



FEASIBILITY STUDY REPORT

presented to the

Waukesha Public Library

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Introduction and Background

In 2020, the Waukesha Public Library retained Library Strategies Consulting Group to undertake a capital campaign feasibility study for the potential renovation of the Library. The need for the renovation has been discussed and projected by the Library and community for many years, with the first phase of renovations on the second floor having been completed in 2012.

Overall, the project will renovate the first floor of the building, with major aspects including an overall update to make the Library more welcoming, the addition of more meeting space, the creation of an Innovation Lab, and a reworking of the historic Carnegie space with a focus on local history and genealogy. Plans for the renovation, including projected costs, were developed by architects Engberg Anderson, and the City has committed approximately two-thirds of the projected cost of the renovations.

For the feasibility study, in working with Library leadership and a feasibility study committee composed of prominent community members, a presentation booklet was developed by Library Strategies. The Library set forth background information, schematic drawings and a site plan from the architects, along with preliminary cost estimates and fundraising goals. Meetings with Library Strategies consultants and the committee resulted in finalizing the booklet, particularly the need and case for the project. Library Strategies and the committee structured the process, beginning with the development of a prospect list and solicitation of individuals willing to participate in a feasibility interview.

To assess the potential for achieving a successful capital campaign, Library Strategies reviewed background materials, researched potential foundation contributors, and then conducted 20 confidential interviews with civic and community leaders who could potentially make a significant gift to the campaign. Interviews tested the readiness of the community to provide \$1.5 million in private funds toward a \$4.8 million project to renovate the Library.

The methodology, findings, and recommendations set forth below indicate that:

- **The Library is a well-regarded and important part of the Waukesha community.**
- **Overall, the community recognizes the need for the Library renovation, and there is strong support for the design and approach.**
- **Waukesha's philanthropic community is large enough to support a campaign of this size.**

- **The timing of the campaign is viewed as critical to the success of the campaign. A shared perspective among many interviewees is to hold off on a campaign until the COVID crisis has passed, both to make the project more relevant and to not conflict with other more pressing community needs.**
- **The Library continues to lack internal fundraising capacity, and thus, should account for fundraising costs, structures and capabilities before launching a campaign.**

The following report details specific challenges and opportunities and identifies potential next steps and recommendations in moving forward.

Feasibility Study Purpose

The feasibility study for the Waukesha Public Library was conducted to:

- Assess community's awareness and impressions of the Library and the services and resources it provides to Waukesha currently
- Evaluate the fundraising capabilities of the Library
- Evaluate perceptions of the Board and lead staff in the community
- Determine the community's perception of the need to renovate the Library
- Assess potential highlights and challenges to a successful campaign
- Compare to other philanthropic needs and projects in the community
- Identify potential lead gifts necessary to launch a successful campaign
- Assess the overall likelihood of achieving the campaign goal
- Identify potential and ideal volunteer campaign leadership
- Provide a framework for a possible capital campaign that responds to the community's capacity and willingness to support a Library campaign.

Methodology and Process

The core of the methodology for the feasibility study centered on conducting in-person, confidential interviews with potential lead donors to the projected campaign, and other community leaders knowledgeable about the philanthropic environment in Waukesha. Prior to conducting the interviews, Library Strategies reviewed background material and data on the project, the Library, and the community; researched potential foundation funders; and worked with the Library and committee to create the feasibility case document used in the interviews.

The study interviewees were identified by the community feasibility committee and Library leadership. Approximately 35 potential interviewees were identified. Emails introducing the project were sent by the Library Director to approximately 25 potential individuals for whom contact information was gathered, and the response to the requests were mostly positive. (A list of interviewees is in the Appendix). Library Strategies consultants then followed up and scheduled the interviews.

The feasibility study interviews were conducted November, 2020, through early January, 2021, by the principal consultants. Given the COVID environment, the interviews were primarily conducted via Zoom video sessions, with a few being conducted by phone. Notes were taken by the consultants during all of the interviews. Participants throughout were very willing to share their observations and insights.

In total, 20 interviews were conducted, which was somewhat short of the goal of 25. This may have been due to the virtual environment and difficulties in reaching individuals. While Library Strategies would normally look to conducting a few more interviews for a project of this size, the consistency of the responses to the project by the people interviewed led to high confidence in having connected with an adequate number of the critical constituencies in the community to assess the feasibility of the project.

The two Library Strategies consultants reviewed the background and analyzed the feedback from the interviews to determine if a \$1.5 million campaign is possible at this time, as well as to identify other challenges and opportunities for a possible campaign.

