

Staff Report



To	Committee of the Whole
Service Area	Infrastructure, Development and Environment
Date	Tuesday, October 7, 2025
Subject	Baker Library Facility Lease Approval

Recommendation

1. That on behalf of the City of Guelph, the Deputy CAO of Infrastructure, Development and Environment, subject to the satisfaction of the City Solicitor and City Treasurer, be directed to enter into a lease for the Baker Library facility for a thirty year term that has two, five-year renewal terms.
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Executive Summary

Purpose of Report

The purpose of this report is to give staff the delegated authority to enter into a long-term lease agreement with the Guelph Public Library (the Library) for the newly constructed City-owned building in the Baker District. The Baker District Redevelopment includes a new library with public parking and public squares which were approved by Council on October 7, 2020. With the capital construction of the public components well underway, City staff and the Library have been finalizing the associated operational details of the development to help ensure a smooth start up and operation at the site. This includes the development of a long-term lease agreement with the Library.

Key Findings

Once construction is complete for the Baker District public components, the site and building will have multiple uses including the new public library (Baker Library), urban squares and public parking. These uses overlap and share common spaces and services for the building. The lease for the Baker Library is required to determine the “ground rules” between the City as owner and landlord and the Library as tenant, including operational, programming, and maintenance requirements. The lease terms will be established prior to the completion of the public components and move in of the Baker Library and other common spaces.

It is recommended that the lease for the Baker Library be for an initial term of thirty years, with the option to renew for up to two renewal terms of five years, each to be exercised upon mutual agreement between the Library and the City. The length of the lease coincides with an expected shift in the overall lifecycle stage of the building.

Strategic Plan Alignment

Building and operating the Baker Library is a key component of the City Building theme of the strategic plan. The lease agreement is key to the transition from

construction of the building to utilization as a new central public library, contributing to the downtown revitalization through activation of the Baker District Redevelopment for community use.

Future Guelph Theme

City Building

Future Guelph Objectives

City Building: Grow and care for our community space and places

Financial Implications

Given that this building was designed with shared use in mind, the building and systems have been designed to allow for the breakdown of these costs to the extent practical. The lease agreement includes a breakdown and allocation of operation and maintenance cost responsibility, which provides clear delineation for the City and Library for their respective budgets.

Under the current model, the Library owns and operates the existing central public library at 100 Norfolk Street. The Library budgets for costs and expenses associated with ownership and maintenance, and maintenance performed through the City is still funded through the Library Capital reserve fund (#157) or charged back to the Library operating account.

Draft operating budgets for the Baker District Redevelopment public components have previously been presented to Council and are being updated through the 2026 budget confirmation process. Although the City will now own the building in which the library will be operating, the day to day operating costs (utilities, maintenance) would still be included in the Library budget, and all capital repairs and renewal works would be funded from the Library capital reserve fund (#157), whether managed by the City or the Library, to ensure accurate allocation of costs.

City and Library staff are reviewing the detailed costs within the previously proposed overall budget as part of this lease arrangement and will ensure that all expenses are attributed to the appropriate cost centre. The cost allocation will be documented within the lease, to a level of detail relevant to the landlord/tenant relationship under the lease.

Report

The City intends to enter into a long-term lease arrangement with the Guelph Public Library Board (the Library) for the new central public library located in the Baker District Redevelopment (the Baker Library). The public components of the Baker District Redevelopment are currently under construction and on schedule for a completion date in Q4, 2026. The public components that are scheduled to be completed in 2026 include:

- The Baker Library
- Parking Garage
- Library Urban Square

Along with sharing the same building structure, these components have shared common spaces and shared utilities which require allocation of operating and maintenance obligations between the City as landlord and the Library as tenant. The lease agreement is based on a standard commercial lease and defines in detail

what spaces are allocated and under the control of the Library, the shared spaces between the City and Library, service levels for maintenance and operation of the various spaces and allocates responsibility for operating costs and funding of capital repairs between the City and Library. These responsibilities are being allocated based on what party has the best ability to undertake and manage the operation, maintenance, and repair, and in a collaborative spirit between the City and Library. Under the current model, the Library owns and operates the existing central public library at 100 Norfolk Street. The Library budgets for costs and expenses associated with ownership and maintenance; maintenance performed through the City is still funded through the Library Capital reserve fund or charged back to the Library operating account, as appropriate, to ensure accurate allocation of costs. While the ownership model has changed to City ownership of the building, the existing allocation of operating and capital renewal costs between the City and Library forms the basis for the allocation of operational costs and responsibilities for this new City building, with modifications as necessary and appropriate.

Staff are recommending the City enter into a long-term lease agreement for an initial thirty year term plus up to two, five year renewal terms on mutual agreement between the Library and City. This initial term aligns to a major lifecycle stage for the building components after which higher capital renewal costs can be expected for various building components. The optional renewal terms provide an opportunity for both parties to review the operating and maintenance obligations to ensure the lease still accurately reflects the building condition at that time and that the parties can undertake and manage those obligations as allocated.

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Consultations and Engagement

Consultations include the Guelph Public Library, Legal and Court Services, and Finance.

Attachments

None

Departmental Approval

Jennifer Charles – General Manager, Legal and Court Services / City Solicitor

Shanna O’Dwyer – General Manager, Finance / City Treasurer and Chief Financial Officer

Report Author

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This report was approved by:

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