



PARKS AND RECREATION DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: March 2, 2021

Subject

Rancho Rinconada Recreation and Park District City Work Program Item Update and Next Steps.

Recommended Action

Receive an update on the Rancho Rinconada Recreation and Park District City Work Program item and provide guidance for next steps.

Background

On February 18, 2020 City Council received the Public Review Draft Report of LAFCO's Special Study regarding the Rancho Rinconada Recreation and Park District (RRRPD). This Report was initiated by LAFCO due to governance issues with the RRRPD. Council unanimously carried the motion to accept LAFCO's recommendations for Options 1 and 2 (Option 1 would maintain RRRPD's current governance structure as an independent special district and Option 2 would initiate an acquisition, referred in the LAFCO special study as "merger", of RRRPD with the City of Cupertino). Additionally, Council directed staff to survey the 1,400 Special District households, to engage the community in a discussion of the two options, and to forward the item to the Parks and Recreation Commission for their review and recommendation. Furthermore, Council added the RRRPD Evaluation to the City's FY 2019-2020 Work Program.

Following Council direction, staff provided a survey to RRRPD residents, available between March 7 and March 23, and received a 3.9% response rate (50 households). Of this group, 65% preferred Option 2. In addition, staff collected data from RRRPD's General Manager, which was presented at the October 1, 2020 Parks and Recreation Commission meeting. The Commission unanimously carried the motion to recommend Option 2 to City Council (Attachment A). The recommendation was based on data collected from the LAFCO Special Study (Attachment B), Rancho Rinconada resident survey results (Attachment C), and user data provided by RRRPD management (Attachment D).

City staff gathered additional information from LAFCO Executive Director Neelima Palacherla on October 27, 2020 regarding next steps on potential acquisition of

RRRPD by the City. LAFCO provided application requirements, including a plan for services, resolution and proposed terms, protest thresholds that could trigger a special election, and LAFCO fee schedule. Parks and Recreation staff have maintained a Rancho Rinconada Timeline and Overview (Attachment E) which includes a timeline of actions related to the item, an overview of the LAFCO reorganization process, estimated expenses associated with acquisition, and infrastructure considerations.

It is important to note that the Parks and Recreation System Master Plan included community input expressing a desire for a year-round facility designed for recreational and instructional swimming, aquatic exercise, lap swimming, and pool events; and that it would ideally be located in central or east Cupertino. Through the implementation of the Master Plan, staff will be considering potential site locations for an aquatic facility as outlined in the Master Plan. Council may want to keep this broad future context in mind when evaluating the feasibility of acquisition of RRRPD or other facilities.

RRRPD Board

The LAFCO Special Study Report noted that the RRRPD Board was experiencing lack of quorum and resultant board disfunction. As of December 2020, RRRPD has a fully seated board with four new members. In September 2020 the RRRPD Board selected a consultant and executed a contract with an estimated cost of \$24,000 to complete a strategic visioning process for the District. The estimated six-month process includes extensive community outreach and will address the two LAFCO options. The outgoing RRRPD Board discussed the City's Parks and Recreation Commission's recommendation to initiate an acquisition of RRRPD by the City and directed RRRPD staff to draft a letter to the City in opposition. However, the newly seated Board met on February 11 and approved the use of \$27,000 for an outreach action plan to help educate the special district residents on the potential acquisition by the City. Their outreach strategy is composed of three phases and will begin the first week of March. The three phases include building awareness with a neutral message, consideration and engagement, and a call to action if necessary. The Board plans to take a formal position on the acquisition at an upcoming Board meeting.

Discussion

Primary factors which Council may wish to take into consideration include limitations of the RRRPD facility, acquisition costs, comparison of RRRPD with other aquatic facility opportunities, and potential support of the RRRPD Board, as described in more detail below.

RRRPD Facility Status

Following a preliminary assessment of the RRRPD facility, it was determined that RRRPD's small size, inefficient and restricted layout, and limited parking capacity could potentially limit program offerings, participation numbers, and profitability. Significant infrastructure improvements would be required to address ADA accessibility requirements, code deficiencies and other issues. RRRPD's facilities

are currently available to all Cupertino residents, and transitioning operation of the facility to the City would not translate to additional aquatic opportunities for residents.

Costs

Costs for a potential acquisition are significant. If required, a special election could cost up to \$100,000 to \$200,000. If there is adequate opposition to LAFCO's approval of the acquisition, it could trigger that a special election be required and would not guarantee a successful transfer of the facility. Other expenses include: \$12,000 application fee to LAFCO, \$3,500 professional aquatic facility assessment, subsequent facility/infrastructure improvements estimated to be a minimum of \$350,000 and City staff time.

Access to Aquatic Facilities

If a successful acquisition of RRRPD were to be achieved, it would not result in additional aquatic facility access for Cupertino residents since RRRPD is already available to all Cupertino residents. Consistent with the desire of Cupertino residents for an additional aquatic facility, it might be advisable for Council to allow staff time to engage in the long-term planning for aquatic facilities in the City. This information could be used to evaluate the potential benefits of acquiring RRRPD in comparison with other opportunities.

Potential RRRPD Support

Council may wish to consider delaying a decision on acquisition until the new RRRPD Board concludes their Strategic Visioning Process and can re-evaluate their recommendation related to potential City acquisition of the District. Ideally, if the City decides to proceed with acquisition it would be best to do so with the support of the RRRPD Board.

Options for Council Consideration

1. Proceed with the acquisition process
2. Decide not to proceed with the acquisition process
3. Delay consideration of the acquisition
 - a. Allow for engagement in long-term planning for aquatic facilities in the City
 - b. Until RRRPD completes their strategic visioning and outreach and makes a recommendation

It is recommended that Council select Option 2 since the acquisition process is a lengthy, costly process with an uncertain outcome.

Sustainability Impact

No sustainability impact.

Fiscal Impact

A decision to pursue acquisition of RRRPD would include various costs including: \$12,000 LAFCO application fee, \$3,500 professional facility assessment, a special election could cost up to \$100,000 to \$200,000, estimated minimum of \$350,000 for facility upgrades to address ADA and code compliance, locker room upgrades, safety and security systems, and upgrades to the community room . Cost for staff time has not been estimated.

Prepared by: Molly James, Recreation Coordinator

Reviewed by: Joanne Magrini, Director, Parks and Recreation

Approved for Submission by: Dianne Thompson, Assistant City Manager

Attachments:

A – October 1, 2020 Parks and Recreation Commission Regular Meeting Minutes

B – LAFCO Special Study

C – Rancho Rinconada Resident Survey Results

D – RRRPD User Data

E – Rancho Rinconada Timeline and Overview