



City of Sebastopol

CITY OF SEBASTOPOL CITY COUNCIL**AGENDA ITEM REPORT FOR MEETING OF: September 15, 2026**

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To: Honorable Mayor and City Councilmembers
From: Sebastopol Commons: Building the Commons Committee
Department: Public Works
Subject: Sebastopol Commons: Building the Commons Committee Third Quarterly Report

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RECOMMENDATIONS:

1. Accept Final Report and Provide Further Direction to Staff. Receive the Building the Commons Committee's Final Report and direct staff to pursue a Commons concept at the 1003–1007 Gravenstein Hwy N campus (former O'Reilly Media campus). This location was unanimously approved by the Committee as the preferred location.
2. Due Diligence and Feasibility Review. Direct staff to coordinate a due diligence and feasibility review of the O'Reilly property. Scope of Work would include consultant review of financial assumptions, potential tenants and rental revenues estimates, project costs, occupancy assumptions, financing considerations, and associated financial risks, and to concurrently update cost assumptions and opportunities for developing a Commons on the City-owned downtown property as follows:
 - a) Authorize up to 40 hours of staff time to coordinate due diligence activities and prepare report-outs.
 - b) Authorize up to 10 hours of City Attorney time to review due diligence materials and advise the City on related legal matters. Depending on the finalized work to be reviewed; additional attorney hours may be needed; should the time required exceed 10 hours for this initial scope of work review, staff will return to Council with a request for additional authorization.
 - c) Authorize staff to solicit proposals for professional services for fiscal and preliminary design review (preliminary space planning layouts) estimated at \$40,000–\$50,000. This cost estimate is preliminary and will be reviewed and refined once proposals are received, with the resulting agreement to return to the Budget Committee for review and recommendation to the City Council. City Council then to consider approval of funding for consultant services.
3. Library Coordination. Direct the City Manager and Mayor to transmit a formal written request to the Sonoma County Library Director seeking joint capital planning, potential cost participation, and consent to relocation of the Sebastopol Regional Library under the Joint Powers Agreement (Attachment 1).
4. Committee Transition. This report concludes the work of the Building the Commons Committee. The Council is requested to disband the Committee, and form an advisory ad hoc committee consisting of two City Councilmembers, and to appoint two Councilmembers to the committee to advise the City on matters related to realizing a Commons at the specified location, with a scope of work as follows:
 - Continue community and stakeholder outreach regarding the Commons concept.
 - Begin formal negotiations.
 - Identify and evaluate potential users and tenants.
 - Explore potential partnerships.
 - Research and pursue grants and funding opportunities.
 - Review and advise on financial analysis as due diligence progresses.
5. Report Back to Council. Direct staff to return to Council within 60 days (60 days assumes responsive request for proposals are received; award of contract; detailed review of results deliverables can be accomplished) with the results of the initial due diligence and outreach as conducted by the ad hoc; including a scope and cost estimate for any additional work as a result of the consultant's analysis; the status of any negotiations, and staff



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recommendations and a proposed action plan for any subsequent phase, prior to any final Council decision regarding the O'Reilly property or other Commons alternative.

PROCESS OF AGENDA ITEM:

- Presentation of Agenda item by the Requestor or Responsible Department
- Questions and Discussion from Councilmembers
- Public Comment Period
- Presentation Received

EXECUTIVE SUMMARY:

The Building the Commons Committee has completed its initial evaluation of community needs, potential facility options, funding strategies, and governance concepts for a future Sebastopol Commons. The Committee's work has helped establish a framework for considering how the City might address long-term facility needs associated with City Hall, Library services, Senior services, community programs, and other civic and community uses.

The O'Reilly property has emerged as the most viable option and it warrants additional evaluation. However, the financial model and several of the assumptions supporting the O'Reilly concept have not yet been independently validated. The Committee recommends that the City pursue a Commons at the 1003–1007 Gravenstein Hwy N campus and asks Council to move that option from evaluation into due diligence, formal negotiation, appraisal, financing pre-qualification, legal review, partner agreement, and public outreach, with a defined date to return for a final decision.

The Committee is also transitioning. Its evaluation work is complete. What remains is community outreach, grant development, refinement of financial assumptions, and partner negotiation, and the Committee asks to continue in an advisory capacity to support that work. At the same time, staff recommends evaluating O'Reilly alongside the City owned downtown property and, if the City does not pursue a new civic facility, developing a strategic plan for the existing City Hall space. Considering these elements together will allow Council to evaluate O'Reilly as one component of a broader civic facilities strategy rather than making a decision based solely on the merits of one property.

The proposed action therefore represents a next step in planning and due diligence, not a final decision on the Commons or the O'Reilly property. Staff would return to Council with the results of the additional analysis and outreach, along with recommendations for any subsequent phase of work.

BACKGROUND:

The Building the Commons Committee was established by the City Council in September 2025 to provide actionable definition to the concept of a Sebastopol Commons. The Committee was charged with exploring options for new development or revitalization of existing structures, gathering community input, identifying and assessing potential occupants and their needs, evaluating potential locations, developing preliminary cost estimates, and exploring potential funding sources. The Committee began meeting in September 2025 and was originally established for a one-year period, with the initial work plan anticipating completion of its work during the third quarter of 2026. In May 2026, the City Council approved an extension of the Committee's term from June 30, 2026, through September 30, 2026, at the Committee's request, to allow additional time to complete its scope of work and prepare a final report to Council. The Committee's current term therefore concludes on September 30, 2026.

Over the course of its work, the Committee has evaluated community needs, potential facility options, funding strategies, and potential partnerships. The Committee has also conducted community outreach and, more recently, focused significant attention on the O'Reilly property as a potential location for the Commons. The Committee held a community open house and informational workshop at the O'Reilly property on August 13, 2026, and September 10, 2026, providing an opportunity for community members to learn more about the concept and the potential site.

