



MEETING DATE: 04-07-08  
ITEM NO: 10

COUNCIL/AGENCY AGENDA REPORT

DATE: APRIL 1, 2008

TO: MAYOR AND TOWN COUNCIL/  
CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY

FROM: GREG LARSON, TOWN MANAGER/EXECUTIVE DIRECTOR *GL*

SUBJECT: LOS GATOS LIBRARY PROJECT

- A. AUTHORIZE TOWN MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH NOLL & TAM ARCHITECTS IN AN AMOUNT NOT TO EXCEED \$184,765 FOR CONCEPTUAL DESIGN SERVICES FOR A NEW LOS GATOS LIBRARY
- B. AUTHORIZE AN ADJUSTMENT TO THE FY 2007/08 – 2011/12 CAPITAL IMPROVEMENT PROGRAM BUDGET ADDING THE LIBRARY PROJECT IN THE AMOUNT OF \$18,383,086.00 WITH FUNDING SOURCES AS DETAILED IN THE FISCAL IMPACT STATEMENT

RECOMMENDATION:

1. Authorize Town Manager to negotiate and execute an agreement with Noll & Tam Architects in an amount not to exceed \$184,765 for conceptual design services for a new Los Gatos library
2. Authorize an adjustment to the FY 2007/08 – 2011/12 Capital Improvement Program budget adding the library project in the amount of \$18,383,086.00 with funding sources as detailed in the fiscal impact statement

BACKGROUND:

On October 1, 2007, the Town Council directed staff to conduct a Request for Proposal (RFP) process to engage an architectural firm to develop firm cost estimates, parking requirements and conceptual design for a new 31,000 sq. ft., two-story main library building. Council further directed staff to develop a detailed financial analysis for a 31,000 sq. ft. library, including identification of the process required to issue Redevelopment Agency (RDA) bonds and Certificates of Participation (COPs).

*Pamela Jacobs*

PREPARED BY: **PAMELA JACOBS**  
ASSISTANT TOWN MANAGER

N:\MGR\AdminWorkFiles\2008 Council Reports\4-7 Library Project Council Report.doc

Reviewed by: \_\_\_\_\_ Assistant Town Manager/Deputy Director *DL* Town Attorney/General  
Counsel \_\_\_\_\_ Clerk Administrator/Secretary *SE* Finance  
\_\_\_\_\_ Community Development

PAGE 2

MAYOR AND TOWN COUNCIL/CHAIR AND MEMBERS OF THE REDEVELOPMENT  
AGENCY

SUBJECT: LOS GATOS LIBRARY PROJECT

April 2, 2008

This staff report describes the RFP process and its results, summarizes the scope of work for the selected architect, and discusses the financing plan for the library project.

## DISCUSSION:

### RFP Process

In November, 2007, staff issued an RFP to 24 architectural firms for site planning and conceptual design for a new library. Only architectural firms with direct experience in designing public libraries received the RFP, as library design requires significant familiarity with library programming requirements and evolving library service models. Staff held a pre-proposal meeting for interested firms to hear a presentation about the goals of the project and to ask questions.

Ten firms submitted proposals in response to the RFP. A staff team comprised of the Assistant Town Manager, Library Director, Assistant Library Director, Community Development Director and Les White, former Special Advisor to the Town Council, reviewed the proposals and selected four firms to proceed to the interview process. These firms were selected based on their experience designing similar-sized libraries, their stated understanding of Los Gatos' project goals, and their proposed approach.

The four selected firms were interviewed by a Town panel comprised of the ad-hoc Council Library Committee (Mayor Spector and Council member McNutt), Town Manager, Assistant Town Manager, Library Director, and Community Development Director. While all four firms were highly capable of providing library design services, Noll & Tam stood out given: 1) their experience reconciling space needs with budget constraints; 2) their vision for integrating the cultural history of Los Gatos with the character and natural elements of the Civic Center site for design alternatives; and 3) their approach to achieving LEED Silver status through an interactive environmental design charrette. The panel is recommending Noll & Tam as the architects for the library project.

