



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Authorize the City Manager to Negotiate a Formal Memorandum of Understanding with the Sunnyvale School District and Fremont Union High 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 (Attachment 2) to explore a joint-use Lakewood Branch Library and Learning Center in partnership with the Sunnyvale School District (SSD). In the initial meetings with the School District, the District indicated that proximity to the existing elementary school site would be a determining factor as to whether a partnership would be viable. As a result, the study team (comprised of City and School District staff working together with Anderson Brulé Architects), evaluated four sites on School District property (Attachment 3 - Site Options).

The study team developed a program space plan (Attachment 4) and evaluated the sites using the following criteria: 1) whether there would be adequate square footage to meet programming needs now and in the future; 2) proximity and pathway connections to/from Lakewood School and Park for convenient and safe access; 3) a parking standard of 2.6 spaces per 1,000 square feet of program in accordance with standards for libraries set by the Institute of Transportation Engineers (ITE); 4) impact to existing park infrastructure, program elements and plantings; and 5) the project's ability to creating a positive relationship and presence in the neighborhood.

Options 1 and 2 would result in a two-story, 21,000 square foot facility located on the existing pool site. They differ in that Option 2 provides a different building footprint to create a more public entry/plaza space. The number of parking spaces needed to support this size facility is 55 spaces. When added together with the District's existing parking lot of 52 spaces, a total of 107 spaces is needed to meet both the District's and Branch Library and Learning Center's requirements. Option 1 can only accommodate a total of 55 spaces and Option 2 a total of 64 spaces. As such, neither of these Options were deemed of mutual interest and were dropped from further evaluation of cost.

Option 3 explores a single-story facility of approximately 19,200 square feet (21,600 square feet with two partners) on a larger site area to create ample off-street parking (112 spaces). This is achieved by utilizing the existing pool site for parking and a portion of an existing softball field to site the facility. Should this Option be pursued, reconstruction of the softball field would be referred to the Lakewood Park Renovation and Enhancement Project. Because the City would consider the construction of the field as part of that project, costs for constructing a new softball field are not included within the Lakewood Branch Library and Learning Center project budget.

Option 4 utilizes the same siting concept as Option 3, but utilizes an "L" shape configuration to allow

for a greater plaza/entry space. Option 4 would be a two-story facility of approximately 21,000 square feet (23,400 with two partners). The increase in square footage is required to account for vertical circulation and not an increase in assigned program space.

While final project costs will vary depending on future design decisions, it is estimated that the cost for Option 3 would be in the range of \$25 - \$31 million and Option 4 in the range of \$26 - \$32 million. Please note these numbers have been adjusted since the presentation to the joint meeting of the Board of Library Trustees and the Parks and Recreation Commission. The previous cost estimates were based on 20% for soft costs. The new cost estimates are based on 35% for soft costs in line with the City's recent experience with other projects. In addition, while square footage for a third partner was included in both Options, this was considered optional at the time cost estimates were developed; and therefore, would be in addition to the cost ranges noted above.

The Sunnyvale School District has agreed in concept to the following terms and conditions: 1) Consideration of Option 3 or 4; 2) a 50-year lease with one, 25 year option at a cost of \$1 for the entire term; 3) \$3 million towards the cost of design and construction and a pro-rata share of on-going operations, maintenance and utilities; 4) expansion of the CNC governance model to include the Lakewood Branch Library and Learning Center partnership; 5) the City as the ultimate decision-maker subject to Division of State Architect requirements; 6) construction of shared off-street parking; 7) City access to Lakewood Elementary facilities after hours as mutually agreed upon; 8) existing softball field converted to open space for school-related activities; and the 9) allocation of space for a third partner with a corresponding contribution of financial resources and adherence to the other terms and conditions of the partnership. Utilizing the highest cost scenario of Option 4 of \$32 million dollars, there is an anticipated funding gap of \$8 million dollars for design and construction. Staff costs and on-going expenses are not included in this amount and will also need to be addressed

A joint meeting of the Board of Library Trustees and the Parks and Recreation Commission was held on January 17, 2017. At that meeting, the Fremont Union High School District (FUHSD) expressed interest in becoming the third partner in the project. Both Commissions approved motions to recommend that the City Council authorize the City Manager to proceed with negotiations for the development of a formal Memorandum of Understanding with both SSD and FUHSD. (Attachment 5) A presentation was made to the SSD Board of Education on February 15 with unanimous consensus given to the Superintendent to proceed with negotiations with the City and Fremont High School District.

It is the finding of the study team that a partnership is both viable and mutually-beneficial with benefits of shared investments, expanded programming and public spaces in an underserved area of the City, preservation of City-owned park space and minimal parking impacts to the adjacent neighborhood. The Options identified in this report will, however, result in the need to adhere to Division of State Architect requirements for school construction that may extend the timeline for the project as well as result in construction of a building on School District property. While it is anticipated that these considerations will be mitigated through effective, on-going communication using the CNC governance model that has proven to be so successful over the past 25 years, it is conceivable that at the end of the 75-year term, the City would no longer have use of the Branch Library and Learning Center.