The Committee's work has now reached the end of its extended term. The Final Report before Council represents the completion of the Committee's initial charge and provides a foundation for determining how the City should proceed



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with additional planning and analysis. The next phase of work is different in nature from the Committee's initial charge. Rather than continuing a broad exploratory process, the City now has an opportunity to conduct more focused financial and facility analysis, continue outreach, and further evaluate O'Reilly.

If Council does not consider this item or take action to conclude the Committee's work at this meeting, the Committee's current term will expire on September 30, 2026. If Council wishes for the existing Committee to continue beyond that date, Council will need to take separate action to extend the Committee's term.

DISCUSSION:

Since its formation, the Building the Commons Committee has worked to evaluate opportunities for a shared civic campus that could address long-term community facility needs. The Funding Needs Subcommittee completed its preliminary evaluation of facility alternatives and financing strategies, including acquisition, lease-to-own, public-private partnership opportunities, grants, and other potential funding mechanisms. The Community Needs Assessment Subcommittee completed stakeholder interviews with approximately twenty organizations, summarized in the July 7, 2026, Third Quarterly Report, and has transitioned into the Public Awareness and Philanthropy Subcommittee, focused on community outreach, public education, philanthropy, and grant development.

Of the six sites originally evaluated as of August 13th three options remain: continuing with the existing facilities, developing a Commons on the City owned downtown property, or acquiring and adapting the Gravenstein Highway N campus.

The Three Remaining Options:

	Wait and See	Downtown Rebuild	Gravenstein Hwy N Campus
What it is	Continue operating the four existing buildings	Demolish and rebuild on the current downtown city owned parcel.	Acquire and adapt the existing three-building campus
Facilities addressed	None	Library only	All four
10-year cost	~\$3.57M [confirm]	[to be stated on the same basis]	~\$0.8–1.0M [confirm]
Cost per sq ft	n/a	~\$433–\$1,000/sq ft (new construction)	~\$133–\$255/sq ft (existing building)
Time to occupancy	n/a	~5–8 years	~20 months [basis to be stated]
Resilience capability	None of the four buildings is equipped	Possible, but downtown site adjoins the Laguna floodplain	Higher ground, single footprint, parking, commercial kitchen
Location	Locations remain the same	Locations remain the same, except for a Library move during construction	Highway corridor, ~1.1 mi from historic locations

The Gravenstein Highway N campus currently appears to be the least expensive of the three options over 10 years, addresses all four facility needs, and offers the fastest path to those solutions. However, cost comparisons require an apples-to-apples baseline, including consistent treatment of personnel costs, the City's contribution to Cultural Center operations, and deferred maintenance.

The existing campus option also presents an opportunity to further evaluate the concept before a final purchase decision. If favored by City Council, a lease-first structure could allow the City to occupy the campus while purchase financing is arranged during the lease and escrow period. The development of a Commons on the City owned downtown property option should also receive continued consideration. It provides advantages in familiarity, walkability, transit, and civic placement, but the available cost estimate is based on the 2019 Alameda Architecture feasibility study and requires validation, including confirmation of the estimate's basis year and escalation assumptions.



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Need for Additional Financial and Due Diligence Analysis: The current O'Reilly concept relies on assumptions regarding acquisition costs, financing, operating expenses, rental income, occupancy, and potential uses of the building. A preliminary review identified the need to test these assumptions before the City commits to extensive due diligence, including whether the proposed \$1.75 per square foot rental rate and anticipated tenant demand are realistic, whether the approximately 50 percent occupancy break-even point is achievable, and whether the project remains financially viable under less favorable assumptions. The next phase should include an independent financial review by a qualified financial professional, including sensitivity analysis of rental rates, occupancy and lease-up timing, acquisition and project costs, financing costs, and operating expenses. The review should also consider potential tax-exempt financing and private-use restrictions, as well as the responsibilities and risks associated with the City owning and leasing a substantial portion of the property. The financial review will also revisit the assumptions that led the Committee toward the Gravenstein Highway N campus and away from the developing a Commons on the City owned downtown property, allowing the two options to be evaluated using current and reasonably consistent financial information.

City Hall Strategic Facilities Planning: The next phase should also address the future of the existing City Hall space and the downtown area if City functions are relocated as part of a Commons concept. The ad-hoc should evaluate potential future uses for the existing City Hall space and consider how the City can continue to support a vibrant, active downtown through its civic presence, business activity, community uses, and future opportunities.

Community Engagement and Next Phase: The Committee has already conducted community outreach, including the August 13 open house and informational workshop at the O'Reilly building. The Committee has proposed continuing that outreach during the next phase through additional public open houses at the campus, direct presentations to Senior Center members, Library users, and Community Cultural Center user groups, and outreach at the farmers market and existing community events. The proposed outreach would include Spanish-language materials and interpretation, meeting times accessible to residents who do not drive after dark, and a remote participation option.

If an ad hoc Council committee is established, the proposed approach is for outreach to occur before any final decision and for Council to receive both supportive and critical feedback, including comments regarding the proposed location and financial considerations.

Next Phase and Council Decision Point: The next phase would provide additional information regarding the financial, operational, facility, tenant, community, and downtown considerations associated with the remaining alternatives. The City would also enter into negotiations with the owner of the O'Reilly property to explore potential purchase or long-term lease terms, pricing, timing, and other transaction terms. The purpose of the negotiations would be to determine whether terms can be developed that support continued consideration of the property. Following this work, the information, including the results of the financial analysis, outreach, and negotiations, would be brought back to Council for consideration of whether to proceed with pursuing the O'Reilly property.

The action before Council at this meeting is authorization to undertake a limited and focused next phase of planning, analysis, outreach, and negotiation. It does not constitute approval of the acquisition of the O'Reilly property or a final decision regarding the location of a future Commons.


