



City of Sunnyvale

Agenda Item

17-0072

Agenda Date: 2/7/2017

REPORT TO COUNCIL

SUBJECT

Authorize the City Manager to Explore a Partnership with the Sunnyvale School District for the Joint Development and Operations of the Lakewood Branch Library and Learning Center

BACKGROUND

On July 31, 2012, the City Council held a special joint session with the Library Board of Trustees to study future facility options for the Library and Civic Center. As a result of that discussion, the City Council directed staff to explore the construction of a branch library at the Lakewood School and Park site. The project was envisioned to be a joint facility with the Sunnyvale School District ranging in size between 10,000 to 12,000 square feet.

It should be noted that the “Sunnyvale Library of the Future Community Needs Assessment and Library Plan of Service” adopted by the City Council in 2007, stated that “to be cost effective and achieve an economy of scale, branch libraries should be of large enough critical mass to serve a significant portion of the total population. In Sunnyvale, the total service population and geographical area of the community, combined with greater proximity for some residents to regional libraries, strongly suggests consideration of no more than one branch library in addition to a main library. No less than 16,000 to 24,000 square feet should be considered, as a facility of smaller size would not require significantly less staff and might not make available the materials and services that would fully accommodate an area in the community.”¹ However, the subsequent economic downturn that occurred resulted in the downsizing of the project as the projected source of funding was limited to the proceeds resulting from the future sale of the Raynor Activity Center

In 2012, the City Council declared the Raynor Activity Center surplus property and authorized the sale of the property. Following a competitive process, the property was sold to Stratford School. A lawsuit was filed against the City in January 2014 alleging that the City did not properly perform the requisite environmental review under the California Environmental Quality Act prior to the sale of the Raynor property and that the Park Preservation Act was not properly followed. Both the Superior Court and the Sixth Appellate District Court ruled in favor of the City on the two causes of action. Consequently, the sale of Raynor Activity Center was completed on June 2, 2016 and the funding is now available to proceed with the development of a Branch Library.

EXISTING POLICY

CC-7.2a: Study the space needs of the Library as the population grows and diversifies and recommend the most appropriate configuration for services and facilities.

CC-10.6: Leverage available resources by pursuing co-funded and/or cooperative agreements for provision and maintenance of programs, facilities and services, in order to maximize benefits to the community. Partners may include, but are not limited to, school districts, non-profit groups,

governmental agencies and businesses.

CC-12: Maximum access to recreation services, facilities and amenities. The City strives to maximize access to all of its services, facilities and amenities.

LT-8.7: Conduct a cost/benefit analysis to determine whether the general community would be well-served during no-school hours by capital improvements to school-owned open space and/or recreational facilities. The cost/benefit analysis should take into account ongoing maintenance costs and responsibilities. When it is determined that the community would be well-served by the capital improvement, the City will consider funding a share of the costs of those improvements proportionate to the City's use.

LT-8.8: Support the acquisition or joint use through agreements with partners of suitable sites to enhance Sunnyvale's open spaces and recreational facilities based on community need and through such strategies as development of easements and right-of-ways for open space use, conversion of sites to open space from developed use of land and landbanking.

ENVIRONMENTAL REVIEW

The action being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15061 (b) (3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In addition, this action is exempt pursuant to CEQA Guidelines section 15262 as it is feasibility or planning study for a possible future action that the City Council has not approved, adopted, or funded.

DISCUSSION

Over the past several months, the City has continued to seek the best strategy for implementing the Lakewood Branch Library including a review of prior planning work, evaluating synergies with other City-approved projects and the impact of cost escalation resulting from the delay in the original project timeline. As a result of these efforts, staff is recommending that the project be re-defined from a singular Branch Library concept to a more inclusive concept of up to 17,000 square foot Branch Library and Learning Center that will serve as a primary resource of literacy, learning and wellness activities for the residents of North Sunnyvale.

