



## Takoma Park City Council Meeting – January 25, 2023 Agenda Item 4 & 5

### **Presentation and Possible Voting Session**

Library and Community Center Redevelopment Project State Capital Grant Proposal

### **Recommended Council Action**

Receive the presentation.

### **Context with Key Issues**

Background: The Library and Community Center Redevelopment Project began in 2013 and has accrued feedback, design, and funding sufficient to move forward with a General Contractor and, soon, will break ground. Funding sources include: the \$7 million Bond (2015), \$2.5 million from Cable Grants, \$300,000 from a State Capital Grant (2018), \$4 million from ARPA (2022), and \$75,000 from a Digital Inclusion Grant (2022).

Project costs: There are sufficient funds to complete this project without a State Capital Grant. The scope of the project reflects a design that is responsive to the needs and vision communicated by City Council, City staff, and residents. Costs have escalated throughout this period of design and feedback, especially in response to supply chain interruptions brought on by the Covid-19 pandemic. In light of continuing inflation, staff continued to explore funding options in the interest of having a safety net for anything that may arise over the course of construction, whether it be changing economic conditions, or natural disasters that have the ability to complicate a project of this scale.

Process and requirements for State Capital Grant awards: Proposals are sent to an organization's State Senator or Delegate to be considered for a Legislative Bond Initiative that they will sponsor. From there, the organization submits any necessary forms related to the project before the Bond Bill Legislation is passed by the General Assembly. Potential awardees must already have matching funds for a project or be able to submit proof within two years of the effective date of the grant agreement. Grant funds must be spent within seven years.

2018 State Capital Grant: The previous State Capital Grant was secured with matching funds from the Bond, and it has been expended in its entirety as of FY22. These funds covered some of the design and engineering expenses for the project.

2022 State Capital Grant Proposal: With the introduction of ARPA funds allocated to the project, it became possible to explore another State Capital Grant with these new matching funds. While Capital Grants require a Legislative Bond Initiative, they are not bonds analogous to this project's original \$7 million bond; these would be grant funds that do not need to be paid back. The proposal is for \$2 million, which is the amount that can be matched with the ARPA allocation.

### **Council Priority**

Fiscally Sustainable Government

Engaged, Responsive & Service-oriented Government  
Environmentally Sustainable Community  
Community Development for an Improved & Equitable Quality of Life

### **Environmental Considerations**

This project is on track for a LEED Gold certification, supporting the goal of being an Environmentally Sustainable Community.

### **Fiscal Considerations**

The grant, if received, would provide an additional revenue source for the Library and Community Center Redevelopment Project and act as a financial safety net in a climate currently reflecting inflation over many consecutive fiscal quarters.

### **Racial Equity Considerations**

None.

### **Attachments and Links**

- Takoma Park Library Capital Grant Request (2023)
- Bond Initiative Information Documents from the Maryland General Assembly Website:
  - [Guidelines](#)
  - [Request Form](#)
  - [What to Know](#)
  - [Workshop Presentation](#)
- Draft Resolution
- Power Point Presentation for City Council Meeting

Introduced by:

**CITY OF TAKOMA PARK, MARYLAND**

**RESOLUTION 2023-**

**AUTHORIZING CITY STAFF TO PROCEED WITH A STATE CAPITAL GRANT  
PROPOSAL AND ENGAGE THE STATE LEGISLATURE  
FOR MATCHING GRANT FUNDS**

WHEREAS, in FY18, the City was awarded a State Capital Grant in the amount of \$300,000 for the Library and Community Center Redevelopment Project, secured with matching funds from the bond authorized by the Takoma Park City Council in Ordinance 2017-27; and

WHEREAS, this grant was used in its entirety by the end of FY22 in accordance with Ordinance 2019-26, wherein the Takoma Park City Council authorized entering into a contract with RRMM Lukmire on April 16, 2019 to continue work on the design, engineering, and construction administration of a replacement Library, at a cost not to exceed \$300,000; and

WHEREAS, in FY22, American Rescue Plan Act (ARPA) funds in the amount of \$2 million were allocated to the Library and Community Center Redevelopment Project, which may be considered a new source for matching funds; and

WHEREAS, an additional \$2 million of the ARPA funds are being held for this same project if its use is required for completion; and

WHEREAS, the City staff proposes to engage the state legislature to explore the possibility of securing a State Capital Grant with these newly identified matching funds, which will further ensure the successful completion of the Library and Community Center Redevelopment Project and may allow for the potential of the second \$2 million in ARPA funding being held for this project to be reallocated for priorities and projects identified by the Takoma Park City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THAT: City staff be allowed to engage with the state legislature to proceed with a proposal to acquire a State Capital Grant in the amount of \$2 million.

