CITY OF GLENDALE
5909 North Milwaukee River Parkway
Glendale, WI 53209

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AGENDA-COMMON COUNCIL MEETING

Friday, May 23, 2025
2:00 PM

1. **Roll Call and Pledge of Allegiance**

2. **Unfinished Business**

   a. Review and Possible Action: *Authorization to Execute* - New North Shore Library Funding Agreement

   b. Review and Possible Action: *Resolution:* Reaffirming the City's Position on Financing the North Shore Library's Campaign

3. **Adjournment**

The Common Council of Glendale currently holds meetings in person at City Hall, or an alternative physical location as allowed by the City Ordinance. As a courtesy to residents, Council meetings will also be made available live on Zoom virtual platform for viewing and possible participation. However, the City cannot guarantee the technology supporting the virtual viewing option will operate perfectly and continuously. The only way to guarantee the ability to offer public comment, or view the meeting uninterrupted, is to appear in person. If the Zoom platform fails, the meeting will continue as scheduled.

5909 North Milwaukee River Parkway
Glendale, WI 53209

SUBJECT: *Authorization to Execute* - New North Shore Library Funding Agreement

FROM: Karl Warwick, City Administrator

MEETING: May 23, 2025 Special Common Council Meeting

MEETING DATE: May 23, 2025

FISCAL SUMMARY:

Budget Summary:	NA
Budgeted Expenditure:	NA
Budgeted Revenue:	NA

STATUTORY REFERENCE:

Wisconsin Statutes:	NA
Municipal Code:	NA

BACKGROUND & ANALYSIS: Please see enclosed the memorandum on the New North Shore Library Capital Campaign.

RECOMMENDATION: Please review the memorandum and agreement and determine action on the agreement.

ACTION REQUESTED: Please review the memorandum and agreement and determine action on the agreement.

ATTACHMENTS:

NEW NORTH SHORE LIBRARY FUNDING AGREEMENT, Attorney Bayer North Shore Library Memo, Library Capital Campaign Revised Memo May 19

NEW NORTH SHORE LIBRARY FUNDING AGREEMENT

WHEREAS, Villages of Bayside, Fox Point, and River Hills, and the City of Glendale (collectively the "Member Municipalities") previously entered into an Amended and Restated Intergovernmental Corporation Agreement pursuant to Wis. Stat. §§ 66.0301 and 43.54, ("Joint Library Agreement") on June 7, 2023, to operate a joint North Shore Library; and

WHEREAS, the existing North Shore Library, being operated jointly by the Member Municipalities on the first floor of the property at 6800 N Port Washington Road, Glendale, WI 53217, needs significant repairs and improvements and is otherwise not adapted for ADA use; and

WHEREAS, references to the library located in Glendale shall be "existing library" and references to the Bayside library as described below shall be "new library", and

WHEREAS, the Member Municipalities evaluated the cost of performing said repairs/improvements to the current North Shore Library vs. exploring the option of constructing a new library; and

WHEREAS, it was estimated that said repairs and improvements at the existing library would cost nearly $6.0 million; and

WHEREAS, since the inception of the Joint Library Agreement, an opportunity arose to construct a new library in a mixed-use development being constructed at 711 Grace Street, Bayside, Wisconsin ("Property"); and

WHEREAS, the developer of the Property agreed to donate the space, with an estimated value of $4 million, to the North Shore Library, with the Member Municipalities needing to raise funds only for the "build-out"; and

WHEREAS, Member Municipalities initiated a capital campaign to solicit donations for the construction of the new library and have raised substantial funds in furtherance of covering the construction and other related costs at the Property; and

WHEREAS, the design and specifications for the Property are complete, and bids were solicited for the build-out; and

WHEREAS, the lowest responsible bidder for the build-out came in more than $2 million less than estimated; and

WHEREAS, despite the construction bid coming in lower than anticipated, there still exists a gap between funds raised for the build-out of the Property and the total cost thereof; and

