



**City of Kingston
Report to Council
Report Number 24-199**

To:	Mayor and Members of Council
From:	Desiree Kennedy, Chief Financial Officer and City Treasurer
Resource Staff:	Same
Date of Meeting:	July 9, 2024
Subject:	Library Renovations Project – Isabel Turner Branch - Relocation Requirements and Budget Amendments

Council Strategic Plan Alignment:

Theme: Financial measures/budget

Goal: See above

Executive Summary:

The purpose of this report is to seek Council approval for the Kingston Frontenac Public Library to enter into a lease agreement for space to serve as a temporary service point while the Isabel Turner Branch is under renovations. Approval is also being sought for the City to enter into a Municipal Capital Facility Agreement with the landlord, as well as budget approval for associated funding.

Project planning with respect to the Isabel Turner Branch Renovations Project is well underway. Due to the scope and nature of the work being undertaken, it has been determined that closure of the building would be the safest and most cost-effective way to complete the project. It is anticipated that the Isabel Turner Branch building will close in early Fall and remain closed for a period of approximately eighteen months.

Under Section 19 of the *Public Libraries Act*, the Library Board must have the consent of the majority of Councils for which the Library Board was established in order to enter into a lease agreement. The Library Board requests that City of Kingston Council consent to the acquisition of land by lease of temporary facilities by the Library Board and that capital funding be approved to fund leasing costs and related leasehold improvements.

July 9, 2024

Page 2 of 6

The Library Board also requests that the City enter into a Municipal Capital Facility Agreement under Section 110 of the *Municipal Act, 2001* with the landlord and adopt by-laws as necessary to exempt the leased premises from property taxes for municipal and education purposes.

This report includes budget recommendations for capital funding of \$3.7M for the Isabel Turner Branch renovation project, originally identified in the Facilities and Construction Management's 15-year capital plan in 2025, in order to begin the procurement process later this year, as well as a \$300,000 budget amendment to the library's capital budget to cover temporary space, leasehold improvements and relocation costs.

Recommendation:

That Council consent to the acquisition of land by lease of temporary facilities at the Cataraqui Centre by the Kingston Frontenac Public Library Board in order to provide continued library service in the west end area, during the renovations of the Isabel Turner Branch as required by Section 19.1 (a) of the *Public Libraries Act* and that the lease be in a form that is satisfactory to the Director of Legal Services; and

That Council approve a budget in the amount of \$300,000 for lease of space, fit up and moving costs, funded from the Library Capital Reserve Fund; and

That Council authorize the Mayor and the Clerk to execute a municipal capital facility agreement with Cataraqui Holdings Inc., in respect of the space to be leased by the Kingston Frontenac Public Library Board, in a form that is satisfactory to the Director of Legal Services; and

That in accordance with Section 110 (6) of the *Municipal Act, 2001*, the By-Law, attached as Exhibit A Report Number 24-199, being a By-Law to Authorize an Agreement for the Provision of a Municipal Capital Facility for space at Cataraqui Centre, 935 Gardiners Road, Kingston, Ontario, be presented and given all three readings, it being understood that this by-law will provide an exemption to the property to which the Municipal Capital Facility Agreement applies, from taxation for municipal and education purposes; and

That the Clerk be directed to give written notice of the by-law to the Minister of Education, the local school boards having jurisdiction in the area in which the property is located, and the Municipal Property Assessment Corporation (MPAC) as required by sections 110(5) and (8) of the *Municipal Act, 2001*; and

That Council approve a capital budget of \$3,700,000 for the Isabel Turner Branch renovation project, to be funded from the Municipal Capital Reserve Fund.

July 9, 2024

Page 3 of 6

Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

**Desiree Kennedy, Chief
Financial Officer & City
Treasurer**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services	
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate Services	
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required

July 9, 2024

Page 4 of 6

Options/Discussion:

Kingston Frontenac Public Library ("KFPL") staff worked with Rogers & Trainor, a local real estate firm, to review properties that met the criteria developed by KFPL in terms of location, space, accessibility and cost, considering both occupancy costs and leasehold improvements. It was determined that space in the Cataraqui Centre was the most suitable of the available options, and a lease agreement was approved by the Kingston Frontenac Library Board ("Library Board") at their May 25, 2024 meeting, conditional on the City of Kingston Council's consent.

KFPL has executed a Letter of Intent to lease space at the Cataraqui Centre property for an 18-month period, conditional on Council approval of the consent to lease and related capital funding. The executed Letter of Intent includes an option to extend for up to two additional three-month terms should this be necessary. KFPL has retained external legal counsel to review the Letter of Intent and any related lease agreements.

Under Section 19 of the *Public Libraries Act*, the Library Board must have the consent of Council to enter into a lease:

19. (1) A board may, with the consent of the appointing council or, where it is a union board, the consent of a majority of the councils of the municipalities for which it was established,
- (a) acquire land required for its purposes by purchase, lease, expropriation or otherwise;
 - (b) erect, add to or alter buildings;
 - (c) acquire or erect a building larger than is required for library purposes, and lease any surplus part of the building; and
 - (d) sell, lease or otherwise dispose of any land or building that is no longer required for the board's purposes. R.S.O. 1990, c. P.44, s. 19 (1).

The Library Board is requesting the consent of Council in order to enter into a lease agreement for the property identified above. The Library Board is also requesting that the City enter into a Municipal Capital Facility Agreement under Section 110 of the *Municipal Act, 2001* with the landlord and adopt by-laws as necessary in order to exempt the leased premises from property taxes for municipal and education purposes.

