



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jill Bourne
Jim Shannon

**SUBJECT: ESCALATOR REPLACEMENT
AT THE DR. MARTIN LUTHER
KING, JR. LIBRARY**

DATE: June 15, 2021

Approved

Date

06/17/21

COUNCIL DISTRICT: 3

RECOMMENDATION

Adopt the following 2020-2021 Appropriation and Ordinance amendments in the Library Construction and Conveyance Tax Fund:

- a. Decrease Dr. Martin Luther King, Jr. Library Improvements Reserve by \$476,000; and
- b. Establish the Dr. Martin Luther King, Jr. Library Escalator Replacement appropriation in the amount of \$476,000.

OUTCOME

This action will authorize payment for the phase one escalator replacement project to be made to San Jose State University. The payment of approximately \$476,000 constitutes 50% of the total cost of the phase one escalator replacement project.

BACKGROUND

The Dr. Martin Luther King, Jr. Library (King Library) is an innovative collaboration between the City of San Jose (City) and San Jose State University (SJSU). While operated jointly by SJSU and the San Jose Public Library (SJPL) System, the King Library facility is co-owned by both entities, with the City holding minority ownership. Building maintenance, repair, and improvements are managed by SJSU. Costs for facilities management, interior improvements; and regular maintenance are paid by both partner agencies, as defined by the Cost Sharing Agreement Between the City of San Jose and San Jose State University and the Agreement for Ownership and Operation of Joint Library Building and Grant of Easement (Operating Agreement).

SJSU's escalator replacement project plan includes three phases. Phase one includes replacement of escalators between the first and second floors, phase two includes replacement of escalators between the second and third floors, and phase three includes replacement of escalators between the third and fourth floors. Phase one of the escalator replacement project was completed in September 2019. The schedule for the second and third phases is still under development and contingent upon identifying sufficient funding as part of future years' development of the capital improvement program.

In 2016-2017, the King Library sprinkler and escalator replacement projects were established as priorities for the capital improvement plan. However, due to SJSU's scheduling of projects, these projects did not move forward as planned. In 2018-2019 these funds (King Library Sprinklers project at \$399,000 and the King Library Escalator project at \$469,000) were reallocated to fund the King Library atrium renovation project which included the installation of interior safety barriers at the King Library. This funding shift was approved by the City Council on September 11, 2018.

ANALYSIS

To determine the basis for phase one of the escalator project cost-share, staff reviewed the existing Operating Agreement. The Operating Agreement, which was last amended in October 2006, states that SJSU shall be responsible for maintaining the escalators in the building and the cost shall be shared evenly between the City and the University.

CONCLUSION

The recommended action will allow SJPL to appropriate funds to cost share its portion of phase one of the King Library Escalator Replacement project in 2020-2021.

EVALUATION AND FOLLOW-UP

No further action is necessary for phase one of the escalator project. Capital improvement projects related to the King Library remain unfunded and will need to be proposed and jointly agreed upon to address in future capital improvement plans. In Fall 2020, SJSU shared their five-year capital projection which will assist the City in planning for future capital funding needs.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 29, 2021 Council Meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

The recommended budget adjustments have not been reviewed by the Library and Education Commission; however, the Commission reviews the Library's facility and capital improvement plan on an annual basis.

FISCAL/POLICY ALIGNMENT

This action supports the Agreement for Ownership and Operation of the Joint Library Building and Grant Easement between the City and SJSU.

COST SUMMARY/IMPLICATIONS

Funding is recommended to be allocated from the King Library Improvements Reserve within the Construction and Conveyance (C&C) Tax Fund: Library Purposes to fund the City's portion of phase one of the escalator project totaling \$476,000. Funds in this reserve had been specifically earmarked for King Library capital improvements. Recommendations included in this memorandum were assumed in the development of the 2021-2022 Proposed Capital Budget.

The City is still determining the plan for funding future phases of the escalator replacement project. With the continued partnership between the City and SJSU, the budget planning process is being revised as discussed above. Both organizations have collaborated in developing a five-year capital project forecast that will inform the City's future capital funding needs at King Library. Annually, the King Library capital funding needs will be jointly reviewed and prioritized by the City and SJSU for inclusion in the City's annual capital budget process.

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BUDGET REFERENCE

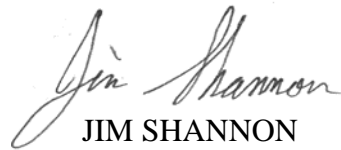
The table below identifies the fund and appropriations recommended to fund the actions included in this memorandum.

Fund #	Appn #	Appn Name	Current Total Appn	Rec. Budget Action	2020-2021 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
393	8541	Dr. Martin Luther King, Jr. Library Improvement Reserve	\$600,000	(476,000)	V-241	06/23/2020 Ord. No. 30437
393	New	Dr. Martin Luther King, Jr. Library Escalator Replacement	N/A	\$476,000	N/A	N/A

CEQA

Exempt PP17-004: Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

/s/
JILL BOURNE
Director, Library Department


JIM SHANNON
Budget Director

For questions, please contact Jenny Choi, Deputy Director, at (408) 808-2151.