

RPL BOARD OF DIRECTORS MEETING**June 11, 2024****Central Library Boardroom and Teams Videoconference****MINUTES****In Attendance:**

M. Gavigan, Chair
C. Romanow, Vice Chair
C. Kobayashi
J. Oni
K. Yee
P. New
C. Zankl
J. Barber, Secretary

Also in Attendance:

C. Smith, ED, Finance & Strategy
K. Hintz, ED, Branch Libraries
A. Christensen, ED, Central Library
K. Saunderson, ED, Service Innovation
C. Hawkesford, Dir., Marketing & Communications
K. Scheurwater, Dir., Development
H. Sackville, EA (mins)

Regrets:

Mayor S. Masters
Councillor B. Hawkins

1. CALL TO ORDER

M. Gavigan called the meeting to order at 4:33pm.

She began by acknowledging the land on which the Board gathers as Treaty 4 Territory, the traditional lands of the Cree, Dakota, Nakota, Lakota, Saulteaux and the homeland of the Metis Nation.

2. ADOPTION OF THE AGENDA

C. Romanow moved that the Board adopt the agenda. CARRIED.

3. CHAIR'S REMARKS

M. Gavigan welcomed guests and media to the meeting.

4. CONFLICT OF INTERESTS DECLARATION

No conflict of interests were declared.

5. CONTRACTS

a. Cleaning Services

J. Barber explained that these contracts are for night cleaning of RPL spaces. The RFP narrowed the decision to two providers for two parts of the system. Albert Branch exists within māmawêyatitân centre so its cleaning services are handled separately.

P. New moved that the Board approve entering into contracts with ZE Maximum Building Cleaning and Les's Cleaning. CARRIED.

6. DISCUSSION AND DECISION ITEMS (CONTINUED)

a. Board Committees

i. Strategic Planning Committee

1. Central Library Renewal – EOI Process Results and Next Steps

J. Barber briefly introduced the members of Leadership present for answering questions.

This is the culmination of work Administration has been undertaking throughout the past few months on an Expression of Interest (EOI) and a fundraising feasibility study for the Central Library Renewal project. J. Barber provided a recap of events leading up to this meeting.

In 2020 the Needs Assessment and Project Plan (NAPP) was completed and has since been the roadmap that helped determine a new building was the best way to move forward. The Board continues to refer to that document. Work to develop the NAPP included surveying partners and telephone polling of residents to understand the value of RPL's services and its role within the community regarding social and economic development.

In 2022 the Board confirmed at a public meeting that its preferred approach to meet desired outcomes for the project was to construct a new Central Library. That decision coincided with RPL's participation in the Catalyst Committee work, which resulted in the Committee recommending a new Central as the third priority behind a new system of walking trails plan and the new Lawson Aquatic Centre.

Given the current state of this building, in May 2023 the Board voted to research a temporary relocation space for Central Library services, given the risks of failure of several systems at Central. Among the learnings from that process was the fact that a library can't fit into just any space, and few appropriate spaces exist downtown. There were tenant improvements that would've had to be made at more cost than anticipated, and it's challenging and expensive to retrofit a space that isn't designed for a library.

J. Barber then explained the process so far with the EOI. A market sounding and EOI helped us to gauge interest from the market, understand potential solutions

for the project and potential associated costs, and understand the funding required for the project. We learned that there is market interest and willingness from developers to participate in delivering the project, but we also learned that without a financial commitment from the City, developers are not confident the project will advance.

Among the concepts received and evaluated through the EOI, there was the traditional delivery (representing the Board's earlier decision with RPL building and owning on the existing site), RPL as a tenant in a mall, and developer partnerships to either build at the current site or a different site, with RPL as either an owner or tenant. Each of these concepts were assessed and scored based on alignment with project objectives, and all were seen as favourable options. None of these concepts received through the EOI are being eliminated from the future procurement process.

J. Barber noted that this work was completed before The Bay announced its departure from the Cornwall Centre, but that this news would not have influenced the outcomes of the evaluation of concepts or RPL's proposed next steps.

RPL also learned that owning the land and building or leasing a space would be similar in cost. While a long-term lease might have a lower payment initially, there are risks to consider like the landlord cancelling the lease, lease payments escalating, and RPL not owning the land as an asset at the end of the lease. There is also no indication of a discount solution.

Tax revenue opportunities for the City through a partnership would be realized and understood through the next steps in formal procurement.

