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To: Toronto Public Library Board – October 20, 2003

From: City Librarian

Subject: **Morningside Branch Library Relocation**

Purpose:

To update the Toronto Public Library Board on developments regarding the relocation of the Morningside Branch Library and obtain approval to construct a library on City-owned land.

To advise the Toronto Public Library Board that at the September 22, 2003 session of City Council, the City Librarian was requested to determine whether building on City-owned land is operationally viable and at a total cost equal or lesser than the net present value of leasing new space. City Council requested that this option be reviewed by the Toronto Public Library Board at its October 20, 2003 meeting.

Funding Implications and Impact Statement:

The option of constructing a library on City-owned land is the lower cost alternative over a 20-year period at a net present value estimated at \$2,272,315. This is comprised of construction costs of \$2,329,689 gross and \$1,707,686 net debt, and facility operating costs of \$728,629, reduced by \$164,000 of net operating savings resulting from the branch closure during construction.

In order to accumulate the estimated \$164,000 of net operating savings resulting from the three-year branch closure, and apply the savings to partially fund the cost of constructing the new branch, a capital reserve would need to be created.

The planning and construction of a new library is expected to occur over three years and will require net capital funding of \$520,000 in 2005 and \$1,187,686 in 2006. This project was not anticipated for 2005 and 2006 and will therefore put pressure on the Library's capital funding envelope in those years.

Recommendation:

It is recommended that:

- (1) the Toronto Public Library Board approve the relocation and construction of the Morningside Branch Library on City-owned land;

- (2) Toronto Public Library's 2004 capital budget request be revised accordingly;
- (3) the public be informed of the plans, and a community consultation plan be developed;
- (4) the Toronto Public Library Board forward a request to the Chief Financial Officer of the City to seek Council approval for the creation of a capital reserve; and
- (5) the appropriate staff be authorized and directed to take the necessary actions to give effect hereto.

Background:

Relocation of the Morningside Branch Library is required because the Morningside Mall is being demolished and redeveloped. The branch has been located in the mall since 1979.

At its meeting on September 5, 2003, the Budget Advisory Committee (BAC) recommended approval of a ten-year lease with a five-year renewal option and capital pre-approval funding for leasehold improvements, subject to further discussions with the local Councillor. The Library Board approved the ten-year lease and five-year renewal option at its September 15, 2003 meeting.

The viability of constructing a new 7,000 square foot library on City-owned land at the Heron Park Community Recreation Centre was considered as a result of consultation with the local Councillor. The community centre is located east of the Morningside Mall on Lawrence Avenue. Based on the possibility this space would be both operationally viable and financially prudent, the recommendations approved by the Library Board and endorsed by the Budget Advisory and the Policy and Finance Committees, were amended at City Council. Specifically the amended motion approved by City Council states:

- (1) *The City Librarian, in consultation with the Chief Financial Officer and Treasurer and appropriate staff, conduct a further review of the option prior to October 31, 2003 for the relocation of the Morningside Library based on relocating and constructing the library on City owned land and this option be reviewed by the Toronto Public Library Board at its meeting October 20, 2003;*
- (2) *Should the option of constructing on City owned land be operationally viable and at a total cost equal or lesser than the net present value of leasing the new library, City Council recommend approval to the incoming Council, subject to concurrence of the Library Board, a 2004 capital project, with a total value estimated at \$2.030 million (gross) and \$1.408 million (debt) for the construction of a new library on City owned land;*
- (3) *In the event that the option to construct on City owned land is not operationally and financially viable, then Report No. 9, Clause No. 52 entitled Morningside Neighbourhood Library Relocation Capital Funding Pre-Approval of the Policy*

and Finance Committee be adopted, which has the concurrence of the Library Board; and

- (4) *The City Librarian report to the incoming Council and Library Board on the selected option.*

Comments:

There are two relocation options for the Library Board to consider.

Option 1: Ten-Year Lease

The Library Board approved this option at its September 15, 2003 meeting.

The Morningside Mall provides the Library with a prime location at a major intersection with high street visibility and excellent access to both public transit and parking. The phased demolition and construction of the Morningside branch allows for uninterrupted library service to the community.

As outlined in Attachment 1, the cost of this option is more expensive than building on City-owned land.

Option 2: Building on City Owned Land

The Library has been provided written confirmation that the Heron Park Community Recreation Centre site can accommodate the construction of a 7,000 square foot stand-alone library facility.

Constructing a library on the Heron Park site provides good street visibility on a major arterial road. There are bus routes on Lawrence Avenue and parking on site. By relocating in close proximity to the community centre, there is convenience for the community as well as more opportunities for joint programming between two municipal services. Programming for seniors and children will be enhanced.

\$300,000 of additional costs related to parking lot remediation and fencing has resulted in a higher capital project cost, but as noted in the financial implications and on Attachment 1, building on City-owned land is still the least expensive option. This option ensures the long-term continuity of library service to the Morningside community. It provides the Library Board with another owned facility and eliminates the necessity of relocating library service when leases expire and redevelopment takes place.

If this option is approved, library service will be disrupted for approximately two to three years. Alternate library service will be offered from a temporary facility in the area.

Typically, the Library consults the public before relocating a branch. However, due to the evolving nature of this project, this has not been possible. Therefore, a public meeting will be organized jointly with Parks and Recreation staff along with the local Councillor, to present the relocation plans and alternate service arrangements to the community. In addition, there will be

ample opportunity to consult the community at future consultation meetings to gather public input on the design of the library at Heron Park.

Conclusion:

The relocation of the Morningside Branch Library to a facility owned by the Library Board is the least expensive option and ensures the long-term continuity of library service to the Morningside community. If this option is endorsed by the Library Board, alternate service will be provided in a temporary facility within the community. The public will be notified well in advance of the closure.

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City Librarian

List of Attachments:

Attachment 1: Toronto Public Library – Morningside Neighbourhood Branch Library –
Analysis Relocation Options – 20-Year Net Present Value