



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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WILLIAM T FUJIOKA
Chief Executive Officer

December 7, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

8 December 7, 2010

SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

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Fifth District

**APPROVE AMENDMENT NO. 2 TO LEASE NO. 73694 TO APPROVE CAPITAL
PROJECT MODIFICATIONS FOR THE CANYON COUNTRY JO ANNE DARCY
LIBRARY EXPANSION PROJECT
CAPITAL PROJECT NO. 87068
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

On September 3, 2010, the City of Santa Clarita (City) served notice to the County that the City intends to leave the County Library system on July 1, 2011. As a result of this action, County staff met with the City to review the impact of the City's action as it relates to the expansion and refurbishment of the Canyon Country Jo Anne Darcy Library (Canyon Country Library) previously approved by the Board, located within the City boundaries.

The recommended actions will modify the current Lease No. 73694 for the Canyon Country Library and authorize the County Librarian to accept payment from the City for the Canyon Country Library Expansion Project costs.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Chief Executive Office to execute Amendment No. 2 to Lease No. 73694 for the Canyon Country Jo Anne Darcy Library.
2. Approve and instruct the Mayor to sign Amendment No. 2 to Lease No. 73694 to revise the terms and conditions. The Lease amendment will be effective upon approval by your Board.

"To Enrich Lives Through Effective And Caring Service"

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3. Authorize the Public Library to sell new furniture, fixtures, equipment, and library materials purchased for the Canyon Country Library to the City of Santa Clarita.
4. Authorize the County Librarian to accept a contribution in an estimated amount of \$1.2 million from the City of Santa Clarita to offset some costs of the expansion and refurbishment project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The expansion of the Canyon Country Library involves refurbishment of 4,500 square feet of leased library space and the acquisition of furniture, small equipment, and library materials. Approval of the recommended actions will allow the Chief Executive Office to execute Amendment No. 2 to Lease No. 73694 for the Canyon Country Jo Anne Darcy Library to transfer the library services from the County to the City of Santa Clarita and to accept contribution from the City to offset some of the costs of the expansion and refurbishment of the Canyon Country Library.

Lease Option

The Canyon Country Library is located at 18601 Soledad Canyon Road, in the City of Santa Clarita. The Library moved into 12,500 square feet of a 17,000 square foot City-owned building in November 2001 under a twenty-year gratis lease with the City. The remaining rentable building space of 4,500 square feet was leased by the City to the College of the Canyons.

The College of the Canyons vacated their portion of the building in 2007. Under the terms and conditions of the County's lease with the City, the County had an option to lease the remaining rentable square feet in the subject building for use by the Public Library on the same terms and at no additional rent.

On September 15, 2009, your Board authorized the Chief Executive Office to formally exercise the option, pursuant to the authority granted to the Chief Executive Officer in the Lease. Subsequent to the approval of the lease amendment, the Public Library and Internal Services Department proceeded to start the expansion and refurbishment of the Canyon Country Library.

On August 24, 2010, the Santa Clarita City Council adopted Resolution 10-71 to withdraw from the County Library System and assume the responsibility for providing library services to the residents of Santa Clarita effective July 1, 2011. The City's action is authorized pursuant to the authority granted to the City under the provisions of Sections 19116 (a) and 19116 (c) of the California Education Code.

On August 30, 2010, the Public Library stopped work on the project in order to evaluate the impact of the City's action to withdraw from the County Library System in conjunction with County Counsel. At the time the County stopped work, the project was 80 percent complete. As a result of this review, the County and City staff met to discuss the project in view of the City's withdrawal decision. Subsequent to these discussions, we are recommending that your Board authorize the Chief Executive Office to execute a lease amendment and to accept a financial contribution from the City for such completion.

In exchange for expediting the completion of the project by March 1, 2011, and because the improvements are to a City-owned and soon-to-be-operated City Library, the City will contribute an estimated \$622,600 towards the construction costs of the project. If the County fails to complete the project on time, the County will be subject to liquidated damages in the amount of \$250 per day. In addition to the cash contribution, \$129,250 of the developer fees collected by the County from areas that have since been annexed to the City will also be retained by the County and applied to the total project. Furthermore, the City has agreed to reimburse the County for the full costs of the new furniture, equipment, and library materials that were purchased on behalf of the project upon receipt of acceptable purchase documentation from the County estimated at \$436,000. Any items not purchased by the City will be reassigned for use at other County libraries. In summary, the City will be contributing an estimated \$1.2 million towards the cost of the project.

The Canyon Country Library is owned by the City and leased by the County. The current estimated total project cost is \$2,052,000 which is less than the original estimate of \$2,460,000 due to lower than anticipated construction costs. The County's costs related to the expansion project that are not offset by the City's contribution are estimated at \$864,150. Originally, the County had budgeted the entire cost of the project from the developer fees collected in the unincorporated area of Canyon Country. These funds can only be used to pay for library services in Library Planning Area #1. In exchange for the County's contribution to the project, the City offered to provide reciprocity in library services for a period of not less than five years to residents of the unincorporated area surrounding the City of Santa Clarita. Under these terms, unincorporated area residents would be able to use the City's three libraries under the same guidelines for the checkout, renewals, and requests of library materials and be subject to the same loan periods, fine policy, and service fees as well as library programs as City residents.

