



To: Jones Library Board of Trustees
From: Amherst Town Council
Re: Request for Financial Information Regarding the Proposed Library Expansion Project
Date: January 4, 2021

The Jones Library Board of Trustees has requested that the Town Council make a decision whether to accept the grant for Renovation/Expansion of the Jones Library from the Massachusetts Board of Library Commissioners (MBLC) by the end of April 2021, although the Council may decide to extend that deadline. Recognizing the significant effort and work of the present and past Jones Library Boards of Trustees, the Town Council views this memo as the basis for establishing an opportunity to consolidate that information and present it to the Town Council and the residents of Amherst.

In order for the Town Council to consider accepting the grant, we are requesting a comparison of the MBLC Funded Proposed Library Renovation/Expansion Project to the Two Options for the Potential Repair of the Library.

Specifically, we are asking the following:

1. That the information outlined in this memo, as well as other relevant information that the Trustees view as important, be provided to the Town Council and the residents of Amherst in a consolidated written and oral presentation at a future Town Council Meeting – date to be mutually agreed upon.
2. That on a subsequent date(s), the Town Council and Jones Library Board of Trustees hold at least one Public Forum allowing residents to ask questions and express their views regarding the proposed project.
3. That responses to additional questions from the Town Council be provided to the Town Council prior to any action taken in consideration of accepting the grant.

The information request draws upon many of the documents that can be found on the Jones Library website: <https://www.joneslibrary.org/352/Jones-Building-Project>. In addition, we realize that some of the information requested will require projections and estimates. In such instances, please provide at least a range and any assumptions underlying the estimates.

Please note that when we ask for total project costs on lines 1.a,b,d we are asking for estimated total costs inflated to the construction year as appropriate and any additional costs for sustainability/energy conservation.

Signed on behalf of the Amherst Town Council,


J Lynn Griesemer (Jan 7, 2021 08:11 EST)

J. Lynn Griesemer
Town Council President

I. Description of the two options.

Please provide the links to the documents that best describe the following:

1. MBLC Funded Renovation/Addition
2. Repair – Option 1 (3 Phases)
3. Repair – Option 2 (2 Phases)

II. Comparison of Costs (e.g.: Please consider presenting the answers in table format.)

A. Comparison of Costs	Renovation/ Addition	Repair – Option 1	Repair – Option 2	Comments:
1a. Estimated total cost if it begins in 2021? *				
b. If it begins in 2022?				
c. If it begins in 2023?				
2. Does the cost estimate include the cost of improving energy efficiency, increase in the use of renewable sources, or other sustainability measures? Please provide specifics of inclusions or exclusions.				
3. What level of energy efficiency do you expect to achieve in annually once the project is completed?				
4. Does the cost estimate include updated costs of demolition and removal of building debris? If not, please provide the estimated additional costs.				

A. Comparison of Costs	Renovation/ Addition	Repair – Option 1	Repair – Option 2	Comments:
5. Does the cost estimate include rental and temporary housing of Jones books and other materials? If not, please provide the estimated additional costs. If so, please provide the length of time the relocation would be needed.				
6. Does the cost estimate include making the library fully ADA accessible, including all the disability related changes that were detailed in the Kuhn-Riddle study?				
7. Does the cost estimate include provision for new furniture, carpets, stacks, and other furnishings? If not, would this be an additional cost, or would the current furnishings be used?				
8. Does the cost estimate include additional costs to the Town that may be incurred during construction such as for parking, street closure, etc.?				

Footnotes:

* For the purpose of this calculation please use the **total estimated cost inflated as appropriate** including planned sustainability adjustments.

The [library grant application](#) estimated that the total costs would be \$35.6 million assuming construction took place in 2019. The grant application indicated an assumption of 4% escalation in costs per year from the original 2017 estimate. Since the initial application, Jones has conducted further study to estimate the costs of investment in sustainability infrastructure to reduce the energy consumption. The [Finegold Alexander August 2020 report](#) provides estimates of the costs for a more efficient, “greener” building depending on choices made in the construction.

III. Comparison of Financing and Cost to Taxpayers of the Proposed Library Renovation/Expansion Project to the Two Options for the Potential Repair of the Library.

The Jones Library Trustees anticipates that the MLBC will award a grant of \$13.7 million. In the January 16, 2019 presentation to the own Council the Library director outlined the following sources to expect to fund the total costs of the project assuming a total cost of \$35.6 million.

