

**Council Meeting: August 19, 2008****SUBJECT: Consider Options for the Use of the Raynor Activity Center
(Study Issue)****REPORT IN BRIEF**

This Study Issue is specifically called for as a key initiative and priority for study in the 2006 Open Space and Recreation Sub-Element. (See Attachment A: Study Issue Paper: Consider Options for the Use of Raynor Activity Center.) The Raynor Activity Center is a former elementary school site purchased by the City in 1979. The old elementary school buildings are currently used for several purposes. The majority of space on the campus, eight classroom spaces plus the school kitchen area, is under lease agreement with a child care provider – My Dream Academy. Four classroom spaces are leased for artist studio space, three classroom spaces house the Western Philatelic Library collection and a fourth is used by the Friends of the Library for book sorting and staging book sale events that support the Sunnyvale Public Library. The old school's multi-purpose room, or gymnasium, contains gymnastic equipment primarily used by the Sunnyvale Gymnastics Club, while the remaining six classroom spaces are used for storage of City office furniture by the City's Facility Services Division.

The buildings that comprise the Raynor Activity Center are among the oldest buildings owned by the City and were identified in a 1999 Citywide Facility Assessment study to be "among those in the worst condition of all buildings in the City's inventory." At that time, it was determined that the cost to bring the buildings up to current codes would cost nearly the same as the cost to replace the buildings with new, similar sized structures.

This report includes a detailed review of the current uses of the Raynor Activity Center site and how well they meet the City's priorities for open space and recreation. It also describes several options relative to the future use of the site for City Council's consideration. The first option includes keeping the site and renovating or replacing the building structures for uses designed to better meet City goals for services – either for Parks and Recreation services and programs, or other City services such as Library programs, or a combination of both, including non-City service providers such as day care centers or other non-profit organizations. A variation of this option is to keep the site and demolish the structures to expand the adjacent Raynor Park open space. A second option is to sell the site and use the proceeds to acquire or develop new parks and open space in areas of the City where the need is greater, or use the proceeds for other high priority needs in the City; and the third option considers leasing the entire site, rather than selling it.

Upon review of all the options and related costs, staff recommends selling the Raynor Activity Center site and using proceeds from the sale to acquire or develop new parks and open space in areas of the City where the need is greater, as identified by the Parks of the Future Study, due to Council in September 2008.

The Parks and Recreation Commission and the Arts Commission held a special, joint meeting to consider this report on July 23, 2008. Approximately 80 members of the public were in attendance and 24 residents addressed the Commissions during the Public Hearing. (See Attachment H: Unapproved Minutes of July 23, 2008, Joint Meeting of Parks and Recreation and Arts Commissions.)

The Arts Commission recommended leasing the Raynor Activity Center site for a long-term use by one of more lessees and stipulate that the lessee(s) invest in the site to upgrade the building structures to meet applicable building codes and, in addition, that the current uses and users remain in the facility.

The Parks and Recreation Commission recommended leasing the Raynor Activity Center site for a long-term use by one or more lessees and stipulate that the lessee(s) invest in the site to upgrade the building structures to meet applicable building codes and, in addition, the repairs be completed within a certain time limit.

The Board of Library Trustees will consider this report at their regularly scheduled meeting on August 4, 2008.

BACKGROUND

The Raynor Activity Center is a former school site (Raynor Elementary School) located in the southeast corner of Sunnyvale directly across from Peterson Middle School. (See Attachment B: Location Map and Attachment C: Site Map for Raynor Activity Center.) The site consists of approximately 30,000 square feet of space in eight buildings, including a kitchen and gymnasium, and five of the buildings are each divided into four classrooms. The City of Sunnyvale purchased the site from the Santa Clara Unified School District in June 1979 for \$1,792,000 from the General Fund, and has expended approximately \$470,000 in facility renovations and improvements at the site since then. In 1979 when the City was contemplating purchasing the site, the Parks and Recreation Commission made several recommendations to Council for the use of the site and, in February 1980, a long-term use policy adopting the Commission's recommendations for the Raynor Activity Center was approved by Council for the following purposes:

Building	Description	Use
#1	Kitchen, Multi-purpose Room (gymnasium); Staff Room	Daycare Program
#2	Office Area	City Use – Storage
#3	2 Classrooms	City Use – Storage
#4	4 Classrooms	Daycare Program
#5	4 Classrooms	Daycare Program
#6	4 Classrooms	Patent Library
#7	4 Classrooms	City Use – Storage
#8	4 Classrooms	Artist Studios

Current Uses of the Site

Current use of the site since 1980 is similar to the adopted plan but changes have been made, particularly in building #6 once occupied by the Patent Library. Building #6 now has three classroom spaces occupied by the Western Philatelic Library and its collection and one classroom occupied by the Friends of the Library, where donated books are stored and sorted. (See Attachment D: Current Use of Raynor Activity Center.) Another difference is that the school gymnasium or multi-purpose room is not used by the Day Care Center, but is occupied by gymnastics equipment used by the City's Parks and Recreation Department and the Sunnyvale Gymnastics Club. A more detailed review of the uses of the various buildings located at the Raynor Activity Center follows.

Building #1 – Multi-Purpose/Gymnasium: Sunnyvale Parks and Recreation and Sunnyvale Gymnastics Club

The Sunnyvale Gymnastics Club is a non-profit organization that provides services to Sunnyvale youth in the form of competitive gymnastics programs not otherwise offered or duplicated by the City. The Club has used the 3,300 square foot gymnasium in building #1 for the past 20 years, first in accordance to the City's Co-Sponsorship program which was later replaced with an agreement based on the City Council Policy on Relationships with Outside Groups, signed in 2004. Over the years, both the City's Recreation Division and the Sunnyvale Gymnastics Club have used this facility for gymnastic programs. The City owns most of the gymnastics equipment located in the building and used by the Club. The Club has responsibility for much of the maintenance and repair of the equipment, which is covered in the terms of the agreement. In accordance to the agreement, the Sunnyvale Gymnastics Club will pay \$2.00 per hour for use of the Raynor Gymnasium, which provides from \$2,000 to \$2,600 to the Community Recreation Fund each year. While this revenue does not offset the annual facility maintenance charge of \$15,121 for this space, the agreement is in accordance with similar agreements in which fees are charged a 1:25 ratio discount as provided to other youth sports groups with similar agreements. The agreement between the City and the Sunnyvale Gymnastics Club can be terminated by either party for any reason upon 90 days written

notice to the other party. [Ref. Report to Council #04-444 dated December 21, 2004, or go to:

<http://sunnyvale.ca.gov/City+Council/Council+Meetings/2004/2004December/Reports/04-444.htm>]

Portions of Buildings #1 and Buildings #4 and #5: Day Care Program

My Dream Academy, a pre-school and day care operator, currently leases a portion of building #1 consisting of the kitchen, kitchen storage room and staff room, and all of buildings #4 and #5, totaling 9,315 square feet of space at the Center. The use of these buildings for child care services has been long established since the City first purchased the buildings in 1979. My Dream Academy provides day care services for infants (6 weeks to 24 months) and preschool children (2-5 years old). Currently there are 44 infants/toddlers in day care and 102 children enrolled in the pre-school. The City has a five-year lease agreement with My Dream Academy, which expires on February 28, 2009. Currently, the rental payment from My Dream Academy for use of this space is \$106,776 annually, or \$8,898.00 per month, plus the cost of utilities. The lease provides that the City is responsible for monitoring and maintaining the cleanliness of all common areas as well as major maintenance and repair to the leased buildings used by the pre-school. Rental payments from My Dream Academy are deposited into the Community Recreation Fund which is then charged \$44,750 for this portion of annual facility maintenance costs, netting \$62,026 in revenue to the Community Recreation Fund. [Ref. Report to Council #04-038 dated February 3, 2004, or go to:

<http://sunnyvale.ca.gov/City+Council/Council+Meetings/2004/2004February/Reports/04-038.htm>]

Building #2, #3 and #7: City Use

The City's Department of Parks and Recreation Facility Services Division currently uses approximately 8,000 square feet in all of buildings #2 and #3 and most of building #7 for storage of modular and office furniture for use in City facilities. The storage includes cubical walls, desks, file cabinets, and chairs which were purchased in 2002 at a discounted cost of \$126,541. At least half of this inventory has since been used in office configurations throughout the City; however, the amount of the stored furniture inventory and its value at today's cost is not readily available. A portion of building #7 is also used by the Sunnyvale Library for storage of programmatic materials for the Sunnyvale Center for Innovation, Invention and Ideas (SCI₃), whose services have since been discontinued as directed by the Council. No revenues are received for use of this space and since most of it is occupied by the Facility Services Division, the maintenance costs for this space are included in the total cost of facility maintenance services provided Citywide.

Building #6: Friends of the Western Philatelic Library (three classrooms)

The Friends of the Western Philatelic Library currently occupy approximately 3,000 square feet of space in three classrooms in building #6. The Western Philatelic Library is a non-profit organization that maintains a collection of reference materials on stamps and postal history, most of which are for the serious collector. In the 1960's, the Friends of the Western Philatelic Library (WPL) donated their collection to the Sunnyvale Library where it was housed in the main library building until 1994. At that time, the collection was moved to the Raynor Activity Center where it occupies space that once housed the Sunnyvale Patent Library. This move was approved by the City Council in response to a study on special library collections that concluded the Sunnyvale main library's space would better serve the public by minimizing space taken up by special collections which appeal to fewer citizens in comparison to collections that have wider appeal. [Ref. Report to Council #94-215 dated June 28, 1994]

The collection of materials located at Raynor Activity Center was formally returned to the Friends of the Western Philatelic Library via Council action when it was moved; therefore, the collection is no longer owned by the City. According to the Council decision in 1994, the City would continue to provide rent-free space to the WPL at Raynor and moving the collection and providing shelving and seating would be the financial responsibility of the Friends of the Western Philatelic Library. Since that time, the Friends of the WPL volunteer to maintain limited open hours at Raynor Activity Center. Currently, the City does not have a formal agreement with the Friends of the Western Philatelic Library for the use of their space, pending the outcome of this study, and no revenues are received by the City from the Western Philatelic Library.

Building #6: Friends of the Sunnyvale Public Library (one classroom)

The Friends of the Sunnyvale Public Library currently occupy one 1,000 square foot classroom in building #6. Prior to moving to the Raynor Activity Center, the group's activities were housed in the Sunnyvale Public Library building. The Friends of Sunnyvale Public Library are volunteers who raise funds to benefit the Sunnyvale Public Library. Donated books are brought to the Raynor Activity Center where they are sorted and stored for book sales that are held there annually in the spring, summer and fall. Proceeds from the book sales average around \$50,000 per year and are used for materials, equipment, furniture, and programs to benefit the Sunnyvale community through donations from the Friends of the Library that supplement Sunnyvale's Public Library budget. While no rents are paid by the Friends of the Sunnyvale Library for this use of space, the Sunnyvale Library's program budget is charged an annual facility maintenance cost of \$19,275 for both the Friends of the Public Library and the Western Philatelic Library's use of space in the Raynor Activity Center.

The recently approved June 2008 agreement between the City and the Friends of the Sunnyvale Public Library provides one classroom space at Raynor Activity Center for the Friends to collect, sort and store books and other donated and discarded print and non-print materials for the Friends book sales, as long as storage at Raynor Activity Center is available. The agreement states at such time that the Raynor Activity Center is no longer available, the City shall assist the Friends in seeking alternative arrangements for the collection, sorting, storage and sale of donated materials. The agreement also specifies that it can be terminated by either party for any reason upon 90 days written notice to the other party. [Refer to Report to Council #08-129 or go to: <http://sunnyvale.ca.gov/NR/rdonlyres/DFFB3948-6232-41A3-8C6E-D263A44F5302/0/08129.pdf>]

Building #8: Artists' Studios

Four classrooms of approximately 1,000 square feet each comprise building #8 and are currently used as artist studios and leased to individual artists on a year-to-year basis for the express purpose of providing physical facilities for the practice, creation and construction of visual artistic media, including receiving instruction and practice of sculpture, painting, drawing, photography, printmaking, ceramics, textiles and mixed media. Sales and instructional services are not provided on the site. The City is obligated to provide maintenance and repair of the building structures and custodial services to the restroom in building #8 is provided on a quarterly basis. Currently, the total annual rental payment from the artists is \$26,358, plus the cost of utilities, or \$6589.50 per studio space, which is deposited into the Community Recreation Fund. In turn, the Facility Services Division charges approximately \$19,850 to the Community Recreation Fund for their portion of internal service charges to maintain the artist studios, making the net revenues equal \$6,508 to the Community Recreation Fund. Due to the age of the building, the lease agreement with each artist notes that the City will provide heat until such time that the heating system is deemed inoperable or unrepairable. The agreement also states that either party may terminate the agreement without cause upon giving no less than a 90-day written notice.

In addition to the use of building #8 for artist studio space, the exterior wall of the building is also the site of an untitled, painted tile art mural by Malou Flato which was installed in 1988 and is part of the City's public art collection. The City's contract with the artist, at the time the mural was installed, states that the City shall be responsible for the cleaning, maintenance, and protection of the mural. The contract further provides that repairs and restorations shall be made in consultation with the artist. Contrary to the types of contracts with artists that the City would currently administer for public art projects, this agreement, dated in 1988, does not contain a waiver of the artist's rights under the California Art Preservation Act and is silent with regard to demolition of the

building or removal of the artwork. (Additional details regarding the mural are provided on page 18 of this report.)

Location of City Water Well on Corner of Dunford and Partridge

The City of Sunnyvale's Public Works Department maintains a high volume water well on the northwest corner of the Raynor Activity Center site, as shown on the site map in Attachment C. Any consideration of the future use of the Raynor Activity Center site should note that this corner of the property must remain under the ownership of the City.

Condition of the Raynor Activity Center Buildings

The Raynor Activity Center was constructed as an elementary school in the early 1960's. In 1989/1990, renovation work that included asbestos floor tile removal was performed in buildings #1 through #5 and #8, and roof renovation was performed on all the buildings. At that time, buildings #6 and #7 housed the Patent Library, and the asbestos floor tile was left intact rather than move out the bookshelves to replace the flooring. There has not been similar renovation work, nor any other infrastructure renovations or improvements performed at this site since then, leaving all the buildings with much of the original construction in place.

A Facility Condition Assessment, which was conducted by consultants from Vanderweil Facility Advisors (VFA) in 1998/1999, identifies the Raynor Activity Center buildings among those in the worst condition of all buildings in the City's inventory. The consultants evaluated every building and developed two sets of cost comparisons - one for renovating the buildings to current standards and the other to renovate with the intent to bring the buildings up to meet building code requirements. The costs for each of these scenarios were then compared to the average cost to replace the buildings with similar structures. The resulting comparisons showed that the average cost to bring the existing Raynor Activity Center facilities up to code (in 1998) would be very close to the cost to replace the buildings with similar structures.

