



20.

To: Toronto Public Library Board – September 20, 2004

From: City Librarian

Subject: **Tenant Lease at 40 Orchard View Boulevard – Association of Early Childhood Educators, Ontario**

Purpose:

To obtain Toronto Public Library Board approval for the lease of surplus space at 40 Orchard View Boulevard to the Association of Early Childhood Educators, Ontario.

Funding Implications and Impact Statement:

Under the terms of the proposed lease, the Library will receive approximately \$28,658.88 (including Goods and Services Tax of \$1,874.88) of rental income in the first full year, comprised of annual net rent of \$7,343.84 and estimated operating costs and property taxes of \$21,315.04. The proposed lease represents a \$6,826.44 increase to the current annual rent, and this increase is required for the Library to recover its costs.

If the tenant requires parking, the proposal is to charge \$85 (plus Provincial Sales Tax and Goods and Services Tax of \$12.75) each month per parking space.

Recommendation:

It is recommended that:

- (1) the Toronto Public Library Board enter into a tenant lease agreement with Association of Early Childhood Educators, Ontario for:
 - (i) a thirty-six (36) month period to begin April 1, 2004 and terminate on March 31, 2007;
 - (ii) basic rent of \$4.10 per square foot plus applicable taxes;
 - (iii) operating costs and property taxes estimated at \$11.90 per square foot plus applicable taxes, subject to adjustments at the end of each fiscal year to reflect actual costs, with a five percent limit on any annual increase; and
- (2) a monthly fee of \$85 plus applicable taxes be charged to Association of Early Childhood Educators, Ontario for each parking spot required; and
- (3) appropriate staff be authorized and directed to take the necessary actions to give effect hereto.

Background:

The Association of Early Childhood Educators Ontario has been a charitable organization for over 54 years, whose membership is funded mainly by donations and fundraising. Its role is to provide educational resources around early childhood development and learning as well as overseeing the equivalency and certification process for the ECE field in Ontario. The Association of Early Childhood Educators, Ontario has been a tenant at 40 Orchard View Boulevard (main intersection is Yonge Street and Eglinton Avenue), the site of Northern District Branch, for approximately 27 years. It occupies 1,674 square feet of “rentable space” as identified by a recent measurement study completed in 2003 at Northern District Branch.

Comments:

The proposed lease with Association of Early Childhood Educators, Ontario for Suite 211 at 40 Orchard View Boulevard is for a thirty-six (36) month term, April 1, 2004 to March 31, 2007, at a net annual basic rent of \$4.10 per square foot, and estimated operating costs and property taxes of \$11.90 per square foot, plus applicable taxes. The share of annual operating costs and property taxes are subject to adjustments at the end of each fiscal year to reflect actual costs, but any increase is limited to five percent each year. The limitation to the annual increase should not cause the Library any hardships.

The proposed lease rate is below market to reflect the non-profit nature of the tenant, but will allow the Library to recover its costs.

There are a limited number of parking spaces available. If the tenant requires parking, the proposal is to charge \$85 plus applicable taxes each month per parking space.

The City's Facilities and Real Estate Division assisted with the lease negotiations.

Conclusion:

It is recommended that the Toronto Public Library Board approve a thirty-six (36) month lease with Association of Early Childhood Educators, Ontario.

Contact:

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List of Attachments:

Not applicable.