

Capital Plan Revisions

North Highline

Background

On September 14, 2004, King County voters approved a \$172 million Capital Improvement Plan (CIP), which included appropriate facilities needs for the next 10 years.

The resolution passed by the KCLS Board of Trustees to put the 2004 measure on the ballot, included a provision for authorizing changes to the CIP. That provision stated that the KCLS Board must:

“determine that it has become impractical to accomplish any such improvements or portions thereof by reason of local or State circumstances, including, but not limited to, changed conditions or needs, regulator considerations, incompatible development or costs substantially in excess of those estimated...”

Throughout the course of the 2004 CIP building program, the Board of Trustees has had to make adjustments in the scope and budget allocated for projects in the CIP. For example, the location for some libraries has been changed (i.e. Duvall, Kenmore), as well as reductions in square footage due to budget limitations (i.e. Covington, Burien).

Proposed Capital Plan Revisions

At the time of its passage in 2004, the following projects were included in the CIP:

- **Boulevard Park:** Essential upkeep and maintenance of the library over the next 10 years.
- **White Center Library:** A new 10,000-square-foot replacement library on the current site.¹

KCLS is now considering revising the plan for these projects. At this time, staff is recommending that the KCLS Board of Trustees direct them to pursue the consolidation of the White Center and Boulevard Park libraries into a single, new facility located south of the current libraries and between the two communities. Pursuing a consolidated library at a new location is favored for several reasons: operating one centrally located library will result in significant annual savings in operational costs; and a larger library will provide a higher level of service and increased access to library resources than two smaller libraries. This is supported by data that shows that traffic per square foot is 34% higher and circulation per square foot is 43% higher at 10,000 to 15,000-square-foot libraries than 5,000 to 6,000-square-foot buildings. In addition, the selection of a new site and planning for a new library may begin immediately while construction costs are favorable.

This recommendation is based on a number of factors, including:

- Impact of the Burien Library
- Distribution of Square Feet per Capita
- Unresolved Annexation Issues
- Changing Nature of Library Services
- Operational Budget Constraints

Impact of the Burien Library

As part of the 2004 CIP, library service was added to the greater North Highline area in November 2008 with the opening of the 2,500-square-foot Greenbridge Library. Additionally, a new 32,000-square-foot Burien Library was completed in June 2009 to replace the former 20,448-square-foot building.

With the new Burien Library operational, KCLS can now evaluate the impact that the facility has on the surrounding area. Usage of the Burien Library grew when the new facility opened — with 13% more circulation and 35% more traffic (comparing six months after grand opening with the same six months in a prior year).

¹ A new/expanded White Center Library was needed due to the age, condition and overcrowding of the current library.

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An examination of where users of the Burien Library come from is also informative. Figure 1 shows where patrons live that checked out items at the Burien Library during a week in October 2010. The distribution of patron addresses shows clearly that the existing Burien Library currently serves patrons living in White Center and Boulevard Park communities.

Finding of Fact:

The Burien Library is a destination library that not only serves the City of Burien, but also the broader North Highline area and draws library users from throughout the area, including South King County and Seattle.

Distribution of Square Feet per Capita

After the 2004 Capital Bond Measure passed, construction costs increased 28%² nationwide as of summer 2007, significantly exceeding KCLS cost projections. The abrupt rise of uncontrollable external costs required KCLS to look at alterations to library improvement projects in order to ensure funding for all projects. To safeguard that any adjustments to projects didn't result in an inequitable distribution of libraries throughout the County, KCLS did an analysis of the square feet per capita.

A comparison of per capita measures for the North Highline area shows that the southern portion of the area has a lower ratio of square feet to population (387) when compared to the northern half (639). The northern half is also significantly higher than the Library System average (439).

Table 1

| FAZ Group | KCLS Libraries | Population | | | Square Footage In 2020 | |
|-----------------------------------|--|------------------|------------------|----------------|------------------------------------|----------------------|
| | | 2000 Census | 2020 Forecast | 20 Year Growth | Base | Per 1,000 Population |
| Highline/Des Moines/SeaTac | | 126,303 | 139,126 | 10.15% | 67,708 | 487 |
| South | Des Moines Library Valley View Library Normandy Park Burien Library (<i>split</i>) | 77,971 | 84,636 | 8.55% | 10,230 6,558 0 16,000 | 387 |
| North | Burien Library (<i>split</i>) Greenbridge Library White Center Library Boulevard Park Library | 48,332 | 54,490 | 12.74% | 16,000 2,300 10,000 6,536 | 639 |
| KCLS System Average | | 1,124,011 | 1,382,259 | 22.98% | 606,453 | 439 |

The per capita figures in Table 1 above assume the implementation of all projects included in the 2004 CIP and that the Burien Library serves the entire region.

