

# TPS The Toronto Psychoanalytic Society Inc.

*A branch of the Canadian Psychoanalytic Society*

7(a).

40 St. Clair Avenue East, Suite 203, Toronto, Ontario M4T 1M9

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February 18, 2005

Ms Gillian Mason, Chair  
Toronto Public Library Board  
789 Yonge Street  
Toronto, ON M4W 2G8

Dear Ms Mason:

The Toronto Psychoanalytic Society wishes to have the opportunity to make a submission to the Library Board at its March 7<sup>th</sup> meeting in relation to the proposed rent increase for our suite. An increase of 34% is not affordable for a not-for-profit organization like ours. Attached is a written proposal regarding a possible alternative.

As well, one of our members has contact Ms. Karen Stintz.

Please let us know if we can be put on the March 7<sup>th</sup> agenda, and advise us of the approximate time we will have to address the Board on this item.

Sincerely,



Joseph Fernando, M.D.,  
President

#### Board of Directors

Joseph Fernando, MD, President

Sarah Usher, PhD, Vice-president

Anita Johnston, MD, Treasurer

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## Harold L. Sclodnick

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1 St. Clair Avenue East  
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## COPY

BY FAX: 416-392-1880

City of Toronto  
Facilities & Real Estate  
2<sup>nd</sup> Floor, Metro Hall  
55 John Street  
Toronto, ON M5V 3C6

February 11, 2005

Attention: Mr. Anthony Pittiglio  
Manager, Leasing & Site Mgt.

Dear Mr. Pittiglio,

Re:     Toronto Psychoanalytic Society - Lease Proposal  
Suite 203 - 40 St. Clair Avenue East, Toronto

I have been consulted by the Toronto Psychoanalytic Society ("TPS") in connection with the above matter. I have been provided with the proposal set out in your letter dated January 20, 2005, made on behalf of the Toronto Public Library (and subject to its approval).

Generally, that proposal is acceptable, except for the matter of rent. As you may be aware, TPS is a non-profit professional association, operated for the benefit of its members and funded solely from dues paid by its members and by its educational activities. TPS has occupied the subject premises for more than 10 years, the past 5 years of which have been without a formal fixed-term lease. Rent is paid, based on the commercial value of the space, in the total monthly amount of \$2,822.48. The proposal, including the base rent and operating expenses, amounts to \$3,785.84 per month, plus GST, an increase of \$963.36 per month, more than 34%.

Commercial leasing rates in Toronto have increased over the past five (5) years an average of 4.5 per cent per year (depending on location, nature of the space, size of the space, etc.). It is acknowledged that the rent for the subject premises has not been increased for some years, but that would have been the case if there had been a fixed-term lease in effect during that time. I suggest that an increase of more than 34 per cent at one time is simply not reasonable.

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In addition to having always fulfilled its tenant obligations in terms of timely rent payment, TPS has otherwise been a model tenant in this premises, one that the City/Library will not easily replace. The premises itself is obviously already configured to TPS's uses. No leasehold renovations or improvements would have to be carried out by the City to render the premises suitable for a new tenant, nor would the premises need to be partitioned or otherwise sub-divided. (Indeed, the proposal provides that TPS would be leased on an "as is, where is" basis). The use of the premises by TPS has been entirely compatible with both the library and with other tenants in the building. The renewal by TPS will ensure that the City is not put to any cost in terms of the physical premises, loss of rental income during any vacant period, advertising costs or brokerage fees.

I suggest that a new lease on the terms set out in your proposal dated January 20, 2005 be entered into, except providing for:

1. a term of five (5) years;
2. gross rent (i.e., not net) of \$2,963.60 per month (an increase of 5 per cent over \$2,822.48) during the first year;
3. \$3,111.78 per month during the second and third years;
4. \$3,267.37 per month during the fourth and fifth years;
5. an option to renew for a further term of five (5) years, at a rent to be then agreed-upon, based on prevailing rents in the building or area, and subject to arbitration failing agreement; and
6. all other provisions as set out in the proposal dated January 20, 2005 would apply.

I look forward to hearing from you once you have had an opportunity to review and consider the above.

Yours very truly



Harold L. Sclodnick

HLS/

cc. Ms. Nancy Marshall  
Toronto Public Library Board  
Fax: 416-393-7083

cc. Dr. Sarah Usher  
Toronto Psychoanalytic Society



Corporate Services  
M. Joan Anderton, Commissioner

Facilities & Real Estate  
2nd Floor, Metro Hall  
55 John Street  
Toronto, Ontario M5V 3C6

Edwin R. McLean  
Property Manager

Tell: 416 392-1854  
Fax: 416 392-1880  
emclean@toronto.ca

February 17, 2005

Mr. Harold L. Scodnick  
Barrister and Solicitor  
Suite 203- 40 St. Clair East  
Toronto, Ontario  
M4T 2V7

Dear Mr. Scodnick:

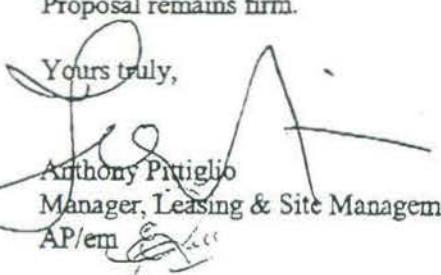
**Re: Lease Proposal for Suite 203, 40 St Clair Avenue East**

I acknowledge receipt of your letter dated February 11, 2005 the contents of which have been reviewed also by our clients, the Toronto Public Library.

Please note that the Lease Proposal served on the Toronto Psychoanalytic Society is the result of a comprehensive review conducted by the City's Real Estate Services on all the tenancies in this building. Each tenant was first notified of this undertaking by a letter which was hand delivered on August 28, 2003. Shortly thereafter, in September 2003, the rentable areas of all of the occupied suites were professionally recalculated by Extreme Measures and brought up to current industry standards.

As a consequence of the total review, the rental rates, lease term and other conditions of the Proposal have all been structured to bring some measure of fiscal responsibility to the management of the building. It is important for you to know that at the urging of the Library, special consideration was accorded to all charitable and non-profit tenants. The base rent of \$5.00 per square foot per annum, which each of the latter is required to pay, is well below current commercial rates in the Yonge/St Clair neighbourhood. The additional rent of \$12.50 per square foot per annum, covers real estate taxes and other operating expenses and is an estimate based on actual charges from the previous (2004) year.

While we recognise and appreciate the length of tenure your client has had at this address, we feel that the adjustments made have been fair and even handed. In light of this we must let you know that our Lease Proposal remains firm.

Yours truly,  
  
 Anthony Pittiglio  
 Manager, Leasing & Site Management  
 AP/em

cc: Ms. Nancy Marshall - Toronto Public Library Board - fax. 416-393-7083  
 Mr. Harvey Mooradian - Toronto Public Library - fax. 416-397-5932  
 Dr. Sarah Usher - Toronto Psychoanalytic Society - fax. 416-922-9988