From Library to Library and Learning Center

North Sunnyvale is an area of the City that has traditionally been underserved with respect to access to library, open space, and community services. Enclosed as Attachment 1 to the report is a map of local libraries² with circles illustrating a two-mile service area radius from the nearest library. North Sunnyvale is the only area within the City of Sunnyvale where residents must travel more than two miles to access library services.

Socio-economically, North Sunnyvale is an area of great need with 64% of the students at Lakewood Elementary qualifying for free or reduced lunch and 47% designated as English learners. At the same time, North Sunnyvale is an area of the City that has experienced significant growth in housing. This creates a situation where it is difficult for neighbors to connect with one another or to create a sense of community. As such, these conditions suggest that the Lakewood site presents a unique

opportunity to realize the City Council's General Plan goals for North Sunnyvale with respect to providing access to library services, open space and recreational programs. An opportunity to explore a more comprehensive set of needed services, combined with a larger facility to provide them, responds to the current demographic needs while also taking into consideration the rapidly growing community that will also require proximity to these uses. Given that that the proposed facility was smaller than what was envisioned to serve the long-term needs of this part of Sunnyvale, now is a good time to explore partnership opportunities to better serve the community and expend public funds on a facility that is responsive to this growing, and changing, community.

To date, the City Council has approved two separate projects for Lakewood Park: the Branch Library; and a Park Renovation and Enhancement Project. A third project for Demolition of the Lakewood Pool is being considered for inclusion in the FY 2017/18 Recommended Budget. The demolition of the Lakewood Pool is a condition of the Open Space Agreement between the City and the School District that must be completed by December, 2018.

As staff began to analyze the three separate projects, it became clear that efficiencies could be realized by aligning the various Lakewood projects. For example, while community space and meeting rooms were envisioned as part of the branch library, by integrating the renovation of the recreation building³ into the branch library project, additional square footage could be realized. Moreover, by co-locating amenities like restrooms, storage and staff work space, it is possible to apply park dedication funds to the project that would not be eligible otherwise. In this way, the limited funding for the Library could be leveraged to create a space that will better meet the educational, social and recreational needs of the community. In addition, because the Lakewood Park Renovation and Enhancement Project would encompass the entire park site, combining the projects allows greater flexibility with respect to design, layout and community engagement. It was the realization that the various projects could add greater value collectively that led to the concept of a Branch Library and Learning Center.

On July 26, 2016, staff provided the City Council with an Informational Memo on the Branch Library (Attachment 2 to the report) indicating that the schedule for the Lakewood Park Renovation and Enhancement Project would be accelerated in order to align it with the Branch Library project schedule. In order to accomplish this with current resources, the timeline for the Fair Oaks Park Renovation Project was also proposed for deferral.

Branch Library Assumptions

As noted earlier, staff revisited the assumptions for the original branch library project, which were originally scaled to fit the available anticipated budget regardless of the full set of service needs. These assumptions include:

- 1) The size of the Branch Library would be 10,000 to 12,000 square feet;
- 2) The Branch would be open 42 hours a week but closed on Friday and Saturdays;
- 3) The Branch would have limited staff with support from the Main Library on a rotational basis;
- 4) The Branch Library would be built on the existing footprint of the park building at Lakewood Park, separate from the recreation building; and
- 5) The sole source of funding would be the proceeds from the sale of the Raynor Activity Center.

In light of the demographics, projected demands for service, staff recommends that the original assumptions related to size and operations be re-evaluated. Additionally, given that there has been

significant cost escalation since 2012, the City needs to reevaluate the true cost and “right size” of the facility to best respond to the community and its service needs. With the assumption of the existing footprint is a constraint, an initial concept was developed to determine the maximum square footage allowable. It was determined that a 17,000 square foot facility that would combine library and recreational services could be accommodated on the existing site. In order to accommodate this expansion, staff also began to explore opportunities to enhance the project by leveraging various funding sources (park dedication funds, potential community benefit dollars, etc).