The portion of the VFA study on the Raynor Activity Center comprises over 80 pages of overview and assessment of the center's buildings and structures. Among the findings noted in the study relative to the buildings maintenance requirements are:

- The radiant heating system that services these buildings is now nearly 50 years old and beyond its life expectancy. It is no longer operable in buildings #2, #3, #6 and building #7 which are used by the Friends of the Western Philatelic Library, the Friends of the Sunnyvale Library and by the City's Facility Services Division for storage. [Today, the radiant heating system is only operable in building #8.]

- A portion of the buildings' roofs are in need of repair and the plumbing in several of the buildings requires extensive renovation. Restrooms in the buildings used for storage are no longer in operation.
- Buildings #6 and #7 and portions of buildings #2 and #3 still have original asbestos tiled flooring. While it is in relatively good condition given its age, the flooring would need to be removed or covered before the buildings are occupied for any other purpose, and any drilling into the floor is strictly prohibited unless the work is properly supervised.

In summary, the consultants noted that the life expectancy for the major components of each building has been surpassed. These buildings all require roof renovation, new mechanical systems and plumbing and electrical work, as well as major renovation to meet current building codes. Since 2003, plans for infrastructure replacement capital projects for the building systems and components at Raynor Activity Center have been limited to cover only the buildings occupied by the child care provider, to allow the City to maintain its agreement with My Dream Academy and provide the major maintenance and repairs to the facilities leased by the pre-school to the extent of keeping the facilities and walkways safe for public use. No funds are budgeted for infrastructure repairs at the Raynor Activity Center after the current fiscal year, pending the outcome of this report.

EXISTING POLICY

OPEN SPACE AND RECREATION SUB-ELEMENT:

GOAL 2.2A. Open Space

The City strives to provide and maintain adequate and balanced open space and recreation facilities for the benefit of maintaining a healthy community based on community needs and the ability of the city to finance, construct, maintain, and operate these facilities now and in the future. It is the City's policy, therefore, to:

Policy 2.2.A.1. Follow management and preventive maintenance strategies to extend the usable life of open spaces and recreation facilities, such as planning for and implementing "non-use times" for open space and facilities in order to assure adequate maintenance and regeneration time.

Policy 2.2.A.8. Support the acquisition or joint use through agreements with partners of suitable sites to enhance Sunnyvale's open spaces and recreation facilities based on community need and through such strategies as development of easements and right-of-ways for open space use, conversion of sites to open space from developed use of land, and land banking.

Policy 2.2.A.9. Refrain from engaging in the development of open space and/or recreational facilities without prior assurance that ongoing maintenance needs will be addressed.

Policy 2.2.A.11. Support the acquisition of existing open space within the City limits as long as financially feasible.

GOAL 2.2B Programming

Policy 2.2.B.6. Leverage available resources by pursuing co-funded and/or cooperative agreements for provision and maintenance of programs, facilities, and services, in order to maximize benefits to the community. Partners may include, but are not limited to, school districts, non-profit groups, governmental agencies and businesses.

GOAL 2.2.D Prioritization

Policy 2.2.D.4. Give priority to services, facilities and amenities in which the community demonstrates interest.

Policy 2.2.D.7. Give priority to services, facilities and amenities that can be used by multiple users or serve multiple purposes.

CITY COUNCIL POLICY MANUAL:

Policy 5.1.2 Child Care

Support for Child Care in the Private Sector

Priority will be given to facilitate efforts to establish child care centers in industrial areas if employers will provide significant financial support for the development of the center(s).

Subsidized Child Care

As a general policy, the City will not directly subsidize child care through general fund money. Subsidized child care will be provided as needed to low-income individuals who participate in Workforce Investment Act (WIA) training with WIA funds in accordance with WIA guidelines.

LIBRARY SUB-ELEMENT:

GOAL 6.2F: Foster a collaborative organization to attain a high performance and customer-focused Library

Policy 6.2F.1: Establish cooperative relationships to maximize the effectiveness of Library services

Action Statements:

6.2F.1b. Collaborate with City of Sunnyvale departments to achieve municipal goals.

6.2F.1f. Cooperate with such organizations as the Friends of the Sunnyvale Library in their efforts to support and promote library services.

ARTS SUB-ELEMENT:

GOAL 6.4.A: Ensure the financial viability of arts programming, services and facilities in Sunnyvale through partnerships with the private and public sector

that enable the city to leverage resources while maintaining high standards of customer service.

Policy A.3: Encourage a supportive environment that is receptive to the Arts and welcomes the presence of Art, resident performing arts companies, art services, performances, artists and performers in the community.

Action Statements

A.3.b. Evaluate availability of rehearsal, performance and studio space for local artists and multi-cultural events and consider ways the City can facilitate that provision.

Policy A.4: Further a sense of community identity through the promotion of the Arts.

Action Statements

A.4.a. Work with community groups to identify appropriate sites to create art projects such as community murals in public settings including City and school facilities and open spaces, consistent with financial constraints and priorities of the City.

A.4.c. Explore with Arts Commission and Planning Commission ways to encourage continuation of a sense of community identity through the Arts.

DISCUSSION

The 2006 Open Space and Recreation Sub-Element to the General Plan identifies a Key Initiative to evaluate how the Raynor Activity Center meets open space and recreation priorities and determine what should be done with the site (e.g., keep for use as recreation facility; tear down and use for civic, non-recreational use; sell). The Sub-Element also identifies the Raynor Neighborhood Planning Area as one having the most City-owned park acreage per 1,000 people. It ranks third overall for acreage per 1,000 people when both City-owned park and City-maintained school acreage is considered, even though the City does not maintain any school acreage in the Raynor Planning Area. In addition, the Raynor Neighborhood Planning Area is expected to continue to have the most City-owned park acreage per 1,000 people in future years, after projected build out is achieved.

The 2006 Open Space and Recreation Sub-Element also identified twelve priorities for open space and recreation which are designed to guide staff in the planning and implementation of recreation and open space programs and activities. These priorities can be grouped in two categories: 1) priorities for services, facilities and amenities, and 2) priorities for acquiring/developing open space and recreational amenities and programs. How well the current use of Raynor Activity Center meets the City's priorities for parks and recreation

services is the subject of this report along with a discussion of options for Council consideration.

Priorities for Services, Facilities and Amenities

The 2006 Open Space and Recreation Sub-Element identified priorities for parks and recreation services, facilities and amenities that:

- Are not readily available through other providers within or near Sunnyvale.
- Benefit under-served populations as identified in the US Census and through community input.
- Fulfill a basic need or teach basic skills (e.g., non-competitive, developmental sports instruction such as learn to swim given priority over competitive sports programming).
- The community demonstrates an interest in.
- Benefit a greater number of residents.
- Can be used by multiple users or serve multiple purposes.
- Benefit governmental entities, schools and non-profits.

Priorities for Acquiring/ Developing Open Space and Recreational Amenities and Programs

The Sub-Element also includes priorities for acquiring and developing open space and recreational amenities and programs:

- In areas which are heavily impacted by daytime or business use.
- Where similar amenities and programs do not already exist.
- Where the current number of households within specified distances relying on the open space or recreational amenity is greater.
- Where the projected number of households within specified distances which will be relying on the open space or recreational amenity is greater.
- Where the needs are greatest and/or which will meet the greatest needs.

Current Uses of Raynor Activity Center in Relation to Open Space and Recreation Priorities

In the past, Raynor Activity Center's multipurpose/gymnasium room was used for introductory level gymnastic classes held by the City's Parks and Recreation Department, as well as for advanced level gymnastic classes and activities operated by the Sunnyvale Gymnastics Club. Since 2006, the City has been able to accommodate all of its gymnastics classes using only the Indoor Sports Center, while the Sunnyvale Gymnastics Club has been the main user of the Raynor Gymnasium to teach and coach gymnastics students at higher and more competitive skill levels than would be taught by the City. In accordance to

the current agreement, the Sunnyvale Gymnastics Club can reserve the Raynor Gymnasium and pay the City \$2.00 per hour for its use, amounting up to \$2,600 per year in rental revenue. The Club has approximately 30 to 45 members and monthly dues are charged to Club members based on their gymnastic skill level. In keeping with the goal to fulfill a basic need or teach basic skills, the current use of the Raynor Activity Center's Gymnasium does not support the priorities of the City's Recreation Programs and Services since the Gymnastics Club provides instructions and events at a higher, more competitive level than is covered in the City's classes.

A policy in the Arts Sub-Element encourages a supportive environment that is receptive to the Arts and welcomes the presence of Art, resident performing arts companies, art services, performances, artists and performers in the community. A related "action statement" is to evaluate the availability of rehearsal, performance and studio space for local artists and multi-cultural events and consider ways the City can facilitate that provision. (Arts Sub-Element Policy A.3.). The current arrangement between the City and the artists who lease space in Building #8 is supported by this policy and a direct result of the action to facilitate the provision of studio space for local artists. The current lease does not mandate that the artists provide a direct service to the City, but having the studio space available to support the Arts community in Sunnyvale could be regarded as use of the site that is among the City's priorities as noted in the Arts Sub-Element.

The use of buildings # 1, 4 and 5 for pre-school programs and day care services are supported by the City Council Policy on Child Care, but they are not supported by the Open Space and Recreation Sub-Element or the Arts Sub-Element. Due to the age and general poor condition of the site, the owners of My Dream Academy are paying below market rate, approximately \$.955 per square foot per month compared to \$1.15 to \$1.30 per square foot at market rate, for the use of the buildings at the Raynor Activity Center under a lease agreement with the City; and the rental revenue supports the Community Recreation Fund. If the preschool were no longer in operation at the Raynor site, there would be not be a direct impact on the availability of the City's parks and recreation services; however, there would be an obvious impact on the users of the pre-school facility, many of whom are Sunnyvale residents and may live in the neighborhood. In addition, there would be a negative impact on net revenues to the Community Recreation Fund of approximately \$62,026 as previously mentioned and discussed later in this report.

In 1994, when the Patent Library moved out of the four classrooms it occupied in the Raynor Activity Center's building #6, three of the classrooms were soon occupied by the Western Philatelic Library collection. This collection had been located in the main Sunnyvale Library building, but it was formally returned to Friends of the Western Philatelic Library following a space use study of the

main Library conducted in 1993. Currently, the City has no agreement with the Western Philatelic Society for its use of space at the Raynor Activity Center, and the only Council direction given when it was moved from the Sunnyvale Library was to provide the space at Raynor rent free. The Western Philatelic Society provides services to people interested or in need of research related to stamp collecting and postal history, and its members also conduct research for individuals who contact them with specific requests. The services provided by the Western Philatelic Society are not specific to serving the Sunnyvale community and the collection could be located almost anywhere and not necessarily in the City of Sunnyvale. The use of three classrooms at the Raynor Activity Center to house this collection does not support priorities for Parks and Recreation services and programs for City residents. Since the Sunnyvale Public Library no longer owns the philatelic collection, they have kept the Society informed that the space the collection occupies is temporary and, as the Raynor Activity Center buildings have aged, they may soon be too deteriorated to effectively house the collection in a manner to preserve it. The Philatelic Society has been alerted to seek an alternate location and discussions with them indicate they would prefer at least a one-year notice before they would be in a position to move.

The Friends of the Sunnyvale Library, who occupy one room in Building #6, operate under an agreement with the City which provides them space at Raynor Activity Center as long as “the space is available.” Should that space no longer be available, the City and the Friends of the Sunnyvale Library would need to renegotiate the agreement and seek alternate sites in which the Friends could operate. While the services provided by the Friends of the Sunnyvale Library meet the policies and goals identified in the Library Sub-Element, they do not meet priorities for Parks and Recreation programs and services.

The use by the Parks and Recreation Department’s Facility Services Division for storage of modular furniture panels and related office equipment does not directly support priorities for parks and recreation services and programs the Department provides to City residents. The Facilities Services Division provides building maintenance and repair services for nearly all the City-owned and occupied buildings; their services include the provision of office furniture and office reconfigurations, as well as the maintenance of building mechanical equipment (heating, air conditioning, etc.) to support City operations. The need to store the City’s modular furniture first followed the ‘dot.com’ bust when a number of Silicon Valley businesses cut back or went out of business, leaving office buildings vacant with a surplus of relatively new modular office furniture components that were sold at bargain rates. The City took this opportunity to purchase the furniture, knowing it would be needed in the future as City staff was expected to increase in numbers and new space was available for expansion at the Sunnyvale Office Center at 505 West Olive Avenue and the new Sunnyvale Senior Center was in the planning stages. When the furniture

was purchased, plans were in place to store it in the vacant buildings at Raynor Activity Center, especially since the building conditions did not invite any use other than storage without a considerable investment to renovate and bring the buildings up to code. While the storage of furniture at Raynor Activity Center benefits the City as well as the Parks and Recreation Department, the use of these buildings for storage does not meet the priorities for Parks and Recreation programs and services for City residents. Should the storage space at Raynor Activity Center no longer be available, the City's Facility Services Division could better organize the furniture to use less than the 8,000 square feet of storage space it currently occupies and seek storage elsewhere – possibly in other areas owned by the City such as the Fair Oaks Industrial Park which currently rents for \$1.00 per square foot per month. Otherwise, the furniture could be stored in a large public storage facility and the costs would be similar, estimated from \$5,000 to \$6,000 per month or \$60,000 to \$72,000 per year for 5,000 to 6,000 square feet of storage space. Given the cost to store the furniture, consideration should be given to compare the value of the remaining furniture against the benefit of selling it and purchasing new furniture on an as needed basis in the future.

Potential Uses for the Site

In response to this study, a variety of ideas and suggestions for the future use of this site have come forward from staff as well as members of the community and these can be broken down into three categories: A) Ideas and suggestions that will meet parks and recreation priorities for the overall Sunnyvale community; and B) Ideas and suggestions that will meet goals and priorities of other City policies; and C) Any combination of ideas from categories A and B.

A) Potential uses for the site to meet parks and recreation services for the overall Sunnyvale community are:

1. Expand City recreation services by using the site for a variety of programs which could include, but are not limited to, day camps and after-school programs for Sunnyvale youth, a new Teen Center, a boxing program in cooperation with the Sunnyvale Department of Public Safety, and adult recreation and educational classes.
2. Expand the use of the gymnasium facility for activities in addition to the gymnastics classes that are currently scheduled there.
3. Maintain the studio space for the artists and consider expanding available space to accommodate additional artist studios.
4. Consider developing new structures to support specialized programs and activities not offered elsewhere in the community. An interest in creating a gymnastics center on the site was suggested.
5. Demolish the existing buildings and replace with artificial turf sports fields for use by City sports programs.