### Proposed Scope of Work for Conceptual Design

The proposed Scope of Work for the conceptual design phase of the library project (Attachment 2) includes the following key elements:

- Review of existing documentation;
- Initial scoping meeting and subsequent staff meetings;
- Program and budget reconciliation;
- Development of concept design alternatives and cost models;
- Facilitation of a sustainability design charrette to achieve LEED Silver certification;
- Town Council Study Session;
- Up to three community meetings;

MAYOR AND TOWN COUNCIL/CHAIR AND MEMBERS OF THE REDEVELOPMENT  
AGENCY

SUBJECT: LOS GATOS LIBRARY PROJECT

April 2, 2008

- Development of a draft concept design, including library floor plan, massing, architectural character, scale, detailing, proportions, materials, colors and refined cost estimates for the proposed building;
- Development of a final concept design and cost estimate, to include a site plan, library floor plan, preliminary selection of building systems and engineering, building cross-sections, primary elevations, parking layout, outline specifications, a 3-dimensional perspective render, and final concept design cost estimate;
- Preparation of a final report and presentation to the Town Council.

Details regarding each of these elements are provided in Attachment 1. Also included in the proposed scope of work is a list of deliverables, a project schedule, and the fee proposal to complete the work. The fee schedule includes basic services, as well as contingencies that may not be needed, or that may cost less than the estimated amount. It is expected that the conceptual design phase will be completed for the total amount proposed, or less, depending on the need for the contingencies noted.

Subsequent Phases of Work

Following the completion of the conceptual design for the new library, staff will determine whether to recommend an amendment to the agreement with Noll & Tam to provide subsequent phases of design and development services for the library project. These services include: the entitlement phase (consisting of any remaining design details needed, environmental review, Planning Commission and Town Council review) and the construction phases (consisting of construction drawings, the bidding process, and construction monitoring).

CONCLUSION:

Pursuant to Council direction, staff conducted an RFP process for conceptual design services for the new library. Based on the results of the RFP process, staff and the ad hoc Council Library Committee is recommending that the Town enter into an agreement with the firm of Noll & Tam Architects in an amount not to exceed \$184,765 to provide these services as described in the attached proposed scope of work. Staff seeks Council authorization for the Town Manager to negotiate and execute an agreement with Noll & Tam for this purpose. Staff further seeks Council authorization of an adjustment to the FY 2007/08 – 2011/12 Capital Improvement Program budget adding the library project in the amount of \$18,383,086.00 with funding sources as detailed in the fiscal impact statement below.

As the Town launches the planning for the new library, staff will inform the community about the project and about opportunities to provide input. This information will be provided on the Town's website and through local media. Attachment 2 provides initial information for the community in a "Frequently Asked Questions" format.

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT:

Sufficient funds are available for appropriation to the new library project as previously identified in the staff report discussing options for the development of a new library presented to Council on October 1, 2007 as follows:

**New Library Proposed Funding Sources**

<u>Source of Funds</u>	<u>Fund</u>	<u>Amount</u>	<u>Status</u>
Designated Reserves for Civic Center Improvements	General	\$ 663,086	Available and designated for this use by Council
Revenue Stabilization Reserve	General	1,000,000	To be allocated from \$4.8 million 7/01/07 balance
RDA Repayment of Police Building Loan	General /RDA	2,720,000	Available July 1, 2007
RDA Potential Future Financing	RDA	14,000,000	per financial advisor estimate updated 03/15/2008
Total Project Funding Sources		<u>\$ 18,383,086</u>	

All funds shown on the schedule above are in designated reserves and part of the invested Town Treasurer's balances. They are all available to be appropriated to the library project, with the exception of the \$14 million in proceeds anticipated to be available in the future from a Town Certificates of Participation (COP) financing secured by tax increment available from the Town's Redevelopment Agency. A detail of the process necessary for the future financing is explained below.

\$14 Million RDA Proposed Financing & Timeline

Following the Council's principles to build the library with minimal or no impact to the taxpayer, staff recommended in the October 1, 2007 staff report that one of the primary funding sources for the new library project be a future financing using the Town's credit for a lower cost of financing and the Redevelopment Agency's tax increment revenues as the source of revenues to pay the debt service. The Town's financial advisor recommends that the Town issue Certificates of Participation (COPs) with lease payments made by the RDA to the Town equal to the annual debt service.

