



STAFF REPORT ACTION REQUIRED

8.

2013 - 2022 Capital Budget and Plan Submission – Revised

Date:	September 12, 2012
To:	Budget Committee
From:	City Librarian

SUMMARY

The purpose of this report is to present to the Budget Committee the revised 2013 – 2022 capital budget and plan submission. The submission has been amended to reflect the acceleration of renovations at 1076 Ellesmere to accommodate the relocation of the Library Processing Centre and the addition of three new building renovation projects for the Brookbanks, Centennial and Perth/Dupont branches. These projects are all non-debt funded, and their addition to the capital plan does not impact the timing of other capital projects.

RECOMMENDATIONS

The City Librarian recommends that the Budget Committee recommends that the Toronto Public Library Board:

1. approves the revised 2013 - 2022 capital budget submission of \$12.968 million debt (\$33.297 million gross) for 2013 and \$173.683 million debt (\$257.680 million gross) over 2013 - 2022 as detailed in Attachment 1, which has been amended to include the following projects, which do not impact debt:
 - a) Library Processing Centre Relocation to 1076 Ellesmere with revised cash flows of \$0.250 million in 2012, \$6.000 million in 2013 and \$3.080 million in 2014;
 - b) Brookbanks Renovation with cash flows of \$0.924 million in 2020 and \$5.330 million in 2021;
 - c) Centennial Renovation with cash flows of \$0.223 million in 2020 and \$2.728 million in 2021; and
 - d) Perth/Dupont Renovation with cash flows of \$0.288 million in 2020 and \$3.616 million in 2021.

FINANCIAL IMPACT

The revisions to the 2013 - 2022 capital budget and plan submission impacts gross cash flow requirements, but have no impact on the debt levels approved by the Board at its June 25, 2012 meeting. As detailed in the table below, the capital submission has been revised for four projects: Library Processing Centre Relocation, Brookbanks Renovation, Centennial Renovation and Perth/Dupont Renovation with total gross cash flow additions of \$6.000 million in 2013, \$3.080 million in 2014, \$1.435 million in 2020 and \$11.674 million in 2021.

Revised 2013 - 2022 Capital Submission Summary (\$000's)													
	2013	2014	2015	2016	2017	Total 2013- 2017	2018	2019	2020	2021	2022	Total 2018- 2022	Total 2013- 2022
GROSS													
June 25 2012 Board approved subm.	27,297	23,585	20,488	21,865	23,110	116,345	24,170	27,311	24,126	21,557	22,313	119,477	235,822
Revisions													
Library Processing Centre Relocation	6,000	3,080				9,080					(331)	(331)	8,749
Brookbanks Renovation									924	5,330		6,254	6,254
Centennial Renovation								223	2,728			2,951	2,951
Perth/Dupont Renovation								288	3,616			3,904	3,904
Subtotal	6,000	3,080	-	-	-	9,080	-	-	1,435	11,674	(331)	12,778	21,858
Revised Total Gross Request	33,297	26,665	20,488	21,865	23,110	125,425	24,170	27,311	25,561	33,231	21,982	132,255	257,680
DEBT (unchanged)													
June 25 2012 Board approved	12,968	15,230	16,450	17,238	18,065	79,951	18,933	18,933	18,933	18,933	18,000	93,732	173,683
Exceeds City Debt Targets	2,000	2,000	2,000	2,000	2,000	10,000	2,000	2,000	2,000	2,000	2,000	10,000	20,000

Details of the revised capital budget and plan request of \$12.968 million debt (\$33.297 million gross) for 2013 and \$173.683 million debt (\$257.680 million gross) over 2013 - 2022, are presented in Attachment 1.

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

DECISION HISTORY

At its meeting on June 25, 2012, the Board approved a 2013 submission of \$12.968 million debt (\$33.297 million gross) and \$173.683 million debt (\$257.680 million gross) over 2013 – 2022.

In approving the acquisition of the First Parliament Site through a land swap agreement, City Council, at its meeting on July 11, 2012, approved the acceleration of the relocation of the Library Processing Centre to 1076 Ellesmere. The approved funding is for \$9.330 million with cash flows of \$0.250 million in 2012, \$6.000 million in 2013 and \$3.080 million in 2014, to be funded from the City's Land Acquisition Reserve Fund, and the Library's debt target will be reduced by an equal value in 2022 and beyond.