Should the Council authorize staff to proceed, staff would continue working with both the Sunnyvale School District and the Fremont High School District to further evaluate Options 3 and 4. Next steps

include: 1) a community engagement process to solicit feedback on the two options; 2) development of a staffing and operations plan to refine project costs; 3) the identification and evaluation of alternative funding strategies to support the project and/or “right-sizing” of the project to meet available resources and 4) the drafting of a formal Memorandum of Understanding between the parties for review and approval by the School Districts and the City Council.

BACKGROUND

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 at Lakewood Park. 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 6)
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).

In December 2016, staff initiated a discussion with SSD to determine whether the joint investment

and decision-making process that is part of the City's and SSD's successful collaboration at the Columbia Neighborhood Center could be replicated in the Lakewood Branch Library and Learning Center project in order to leverage resources and enhance the project scope. These discussions proved to be fruitful and resulted in a commitment from the SSD to work with the City in the completion of a feasibility study.

Feasibility Study

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 determine whether a partnership between the City and the School District was feasible. As such, community input into the development of potential options did not occur until after options of mutual interest had been identified. Should the Council authorize staff to proceed, a community input process will be initiated to solicit feedback from the broader community as to the benefits and considerations of the two site options that have been identified to be of mutual interest through the feasibility study.

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

Philosophy, Approach and Space Programming

The Sunnyvale Public Library is a service-driven organization that operates in a continually evolving and increasingly diverse 21st century environment where critical thinking, collaboration, creativity, cross-cultural understanding and technology are hallmarks of a learning environment.

The proposed Lakewood Branch Library and Learning Center at Lakewood Elementary is intended to serve as modern library - a place for the community to gather, to learn, to experience and to share in the development of lifelong learning and capacity-building activities.

As noted above, four site options were explored. Each option was evaluated within the context of a space program of approximately 21,000 square feet with the following program elements:

Program	Net SF	Program	Net SF
Lobby Area	98	Technology	1200
Market Place	875	Children's	2791
Checkout Area	576	Teens	623
Staff Area	1557	Adults	2240
Community Collaboration	5007-6899*	Languages	380

*Additional square footage has been included to account for non-assignable square footage as well as vertical circulation. A more detailed breakdown is included as Attachment 7.

Parking

Depending on the site option, parking requirements for the Lakewood Branch Library and Learning Center range from 55 to 61. As the City does not have a parking standard for libraries, the study team utilized the standard established by the Institute of Transportation Engineers of 2.6 spaces/1000 square feet.

There is an existing parking lot adjacent to the project site that has 52 spaces. In evaluating shared parking opportunities, the study team noted that there would be times when the District would need full use of its parking lot; however, there would also be times when there would be the ability to allow use of the School site parking to support the Branch Library and Learning Center. As such, the study team set a target of 107 spaces to meet the needs of both the District and the City (52 spaces from the District and 55 for the Branch Library and Learning Center) in order to not negatively impact the neighborhood or existing level of services at the school site. Option 4 with three partners would result in a 23,400 square foot facility. Utilizing the 2.6 per 1,000 square foot standard, the required spaces would be 112. Given the other potential benefits of Option 4 and the likelihood that 5 spaces in the school site parking lot would be available a significant portion of the time, this small variance is considered by the study team to be acceptable; and therefore, Option 4 is recommended for further study.

Site Options

Attachment 2 provides visual representations of each of the four original 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. The increase in square footage is required to account for vertical circulation and not an increase in assigned program space.

As noted in the previous section, the targeted minimum number of spaces is 107 parking spaces. Option 1 can accommodate a total of 55 spaces and Option 2 a total of 64 spaces. As such, neither of these Options was deemed to be of mutual interest and were dropped from further evaluation of cost.

Options 3 and 4 allow for the targeted number of parking spaces for the facility and consequently, preliminary cost estimates were prepared. While final project costs will vary depending on future design decisions, it is estimated that the cost for Option 3 would be in the range of \$25 - \$31 million and Option 4 in the range of \$26 - \$32 million. Please note these numbers have been adjusted since the presentation to the joint meeting of the Board of Library Trustees and the Parks and Recreation Commission. The previous cost estimates were based on 20% for soft costs. The new cost estimates are based on 35% for soft costs in line with the City's recent experience with other projects.

Both Options 3 and 4 allocate space for future growth and/or the participation of a third partner. At the time of the feasibility study, a third partner had not yet been identified. Consequently, while the allocation of space was made for study purposes, the associated expense was considered to be option and therefore, not included in the projected costs for Options 3 and 4. The project costs will be adjusted to reflect the participation and contribution of FUHSD if appropriate.