WHEREAS, a portion of the shortfall is a result of the North Shore Library Foundation refusing to release funds that were earmarked for the new library; and

WHEREAS, despite the shortfall, the cost to perform necessary repairs and improvements to the current library is still substantially greater than the cost of the build-out of the new library; and

WHEREAS, if construction at the new Property is abandoned, the Member Municipalities will also lose all or most of the already pledged donations for the construction of the new library, and as such, the gap between renovation and the new proposed build-out is even greater; and

WHEREAS, if the Member Municipalities do not execute the existing proposed contract for build-out of the Property, the Project will have to be rebid, and it is anticipated that the construction costs will be substantially greater; and

WHEREAS, if the library remains at its current location, the Member Municipalities will need to spend more than $8.5 million in the next several years on necessary improvements and other costs that have been delayed as a result of the new donated library location and

WHEREAS, because of the foregoing, the most cost-efficient path forward for taxpayers of the Member Municipalities is to bridge the gap between current funds raised/pledged and the cost to build out the new Property; and

WHEREAS, the City of Glendale has secured a purchase guarantee of $750,000 from the owner of the other floors in the building to be used to invest in the new library location, lowering Glendale's contribution;

WHEREAS, the owner of the existing library building has agreed to waive more than $750,000 in facility improvement charges due to the property owner if the existing library is sold, lowering the member municipalities' costs;

WHEREAS, the fiscal agent is scheduled to receive grants and donations after the required payments for the project are made. Gap borrowing costs have been included in each member municipality's funding requirements in subsection 4.

THEREFORE, THIS AGREEMENT IS MADE FOR AND BY THE MEMBER MUNICIPALITIES AS FOLLOWS:

1. The Member Municipalities commit to executing the contract with the current construction contractor, Stevens Construction, for $5,575,413 to complete the build-out of the new library in accordance with the construction schedule proposed therein.
2. All available donated funds shall be used to pay for the costs associated with the aforementioned construction contract.
3. All future donated funds received and earmarked for the build-out of the Property shall also be used to pay for all costs associated with the construction and outfitting of the new library.
4. Any shortfall between donated funds and actual contract cost for the build-out of the property shall be the responsibility of the Member Municipalities, based upon the existing allocation as defined in the Joint Library Services Agreement, as follows:

TOTAL		($2,446,502)	($1,816,502)
Glendale	50.64%	1,238,909	919,877
Fox Point	26.29%	643,185	477,558
Bayside	16.99%	415,661	308,624
River Hills	6.07%	148,503	110,262

5. The Member Municipalities agree to contribute the maximum amount unless funds from the Library Foundation are received before 2026.
6. The existing library owes the owner $750,000 in maintenance fees. If these maintenance fees are charged, all member Municipalities shall pay them using the funding percentage listed in subsection 4.
7. The payments required in subsection 4 shall be paid to the Fiscal Agent. Partial payments no greater than the amounts in subsection 4 shall be paid to the Fiscal Agent as necessitated by project funding needs and as requested by the Fiscal Agent.
8. The Member Municipalities shall continue to raise additional funds for the Project with the goal that donated funds cover all construction, moving, furniture, and technology costs.
9. All such additional donated or other funds made available by any other means used for the new library will reduce equally each Member Municipality's responsibility as defined herein and will be paid back to each Member Municipality upon the Village of Bayside's issuance of an occupancy permit for the new library. The member municipalities' reimbursement will continue annually until their principal capital contribution is $0.
10. Project scope may be increased when the capital contribution expended by each member municipality is reduced $0.
11. Pursuing funds held by the North Shore Library Foundation shall continue as deemed necessary and financially prudent by party(s) with standing.

