



# City of Sunnyvale

## Agenda Item

17-0992

Agenda Date: 1/17/2018

### REPORT TO BOARD OF LIBRARY TRUSTEES AND PARKS & RECREATION COMMISSION

#### SUBJECT

Authorize the City Manager to Negotiate a Formal Memorandum of Understanding with the Sunnyvale School District for a Joint Use Lakewood Branch Library and Learning Center on the Lakewood Elementary School Site

#### REPORT IN BRIEF

On February 7, 2017, the City Council authorized the City Manager to conduct a feasibility study to determine the viability of joint-use Lakewood Branch Library and Learning Center in partnership with the Sunnyvale School District (SSD). A project team consisting of City and School District staff, working together with Anderson Brulé Architects, evaluated four site options (Attachment 5) and identified two viable alternatives of mutual interest (Options 3 and 4). One of the original key questions was whether the Lakewood Branch Library and Learning Center could be sited on the existing Lakewood Pool site. Options 1 and 2 explored this opportunity; however, neither met the desired site requirements and fall severely short in providing adequate parking. Consequently, those options were dropped from further evaluation.

Options 3 and 4 would be constructed on School District property with off-street parking achieved through the re-design of the District's existing parking lot augmented by parking on the adjacent Lakewood pool site.

At this point, there is not a design upon which to base a cost estimate as the cost will vary depending on future design decisions. However, for planning purposes, a range of low and high cost estimates has been developed as follows:

Option 3 would be a single-story facility with a projected cost ranging from \$23 million to \$28 million. Option 4 would be a two-story facility with an escalated total project cost in the range of \$24 million to \$29 million.

Both Options 3 and 4 allocate space for future growth and/or the contribution of a third partner such as the high school district and/or community college. The Fremont Union High School District (FUHSD) has expressed interest in the project. Approximately 2,384 square feet of community collaboration space has been identified for this purpose and would be subject to funding availability. Options 3 and 4 provide key benefits and value to the community as follows:

1. Adequate parking in both options, minimizing potential for overflow of parking into the adjacent neighborhood;
2. Use of school property instead of park property that results in reduced displacement of park elements and preservation of City park space;

3. Greater exterior programming opportunities to support students, parents and residents of Lakewood Village;
4. Maintains green space at the southern edge of the Lakewood Branch Library and Learning Center and along the District-owned Lakewood School site edge; and
5. Ensures access to eastern edge of school campus to facilitate outdoor activities during the school day.

The most significant constraint of both Options 3 and 4 is that this siting would require the utilization of an existing softball field on District property. Both Options 3 and 4 recommend that should the City wish to retain access to a softball field, it should be built on adjacent City-owned park land and be referred to the larger Lakewood Park Renovation and Enhancement project for discussion. For these reasons, those costs are not included within the current project budget.

The School District has agreed in concept to:

- Lease the project site to the City for a period of 50 years with an option of an additional 25 years for a total cost of \$1 over the term of the lease;
- Contribute approximately \$3 million towards the cost of construction of the facility;
- Share in a pro-rata share of ongoing operations, staffing and maintenance of the facility; and
- Make facilities and amenities at Lakewood Elementary School available to the City for use after school hours consistent with the City's current arrangement at the Columbia Neighborhood Center and Columbia Middle School.

In return, the District would receive priority use of approximately 2,384 square feet of partner space at the Lakewood Branch Library and Learning Center (program room, program room storage, hoteling space, etc.).

During the feasibility study process, FUHSD indicated an interest in becoming a partner in the project. While a meeting was held with FUHSD and the inclusion of FUHSD in terms of programming makes sense; to date, FUHSD is still studying the feasibility of a financial contribution. Because of this interest and in consideration of the unique opportunity for expansion of services to residents in north Sunnyvale that the Lakewood Branch Library and Learning Center represents, both Options 3 and 4 have footprints that would allow for the inclusion of an additional partner or future use by the City or School District.

Depending on the final site option selection, construction materials and design decisions, there may be a need for additional funding. Utilizing the highest cost scenario of Option 4 of \$29.1 million dollars, the expected funding gap is \$5.185 million dollars. In addition, the current 20-year financial plan does not contain sufficient funding for ongoing operating costs of a joint-use facility. The 20-year financial plan includes approximately \$300,000 annually for operating, with an additional \$200,000 to be re-directed from current library operations. Additional ongoing funding for a joint-use facility would need to be identified and funded.

