



STAFF REPORT ACTION REQUIRED

12.

Perth/Dupont Branch Relocation – Terms and Conditions

Date:	November 23, 2015
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to update the Toronto Public Library Board about the relocation of the Perth/Dupont Branch to a development at 299 Campbell Avenue and to seek Board approval for the terms and conditions for the re-location of the branch to 299 Campbell Avenue and a revised capital budget for the Perth/Dupont Branch.

The final report for the development at 299 Campbell Avenue is now proceeding forward and was unanimously recommended to Council for approval at the November 10, 2015 meeting of the Toronto and East York Community Council. Three citizens deputed in favour of the re-location of the Perth/Dupont Branch at the November 10, 2015 meeting. The supplementary report contains the details of the terms negotiated with regards to the re-location of the Perth/Dupont Branch. The terms provide a sound plan and process for the branch relocation and meet the Library's requirements.

The capital budget for the Perth/Dupont Branch is being increased by \$1.359 million gross (\$0 debt), comprised of \$0.259 million of additional Section 37 funding and a \$1.100 million draw for the City Land Acquisition Reserve Fund (LARF), for total project funding of \$4.312 million gross (\$0.245 million debt).

Board approval of the terms and conditions, and the associated adjustment of the Board's 2016-2025 capital budget and plan are recommended, subject to Council approval of the report.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the Terms and Conditions for the relocation of the Perth/Dupont Branch to 299 Campbell Avenue as outlined in Attachment 1, subject to Council approval; and
2. approves an increase of \$1.359 million gross (\$0 debt) for the Perth/Dupont Branch project in the 2016-2025 capital budget and plan, comprised of \$0.259 million of

additional Section 37 funding and a \$1.100 million draw for the city Land Acquisition Reserve Fund, for total project funding of \$4.312 million gross (\$0.245 million debt).

FINANCIAL IMPACT

The value of the shell space to be provided by the developer has been estimated at \$2.600 million and the expected value of Section 37 benefits due from the developer is approximately \$1.500 million. The proposal is to fund the balance owing to the developer from a draw from LARF for an amount up to \$1.100 million.

To cover additional construction costs for the project, the budget will be increased by an additional \$0.259 million to be funded by Section 37 funds, bringing the total Section 37 funding to \$1.100 million, which has been received by the City from a development at 830 Lansdowne Avenue.

In total, the capital budget for the Perth/Dupont Branch is being increased by \$1.359 million gross (\$0 debt), for total project funding of \$4.312 million gross (\$0.245 million debt) and this will be included for consideration as part of the 2016 budget process.

At the appropriate time, the existing Perth/Dupont Branch location will be declared surplus and following the City's process for disposition of surplus property, the proceeds of sale of the surplus property will be deposited to LARF. In January of 2014, the City's Real Estate Division obtained an appraisal of the current Perth/Dupont Branch location and the valuation was approximately \$1.000 million. Any other City Agency or Division would be required to pay fair market value to acquire the surplus library property.

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

DECISION HISTORY

At the September 14, 2014 meeting, the Board approved a motion to reconsider a previous decision regarding the relocation and expansion of the Perth/Dupont Branch and approved the following motions:

1. *reconfirms its support in principle for the proposed Perth/Dupont Branch relocation as approved unanimously by the Board on November 18, 2013 (Resolution No. 13-181);*
2. *authorizes staff to work with the local councillor and developer to negotiate terms for relocating the Perth/Dupont Branch to 299 Campbell, subject to Board approval of the negotiated terms and the proposed development receiving the appropriate planning approvals and Toronto Public Library retaining the proceeds from the sale of the current property, receiving the remainder of the funding from Section 37 agreements or funding from other non-Toronto Public Library sources or the City.*

At the November 18, 2013 meeting, the Board passed a motion authorizing staff to work with the local councillor and developer to negotiate terms for re-locating the Perth/Dupont Branch to 299 Campbell Avenue, subject to Board approval of the negotiated terms.

The Council approved 2013-2022 capital plan for Toronto Public Library introduced the Perth/Dupont renovation and expansion project at the current site. In each subsequent year, the capital submission has included a project for the Perth/Dupont Branch.

ISSUE BACKGROUND

During the summer of 2013, the local councillor apprised staff of a potential new mixed-use development at 299 Campbell Avenue and asked staff to comment on this site as a potential location for the branch and provide information about typical neighbourhood branch requirements.

The property at 299 Campbell Avenue is located at the corner of Dupont Street and Campbell Avenue, approximately 350 meters or a four-minute walk from the current branch location at 1589 Dupont Street.

In October 2013, the councillor advised that, subject to community consultation and necessary approvals, it would be possible to relocate the Perth/Dupont Branch to a 10,000 square foot space on grade facing onto Dupont Avenue as part of the development of 299 Campbell Avenue. Library staff then met with the councillor, city planner and developer.

