



STAFF REPORT ACTION REQUIRED

15.

The Bram & Bluma Appel Salon at the Toronto Reference Library Rental Policy and Fee Schedule

Date:	September 21, 2009
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to request Toronto Public Library Board approval of The Bram & Bluma Appel Salon at the Toronto Reference Library rental policy and fee schedule.

The Board has a supply of 101 meeting rooms available for public rental when not in use for library purposes. The rental of these rooms is governed by the Auditorium, Meeting Room and Theatre Rental policy and fee schedule. The construction of the Appel Salon is a key component of the Board's Strategic Plan goals to support city-wide and local cultural expression and build the Library's role in providing original and accessible cultural programming. From the outset of planning, it has been envisioned as a unique space with a dual mandate: to provide a large, central public space through which the Library can deliver accessible and rich cultural and literary programming and events that encourage civic discourse and community engagement; and, revenue generation through private rentals that will support the Salon's operation and provide re-investment funds for the ongoing development and maintenance of the Toronto Reference Library. A separate policy and fee schedule has been developed to support attainment of these two goals.

The development of both the policy and fee schedule has been modelled on those of the City of Toronto premier event locations, other comparable Toronto event venues and event industry standards. The priority for use of the Appel Salon will be Library and Foundation programs and events, but will be balanced with the need to generate revenue through rentals. The fee schedule follows standard venue pricing by time of year, and time of day. Fee levels are commensurate with the nature of the facility and comparator venues, and are set at a level to support the Salon operating on a cost recovery basis.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves The Bram & Bluma Appel Salon at the Toronto Reference Library rental policy in Attachment 1;
2. approves the rental fee schedule for the Appel Salon as set out in Appendix 1 of the Policy; and
3. authorizes and directs appropriate Library staff to take the necessary action to give effect thereto.

Implementation Points

In order to ensure that the Appel Salon could begin operating as soon as construction was complete, the proposed rental fees detailed in this report were implemented on a pilot project basis effective August 1, 2009 in order that bookings could be accepted for events scheduled after October 1st. Even with limited promotion to date, interest has been strong, and a number of bookings that reflect the anticipated range of client use of the Salon have been confirmed or have dates on hold. These include, for example: City of Toronto Economic Development, Culture and Tourism conference; Cookbook Store chef interview and reception; one wedding confirmed and eight others holding dates; a four-day conference on video game design and development; a wine education seminar followed by a wine tasting; a Toronto Real Estate Board one day micro-finance conference and two fashion shows.

FINANCIAL IMPACT

Since mid 2009, the Library has had to incur some start-up costs in advance of realizing any rental revenue. These costs have been largely associated with hiring the initial Salon staff in order to develop all of the administrative policy and procedural requirements necessary to the successful launch of the Appel Salon and ensure that the Library will be able to execute on its early rental contracts. Current projections of the Appel Salon's revenues and operating costs anticipate that the Salon will achieve full cost recovery by 2010. The proposed rental policy and fee schedule are an important component of achieving revenue projections. If rental revenues fall short of projections, the operating costs could be scaled back and Salon activity reduced to address potential budget pressures.

The Director, Finance & Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

The creation of a large and flexible event space (now named The Bram & Bluma Appel Salon at the Toronto Reference Library) with a dual mandate of accommodating large Library programs and events and generating revenue through commercial rental when not in use for Library purposes has long been a part of the plans for the capital renovation of the Toronto Reference Library. The Appel Salon supports the Strategic Plan goals to support city-wide and local cultural expression and build the Library's role in providing original and accessible cultural programming. The Board approved the construction of the event space as a capital project for 2007. The Board received a presentation overview of the event space design plans in April 2007. The presentation spoke to the unique nature and dual mandate of the space. A report to the Board in September 2007 recommending the award of construction tender confirmed the decision to cover the operating costs for the Salon through revenue generating rentals, with the ultimate objective of achieving net revenue that could be reinvested to maintain the space, the Reference Library and its services, thus reducing the need to draw on future capital budgets for this purpose. Annual capital budget submissions have identified that the operating costs of the Appel Salon will be funded through revenue generation.

The Policy has been reviewed by City legal staff.

ISSUE BACKGROUND

The *Public Libraries Act (R. S. O. 1990, Chapter P.44)* authorizes the Board to impose fees for use of parts of a building that are not being used for public library purposes. The Board currently has a policy “Auditorium, Meeting Room and Theatre Rental” that applies to existing library spaces that are available for community or commercial rental as availability permits. A copy of that policy is appended as Attachment 2 for convenient reference.