State law requires that any proposed future RDA financing be completed on or before December 10, 2011. The new library project's estimated starting date for major construction activity to begin is currently anticipated to be in the Fall of 2009. Using an October, 2009 date, staff would begin the following steps for a successful COP financing:

- June 2009 - Circulate first drafts of the Fiscal Consultant's Report, Draft Legal Documents, and Preliminary Official Statement.

MAYOR AND TOWN COUNCIL/CHAIR AND MEMBERS OF THE REDEVELOPMENT  
AGENCY

SUBJECT: LOS GATOS LIBRARY PROJECT

April 2, 2008

- July 2009 - Circulate second draft of the Legal Documents, the Final Fiscal Consultant's Report, Submit Package to Rating Agencies and Insurers.
- August 2009 - Present financing plan to rating agencies and insurers; present staff report detailing the financing plan to Town Council.
- September 2009 - Receive indication from rating agencies and insurers; Town Council adopts official resolutions and declares Preliminary Official Statement final, publishes notice of intention and sale in Bond Buyer, opens bids and determines winning bid.
- October 2009 - Bond closes with net proceeds of approximately \$14 million currently estimated to be available for construction from an estimated \$15.6 million bond issue after paying cost of issuance and funding an approximate \$1.2 million dollar reserve (approximating the final year of debt service on the bonds).

The estimate of \$14 million available from a future COP financing was obtained from a March 2008 update of the estimated available tax increment by the Town's financial advisor, Emily Wagner. Her analysis assumed a median growth rate of 4% per year in assessed value (AV) in future years. This rate is lower than the actual growth in recent years, which averages approximately 8-11%. The current AV growth rate for July 2008 is approximately 4% based upon a March update from the County Assessor's office. Although the growth rate in the project area has been in the 8-11% range, there is no guarantee that it will remain at this rate. If the future growth rate of 4% does not materialize in any future year, gap funding may be temporarily required. While using a 4% growth rate increases available revenue for a future bond issue, this potential amount is restrained by the Agency's \$250 million tax increment cap. This cap was established at the time the RDA was formed and places a ceiling on the cumulative amount of tax increment available to the Town to expend. An additional caveat is that the non-housing administrative and operational expenditures charged to the RDA for various Town services (e.g. planning, finance, public works, etc.) would be capped at \$750,000 in FY 2016/17. Currently the Town receives approximately \$600,000 for such services so there would still be room for expenditure growth up to the \$750,000 limit.

It is important to note that the estimates of funds available from a future RDA bond issue are subject to change. The estimate of funds is based on the growth rate of the assessed valuation in the Town RDA project area and prevailing interest rates in tax-exempt municipal markets at the time the final financing plan is adopted and the bonds are issued.

There is also a potential that the \$18.4 million project budget could be increased in the future from COPs interest income during the construction period and excess revenue required for debt service. Any excess funds over and above the \$18.4 million project budget could be applied to unfunded needs such as a project contingency or site improvements. If future costs prove to be too high, the footprint of the building could be reduced (1,000 sq. ft. equals approximately \$500,000) and other current revenue sources considered.

PAGE 6

MAYOR AND TOWN COUNCIL/CHAIR AND MEMBERS OF THE REDEVELOPMENT  
AGENCY

SUBJECT: LOS GATOS LIBRARY PROJECT

April 2, 2008

Other Options and Substitute Sources of Financing

Staff is also exploring the feasibility of substituting a future COP financing with a self-funded approach in which the Town would loan approximately \$14 million to the Town's RDA for the project. The funding source of the loans would likely be from the Town's designated reserves and internal service funds. The loans would be paid back by the RDA over a specified repayment period from the RDA's future tax increment revenues that would have been used to pay the COP financing debt service payments. The repayment of the Town funds would restore them over time for their intended purpose such as equipment replacement, vehicle maintenance, etc.

