



## Legislation Text

File #: 02741, Version: 2

### Fiscal Note

The 2006 Library Capital Budget includes a New Eastside Branch Library (Project No. 6). It anticipates the donation of land and planning funds in 2006.

### Title

SUBSTITUTE - Authorizing the Mayor and City Clerk to execute a Memorandum of Understanding with DJK Real Estate, LLC regarding development of and an endowment for a new east side library branch to be located in Grandview Commons.

### Body

#### PREAMBLE

DJK Real Estate, LLC and its affiliates, including members of the Simon and Rosenberg families (collectively "Donors") own and are developing Grandview Commons, a subdivision located on Cottage Grove Road. The Madison Public Library Board has identified a site within Grandview Commons as an appropriate location for a new library branch (the "New Branch"), and has worked with Donors towards the development of and provision for an endowment for the New Branch. The parties wish to memorialize their preliminary agreement in a nonbinding Memorandum of Understanding which shall set forth the parties' intentions as of this date. A more definitive binding agreement regarding the development of the New Branch and the Donors' proposed endowment therefor shall be presented to the Common Council for its approval later this year.

NOW, THEREFORE BE IT RESOLVED, that the Mayor and City Clerk are hereby authorized to execute a Memorandum of Understanding with DJK Real Estate, LLC regarding the development of a new library branch to be located at Grandview Commons, which Memorandum shall contain the following terms and conditions:

- Donated Property. Donors shall donate at no cost to the City a parcel containing approximately 42,000 square feet within the Grandview Commons subdivision for use as a new library branch. The legal description and boundaries of the donated property and the timing of the donation shall be determined by the parties. If construction of the New Branch is not commenced within seven (7) years from the date the donated property is conveyed to the City, ownership of the donated property shall revert to the Donors.
- Street Improvements and Parking. Donors shall be responsible for all street improvement costs for streets in the subdivision serving the donated property. Donors and the City agree to work together to ensure that there will be sufficient parking for employees and users of the New Branch onsite and on adjoining and neighboring parcels.
- Capital Donations. Donors shall tentatively commit to providing the following funds to the Madison Public Library Foundation to be exclusively used for planning the construction, equipping, furnishing and operation of the New Branch, as well as for its signage, promotion, web page development and fund raising campaign:
  - \$25,000 to be paid upon the execution of the Memorandum of Understanding; and
  - additional funds aggregating \$200,000 to be paid in annual installments of \$40,000 over a five year period beginning with the first anniversary of the execution of the Memorandum of Understanding.
- Naming Rights. Donors shall have the right to name the New Branch provided Donors deposit the additional sum of \$1,500,000 with the Madison Public Library Foundation. The proposed name shall be subject to the approval of the Madison Public Library Board and shall be consistent with current Board policy regarding naming rights. The naming rights option to Donors shall terminate, and the \$1,500,000 contribution shall be returned to Donors if the Board rejects the proposed name or if the City has received a donation of \$2,000,000 or more from a third party or parties prior to Donors exercising their naming rights option.
- City Obligations. The City, the Madison Public Library and the Madison Public Library Foundation shall be responsible for raising any and all other necessary public and private funds in order to construct, furnish, equip and operate the New Branch. ~~The City will include in its 2006 capital budget funds in an amount not less than \$25,000 to be used exclusively for planning the construction and operation of the New Branch.~~