



**STAFF REPORT**

**City Council**  
**Meeting Date:** 10/10/2017  
**Staff Report Number:** 17-243-CC

**Regular Business:** Approve next steps for library system improvements

**Recommendation**

Staff recommends that City Council consider and approve the following items related to library system improvements:

1. Establish a 7-member Belle Haven Neighborhood Library Advisory Committee to serve in an advisory role to staff;
2. Approve an appropriation for immediate improvements to the branch library in the amount of \$140,000;
3. Approve the scope of the public outreach for the siting of an improved library building on the Civic Center campus;
4. Authorize an increase in total number of full time equivalent personnel by 1.0 to add a full-time Assistant to the City Manager position to oversee the library system improvements, public outreach and communication;
5. Establish a new special revenue fund titled "Library System Improvements Fund" to be used for all costs associated with library system improvements;
6. Amend the fiscal year 2017-18 adopted budget to include an initial transfer of \$1 million from the General Fund's unassigned fund balance to the new Library System Improvements Fund; and
7. Increase the City Manager's contract award authority from \$66,000 to \$250,000 and waive purchasing requirements for all contracted services required by the Library System Improvements Fund to expedite the project.

**Policy Issues**

The City Council adopted work plan prioritizes the use of City resources to meet goals that deliver the projects and services desired by the City Council and community. The City Council maintains authority over budgeting as well as award of contracts exceeding \$66,000. The recommendation to amend the adopted budget, establish a new special revenue fund, increase authorized personnel and increase the City Manager's authority to award contracts up to \$250,000 related to this project, requires City Council approval.

**Background**

At their July 18, 2017, meeting, City Council approved receipt of a philanthropic offer from John Arrillaga to assist in the construction of a new main library building to be located on the Civic Center campus. City Council directed staff to return August 22, 2017, with a more detailed work plan to advance the project. Staff presented next steps for a building to be constructed on the Civic Center campus. Residents and Councilmembers expressed a preference for improvements to the library system as a whole, both the Belle Haven branch library and the Civic Center main library. A City Council subcommittee of Mayor Keith and Councilmember Cline was created to guide the library system improvement process. The City Council Subcommittee and City Manager met with Mr. Arrillaga to discuss further improvements to the project. The

project as it now stands could include City Council and community desire for improved library facilities for both the Belle Haven branch and the Civic Center main. The main library project may also include affordable housing and public meeting space that could be used as a City Council Chambers. Questions remain about siting the main library and the details of additional uses that would be added to the building. Mr. Arrillaga's generous offer applies only to the library building on the Civic Center campus.

## **Analysis**

Staff has continued the work of planning for the project. They will continue to develop cost estimates and timelines for moving the project forward. Next steps are detailed in the following section.

Proceeding with multiple facility reconstruction projects requires a number of steps to ensure buildings are planned, designed and constructed efficiently.

### Appoint a Belle Haven Neighborhood Library Advisory Committee

A City Council appointed 7-member advisory committee would begin by participating in the Library Needs Assessment project and would continue to provide input to staff and consultants as the branch portion of the system improvements move forward. Staff suggests that the Committee be comprised of one member each from the Library Commission and the Library Foundation, two members of the City Council, and three resident members from the Belle Haven neighborhood. Typical Commission selection procedures to seat the Committee members would take place at a future City Council meeting, following an application process.

### Approve an appropriation for immediate improvements to the Belle Haven branch library

Staff recommends that the City Council approve an appropriation of \$140,000 for immediate improvements at the Belle Haven branch library. The appropriation would pay for new carpet and paint, new furniture, other physical improvements and a refresh of the collection of materials available for adult library users.

### Design Open House to gather public input on siting and usage options for the Main Campus library

To determine the preferred location of the library on the Civic Center Campus and potential shared uses, staff recommends that community input be gathered now through a series of open houses facilitated by staff and qualified consultants.

