

AGENDA REPORT

TO: JOHN A. FLORES
INTERIM CITY ADMINISTRATOR

FROM: Audree V. Jones-Taylor

SUBJECT: Metropolitan Horsemen's Association Agreement

DATE: March 10, 2015

City Administrator
Approval



Date

4/14/15

COUNCIL DISTRICT: #4

RECOMMENDATION

Staff recommends the City Council adopt:

An Ordinance Authorizing The City Administrator To Execute A License Agreement With The Metropolitan Horsemen's Association To Manage Sequoia Arena And Clubhouse And Provide Equestrian And Related Activities For A Five-Year Term With Two Five-Year Options To Renew Without Returning to Council.

OUTCOME

City Council approval will authorize Metropolitan Horsemen's Association to continue the use and management of the Property for equestrian recreation and related activities and allow exposure and opportunities for Oakland residents to gain interest and knowledge of horses and horseback riding. Metropolitan Horsemen's Association's continued presence at the Property will preserve the equestrian facilities and trail conservation and access in Joaquin Miller Park.

EXECUTIVE SUMMARY

Passage of this ordinance will authorize the City Administrator or his designee to execute an agreement with Metropolitan Horsemen's Association (MHA), a non-profit corporation, for the purpose of managing the operations of Sequoia Arena and Clubhouse ("Property") and promoting equestrian recreation and related activities, to include horse shows, trail rides, club meetings, and horsemanship clinics and programming. Requested use of the property for MHA activities is year round, January through December, 8:00 a.m. to 10:00 p.m. The time period of the agreement will be for a five-year term with two five-year options to renew.

BACKGROUND/LEGISLATIVE HISTORY

In 1938, Cornelia Van Ness Cress founded MHA and established it as an equestrian organization. Members of the MHA work to promote equestrian sport and to unite Oakland and the East Bay Area horse owners with a purpose to nurture a united approach to civic involvement and develop equestrian horsemanship.

In 1948 the Sequoia Arena was funded and built by MHA members. Upon the arena's completion in 1949, MHA held the first equestrian show at the site. The Sequoia Arena, located at 10013 Skyline Boulevard, is a large fenced open space area located within Joaquin Miller Park. The Clubhouse, located at 10060 Skyline Boulevard is a small rustic building located across the street from the Arena.

In the 1950s, Mr. Gus Himmelman, an Oakland resident, donated a building to the Oakland firemen who relocated it to Skyline Boulevard. The building served as a fire house for a short time and then turned over to MHA for use as a clubhouse. Since that time, MHA has been responsible for the maintenance and upkeep of the Property as well as providing equestrian recreation and shows to the public.

The City entered into its latest agreement with MHA in 1985 for a 10-year term with one 10-year option to renew. Since the time of its expiration, MHA has been operating under the terms and provisions of the prior contract during the interim period. Oakland Parks and Recreation (OPR) acknowledges its staffing challenges and management turn-over of the past 10 years have delayed its contract management process. OPR is aware of the need to bring its contract management into compliance and has created a tracking method to identify and track contracts with community partners for all OPR facilities.

The prior agreement granted MHA exclusive year-round use of the Property and authorized MHA sole discretion of days and hours of use. The proposed agreement will grant MHA authorization of the arena and Clubhouse year-round use from 8:00 a.m. to 10:00 p.m. that will include a six-day benefit trail ride with two overnight campouts at the arena around Labor Day weekend. The arena is available for use by the public outside of any scheduled MHA events and reserved activities.

ANALYSIS

Since its founding in 1938, MHA membership has organized and promoted horsemanship at no charge to the public. MHA has been stewards of the Property providing the following upkeep throughout the year:

- Secure the arena and surrounding public park areas.
- Mow the Arena and grass parking area.
- Pick up trash and debris.
- Coordinate multiple volunteer work days for Arena clean up, event preparation, and minor repairs.
- Maintenance and custodial work of the Clubhouse building.

The continued operational use of the Property will provide the opportunity for the Oakland community to be exposed to an historic equestrian facility and preserve the area for the horse loving community. Since the Property is located within a park, the public has access to the grounds and the arena at all times except when MHA has events and are utilizing the arena. MHA does not charge a fee for spectators attending shows and the public is always welcome and encouraged to attend the free events.

MHA averages six to eight shows per year including Hunter/Jumper, Dressage, and Western shows. There are approximately 25 to 40 participants per show that pay a nominal entry fee. Novice and youth divisions are offered with many of the riders competing on borrowed horses that are privately owned. Horse shows provide free admission to the viewing public. The arena has no stables or corrals and MHA does not own any horses. The MHA's show equipment is kept in locked containers that are onsite at the arena.

Based on MHA's ongoing operating costs, improvements to the Property, OPR program enhancements and other community benefits as detailed under Past Performance, Evaluation and Follow-Up, staff has determined that rent plus the value of the in-kind services provided to the residents of Oakland exceeds the value of the fair market rent. Staff believes it is in the best interest of the City to continue the mutually beneficial relationship with the Metropolitan Horsemen's Association.

