



DATE: October 18, 2022

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Extension to the Master Agreement and Lease with the Hayward Area Recreation and Park District for Operations and Maintenance of City Lands through June 30, 2023

RECOMMENDATION

That the Council adopts a resolution (Attachment II) authorizing the City Manager to negotiate and execute an extension to the Master Agreement and Lease with the Hayward Area Recreation and Park District (HARD) through June 30, 2023.

SUMMARY

The City and HARD first entered into a Master Agreement and Lease in 1970 for City-owned parks. Through the agreement, HARD assumes the responsibility of operating and maintaining the park sites for a nominal rent of \$1.00 per year. The agreement had been renewed approximately every 10 years through 2021. In June 2021, Council authorized the City Manager to execute a one-year Master Lease with HARD for City-owned parks. Due to staffing vacancies and competing priorities related to the COVID-19 pandemic response, additional time was needed to negotiate a new agreement. In July 2022, Council authorized an extension through October 15, 2022. Staff from both agencies now request an additional extension through June 30, 2023, to negotiate a new Master Lease and Agreement. This extension allows for additional time to conduct a joint work session between the HARD Board and Hayward City Council in early 2023, which will inform the vision and priorities for the new agreement. Staff is seeking Council authorization to extend the existing agreement through June 30, 2023.

BACKGROUND

The Hayward Area Recreation and Park District (HARD) was created in 1944 as an independent special district under California law. HARD maintains and operates parks in the communities of Hayward, Castro Valley, San Lorenzo, Ashland, Cherryland, and Fairview. HARD receives a portion of local property tax for its operations and capital improvements. In addition, voters passed Measure F1 in 2016, a \$250,000,000 bond measure that authorizes funding for repairs, upgrades, and new construction projects to the District's parks and facilities.

The City and HARD first entered into a Master Agreement and Lease in 1970 for City-owned parks. Through that agreement, HARD assumes the responsibility of operating and maintaining the park sites for a nominal rent of \$1.00 per year. That agreement was renewed approximately every 10 years through 2021.

There are currently 35 City-owned parks covered in the lease agreement. City-owned parks are a combination of legacy properties that the City has owned for decades, as well as parks that were established as part of development agreements when the developer agreed to dedicate a portion of a project to a community park.

DISCUSSION

In June 2021, Council authorized the City Manager to execute a one-year Master Lease with HARD for City-owned parks. Previous agreements had not included operational standards for care and use of park premises. Because of this, staff proposed the agreement be for a one-year term and include a timeline and process to create operational standards that can be included in a future lease agreement.

Over the past year, HARD has provided basic aggregated data on programming and has developed standards for park maintenance. However, because of staff vacancies and competing priorities due to the COVID-19 pandemic, staff for both agencies have not had the capacity to facilitate a joint work session with Council and the HARD Board and to negotiate mutually agreed upon performance and reporting standards. Because of this, staff is recommending extending the existing lease through June 23, 2023, and is seeking Council authorization for the City Manager to execute this extension.

Staff anticipate scheduling a joint session of the HARD Board and Council in February or March 2023, which will allow time for the onboarding of newly elected officials on both bodies. The joint session will allow both parties to develop a mutual understanding of their priorities and vision and to provide direction to staff for negotiations. Following the joint session, staff from HARD and the City will finalize a draft Master Agreement and Lease for Council review and adoption in May 2023.

FISCAL IMPACT

There is no fiscal impact as a result of this item.

NEXT STEPS

Once authorized by Council, the City Manager will execute the extension through June 30, 2023. Staff will return to Council in the first quarter of 2023 for a joint work session with the HARD Board to discuss mutual goals for parks in Hayward and provide direction for lease negotiations. Then City staff will work with HARD staff to finalize negotiations for the Master Agreement and Lease for Council to review and authorize in May 2023.

Prepared by: Amy Cole-Bloom, Management Analyst
Mary Thomas, Management Analyst

Recommended by: Regina Youngblood, Assistant City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', with a long horizontal stroke extending to the right.

Kelly McAdoo, City Manager