



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



November 6, 1985

Transportation/Community  
Development Committee and  
Budget and Finance Committee  
of the City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Central Library Expansion Project

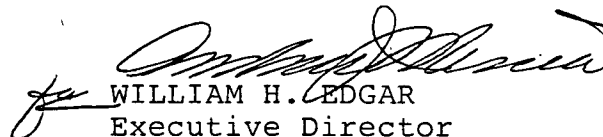
SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the City Council and Redevelopment Agency of the City of Sacramento.

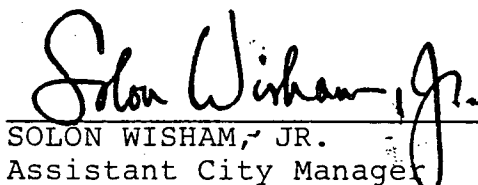
RECOMMENDATION

The staff recommends approval of the attached resolution authorizing preparation of a program, appropriating funding and amending the existing contract.

Respectfully submitted,

  
WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COMMITTEE:

  
SOLON WISHAM, JR.  
Assistant City Manager

Attachment



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



October 22, 1985

City Council  
Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

Honorable Members in Session:

SUBJECT: Central Library Expansion Project

## SUMMARY

This report recommends authorization for the staff to prepare a preliminary building and financial program for the expansion of the Central Library at 9th and I Streets including a preliminary master plan and feasibility study for the block bounded by 8th-9th-I-J Streets.

## BACKGROUND

The City Council, by Resolution No. 84 dated March 27, 1984, approved the Library Master Plan which included the policy decision to expand the Central Library at its present downtown location. The Downtown Redevelopment Plan Update approved by the Redevelopment Agency on April 2, 1985 included as a project the Central Library Expansion Project. As a follow-up to the approved Library Master Plan and Downtown Redevelopment Plan, this report sets forth an approach for the development of a building/financing program and design plans. The report also recommends an overall scope of development for the Central Library Project and how the Central Library could become a key factor in the redevelopment of the block bounded by 8th-9th-I-J Streets.

## PROJECT APPROACH

The Central Library Expansion Project is proposed to be accomplished in a threefold approach:

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1. Phase I - Preparation of a preliminary Library building and financing plan for the Central Library. Preparation of a master plan for the block bounded by 8th-9th-I-J Streets including costs, benefits and economic feasibility integrating the Library plans with proposed redevelopment of the block.

Approval of entire package by Governing Boards.

2. Phase II - Preparation of preliminary and design schematic drawings and cost estimates for the Central Library.

Approval of plans and commitment of financing.

Preparation of construction drawings.

3. Phase III - Acquisition and construction.

## CENTRAL LIBRARY EXPANSION TARGETS

The Sacramento Public Library anticipates serving a maximum population of 1.5 million, based on County Planning Department projections. This maximum population is expected to be reached within 30 years. Based on the guidelines for service development in the Library's master plan, this will result in the following facilities:

- 3 small branches
- 21 community branches
- 3 regional branches
- 1 central library

National library standards indicate a need for 3,000,000 books to serve this population.

The total capacity for books in all 27 branches exclusive of Central Library is 2,000,000 volumes. This means the target collection for Central Library would be 1,000,000 volumes. Central Library's need for reader seating is estimated to be 500 seats. Public service staff is not expected to exceed 60 people. Administrative services for the entire library system will be housed at the same site. A building program to meet the above targets will be developed.

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Preliminary estimates of square footage requirements for the Central Library expansion range from 175,000 to 235,000 square feet.

## ALTERNATIVES FOR REDEVELOPMENT OF BLOCK

In conjunction with the proposed Central Library Expansion Project Agency staff prepared four alternative schemes to evaluate the possible effects of Library development with and without private sector involvement. The four alternatives are summarized below and site maps are included in Attachment 1:

### Alternative 1

Acquisition of three parcels adjacent to existing Central Library.

#### Costs

. Construction and renovation	\$18.0 M
. Acquisition costs and miscellaneous	1.5
	<u>\$19.5 M</u>

#### Funding Sources

. Interest earned (18 month construction period, 10% interest)	\$ 1.4 M
. City Bond (\$1.6/year available from general fund for debt service, 9% @ 20 years)	\$15.0 M
. Agency funds	\$ 1.5 M
	<u>\$17.9 M</u>
Unfunded Gap	\$ 1.6 M

#### Finding

- . This alternative may be feasible if unfunded gap can be filled, perhaps by private sector or other sources.