6. Sell or lease the entire property and use the proceeds to benefit open space and recreation priorities.

B) Potential uses that are not directly related to Parks and Recreation services, but would meet goals and priorities of other city policies include:

1. Lease the entire property for continued child care and pre-school programs.
2. Sell the entire property to an organization that provides child care and pre-school programs to Sunnyvale residents and/or use the proceeds from the sale to benefit child care and pre-school programs elsewhere in the City.
3. Lease the entire property for uses such as educational programs or classes, community health services and/or lease to other non-profit organizations that may need space, similar to the needs of the Friends of the Sunnyvale Public Library and the Western Philatelic Society.
4. Sell the entire property and use the proceeds in a manner to benefit the community through educational programs or classes, community health services and/or to support other non-profit organizations that may need space, similar to the needs of the Friends of the Sunnyvale Public Library and the Western Philatelic Society.
5. Continue to use the buildings for storage of City property in addition to the above uses.
6. Continue to use space in the buildings for the Friends of the Sunnyvale Library in addition to the above uses.

C) The future use of the Raynor Activity Center site could include a combination of any of the above uses:

1. Continue to lease some of the buildings to a child care/pre-school provider, provide space for the Friends of the Sunnyvale Library, Gymnastics programs and/or City storage. Use remaining space to meet parks and recreation services for recreation programs, artist studio space or other compatible uses.
2. Continue to lease the buildings used by the child care/pre-school provider and demolish the remaining buildings to expand Raynor Park.
3. Continue to lease the buildings used by the child care/pre-school provider, sell the remaining space and use the proceeds from the sale and lease to support parks and recreation services elsewhere in the City.

During the public input meetings held in the neighborhood on December 5, 2007, neighborhood residents expressed their opposition to the property being sold for high density housing and noted the City should avoid any changes in the use of the site that would bring more traffic into the area. In general, they

were very supportive of keeping the site available for child care services and educational or recreational programs that could serve the neighborhood and other community residents. There was strong sentiment that if the property was to be sold, the City should stipulate that future use of the site must be for community educational purposes and that the buyer of the property would be prohibited from re-selling it at a later date for housing development. The comments and suggestions received during the public input meetings are found on Attachment E.

Summary

The Raynor Activity Center is an aging facility that has received very minimal maintenance over the years. The buildings' mechanical systems have surpassed their life expectancy, and the facility requires substantial investment ranging from \$9 million to \$12 million to rehabilitate the buildings to bring them up to code or replace the buildings and better utilize the property. None of the current uses of the site directly supports parks and recreation program priorities; however, the lease of space for Artist Studios is supported by the Arts Sub-element. The only use specifically supported when the facility was first purchased by the City over 25 years ago is use for a child day care and pre-school center. The priorities recommended by the Parks and Recreation Commission at that time were uses for child care services, the Patent Library and the remaining space could be made available for other City purposes. Currently, the largest tenant on the site is the child care/pre-school center, My Dream Academy, which serves over 100 children and pays \$8,898 in monthly rents to the City for use of their space. This compares to a monthly payment of \$10,700 to \$12,000 if the school leased the same amount of space at market rates. Only the former school's gymnasium, which houses gymnastics equipment used by the City and the Sunnyvale Gymnastics Club, is used in a manner that provides recreation program services, but the provision of higher, more competitive level training is not a priority identified in the Open Space and Recreation Sub-Element. The artist studio space meets goals identified in the Arts Sub-Element, and the Friends of the Sunnyvale Library's space meets goals identified in the Library Sub-Element. The only non-City use of the property that does not pay a rental rate or have an agreement with the City is the storage of the Western Philatelic Library Collection, and the owners of the collection are attempting to find an alternative location. Any remaining space in the buildings is used by the City for storage.

Several uses for the site have been identified to better meet Parks and Recreation program priorities, and public input supports upgrading the buildings, but keeping the facility for uses either similar to those that are currently there – child care, educational or recreational programs, or demolish the aging buildings and turn the site, or even part of the site, into park open space and expand Raynor Park.

Options

There has been much discussion related to the potential uses for the site to better meet parks and recreation needs in the community and several ideas have been suggested. Before decisions can be made related to the use of the buildings on the site, the overriding decision that will affect future plans for the buildings is dependent upon the future of the property itself. The three options are to keep the property, sell it, or lease the property or part of the property, and use the revenue to meet parks and recreation priorities in other ways or to meet other City priorities. Since the site was originally purchased with General Fund monies there are no restrictions limiting the use of revenues from the site to park and recreation programs or priorities.

Option 1: Keep the Raynor Activity Center Site

This option would open the door to the decisions that need to be made regarding the future of the building structures. Under this option, the choices are to renovate the existing buildings, replace them or demolish them to expand the park site, or any combination of the three.

Renovating or replacing the buildings to meet current building codes would make them more attractive and allow the City to use the site for a variety of other purposes. In keeping with the use for Parks and Recreation purposes, renovated or replaced buildings could be programmed to meet the demands of a growing population for more leisure time activities. Such uses could include the expansion of parks and recreation programs and services similar to those mentioned above under “Potential Uses of the Site” and may include day camps, youth programs, a teen center, a gymnastics center, and other recreational programs that require more space. Further study would be required to determine the exact type of recreation programs and activities that would best serve the community at this site.

There could, of course, be a wide variety of non-park and recreation related uses for the site if the buildings were renovated or replaced. These uses include continuing to lease the facility for day care programs, artist studio space and/or provide agreements or leases for space to be used by community based organizations such as the Friends of the Library or the Sunnyvale Gymnastics Club. Such leases could be maintained by the City until the leased space is needed for Parks and Recreation or other City programs and services.

If some or all of the buildings were to be demolished, the resulting open space could be converted to parkland to expand Raynor Park and include amenities in support of parks and recreation services to the Sunnyvale community.

The benefits and opportunities that could be provided by keeping the Raynor Activity Center site and either renovating or replacing the buildings include:

- The enhancement of recreational programs and opportunities for all Sunnyvale residents.
- The opportunity to schedule specialized and adult revenue-generating classes and activities at the site to benefit the Community Recreation Fund.
- Buildings not to be used for Parks and Recreation Services could continue to be leased for other uses such as child care and artist studio space or used under an agreement with groups such as the Friends of the Sunnyvale Library or the Western Philatelic Library.
- Buildings not to be used for Parks and Recreation Services could continue to be used for City storage.

The negative impacts related to the option to keep the property and renovate or replace the buildings include:

- The cost to improve or replace the existing buildings to support new uses is high while the revenue for recreational classes and activities to cover the renovation costs is uncertain at best and, most likely, would not be sufficient to cover the renovation and maintenance costs. However, recreation programs could readily be planned for this site which would be self-sufficient and cover their costs if the capital and facility maintenance costs were not an issue. (The costs will be addressed in the fiscal impact section of this report.)
- Similarly, if all or a portion of the buildings were to be leased, the revenue from lease agreements would need to be significantly increased to cover the cost of the building renovations, or the lessee could be required to make the building renovations and cover the renovation costs. The current tenants may be willing to pay market rate for the use of Raynor Activity Center and, at times, has inquired on the availability of additional space at the site.

Other issues related to this option require more analysis before a final decision could be made on the details of the types of programs to operate in the facility. Determinations would need to be made to address:

- The optimal amount of space to be used for Parks and Recreation programs and services.
- The additional operating costs to the City to operate new and expanded recreation programs plus new revenue sources to support those programs would be required along with consideration of the level to which these programs could be self-sufficient.
- The availability of space that would not be needed for recreational programs and activities that could be leased to other organizations at market rates.

Option 2: Sell the Raynor Activity Center Site

This option would open the door to the future use of the site for other community uses, including residential development. Revenues from the sale of the property, estimated from \$10.5 million to \$12.0 million could be reinvested to support parks and recreation services by purchasing property in areas of the City where parks and open space is less available or to purchase new amenities in existing parks and open space. In addition, all, or part of the revenues could be used to support other non-parks and recreation related City priorities since General Fund monies were used to purchase the property. Currently, the Sunnyvale Parks of the Future Study has among its goals to determine areas where parks and open space are in greatest need throughout the City, as well as the future demand for specialized recreation facilities to better meet community needs.

The benefits and opportunities of Option 2 that could be provided by selling the Raynor Activity Center site include:

- The ability to use revenues from the sale of the property to acquire or develop parks and open space in areas of the city where the need for parks is greater.
- The ability to use revenues from the sale of the property to add new amenities in existing parks and open space areas of the City.
- Avoidance of the costs to renovate or replace Raynor Activity Center's aging building structures.
- Avoidance of increasing maintenance costs to support the aging facility.
- The ability to use revenue from the sale of the property for additional resources to meet other, higher City priorities.

Negative considerations include:

- Loss of space that is currently used for child care services and Sunnyvale artist studios and the rental revenues received from these uses.
- Loss of space currently used by the Friends of the Library who would need to be relocated.
- Loss of space currently used for City storage that may require relocation, most likely to existing City property that could be used for other revenue generating purposes such as the storage space at the Fair Oaks Industrial Park.
- Loss of space heavily used by the Sunnyvale Gymnastics Club which serves approximately 15 Sunnyvale students for advanced gymnastics programs and training.
- The one-time gain of revenue from the property sale would not provide for on-going maintenance costs of new park/open space that could be developed elsewhere in the City.

Option 3: Lease the Raynor Activity Center Site “as is”

This option would explore leasing the entire site for long-term use by one or more lessees, depending on the level of interest. The lease could stipulate that the lessee(s) invest in the site to upgrade the building structures to applicable building codes and provide a long-term agreement to help ensure the lessee could make a return on investment.

The benefits of this option include:

- Avoidance of costs to renovate the existing structures.
- The benefit of keeping the site under City ownership should there be a need for the property in the future.
- May allow some of the current uses of the site to continue if the occupants are willing to pay market rate which is likely with the new lessor.

Negative considerations include:

- Holding onto surplus property that is not required to meet future needs for City services in order to lease it as a form of revenue is not in the mission of the City.

In response to this study, the owners of My Dream Academy have submitted a letter expressing their interest in either purchasing the facility “as is,” or continuing their lease for at least ten more years, or purchasing the land if the buildings are demolished. (See Attachment F: Letter of Interest from My Dream Academy).

Other Considerations related to the Untitled Mural on Building #8

As was previously noted, an exterior wall on Building #8 is the site of an untitled, painted tile art mural by Malou Flato, which is part of the City’s public art collection that was installed in 1988. Since the agreement with the artist did not provide a waiver of the artist’s rights to the mural, staff reviewed the City’s obligations in relationship to this artwork should a decision be made to eventually sell, or demolish building #8 of the Raynor Activity Center. The mural qualifies as fine art protected by the California Art Preservation Act (CAPA), (Civil Code §987) which prohibits owners and possessors of fine art, other than the artist, from destroying the art, and from authorizing others to do so. A mural attached to a building, such as the tile mural on the façade of building #8, receives special attention under CAPA. If the art cannot be removed from the building without damage to the art or the building, the artist is deemed to have waived his or her rights under the statute, (unless there is an express reservation of rights in a written, recorded instrument which in this case, there is not.) If the art can be removed from the building without damage, the owner must attempt to notify the artist of the impending destruction or alteration. The artist then has 90 days to remove the art at his or her own

expense. If the artist fails to remove the art within that time, the owner may destroy it without liability.

In addition to CAPA, there is also the Visual Artists' Rights Act ("VARA") (17 U.S.C. §106A), a federal statute that protects artwork of "recognized stature" from mutilation or destruction without the artist's consent. However, VARA does not apply to works created before December 1, 1990, as long as title was conveyed from the artist prior to that date. The artwork on the outside wall of the Raynor Activity Center was completed by the end of 1988, so the requirements in VARA would not apply.

Since the artist for the mural attached to building #8, Malou Flato, is still an active artist, measures would need to be taken to contact her regarding the future of the artwork should a decision be made to demolish the building or sell or renovate it in a manner that may destroy the artwork. Staff does not believe the artwork could be removed without significant damage or destruction, but an expert opinion would be sought to evaluate the feasibility of safely removing the tiles.

FISCAL IMPACT

Six fiscal impact scenarios are shown below. Four of the scenarios relate to Option #1 to keep the Raynor Activity Center property and each scenario 1A – 1D describes costs should the existing buildings be renovated, replaced or demolished.

Currently, there is one capital project underway (roof repair); however, there are no additional projects budgeted in future years, pending the Council direction in response to this study.

**Cost of Options to Consider for the
 Future Use of the Raynor Activity Center**

OPTION #1: Keep the Raynor Activity Center property				
	Description	# Square Feet	Cost Estimate (range / sq. ft.)	Cost Estimate
A	Rehabilitate existing structures to current codes.	30,000	\$250 – \$350	\$9.0 million plus annual \$99,000 for operation & maintenance costs
B	Replace buildings with similar size and type of structures.	30,000	\$380 – \$400	\$11.7 million plus annual \$99,000 operation & maintenance costs
C	Replace buildings with new community center facility designed for specific, community use	30,000	\$400 – \$445	\$13.35 million plus annual \$99,000 operation & maintenance costs (which could be reduced with improved efficiencies and better use of space.)
D	Demolish Existing Structures and Expand Open Space in Raynor Park.	30,000	\$12 – \$15 (Incl. hazardous material removal) Costs to relocate City uses and storage estimated up to \$72,000 annually would need to be considered.	\$2.050M (incl. \$450,000 for removal of existing structures + \$1.60M for park/open space development.) An estimated annual park maintenance cost of \$64,000 would be offset by eliminating \$99,000 in existing annual building maintenance & utility costs.

OPTION #2: Sell the Raynor Activity Center property				
	Description	# Acres	Cost Estimate	Revenue Estimate*
	Sell the Property "as is"	3.0	Costs would be negligible since selling the property would eliminate on-going \$99,000 annual maintenance costs but this may be offset by costs to relocate City storage, estimated up to \$72,000 annually.	\$3.5 million to \$4.0 million per acre x 3.0 acres = \$10.5 million to \$12.0 million.
<p>*Note: Revenue estimates obtained from Multiple Listing Services for Residential Land Sales. Actual revenues would vary based on property zoning and housing density.</p>				

OPTION #3: Lease the Raynor Activity Center property "as is"			
	Description	# Square Feet	Cost Estimate
	Lease Property "as is"	30,000	Revenues from lease agreement(s) will vary greatly based on terms of the agreement. If all buildings were leased at below market rate (\$.95 per sq.ft./month) revenues would equal approximately \$345,000 annually. If leased at market rates, (\$1.15 - \$1.30 per sq.ft./month) revenues would equal \$414,000 to \$468,000 annually. Costs for facility maintenance and to relocate City uses and storage would need to be considered.