VILLAGE OF BAYSIDE:

_____

Village President

Village Clerk

VILLAGE OF FOX POINT:

Village President

Village Clerk

VILLAGE OF RIVER HILLS:

Village President

Village Clerk

CITY OF GLENDALE:

Mayor

City Clerk

5909 North Milwaukee River Parkway
Glendale, WI 53209

SUBJECT:	**Legal obligation to repay donors to the North Shore Library and Related Matters Concerning the Proposed Funding Agreement**
FROM:	**City Attorney's Office, Nathan Bayer**
MEETING DATE:	**May 19, 2025**

The purpose of this memo is to first address this hypothetical question:

> Would section 2.a. of the June 27, 2022, "Resolution Conditionally Approving an Amended and Re-stated Joint Library Agreement for the North Shore Library" relieve the City from contributing toward the reimbursement of donors to the new proposed North Shore Library, if the library is not constructed?

My opinion is no, that clause would not relieve the City of its obligation. A more detailed explanation follows. This memo also addresses other likely legal and financial implications of accepting or rejecting the proposed Joint Funding Agreement.

As everyone is aware the Villages of Bayside, Fox Point, River Hills, and the City of Glendale ("member communities") previously entered an "Amended and Restated Intergovernmental Corporation Agreement" pursuant to Wis. Stat. §§ 66.0301 and 43.54, ("Joint Library Agreement") for the purpose of operating the North Shore Library. The first page of the latest version of this Agreement reflects that it was "Amended on April 23, 2023." The Glendale Common Council approved this version on May 8, 2023.

The member communities were presented with an opportunity to construct a new library in the mixed-use development being constructed at 711 Grace Street, Bayside. The developer donated the shell, with the idea that the current North Shore Library would "build out" it.

A capital campaign raised funds to support the build-out and to help facilitate the anticipated move to Bayside. The goal was to construct the new Library without taxpayer contributions from the member communities. The donations raised to date are insufficient to cover all build-out/moving costs to bring the North Shore Library to Bayside, with a contributing factor being the skyrocketing costs of labor and materials over the last few years. The member communities are being asked to make a capital contribution, with local funds, to bridge this gap, which brings us to the present situation.

Although the build-out has not begun, some of the donated funds have been expended on construction-related expenses such as architectural plans, specifications, drawings, and related costs. These sunk costs, which are in seven figures, would have to be paid back. Glendale's contribution would be substantial and is anticipated to be greater than the amount Glendale is being asked to contribute towards the build-out of the new Library.

With that as a backdrop, we revisit the June 27, 2022, Resolution that "conditionally approved" the amended and restated Joint Library Agreement for the North Shore Library. The Resolution contained some caveats, noting that if certain conditions were not met, "the Authorization granted by the Resolution expires at 11:59 on June 20, 2022."

Condition 2.a was met. This condition required Cobalt Partners to construct the building/shell in which the North Shore Library would later be situated. That space is ready and waiting to be built out. The remaining "conditions" related to ensuring that the member communities made further progress on fiscal arrangements and budgets related to the buildout. These tasks have also been completed.

Additionally, the "conditional" approval granted by the Glendale Common Council in the June 27, 2022, Resolution is now a completely moot point. The reason is that on May 8, 2023, in an entirely separate act, the City Council once again approved the "Amended and Restated Fox Point, Glendale, River Hills Joint Library Agreement." Below is the agenda item from that meeting:

> g) Review and Potential Action: Amended and Restated Fox Point, Bayside, Glendale, River Hills Joint Library Agreement

The motion passed. In my opinion, the June 27, 2022, resolution will not alleviate Glendale's obligation to contribute to donor reimbursement.

If the City rejects the proposed "New Northshore Library Funding Agreement," there would be several financial obligations the City would likely be legally obligated to fulfill, including the City's share of the following:

- Deferred maintenance in the "common areas" of the existing library building, estimated at $750,000. (Akin to condo fees, as the Library building contains space for many commercial tenants.) These costs would be waived in anticipation of the Library's relocation. If the Library stays, these fees would not be waived.
- Donations earmarked for the new Library. I understand the amount already spent is about $1.5 million.
- Rent to the developer of the Bayside project, which incorporated a space for the Library in its development. The rent becomes due because the Library space is not built out. If the library does not move, the monthly rent is $24,600. Rent would be paid from August 2024 through December 2025.
- According to Library staff, if the existing facility is retained, general maintenance due to the age of the existing Library would be substantial. This number is unknown but understood to be in six figures.