PUBLIC OUTREACH/INTEREST

This item did not require any additional public outreach other than the required posting on the City's website.

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COORDINATION

OPR coordinated with the following departments and divisions while developing this report and management agreement:

- Office of the City Attorney
- Contract and Compliance Division
- Oakland Public Works
- Controller's Bureau
- Real Estate Services Division

COST SUMMARY/IMPLICATIONS

MHA currently pays \$157.50 for the Property per month in rent. The payments are deposited into Oakland Parks and Recreation Department's Self-Sustaining Fund (1820), Office of the Director Organization (501110), Miscellaneous Concessions Account (44519), and Central Administration Program (NB01), and are used to balance OPR's expenditures within the Central Reservations and Contract Unit. Execution of this agreement will increase the monthly rent to \$200.00 per month. The estimated Fair Market Value provided by the Real Estate Services Division was \$275.33 per month. Per the proposed agreement, the rent for each successive year will increase by a percentage equal to the percentage change based in the Consumer Price Index.

MHA provides the upkeep and maintenance of the Property at its expense as further detailed in this report. MHA co-manage an annual benefit event with Tilden Wildcat Horsemen's Association collecting an average of \$18,000 per year that is divided between MHA, Tilden Wildcat Horsemen's Association, Bay Ridge Trail, and several Frail building and repair organizations. MHA's share of the revenue have ranged between \$1500 and \$2000. The proceeds help support repairs and maintenance to the Property. The Oakland Public Works Department (OPW) provides minimal maintenance services of hazardous tree removal and as needed debris pickup. OPW services as well as electricity and water are funded through the Internal Service Fund.

The City shall maintain responsibility for any Major Repairs over \$50,000 that will be included in the Capital Improvement Project process for funding consideration and prioritization. The City shall also be responsible for any Emergency Repairs defined as plumbing, main sewer line breakage, underground water lines, and underground electrical system repairs, or incidents that are hazardous to the safety and welfare of the patrons and the public or the condition of the facility.

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PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

The Metropolitan Horsemen's Association was organized to preserve civic involvement and equestrian sport among the horse-loving community. MHA has been an established equestrian organization for over 70 years and for 65 years has run horse shows at the arena, where the public is welcome and admission is free.

Community benefits

- MHA partners with OPR's Rotary Nature Center 'Touch the Earth' Summer Program and provide horse demonstrations during 'Birds and Mammals' program week for youth that might not be exposed to the horse community otherwise.
- MHA partners with local community organizations with similar interests, such as Redwood Hills Pony Club and No Name Ranch for participation in horsemanship trainings and demonstrations.
- MHA provide instructors at low or no charge for horse clinics and demonstrations.
- MHA offers community service hours for up to 10 Oakland high school students every year.
- MHA offers the following equestrian shows and events that are free to the public:
 1. Hunter/Jumper Shows – Competition classes are offered for horsemanship on the flat and over fences. Jumper classes are judged on performance of the horse clearing the jumps and the riders' ability and form. Hunter/Jumper shows are held in May and September.
 2. Dressage Shows – Each horse/rider combination performs a pattern ride in a defined area called a court. Competition classes are offered at various levels of training for both English and Western styles of riding. Dressage Shows are held in May, July and October.
 3. Western Shows – Variety of age groups and skill levels are offered for Western riders. Western show dates vary. The shows may be held in May, July or August.
 4. MHA jointly manages a 6-day Trail Ride and Hike Benefit with Tilden Wildcat Horsemen's Association around Labor Day Weekend. Participants spend two of the nights at Sequoia Arena. OPR's Supervising Naturalist makes a presentation on Joaquin Miller Park during one of the evening days. MHA secures all applicable reservations and permits through OPR for any and all overnight activities.

MHA has been and continues to provide the following maintenance:

- Year-round – Maintain the arena that is open to the public that includes the repair of fences, litter control, and debris removal.
- Pre-season – Prior to the first event in May, MHA provides equipment and volunteers for a Spring Clean Up that includes dragging the arena, as well as mowing and weed whacking the grass parking area and grass around the arena. This maintenance project requires two people for approximately eight hours.
- Pre-season – Remove pine needles from arena with rakes and leaf blowers. This task requires four volunteers at least four hours.
- During the season May through October and before each show – Mow the grass, drag the arena, and clear exterior grounds of debris and trash. MHA volunteers also pull weeds and cut overhanging branches. MHA use approximately 20 to 30 volunteers that assist two or more hours throughout the season.
- Graffiti removal – As needed.
- Restroom facilities – Provide and pay the cost of a portable toilet at the arena during summer months.

Significant repairs and projects completed and funded by MHA:

- 2012 - A tree fell on the announcer's booth in the arena. MHA volunteers repaired the damaged announcer's booth and three sections of fence and posts.
- 2011 - MHA replaced rotted arena fence posts and broken boards.
- 2008 - The Clubhouse was in need of repairs. MHA utilized Rebuilding Together Oakland (RTO) to provide services to MHA that included materials and volunteer labor. The materials and value of the volunteer labor added up to approximately \$60,000.
- 1980s - A tree fell damaging the garage and a corner of the clubhouse. The garage was replaced with storage containers at the arena and the clubhouse was repaired.
- 1980s - Repairs to fence damage at the then two ring arena resulted in consolidation of the horse warm up and show areas to create one large arena.

