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ITEM # 5

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LAFCO MEETING: February 5, 2020

TO: LAFCO

**FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Asst. Executive Officer**

**SUBJECT: RANCHO RINCONADA RECREATION AND PARK DISTRICT
SPECIAL STUDY – PUBLIC REVIEW DRAFT REPORT**

STAFF RECOMMENDATION

For information only.

PURPOSE OF MEETING

The purpose of this agenda item is for LAFCO to receive a presentation from Berkson Associates, LAFCO’s consultant, on the Public Review Draft Report for the Rancho Rinconada Recreation and Park District Special Study and to receive any public comments on the Draft Report. No final action on the Report will be taken at this meeting. Affected agencies, interested parties, and the public may continue to provide comments on the Draft Report. All comments received by Wednesday, March 11, 2020 will be considered in the preparation of the Final Report which will be available for public review and comment in late March 2020.

DRAFT REPORT

Release of Draft Report for Public Review and Comment

The Public Review Draft Report for the Rancho Rinconada Recreation and Park District Special Study was made available on the LAFCO website (SantaClaraLAFCO.org) on January 30, 2020, and as part of LAFCO packet for the February 5, 2020 meeting. Staff sent a Notice of Availability (**Attachment A**) to all affected agencies and other interested parties announcing the release of the Draft Report (**Attachment B**) for public review and comment.

On January 28, 2020, an administrative draft of the report was provided to the Rancho Rinconada Recreation and Park District (RRRPD) and the City of Cupertino, for their internal review and comment prior to the public release of the Draft Report. The purpose of this step was to ensure that the RRRPD staff and the City staff had an opportunity to review the report and identify any factual inaccuracies or inconsistencies prior to the release of the report for public review and comment.

RRRPD and the City provided their comments, which were considered and addressed in the Public Review Draft Report, as appropriate.

NEXT STEPS

City Council to Refer Draft Report to Parks and Recreation Commission for Consideration and Recommendation

Prior to and throughout the study process, the City of Cupertino staff have been supportive of the study, stating that the study will help the City and the public better understand and evaluate the available governance options for RRRPD. The Cupertino City Council is tentatively scheduled to refer the Public Review Draft Report at its March 3, 2020 meeting to the City Parks and Recreation Commission. Berkson Associates, LAFCO's consultant, will present the Draft Report to the City Parks and Recreation Commission at its March 5, 2020 meeting. At its April 2, 2020 meeting, the City Parks and Recreation Commission will consider this matter further and make a recommendation to the City Council.

Release of Final Report for LAFCO Public Hearing

Based on the comments received by March 11, 2020, LAFCO's consultant will revise the Draft Report as necessary. A Final Report with tracked changes will be available on the LAFCO website in late March, for additional public review and comment. A Notice of Availability will be sent to all affected agencies, LAFCO Commissioners, and other interested parties in order to announce the availability of the Final Report. LAFCO will hold a Public Hearing on April 8, 2020 to consider LAFCO staff recommendation and action on the Report.

City Council Consideration and Potential Action following LAFCO Public Hearing

The Cupertino City Council is tentatively scheduled to consider the City Parks and Recreation Commission's recommendation on this matter at its April 21, 2020 Council meeting and take any appropriate action.

BACKGROUND

The Rancho Rinconada Recreation and Park District (RRRPD) is an independent special district governed by a five-member board. The RRRPD covers a portion of the City of Cupertino and includes two parcels that lie within the City of San Jose, which consist of the Saratoga Creek Trail and associated riparian area. The RRRPD owns and operates a recreation center in the City of Cupertino where it offers swimming pool activities, Summer Swim Camp, after-school activities, facility and barbeque rentals, a snack bar, and a location for community-related activities.

LAFCO's 2013 Service Review for the RRRPD found that the City of Cupertino and the RRRPD both provide recreation services within Cupertino and that this duplication in services creates inherent inefficiencies and fragmented service delivery, and impedes long-term planning for the delivery of recreation services for the residents of Cupertino. The Service Review also found that alternatives in

operation and governance exist for the RRRPD and the City of Cupertino for a more efficient approach to serve the Cupertino community, and recommended that these alternatives be the subject of additional study to determine the level of benefit in terms of services and anticipated costs and savings.

LAFCO has established a zero sphere of influence (SOI) for RRRPD since 1982, indicating that the RRRPD should eventually not exist as an independent special district. LAFCO reaffirmed RRRPD's zero SOI in its 2013 Service Review for the District. Following completion of this Service Review, LAFCO staff facilitated some discussions with the City of Cupertino on the future of the RRRPD. However, these discussions did not go very far at that time.

More recently, LAFCO has received complex questions and complaints from Cupertino residents and former RRRPD Board members concerning the RRRPD. At the February, April, and June 2019 LAFCO meetings, community members informed LAFCO of their concerns about RRRPD's operations and governance and requested that LAFCO address them.

In April 2019, LAFCO directed staff to prepare, for the Commission's consideration at the June 2019 LAFCO meeting, a Draft Request for Proposals (RFP) for a professional services firm to conduct said RRRPD special study.

In June 2019, LAFCO authorized staff to seek a professional service firm to conduct the RRRPD special study to identify the reorganization process and evaluate the potential fiscal impacts (costs/benefit analysis) of the following two alternative governance structure options: (1) potential merger of the RRRPD with the City of Cupertino; and (2) potential establishment of the RRRPD as a subsidiary of the City of Cupertino; as compared to the status quo. LAFCO received a single proposal, from Berkson Associates, in response to the RFP. Executive Officer Palacherla in consultation with Alternate Commissioner Kishimoto reviewed the proposal and confirmed that it met LAFCO's requirements and adequately addressed the scope of services. On July 15, 2019, EO Palacherla executed a service agreement with Berkson Associates, in an amount not to exceed \$15,000, for the preparation of the RRRPD special study.

Following an initial kick-off meeting with LAFCO staff to review background information and scope/timeline for the project, the consultant began working with staff from RRRPD and the City of Cupertino to gather and compile the requisite data and documents. The consultant met with RRRPD staff and toured the RRRPD facility. LAFCO staff assisted the consultant with obtaining information on election costs and property tax rates from the County Registrar of Voters Office and the County Controller's Office, respectively. The consultant then analyzed the data and prepared an administrative draft report with their analysis and findings for LAFCO staff's review and comment. RRRPD staff and City of Cupertino staff were also given an opportunity to internally review the administrative draft report in order to identify and correct any factual inaccuracies or inconsistencies. The consultant then prepared a Public Review Draft Report.

ATTACHMENTS

Attachment A: Notice of Availability of the “Rancho Rinconada Recreation and Park District Special Study – Public Review Draft Report”

Attachment B: Rancho Rinconada Recreation and Park District Special Study – Public Review Draft Report (January 29, 2020)