

LIBRARY STRATEGIES

A Consulting Group of The Friends of the Saint Paul Public Library



A Capital Campaign Feasibility Study Report

Presented to
The Friday Memorial Library
January 23, 2018

Executive Summary

The Friday Memorial Library Board of Trustees and the City of New Richmond are anticipating the construction of a new Library facility to provide enhanced Library services to the community. A site has been prepared and conceptual drawings produced for a new Library and park at S. Arch Avenue and E 5th Street.

Library Strategies was hired by the Library Board of Trustees and the City of New Richmond to conduct a feasibility study to assess the community's readiness to provide \$12 million in private capital funding toward the \$16.6 million building project. The feasibility study, conducted in November and December of 2017, was designed to include 20-25 face-to-face interviews with potential major donors and community leaders. The Feasibility Study Steering Committee identified potential major donors or persons with community influence who were invited to participate in the study. Letters were sent to these individuals asking for their willingness to meet with a Library Strategies consultant to discuss the proposed Library project.

As Library Strategies' consultants conducted the interviews, it became evident that, while there was broad understanding that the current library is inadequate and the community desires something better, at \$16.6 million the project as presented was just too expensive.

Especially because this project has been going on for so long, there was likely to be skepticism this time. There was. Especially when the vision presented was so far beyond what most would consider realistic. Beyond this initial reaction, there were other concerning issues that emerged throughout the interviews:

- 1) The City and Library have not adequately defined the need for a new building, at least one that satisfies potential donors. Beyond developing building plans, the underlying need for enhanced Library service for New Richmond is not well articulated.
- 2) While the City may have proceeded with a process to include public input, there is a perception among potential major donors that the City does not listen to its citizens nor value their input.
- 3) The project as presented is unrealistic and significantly beyond what the community has the capacity to support.
- 4) Before building a new Library, most believe it would be prudent and responsible to identify clear plans for repurposing the existing Library and clarifying the City's plan to honor the Friday Family's naming rights.

- 5) The City's funding participation is perceived to be much too low and signals a lack of value and commitment to the project.
- 6) Collaboration is highly valued in New Richmond. The Library's approach to this project is not viewed as collaborative. There is a great deal of concern that potential partnerships have not been explored. "Is the Community Commons concept gone?"

One of the benefits of conducting a feasibility study is to uncover issues such as these so they can be addressed prior to launching a campaign. These issues are fixable. There does appear to be broad-based understanding that the current Library is inadequate to meet the future needs of the community and a new Library is in New Richmond's future. There is sincere interest in making this work, but it will require time and effort to improve communications, build partnerships, nurture relationships, and recast the Library vision in a more reasonable and collaborative manner.

This report will articulate the above themes in more detail while also providing recommendations for the Library and City to consider as it moves forward with this project.

Project Background

The Friday Memorial Library has been exploring the possibility of building a new Library building for a number of years. The vision became somewhat more defined as School District of New Richmond sold the former middle school parcel to the City of New Richmond in 2017. The land has been prepared and a conceptual design created for a 28,000 square foot Library facility.

The cost to build the 28,000 sf Library has been estimated at \$16.6 million. The City of New Richmond has identified \$1.5 million in public funding toward the project. An additional \$3 million in public funding has been proposed but the sources of that funding have not been defined. This feasibility study was designed to test the likelihood of success in raising \$12 million of private sector support for the project.

Feasibility Study Purpose and Methodology

The feasibility study for Friday Memorial Library was designed to:

- Assess the community's impression and awareness of the Library and the service it provides to New Richmond currently;
- Evaluate the fundraising capabilities of Library's leadership;
- Determine the community's perception of the need for a new Library;
- Identify specific service areas and community needs that resonate with potential donors;
- Assess potential highlights or challenges to a successful capital campaign;

- Identify potential lead gifts necessary to launch a successful campaign;
- Suggest ideal leadership to champion and execute a successful campaign; and
- Provide a framework for a campaign that responds to the community's capacity and willingness to support a Library capital campaign.

Library Strategies consultants conducted feasibility study interviews with twenty-six (26) potential donors and community leaders between November 27 and December 8, 2017. These participants were identified by the Library Feasibility Study Committee as priority contacts who have the potential to provide a leadership or major gift, or who could influence others to make that level of commitment to the project. Approximately 60 individuals were sent a letter of invitation, signed by the Library Director and Board Chair, asking for participation in an interview conducted by a Library Strategies consultant.

Library Strategies designed a presentation of the project that included information on current usage of the library, a vision for the new library, the project budget, proposed public-private funding sources and a formula for achieving a \$12 million private capital campaign.

The format of the interviews was designed to capture the above stated purposes and present the project as a public-private initiative. The interviews were conducted in person (with the exception of one telephone interview), at the interviewees' home or office, or privately at the Library. The interviews were structured around a short presentation of the proposed project followed by a series of questions designed to elicit opinions, perceptions, interests and actual potential for giving from each of the respondents. Participants were assured that their responses would be recorded but remain anonymous. A list of those participating in the interviews is included at the end of this report in the Appendix.