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Proposed Schedule: *The following schedule is tentative and subject to change based on consultant procurement, availability, negotiations, and the scope of due diligence.*

Date	Action
September 10, 2026	Issue RFP for professional fiscal and preliminary design review services; 10-day response period.
September 10–19, 2026	RFP open period.
September 20–25, 2026	Review proposals and prepare agenda report for contract award.
September 2026	Budget Committee review of proposed consultant costs.
October 6, 2026	City Council consideration of professional services agreement.
October 6–November 10, 2026	Staff, Ad Hoc Committee, consultant, and City Attorney conduct due diligence, review findings, and continue stakeholder outreach and negotiations.
November 17, 2026	Return to City Council with results of initial due diligence and outreach, including the status of negotiations, scope and cost estimate for any additional work, staff recommendations, and a proposed action plan for the next phase.

STAFF ANALYSIS:

The Building the Commons Committee has completed its assigned work and provided Council with its final report outlining the Committee's findings, potential opportunities, and recommended next steps. The Committee's work identifies the O'Reilly property as an option warranting further evaluation, while also identifying the need for additional financial analysis and validation of key assumptions. Staff recommends a next phase of work to further evaluate O'Reilly, revisit the cost assumptions associated with a downtown alternative, and continue targeted outreach before Council considers any final action. To complete this work, staff is requesting authorization for up to 40 hours of staff time and 10 hours of City Attorney time, as well as funding for a qualified financial professional to conduct a detailed review of the O'Reilly financial assumptions, costs, potential revenues, and financial risks. This work would provide Council with additional information needed to determine whether further investment and due diligence are warranted.

CITY COUNCIL GOALS / PRIORITIES / GENERAL PLAN CONSISTENCY:

This item aligns with:

City Council Goals

- Goal 1 – Community Vitality: Enhance Sebastopol as a great place to live that values community health and wellbeing; preserve unique character.
- Goal 3 – Infrastructure: Maintain high-quality facilities and services, including repairing/replacing outdated city facilities.
- Goal 4 – High-Performance Organization: Restore public trust; improve public communications.
- Goal 6 – Economic Development

General Plan Consistency

- Action CSF 6c–6d: Collaborate with County Library system and partners to expand library services/facilities.
- Action CSF 6j: Conduct needs assessments and prioritize public/community facility improvements with extensive outreach.
- Action CSF 6e: Establish innovative funding approaches for cultural, community, and library facilities/services.
- Supports Sonoma County Mayors and Councilmembers Association priorities on shared facilities, mental health, homelessness, and emergency preparedness.



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PUBLIC COMMENT:

As of preparation, no written public comments received. Any received after publication will be provided as supplemental materials. Oral comments may be provided during the public comment period.

COMMUNITY OUTREACH:

Noticed in accordance with the Ralph M. Brown Act; available for public review at least 72 hours prior to the meeting. Outreach to date: the Committee's stakeholder interview process (approximately 20 organizations, summarized in the July 7, 2026, Third Quarterly Report); the August 13, 2026 open house and site tour at the O'Reilly campus, which produced 50 written comment cards; and a second open house on September 10, 2026.

FISCAL IMPACT:

The City is requesting authorization for up to 40 hours of City staff time and \$4,000 in City Attorney services. Staff will return to the City Council separately for approval of the professional services contract to conduct the financial analysis.

RESTATED RECOMMENDATION:

Receive the Final Report; direct staff to proceed with formal lease-option negotiations, appraisal, legal review, and financing packages for the 1003–1007 Gravenstein Hwy N campus; direct that a formal request for partnership and consent be transmitted to the Sonoma County Library; authorize community outreach in advance of any final decision; convert the Committee to an advisory ad hoc committee; and appropriate funds for the professional services above — returning to Council within 60 days with scope, cost, and negotiation status, and with a final action plan no later than the date set by Council.

OPTION(S):

1. Receive the Committee's final report and take no additional action.
2. Receive the Committee's final report and choose instead to pursue a long-term new construction or reconstruction project on the current downtown city-owned block; and B) form a new standing committee to further develop that project.
3. (Recommended) Adopt the Recommendation as stated at the top of this report: pursue a Commons concept at 1003–1007 Gravenstein Hwy N; direct due diligence with a 60-day status return; transmit the formal request to the Sonoma County Library; authorize community outreach; convert the Committee to an advisory ad hoc committee; and appropriate funds for professional services.

ATTACHMENTS:

- 1 – Draft Letter to Library
- 2 – Building the Commons Committee Recommendation

APPROVALS:

Department Head Responsible for Agenda Item:	Approval Date: 9/9/26
CEQA Determination (Community Development/Planning):	Approval Date: N/A
<u>The proposed action is Exempt from CEQA pursuant to §15306.</u>	
Administrative Services (Financial):	Approval Date: N/A
<u>Costs authorized in City Approved Budget:</u> ☐ Yes ☐ No ☒ N/A	

City Attorney Approval:	Approval Date: 9/10/26
City Manager Approval:	Approval Date: 9/10/26

City Council
Mayor Jill McLewis
Vice Mayor Sandra Maurer
Councilmember Phill Carter
Councilmember Neysa Hinton
Councilmember Stephen Zollman



City of Sebastopol

September 16, 2026

Erika Thibault

Library Director-Sonoma County Library

RE: Sebastopol Commons – Sebastopol Regional Library

Dear Erika Thibault,

The City of Sebastopol is moving forward with the next phase of evaluating a potential Commons at the 1003–1007 Gravenstein Highway North campus. As part of this work, the City would like to engage with the Sonoma County Library regarding the potential inclusion of the Sebastopol Regional Library in the Commons. The City Council has directed the City Manager and Mayor to formally request the Library's partnership in this effort, including joint capital planning, consideration of potential Library participation in capital costs, and discussion of the potential relocation of the Sebastopol Regional Library to the proposed Commons.

The City recognizes that the location of a future Commons has not yet been finally determined. The City is undertaking additional due diligence, financial analysis, property negotiations, and community outreach before returning to the City Council for consideration of whether to proceed further with the Gravenstein Highway North property. Accordingly, this request is intended to begin the conversation with the Library now, rather than presume a final decision regarding the property or the future location of the Library. The Joint Powers Agreement provides a framework for the City and Library to work together on the planning and payment of capital improvements and repairs to Library facilities. Consistent with that framework, the City would like to work with the Library to better understand the facility and capital requirements associated with a potential future Sebastopol Regional Library at the Commons and to explore potential approaches to funding and delivery of such a facility.

