



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: CEO
Department No.: 012
For Agenda Of: 12/06/11
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department Chandra L. Wallar, County Executive Officer
Director(s)
Contact Info: Terri Nisich, Assistant County Executive Officer
SUBJECT: Budget Revision for New Orcutt Library Tenant Improvements

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

- (A) Approve the attached budget revision to transfer \$90,000 from the Orcutt Administrative AB 1600 Development Impact Fees and \$30,000 from the Orcutt Library AB 1600 funds for tenant improvements at the new Orcutt Public Library.
- (B) Determine that the above actions are organizational or administrative activities of government that are not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA Guidelines.

Summary Text:

This item is on the agenda for the Board of Supervisor's consideration of additional funding for the Orcutt branch library tenant improvements. On October 26, 2010 the Board of Supervisors initially approved funding for the New Orcutt Library Tenant Improvements. The estimated cost of the project at that time was estimated at \$430,000. Funding for the project was as follows: \$270,000 from the AB 1600 Library Fees, \$30,000 from the Orcutt Friends of the Library, and \$130,000 from the County General Fund Contingency (loan). This loan was to be repaid via future AB1600 Library Fee revenue. The Board of Supervisors approved funding mechanism. Once the funding was approved the City of Santa Maria solicited bids for the project. Based on a review of the bids as well as additional project needs specified, the new project total cost is estimated at \$610,225. This exceeds the available funding by \$180,225.

The three factors contributing to the increased project cost:

- 1) Low bid on project is approximately \$125,000 over the original estimate;
- 2) Original contract did not include items such as voice data communication, wiring, a public address system, security system, or seismic retro-fitting of the book shelves;
- 3) Original estimate did not include budget for an on-site owner representative (contract inspector), nor special inspections required for the seismic anchoring of the bookshelves required under the building permit.

The City of Santa Maria, County of Santa Barbara, and representatives of the property came together to discuss options. It was determined that the project be revised to reduce non-essential items and/or items which may be addressed in the future. Therefore, the County, City, and the architect have identified cost reduction opportunities as well as additional revenue to bridge the project shortfall:

Revenue		
	Orcutt Library AB 1600 Fees <i>(additional collected since October 2010)</i>	\$30,000
	Orcutt Administration AB 1600 Fees	\$90,000
	Friends of Library	\$15,000
Cost Reductions	Reduction in Project Scope	\$45,000
	<ul style="list-style-type: none"> • Sound insulation in the ceiling above the Children's Library 	
	<ul style="list-style-type: none"> • Eliminating the Solar Tube skylights 	
	<ul style="list-style-type: none"> • Changing to lower cost signs within the library 	
	TOTAL REVENUE AND PROJECT SAVINGS	\$180,000

Background:

The additional funding request is being brought forward by the City of Santa Maria on behalf of the Orcutt branch library. The County of Santa Barbara works collaboratively with the Cities of Santa Barbara, Lompoc and Santa Maria to provide library services throughout the County. Santa Maria has the primary obligation to furnish library services to all persons inhabiting Zone 3 including the City of Guadalupe, the City of Santa Maria, and the unincorporated communities of Orcutt and Cuyama. Per Section 2 of "The Agreement for Operation of a Countywide Free Library System" between the County and the respective cities, "Each of the contracting cities shall assume and provide the services of a free public library for the zone herein assigned to it, including the incorporated cities within such zone. The city librarian for each of the three contracting cities shall plan and administer a consolidated library program in the incorporated and unincorporated areas of his/her respective zone."

The current Orcutt branch library has been housed in a 2,700 square foot rental space in the Oak Noll Shopping Center for ten years. The square footage does not adequately meet the needs of the increasing population and the growing demand for library services across all demographics. For over five years library supporters have been in search of appropriate space for an expanded library within Orcutt and have recently identified space in Old Town Orcutt at the recently completed Orcutt Union Plaza. This space will provide 4,507 square feet, a 67% increase over the current location. This increased square

footage will allow for an expansion of the library collection as well as a doubling of the administrative space for computers and internet services available for use by the general public.

The City of Santa Maria will render tenant improvements to the structure located at the Orcutt Branch Library facility located within the Orcutt Union Plaza at 175 S. Broadway Street, Orcutt, California, 93455 and enter into a twenty year lease with a private developer for the new library space for a cost of \$54,000 per year (\$1.00 per square foot). This lease agreement provides the County with an option to purchase the building at the termination of the agreement. Following the October 26, 2010 meeting of the Board of Supervisors, the City of Santa Maria entered into an agreement with the County regarding the use of County funds for tenant improvements.