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## Alternative 2

Acquisition of all parcels on block bounded by 8th-9th-I-J Streets excluding California Hotel. Conversion of existing Central Library to Library administrative offices and construction of a new Library along 9th Street. Sale of half block to Developer for commercial and offices.

### Costs

. Construction and renovation	\$18.0 M
. Acquisition costs and miscellaneous	<u>7.3</u>
	\$25.3 M

### Funding Sources

. Sale of 47,000 square feet to private developer (@ \$40/sq.ft.)	\$ 1.9 M
. Bond Proceeds	
Agency tax increment bond proceeds from new development on site (assumed \$37 M new office/commercial construction x 1% = \$370,000 x 10 =	-3.7
. City Bond	15.0
. Interest Earned	1.4
. Agency funds	<u>1.5</u>
	\$23.5 M
Unfunded Gap	\$ 1.8 M

### Finding

- . This alternative may be feasible if unfunded gap is filled by other sources.
- . Assuming number to be valid, these costs about the same as Alternative 1. However, impact on downtown is much greater in terms of revitalization and developer opportunity.

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## Alternative 3

Acquisition of ten parcels south of existing Library and construction of new Library along 9th Street as in Alternative 2.

### Costs

. Construction and renovation costs	\$18.0 M
. Acquisition of Parcel A and Half Block South of Parcel A	2.5
	<u>\$20.5 M</u>

### Funding Sources

. Interest earned	1.4
. City Bond	15.0
. Agency funds	1.5
	<u>\$17.9 M</u>

Unfunded gap \$ 2.6 M

### Finding

- . Less feasible than Alternative 1 or 2 with greater unfunded gap.

## Alternative 4

Acquisition of all parcels as in Alternative 2 and sale of all acquired land to Developer. Construction of Library by Developer and lease back to Library. Construction of commercial/offices on remainder of block by Developer.

### Costs

. Acquisition	\$ 7.3 M
. Funding Sources (for acquisition)	
. Agency funds	1.5
. Agency tax increment bonds (same as 2)	3.7
. Sale of land to developer (87,430 sq.ft. x \$40)	3.5
	<u>\$ 8.7M</u>

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Note: Surplus of \$1.4 (8.7-7.3) assumed  
to be used to reduce lease payments.

. Lease Payment Costs to Library	
. Renovation and new construction costs less down payment	\$18.0 M - 1.4 \$16.6 M
16.6 @ 12.5%, 20 years (market rate) = lease payments of	\$ 2.25/year
Lease costs/year for Library	\$ 2.25 M/year
Monies available for leasing	<u>\$ 1.6 M/year</u>
Annual Gap	\$650,000/year

## Finding

- . This alternative may not be feasible. \$650,000  
gap in available lease revenues per year.

## Conclusion

The purpose of this preliminary cost evaluation was to examine potential costs, advantages and feasibility for various development options. The conclusion reached is Alternatives 1 and 2 are more feasible than 3. Alternative 4 is not feasible. Since the costs for 1 and 2 are potentially about the same, Alternative 2 is being recommended as the preferred option subject to further study and analysis during Phase I because it permits a better site and building configuration for the Central Library, allows for a half block of new private development opportunity, assists in the revitalization of an entire block and could potentially aid in the upgrading of the California Hotel.

During Phase I, Alternatives 1, 3 and 4 will also be reviewed and analyzed to a limited extent as a check and verification to ensure that Alternative 2 is the appropriate choice.

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## PHASE I

1. Staff believes there has been sufficient research, prior architectural work by consulting architect and existence of financial staff and consultant resources to enable a preliminary building and financial plan to be prepared as a first step for the Central Library.
2. The Central Library development team shall be headed by the City/County Librarian, and consist of a representative from SHRA, County Executive's office, City Treasurer/Finance Office, Library Foundation and City Manager's office.
3. The development team shall utilize the City's financial bond consultants and enter into a contract with a qualified Library Consultant to assist staff in the review of recommendations and development of cost estimates for the Library.
4. Staff is requesting authorization to proceed with the preparation of a preliminary building and financing program for the expansion of the Central Library.
5. At the end of Phase I, the following items will be included in the preliminary building and financing program of the Central Library with the objective to determine the type of Library and how best to build and finance such a facility.
  - a. Proposed uses and square footages (including possible ancillary uses, for example, child care and educational components).
  - b. Size of building.
  - c. Location, magnitude and massing of building.
  - d. Preliminary development cost estimates.
  - e. Financial plan, including role of private and public sector participants if appropriate.
  - f. Estimate of operational and staffing costs.
  - g. Identification of any expansion plans on site to accommodate long term growth.
6. At the end of Phase I, the following items will be included in the Preliminary Master Plan for the entire block bounded by 8th-9th-I-J Streets:
  - a. Brief review and analysis of costs, benefits and feasibility of four alternatives outlined in this report.
  - b. Identification of preliminary costs for the recommended alternatives.



