

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Library, SLO City-County	(2) MEETING DATE 12/4/2012	(3) CONTACT/PHONE Brian A. Reynolds 781-5785	
(4) SUBJECT Request to amend the memorandum of understanding between the County and the Atascadero Friends of the Library to extend the Friends' fundraising timeline, from December 29, 2012 to June 29, 2013, for their half of the estimated net project cost for the purchase and tenant improvements at 6555 Capistrano Avenue in Atascadero. District 5.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and direct the Chair to sign the attached first amendment to the Memorandum of Understanding (MOU) and authorize the Chairperson to sign.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>Original MOU- Nov 9, 2010</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) District 5 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Library, SLO City-County / Brian A. Reynolds
781-5785

DATE: 12/4/2012

SUBJECT: Request to amend the memorandum of understanding between the County and the Atascadero Friends of the Library to extend the Friends' fundraising timeline, from December 29, 2012 to June 29, 2013, for their half of the estimated net project cost for the purchase and tenant improvements at 6555 Capistrano Avenue in Atascadero. District 5.

RECOMMENDATION

It is recommended that the Board approve and direct the Chair to sign the attached first amendment to the Memorandum of Understanding (MOU) and authorize the Chairperson to sign.

DISCUSSION

On November 9, 2010 the Board of Supervisors approved a Memorandum of Understanding (MOU) between the County of San Luis Obispo and the Atascadero Friends of the Library to purchase property at 6555 Capistrano Avenue in Atascadero to create a new larger Library. The project is being undertaken jointly with a project to create a North County Services Center on the second floor of the building.

Under the existing MOU, the County and the Atascadero Friends of the Library will split the net project cost equally. The MOU states that the Friends are required to raise their half of the estimated net project cost, identified as \$2,060,000, no later than 24 months after the close of escrow on the Capistrano property (December 29, 2012), unless there is a mutual agreement to extend the timeframe.

Since that date, the Friends of the Atascadero Library have raised approximately \$1.9 million. The Friends estimate that they are on track to meet their fundraising target soon, but not before the 24 month deadline in the existing MOU. The County and the Library have therefore agreed that it serves the mutual interests of both parties to extend the fundraising deadline by six months. The revised fundraising deadline will be 30 months from the close of escrow (June 29, 2013).

No other changes are made to the MOU and all other terms and conditions remain in effect.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Library, County Administrative Office and The Friends of the Library have agreed to the time extension. County Counsel has approved the amendment to the MOU as to form and legal effect. The Atascadero Friends of the Library have approved and signed the time extension amendment.

FINANCIAL CONSIDERATIONS

The total estimated project cost is \$8.4 million, including the purchase of the property and all tenant improvements necessary to convert the existing building and grounds to a new Library and a North County Services Center. The North

County Service Center will occupy 32% of the building space and the Library will occupy 68% of the building. The total project cost will be divided 32/68, between the library and the Service Center. The estimated total project cost for the Library portion is \$5.7 million.

The current library site and adjacent properties will be sold after the new library is completed. The proceeds of the sale will be applied to the total project cost for the new library (not including the Service Center). Based on an April 2010 appraisal, the current library property is valued at approximately \$1.6 million. After applying the appraised value of the current library, the estimated net project cost for the library is approximately \$4.1 million. Under the existing MOU, the County and the Friends of the Atascadero Library are to fund equal shares of the estimated net project cost for the library, which is \$2,060,000 each.

Table 1. Total Costs and Funding

<u>COSTS:</u>				
Estimated Building Cost:		\$3,415,000		
Services Center share of building/property	32%	\$1,092,800		
Library share of building/property	68%	<u>\$2,322,200</u>		Split 50/50, County/Friends
Estimated Architectural/Tenant Improvements:		\$4,996,500		
Services Center share of arch/improvements	32%	\$1,598,880		
Library share of arch/ improvements	68%	<u>\$3,397,620</u>		Split 50/50, County/Friends
Total Estimated Project Cost:		<u>\$8,411,500</u>		
<u>FUNDING:</u>				
Total Funding Needed:		\$8,411,500		
Services Center share of funding	32%	(\$2,691,680)		
County Library portion of funding	68%	\$5,719,820		
Proceeds from sale of existing library		<u>(\$1,599,820)</u>		
Total Estimated Net Project Cost for the Library:		\$4,120,000		Split 50/50, County/Friends

Table 2. Shares of Total Estimated Net Project Cost for the Library

County Library share of balance	50%	\$2,060,000
Friends Library share of balance	50%	<u>\$2,060,000</u>
		\$4,120,000

RESULTS

Approval of the first amendment to the MOU agreement will allow the project to move forward and extends the time frame for the Friends of the Atascadero Library fundraising from 24 months to 30 months. All other terms and conditions of the MOU remain in effect.

ATTACHMENTS

1. Attachment 1 - First Amendment to Atascadero Library MOU