In addition, I would anticipate significant legal, administrative, and staff costs dealing with the fallout from the failed Library venture, which may include litigation.

There are other opportunity costs associated with rejecting the proposed Library Funding Agreement, including:

- The opportunity to put the space currently occupied by the Library back on the tax rolls;
- Receipt of proceeds from the sale of the current Library space, with a current offer of $750,000 on the table;
- Prospective new redevelopment of the existing Library building, which could further increase the tax base;
- The at present locked-in build out cost being held by the construction contractor.

There was much discussion at the last Council meeting about the current Library space, its perceived value, and whether the sale proceeds should "count" against the prospective contribution towards the new Library, since the City "owns" that space. It is technically true that the City owns the space. However, it should be noted that the space for the library in Glendale was also donated, so neither Glendale or the other north shore communities incurred any "sunk" costs to purchase in the first place.

I would also note that an RFP for the Library build-out was circulated and responded to. The builder has given special dispensation by extending the deadline for member communities to accept or reject the bid to June 1, 2025. It is anticipated that if the project must go to bid again, recent supply chain and other issues would cause the price of the build-out to go up significantly.

There was a discussion at the last Council meeting about "keeping a promise" to the constituents that no tax dollars would go to the build-out of the newly proposed library. Did the fundraising effort meet its goal of covering 100% of the construction? No, it did not.

So Glendale is at the point of deciding its response to that reality. The following is also true: Glendale can simply choose not to abandon the library. State law requires that it either have a library or participate in and contribute financially to the county library system. As staff reported, joining the county is not cost-effective or financially viable in the long run. Glendale cannot leave the North Shore Library agreement.

So the current question at hand is: given the amount of funds raised for the new library, is it more fiscally advantageous for the City to build the new library or stay in the current one? The overwhelming evidence demonstrates that staying in the existing library would be significantly more expensive than affirming the Northshore Library Funding Agreement and building the new library. This approach also provides a "guaranteed" financial outcome versus remaining in Glendale where there are many unknown costs that could escalate further, such as litigation, construction and unknown staff and contractor time walking back the work completed on the new facility.

5909 North Milwaukee River Parkway
Glendale, WI 53209

SUBJECT: North Shore Library Capital Campaign for Library Construction

FROM: Karl Warwick, City Administrator

MEETING DATE: May 19, 2025

This memo aims to summarize previously provided information and clarify the inquiries raised at the May 12th Common Council meeting regarding the North Shore Library.

Since a single party cannot terminate the agreement, two options are summarized here (1) Bayside option and the (2) Glendale option.

(1) Bayside Option:

The current funding shortage is $2,446,502 or $1,816,502 factoring in Foundation funds for constructing a new library facility in Bayside. Using the current contribution factors in the North Shore Library Agreement, below is the funding gap that could be attributed to each municipality.

Member Municipality	Percentage of Funding	Maximum Contribution Amount	Contribution Factoring Library Foundation
TOTAL		($2,446,502)	($1,816,502)
Glendale	50.64%	1,238,909	919,877
Fox Point	26.29%	643,185	477,558
Bayside	16.99%	415,661	308,624
River Hills	6.07%	148,503	110,262

(2) Glendale Option:

The costs for the member municipalities would be the following:

Municipality		**Improvement Costs**	**CAM Charges**	**Return Donor Money**	**Rent at Bayside**	**TOTAL**
		$ 5,360,383	**$ 750,000**	**$ 1,469,223**	**$ 431,767**	**$ 8,011,373**
Glendale	50.64%	$ 2,714,498	$ 379,800	$ 744,015	$ 218,647	**$ 4,056,959**
Fox Point	26.29%	$ 1,409,245	$ 197,175	$ 386,259	$ 113,512	**$ 2,106,190**
Bayside	16.99%	$ 910,729	$ 127,425	$ 249,621	$ 73,357	**$ 1,361,132**
River Hills	6.07%	$ 325,375	$ 45,525	$ 89,182	$ 26,208	**$ 486,290**

Attorney Bayer has provided an overview of the City's obligation to fund the work already completed, rent, and Bayside costs.