The County will also support the City's application for membership in the Southern California Library Cooperative (SCLC) which facilitates interlibrary loan and other cooperative library services. The City's membership in the SCLC will improve library service options for residents of the greater Santa Clarita area.

The City has also requested, and the Public Library concurs, that the lease should terminate on June 19, 2011, in order to allow sufficient time for the return of the facility to the City by the July 1, 2011, the effective date established by state law.

Implementation of Strategic Plan Goals

Approval of the recommended actions is consistent with the County’s Strategic Plan Goals of Operational Effectiveness (Goal 1), Children, Family, and Adult Well-Being (Goal 2) and Community and Municipal Services (Goal 3) by investing in public infrastructure that will enhance cultural, recreational and lifelong learning opportunities for County residents.

FISCAL IMPACT/FINANCING

The Canyon Country Library expansion and refurbishment project approved by your Board on September 15, 2009, authorized the transfer of \$2,460,000 from the Public Library’s Developer Fee Account (Fund BM1, 55381). Your approval also authorized the transfer of \$1,902,000 to Capital Project No. 87068 to cover construction related costs and the transfer of \$558,000 to the Library’s Operating Budget for the acquisition of furniture, small equipment, and library materials. These funds can only be used to provide library service in the library planning areas where they are collected.

Upon completion of the project, the Public Library will perform a complete project funding reconciliation. All funds unspent under Capital Project No. 87068 along with the City’s contribution to the project will be transferred back to Public Library’s Operating Budget, into Developer Fee Planning Area 1 budget (Fund, BM1, 55381).

Operating Budget Impact

Lease Amendment No. 2 reflects the following changes and terms:

18601 SOLEDAD CANYON ROAD, SANTA CLARITA	EXISTING LEASE	AMENDMENT No. 1	CHANGE	AMENDMENT No. 2	CHANGE
Term (years)	20	20	None	17 months	Reduced Term
Area (square feet)	12,500	17,000	+4,500	17,000	None
Parking Spaces	20	30	+10	30	0
Annual Rent	\$1.00	\$1.00	None	\$1.00	None

There is no other fiscal impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On November 6, 2001, your Board approved a twenty-year lease with the City of Santa Clarita, No. 73694, for approximately 12,500 rentable square feet and 20 exclusive parking spaces for use by the Public Library at \$1.00 per year. The term of the lease is for a period of twenty years with options to renew for two consecutive ten year terms, at the same terms, conditions and rental rate. The lease also contains an option, after five years, to lease the remaining 4,500 rentable square feet in the 17,000 square-foot facility, including 10 parking spaces.

Section 22.72.020 (A) of the County Code allows the use of library facilities mitigation fee revenues (developer fee revenues) for public library improvements.

Amendment No. 1 to Lease No. 73694 was approved as to form by County Counsel.

Amendment No. 2 to Lease No. 73694 was approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES

Construction for the Canyon Country Library Expansion Project started on March 31, 2010. The Canyon Country Library will be closed five months longer than the project original schedule due to the need for the County to evaluate the impact of the City's decision to withdraw from County Library service. Additional time was required for legal analysis and will also be required to remobilize construction services required to complete the project. Library services will continue to be provided at nearby libraries located in the City during the closure period, and customers may pickup requested materials at a bookmobile that will be stationed at the Canyon Country library until the project is completed. It is in the best interests of the residents of the greater Canyon Country area that the County and the City work together to complete the project and reopen the library as expeditiously as possible in order to provide the highest level of library service.

The Honorable Board of Supervisors
December 7, 2010
Page 6

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return three certified copies of the Minute Order and the adopted stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Los Angeles, CA 90012. In addition, please return to the Public Library two fully conformed copies of the Board letter and lease amendment.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer



MARGARET DONNELLAN TODD
County Librarian

WTF:MDT
FH:WLD:lis

Attachments

c: County Counsel
Auditor-Controller
Internal Services
Public Library

**AMENDMENT NO. 2 TO LEASE NO. 73694
PUBLIC LIBRARY
18601 SOLEDAD CANYON ROAD, SANTA CLARITA**

This Amendment No. 2 to Lease No. 73694 ("Amendment No. 2") is made and entered into this 7th day of December, 2010, by and between City of Santa Clarita ("Lessor"), and the County of Los Angeles, a body corporate and politic ("Lessee").