A draft Municipal Capital Facility By-Law is attached as Exhibit A to Report Number 24-199. Public libraries are of a class of municipal facilities which qualify for tax exemption (Ontario Regulation 603/06 Section 2.11) and this includes the provision of services in leased premises. Staff is recommending three readings of the by-law in order to finalize the leases and confirm tenancy of the temporary facility as soon as possible.

In order for the library to enter into the lease agreement and to complete the necessary leasehold improvements, this report is recommending that Council approve \$300K for temporary space, leasehold improvements and relocation costs.

July 9, 2024

Page 5 of 6

Project planning for the Isabel Turner Branch is well underway with a final project concept near completion. The branch will undergo major renovations to replace aging infrastructure (HVAC), refresh the space, enhance accessibility, reduce greenhouse gas emissions and lower energy usage. The project will include reconfiguring the front desk for better space utilization, accessibility, and staff security, improving sound attenuation and expanding the children's and teen areas. The building will comply with the City's Facility Accessibility Design Standards, including making ground floor washrooms fully accessible, adding new universal washrooms and shorter shelving units. These updates aim to refresh the facility, respecting and enhancing its original design while making it more accessible, energy-efficient, and engaging for the community and staff.

A budget of \$3.5M for this project was included in the 2025 capital plans, however, based on resource availability and other timing considerations, staff would like to initiate a procurement process early this fall with a forecasted construction start of November. Based on the final project plans, the construction budget for this project is projected at \$4.9M. Originally estimated at \$3.5M in the 2025 capital plans, this report recommends bringing forward funds with a revised capital budget request of \$3.7M. The remaining \$1.2M will be covered from available funds in capital works-in-progress.

Existing Policy/By-Law:

Not applicable

Notice Provisions:

Not applicable

Accessibility Considerations:

The exhibits to this report are available in an alternate format upon request.

Financial Considerations:

This report includes a recommendation to approve \$300K funded from the Library Capital Reserve Fund in order to sign a lease agreement for temporary space and to begin work on the required leasehold improvements in preparation for the major renovation project of the Isabel Turner Branch.

Funds for the renovation project were also identified in Facilities Management & Construction Services 15-year capital plan for 2025. This report recommends bringing these funds forward with a revised capital budget request of \$3.7M funded from the Municipal Capital Reserve Fund.

Contacts:

Laura Carter, Chief Librarian/CEO, Kingston Frontenac Public Library, 613-549-8888, extension 3530

July 9, 2024

Page 6 of 6

Desiree Kennedy, Chief Financial Officer and City Treasurer, extension 2220

Other City of Kingston Staff Consulted:

Speros Kanellos, Director, Facilities Management & Construction Services, extension 3133

Evan Embacher, Property Specialist, Business, Real Estate & Environment, extension 2429

Exhibits Attached:

Exhibit A: A By-Law to Authorize an Agreement for the Provision of a Municipal Capital Facility for space at Cataraqui Centre, 935 Gardiners Road, Kingston, Ontario

By-Law Number 2024-XX

A By-Law to Authorize an Agreement for the Provision of a Municipal Capital Facility for space at Cataraqui Centre, 945 Gardiner's Road, Kingston, Ontario

Passed: [Meeting Date]

Whereas Section 110(1) of the *Municipal Act, 2001* (the "Act") provides that a municipality may enter into agreements for the provision of municipal capital facilities; and

Whereas Section 110(6) of the Act states that the council of a municipality may exempt from all or part of the taxes levied for municipal and school purposes land or a portion of it on which a municipal capital facility is or will be located that is the subject of an agreement under Section 110(1) of the Act; and

Whereas pursuant to Ontario Regulation 603/06 enacted under the Act, a municipality may enter into an agreement under Section 110(1) of the Act for the provision of municipal facilities for public libraries; and

Whereas the Kingston Frontenac Public Library Board as tenant, entered into a lease agreement with Cataraqui Holdings Inc. (the "Lease"), as landlord (the "Landlord"), whereby the Landlord agreed to lease space at the premises municipally known as 945 Gardiners Road, Kingston (the "Premises") to Kingston Frontenac Public Library Board for purposes of a municipal facility for a public library; and

Whereas Council is desirous of entering into an agreement with the Landlord for the provision of a municipal capital facility at the Premises;

Therefore be it resolved that the Council of The Corporation of the City of Kingston hereby enacts as follows:

1. Pursuant to Section 110 of the *Municipal Act, 2001* the City of Kingston is authorized to enter into an agreement with the Landlord for the provision of a municipal capital facility for a public library at the Premises, in accordance with section 2(1)(11) of Ontario Regulation 603/06 (the "Agreement").
2. The Premises are exempt from taxation for municipal and school purposes.
3. This By-Law shall be deemed repealed:
 - (a) If the Landlord ceases to own the Premises without having assigned the Agreement to the new owner of the Premises;
 - (b) If Kingston Frontenac Public Library Board ceases to use the Premises for purposes of the provision of a public library;

- (c) When the Lease, or any renewal or extension of the Lease, expires or is otherwise terminated for any reason whatsoever; or
 - (d) If the Agreement is terminated for any reason whatsoever.
4. Sections 1 and 4 of this By-Law shall come into force on the day that this By-Law is enacted. Sections 2 and 3 of this By-Law shall come into force on the day that the Agreement is entered into by the City and the Landlord.

Given First and Second Readings

Given Third Reading and Passed

Jant Jaynes
City Clerk

Bryan Paterson
Mayor