Advantages of an internally funded approach may include a lower cost of financing and elimination of issuance fees which are currently estimated to be approximately \$500,000 for a \$15.6 million dollar COP. Disadvantages would include the risk associated with the use of \$14 million of the Town's funds including reduced balances available for investment and interest earnings, along with the loss of liquidity for emergency purposes.

A preliminary financing plan anticipated to be brought forward for Council approval in 2009 will consider all available financing options including a bond issue and a consideration of some aspect of self-funding for the project. The preliminary financing plan will include a staff recommendation for most cost effective and safe funding approach to be utilized for the future financing of approximately \$14 million dollars.

Attachments:

1. Proposed Scope of Work
2. Frequently Asked Questions about the Library Project

**NEW LOS GATOS LIBRARY**  
**Proposed Scope of Work**

**1. Review of Existing Documentation**

**a. Site Analysis, Historical, and Cultural Information**

CONSULTANT will review the Civic Center Master Plan analysis of the Civic Center site to understand the historical, cultural and physical conditions that will help guide design decisions. CONSULTANT will create a thorough list of opportunities and constraints associated with the new library building. CONSULTANT will consider how the cultural history of Los Gatos influences design decisions. CONSULTANT will seek meaning to inspire an approach to siting of the building, choice of materials, and symbolic forms. CONSULTANT should take a wide view of what is “natural” to the site, leading to creative overlapping of nature, history, and built form.

**b. Site Information**

CONSULTANT will gather and review all relevant background and topographical information, maps, zoning, existing utilities and data for the building site. CONSULTANT will study the climate of the site, topography that influences site drainage, surrounding trees and buildings that affect solar exposure, and prevailing wind patterns.

**2. Initial Scoping Meeting**

CONSULTANT will begin with an Initial Scoping Meeting, attended by key members of the design team and the Town’s Project Team. At this meeting, CONSULTANT and the Project Team will clarify the project goals and vision, decision making process, program requirements, scope of work, schedule, and project budget. CONSULTANT will identify major stakeholders and determine the Town Council and regulatory agency review processes. CONSULTANT will prepare a detailed agenda for the meeting and distribute meeting notes to all participants.





### **3. Program and Budget Reconciliation**

CONSULTANT will lead a meeting with Library Director Peggy Conaway and staff to completely evaluate, adapt, and refine the library programming data created during the Civic Center Master Plan process. CONSULTANT and sub-consultant, Kathy Page, will work with the Library Director to revise the program to fit a smaller space. This may require re-thinking some of the service goals and fine-tuning how to accomplish the spatial relationships with more efficient physical and operational layouts. CONSULTANT will try to leverage staff resources to the extent possible, reduce fixed positions to a minimum, create good sight lines, promote self-service, eliminate repetitive or duplicated services with automation and organization, and allow staff to optimize assistance to clients.

The most critical part of this programming exercise will be to fully divide the program areas into two levels, to match the proposed two-story configuration of the building. CONSULTANT has done this for other library facilities, most recently for a new library for the City of Manteca, and will bring their understanding of how to separate program areas and how to include multiple staff service points.

CONSULTANT will create a Reconciliation Matrix as part of an Integrated Cost Management Plan, a living document in use throughout the process, which will be a cornerstone of the program-budget reconciliation effort. CONSULTANT will prepare a Final Library Building Program that reflects consensus on revisions to the program, including tabulations of assignable square footage of programmed spaces, collections, technology workstations, and readers' seats.

CONSULTANT will hold a brainstorming session with our CONSULTANT's cost estimator to determine the major cost items; identify possible substitutions, deletions, or phased options; and discuss the potential impacts on quality and performance. CONSULTANT will manage the reduction process through the use of a detailed list of items that the team is considering, with a record of what is selected, possible, or rejected, in order to document the decision-making process.



#### **4. Concept Design Alternatives and Cost Models**

Design is a cyclical process of generating ideas, testing them, moving forward and backward, and circling back to re-think the basic concepts. Building upon the principles developed in the site investigation and library space programming -- and taking into consideration the history and architectural character of the Civic Center area -- CONSULTANT will generate conceptual ideas that are a statement of the vision and aspirations of the community of Los Gatos.