Adopted this xx day of \_\_\_\_\_, 2023.



City of Takoma Park  
Library

# Library and Community Center Redevelopment Project: State Capital Grant Proposal

January 25, 2023

# State Capital Grants

Purpose of the Grants: To fund capital projects in the state of Maryland

## Primary Requirements:

- The Two-Year Rule: Potential awardees must already have matching funds for a project or be able to submit proof within two years of the effective date of the grant agreement
- The Seven-Year Rule: Grant funds must be spent within seven years
- Contract amounts eligible for grant participation and vendors have to be approved by Department of General Services
- The Maryland Historical Trust must review the project

## Process

- Proposals are sent to an organization's State Senator or Delegate to be considered for a Legislative Bond Initiative that they will sponsor
- The organization submits any necessary forms related to the project before the Bond Bill Legislation is passed by the General Assembly
- Organization agrees to the terms
- Expenses are tracked and periodically submitted for reimbursement until the funds are spent in their entirety
- DGS provides a process map here: <https://dgs.maryland.gov/Pages/Grants/Process.aspx>



# FY18 Grant Awarded

- Background information
- Amount: \$300,000
- Matching fund source: Municipal Bond
- What this grant covered: Design and engineering expenses
- Dates of use: FY18 - FY22



# FY24 Grant Proposal

- Background information
- Amount: \$2 million
- Matching fund source: ARPA
- What this grant would cover: Expenses approved by the Department of General Services, such as:
  - **Design and engineering**
  - **Construction**
  - **Equipment and furniture procurement**
- Timeframe for use: Award must be used within seven years



# FY24 Grant Proposal Goals

- Safety net
  - **State Capital Grants function as grant funding; repayment is not required**
  - **Inflation and economic conditions**
  - **Weather and climate emergencies**
  - **Limited capital funding options for libraries in Maryland outside the County systems**
- Responsive initiative
  - **Public feedback and discourse**
  - **Fiscal responsibility**





# The Numbers

Funding Source	Amount	Notes
Library Infrastructure Bond Reserve	\$ 7,000,000	
FY18 State Capital Grant	\$ 300,000	
Cable Capital Grant	\$ 2,500,000	
<b>ARPA Funds</b>	<b>\$ 4,000,000</b>	<b>Source of matching funds</b>
Digital Inclusion Grant	\$ 75,000	May only be used for eligible Computer Center expenses
<b>Total Funds Available</b>	<b>\$ 13,875,000</b>	
Funding Source Expenditures to Date (12/2022)	Amount	Notes
Library Infrastructure Bond Reserve	\$ (1,335,157)	
FY18 State Capital Grants	\$ (300,000)	Completed in FY22
Cable Capital Grant	\$ -	
ARPA Funds	\$ -	
Digital Inclusion Grant	\$ -	
<b>Total Funds Expended</b>	<b>\$ (1,635,157)</b>	
Cost Obligations Remaining	Amount	Notes
Architecture/design contracts, construction management, interim relocation	\$ (1,225,236)	
Doyle Construction Contract (General Contractor)	\$ (8,879,518)	
Soft Costs (Includes shelving, furnishing, permitting fees, etc.)	\$ (1,648,350)	
Construction contingency advised by Construction Manager in FY22	\$ (461,347)	10% of original Doyle contract amount, per construction manager recommendation
<b>Total Costs Remaining</b>	<b>\$ (12,214,451)</b>	
<b>Funding balance after current obligations are fulfilled</b>	<b>\$ 25,392</b>	Total Funds Available - Funds Expended - Costs Remaining



# Questions?

## Contact Information

**Jessica Jones, Library Director**

**email:** [newlibrary@takomaparkmd.gov](mailto:newlibrary@takomaparkmd.gov)

**website:** <https://takomaparkmd.gov/newlibrary>



## Capital Project Grant Request: Takoma Park Maryland Library Project

### Summary

The City of Takoma Park (City) has started work on a capital project to bring updated library facilities to City residents and to the greater Montgomery County. As the only municipal library in Montgomery County, the Takoma Park Maryland Library (TPML) is in a unique position to respond to its patrons' needs and interests with the speed and personalization of a smaller organization. While this enables the Library to serve the County residents as cardholding patrons, and the greater state of Maryland as a public gathering space with quality literacy-focused programs, it places the Library outside of the usual funding opportunities for county-wide public library systems throughout the rest of the state of Maryland.

This request is for State Capital Grant funds in the amount of \$2 million that would be matched by local American Rescue Plan Act (ARPA) funds and used in the construction of the new Takoma Park Maryland Library and Community Center redevelopment.

### The project & its purpose

The Library and Community Center redevelopment project seeks to improve the City's facilities dedicated to public-facing functions including: library circulation and programming, public computer access, and recreation program administration.

