



## Library Partnership Concept

### City of Sedro-Woolley (City) & Central Skagit Rural Partial County Library District (District)

**Conceptual Overview:** Use the resources from the City and the District who both desire to provide public library services to jointly acquire, construct and own a new, larger library facility. The City will contract with the District to operate that library, providing equal access to library services to the combined residents of the City and the District at no additional cost. The combined services and jointly developed library facility will be greater than either entity could provide alone.

**Mechanism:** Three interlocal agreements (ILA) to address different phases and elements of the partnership. Approval of each agreement by both the City Council & the District Board of Trustees is required.

**Authority:** RCW 39.34 (Interlocal Cooperation Act), RCW 35A (Optional Municipal Code) & RCW 27.12 (Public Libraries).

#### **Public Process:**

**City:** Pursuant to Resolution 943-16, the City Council committed itself to a minimum of four (4) public meetings with a variety of public engagement prior to final approval. Following the negotiating team's recommendation of this concept, the City Council will hold a special meeting (minimum 10 days' notice) to hear this proposal and discuss it with the public in a workshop/open house format. If the Council desires to proceed with further consideration of the recommendation, a second reading with additional opportunity for public comment will be scheduled. At that point, the Council could take action to advance a concept to draft contracts stage. At least two additional meetings would be held prior to approving any contracts under Resolution 943-16.

**District:** The District Board of Trustees will have public process, specific details of which are yet to be developed.

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## City-District Partnership ILA:

**Parties:** City & District

**Term:** Indeterminate

**Key Provisions:**

*Pre-design Process.* Costs will be shared in proportion to population based upon the 2010 U.S. Census (City 10,540, District 14,933 = 41% City and 59% District). This process will be jointly administered with decision-making by each entity on three key decisions: conceptual design, budget and location. This process will include opportunity for robust public participation, including at least one joint open house with the architectural team. SHKS Architects will provide architectural, design and engineering support for this process through its pre-design contract with the City dated April 28, 2016. The District will reimburse the City for its share of the pre-design costs incurred following the effective date of this agreement.

*City's Special Historical Collection:* This collection of approximately 500 books, primarily on local history, will remain the property of the City, but will be on permanent loan to the District for the benefit of the public as reference materials.

*City Employees:* The City currently employs two (2) full-time<sup>1</sup> and five (5) part-time<sup>2</sup> employees to operate the Sedro-Woolley Public Library. Upon the effective date of the Library Services ILA, the District agrees that the City's library employees will be eligible for transfer to the District (i.e., the District agrees to hire those employees who apply to transfer), with no reduction in pay and with equivalent benefits.

*City Collection/District FF&E:* Upon the effective date of the Library Services ILA, the City will transfer its collection to the District for shared use at the new library; the District agrees to contribute approximately \$900,000 for furniture, fixtures and equipment for the new library, depending on the size of the facility, prior to the opening day of the new library, and up to an additional \$625,000 for the opening day collection.

*Pre-Annexation Issues:* The City agrees to ask the voters to consider annexation into the District no later than five (5) years prior to the expiration of the Library Services ILA.

*Representation:* RCW 27.12.190 vests the authority to appoint District trustees in the Skagit County Board of Commissioners. The District has already taken formal action, by amending its bylaws, to support including trustees from within the City. Under RCW 27.12.190, the parties are unable to bind the Skagit County Commissioners.

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<sup>1</sup> Debra Peterson & Teresa Johnson

<sup>2</sup> Allia Allen, Mary Andersson, Carol Bohmbach, Christine Hunter & Bobbie Jacobson

56                    *Timing/Joint Operations:* This agreement will be effective upon execution by both  
57 parties. Thirty to sixty days after final approval by both parties of the conceptual design & location until  
58 the new library opens, the District shall operate the Sedro-Woolley Public Library at its current location  
59 and be responsible for all costs of operating. The District will continue to operate its existing facility  
60 until the new library opens.

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79 **Building Joint Development & Ownership ILA:**

80 **Parties:** City & District

81 **Term:** Indeterminate

82 **Key Provisions:**

83 *Ownership:* Building ownership will be shared in proportion to population based upon  
84 the 2010 U.S. Census (i.e., City 10,540, District 14,933 = 41% City and 59% District). The property shall  
85 be titled in both entities' names as joint tenants.

86 *Budget:* Unless the parties agree otherwise, the maximum principal face amount of  
87 debt that will be incurred for this project is \$5.0M, exclusive of interest. Additional funds for this project  
88 will be sought from other sources, including direct appropriation from the legislature.

89 *Funding:* Debt will be in the form of City issued general obligation bonds or other such  
90 similar debt instrument with a maximum term of 20 years. The District will make payments to the City,  
91 no less frequently than annually, in advance of the City's periodic bond debt service payment dates until  
92 the debt is paid in full. Debt service will be shared in the same proportion as the ownership of the  
93 building. Financing costs are included in the project budget.

94 *Building Design & Construction Administration.* Using the Conceptual Design, budget  
95 and location approved by both the City and the District, the Parties will jointly administer the design and  
96 construction and delegate authority as appropriate based upon each Party's strengths, experience and  
97 legal capabilities. This provision is intended to allow for the timely and efficient development of the  
98 new library, while including both parties and stakeholders in the process. Reasonable administrative  
99 costs for the lead entity shall be part of the project budget.

100 *Reserve Fund:* Following the final retirement of the bonds, the Parties will continue to  
101 make the same annual payments which will be placed in a Joint Reserve Fund which will be held by the  
102 City for the restricted purpose of major repair, expansion and/or future reconstruction; each party will  
103 "own" its share of the reserve fund which may be spent upon the approval of both parties or distributed  
104 consistent with the "Future Conditions" below.

105 *Roles & Responsibilities:* Costs of property insurance will be shared proportionately; the  
106 parties will work together to maximize efficiency in insuring the property. The District will have  
107 possession of the building for the term of the Library Services ILA and for this period, will be solely  
108 responsible for building and property maintenance, repair costs and liability insurance.

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*Future Conditions:*

- A. City voter approved annexation into District: The building, property and Joint Reserve Fund balance will be transferred to the District at no cost to the District.
  
- B. District voter approved dissolution of District: The building, property, Joint Reserve Fund balance and the collection will be transferred to the City at no cost to the City to allow the City to keep and maintain a public library.
  
- C. Mechanism/process for separation: No separation will be allowed during the term of the Library Services ILA. Should either party desire to separate the building/property, the parties shall first meet & confer, provide written notice to the other party of its intent and no earlier than 90 days from the written notice and no later than 180 days, select and meet with a mediator in an effort to find an amicable separation. This process shall be a requirement prior to any legal recourse.

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**Library Services ILA:**

**Parties:** City & District

**Term:** 20 years

**Key Provisions:**

*Levels of Service:* District will provide access to City residents at no additional charge on the same basis as residents of the District.

*Cost:* The City will pay the District, in equal quarterly installments, an annual payment calculated by taking the District’s millage rate per \$1,000 in assessed value times the City’s assessed value divided by 1,000 minus the City’s building payment (e.g.,  $\$.46/\$1,000 \times \$800,000,000/\$1,000 - \$143,500 = \$224,500$ ).

*Renewal.* The Parties will meet and discuss terms of renewal no later than three years prior to the end of the Agreement. If no agreement is forthcoming, the Parties shall prepare a plan or plans to ensure adequate library services for both the City and the District no later than one year before the end of this Agreement.

*Effective Date:* This agreement would become effective thirty days following final approval of the conceptual design and location as discussed in the City-District Partnership ILA.