CONSULTANT will begin the design process with three alternative design concepts. The initial concept design package will include:

- Building location and general massing;
- Major program elements in the building;
- Parking layout and site plan;
- Conceptual Cost Model with estimated construction cost.

#### **5. Town Council Study Meeting**

CONSULTANT will facilitate a Town Council Study Session to present the three concepts in draft form, and solicit input to finalize them for the first community presentation. The Principal-in-charge, Chris Noll, will facilitate the Study Session.

#### **6. Community Meeting #1**

CONSULTANT will facilitate a community meeting presenting the three concepts in final form and obtaining feedback. The Principal-in-charge, Chris Noll, will facilitate the community meeting.

#### **7. Develop Preferred Alternative**

Following the public meetings, CONSULTANT will meet with the Project Team to select the preferred option to recommend to the Town Council. Using an interactive “design charrette” session, CONSULTANT will work with the Project Team to brainstorm several alternative library floor plans. In refining the preferred option into the Draft Concept Design, CONSULTANT will develop the massing, architectural character, scale, detailing, proportions, materials, and colors for the proposed building and prepare



completed floor plans. CONSULTANT will work with the cost estimator to refine the cost estimate. CONSULTANT will submit the Draft Concept Design to the Project Team, and meet to obtain feedback.

### **8. Sustainability Charrette**

Concurrent with the development of the preferred alternative, CONSULTANT will plan and facilitate an all-day collaborative meeting for Town staff and selected stakeholders to define the environmental goals for the library building and develop design strategies to achieve LEED Silver certification.

### **9. Community Meeting #2**

CONSULTANT will facilitate a community meeting presenting the Draft Concept Design and obtaining feedback. The Principal-in-charge, Chris Noll, will facilitate the community meeting.

### **10. Final Concept Design and Cost Estimate**

The Final Concept Design package will include a site plan, with the building and all site development described, a library floor plan with conceptual layout of all library program elements, preliminary selection of building systems and engineering, building cross-sections, primary elevations, parking layout, landscape plan, outline specifications, and a 3-dimensional perspective rendering. Working with the cost estimator, Davis Langdon, CONSULTANT will develop a final concept design cost estimate.

### **11. Community Meeting #3**

CONSULTANT will facilitate a community meeting presenting the Final Concept Design. The Principal-in-charge, Chris Noll, will facilitate the community meeting. With the concurrence of the Town's Project Manager, this community meeting may be combined with the presentation of the Final Concept Design to the Town Council.



## **12. Prepare Final Report**

CONSULTANT will finalize and incorporate all of the illustrations and graphics into the Final Concept Design document and print the required number of copies for the Town Council. CONSULTANT will also make a PDF version of the document.

## **13. Town Council Presentation**

CONSULTANT will present the Final Concept Design to the Town Council for its review and endorsement.

### **Deliverables**

1. Updated Library Building Program Space Summary - including tabulations of assignable square footage of programmed spaces, collections, technology workstations, and readers' seats.
2. Initial Concept Design Package - including building location and general massing, major program elements in the building, parking layout and site plan, Conceptual Cost Model with estimated construction cost.
3. Presentation materials for Town Council Study Session and Community Meeting #1
4. Sustainability Design Charrette – design and facilitation of an all-day workshop for staff and selected stakeholders to develop design strategies to achieve LEED Silver certification.
5. Preferred Alternate Concept Design Package - including massing, architectural character, scale, detailing, proportions, materials and colors for the proposed building and include completed floor plans.
6. Presentation materials for Community Meeting #2
7. Final Concept Design Package - including a site plan with the building and all site development described, a library floor plan with conceptual layout of all library program elements, preliminary selection of building systems and engineering, building cross-sections, primary elevations, parking layout, outline specifications, and a 3-dimensional perspective rendering, and Final Concept Design Cost Estimate.
8. Presentation materials for Community Meeting #3 (if needed), Final Conceptual Design Report and Town Council Presentation.





