

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: February 13, 2025

PREPARED BY: Ryan Lamb, Senior Project Manager

SUBJECT: STUDY SESSION FOR UPDATE ON NEW LIBRARY FACILITY PROJECT

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## **RECOMMENDATION:**

Receive an update on the current design and progress of the New Library Facility project.

## **BACKGROUND/ANALYSIS:**

On October 12, 2023, the City Council voted to withdraw from the Riverside County Library System, with the City assuming self-operations of its library beginning July 1, 2024. The withdrawal agreement, executed in February 2024, includes the transfer of \$4 million to the City for the construction of or improvements to the Palm Desert Library.

On June 8, 2023, the City Council voted to form a Library Taskforce. On September 27, 2023, City staff presented the site goals to the Library Taskforce, outlining four site options along with the pros and cons of each.

Option 1: Renovate and continue to use a portion of COD's building

Option 2: Construct a new facility on the vacant site across Fred Waring Drive

Option 3: Renovate the soon-to-be vacated Sheriff Substation

Option 4: Demolish the soon-to-be vacated Sheriff Substation and construct a new facility

The Taskforce voted unanimously to proceed with Option 4.

The City currently provides library services from a leased facility on the neighboring COD campus, originally established in the 1990s.

In February 2024, the City and COD entered a new 5-year lease with the understanding that City library operations would continue at that location until a new facility is designed, constructed, and equipped on city-owned land.

February 13, 2024, sixteen (16) firms submitted responses to an RFP for Architectural Design Services. A subcommittee of City staff interviewed the top five (5) firms identified through the evaluation process. During the interviews, each architect proposed an alternative site for the new Library, suggesting a location adjacent to the park rather than the Sheriff Substation site.

Upon completion of the evaluation and interview process, Richärd Kennedy Architects (RKA) was identified as the top firm and awarded the contract on March 28, 2024.

During the architect selection process, the City's Economic Development team also evaluated the future of the Parkview Office Building. An analysis of the Parkview Office building was performed by a consultant and found that a minimum of \$5.7M to \$17.8M would need to be invested in the facility's infrastructure for it to remain a viable asset. However, even with this investment, analysis showed that the facility would not produce positive cash flow before additional improvements would be needed. In March 2024, the City Council decided to demolish the building and designate the site for the new Library.

RKA developed two (2) conceptual designs for the project: a "Low Option" based on the previously approved \$20 million budget and a "High Option" in anticipation of Measure G's potential passage, which would increase the budget to \$30 million. Both options were presented to the Library Advisory Committee on November 7, 2024, with the discussion primarily focusing on the High Option, as Measure G was tracking with over 65% voter support.

The committee's feedback was incorporated into the design, and a revised version was presented on December 9, 2024. At that meeting, the committee voted unanimously to recommend presenting the conceptual design to the City Council.

In December 2024, City staff met with the Vice President of Administrative Services and the Interim President of College of the Desert to request an assessment of the existing building and evaluate the cost feasibility of maintaining the City Library on the college campus. The college informed City staff that once the City vacated at the end of the lease, the College has plans to repurpose the space.

In January 2025, following a personnel change at the college in late December, City staff contacted the college to confirm whether the new administration maintained the same plans for the existing space. The college confirmed that the space was still scheduled for repurposing. Had the college considered allowing the City to stay, initial assessments estimated the cost for necessary HVAC and Plumbing upgrades, flooring replacement, interior paint, and roof repairs at \$2.3M. Cost for ongoing facility maintenance per 5-year cycle is estimated to be \$390K at 5 years, \$510K at 10 years, \$625K at 15 years, and \$625K at 20 years.

As an additional alternative to new construction, City staff explored the availability of commercial space to accommodate the Library's programming needs. The existing COD facility is 22,000 square feet. Feedback received from the community, Library Consultant, and City Library staff, it was determined that the minimum square footage considered should be 21,000 square feet, with a more ideal size of approximately 25,000 square feet to include other program spaces not currently available at the COD building.

Currently, commercial space is leased at a rate of \$24 per square foot per year, plus an estimated \$0.70 per square foot for insurance, taxes and maintenance. Currently, commercial space is leased at a rate of \$24 per square foot per year, plus an estimated \$0.70 per square foot for insurance, taxes, and maintenance. In addition, tenant improvement costs are estimated at approximately \$400 per square foot. Based on these figures, the initial investment for leasing and improvements would be approximately \$10 million, with an annual cost of approximately \$500,000.

Current available commercial space:

- San Pablo/Hwy 111 (former Angel View) 15,400 square feet
- Monterey Shore Plaza (Costco Center) 23,000 square feet
- Palm Desert Town Center Plaza (by Trader Joe’s) 14,300 square feet

While the Costco Center space does meet the square footage needs, its location does not meet the City’s goal of a centrally located site.

The City recently evaluated the soon-to-be vacated Sheriff Substation and estimated \$1.7M for basic upgrades like paint, flooring, roof and restroom improvements. However, the cost to fully renovate the 28,500sf building for library operations would be much higher. At \$400/sf and an additional \$3M for seismic upgrades, the total construction cost could exceed \$15M.

The path we've taken reaffirms the original goals we set: to create a modern, functional space that meets the evolving needs of our community. The rationale for building a new facility, focused on enhancing functionality and improving overall experience, has been validated through our progress. The benefits of this new building will be evident across all aspects of our operations, enhancing both efficiency and user satisfaction. We are on track to meet the projected timeline, ensuring that construction is completed, and operations will commence well before the lease with COD expires, allowing for a smooth transition and continued success.

The current project timeline is tracking for construction to commence with the demolition of the Parkview Building in Q1 2026, and completion of the new facility in Q4 2027.

**Legal Review:**

This report has been reviewed by the City Attorney’s office.

**Appointed Body Recommendation:**

Library Advisory Committee - December 9, 2024: Recommend presenting conceptual design to City Council.

**FINANCIAL IMPACT:**

Funding sources have been identified and will be included as part of the FY 2025-26 Annual Budget Request and 5-Year CIP Plan. Current expenditures are being paid from the funds deposited by the County of Riverside as part of the transition and are reflected below.

<b>Project - CFA00027 New Library Facility</b>	<b>Budget</b>	<b>Expenditures</b>	<b>Available Budget</b>
*Funding Source: Capital Bond Funds (451)	\$20,000,000		
**Funding Source: Library Capital Project Funds (452)	\$4,000,000		
*Funding Source: Future Tfer from Measure G Funds (110)	\$6,000,000		
Conceptual Design (Richard Kennedy Architects)		\$642,865	

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Traffic Study (HR Green)		\$67,570	
Cost Estimating (Anser Advisory)		\$20,620	
Survey (TKE Engineering)		\$48,100	
<b>Total Project Budget</b>	<b>\$30,000,000</b>	<b>\$779,155</b>	<b>\$29,220,845</b>

*\*The \$20M in Bonds and \$6M in Measure G Funds will be requested as part of the FY 2025-26 Annual Budget Request*

*\*\*Capital Funds returned from County*

**ATTACHMENTS:**

1. New Library - Conceptual Design Study Session Presentation
2. C47080 Riverside County Withdrawal Agreement
3. C47090 DCCD 5-year Library Lease Agreement
4. 2023-RFP-225 Library Conceptual Design Services Request for Proposal
5. C47340 Richard Kennedy Architects – Conceptual Design Services