Once the interviews were completed, Library Strategies reviewed and analyzed participants' feedback for perceptions around key questions asked in the interviews. We also examined the giving potential and leadership available to determine the feasibility of conducting a successful \$12 million capital campaign for the Library.

Key Findings from the Interviews

General Perceptions of the Library and City Leadership

- Many of the interview participants maintained an outdated perspective of a library as primarily a repository for books, and several indicated that the Friday Library was no longer relevant to them personally, although they recognized that others in the community did need and use the Library for resources and access to the internet. Most of those who did use the Library simply picked up or dropped off books or other resources. There was little

engagement with Library programs; most simply perceived the Library as a place for children, youth (maybe) and seniors to access materials.

- Every person interviewed had positive opinions of the Library staff and high respect for Kim Hennings, the former Director. In fact, many acknowledged that the Library had made progress toward more community engagement and outreach under her tenure.
- Many of those we interviewed did not personally know most of the Board of Trustees or Friends Board members. Those that did know some of the board members considered them valuable volunteers and commended their dedication to the community, but did not perceive as strong fundraisers or campaign leaders.
- There were several strong opinions expressed regarding the City's unwillingness to listen to its citizens. While there was some acknowledgement that the City conducted the proper steps to request community input, there was a general feeling, especially among those with the potential to be major donors or provide campaign leadership, that the City did not incorporate that input but rather followed a predetermined course. This may reflect historical perspectives from previous project planning effort. Nevertheless, this sentiment was expressed often and with some intensity.

Philanthropic Climate and Community Dynamics

- New Richmond has a long history of strong philanthropy and community investment. Historically, several prominent families and local businesses could be counted on to provide significant private investment in civic, religious and educational initiatives. This is reflected with the Friday Memorial Library. However, most of these "legacy families" no longer reside in New Richmond and most of the area businesses and financial institutions are not locally owned.
- While likely controversial at the time, the passage of the school referendum is a source of pride across the community. While it was a significant investment, it is widely recognized as important for the future growth and development of the City and surrounding area. The success of this initiative could provide some proof points for a future Library campaign.
- Collaboration is very highly valued in New Richmond. Nearly every interviewee mentioned this word somewhere in the conversation. While there was some recognition that the Library has been operating more collaboratively at the program and service level, its approach to this project is perceived as siloed and even arrogant.
- Hunger was identified as a significant concern and a philanthropic priority for several of those potential donors we interviewed.

Case for Giving

- Every person we interviewed for this study understood that the current library building presented significant challenges to providing more expansive library services. There was respect and praise for library staff and recognition that they worked hard to provide solid library programs and services given the constraints of that space.
- Even while interviewees understood the current library's inadequacies, the need for a new Library has not been clearly articulated. There is little understanding of the vision for enhanced library service. Most of those we interviewed were not library users; they did not have a personal connection to the Library, nor did they perceive its potential as a leading civic institution. It is simply a place where people acquire books and other materials and/or gain access to the internet.
- The service areas that resonated the most with potential donors were those for children and youth. This was mentioned by nearly every interviewee. Early literacy was considered very important, recognized as the foundation for a well-educated community. Programs and space for youth were considered important, but there was concern raised regarding whether teens would come, as a teen center was recently closed because it was not utilized.
- Digital literacy was also recognized as an important factor that the community must address and the Library, along with WITC, could play a leadership role in developing this capability for the community.
- There was a great deal of interest in collaboration with The Centre, that the new location could provide a safe zone for children and youth to access both facilities easily. "Collaboration" was a term uttered frequently during the interviews and is clearly a community value. The Library was perceived as somewhat siloed in this process of proposing a new building.
- Meeting spaces were recognized as somewhat of a need, but this was not the most important concern. There were suggestions that the proposed hockey rink would have meeting spaces. Only a few interviewees recognized the potential for enhanced services - such as creative, educational, cultural and social programs – that the Library could offer if it had adequate space.
- While most of those we interviewed recognized that a library was critical to the health and development of a vibrant community, few could articulate exactly what that might mean for New Richmond. Many referenced the Destiny Drivers initiative and suggested that the Library should play a role in addressing those ideas and strategies for New Richmond's future. Again, the Library has an opportunity to position itself as a collaborative partner to strengthen the community's growth and future development.

Potential Campaign Leadership

- Several individuals were suggested for potential campaign leadership. These individuals were consistently mentioned by nearly all of the interviewees. However, these individuals were also part of this feasibility study and did not express their personal support for the project as it is presented currently. As these community leaders appear to have significant influence, achieving their “buy-in”, if not actual leadership on the campaign, will be very important.

