

To: Toronto Public Library Board – March 7, 2005

From: City Librarian

Subject: **40 St. Clair Avenue East – Municipal Chapter of Toronto Imperial Order Daughters of the Empire Tenant Lease**

Purpose:

To obtain Toronto Public Library Board approval for the lease of surplus space at 40 St. Clair Avenue East to the Municipal Chapter of Toronto, Imperial Order Daughters of the Empire.

Funding Implications and Impact Statement:

Under the terms of the proposed lease, the Library will receive approximately \$17,264.45 (including Goods and Services Tax of \$1129.45) of rental income in the first full year, comprised of annual net rent of \$4,932.70 and estimated operating costs and property taxes of \$12,331.75. The proposed lease represents a \$6,242.85 increase to the current annual rent.

If the tenant requires parking, the proposal is to charge \$97.75 (including 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 the Municipal Chapter of Toronto Imperial Order Daughters of the Empire for:
 - (i) a thirty-six (36) month lease to begin February 1, 2005 and to terminate with one month's notice;
 - (ii) basic rent of \$5.00 per square foot of rentable area plus applicable taxes;
 - (iii) operating costs and property taxes estimated at \$12.50 per square foot of rentable area plus applicable taxes, subject to adjustments at the end of the fiscal year to reflect actual costs; and
- (2) a monthly fee of \$97.75 (including applicable taxes of \$12.75) be charged for each parking spot required; and
- (3) appropriate staff be authorized and directed to take the necessary actions to give effect hereto.

Background:

The Toronto Chapter of the Imperial Order Daughters of the Empire, a registered charity, has been renting space from the Library at this location since 1990. This space is surplus to Library needs. The Library has been in negotiations with The Imperial Order Daughters of the Empire and they would like to downsize within the building as soon as a smaller suite becomes available.

Comments:

The proposed lease with the Municipal Chapter of Toronto Imperial Order Daughters of the Empire, for Suite 205 at 40 St. Clair Avenue East is for a thirty-six (36) month term, to terminate with one (1) month's notice, will allow them to take advantage of a mid-term rate as well as presenting them with an option to move into a smaller location within the building when one becomes available, at a net annual basic rent of \$5.00 per square foot of a total rentable area of 922 square feet, and estimated operating costs and property taxes of \$12.50 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.

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 \$97.75 per month for each 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 one (1) month's notice with the Municipal Chapter of the Imperial Order Daughters of the Empire.

Contact:

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Josephine Bryant
City Librarian

List of Attachments:

Not applicable.