Consequently, in developing a final MOU for Council consideration, the evaluation must include the identification of additional funding sources to fill the expected funding gap. This could include contributions from a third partner (Fremont Union High School District), community benefit funds (yet to be identified) or additional park dedication fee revenue. Should the Council wish to utilize these sources of funding, it may be necessary to re-prioritize or defund existing projects which may prove

challenging in both the General Fund and Park Dedication Fund.

Through the feasibility study process, it has been determined that a partnership is viable. The partnership to create a Lakewood Branch Library and Learning Center will provide increased value to the community as follows:

- Brings service delivery goals between Lakewood School and the City together to provide a greater community benefit than if the City were to build an independent facility;
- Allows for shared facility construction costs;
- Allows for shared ongoing operational costs;
- Allows open space in Lakewood Park to be preserved.

The study team recommends the partnership be presented to Council and the Sunnyvale Elementary School District with the following next steps:

1. Conduct community outreach to further evaluate Option 3 (one-story facility) versus Option 4 (two story facility) including:
  - a. The development of a staffing and operations plan to identify total ongoing costs for the City and SSD.
  - b. Review of alternative funding sources (for example, the percentage of the project that might be eligible for park dedication funds or community benefit dollars as well contributions for additional third parties) and a subsequent right-sizing of the project in alignment with available funding.
2. Develop a Memorandum of Understanding (MOU) between the City and the SSD that finalizes terms and conditions for the project.
3. That the findings of the feasibility study be used to inform the park renovation and enhancement park project with respect to the goals and objectives of the Lakewood Branch Library and Learning Center to ensure coordination and alignment with the park renovation and enhancement park project.

Upon completion of the community engagement process and preparation of a draft MOU, staff would return to Council for approval before starting any design work on the project.

### **BACKGROUND**

On February 2, 2017, the City Council authorized staff to explore a partnership with the SSD for the joint development and operations of the Lakewood Branch Library and Learning Center. The purpose of the feasibility study was to determine whether the School District would have an interest in contributing to the project and if so, under what terms and conditions.

A project team, consisting of both City and SSD personnel, have been working together with Anderson Brulé Architects to review the original City stand-alone project, to identify opportunities of mutual interest for shared programming and facilities operations as well as to develop responses to the key questions and considerations outlined in Attachment 2 of the February 2, 2017 staff report (RTC No. 17-0072).

The purpose of this report is to share the findings of the project team and request approval to proceed with the development of a formal Memorandum of Understanding with the SSD for a Joint

Use Project on the Lakewood Elementary School site.

The City Council is scheduled to consider of this item on February 6, 2018.

### **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 actions being considered at this time do not rise to the level of a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (a) because they have no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. While the feasibility study narrows the range of issues under consideration for the Lakewood Branch Library and Learning Center project, neither the study nor the actions proposed in this report commit the City to any definite course of action with respect to the Lakewood Branch. Further, under CEQA guidelines section 15262, feasibility or planning studies for a possible future action that the City Council has not approved, adopted, or funded are exempt from CEQA; accepting the findings of the feasibility study is an action that has no legally binding effect. Appropriate environmental review for the Lakewood Branch Library and Learning Center will be completed as part of project design if, and when, the Council decides to move forward with the project.

### **DISCUSSION**

In July, 2012, the Council held a special joint session with the Board of Library Trustees to study future options for the Library and Civic Center. Staff was directed to explore the construction of a branch library in the area of Lakewood Park and the adjacent Lakewood Elementary School. The

following are a few of the elements that contributed to that decision:

1. Lakewood is the only area in the City where residents must travel more than two miles to access a public library. (Attachment 3)
2. Highway 101 serves as a distinct barrier between this neighborhood and adjacent neighborhoods.
3. Lakewood has the second lowest percentage of library card holders of any city neighborhood.
4. Significant growth in residential units in the Morse/Tasman Industrial area was anticipated.
5. The Lakewood neighborhood has diverse demographics that reflect inequities in income, educational attainment and access to services. Moreover, Lakewood Elementary School is a Title 1 school which means that at least 40% of the student population qualifies for free or reduced lunch.

In the initial 2012 discussion of a branch library, it was anticipated that proceeds from the sale of Raynor Activity Center would be available to fund the project. However, the sale of Raynor Activity Center was delayed due to a lawsuit and funding was not available.