Key Findings

Library Strategies, through the interviews and other background research, developed a number of key findings upon which our recommendations are based:

- The Library is widely considered a valuable asset and is respected by everyone in the community. Library leadership is viewed positively.
- Almost all of the interviewees recognized the need for a renovated Library. A small group were not negative, but were unsure of the compelling need for the project right now.
- There was strong support for the major features of the project.
- The interviewees were very positive regarding the mix of public, City support versus private support for the project.
- Many people spoke about the current location of the Library as being ideal.
- A number of interviewees noted appreciation for the project being a renovation rather than a new construction as well as the relatively reasonable cost.
- The majority of interviewees were positive about reaching the fundraising goals. Concerns raised were primarily around finding the leading gifts, particularly with the loss of older philanthropic families and businesses in Waukesha in recent decades.
- Participants felt that positioning the Library project as supporting families and children, and the educational future of the community, would resonate most strongly in a campaign.
- Some interviewees noted that naming opportunities could be an important factor in making a gift.
- The Library's fundraising capacity is limited and this would need to be addressed in campaign planning.
- Many interviewees recommended holding off on the campaign until the COVID pandemic is over.

View of the Library Leadership and Project

A potentially critical factor in any capital campaign is the view of Library leadership – lead staff and board - in the community, and particularly the philanthropic community.

In discussing Library leadership in relation to a potential campaign, interviewees expressed a great amount of respect for the Library Director, in addition to overall support for the Library staff as a whole. If the Director was known to them, interviewees were also favorable about his vision in leading the future direction of the Library.

Regarding the Library Board, many members were not known to the interviewees. Those Board members they did know were well respected. However, almost all interviewees agreed that the current Board of the Library were not philanthropic leaders, and that the Board as a whole, was not a fundraising board. Overall, there was a sense that this Board would not be the primary body to fundraise \$1.5 million for the Library, and that a separate capital campaign fundraising committee should be formed.

The great majority of the interviewees supported the plans for the renovation and its major features: Innovation Lab, increased meeting room space and demonstration kitchen, the renovated Carnegie space for local history and genealogy, and making the Library more welcoming. The first three perhaps resonated most strongly with potential donors. A minority did express some concerns over the loss of more traditional library services, and the extent to which the Library should become a community center. To ameliorate these concerns, in projected campaign materials it may be worthwhile to include more information about the collections and other services, notably children's services, that the Library offers but are not included in the renovation project per se.

Campaign Resources and Capacity

Another aspect of the feasibility process is to broadly identify issues and challenges the Library may encounter in conducting a campaign. The area of greatest concern for the Library's running a campaign is the lack of development capacity and experience. The Library does not have a foundation, nor any fundraising staff (not unusual for a library of its size). Additionally, its Friends group may not have the standing to run a campaign, and the Library and Friends have relatively little experience in stewarding major donors. Larger contributors often will give more if they have long-standing relationship with the organization, and many also prefer to give to non-profit rather than governmental agencies.

The Library does have a good and ongoing with the Waukesha Community Foundation which may be a significant asset and ally in conducting a campaign. The Foundation could serve as the trusted nonprofit repository for campaign gifts and help to identify donors to the project as well. However, while the Foundation may passively promote the campaign, it is unlikely to engage in active campaign fundraising.

This challenge can be overcome by planning to boost fundraising resources for the campaign. Often, this involves hiring campaign counsel and hiring part-time administrative support for the duration of the campaign. It is standard practice to cover these costs as part of the campaign, as 5 to 7% of the total campaign is typical to support the cost of counsel, temporary staff, marketing, printing, donor recognition, etc. (approximately \$75,000 to \$100,000 for this campaign). Thus in advance of the actual campaign, the Library should explore its options for advancing its fundraising capacity.

Campaign Leadership & Potential Lead Gifts

Another aspect of the feasibility process is to identify possible campaign leadership. Throughout, interviewees were asked if they would be willing to play a volunteer leadership role in a campaign, and in lieu of that, if there were individuals they could identify as possible campaign leaders.

While expressing positive remarks about the possible campaign, most of the interviewees were unwilling to serve in a campaign capacity, although a few said they would work on the campaign but not in a leadership role. Some individuals simply declined, while others stated they were too occupied in other organizations or activities to take on another leadership role.

