

Library Building Ownership

Initial Question from Librarian: This is an odd question that keeps coming up and I don't know how to answer. As you may or may not know, in 2001, I believe, the City Library expanded. The lower half of the building (where the circulation desk is) is owned by the City. The addition we are not sure about. The library raised all the funds to pay for the addition, does this mean that that half of the building belongs to the Library, or is it also City owned because it is attached to the City owned half?

Response from Bob Cooper – December 14, 2009

I suggest that these situations are never totally clear so one must view them in a practical way unless one desires to ask a court to make the determination. I think it depends on circumstance. If the city owns a facility (not purchased with library funds) that it allows the library to occupy then unless there is a written agreement to the contrary even with substantial improvements being made to the facility with library funds, it is likely the city can determine the disposition of that facility. However, if the library purchases property with library funds or other donated funds given to the library, then the law is fairly clear that the library board has control over the disposition of that property regardless of the title being held in the name of the city as also required by law. When facilities of each type are physically connected things really get complicated and I am not sure beyond both parties adopting a true spirit of compromise how that situation would work out. Does this help?

Initial question: What should a library board do if there is a dispute or problem regarding building ownership?

Response from Tracy Cook and Bob Cooper – December 14, 2009

A Memorandum of Understanding (MOU) is probably the best approach to take. The board and director must consider whether or not the timing is right, but eventually a MOU between the city or county and the board can clarify who owns the building, who is responsible for maintenance of the building, and paying for that maintenance.

Initial question from librarian: The money that is being used to build this is non-tax donations and grant monies that have been sent to the Library building fund. This fund is overseen by the Friends of the Library who have a 501c3 status. In the contract/bid paperwork the architect has asked that the contractor pay money to the City if the contractor does not finish the money by a certain time. The City has nothing to do with this, so should that line say the " Memorial Library building fund" or "Friends of the Library." The friends oversee the fund, but the name of the account is Library Fund. What do you think and/or suggest for this one?

Response from Bob Cooper – October 18, 2010

I think what is going on here is that such default payments are commonly designated to be made to the person or entity holding title to the property under construction. I do not know if this is a legal requirement but I suspect that it is. I cannot imagine that a contractor would be comfortable making payments to anyone but the owner of the property.