### **Transitioning to a “Lakewood Branch Library and Learning Center” Concept**

In June 2016, the Raynor Activity Center lawsuit was resolved and funding became available for the Branch Library project. In July 2016, staff provided an informational memo to Council (RTC No. 16-0605) with an update on the branch library project and a recommendation to defer the Fair Oaks Park Project to prioritize and align multiple projects scheduled for Lakewood Park. These projects included the Branch Library, the Lakewood Park Renovation and Enhancement Project, the Demolition of Lakewood Pool Project and Renovation of the Lakewood Park Building. In taking this action to consolidate projects, the vision for a stand-alone Branch Library was redefined to become a Lakewood Branch Library and Learning Center that would serve as a primary resource for literacy, learning and wellness activities for the residents of north Sunnyvale.

The assumptions for the original branch library project in 2012 included:

1. A ten to twelve thousand square foot facility; (the building size was increased to seventeen thousand square feet during the FY 16/17 capital project cycle);
2. A level of service equal to 42 hours a week with no services on Friday or Saturday;
3. Limited staff with support from the Main Library on a rotational basis;
4. Construction of a branch library within the existing City-owned park property; and,
5. A single source of funding (proceeds from the sale of Raynor Activity Center).

As staff revisited these assumptions, it wanted to explore additional opportunities to leverage outside resources to expand both the scope and hours of operation for the facility. With this in mind, a discussion with the SSD was initiated. Preliminary conversations with District representatives indicated an interest in a Lakewood Branch Library and Learning Center concept that would replicate the type of joint investment and decision-making process that is part of the City's and School District's successful collaboration at Columbia Middle School whereby the parties jointly contribute to the construction and on-going operation and maintenance of the Columbia Neighborhood Center.

### **Feasibility Study**

To determine how a partnership for a Lakewood Branch Library and Learning Center could be accomplished, City and SSD staff recommended that a feasibility study be conducted. The Council

approved the concept of a feasibility study at its meeting of February 7, 2017. (RTC No. 17-0072)

The desired outcomes of the feasibility study were to:

1. Determine if a partnership was viable by:
  - a. Defining the value and benefit for each partner's constituencies
  - b. Defining the framework for governance and operational model (including the contributions of each partner)
  - c. Confirming that a proposed project site could successfully accommodate the partnership model for a Lakewood Branch Library and Learning Center through evaluation against the following established criteria list:
    - i. Maintains safety and security for the school students, faculty and surrounding community;
    - ii. Provides proximity and pathway connections to Lakewood School for convenient and safe access;
    - iii. Provides adequate additional parking for the new services without impacting existing parking counts;
    - iv. Maintains existing pedestrian access points into the park and school;
    - v. Minimizes impact to existing park infrastructure, program elements and plantings;
    - vi. Provides positive relationship and presence in the neighborhood;
    - vii. Provides easy access to the library for loading/delivery;
    - viii. Provides exterior library program space opportunities;
    - ix. Maintains recreational space for school-based programming
2. Understand conceptual total project costs;
3. Identify remaining decision points that are of mutual interest and require discussion as the project progresses;
4. Gather data to inform subsequent public outreach processes; and
5. Gather data to inform the Lakewood Park Renovation and Enhancement Project scope and budget

It is important to note that the feasibility study was intended to inform the subsequent design and community engagement process of a City capital project, not replace it. Because the nature of a City-only project might vary greatly from a possible joint project, it was determined early on that the City's project would be deferred until the completion of the feasibility study at which time community input would be sought on preferred alternatives of mutual interest to the City and School District.

### **Findings**

In addition to the desired outcomes and answers to key questions identified in Attachment 2 (Responses to Key Questions), the Feasibility Study evaluated the value propositions of partnership and identified the following benefits:

1. **Community benefit** - A jointly-operated facility would enable the District to add capacity for staff training, community meetings and after-hours services for families. Moreover, the feasibility study identified many programs that were currently offered individually by the City or the School District that could be leveraged for efficiencies (literacy programs, after-school activities, parent education programs, cultural activities, inter-generational activities etc.). In this way, there would be greater community benefit associated with a joint facility than a stand-

alone, City-operated facility.

2. **Shared Facilities Costs** - A joint project would allow for shared facilities costs. Much like the operations at the Columbia Neighborhood Center, a joint facility would allow for the priority allocation of space for School District personnel, staff trainings and third-party service providers that would otherwise not be available to the School District.
3. **Shared Operational Costs** - A joint project would allow for shared operational costs whereby the City and District could share in the cost of on-site staff to supervise both the facility and implementation of the partnership agreement. At Columbia Neighborhood Center, this staff also serves as the point of contact for community engagement at the facility and manages after-hour operations of school-site facilities on behalf of the School District.
4. **Land Use** - A joint project allows for additional land use alternatives. By leveraging School District land, a joint project ensures the proximity of the facility to the Elementary School; thereby affording safe access for students and their families.

