

REGIONAL DISTRICT OF NANAIMO

**COMMITTEE OF THE WHOLE
TUESDAY, MARCH 8, 2011**

A D D E N D U M

PAGES

DELEGATIONS (Requires Motion)

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**Rosemary Bonanno & Adrian Maas, Vancouver Island Regional Library, re
Construction Financing for Nanaimo North Library.**

March 3, 2011

Chair Joe Stanhope and Board
Nanaimo Regional District
6300 Hammond Bay Road
Nanaimo, BC V9T 6N2

Dear Chair Stanhope and Board

Nanaimo North Library – Construction Financing

I am writing on behalf of the Vancouver Island Regional Library to request that the Nanaimo Regional District, at their next available meeting, approve the process to borrow Eight Million Dollars (\$8,000,000) on behalf of the Vancouver Island Regional Library (VIRL) for the reconstruction of 6250 Hammond Bay Road for a new library, to be repaid over a period of 30 years. The VIRL Board supports this initiative and is very positive about the prospects.

VIRL is requesting that a service area encompassing the entire regional district be established in order to avoid the administrative necessity of amending or creating an additional service area in the future if other plans develop at some time.

Background:

In 2009 and 2010 the VIRL conducted a Consolidate Facility Master Plan process which identified Nanaimo as the site that most needs redevelopment. VIRL owns the property at 6250 Hammond Bay Road, and wishes to redevelop it as a public library branch.

The Library is keen to do so for a number of reasons:

- Ownership of buildings assures the library that it is tax exempt, thereby reducing costs;
- Development of the proposed site places the library in a prominent location that will serve the public well;
- Financing through MFA accesses rates that are beneficial and lower than alternative forms of financing;
- This process has been previously used by the Okanagan Regional Library, and is supported by the appropriate provincial ministries and the MFA as well. It is really the only solution for borrowing for a regional library such as VIRL.

We greatly appreciate your consideration and action on this matter, and the generous and helpful attitude of your senior staff on our behalf. Our Executive Director and I will make ourselves available at a meeting to answer any questions you may have.

Sincerely



Adrian Maas, CGA
Director of Finance
Vancouver Island Regional Library

Cc: Rosemary Bonanno – Executive Director, VIRL

A New Library for Nanaimo North – Q & A

1. Why is a new library being built?

- There is a large population, approaching 44,000 people, in the Nanaimo North catchment area that are inadequately served.
- For many years, the size of the branches of Vancouver Island Regional Library (VIRL) has been significantly smaller than the average BC library standard.
- Last year, the Board of Vancouver Island Regional Library commissioned a Consolidated Facilities Master Plan and approved the consultant's recommended standard of 0.6 sq ft per capita.
- The next nearest branch to the north is in Parksville. There is also a substantial population of approximately 6,500 in the Lantzville area.
- Space is needed for children's programs, author visits, and other special events that are popular, well-attended, and important for fostering lifelong learning and literacy.
- VIRL owns the current location at 6250 Hammond Bay Road and as such renovation/expansion on the present site is a very financially attractive option.
- Redeveloping the site at 6250 Hammond Bay Road make sense as VIRL owns the site and some parts of the building are underutilized. Adding to the building and dedicating the majority of it to public service is in the public interest, as this will provide an additional service location and reduce the demand on the Wellington branch, which will remain open.

2. What about the Wellington Branch?

- The Wellington Branch will remain open.
- The Wellington Branch, though small at 4800 sq ft, is popular with local residents and is very heavily used. Maintaining that branch makes sense as there is a relatively dense population in the immediate area. Convenient access to libraries is a significant consideration.
- The Nanaimo Wellington branch has 14,800 registered borrowers. In 2010 more than 613,000 items were borrowed, up from 550,000 in 2009. The collection in the branch holds more than 65,000 items (books, magazines, DVDs, CDs). Computers in the branch were used more than 63,000 times in 2010 – up from 29,000 in 2009.

2. With the popularity of the Internet, aren't libraries eventually going to disappear? Aren't books being replaced by computers?

- Only a small fraction of materials are available free-of-charge on the Internet, and a lot of information is unreliable. Librarians have specialized skills to help members of the public access reliable Internet content and sources. In addition, borrowers have access to the wealth of information from the library's subscription databases that contain a wide range of resources—from animated books for kids, engine repair manuals and foreign language learning, to health information manuals and World Book encyclopedias.
- Despite advances in technology, many people still depend on the library to provide equal access to digital information. VIRL provides free Internet and computer access for those who cannot afford these services or may need assistance with the new technologies.
- Libraries now provide access to many downloadable eBooks and audiobooks.
- Trustworthy information provided by knowledgeable professionals is what sets the library apart from the Internet.

4. How will library services expand in a new building? Will there be more books, CDs, DVDs, etc, for the public to browse in the new library?

- A larger facility will provide more room to grow the library collection—books, magazines, newspapers, DVD's, CDs.
- There will be more free public computers with Internet access, word processing and other software. There will also be special computer stations for children with educational, fun-filled software that promotes literacy.
- Increased public space with comfortable lounge seating for reading, quiet study areas, meeting room spaces, and areas for children's programs can be accommodated in a larger facility.

5. How is the City of Nanaimo involved?

- The City may be requested to waive fees associated with the redevelopment.

6. Is there a plan for the building and the site?

- The plan is to construct as much public library space as possible. An architect is actively working with VIRL to make ready a design for public tender by the Fall of 2011.

7. What is the projected opening date for the new building?

- Opening is targeted for 2013.

8. What are the construction costs?

- Staff estimate construction costs to be \$8 million, and \$8 million is being sought as the amount to borrow. Accurate construction costs cannot be determined until detailed building plans are drawn up and approved.

9. How much more tax will I have to pay for library service, above what I pay now, for this building and its operating costs?

- The primary advantage of a regional library system is the cost-sharing that occurs over the entire library district (413,000 residents). Since the VIRL Board already makes annual allocations to outfit new and expanded spaces (building projects), the anticipated additional annual costs for financing this new branch will \$1.40 per capita in the VIRL service region.

10. How is the Nanaimo Regional District involved?

- To minimize borrowing costs to the taxpayer the VIRL Board wishes to borrow through the Municipal Finance Authority (MFA), which has competitive interest rates; there is also the possibility of a rebate. As VIRL is not able to request a loan through MFA directly, the Nanaimo Regional District (NRD) is being requested to make the application on VIRL's behalf. VIRL will repay the principal, and pay the interest, fees, and financing. This is a process recommended by the provincial government. In 2008 the Okanagan Regional Library (ORL) partnered with the Central Okanagan Regional District to borrow from MFA for the ORL's new Administration Headquarters in Kelowna, and in so doing established the process for regional library systems in BC.
- The NRD has been asked to use the alternate approval process as it is inexpensive. When the alternate approval process passes and the money is borrowed, repayment will come from VIRL rather than residents of the NRD. Because VIRL has 28 municipal and 10 regional district partners everyone shares in the cost.
- VIRL will save in the long run due to the benefits of ownership.
- We expect that this borrowing method will have strong public support.