Finally, interview participants were asked to identify others in the community who might make good campaign leaders. The individuals mentioned as possible campaign leaders were:

- Melissa Baxter
- Cathy Bellovary
- Lillian Boese
- Tony and Andrea Bryant
- Dr. Davies family (Elizabeth Davies)
- Delzer family
- Brian Dorow
- Chris Fenner
- Joan Francouer
- Suzanne and Martin Franks
- Steve Koon (just retired from Carroll University)
- Shelli Marquardt
- Cindy Nattinger
- Ralph and Renee Ramirez
- Ken Riesch
- Ty Taylor
- Jane Thoma
- Anselmo Villareal (unlike to participate, but should be consulted for campaign advice)
- Bob Winchell

Interviewees were also asked to suggest potential lead donors, although the majority declined to suggest any names or organizations. While these are only suggestions, the list may serve as a starting point for the quiet phase of a campaign focused on major donors. The suggested possible major contributors included (in no particular order):

- Inpro
- Bryant Family Foundation
- All local banks
- Waukesha State Bank
- R&R Insurance
- Ken Riesch
- Greater Milwaukee Area Foundation
- Huelsman family
- Waukesha Community Foundation
- Stysza family
- Jerry Couri
- Stackner Foundation
- Other area foundations not based in Waukesha (i.e., NW Mutual)
- WE-Energies
- Quad-Graphics
- Payne and Dolan
- Herb Kohl Foundation
- Ramirez family
- GE

Financial Support

The potential for private support for the projected campaign was discussed and probed with each of the feasibility interviewees. In particular, Library Strategies hoped to identify leadership gifts (the top 10-20 gifts in a campaign).

Participants were shown a gift range table, with a projected lead gift of \$250,000 needed for a campaign of this size, as well as additional gifts at the five-figure level or greater. The highest gifts indicated by individual interviewees were in the low six-figures, as well as a number of potential five-figure gifts. No definite lead gifts were identified. It is of concern that no top-level gifts were identified, but the potential for these gifts in the community does seem to exist, and identifying two possible gifts of \$100,000 or more was a positive indicator in the study process. In addition to the interviews, Library Strategies conducted a review of possible foundation gifts, and there are 3-5 philanthropic or corporate foundations that appear to have the interest and capability of giving a major gift.

The overall philanthropic culture in Waukesha was described by the great majority of interviewees as healthy and generous. That said, many cautioned that the Library will need to be sure to make a strong case for the project, and that timing may also be a critical factor. There have been other successful campaigns of similar or larger size in Waukesha, which also bodes well for local philanthropy in support of the Library's campaign. The Library is likely to face one "competing" campaign in the community for the Civic Theater.

Overall, Library Strategies identified approximately \$500,000-600,000 in possible support from the interviewees and the foundations reviewed. While Library Strategies usually likes to identify half of the potential gift amount needed to reach the campaign goal, the fact that fewer than the targeted number of interviews were conducted, the unusual environment, and the strong support by the individuals that were interviewed, leads the consultants to believe that the campaign's financial goal is achievable.

Challenges

Across the interviews and feasibility process, Library Strategies identified three major challenges that need to be addressed in launching a capital campaign. A campaign may proceed without resolving all of these challenges; however, the challenges are significant and should be dealt with, at least partially, before a campaign launch.

The major challenges are:

- **The Library does not have a strong history of fundraising.** This is significant in two aspects. First, the Library does not have a strong base of major donors from which to draw for a campaign. Stated another way, many of the major donors in the community do not currently have a strong giving relationship with the Library. Second, the Library does not have a strong fundraising infrastructure or culture, and the Library Board is not a fundraising board. Some aspects of this challenge can be overcome with outside help, but the lack of these internal aspects will present a challenge to be addressed.
- **The lead gift was not identified.** For a \$1.5 million campaign, one lead gift of approximately \$250,000 is projected to be needed, with two additional six-figure gifts. During the study, two potential six-figure gifts, probably in the \$100,00-125,000 range were identified. In a campaign, a lead gift will need to be identified, or alternatively, a larger number of somewhat smaller gifts in the \$100,000 range.
- **Timing of the campaign is the biggest concern.** While the City has committed funds to the project, and the renovations could begin in 2021, the COVID environment is a major challenge in three ways. First, it may not be a good fundraising period for the Library capital campaign as many donors are looking to support other areas of greater immediate need. Second, many individuals and businesses are also currently under economic stress and may not be in a position to make contributions in the near future. And finally, with the lockdown, there may be concern among potential donors about aspects of Library use following the pandemic. For instance, it is unknown whether or not people will return to the Library for as much meeting and program space as is projected in the plans, and to the extent users may continue to use remote rather than on-site services.