The Board has a large inventory of 101 meeting rooms available for public rental when not in use for library purposes: 68 rooms, 30 auditoriums and 3 theatres. The rental of these rooms is governed by the Auditorium, Meeting Room and Theatre Rental policy and fees schedule. The Appel Salon, from the outset, has been envisioned as a unique space with a dual mandate: to provide a large, central public space through which the Library can deliver accessible and rich cultural and literary programming and events that encourage civic discourse and community engagement; and, revenue generation through private rentals that will support the Salon's operation and provide re-investment funds for the ongoing development and maintenance of the Toronto Reference Library. This unique nature dictates the need for a separate rental policy and fee schedule that support the role and objectives that have been set for the Appel Salon.

COMMENTS

Rental Policy

The rental policy for the Appel Salon will serve as a companion policy to the Auditorium, Meeting Room and Theatre Rental policy. Where similarities exist, they are reflected in the Appel Salon policy. Like the Auditorium, Meeting Room and Theatre Rental policy, the Appel Salon rental policy sets out the purpose of the Appel Salon, the priority for its use, the categories of users and fees, conditions of use and the circumstances under which denial of use may be determined.

Fee Schedule

There are three spaces in the Appel Salon that can be rented as one large space, individually or in combination. They are:

- Epic Hall – the large, primary space that can accommodate 430 for dining and 460 for assembly;
- The Prologue – the lobby or crush space that can accommodate 225 for a reception;
- Novella Room – the secondary space that can accommodate 90 for dining and 117 for assembly;
- The full Salon that can accommodate an occupant load of 595.

The fee schedule is modeled on those of City of Toronto premiere rental venues such as St. Lawrence Hall and the Cultural Division Historic Sites such as Fort York, the Assembly Hall and Zion Church, other comparable Toronto venues and event industry standards.

Rental rates are variable by time of year, day of week and length of booking time; standard pricing features of event rental venues. Fees include the use of the Salon's inventory of tables and chairs and built in projection screens. Additional charges apply for audio visual equipment, additional security, services and technical support that the client may require.

Three types of users have been established for the Appel Salon:

- Toronto Public Library and Toronto Public Library Foundation including strategic partnership events;
- Private/commercial users;
- Discounted users - registered charitable organizations, incorporated non-profit organizations and the City of Toronto for corporate events.

Two types of rental fees have been established

- Private/commercial;
- Discounted: registered charitable organizations; incorporated non-profit organizations: and, City of Toronto for corporate events.

Rental fees are determined by the space booked, the type of user and the time and duration of the booking. For example, the fee for a commercial booking for the full Salon for a Friday night (3:00 p.m.-1:00 a.m.) in April would be \$2,875.00. Although its capacity is less and it does not have the same kind of technical infrastructure, a comparable booking fee for the St. Lawrence Hall (6:00 p.m.-1:00 a.m.) would be \$2,000. Examples of fees for other comparable multipurpose spaces include: Bata Shoe Museum with 300 maximum capacity \$1,000 - \$2,300; MaRS Centre - \$5,000; Royal Conservatory of Music with 500 capacity - \$5,000; Design Exchange with 250 capacity - \$3,600. A discounted booking for a Friday night in April would be \$1,437.50.

Discounted fees for the full Salon or Epic Hall and Prologue together are set at 50 percent of the commercial fee or \$900, whichever is greater. Nine hundred dollars (\$900) represents cost recovery of the direct costs to the Library when the Salon is used (staff, security, cleaning, utilities etc). A booking fee of anything less than \$900 would actually represent a cost to the Library. The discounted rate for the Novella Room is always 50 percent of the commercial rate. Fees for a commercial booking of the Novella Room for a Monday (8:00 a.m.-3:00 p.m.) in September would be \$600. The discounted fee for the same booking would be \$300. A shorter four-hour booking fee for the Novella Room is available throughout the year at a commercial rate of \$450 and a discounted rate of \$225.

The proposed rental policy and fee schedule are an important component of achieving the dual mandate of The Bram & Bluma Appel Salon. The discounted rate will cover the Library's costs when the Salon is used by charitable and non-profit users. It is the private/commercial rates that will cover the costs for the Library's own use of the facility, and it is important therefore that there be adequate time available in the Salon calendar for these kinds of bookings to ensure a strong revenue stream. The fees have been designed to mirror the policy and rates of comparable City of Toronto venues and to achieve cost recovery for the Salon operations. The fee structure positions the Salon well in the framework of rental fees charged by comparator venues.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: The Bram & Bluma Appel Salon at the Toronto Reference Library
Rental Policy

Attachment 2: Auditorium, Meeting Room and Theatre Rental Policy