The City believes that the potential inclusion of the Regional Library in the Commons could provide an opportunity to create a long-term, modern library facility while bringing together library, civic, and community services in a shared campus. Early coordination with the Library will help ensure that its operational, service, facility, and financial considerations are appropriately reflected as the City evaluates the concept. We recognize that significant work remains before any final decision can be made and that any future agreement regarding a new facility, capital participation, relocation, or occupancy would require the appropriate approvals of both the City and the Sonoma County Library. Our hope is that this letter provides an opportunity to begin that work together and establish a framework for continued discussion as the City moves through the next phase of evaluation.

We appreciate the Library's partnership with the City and look forward to working together to explore this opportunity for the Sebastopol community.

Sincerely,

Jill McLewis
Mayor
City of Sebastopol

Sebastopol Commons

Recommendation to the City Council

Building the Commons Committee | September 15, 2026

Requested action: authorize due diligence on the O'Reilly site. A decision to investigate, not a decision to buy.

The situation

Library: closed by mold, too small to grow

- 10,000 sq ft, built 1976. County plan: replace with 20,000+ sq ft; cannot expand on its site
- Next-decade maintenance could exceed 20% of replacement value

Senior Center: growth long overdue

- Spread across four addresses; paying rent on space it will never own
- Participation growing; a new building cannot be fundraised alone

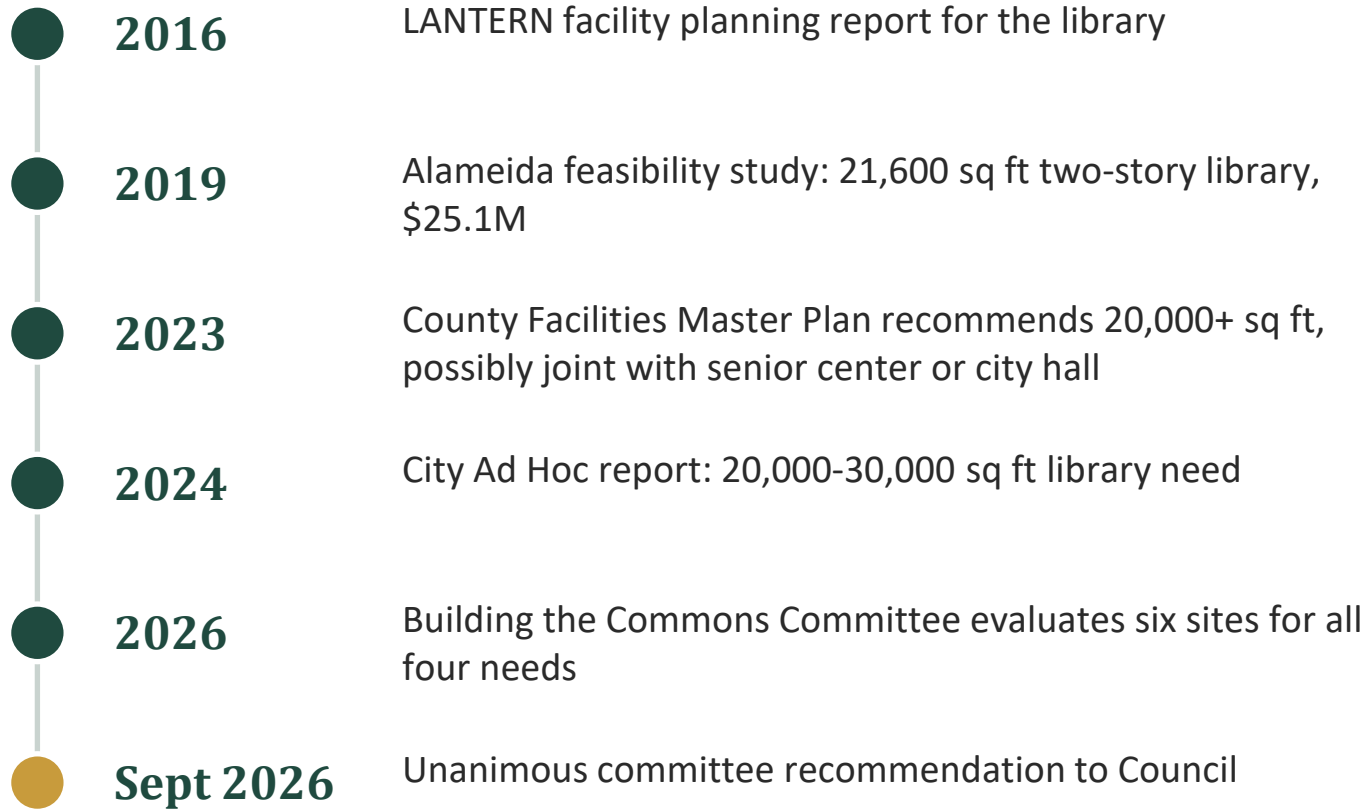
Cultural Center: in a floodplain

- 390 Morris Street. \$555,000 of flood and ADA work adopted in the CIP
- It will flood again

And now City staff

- City Hall is undersized; meetings at Youth Annex
- Renovating to standards costs nearly what O'Reilly does, for far less space