Possible Sale of 6800 Port Washington Drive (Existing Library):
The existing library was donated to the City of Glendale as part of a Tax Increment Financing District agreement. Glendale owns 15,060 square feet. The municipalities collectively purchased 1,100 square feet in the middle of the library to provide full municipal ownership of the library space in the basement. Other parties' own storage and common space in the basement.

Glendale is anticipated to receive $750,000 from selling its portion of the library. If determined by the Common Council, the sale could have an offset cost of $488,909. The other municipalities have collectively agreed to waive their sale portion, providing $38,288 more revenue for Glendale, if this sale occurs. The library portion of the building will also be returned to the property tax roll, netting a positive value in additional property taxes to taxing bodies in Glendale.

The owner of the existing library building has agreed to waive the $750,000 in building maintenance CAM charges if the library portion of the building is sold in 2025 and the library is relocated. This results in a total net positive of $1.5 million ($1 million for Glendale) by selling the current library.

The top 3 floors have a fair market value of $5,350,200 or $1,773,000 per floor. The North Shore Library municipalities do not own the entire basement of the building, so we would not realize the value of the entire floor area. With the waiver of the CAM charges and the purchase price, the value of the property provided in the sale is $1.5 million. If the City were to sell the property later, the purchase price would need to exceed this amount for a positive financial benefit, since the CAM charges would not be waived.

The current estimated value on Zillow for the space is $529,700, with a projected sale range of between $450,000 and $625,000. Accurate Appraisal placed a market value on this space of $1,260,000. A professional appraisal could come up with a lower value than these.

Financial Impact of Options:
Staff observed that the initial projections on the household financial impact of all options looked higher than they should. Staff reviewed these projects with the City's Bond Council, Baird, and the financial impact of each option is listed below. These are significantly lower than initially projected at the May 12th meeting.

Current Tax Rate and City Property Taxes			
Home Value	Current Rate	City Property Taxes	Tax Levy (Current)
$ 300,000	6.140955	$ 1,842	$ 14,756,411
$ 400,000	6.140955	$ 2,456	$ 14,756,411
$ 500,000	6.140955	$ 3,070	$ 14,756,411

Move to Bayside with 10 Year Loan Value of $488,909				
Home Value	New Tax Rate	City Property Taxes	Tax Levy (Bayside)	+ or -
$ 300,000	6.165989	$ 1,850	$ 14,816,567	$ 7.51
$ 400,000	6.165989	$ 2,466	$ 14,816,567	$ 10.01
$ 500,000	6.165989	$ 3,083	$ 14,816,567	$ 12.52

Move to Bayside with 10 Year Loan Value of $1,238,909				
Home Value	New Tax Rate	City Property Taxes	Tax Levy (Bayside)	+ or -
$ 300,000	6.202213	$ 1,861	$ 14,903,611	$ 10.87
$ 400,000	6.202213	$ 2,481	$ 14,903,611	$ 14.49
$ 500,000	6.202213	$ 3,101	$ 14,903,611	$ 18.11

Remain in Glendale with a Loan Value of $4,056,959				
Home Value	New Tax Rate	City Property Taxes	Tax Levy (Glendale)	+ or -
$ 300,000	6.343553	$ 1,903	$ 15,243,246	$ 42.40
$ 400,000	6.343553	$ 2,537	$ 15,243,246	$ 56.54
$ 500,000	6.343553	$ 3,172	$ 15,243,246	$ 70.67

Non-residential properties equal 44% of the assessed value. On a $488,909 project, residents would be responsible for $273,789 of the cost of a new library facility ($693,789 of a $1,238,909 project).

