

Memorandum

**TO: Library Commission
as the Citizen Oversight Committee
for the Library Bond Program**

FROM: Jane Light, Library Director

SUBJECT: See Below

DATE: November 14, 2007

**SUBJECT: ANNUAL 2006-07 STATUS REPORT ON THE BRANCH LIBRARY BOND
PROJECTS**

RECOMMENDATION

Staff recommends that the Committee accept this report on the library bond projects.

BACKGROUND

After overwhelming voter approval of the Branch Library Bond Measure in November 2000, the City Council appointed the Library Commission as the Citizen Oversight Committee to conduct an annual public hearing and prepare an annual report informing the Council and public of the appropriateness of bond expenditures, the progress of the various projects, and the results of the annual audit on or before December 31st of each year.

This staff report to the Citizen Oversight Committee provides an update on the status of the branch library bond projects at the end of our sixth full fiscal year (2006-07).

PROJECT STATUS

Three expanded branches were completed during FY 2006-07. Grand opening celebrations were held for the Evergreen Branch on September 16, the Cambrian Branch on November 18, and the Hillview Branch on January 20. In addition, construction began on the Edenvale, Joyce Ellington, Pearl Avenue and Willow Glen branches.

Design continued on the East San Jose Carnegie and Santa Teresa branches and began on the Bascom and Seven Trees joint use facilities. After two community meetings on the subject, a decision was made to replace the Calabazas Branch at its current site rather than relocate it to Rainbow Park. City staff also reached an agreement with the East Side Union High School District regarding the Educational Park Branch to construct a new building on the current library's parking lot. The existing leased building will be returned to the school district. Site

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selection for the Southeast Branch Library is underway. Discussions are being held with Evergreen Valley College to utilize undeveloped land on the campus for the project. The property acquisition schedule for this project is currently pending the outcome of these discussions.

This is the third consecutive year of high escalation in construction costs. In FY 2004-05, the planned sizes of the larger branches were reduced to address the higher costs. In FY 2005-06 and in FY 2006-07, the budgets of many of the projects were increased during the preparation of Capital Improvement Program. The primary sources of funding being used to increase these budgets is estimated interest earnings on bond proceeds, savings from completed projects, and a transfer from the Library Construction and Conveyance Tax Fund to the Branch Libraries Bond Projects Fund to cover Library Bond Program Management staff costs. Continued escalation of construction material costs may require additional budget adjustments in the future.

Project Budget Adjustments

Project	Adopted 2006-2010	Adopted 2007-2011	Adopted 2008-2012
Bascom	\$12,084,000	\$14,182,000	\$15,151,000
Calabazas	5,491,000	6,584,000	6,767,000
East SJ Carnegie	6,735,000	8,247,000	9,248,000
Educational Park	10,511,000	12,731,000	13,483,000
Pearl Avenue	7,807,000	9,286,000	9,286,000
Santa Teresa	12,348,000	15,258,000	15,618,000
Seven Trees	11,692,000	14,021,000	14,985,000
Southeast	6,716,000	8,840,000	9,112,000
Willow Glen	7,139,000	8,395,000	9,002,000
Total	\$80,523,000	\$97,544,000	\$102,652,000

Community input into the location, design, and construction of the branch libraries continues to be an essential part of the program. Each branch project will have a minimum of four community meetings regarding the building program, conceptual design, schematic design, and public art.

The November 2007 Branch Library Development Update providing more detailed information on activities for the projects underway is attached. In addition, details and updates on each project can be found at the Branch Library Development website: www.newsanjoselibraries.com.

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PROJECT FINANCING AND EXPENDITURES

A total of \$200.6 million in General Obligation Bonds have been issued to fund library projects through FY 07-08. In addition to the \$200.6 million in bond revenue, interest earned totaled \$13.7 million through June 2007 for total revenue of \$214.3 million. Through June 2007, approximately \$146.7 million of these bond funds had been expended or encumbered. The balance of the unexpended funds will primarily be used for design and construction contracts for the Calabazas, Educational Park, and Southeast branches, and construction contracts for the East San Jose Carnegie and Santa Teresa branches, and the Seven Trees and Bascom joint use facilities.

The table below shows the total revenues, expenditures and encumbrances through June 30, 2007 for library projects.

Fiscal Year	Bond Proceeds/Interest	Expend/Encumb
2000-01	\$ 31,048,612	\$ 405,815
2001-02	1,058,668	5,194,484
2002-03	31,723,931	12,902,627
2003-04	815,110	21,590,068
2004-05	81,121,412	33,306,411
2005-06	62,441,310	31,370,830
2006-07	6,049,360	41,931,536
Total	\$214,258,403	\$146,701,771

A representative from the Finance Department will attend the Committee meeting to answer any specific questions regarding the audit and financial statements.

CONCLUSION

As of June 2007, nine of our library projects, two new branch and seven expanded branches, are in design or construction and three new and six expanded branches have been completed.

JANE LIGHT
Library Director

Attachment