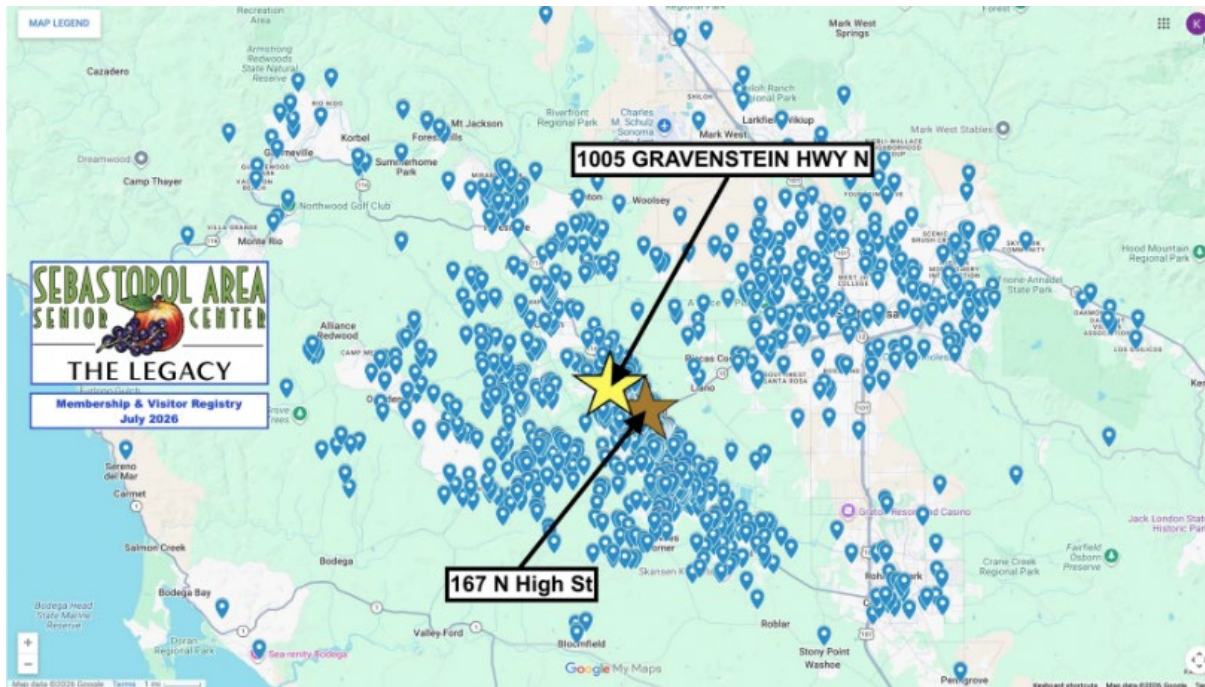
The idea has grown: from a library rebuild -> to a commons



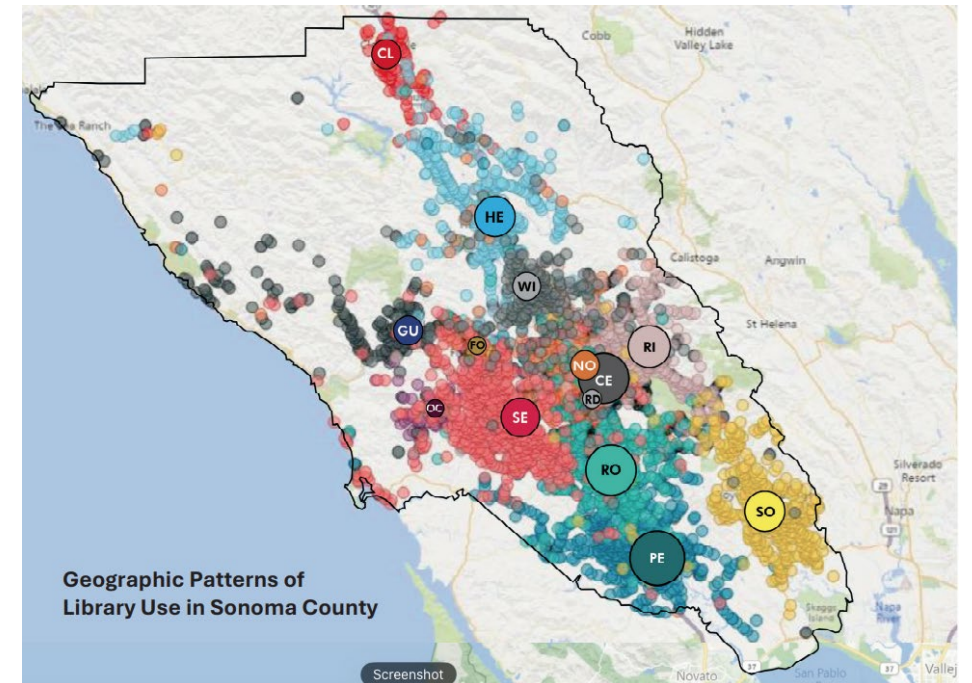
What changed

- The Commons began as a library idea and produced an architectural answer: the LANTERN scheme.
- That answer solves one need at \$34-36.5M today.
- The other three needs did not go away. They got worse.
- The Commons now means one facility that serves all four, and a way to pay for it without a bond.

Who these facilities serve today



Senior Center membership and visitor registry, July 2026. Yellow star: 1005 Gravenstein Hwy N. Orange star: 167 N High St.



