



DATE: September 11, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Patrick Carter, Assistant to the City Manager

SUBJECT: Adoption (Second Reading) of an Ordinance Authorizing the City Manager to Enter Into an Amended and Restated Lease Agreement With Sonoma County Library for Use of the Library at 100 Fairgrounds Drive

RECOMMENDATION

It is recommended that the City Council adopt the attached ordinance authorizing the City Manager to enter Into an Amended and Restated Lease Agreement with Sonoma County Library for use of the Library at 100 Fairgrounds Drive.

BACKGROUND

The Sonoma County Library (SCL) is a joint powers authority (JPA) entity created pursuant to California Government Code Sections 6500, et seq. for the operation of free public library services throughout Sonoma County. The City of Petaluma is a member of the Sonoma County Library JPA.

The City entered into a lease agreement with SCL for the exclusive use of the premises at 100 Fairgrounds Drive on January 27, 1978 for public library services purposes. The term of the lease agreement is fifty-five years, with normal termination on January 27, 2033. The lease specifies the parties' responsibility for insurance, indemnification, maintenance, alterations, and repairs.

Staff applied for, and was notified of successful award of, a \$1,856,449 grant from the California State Library Building Forward Grant program to install fire sprinklers, upgrade restrooms and entryways, install seismic bracing for bookshelves, improve emergency exit, replace HVAC equipment, and upgrade lighting. The grant requires that the premises receiving these upgrades continue providing public library services for a minimum of ten years beyond the grant term.

As the current lease agreement with the Petaluma library branch expires less than ten years from the end of the grant term and does not contain any provisions allowing for the extension of the existing lease term, an amended and restated lease with SCL is necessary for staff to accept grant

funding from the California State Library.

The City Council introduced and conducted a first reading of the attached ordinance at the August 7, 2023 City Council meeting by a vote of 7-0 and directed staff to work with library staff to resolve outstanding issues related to the amended and restated lease agreement.

DISCUSSION

An amended and restated lease agreement with SCL would replace the existing lease agreement, which is currently in effect until January 27, 2033, unless terminated earlier by either party. Termination requires notice of cancellation to the other party on or before January 1 for a June 30 effective date. As both the City and SCL seek continuous public library services at the Petaluma library branch, an amended and restated lease agreement would concurrently terminate the existing lease agreement (Attachment 3) and replace with the amended and restated lease agreement (Attachment 2). The ordinance delegates authority to the City Manager to execute the amended and restated lease agreement, subject to modifications, with concurrence from the City Attorney.

The amended and restated lease agreement is similar to the existing lease agreement in that 1) no regular rent payment is required for the entire term, 2) SCL has exclusive use of the facilities, 3) the City is responsible for capital repairs and replacement to the building envelope and equipment, 4) SCL is responsible for regular cleaning, maintenance, and minor repairs to the premises, and to furnish all materials and supplies for the library, 5) SCL is responsible for payment of all utilities associated with the premises, 6) SCL must maintain the specified insurance, and 7) SCL must indemnify, defend, and hold harmless the City for matters related to use of the premises. As the existing lease was enacted in 1978, additional specificity has been added to the amended and restated lease agreement and the new term would be 40 years from the document's effective date, with the possibility of a 10-year extension by mutual agreement.

Through the 45 years that have elapsed in the current lease agreement, staff is unaware of any issues related to SCL's performance of its duties related to the lease that would prevent staff from recommending approval of the amended and restated lease agreement. Staff understands that the Petaluma branch of SCL's system ranks among the busiest in their system from a circulation standpoint, and that the community is receiving a direct and significant benefit from the library's presence in Petaluma.

PUBLIC OUTREACH

This agenda item appeared on the City's August 7, 2023 meeting agenda.

COUNCIL GOAL ALIGNMENT

As many of the upgrades included in the scope of the grant award are safety-related (fire sprinklers, seismic bracing of shelving, and emergency exit improvements) and will improve the quality of the library experience to staff and community members (lighting and HVAC replacement), consideration of an amended and restated lease agreement to allow those upgrades

to take place is consistent with the Council goals of a Safe Community that Thrives and Spaces and Places that Inspire.

ENVIRONMENTAL REVIEW

Consideration of an ordinance to approve an amended and restated lease agreement which will provide space for the public library services at the existing Petaluma library branch is categorically exempt under the California Environmental Quality Act (“CEQA”) in accordance with Sections 15301 (Existing Facilities), 15303 (New Construction or Conversion of Small Structures), and 15304 (Minor Alterations to Land) as the lease space is located at an already improved property used for the purpose of providing public library services.

FINANCIAL IMPACTS

The lease agreement with the Sonoma County Library requires no monetary rent be paid to the City. The absence of a lease payment is consistent with the current lease agreement with the Sonoma County Library for the same property. Maintenance requirements for both parties in this lease are consistent with current practices, so operational costs under the new lease are expected to be consistent with those of the existing lease.

ALTERNATIVES

If the Council chooses to not approve the proposed amended and restated lease agreement with the Sonoma County Library, the current lease agreement would continue to be in effect until its normal expiration on January 27, 2033, unless terminated early per the existing lease agreement. The City would be ineligible to receive the \$1,856,449 awarded by California State Library to upgrade the facility.

ATTACHMENTS

1. Ordinance
2. Exhibit A - Amended and Restated Lease Agreement
3. Existing Lease Agreement with the Sonoma County Library