



**CITY OF LARKSPUR
Staff Report**

November 4, 2020, City Council Meeting

DATE: October 28, 2020
TO: Honorable Mayor Way and the Larkspur City Council
FROM: Dan Schwarz, City Manager
SUBJECT: LETTER OF INTENT BETWEEN THE CITY AND THE COMMONS FOUNDATION

ACTION REQUESTED

Adopt the attached resolution.

SUMMARY AND BACKGROUND

An ad hoc committee of the City Council, Mayor Way and Vice-Mayor Haroff, has been meeting monthly with representatives of The Commons Foundation, the non-profit dedicated to developing a public facility that would house a new library on the City's Community Facility Parcel (intersection of Rose Lane and Doherty Drive). The Commons Foundation representatives recently suggested that with a clear commitment from the City, they feel confident they can raise at least \$5 million within the next twenty-four months toward developing the Community Facility Parcel (CFP) and asked if the City would revisit the concept of developing the parcel in phases.

Before the Council is a letter of intent recommended by both the ad hoc committee and The Commons Foundation. This letter of intent is an agreement (legally non-binding) between the parties that gives The Commons Foundation up to twenty-four months to obtain at least \$5 million in pledges and cash donations. If this goal is met, the City will initiate a process to solicit proposals for a design-build project. If the solicitation provides an acceptable proposal and once The Commons Foundation achieves at least \$5 million in cash donations, the City will award the design-build project.

The resolution accompanying the letter of intent emphasizes that Council recognizes The Commons Foundation as the entity that will manage fundraising for a new facility and encourages all other supporters of the library to direct any money previously raised to this effort.

DISCUSSION AND ANALYSIS

The letter of intent describes the proposed \$5 million project:

... the preliminary concept for the project is defined to be an approximately 5,000 square-foot building consisting primarily of one large room, restrooms, IT/utility closet(s), storage, and parking. The preliminary concept for the project also includes a mix of defined outdoor uses, though these uses may need to be prioritized relative to budget and the desire to complete construction of the primary building. City proposes that the project be situated on the CFP close to the corner of Doherty Drive and Rose Lane to maximize its visibility and to retain significant flexibility for the addition of other project elements and structures in the future. The building will be designed so that it could be integrated with other buildings constructed as part of future phases of development on the site. Defined in this way, the project is consistent with the existing CFP Master Plan.

Staff believes this project description will produce a facility sufficiently flexible in nature to meet the needs of the Community Services Department to offer library services and programming, while also offering a community meeting site.

Given the City's limited capacity to contribute funding to the project, a design-build (or similar) approach to soliciting and awarding a project is proposed. The design-build approach creates a not-to-exceed cap on the cost of the project, which will be the amount raised by The Commons Foundation. It effectively asks the development community to propose what can be constructed for the stated amount of money. The parties have not addressed the cost to furnish and operate the new facility, so the City should begin developing a budget plan for these expenditures.

The letter of intent emphasizes that various public processes, particularly those related to the California Environmental Quality Act (CEQA), will be required during the project and the letter of intent does not bind members of the City Council to a specific vote on any project-related matter that comes before it.

FISCAL IMPACT

Signing this letter of intent does not have a significant fiscal impact on the City. The City will incur costs in the form of staff time and resources throughout the duration of the project.

STAFF RECOMMENDATIONS

Staff recommends adoption of the attached resolution

Respectfully submitted,
Dan Schwarz, City Manager

Attachments

1. Resolution with Exhibit A, a draft letter of intent

**CITY OF LARKSPUR
RESOLUTION 74/20**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LARKSPUR
AUTHORIZING THE MAYOR TO SIGN A LETTER OF INTENT
WITH THE COMMONS FOUNDATION CONCERNING A PROPOSED
PUBLIC FACILITY AT THE COMMUNITY FACILITY PARCEL**

WHEREAS, the City Council adopted Resolution 78/18 recognizing the Larkspur Library and Community Center Task Force as the “City’s partner in realizing the community’s desire for a library and community center on the Community Facility Parcel, City-owned property at the corner of Doherty Drive and Rose Lane;”

WHEREAS, the Larkspur Library and Community Center Task Force has evolved to become the non-profit Commons Foundation;

WHEREAS, the Commons Foundation has worked diligently for the past two years to raise funds for a new library and community center;

WHEREAS, the Commons Foundation has shown initiative and leadership in gathering support from a broad range of organizations and individuals, raising \$900,000 in pledges and cash, and spearheading, researching, and planning a fundraising campaign to build a new facility. The Commons Foundation has committed to raising at least \$5,000,000 toward the design and construction of a new facility, as described in the attached Exhibit A;

WHEREAS, during the past two years, the City Council has done its due diligence and explored various options for the use of the Community Facility Parcel and concluded that, as an initial phase of development of the Community Facility Parcel, a public facility that can serve as a library, as well as a location for meetings and programs best serves the public. The City Council’s preliminary conclusion regarding the initial phase of development of the Community Facility Parcel is subject to the limitations included in the attached Exhibit A; and

WHEREAS, the City Council and Commons Foundation wish to memorialize their intentions regarding a new facility on the Community Facility Parcel.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Larkspur authorizes the mayor to sign the attached Exhibit A, a letter of intent between the City and the Commons Foundation.