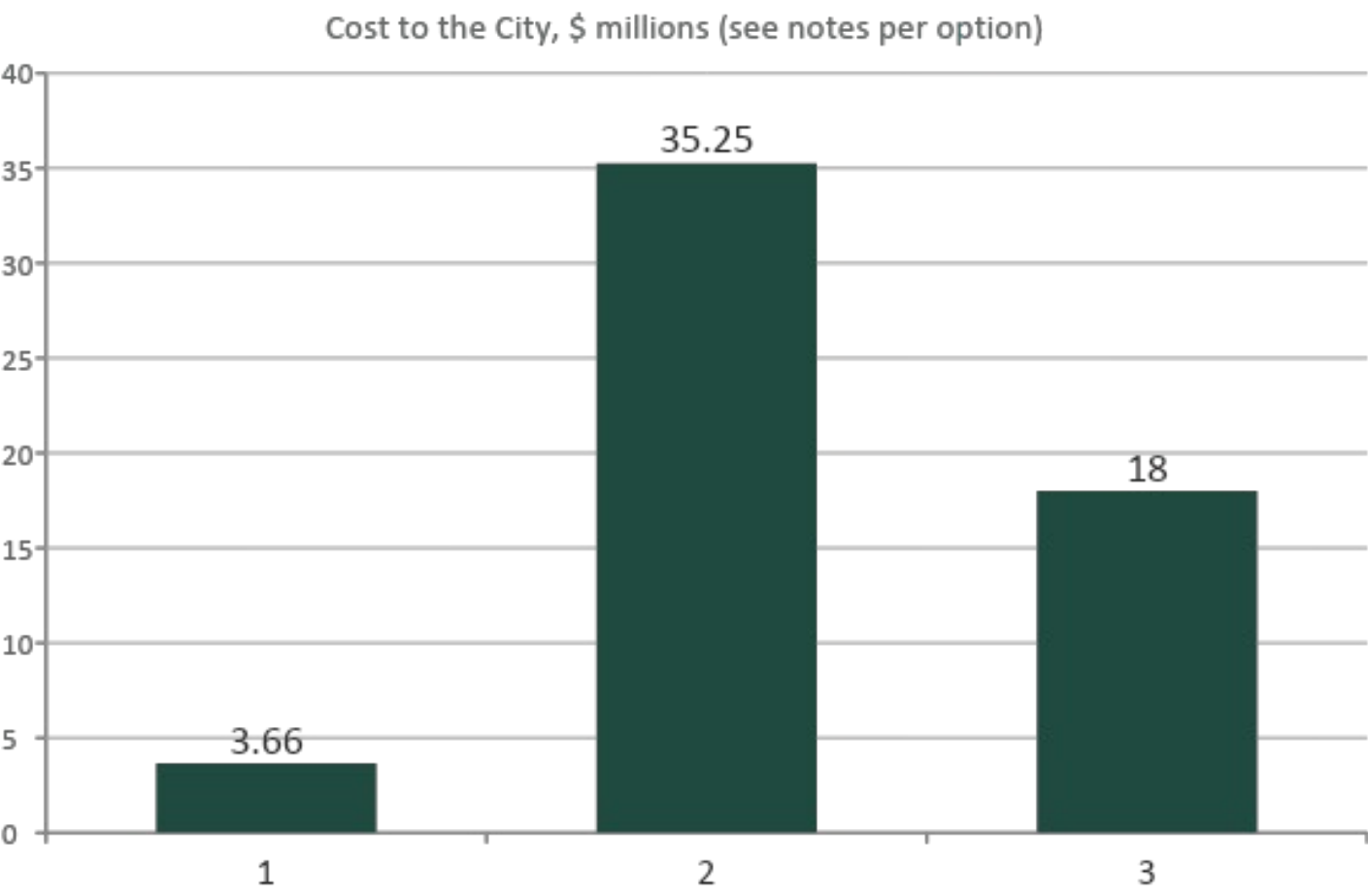
Sonoma County Library cardholders by last branch visited (red = Sebastopol). Source: SCL Facilities Master Plan, p. 14.

Most visitors already arrive by car. The north-end site is closer to the west and north county residents who use these facilities today. The County calls Sebastopol the first branch coastal residents reach on Bodega Highway.

Every site the committee looked at

Site	What it was	Why it fell away	Result
Rite Aid, 218 N Main	Downtown adaptive reuse, 15,000-20,000 sq ft	\$10M purchase plus \$40,000/month rent, roughly \$30M all-in. Another buyer moved first.	Not available
Calder Creek Civic Commons	Downtown 40,000 sq ft building with creek daylighting	Highest impact of any option. Past \$60M with daylighting; the most complex entitlement path studied.	Set aside
Railroad Forest	New construction, about 45,000 sq ft	> \$25M and a greenfield build. Sound, but slow due to uncertain building concepts in Laguna with flooding potential	Contingency
Tow site, 332 Petaluma Ave	3,700 sq ft adaptive reuse	\$1.5M. Roughly a tenth of the space needed.	Set aside
Pop-top on current library	Second story on the existing building	Structural cost, construction on an occupied site, no answer to parking. County plan says no savings versus new.	Set aside
Youth Annex	City-owned parcel	Kept for youth programs. Not treated as saleable or rentable.	Set aside
Downtown rebuild (LANTERN)	21,600 sq ft two-story library on the current site	\$25.1M in 2019; about \$34-36.5M today. Solves the library only.	Carried forward
O'Reilly campus	About 90,000 sq ft on 7.3 acres, built 2001	Room for all four uses plus revenue tenants. About \$18M all-in.	Recommended

Three options survived screening



Do Nothing

\$3.66M over ten years to maintain four buildings, before library maintenance that may exceed 20% of its value. Nothing is solved

Downtown rebuild

\$34-36.5M. Presented on its merits: a real library solution. Solves one of four needs.

O'Reilly campus

About \$18M all-in. Houses all four uses, doubles space, and adds tenant revenue.

Recent library construction costs nearby

Project	Size	Cost	Note
Walnut Park Library, Davis (opens Nov 2026)	12,000+ sq ft	\$21.3M	Standalone new library. About \$1,700 per sq ft all-in. Cleanest current comparison.
Roseland Regional Library, Santa Rosa (opens 2027)	12,475 sq ft interior	Share of \$33M design-build	Shares the contract with a fire station; full phase is \$50.7M. Library share needs Santa Rosa's breakdown.
Walnut Creek Library (2010)	42,000 sq ft	About \$39M	\$34M city plus over \$5M private. Includes a 150-space underground garage. 2010 dollars.
Sebastopol downtown concept (LANTERN / Alameida 2019)	21,600 sq ft	\$25.1M (2019)	About \$34-36.5M escalated to 2026. Basis year of the 2019 estimate is unstated.