Current Revenues from Raynor Activity Center

Currently, annual revenues received from My Dream Academy, from March 1, 2008 through February 28, 2009, are planned at \$.955 per square foot per month, or \$106,776, and revenues from the rental of the Artist Studio space is planned at \$.55 per square foot per month, or \$26,358 for the year. In keeping with other agreements with youth sports groups for the use of City recreation facilities, the Sunnyvale Gymnastics Club is charged a nominal \$2.00/hour for the use of the Raynor Gymnasium and over the past few years the Gymnastics Club has paid from \$2,000 to \$2,600 per year into the Community Recreation fund for its use of the facility. This makes the total revenue from the current

uses of the site approximately \$135,000 each year, or \$.375 per square foot for the 30,000 square foot site. This compares to the average market rate for this type of facility of \$1.15 to \$1.30 per square foot per month, or annual revenues that could range from \$414,000 to \$468,000 if the entire 30,000 square foot site was leased. There are no other direct revenues from any of the other uses at the site, although revenues from book sales hosted by the Friends of the Sunnyvale Library at the Raynor Activity Center are donated to the library for specific programs or purposes. The Sunnyvale Library does not depend on these revenues for ongoing operation of the library programs.

Required Revenues to Mitigate Costs of Options 1A: Renovate Buildings to Current Code, or 1B: Replace Buildings with Similar Size Structures

Revenues derived from the Raynor Activity Center could increase slightly if the facilities were renovated to current building code requirements and leased for similar purposes; however, they would not increase proportionately to the cost of renovations and maintenance over a 20-year period. For example, the table in Attachment G, Scenario 1 shows the fiscal impact if the buildings were renovated to meet current codes at a cost of \$9 million. After adjustments for inflation and on-going facility maintenance costs, revenues would need to increase from the \$135,000 currently received, to \$558,545 in the first year in order to cover the renovation costs and have a zero impact on the City's budget over the 20-year plan. Revenue estimates if the entire facility was leased at the lower end of market rates, at \$1.15 per square foot per month, would mean annual revenues could total \$414,000 if all the building space were leased, but this revenue would still be short, by \$144,545, of the required revenue to have a zero impact on the City budget.

Similarly, as shown in Scenario 2, if the buildings were replaced with similar sized structures at a cost of \$11.7 million, after adjustments for inflation and on-going facility maintenance, revenues would need to increase from \$135,000 to \$696,408 to recover costs and have a zero impact on the City's budget over the 20-year plan. If the entire facility were leased at the upper end of the market rate for similar buildings, at \$1.30 per square foot per month, the annual revenue would total \$468,000, which is still \$228,408 short of the required revenue to have a zero impact on the City's budget.

Fiscal Impact of Option #1C: Replace the Buildings with New Buildings to Serve Current and/or Other Community Needs (to be determined.)

A cost analysis to replace the buildings with new structures to serve uses similar to the site's use today or to serve other, yet to be determined, uses would depend on the size and types of new structures to be built. The 2006 Open Space and Recreation Sub-Element identifies several priorities for acquiring and developing open space and recreational amenities and programs. A few of the priorities that apply are to consider areas where the current number of households and the projected number of households within

specified distances relying on the open space or recreational amenity is greater and where the needs are greatest and/or which will meet the greatest needs. The 2006 Sub-Element also notes that the Raynor Neighborhood is among the best served areas in the City; therefore, a plan to build new recreational facilities in this area of the City would not rank as a high priority in comparison to other areas of Sunnyvale that have a much greater need. Should it be determined that another type of facility is desirable for that area of the City, further exploration of options – the size and type of facility, and demands for public services at the site would require further exploration before cost parameters could be developed.

Fiscal Impact of Option 1D: Demolish Existing Structures and Expand Open Space in Raynor Park

Demolishing the existing structures, estimated to cost \$450,000, and replacing them with new open space/park lands estimated to cost \$1,600,000 (including planning, design and construction) will total \$2,050,000. Over the 20-year financial plan, this will require an additional \$2,790,063 in today's dollars to cover the installation costs and provide for on-going maintenance of the new open space, as shown in Scenario 3 in the table in Attachment G. Costs for new park/open space could widely vary depending on the use of space for open lawn areas, sports fields or landscaped park and play areas. More specific costs to install specialized facilities such as tennis courts or skate parks would be determined in the planning and development phases of new park construction if this option is selected. This option also includes the on-going cost to store the city's office furniture at the annual rate of \$72,000 per year.

Fiscal Impact of Option #2: Sell the Raynor Activity Center

As shown in Attachment G, Scenario 4 describes the impact should the City sell the land and buildings associated with the Raynor Activity Center site. This site, including the property occupied by the buildings, but excluding the south parking lot near the sports fields and the north-west corner of the lot which contains a City water well, is approximately 3 acres in size. Estimates for the sale of land range from \$80 to \$90 a square foot, or approximately \$3.5 million to \$4.0 million an acre. While the market may fluctuate in any given time period, the potential value of the 3 acres of land at \$4 million per acre would provide up to \$12 million dollars in new revenue to the City. It should also be noted that the funds currently planned each year for facility maintenance services would be eliminated. However, this savings, approximately \$99,000 per year, may be offset by the need for additional office furniture storage estimated to cost \$72,000 per year.

Fiscal Impact of Option #3: Lease the Raynor Activity Center "as is"

This option would allow the City to negotiate with interested parties a plan to lease the Raynor Activity Center buildings in their current condition as long as the lessee could cover all costs to maintain and upgrade the site as necessary,

with no fiscal impact to the City. Interest has been expressed by the current day care provider, My Dream Academy, to lease the site and expand child care and community based programs and services. Interest has also been expressed from other groups. The California Sports Center, which currently provides gymnastic classes for the City's recreation programs, has expressed an interest to expand the Raynor Gymnastics Center to include programs serving a greater population of local gymnasts. Other child care providers have expressed an interest in using any available space at the site for their child care programs, and the artists currently located in building #8 have expressed their desire to have the studio space remain available to them. This option, to lease the center, would require a long term commitment from one or more tenants but, with a goal to have no fiscal impact to the City, the lease costs would be considerably higher. It would also be reasonable to expect the lessee(s) to desire to demolish some of the buildings and lease or replace the remaining ones; therefore, more exploration of the variety of scenarios would be required before estimated cost impacts could be developed since the amount of square footage of building space and the way potential lessees may want to use that space, could vary widely.

Costs to Relocate City Uses at the Raynor Activity Center

In options #1C, #1D and #2 and #3 above, there may be an additional cost to relocate the City's furniture storage and the Friends of the Library's book staging area. Depending on the availability of City-owned space at sites such as the Fair Oaks Industrial Park or the Sunnyvale Office Center (SOC) at 505 West Olive Avenue where space may become available, or other locations where storage containers could be staged, the costs to store the furniture can vary widely. The SOC has a large deep basement space but without an elevator and fire exits, it would require extensive renovation to be used for furniture storage or as a base of operations for the Friends of the Library. Other options include renting storage units for the City's furniture and placing them somewhere on City property or renting storage space in a storage yard. Cost estimates to rent storage space are currently \$1.00 to \$1.20 per square foot per month. While the Facility Services Division currently uses 8,000 sq. ft. of the building space at the Raynor Activity Center, staff indicates they would be able to reduce the amount of inventory as older lines of modular furniture can be replaced and eliminated. The inventory could be stored in a more compressed space that is properly designed for modular furniture parts and panels. The options for future storage of the City's furniture will require further exploration before a more definite plan could be made and consideration would be given to the value of the furniture in storage and compared to the long-term costs to store it. Meanwhile, the annual cost estimate of \$72,000 per year is based on an estimated need for 5,000 to 6,000 square feet of storage space at \$1.00 to \$1.20/sq.ft./month.

PUBLIC CONTACT

Public input was made in the course of conducting the study through meetings held with current occupants of the Raynor Activity Center - the President of the Sunnyvale Gymnastics Club and the Friends of the Library, members of the Western Philatelic Library and the owners of the preschool, My Dream Academy. In addition, a public meeting to gather community input on the future of the site was held at the Raynor Park Building on December 5, 2007.

Public contact was made through posting of the Parks and Recreation Commission, Arts Commission and Board of Library Trustee agendas on the City's official notice bulletin board, posting of the agenda and report on the City's web page, and the availability of the report in the City Clerk's office, Library, Parks and Recreation Administration office, Corporation Yard, Community Center, and Senior Center. In addition, copies of the draft report to the Commissions were provided to the Presidents of the Birdlands and Raynor Neighborhood Associations; the owners of My Dream Academy, and the president of the Sunnyvale Gymnastics Club.

Notice of the Commission and City Council meetings regarding the report was also distributed to the "Friends of the Parks and Recreation" mailing list (a list of organizations and individuals who have expressed an interest in parks and recreation issues), and to individuals who attended the public input meeting on December 5, 2007, who requested to be included in the "Friends" mailing.

ALTERNATIVES

1. Approve Option #1 to keep the property and suggest further study related to the costs and benefits for uses of the site as follows:
 - a. Consider renovating the existing buildings to bring them up to code, and consider parks and recreation programs and activities in addition to some or all of the existing uses of the site, and return to Council with a detailed proposal to include renovation costs, on-going maintenance and programming costs, and related information on the proposed use of the site; and/or:
 - b. Replace the existing buildings and consider new facilities that better meet the demands for parks and recreation services in addition to some or all of the existing uses of the site, and return to Council with a detailed proposal to include replacement costs, on-going maintenance and programming costs, and related information on the proposed use of the site; and/or:
 - c. Consider demolishing the existing structures to expand Raynor Park to include all the land currently occupied by the Activity Center buildings.

2. Approve Option #2 to sell the Raynor Activity Center Site and use proceeds from the sale to acquire or develop new parks and open space in areas of the City where the need is greater, as identified by the Parks of the Future Study due to Council in September 2008.
3. Approve Option #2 to sell the Raynor Activity Center Site and use proceeds from the sale to support other, higher priorities of the City.
4. Approve Option #3 to lease the Raynor Activity Center Site for a long-term use by one or more lessees and stipulate that the lessee(s) invest in the site to upgrade the building structures to meet applicable building codes.

RECOMMENDATION

Staff recommends approval of Alternative #2: Approve Option #2 to sell the Raynor Activity Center Site and use proceeds from the sale to acquire or develop new parks and open space in areas of the City where the need is greater, as identified by the Parks of the Future Study due to Council in September 2008

The 2006 Open Space and Recreation Sub-Element notes that the Raynor Neighborhood Planning Area has the most City-owned park acreage per 1000 population. When considering both City-owned parks and school open space under maintenance agreement with the City, the Raynor Neighborhood Planning Area ranks third for open space acreage per 1000 population. The Sub-Element notes "Since Peterson Middle School [which is across the street from Raynor Park] is not under agreement with the City, its acreage is not counted in any of the totals, although much of the open space is available to the public during non-school hours."

There are several areas in the City where park open space is not as available as it is to the Raynor Neighborhood Area. The 2006 Open Space and Recreation Sub-Element identified areas near Acalanes/Iowa, Morse/Tasman (including ITR 7 & 8) and neighborhoods between the Community Center and Fremont High School as those outside of park and school field service areas. Similarly, the Sub-Element noted the Sunnyvale Neighborhood Planning Areas of Ponderosa, Lakewood, Washington, and West Murphy as those that would have less park and school open space, from .79 acres to 1.35 acres per 1000 population as the City's population increases, compared to the Raynor Neighborhood Planning Area which would have 2.84 acres per 1000 population.

Monies from the sale of approximately three acres of land for residential development at the site of the Raynor Activity Center would be used to provide parks and develop open space in those areas of the City where the need is the greatest. In addition, the Open Space and Recreation Sub-Element was

approved with a Council policy “to support the acquisition of exiting open space within the City limits as long as it is financially feasible to do so.” (Policy 2.2.A.11). The Sunnyvale Parks of the Future Study, which is currently underway and due to City Council in September 2008, will identify more specific areas of the City where the need for parks and open space is the greatest.

There are conflicts, of course, in the implementation of all policies. The Arts Sub-Element includes a Council Policy to “Encourage a supportive environment that is receptive to the Arts and welcomes the presence of Art, resident performing arts companies, art services, performances, artists and performers in the community.” and an action statement to “Evaluate availability of rehearsal, performance and studio space for local artists and multi-cultural events and consider ways the City can facilitate that provision.” (Policy A. 3). The recommendation to sell the Raynor Activity Center Buildings will most likely eliminate the space occupied by the Artist Studios in building #8; however, a far greater number of residents would be served if proceeds from the sale of the property were used to provide new park lands in under-served areas of the City when compared to the costs and support to provide low-cost artist studio space. The financial resources from the sale of the property, estimated at approximately \$12 million, would best be used to purchase or develop new park open space and play areas where the demand is the greatest. This consideration would also need to address the on-going storage needs currently provided at Raynor Activity Center, as well as the on-going park maintenance costs where a new park facility would be developed.

Consideration should be given to the ability of the existing tenants to relocate should the Raynor Activity Center be sold for uses different than is currently provided there. My Dream Academy, which provides child care and pre-school services to 140 children, would need time to seek other locations for its services and has also expressed an interest in purchasing the facility to keep as a day care center. The artist studio space at Raynor may be very difficult to relocate, especially given the below market rents the artist’s currently pay. The Western Philatelic Library would be required to relocate their collection and, as previously mentioned, the group has requested at least one-year notice to find another location and move from the Raynor Activity Center. Finally, the Friends of the Sunnyvale Library which uses space in one of the Raynor Activity Center classrooms to collect and sort donated books and reading materials, would need time to seek alternate space and relocate their services.

On July 23, 2008, the Parks and Recreation Commission and the Arts Commission held a special, joint meeting and provided a Public Hearing on this report. Approximately 80 members of the public were in attendance and 24 residents addressed the Commissions during the Public Hearing. (See

Attachment H: Unapproved minutes of July 23, 2008, Joint Meeting of Parks and Recreation and Arts Commissions.)

The Arts Commission voted 4-0 to recommend Alternative #4: Approve Option #3 to lease the Raynor Activity Center site for a long-term use by one of more lessees and stipulate that the lessee(s) invest in the site to upgrade the building structures to meet applicable building codes and, in addition, that the current uses and users remain in the facility.

The Parks and Recreation Commission voted 5-0 to recommend Alternative #4: Approve Option #3 to lease the Raynor Activity Center site for a long-term use by one or more lessees and stipulate that the lessee(s) invest in the site to upgrade the building structures to meet applicable building codes and, in addition, to require that the repairs be completed within a certain time limit.