Funding for maintenance improvements and minor repairs has been provided solely by MHA and volunteers through donations and annual trail ride fundraisers.

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SUSTAINABLE OPPORTUNITIES

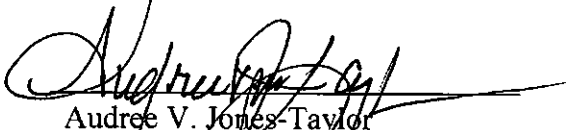
Economic: Approval of this resolution does not offer economic opportunities.

Environmental: City hazardous material policies will be adhered to by MHA at the arena and clubhouse during maintenance work and cleanup of Property.

Social Equity: MHA is a valuable organization with dedicated members that enhance equestrian recreation and sports activities and provides a social venue for the community to come together. MHA's long term existence is an indicator that the community-based organization is socially sustainable.

For questions regarding this report, please contact Gail McMillon, Office Manager at (510) 238-3186.

Respectfully submitted,



Audree V. Jones-Taylor
Director, Oakland Parks and Recreation

Prepared by:
Gail McMillon, Office Manager
Oakland Parks and Recreation

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

Macanlay
City Attorney

2015 APR 16 ~~ORDINANCE~~ **ORDINANCE** No. _____ **C.M.S.**

ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A LICENSE AGREEMENT WITH METROPOLITAN HORSEMEN'S ASSOCIATION TO MANAGE SEQUOIA ARENA AND CLUBHOUSE AND PROVIDE EQUESTRIAN AND RELATED ACTIVITIES FOR A FIVE-YEAR TERM WITH TWO FIVE-YEAR OPTIONS TO RENEW

WHEREAS, Metropolitan Horsemen's Association ("MHA") is a public non-profit organization founded in 1938 and dedicated to providing equestrian recreation and related activities; and

WHEREAS, MHA provides a valuable community program that teaches volunteerism, camaraderie and responsibility while keeping the legacy of equestrian activities alive and well in Oakland and the East Bay Area for Oakland youth and the community at large; and

WHEREAS, the current agreement between MHA and the City has expired and a proposed five year agreement with two five-year options to renew without returning to Council has been prepared; and

WHEREAS, MHA shall use Sequoia Arena and the Clubhouse building year round; and

WHEREAS, MHA will be responsible for organization, management and maintenance at the Sequoia Horse Arena and Clubhouse building; and

WHEREAS, the proposed agreement provides that MHA agrees to pay the City two hundred dollars (\$200.00) per month for the first year, and the rental rate for each successive year will increase by a percentage equal to the percentage change in the Consumer Price Index; and

WHEREAS, MHA shall not make any improvements or adjustments at the property without written approval by the City Administrator or designee; and

WHEREAS, the agreement shall include a requirement for MHA to submit an annual calendar showing the availability of Sequoia Arena; and

WHEREAS, MHA shall comply with the City's Special Event Access for People with Disabilities as stated in the Declaration of ADA Compliance for Facility Use Agreements and Other Special Events Agreements; and

WHEREAS, the City Administrator has determined that the value of the in-kind services provided by MHA results in a net benefit to the City that is equal to or exceeds 75% of the fair market rent for the Sequoia Arena and Clubhouse; and

WHEREAS, Oakland Parks & Recreation shall be responsible for scheduling the use of the Sequoia Arena by other groups;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The Oakland City Council authorizes the City Administrator to execute a license agreement with Metropolitan Horsemen's Association to manage the Sequoia Arena and Clubhouse and provide equestrian and related activities for a five-year term with two five-year options to renew without returning to Council.

SECTION 2. That pursuant to Oakland Municipal Code 2.42.110 and based on the value of the in-kind services provided by MHA as discussed above and in the City Administrator's report accompanying this Ordinance, the City Council hereby finds that this license agreement is in the best interest of the City.

SECTION 3. The City Council hereby waives any requirement for competitive bidding of this license.

SECTION 4. The proposed license agreement shall be approved as to form and legality by the Office of the City Attorney and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

NOTICE AND DIGEST

ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A LICENSE AGREEMENT WITH METROPOLITAN HORSEMEN'S ASSOCIATION TO MANAGE SEQUOIA ARENA AND CLUBHOUSE AND PROVIDE EQUESTRIAN AND RELATED ACTIVITIES FOR A FIVE-YEAR TERM WITH TWO FIVE-YEAR OPTIONS TO RENEW

This Ordinance would authorize a license agreement with Metropolitan Horsemen's Association to use and manage the Sequoia Arena and Clubhouse and provide Equestrian related activities for a five year term, with two options to renew the license for five years each, in return for in kind services provided by MHA and a license rental rate of \$200 a month for the first year, adjusted each year thereafter by a percentage equal to the percentage change in the consumer price index.