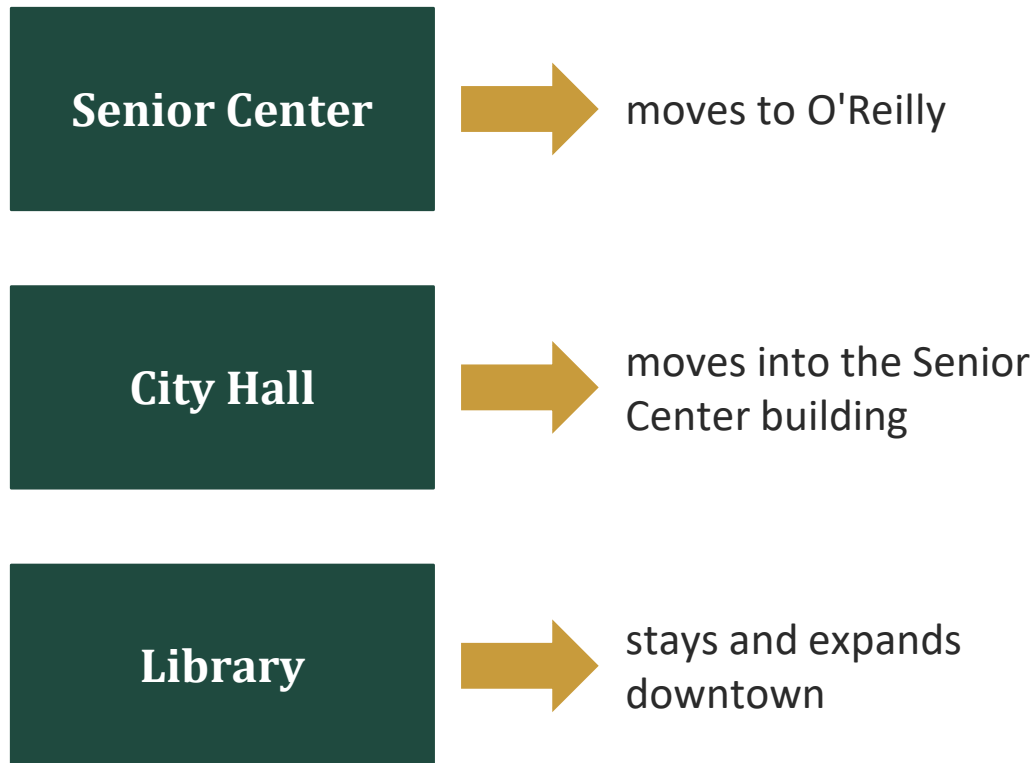
A \$30M+ estimate for a 20,000 sq ft library downtown is in line with what nearby jurisdictions are paying now.

What each option solves

	Do Nothing	Downtown rebuild	O'Reilly campus
Library	☐	☒	☒
Senior Center	☐	☐	☒
City Hall	☐	☐	☒
Community Cultural Center	☐	☐	☒
Capital cost	\$3.66M over 10 yrs; nothing solved	\$34-36.5M	About \$18M

Filled circle: need is housed. Open circle: need remains unsolved.

The cascade option: move everything but the library



What the cascade actually costs

- The library expansion downtown is still a \$20M+ project. Renovating the two existing buildings alone runs \$20-22.5M all-in.
- No property is sold to leverage it. It is a second loan on top of buying O'Reilly, with no tenant revenue offsetting it.
- City Hall inherits a building that still needs its own renovation.
- The library closes during construction. The recent mold closure shows what that means.
- The County's own plan says the library cannot expand on its site.

Partial options cost real money without solving the full problem set.

Doing nothing is not free

Maintenance keeps coming due

- \$3.66M over ten years just to keep four buildings running, excluding personnel
- Library: next-decade maintenance could exceed 20% of replacement value (County FCA)

Floodplain exposure at Morris Street

- \$555,000 of flood and ADA work already adopted in the CIP, and it will flood again
- One flood past FEMA's Substantial Damage threshold forces full floodplain compliance before any repair

