



## Legislation Text

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**File #:** 34376, **Version:** 1

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### Fiscal Note

This resolution amends the agreement between the Madison Public Library Foundation, Inc. (MPLF) and the City regarding capital campaign contributions for the Central Library capital project. The project was funded at a total amount prior to construction of \$29.8 million, with \$2.1 million from 10 year general obligation promissory notes, \$15.2 million of 20 year general obligation bonds, a \$4 million direct appropriation from the general fund and an \$8.5 million private contribution from the MPLF. After construction began, additional funding of \$175,000 for a pipe repair project was added from the Insurance Fund, which increased the total funding level to \$29.985 million (see Legistar #29804).

Actual costs of the project are approximately \$1 million less than budgeted. That savings was split commensurate with the original funding sources to the project (72% city and 28% MPLF). The MPLF share of the savings reduces the \$8.5 million private contribution to \$8.215 million. The MPLF has transferred \$6.89 million to the City for the project. The MPLF will make its best efforts to provide the remaining \$1.326 million over the next four years. Any shortfall in reaching that goal will be shared equally between the City and the MPLF.

The cost savings associated with the City share remains in the Capital Projects Fund. The Capital Projects Fund will have to carry the remaining \$1.3 million commitment from the MPFL for the project until it is expected to be retired in 2017.

### Title

Authorizing the Mayor and City Clerk to execute an amendment to the agreement with the Madison Public Library Foundation, Inc. regarding capital campaign contributions for the Central Library

### Body

In December of 2011, the City entered into an Agreement with the Madison Public Library Foundation, Inc. (the "Foundation") regarding capital campaign contributions for the Central Library reconstruction project. Under that Agreement, the Foundation agreed to use its best efforts to raise and contribute \$8.5 million towards the estimated \$29.8 million cost of the Central Library project, and to transfer the amount of \$4,140,000 to the City on or before December 12, 2012. The Central Library project is complete, and the actual cost of the project is less than the project budget by approximately \$1,000,000. Representatives of the City and the Foundation met to discuss the project cost savings, and agreed to allocate a proportionate share of the project cost savings to the Foundation, thereby reducing its capital campaign amount from \$8.5 million to \$8,215,000. To date, the City has received cash and qualified in-kind contributions from the Foundation in the aggregate amount of \$6,889,288, leaving a balance of \$1,325,712. In order to address the project costs savings, the remaining balance of campaign contributions, and any potential shortfalls, the Foundation and the City have agreed to amend the Agreement as follows:

1. Due to the project cost savings of the Central Library project, the adjusted goal of the Foundation's capital campaign shall be reduced from \$8,500,000 to \$8,215,000.

2. The Foundation will use its best efforts to collect the following pledged receivables and transfer such amounts to the City on or before December 31<sup>st</sup> of each year:

2014 Projected Transfer	\$397,297
2015 Projected Transfer	\$441,718

2016 Projected Transfer	\$409,912
2017 Projected Transfer	\$ 85,350
<b>Total</b>	<b>*\$1,334,227</b>

**\*This is in excess of what is owed to the City of Madison (\$1,325,712).**

3. If, by December 31, 2017, the Foundation has received and paid over to the City an amount less than \$1,325,712 (the "Campaign Shortfall") the Foundation agrees to pay to the City an amount equal to 50% of the Campaign Shortfall.

4. If the capital campaign results in net contributions to the Foundation in excess of the cash balance due, the Foundation shall establish a Foundation endowment to be held by the Madison Community Foundation, the income of which shall be made available for use by the Central Library for its programming and related activities

Now therefore, be it resolved, that the Mayor and City Clerk are hereby authorized to execute an amendment to the Agreement between the City and the Madison Public Library Foundation, Inc., on the terms as set forth in this Resolution, all in a form to be approved by the City Attorney.