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. Should the decision be made to incorporate inclusion of a new softball field into the Lakewood Park Renovation and Enhancement project, additional funds for this element

would be required for project number 831830. For these reasons, those costs are not included within the current Library and Learning Center project budget.

Both recommended options would be subject to Division of State Architect requirements for school construction that may extend the timeline for the project as well as result in the construction of a building on School District property. While it is anticipated that these considerations will be mitigated through effective, on-going communication using the CNC governance model that has proven to be successful over the past 25 years, it is conceivable that at the end of the 75-year term, the City would no longer have use of the Branch Library and Learning Center.

Preliminary Terms and Conditions

The Sunnyvale 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 2,400 square feet of partner space at the Lakewood Branch Library and Learning Center (program room, program room storage, hoteling space, etc.).

A joint meeting of the Board of Library Trustees and the Parks and Recreation Commission was held on January 17, 2017. At that meeting, the Fremont Union High School District (FUHSD) expressed interest in becoming the third partner in the project. Both Commissions approved motions to recommend that the City Council authorize the City Manager to proceed with negotiations for the development of a formal Memorandum of Understanding with both SSD and FUHSD. (Attachment 3) A presentation was made to the SSD Board of Education on February 15, 2017 with unanimous consensus given to the Superintendent to proceed with negotiations with the City and Fremont High School District.

Should Council authorize staff to proceed with negotiations with FUHSD, the expectation would be that the District would contribute financial resources commensurate with their allocation of space and agree with the other preliminary terms and conditions identified by the study team with respect to the term of the agreement, shared investments for on-going operations, staffing and maintenance as well as the adoption of the CNC governance model.

Findings

It is the finding of the study team that a partnership is both viable and mutually-beneficial. Benefits of a partnership include:

1. **Community benefit** - A jointly-operated facility would enable the Sunnyvale School 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 SSD 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 SSD personnel, staff trainings and third-party service providers that would otherwise not be available to the SSD.
3. **Shared Operational Costs** - A joint project would allow for shared operational costs whereby the City and SSD 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 SSD.
4. **Land Use** - A joint project allows for additional land use alternatives. By leveraging Sunnyvale School District land, a joint project ensures the proximity of the facility to the elementary school; thereby affording convenient access for students and their families.

Next Steps

Should the Council authorize staff to proceed, staff would continue working with the Sunnyvale School District and the Fremont High School District to further evaluate Options 3 and 4. This work would include:

- 1) a community engagement process to solicit feedback on the two options;
- 2) development of a staffing and operations plan to refine project costs;
- 3) the identification and evaluation of alternative funding strategies to support the project and/or “right-sizing” of the project to meet available resources; and
- 4) the drafting of a formal Memorandum of Understanding between the parties for review and approval by the School Districts and the City Council.

FISCAL IMPACT

The current City budget for design and construction of the project includes funding in the amount of \$20,915,000. With the anticipated contribution from SSD, 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 will be a need for additional funding. Utilizing the highest cost scenario of Option 4 of \$32 million dollars total project costs, the expected funding gap is approximately \$8 million. It is important to note that at the time of the feasibility study, a third partner had not yet been identified. Consequently, while the allocation of space was made for study purposes, the associated expense was considered to be optional and therefore, not included in the projected costs for Options 3 and 4. The project costs will be adjusted to reflect the participation and contribution of FUHSD as appropriate.

As the current budget also does not contain sufficient funding for ongoing operating costs of a joint use facility, the next phase of site option evaluation will include the identification of additional funding sources to fill the expected funding gap including funding for staffing, operations and project costs associated with the participation of FUSHD. The contribution of FUSHD, community benefit funds (yet to be identified) or additional park dedication fee revenue are all sources of potential funding to fill the gap.

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

The final MOU will include a preferred site option, a refined staffing and operations plan, funding strategy as well as the final terms and conditions relative to project management and decision-making processes when it is brought back to Council for final approval.

PUBLIC CONTACT

Public contact was made through 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 negotiate a formal Memorandum of Understanding with the Sunnyvale School District and Fremont Union High 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.
3. Consider other alternatives as directed by the City Council.

RECOMMENDATION

Alternative 1: Authorize the City Manager to negotiate a formal Memorandum of Understanding with the Sunnyvale School District and the Fremont Union High 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, Interim Director, Public Works

Reviewed by: Timothy J. Kirby, Director, Finance

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Report to Board of Library Trustees [17-0992, January 17, 2018] (without attachments)
2. Feasibility Report
3. Site Options
4. Space Program
5. Excerpt of Draft Minutes of the Board of Library Trustees and Parks and Recreation Commission Joint Meeting of January 17, 2018
6. Map of 2-Mile Service Radius to Local Libraries
7. Square Footage Program Comparison