The Board of Library Trustees will consider this report at their regularly scheduled meeting on August 4, 2008.

Reviewed by:

David A. Lewis, Director, Department of Parks and Recreation

Prepared by: Cathy E. Merrill, Assistant to the Director

Reviewed by:

Mary J. Bradley, Director, Department of Finance

Approved by:

Amy Chan
City Manager

Attachments

Attachment A: Study Issue Paper titled: Consider Options for the Use of Raynor Activity Center

Attachment B: Raynor Activity Center Location Map

Attachment C: Site Map for Raynor Activity Center

Attachment D: Current Use of Raynor Activity Center

Attachment E: Suggestions for Use of Site Received during Neighborhood Public Input Meetings

Attachment F: Letter of Interest from My Dream Academy

Attachment G: Spreadsheet for Cost Scenarios

Attachment H: Unapproved minutes of July 23, 2008, Joint Meeting of Parks and Recreation and Arts Commissions

Proposed Continuing Council Study Issue

Number DPR-02C
Status Pending
Calendar Year 2008
Title Consider Options for Use of Raynor Activity Center
Lead Department Parks and Recreation
Element or SubElement Open Space and Recreation Sub-Element

1. What are the key elements of the issue?

The 2006 Open Space and Recreation Sub-Element identified a number of Key Initiatives as priorities for study in the ensuing three to five years. One of these priorities is to evaluate how well the Raynor Activity Center meets the City's priorities for open space and recreation and would determine options for disposition of the site.

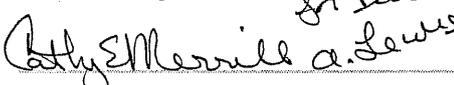
Key elements of this study would include: assessment of current uses for the facility and the condition of the facility; identification of uses for the site including continuation of current uses as well as other alternatives; assessment of how each alternative meets identified City priorities for recreation and open space; estimate of costs associated with each identified alternative. Alternatives to be considered include: keeping/upgrading for use as recreation facility; tear down and use for civic, non-recreation use; sell.

2. Current Status:

The Raynor Activity Center site has been reviewed and the occupants and uses of the various buildings and rooms at the site have been identified. The majority of the work on this project will take place in the fall of 2007. This study is expected to be completed and presented to City Council in accordance to the Council's current agenda calendar.

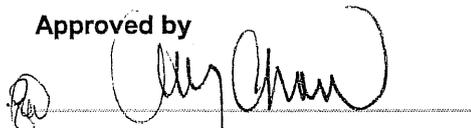
3. Estimated consultant hours for completion of the study issue

Managers None

Reviewed by

 Cathy Merrill
Department Director

*for David
a. Lewis*

8-31-07
Date

Approved by

 Cathy Chan
City Manager

8/31/07
Date

Proposed New Council Study Issue

Number DPR-08

Status Pending

Calendar Year 2007

New or Previous New

Title Consider Options for Use of Raynor Activity Center

Lead Department Parks and Recreation

Element or SubElement Open Space and Recreation Sub-Element

1. What are the key elements of the issue? What precipitated it?

The 2006 Open Space and Recreation Sub-Element identified a number of Key Initiatives as priorities for study in the ensuing three to five years. One of these priorities is to evaluate how well the Raynor Activity Center meets the City's priorities for open space and recreation and would determine options for disposition of the site.

Key elements of this study would include: assessment of current uses for the facility and the condition of the facility; identification of uses for the site including continuation of current uses as well as other alternatives; assessment of how each alternative meets identified City priorities for recreation and open space; estimate of costs associated with each identified alternative. Alternatives to be considered include: keeping/upgrading for use as recreation facility; tear down and use for civic, non-recreation use; sell.

2. How does this relate to the General Plan or existing City Policy?

This study is specifically called for as a Key Initiative and priority for study in the 2006 open Space and Recreation Sub-Element.

3. Origin of issue

Council Member(s)

General Plan Open Space and Recreation Sub-Element

City Staff

Public

Board or Commission none

4. Multiple Year Project? No Planned Complete Date

5. Expected participation involved in the study issue process?

Does Council need to approve a work plan? No

Does this issue require review by a Board/Commission? Yes

If so, which?
Arts Commission, Board of Library Trustees, Parks and Recreation Commission

Is a Council Study Session anticipated? Yes

What is the public participation process?
Public hearings with the Parks and Recreation Commission, Arts

Commission, Board of Library Trustees, and City Council. Meeting with the users of the Raynor Activity Center. Meeting with the neighborhood.

6. Cost of Study

Operating Budget Program covering costs

601- Parks and Recreation Management

Project Budget covering costs

Budget modification \$ amount needed for study

Explain below what the additional funding will be used for

7. Potential fiscal impact to implement recommendations in the Study approved by Council

Capital expenditure range \$501K or more

Operating expenditure range \$101K - \$500K

New revenues/savings range \$501K or more

Explain impact briefly

Potential fiscal impact will vary greatly depending on which recommendations Council approves. For example, if Council determines to sell the Raynor Activity Center, the City could expect substantial new revenue. On the other hand, if Council determined to remodel or tear down and build a new facility, there would be significant new capital costs and the potential for additional operating costs, depending on the new use.

8. Recommendation for this calendar year

Board or Commission ranked this study issue ____ **of** ____

4 of 4, n/a, 4 of 7

Board or Commission ranking comments

The Arts Commission ranked this study 4 out of 4 issues ranked for Council consideration for study in calendar year 2007.

The Board of Library Trustees reviewed this study issue paper during their regular meeting on November 6, 2006, but did not rank it.

The Parks and Recreation Commission ranked this study 4 out of 7 ranked issues for Council consideration for study in calendar year 2007.

Staff Recommendation None

If 'For Study' or 'Against Study', explain

9. Estimated consultant hours for completion of the study issue

Managers	Role	Manager	Hours			
	Lead	Merrill, Cathy	Mgr CY1:	150	Mgr CY2:	0
			Staff CY1:	50	Staff CY2:	0
	Support	Black, Curtis	Mgr CY1:	100	Mgr CY2:	0
			Staff CY1:	20	Staff CY2:	0
	Support	laquinto, Larry	Mgr CY1:	100	Mgr CY2:	0
			Staff CY1:	20	Staff CY2:	0
	Support	Lewis, David				

		Mgr CY1:	50	Mgr CY2:	0
		Staff CY1:	0	Staff CY2:	0
Support	Morton, Scott	Mgr CY1:	50	Mgr CY2:	0
		Staff CY1:	0	Staff CY2:	0
Support	Steward, Nancy	Mgr CY1:	100	Mgr CY2:	0
		Staff CY1:	20	Staff CY2:	0
Interdep	Chan, Mike	Mgr CY1:	50	Mgr CY2:	0
		Staff CY1:	0	Staff CY2:	0
Interdep	Moon, Rebecca	Mgr CY1:	10	Mgr CY2:	0
		Staff CY1:	0	Staff CY2:	0
Interdep	Raina, Hira	Mgr CY1:	30	Mgr CY2:	0
		Staff CY1:	0	Staff CY2:	0

Total Hours CY1: 750

Total Hours CY2: 0

Note: If staff's recommendation is 'For Study' or 'Against Study', the Director should note the relative importance of this Study to other major projects that the Department is currently working on or that are soon to begin, and the impact on existing services/priorities.

