

To: Toronto Public Library Board – February 26, 2007

From: City Librarian

Subject: **Jane / Sheppard Capital Project**

Purpose:

To seek Toronto Public Library Board approval for a funding increase for the Jane / Sheppard capital project to provide adequate funds for construction costs and to avoid a one-year closure of the existing branch while the new branch is under construction.

Funding Implications and Impact Statement:

The funding increase for the Jane / Sheppard project, amounting to \$487,000 debt (\$527,000 gross), will be fully funded by a transfer from the S. Walter Stewart project, amounting to \$487,000 debt (\$510,000 gross), resulting in zero net impact on debt funding from the City.

Recommendations:

It is recommended that the Toronto Public Library Board:

- (1) approve a \$487,000 debt (\$527,000 gross) funding increase for the Jane / Sheppard capital project, to be funded by a budget transfer from the S. Walter Stewart capital project amounting to \$487,000 debt (\$510,000 gross);
- (2) forward to Council a request for approval of a capital budget transfer;
- (3) direct staff to enter into negotiations with the landlord for the renewal of the lease at the Jane / Sheppard mall for approximately one year; and
- (4) authorize and direct appropriate Library staff to take the actions necessary to give effect hereto.

Background:

The proposal to construct a new Jane / Sheppard branch on property owned by the City at 1900 Sheppard Ave. West was approved by Council in 2002 as a joint development project with the Shelter, Housing and Support division. As part of the approved funding,

the existing library was to be closed for one year and the operating savings used towards funding construction of the new library.

The funding for the approved Jane / Sheppard capital project includes a contribution of savings from the operating budget which would result from a one-year closure of the existing library while the new library is being constructed. In addition, due to delays with this project, the capital budget established in 2002 is no longer adequate to accommodate increases in construction costs. Staff have identified funds which are available in another project, S. Walter Stewart, which could be transferred to the Jane / Sheppard budget to provide adequate funds for construction costs and avoid the branch closure. Board approval is required to request Council approval for the capital budget transfer, as permitted under Section 3.4.7 of the Library's Financial Control policy, which states:

“...Any transfer of Budget in excess of \$250,000 between Capital Projects requires approval of the City Librarian, the Board, and Council.”

Comments:

In 2005, the Jane / Finch area, which includes the Jane / Sheppard Branch, was declared by the City as one of its Priority Neighbourhoods.

The services at the Jane / Sheppard Branch provide important resources to the local community. Children experiencing difficulties with reading have access to a Homework Club and Leading to Reading at Jane / Sheppard. Neighbourhood branch level collections and programs are provided. In addition, the Branch provides high-speed internet access, word-processing workstations, study spaces, and access to the full range of TPL collections.

In addition, an unusually high number of branches are scheduled for closure during 2007 due to major renovations, which will further limit public access to library services. Expected branch closures during 2007 include: Bloor / Gladstone (all year), S. Walter Stewart (January – November), Jane / Dundas (January – July), Dufferin / St. Clair (June – December), Thorncliffe (June – December) and Jane / Sheppard (July – December).

In most circumstances, TPL does not have the option of continuing normal branch services during a branch renovation project. In this case, there is an opportunity to continue service to this priority neighbourhood by maintaining services in the current leased location while the new branch is under construction.

The Jane / Sheppard project has been in TPL's capital budget every year since 2002 while proceeding through a lengthy approval process. During that period, construction costs have escalated and the current approved budget of \$2,102,185 gross requires a \$527,000 gross budget increase, or \$335,000 debt after \$192,000 of eligible development

charge funding. In addition, if the one-year closure is avoided and no contributions are made from the operating budget towards funding the capital project, then an additional \$152,000 of debt is needed to finance the project, bringing the total debt to \$487,000.

TPL has assessed funding options which would provide adequate funds for construction costs and allow the existing library to remain open during construction of the new library. The construction tender for the S. Walter Stewart renovation project came in under budget and this has provided an opportunity to transfer the savings to the Jane / Sheppard project, which would fully fund the increased construction costs and allow the branch to avoid the one-year closure. The transfer of funds will not affect the S. Walter Stewart project plans.

The table below summarizes the approved budget and proposed changes for these two projects:

Capital Project	Approved Budget	Changes	Proposed Budget
<u>Jane / Sheppard</u>			
Costs	2,102,185	527,000	2,629,185
Funded by:			
Development Charges	834,000	192,000	1,026,000
Library Reserve Funds	92,000		92,000
Operating Savings	152,000	(152,000)	0
Debt	1,024,185	487,000	1,511,185
<u>S. Walter Stewart</u>			
Costs	6,500,000	(510,000)	5,990,000
Funded by:			
Development Charges	293,000	(23,000)	270,000
Debt	6,207,000	(487,000)	5,720,000

If the Jane/Sheppard branch were to remain open during the construction of the new library, then the lease, which expires on June 30, 2007, needs to be renewed for approximately one year. Leases for library branches are brought to the Board for approval.

Conclusion:

The recommended budget transfer will address the funding requirements for the Jane / Sheppard capital project within the approved capital funding envelope and will enable service continuity in the Jane / Finch priority neighbourhood while the new branch is under construction.

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List of Attachments:

Not applicable.