



CITY OF SEDRO-WOOLLEY
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Keith L. Wagoner
Mayor

September 15, 2016

Central Skagit Rural Partial County Library District
Mary Alice Grobins, Chair
100 State Street
Sedro-Woolley, WA 98284

RE: Partnership Negotiations

Dear Mary Alice:

I am writing to more formally follow up on our meeting from August 22nd. At that meeting, your team outlined several concerns and the City's team provided some immediate and fairly negative feedback. The purpose of this letter is to encourage your board to continue talking about partnership opportunities and to more formally respond to the issues raised. Specifically, you raised four issues of contention at that meeting: (1) Ownership of the real estate, (2) Location of the library, (3) Design decision-making process, and (4) Representation on the board.

- (1) Ownership: The City will not accept an agreement where the assets of the partnership library are wholly owned by the district. I believe the fair solution to both parties will recognize the value each brings to the partnership, and address asset disposition differently based upon different situations. If the City annexes to the district, the assets would become District assets. If the agreement is breached or fails to continue at the end of its term, then each party would own a proportionate share of the library's assets based upon the proportion contributed to the partnership (e.g., if at the end of a 20 year term, the city provided \$500,000 in materials and \$8,000,000 in annual payments and the district provided \$1,000,000 in FF&E and opening day collection along with \$15,000,000 in annual expenditures, then each party's ownership of the city location library would be: 35% City and 65% District. Additionally, the City must have the first right of refusal to buy the District out of the City location library. If the district is dissolved, then all of the assets of the city location library would be transferred to the City. To be clear, there is no path forward for the City that potentially leaves our community without a library under future scenarios.
- (2) Location: The City supports a public process to determine the best location in or near the City's central business district. This does not preclude possible satellite locations in the future but it does require a robust, fully functioning "Main Library" that markedly exceeds our current libraries' services in all

areas. Our process should include a committee of City and District representatives (similar to the committee convened to select our architect) to review recommendations from the public process and recommend a final location to be ratified by both the City Council and your Board of Trustees. I have made no secret of the fact that economic revitalization of the central business district is one our City Council's objectives. This is a critical decision and the city expects to work with the District as an equal partner on this decision-making process.

- (3) Design: The City also expects to be an equal partner in the design process. Design, location, and budget are inextricably linked making this an even more important issue for the City Council and District Board to address as partners. I see a public process, a joint committee recommendation and final decision made by both entities as the most logical and fair process to decide both location and design.
- (4) Board representation: The five member board should be comprised of rural and City representatives in proportion to the Federal Census. For example, if the combined District/City population is 26,000 with 11,000 City and 15,000 District, then the board should have two City representatives and three rural representatives. Again, this respects our partnership and allows flexibility for change in an uncertain future.

On behalf of the City, I encourage your board to continue to work toward a cooperative approach to providing library services in our region. There is no question in my mind that if we do this correctly, both the city and the rural residents will have more access to better facilities and materials than if we proceed independently.

I look forward to your response.

Sincerely,

CITY OF SEDRO-WOOLLEY



Keith L. Wagoner, Mayor

cc: City Council
Debra Peterson, City Librarian