



Date: March 19, 2018
To: Library Commission
From: Sean Reinhart, Library Director
Subject: Third Party Operating Agreements

In preparation for the transition to the 21st Century Library facility in 2018, Library staff and the Library Commission have developed Third Party Operating Agreements with external community partner organizations for operating various specialized services in the new library. What follows is an overview of the following Third Party Operating Agreements:

- I. Community art gallery
- II. Bookstore/ gift shop
- III. Local history center
- IV. Pocket Café

I. Community Art Gallery

The new library will feature two wall spaces on the second floor, each approximately 20' in length, which are designed and set aside for displays of community artwork. The Library has reached a tentative agreement with Hayward Arts Council and Sun Gallery (Curators) to maintain and curate the community art gallery in the new library. Hayward Arts Council and Sun Gallery currently curate several other community galleries in Hayward, including the John O'Lague Galleria at Hayward City Hall. The general terms of the community art gallery tentative agreement are as follows:

- Curators will curate displays of community artwork in two designated areas (Galleries) of the new downtown library.
- The Galleries are located on the second floor of the new library, each with wall space approximately 20' in length.
- Curators will update the Gallery displays with new artwork at least four times per year, or more often if desired. At least once per year, Curators shall display new artworks created by local Hayward youth. At least once per year, Curators shall display new artworks created by Hayward residents that are collected through an open Call for Artists that places an emphasis on emerging artists.
- Library shall make no compensation to Curators. Curators shall be responsible for all costs associated with Galleries, including but not limited to insurance of artworks.

- Curators will handle all aspects of collecting, maintaining and curating the Galleries and related activities, including the costs thereof. Library shall bear no responsibility for preparation, setup, cleanup, maintenance, or storage of Galleries and related activities; nor shall Library bear any of the related costs.
- All displays and related activities within and associated with the Galleries must comply with all Library policies. Library reserves the right to reject and/or remove any display that is deemed contrary to Library policies, at Library's sole discretion.
- Curators acknowledge that the Library is a shared public environment, not just an art gallery, and that Library visitors come to the shared public environment to access shared Library services and resources, and that Library visitors hold many diverse viewpoints and come from many diverse walks of life, and as such, displays in the Galleries will be curated with the understanding that all artwork displayed must be suitable for this broad public audience.

II. Bookstore/ Gift Shop

The new library will feature a brick-and-mortar bookstore/ gift shop (The Bookstore), approximately 500 square feet in size, that is designed specifically for use by the Friends of Hayward Library partner nonprofit organization (The Friends). The sole mission of the Friends is to raise funds to support library services, programs, and other needs. They achieve their mission through various ongoing fundraising efforts, which at present includes selling donated used books from a temporary booth near the Hayward Farmers' Market. When the new library opens, the Friends will move their book selling operation into the new bookstore, and they will add Hayward-themed merchandise (e.g., gifts, apparel, stationery, etc.) to their retail inventory. The general terms of the Bookstore tentative agreement are as follows:

- Friends will operate the Bookstore in a designated room of the new downtown library.
- The Bookstore is located on the first floor of the new library, with its own controlled entrance, and is approximately 500 square feet in size.
- Friends shall set the Bookstore hours of operation, select and maintain inventory, set pricing, provide cashiering, and all related aspects of the retail operation.
- Friends shall make no compensation to Library for use of the Bookstore space, however all of Friends' proceeds from the Bookstore sales shall be donated to the Library for various services, programs and other needs, as recommended by Library and subject to approval by Friends of Hayward Library's board of directors.
- Library shall continue to cover the cost of general liability insurance (policy rider) to the Friends, as per past and current practice.
- All displays and related activities within and associated with the Bookstore must comply with all Library policies. Library reserves the right to reject and/or remove any display or activity that is deemed contrary to Library policies, at Library's sole discretion.
- Friends acknowledge that the Library is a shared public environment, not just a Bookstore, and that Library visitors come to the shared public environment to access shared Library services and resources, and that Library visitors hold many diverse viewpoints and come from many diverse walks of life, and as such, all merchandise, signage, displays, and activities in and related to the Bookstore must be suitable for this broad public audience.