Reviewed by

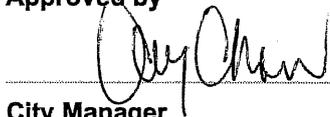


Department Director

10-26-06

Date

Approved by

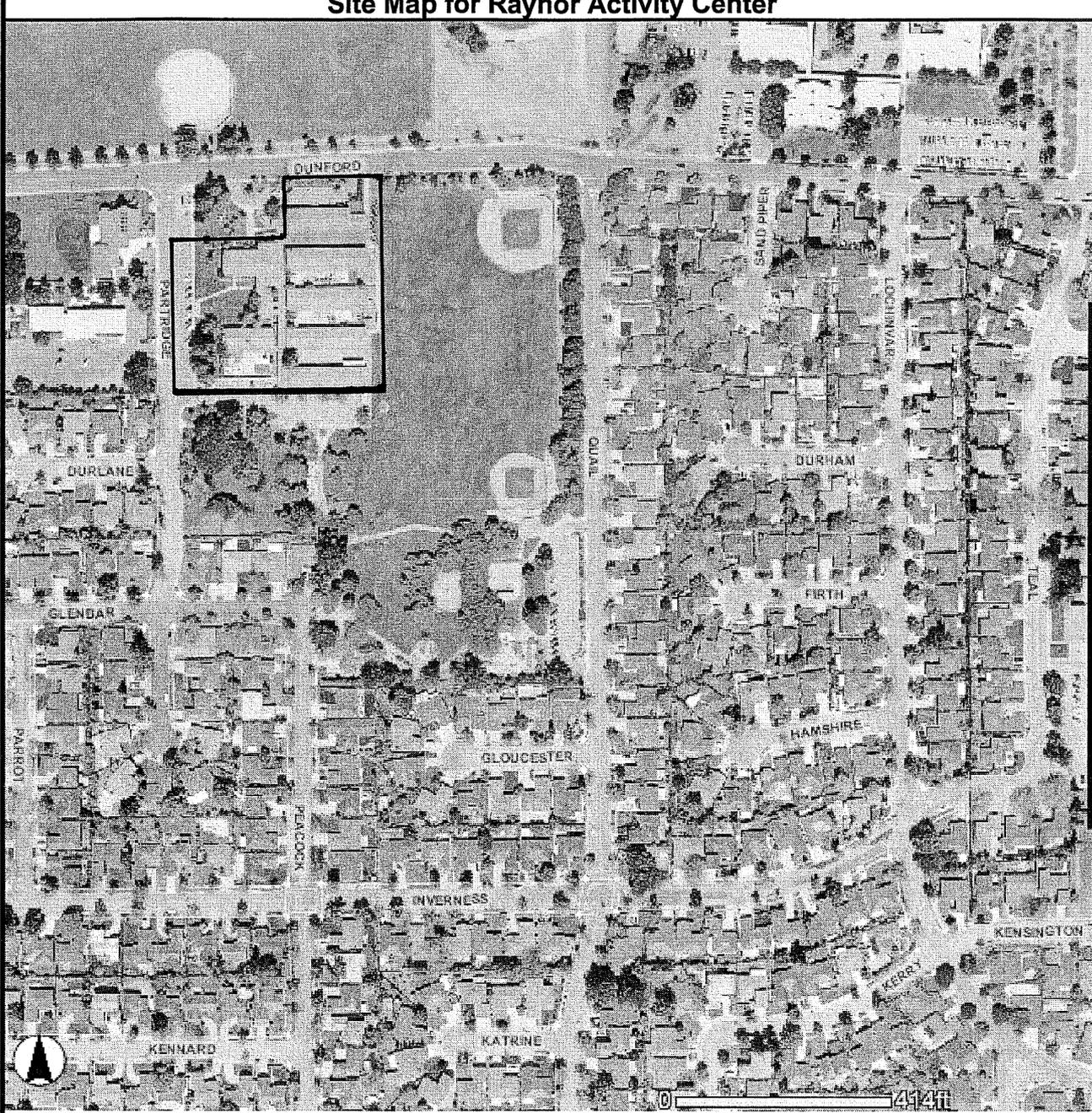


City Manager

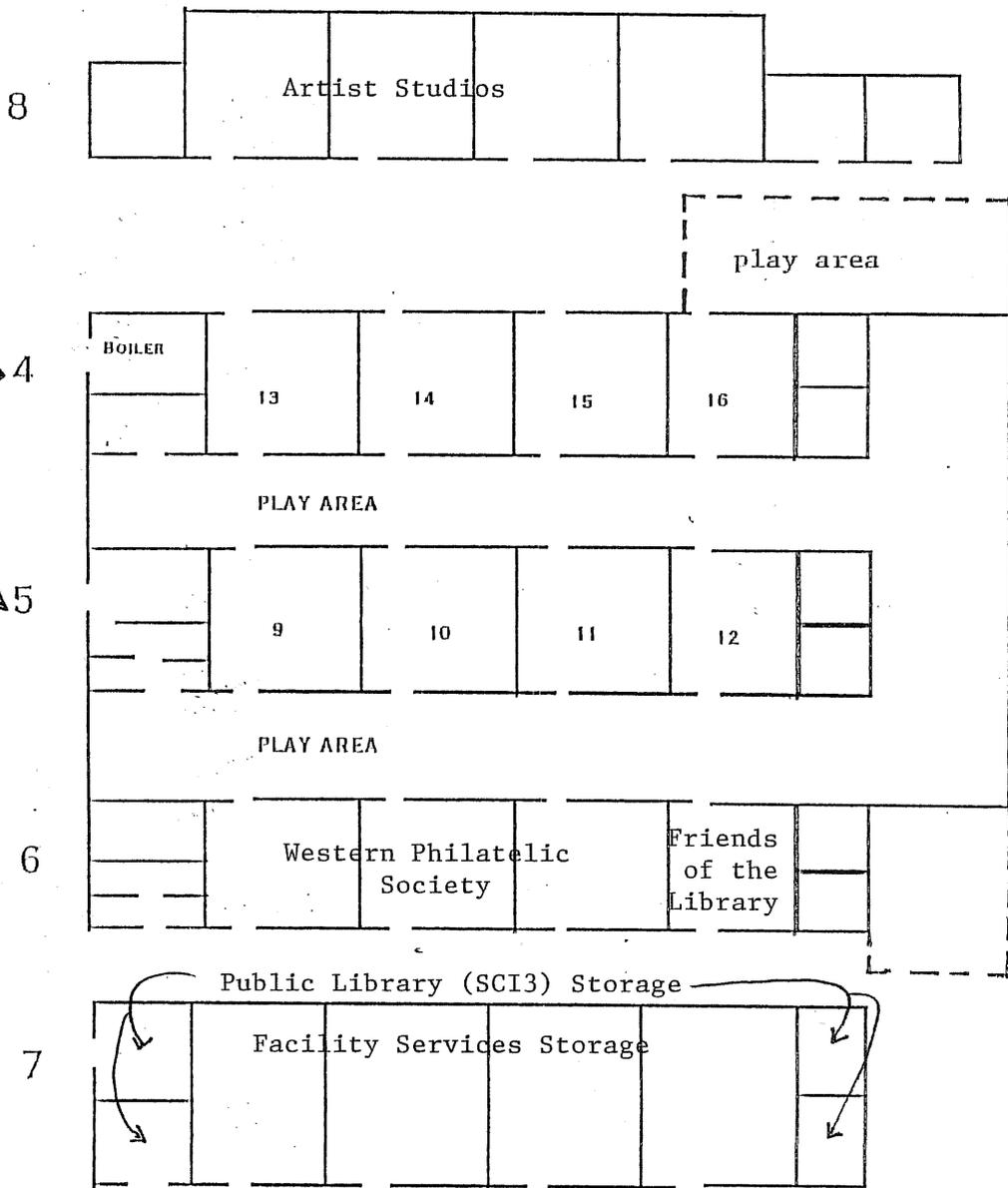
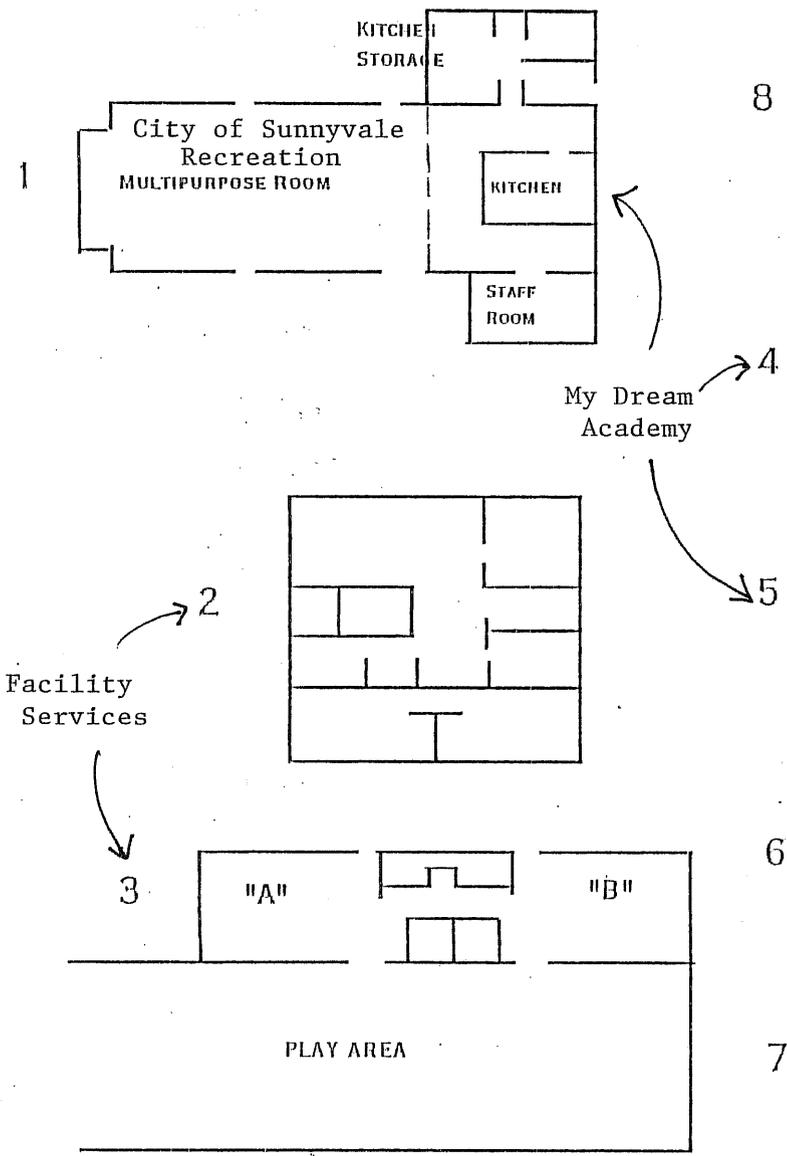
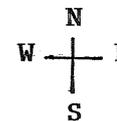
11/7/06

Date

Site Map for Raynor Activity Center



RAYNOR ACTIVITY CENTER
CURRENT USERS OF BUILDING SPACE



hydrant

Soccer field

**Consider Options for the Use of Raynor Activity Center
Suggestions from Public Meetings Held at Raynor Park Building
December 5, 2007 at 11:00am and 7:00pm**

11:00 AM

1. Renovate the buildings and continue with their current use.
2. Relocate the City's storage
 - a. Expand the pre-school
 - b. Consider increasing the number of school aged children for My Dream Academy (MDA).
3. Sell to private enterprise for use for day care center and other community uses
4. Do not sell for high density housing or condos!
5. Use/ Keep un-used or under-used buildings for open space and recreation purposes
6. Maintain City Ownership
7. Provide Parks and Recreation programs and services in the buildings.
8. Keep the Child Care services operating on the site and/or programs to serve the neighborhood
9. Coordinate w/ the school district to provide day care, after school care for children
10. Consider use as branch library
11. Expand the Western Philatelic Library which has been identified by the Federal Government as a National Treasure
12. Consider uses by other groups and non-profits similar to the Western Philatelic Society, who needs space.
13. Expand the Day Care, relocate the storage and allow the existing users to expand in the available space.
14. Expand smaller areas, like the artist studios, to accommodate more users.

7:00 PM

1. Do not change the use of the site in a manner that would increase traffic into the neighborhood
2. Use the buildings for expansion of library services
3. Do not sell the site for high density housing!
4. Keep similar use to what the site is currently used for – library, day care/ pre-school provider, cultural/ educational uses
5. Continue to provide a space in support of the Friends of the Library and provide similar support for the Western Philatelic Library
6. Replace the buildings for like use
7. Do not sell the property!
8. Consider recreational/ enrichment programs in the local neighborhood
9. Expand the daycare center to include additional educational classes
10. Save the mural on the side of the building
11. Replace the buildings with a small elder-care facility (6-10 residents)
12. Seek grant funding to help defray renovation/ replacement costs.
13. Lease to private schools and/or organizations for use as educational center for school age children

**PROPOSAL OF AN EDUCATIONAL CENTER
IN RAYNOR ACTIVITY CENTER**

My Dream Academy
1500 Partridge Avenue
Sunnyvale, CA 94087
(408)730-9600
www.MyDreamAcademy.com

December 2007

CONTACT:

Ikko Fushiki
President
ifushiki@MyDreamAcademy.com

1. Summary

My name is Ikko Fushiki. My wife Maria and myself live in the Birdland neighborhood of Sunnyvale (the area bounded by Wolfe Road, Lawrence Expressway, El Camino Real, and Homestead Road).

Together, Maria and I run the child care center, "My Dream Academy" hereafter referred as MDA, for the past four years in Raynor Activity Center (hereafter referred as RAC) here. We started with a dozen children and now we have over 150 children at our center. We have outgrown our buildings and we have requested the City of Sunnyvale (hereafter referred as "the City") to lease more buildings to us for the past two years. We even offered to repair the buildings at our own cost, but the City's response was to put "Not For Lease" signs on the empty buildings. It is completely wrong and not a true statement on the part of the City to represent the buildings as under-utilized and not making any money.

We at MDA have proposed the City to make RAC an Educational Center for Sunnyvale and neighboring residents. Although there are many children, we do not have many enrichment classes in our neighborhood - for example, dance, martial art, language, math, tutoring, SAT prep, fitness classes, etc. We welcome other organizations to provide those enrichment programs. Small business organizations in educational fields in Sunnyvale will be an excellent fit. MDA used to have an After-School Program. Because of room shortage, we had to close the program. If MDA acquires more classrooms, we would be happy to re-open the After-School Program.

Sunnyvale Gymnastics Club is doing a great job in producing competitive girl gymnasts. We are proud of that. However, since the gymnasium is not used in the morning and early afternoon, we can use it for the small children's tumbling classes or senior citizens' fitness classes in those hours. Adding those enrichment and educational classes in the new RAC will be a tremendous plus for the neighbors. Those activities will then be available year around.

In order to support the concept of an Educational Center, MDA offers to back up financial support for the retrofitting of the buildings in order to bring them up to code if necessary. If the City wants to sell RAC, we and MDA want to purchase the RAC property to accomplish our concept of the Educational Center for the neighboring residents.

We think it is a terrible mistake to convert this facility to high density residence in low density neighborhood. The Educational Center will provide a great benefit for our community - a benefit that is supported whole-heartedly by our community.

2. Present Situation

There are 8 buildings in RAC as shown in Figure 1. MDA uses buildings 4, 5, and a part of building 1. Sunnyvale Gymnastics Club uses building 1 (gymnasium). Friends of Sunnyvale Library and the Western Philatelic Library use two classrooms in building 6. Four artists use building 8. Buildings 2, 3, and 7 are used as the storage rooms for the City of Sunnyvale.

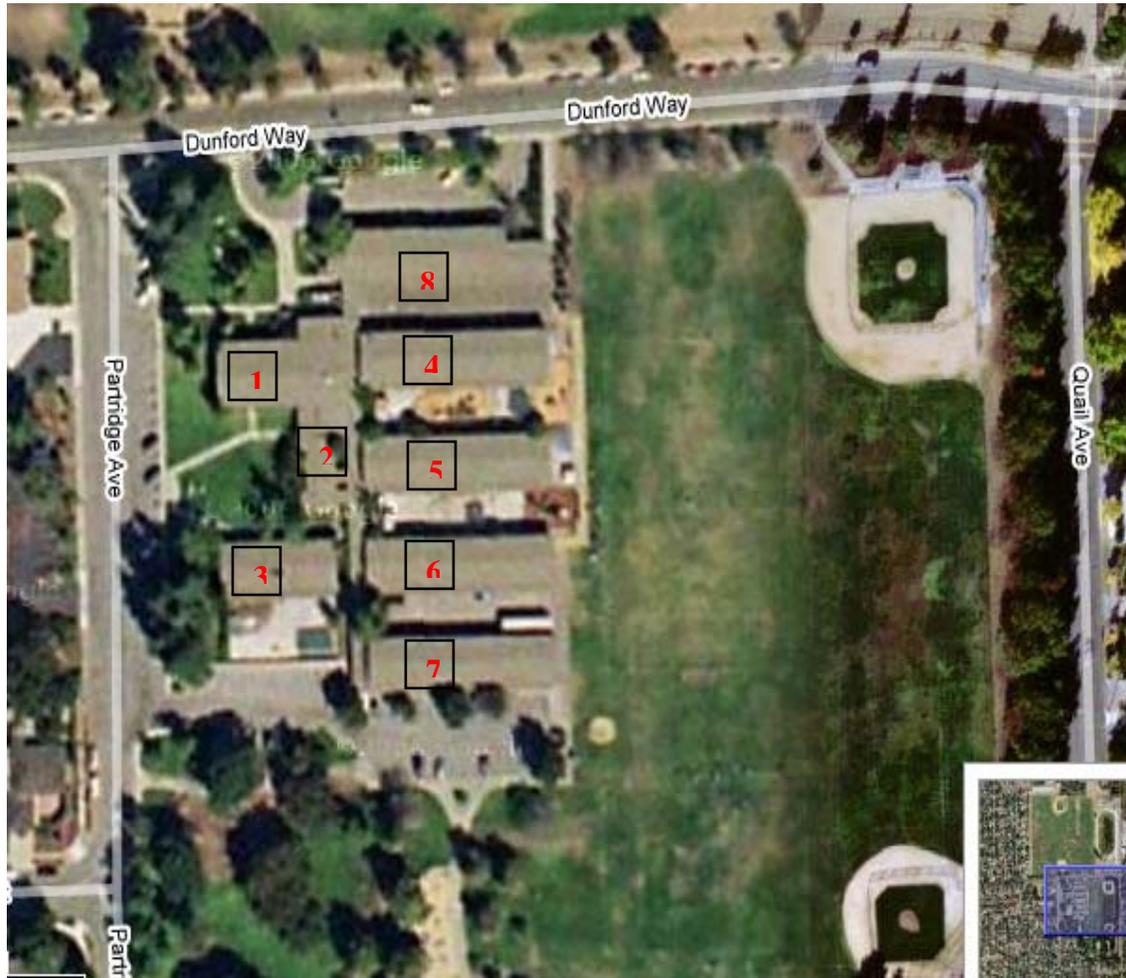


Figure 1. Buildings 1 – 8 in RAC (Raynor Activity Center)

We can analyze the current usage of the leased buildings 1, 4, 5, 6, and 8. MDA opens at 7 am and closes at 6 pm Monday through Friday. The buildings 4, 5, and our part of building 1 are actively used for 11 hours a day during weekdays for 150 enrolled children in MDA. Gymnastics club operates from 3 pm to 9 pm during week days and 12 noon to 6 pm on Saturdays. So the gymnasium is used for 6 hours a day from Monday through Saturday. Contrary to MDA and Gymnastics Club, other tenants seem to be using the facilities mostly at night on weekdays and at daytime on weekends.

Those observations tell us that the buildings 4 and 5 are heavily used and building 1 is well used although there are some open times especially in the morning in the gymnasium. Buildings 6 and 8 are used less frequently and for less people. The buildings 2, 3, and 7 are used for the City's storage and they are not used for the neighboring community. Storing chairs and dividers in those buildings is not a good use of the expensive property tax raised in this neighborhood.

MDA pays the monthly lease to the City. By the end of our contract in February, 2009, MDA will be paying more than \$500,000 to the City. We have already made tremendous investment in this facility. In addition to that, MDA is paying the possessory tax, utility fees, and garbage fees. MDA cleans the bathroom in building 1 which is used by MDA, Gymnastics, and the City and maintains the bathroom supply for free of charge to other organizations. Since MDA employs more than 30 people, it pays a few hundred thousand dollars per year in payroll tax to the state of California and US government.

Giving back to the community is very important for us. We organize Trik-A-Thon annually to donate to St. Jude Hospital for Children's cancer research and in this holiday season, we are organizing the food donation from the parents. We are constantly donating clothes, toys, and office supplies to Goodwill.

3. Analysis

Situated in the middle of the residential area and situated at the north western end of Raynor Park, RAC must provide service to the community it resides. Considering the historical beginning of RAC as Raynor Elementary School, it is best to keep this facility as the educational use.