An opportunity that has re-emerged is a partnership with the Sunnyvale School District. The District recently completed its own capital improvement program at Lakewood Elementary and has embarked on an effort to position the school as “Lakewood Tech EQ” - a school environment focused on developing their students’ technology skills and social smarts for 21st century living. As part of their capital improvement program, the School engaged the community in a visioning process. This process identified the need for increased parent education, positive out-of-school activities for youth and the integration of community resources to help support families achieve their educational, social and recreational goals. In light of the alignment of these goals with the City’s goals, City and District representatives met informally in December to explore the feasibility of a partnership agreement similar in nature to what currently exists at the Columbia Neighborhood Center (CNC).

Subsequent meetings were held in early January to brainstorm potential benefits of a partnership including use of school district’s land, shared parking, shared operations, shared funding and shared communications with stakeholders. While both parties expressed strong mutual interest in a partnership agreement, it was noted that such a partnership would impact not only the scope of a project, but also the timing and cost for development. With this in mind, the parties agreed to formally evaluate the impact of a partnership agreement with respect to scope, approval and site requirements, opportunities for joint operations, equitable contributions of the parties and the impact of those items on project timelines and costs.

An item to award a design contract for the Branch Library Project was tentatively scheduled for Council consideration on January 31, 2016. However, this item was pulled in order to allow the City Council to consider the benefits that might be realized as a result of a partnership with the Sunnyvale School District.

Currently, the Lakewood Branch Library and Learning Center has an estimated cost of \$20.2 million for what is now envisioned to be up to 17,000 square foot Library and Learning Center.⁴The FY 2016/17 Budget Includes approximately \$17.8 million over three years to construct the Lakewood Branch Library (\$11.5 million from the proceeds of the sale of Raynor Activity Center) and to renovate and enhance Lakewood Park (\$6.3 million). Staff was also preparing an increase to the Lakewood Branch Library Project for the FY 2017/18 Recommended Budget that would include the demolition of the Lakewood Pool by December, 2018 in accordance with the agreement with the District.

The previously recommended assumptions related to staffing and hours of operation also require re-evaluation. It will be important that the appropriate staffing be designated to the site and that hours to support the objectives of providing parent education, out-of-school activities integration of community services be allocated. As an indication of their commitment to the partnership, the District has already identified an existing position that will be reallocated to support the City/School District collaboration in the Lakewood community.

In order to determine whether a partnership is viable, the parties have agreed that it would be prudent to conduct a feasibility study. A list of key questions and considerations to be addressed by the feasibility study is enclosed as Attachment 3 to the report. These questions relate to four general areas:

1. Process and Approvals required by the City, School District and/or State if project is located on School District Property.
2. Site Factors
3. Agreement, Use and Operations (Including ongoing costs and staffing levels)
4. Contributions by the Parties

It is estimated that the feasibility study will cost approximately \$50,000 and require two to three months to complete. The parties have agreed to share equally in the cost of this study, if the respective governing bodies approve staff's recommendation to explore a partnership for the Lakewood Branch Library and Learning Center. Upon completion of the study, the parties would reconvene to determine whether the joint development and operation of the Lakewood Branch Library and Learning Center is mutually beneficial and financially viable.

It is important to note that the proposed feasibility study will further delay the award of the design contract for the Branch Library by several months. As such, it is anticipated that the cost of the project will also increase relative to cost escalation. This is an important consideration as the overall cost of the project has already been impacted by the delay in the original construction timeline. As a result, it is estimated that costs have escalated at a rate of approximately 4% per year for the period between 2012 and 2017 (or approximately \$2.5 million).

The potential benefits of a partnership, however, could have sizeable impact to our community, the quality of the project, and the on-going collaboration between the City and the School District. Additional benefits such as shared staffing and shared operations as well as joint, long term planning at Lakewood and other School District sites would serve the long-term interests of both parties.