The developer proposed to build the building shell for the Library in accordance with the Library's requirements. The Library would then be responsible to design and develop the interior spaces, similar to what is done for leasehold improvements.

The councillor held a public consultation meeting on November 5, 2013 to advise the community of the potential development and relocation of the library branch. Approximately 50 local residents attended the community meeting and those in attendance expressed support for re-locating the Perth/Dupont Branch to a 10,000 square foot facility on grade looking out onto Dupont Street, at 299 Campbell Avenue.

In November 2013, the Library Board authorized staff to work with the local councillor and developer to negotiate terms for re-locating the Perth/Dupont Branch to 299 Campbell Avenue, subject to Board approval of the negotiated terms.

COMMENTS

The final report for the development at 299 Campbell Avenue is now proceeding forward and was unanimously recommended to Council for approval at the November 10, 2015 meeting of the Toronto and East York Community Council:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.TE12.2>

The supplementary report contains the details of the terms negotiated with regards to the relocation of the Perth/Dupont Branch (Attachment 1). Recommendation 3 of the report provides three options as a community benefit pursuant to Section 37 of the *Planning Act*.

Option 1 addresses the relocation of the Perth/Dupont Branch to 299 Campbell Avenue as follows:

Option 1: The Owner shall convey, freehold, 930 m² of usable shell space and one parking space in the proposed development, as substantially outlined in Appendix 2 of Attachment 1, to the City for a cost of \$1.1 million, to be used by Toronto Public Library Board as a neighbourhood branch. The conveyance shall take place as soon as practicable with the Owner, the City, and the Toronto Public Library Board working cooperatively with one another to support the Toronto Public Library Board's goal to open the new neighbourhood branch in the proposed development at the earliest opportunity.

Further, the Owner agrees to construct the 930 m² of shell space to the level of finish described in Appendix 2 concurrently with the lobby, retail space, units and common elements on the ground floor of the proposed development.

In any event the conveyance must occur no later than the earlier of: the availability of 50% of the residential units for occupancy, condominium registration or four years from the date of the issuance of the first building permit.

Appendix 2 is subject to revisions provided the revisions are satisfactory to the Chief Corporate Officer in consultation with the City Librarian;

Option 1 supports the relocation of the Perth/Dupont Branch to 299 Campbell Avenue. This option enables the Library to improve service levels and access in accordance with the Board's Service Delivery Model. Option 1 supports 21st century library services and provides an excellent opportunity to introduce flexible, adaptable spaces, supporting services that are responsive to the needs of the local community now and into the future. It also addresses the state of good repair and accessibility deficiencies for the Perth/Dupont Branch for the foreseeable future. As well, with 10,000 square feet all on grade, the space will be more efficient to operate with a small increase to operating budget to cover facilities costs associated with cleaning, etc. Accordingly, the staff will work to ensure that Option 1 is selected.

In the event that Option 1 is not selected, the recommendations in the report provide a second option to convey the space for an alternative community facility and a third option for a cash contribution to the City in the amount of \$1,500,000 to be used for local library improvements or an alternative local library branch location.

At the meeting on September 26, 2015, the Board approved a revised TPL 2016-2025 capital budget and plan submission, which included a Perth/Dupont project of \$2.953 gross that was funded by debt of \$0.245 million, development charges of \$1.867 million and Section 37 funds of \$0.841 million. Assuming Option 1 will be successful, the project budget is being

increased by \$1.359 million gross (\$0 debt), for total project funding of \$4.312 million gross (\$0.245 million debt) and this will be included for consideration as part of the 2016 budget process. The funding details are shown below:

Perth/Dupont Capital Project Funding (\$000s)			
	TEYCC - Nov 10/15 Council - Dec 9/15	Board - Sep 26/15 Capital Submission	Adjustment Board - Nov 21/15 Capital Submission
Debt	245	245	-
Development Charges	1,867	1867	-
Section 37 (from 830 Lansdowne Ave.)	1,100	841	259
TPL cost to outfit and complete shell space	3,212	2,953	259
LARF draw to pay developer for shell space	1,100	-	1,100
Total TPL Project Cost	\$4,312	\$2,953	\$1,359

In summary, the terms for Option 1 provide a sound plan and process for the branch relocation and meet the Library's requirements. Board approval is recommended, subject to Council approval of the report and recommendations. Accordingly, changes to the Board capital submission for this project are recommended for approval as well.

CONTACT

Anne Bailey; Director, Branch Libraries; Tel: 416-397-5944;
E-mail: abailey@torontopubliclibrary.ca

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;
E-mail: lhughsam@torontopubliclibrary.ca

SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1 299 Campbell Avenue – Zoning Amendment Application – Supplementary Report