



## HAYWARD AREA RECREATION & PARK DISTRICT

**Meeting Date: July 15, 2019**

**Agenda Item: 6.2**

**Created By: M. Tiernan**

Approval of a new CIP and PSA for the Mission & Mattox Property [RESOLUTION NO. R-1819-60]

### **Executive Summary:**

The Board of Directors will consider approval of a new Capital Improvement Project and a Purchase and Sales Agreement with MLC Holdings, Inc. to acquire an approximate 2.54-acre parcel at the northeast corner of 20478 Mission Boulevard in the Ashland area of unincorporated Alameda County.

### **Financial Impact:**

The negotiated purchase price is \$3,995,000. The Mission and Mattox Acquisition project needs funding to pay for the purchase price, due diligence, closing costs, eventual demolition and site fencing. Funding will need to be allocated from other projects to approve the Purchase and Sales Agreement. Following is a summary of the estimated acquisition costs and proposed funding sources:

### **COST OF ACQUISITION**

|                                            |                    |
|--------------------------------------------|--------------------|
| Sales Price                                | \$3,995,000        |
| Title Company and Closing Fees             | \$ 15,000          |
| Buyer's Broker Commission (3%)             | \$ 119,850         |
| Due Diligence                              | \$ 25,000          |
| Demolition of Structures and Site Security | \$ 440,000         |
| Legal Counsel                              | \$ 8,000           |
| <b>ESTIMATED ACQUISITION COSTS</b>         | <b>\$4,602,850</b> |
| Plus Contingency                           | \$ 37,150          |
| <b>TOTAL COST OF ACQUISITION</b>           | <b>\$4,640,000</b> |

### **PROPOSED FUNDING SOURCES**

|                                      |                    |
|--------------------------------------|--------------------|
| Eden Greenways                       | \$2,200,000        |
| Ashland Sports Complex               | \$ 440,000         |
| San Lorenzo Community Park - Phase 2 | \$2,000,000        |
| <b>TOTAL PROPOSED FUNDING</b>        | <b>\$4,640,000</b> |

After completing the acquisition project for \$4.64 million, the Board will need to allocate more capital funding to prepare plans and specifications, and then construct the preferred amenities. This project due to its location would be competitive for a variety of grant funding opportunities to leverage the Measure F1 bond proceeds.

The District will incur nominal maintenance costs to hold the property. After park and recreation amenities have been constructed on the site, the District will need to allocate additional funding operate and maintain the site. Staff will determine those costs after the program has been determined for the site.

### **Staff Recommendation:**

1. Adopt the Resolution authorizing the General Manager to execute the Purchase and Sale Agreement; and make minor non substantive changes if needed
2. Direct staff to create a new CIP for the Mission and Mattox Acquisition project;
3. Direct staff to allocate \$4.64 million from the CIP projects identified in the Financial Impact Statement above to the new Mission and Mattox Acquisition project; and
4. Authorize the General Manager to execute the necessary professional services agreements not to exceed \$25,000 to complete the acquisition project (the award of the demolition project would be brought to the Board for separate approval).

### **Description of Item:**

The Hayward Area Recreation and Park District (HARD) has prepared a new Parks and Recreation Master Plan that has identified a park-acreage deficiency. As part of that study, geographical information systems (GIS) mapping technology has been used to help determine area that have the greatest need for additional parkland. The Ashland area has a noted parkland deficiency.

MLC Holdings, Inc. is selling a 2.54-acre property located at 20478 Mission Blvd. at Mattox Road in the Ashland area in unincorporated Alameda County (APN 414-0046-058-02). HARD staff has negotiated the terms of a Purchase and Sales Agreement (PSA) with MLC.

Madison County Park Authority (MCPA) and HARD staff has negotiated the terms of a purchase and sales agreement (PSA) with MLC Holdings, Inc., which is Exhibit A to the attached Resolution.

Purchase and Sales Agreement Terms

The following is a summary of the key terms of the PSA.

*Price*

The purchase price is \$3,995,000 of which \$100,000 would be deposited in escrow within three business days of executing the Agreement.

*Due Diligence*

The Agreement allows HARD to have 60 days prior to close of escrow to conduct due diligence and study the feasibility of using the site for recreational purposes. This would include all appropriate environmental, engineering and safety inspections to determine what hazards or issues may be present. Staff would work with County officials regarding HARD's proposed development of the property to ensure the proposed park would conform to the General Plan and Zoning.

If during the 60-day feasibility period HARD becomes aware of any environmental conditions that require further review an additional thirty (30) days environmental extension will be granted to HARD at no additional cost. At the end of the feasibility period and environmental extension, HARD would have the option to terminate the Agreement if significant environmental issues or liabilities were discovered on the property. HARD would receive back the \$100,000 deposit, less any escrow costs incurred to date.

Funding Sources and Impact on Existing Bond Projects

If approved, Staff recommends modifying the Capital Improvement Program (CIP) by creating a new Mission and Mattox Acquisition project with a budget of \$4.64 million. The following is a summary of proposed funding sources:

**PROPOSED FUNDING SOURCES**

|                                                      |                    |
|------------------------------------------------------|--------------------|
| Eden Greenways (2-034B)                              | \$2,200,000        |
| Ashland Sports Complex Acquisition (6-162B)          | \$ 440,000         |
| <u>San Lorenzo Community Park - Phase 2 (6-138E)</u> | <u>\$2,000,000</u> |
| <b>TOTAL PROPOSED FUNDING</b>                        | <b>\$4,640,000</b> |

*Eden Greenways*

There is \$2,772,000 in the CIP for the Eden Greenways project (CIP No.2-034B). Staff recommends reallocating \$2.2 million to the Mission and Mattox Acquisition project. Funding in the amount of \$572,000 would remain with the Eden Greenway project to cover the cost of master planning and/or preliminary improvements to the Greenway.

*San Lorenzo Community Park - Phase 2*

There is \$3,600,000 in the CIP for the San Lorenzo Community Park - Phase 2 project (CIP No. 6-138E). Staff recommends reallocating \$2.0 million to the Mission and Mattox Acquisition project. Funding in the amount of \$1,600,000 would remain with the San Lorenzo project to cover the cost of development of the construction documents. Funding for construction would be provided by future Measure F1 Bond proceeds.

*Ashland Sports Complex Acquisition*

There is \$3,750,00 in the CIP for acquisition of parkland in the Ashland area. Approximately \$3 million is needed for the purchase of 3 parcels on Mateo Street in Ashland leaving a balance of \$750,000. A portion of this surplus in the amount of \$440,000 could be used towards the Mission and Mattox acquisition project.

Summary

HARD has been studying priority areas for expanding the park system. The Ashland area has a noted parkland deficiency in addition to several other areas of the District. Therefore, staff recommends acquiring the site to develop a new park.

A copy of this staff report has been sent to:

- HARD Bond Oversight Committee
- HARD Citizens Advisory Committee
- HARD Foundation Executive Board members

**ATTACHMENTS:**

| Description                                                                              | Upload Date | Type              |
|------------------------------------------------------------------------------------------|-------------|-------------------|
| RESOLUTION NO. R-1819-60 Approval of a new CIP and PSA for the Mission & Mattox Property | 6/5/2019    | Resolution Letter |
| Mission and Mattox Sale PSA Execution                                                    | 7/12/2019   | Cover Memo        |