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- c. Integration of proposed Library expansion and other uses in block.
  - d. General massing of buildings, access and parking provisions.
  - e. Determination of real interest in private development in block and estimation of type and scale of probable development.
  - f. Site plan showing general uses of areas proposed for development.
  - g. Recommendations on financial structure of proposed plan. Preparation of a preliminary economic feasibility study based on proposed Master Plan and Developer interest. Establish costs and benefits, identify risks and advantages/disadvantages.
7. A report and recommendation shall be prepared by the development team by March 1, 1986 and submitted to the City Council and Board of Supervisors for review.

## FINANCIAL DATA

Resolution No. 84-549 approved by the City Council on June 26, 1984 appropriated \$400,000 for design schematics for the Library. Resolution No. 85-027 approved by the Agency on April 2, 1985 approved \$1,500,000 to be used for acquisition of land and preparation of design plans. A financial plan for construction of the Library will be prepared as part of the building program.

The City will utilize up to \$10,000 from Resolution No. 84-549 to hire a qualified Library Consultant. The City's Financial Consultants' fee will be paid from future Library bond proceeds to prepare a library financing plan. If the project fails to proceed through no fault of the Financial Consultant, the Consultant will be reimbursed up to \$9,950 for time and expenses.

The Agency will expend up to \$25,000 from the Library line item of the Downtown tax allocation bond issue to pay for services of a consultant who will prepare the master plan for the block and economic feasibility analysis.

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## ENVIRONMENTAL REVIEW

Environmental review is not required as a result of the proposed action.

## POLICY IMPLICATIONS

The action(s) proposed in this staff report are consistent with previously approved policy and there are no policy changes being recommended.

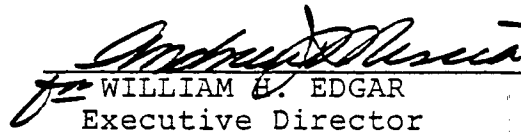
## RECOMMENDATION

The staff recommends adoption of the attached resolution  
1) authorizing the preparation of a preliminary building and financing program for the Central Library including preparation of a preliminary master plan and feasibility analysis for the block bounded by 8th-9th-I-J Street, 2) appropriating \$25,000 from the Library line item in the Agency's Downtown tax allocation bond issue, and 3) amending the existing contract with the Agency's financial and development consultant up to \$25,000 for preparation of the master plan and feasibility analysis.

Respectfully submitted,

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ROBERT J. RICHARD  
City-County Librarian

  
WILLIAM E. EDGAR  
Executive Director

RECOMMENDATION APPROVED BY:

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WALTER J. SLIPE  
City Manager

Contact Person: Leo Goto

# RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO

ON DATE OF

November 19, 1985

## CENTRAL LIBRARY EXPANSION

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. The Executive Director is hereby authorized to participate as a team member in the development of a preliminary building and financing program for the expansion of the Central Library.

Section 2. The Executive Director is authorized to prepare a preliminary Master Plan and feasibility analysis for the block bounded by 8th-9th-I-J Streets using Alternative 2 as the preferred option.

Section 3. The Executive Director is authorized to execute an amendment to the existing contract with the Agency's financial and development consultant team up to \$25,000 to prepare the preliminary master plan and feasibility analysis per Section 2.

Section 4. \$25,000 is appropriated from the Library line item in the Downtown tax allocation bond issue to pay for consultant fee per Section 3.

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CHAIR

ATTEST:

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SECRETARY

z:racscenlib

**RESOLUTION No.**

**Adopted by The Sacramento City Council on date of**

November 19, 1985

CENTRAL LIBRARY EXPANSION

BE IT RESOLVED BY THE COUNSEL OF THE CITY OF SACRAMENTO:

Section 1: The City-County Librarian is authorized to prepare a preliminary building and financing program for the expansion of the Central Library in accordance with the attached staff report.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

z:cccenlib

ALTERNATIVE DEVELOPMENT  
SCENARIOS FOR  
CENTRAL LIBRARY EXPANSION

ATTACHMENT 1

Plat Map

I

STREET

CALIF.  
HOTEL

EXISTING  
Central Library

Parcel B

Parcel C

LIBRARY

Parcel A

EXAN.

