



CBRM

A Community of Communities

ISSUE PAPER

TO: Deborah Campbell Ryan - Clerk
FROM: John Phalen - Manager of Economic Development
SUBJECT: CBRM Sydney Central Library
DATE: November 15, 2018

Madame Clerk,

Background

CBRM commissioned a Feasibility Study into a new Sydney Public Library. It was conducted by Trifos Design Consultants, dma Management Services and Breton Chartered Accountants. Below is the executive summary of the report.

Facility Requirement

A Library of 28,000 gross square feet (GSF)) is required to serve Sydney's projected 2031 catchment area population of 40,000. The requirement is based on a recommended level of provision of 0.7GSF/capita, which represents a significant increase over the current level of provision of 0.34GSF/capita.

An additional 8,580GSF are required for the Cape Breton Regional Library's (CBRL) headquarters, resulting in a proposed development of 36,580GSF. By comparison, the existing James McConnell Memorial Library and regional headquarters is about 22,000GSF.

The recommended facility does not include space required by partners who may choose to join the CBRL in this development.

At roughly 37,000GSF, the recommended facility will correct many of the deficiencies associated with the current library and headquarters. A larger library is required to reflect the changing roles of public libraries. Contemporary libraries play a different role in the community and, consequently, have different requirements for space. Contemporary libraries are buildings where information literacy is taught, music and video is created, residents come together to discuss and debate important issues, and where community is created and fostered. To be this type of library, physical space not traditionally associated with public libraries is required, including computer and multi-

media labs, extensive display space, areas for the community to informally assemble and interact, presentation space, etc. Research clearly demonstrates that this is the library of the future; and input from residents of the CBRM indicates strong support for a contemporary library of this type.

Benefits

Experience in other communities demonstrates that new libraries can be a catalyst for downtown revitalization and economic development. They attract residents and visitors to create vibrant retail and commercial districts, which, in turn, invites new investment. Libraries contribute to the municipality's image and identity as cornerstones of creative cities, and ventures for arts, cultural and heritage events. When part of larger schemes for downtown urban renewal, they become place-makers and public places, contributing to broader urban design and development objectives in progressive communities.

The proposed development will not only correct the limitations of current library services, it will support the future economic, social and cultural objectives of the CBRM and other community organization.

Partnerships

Investigating potential partnership, with implications for the size and design of the proposed library, was not a part of this study. However, the CBRL should actively pursue potential partners, and confirm their willingness to be a part of this project. Community stakeholders expressed interest in and support for expanded partnerships. Furthermore, these are particularly important in the CBRM because the population only supports a small central library where program areas are smaller than desired, and some specialized spaces cannot be included. These are the spaces that partners could support (e.g. larger, multipurpose program areas; training facilities; technology labs; performance and assembly space; spaces designed for the arts, culture, and music, etc.). If partners are prepared to share space and contribute to capital and operating costs, as well as additional programs, programs and activity areas that would otherwise not be available to residents could be provided at the new Sydney library. This important issue should be investigated further, before proceeding with the project.

Design Considerations and Capital Costs

A new, stand-alone, contemporary, 40,000 square foot library will cost between \$26 million and \$28 million, depending on the site selection. A retrofitted edifice of 40,000 square feet will cost approximately \$18 million.

Business Model

The financial analysis carried out as a part of this study has concluded that variances between public and public-private partnerships are significant, primarily because the discount rate used on the cost of government funds is 4%, versus the cost of private funds at 8%. In both cases, the full construction costs of the facility would be recovered over the 25-year period.

The costs under the retrofit option are slightly lower. Retrofitting indicates lower initial capital costs, and higher annual operating costs.

In the public-build scenario of a new build, the CBRM would have possession of the Library Facility after the 25-year period. Under the public-private building scenario of a new build or retrofit, the CBRM would have paid 100% of the construction costs of the

facility, and would not have possession. CBRM would have to pay an amount to the developer to purchase the property or extend the lease. This amount could be fair-market value at that time, or a lesser amount, if it were negotiated up front.

The full report can be read at:

http://www.cbrm.ns.ca/images/stories/reports/Sydney_Public_Library_Feasibility_Study_Final_Draft_resized.pdf

The report essentially outlines the best case scenario for the library construction. As the project goes forward it will have to fit into the capital funding envelope, and the Council approved operational costs.

CBRM issued an Expression of Interest in August of 2017 to develop lands it owns on Sydney Harbour for development. The EOI used as its basis a report that was approved by Council for a vision for Sydney harbour development by Ekistics in March of 2014.

The Port of Sydney is an asset with the potential to impact this community in varied and significant ways. Realizing its full potential will require vision, determination and collaboration on multiple levels. The Sydney Harbour Waterfront Development Project embodies these features in a bold, engaging and highly functional mixed use public-private development that will impact the area's economy, enrich the community and revitalize the downtown core. The project will be located on a premier stretch of vacant waterfront property between the Joan Harris Cruise Pavilion and the Holiday Inn.

Harbour Royale Development Limited (HDRL) submitted a proposal to CBRM's Expression of Interest (EOI). CBRM staff advised Council that the proposal met the criteria established and recommended that the Proposal should be accepted and they refine and revise to bring a full proposal to Council.

The project foresees a mixed use public/commercial space including a residential and commercial building, a public library, casino and hotel addition, along with parking and public amenities and commercial development.

Council adopted a motion on staff's recommendation on February 6th 2018.

In June of 2018 Council approved a Pre-Development agreement with Harbour Royale to proceed with the project development work and bring back a full proposal to Council for approval.

In August of 2018, Council approved in principal a contribution of land and capital.

HDRL has been working actively to advance the project and is working with all levels of Government and First Nations to bring the library portion of the project the project to fruition.

The Project Next Steps

The CBRM is intent on being the full owner of the library portion of the project. A proposed study is currently being worked on that will look at library programming and internal operations including operating costs. This study is in concert with the main

capital expenditure but is independent and would require the approval of Council to proceed.

It is anticipated that the amount of funding from CBRM would be a possible value of 3 million for the land and a capital contribution of 4 million. The land value would have to be third party assessed for market value. With this support, CBRM could leverage up to a possible 18 million dollars of capital funding plus land costs. In addition to government support, the Library Board would be responsible for raising additional funding through personal and corporate donations.

CBRM and Harbour Royale will continue to explore other funding avenues for the project.

Recommended Motion

Motion of Council for staff to start the application process for a contribution in land and capital to be leveraged by the other levels of government for the new library project. Contribution would be brought forward to Council during the budget process and be dependent on approval of anticipated operating costs.

Sincerely,

John Phalen