FISCAL IMPACT

Staff estimates the cost of the feasibility study to be approximately \$50,000. The District has agreed to a 50/50 share of this cost. The City's share of the study will be charged to the existing Lakewood Branch Library project.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Authorize the City Manager to proceed with a feasibility study and to explore a partnership with the Sunnyvale School District for the joint development and operations of a Lakewood Branch Library and Learning Center.
2. Other direction as appropriate.

STAFF RECOMMENDATION

Alternative 1: Authorize the City Manager to proceed with a feasibility study and to explore a partnership with the Sunnyvale School District for the joint development and operations of a Lakewood Branch Library and Learning Center.

Prepared by: Cynthia Bojorquez, Director, Library and Community Services

Reviewed by: Manuel Pineda, Director, Public Works

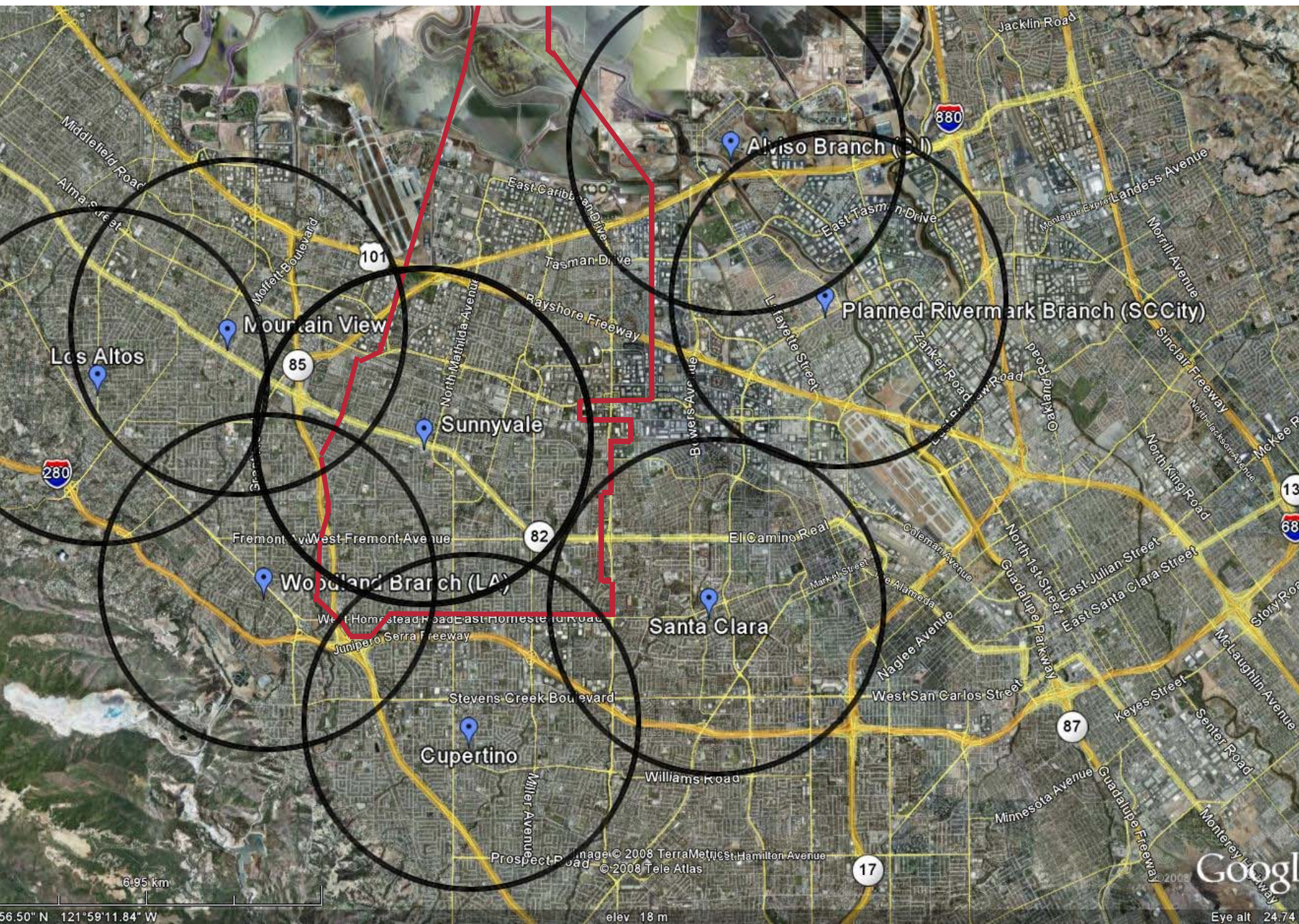
Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Map 2-mile service area radius for local libraries
2. Library Branch Update Informational Memo dated 7/26/16 (16-0605)
3. Feasibility Study Key Questions and Considerations