III. Local History Center

The new library will feature a dedicated area for access to and display of books, papers, and other artifacts of local historical interest and/or significance. The Library has reached a tentative agreement with Hayward Area Historical Society (HAHS) to maintain and curate the Local History Center in the new library. HAHS currently curates several other historical properties in Hayward, including the Meek Estate, McConaghy House, and the HAHS Museum for History & Culture. The general terms of the Local History Center tentative agreement are as follows:

- HAHS will curate collections and displays of local history items in a designated area (Local History Center) of the new downtown library.
- The Local History Center is located on the third floor of the new library and is approximately 500 square feet in size.
- HAHS shall loan historical items from its collections to Library for public display in the Local History Center, and shall update the Local History Center collections and displays with new items at least twice per year, or more often if desired.
- Library shall compensate HAHS a total of \$12,000 per year. HAHS shall be responsible for all costs associated with Local History Center collections and displays, including but not limited to insurance of materials on loan and display.
- HAHS will handle all aspects of collecting, maintaining and curating the Local History Center and related activities, including the costs thereof. Library shall bear no responsibility for preparation, setup, cleanup, or maintenance of Local History Center items and related activities; nor shall Library bear any of the related costs. However, Library will provide a library staff member at the Reference Desk adjacent to the Local History Center at all hours the library is open; the library staff member's duties will include monitoring activity in the Local History Center and providing general assistance to visitors.
- All displays and related activities within and associated with the Local History Center must comply with all Library policies. Library reserves the right to reject and/or remove any display that is deemed contrary to Library policies, at Library's sole discretion.
- HAHS acknowledges that the Library is a shared public environment, not just a Local History Center, and that Library visitors come to the shared public environment to access shared Library services and resources, and that Library visitors hold many diverse viewpoints and come from many diverse walks of life, and as such, displays in the Local History Center will be curated with the understanding that all artwork displayed must be suitable for this broad public audience.

IV. Pocket Café

The new library will feature a brick-and-mortar Pocket Café serving coffee, beverages, and packaged foods. The Library in December and January conducted an open Request for Qualifications (RFQ) process to identify a local vendor to operate the Pocket Café. After the completion of the RFQ process, the Library identified, entered negotiations with, and reached a tentative agreement with local vendor Hippie's Brew to operate the Pocket Café in the new library. Hippie's Brew currently operates a successful coffee bar in Hayward at 21988 Foothill Way. The

general terms of the Pocket Café tentative agreement with Hippie's Brew (the Operator) are as follows:

- Operator will operate a Pocket Café in the new downtown library.
- The Pocket Café is located on the first floor of the new library, with its own controlled entrance, and is approximately 400 square feet in size.
- Operator shall set the Pocket Café hours of operation, at least 40 of hours per week of which shall coincide with the Library's hours of operation.
- Operator shall be responsible for all aspects of its retail operation, including the costs of staffing, inventory, janitorial, daily maintenance, and related operational expenses.
- Operator shall provide for its own general liability insurance, health department compliance and fees, and all other legal and regulatory aspects of the Pocket Café operations.
- Operator shall pay rent to Library for use of the Pocket Café space in the amount of \$1 per square foot per month.
- Library shall procure and install casework, furnishings, and commercial equipment in the Pocket Café at Library's expense, in a total outlay not to exceed \$50,000. Operator shall leaseback the commercial equipment from Library over a period of three years by remitting monthly lease payments. Each monthly lease payment shall be equal to 1/36th of Library's total cost to procure and install the commercial equipment, less 25% for depreciation. Operator shall bear responsibility for all equipment maintenance and repair costs during the leaseback period. Upon full payment by Operator of the agreed upon leaseback amount in full, Library shall transfer ownership of the commercial equipment to Operator.
- All retail activities, special events, promotions, signage, and related activities within and associated with the Pocket Café must comply with all Library policies. Library reserves the right to reject and/or remove any display or activity that is deemed contrary to Library policies, at Library's sole discretion, and further reserves the right to terminate the lease agreement for cause should Operator fail to timely and fully correct a policy violation.
- Operator acknowledges that the Library is a shared public environment, not just a Pocket Café, and that Library visitors come to the shared public environment to access shared Library services and resources, and that Library visitors hold many diverse viewpoints and come from many diverse walks of life, and as such, all merchandise, signage, events, displays, and activities in and related to the Pocket Café must be suitable for this broad public audience.