Building Space and Rent:

The City of Glendale took ownership of the existing library around 1985 as a donation, and the space was constructed to become the home of the new North Shore Library. The space has been used for this purpose since then. Glendale does not receive rent from the other communities for this space. This is consistent with all other North Shore agreements, such as Emergency Dispatch, Court, Health, and Information Technology. The host community provides the space and only passes the utility costs to the other communities. Here, the Fiscal Agent pays the bills as part of the library budget.

The Library is located in the basement of 6800 Port Washington. The building and fire inspectors went through the building to quickly note major issues. One reported issue was the lack of an ADA-compliant rear exit. To become compliant, the rear yard would need to be removed to provide an ADA-compliant sloped exit. This would need to be completed on property not owned by any of the municipalities and was not noted in the 2018 facilities study. This would be in addition to other necessary fire, electrical, plumbing, and HVAC repairs.

ATTACHMENTS:

1. New North Shore Library Funding Agreement
2. Resolution establishing a position on the North Shore Library Capital Campaign

5909 North Milwaukee River Parkway
Glendale, WI 53209

SUBJECT: *Resolution:* Reaffirming the City's Position on Financing the North Shore Library's Campaign

FROM: Karl Warwick, City Administrator

MEETING: May 23, 2025 Special Common Council Meeting

MEETING DATE: May 23, 2025

FISCAL SUMMARY:

Budget Summary:	NA
Budgeted Expenditure:	NA
Budgeted Revenue:	NA

STATUTORY REFERENCE:

Wisconsin Statutes:	NA
Municipal Code:	NA

BACKGROUND & ANALYSIS: The enclosed Resolution reaffirms the City's position that the funding being asked of the City for the Library's Capital Campaign is the maximum funding the City will be the maximum amount provided for this purpose.

RECOMMENDATION: Consider adopting the Resolution reaffirming the City's position on financing the North Shore Library's Campaign.

ACTION REQUESTED: Consider adopting the Resolution reaffirming the City's position on financing the North Shore Library's Campaign.

ATTACHMENTS:

Resolution Library Funding Position

RESOLUTION NO. 25-

RE-AFFIRMING THE CITY'S POSITION ON FINANCING THE NORTH SHORE LIBRARY'S CAPITAL CAMPAIGN

WHEREAS, the City of Glendale, along with the Villages of Bayside, River Hills, and Fox Point, have been part of the North Shore Library since 1985; and

WHEREAS, since the inception of the North Shore Library, at various times, the municipalities have adopted amendments to the original North Shore Library Agreement; and

WHEREAS, the municipalities have worked collectively since the inception of the North Shore Library to provide quality services to their residents and to maintain a low-cost basis for these services; and

WHEREAS, Glendale and the other members of the North Shore Library system were asked to make a financial contribution towards the construction of the new North Shore Library facility located at 711 Grace Street, Bayside; and

WHEREAS, the municipalities were asked to collectively contribute $2,446,502 of a $12.1 million library project; and

WHEREAS, the City of Glendale adopted the "New North Shore Library Funding Agreement" on May 20th, 2025, allocating a maximum of $1,238,909 towards the Library Capital Campaign.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City of Glendale hereby pledges $1,238,909 towards the library campaign in the adopted agreement.

NOW, THEREFORE, BE IT FURTHER RESOLVED, it is the City of Glendale's position that the $1,238,909 pledge will be the maximum financial pledge towards the initial construction of the new North Shore Library facility located at 711 Grace Street, Bayside.

NOW, THEREFORE, BE IT FURTHER RESOLVED, the City of Glendale strongly encourages that additional non-municipal revenue be obtained to lower municipal contributions as much as possible.

PASSED AND ADOPTED by the Common Council of the City of Glendale this ___day of ____, 2025.

CITY OF GLENDALE

_____
Bryan Kennedy, Mayor

Countersigned:

_____
Megan Humitz, City Clerk