

Proposal to Continue Town Support of Falmouth Memorial Library Expansion Project

March 10, 2014

Background: Spring 2013

- Library Association Board of Trustees decided to maintain library at Lunt/Depot Road site.
- Property abutting Lunt/Depot Road site became available.
- Trustees sought town assistance in acquiring abutting property.
- At a cost of \$15,000 plus legal fees, Town negotiated an option to purchase the property for \$315,000 by 4/15/2014.

Background: Fall and Winter 2013

- Library Assoc. contracted with Scott Simons Architects to create a conceptual design of an expanded library on current site.
- Town contributed \$25,000 to the conceptual design effort.
- Resulting conceptual design, consistent with past consultant recommendations, recommended the acquisition of the abutting property.

Background: Winter 2013

- Trustees contracted with Ovation Fundraising Counsel to conduct fundraising feasibility study.
- Trustees funded feasibility study effort.
- Feasibility study is underway with an anticipated completion of April 2014.

Decision time for option

- Trustees have requested financial assistance from Town to acquire abutting property.
- Option expires on 4/15/2014.
- Town-Library Trustees expansion Committee (Councilors Mahoney and Farber, Town Manager Poore, Library Board Pres. Mark Porada, Library Board Vice Pres. Amy Kuhn, and Allison Bishop) propose tonight's three Orders before the Council.

The Orders

- Assign the 'option to purchase' to the Library Association.
- Authorize the Town Manager to negotiate a short term loan to the Library Association totaling \$283,500 to facilitate the acquisition of the abutting parcel.
- Authorize a supplemental appropriation of \$283,500 from the town's unassigned fund balance.

Assigning the option to FML Trustees

- Removes Town from the transaction.
- Library Assoc. will own the abutting property and be responsible for its maintenance.
- Library Assoc. will be responsible for the property taxes, if determined not tax exempt.
- Should property be found not needed in the future, the Library Assoc. will be responsible for sale of property.

Short term loan

- Option purchase price is \$315,000.
- Board of Trustees contribution=\$31,500 (10%) from Board's unassigned reserves.
- Town provide a short term, interest-free loan of \$283,500 : a) payable on or before June 30, 2019; b) incentive to repay in 2017—\$250,000 (equals a town contribution of \$33,500); c) town funds (e.g. town contribution to FML operating budget) cannot be used to pay the loan; and d) if property is sold, loan must be paid.

Short term Loan

- Trustees believe acquisition of abutting property is crucial to the long term health and viability of the Library.
- Property is secured for future use by Library.
- Payment due date is consistent with fundraising plans.
- If expansion does not proceed, Trustees can fundraise for property acquisition.
- Loan secures property & relieves expansion project of the time pressure created by property's acquisition.

Supplemental Appropriation from Unassigned Fund Balance

- Proposed Town contribution of \$283,500 from unassigned fund balance.
- Funds to be repaid in full by June 30, 2019 or repaid early (2017) in amount of \$250,000 (roughly 11.6% reduction).
- Repayment can be returned directly to unassigned fund balance.

Summary: Three orders

- 1) Assign option agreement to Library Assoc.
- 2) Authorize Town Manager to enter Town into short term loan agreement with Library Assoc.
- 3) Supplemental appropriation of \$283,500 from unassigned fund balance.