Proposed total funding for the new Orcutt Library tenant improvements includes \$130,000 from the County General Fund Contingency (loan), \$300,000 from the Orcutt Library Government Code Section 6600 development impact fees, and \$90,000 in Orcutt Administration Government Code Section 66000 development impact fees which are fees levied on new development to pay for a portion of the cost of services associated with new/additional development. Per the County Board of Supervisors adopted Ordinance #4314, Section 21-153(a)3(h), the library development impact fee is intended to offset the costs incurred *“to acquire, construct and install library facilities” whereby facilities include “public improvements and community amenities including but not limited to public libraries, related equipment, buildings, books, related planning, engineering, construction and administrative activity and any other capital library facility projects identified in the OCP Public Infrastructure Financing Program.”* In addition Ordinance 4315 Section 21-131(h) indicates that *“Public Administration Facilities include public improvements and community amenities including but not limited to governmental buildings, community/civic centers, portions of community buildings devoted to public administration in Orcutt and related planning, engineering, construction and administrative activity and any other capital public administration facility projects identified in the OCP Public Infrastructure Financing Program.”*

Based on projections of future development fees conducted by the Planning and Development Department, referenced economic factors and development activity, \$27,000 in library development fees were anticipated through fiscal year end 2010/11. It is now recommended that this first year of funding, now received, be dedicated to the completion of the project. In years 2-5 an additional \$38,000 is anticipated. This funding would be utilized to repay the Contingency fund over time. Furthermore, the Orcutt Friends of the Library are contributing \$45,000 in total toward the improvements.

New Orcutt Library Tenant Improvements Revised Estimate			
	Original 10/26/10	Revised 12/06/11	Original & Revised Project Costs & Funding
Total Project Cost	430,000.00	610,000.00	180,000.00
Project Reductions	-	(45,000.00)	(45,000.00)
Revised Project Cost w/ Project Reductions	<u>430,000.00</u>	<u>565,000.00</u>	135,000.00
*General Fund Loan	130,000.00	130,000.00	-
AB 1600 (Library Fees)	270,000.00	300,000.00	30,000.00
Friends of Library	30,000.00	45,000.00	15,000.00
AB 1600 Administrative Development Fees	-	<u>90,000.00</u>	<u>90,000.00</u>
Total	<u>430,000.00</u>	<u>565,000.00</u>	<u>135,000.00</u>

**Repaid via future AB 1600 Library Funding*

As noted previously, per the “The Agreement for Operation of a Countywide Free Library System, “individual cities, in this instance Santa Maria, assumes responsibility to provide for library services.” Therefore, the City of Santa Maria will be the lease holder for the Orcutt Union Plaza facility and will similarly have responsibility to terminate the existing lease at the Oak Knoll property when appropriate.

Performance Measure:

The Orcutt branch library serves approximately 28,000 residents. Nearly 30,000 items from the library’s collection are borrowed (“checked out”) by library patrons each year, in addition to the use of computers and other resources on site at the library.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			\$ 130,000
State			\$ -
Federal			\$ -
AB 1600 Fees			\$ 390,000
Other: <i>Orcutt Friends of the Library</i>			\$ 45,000
Total	\$ -	\$ -	\$ 565,000

Narrative:

The budget for tenant improvements is \$565,000 which includes a 15% project contingency. The proposed funding includes the use of \$300,000 from the Orcutt Library Government Code Section 66000 Development Impact Fees, which has a fund balance. The \$90,000 is recommended from the Orcutt Administration Government Code Section 66000 Development Impact Fees which has a current fund balance of \$96,000. On October 26, 2010, \$130,000 was approved by the Board of Supervisors for use on the project to be repaid via future AB1600 funds (County Contingency) and the \$45,000 from private donations (Orcutt Friends of the Library). Future Orcutt Library Development Impact Fees will be repaid to the County General Fund. Costs to operate the new expanded Orcutt Library facility are consistent with operating costs of the existing Orcutt Library. Therefore, no additional funding for operations is requested.

Attachments:

- (1) Disposition of AB1600 Funds/Orcutt
- (2) Budget Revision

CC:

Rick Haydon, Assistant City Manager, City of Santa Maria
 John Corbett, Interim City Librarian
 Jette Christiansson, Business Manager, CEO