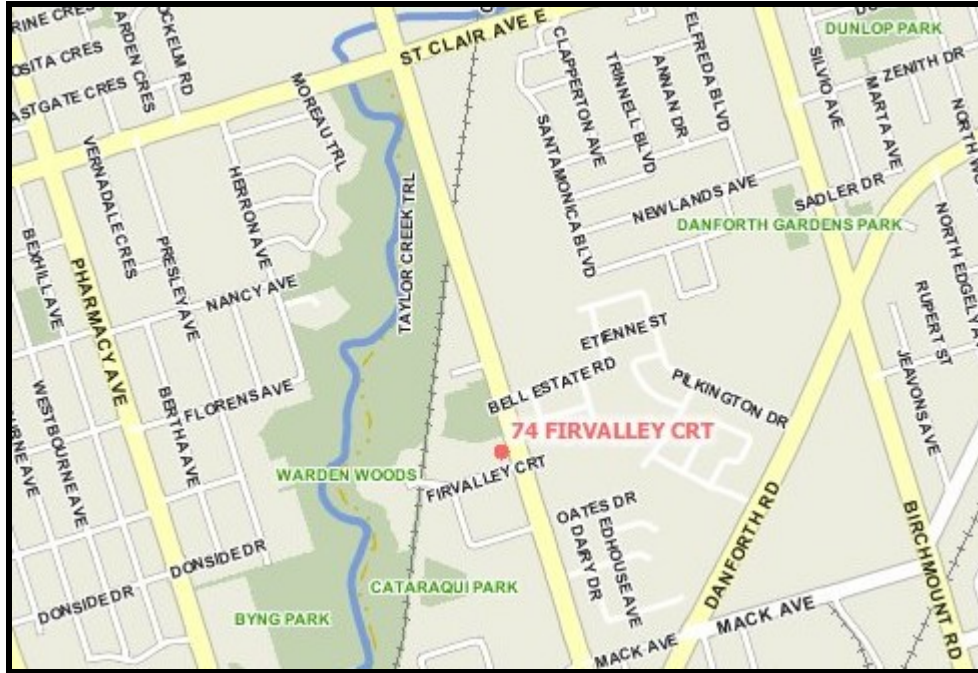
The following payment schedule is based on a total of 3.5 hours per day including 1.5 hours during the day time and 2 hours in the evening, Monday to Friday;

Year 1: May 1, 2009 – April 30 2010 : \$2,508.49 per month - \$30,101.88 per annum
Year 2: May 1, 2010 – April 30 2011 : \$2,508.49 per month - \$30,101.88 per annum
Year 3: May 1, 2011 – April 30 2012 : \$2,583.74 per month - \$31,004.88 per annum
Year 4: May 1, 2012 – April 30 2013 : \$2,583.74 per month - \$31,004.88 per annum
Year 5: May 1, 2013 – April 30 2014 : \$2,583.74 per month - \$31,004.88 per annum

Termination: Either party has the right to terminate the Lease Agreement at any time upon giving sixty (60) days prior written notice to the other party without penalty.

Appendix "B"

Locations Maps



Source: Iview & Bing Mapping