

SWIGER CONSULTING, INC.

PINE GROVE, PENNSYLVANIA LIBRARY AND COMMUNITY CENTER FEASIBILITY STUDY

The Paraclete Foundation, a community not-for-profit organization working to develop a library and community center in the Borough of Pine Grove in southern Schuylkill County, was seeking a USDA Rural Development loan to augment the funds and local support the group had already gathered. The objective of the project was to develop a state-of-the-art library that could serve as a community center and gathering place for this small rural community, hopefully stemming the flow of young people from the area. Though the Foundation had obtained a site, secured support from some municipalities, and had embarked upon a fundraising campaign, the project required significant funding for the construction of the facility. The Foundation requested **Swiger Consulting** and DelGesso Associates to prepare a financial feasibility study for a loan application.

The consulting team assessed the Foundation's fundraising efforts and plans and prepared a demographic and market analysis of the library's projected service area. Careful research and analysis were conducted on the economics and contribution patterns of area residents and the revenue generating aspects of the library (e.g., a coffee shop, rental of meeting space) were considered in developing operating and capital budgets as well as pro forma statements and cash flow projections. Research on state aid programs, municipal support, and other library support programs verified the amount of other financial assistance the facility could expect. A local architect had prepared renderings and drawings of the proposed facility as well as estimating construction costs for the project, which was to be constructed on land already obtained from the municipality.

The consulting team assessed this information and prepared a report meeting USDA Rural Development requirements and guidelines. The team's analysis examined three levels of private sector contributions to supplement state and local support. The conclusion was that if the library were able to meet the moderate level of giving scenario, it would be able to meet its needs for revenues for operating costs and debt service. The loan application is under review by USDA Rural Development.

