



LIBRARY COMMUNICATION

GENERAL INFORMATION

Agenda Date: October 20, 2009

Agenda Item Type: Informational

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SUBJECT---- Merle Hay Mall Permanent Branch Location

SYNOPSIS---- The Library Board received a revised offer sheet from Merle Hay Mall as a part of this month's packet. Should the Library Board choose to accept the offer it would be necessary to abandon plans to renovate and expand the Franklin Avenue Branch. The best course of action may be revealed by developing a fairly simple pro/con analysis.

- 1) Location: The Franklin Avenue Branch serves several neighborhoods and has been the library's busiest branch since its inception. If past performance indicates future behavior a renovated and expanded branch will continue to be extremely busy. The mall draws from a wide demographic. The temporary branch in Merle Hay Mall has drawn new customers but a high percentage of new registrants have been from outside Des Moines city limits. The proposed mall space for a library branch is within a few hundred feet of the Urbandale border.
- 2) Circulation: The Franklin Avenue Branch is among the busiest in the State of Iowa. Volume is consistently among the top ten in the State. The temporary mall location has seen a 20-30% monthly reduction in circulation. However, it is necessary to remember that the new location has only been in operation since July of this year and volume may improve as more people discover the location.
- 3) Construction Cost: The total project cost of renovation and expanding Franklin Avenue Branch will be approximately \$8.3 million. This includes all fees, furniture, temporary housing costs, moving, asbestos removal, and construction. Funding sources are the library's foundation (\$3,050,000), the City's capital budget (\$3,050,000), and an I-Jobs grant (\$2,200,000). Over \$615,000 has already been

- expended on this project. The total project cost of renovating mall space and creating a fully functioning branch library is estimated between \$2,000,000 and \$2,500,000.
- 4) **Operational Cost:** A renovated and expanded Franklin will have no rent costs for the life of the building. The current building has been operational since 1965. As a LEED platinum building utility costs will be low. Utility costs per square foot are projected to be between 40 to 50% lower than those currently being experienced. Snow removal and grounds maintenance are weather dependent and historically have been less than \$2,000 per year. Based on the offer sheet the library would be obligated to pay \$1,714,350 for Common Area Maintenance over the first twenty years of mall occupancy. The library could renew its lease after the first twenty years of occupancy but no cost projections are available. Utility costs in the mall will be higher than those in a LEED platinum building.
 - 5) **Accessibility:** Franklin Avenue is available via car, bus, bicycle, and foot. Merle Hay is primarily available via car and bus.
 - 6) **Community Involvement:** There have been a total of six community meetings to discuss the renovation and expansion of the current facility. There has been a tremendous level of support for this endeavor as evidenced by the average attendance of more than fifty people at each meeting. There has been no public discussion of a permanent Merle Hay branch.
 - 7) **Funding Partners Obligations:** The renovated and expanded Franklin Avenue Branch has three funding partners; the State through an I-Jobs grant, the City, and the library foundation. The Merle Hay project would have the City and the library foundation as partners.

There are a number of allied issues that do not fit neatly into a simple pro/con analysis but should be a part of decision making.

- a) The Franklin Avenue renovation and expansion is the culmination of a 10 year building plan in which both tacit and real promises were made to the community. Thus far every commitment has been realized. A failure to move forward with the project as designed could easily be seen as a break of trust and affect how the library is perceived.
- b) There has been a level of assumption that the library foundation would be willing to subsidize library operational costs out of monies returned to it by the City should a decision be made to permanently move to Merle Hay Mall. The Foundation is an independent entity with its own board. Currently bylaws prohibit investments in library operations. In addition monies collected for renovation and expansion are required to be used for that function. Whether legal issue could be resolved and the foundation board would be willing to change their bylaws is unknown.
- c) Based on patterns of City operational funding the ability to maintain anything approximating mall hours will consistently be in jeopardy. If the library has to reduce hours and/or experience week long closures this will be doing a disservice to mall merchants who may be relying on the library to generate additional foot traffic.
- d) If the Franklin Avenue Branch is abandoned there will be a permanent tie to a commercial venture whose first goal must be profit. The current library has been in place for 44 years. The Board needs to consider how service would be delivered if costs rose dramatically after twenty years.

FISCAL IMPACT----

RECOMMENDATION Reject Merle Hay Mall as a permanent location. However be open to a creative use of space in the mall should the opportunity present itself.

BACKGROUND----