There are significant structural conditions that factor into the extent of the project. The current facilities are located in a floodplain, and the floor must be raised to protect the building from further water damage, particularly in light of the climate crisis, which is likely to exacerbate severe weather phenomena. Additionally, the current building was designed in a pre-ADA era, and there are necessary upgrades to make the building more accessible and which are not possible with the current spatial limitations.

The current Library building was completed in 1955, and the daily operations of libraries have changed greatly since that era. Space is needed to hold more frequent programs and outreach events, to host patrons who bring their own devices for personal tasks, and to hold computer classes to help bridge the Digital Divide. Library, Computer Center, and Recreation department staff also require updated workspaces to best carry out priorities identified by our elected officials that reflect the values of our City, County, and State.

While this was not the case in the initial planning process, the Covid-19 pandemic has necessarily forced staff to look at how our spaces can be used in a way that safeguards our most vulnerable community members. The new facilities will have improved HVAC systems and more space for people to distance themselves. As the long-term outlook of future pandemics

becomes more likely with the effects of climate change, these improvements will be crucial for providing services safely for years to come.

In terms of this Library's place within the communities of Takoma Park and Montgomery County, and even the greater surrounding areas of Prince George's County and the District of Columbia (who may use our space, wireless internet access, and quality programs without a library card), it utilizes its unique municipal library status to complement, rather than duplicate, the services provided by the surrounding county systems.

Facilities improvements are a crucial component to continuing to serve these communities effectively and responsively. The new improvements include:

- **LEED Gold Status:** The City is aiming to have the new building certified LEED Gold, in alignment with the City's sustainability priorities.
- **Reading Room:** A larger Reading Room, with more spaces for people to read and work with their own devices, is a responsive design element for how libraries are used today. It is part of a nationwide trend that public computers, while still important to helping bridge the Digital Divide, are not utilized as often as they once were. Patrons bring their own personal devices to libraries and need space to set up individual work areas, connect to Wi-Fi, and charge said devices. More reading room space and new furniture is integral to accommodating those needs.
- **Study Rooms:** In addition to the needs stated above, patrons also need private spaces that can be used for activities that are affected by sound. This may be for creating more quiet spaces, so a patron can concentrate (inclusive to those with learning disabilities or attention deficit disorder), or for enabling a patron to make more noise than is appropriate in the shared reading room so they can make a phone call or video call for telehealth, job interviews, or connecting with friends and family remotely.
- **Shelving:** Increased space for shelving is needed in the reading room to house comprehensive and specialized collection development acquisitions, along with shorter shelving to be more physically accessible to browsing patrons of all heights and mobility.
- **Program Room:** A dedicated program room is needed to ensure that the Library can hold programs on a schedule that meets the needs of its intended audiences, while also creating environments that best facilitate those programs. For example, the Library staff would like to offer more programming for special needs patrons, including those who may be affected by sensory conditions; a separate program room would enable us to isolate sound and even dim lights to provide a space that is welcoming and accessible.
- **Children's Room:** Having a separate children's room ensures that children using the facilities always have a place where they can be kids, on kid-sized furnishings and with age- and development-appropriate behavioral expectations that differ from those for teens and adults.
- **Teen Room:** A new teen room ensures that there is a part of the Library that teens and young adults can call their own. This is an important part of instilling a sense of belonging in the Library, which is significant since inclusion without belonging is not

always enough to make a space feel welcoming. It is also an important step towards encouraging lifelong use of libraries and personal investment in community institutions.

- **Computer Center:** While public computers are used less frequently by library patrons, they are still a crucial part of any library's community-facing functions. They are especially valuable for people who cannot afford personal devices or who do not have a comfortable level of technological proficiency to navigate computers without assistance. Additionally, the Computer Center is often used by people who do have personal devices but need printing services or wish to participate in a computer-based class. The new design will have better spaces for group learning. Improving the Computer Center is an important part of fulfilling our mission.
- **Staff Workspaces:** Neither the Recreation nor Library and Computer Center staff workspaces have been improved or renovated in more than 20 years. Staff need workspaces that better accommodate the evolution of workflows in that time (including increased reliance on computers and electronic devices), and spaces that afford more privacy for tasks like video and telephone conference calls, annual evaluations, and check-ins between management and their reports for effective team cohesion and responsive service to residents.

## The cost

This project has been in the planning stages since design work began in 2015 and a bond was secured in 2017. The rate of inflation has far exceeded the speed at which design finalization, consensus, and securing permits could be completed. In order to move forward with this project, the City has allocated \$4 million dollars of its ARPA funding to the construction of the Library, which was enough to provide for a balanced project budget that met the costs at that time, as well as enough to move the project along and secure a construction manager and general contractor.

