



STAFF REPORT INFORMATION ONLY

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Library Gift Shop at the Toronto Reference Library

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| Date: | June 7, 2011 |
| To: | Toronto Public Library Board |
| From: | City Librarian |

SUMMARY

Plans for the renovated first floor at the Toronto Reference Library (TRL) include the creation of a library gift shop that would sell branded and library-related merchandise, and raise awareness of the library and its special collections. Sales would generate net revenue to support the programs and services of TRL. A financial viability assessment was conducted and indicates a very strong potential for net revenue generation.

A decision will be needed on the best model for operating the gift shop. There are a variety of models for operating a library gift shop. The investigation affords an opportunity to pursue whether or not the Toronto Public Library Foundation (TPLF) might be interested in assuming responsibility for operating the gift shop. This activity would be allowable under legislation governing charitable activities. A detailed assessment of operating models and their strengths and weaknesses will be undertaken, and a report with recommendations will come forward to the Board. A similar exploratory report will be prepared for the TPLF Board's consideration.

FINANCIAL IMPACT

There are no financial impacts associated with this information report. Financial impacts will be communicated in a subsequent report with recommendations for an operating model for the library gift shop.

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

DECISION HISTORY

TRL renovation planning has always included the addition of a library gift shop on the main floor in a portion of the newly expanded area along Yonge Street. The gift shop has been identified for the Board in previous presentations and reports over the years.

ISSUE BACKGROUND

Many central libraries in large urban public library systems operate library gift shops. Special libraries with appropriate collection content also frequently sell branded merchandise to visitors. There are a variety of models used to operate these library gift shops. As the construction on the main floor that will create the gift shop space nears completion, it is necessary to identify a preferred operating model for the shop.

COMMENTS

The plans for the renovation of TRL have always included provision for the creation of a library gift shop that would serve as a niche retail outlet with a high profile on both Yonge Street and at the entrance to the library proper. It has been designed by a merchandising specialist to maximize its effectiveness and profitability, and will offer a broad range of branded and library-related merchandise.

The purpose of the library gift shop is multifold:

- to create an alternate revenue stream for the library with net revenue being used to support TRL collections, programs and services;
- to raise awareness of Toronto Public Library's (TPL) Special Collections through the use of collection images on a range of attractive merchandise;
- to attract new visitors to the Library and expose them to library services;
- to enrich the library visit experience with the opportunity to purchase items reflective of the Library;
- to provide a higher profile for specific library services through sales such as local history publications and display of sample framed reproductions images available for purchase; and,
- to afford an opportunity for local artists and artisans to display and sell their library and book-related art, and ultimately custom-design items for the gift shop.

The public has demonstrated an interest in purchasing TPL merchandise; staff is frequently asked by customers and visitors about the availability of library merchandise. The Osborne Friends, for example, have developed successful merchandise collections and sales based on the use of Special Collections images applied to a range of merchandise.

The gift shop is approximately 1900 square feet, including office and storage space. It fronts on Yonge Street and has significant window-display capabilities. The gift shop will be highly visible and can be accessed directly from Yonge Street or through the library proper. It is adjacent to a speciality café. Merchandise will be a mixture of branded items related to libraries: books and reading; small gifts and accessories and original artwork by local artists consistent with the Library brand. The mix is intended to be approximately 60% TPL-branded merchandise and 40% other. Major categories include: apparel and bags; jewellery; stationary and related paper products; posters and prints; local history books; small home décor items; and a children's corner with toys, educational kits, puppets, etc.

As the first floor renovations move toward completion and the Library experiences a more constrained financial outlook, Library staff has revisited options for the store to maximize revenue potential. A Financial Viability Assessment was undertaken to review the proposed parameters and operating assumptions for the shop, and to make recommendations on any steps TPL could take that would contribute to a financially successful venture. The assessment indicated that if executed well and using retail expertise, the financial feasibility of the gift shop is very strong. Sales forecasts based on location and store size, supply, demand and traffic and merchandise assortment even at a very conservative low-end indicate net revenue generation. TRL, with its high visitor count and unique collections, affords the best possibility for gift shop revenue potential. All 1.4 million annual library visitors that represent the mix and diversity of the City, commercial and social guests attending events in the Bram and Bluma Appel Salon and a large number of tourists will be exposed to the gift shop as they enter the library. Attractive window displays will promote the shop to pedestrian and vehicular traffic on Yonge Street.

While there are a number of options for operating the shop, staff is currently exploring the option of whether or not the Foundation would be interested in running the gift shop. Doing so would be allowable as a supplementary charitable activity under the legislation that governs their charitable fundraising activities. A similar exploratory report will go to the TPLF Board for consideration.

Staff will continue to work on the details for a preferred operating model and bring back a report with the strengths and weaknesses of each, with recommendations on how best to proceed.

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