The EOI process also allowed RPL to do financial modeling on the options. A building size of 125,000sqft is being assumed, which is a decrease from the original functional program at 159,000sqft, and this is in acknowledgement of cost escalation since the pandemic. The capital costs for the building are based on high-level industry benchmarks.

A lease option would still count as debt for the Library and the City since the present value of a long-term lease counts as debt.

Financial modeling could not be completed on developer partnership options, but these details would be requested as part of the procurement process.

He then explained the estimated funding sources under the traditional scenario, which would include money in RPL reserves used prior to construction to delay the date that debt from the City is required. The Library would pay down the

debt over 30 years. Additionally, RPL would launch a capital fundraising campaign with a goal of \$3M.

Anticipating the need for a fundraising campaign for the project, RPL conducted a feasibility study with DCG Philanthropic Services from February to May this year to test a fundraising goal. DCG spoke with potential donors and others who may have philanthropic interest in the project, and determined that many in that group are not convinced the project will be moving forward. Potential donors will not offer financial support without a commitment from the City to support the project, and actionable steps moving forward. Should the City make that commitment, RPL will be working to generate as many donations as possible. The \$3M goal is a modest one that we believe is achievable.

J. Barber summarized by emphasizing that developers are interested and willing to participate in the project, and potential financial supporters are also willing to support the project, but both lack confidence the project will move forward without the City's financial commitment.

RPL does not need the funding immediately – the Library's Central Library Renewal reserves are adequate to get procurement started. However, the City's commitment is needed to ensure a successful procurement process with full market participation.

If the Board votes to move forward, RPL would attend the June 19th Executive Committee of Council meeting to introduce the request for City Council to support the project with a designated mill rate increase starting in 2025, and through debt financing starting in 2026. RPL would then attend the June 26 City Council meeting to address any further questions from Council.

Should Council approve RPL's recommendations, a procurement process would begin to determine next steps. The procurement is expected to take approximately 16 months and cost around \$1.5M and would include several concurrent steps to move quickly to the Request for Qualifications stage. Most of the anticipated procurement costs would be honoraria for shortlisted candidates to participate in the Request for Proposals, as significant effort will be required to provide a quality response.

RPL would then approach Council to provide an update on the procurement process and finalized the debt values. At that point, RPL would have a firm understanding of all the variables – location, partners, and cost projections.

M. Gavigan added that the Board has discussed with Councillors, and Mayor Masters and Councillor Hawkins have been involved throughout the process

with the Board's Strategic Planning Committee to provide insight. This ask will not come as a surprise to City Council.

C. Kobayashi shared that 2024 is her tenth year on the Board, and work on this project has been going on since before she was appointed. She conveyed her excitement at reaching this point, knowing the impact that new central libraries have had in other cities and their ability to increase economic vibrancy, improve accessibility and sustainability of spaces, and provide opportunity for reconciliation. She emphasized that this project is vital for those who want more for Regina.

C. Zankl agreed and shared her personal excitement that RPL is looking for multi-partnered proposals and that the market is ready to respond, as this will contribute to the revitalization of downtown as well.

C. Zankl asked C. Smith to elaborate on the difference between the Library's mill rate and the City's mill rate. C. Smith explained that the 5.5% per year dedicated mill rate increase for the library is equivalent to about 0.5% per year mill rate increase for the City, or around \$0.92 for the average household.

J. Oni moved that, in order to ensure that the Central Library Renewal project can move forward, the Board request that City Council approve funding in the forms of:

- a. A dedicated Central Library mill rate increase of 5.5% each year over 5 years, starting in 2025; and
- b. Debt, to be taken on through the City for a range of approximately \$92M to \$119M for the Central Library Renewal project, and which may be borrowed in portions as needed, from 2026 to 2029.

CARRIED.

The Board anticipates a decision from City Council on this matter by the end of June, and the Board will not be meeting again until the end of July.

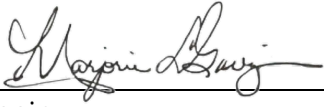
C. Zankl moved that, pending approval of funding through City Council, Library Administration prepare a project charter to undertake the procurement process for Central Library Renewal. CARRIED.

7. IN CAMERA SESSION

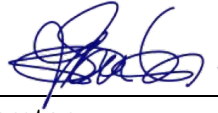
No in camera session was called.

8. ADJOURNMENT

C. Kobayashi moved to adjourn the meeting at 5:08pm. CARRIED.



Chair



Secretary