**Summary of Estimated Reimbursable Expenses (billed at 1.15 times cost)**

1. Plotting and reproduction of progress drawings and specs for review.
2. Perspective renderings and physical models.
3. Overnight delivery/couriers
4. Mileage (@ \$0.505 per mile currently - rate shall adjust annually to conform to IRS guidelines), travel and lodging
5. Consultant expenses for above items.



## LOS GATOS LIBRARY CONCEPTUAL DESIGN

### FEE FOR SERVICES

#### BASIC SERVICES

Noll & Tam Architects, Prime Architects	\$92,995
Ingraham DeJesse, Structural Engineer	\$2,750
Glumac, Mech/Elect Engineering	\$7,370
Joni L. Janecki, Landscape Architecture	\$29,150
Davis Langdon, Cost Estimating	\$7,700
Sustainability Charrette	\$15,000
<b>Total Professional Fees – Basic Services</b>	<b>\$154,965</b>

#### CONTINGENT ADDITIONAL SERVICES/FEEES

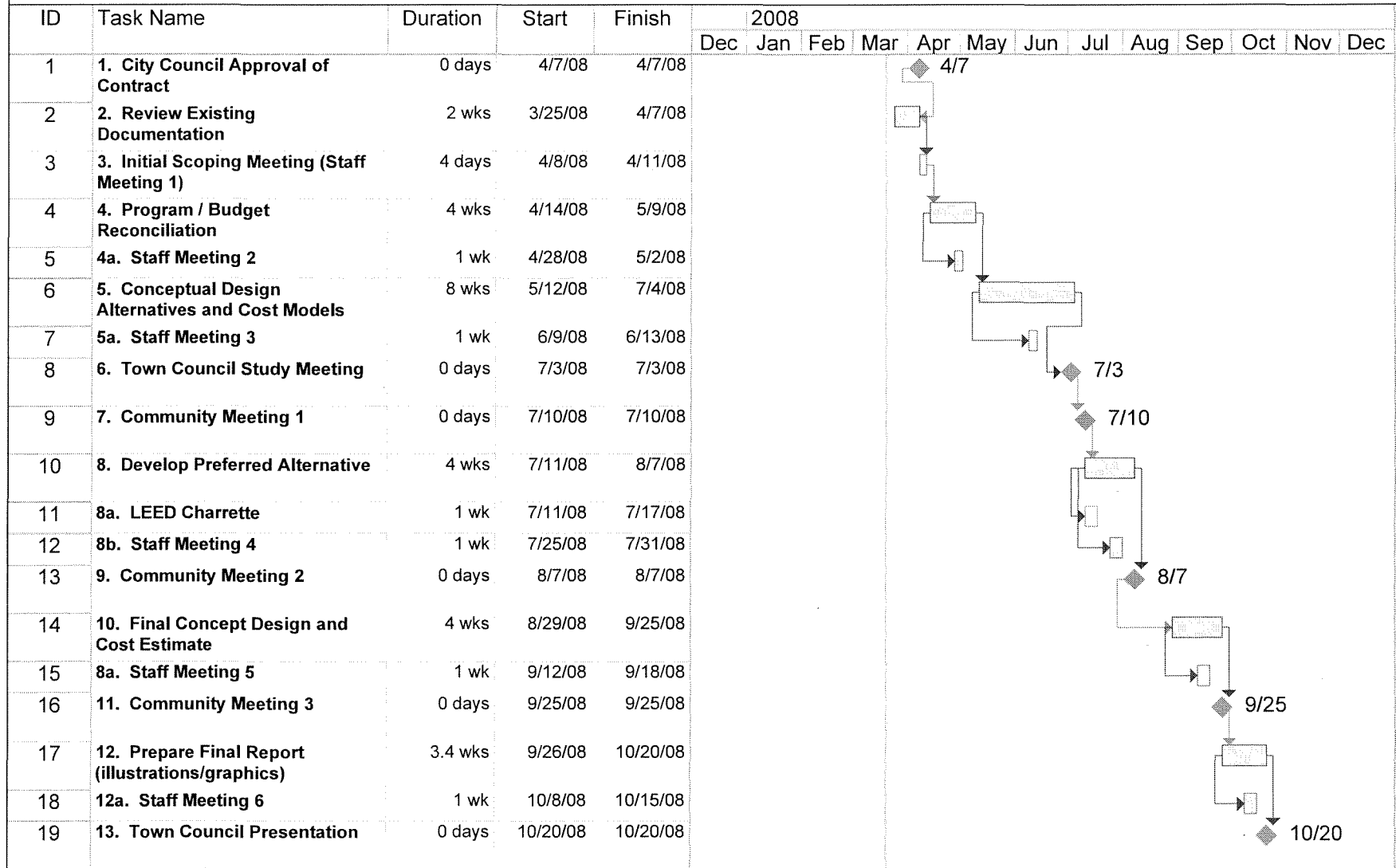
Reimbursable Expense Allowance	\$10,000
Civil Engineering Allowance	\$9,350
Geotechnical Investigation	\$4,950
Traffic Engineering	\$5,500
<b>Total Contingent Services/Fees</b>	<b>\$29,800</b>

