Atascadero City Council
Staff Report – City Manager’s Office

Funding for
San Luis Obispo County Library - Atascadero

RECOMMENDATIONS:

Council:

1. Authorize the Director of Administrative Services to appropriate $57,000 of the City’s General Fund toward the City’s contribution of the library expansion project; and,
2. Authorize the Director of Administrative Services to appropriate $197,900 of the City’s Library Expansion Facilities Fees Fund toward the City’s contribution of the library expansion project.

DISCUSSION:

San Luis Obispo County and the Atascadero Friends of the Library (Friends) have been working on a program to expand the County Library located in Atascadero. Many options have been investigated over several years, and now they have focused on moving the Library to 6555 Capistrano Avenue, in Hotel Park. The County and Friends support this downtown location as providing good access to the community and a potential for expanded Library services.

The City Council, in 1995, set aside $35,000 for the Library expansion project. Earning interest, this fund has grown to almost $57,000 ($56,500 plus interest). In fiscal year 2004, the City Council established a development impact fee for Library expansion. That fund currently has a balance of $197,900. These funds, $254,400, are currently available for the property purchase being contemplated by the County and Friends.

The Board of Supervisors will be considering a Memorandum of Understanding (MOU) with the Atascadero Friends of the Library group on November 9th. If the MOU is approved, escrow will be opened in December of this year. It will likely be a short escrow period. Staff is requesting Council appropriate these funds making them available to assist in this purchase.
FISCAL IMPACT:

The appropriation is $197,900 in Library Expansion Facilities Fees Funds and $57,000 in General Funds. These funds have been earmarked for Library expansion and will not impact other City operations.

ATTACHMENT:

November 9, 2010, Memo from Brian Reynolds, Library Director
To: Atascadero City Council

From: Brian A. Reynolds, Library Director

Date: November 9, 2010

Subject: Approval to disburse funds for Atascadero Library Expansion Project

Recommendation

The Library recommends that your Council approve disbursement of accrued funds for purchase of real property in Atascadero for the purpose of Library expansion.

Discussion

County Library staff and the Atascadero Friends of the Library have been working to expand the Atascadero-Martin Polin Library for many years. Recently, a site and building for expansion have been identified at 6550 Capistrano Avenue. The total cost of the project is approximately $8.4 million, including property purchase and tenant improvements. This will be a mixed use facility with the Library occupying 68% for approximately 15,000 square feet and County Offices (known as the North County “One Stop”) occupying 32% for approximately 7,000 square feet. The Library’s share of the total project cost is estimated at $5.7 million. County staff will be taking an Intent to Purchase resolution to the Board of Supervisors on November 9, 2010. The proposed purchase price is $3,410,000. The Library’s share of the purchase will be approximately $2,300,000. With Board approval of the Intent to Purchase, Authorization to Purchase will be considered by the Board on December 14, 2010.

Board policy requires that the community in which the Library capital project is located contribute 50% of project costs. City funds currently available include Developer Fees and a trust account, in the approximate amount of $254,000. These funds will help contribute to the community’s 50% share of this project. The Friends of the Library have indicated that they would like these funds to be used toward the community’s share of the purchase of the Capistrano property.

With Board approval on December 14, 2010, escrow will be opened shortly afterwards. The Library respectfully requests that your Council authorize disbursement of the City funds mentioned above into an escrow account.

Other Agency Involvement

The Library has worked with County Administration, the General Services Agency, and City Administration on this effort.

Financial Considerations

Approximately $254,000 in City funds would be deposited in an escrow account for purchase of a building located at 6550 Capistrano Avenue. Several other County departments are also going to occupy
approximately 7,000 of this 22,000 square foot facility and share the purchase cost. All County funds for this purchase are in place and available.

Per the Memorandum of Understanding between the Friends of the Library and the County, the Friends will be awarded a 50% credit of in the equity of the two parcels the current Library sits on plus two adjacent parcels, currently appraised at $1,600,000. This equity and County “One Stop Shop” contributions reduce the total cost of the Library share of the project by about $1,900,000 (compared to expanding on the current Library building site).

Results

Approval of this request will allow purchase of the Capistrano property and encourage donors to contribute to the Atascadero Friends of the Library Capital Campaign so that tenant improvements can begin and the process completed of moving from the current 7,000 square foot Library to a new, 15,000 square foot space.