



DATE: October 1, 2019

TO: Mayor and City Council

FROM: Fire Chief

SUBJECT: Authorize the City Manager to Negotiate and Execute a Ground Lease and Facilities Use Agreement with the Chabot-Las Positas Community College District for the Fire Training Center

RECOMMENDATION

That Council authorizes the City Manager to negotiate and execute a Ground Lease and Facilities Use Agreement with the Chabot-Las Positas Community College District for the Fire Training Center.

SUMMARY

The City has been working towards building a new Fire Training Center for several years. As part of that effort, staff have met with the Chabot-Las Positas Community College District (District) since June of 2016 to pursue a partnership on constructing and operating the new Center. On September 17, 2019, the District's Board of Trustees adopted the attached Ground Lease and Facilities Use Agreement. Staff recommends that Council authorize the City Manager to negotiate and execute this Agreement.

BACKGROUND

Below is a chronological list of major milestones for the Fire Training Center project and for the partnership with the District:

- **June 3, 2014:** Voters approved Measure C, which authorized the City of Hayward to increase the sales tax rate in the City by one-half cent for twenty years to restore and maintain City services and facilities, including firefighting/emergency medical services.
- **October 10, 2014:** The City's consultant, RossDrulisCusenbery (RDC), completed a facility needs assessment for Fire Stations 1-6 and the Fire Training Center, which determined that all facilities needed substantial upgrades.

- **May 26, 2015:** Council [authorized](#)¹ the City Manager to negotiate and execute an agreement with RDC for design services for Fire Stations 1-6 and the Fire Training Center Improvement project.
- **October 18, 2016:** Staff provided Council [an update](#)² on this project.
- **October 24, 2017:** The District's Board of Trustees passed a motion directing the Chancellor to create a Memorandum of Understanding (MOU) with the City of Hayward.
- **July 24, 2018:** Council [authorized](#)³ the City Manager to negotiate and execute an MOU with the District to establish the basis for a ground lease and to accept up to \$20 million dollars from the District for the design, construction, and furnishing of the District's Facilities at the Fire Training Center.
- **March 5, 2019:** Council [approved the plans](#)⁴ for the abatement and deconstruction of the existing Fire Station 6 and Training Center and call for bids.
- **March 6, 2019:** Staff provided a [design update](#)⁵ to the Council Infrastructure Committee.
- **September 2019:** Completed demolition of the old Station and Fire Training Center.

DISCUSSION

Over the past year, City staff members have worked with District staff and consultants to create a Ground Lease and Facilities Use Agreement. This is included as Attachment III. Due to the location of the property being on the City of Hayward Executive Airport, the lease agreement is referred to as a Commercial Aviation Ground Lease to be executed following Council's approval by the City Manager, City Airport Manager, and Director of Public Works.

On September 17, 2019, the District's Board of Trustees adopted the attached agreement. Staff recommends that City Council adopt the resolution (Attachment II) authorizing the City Manager to negotiate and execute the agreement.

The key provisions of the Ground Lease and Facilities Use Agreement are:

- **Term:** The Ground Lease Term will be thirty years, with the option to extend for up to two consecutive ten-year terms. The annual rent is \$1.

¹ [authorized](#)

² [an update](#)

³ [authorized](#)

⁴ [approved the plans](#)

⁵ [design update](#)

- **District Facilities:** The District will contribute \$20 million for design and construction of the District Facilities. The District Facilities include indoor and outdoor classrooms, apparatus building, and hanger building.
- **Design and Construction:** The City will serve as the Lead Agency for design and construction. Per Council approval, the City has contracted with RDC Architecture to prepare plans, specifications, and other related documents for the Project. The City acknowledges that the design and construction of District Facilities needs to be approved by the Division of State Architect because they are school facilities.
- **Ownership:** During the Term of the ground lease, the District shall be the sole owner of and have exclusive rights to occupy the District Facilities. Upon expiration of the Ground Lease, the District will convey the title to the City.
- **Facility Use Charges:** The District has the right to permit others to use their classrooms for training and education purposes. The District will establish Facilities Use Charges and will transfer revenue from these charges to the City to cover routine maintenance and repair costs.
- **Facility Operational Costs:** The City will pay for power, water, sewer, and trash for the full Training Center. The District will pay for telecommunication services for its facilities. The City will pay for security and custodial services for the full Fire Training Center.
- **Furniture, Furnishings and Equipment (FFE):** The District is responsible for providing all FFE for its facilities. The City may use the Classroom FFE at no charge per the joint use provisions below.
- **Joint Use of Classrooms:** The City has the right to use the District's Classrooms for education/training classes and meetings at no cost, provided that the District has priority for purposes of the Chabot Fire Technology Program. The City Fire Department will have exclusive use and occupancy of Room 210 (Fire Department Office Suite) and Room 202 (Backup Dispatch and RACES). The City and District will cooperate to create a classrooms schedule.
- **Joint Use of Training Centers:** Both entities have the right to use the other entity's training center facilities at no cost, provided that both repair any damage that may occur. The City and District will establish processes to coordinate scheduling.
- **Insurance:** The District and City will both maintain self-insurance/general liability insurance of at least \$1 million, workers compensation insurance, and property insurance covering their portion of the facilities.

SUSTAINABILITY FEATURES

The Fire Training Center Improvement Project will include sustainability features such as minimum LEED Silver Certification or better, and zero net energy.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not specifically relate to the three Council strategic initiatives.

FISCAL IMPACT

The attached Agreement reiterates the District's financial commitment, which is that the District will contribute funds for design, construction and furnishing of the District Facilities in the amount of \$20 million. On July 24, 2018, Council authorized the City Manager to accept up to \$20 million dollars from the District for these purposes.

Prepared by: Mary Thomas, Management Analyst

Recommended by: Garret Contreras, Fire Chief

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAadoo', is written over a horizontal line.

Kelly McAadoo, City Manager