

Fayetteville Public Library
Board of Trustees Special Meeting
July 22, 2013, 5:30 pm
Minutes
Prepared by S. Daniel, Office Manager

Board members present: K. Agee, C. Adams, B. Boudreaux, S. Clark, S. Graham, E. Jordan, and M. Rice.
Staff present: D. Johnson, L. Greenwood, S. Palmer, S. Daniel, M. Burdette, B. Holt, and D. Wax
Press: T. Hernandez
Others: V. Chadick, Bassett Law Firm LLP

- I. The Board of Trustees meeting was called to order at 5:30 pm by K. Agee.
- II. Draft Master Plan: D. Johnson noted attendance at many programs exceeds capacity so that people must be turned away or the library must pay for a second performance. In turn, parking has become a problem. The current building was designed to accommodate a community with 50% active cardholders. In actuality, about 88% of residents in our service area have library cards. As a result, the community has outgrown this building earlier than predicted. These circumstances led the Board to contract with architect Jeffrey Scherer and library consultant Anders Dahlgren – both preeminent in their field – for a space needs analysis. A series of community input sessions helped determine the community's needs. Based on this data, Scherer developed a draft master plan calling for 168,000 sq ft of library space. Though expansion is possible on the current footprint, the maximum attainable is 124,000 sq ft necessitating the need to eliminate services, revisit the space issue again in a short time frame, and move existing operations off site during the building process. Washington Regional's decision to sell the former City Hospital land presented an option for FPL to expand in proximity to its existing structure. Though nearing completion of the selling process, hospital CEO Bill Bradley agreed to give the library an opportunity to submit an offer with the understanding that the library would accelerate its planning and purchasing process.
- III. Legal limitations for libraries to acquire land and enter into debt: V. Chadick noted the library board has the authority under Arkansas law to purchase property; municipal approval is not required. It probably has the authority to borrow money and presumably can enter into an agreement with Washington Regional to make installment payments. It does not have the authority to issue bonds; only the city may do so. If the library were to borrow funds, the question becomes how to collateralize the loan. D. Johnson emphasized that funds designated for maintenance and operation of the library would not be used to collateralize a loan. Within the bounds of the law, the library board may make final decisions on purchasing and taking out a loan without City Council approval. If FPL enters into a loan, the city of Fayetteville's bond rating is not affected.
- IV. Appraisal of Washington Regional property by The Real Estate Consultants: The property appraised at \$16/sq ft; the existing structures are without value. The appraised value is not related to the sale price.
- V. Environmental assessment & disclosure: An environmental assessment was done in 1992 and an abatement program in the early 2000s addressed a portion of the asbestos present in the building. EEG is currently doing a second analysis (full phase 2) to determine how much asbestos is left. Once the quantity is known, an abatement cost can be estimated. None of the other bidders has done an environmental assessment.

M. Rice moved the library board discuss with Washington Regional the options for public use of this land; this motion is nonrestrictive on future decisions about the property. B. Boudreaux seconded. All voted AYE.

- VI. Options to fund a possible purchase: S. Davis identified several funding sources (see memo) that could be used to create a \$2 million offer. Foundation money would not be used nor would the Library's building maintenance and IT funds. A fund to replace furniture would be drawn down leaving a corpus of \$100,000. In summary, the proposed approach would not impose any risk on the operation of the existing building. FPL management is currently in talks with Arvest about the possibility of borrowing and has asked Arvest to quote interest rates for a range of amounts.

M. Rice moved to create a committee composed of K. Agee, D. Johnson, S. Davis and V. Chadick to engage with the Washington Regional board and management to explain FPL's purpose is to develop the property for public use and further explain that the real value of the property includes intangibles to the community, the work of this committee to be done expeditiously. Motion failed for lack of a second.

VII. Discussion: The Washington Regional Board is unwilling to accept a discounted offer; therefore the library's bid needs to be competitive and timely. We don't know what the other bids have been; however they are contingent upon the city council agreeing to rezone the property. It is the library board's job to determine how much to offer and to present terms most appealing to Washington Regional.

M. Rice moved to appoint a committee composed of K. Agee, D. Johnson, S. Davis, and V. Chadick to meet with the trustees and management of Washington Regional and offer \$2 million for the property emphasizing the value of its public use. The committee is authorized to work out the terms of the offer and a possible naming opportunity for Washington Regional. C. Adams seconded. All voted AYE.

VIII. Adjournment: **B. Boudreaux moved to adjourn; M. Rice seconded. All voted AYE. Meeting adjourned at 6:45 pm.**

Brenda Boudreaux