

Notice of Motion

Date: August 28, 2014

To: Toronto Public Library Board

Topic: **Funding and Timing of Perth/Dupont Branch Relocation**

Moved By: Michael Foderick, Chair

Seconded By: Councillor Cesar Palacio

Background:

Each year, as part of preparing the capital submission, it is necessary to consider opportunities which may arise involving the relocation or renovation of branches which are not part of the 10-year plan, or to change the scope and timelines of planned projects. In April 2005, the Board received the Planning Framework for Toronto Public Library's Capital Program for Library Branches report and approved a process for assessing new proposals or changes to existing projects. Changes to the capital program would likely require reallocation of resources and projects within the fixed funding envelope. New projects should advance the integrity of the Service Delivery Model and should be evaluated against a number of factors such as the availability of non-debt financing and whether there exists a unique opportunity that may not be available again.

For the 2015 capital submission, the Perth/Dupont project cost has been revised from \$3.991 million to \$2.871 million and also increased in scope as a larger space is now being provided by a developer. In addition, higher Development Charges (DC) revenue funding results in the full recovery rate for DCs (i.e., 0% discount), freeing up debt room. An amount of \$0.215 million of freed-up debt funding has been allocated to Perth/Dupont based on the identified SOGR needs in the current branch.

The proposed relocation of the Perth/Dupont Branch to a larger and more modern space for minimal cost to the Library represents excellent leveraging of a relatively modest amount of TPL debt funding to achieve a significant improvement in branch service. Based on the current funding situation for the project, the potential funding gap, if any, is significantly reduced and this is best demonstrated through a detailed review of the known and expected funding sources for the proposed relocation.

At its November 18, 2013 meeting, the Board expressed its support in principle for the relocation of the existing Perth/Dupont Branch to a new location (Resolution No. 13-181), to be incorporated into a proposed condominium development nearby at 299 Campbell Avenue, subject to a number of conditions. The relevant extract of the Minutes of that meeting is provided in Attachment 1 for reference. This notice of motion proposes to reconfirm support for the relocation proposal but to remove some of the conditions.

Specifically, Resolution No. 13-181 appears to prohibit any further funding for the project from the TPL capital budget if it impacts the timing or funding of other capital projects. This is a restrictive provision that may jeopardize the proposed relocation.

In order to change Resolution No. 13-181, the Board will first need to pass a Motion to Reconsider.

Project Funding:

The total cost of the relocation project is \$2.871 million, as reflected in the 2015 - 2024 Capital Budget and Plan submission, and the funding sources include development charges, some debt which would be required to fund identified SOGR needs in the current branch, and, subject to Council approval, the net proceeds from the sale of the current branch location. The potential funding scenarios are shown below based on a 10% and 0% discount on draws of development charges, and a potential range of net sale proceeds based on a valuation of the current site:

Sale Proceeds	10% Discount on DC Draw		0% Discount on DC Draw	
	min. value	max. value	min. value	max. value
			(\$ 000s)	
Gross Cost	2,871	2,871	2,871	2,871
Funding Sources:				
Development Charges	1,633	1,633	1,815	1,815
Debt to fund existing SOGR needs	215	215	215	215
Net Sale Proceeds	600	900	600	900
	2,448	2,748	2,630	2,930
Potential Funding Shortfall / Additional Debt	423	123	241	-

As noted in the chart above, \$0.215 million of debt funding has been allocated based on the identified SOGR needs in the current branch. Once the net proceeds from the sale of the current property is taken into account – which requires Council approval – then the funding shortfall, ranges from \$0 to \$0.423 million.

It is sensible to allocate capital budget debt funds of \$0.215 million to the proposed branch relocation that were already earmarked for SOGR renovations to the existing branch. It is also sensible to allow for additional capital debt funding to fill in any remaining gap in funding that may arise from an (unexpected) low sale price of the existing branch property, rather than have a relatively small funding deficiency jeopardize the entire project. The exact amount of any capital budget impacts (if any), will still require final Board approval.

This motion has been reviewed by Library Staff and is being brought forward at the request of, and with the full support of, the local City Councillor Ana Bailão.

Please Note:

Recommendation 1 below – Motion to Reconsider – must be approved prior to consideration of Recommendations 2 and 3.

If approved, this matter may not be reconsidered again for twelve months.

Recommendations:

The Toronto Public Library Board hereby:

1. approves a Motion to Reconsider – Resolution No. 13-181 Perth/Dupont Branch – Potential Relocation and Expansion - Recommendation 2.
2. reconfirms its support in principle for the proposed Perth/Dupont branch relocation as approved unanimously by the Board November 18, 2013 (Resolution No. 13-181);
3. authorizes staff to work with the local councillor and developer to negotiate terms for relocating the Perth/Dupont Branch to 299 Campbell Avenue, subject to the following:
 - a) Board approval of the negotiated terms;
 - b) the proposed development receiving the appropriate planning approvals from the City;
 - c) The project timing and funding may be adjusted as outlined in the Planning Framework for Toronto Public Library's Capital Program for Library Branches, which provides for adjustments to capital projects in accordance with specified guidelines, subject to Board approval;
 - d) Toronto Public Library retaining the proceeds from the sale of the current property, receiving the remainder of the funding from Section 37 agreements, funding from other non-Toronto Public Library sources, or other funding from the TPL capital budget;
 - e) the timing of the proposed Perth/Dupont branch relocation, including the capital budget funding, may be adjusted as necessary to ensure that the branch relocation may proceed in unison with the 299 Campbell Avenue development in which the proposed relocated branch will be located;
4. requests that the local City Councillor consult with the local community and make a recommendation to the Board for a new name for the relocated branch (which will no longer be located at the corner of Perth and Dupont).

Attachment:

Attachment 1: Extract from Approved Minutes – TPLB Meeting – November 18, 2013 –
Resolution No. 13-181