In addition, the per capita figures are based on 2020 population forecast figures by the Puget Sound Regional Council (PSRC). These PSRC forecasts project significant population growth in the North Highline area — 10% growth in the White Center area and 14.1% growth in the Boulevard Park area by 2020. Existing trends, however, show that the population of these areas has actually decreased by 0.3% in White Center and 0.9% in Boulevard Park since 2000.

Finding of Fact:

After accounting for potential growth in the area, the square feet per 1,000 of population in the North Highline area is notably higher than the System average. In addition, growth trends during the past decade are inconsistent with growth projections for the area. If the population does not grow to the expected level, the disproportionate number of square feet per capita will be intensified.

² Turner Cost Index

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Unresolved Annexation Issues

At the time of the Capital Bond Measure in 2004, North Highline was an unincorporated urban area bordered by the cities of Seattle and Burien. Anticipating possible annexation of this area to the City of Seattle, KCLS developed an Interlocal Agreement with Seattle after passing the 2004 CIP, which outlines how libraries and bond funds in that area would be dealt with if the area was annexed to Seattle.

In November 2008, proposed annexation boundaries were set for the cities of Seattle and Burien, which divided the North Highline area into two annexation areas: Annexation Area X and Annexation Area Y. On August 18, 2009 the City of Burien successfully annexed Annexation Area X. Residents approved the ballot measure with more than 55% of the vote favoring annexation. As a result of the annexation, which became effective on April 1, 2010, the White Center and Boulevard Park libraries are now located within Burien city limits instead of unincorporated King County.

On the other hand, the annexation of Area X to Burien has left the White Center Library very close to what could be the line of demarcation between Seattle and KCLS' service area. If the remaining unincorporated Area Y is annexed by Seattle, then the White Center Library will be located only a few blocks from the Seattle city limits.

Whether Area Y will be annexed will not be known until 2012 at the earliest. The City of Burien continues to examine the annexation issue, but will not be prepared to place the annexation issue on the ballot until February 2012, or possibly later, according to City of Burien officials. The City of Seattle previously voted to table the annexation question until February 2012.

While construction inflation has moderated since 2007, waiting to proceed with capital improvements until the annexation issue is resolved delays the expansion of the White Center Library until at least 2013, likely later and exposes KCLS to increased cost inflation, potentially decreasing the size of any potential expansion.

Finding of Fact:

Altering the capital plan to pursue an option that is not dependent upon annexation allows KCLS to select a site and plan for a new library immediately while construction costs are favorable. It also allows KCLS to select a new location that provides adequate distance between the North Highline libraries and the Seattle city limits.

Changing Nature of Library Services

In 2006, KCLS began to evolve the way it delivers service with the Board-approved Future Services Strategy (FSS) project. As staff conducted its research, it became clear that changing patterns and expectations in information-seeking required new approaches to the ways libraries make information available. It was no longer enough to be open when patrons came to the library. KCLS needed to reach out effectively across the barriers of time and place. While welcoming, well-stocked and comfortable libraries would always be essential in the heart of each community, library services also must be available to patrons online and beyond library walls.

To that end, five new outreach vehicles were purchased with funding from the 2004 CIP. Introduced in August 2010, the vehicles — called Library2Go! — expand services currently provided by KCLS' other outreach vehicles. Outfitted as mini-bookmobiles, these vehicles stop at childcare centers, low-income housing and senior centers each week throughout KCLS' service area.

Currently, 44 outreach sites in the North Highline area are visited by either by the Traveling Library Center (TLC), ABC Express or Library2Go! (zip codes 98146 and 98168).

Finding of Fact:

KCLS' three-fold approach to library service positions the Library System to serve members of the community that are not currently being served in the library buildings.

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Operational Budget Constraints

KCLS is funded almost exclusively by property taxes. Initiative 747, approved by the voters in 2001, imposed a 1% cap on annual increases in property taxes. Since that time, KCLS' financial strategy has been to raise revenue with a lid lift (which allows us to exceed the 1% cap for one year) and then to manage expenditures carefully to stretch out the benefit of that increased revenue for as long as possible before needing to ask the voters to approve another lid lift. The revenue gained from a previous lid lift in 2002 was made to last for eight years.

To provide continued funding for the normal operation and maintenance of KCLS, the Library System placed a measure on the February 2010 ballot to authorize the District to restore the regular property tax levy rate to \$0.50 per thousand dollars of assessed value for collection in 2011.

Although KCLS successfully passed this measure, the overall benefit of the levy lid lift has been reduced by the economic decline, and in particular the decline in housing prices. As a result it will be more challenging for KCLS to make this current lid lift last for a similar period of time to the previous one.