I would like to quantize the efficiency of classroom usage by introducing the average occupancy number in each classroom. MDA opens for 11 hours a day during weekdays (5 days) and has 150 children. Combined with 30 teachers, MDA has 180 people in all the classrooms. Since the first and last hours of the operation are not full, we can use 9 hours as the full operation time. The total hours of the full time operation per week is $9 \times 5 = 45$ hours. If we average the occupancy by the standard 40 hours of work time, we have the Average Occupancy Number (hereafter abbreviated as AON) as

$$\text{MDA AON} = \frac{180 \times 45}{40} = 202.5 \text{ people}$$

Since we have 8 classrooms and each classroom is about 1,000 square feet, we have AON per 1,000 square feet as

$$\text{MDA AON per 1,000 sqft} = \frac{202.5}{8} = 25.31 \text{ people per 1,000 sqft.}$$

In case of Gymnastics, I see about a dozen girls in each time and it operates 6 hours for 6 days in a week. The total week hours is $6 \times 6 = 36$ hours. Adding 2 coaches to be 14 people each time, the AON of Gymnastics is

$$\text{Gymnastics AON} = \frac{14 \times 36}{40} = 12.6 \text{ people}$$

Since the gymnasium area is about 2,500 square feet, the AOP per 1,000 square feet for Gymnastics is

$$\text{Gymnastics AON per 1,000 sqft} = \frac{12.6}{2.5} = 5.04 \text{ people per 1,000 sqft}$$

Other tenants seem to be working at night during weekdays and they come on weekends. Assuming they work for 2 hours during the weekdays and for 8 hours on weekends, they spend 18 hours per week in the each classroom. Hence AON of other tenants per 1,000 square feet is

$$\text{Other AON per 1,000 sqft} = \frac{1 \times 18}{40} = 0.45 \text{ people per 1,000 sqft}$$

For a simplicity, I will use AON_1000 as the Average Occupancy Number per 1,000 square feet. MDA has an extremely high number of **25.31** followed by **5.04** of Gymnastics and **0.45** of others. We can tell by those numbers that MDA is serving the community very well. Both MDA and Gymnastics are organizations to provide educational services to the community. Those organizations tend to give higher numbers and hence we can say they are contributing to the neighbors very well.

That is what my proposal of Educational Center is for. Enrichment classes will also bring many students and people in the neighborhood. Those classes should produce high AON numbers. By evaluating AON_1000, we can tell how well each classroom is utilized. When we look for the organizations to lease the available buildings, we should select the organizations that promise to produce the high AON_1000 numbers. Small educational businesses in Sunnyvale that would like to offer enrichment classes would fit perfectly for this Educational Center. If we build an Educational Center with child care and educational/enrichment classes, it will help both community and small business at the same time.

4. My Dream Academy (MDA)

Here, let me introduce MDA to the members of the City council and commission. Maria and I have started MDA on March 1, 2004 with 2 preschoolers and a dozen After-School children. We have now 45 infants/toddlers and 100 preschoolers.

Our Mission is to create a center where children are able to reach their capabilities. The children's experience and relationships will create a strong foundation of fundamental skills. These skills will contribute to the academic and social success throughout their school years and help them become productive citizens. At My Dream Academy we will provide a warm, secure and caring multicultural environment. Our goal is to develop love for learning. Stimulating children's cognitive, physical, emotional, language and social skills are key factors in preparing children for life long skills.

Parents love our philosophy and mission and they have witnessed their children's great intellectual and emotional developments. That is why we are successful and we receive so many children. My Dream Academy itself wants to grow to give education and love to more children but our building capacities are limited. It is a great opportunity for us to express our vision of an Educational Center.

Since we have already heavily invested in Raynor Park facility and since we have now 150 families, we would like to stay and to continue to operate the child care to serve for the existing clients and community. Closing this facility will be a huge loss of benefits for our families.

MDA is a California S-Corporation. I have attached our corporation profile in APPENDIX A.

5. Renovation and Rebuilding

RAC buildings are originally built in 1960's. They may have used asbestos and their structures may not be up to the standard of the current California codes for the earthquake. The abatement of asbestos may be necessary and it may cost a significant amount for the retrofitting of the buildings. If the renovation is too expensive, it may be better to demolish the existing buildings and build new ones.

We know some architects, structural engineers, and building contractors. We would like to bring those people to make our own cost estimate to compare with the City's estimate. We are very serious in helping to renovate or to rebuild RAC to accomplish our vision of an Educational Center.

6. Conclusion

We have already proven to the neighbors for the last four years that MDA provides the excellent service for infants, toddlers, and preschoolers. The Average Occupancy Number (AON) obtained in the section 3 shows that MDA has very high number indicating that MDA is using RAC facilities to the fullest capabilities. We would like to add more classrooms. In order to create an Educational Center we would like to bring other enrichment/educational organizations to fully utilize remaining buildings and classrooms.

Renovation or rebuilding may be necessary to bring RAC to the current building code standard. MDA is willing to help that process and finance. If we are given an opportunity to purchase the property, we will welcome a city official as a board member of MDA to make sure we continue to receive the City's input for the community. Our vision of an Educational Center will serve many children and adults and at the same time this will give great opportunities for small businesses that would like to offer enrichment classes. Removing MDA from RAC after the end of the contract will have devastating effects of many families in MDA as well as the community.

Please support our idea and vision of an Educational Center.

APPENDIX A



Gravixx Corporation / My Dream Academy

Ikko Fushiki

President / CEO

Maria Fushiki

Vice President / Executive Director

Ikko and Maria Fushiki founded Gravixx Corporation in November 2003 to open My Dream Academy in 1500 Partridge Avenue. My Dream Academy (hereafter, MDA) is both Infant Center and Preschool. MDA is located in the middle of Silicon Valley and the demand of early childhood education is very high. Our Mission is to create centers where children are able to reach their capabilities. The children's experience and relationships will create a strong foundation of fundamental skills. These skills will contribute to the academic and social success throughout their school years and help them become productive citizens. At MDA, we will provide a warm, secure and caring multicultural environment. Our goal is to develop a love for learning. Stimulating children's cognitive, physical, emotional, linguistic, and social skills are key factors in preparing children for life long skills.

MDA offers full day services from 6 weeks old infants up to Pre-K children of 5 years old. Preschool programs consist of phonics, reading, writing, math, science, social science, and art as well as outside play times. MDA provides some enrichment programs such as dance, karate, and gymnastics through third parties.

When MDA started in March of 2003, there are only a dozen children. Now the enrollment has grown to more than 160 children. Its revenue has risen to \$1.2 million in year 2006 and it is expected grow to near \$2 million in year 2007. MDA is outgrowing and is looking for an expansion opportunity in other locations.

Ikko Fushiki

President / CEO

Ikko came to USA from Japan in 1982 as a graduate student in Harvard University to study Theoretical Astrophysics. During his research he used different types of computers such as main frame, super computer, work station, etc. But he was fascinated by the revolutionary uses of personal computers. When he came to Silicon Valley, he switched the field to computer software. He worked in various computer companies such as Apple, Microsoft, Symantec, etc. In Microsoft, he made a major contribution to a new graphics engine which is widely used in .NET Framework. Also his photo editing program is used in Microsoft Office products.

Ikko is an expert in math. He worries about the low math performance of American children. He argues that math should be important not only for numerical skills but also for logical skills of children's lives. He wants to make sure that children in MDA receive good starts in academic and social skills.

After forming Gravixx Corporation / MDA, he managed the issues of network, web, intellectual property, accounting, and building/facility. He formed a team of legal, financial, and real estate advisors. He is constantly working on improving the school system of MDA. He is also a board member of Sunnyvale Gymnastic Club since July of 2007.

Education:

- Ph. D. Harvard University, Astronomy, 1986
- M. S. Harvard University, Astronomy, 1984
- M. S. Kyoto University, Physics, 1982 (Japan)
- B. A. Kyoto University, Physics, 1980 (Japan)

Employment History:

- November 2003 – Present (My Dream Academy) : President / Owner
- April 1998 – November 2003 (Microsoft) : Sr. Software Engineer / Graphics Architect
- April 1997 – March 1998 (Hummingbird Communications) : Sr. Software Engineer
- February 1995 – April 1997 (Apple Computer) : Sr. Software Engineer
- September 1994 – February 1995 (Symantec Co) : Sr. Software Engineer
- September 1993 – September 1994 (Arnowitz, Inc.) : Sr. Software Engineer
- April 1992 – September 1993 (Ink Development Co) : Sr. Software Engineer
- May 1991 – April 1992 (Savitar, Inc.) : Software Engineer

Special Talents:

- Bilingual (Japanese/English)

Special Interests and Hobbies:

- guitar, science, robotics.

Maria Fushiki

Vice President / Executive Director

Maria came from Venezuela in 1990. She has been Family Day Care business owner since 1991. Her family own many Family Day Cares and her two aunts own Child Care Centers. She works as Executive Director of MDA. Being mother of three daughters, she understands parents' concerns and expectations about their children. Maria's high expectations and hard work made the center a successful one in a very short time. Starting from a dozen children three years ago, the enrollment has grown to more than 160 children.

Maria is very committed person in Early Childhood Education. She is the member of NAEYC (National Association of the Education of Young Children), PAEYC (Peninsula Association of the Education of Young Children), CAEYC (California Association of the Education of Young Children), Girl Scouts, and PTA at Laurelwood Elementary School. She is a provider representative of LPC (Local Planning Commission of Santa Clara County for Early Childhood Education) and a chair for the committee of Kindergarten readiness program. She always keeps update with Early Childhood field through ongoing classes, conferences, and workshops.

Education:

Pursuing her BA in Child and Adolescent Education at San Jose State University.
B. A. University of Carabobo, Chemical Engineering, 1984 (Venezuela)

Employment History:

March 2004 – Present (My Dream Academy) : Exective Director / Owner
November 2000 – March 2004 (Blossom Day Care) : Family Child Care Owner
August 1996 – May 1997 (My Preschool, Inc.) : Preschool Teacher
March 1991 – January 1995 (Sunnyvale Day Care) : Family Child Care Owner
April 1985 – June 1990 (Vidriolux Co., Venezuela) : Materials Department Manager
February 1984 – March 1985 (Unvica Co, Venezuela) : Quality Control Manager

Special Talents:

Bilingual (Spanish/English)

Special Interests:

Volunteer at daughters' school, dance, travel, going to beach and camping.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total
Revenue Estimate	\$135,000	\$139,050	\$143,222	\$147,518	\$151,944	\$156,502	\$161,197	\$166,033	\$171,014	\$176,144	\$183,190	\$190,518	\$198,138	\$206,064	\$214,307	\$222,879	\$231,794	\$241,066	\$250,708	\$260,737	\$274,702
NPV of Cash Flows @3.518%	\$135,000	\$134,324	\$133,652	\$132,984	\$132,318	\$131,656	\$130,997	\$130,342	\$129,689	\$129,040	\$129,641	\$130,245	\$130,851	\$131,461	\$132,073	\$132,688	\$133,306	\$133,926	\$134,550	\$135,176	\$2,643,920
Annual Facilities Costs	\$99,000	\$101,970	\$105,029	\$108,180	\$111,425	\$114,768	\$118,211	\$121,758	\$125,410	\$129,173	\$134,339	\$139,713	\$145,302	\$151,114	\$157,158	\$163,444	\$169,982	\$176,782	\$183,853	\$191,207	\$2,747,818
NPV of Cash Flows	\$99,000	\$98,505	\$98,012	\$97,521	\$97,033	\$96,548	\$96,065	\$95,584	\$95,106	\$94,630	\$95,070	\$95,513	\$95,958	\$96,404	\$96,853	\$97,304	\$97,757	\$98,213	\$98,670	\$99,129	\$1,938,874
Annual Parks Costs	\$64,788	\$66,732	\$68,734	\$70,796	\$72,919	\$75,107	\$77,360	\$79,681	\$82,072	\$84,534	\$87,915	\$91,432	\$95,089	\$98,892	\$102,848	\$106,962	\$111,241	\$115,690	\$120,318	\$125,130	\$1,798,239
NPV of Cash Flows	\$64,788	\$64,464	\$64,141	\$63,820	\$63,501	\$63,183	\$62,867	\$62,552	\$62,239	\$61,928	\$62,216	\$62,506	\$62,797	\$63,089	\$63,383	\$63,678	\$63,975	\$64,273	\$64,572	\$64,873	\$1,268,846
Annual Facilities Storage Costs	\$72,000	\$74,160	\$76,385	\$78,676	\$81,037	\$83,468	\$85,972	\$88,551	\$91,207	\$93,944	\$97,701	\$101,609	\$105,674	\$109,901	\$114,297	\$118,869	\$123,623	\$128,568	\$133,711	\$139,060	\$1,998,413
NPV of Cash Flows	\$72,000	\$71,640	\$71,281	\$70,925	\$70,570	\$70,217	\$69,865	\$69,516	\$69,168	\$68,822	\$69,142	\$69,464	\$69,787	\$70,112	\$70,439	\$70,767	\$71,096	\$71,427	\$71,760	\$72,094	\$1,410,091

Assumptions:

Revenue Estimates, Facilities Costs, and Parks Costs are inflated 3% in the front 10 years and 4% in the back 10 years.
 NPV of Cash Flows values then discounts each year back to the Year 1 amount so that payback comparisons are "apples to apples"
 Discount amount is 3.518% annually, which is the City's current rate of return on investments, factoring in bank charges
 Year 1 is FY 2008/2009

Cash Flow Analysis - All values are in FY 2008/2009 dollars based on assumptions noted above

Scenario 1 - Keep the Site and Renovate Existing Structures

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total
Cost to Renovate Facility	(\$9,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Facilities Costs	(\$99,000)	(\$98,505)	(\$98,012)	(\$97,521)	(\$97,033)	(\$96,548)	(\$96,065)	(\$95,584)	(\$95,106)	(\$94,630)	(\$95,070)	(\$95,513)	(\$95,958)	(\$96,404)	(\$96,853)	(\$97,304)	(\$97,757)	(\$98,213)	(\$98,670)	(\$99,129)	(\$1,938,874)
Revenues	\$135,000	\$134,324	\$133,652	\$132,984	\$132,318	\$131,656	\$130,997	\$130,342	\$129,689	\$129,040	\$129,641	\$130,245	\$130,851	\$131,461	\$132,073	\$132,688	\$133,306	\$133,926	\$134,550	\$135,176	\$2,643,920
Net Present Value of this Option	(\$8,294,955)																				
Year 1 Revenue Needed to Make NPV of Project = \$0	\$558,545																				

Scenario 2 - Keep the Site and Replace Existing Structures

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total
Cost to Replace Facility	(\$11,700,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Facilities Costs	(\$99,000)	(\$98,505)	(\$98,012)	(\$97,521)	(\$97,033)	(\$96,548)	(\$96,065)	(\$95,584)	(\$95,106)	(\$94,630)	(\$95,070)	(\$95,513)	(\$95,958)	(\$96,404)	(\$96,853)	(\$97,304)	(\$97,757)	(\$98,213)	(\$98,670)	(\$99,129)	(\$1,938,874)
Revenues	\$135,000	\$134,324	\$133,652	\$132,984	\$132,318	\$131,656	\$130,997	\$130,342	\$129,689	\$129,040	\$129,641	\$130,245	\$130,851	\$131,461	\$132,073	\$132,688	\$133,306	\$133,926	\$134,550	\$135,176	\$2,643,920
Net Present Value of this Option	(\$10,994,955)																				
Year 1 Revenue Needed to Make NPV of Project = \$0	\$696,408																				

