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HEADLINE: New library may be cheapest option;

A report supports moving ahead in Minneapolis, but a key City Council member is skeptical.

BYLINE: Rochelle Olson; Staff Writer

BODY:

If they build it, they'll save money, Minneapolis library officials concluded in a report on whether to continue, delay or downsize the planned new downtown library.

Library Director Kit Hadley said the analysis indicates the operating costs of the new building will be considerably lower than any alternative studied.

Running the new library also will require 15 percent less staff and will save about \$300,000 annually in heating and other maintenance costs compared with the now-demolished library building on Nicollet Mall.

"We would be in a worse situation if we were in the old Central Library," Hadley said.

In a 2000 referendum, Minneapolis voters approved a new \$122.5 million building. But the project's future was questioned this winter by some City Council members as the state and city budget crunch worsened.

A majority of the Library Board has appeared friendly to advancing the project, but the latest analysis did little to assuage the concerns of the council's lead skeptic.

Barbara Johnson, chairwoman of the council's Ways and Means Committee, said she's not surprised that the new building will be cheaper and more efficient, but the system's looming operating deficit continues to concern her.

"The question is: Do you go forward with a building? Yes, it might be the cheapest option, but you can only keep it open two days a week and you close half the neighborhood libraries," she said, speaking hypothetically. "The long-term viability of the system is really at question."

The library's core fiscal problem is a projected \$52 million operating budget gap

through 2010, if Gov. Tim Pawlenty's proposed cuts in state aid become law. Even without the cuts, the system faces an accumulated deficit of half that amount, equal to roughly a year's operating budget.

While Hadley scrupulously avoided making a recommendation in the report or in an interview Friday, she did say, "I'm concerned that people think if we just didn't build the new library, our operating budget problems would go away."

If asked, Hadley said, she will give a recommendation to the board when she presents the analysis at a meeting to begin at 6 p.m. Wednesday. The board will discuss the report and possibly make a recommendation on the downtown library's future. Hadley also is to report on the analysis at the Ways and Means Committee meeting on April 14.

Seeking answers

The analysis sought to answer four questions, including whether it was feasible to stay in the interim Marquette Plaza site. The costs of acquiring and staying in that building, which formerly housed the Federal Reserve Bank, range from \$67 million to \$135 million. Operating costs would be higher in the building, and it is not for sale.

The study also explored the potential for lowering capital costs for a new building and determined the best option was to defer some elements rather than downsize or redesign the entire project. Downsizing might require leasing space for administrative offices, and redesign costs would be substantial, the report concluded.

The analysis estimated the cost of a delay at \$200,000 per month and noted that the Marquette Plaza lease expires Dec. 31, 2006. The current favorable economic climate for construction costs and the long-term impact on the stored library collection also should be considered, the analysis said.

Adding it up

Board President Laura Waterman Wittstock and Trustee Kathleen Lamb had yet to receive or review the report late Friday.

But Trustee Diane Hofstede discussed the report at an afternoon session with Hadley and members of the Downtown Council who reviewed the numbers.

"One of the things that struck me is the costs of changing were dramatic. The costs of staying put were dramatic. The costs of delaying were dramatic," she said. "I think there's some really strong arguments to proceeding."

Since the last board meeting nearly two weeks ago, Hadley said she has consulted with a bond lawyer regarding the flexibility of the referendum money. "The only thing we can do with referendum money is do what we said we were going to do or not spend it all," she said.

What that means is the money can't be spend to try to buy the interim Marquette building, build a smaller central library, or put it to other uses in the city.

The excavation bids for the new site are due to come before a City Council panel this month.

Johnson said Friday it might be wise to take another month and weigh options. She said the council now has a legal opinion stating that it could halt the project by simply declining to issue the bonds.

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WHAT'S NEXT

Comparing costs

Minneapolis Library Director Kit Hadley will discuss the potential costs of alternatives to proceeding with the planned new Central Library downtown.

Library Board:

When: 6 p.m. Wednesday.

Where: Interim Central Library, 250 Marquette Av., Minneapolis.

City Council

Who: Ways and Means Committee

When: 1:30 p.m. April 14.

Where: City Council Chambers, City Hall, 350 S. 5th St.

GRAPHIC: PHOTO

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