



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

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DATE: October 27, 2015

TO: Mayor and City Council

FROM: Director of Library and Community Services

SUBJECT: Approval of a Memorandum of Understanding with the County of Alameda and Hayward Area Recreation and Park District for the Purposes of Collaborating on the South Hayward Youth and Family Center Project

RECOMMENDATION

That Council approves the attached Memorandum of Understanding (MOU) and authorizes the City Manager to execute the MOU and implement the plans and partnerships described therein.

SUMMARY

Council met in work session on July 7, 2015 to discuss recent developments and provide direction to staff regarding the City-owned property at 680 West Tennyson Road, including the extraordinary efforts led by Alameda County Supervisor Richard Valle to replace the deteriorating Eden Youth and Family Center facility with a newly constructed South Hayward Youth and Family Center facility. At Council's direction and under the leadership of Mayor Halliday, staff has worked with the three primary stakeholder agencies - the City of Hayward, the County of Alameda (County), and the Hayward Area Recreation and Park District (HARD) - to draft a formal agreement (MOU) for the purposes of collaborating on the project's development.

BACKGROUND

On July 7, 2015, Council engaged in a detailed discussion of the South Hayward Youth and Family center project in a public work session. Links to the staff report, supporting documents and video of the proceedings are provided here:

- Staff report:
<https://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL->
- Presentation:
<https://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL->

- Video:
<https://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL->

DISCUSSION

Memorandum of Understanding

As reported at the [Council work session on July 7, 2015 <https://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2015/CCA15PDF/cca070715full.pdf>](https://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2015/CCA15PDF/cca070715full.pdf), one of the requirements for the potential Kaiser donation of \$5 million is the formalization of a governance structure for the project and for the new South Hayward Youth and Family Center. This is especially important because there are three public agencies with key stakes in the project and site: the City as the property owner and primary jurisdictional authority over the site and owner of the MJCC facility; HARD as the partial owner and operator of Tennyson Park and the operator of the MJCC facility; and the County as the primary capital fundraising agency and operator of multiple youth centers elsewhere in Alameda County.

At the July 7 work session, Council directed that the City participate in a joint governance structure for this project and develop an MOU with the partner agencies per the staff recommendation. In response to Council's direction, staff, led by the Mayor and City Manager, formed a working team with counterparts from the County and HARD to develop a joint governance structure (project development, management, and construction) and MOU for Council for review and approval.

The final draft MOU (Attachment II) was thoroughly vetted and discussed by the working team over the course of several meetings and revisions. The key participants in the working team were:

City of Hayward

- Mayor Barbara Halliday
- Fran David, City Manager
- Sean Reinhart, Director of Library & Community Services
- David Korth, Neighborhood Services Manager

County of Alameda

- Supervisor Richard Valle
- Ginny DeMartini, District Director for Supv. Valle
- Cindy Burnett, Director of Development, Health and Human Services Agency
- Tracey Schear, Director of Center for Healthy Schools and Communities

Hayward Area Recreation and Park District

- Paul Hodges, President, Board of Directors
- John Gouveia, General Manager

The HARD Board of Directors approved the final draft MOU during its regular meeting of October 12, 2015. The County Board of Supervisors is tentatively scheduled to approve the final draft MOU at its meeting of November 2, 2015. The final draft MOU for Council approval is included with this report as Attachment II.

Public Statement of Purpose

In addition to the final draft MOU, the working group also developed a one-page summary Public Statement of Purpose (Attachment I) as a way to more succinctly state the intent and commitment of the three agencies to collaborate.

The Public Statement of Purpose is an informal and non-binding document; however, it is potentially useful for the purposes of sharing the news of the joint commitment to a broader audience including the general public, the news media, and prospective partners and donors like Kaiser. The Public Statement of Purpose was signed by Mayor Halliday, Supervisor Valle, and HARD Board President Hodges on October 15, 2015, and is included with this report as Attachment I.

FISCAL IMPACT

As reported at the [Council work session on July 7, 2015 <https://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2015/CCA15PDF/cca070715full.pdf>](https://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2015/CCA15PDF/cca070715full.pdf), the potential fiscal impact of this project to the City is not yet clearly known. The City of Hayward has no currently available funding for construction or operations of a new multiservice center. The properties owned by the City have considerable value due to their size and their prime locations in the heart of the Tennyson Corridor and proximity to services including Tennyson Park. One possible way for the City to substantially participate in the overall project would be to retain ownership of the property but allow the land to be used for new center construction.

Ongoing annual operating costs for a new center are estimated to range anywhere from \$3 million to \$8 million or more, depending on numerous factors including the types of services offered, the operational model put into place, and whether or not revenue generation is part of the model. At this time, no sustainable source of operating funding has been identified.

A very preliminary rough estimate of the cost to construct a new multiservice center is said to be \$26 million; however, that estimate is not based on a site-specific design or on a program delivery model. Primarily through Supervisor's Valle's extraordinary efforts, approximately \$16.8 million in capital funding has been identified to date, much of it in the form of pledges that are contingent upon meeting various requirements. Whether it would be possible to complete the project for \$16.8 million (as opposed to \$26 million) is not known. Completion of a site-specific design and cost estimate would help shed light on this critically important question.

Staff is investigating cost and time-effective options for engaging an architectural firm to complete the essential conceptual design work - including a site analysis, programmatic study, and preliminary cost estimations - in as expeditious and cost-effective manner as possible, and will bring back options for Council review and approval at a later date to be determined.

NEXT STEPS

City staff, in coordination with the Mayor, have held numerous meetings with and will continue to work closely with representatives from the County and HARD to further develop the many technical details, challenges, and opportunities presented by this project, with the guidance and direction of Council through reports and regular “checkpoint” meetings as needed and appropriate throughout the process going forward.

Should Council approve the final draft MOU (Attachment II), the working group will convene an Advisory Group to gather input from a broader array of stakeholders; and will begin to develop a plan for the second phase of the project including programming and operations as outlined in the MOU.

At this time, staff recommends that the Council approve the final draft MOU (Attachment II) and authorize the City Manager to take all necessary steps for its implementation.

Prepared and Recommended by: Sean Reinhart, Director of Library and Community Services

Approved by:



Fran David, City Manager

Attachments:

Attachment I - Public Statement of Purpose
Attachment II - Memorandum of Understanding