1. Page 91, Community Needs Assessment and Library Plan of Service, dated June 28, 2007.
2. For purposes of this attachment, local libraries include those run by the City of Sunnyvale, the City of Santa Clara, the City of Cupertino and the County of Santa Clara.
3. Renovation of the recreation building is an element of the Park Renovation and Expansion project.
4. \$13.5 million from the sale of Raynor Activity Center; \$242,362 from State Library Funds; \$257,638 from the Friends of the Sunnyvale Library, \$2.2 million in Park Dedication funds and \$4 million from other funds (potentially from Community Benefit funds)





City of Sunnyvale

Agenda Item

16-0605

Agenda Date: 7/26/2016

REPORT TO COUNCIL

SUBJECT

Status on the Branch Library Project and Deferral of Fair Oaks Park Project (Information Only)

BACKGROUND

In 2013, the City released a Request for Qualifications for solicitation of parties interested in purchasing the Raynor Activity Center property. The goal of the sale of the property was to re-purpose an underutilized City asset and to use the proceeds to fund a new branch library located at Lakewood Park. Seven proposals were received with Stratford School ranking the highest. A lawsuit was filed against the City in January 2014 alleging that the City did not properly perform environmental review under the California Environmental Quality Act prior to the sale of the Raynor property, and that the Park Preservation Act was not properly followed by the City. Both the Superior Court and the Sixth Appellate District Court ruled in favor of the City on both causes of action. The sale of Raynor Park closed escrow on June 2, 2016, which made the funds available to proceed with the branch library project.

DISCUSSION

Initially the sale of the Raynor Activity Center was scheduled to occur in 2014, however the ensuing litigation delayed construction of the new library. Due to the uncertainty of the timeframes associated with the delay, during the 2015 Capital Project Budget cycle, staff identified three other major projects to move forward with, including: Washington Community Swim Center, Fair Oaks Park Renovation and Enhancement, and Lakewood Park Renovation and Enhancement. These are all major projects requiring significant staff hours with a combined budget of approximately \$22 million that will require the development of conceptual design options, council and commission actions, and appropriate community outreach.

As the litigation has been resolved and the sale of the Raynor property is complete, the new Lakewood Branch Library Facility project has again become a priority. In order to accommodate this project into the current workload plan, staff must defer one of the other major projects previously mentioned since there is not enough capacity to work on more than three major projects at one time (it must be noted that staff is working on approximately 75 capital projects that are currently active.) Staff has reviewed the workload plan and as a result believes it is best to defer the Fair Oaks Park project by approximately 12-18 months so the Lakewood Branch Library project can begin. Staff felt it was best to continue work on the Washington Community Swim Center since a design consultant has already been selected.

Staff also determined that since the new library is being designed and constructed separately from the overall improvements at Lakewood Park project, it is ideal to work on both projects simultaneously so all locations and improvements can be coordinated amongst the two projects. As an example, the library project already anticipated incorporating the Lakewood Park recreation

building. Having a combined building will allow space to be used for community meetings, study groups or programming throughout the day. Although not currently in the budget, as part of a future action staff will propose for Council consideration allocating the appropriate funding from the Park Dedication Fund for the recreation building portion of the project.

