TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: City Manager’s Office
DATE: June 10, 2002 CMR: 280:02

SUBJECT: PRESENTATION ON COMMUNITY SURVEY AND OPTIONS FOR CITY COUNCIL CONSIDERATION IN RESPONSE TO RESULTS OF SECOND COMMUNITY SURVEY ON LIBRARY AND OTHER COMMUNITY FACILITIES BOND MEASURE

RECOMMENDATION

Staff recommends that the City Council receive the results of the second community survey from Evans McDonough, review the options presented in this staff report for Council consideration and provide staff with any additional options for consideration. On June 17, the City Council will discuss the options for addressing challenges raised by the results of the survey and provide staff with direction as to how to proceed.

BACKGROUND

On May 12, 2002, the City Council reviewed the scope of the second community survey for the potential community facilities bond measure with representatives of the polling firm Evans McDonough. The survey was conducted between May 21 and 31. On June 10, Ruth Bernstein of Evans McDonough will present the results of the survey, which are included in this Council packet.

DISCUSSION

Given staff and the Council’s commitment to proceed based upon the results of the survey information, staff believes that there are a number of options which the Council may consider, based on the results of the second survey. Some of these options include:

Option 1: Proceed with the full facilities measure ($96 million) for a bond measure in November 2002.
Option 2: Proceed with the reduced facilities measure ($78 million) for a bond measure in November 2002.

Option 3: Proceed with a $6 million bond measure to renovate and expand the Children’s Library in November 2002.

Option 4: Proceed with a $42.5 million bond measure to renovate and expand the Children’s Library and Mitchell Park Library/Community Center (the reduced option for the Mitchell Center) in November 2002.

Option 5: Do not proceed with a bond measure for November 2002.

A City contribution to the Art Center project is not recommended for Options 3, 4 or 5.

The pros and cons of the various options are discussed below (pros and cons of Options 1 and 2 were also included in CMR:219:0, and are only repeated here if relevant to this discussion):

Option 1: Proceed with the full facilities measure ($96 million) for a bond measure in November 2002.

Pros: Significant improvement to library, recreation and art services in both North and South Palo Alto

Cons: Unlikely to secure two-thirds “super majority” approval in a November election due to voter concern about scope and dollar amount of all of the projects

Option 2: Proceed with the reduced facilities measure ($78 million) for a bond measure in November 2002.

Pros:
- Significant improvement to library, recreation and art services in both North and South Palo Alto
- Smaller dollar amount than full project (Option 1) may be more palatable to voters

Cons: Unlikely to secure two-thirds “super majority” in a November election due to voter concern about scope and dollar amount for all of the projects

Option 3: Proceed with a $6 million bond measure to renovate and expand the Children’s Library in November 2002.

Pros:
• Children’s Library has highest support of all projects polled
• Size of bond measure likely to be acceptable to voters

Cons:

• Not efficient from a debt financing standpoint due to small size of issuance
• Does not improve the Mitchell Park Library/Community Center, Main Library or Art Center

Option 4: Proceed with a $42.5 million bond measure to renovate and expand the Children’s Library, Mitchell Park Library/Community Center (the reduced option for the Mitchell Center) in November 2002

Pros:

• Children’s Library has highest support of all projects polled
• Mitchell Park Library is most heavily used facility
• Mitchell Park project included City/PAUSD cooperative project for Everyone’s Homework and Enrichment Center, which is basis for State bond financing application
• Size of bond measure may be more palatable to voters
• Expansion of children’s facilities at Mitchell resonates with voters in second survey

Cons: No improvements made to Main Library or Art Center at this time

Option 5: Do not proceed with a bond measure for November 2002

Pros: Avoids potential defeat in November

Cons: No improvement to library, art or community services in Palo Alto at this time

RESOURCE IMPACT

The resource impact of each of the options is summarized below:

<table>
<thead>
<tr>
<th>Option</th>
<th>Bond Measure</th>
<th>$ per $100,000 AV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1</td>
<td>$96 million</td>
<td>$51</td>
</tr>
<tr>
<td>Option 2</td>
<td>$78 million</td>
<td>$42</td>
</tr>
<tr>
<td>Option 3</td>
<td>$6 million</td>
<td>$3</td>
</tr>
</tbody>
</table>
Option 4  $42.5 million  $21
Option 5      n/a                                              n/a

PREPARED BY: _________________________________
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