Positive Indicators

On the flip side of the challenges outlined above, Library Strategies also identified five positive indicators that would lead the Library toward a campaign in the not-too-distant future. These indicators are:

- **The community is generous in its philanthropy.** There have been other recent campaigns in Waukesha of a similar size and for parallel organizations. This is probably the most straightforward indicator that there is a large enough philanthropic community to ultimately support the Library's campaign. Across all of the research, indications point to there being enough philanthropy in the community to support a \$1.5 million campaign.
- **People see the need for a renovated Library and strongly support the Library's plans.** There is strong community support for the service vision of the Library and its architectural plans. They also see the possibility of a renovated Library contributing significantly to the educational, cultural and economic vitality of the community.
- **The Library is respected and well run.** Major donors, and contributors in general, are much more likely to support an institution that is valued and which operates effectively.
- **The City is behind a renovated Library and have committed funds to the project.** This support for a public institution is a critical element in securing broader private financial backing.
- **Library Strategies believes the Library can conduct a successful capital campaign if the start is delayed until the pandemic is waning.** It is likely that COVID concerns will fade in the coming months, but that it is wise to delay launching the campaign. In the meantime, the Library can put in place all of the structures and materials to launch as soon as possible.

Recommendations

Library Strategies recommends proceeding with a campaign but holding off until the COVID crisis has diminished. If a campaign were launched immediately, donors would be hesitant to give until post-COVID, and the structure of the campaign would be hindered by not being able to court potential contributors face-to-face.

We definitely believe that a campaign at the \$1.5-1.6 million level can be successful in the next few years, with a potential launch date possible mid-year 2021. Behind-the-scenes planning for the campaign, such as securing a campaign committee and leadership, further developing a campaign case and materials, and ensuring that all relevant Library policies are in place (gift acceptance, naming, etc.), could begin early in 2021.

Based on evidence from the study, a \$1.5 million goal is achievable, although success will likely depend on securing three to five six-figure gifts. We also recommend increasing the fundraising goal to cover all projected fundraising costs (perhaps \$1.6 million).

Library Strategies recommends a campaign structure in two phases. The first, or quiet, phase, would consist of securing lead gifts (\$50,000 or more) to reach 60-80% of the total campaign goal. This phase typically takes 6 months to a year. The second, or public, phase consists of securing contributions at all levels. The second phase typically lasts one to two years. Thus, a campaign structure of 2-3 years is recommended. If the renovations proceed during the campaign, financing options will need to be put in place until contributions and pledges are actually received.

Under this campaign, to increase total gift amounts, pledges of 3-5 years for donors should be accepted. Additionally, naming opportunities for major renovation features – approved by the Library Board - should be offered, as well as donor recognition for giving at all levels.

Conclusion

Developing and conducting a feasibility study is a critical first step in determining when and whether to proceed with any major capital project. Both Library Strategies and the Library leadership undertook this project and completed the projected process with attention and care. As with any such study, the campaign results cannot be predicted with certainty in advance. The value of the study is in the information provided, which can either lead to a successful campaign, assist in developing strategies for alternative courses of action, and/or avoid the costly mistake of undertaking a failed campaign that can harm future chances of success.

Identifying assets and obstacles is an essential part of developing a solid fundraising base. The Library's positive reputation in the community is a vital asset and the overall community support of the project, as well as the generosity of the community are major plusses. The next step is recognizing the obstacles to moving forward, primarily the timing of the campaign given the external environment and building fundraising capabilities. Library Strategies strongly believes that the challenges outlined in this report can be overcome, and that there is a successful capital campaign on the horizon for the Waukesha Public Library.

Appendix 1: List of Interviewees

Potential campaign supporters interviewed by Sharon Griggins or Stu Wilson as part of the feasibility study:

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| • Wendy Ackley | • George Lorenz |
| • Kurt Bechthold | • Shelli Marquardt |
| • Cathy Bellovary | • Larry Nelson |
| • Andrea Bryant | • Stephanie Ohlfs |
| • Beverly Chappie | • Renee Ramirez |
| • Lynn Delzer | • Mayor Shawn Reilly |
| • Joanne Huelsman | • Terry Stevens |
| • Amy Kutica | • Fred Stier |
| • Dr. Ellen Langill | • Bryce Styza |
| • Carol Lombardi | • Jennifer Zierer |

Appendix 2: Feasibility Study Committee

The membership of the Library's feasibility study committee is:

- Melissa Baxter
- Andrea Bryant
- Joan Francoeur
- Bruce Gay, *Library Director*
- Shelli Marquardt
- Joan Quinlan
- Peggy Stoop
- Ty Taylor