



15.

To: Toronto Public Library Board – September 15, 2003

From: City Librarian

Subject: **Morningside Neighbourhood Branch Library Relocation – 10-year Lease**

Purpose:

To obtain Toronto Public Library Board approval for a 10-year lease with a 5-year renewal option, for a 7,000 sq.ft. unit in a re-developed Morningside Mall, commencing upon completion of the Mall re-development in 2004.

The Board be advised that on September 5, 2003, Budget Advisory Committee (BAC) recommended approval of a 10-year lease with a 5-year renewal option and capital pre-approval funding for the required leasehold improvements, subject to further discussions.

Funding Implications and Impact Statement:

The annual operating cost of leasing the current 6,032 sq.ft. is \$177,877. The proposed 7,000 sq.ft. facility will have an average annual operating cost of \$184,520 (net rent of \$22 per sq. ft.) which will be incurred in each of the first five years and an annual operating cost of \$200,668 (net rent of \$24 per sq. ft.) which will be incurred in each of the second five years. This represents an annual increase of approximately \$6,700 in the first five years and a further \$16,200 in the second five years, which can be accommodated within the operating budget. Leasehold improvements amount to \$750,000 gross and \$412,000 debt, after development charge funding.

Recommendation:

It is recommended that the Toronto Public Library Board approve a 10-year lease in the Morningside Mall, at an average annual cost of \$184,520 (net rent of \$22 per sq. ft.) during the first five years and \$200,668 (net rent of \$24 per sq. ft.) during the second five years, with an option to renew for an additional five years.

Background:

At its meeting of June 9, 2003 the Board approved negotiation of a new 5-year lease for 7,000 sq.ft. for the Morningside Branch at a basic lease rate of \$22.00 per sq.ft. and \$3.50 per sq.ft. for common area maintenance for a total annual cost of \$183,855 in the first year. This was conditional upon completion of the Mall re-development in 2004, City funding for leasehold

improvements and approval of the submission of a pre-approval request to BAC for \$750,000 gross and \$412,000 net after development charge funding.

A report to BAC at its July 3, 2003 meeting requested Council pre-approve capital funding for leasehold improvements at the relocated Morningside Branch under a new 5-year lease negotiated at the re-developed Morningside Mall. The capital funding pre-approval was required before the Library could enter into the proposed lease.

At the July 3, 2003 meeting, BAC deferred consideration of the report from the City Librarian, and requested the City Librarian, in consultation with the Commissioner of Corporate Services, report to BAC for its meeting of September 5, 2003, on alternatives to leasing library facilities at the Morningside location including long-term options. BAC requested the Chief Financial Officer and Treasurer to report on the financial prudence of the various options. The report to BAC outlining the long-term options for relocation can be found on the attached Schedule 1.

At its meeting of September 5, 2003 BAC recommended approval of the 10-year lease and the capital pre-approval for the leasehold improvements, subject to further discussions. Specifically, the BAC motion stated:

- (1) recommended to the Policy and Finance Committee the adoption of the joint report (August 28, 2003) from the City Librarian and the Chief Financial Officer and Treasurer, subject to:*
 - (a) Recommendation No. (2) being amended to read:*

“(2) City Council recommend capital pre-approval of \$750,000.00 gross and \$412,000.00 debt, after development charge funding required for leasehold improvements;” and
 - (b) adding the following:*

“the Toronto Public Library Board make every effort to include this pre-approval project within the 2004 capital budget guidelines.”;
- (2) received the report (June 26, 2003) from the City Librarian; and*
- (3) requested relevant staff and the local Councillor to look into any other possibilities of purchasing land for this project and report thereon to City Council for its meeting of September 22, 2003, if other options become available.*

Comments:

The Morningside Mall provides the Library with a prime location at a major intersection with high street visibility and excellent access to both public transit and parking. This location also places the Library in good proximity to the social housing located west of Morningside on Lawrence and on Morningside south of Lawrence.

The phased demolition and construction of the Morningside Branch within the Mall will allow uninterrupted library service to this high-needs community.

Conclusion:

It is recommended that the Library Board approve a new 10-year lease with a 5-year renewal option for the Morningside Branch in the re-developed Mall.

Contact:

Larry Hughsam, Director, Finance and Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
E-mail: lhughsam@tpl.toronto.on.ca
Vickery Bowles, Director, North/East Region; Tel: 416-396-8811; Fax: 416-396-8769;
E-mail: vbowles@tpl.toronto.on.ca

Josephine Bryant
City Librarian

List of Attachments:

Attachments are unavailable electronically. Please contact Nancy Marshall in the City Librarian's Office at 416-393-7215 if you require copies.