Although the overall reconstruction of Fair Oaks Park will be delayed, the City has already moved on a number of improvements at Fair Oaks Park due to several Housing grants that were received. These improvements include: an auxiliary restroom, parking lot repairs, landscaping improvements and new skate park lighting. Based on this progress at Fair Oaks Park, staff will proceed in this direction and make the appropriate updates during the 2017 Capital Project Budget cycle.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

Prepared by: Craig Mobeck, Assistant Director of Public Works

Reviewed by: Manuel Pineda, Director of Public Works

Reviewed by: Cynthia Bojorquez, Director of Library and Community Services

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

Lakewood Branch Library and Learning Center Partnership Opportunity

Key Questions and Considerations

I. Process and Approvals

- A.** Will this project be required to go through review by the Department of the State Architect (DSA)?
- B.** What are the key project elements that would trigger DSA review?
- C.** What are the DSA impacts to the design fees and soft costs?
- D.** Are there additional costs to the construction costs of the project due to the DSA approval process?
 - 1. If so, can those be quantified to some level to understand order of magnitude impact?
- E.** If DSA review is required, this will elongate the design and approvals process schedule.
 - 1. How much will this extend the schedule?
 - 2. What will be the impact to project costs from escalation due to extended schedule?
- F.** Will the design-decision making process require School District input throughout the process?
 - 1. If so, what is their anticipated level of involvement and does this lengthen the design process?
- G.** How will disputes in the decision-making process be resolved? Who will have final authority?

II. Site Factors

- A.** Can the existing pool site at Lakewood support the anticipated 17,000 square foot library, associated site elements and parking?
 - 1. If not, what other site areas are available for siting the Library?
 - 2. Alternatively, can the library be smaller in size or be two story in order to fit on school district property? (Two stories is not typically recommended for a library of this size)
- B.** Does the School District require that the Library be located on school property to honor the shared agreement?
- C.** If the existing pool site is the selected site, what are the costs and factors for consideration of adequately preparing the building pad and subgrade?
- D.** Are the City and School District willing to create a shared parking agreement?
- E.** Would there be an expectation on the part of the District for LEED design requirements? If so, what would those be?
- F.** What expectations would there be relative to minimizing disruption to school activity during construction?

III. Agreement, Use, and Operations

- A.** What would be the operational cost benefit resulting from a partnership with School District?
- B.** What will be the terms of the agreement that will be mutually beneficial to the City and the School District?
- C.** Will the land remain as School District property or will the land be purchased or leased by the City? What would be the terms of lease and/or purchase?
- D.** If land remains School District property, what future impacts will this have on the City Library from an operational and/or future upgrade perspective?
- E.** If modeling after the CNC agreement, what elements would need to be altered for the Lakewood Branch and School District partnership to be successful?
- F.** Do the impacts to the project in time, complexity and cost outweigh the benefits of the partnership?
- G.** Are there any synergies or community benefits to the shared agreement such as a nicer facility, better operational or functional use, greater draw/diversity of users, school/neighborhood pride, etc?
- H.** What would be the District's expectations relative to use of the facility?
- I.** What would be the increase to on-going staff and operational costs?
- J.** What would be the desired level of service with respect to hours of operation, assignment of staff and level of programming?

IV. Contributions of the Parties

- A.** What financial contribution can the District commit to with respect to joint development?
- B.** Does the District have the capacity to contribute to on-going operations/maintenance similar to the arrangement at Columbia?
- C.** Would the District's contribution be a lump sum or would it require invoicing? At what frequency?
- D.** Would there be any special reporting requirements related to the District's contribution?
- E.** Would there be opportunities to jointly fundraise to support future operations?