

City of Lafayette Staff Report

Date: January 3, 2014
For: Old Library Reuse Task Force
By: Tracy Robinson, Administrative Services Director
Subject: Summary of Property Purchases & Financial Resources – 949 & 952 Moraga Road

The City currently owns two properties on Moraga Road:

949 Moraga Road

This property was purchased in 2010 for \$2,315,226 with money from the Parking Fund (Fund 32). The City currently uses the property as a parking lot and one of the offices located on the site has been temporarily rented to Eden Housing as a leasing office for \$1. The other office is vacant. There are no deed restrictions on this property.

952 Moraga Road (Old Library)

This property was purchased in 2013 for \$1,970,000. The City used General Funds to purchase the property which will result in the City going below the 60% target reserve figure set by Council to 45% (see attached).

There are certain deed restrictions placed on this property. If the City sells the property within ten years after the closing date, the City's use of the net proceeds from such sale is restricted to permitted uses which are defined as library services, equipment, hours and maintenance. The current agreement does not provide for an exemption to this restriction for a sale to the School District, although the County may be open to carving out an exception for such a sale. In any case, it would need to be approved by the Board of Supervisors. There is no restriction on proceeds from lease agreements that the City may enter into.

Financial Resources

The City does not currently have any money set aside or available to help fund outside uses of the property. The City does have \$2,649,655 available in the City Offices Development Fund that could be used to reimburse the General Fund for the purchase price if the building is ultimately used for that purpose.

Recommendation

The Task Force should take into account how and when the General Fund reserve will be restored when considering potential uses for the Old Library property.

City of Lafayette Staff Report

Date: November 25, 2013
For: City Council
By: Steven Falk, City Manager
Tracy Robinson, Administrative Services Director
Subject: Funding for Purchase of Old Library from Contra Costa County

Introduction

The City has agreed to purchase the old library located at 952 Moraga Road from the County for \$1,970,000. Staff suggests that the funds for the purchase be taken from the City's General Fund reserve.

Discussion

The General Fund reserve is expected to be \$7,559,166 by the end of FY13-14 which equates to 61% of General Fund expenditures for the same period. Releasing \$1,970,000 from the reserve will decrease the balance to \$5,579,166 which equates to a 45% reserve.

The Old Library Reuse Task Force is expected to review a variety of options during the first six months of 2014. In the event that the recommendation to use the old library for City Offices, the General Fund can be reimbursed from the City Offices Development Fund (Fund 75), which currently has a cash balance of \$2,649,655. Likewise, if the property is sold to another public entity such as the school district, the General Fund can be similarly reimbursed.

Recommendation

Amend the FY13/14 budget to include \$1,970,000 in Fund 11-110-902 to purchase of the old library from the County.