**TOTAL FEES FOR SERVICES** **\$184,765**



Town of Los Gatos Library  
 Planning and Design for a New Library  
 19 March, 2008

**Proposed Project Schedule**





## A NEW LIBRARY FOR LOS GATOS

### FREQUENTLY ASKED QUESTIONS

**Q: *How big will the new library be compared to the existing library?***

A: The existing library is 13,970 sq. ft. and the new library is expected to be approximately 31,000 sq. ft., which is similar in size to other libraries in the County and the State serving populations comparable to Los Gatos.

**Q: *Does Los Gatos need a bigger library?***

A: The Los Gatos library was built in 1964 when the population of the Town was about 9,000. With a population today of about 30,000 and the high levels of usage (209,000 visits per year and growing), the library does not have sufficient space to meet the needs of the community. The American Library Association and the Pew Foundation have documented through surveys and studies that use of public libraries continues to increase, particularly in the areas of electronic resources, young adult activity, and community gathering purposes.

**Q: *Will the new library offer any services not currently available?***

A: Yes, while the details have not been finalized, it is expected that the new library will have separate space for children's story-telling programs and reading rooms; reading and study areas for students of all ages; computer areas for research, internet access and technology education; more self-check machines; and space for the Town's extensive history collection.

**Q: *Will the size of the library collection be increased?***

A: The new library will have space to accommodate increases in adult and youth book collections and multi-media collections.

**Q: *Where will the library be located?***

A: The new library will be located on the southeast corner of the Civic Center property, adjacent to Pageant Park and against the hillside.

**Q: *How will the new library be funded?***

A: The library will be funded with existing Town reserves and with Redevelopment Agency (RDA) funds through a financing method known as Certificates of Participation (COP). The Town Council previously issued \$10.6 million in COP financing to pay for downtown improvements, including the renovation of Plaza Park; new sidewalks and streetscape features; parking lots; and paving of N. Santa Cruz, Main St., downtown side streets and alleys. There will be no tax increases to pay for the new library.





**Q: Will a garage be built to add parking for the library?**

A: No, parking will be accommodated by reconfiguring the surface lots and utilizing parking spaces no longer needed due to the relocation of many police staff to the new Police Operations building on Los Gatos Blvd.

**Q: Will the old library continue to be used as a library?**

A: No, the existing library space will be converted to other municipal and community uses, potentially to include a community meeting room. Planning for use of the vacated space will occur during the construction of the new library.

**Q: What is the timeline for groundbreaking and opening of the new library?**

A: The Town is hiring Noll & Tam Architects to develop the conceptual design for the library, which should be completed in Fall, 2008. Although many factors may affect the construction, it is anticipated that groundbreaking would occur in Fall, 2009, with the new library opening in Fall, 2011.

**Q: How does the library relate to the Civic Center Master Plan?**

A: The Civic Center Master Plan (CCMP) is a long-term planning document identifying options for meeting the public's needs for services over the next 25 to 50 years through existing and/or new public spaces. Space for police services and for library services were identified as the two highest priorities in the CCMP. There is no plan to implement any other part of the CCMP in the foreseeable future.