BE IT FURTHER RESOLVED that in signing this letter of intent, the City Council identifies the Commons Foundation as the capital campaign fundraiser for the project described in the letter and asks all other organizations that support the Larkspur Library to release existing building reserve funds to the City when the project construction starts, and to direct donors interested in supporting the project to the Commons Foundation.

8.1 ATTACHMENT 1

IT IS HEREBY CERTIFIED that the City Council of the City of Larkspur duly introduced and regularly adopted the foregoing resolution at a regular meeting held on November 4, 2020, by the following vote:

AYES: COUNCILMEMBER:

NOES: COUNCILMEMBER:

ABSENT: COUNCILMEMBER:

ABSTAIN: COUNCILMEMBER:

Catherine Way, Mayor

ATTEST:

Alison Foulis, City Clerk

3614563.1

CITY OF LARKSPUR
RESOLUTION 74/20

Exhibit A

Letter of Intent

8.1 ATTACHMENT 1

City of Larkspur
400 Magnolia Avenue
Larkspur, CA 94939

The Commons Foundation
PO Box 846
Larkspur, CA 94977

This Letter of Intent (LOI) reflects the mutual interest and desire of the Larkspur City Council ("City") and the Commons Foundation ("TCF") to realize the development of a public facility on the City-owned parcel located at the intersection of Doherty Drive and Rose Lane, referred to as the Community Facility Parcel ("CFP"). Each party acknowledges this LOI is intended to create a good faith effort between the parties, but not a legally binding obligation.

This LOI memorializes an agreement between the City and TCF to pursue a public project that will allow the Larkspur Library to relocate some or all of its operations to the CFP.

- City and TCF agree that the preliminary concept for the project is defined to be an approximately 5,000 square-foot building consisting primarily of one large room, restrooms, IT/utility closet(s), storage, and parking. The preliminary concept for the project also includes a mix of defined outdoor uses, though these uses may need to be prioritized relative to budget and the desire to complete construction of the primary building. City proposes that the project be situated on the CFP close to the corner of Doherty Drive and Rose Lane to maximize its visibility and to retain significant flexibility for the addition of other project elements and structures in the future. The building will be designed so that it could be integrated with other buildings constructed as part of future phases of development on the site. Defined in this way, the project is consistent with the existing CFP Master Plan.
- It is anticipated by both parties that the City will operate the facility as the library through the use of movable furniture that will also allow the facility to serve as a programming and meeting space. City and TCF agree that the City retains discretion to determine whether to house staff offices in a trailer/temporary building onsite or in a City building offsite. City also retains discretion to determine what library services shall be offered onsite and what shall be maintained offsite.
- City and TCF agree to use the design-build approach in soliciting proposals and constructing the project. Using the design-build process, the City will solicit statements of qualifications from design-build entities, and pre-qualified entities will then be invited to submit proposals that cover the entirety of the development project from architectural and engineering design through construction. The design-build solicitations shall stipulate that the scope of the project must be completed for a not-to-exceed amount of \$5,000,000. The not-to-exceed amount is based upon TCF's fundraising goals and may be increased depending on the results of its efforts. The City and TCF shall collaborate on preparing the solicitation of qualifications and proposals and shall jointly review any submissions received.
- City and TCF agree that the City can issue the solicitations of qualifications and proposals during the fundraising period but will not be able to award a contract until TCF has at least

8.1 ATTACHMENT 1

\$5,000,000 in cash. City and TCF agree that solicitation of a Request for Qualifications (RFQ) and, based on the submittals and pre-qualified design-build entities, a Request for Proposals (RFP) may begin when TCF reaches \$5,000,000 in cash and pledges, but cannot be awarded until TCF has at least \$5,000,000 in cash.

- City and TCF agree that the parties will make good-faith efforts to agree upon, draft, and approve guidelines by which TCF may award naming rights for portions of the project as incentives to potential donor(s).

City agrees that for a period of twenty-four (24) months subsequent to the execution of this letter of intent, the City will not consider or solicit projects for the CFP that impair the completion of the agreed upon project unless the solicitation is mutually acceptable to the City and TCF.

TCF acknowledges that many of the actions required to fulfill the terms agreed upon herein are subject to public review and a vote of the City Council. It is mutually understood that this LOI does not eliminate these public processes, nor does it legally bind members of the City Council to vote in a particular way on a given item. TCF further acknowledges that this agreement does not constitute an irrevocable commitment on the part of the City to approve the project described and does not foreclose the City from considering alternatives to the project or mitigation measures identified as part of the environmental review process required by the California Environmental Quality Act ("CEQA"). The City will undertake CEQA review of the project at the earliest feasible time prior to approval of the project.

In mutual understanding, this letter of intent is executed on _____
DATE

Mayor Catherine Way
City of Larkspur

Joseph W. Jennings, President
The Commons Foundation