



21.

To: Toronto Public Library Board – September 20, 2004

From: City Librarian

Subject: **Tenant Lease at 40 Orchard View Boulevard – Delisle Youth Services**

Purpose:

To obtain Toronto Public Library Board approval for the lease of surplus space, Suite 255 at 40 Orchard View Boulevard, to Delisle Youth Services.

Funding Implications and Impact Statement:

Under the terms of the proposed lease, the Library will receive approximately \$66,100.32 (including Goods and Services Tax of \$4,324.32) of rental income in the first full year, comprised of annual net rent of \$16,938.21 and estimated operating costs and property taxes of \$49,162.11. The proposed lease represents a \$3,104.38 decrease to the current annual rent due to the move to a smaller unit.

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 Delisle Youth Services for:
 - (i) a thirty-six (36) month period to begin August 1, 2004 and terminate on July 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 Delisle Youth Services for each parking spot required; and
- (3) appropriate staff be authorized and directed to take the necessary actions to give effect hereto.

Background:

Delisle Youth Services, operating since 1970, is a charitable organization that provides an integrated social services agency committed to supporting the developmental, emotional and social needs of youth and their families. Delisle Youth Services 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.

Delisle Youth Services had been occupying 4,836 square feet in Suites 217 and 256. A new rental rate was negotiated effective April 1, 2004, based on annual net basic rent of \$4.10 per square foot and estimated operating costs and property taxes of \$11.90 per square foot. This new rent represents a 20 percent increase. During the period from April 1 to July 31, 2004, Delisle Youth Services paid total rent of approximately \$27,597 (including Goods and Services Tax). Delisle Youth Services also had the use of two parking spaces and was charged \$85 (plus Provincial Sales Tax and Goods and Services Tax of \$12.75) each month per parking space.

In August 2004, Delisle Youth Services relocated to Suite 255 with 3,861 square feet of "rentable space" as identified by a recent measurement study completed in 2003 at Northern District Branch. The proposed lease is for Suite 255, which is 20 percent smaller than the previous space.

Comments:

The proposed lease with Delisle Youth Services for Suites 255 at 40 Orchard View Boulevard is for a thirty-six (36) month term, August 1, 2004 to July 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 has assisted with the lease negotiations.

Conclusion:

It is recommended that the Toronto Public Library Board approve a thirty-six (36) month lease with the Delisle Youth Services.

Contact:

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
E-mail: lhughsam@tpl.toronto.on.ca

Anne Bailey; Director, Branches; Tel: 416-397-5944; Fax: 416-393-7083;
E-mail: abailey@tpl.toronto.on.ca.

Josephine Bryant
City Librarian

List of Attachments:

Not applicable.