



Staff Report

City of Manhattan Beach

TO: Cultural Arts Commission, Planning Commission, and Library Commission

FROM: Jim Arndt, Director of Public Works
 Richard Thompson, Director of Community Development *RT*
 Richard Gill, Director of Parks & Recreation *R.G.* *WBJ for R.T.*

DATE: March 12, 13, and 14, 2012

SUBJECT: Status Report of the Manhattan Beach County Library Project (City of Manhattan Beach/Los Angeles County)

RECOMMENDATION:

Staff recommends that the Commission(s) **RECEIVE AND FILE.**

BACKGROUND:

The County of Los Angeles owns and operates the existing 35-year old, 12,188 square feet Manhattan Beach Library located at 1320 Highland Avenue in Manhattan Beach. This location in the County's Library system is extremely popular. Because of its high use, the motivation increased over the years for greater square footage, a more modern design, larger community space, and more advanced technological resources.

As part of its Facilities Strategic Plan which began development in the 1990s and concluded in 2007, the City of Manhattan Beach held discussions with Los Angeles County regarding the renovation or reconstruction of the Library. Conceptual plans were submitted in 2008 by MDA Johnson-Favaro and in 2010 the Manhattan Beach City Council directed City staff to resume discussions with the Library and hired MDA Johnson-Favaro and Linda Demmers to oversee Pre-Design.

Project Input

The County has received input from City Staff, Council Sub – Committee Members, Wayne Powell and David Lesser; Library Commission, Cultural Arts Commission, Planning Commission (at meetings October 11, 12, and 13, 2011); and the public at various public venues. The County and architects have received input and incorporated the comments into the design of the Library and the Schematic Design was approved by the Council at their November 15, 2011 meeting.

The project is estimated to cost \$22,571,000 (Attachment I). The funding methodology, as well as the annual operating costs and property tax revenue and resulting surplus are calculated to retire the resulting construction bonds. The Financing Fact Sheet, including all County financial

assumptions are shown in Attachment II, and a Summary of Financing Options are shown in Attachment III.

Design Development Drawings will be submitted by March 19, 2012. Both the City and County will review the drawings and provide comment. The Design Development Drawings will provide the basis for the Planning Commission to consider the Use Permit and Coastal Development Permit. The City Council will consider the Planning Commission recommendation on the Permits subsequent to the Planning Commission recommendation (summer, 2012).

DISCUSSION:

City staff and Council Members, Wayne Powell and David Lesser, have met monthly with Los Angeles County in a Monthly Executive Meeting to review project status as the architect completes Design Development Drawings. Discussions have focused on FF & E (Furniture, Fixtures, and Equipment), site improvements, and Arts Funding decisions. All City Commissions have played an important role in the Library process.

Library Commission

The Commission has had ongoing dialogue with County staff regarding program ideas to meet the community's needs. The program areas have primarily focused on teen and children's areas. They have also discussed the look and feel of the interior of the building. This has been of particular interest to the Commission providing a theme and messages that reflect the culture of Manhattan Beach.

Due to high circulation of materials and overflowing children's story time, the Commission has recommended temporary services during construction of the new library. Service will be maintained at the current level of two story times per week for children's story hour. There is also planned use of a temporary bookmobile, at 20 hours per week, to provide a pick-up location for books that are reserved online during construction.

Cultural Arts Commission

Los Angeles County requires that 1% of the building construction costs and architectural fees (estimated to be \$137,000) be spent on an art component for the new building. The art component can be worked into the architecture of the building or it can be a stand – alone piece in or near the building or a combination of the two. The Los Angeles County Public Library and the Los Angeles County Arts Commission are working with the City of Manhattan Beach to develop an artistic component for the proposed new Library. In addition to County funding the City will be contributing up to \$150,000 of Manhattan Beach Public Art Trust Funds for art in the Library project, with the process for selection integrated with the County process.

Planning Commission

The City of Manhattan Beach Zoning Code requires the approval of a Use Permit and a Coastal Development Permit for the new Library project. Both applications require noticed public hearings before the Planning Commission, and the public hearing will be held concurrently. The Planning Commission hearing will be at a Community Workshop to provide an opportunity for as much public input as possible. The Planning Commission has limited authority as the proposal is a County project. The County Library is responsible for the development of their property and they are committed to continuing to work with the City throughout the project. Conditions on the Permits will be limited and general to ensure consistency with the Permit standards and findings

due to the limited authority of the City. The City Council will take final action on the applications.

The site is zoned Public and Semi-Public, and the General Plan designated for the site is Public Facilities. Findings that the project is consistent with the purpose of the Zone, as well as the goals and policies of the General Plan, will be required. Libraries are classified as Cultural Institution and Chapter 10.28 of the Manhattan Beach Municipal Code (MBMC) requires a Use Permit for a library. This Chapter also indicates that the Use Permit establishes the development standards for the site.

