



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**December 6, 2022**

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**TOPIC:** Delhi Center Lease - New Library Branch

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**AGENDA TITLE:**

Agreement with the Delhi Center to Lease Space for a New Library Branch (General Fund)

**RECOMMENDED ACTION**

Authorize the City Manager to execute a lease agreement with the Delhi Center for 2,465 square feet of leased space and adjacent exterior space for a new Library Branch, for a ten-year term beginning March 1, 2023, with an option for two five-year renewals, monthly rent rate of \$3,550.00 with an annual 3% increase, subject to non-substantive changes approved by the City Manager and City Attorney.

**DISCUSSION**

The Santa Ana Public Library currently has two locations that provide services to residents, the Main Library and Newhope Library. Both locations are slated to be renovated, with design services under way. Design for the Main Library is anticipated to be complete in early 2024, with construction to begin in summer 2024.

To ensure continuity of services during the Main Library closure, the Library Services Agency has negotiated a lease agreement with the Delhi Center for the construction of a new public library branch within their existing building. Currently, residents in the Delhi neighborhood and surrounding communities have minimal access to library services, as there are no physical library locations in the southern part of the City. Therefore, in an effort to enhance equity and quality of life in an underserved area, approximately 2,500 square feet of space at the Delhi Center will be re-imagined as a new, innovative public library experience. A new outdoor activity patio will also be constructed to support library services and programs.

Residents will have access to technology, tools and services that will improve adult literacy, support positive educational outcomes for youth, and prepare our community's present and future workforce for a technology-driven world. Throughout the newly-created library space and outdoor activity patio, children, teens, and families will be

provided opportunities to learn and connect with their community in positive ways. Services may include STEM and robotics programs geared to neuro-divergent youth, special events and author hours for adults, homework help and tutoring for students, and a wide variety of cutting-edge technology and computers for use in the library or at home. These new educational spaces and the accompanying programs and services will bring a much needed community amenity to an area of the City that lacks library services.

A summary of the lease terms is as follows:

- **Term:** 10 years commencing March 1, 2023
- **Renewals:** Two 5-year options to renew
- **Square Footage:** 2,465 sq ft plus adjacent exterior patio space
- **Monthly Rent:** \$3,550/month with a 3 percent annual escalator. Rate also includes common area maintenance costs.
- **Utilities:** City's pro rata share of utility costs is 11.36% to be paid monthly
- **Early Termination:** Early termination provision upon 90-day written notice
- **Improvements:** City to improve the space at its expense for use as a modern library

Funding for library branch improvements was included in the Revive Santa Ana Spending Plan - Critical Infrastructure category as approved by City Council on August 2, 2022. The Library was allocated \$6 Million for New Library Branch/Expansion of Library Accessibility projects. The appropriations will fund both the Jerome Park Outdoor Public Library and Delhi Center Library Branch improvements.

It is important to note that the City currently has a Ground Lease Agreement with the Delhi Center, which allowed for the construction and subsequent operation of the Delhi Center during the duration of the lease. The Ground Lease is in effect through September 2040, subject to an option to extend through 2050.

### **ENVIRONMENTAL IMPACT**

There is no environmental impact associated with this action.

### **FISCAL IMPACT**

Funds are available for expenditure in the current Fiscal Year 2022-23 (March-June) as follows:

<b>Fiscal Year</b>	<b>Accounting Unit – Account Number</b>	<b>Fund Description</b>	<b>Accounting Unit – Account Number Description</b>	<b>Amount</b>
2022-23	01111110-62500	General Fund	Library Administration – Rent Payments	\$14,200.00
2022-23	01111110-62000	General Fund	Library Administration – Utilities	\$2,400.00

			<b>TOTAL</b>	<b>\$16,600.00</b>
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Future fiscal year rental and utility costs will be requested in the Library Services Agency's annual budget.

**EXHIBIT(S)**

1. Lease Agreement

Submitted By: Brian Sternberg, Executive Director of Library Services

Approved By: Kristine Ridge, City Manager