COMMENTS

The capital budget and plan submission has been amended for four projects: acceleration of the relocation of the Library Processing Centre; Brookbanks Renovation; Centennial Renovation; and Perth/Dupont Renovation, which will not impact the timing of existing projects as there is no debt funding. The table below provides a summary of the budget and corresponding funding sources:

2013 - 2022 Capital Submission Summary - Revised (\$000's)													
	2013	2014	2015	2016	2017	Total 2013-2017	2018	2019	2020	2021	2022	Total 2018-2022	Total 2013-2022
Buildings - Gross	29,109	22,217	15,382	16,699	17,794	101,201	18,780	22,313	20,503	28,113	16,804	106,513	207,714
IT - Gross	4,188	4,448	5,106	5,166	5,316	24,224	5,390	4,998	5,058	5,118	5,178	25,742	49,966
Total Gross Request	33,297	26,665	20,488	21,865	23,110	125,425	24,170	27,311	25,561	33,231	21,982	132,255	257,680
Non-Debt Sources of Funding													
- Development Charges	5,223	3,587	930	2,326	2,117	14,183	3,049	6,130	3,713	1,976	1,554	16,422	30,605
- Section 37 and Dev. Contrib.	678	1,008	1,100	-	800	3,586	-	-	509	2,091	-	2,600	6,186
- Public Arts Work	-	495	-	-	-	495	-	-	-	-	-	-	495
- Land Acquisition City Reserves	6,000	3,080	-	-	-	9,080	-	-	-	-	-	-	9,080
- Capital Financing City Reserve	-	347	-	233	-	580	-	-	-	-	-	-	580
- Transfer from Library Operating Budget	1,888	1,948	2,008	2,068	2,128	10,040	2,188	2,248	2,308	2,368	2,428	11,540	21,580
- Donations	6,540	970	-	-	-	7,510	-	-	98	7,863	-	7,961	15,471
Total Non-Debt Funding	20,329	11,435	4,038	4,627	5,045	45,474	5,237	8,378	6,628	14,298	3,982	38,523	83,997
City Debt Unchanged (\$2 million/year above target)	12,968	15,230	16,450	17,238	18,065	79,951	18,933	18,933	18,933	18,933	18,000	93,732	173,683
Incremental Operating Impacts	(153)	873	1,018	44	76	1,858	996	817	120	150	56	2,139	3,997
FTEs	(4.5)	20.0			3.3	18.8	13.0		1.0			14.0	32.8

The 2013 - 2022 capital plan will inform the new 2014 Development Charges By-law and the additional projects will be eligible for development charges funding.

A brief description of each project is provided below and full business cases are included as Attachment 2.

Library Processing Centre Relocation

To secure the First Parliament Site located at 271 Front St E. and 25 Berkley St., City Council approved a land swap with City-owned land that included 281 Front Street E., the location of the Library Processing Centre and some facility operations. To facilitate the agreement, Council also approved the acceleration of the capital project to relocate the Library Processing Centre to 1076 Ellesmere, which would need to be expanded. Expansion of the 1076 Ellesmere location would provide a new location for these operations. The co-location would facilitate high volume materials handling and distribution service while reducing overall square footage by 18,000 square feet.

At its meeting of July 11 and 12, 2012, City Council approved a \$9.330 million capital project to expand the Ellesmere facility with cash flows of \$0.250 million in 2012, \$6.000 million in 2013 and \$3.080 million in 2014. The 2012 - 2014 cash flow requirements will be funded from the City's Land Acquisition Reserve Fund and TPL's future debt targets will be reduced by an equal value in 2022 and beyond.

Additional details on Council approvals regarding the First Parliament Site and the relocation of the Library Processing Centre will be covered in a separate report to the September 24, 2012 Board meeting.

Brookbanks Library Renovation

The Brookbanks Library project is a renovation of a three-level neighbourhood branch built in 1968 and an expansion from 7,933 square feet to 10,000 square feet, to address significant building deficiencies, accessibility issues, bring the facility up to standard and to meet the needs of an expanding community. Building deficiencies were identified most recently in a consultant's study (S2S 2009).

The \$6.254 million gross (\$0 debt) to fund the Brookbanks Renovation project in 2020 and 2021 will be funded by \$0.973 million Development Charges, \$1.5 million Section 37 contributions and \$3.781 million of additional Section 37 or third party funding.