STREET

STREET

ALLEY

3TH

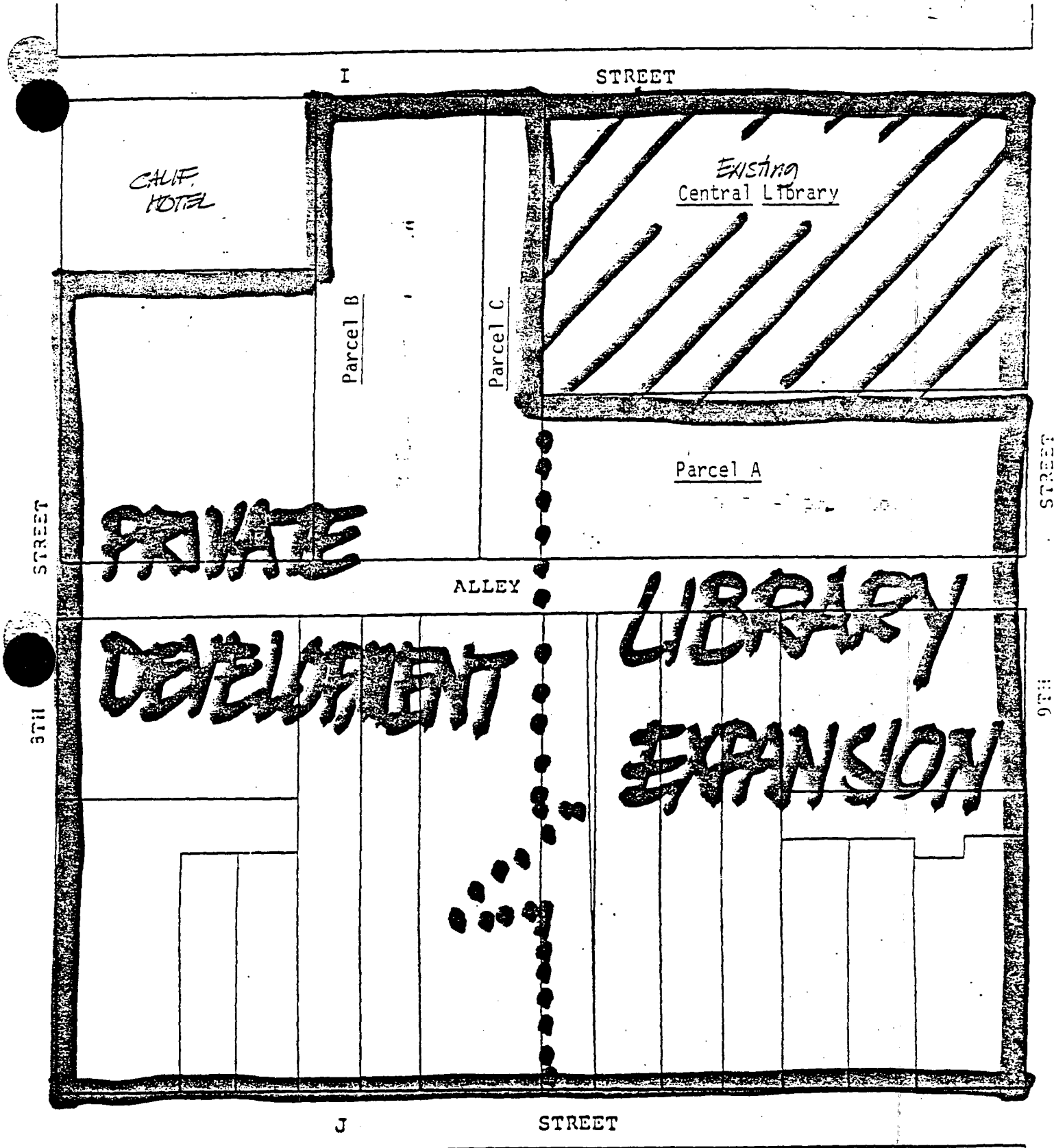
9TH

J

STREET

ALTERNATIVE 1

Plat Map



ALTERNATIVE 2

Plat Map

I

STREET

CHIEF  
HOTEL

Existing  
Central Library

Parcel B

Parcel C

Parcel A

STREET

STREET

ALLEY

**LIBRARY  
LIBRARY  
EXPANSION**

5TH

5TH

J

STREET

ALTERNATIVE 3



Plat Map

I

STREET

CALIF.  
HOTEL

Existing  
Central Library

Parcel B

Parcel C

Parcel A

**PRIVATE**

**DEVELOPMENT**

**LIBRARY  
EXPANSION**

STREET

8TH

STREET

9TH

J

STREET

ALTERNATIVE 4