- \$13.7 million MBLC grant
- \$15.9 million from Town Taxpayers
- \$ 2.9 million from Fund Raising
- \$ 3.1 million from Historic Tax Credits

Similarly, the Jones Library Trustees, the during the July 13, 2020 presentation of the Accessibility and Repair Report, provided Two Repair Options the following estimated costs.

- Option 1: \$16.8+ Million (3 Phases)
- Option 2: \$14.4+ Million (2 Phases)

Questions:

1. Please provide an estimated monthly cash flow for the renovation/addition and both repair options based upon the various sources of revenue and expenditures. This would include expectation of the grant pay out and the amount that would need to be financed by the Town.
2. Fundraising from Donors: You anticipate raising \$2.9 million for the renovation/addition
 - a. Do you anticipate you will have the \$2.9 million in Funds raised **before** the Council has to vote on whether to accept the grant or not? If not, when you you expect to have the amount raised, and what is the plan for turning the funds raised over to the Town? Do you have any major donations pending prior to the Town Council decision?
 - b. Would there be any fundraising anticipated for the repair options? Why or why not? What would be the target for that fundraising?

3. Community Preservation Act Funds: You have applied for \$1 million from CPAC in FY22 for the renovation/addition.
 - a. Are you assuming that the CPAC is part of “fund raising”? Or would the requested \$1 million reduce the “Town Taxpayers” share to \$14.9 million?
 - b. Do you anticipate requesting additional funds from CPAC in FY23 or beyond for the other historic preservation work, such as exterior repairs to the original building??
 - c. If the decision is to repair the Library, do you believe any of the repairs would be eligible for CPA funding and do you anticipate making such requests?

4. Historic Tax Credits:
 - a. By what date will you know if the historic tax credits are a reality for the renovation/addition? When would be the earliest date the Town would receive such credits? If the tax credits arrive in increments, please provide an estimated schedule of when those tax credits would become available.
 - b. Would the repair options be eligible for historic tax credits?

5. Endowment as Collateral: At a Trustees meeting you voted to put the Endowment at risk for the share of total costs of renovation/repair not covered by the grant or the Town’s \$15.9 million.
 - a. How would you propose to do this? Would you reduce the Endowment to lower the cost to the Town of the initial debt financing? Or would you commit to paying a share of debt service each year? Please explain.
 - b. If the Town chose one of the repair options, will any of the Endowment be eligible toward paying for the repairs?

6. Closure During Construction:
 - a. The Renovation/addition would require that the Library being closed for two years during construction. Would the Jones Library continue to operate elsewhere? If so, would all Jones Library Staff continue to be employed/paid?
 - b. How does this compare (both costs and service disruptions) to the closures needed and estimated under the Kuhn Riddle repair plan?

IV. Endowment Use for Operating Budget

1. What is the amount of the current endowment? What is the annual rate of return in dollars? How much (e.g., dollars and percent) of the endowment was dedicated to supporting the FY21 operating budget?

2. After completion of either project (Expansion or Repair Options 1 or 2), do you anticipate requiring a large annual draw to support the operating budgets? Please explain why or why not for each project?

If the endowment is required to finance part of either building project (Expansion or Repair Options 1 or 2), will it be able to continue to support the operating budget at the same level?

V. Operating Budget

1. The proposed expansion project would significantly expand the square footage of Jones, including space for Special Collections. What is the impact on the operating budget if you assume the hours of operation for Jones and branches are at pre-COVID levels? How is this different from future assumptions if only repairs are made?
2. Please provide estimates of future operating budgets and staffing after each project option is completed (Expansion or Repair 1 or Repair 2), separating personnel costs from building operational costs (e.g., heating, electricity, etc.) In addition, please provide estimates for 10 years of future maintenance costs under each project.
3. Does completing either project (Expansion or Repair 1 or Repair 2) in any way jeopardize continued operating funds support of the Branch libraries?
4. Are there estimated savings in operating energy costs from the investment in energy efficiency through the Expansion/Renovation project? If yes, please estimate the annual impact and whether that impact would be able to offset increases in operating budgets, if any, projected in questions above. How does this compare to the estimated energy use (including HVAC Fossil fuels) if only a repair of the building is done, per the Kuhn Riddle report?
5. Do your estimates of future operating costs for either project include a specific allocation to maintenance of capital – the needed annual budget allowance for cost to maintain over a life cycle? Do current operating budgets include such allocations?






FINAL Memo to Jones Library re Ren Expan vs. Repair voted 01-04-2021

Final Audit Report

2021-01-07

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