Use permits are regulated by Chapter 10.84 of the MBMC. This Chapter has Sections that detail the requirements for a Use Permit including the purpose, authority of the Planning Commission, notice and public hearing requirements, duties of the Planning Commission and required findings. Section 10.84.060 – Required Findings of the MBMC requires that the Planning Commission make all of the following four findings in order to approve a Use Permit:

1. *The proposed location of the use is in accord with the objectives of this title and the purposes of the district in which the site is located;*
2. *The proposed location of the use and the proposed conditions under which it would be operated or maintained will be consistent with the General Plan; will not be detrimental to the public health, safety or welfare of persons residing or working on the proposed project site or in or adjacent to the neighborhood of such use and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the city;*
3. *The proposed use will comply with the provisions of this title, including any specific condition required for the proposed use in the district in which it would be located; and*
4. *The proposed use will not adversely impact nor be adversely impacted by nearby properties. Potential impacts are related but not necessarily limited to: traffic, parking, noise, vibration, odors, resident security and personal safety, and aesthetics, or create demands exceeding the capacity of public services and facilities which cannot be mitigated.*

The City of Manhattan Beach has a certified Local Coastal Program (LCP) and is therefore able to issue our own Coastal Development Permits. The project is not located in the appealable area of the Coastal Zone and therefore is not appealable to the California Coastal Commission. Chapter A.96 of the LCP details the requirements for the Coastal Permit including the required findings. The adopted Coastal Policies and Implementation Measures are found in Chapter 4 of the LCP.

An Environmental Impact Report (EIR) for the Metlox/Civic Center project, including the Library component, was certified by the City of Manhattan Beach City Council on April 17, 2001, in accordance with the requirements of the California Environmental Quality Act (CEQA). The City of Manhattan Beach and the County are working together on the environmental review for the Library project. The County is preparing an Addendum to the Metlox/Civic Center EIR which will be adopted by their Board of Supervisors. It is anticipated that the Addendum will be available at the Planning Commission hearing for the Commission's information. CEQA defines

the County as the Lead Agency for the project and they are therefore responsible for the environmental review. The City as a responsible agency will rely on the environmental documentation prepared by the County.

Project Schedule

The project continues to move forward with a scheduled Library opening in late 2014. Highlights of the schedule include:

- Prequalify Design Builders January, 2012
- Project Scoping Documents July, 2012
- Award Design – Build Contracts August, 2012
- Jurisdictional Approvals January, 2013
- Library Move – Out/Closure November, 2013
- Library Demolition January, 2013
- Construction Start February, 2013
- Substantial Completion June, 2014
- Library Opening December, 2014

- Attachments:
1. Project Budget
 2. Financing Fact Sheet
 3. Summary of Financing Options

PROJECT BUDGET

● Construction:	\$16,487,000
(Includes \$137,000 for Civic Art)	
● Plans & Specs:	\$ 1,200,000
● Jurisdictional Reviews:	\$ 79,000
● Consultant Services:	\$ 870,000
● Furniture, Fixture & Equipment:	\$ 1,640,000
● Miscellaneous Expenditures:	\$ 115,000
● County Services:	\$ 2,180,000
● TOTAL PROJECT BUDGET:	\$22,571,000

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MANHATTAN BEACH LIBRARY
Financing Fact Sheet
November 8, 2011

Project Cost Estimate:	\$ 22,571,000
Project Funding	
Operating Surplus (2010-11 to 2013-14)	\$ 12,225,979
Bond Proceeds:	<u>10,345,021</u>
Total	\$ 22,571,000

1. Estimated operating surpluses reflect annual operating costs of \$1,521,000 through 2012-13 and annual property tax revenues of \$2,679,000 in 2010-11 with annual growth of 1.0%.
 - Current County economic forecast projects property tax growth rates of 2.5% in 2012-13, 3.1% in 2013-14, 3.2% in 2014-15, and 3.7% in 2015-16.
2. Operating surplus also reflects operational savings of \$1,200,000 that will be accrued during the 18 month construction period.
3. Bonds will be issued by the County and will be payable from property tax revenue attributable to the Manhattan Beach library operations.
 - The actual par amount of the bonds issued will be based on the actual growth in property tax revenue, which will determine the amount of operating surpluses that are available to fund the project, and the level of interest rates at the time of bond issuance.
 - Assuming the availability of the projected \$12,225,979 in operating surpluses for the project, the maximum interest rate at which the bonds could be issued and still provide the proceeds necessary to complete funding for the project and maintain debt service payments within the projected property tax revenues, would be 4.75%
 - The County will be responsible for any bond debt service payments not funded by the City's library property taxes.
 - City contributions will only be necessary if the City requests changes in the project scope are approved after the bonds are issued.
4. The operating cost projection assumes annual growth in operating costs and property tax revenues of 2.0%.
5. Any surplus revenue after final redemption of the bonds will remain available for library purposes.

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**Manhattan Beach Library
Summary of Financing Options**

I. Total Project Cost Estimate

Construction	15,737,000
Fixed Equipment	2,390,000
Plans and Specifications	1,300,000
Consultant Services	870,000
Contract Compliance	35,000
Jurisdictional Reviews & Permits	79,000
County Services	2,160,000
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Total Project Cost Estimate	22,571,000

II. Projected Designation Balance

Balance: 07/01/11	5,141,000
Surplus: 2010-11 (Projected)	1,158,000
Surplus: 2011-12 (Projected)	1,185,000
Surplus: 2012-13 (Projected)	1,196,850
Surplus: 2013-14 (Projected)	2,345,129
Additional Savings from 1.5 yr. Closure	1,200,000
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Balance: 07/01/14	12,225,979

III. Financing Options

	Amount Financed
Total Project Cost Estimate	22,571,000
Less: Projected Designation Balance	(12,225,979)
City Contribution	0
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Bond Financed Project Cost	10,345,021