Since the ARPA funds were allocated, inflation has already impacted the likelihood of expending the entirety of the contingency costs that have been built into the project budget. The International Monetary Fund (IMF) projects a 6.5% rate of overall inflation for 2023. While this is an improvement over the 8.8% rate in 2022, it is still a significant factor for cost increases that are likely to necessitate change orders and additional funds for soft costs that include sustainability improvements, furniture, and equipment needed to provide a comprehensive update of the space and minimize maintenance costs.

If we consider the total amount of unspent funds and multiply that by the expected inflation rate for 2023, during which the bulk of construction and procurement for this project will occur, we can expect the cost of inflation to be approximately \$800,000.

All of these expenditures would fall within the eligible categories for equipment and furniture procurement, including a realistic life expectancy of at least 15 years with normal maintenance

and a necessary component to accommodating functions for which this structure is intended, while not including any choices that could be deemed extravagant or elaborate.

As inflation continues to be a major cost factor over the next few years, we seek additional funding to ensure that the project can be completed to the high standards of the proposals approved by our elected officials, and in accordance with the goal of LEED Gold certification. It is important to the City that this project reflect the values of sustainability and fiscal responsibility of our community, and additional funding is required to ensure that the facilities will be functional and relevant for the long-term. The City seeks State Capital Grant funds to augment its significant investment in Takoma Park's future via this community anchor institution.

A total of approximately \$1.3 million has been spent to date, with an additional \$12.5 million in costs left to incur between now (November 2022) and the expected completion date (June 2024). The potential deficit after inflation is approximately \$800,000.

A more detailed cost breakdown is on the following page for ease of reading.

## The match

The City of Takoma Park has allocated \$4 million of its ARPA monies towards this project, and we are able to match up to that amount. These are new funds that were not available when the first grant was awarded in FY18, and they represent a continued investment in this project, along with the intention to see it through to completion.

We are requesting \$2 million to cover the difference that projected inflation is likely to contribute to this project, as well as to potentially allow for some of the ARPA funds to be reinvested in public assistance projects as part of the City's ambitious ARPA agenda..

The City of Takoma Park's ARPA budget was developed through a transparent and inclusive process that welcomed input from Takoma Park residents. One of the recurring themes of this community dialogue was a desire from residents to allocate as much funding to direct assistance for Takoma Park residents and businesses as possible. Any funds not required for the Library and Community Center redevelopment capital project would be reinvested in these programs, such as the Direct Cash Assistance Program for residents reporting less than \$50,000 in income per household, which as of November 2022 has distributed \$424,000 to applicants. To be clear, the City is committed to spending all of the allocated \$4 million of ARPA funding for this capital project if required.

Cost breakdown:

<b>Funding Source</b>	<b>Amount</b>	<b>Notes</b>
Library Infrastructure Bond Reserve	\$ 7,000,000	
FY18 State Capital Grant	\$ 300,000	
Cable Capital Grant	\$ 2,500,000	
<b>ARPA Funds</b>	<b>\$ 4,000,000</b>	<b>Source of matching funds: A larger state capital grant would allow some of these funds to be reinvested in public assistance projects</b>
Digital Inclusion Grant	\$ 75,000	May only be used for eligible Computer Center expenses
<b>Total Funds Available</b>	<b>\$ 13,875,000</b>	
<b>Funding Source Expenditures to Date (11/2022)</b>	<b>Amount</b>	<b>Notes</b>
Library Infrastructure Bond Reserve	\$ (1,045,669)	
FY18 State Capital Grants	\$ (300,000)	Completed in FY22
Cable Capital Grant	\$ -	
ARPA Funds	\$ -	
Digital Inclusion Grant	\$ -	
<b>Total Funds Expended</b>	<b>\$ (1,345,669)</b>	
<b>Cost Obligations Remaining</b>	<b>Amount</b>	<b>Notes</b>
Architecture/design contracts, construction management, interim relocation	\$ (1,242,962)	
Doyle Construction Contract (General Contractor)	\$ (9,152,893)	
Soft Costs (Includes shelving, furnishing, permitting fees, etc.)	\$ (1,648,350)	
Construction contingency advised by Construction Manager in FY22	\$ (461,347)	5% of original Doyle contract amount
<b>Total Costs Remaining</b>	<b>\$ (12,505,552)</b>	
<b>Funding balance after current obligations are fulfilled</b>	<b>\$ 23,780</b>	Total Funds (TF) Available minus TF Expended minus Total Costs Remaining
Inflation Contingency based on IMF projections for 2023	\$ (812,861)	Total Costs Remaining multiplied by IMF 6.5% rate of inflation estimate for 2023
<b>Funding balance after inflation contingency is included</b>	<b>\$ (789,081)</b>	Amount required to meet remaining cost obligations