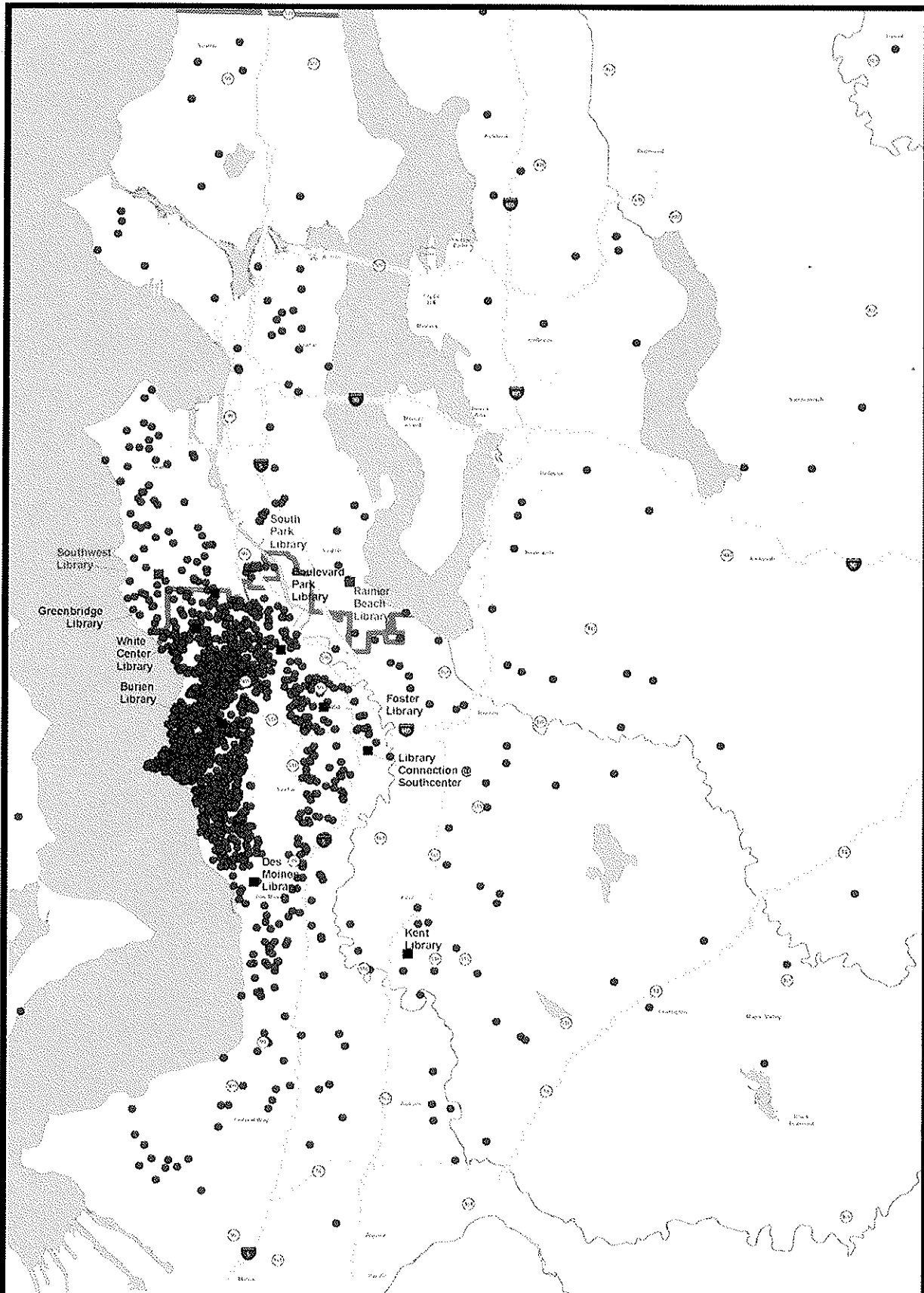
In this instance, altering the capital plan to consolidate the White Center and Boulevard Park libraries provides an incremental operating cost savings of nearly \$500,000 per year (see below).

| OPERATING COST FACTOR | CURRENT CAPITAL PLAN <i>(Expand White Center Library)</i> | CAPITAL PLAN REVISED <i>(Consolidate White Center & Boulevard Park)</i> |
|------------------------------|---|---|
| Direct branch expenses | ↑\$222,180 per year | ↓ \$176,040 per year |
| Materials expenditures | ↑ \$96,000 per year | Equal to current expenses |

Finding of Fact:

Operating one consolidated and centrally located library results in significant annual savings in operational costs.

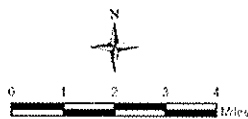
Figure 1



KEY

- King County Library
- ▣ Seattle City Limits
- ▣ Seattle Public Library
- Burien Circulation

Burien: Geocoded Circulation
King County Library System



November 24, 2010