### **Philosophy, Approach and Space Programming**

The Sunnyvale Public Library is a service-driven organization that operates in a continually evolving and increasingly diverse 21<sup>st</sup> century environment where critical thinking, collaboration, creativity, cross-cultural understanding and technology help create the fabric of a learning environment.

The proposed Lakewood Branch Library and Learning Center at Lakewood Elementary has been named intentionally as an embodiment of the City's commitment to the development of 21<sup>st</sup> century skills vital to the development of lifelong learning throughout the Sunnyvale community. It is the concept of critical thinking, collaboration, creativity and cross-cultural understanding that are fundamental to the approach taken in the feasibility study - not just in the discussion of a potential design of the facility but in the nature of the partnership between the school district and the City as the development of 21<sup>st</sup> century skills is also a priority for the School District.

As noted above, four site options were explored. Each option was evaluated within the context of a space program that would include approximately 21,000 square feet for the following program elements: 1) Lobby/Entrance; 2) Market Place; 3) Checkout Area; 4) Community Collaboration Space (programming, meeting and hoteling space for service providers); 5) Technology Spaces; 6) Children's Area; 7) Teen Area; 8) Adult Area; 9) Language Collection; 10) Staff Area; 11) Non-Assignable Square Footage (26% of Gross) as well as 61 parking spaces. (Attachment 4) It should be noted that the proposed site plan incorporates spaces for both Library and Community Services as well as School District activities. This is different than the original stand-alone project which envisioned only library and community services.

### **Site Options**

Attachment 5 provides visual representations of each of the following four identified site options evaluated by the feasibility study project team:

**Option 1** condenses the building footprint, creating a two-story Library and Learning Center. The parking area is contained within the existing pool site area only, minimizing the impact to the existing softball field. While this option minimizes the building footprint and maintains the existing softball field, this option fails to meet the parking standard by 52 spaces.

**Option 2** is similar to Option 1 and explores a different building footprint which creates a more public

entry/plaza space at the front of the building. Again, while this option minimizes the building footprint and maintains the existing softball field, this option fails to meet the parking standard by 43 spaces.

**Option 3** explores a single-story solution on a larger site area to create ample off-street parking. However, relocation of the existing softball field is required to maintain adequate outdoor field space for school-time activities.

**Option 4** like Option 3 explores a larger site area that extends into the existing softball field and a two-story solution to create ample parking and additional useable exterior space. This Option also requires relocation of the existing softball field.

Because Options 1 and 2 could not meet off-site parking requirements, a decision was made that they would not be of mutual interest and cost estimates were not prepared for those options. Options 3 and 4 did meet the parking requirements for the facility and consequently, preliminary cost estimates were prepared. The projected range for Option 3 is \$23 million to \$28 million depending on the type of materials and other decisions made during the design process. The range for Option 4 is \$24 million to \$29 million.

Both Options 3 and 4 allocate space for future growth and/or the contribution of a third partner such as the high school district and/or community college. Options 3 and 4 provide key benefits and value to the community as follows:

1. Adequate parking in both options, minimizing potential for overflow of parking into the adjacent neighborhood
2. Use of school property instead of park property that results in reduced displacement of park elements and preservation of City parkland;
3. Greater exterior programming opportunities to support students, parents and residents of Lakewood Village;
4. Maintains green space at the southern edge of the Lakewood Branch Library and Learning Center and along the Lakewood School site edge; and
5. Ensures access to eastern edge of school campus to facilitate outdoor activities during the school day;

The most significant constraint of both Options 3 and 4 is that this siting would require the relocation of an existing softball field. Both Options 3 and 4 recommend that the question of rebuilding a softball field on adjacent City-owned park land be referred to the larger Lakewood Park Renovation and Enhancement project. For these reasons, those costs are not included within the current project budget.

The School District has agreed in concept to:

- Lease the project site to the City for a period of 50 years with an option of an additional 25 years for a total cost of \$1 over the term of the lease;
- Contribute approximately \$3 million towards the cost of construction of the facility;
- Share in a pro-rata share of ongoing operations, staffing and maintenance of the facility; and
- Make facilities and amenities at Lakewood Elementary School available to the City for use after school hours consistent with the City's current arrangement at the Columbia Neighborhood Center and Columbia Middle School.