RECITALS

WHEREAS, the Lessor and the Lessee entered into that certain Lease and Agreement known as Lease No. 73694 (the "Lease") dated November 6, 2001 for those certain premises located at 18601 Soledad Canyon Road, Santa Clarita, California 91351 (the "Premises"), comprising approximately 12,500 rentable square feet; and

WHEREAS, the Lessor and the Lessee executed Amendment No. 1 to the Lease dated September 15, 2009 allowing the Lessee to lease an additional 4,500 of rentable square feet and ten additional parking spaces under the same terms and conditions as set forth in the Lease;

WHEREAS, on September 15, 2009, the Board of Supervisors approved an expansion project for the Canyon Country Library (the "Expansion Project") ;

WHEREAS, on August 24, 2010, the Santa Clarita City Council voted to leave the County Library System effective on July 1, 2011;

WHEREAS, as part of the withdrawal process for the Canyon Country Jo Anne Darcy Library, the Lessor agrees to pay a monetary contribution to the Lessee towards the construction costs of the Expansion Project, and provide reciprocity in library services for a period of five years,

WHEREAS, the Lessor and the Lessee desire to modify the Lease in certain respects as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged and the covenants and agreements herein contained, and intended to be legally bound, Lessor and Lessee hereby agree as follows:

73694 Supplement No. 2

1. Section 2, Term, is amended to delete Subparagraph B (Options to Renew) in its entirety and add new Paragraph C, as follows:

2. **TERM:**

- C. **Termination of Lease:**

Notwithstanding anything to the contrary set forth herein, the parties hereto agree that the term of this Lease shall end on June 19, 2011.

2. Section 5, Membership in the County Library, is amended to delete existing Section 5, in its entirety and replace it with new Section 5, as follows:

5. **MEMBERSHIP IN THE COUNTY LIBRARY:**

The Lessor will withdraw from the County Library system effective July 1, 2011. As part of the withdrawal process for the Canyon Country Jo Anne Darcy Library, the Lessor and Lessee agree to the following:

- A. The existing furniture, fixtures and equipment provided by Lessee, as set forth in Exhibit D, may be purchased by the Lessor from the Lessee at its fair market value, in accordance with the provisions of California Education Code Section 19116(c). All items that the Lessor elects not to purchase shall remain property of the Lessee.
 - B. The Lessor will reimburse the Lessee the full costs of the new furniture, fixtures, equipment and library materials purchased by the Lessee for the Expansion Project with an estimated value of \$436,000 upon the Lessor's receipt of acceptable purchase documentation from the Lessee, if the Lessor chooses to purchase said items. All items that the Lessor elects not to purchase shall remain property of the Lessee.
 - C. Upon completion of the Expansion Project, the Lessor will pay to the Lessee the amount of \$622,600 to partially reimburse the construction cost paid by the Lessee towards the Expansion Project. This contribution is in addition to the \$129,250 of the developer fees collected from residents who now live within the City's boundaries. In exchange for this monetary contribution, the Lessee agrees to substantially complete the Expansion Project and have the Canyon Country Library open for public service on March 1, 2011. The Lessor and Lessee further agree that minor punchlist work related to construction or furniture and equipment installation after March 1, 2011, may be completed by the Lessee, but the Lessee will minimize any disruption to library services. In the event that the Library is not

open by March 1, 2011, the Lessee will be liable for liquidated damages in the amount of \$250 per day beyond that date.

D. The Lessor agrees to provide reciprocity in library services for a period of five years, beginning on July 1, 2011 until June 30, 2016, to the residents of the unincorporated area surrounding the City of Santa Clarita to use the City's libraries under the same guidelines, policies and procedures, as applied to City residents, including but not limited to, in terms of library materials: checkout, loan periods, renewals, requests, and the same fine and fee policy for overdues, copying, printing, interlibrary loan requests and lost materials and obtaining library cards as City residents; likewise there will be no discrimination as to library programs for residents of the unincorporated area surrounding the City of Santa Clarita. This clause survives the termination of the Lease and its amendments.

E. The Lessee will support the Lessor's application for membership in the Southern California Library Cooperative, as such membership may benefit residents of the unincorporated area surrounding the City of Santa Clarita as well as residents of the City of Santa Clarita.

3. Section 7, Holdover, is hereby deleted in its entirety.

4. **UNDEFINED TERMS:** All undefined terms when used herein shall have the same respective meanings as set forth in the Lease unless expressly provided otherwise in this Amendment No. 2. In the event of a conflict between the terms and conditions of this Amendment No. 2 and the terms and conditions of the Lease, the terms and conditions of this Amendment No. 2 shall prevail. All other terms and conditions of the Lease are hereby reaffirmed.

5. **EFFECTIVE DATE:** The Effective Date of this Amendment No. 2 to Lease No. 73694 shall be on the date this Amendment is executed by both the Lessor and the Lessee.

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IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 2 or caused it to be duly executed on its behalf, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment No. 2 to be executed on its behalf by the Mayor of said Board and attested by the Clerk thereof the day, month, and year first written above.

LESSOR
City of Santa Clarita

By: *Kenneth Pulskamp*
Kenneth Pulskamp, City Manager

ATTEST

By: *Sarah Gorman*
Sarah Gorman, City Clerk

APPROVED AS TO FORM:

By: *Carl Newton*
Carl Newton, City Attorney

LESSEE
County of Los Angeles

By: *Michael D. Antonovich*
Michael D. Antonovich, Mayor

ATTEST:
Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: *Lachelle Smitherman*
Deputy



I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: *Lachelle Smitherman*
Deputy

APPROVED AS TO FORM
ANDREA SHERIDAN ORDIN
County Counsel

By: *Amy M. Caves*
Amy M. Caves
Senior Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

8 ■■■ DEC 7 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

73694 Supplement No. 2