Potential Financial Support

- The community has not been asked to support a private campaign of this magnitude in recent history, if ever. Successfully raising \$12 million in private support is simply not considered realistic. Most of those we interviewed suggested \$3 to \$5 million is a more realistic campaign goal, although the higher level was considered a stretch to most.
- Most of the interviewees suggested that the City’s participation in this project is too low and signaled a lack of commitment toward the project. Most felt the participation level of the City should be 40%, 50% or even 60% of the project cost. A low level of City participation signals to donors that this project has low value as a civic investment.
- There was some concern expressed regarding the imbalance of public support provided by the surrounding townships. Several interview participants suggested that the City should make some request for participation from those townships, however, most recognized their limited ability to impose additional taxes on their residents.
- Each study participant was presented a gift table showing the typical standards for identifying lead gifts in a \$12 million campaign. We asked each interviewee to identify potential lead and major donors (\$100,000+). There were only two participants who indicated potential support at \$100,000. This is far below what would be necessary to achieve a \$12 million campaign. Most of those we interviewed would not offer any level of support, as the presentation of this project was not considered real or reasonable.
- Even while many of the families who have historically been philanthropic drivers for New Richmond no longer live in the area, there was a shared perspective that there was notable wealth in the community.
- There was concern expressed among potential donors that the City is not honoring the Friday family by simply moving the Library. “If the City does not honor that donor’s request, how would they treat future donors?” Public recognition of the Friday family in the new project, or a declaration of their

willingness to “resell” naming rights would go a long way to assure potential donors that their partnership would be honored and valued over time.

Recommendations

Based on the challenges identified in this study, Library Strategies does not recommend that the Library proceed with conducting a capital campaign as presented. Instead, we suggest several steps to lay a more solid foundation and engage the community more deeply in the plans to design and support a smaller project that reflects clearly articulated needs the desires of the community. We recommend the following steps to prepare the community for a future library capital campaign.

- 1) Incorporate elements of the MSR conceptual design and strategic planning processes to redesign and scale the project to reflect a more attainable goal for funding. We suggest a project budget of \$8-10 million and a capital campaign goal of \$3-4 million. With this newly scaled budget, the City could explore options that include renovation and expansion of the existing Library at its current site or a smaller-scale new library at the proposed site.
- 2) Secure a stronger financial commitment from the City of New Richmond to rebalance the public-private formula. Ideally, a 50-50 public-private portfolio would be preferred by most potential private investors. To build an \$8-10 million library would require the City to provide approximately \$4 to 6 million toward the project.
- 3) Create a small Steering Committee of select community leaders (there are several who have been identified in this study as critical to moving this project forward) to work with the Library to help define the scope and scale of the future Library and identify a path to funding from both public and private sources. This committee should be tasked with connecting the Library vision with the City’s Community Action Plan and elevate the Library’s role in plans for New Richmond’s future.
- 4) If it is determined that the current building site will not accommodate an expanded library sufficient to serve New Richmond in the future, plans to repurpose the existing building should be developed and communicated broadly to the community, providing transparency on the building’s restrictions and opportunities.
- 5) Recast the Library vision by conducting an inclusive, community-driven strategic planning process designed to discuss the community’s needs, hopes and dreams for its Library and identify potential partnerships and collaborative initiatives. This 3-year strategic plan would focus on what happens *inside* the Library, rather than focusing on space and building needs. The intention of this type of planning effort is to: a) produce a plan for the Library, b) develop the “why” for a new building, and c) engage the community and organizational partners deeper as stakeholders, advocates and potential funders.

- 6) Develop a budget and plan for increased marketing, communications and public relations efforts to elevate awareness and support for the Library today and for the future building project. The new Library Director should be very outward facing and prominent in the community, promoting the Library as a critical pillar and collaborative partner for New Richmond's future.
- 7) Continue outreach efforts and make a deliberate effort to form even more community partnerships for collaborative programs and services. Promote these partnerships broadly to increase understanding of the Library's critical role as a steward of the community's collaborative values. Reframe the building project around these partnerships and collaborative features.
- 8) Obtain and communicate clarification of the relationship with the Friday Family regarding the current building, possibly seeking their involvement in the new building or an opportunity to "release and resell" the family's naming rights.
- 9) Once the project has been redefined and the City's participation secured, the Steering Committee should be asked to recruit campaign leadership and develop the campaign plan. During the Quiet Phase of the capital campaign, a concerted effort should be made to locate those legacy families to determine if there would be interest in this campaign, particularly with the option for naming rights to memorialize or honor past residents. Once 80% of the campaign goal has been achieved through lead and major gifts, the Public Phase of the campaign can be launched to engage broad participation from the general public.

Conclusion

Library Strategies has truly enjoyed its relationship with the Friday Memorial Library and the citizens of New Richmond. We look forward to the opportunity to continue working with the Library staff, Board of Trustees, the Friends Board and the City of New Richmond to leverage the insights captured in this feasibility study and prepare the community for a future successful capital campaign.

Karen Rose & Stu Wilson
Library Strategies

APPENDIX
Friday Memorial Library
Feasibility Study Participants

Bill & Gayle Buell

Maribeth Driscoll

Edna Early

Mary Hailey

Michelle Hermanson

Tom & Julie Koop

Jesse Kvitek

Susan Lockwood

Paul Mayer

Heather McAbee

Marilyn McCarty

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Tom Mews

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