Scenario 3: Keep the site, demolish existing structures and expand open space

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total
Cost to Demolish Facility	(\$450,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost to Plan & Develop Open Space	(\$1,600,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Park Maintenance	(\$64,788)	(\$64,464)	(\$64,141)	(\$63,820)	(\$63,501)	(\$63,183)	(\$62,867)	(\$62,552)	(\$62,239)	(\$61,928)	(\$62,216)	(\$62,506)	(\$62,797)	(\$63,089)	(\$63,383)	(\$63,678)	(\$63,975)	(\$64,273)	(\$64,572)	(\$64,873)	(\$1,268,846)
Annual Facilities Storage Costs	(\$72,000)	(\$71,640)	(\$71,281)	(\$70,925)	(\$70,570)	(\$70,217)	(\$69,865)	(\$69,516)	(\$69,168)	(\$68,822)	(\$69,142)	(\$69,464)	(\$69,787)	(\$70,112)	(\$70,439)	(\$70,767)	(\$71,096)	(\$71,427)	(\$71,760)	(\$72,094)	(\$1,410,091)
Annual Facilities Maintenance Svgs	\$99,000	\$98,505	\$98,012	\$97,521	\$97,033	\$96,548	\$96,065	\$95,584	\$95,106	\$94,630	\$95,070	\$95,513	\$95,958	\$96,404	\$96,853	\$97,304	\$97,757	\$98,213	\$98,670	\$99,129	\$1,938,874
Net Present Value of this Option	(\$2,790,063)																				

Scenario 4: Sell Raynor Site As Is

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Total
Revenue From Facility Sale	\$12,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000,000
Annual Facilities Storage Costs	(\$72,000)	(\$71,640)	(\$71,281)	(\$70,925)	(\$70,570)	(\$70,217)	(\$69,865)	(\$69,516)	(\$69,168)	(\$68,822)	(\$69,142)	(\$69,464)	(\$69,787)	(\$70,112)	(\$70,439)	(\$70,767)	(\$71,096)	(\$71,427)	(\$71,760)	(\$72,094)	(\$1,410,091)
Annual Facilities Maintenance Svgs	\$99,000	\$98,505	\$98,012	\$97,521	\$97,033	\$96,548	\$96,065	\$95,584	\$95,106	\$94,630	\$95,070	\$95,513	\$95,958	\$96,404	\$96,853	\$97,304	\$97,757	\$98,213	\$98,670	\$99,129	\$1,938,874
Net Present Value of this Option	\$12,528,784																				\$12,528,784



**DRAFT UNAPPROVED MINUTES
SPECIAL JOINT MEETING
PARKS AND RECREATION COMMISSION
ARTS COMMISSION
JULY 23, 2008**

7 P.M. SPECIAL JOINT MEETING

CALL TO ORDER / SALUTE TO THE FLAG

Chair Colvin called the meeting to order at 7 p.m. and led the salute to the flag.

ROLL CALL/MEETING

Parks & Recreation Chair Jim Colvin
Commissioners Present: Vice Chair Richard Oliver
 Commissioner Howard Chuck
 Commissioner Robert Harms
 Commissioner Bob Kinder

Parks & Recreation None
Commissioners Absent:

Arts Commissioners Chair Robert Obrey
Present: Vice Chair Amber Estrada
 Commissioner Tara Martin-Milius
 Commissioner Dennis (Jay) Shinseki (arrived at 7:27 p.m.)

Arts Commissioners Commissioner Dixie Carney
Absent:

Staff Present: David A. Lewis, Director, Parks and Recreation
 Cathy E. Merrill, Assistant to the Director
 Nancy Bolgard Steward, Superintendent of Recreation
 Cynthia Viveiros, Senior Office Assistant

PUBLIC ANNOUNCEMENTS - None

CONSENT CALENDAR - None

STAFF RESPONSES TO PRIOR PUBLIC COMMENTS – None

PUBLIC COMMENT – None

PUBLIC HEARINGS/GENERAL BUSINESS

2. Consider Options for Use of Raynor Activity Center (Study Issue) (Council Action 8/12/08)

Assistant to the Director Merrill presented the staff report and said she would provide a more detailed report given the variety of users of the Raynor Activity Center and level of interest from the community.

Assistant to the Director Merrill answered Commissioners' questions.

- If the property (that was purchased with General Fund monies) is sold, what happens to the funds? Staff said it depends on Council's decision. While using the monies to support community parks and recreation services is important, there are no legal requirements to use the funds for parks and recreation.
- Discussion of site being sold and funds used to develop parks elsewhere.
- Discussion of other available properties.
- Discussion of Open Space and Recreation Sub-Element Goal 2.2.D. Prioritization. Policy 2.2.D.4. gives priority to facilities in which the community demonstrates an interest; therefore, isn't the staff recommended alternative to sell the Raynor Activity Center against the policy? Staff said it is the Commissions' responsibility to consider all Sunnyvale residents' needs and noted there are residents in other areas of the City who have less open space in their neighborhoods.
- Discussion of "community" in Goal 2.2.D. Staff said "community" is subject to interpretation. It could mean cricket fields in one park vs. another park, or skate park facilities instead of something else, etc.
- Parks of the Future Project community workshop on July 24 dovetails with this issue. Staff said the public would have an opportunity to prioritize all parks and recreation facilities Citywide.
- Are the costs involved in implementing the Parks of the Future Project behind the recommendation to sell Raynor Activity Center? Staff said the Parks of the Future study is to evaluate Citywide needs for open space and amenities. The Raynor Activity Center study was identified in the Open Space and Recreation Sub-Element approximately three years ago.
- The property could sell for \$10-\$12M. Has anyone been identified as a buyer other than developers? Staff said the price is based on current multiple listing information. No efforts have been made to sell the property or locate potential buyers until there is direction from Council.
- Staff clarified the difference between Alternative Nos. 2 and 3.

Chair Colvin opened the public hearing at 7:43 p.m. and reminded the speakers to please stay within a three-minute time limit. He also requested that Commissioners ask questions of the speakers before they leave the podium.

Brian Mason, realtor, Colliers International, represents Ikko Fushiki, owner of My Dream Academy. He said trying to find alternate day care and gymnastics sites are nearly impossible. He recommends getting an appraisal of the site and issuing a Request for Proposals (RFP) to give an opportunity for users to bid. He said day care is in high demand.

Diane Ammon, Sunnyvale Gymnastics Club President, provided Commissioners and staff with copies of support letters in favor of keeping the property.

Anita Spiro, Sunnyvale Gymnastics Club Board Member, believes the club cannot survive without City support and provides a vital service which the City does not offer. She requested that the club continue using Raynor Activity Center or that the City assist the club in finding another location. She noted 20 girls from the Gymnastics Club were in attendance at the meeting.

Sarah Wallace, Sunnyvale Gymnastics Club member and coach, hopes the club can continue to be involved with the City in order to benefit the entire community.

Eliza Ammon and Olivia Tighe, Sunnyvale Gymnastics Club members, said that the club provides a good atmosphere for teens.

Norval Nelson said the City does not have its “arms around finances”; monies from the sale of the property would likely go into the General Fund, never to be seen again. He felt the author of the report had no discussion with the owner of My Dream Academy regarding the purchase of the site.

Narendra Pathak, Library Board of Trustees member, spoke as an individual. He noted the lack of Commissions’ involvement with the report. Pathak asked how the monies from the sale of the property would be tracked if it goes to the General Fund.

Maria Fushiki, My Dream Academy owner, asked the Commissioners to continue leasing or sell to My Dream Academy and let them help improve the building in order to allow them to continue to provide their day care services that are so important to over 300 parents, 164 children, and 35 teachers.

Wee-Lee Lim noted the NRPA recommends 4.6 acres parkland per 1,000 acres and Raynor is below the recommendation. If the property is sold, Lim requested that the sites to be purchased are designated parklands. Lim noted that child care needs are as important as the need for parks and recreation land. Lim said it seems as if serious consideration has not been given to allow the day care provider to purchase the property. If there is a need to sell the property to raise funds, then the City should be honest and state what the monies will be used for.

Ikko Fushiki, My Dream Academy owner, noted they have had no response to previous requests to lease the buildings currently used for storage. He also submitted a proposal for use of the site as an education center. He said the City recommendation to sell makes no sense.

Eugene Garcia, Raynor Park Neighborhood Association President, said City storage of surplus office equipment is of no benefit to the neighborhood and community. He said he considers the property to be open space. If My Dream Academy is willing to invest in the site, then the City should consider that.

Demitrios Triantafyllou, Raynor Park Neighborhood Association, said neighbors met and discussed the options and effect on the neighborhood and community. The group supports Alternative 4, Option 3. City surplus storage at the facility should be eliminated. Open the space for long-term rentals and use the property for revenue producing uses. Triantafyllou suggested that there be a six-month hold and review of this issue before a decision is made.

Flo Oy Wong, artist with studio in building #8, said she is a noted recipient of art awards. She asked the Commission to not displace the artists. She said if the artists have to move, the City would lose an important part of the community. Wong said she reaches people and asks would the City want to be known as one who does not support its artists?

Tap Merrick said he recognizes that the Commissioners are hearing that the City did not collect enough revenue from Raynor Activity Center and did not maintain the buildings. Merrick noted that the report did not take into consideration the 2,500 residents who live in Santa Clara and use Raynor facilities. Merrick said all of the community input was to not sell the buildings and staff ignored their input.

Ian Prickett said staff ignored community input to not sell the property. He asked why the letter from My Dream Academy was the only letter in the report; where were the other letters? Prickett said since it is so difficult to acquire open space, why sell? He said the valuation of the property has to be based on high density development. Prickett said that Santa Clara School District maintained open space at the request of neighbors.

Pastor Nordean Baxter requested an extension before a decision is made to work with the community to come up with solutions for Raynor Activity Center.

Danielle Maddox, Friends of the Library, asked for consideration to add an option to construct and/or renovate another building which would allow groups such as Friends of the Library, Gymnastics Club, etc. to operate.

Nancy Rice, artist with studio in building #8, said it is very difficult to find space elsewhere. There are no other options for artists in Sunnyvale. There are options in nearby cities at full market price.

Lorraine May, Birdland resident, is worried about uses which would add more traffic, speeding, additional strain on school, and impact of Santa Clara residents. May said high density housing will not fit in the neighborhood and that it is fiscally responsible to keep the property.

Denise DeLange, long-time Birdland resident, spoke about how much she and her children enjoy using the site and the value of the activities and day care on the space.

Werner Gans, Birdland resident for 49 years, said the report is deficient because it does not address the impact of current users. He said day care is very important. Gans said the entire housing tract is the same age as Raynor; the property valuation appears to be based on high density.

Wilson Ma, Birdland resident since 1980, said he appreciates the uses of Raynor and the benefits to the community. He would like the City to reconsider selling the property because hundreds of families would be negatively impacted.

Boom, Birdland resident, said it is bad timing to sell real estate. He said the community and neighborhood residents want to know how the property will be used before making a decision to sell.

Chair Colvin thanked the speakers and closed the public hearing.

Commissioners asked questions of speakers.

Vice Chair Oliver inquired about My Dream Academy's capability to increase their lease payment to the City. Ikko Fushiki, owner of My Dream Academy, said that would be possible if they can increase capacity and bring in more revenue. Brian Mason, the realtor representing My Dream Academy, said the owner is willing to pay market rate and maintain the building.

Mason recommended a master lease. Commissioner Martin-Milius inquired about a master lease and if occupants or sub-lessees could create a Limited Liability Company (LLC).

Commissioner Estrada applauded the residents in attendance at the meeting.

Chair Colvin asked if consideration was given to lease with an option to purchase.

Director Lewis noted a point of order that the public hearing was closed. Director Lewis clarified that a lease is one of the options. He said the Commissioners can review the alternatives that are all open or make any other desired recommendations to Council.

ARTS COMMISSION MOTION: Commissioner Shinseki moved to recommend that Council not support the staff recommendation and continue to study this issue.

MOTION FAILED for lack of a second.

ARTS COMMISSION MOTION: Commissioner Estrada moved and Commissioner Obrey seconded to recommend that Council consider Alternative No. 4: Approve Option #3 to lease the Raynor Activity Center Site for a long-term use by one or more lessees and stipulate that the lessee(s) invest in the site to upgrade the building structures to meet applicable building codes.

Commissioner Obrey said that once the City gives up property, they can't get it back.

Commissioner Martin-Milius said she would like to keep the property but can't dictate future zoning. She hears fears of high density housing. Commissioner Martin-Milius said the City currently subsidizes uses at Raynor Activity Center, and she expressed concern about losing the artists if the studio spaces were no longer available.

Director Lewis confirmed that Commissioner Martin-Milius was making a friendly amendment to allow the current uses and users to remain in the facility.

FRIENDLY AMENDMENT: Commissioner Martin-Milius offered a friendly amendment to add that the current uses and users remain in the facility. The friendly amendment was accepted by the maker and seconder of the motion.

RESTATED MOTION: Commissioner Estrada moved and Commissioner Obrey seconded to recommend that Council consider Alternative No. 4: Approve Option #3 to lease the Raynor Activity Center Site for a long-term use by one or more lessees and stipulate that the lessee(s) invest in the site to upgrade the building structures to meet applicable building codes **and, in addition**, that the current uses and users remain in the facility.

ARTS COMMISSION VOTE: Motion passed 4-0. (Commissioner Carney was absent.)

Vice Chair Oliver said one of the reasons the facility was considered for sale is because significant repairs are needed. He inquired as to how a lease can be considered if the facility is in such disrepair. Director Lewis responded that a

recommendation could be made to require the lessee to make repairs. He said that Alternative No. 4 requires the lessee to upgrade the facility and clarified that the lessee would have to pay for the upgrades.

P&R COMMISSION MOTION: Vice Chair Oliver moved and Commissioner Harms seconded to recommend that Council consider Alternative No. 4: Approve Option #3 to lease the Raynor Activity Center Site for a long-term use by one or more lessees and stipulate that the lessee(s) invest in the site to upgrade the building structures to meet applicable building codes **and, in addition**, that the repairs be completed within a certain time limit.

P&R COMMISSION VOTE: Motion passed 5-0.

NON-AGENDA ITEMS AND COMMENTS

COMMISSION

No comments

STAFF

Assistant to the Director Merrill reminded Commissioners about the Parks of the Future Community Workshop to be held at 7 p.m. on July 24, 2008, at the Community Center Ballroom.

INFORMATION ONLY ITEMS – None

ADJOURNMENT

Chair Colvin adjourned the meeting at 9:10 p.m.

Respectfully submitted

Cathy E. Merrill, Assistant to the Director
Parks and Recreation Department

Approved by

David A. Lewis, Director
Parks and Recreation Department

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