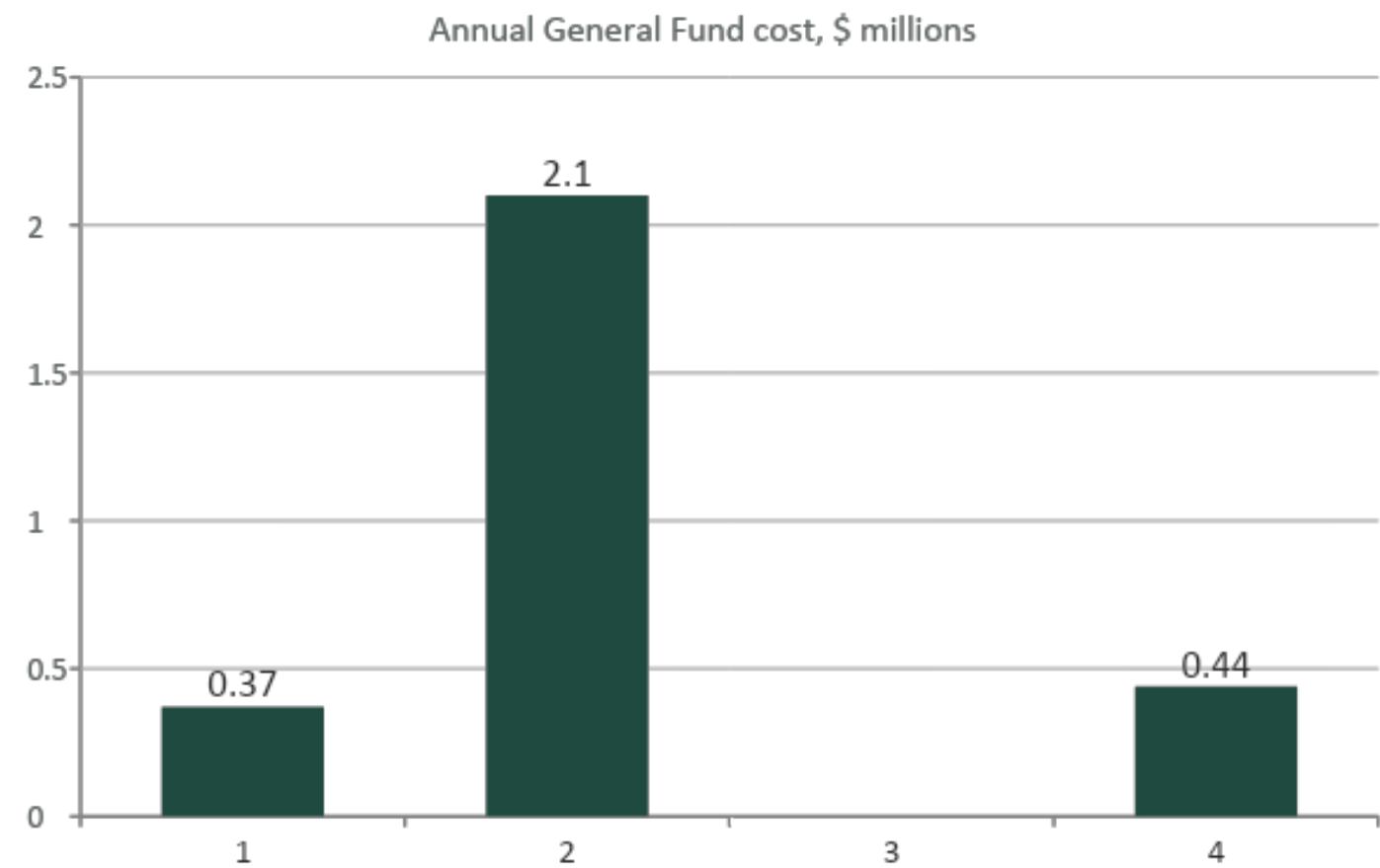
Space stays flat while demand grows

- Library use and programs already rank near the top of the county system in a 10,000 sq ft building
- Senior Center participation growing

Waiting gets more expensive

- Escalation has added roughly \$9M to a library rebuild since 2019
- A 90,000 sq ft campus in city limits is sold to someone else; the next chance comes on no known date

What each option asks of the General Fund each year



O'Reilly central case

- Borrow \$11.0M at 4.39% over 30 years; payment \$666,594 a year
- Net rent from year one about \$655,000, plus EIFD increment. Gap: \$0
- Loan retired in year 15. Without the EIFD, year 21. EIFD saves \$2.1M of interest

O'Reilly downside

- Rent \$1.00/sq ft, no gifts: borrow \$14.0M; payment \$848,392
- Year-one gap \$444,354, closing by FY2036-37. Total gap \$1.7M over the life of the loan

Do Nothing shown as ten-year facility cost averaged per year. Downtown: debt service at 4.5% over 30 years on \$34-36.5M. O'Reilly: analysis of record, July 2026; \$14.5M facility cost, pending a broker opinion; bond counsel ruling on private use outstanding.

What downtown gives up

The real losses

- Kids who walk to the library after school lose that walk. Downtown collector.
- City-center residents lose a library within a few blocks.
- Daily foot traffic (unknown amount) from library and Senior Center visitors moves north.
- The new site will not feel like part of town right away.

What people will miss is a third place

- A third place does not have to be a library.
- The church teen center downtown. Better playgrounds at Ives Park.
- You can still go downtown to read, play, and get yogurt.
- Straighten the bus route so it serves the campus directly. It will feel like fabric in time, not immediately.

The downtown civic block becomes an opportunity

Live-work and mixed use

Housing and small business on the library and City Hall block, built by others, adding people downtown every day.

Capital that contributes

Private redevelopment brings parking and business to downtown without City expense, and puts the block back on the tax roll.

Tax roll feeds the Commons

A privately owned block generates property tax increment inside the EIFD, helping retire the O'Reilly loan.

Public process

Any disposition of City land goes through the Surplus Land Act and a public process. Council decides what the block becomes.

What a Commons library could hold



Concept illustration, not a design.

- **Quiet study rooms**
Space to work and read without the main floor around you
- **Dedicated teen space**
Second-highest teen program attendance in the county, with no room for it
- **Makerspace**
Possible partnership with Chimera Arts and Maker Space
- **Play area for kids**
Room to be loud, in a library designed for it
- **Outdoor program space**
Storytime, classes, and events that today have nowhere to go outside
- **Library of Things**
Tools, equipment, and materials to borrow instead of buy

Committee recommendation

Unanimous

The Building the Commons Committee voted unanimously to recommend that Council authorize due diligence on the O'Reilly site.

This is a decision to investigate, not a decision to buy.

The committee sees this as a moment in time and an opportunity for the City to lead.

What due diligence would answer before March 2027

Legal

Library JPA Bylaws XI.G.2 (no-cost lease obligation) versus the civic occupancy payment. Surplus Land Act review by the City Attorney.

Bond counsel

Ruling on private business use of tax-exempt debt with revenue tenants in the building.

Financing

IBank ISRF terms verified. EIFD formation proceeds with Kosmont.

Building

Condition assessment and appraisal. Roof is about 30 years old and near end of life; pair replacement with resilience and energy grants.

Community

Public outreach process. Planning Commission review of the concept.

Library partner

Formal outreach letter to the Sonoma County Library Director as JPA partner.

Requested Council action

- 1 Authorize staff to conduct due diligence on the O'Reilly site at 1003-1007 Gravenstein Highway North.
- 2 Appropriate **\$40,000** (with budget committee review) for legal review, bond counsel, financial analysis, and public outreach.
- 3 Direct staff to send a formal outreach letter to the Sonoma County Library Director.
- 4 Return to Council in March 2027 with due diligence results and a recommendation on library relocation.

No bond. No ballot measure. Roughly a few hundred thousand dollars up front, reimbursable from the EIFD once formed.

[VERIFY: appropriation amount, fund source, and whether to split outreach funding from bond counsel scope]

The choice in front of the City

Act

- Investigate the O'Reilly site now
- Solve four facility problems at once
- Double civic space with minimal General Fund impact
- Take a leadership role while the property, the EIFD, and the grants line up

Wait

- Keep the buildings we have
- Continue paying for maintenance, flood repair, and rent
- Wait for funding and a willing group to appear, on no known date
- A legitimate choice, made with eyes open

Either way, the Council decides. The committee asks only that it decide with the facts in hand.