



## Request for City Council Committee Action From the Department of City Coordinator

**Date:** July 18, 2005

**To:** Council Member Barbara Johnson, Chair  
Ways & Means/Budget Committee

**Subject:** New Central Library Project – Revised Project Budget

### Recommendation:

Accept the New Central Library Implementation Committee recommendation to adopt the attached revised New Central Library Project Budget of \$138,793,700.

### Previous Directives:

October 25, 2002 Acceptance of the Schematic Design Project Budget of \$134,465,000

October 25, 2002 Adoption of resolution requesting the Board of Estimate to sell General Obligation Bonds supported by parking revenues in the amount of up to \$10.1 million

August 9, 2002 Commitment of \$900,000 to partially cover the cost to retain the Planetarium as part of the New Central Library contingent upon a similar contribution by the Library Board

July 12, 2002 Concurrence with the Library Board action of 6/19/02 to include a two level parking garage under the new Central Library and dedicate \$2 million of the library project budget to partially finance the cost of the parking with the remainder to be financed by bonds backed by parking garage revenues.

May 18, 2001 Approval of the New Central Library Project Scope, Budget and Schedule.

**Prepared/Submitted by:** Richard A Johnson, Project Coordinator \_\_\_\_\_

**Approved by:** John Moir, City Coordinator \_\_\_\_\_

**Presenters in Committee:** Richard A Johnson, Project Coordinator

### Financial Impact (Check those that apply)

- No financial impact - or – Action is within current department budget  
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (use any categories that apply)

Neighborhood Notification

Neighborhood Notification

City goals

Zoning Code

Other

**Background/Supporting Information:**

The initial project budget for the New Central Library Project was set at \$122,565,000 in May 2001. Since that time, additional appropriations were approved in 2002 for planetarium infrastructure and below-grade parking, and the budget was increased accordingly.

During the course of the project, the capital campaign was increased from a preliminary goal of \$12.0 million to \$15.0 million. However, the project budget was not adjusted to reflect the revised campaign goal in order to maintain a conservative approach to managing project costs in the event the capital campaign did not meet its goal.

More recently, additional funds have been appropriated to cover the costs of the green roof. The project budget should be adjusted to reflect the additional funding.

The current projected cost of the New Central Library Project is \$138,793,700. Current funding, including all previously committed funding sources and a \$15.0 million capital campaign goal (of which approximately \$12.4 million has been raised) is \$138,793,700.

In June 2005, the Minneapolis Library Board approved a contingency plan that will contribute up to \$1,945,000 in trust funds to cover project costs if the capital campaign fundraising falls short. The balance of the project costs not covered by current funding and Library Board trust funds will be covered by either additional fund raising, reallocation of unspent contingency (currently \$2.4 million remains unallocated), or reductions in the furniture and equipment budgets.

The attached chart shows changes in the project budget.

From the beginning, the New Central Library Project has been managed to minimize the financial risk to both the City of Minneapolis and Minneapolis Library Board by ensuring that costs are aligned with committed funding sources.

**The Project is not over budget, and we are not requesting additional funds to cover cost overruns.**

Rather, we are requesting that the project budget be adjusted to reflect previous funding appropriations and commitments, and we have a contingency plan in place to cover the difference between current committed funding and remaining funding to complete the project.

Richard Johnson will be present at your committee to respond to questions. Thank you for your consideration.

Enclosure