



DATE: July 5, 2022

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Authorization for 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 October 15, 2022

RECOMMENDATION

That the Council authorizes 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 October 15, 2022.

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, which included a timeline and process to create operational standards that can be included in a future lease agreement. Staff is seeking Council authorization to extend the existing agreement through October 15, 2022, to continue conversations with HARD about lease terms and operational standards.

BACKGROUND

The Hayward Area Recreation and Park District 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 had been renewed approximately every 10 years through 2021.

There are currently 35 City-owned parks covered under the lease agreement (see Attachment III). 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 finalize mutually agreed upon performance standards. Because of this, staff is recommending extending the existing lease through October 15, 2022 and is seeking Council authorization to execute this extension.

Staff will return to Council in mid-September with an update on the negotiations and recommendations for next steps. As part of the negotiations, both agencies have verbally agreed to meet the following schedule to create mutually agreed-upon operational standards for the District's use and care of premises. The purpose of this process is to develop a mutual understanding of the priorities of the City Council and HARD Board and to develop feasible standards to measure the achievement of these priorities.

July – November 2022:

- HARD will provide and both parties will review any existing baseline data for the care of premises. This could include but is not limited to, the District's recently adopted Park's Maintenance Standards.
- HARD will provide and both parties will review any existing baseline operational data for use of premises. This could include, but is not limited to, hours of programming, program enrollment, cost of programming, and the number of scholarships provided.
- HARD will provide a report on the budget and current status of capital improvements including any designs and estimated timing for construction and opening
- Both parties will research and review best practices from similar jurisdictions for recreation programming and park maintenance.

December 2022 – January 2023:

- Both parties will meet twice monthly to prepare for a joint work session in early February.

Early February 2023:

- Both parties will hold a joint work session with the Hayward City Council and District Board to receive direction from elected officials.

February – April 2023:

- Based on the feedback at the work session, both parties will meet at least twice a month to draft and prioritize mutually agreed upon operational standards for HARD's use and care of premises. In addition, both parties will come to a mutual understanding of the anticipated schedule and design of capital improvements for the next several years.
- Where possible, HARD will collect baseline measurements for the operational standards.
- If it is not possible to immediately collect baseline measurements, HARD will create a timeline and process for collecting this data. Both parties will collaborate on a data-sharing agreement if necessary.

May 2023:

Both parties will finalize a revised Master Agreement and Lease with the operational standards and outcomes for adoption by both boards.

FISCAL IMPACT

This item has no fiscal impact.

NEXT STEPS

Once authorized by Council, staff will execute the extension of the lease through October 15. Staff will continue to work with HARD staff to identify operational standards and will return to Council in mid-September with recommendations for next steps.

Prepared by: Mary Thomas, Management Analyst
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Recommended by: Regina Youngblood, Assistant City Manager

Approved by:



Kelly McAadoo, City Manager