As all negotiations with the landlord are complete, (see June 11, 2007 – Agenda Item No. 27 – Kennedy/Eglinton Branch Library – Potential New Capital Project report – Rec. No. 2), Confidential Attachment No. 1 is now public in its entirety.

Kennedy / Eglinton Branch – Potential New Capital Project

Date:	June 11, 2007
To:	Toronto Public Library Board
From:	City Librarian

CONFIDENTIAL RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the submission of a capital budget request to Council for approval of up to $850,000 gross with funding of approximately $750,000 from the City's Capital Investment Funds and approximately $100,000 in development charges, if the proposal to use Capital Investment Funds towards capital improvements at the Kennedy/Eglinton Branch goes ahead; and

2. authorizes staff to negotiate a new lease for the expanded space, for an annual average base rent of up to $131,909 per annum, including Goods and Services Tax, for a period of up to ten years; and

3. authorizes and directs staff to take the necessary action to give effect thereto.

CONFIDENTIAL INFORMATION

Approval of the Kennedy / Eglinton Expansion project will have a cost of approximately $850,000 gross, to be financed as per the table below:

Gross Project Cost	850,000
Funding:	
City's Capital Investment Fund	750,000
Estimated Development Charges	100,000
Total Project Cost	850,000

Estimated gross cash flow requirements for the Kennedy / Eglinton project are $250,000 in 2007 and $600,000 in 2008.

The estimated average annual base rent cost of $131,909 is calculated using the larger space of 6,482 sq. ft. and applying the current negotiate per sq. ft. base rents for the first five years, and applying a ten percent increase for the remaining five years. The average annual base rent is a $59,764 increase to the annual rent under the proposed current lease covered under a separate board report at this meeting.

Common area maintenance and utilities, estimated at $10.94 per sq. ft. will result in an annual cost of $75,168, for an increase of $30,475.

Staff will be requesting the Landlord to make a financial contribution which could lower the Library's lease costs or capital expenditures.

Based on the timing of the potential project, operating cost increases would begin in 2008, and so it would be included in the 2008 operating budget request.