In return, the District would receive priority use of approximately 2,384 square feet of partner space at the Lakewood Branch Library and Learning Center (program room, program room storage, hoteling space, etc.).

During the feasibility study process, the Fremont Union High School District (FUHSD) indicated an interest in becoming a partner in the project. While a meeting was held with FUHSD and the inclusion of FUHSD in terms of programming makes sense; to date, FUHSD is still studying the feasibility of a financial contribution. Because of this interest and in consideration of the unique opportunity for expansion of services to residents in north Sunnyvale that the Lakewood Branch Library and Learning Center represents, both Options 3 and 4 have footprints that would allow for the inclusion of an additional partner or future use by the City or School District.

### **Parking**

Depending on the partnership scenario, parking requirements for the Lakewood Branch Library and Learning Center range from 54 to 61, based on City metrics for parking. Through discussions with the District, the desire and intent of any proposed solution would be utilize a shared parking model that maintains off-street parking to support parking needs for both the School as well as the Lakewood Branch Library and Learning Center.

### **Conclusion & Next Steps**

Through the Feasibility Study Process, it has been determined that partnership is viable. The partnership to create a Lakewood Branch Library and Learning Center will provide increased value to the community as follows:

- Brings service delivery goals between Lakewood School and the City together to provide a greater community benefit than if the City were to build an independent facility.
- Allows for shared facilities costs.
- Allows for shared ongoing operational costs.
- Allows for different land use strategies by leveraging the school district's land.

### **FISCAL IMPACT**

The current budget for the project includes funding in the amount of \$20,915,000. With the anticipated contribution from the School District, the amount of funding available would increase to \$23,915,000 for construction of the project. Depending on the final site option selection, construction materials and design decisions, there may be a need for additional funding. Utilizing the highest cost scenario of Option 4 of \$29 million dollars, the expected funding gap is approximately \$5 million. In addition, the current budget does not contain sufficient funding for ongoing operating costs of a joint use facility. The budget includes approximately \$300,000 annually for operating, with an additional \$200,000 to be re-directed from current library operations. Additional ongoing funding for a joint use facility would need to be identified and funded.

Consequently, the next phase of site option evaluation must include the identification of additional funding sources to fill the expected funding gap. This could include contributions from a third partner (Fremont Union High School District), community benefit funds (yet to be identified) or additional park

dedication fee revenue.

Should the Council wish to utilize these sources of funding, it may be necessary to re-prioritize or defund existing projects which may prove challenging in both the General Fund and Park Dedication Fund.

Staff will present a revised funding strategy for approval with a draft MOU for Council consideration.

### **PUBLIC CONTACT**

Public contact was made through posting of the joint meeting of the Board of Library Trustees and Parks and Recreation Commission agenda on the City's official-notice bulletin board, on the City's website, and the availability of the agenda and report in the Office of the City Clerk.

### **ALTERNATIVES**

Recommend to City Council:

1. Authorize the City Manager to negotiate a formal Memorandum of Understanding with the Sunnyvale School District for a Joint Use Lakewood Branch Library and Learning Center on the Lakewood Elementary School Site
2. Recommend that the City proceed with a stand-alone Lakewood Branch Library and Learning Center project.

### **RECOMMENDATION**

Board of Library Trustee:

Recommend to City Council: Alternative 1: Authorize the City Manager to negotiate a formal Memorandum of Understanding with the Sunnyvale School District for a Joint Use Lakewood Branch Library and Learning Center on the Lakewood Elementary School Site

Parks and Recreation Commission:

Recommend to City Council: Alternative 1: Authorize the City Manager to negotiate a formal Memorandum of Understanding with the Sunnyvale School District for a Joint Use Lakewood Branch Library and Learning Center on the Lakewood Elementary School Site

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

Reviewed by: Wayne Tanda, Director, Public Works

Reviewed by: Timothy J. Kirby, Director, Finance

Reviewed by: Teri Silva, Interim Assistant City Manager

Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Reserved for Report to Council [Upload a blank page labeled Attachment 1 with the notation: This page intentionally left blank. Reserved for Report to Council.]
2. Responses to Key Questions

- 3. Map of 2-Mile Service Radius to Local Libraries
- 4. Space Program
- 5. Site Options