



# CITY OF FALLS CHURCH

DRAFT

Mayor Tarter and City of Falls Church Council Members  
City Hall  
300 Park Avenue  
City of Falls Church, Virginia 22046

Dear Mayor Tarter and Council Members:

We are writing to thank you for the support and assistance the City has provided to the renovation and expansion of the Mary Riley Styles Public Library and to request that you consider and adopt two new policies to ensure that this important project is adequately funded.

The current City Capital Improvement Program (CIP) describes a Library project budget of \$8.7 million with \$8,381,605 million for construction and related services and \$318,395 for bond issuance fees (see page 6-1). The Board learned recently, however, that current construction cost estimates exceed the construction budget by about \$500,000. Although the core elements of the Library project have not changed, costs of labor and materials have increased over the past several years.

Despite these cost increases, the Board is committed to completing the project within the budget approved by the public referendum. To meet this goal, the Board requests that the Council consider and adopt two changes to current policies.

- In formulating the Library referendum in 2016, the City took a cautious approach and sought approval of \$8.7 million with the understanding that funding above the \$8.38 million projected as the project cost would fully cover costs associated with bond fees and other expenses. Fortunately, the City has been able to arrange for bonding at costs substantially less than the \$318,395 difference between the referendum approved amount and the construction budget. Current City policy, however, provides that any funds not used for bond fees revert to the City rather than to the Library project. *This policy would be appropriate if construction costs were adequately funded without these funds. But, given that there is a construction budget shortfall, the Board recommends that funds not needed for bond fees be used to directly support renovation and construction costs.*
- As part of the approval of the Founders' Row Project, the City was able to arrange for a voluntary concession from the developer to provide over \$257,000 for Library construction as partial compensation for the increased services new residents of the

development are expected to seek from the Library. This funding was unknown at the time of initial project planning and not assumed to be a source of funds to repay bonds. Yet, current City policy is to direct voluntary concession funds for Library construction to bond repayments. Again, if the Library project could be adequately funded with just approved bond funds, this policy would be appropriate. *But, given that there is a construction budget shortfall, the Board recommends that these new voluntary concession funds be used to help close the shortfall.*

The Library Board believes that these recommended changes to City policy will substantially close the construction budget shortfall the City now faces for the Library renovation and expansion project. We are asking for your support for these policy changes now to provide time for discussion and to answer questions you may have early in the budget formulation process.

We look forward to working with you on this important matter.

Sincerely,

Bard Gernand, Chair  
Mary Riley Styles Public Library Board of Trustees

cc: City Manager  
Planning Commission