The timing and scope of the project will be dependent on the actual receipt of funding and may be adjusted in future years. It may become part of a two-phase project with the library renovation proceeding in phase 1 and the addition of recreation facilities in phase 2 to create a joint-use facility.

Centennial Library Renovation

The Centennial Library project is a renovation of a neighbourhood branch to address significant building and functional deficiencies most recently identified in a consultant's report (S2S 2009) and to expand the main floor from 6,866 square feet to 10,000 square feet as part of a joint-use facility with an arts centre, business incubator and connection to the neighbouring arena and park.

The \$2.951 million gross (\$0 debt) to fund the Centennial Renovation project in 2020 and 2021 will be provided by \$0.683 million Development Charges and \$2.268 million of additional Section 37 or third party funding.

The opportunity to partner with the Nia Centre for the Arts, Economic Development and Parks, Forestry and Recreation is being explored further through a feasibility study. The Nia Centre for the Arts has capital funding (\$2.2 million) from the Youth Challenge Fund to build an arts centre. Also, the local Councillor has met with Library and Foundation staff to discuss fundraising opportunities for this potential project.

The timing and scope of the project will be dependent on the actual receipt of funding and may be adjusted in future years.

Perth / Dupont Library Renovation

The Perth/Dupont Library project is a renovation and redevelopment of the current facility to create a two-storey accessible branch of approximately 6,500 square feet, to replace the existing 3,627 square feet aging and undersized storefront branch. Building deficiencies were most recently identified in a consultant's study (S2S 2009). The new branch will support efficient operations with self-service circulation and will include a program room, increased seating and computer workstations, increased individual and new group study space, increased collections and a larger children's area and a reading garden.

The \$3.904 million gross (\$0 debt) to fund the Perth/Dupont Renovation project in 2012 and 2021 will be provided by \$0.892 million Development Charges, \$1.1 million Section 37 funding and \$1.912 million of additional Section 37 or third party funding.

Local residents interested in improving services and facilities formed a Junction Triangle Library Expansion Citizen Committee. The Committee undertook a public survey to determine what local citizens want in an expanded branch and to raise awareness, and is committed to a community fundraising campaign. An agreement has been made with the TPL Foundation to support the community fundraising efforts.

At the November 29, 2011 meeting, Council approved that benefits from a development on 830 Lansdowne Ave be secured in Section 37 funds in the amount of \$1.1 million to be applied to reconstruction, expansion and/or necessary repairs for Perth/Dupont Branch.

The timing and scope of the project will be dependent on the actual receipt of funding and may be adjusted in future years.

Operating Impacts

The acceleration of the Library Processing Centre Relocation project will result in an operating impact of \$0.062 million. The addition of the three renovation projects at Brookbanks, Centennial and Perth/Dupont will result in an operating impact totalling \$0.100 million. The operating impacts are preliminary estimates and will be refined in future budgets. There are no staffing cost increases.

Community Infrastructure Improvement Fund (CIIF)

The Government of Canada has announced a new Community Infrastructure Improvement Fund (CIIF) as part of their commitment to strengthening public infrastructure. CIIF funding is available to the City under the municipal government stream, and Library projects can be included in the City's application.

The City has requested the Library to submit projects that would qualify for CIIF funding of up to \$1 million. Because the completion deadline for projects is March 31, 2014, the Library has submitted a proposal to the City to accelerate a portion of its multi-branch SOGR program. Two million dollars of future multi-branch projects are being accelerated to 2012 and 2013, with the CIIF program contribution of \$1 million. If this proposal is approved later this year, Council will make an adjustment to the Library's capital budget.

CONCLUSION

The revisions to the 2013 - 2022 capital budget and plan submission impacts gross cash flow requirements, but it has no impact on the debt levels approved by the Board at its June 25, 2012 meeting and does not affect the timing of other projects.

The revised capital budget and plan request of \$12.968 million debt (\$33.297 million gross) for 2013 and \$173.683 million debt (\$257.680 million gross) over 2013 - 2022, as detailed in Attachment 1, which continues to exceed the City debt targets by \$2 million each year and a total of \$20 million over 2013-2022.

CONTACT

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SIGNATURE



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ATTACHMENTS

Attachment 1: Revised 2013 - 2022 Capital Budget Submission – Gross and Debt Funding

Attachment 2: Business cases for new and accelerated projects