The siting and usage engagement would minimally consist of:

- Three public input meetings to share information about the project, and gather feedback on the siting options and possible additional uses for a shared facility
- An online tool to gather input from those who are unable to attend the public meetings including video information on modern public libraries
- A public tour of recent library projects completed to help understand modern, 21st century library projects and similar mixed use projects
- A City-hosted project page created to consolidate information and capture additional public input and provide ongoing updates to the project status

These public meetings would gather input from residents, stakeholders and City commissioners (e.g., Library, Planning, Housing, Complete Streets and Parks & Recreation) to help inform the public about siting issues and potential shared uses.

The preferred site and potential shared uses conclusion would then be provided to the City Council for consideration. The siting and usage information is necessary in order to begin the environmental review

process.

#### Approve an interim project manager position

It will be essential that a new project manager position be created to lead this effort. This new management-level provisional position will coordinate the myriad moving parts associated with a high-profile project of this nature. Given the timeline for this project, it is estimated that this position will be needed for at least five years or until such time that the library work is complete. Staff recommends that the position be located in the City Manager's office, as an Assistant to the City Manager.

#### Project funding

At their August 22, 2017, meeting, the City Council considered options for funding library system improvements brought forward by staff with input from the Finance and Audit Committee. The Committee recommended that the City first explore the sale of city assets to raise funds for the project, then use unassigned fund balance in the General Fund, and finally use bond financing to cover the remainder of the City's obligation for the project. Staff recommended against linking the library project with the sale of City asset(s) given the complexity associated with and the time required for the disposition of City assets. The costs associated with the project are estimated to be \$20 million of construction costs and an estimated \$10 million for soft costs. Mr. Arrillaga has agreed to cover construction costs for the main library building in excess of \$20 million. The City may also be obligated to fund additional building uses desired by the community and suggested by the City Council (e.g., housing and a large program room that could be used as a City Council chambers) and the building's siting could affect the City's overall cost for this portion of the library system improvements.

The process for determining the uses, size and location of an improved facility in the Belle Haven neighborhood will begin with the Library Needs Assessment in November.

The Library Subcommittee, in concert with staff, will develop alternatives and a recommendation to Council on how to proceed with a funding plan.

#### Create and seed a new fund

Staff recommends that the City Council approve the creation of a new Fund in the City's accounting system, to be titled the "Library System Improvements Fund." Additionally staff recommends that this Fund be seeded with a transfer of \$1 million from the General Fund, and that the City Manager's purchasing authority be raised to allow for the expeditious advancement of the outreach and siting process and the initial work needed to prepare for an environmental impact report.

#### **Next Steps**

Over the next several months, staff and consultants will work to perform the siting analysis and begin laying the groundwork for the required environmental review for improvements to the main library building. The Library Needs Assessment for the Belle Haven neighborhood begins in November. The Belle Haven Neighborhood Library Advisory Committee will assist staff throughout the Library Needs Assessment for the Belle Haven neighborhood.

#### Staff is requesting the City Council take the following actions:

- Appoint a Belle Haven Neighborhood Library Advisory Committee that would be charged with advising staff and consultants throughout the system improvements in the Belle Haven neighborhood;
- Approve the scope of the public outreach to gather siting input for the main library
- Approve 1.0FTE for an Assistant to the City Manager position, to manage the library improvements projects;

- Create and allocate \$1 million from the General Fund Reserves for a new Library System Improvements Fund;
- Authorize the City Manager to sign and execute contracts related to the library project up to the budgeted amount;
- Explore the timing of a ballot measure to seek public input on the use of debt financing for improvements to the library system; and
- Direct staff to return to the City Council with progress updates

### **Impact on City Resources**

To begin the project planning process, the recommendations contained in this report require an initial budget of \$1 million. Staff recommends an appropriation of \$140,000 for immediate improvements to the Belle Haven branch library. Some City Council work plan priorities will be affected for the remainder of the calendar year by the work on the library system improvements and ongoing vacancies.

### **Environmental Review**

No environmental review is required at this time. An environmental review according to the California Environmental Quality Act (CEQA) will be necessary for the project if it moves forward.

### **Public Notice**

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

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